ASX ANNOUNCEMENT

The GPT Group

20 February 2023

2022 Annual Financial Report – GPT Management Holdings Limited

The GPT Group ('GPT') provides the 2022 Annual Financial Report for GPT Management Holdings Limited.

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This announcement is authorised for release by The GPT Group Board.

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The GPT Group

GPT Management Holdings Limited

ABN: 67 113 510 188

Annual Financial Report
31 December 2022

This financial report covers both GPT Management Holdings Limited (the Company) as an individual entity and the Consolidated Entity consisting of GPT Management Holdings Limited and its controlled entities.

GPT Management Holdings Limited is a company limited by shares, incorporated and domiciled in Australia.

Through GPT's internet site, GPT has ensured that its corporate reporting is timely, complete and available globally at minimum cost to the Company. All press releases, financial reports and other information is available on GPT's website: www.gpt.com.au.

GPT acknowledges the Traditional Custodians of the lands on which our business operates.
We pay our respects to Elders past, present and emerging; and to their knowledge, leadership and connections.
We honour our responsibility for Country, culture and community in the places we create and how we do business.

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DIRECTORS' REPORT

For the year ended 31 December 2022

The Directors of GPT Management Holdings Limited (the Company), present their report together with the financial statements of GPT Management Holdings Limited and its controlled entities (the Consolidated Entity) for the full year ended 31 December 2022. The Consolidated Entity is a for profit entity and is stapled to the General Property Trust (Trust). The GPT Group (GPT or the Group) financial statements include the results of the stapled entity as a whole.

GPT Management Holdings Limited is a company limited by shares, incorporated and domiciled in Australia. The registered office and principal place of business is Level 51, 25 Martin Place, Sydney NSW 2000.

1. OPERATING AND FINANCIAL REVIEW

The Consolidated Entity's results are largely driven by the results of the Trust and the Wholesale Funds managed by the Consolidated Entity given that management and other fees are driven by the asset value and performance of the underlying properties within these entities.

About GPT

GPT is a vertically integrated diversified property group that owns and actively manages a portfolio of high quality Australian retail, office and logistics assets, with assets under management of $32.4 billion. The Group utilises its real estate management platform to enhance returns through property development and funds management.

Listed on the Australian Securities Exchange (ASX) since 1971, today The GPT Group is a constituent of the S&P/ASX 50 Index with a substantial investor base of more than 33,000 securityholders.

GPT's vision is to be the most respected property company in Australia in the eyes of our investors, people, customers and communities. Our purpose is to create value for investors by providing high quality real estate spaces that enable people to excel and our customers and communities to prosper in a sustainable way.

Review of operations and operating result

The Group delivered solid growth in Funds From Operations (FFO) and distributions for the year despite the challenges of COVID restrictions in the early part of the year, and an environment of high inflation and a material increase in interest rates particularly in the second half of the year. All three business segments reported increased Funds From Operations on the prior period. This was partially offset by higher financing costs.

The Retail portfolio performed strongly as the operating environment normalised. Retail sales across the portfolio were generally well above 2019 pre-pandemic levels with the only exception being our CBD located asset at Melbourne Central where customer visitation has not fully recovered but continued to strengthen. High occupancy was retained across the Retail portfolio and leasing spreads continued to improve, with lease structures consisting of fixed base rents and annual fixed increases. The sale of a non-core retail asset, Casuarina Square, owned jointly by GPT and the GPT Wholesale Shopping Centre Fund was completed in March. Mixed-use development schemes are progressing at Rouse Hill Town Centre and Highpoint Shopping Centre.

Our prime grade Office portfolio occupancy reduced on the prior year reflecting the challenging leasing environment with vacancy remaining above long-term averages in each of our core markets. While larger tenants continue to evaluate their space requirements in light of hybrid work arrangements, delaying decisions, smaller tenants were actively seeking to upgrade to high quality assets in prime locations. In Office we continued the rollout of our premium turn-key product, 'DesignSuites by GPT', specifically designed to appeal to smaller tenants. The product continues to be well supported, with 22,500 sqm (on a 100 per cent NLA basis) of DesignSuites leased during the year. The GPT Wholesale Office Fund's development at 51 Flinders Lane is underway and during the year a development site was secured for the Fund in the North Sydney CBD.

Ongoing structural tailwinds in the sector continue to generate strong tenant demand and maintain high occupancy across our Logistics portfolio. During the year we increased our investment in the Logistics sector, completing seven developments, with a further four projects underway and due to complete by the end of 2023. Our Logistics partnership with QuadReal is well progressed, with half of the $2 billion target committed and half of that invested. Logistics currently represents 28 per cent of the Group's diversified property portfolio.

Funds Management growth remains a key focus for the Group and in September, the transition of management to GPT of UniSuper's $2.8 billion portfolio of real estate investment was completed. In December, GPT also commenced management of the Australian Core Retail Trust (ACRT) and property management of Pacific Fair Shopping Centre.

The Group's gearing at 31 December 2022 of 28.5 per cent remains below the mid-point of our stated range of 25 - 35 per cent.

DIRECTORS' REPORT

For the year ended 31 December 2022

The Consolidated Entity's financial performance for the year ended 31 December 2022 is summarised below.

The net profit after tax for the year ended 31 December 2022 is $22,454,000 (2021: $22,503,000)

	31 Dec 22 $'000	31 Dec 21 $'000	Change %
Property management fees	**43,144**	40,072	8%
Development management fees and revenue	**24,492**	18,773	30%
Fund management fees	**108,245**	99,810	8%
Management costs recharged	**34,713**	31,545	10%
Proceeds from sale of inventory	**10,989**	34,864	(68%)
Other income	**2,690**	79	3,305%
Expenses	**(197,711)**	(203,089)	(3%)
Profit from continuing operations before income tax expense	**26,562**	22,054	20%
Income tax (expense)/credit	**(4,108)**	449	N/A
Net profit for the year	**22,454**	22,503	—%

Consolidated Entity result
The net profit after tax is largely in line with 31 December 2021. The current year result has an increase in development management fees along with the reversal of impairment expense, offset partially by lower proceeds from the sale of inventory. The revaluation of intercompany loans has remained stable this year compared to the decrement recognised in the prior year.

Property and Fund Management

Retail
The Consolidated Entity is responsible for property and funds management activities across the retail sector. Property management fees increased to $23,066,000 in 2022 primarily as a result of increased property revenue and new fees associated with the UniSuper mandate. Funds management net income earned to 31 December 2022 increased to $13,700,000 compared to 31 December 2021 as a result of additional fee income from the UniSuper and Australian Core Retail Trust (ACRT) mandates.

Office
The Consolidated Entity is responsible for property and funds management activities across the office sector. Property management fees increased to $16,170,000 in 2022 primarily as a result of higher rent and recoverable expenses. The funds management net income earned from GPT Wholesale Office Fund (GWOF) to 31 December 2022 increased to $41,900,000 as a result of GWOF's growth during the period from 31 December 2021 driven by capex and acquisitions.

Logistics
The Consolidated Entity is responsible for property and funds management activities across the logistics sector. Property management fees increased to $3,908,000 in 2022 as a result of property acquisitions and the conversion of properties from development assets to operating assets.The funds management net income earned from GPT QuadReal Logistics Trust (GQLT) increased to $1,800,000 as a result of the Group's growing partnership with QuadReal.

Development management fees and revenue
Development management fees have increased by 30 per cent to $24,492,000 primarily due to an increase in development activity as a result of a number of new office and logistics projects commencing in 2022, and additional project work completed on retail assets, specifically Rouse Hill and Chirnside.

Management costs recharged
Management costs recharged increased by 10 per cent to $34,713,000 compared to the prior period due to the proportionate increase in costs brought by the increased scale of the business associated with the new mandates. This has resulted in an increase in costs recharged to a larger number of assets under management.

Proceeds from sale of inventory
Proceeds from the sale of inventory have decreased by 68 per cent due to lower sales in 2022 compared to 2021. In 2022, only 121 Foundation Road, Truganina and three Ascot properties were sold, compared to multiple Metroplex lots sold in 2021.

Other income
Other income increased during the period to $2,690,000 primarily due to a profit received on the sale of an investment.

Expenses
Expenses have decreased 3 per cent overall to $197,711,000 primarily due to the movement in impairment reversals booked at December 2022 and lower cost of goods sold on the sale of inventory, offset partially by revaluations of intercompany loans as they have remained stable this year compared to the large decrement recognised in the prior year, and an increase in remuneration expenses.

DIRECTORS' REPORT
For the year ended 31 December 2022

Financial position

	31 Dec 22 $'000	31 Dec 21 $'000	Change %
Current assets	**159,641**	109,991	45%
Non-current assets	**296,091**	217,060	36%
Total assets	**455,732**	327,051	39%
Current liabilities	**94,051**	67,784	39%
Non-current liabilities	**278,657**	198,742	40%
Total liabilities	**372,708**	266,526	40%
Net assets	**83,024**	60,525	37%

Total assets increased by 39 per cent to $455,732,000 in 2022 (Dec 2021: $327,051,000) primarily due to additional inventory purchases during the year and the addition of the mandate contract asset with ACRT. There was also an increase in trade receivables compared to the prior corresponding period, along with an increase in intangibles due to the write-back of impairment on management rights.

Total liabilities increased to $372,708,000 in 2022 (Dec 2021: $266,526,000) due mostly to an increase in intercompany borrowings due to inventory purchases throughout the year, along with an increase in payables mostly due to accruals associated with new mandate contract asset costs.

Capital management
The Consolidated Entity has an external loan of $2,721,000 relating to the Metroplex joint venture.

The Consolidated Entity has related party borrowings from the Trust and its subsidiaries and joint ventures. Under Australian Accounting Standards, the loans are measured either at fair value or amortised cost at each reporting period.

Going Concern
The Consolidated Entity's financial position is highly dependent on the financial position of GPT given that the Consolidated Entity is funded through intercompany loans from GPT.

GPT believes it is able to meet its liabilities and commitments as and when they fall due for at least 12 months from the reporting date. In reaching this position, GPT has taken into account the following factors:

- Available liquidity, through cash and undrawn facilities, of $1,126.9 million (after allowing for refinancing of $502.3 million of outstanding commercial paper) as at 31 December 2022;
- Weighted average debt expiry of 6.2 years, with sufficient liquidity in place to cover the $202.7 million of debt (excluding commercial paper outstanding) due between the date of this report and 31 December 2023;
- Primary covenant gearing of 28.7 per cent, compared to a covenant level of 50.0 per cent; and
- Interest cover ratio for the twelve months to 31 December 2022 of 5.5 times, compared to a covenant level of 2.0 times.

Cash flows
The cash balance at 31 December 2022 increased to $17,185,000 (Dec 2021: $16,590,000).

Operating activities:
Net cash flows from operating activities have decreased in 2022 to an outflow of $66,799,000 (Dec 2021: $28,795,000 inflow) driven by higher payments for inventory, lower proceeds from inventory sales, higher income taxes paid and lower cash receipts in the course of operations throughout the year.

The following table shows the reconciliation from net profit to the cash flow from operating activities:

For the year ended	31 Dec 22 $'000	31 Dec 21 $'000	Change %
Net profit for the year	**22,454**	22,503	—%
Non-cash items included in net profit	**13,708**	6,854	100%
Timing difference	**(36,706)**	(17,908)	(105%)
Inventory movements	**(66,255)**	17,346	N/A
Net cash (outflows)/inflows from operating activities	**(66,799)**	28,795	N/A

Investing activities:
Net cash outflows from investing activities have decreased to $4,495,000 in 2022 (Dec 2021: $6,389,000) due to the return of capital from an unlisted investment.

Financing activities:
Net cash inflows from financing activities have increased to $71,889,000 in 2022 (Dec 2021: $28,784,000 outflow) primarily due to an increase in proceeds from related party borrowings.

Dividends
The Company has not paid any dividends for the year to 31 December 2022 (2021: nil).

Prospects

The following details the prospects of the Group and the Wholesale Funds, as the management and other fees earned by the Consolidated Entity are driven by the asset value and performance of the underlying properties within these entities.

GPT is an owner and manager of high quality, diversified real estate assets, with assets under management of $32.4 billion including a balance sheet portfolio valued at $16.1 billion. Portfolio occupancy at 31 December 2022 was 97.5 per cent and we are expecting that the quality of our portfolio will continue to attract ongoing tenant demand.

Global economies including Australia are facing ongoing inflationary pressures and central banks including the Reserve Bank of Australia have raised interest rates materially over the past 12 months. The rise in interest rates has increased GPT's cost of debt impacting the FFO outlook for the year ahead. GPT has 78 per cent of its drawn debt hedged to reduce the exposure to further rate rises in 2023. The effect of rising bond yields is also observed in the slowing of investment capital flows and general economic uncertainty, increasing the potential for further softening of investment metrics adopted for valuations. Further tightening of monetary conditions is expected to moderate economic growth over the next 12 months.

GPT currently has 12 per cent of its Office portfolio area vacant, and in 2023, 9 per cent of the portfolio's lease income is due to expire. Our Office team is actively engaging with new and existing customers on their space needs and is pursuing a focused leasing strategy targeting occupancy of greater than 90 per cent by 31 December 2023. Tenants are continuing to seek accommodation in better quality office buildings and many businesses are taking the opportunity to upgrade their space, leading to growing enquiry in the premium office market. This supports GPT's view that this segment of the market will be more resilient over the long term. Our Office portfolio has an average NABERS energy rating of 5.1 Stars and we expect an increasing number of office tenants will seek to be located in assets with strong environmental credentials.

GPT's Retail portfolio is well positioned with strong retail sales productivity, high occupancy, fixed rental increases and ongoing tenant demand. There has been a strong recovery in sales performance across GPT's Retail portfolio in 2022, supporting tenant financial strength, buoyed by low unemployment and elevated levels of household savings. However, given the persistent rise in interest rates over the past 12 months and further increases expected, together with inflationary pressures on households, it is anticipated that retail sales growth will moderate during the course of 2023.

The logistics sector is benefiting from ongoing structural tailwinds. Vacancy rates remain low in the core markets nationwide and together with limited uncommitted new supply, this is expected to drive sustained market rent growth in GPT's Logistics portfolio.

The Group has an extensive development pipeline providing the opportunity to further up weight in the strong Logistics sector and to create next generation Office assets over the medium to long term in Melbourne, Sydney, North Sydney, Parramatta and Brisbane. The Group also continues to advance the mixed-use development of the Rouse Hill Town Centre with planning approval expected in 1H 2023.

Strategically the Group is also focused on growing its funds under management, underpinned by the Funds' existing development pipeline and enhanced by the addition of the UniSuper and ACRT mandates.

At 31 December 2022, the Group's balance sheet net gearing was 28.5 per cent, below the midpoint of our stated gearing range of 25 - 35 per cent and with liquidity of $1.1 billion to meet funding requirements through to February 2025. GPT has strong credit ratings of A (negative) and A2 (stable) by S&P and Moody's respectively. Over the next 3 years the Group is 61 per cent hedged at an average rate of 2.9 per cent.

Our commitment to being a leader in ESG enhances and protects GPT and its assets for the long term. This is underpinned by data driven decision making, coupled with a robust environmental management system and transparent disclosures. We are also innovating with an investment in the restoration of 1,100 hectares of Australian biodiverse native forest in partnership with Greenfleet and First Nations peoples for permanent removal of our residual carbon emissions. The large scale of this nature positive initiative provides confidence in the availability, quality and costs of our offsets to support the delivery of our carbon neutral targets. We seek to continually increase the positive impact we can make on our people, investors, customers and communities.

Outlook

While uncertainty remains in our trading environment, including the impact of rising interest rates and ongoing inflationary pressures, the Group expects to deliver 2023 FFO of approximately 31.3 cents per security and a distribution of 25.0 cents per security.

GPT has a high quality diversified portfolio, combined with a strong balance sheet and experienced management team, making it well positioned to create long-term value for securityholders.

Risk Management

GPT proactively identifies and manages risk in order to enable informed decisions which protect the value of our assets and realise strategic objectives.

GPT's takes an integrated, enterprise-wide approach to risk management which incorporates culture, conduct, compliance, processes and systems, consistent with AS/NZS ISO 31000:2018.

Risk Management Framework

The Group's Risk Management Framework is overseen by the Board and consists of the following key elements:

1. **Risk Policy** – The Risk Policy sets out the Group's approach to risk management, which is reviewed annually by the Board Sustainability and Risk Committee. The Risk Policy is available on GPT's website.
2. **Risk Appetite Statement** – The Board sets GPT's risk appetite to align with strategy, having regard to GPT's operating environment and key risks. Risk appetite is documented in our Risk Appetite Statement, against which all key investment decisions are assessed.
3. **Risk Governance** – The Board is supported in its oversight of the Risk Management Framework by the Sustainability and Risk Committee, which reviews the effectiveness of the Framework, and by the Audit Committee, the Leadership Team and the Investment Committee.
4. **Risk Culture** – GPT maintains a transparent and accountable culture where risk is actively considered and managed in our day-to-day activities. Risk culture is assessed as part of all internal audits and tracked using a Risk Culture Scorecard.
5. **Risk Management Processes and Systems** – GPT has robust processes and systems in place for the identification, assessment, treatment, assurance and reporting of risk.

DIRECTORS' REPORT

For the year ended 31 December 2022

Management of key risks in the 2022 operating environment

There has been considerable change in the Group's broader operating environment since the release of our 2021 Annual Report. In particular, there has been a significant shift in macroeconomic conditions, the global geopolitical climate, and Australia's response to COVID-19.

The most material key risk currently facing the Group is the potential impact on future financial performance of rising inflation and increases in interest rates. This impact can happen directly through increased financing costs and other costs, and indirectly through changes in consumer sentiment, retail sales, supply chain disruption and in the transactions market for commercial real estate, both through a slowing in capital flows and a resetting of required investment returns. GPT's management and Board have implemented a number of measures to mitigate this risk, which is expected to remain a key focus area for 2023.

An increasing number of cyber attacks on Australian companies throughout 2022 has caused GPT to remain particularly vigilant around cybersecurity and information protection. GPT holds limited personal identifying information, with the key risk in this area being interruption to business operations. A robust risk-based cyber security strategy is in place, aligned to the National Institute of Standards and Technology (NIST) Cyber Security Framework.

There continues to be a level of uncertainty in the office property market regarding the long-term impact of changing ways of working on demand for space. Levels of office leasing enquiry have been subdued throughout the year, with most activity driven by smaller customers. The rate of conversion of enquiries to leases has slowed, however, as customers assess their needs in the changing environment. Office leasing is expected to remain challenging in 2023.

GPT's funds under management grew significantly during the year, with the addition of the UniSuper and ACRT mandates. A key risk in these transactions has been the onboarding and integration of new staff members. This risk has been very closely managed and early indications are that the transition has been very successful. Extensive training of new staff (both in person and online) has been undertaken to minimise conduct risk, in particular.

A full assessment of GPT's key risks is set out in the table below.

In addition to key risks, GPT also monitors emerging threats, trends and themes which have the potential to disrupt the business. In many cases, these will also present opportunities. A review of emerging threats, trends and themes and GPT's response to them is undertaken every six months by both the GPT Leadership Team and the Sustainability and Risk Committee. Some of the issues considered in 2022 include:

- Global uncertainty in macroeconomic conditions including high inflation and rising interest rates
- The transition to clean energy
- Global trends in ESG regulation
- The shift to electric vehicles
- Responding to societal expectations, and
- Increasing geopolitical tensions.

Key risks

The following table sets out GPT's material risks and our actions in response to them. Included in the table is an indication of the change in the level of each risk during the during the period.

Risk	Our Response	Change in Residual Risk for 2022	Value Creation Input Affected
Portfolio Operating and Financial Performance Our portfolio operating and financial performance is influenced by internal and external factors including our investment decisions, market conditions, interest rates, economic factors and potential disruption.	• A portfolio diversified by sector and geography • Structured review of market conditions twice a year, including briefings from economists • Scenario modelling and stress testing of assumptions to inform decisions • A disciplined investment and divestment approval process, including sensitivities of impacts to gearing and returns, as well as extensive due diligence requirements • A development pipeline to enhance asset returns and maintain asset quality • Active management of our assets, including leasing, to ensure a large and diversified tenant base • Experienced and capable management, supplemented with external capabilities where appropriate • A structured program of investor engagement	**Increased** Rising inflation and increases in interest rates have the potential to negatively impact GPT's financial performance, primarily through increased cost of debt, the potential for a decline in asset valuations and a re-setting of required investment returns.	• Our investors • Real estate • Our people • Environment • Our customers, suppliers and communities

Risk	Our Response	Change in Residual Risk for 2022	Value Creation Input Affected
Development Development provides the Group with access to new, high quality assets. Delivering assets that exceed our risk adjusted return requirements and meet our sustainability objectives is critical to our success.	• A disciplined acquisition and development approval process, including extensive due diligence requirements • Oversight of developments through regular cross-functional Project Control Group meetings • Scenario modelling and stress testing of assumptions to inform decisions • Experienced management capability • Application of a well defined development risk appetite with metrics around the proportion of a portfolio under development, contractor exposure and leasing pre-commitments	**No change** GPT's development pipeline remains strong, particularly in the Office and Logistics portfolios. There has been some supply chain disruption and costs have increased as a result of inflation, however these risks are being effectively managed and are not impacting project delivery at the current time.	• Our investors • Real estate • Our people • Environment • Our customers, suppliers and communities
Capital Management Effective capital management is imperative to meet the Group's ongoing funding requirements and to withstand market volatility.	• Stated gearing range of 25 to 35 per cent consistent with stable investment grade credit ratings in the "A" range • Long term capital planning, including sensitivity of asset valuation movements on gearing • Maintenance of a minimum liquidity buffer in cash and surplus committed credit facilities • Diversified funding sources • Maintenance of a long weighted average debt term, with limits on the maximum amount of debt expiring in any 12 month period • Hedging of interest rates to keep exposure within policy • Limits on currency exposure • Limits on exposure to counterparties	**Increased** Significant liquidity is in place and gearing sits below the mid-point of the stated range, however the cost of debt has increased materially, and net asset devaluations have increased gearing.	• Our investors
Health and Safety GPT is committed to promoting and protecting the health and safety of its people, customers, contractors and all users of our assets.	• A culture of safety first and integration of safety risk management across the business • Comprehensive health and safety management systems • Training and education of employees and induction of contractors • Engagement of specialist safety consultants to assist in identifying risks and appropriate mitigation actions • Prompt and thorough investigation of all safety incidents to ascertain root causes and prevent future occurrences • Participation in knowledge sharing within the industry • Comprehensive Crisis Management and Business Continuity Plans, tested annually	**Decreased** Although the COVID-19 virus continued to circulate, the risk to health and safety of our employees, customers and contractors decreased over the period due largely to increased vaccination coverage. There have been no other changes in the period which have materially impacted health and safety risk.	• Real estate • Our people • Our customers, suppliers and communities
People and Culture Our ongoing success depends on our ability to attract, engage and retain a motivated and high-performing workforce to deliver our strategic objectives and an inclusive culture that supports GPT's core values.	• Active adoption and promotion of GPT's values • A comprehensive employee Code of Conduct, including consequences for non-compliance • Employee Engagement Surveys every 18 to 24 months with action plans to address results • An annual performance management process, setting objectives and accountability • Promotion of an inclusive workplace culture where differences are valued, supported by policies and training • Monitoring of both risk culture and conduct risk • An incentive system with capacity for discretionary adjustments and clawback policy • Benchmarking and setting competitive remuneration • Development and succession planning • Workforce planning	**No change** Key drivers of People and Culture risk during the period have been a tight employment market resulting in increased competition for skilled resources, and growth in GPT's funds under management, significantly increasing employee numbers. A decrease in employee turnover and an increase in the employee engagement score indicate effective management of this risk.	• Our investors • Our people

DIRECTORS' REPORT
For the year ended 31 December 2022

Risk	Our Response	Change in Residual Risk for 2022	Value Creation Input Affected
Environmental and Social Sustainability Delivering sustainable outcomes for investors, customers, communities and the environment, today and for future generations, is essential. GPT understands and recognises that changes to the environment and society can affect our assets and business operations.	• Extensive climate adaptation planning to ensure a portfolio of climate resilient assets • A world-class Environment and Sustainability Management System, including policies and procedures for managing environmental and social sustainability risks • Participation in the S&P Global Corporate Sustainability Assessment, Global Real Estate Sustainability Benchmark and other industry benchmarks • Climate related-risks and potential financial impacts are assessed within GPT's enterprise-wide Risk Management Framework • Climate change reporting in line with the recommendations of the Task Force on Climate-related Financial Disclosures • Active community engagement via The GPT Foundation, GPT's Reconciliation Action Plan and other targeted programs • A Modern Slavery Statement and program of work in response to Modern Slavery legislation	**No change** There has been no material change to GPT's sustainability risk profile during the period. GPT remains highly proactive in its management of ESG risks, particularly around supply chain risk, energy use, the changing regulatory environment and climate change.	• Our investors • Real estate • Our people • Environment • Our customers, suppliers and communities
Technology and Cyber Security Our ability to prevent critical outages, ensure ongoing available system access and respond to major cyber security threats and breaches of our information technology systems is vital to ensure ongoing business continuity and the safety of people and assets.	• A comprehensive technology risk management framework including third party risk management procedures around cyber security • Policies, guidelines and standards for Information Management and Privacy • Security testing and training completed by a specialist external security firm, including penetration testing, phishing exercises and social engineering testing • A Disaster Recovery Plan including annual disaster recovery testing, and a comprehensive Cyber Security Incident Response Plan • External specialists and technology solutions in place to monitor GPT platforms • Regular updates to technology hardware and software incorporating recommended security patches • Annual cyber risk assessments • An Information Security Risk and Compliance Committee overseeing information security • Alignment to the National Institute of Standards and Technology (NIST) Cyber Security Framework • Regular review of security of information and compliance with privacy regulations	**Increased** The number of cyber attacks impacting Australia has increased significantly during the period.	• Real estate • Our people • Our customers, suppliers and communities
Compliance and Regulation We ensure compliance with all applicable regulatory requirements through our established policies and frameworks.	• An experienced management team with Legal, Tax, Finance, Compliance and Risk Management expertise • Engagement of external expert advisors as required • An internal and external audit program overseen by the Audit Committee of the Board • Active management of the Group's Compliance Plans, in accordance with the requirements of the Corporations Law • Internal committees such as a Continuous Disclosure Committee, a Data Privacy Committee and a Cyber Security Governance Committee to monitor key compliance risks • An Anti-money Laundering and Counter-terrorism Financing Policy, a Conflicts Management Policy, a Whistleblower Policy, a Code of Conduct and other internal policies and procedures which are reviewed and enforced • An ongoing program of training which addresses all key compliance requirements • Active involvement in the Property Council of Australia and other industry bodies	**No change** There has been no material change in GPT's compliance and regulatory risk during the period.	• Our investors • Real estate • Our people • Environment • Our customers, suppliers and communities

2. CLIMATE-RELATED RISKS AND OPPORTUNITIES

GPT outlines the steps that it is taking to identify and monitor, mitigate and adapt to climate change and other sustainability-related risks and opportunities in the Group's Climate Disclosure Statement, which is summarised below. The Group's fourth Climate Disclosure Statement has been prepared with reference to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and is available on GPT's website.

The threat of climate change is a global challenge. It presents numerous complex questions about the best approach to transition to an economy that aligns with the scientific imperative to limit global warming to 1.5 degrees. In 2022, Australia increased its decarbonisation ambitions and the COP27 United Nations Climate Change Conference in Egypt served to reinforce progress on Paris Agreement targets as well as widen the conversation to the importance of nature-related risks including biodiversity loss and water.

As the owner and manager of a $32.4 billion portfolio of office, logistics, and retail properties across Australia, we understand the importance of our contribution to climate change mitigation efforts. GPT is a leader in its decarbonisation efforts, with our current emissions reduction actions and future targets tracking well ahead of Australia's commitments to the Paris Agreement and recent legislated emissions reductions targets.

Governance
GPT's approach to managing climate change risk is overseen by the Board and the Sustainability and Risk Committee (SRC). Management report to the SRC on sustainability matters such as climate change risks and opportunities, compliance with GPT's environmental management system and the delivery of environmental performance targets.

GPT's Chief Executive Officer and Managing Director (CEO) is accountable for ensuring that the Group is identifying, assessing and managing material risks including climate change and other sustainability risks, in accordance with GPT's Risk Management Framework. The Chief Risk Officer manages the Sustainability Team, which is responsible for formulating and driving the implementation of GPT's environmental sustainability initiatives across the Group. The Sustainability Team work closely with business unit managers to achieve this.

Strategy
The Group's strategy aims to deliver growing and predictable earnings for investors through owning, developing and managing a diversified portfolio of high quality real estate, located in Australian capital cities and established regional centres. The proactive identification and management of key risks and opportunities, including those related to climate change, biodiversity loss and water, supports the achievement of this strategy.

We take a long-term approach to our property investments and sustainability initiatives, which benefits our tenants and our broader stakeholder groups and improves the resilience of our assets to the impacts of physical and transitional climate risks.

Our detailed risk management process to identify and address climate-related risks and opportunities is described in the Risk Management section of the 2022 Climate Disclosure Statement on pages 18 to 21. Through these risk processes, together with natural catastrophe modelling and valuations undertaken by our insurers, no specific climate-related risks have been identified that we believe could have a material negative impact on our current business model or strategy.

By including ESG leadership as a core strategic pillar, GPT recognises the increasingly important role it plays in driving stakeholder value. In particular, GPT's focus on environmental sustainability will improve the resilience of its assets by reducing their vulnerability to climate change hazards. As a result of our climate response strategy and with GPT's focus on resilience, we aim to contribute to an orderly and just transition to a low carbon economy. Within our transition plans, we consider strategic opportunities as well as any co-benefits, such as sustainable financing options, climate-related income generation and funds management opportunities, that may be achieved in the change management process.

GPT's net zero plan always entails measuring emissions, reducing and eliminating wherever feasible and only offsetting residual emissions. Our targets are independently validated through Climate Active certifications.

As part of our ESG leadership strategy, GPT is focused not only on its carbon neutral targets but also on having a net positive impact on biodiversity. We have joined the Taskforce on Nature-related Financial Disclosure (TNFD) Forum and in the coming years will be disclosing nature-related risks and opportunities. Our strategy is mature in dealing with climate-related risks and opportunities while nature-related impact consideration is gaining momentum.

GPT has adopted two global warming scenarios to model the potential future impacts of climate change on our business and the resilience of our strategy. The two scenarios we have adopted align with the Representative Concentration Pathways (RCP) recommended by the Intergovernmental Panel on Climate Change (IPCC). We have adopted a low emissions scenario aligned with RCP 2.6 and a high emissions scenario aligned with RCP 8.5.

These scenarios are used to test the resilience of the Group's strategy and to develop strategies that address climate-related risks and opportunities. Through a series of internal workshops supported by consulting subject matter experts, we have determined the risks, opportunities and strategic impacts by considering potential transitional impacts and potential physical impacts under both the low and high emissions scenarios. Potential physical impacts could affect GPT's assets and the regions they are located in and could damage or limit their capacity to operate. Potential transitional impacts could result from policy, regulatory, or technological change and shifts in market and stakeholder expectations.

A detailed summary of the scenarios adopted by GPT and the potential impacts identified by this analysis can be found in the Group's Climate Disclosure Statement.

We have implemented a range of mitigation and adaptation strategies in response to climate change, such as:
» Our preference for assets in major cities and urban areas
» Operating efficient carbon neutral buildings
» Setting and achieving carbon neutral targets
» Setting a target for all future developments that GPT controls to be upfront embodied carbon neutral from 2023 onward
» Measuring and reducing embodied carbon
» Ensuring long-term resilience through business and asset life-cycles
» Ensuring our approach aligns with government resilience strategy, and
» Considering the impact of a future carbon price.

DIRECTORS' REPORT
For the year ended 31 December 2022

Risk Management
Effective risk management is fundamental to GPT's ability to achieve its strategic and operational objectives. By understanding and effectively managing risk, GPT can create and protect enterprise value and provide greater certainty and confidence for investors, employees, partners, and the communities in which we operate.

Our detailed risk management process to identify and address climate-related risks and opportunities is described in the Risk Management section of the 2022 Climate Disclosure Statement on pages 18 to 21. Through these risk processes, together with natural catastrophe modelling and valuations undertaken by our insurers, no specific climate-related risks have been identified that we believe could have a material negative impact on our current business model or strategy.

Applying our enterprise-wide Risk Management Framework, GPT's Risk Team monitors the operation of risk management processes and assists in the identification, assessment, treatment and monitoring of identified risks. The Risk Team supports the Leadership Team, the GPT Board, the Funds Management Board, and their respective committees, in ensuring that we manage risk appropriately.

Climate change risk is included on GPT's Key Risk Dashboard, which is reviewed every six months by the Board, Sustainability and Risk Committee and quarterly by the Leadership Team. The Committee receives quarterly updates on the status of the actions and commitments disclosed in the metrics and targets section of GPT's Climate Disclosure Statement.

GPT's cross-functional Sustainability Reference Group meets three times a year to identify and assess the existing climate-related risks and opportunities for each of the climate scenarios adopted by GPT, and to discuss and capture any new risks and opportunities.

The GPT Energy Master Plan has been in place since 2018. A primary aim of the Plan is to limit GPT's exposure to the risks of rising energy costs and reduced reliability of supply as the grid transitions from ageing coal-fired power to renewable energy. GPT mitigates its exposure to rising energy costs through efficiencies, on-site generation and medium term contract hedging. A forward purchasing program is also in place for our residual offset needs. Measures such as these enable GPT to progress its carbon neutral goals whilst effectively managing financial risk. GPT expects to see minimal impact on the cost of operating its buildings due to energy market volatility over the next 18 months and it is closely watching the 2024 to 2026 markets for longer term risk. More detail can be found in the GPT Climate Disclosure Statement.

Metrics and Targets
GPT is committed to reducing its environmental impact. We aspire to be an overall positive contributor to environmental sustainability by taking a leadership role in reducing carbon emissions across our operations and shifting towards a nature positive outcome.

We are progressing towards our net zero target of Climate Active Carbon Neutral (for Buildings) certifications for all assets that GPT operationally controls and in which we have an ownership interest by the end of 2024.[1]

During the year GPT also delivered Australia's first Climate Active certified upfront embodied carbon neutral development at 143 Foundation Road, Truganina. A target has now been set to deliver upfront embodied carbon neutral developments from 2023 onwards for all assets developed for GPT's investment portfolio.

GPT monitors its direct climate impacts and reports on emissions, energy, water and waste for each property annually. Our Environment Dashboard includes a portfolio-level summary for all key metrics — electricity, water, fuels, recycling, and emissions — since 2005.

GPT obtains independent external assurance over sustainability performance data including the following climate change metrics: energy consumption and energy production in base building, Scope 1, Scope 2 emissions under GPT's control, carbon offsets, water consumption, waste generated, and materials recycled by grade.

GPT sets environmental performance and resilience targets, driven by operational optimisation programs and capital upgrades. Medium to long-term operational emissions targets are also set at a portfolio level to inform energy procurement and offsets.

In areas outside of its control, GPT aims to influence outcomes with a particular focus on supporting its tenants to reduce their emissions. As outlined in our Climate Change and Energy Policy, GPT is committed to actively engaging with its stakeholders to reduce greenhouse gas emissions and energy use, and to reduce waste, manage water use and protect biodiversity.

GPT's corporate activities and business premises, including its travel and consumables, have been certified as carbon neutral by Climate Active since 2011. This certification covers material Scope 1, 2 and 3 emissions. GPT aims to reduce emissions through initiatives such as energy efficiency improvements at its offices and using technology to reduce the frequency of business-related flights. Emissions that can't be avoided in these areas are offset to ensure GPT's net emissions from our operations are zero.

Find out more
GPT's Climate Disclosure Statement is available on our website: www.gpt.com.au.

3. ENVIRONMENTAL REGULATION

GPT has policies and procedures in place that are designed to ensure that where operations are subject to any particular and significant environmental regulation under a law of Australia (for example property development and property management), those obligations are identified and appropriately addressed. This includes obtaining and complying with conditions of relevant authority consents and approvals and obtaining necessary licences. GPT is not aware of any significant breaches of any environmental regulations under the laws of the Commonwealth of Australia or of a State or Territory of Australia and has not incurred any significant liabilities under any such environmental legislation.

GPT is subject to the reporting requirements of the National Greenhouse and Energy Reporting Act 2007 ("NGER Act"). The NGER Act requires GPT to report its annual greenhouse gas emissions and energy consumption and generation for the 12 month period from 1 July to 30 June. GPT has implemented systems and processes for the collection and calculation of the data required. The data is assured and submitted to the Australian

[1] The majority of logistics assets are operationally controlled by tenants.

Government Clean Energy Regulator by the legislative deadline of 31 October each year. GPT complied with the Regulator's submissions requirements for the period ended 30 June 2022 within the required timeframe.

Information about GPT's participation in the NGER program is available on our website: www.gpt.com.au.

4. EVENTS SUBSEQUENT TO REPORTING DATE

As announced on 10 February 2023, it is Bob Johnston's current intention to retire by the end of this year. The Board has commenced a formal Chief Executive Officer search process to select a suitably qualified successor with the right leadership skills and experience to continue the successes of the Group.

The Directors are not aware of any other matter or circumstances occurring since 31 December 2022 that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in the subsequent financial years.

5. DIRECTORS AND SECRETARY

Information on Directors

Vickki McFadden – Chairman
Independent Non-Executive Director
Vickki joined the Board in March 2018 and was appointed Chairman in May 2018.

Vickki brings a broad range of skills and experience to the Group gained during a 20 year career spanning investment banking, corporate finance and corporate law, and through her current and previous board level positions.

Vickki holds a Bachelor of Commerce and a Bachelor of Laws. She is a member of Chief Executive Women and the Australian Institute of Company Directors. She was also previously President of the Australian Takeovers Panel, Non-Executive Chairman of Skilled Group Limited, a Non-Executive Director of Myer Family Investments Pty Limited and Leighton Holdings Limited (now CIMIC Group), and a Member of the Executive Council and Advisory Board of the UNSW Business School.

Listed Company Directorships (held within the last 3 years):
- Newcrest Mining Limited (since 2016)
- Tabcorp Holdings Limited (2017–2020)

Other Current Appointments
- Non-Executive Director Allianz Australia Limited

Board Committee Memberships
- Nomination Committee (Chair)
- Human Resources & Remuneration Committee

As at the date of this report she holds 112,525 GPT stapled securities.

Bob Johnston – Chief Executive Officer & Managing Director
Executive Director
Bob joined the Board in September 2015.

Bob has over 30 years' experience in the property sector including investment, development, project management and construction in Australia, Asia, the US and UK. Prior to joining GPT, Bob was the Managing Director of listed Australand Property Group which became Frasers Australand in September 2014. Bob also held various senior positions at Lendlease.

Bob holds a Bachelor of Electrical and Electronic Engineering (Hons).

Listed Company Directorships (held within the last 3 years):
- Nil

Other Current Appointments
- Director of the Property Council of Australia

Board Committee Memberships
- Nomination Committee

As at the date of this report he holds 1,783,489 GPT stapled securities.

Anne Brennan - Independent Non-Executive Director
Anne joined the Board in May 2022.

Anne is an experienced public company director with extensive experience across a range of sectors. She is currently a Non-Executive Director of The Lottery Corporation and Endeavour Group. She is also on the boards of NSW Treasury Corporation and Rabobank New Zealand Limited.

Anne holds a Bachelor of Commerce (Honours), and is a Fellow of the Chartered Accountants Australia and New Zealand and a Fellow of AICD.

Anne has held a variety of senior management roles in both accounting firms and large organisations including as Finance Director of Coates Group and Chief Financial Officer at CSR Limited. She was previously a partner at KPMG, Andersen and Ernst & Young.

Listed Company Directorships (held within the last 3 years):
- The Lottery Corporation (since 2022)
- Endeavour Group (since 2022)
- Argo Investments Limited (2011 – 2022)
- Spark Infrastructure Group (2020 – 2021)
- TabCorp Holdings Limited (2020 – 2022)
- Charter Hall Group (2010 to 2021)
- Nufarm Limited (2011 to 2020)
- Metcash Limited (2018 to 2021)

Other Current Appointments
- Non-Executive Director NSW Treasury Corporation
- Non-Executive Director Rabobank New Zealand Limited

Board Committee Memberships
- Human Resources & Remuneration Committee
- Audit Committee
- Nomination Committee

As at the date of this report she holds 12,000 GPT stapled securities.

Tracey Horton AO - Independent Non-Executive Director
Tracey joined the Board in May 2019.

Tracey Horton has experience across a wide range of listed, government and not-for-profit boards. Tracey has held executive and senior management roles with Bain & Company in North America, and in Australia with Poynton and Partners and the Reserve Bank of Australia.

Tracey holds a Bachelor of Economics (Hons) and a Masters of Business Administration (MBA). She is a Fellow of the Australian Institute of Company Directors.

Tracey is currently a member of the Australian Takeovers Panel, Chair of the Australian Industry and Skills Committee and a Non-Executive Director of IDP Education (ASX:IEL) and Campus Living Villages Pty Ltd. Previous appointments include Commissioner of Tourism WA, a Non-Executive Director of Nearmap Limited and Skilled Group and Automotive Holdings Group, President of the Chamber of Commerce and Industry (WA) and Winthrop Professor and Dean of the University of Western Australia Business School.

Listed Company Directorships (held within the last 3 years):
- Nearmap Ltd (2019 - 2022)
- Navitas Limited (2012 - 2019)
- IDP Education (since 2022)

Other Current Appointments
- Member of the Australian Takeovers Panel
- Non-Executive Director Campus Living Villages Pty Ltd
- Chair of the Australian Industry and Skills Committee

Board Committee Memberships
- Human Resources & Remuneration Committee (Chair)
- Sustainability & Risk Committee
- Nomination Committee

As at the date of this report she holds 33,245 GPT stapled securities.

Mark Menhinnitt - Independent Non-Executive Director
Mark joined the Board in October 2019.

Mark has significant investment management, construction, development and urban regeneration experience in the real estate and infrastructure sectors, drawn from his 30 year career at Lendlease including as CEO of Lendlease Australia.

Mark holds a Master's Degree in Applied Finance and a Bachelor's Degree in Engineering and is a graduate member of the Australian Institute of Company Directors and a fellow of the Governance Institute of Australia. Mark is a Director of Downer EDI Limited (ASX:DOW), Chairman of Fluent Property Pty Ltd and a Director of Sunshine Coast Airport Pty Ltd.

Listed Company Directorships (held within the last 3 years):
- Downer EDI Limited (since 2022)

Other Current Appointments
- Chairman and Non-Executive Director of Fluent Property Pty Ltd
- Director of Sunshine Coast Airport Pty Ltd

Board Committee Memberships
- Human Resources & Remuneration Committee
- Sustainability & Risk Committee
- Nomination Committee

As at the date of this report he holds 42,000 GPT stapled securities.

Michelle Somerville - Independent Non-Executive Director
Michelle joined the Board in December 2015.

Michelle was previously an external audit partner of KPMG for nearly 14 years. She has deep business, finance, risk and governance experience gained in Australia and overseas, working with top tier financial services and industrial clients.

Michelle is currently a non-executive Director of Insignia Financial Limited (ASX:IFL), Select Harvest Limited (ASX:SHV), Epworth Foundation and the Summer Foundation. She was also previously on the board of Bank Australia, Challenger Retirement and Investment Services, not for profit organisations Down Syndrome Australia and Save the Children (Australia), and was an independent adviser to the Audit, Risk and Compliance Committee of UniSuper.

Listed Company Directorships (held within the last 3 years):
- Insignia Financial Limited (since 2019)
- Select Harvest Limited (since 2022)

Other Current Appointments
- Non-Executive Director of Epworth Foundation
- Non-Executive Director of Summer Foundation

Board Committee Memberships
- Audit Committee (Chair)
- Sustainability & Risk Committee
- Nomination Committee

As at the date of this report she holds 36,663 GPT stapled securities

Robert Whitfield AM - Independent Non-Executive Director
Rob joined the Board in May 2020.

Rob has significant banking and finance experience in senior management roles across the public and private sectors. This includes a 30 year career with Westpac Banking Corporation where he held various senior management positions, including Chief Executive Officer of the Institutional Bank, Chief Risk Officer, Group Treasurer and Chairman of the Asia Advisory Board.

Rob holds a Bachelor of Commerce, a Post-Graduate degree in Banking & Finance and completed the Harvard Advanced Management Program. He is a Senior Fellow of the Financial Services Institute of Australasia and a Fellow of the Australian Institute of Company Directors.

Rob was also previously Chairman and Director of NSW Treasury Corporation and Secretary of NSW Treasury and NSW Industrial Relations.

Listed Company Directorships (held within the last 3 years):
- Commonwealth Bank Australia Limited (since 2017)
- Transurban Group (since 2020)

Other Current Appointments
- Nil

Board Committee Memberships
- Sustainability & Risk Committee (Chair)
- Audit Committee
- Nomination Committee

As at the date of this report he holds 27,500 GPT Stapled securities

Company Secretary biographies

Marissa Bendyk – General Counsel and Company Secretary
Marissa was appointed as General Counsel and Company Secretary of GPT in April 2022. Marissa has over 15 years' experience in the legal profession, with extensive experience in the areas of mergers and acquisitions, corporate and competition law, and corporate governance.

Before joining GPT as General Counsel and Company Secretary, Marissa was the General Counsel, Corporate & Governance and Group Company Secretary of AMP Limited. Marissa has also held senior positions with APA Group and King & Wood Mallesons.

Emma Lawler – Group Company Secretary
Emma was appointed as a Company Secretary of GPT in October 2021. She has more than 20 years' corporate governance and company secretarial experience in public and private, listed and unlisted entities. Emma's previous roles include Group Company Secretary of Link Group, Senior Governance Consultant with Company Matters Pty Limited, Head of Group Secretariat and Company Secretary at Westpac Banking Corporation and Company Secretary for the former NSW State Rail Authority.

Attendance of Directors at meetings
The number of Board meetings, including meetings of Board Committees, held during the year and the number of those meetings attended by each Director is set out below. There were also three special purpose Board Committees during the year with members appointed by the Board. Two of these were attended by Vickki McFadden, Bob Johnston and Michelle Somerville. The other special purpose Board Committee was attended by Vickki McFadden, Bob Johnston, Mark Menhinnitt and Rob Whitfield.

DIRECTORS' REPORT
For the year ended 31 December 2022

	Board		Audit Committee		Human Resources & Remuneration Committee		Nomination Committee		Sustainability & Risk Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Vickki McFadden	8	8	—	—	5	5	5	5	—	—
Anne Brennan	6	6	4	4	3	3	3	3	—	—
Bob Johnston	8	8	—	—	—	—	5	5	—	—
Tracey Horton AO	8	8	—	—	5	5	5	5	4	4
Angus McNaughton	3	3	2	2	2	2	2	2	—	—
Mark Menhinnitt	8	8	—	—	5	5	5	5	4	4
Michelle Somerville	8	8	6	6	—	—	5	5	4	4
Robert Whitfield AM	8	8	6	6	—	—	5	5	4	4

6. OTHER DISCLOSURES

Indemnification and insurance of directors, officers and auditor
GPT provides a Deed of Indemnity and Access (Deed) in favour of each of the Directors and Officers of GPT and its subsidiary companies and each person who acts or has acted as a representative of GPT serving as an officer of another entity at the request of GPT. The Deed indemnifies these persons on a full indemnity basis to the extent permitted by law for losses, liabilities, costs and charges incurred as a Director or Officer of GPT, its subsidiaries or such other entities.

Subject to specified exclusions, the liabilities insured are for costs that may be incurred in defending civil or criminal proceedings that may be brought against Directors and Officers in their capacity as Directors and Officers of GPT, its subsidiary companies or such other entities, and other payments arising from liabilities incurred by the Directors and Officers in connection with such proceedings.

During the financial year, GPT paid insurance premiums to insure the Directors and Officers of GPT and its subsidiary companies. The terms of the contract prohibit the disclosure of the premiums paid.

GPT has agreed to indemnify the auditors out of the assets of GPT if GPT has breached the agreement under which the auditors are appointed.

Non-audit services
During the year PricewaterhouseCoopers, GPT's auditor, has performed other services in addition to their statutory duties. Details of the amounts paid to the auditor, which includes amounts paid for non-audit services and other assurance services, are set out in note 22 to the financial statements.

The Directors have considered the non-audit services and other assurance services provided by the auditor during the financial year. In accordance with advice received from the Audit Committee, the Directors are satisfied that the provision of non-audit services by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- The Audit Committee Chairman reviewed the non-audit services and other assurance services to ensure that they did not impact upon the integrity and objectivity of the auditor
- The Audit Committee's own review concluded that the auditor independence was not compromised, having regard to the Board's policy with respect to the engagement of GPT's auditor, and
- The fact that none of the non-audit services provided by PricewaterhouseCoopers during the financial year had the characteristics of management, decision making, self review, advocacy or joint sharing of risks.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 27 and forms part of the Directors' Report.

Rounding of amounts
The amounts contained in this report and in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated (where rounding is applicable) under the option available to the Consolidated Entity under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Consolidated Entity is an entity to which the Instrument applies.

7. REMUNERATION REPORT

Introduction from the Chairman of the Human Resources and Remuneration Committee
On behalf of the Human Resources and Remuneration Committee (the Committee), I am pleased to present the Remuneration Report for 2022. This report describes the objectives, mechanisms and outcomes of our executive remuneration framework, which is a key element of our business strategy to deliver strong results.

During 2022, we saw a welcome return to more consistently stable market conditions as COVID restrictions lifted. This positive development followed an extended period during which the Group's financial performance and the experience of investors and customers were negatively impacted by responses to the pandemic and our people experienced subdued remuneration outcomes, reflecting a combination of missed performance thresholds and Board decisions to withdraw some incentive schemes and moderate fixed remuneration increases. Within this context, in 2022 the Committee focused its attention on ensuring that remuneration settings were carefully balanced to retain and motivate our people to deliver superior performance while aligning reward outcomes to the securityholders' experience. Other important considerations for the Committee included the continuation of an extremely competitive talent market and the impact of rising interest rate costs and inflation – which affected financial performance in 2022 and is expected to continue to be a headwind into 2023.

Group Performance and Remuneration
The Group delivered a solid financial and non-financial result in 2022. GPT's FFO was $620.6 million for the year, up 11.9 per cent from last year, a result enabled by increased FFO contributions from all three business units. In addition, we also secured a number of valuable funds management mandates: management of UniSuper's $2.8 billion direct real estate mandate; property management of Pacific Fair Shopping Centre; and management of the Australian Core Retail Trust (ACRT).

The Board and management have also reviewed performance targets for the year ahead, with the objective of setting targets that encourage high performance and optimum returns for securityholders. Noting the Group's lower guidance for 2023 FFO, particular judgement is required, balancing securityholder expectations and engaging the workforce with targets that are reasonable and do not incentivise undue risk-taking.

2022 Remuneration Outcomes
The remuneration outcomes for 2022 reflect the intended operation of the remuneration framework which is designed to deliver competitive remuneration to attract, engage and retain talent and be aligned to securityholders, using the following mechanisms:

- Short term and long term incentives based on the achievement of financial measures and strategic and operational objectives important to the organisation's success
- Consideration of values, behaviour and risk through the design of performance incentives and the remuneration framework including clawback mechanisms and the exercise of Board discretion
- A minimum securityholding requirement, that aligns the interests of executives to those of securityholders, and
- Strong governance through the Committee ensuring remuneration outcomes are reasonable taking into account community and stakeholder expectations.

The Group met its primary financial measure of FFO for the year, achieving its "target" performance level to determine the STIC pool. The CEO received a short-term incentive compensation (STIC) payment of $1,314,000 (72 per cent of maximum opportunity), slightly ahead of target, in recognition of strong performance against GPT's strategic objectives and exceptional ESG results. The CFO received a STIC payment of $575,000 (64 per cent of maximum opportunity) and the COO received a STIC payment of $535,000 (64 per cent of maximum opportunity), aligned to target for performance outcomes achieved at the Group level.

Given the Board's decision in 2020 to withdraw the 2020-22 Long Term Incentive (LTI) plan, no performance rights were eligible to vest this year. This is the third consecutive year of nil LTI vesting, as the two prior awards did not meet the requisite performance-based thresholds. It is noted COVID-19 has had a material impact on the business during these performance periods.

For 2022, the Committee approved a budget for fixed remuneration reviews, resulting in an average increase of 3.0 per cent for eligible employees. Increases were restrained for executive KMP, with the CFO receiving a 2.85 per cent increase and the CEO and COO receiving nil increases.

Following benchmarking, the Committee determined that no changes to Non-Executive Director (NED) fees occur in 2022. However, some modest increases in some NED fees are planned for 2023, aligning fee levels with the median fee levels of GPT's key peers.

2022 Leadership and Organisational Changes
In early 2022, we made changes to GPT's organisation structure to provide greater sector alignment, enhance operational efficiencies and to reflect the growth in our Logistics portfolio. These changes were coupled with key appointments to our Leadership Team (LT) with Chris Davis appointed to Head of Logistics, Martin Ritchie to Head of Office, and Marissa Bendyk to Group General Counsel and Company Secretary. The Funds businesses now sit under each sector head achieving greater alignment and efficiencies. These appointments have added to a strong and capable LT. Our LT (including the CEO) is 44 per cent female and 56 per cent male.

Our People and Culture
We are proud of our people and culture at GPT, with our people being our most important asset. We continue to strive for a culture characterised by purpose, opportunity and pride, through investment in our employee experience targeting initiatives in areas such as diversity and inclusion, leadership capability, safety, flexible working arrangements and wellbeing. In 2022, we increased our engagement by 6 per cent with 86 per cent of people believing GPT is a great place to work and 86 per cent being proud to work at GPT. We are inspired by our people, who continued to demonstrate positive attitudes, commitment, resilience and drive throughout 2022.

We welcome feedback and comments from investors and stakeholders regarding this Remuneration Report.

Tracey Horton

Tracey Horton AO
Chairman of the Human Resources & Remuneration Committee

The information provided in this Report has been audited in accordance with section 308(3C) of the *Corporations Act 2001*.
Sydney, 20 February 2023

DIRECTORS' REPORT
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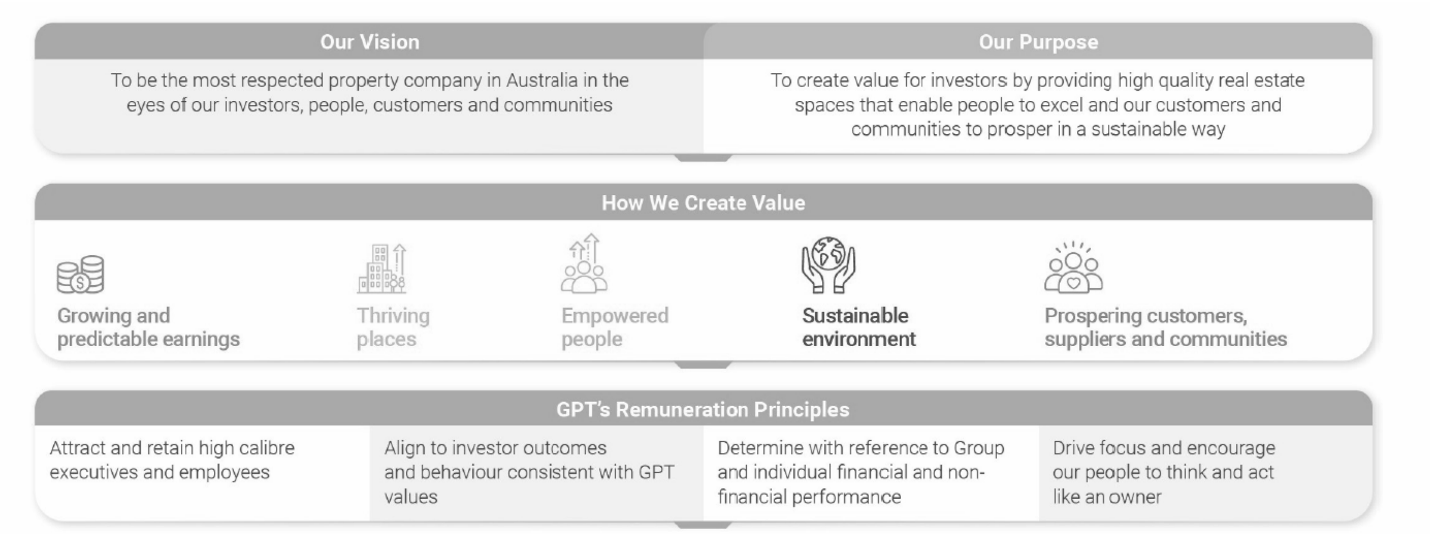
Key Management Personnel
This Remuneration Report discloses information regarding our Key Management Personnel (KMP). In accordance with AASB 124 the KMP identified are all Non-Executive Directors and those individuals responsible for planning, controlling and managing the GPT Group. For 2022, the KMP were:

Name	Role	Term as KMP
Non-Executive Directors		
Vickki McFadden	Chairman	Full year
Anne Brennan	Non-Executive Director	Part year - appointed 1 May 2022
Tracey Horton AO	Non-Executive Director	Full year
Angus McNaughton	Non-Executive Director	Part year - retired 11 May 2022
Mark Menhinnitt	Non-Executive Director	Full year
Michelle Somerville	Non-Executive Director	Full year
Robert Whitfield AM	Non-Executive Director	Full year
Executive KMP		
Bob Johnston	Chief Executive Officer & Managing Director	Full year
Anastasia Clarke	Chief Financial Officer	Full year
Mark Fookes	Chief Operating Officer	Full year

Remuneration Framework

GPT's remuneration framework is designed to support the Group's strategy and reward our people for its successful execution and performance. The remuneration principles are the foundation of the framework, and the diagram below describes the typical delivery for remuneration and reward. The framework also provides a basis for the Board to exercise discretion when determining remuneration outcomes.



Executive Remuneration Components[1]

The timeline below outlines how remuneration is delivered. Executives participate in the LTI and the Group's STIC plan. Performance testing of both plans occurs in quarter one of the year following the conclusion of each performance period. Deferred STIC awards are made 50% as cash and 50% as deferred STIC (equity vesting 12 months after the end of the performance period).[2] If LTI plan performance conditions are met, the requisite number of performance rights will convert to GPT securities; alternatively, performance rights will lapse.[3] All vested and unvested awards are subject to malus and clawback provisions.

Other Employee Ownership Schemes[5]

General Employee Security Ownership Plan (GESOP)

- For STIC eligible individuals who are ineligible for LTI
- Equal to 10% of STIC outcome (less tax)
- Delivered in GPT securities around the same time as the cash STIC payment and must be held for at least one year

Broad-Based Employee Security Ownership Plan (BBESOP)

- For individuals ineligible for STIC or LTI
- GPT must achieve at least Target outcome on annual FFO growth per security for the plan to operate
- Awarded as either:
  - $1,000 cash (less tax) or
  - a grant of $1,000 worth of GPT securities which must be held until the earlier of 3 years from the allocation date or cessation of employment

1. Eligibility to participate in the STIC and LTI plans is role-based and typically limited to permanently employed individuals. Generally, participants must satisfy the minimum service criteria applicable under each plan and have not resigned or been subject to any formal performance management process when an award is made.
2. Where deferred securities are awarded, the number allocated is determined by dividing 50% of the value of the total STIC by the 30-day VWAP immediately before the end of the performance period. The value of the award on the conversion date may vary as a result of security price having increased or decreased since that point in time. Any award for non LTI eligible employees is delivered as 100% cash.
3. Participants may elect at the commencement of the LTI plan to apply additional dealing restrictions of up to a maximum of 4 years post vesting. A taxing point will arise in the financial year securities vest and become unrestricted.
4. The CEO's performance rights are granted following the relevant resolution's approval at the Annual General Meeting.
5. Eligibility to participate in the GESOP and BBESOP is subject to the same criteria set out in footnote 1.

Minimum Security Holding Requirement

GPT's Minimum Security Holding Policy requires Non-executive Directors, the CEO, other KMPs and members of the Leadership Team to build (initially over four years from appointment) and maintain a minimum holding of GPT securities. The guideline requires the CEO to maintain a holding equal to 150% of fixed remuneration. For Non-executive Directors, other KMP and Leadership Team members, the MSHR is equal to 100% of fixed remuneration or board fees.

Clawback and Malus

GPT's Clawback Policy provides the Board with the discretion to modify remuneration outcomes as a result of adverse circumstances that arise or become known after remuneration has been granted, paid or vested. Individuals who participate in the STIC and LTI are subject to these awards being adjusted, cancelled or clawed back if a trigger event occurs. No trigger events occurred in 2022, and the Board did not enact the Clawback Policy during the reporting period.

GPT's Values and Culture

GPT provides a workplace where its people can realise their potential and consistently deliver high performance in a safe and inclusive work environment. Its diverse workforce benefits from a dynamic and flexible work environment, investment in technology and a culture where people feel they can bring their whole selves to work. These key elements that drive value are underpinned by GPT's shared sense of purpose – to create value by delivering superior returns to investors, and to provide environments that enable our people to excel and customers and communities to prosper in a sustainable way.

As part of employees' end-of-year performance assessments, GPT employees are assessed against the values. This signals that performance is not just about "what" employees deliver, it is "how" employees deliver. There is alignment between remuneration outcomes and behaviour in accordance with our values.

Our culture is underpinned by the following core values.

- **Safety First – Everyone, Always** - We care about people above everything else.
- **Deliver Today, Create Tomorrow** - We focus on the present and the future to deliver consistent, dependable performance.
- **Value Differences, Play as a Team** - We embrace our diverse backgrounds, experiences and perspectives, working together for the best outcome.
- **Raise the Bar** - We think big, take initiative, share ideas and challenge the status quo.
- **Speak Up -** We are courageous and speak up about things that matter.

DIRECTORS' REPORT
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Performance and Remuneration Outcomes

1. Five year Group financial performance

		2022	2021	2020	2019	2018
Total Securityholder Return (TSR)[1]	%	(16.2)	27.8	(17.7)	9.6	9.6
Relative TSR[2]	%	(1.4)	8.2	(13.1)	(9.7)	6.7
Total Return[3]	%	3.9	14.1	(2.4)	8.7	15.8
NTA per security[4]	$	5.98	6.09	5.57	5.80	5.58
FFO per security	cents	32.40	28.82	28.48	32.68	31.84
FFO per security growth	%	12.4	1.2	(12.9)	2.6	3.5
Security price at end of calendar year	$	4.20	5.42	4.50	5.60	5.34

1. TSR is calculated as the percentage growth in GPT's security price from the last trading date of the previous financial year to the last trading date of the current financial year, together with the value of distributions received during the year, assuming that all of those distributions are reinvested into new securities.
2. GPT's TSR compared to the TSR of the S&P/ASX 200 A-REIT Index adjusted to exclude Goodman Group and The GPT Group for 2021 and 2022.
3. Total Return is defined as the sum of the change in Net Tangible Assets (NTA) per security plus distributions per security over the Performance Period, divided by the NTA per security at the beginning of the performance period.
4. Includes all right-of-use assets of The GPT Group.

2. Short Term Incentive Compensation (STIC) overview and funding
GPT's STIC plan provides executive KMP with the opportunity to be rewarded for their performance toward financial and non-financial objectives consistent with the Group's strategic and operational goals. FFO is used by the Committee and the Board to determine the size of the overall STIC pool. At target performance, the pool is 64 per cent of the aggregate of all participants' maximum opportunity. The Committee then reviews the performance of KMP against their objectives along with other relevant factors to determine their incentive award for the year.

3. Group Performance
The Board takes a robust approach to determining executive remuneration outcomes considering a range of quantitative and qualitative factors. An assessment of performance against the primary objectives is summarised in the table below.

The percentage weightings for each category for the table below reflect the range used for the individual scorecards for each KMP.

DIRECTORS' REPORT
For the year ended 31 December 2022

Category	Performance measure	Achievement	Commentary
Financial (weighting 50%)	Achievement of a FFO Target	At Target	Delivered FFO of $620.6m (FFO per security of 32.4 cents)
	Position the business to deliver FFO per security growth target in 2023	Below Target	Market guidance for 2023 is for FFO per security to be lower in 2023 while DPS is maintained
Strategy (weighting 20%-30%)	Secure new Funds/Mandates to grow Funds Management Platform	Exceeds target	*Secured $2.8b UniSuper direct Real Estate Platform *Secured management of $2.7b Australian Core Retail Trust
	Effective hedging and capital management plan in place to address higher interest rate environment	At target	*Increased levels of interest rate hedging for 2023-2025 period with 78% of drawn debt hedged for 2023 *Balance sheet gearing of 28.5%.
	GPT Wholesale Funds (GWSCF and GWOF) to be ranked 1st or 2nd in their peers set for 12 month Total Return	Below target	GWSCF ranked 1st in the MSCI Index while GWOF was ranked 5th in the relative MSCI Index
	Leadership in ESG	Exceeds target	* Ranked number 1 real estate company globally in S&P Global Corporate Real Estate Assessment *Maintained highest rating of 5 stars for GRESB *Delivered Australia's first certified Upfront Embodied Carbon Neutral logistics development
Operations (weighting 10-15%)	Deliver logistics developments at or exceeding the target commerce	Exceeds target	Successfully completed four logistics developments at >30% margin and an average yield on cost of 5.7%
	Alignment of business into 3 sectors and integration of Funds Platform to drive efficiency and strategy execution	At target	Business restructure implemented in Q1 2022 and operating effectively
	Positive feedback from Customers on our service offerings	At target	*Office portfolio – Net Promoter Score of 71% *Retail portfolio – Net promoter score of 58% (up 18% on 2021) *Logistics portfolio – Customers' satisfaction with team averages 80%
People and Safety (weighting 10%-15%)	To be equal to or greater than the Australian National Average in the annual employee engagement survey	Exceeds target	Employee engagement scored 72% - 6% higher than the prior survey and higher than the Australian national average
	Improvement of % of top decile of females and gender	Exceeds target	*Achieved 38.3% gender diversity in the top decile of roles *Gender pay gap decreased from 20.73% to 17.53% exceeding the target[1]
	Continue to build our inclusive culture	Exceeds target	*Recognised as a Gold employer for LGBTQ+ inclusion, moving up from Bronze in the AWEI Small Employer category *WGEA 'Employer of Choice' citation for the 4th consecutive year *Family Inclusive Workplace™ certification awarded *Maintained our workforce at 56% female
	Number of material incidents decreasing	Exceeds target	Strong HSE performance with zero employee recordable injuries and decrease of material incidents by 48% since 2021

1. Assessment based on annualised fixed remuneration. GPT has also assessed the total compensation gender pay gap, which is 23.80%.

4. 2022 STIC outcomes by Executive KMP
Executive KMP's STIC outcomes for 2022 ranged between 64 to 72 per cent of their maximum STIC opportunity and are set out in the table below.

Executive KMP	Position	Actual STIC awarded	Actual STIC awarded as a % of maximum STIC	% of maximum STIC award forfeited	Cash component	Equity component (# of GPT securities)[1]
Bob Johnston	Chief Executive Officer & Managing Director	$1,314,000	72.00%	28.00%	$657,000	151,274
Anastasia Clarke	Chief Financial Officer	$575,000	63.89%	36.11%	$287,500	66,197
Mark Fookes	Chief Operating Officer	$535,000	63.69%	36.31%	$267,500	61,592

1. The number of deferred GPT securities is calculated by dividing 50% of the Actual STIC awarded by GPT's 30-day VWAP of $4.3431 immediately before the end of the performance period. Vesting subject to service on 31 December 2023.

5. Deferred STIC outcomes - fair value and maximum value recognised in future years[1]

Executive KMP	Plan	Grant date	Fair value per security[2]	Securities awarded	Vesting date	Portion vested in year[3]
Bob Johnston Chief Executive Officer & Managing Director	2021	21 March 2022	$4.91	94,411	31 December 2022	100%
Anastasia Clarke Chief Financial Officer	2021	21 March 2022	$4.91	54,286	31 December 2022	100%
Mark Fookes Chief Operating Officer	2021	21 March 2022	$4.91	47,205	31 December 2022	100%

1. The GPT deferred STIC awards are allocated with reference to the 30-day VWAP of a GPT security up to 31 December 2021.
2. Reflects fair value per security as at the grant date.
3. The Deferred STIC was fully vested and fully expensed as at reporting date. As such, the maximum value to be recognised in future years is nil.

6. LTI performance hurdles

LTI	LTI performance measurement period	Performance measure[1,2]	Performance measure hurdle	Weighting	Result[3]	Vesting % by performance measure[3]	Overall Plan Vesting Outcome %[3]
2020			2020 LTI withdrawn				
2021	2021-23	Relative TSR versus ASX200 AREIT Accumulation Index	10% of PR vest at Index performance, up to 100% at Index plus 10% (pro-rata vesting in between)	50%	N/A	N/A	N/A
		Total Return	10% of PR vest at 4% Total Return, up to 100% at 6% Total Return (pro-rata vesting in between)	50%	N/A	N/A	
2022	2022-24	Relative TSR versus ASX200 AREIT Accumulation Index	10% of PR vest at Index performance, up to 100% at Index plus 10% (pro-rata vesting in between)	50%	N/A	N/A	N/A
		Total Return	10% of PR vest at 6.0% Total Return, up to 100% at 8.5% Total Return (pro-rata vesting in between)	50%	N/A	N/A	

1. The Relative TSR comparator group, being the ASX200 AREIT Accumulation Index, is adjusted to exclude GPT and Goodman for LTI plans. TSR is calculated as the percentage growth in GPT's security price over the performance period, together with the value of distributions received during the performance period, assuming that all of those distributions are reinvested into new securities.
2. Total Return is defined as the sum of the change in Net Tangible Assets (NTA) per security plus distributions per security over the performance period, divided by the NTA per security at the beginning of the performance period.
3. Entries of "N/A" are for awards that are part-way through their performance periods and where the testing date is in the future.

7. 2020-2022 LTI outcomes by Executive KMP

As noted in the above table, the 2020-22 LTI awards were withdrawn by the Board. On that basis, the realised values from the 2020-2022 LTI awards are nil for each of the Executive KMP.

8. LTI outcomes - fair value and maximum value recognised in future years[1]

Executive KMP	Plan	Grant date	Fair value per performance right[2]	Performance rights granted as at 31 December 2022[3]	Vesting date	Maximum value to be recognised in future years
Bob Johnston	**2022**	**20 May 2022**	**$3.205**	**413,520**	**31 December 2024**	**$597,803**
Chief Executive Officer & Managing Director	2021	21 May 2021	$3.038	470,199	31 December 2023	$476,590
Anastasia Clarke	**2022**	**28 March 2022**	**$3.211**	**169,939**	**31 December 2024**	**$215,898**
Chief Financial Officer	2021	26 April 2021	$3.077	187,865	31 December 2023	$192,920
Mark Fookes	**2022**	**28 March 2022**	**$3.211**	**158,610**	**31 December 2024**	**$223,894**
Chief Operating Officer	2021	26 April 2021	$3.077	180,350	31 December 2023	$185,126

1. The GPT LTI plan is calculated on face value grants of performance rights based on the VWAP of GPT securities for specified periods.
2. Reflects fair value per performance right as at the grant date.
3. Approval of the issue of performance rights to Mr Johnston was obtained in accordance with ASX Listing Rule 10.14.

9. Remuneration - Executive KMP - Actual Amounts Received (Non-IFRS information)

This table discloses the cash, equity and other benefit amounts actually received by GPT's executive KMP, as distinct from the accounting expense. As a result, it does not align to Australian Accounting Standards.

		Fixed Pay		Variable or "at risk"[1]			
Executive KMP	**Year**	**Base Pay**[2]	**Superannuation**	**Non-Monetary Benefits**[3]	**STIC receivable**[4]	**LTI**	**Total**
Bob Johnston	**2022**	**$1,435,570**	**$24,430**	**$8,222**	**$1,314,000**	**–**	**$2,782,222**
Chief Executive Officer & Managing Director	2021	$1,437,869	$22,631	$7,192	$1,000,000	–	$2,467,692
Anastasia Clarke	**2022**	**$875,570**	**$24,430**	**$8,129**	**$575,000**	**–**	**$1,483,129**
Chief Financial Officer	2021	$852,869	$22,631	$3,893	$575,000	–	$1,454,393
Mark Fookes	**2022**	**$815,570**	**$24,430**	**$7,862**	**$535,000**	**–**	**$1,382,862**
Chief Operating Officer	2021	$817,869	$22,631	$5,868	$500,000	–	$1,346,368
Total	**2022**	**$3,126,710**	**$73,290**	**$24,213**	**$2,424,000**	**–**	**$5,648,213**
	2021	$3,108,607	$67,893	$16,953	$2,075,000	–	$5,268,453

1. Gross dollar values for the equity components have been calculated by multiplying the number of securities by GPT's 30-day VWAP immediately before the end of the relevant performance period of $4.3431.
2. Base Pay includes taxable cash salary and the value of items salary packaged on a pre-tax basis e.g. car parking.
3. Non-Monetary Benefits may include death and total/permanent disability insurance premiums, service awards, GPT superannuation plan administration fees, professional memberships, subscriptions and/or other benefits.
4. STIC receivable amounts are provided in two components: a 50 per cent cash component; and a 50 per cent deferred STIC component. The deferred STIC components are subject to time-based vesting conditions.

10. Reported remuneration - Executive KMP (AIFRS Accounting)

This table provides a breakdown of remuneration for executive KMP in accordance with statutory requirements and Australian accounting standards.

		Short-term benefits			Long-term benefits		Share-based payments[1]		
Executive KMP	**Year**	**Base Pay**[2]	**STIC (cash)**	**Non-Monetary Benefits**[3]	**Superannuation**	**Long-Service Leave Movements**[4]	**STIC (Deferred)**[5]	**LTI**	**Total**
Bob Johnston	**2022**	**$1,490,658**	**$657,000**	**$8,222**	**$24,430**	**$26,787**	**$525,739**	**$772,523**	**$3,505,359**
Chief Executive Officer & Managing Director	2021	$1,454,372	$500,000	$7,192	$22,631	$23,777	$255,503	$578,569	$2,842,044
Anastasia Clarke	**2022**	**$898,000**	**$287,500**	**$8,129**	**$24,430**	**($24,662)**	**$258,651**	**$300,386**	**$1,752,434**
Chief Financial Officer	2021	$869,098	$287,500	$3,893	$22,631	($5,809)	$146,913	$258,350	$1,582,576
Mark Fookes	**2022**	**$780,935**	**$267,500**	**$7,862**	**$24,430**	**$23,635**	**$233,374**	**$296,678**	**$1,634,414**
Chief Operating Officer	2021	$819,140	$250,000	$5,868	$22,631	$12,872	$127,750	$249,102	$1,487,363
Total	**2022**	**$3,169,593**	**$1,212,000**	**$24,213**	**$73,290**	**$25,760**	**$1,017,764**	**$1,369,587**	**$6,892,207**
	2021	$3,142,610	$1,037,500	$16,953	$67,893	$30,840	$530,166	$1,086,021	$5,911,983

1. These columns record the fair values of the awards under the STIC (deferred) and LTI plans, expensed in the relevant financial years. Values do not represent actual awards made to executives or the face value grant method.
2. Base Pay includes the value of items salary packaged on a pre-tax basis (e.g. car parking) as well as the value of year-on-year changes to annual leave provisions.
3. Non-Monetary Benefits may include death and total/permanent disability insurance premiums, service awards, GPT superannuation plan administration fees, professional memberships, subscriptions and/or other benefits.
4. Long-Service Leave Movements reflect the long-service leave balances as at the relevant year end, less the relevant balances from the prior comparable period. A negative value can result where leave taken during the year exceeds the value of any accrued leave during the year.
5. The 2021 comparatives have been restated to reflect the number of deferred GPT securities granted under the 2021 STIC (Deferred) plan. This results in a decrease of the 2021 STIC share-based expense of $92,618 for Bob Johnston, $19,995 for Anastasia Clarke, and $32,481 for Mark Fookes.

11. GPT security ownership - Executive KMP as at 31 December 2022

Executive KMP	GPT Holdings (start of period)[1]	Employee Security Scheme (ESS) 2021 Deferred STIC	Employee Security Scheme (ESS) 2019-21 LTI	Purchase / (Sales) during period[2]	GPT Holdings (end of period)[3]	Value of GPT Holdings[4]	MSHR Guideline[5]
Bob Johnston Chief Executive Officer & Managing Director	1,689,078	94,411	–	–	1,783,489	$7,745,871	$2,190,000
Anastasia Clarke Chief Financial Officer	235,428	54,286	–	54,849	344,563	$1,496,472	$900,000
Mark Fookes Chief Operating Officer	1,222,362	47,205	–	–	1,269,567	$5,513,856	$840,000

1. GPT Holdings (start of period) include GPT securities obtained via sign-on grants (Mr Johnston only), awards previously received under Employee Share Schemes up to and including the 2021 performance period, private holdings less any prior sales.
2. Movement in GPT security holdings as a result of the sale of vested, unrestricted security holdings and/or the sale or purchase of additional private holdings on the individuals own account during the 2022 calendar year.
3. GPT Holdings (end of period) is the sum of GPT Holdings (start of the period) plus any securities granted during 2022 in respect of the 2021 Deferred STIC and 2019-21 LTI plan (noting this plan was cancelled) adjusted for any purchases or sales during the period.
4. The GPT Holdings (end of period) multiplied by GPT's December 2022 30-day VWAP of $4.3431 to derive a dollar value.
5. GPT's Minimum Security Holding Requirement (MSHR) guideline requires the CEO to acquire and maintain a holding equal to 150% of their Total Package Value i.e. their base pay plus superannuation. For other KMP and Leadership Team members the holding requirement is equal to 100% of their Total Package Value. Individuals have four years from commencement of employment to achieve the MSHR before it is assessed.

12. GPT performance rights - Executive KMP

Executive KMP	Opening balance	Performance rights awarded during 2022	Performance rights exercised during 2022[1]	Performance rights that lapsed in 2022[1]	Performance rights still on foot at 31 Dec 22[2]
Bob Johnston Chief Executive Officer & Managing Director	470,199	413,520	–	–	883,719
Anastasia Clarke Chief Financial Officer	187,865	169,939	–	–	357,804
Mark Fookes Chief Operating Officer	180,350	158,610	–	–	338,960

1. No performance rights were allocated under the 2020-22 LTI as the LTI offer was withdrawn.
2. The total of unvested performance rights currently on foot excluding any GPT securities or performance rights that may have lapsed up to 31 December 2022. This represents the current maximum number of additional GPT securities to which the individual may become entitled subject to satisfying the applicable performance measures in the 2021-23 and 2022-24 LTI plans. As such, these performance rights represent the incentive opportunity over future years, are subject to performance and hence "at risk", and as a result, may never vest.

Employment Terms

1. Employment terms

	Conditions		
Employment Terms	**CEO & Managing Director**	**Other Executive KMP**	
Remuneration Package	Bob Johnston	Anastasia Clarke	Mark Fookes
Fixed Remuneration[1]	$1,460,000	$900,000	$840,000
Range of STIC Opportunity as a percentage of Fixed Remuneration[2]	0% to 125%	0% to 100%	
Range of LTI Opportunity as a percentage of Fixed Remuneration[3]	0% to 150%	0% to 100%	
Contract duration	Ongoing	Ongoing	
Notice period[4]	6 months	3 months	
Termination by Company without cause	12 months' notice. Treatment of unvested STIC and LTI will remain on foot and be treated in the same manner as a if the CEO remained in employment. The GPT Board retains discretion to forfeit a prorated amount of any unvested LTI	3 months' notice. Treatment of unvested STIC and LTI will be at the Board's discretion under the terms of the relevant plans and GPT policy	
Termination by Company for cause	No notice requirement or termination benefits (other than accrued entitlements)		
Post Employment Restraints	6 months non-compete (CEO only), and 12 months non-solicitation of GPT employees		

1. Fixed remuneration is inclusive of superannuation.
2. Performance assessed against financial and non-financial objectives, with any award generally also subject to the Group achieving FFO performance targets set by the Board at the beginning of each performance period.
3. Face value of performance rights at time of grant. Vesting outcomes dependent on performance and continued service, delivered in GPT securities.
4. GPT may elect to make a payment in lieu of notice.

2. Compensation mix at maximum STIC and LTI outcomes
The percentage of each component of variable or 'at risk' remuneration is calculated with reference to maximum or stretch potential opportunity as set out in the Remuneration Packages detailed in Tables 1 and 2 of the Employment Terms section. It does not reflect the actual remuneration paid during the period.

	Fixed Remuneration	Variable or "at risk" remuneration	
Executive KMP	**Base Pay**	**STIC**	**LTI**
Bob Johnston Chief Executive Officer & Managing Director	26.7%	33.3%	40.0%
Anastasia Clarke Chief Financial Officer	33.4%	33.3%	33.3%
Mark Fookes Chief Operating Officer	33.4%	33.3%	33.3%

Governance

Who are the members of the Committee?	The Committee consists of the following four Non-Executive Directors: » Tracey Horton AO (HRRC Chairman) » Anne Brennan » Vickki McFadden » Mark Menhinnitt
What is the scope of work of the Committee?	The Committee operates in accordance with the HRRC Charter and undertakes the following activities on behalf of the Board: **GPT's Remuneration Framework and Application** • Consider and recommend any changes to GPT's Remuneration Framework to the Board for approval • Oversee the implementation of key plans in support of GPT's Remuneration Framework • Review and approve an annual salary review budget for all employees • Review and make recommendations to the Board regarding incentive plans within GPT, including the total pools and performance hurdles • Exercise key functions and discretion for the administration of GPT incentive plans in accordance with plan rules **Remuneration for the Board, Chief Executive Officer and other members of the Leadership Team** • Periodically review and recommend to the Board for approval any changes to the remuneration for Non-Executive Directors, including recommending any increase to the pool approved by securityholders for Non-Executive Director remuneration • Review annually and make recommendations to the Board for approval in relation to the remuneration package for the CEO and any other Executive Director, including contract terms, remuneration, benefits and incentives • In consultation with the CEO, review and approve the remuneration packages for any new members and existing members of the Leadership Team (excluding the CEO), including contract terms, remuneration, benefits and incentives **Evaluation of the Chief Executive Officer and Leadership Team performance** • Recommend to the Board for approval the Key Performance Indicators (KPIs) for the CEO • The Chairman of the Board and the CEO will assess the CEO's performance against these KPIs and that assessment will be provided to the Committee for consideration. The Committee will recommend the incentive plan outcomes for the CEO to the Board for approval • Review the CEO's assessment of the Leadership Team's (excluding the CEO) performance against KPIs and proposed incentive plan outcomes. The Committee will approve incentive plan outcomes for the Leadership Team (excluding the CEO) **Oversee the management of GPT's culture including:** • Ensure clear accountabilities for culture • Systems in place to monitor culture, including any material breaches of the Code of Conduct or other workplace behaviour policies • Recommend any changes to the Code of Conduct to the Board for approval, in conjunction with the Sustainability and Risk Committee • Ensure the remuneration framework balances risk and return and promotes appropriate risk taking behaviours **Succession planning** • Review and monitor the implementation of succession plans for the Leadership Team (excluding the CEO which is a responsibility of the Nomination Committee[1]) **Diversity and inclusion** • Review and approve GPT's diversity & inclusion strategy • Oversee the implementation of key initiatives in support of this strategy and review GPT's achievement of the strategy and measurable objectives **Talent** • Monitor and oversee employee talent and oversee the processes to support the implementation of those initiatives **Compliance with legal and regulatory requirements** • Review the annual Remuneration Report and make recommendations to the Board for its inclusion in the Annual Report.

1. The full Board are members of the Nomination Committee and no additional fees are paid for membership. Further information about the role and responsibility of committees is set out in their respective Charters, which are available on GPT's website: www.gpt.com.au.

DIRECTORS' REPORT

For the year ended 31 December 2022

Remuneration - Non-Executive Directors

What are the key elements of the Non-executive Director Remuneration Policy?	• The Board determines the remuneration structure for Non-executive Directors based on recommendations from the Human Resources and Remuneration Committee. • Non-executive Directors are paid one fee for participation as a Director in all GPT related companies (principally GPT RE Limited, the Responsible Entity of General Property Trust and GPT Management Holdings Limited). • Non-executive Director remuneration is composed of three main elements: › Main Board fees › Committee fees, and › Superannuation contributions at the statutory superannuation guarantee contribution rate. • Non-executive Directors do not participate in any short or long term incentive arrangements and are not entitled to any retirement benefits other than compulsory superannuation. • Non-executive Directors are subject to the Group's Minimum Security Holding Policy as detailed on page 17 of this Report. • Non-executive Director remuneration is set by reference to comparable entities listed on the ASX (having regard to GPT's industry sector and market capitalisation). • External independent advice on remuneration levels for Non-executive Directors is sought annually. In the event that a review results in changes, the new Board and Committee fees are effective from 1 January in the applicable year and advised in the ensuing Remuneration Report. • Fees (including superannuation) paid to Non-executive Directors are subject to an aggregate limit of $1,800,000 per annum, which was approved by GPT securityholders at the Annual General Meeting on 5 May 2015. As an Executive Director, Mr Johnston does not receive fees from this pool as he is remunerated as one of GPT's senior executives.

1. Board and committee fees[1,2]

		Board Fee	Audit Committee	Sustainability and Risk Committee	Human Resources and Remuneration Committee
Chairman	**2022**	**$450,000**	**$40,000**	**$34,000**	**$34,000**
	2021	$450,000	$40,000	$34,000	$34,000
Members	**2022**	**$170,000**	**$20,000**	**$17,000**	**$17,000**
	2021	$170,000	$20,000	$17,000	$17,000

1. In addition to the fees noted in the table, all Non-executive Directors receive reimbursement for reasonable travel, accommodation and other expenses incurred while undertaking GPT business.
2. Fees for Non-executive Directors are inclusive of superannuation.

2. Reported remuneration - Non-Executive Directors - AIFRS Accounting[1]

This table provides a breakdown of remuneration for Non-executive Directors in accordance with statutory requirements and Australian accounting standards.

		Fixed Pay			
Non-Executive Directors		**Base Fees**	**Superannuation**	**Other[1]**	**Total**
Vickki McFadden	**2022**	**$443,677**	**$6,323**	**–**	**$450,000**
Chairman	2021	$449,942	–	–	$449,942
Anne Brennan[2]	**2022**	**$123,857**	**$13,005**	**–**	**$136,862**
	2021	–	–	–	–
Tracey Horton AO	**2022**	**$200,455**	**$20,545**	**–**	**$221,000**
	2021	$201,368	$19,632	–	$221,000
Mark Menhinnitt	**2022**	**$185,035**	**$18,965**	**–**	**$204,000**
	2021	$185,878	$18,122	–	$204,000
Michelle Somerville	**2022**	**$205,897**	**$21,103**	**–**	**$227,000**
	2021	$206,835	$20,165	–	$227,000
Robert Whitfield AM[3]	**2022**	**$203,176**	**$20,824**	**–**	**$224,000**
	2021	$225,372	$20,464	–	$245,836

		Fixed Pay			
Former Non-Executive Directors		**Base Fees**	**Superannuation**	**Other[1]**	**Total**
Angus McNaughton[4]	**2022**	**$68,517**	**$6,852**	**–**	**$75,369**
	2021	$188,611	$18,389	–	$207,000
Total	**2022**	**$1,430,614**	**$107,617**	**–**	**$1,538,231**
	2021	$1,458,006	$96,772	–	$1,554,778

1. 'Other may include death and total/permanent disability insurance premiums and/or GPT superannuation plan administration fees.
2. Anne Brennan was appointed to the GPT Board on 1 May 2022.
3. Mr Whitfield's total fees for 2021 were $224,000. However, an adjustment for unpaid fees in 2020 was made during the period.
4. Angus McNaughton retired from the GPT Board on 11 May 2022.

3. Non-executive Director - GPT security holdings

	Holdings (# of securities)			Minimum securityholding requirement (MSHR)		
Non-executive Director	**Balance 31 Dec 21**	**Purchase / (Sale)**	**Balance 31 Dec 22**	**MSHR assessment[1]**	**MSHR guideline[2]**	**MSHR assessment date**
Vickki McFadden	112,525	–	112,525	$527,976	$450,000	March 2022
Anne Brennan	–	12,000	12,000	$52,117	$170,000	May 2026
Tracey Horton AO	27,525	5,720	33,245	$170,736	$170,000	May 2023
Mark Menhinnitt	30,000	12,000	42,000	$223,395	$170,000	October 2023
Michelle Somerville	36,663	–	36,663	$179,936	$170,000	December 2019
Robert Whitfield AM	15,000	12,500	27,500	$119,435	$170,000	May 2024

1. The MSHR is assessed by the higher of cost or the current market value (derived by multiplying the number of holdings at the end of the period by GPT's December 2022 30-day VWAP of $4.3431).
2. The MSHR for Non-Executive Directors is equal to 100% of board fees. Individuals have four years from commencement of employment to achieve the MSHR before it is assessed for the first time.

Remuneration Advisors

During the year, advisors did not provide any remuneration recommendations in relation to KMPs, as defined in Section 9B of the *Corporations Act 2001*.

The Directors' Report, including the Remuneration Report, is signed in accordance with a resolution of the Directors of GPT Management Holdings Limited.

Vickki McFadden
Chairman

Bob Johnston
Chief Executive Officer and Managing Director

Sydney
20 February 2023

Auditor's Independence Declaration

As lead auditor for the audit of GPT Management Holdings Limited for the year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of GPT Management Holdings Limited and the entities it controlled during the period.

S. Horl

Susan Horlin
Partner
PricewaterhouseCoopers

Sydney
20 February 2023

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FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

	Note	31 Dec 22 $'000	31 Dec 21 $'000
Revenue			
Funds management fees		**108,245**	99,810
Property management fees		**43,144**	40,072
Development management fees		**24,492**	18,773
Management costs recharged		**34,713**	31,545
		210,594	190,200
Other income			
Interest revenue		**381**	79
Proceeds from sale of inventory		**10,989**	34,864
Profit on sale of investment		**2,309**	—
		13,679	34,943
Total revenue and other income		**224,273**	225,143
Expenses			
Remuneration expenses		**131,902**	122,744
Cost of sale of inventory		**10,093**	30,794
Share of after tax loss/(profit) of equity accounted investments	2(c)	**115**	(903)
Property expenses and outgoings		**3,781**	3,602
Technology expenses		**15,672**	14,935
Professional fees		**6,467**	5,566
Depreciation of right-of-use asset		**10,580**	10,223
Depreciation		**2,624**	2,510
Amortisation		**1,547**	2,154
Revaluation of financial arrangements		**337**	(33,396)
Impairment (reversal)/expense		**(8,138)**	18,302
Finance costs		**3,251**	3,369
Other expenses		**19,480**	23,189
Total expenses		**197,711**	203,089
Profit before income tax		**26,562**	22,054
Income tax expense/(benefit)	10(a)	**4,108**	(449)
Net profit for the year		**22,454**	22,503
Other comprehensive income			
Items that may be reclassified to profit and loss			
Net foreign exchange translation gain/(loss)	11(b)	**10**	**(1)**
Total comprehensive profit for the year		**22,464**	22,502
Net profit attributable to:			
- Members of the Company		**22,509**	22,070
- Non-controlling interest		**(55)**	433
Total comprehensive income attributable to:			
- Members of the Company		**22,519**	22,069
- Non-controlling interest		**(55)**	433
Earnings per share attributable to the ordinary equity holders of the Company			
Basic and diluted earnings per share (cents per share) - total	12(a)	**1.18**	1.15

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	31 Dec 22 $'000	31 Dec 21 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**17,185**	16,590
Trade receivables	3	**77,962**	52,018
Other receivables		**39,260**	19,777
Current tax asset	10(c)	**6,186**	—
Inventories	5	**13,406**	14,565
Prepayments		**5,642**	7,041
Total current assets		**159,641**	109,991
Non-current assets			
Intangible assets	4	**22,535**	13,029
Property, plant and equipment	6	**10,579**	9,154
Inventories	5	**163,994**	94,115
Equity accounted investments	2	**24,587**	24,634
Right-of-use assets		**32,966**	44,436
Deferred tax asset	10(d)	**22,584**	26,625
Other assets	7	**18,846**	5,067
Total non-current assets		**296,091**	217,060
Total assets		**455,732**	327,051
LIABILITIES			
Current liabilities			
Payables	8	**60,707**	29,337
Current tax liability	10(c)	**—**	6,083
Provisions	9	**19,735**	19,641
Borrowings	14	**2,721**	2,370
Lease liabilities		**10,888**	10,353
Total current liabilities		**94,051**	67,784
Non-current liabilities			
Borrowings	14	**229,451**	144,367
Provisions	9	**11,989**	6,269
Lease liabilities		**37,217**	48,106
Total non-current liabilities		**278,657**	198,742
Total liabilities		**372,708**	266,526
Net assets		**83,024**	60,525
EQUITY			
Contributed equity	11(a)	**331,842**	331,842
Reserves	11(b)	**18,280**	18,235
Accumulated losses	11(c)	**(284,913)**	(307,422)
Total equity attributable to Company members		**65,209**	42,655
Non-controlling interests		**17,815**	17,870
Total equity		**83,024**	60,525

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

		Company				Non-controlling interests			
	Note	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000	Contributed equity $'000	Accumulated losses $'000	Total $'000	Total equity $'000
Equity attributable to Company Members									
At 1 January 2021		331,974	17,982	(329,329)	20,627	21,172	(2,599)	18,573	39,200
Other comprehensive income for the year		—	(1)	—	(1)	—	—	—	(1)
Profit for the year	11(c)	—	—	22,070	22,070	—	433	433	22,503
Total comprehensive income for the year		—	(1)	22,070	22,069	—	433	433	22,502
Transactions with Members in their capacity as Members									
On-market share buy back	11(a)	(132)	—	—	(132)	—	—	—	(132)
Movement in employee incentive security scheme reserve net of tax	11(b)	—	91	—	91	—	—	—	91
Reclassification of employee incentive security scheme reserve to accumulated losses	11(b)	—	163	(163)	—	—	—	—	—
Distributions		—	—	—	—	—	(1,136)	(1,136)	(1,136)
At 31 December 2021		331,842	18,235	(307,422)	42,655	21,172	(3,302)	17,870	60,525
Equity attributable to Company Members									
At 1 January 2022		**331,842**	**18,235**	**(307,422)**	**42,655**	**21,172**	**(3,302)**	**17,870**	**60,525**
Other comprehensive income for the year		**—**	**10**	**—**	**10**	**—**	**—**	**—**	**10**
Profit for the year	11(c)	**—**	**—**	**22,509**	**22,509**	**—**	**(55)**	**(55)**	**22,454**
Total comprehensive income for the year		**—**	**10**	**22,509**	**22,519**	**—**	**(55)**	**(55)**	**22,464**
Transactions with Members in their capacity as Members									
Movement in employee incentive security scheme reserve net of tax	11(b)	**—**	**35**	**—**	**35**	**—**	**—**	**—**	**35**
At 31 December 2022		**331,842**	**18,280**	**(284,913)**	**65,209**	**21,172**	**(3,357)**	**17,815**	**83,024**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2022

	Note	31 Dec 22 $'000	31 Dec 21 $'000
Cash flows from operating activities			
Receipts in the course of operations (inclusive of GST)		**181,988**	205,399
Payments in the course of operations (inclusive of GST)		**(169,725)**	(169,715)
Proceeds from the sale of inventories		**10,989**	14,864
Payments for inventories		**(76,348)**	(13,448)
Interest received		**430**	50
Finance costs paid		**(1,806)**	(2,044)
Income taxes paid		**(12,327)**	(6,311)
Net cash (outflows)/inflows from operating activities	16	**(66,799)**	28,795
Cash flows from investing activities			
Payments for property, plant and equipment		**(4,051)**	(1,570)
Payments for intangibles		**(1,091)**	(4,386)
Purchases of securities for the employee incentive schemes		**(1,662)**	(433)
Capital return from unlisted investment		**2,309**	—
Net cash outflows from investing activities		**(4,495)**	(6,389)
Cash flows from financing activities			
Payment for on-market buy-back of securities		**—**	(132)
Repayments of related party borrowings		**(235,548)**	(175,622)
Proceeds from related party borrowings		**317,440**	158,975
Repayments of borrowings		**—**	(2,900)
Proceeds from borrowings		**351**	263
Principal elements of lease payments		**(10,354)**	(9,368)
Net cash inflows/(outflows) from financing activities		**71,889**	(28,784)
Net cash increase/(decrease) in cash and cash equivalents		**595**	(6,378)
Cash and cash equivalents at the beginning of the year		**16,590**	22,968
Cash and cash equivalents at the end of the year		**17,185**	16,590

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

These are the consolidated financial statements of GPT Management Holdings Limited and its controlled entities (the Consolidated Entity).

The notes to these financial statements have been organised into sections to help users find and understand the information they need to know. Additional information has also been provided where it is helpful to understand the Consolidated Entity's performance.

The notes to the financial statements are organised into the following sections:
Note 1 - Result for the year: focuses on results and performance of the Consolidated Entity.
Notes 2 to 10 - Operating assets and liabilities: provides information on the assets and liabilities used to generate the Consolidated Entity's trading performance.
Notes 11 to 15 - Capital structure: outlines how the Consolidated Entity manages its capital structure and various financial risks.
Notes 16 to 26 - Other disclosure items: provides information on other items that must be disclosed to comply with Australian Accounting Standards and other regulatory pronouncements.

Key judgements, estimates and assumptions
In applying the Consolidated Entity's accounting policies, management has made a number of judgements, estimates and assumptions regarding future events. Management have assessed key judgements and estimates the current economic uncertainty arising from higher inflation, rising interest rates and slowing capital flows.

The following judgements and estimates have the potential to have a material impact on the financial statements:

Financial statement item	Area of judgements and estimates	Note
Equity accounted investments	Assessment of control versus significant influence	2
Management rights with indefinite life	Impairment trigger and recoverable amounts	4
IT development and software	Impairment trigger and recoverable amounts	4
Inventories	Lower of cost and net realisable value	5
Property, plant and equipment	Useful life	6
Provisions	Estimates of future obligations and probability of outflow	9
Deferred tax assets	Recoverability	10
Related party borrowings at fair value	Fair value	14
Security based payments	Fair value	20
Contract assets	Amortisation period	25(d)(i)
Lease liabilities	Lease term and incremental borrowing rate	25(d)(vii)
Right-of-use assets	Impairment trigger and recoverable amounts	25(d)(vii)

RESULT FOR THE YEAR

1. SEGMENT INFORMATION

The chief operating decision makers monitor the performance of the business in a manner consistent with that of the financial report. Refer to the Consolidated Statement of Comprehensive Income for the segment financial performance and the Consolidated Statement of Financial Position for the total assets and liabilities.

OPERATING ASSETS AND LIABILITIES

2. EQUITY ACCOUNTED INVESTMENTS

	Note	**31 Dec 22 $'000**	31 Dec 21 $'000
Investments in joint ventures	(i)	**14,586**	14,633
Investments in associates	(ii)	**10,001**	10,001
Total equity accounted investments		**24,587**	24,634

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

(a) Details of equity accounted investments

Name	Principal activity	Ownership interest 31 Dec 22 %	31 Dec 21 %	31 Dec 22 $'000	31 Dec 21 $'000
(i) Joint ventures					
Lendlease GPT (Rouse Hill) Pty Limited [(1)]	Property development	**50.00**	50.00	**14,586**	14,633
Total investment in joint ventures				**14,586**	14,633
(ii) Associates					
DPT Operator No. 1 Pty Limited	Management	**91.67**	91.67	**—**	—
DPT Operator No. 2 Pty Limited	Management	**91.67**	91.67	**1**	1
GPT Funds Management Limited	Funds management	**100.00**	100.00	**10,000**	10,000
Total investment in associates				**10,001**	10,001

(1) The entity has a 30 June balance date. The Consolidated Entity has a 50 per cent interest in Lendlease GPT (Rouse Hill) Pty Limited, a joint venture developing residential and commercial land at Rouse Hill, in partnership with Landcom and the NSW Department of Planning. The Consolidated Entity's interest is held through a subsidiary that is 52 per cent owned by the Consolidated Entity and 48 per cent owned by the Trust.

(b) Summarised financial information for joint ventures and associates

The information disclosed reflects the amounts presented in the financial results of the relevant joint ventures and associates and not the Consolidated Entity's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	31 Dec 22 $'000	31 Dec 21 $'000
Cash and cash equivalents[(1)]	**22,270**	25,103
Other assets	**32**	22
Property investments and loans	**18,103**	16,917
Total assets	**40,405**	42,042
Liabilities	**2,061**	3,468
Total liabilities	**2,061**	3,468
Net assets	**38,344**	38,574
Consolidated entity's share of net assets	**24,172**	24,288
Additional ownership costs	**415**	346
Total equity accounted investment	**24,587**	24,634

(1) Dec 2022: $10,000,000 relates to the investment in associates (Dec 2021: $10,000,000).

(c) Share of after tax (loss)/profit of equity accounted investments

	31 Dec 22 $'000	31 Dec 21 $'000
Revenue	**137**	6,968
Expenses	**(466)**	(4,552)
(Loss)/profit before income tax expense	**(329)**	2,416
Income tax credit/(expense)	**100**	(611)
(Loss)/profit after income tax expense	**(229)**	1,805
Share of after tax (loss)/profit of joint ventures and associates	**(115)**	903
Share of after tax (loss)/profit of equity accounted investments	**(115)**	903

(d) Reconciliation of the carrying amount of investments in joint ventures and associates

	31 Dec 22 $'000	31 Dec 21 $'000
Opening balance at the beginning of the year	**24,634**	26,011
Share of after tax (loss)/profit of joint ventures and associates	**(115)**	903
Distributions paid	**—**	(2,364)
Closing balance at the end of the year	**24,519**	24,550
Additional ownership costs	**68**	84
Carrying amount of equity accounted investments	**24,587**	24,634

3. TRADE RECEIVABLES

	31 Dec 22 $'000	31 Dec 21 $'000
Trade receivables(1)	**38,069**	27,440
Accrued income	**3,482**	306
Related party receivables(2)	**36,411**	24,272
Trade receivables	**77,962**	52,018

(1) The trade receivables balance includes amounts receivable from GWOF and GWSCF. See note 21 for more details on related party transactions.
(2) The related party receivables are from the Trust and have been agreed on commercial terms and conditions.

The table below shows the ageing analysis of the Consolidated Entity's trade receivables.

	31 Dec 22					31 Dec 21				
	Less than 30 days $'000	**31-60 days $'000**	**61-90 days $'000**	**90+ days $'000**	**Total $'000**	Less than 30 days $'000	31-60 days $'000	61-90 days $'000	90+ days $'000	Total $'000
Trade receivables	**76,195**	**1,442**	**159**	**166**	**77,962**	50,535	821	250	412	52,018
Total trade receivables	**76,195**	**1,442**	**159**	**166**	**77,962**	50,535	821	250	412	52,018

Receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method less any allowance under the 'expected credit loss' (ECL) model. The Consolidated Entity holds these financial assets in order to collect the contractual cash flows and the contractual terms are solely payments of outstanding principal and interest on the principal amount outstanding.

All loans and receivables with maturities greater than 12 months after the balance date are classified as non-current assets.

Recoverability of loans and trade receivables
For remaining trade and other receivables balances which have not been written off, management has assessed whether these balances are "credit impaired", and recognised a loss allowance equal to the lifetime ECL. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset is expected to occur.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the receivables and are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Consolidated Entity expects to receive).

The Consolidated Entity analyses the age of outstanding receivable balances and applies historical default percentages adjusted for other current observable data as a means to estimate lifetime ECL. Other current observable data may include:
- forecasts of economic conditions such as unemployment, interest rates, gross domestic product and inflation; and
- financial difficulties of a counterparty or probability that a counterparty will enter bankruptcy.

Debts that are known to be uncollectible are written off when identified.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

4. INTANGIBLE ASSETS

	Management rights $'000	IT development and software $'000	Total $'000
Cost			
At 1 January 2021	52,042	54,223	106,265
Additions	—	4,357	4,357
Write-off	—	(12,268)	(12,268)
At 31 December 2021	52,042	46,312	98,354
Additions	**—**	**994**	**994**
Transfers	**—**	**(126)**	**(126)**
At 31 December 2022	**52,042**	**47,180**	**99,222**
Accumulated amortisation and impairment			
At 1 January 2021	(41,857)	(39,669)	(81,526)
Amortisation	—	(2,154)	(2,154)
Impairment	(10,185)	(3,728)	(13,913)
Write-off	—	12,268	12,268
At 31 December 2021	(52,042)	(33,283)	(85,325)
Amortisation	**—**	**(1,547)**	**(1,547)**
Impairment reversal	**10,185**	**—**	**10,185**
At 31 December 2022	**(41,857)**	**(34,830)**	**(76,687)**
Carrying amounts			
At 31 December 2021	—	13,029	13,029
At 31 December 2022	**10,185**	**12,350**	**22,535**

Management Rights
Management rights include property management and development management rights. Rights are initially measured at cost and rights with a definite life are subsequently amortised over their useful life.

For the management rights of Highpoint Shopping Centre, management considers the useful life as indefinite as there is no fixed term included in the management agreement. Therefore, the Consolidated Entity considered indicators of impairment or reversal at balance date. Assets are impaired if the carrying value exceeds their recoverable amount. The recoverable amount is determined using a discounted cash flow. A 13.25% pre-tax discount rate and 2.90% growth rate have been applied to these asset specific cash flow projections.The asset was impaired in full during the year end 31 December 2021, with the full amount reversed at 31 December 2022 due to economies of scale benefits as a result of the commencement of management of the Unisuper and ACRT mandates.

IT development and software
Costs incurred in developing systems and acquiring software and licenses that will contribute future financial benefits and which the Consolidated Entity controls (therefore excluding Software as a Service) are capitalised until the software is capable of operating in the manner intended by management. These include external direct costs of materials and services and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over the length of time that benefits are expected to be received, generally ranging from 5 to 10 years.

IT development and software are assessed for impairment at each reporting date by evaluating if any impairment triggers exist. Where impairment indicators exist, management calculates the recoverable amount. The asset is impaired if the carrying value exceeds the recoverable amount. Critical judgements are made by management in setting appropriate impairment indicators and assumptions used to determine the recoverable amount.

Management believe the carrying value reflects the recoverable amount.

Costs incurred in relation to Software as a Service are recognised as an expense as incurred.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

5. INVENTORIES

	31 Dec 22	31 Dec 21
	$'000	$'000
Properties held for sale	—	8,400
Development properties	13,406	6,165
Current inventories	**13,406**	14,565
Development properties	108,994	94,115
Properties held for sale	55,000	—
Non-current inventories	**163,994**	94,115
Total inventories	**177,400**	108,680

Properties held as inventory are stated at the lower of cost and net realisable value (NRV).

Cost
Cost includes the cost of acquisition and any subsequent capital additions. For development properties, cost also includes development, finance costs and all other costs directly related to specific projects including an allocation of direct overhead expenses. Post completion of the development, finance costs and other holding charges are expensed as incurred. When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. For wholly owned, internally managed developments, this expense is determined on a forward looking, revenue proportional basis.

NRV
The NRV is the estimated selling price in the ordinary course of business less estimated costs to sell. At each reporting date, management reviews these estimates by taking into consideration:
- the most reliable evidence; and
- any events which confirm conditions existing at the period end and cause any fluctuations of selling price and costs to sell.

The amount of any inventory write down is recognised as an impairment expense in the Consolidated Statement of Comprehensive Income.

The Consolidated Entity completed NRV assessments for each inventory asset for the year and has compared the results to the cost of each asset. As a result, an additional impairment of $736,000 was recorded against the Metroplex inventory asset.

6. PROPERTY, PLANT AND EQUIPMENT

	31 Dec 22	31 Dec 21
	$'000	$'000
Computers		
At cost	23,970	21,527
Less: accumulated depreciation	(18,001)	(16,151)
Total computers	**5,969**	5,376
Office fixtures and fittings		
At cost	15,965	15,971
Less: accumulated depreciation	(12,632)	(11,858)
Less: accumulated impairment	(335)	(335)
Total office fixtures and fittings	**2,998**	3,778
Solar installations		
At cost	1,612	—
Total solar installations	**1,612**	—
Total property, plant and equipment	**10,579**	9,154

Reconciliations of the carrying amount of property, plant and equipment at the beginning and end of the financial period are set out below:

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

	Computers $'000	Office fixtures & fittings $'000	Solar installations $'000	Total $'000
At 1 January 2021				
Opening carrying value	5,002	5,603	—	10,605
Additions	1,492	93	—	1,585
Disposals	(57)	(134)	—	(191)
Transfers	551	(551)	—	—
Depreciation	(1,612)	(898)	—	(2,510)
Impairment	—	(335)	—	(335)
At 31 December 2021	5,376	3,778	—	9,154
At 1 January 2022				
Opening carrying value	**5,376**	**3,778**	**—**	**9,154**
Additions	**2,299**	**44**	**1,694**	**4,037**
Disposals	**(32)**	**—**	**(82)**	**(114)**
Transfers	**176**	**(50)**	**—**	**126**
Depreciation	**(1,850)**	**(774)**	**—**	**(2,624)**
At 31 December 2022	**5,969**	**2,998**	**1,612**	**10,579**

The value of property, plant and equipment is measured as the cost of the asset less depreciation and impairment. The cost of the asset includes acquisition costs and any costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation
Items of property, plant and equipment are depreciated on a straight-line basis over their useful lives. The estimated useful life is between 3 and 40 years.

Impairment
The Consolidated Entity tests property, plant and equipment for impairment where there is an indicator that the asset may be impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The Consolidated Entity has assessed the property plant and equipment for impairment indicators and believe the current carrying values are appropriate.

Disposals
Gains and losses on disposals are determined by comparing proceeds from disposals with the carrying amount of the property, plant and equipment and are included in the Consolidated Statement of Comprehensive Income in the period of disposal.

Solar installations
Solar arrays are owned by the Consolidated Entity and installed on GPT managed logistics assets. The Consolidated Entity is a party to a back to back power purchase agreement between the energy provider and the tenant. This arrangement has been put in place to give the tenants access to sustainably produced electricity at a competitive price.

7. OTHER ASSETS

	31 Dec 22 $'000	31 Dec 21 $'000
Lease incentive assets	**172**	307
Investment in financial assets	**14**	—
Other assets	**3,153**	4,760
Contract asset	**15,507**	—
Total other assets	**18,846**	5,067

8. PAYABLES

	31 Dec 22 $'000	31 Dec 21 $'000
Trade payables	**939**	1,232
Accruals	**37,849**	25,642
Other payables	**21,919**	2,463
Total payables	**60,707**	29,337

Trade payables and accruals represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year which are unpaid. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

9. PROVISIONS

	31 Dec 22 $'000	31 Dec 21 $'000
Current provisions		
Employee benefits	**17,131**	17,079
Other	**2,604**	2,562
Total current provisions	**19,735**	19,641
Non-current provisions		
Employee benefits	**10,073**	4,420
Other	**1,916**	1,849
Total non-current provisions	**11,989**	6,269
Total provisions	**31,724**	25,910

	Employee benefits $'000	Other $'000	Total $'000
At 1 January 2021	16,672	4,157	20,829
Arising during the year	14,156	853	15,009
Utilised during the year	(9,329)	(599)	(9,928)
At 31 December 2021	21,499	4,411	25,910
At 1 January 2022	**21,499**	**4,411**	**25,910**
Arising during the year	**16,693**	**718**	**17,411**
Utilised during the year	**(10,988)**	**(609)**	**(11,597)**
At 31 December 2022	**27,204**	**4,520**	**31,724**

Provisions are recognised when:

- the Consolidated Entity has a present obligation (legal or constructive) as a result of a past event;
- it is probable that resources will be expended to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the obligation.

Provision for employee benefits
The provision for employee benefits represents annual leave, long service leave and parental leave entitlements accrued for employees. The employee benefit liability expected to be settled within twelve months after the end of the reporting period is recognised in current liabilities. The non-current provision relates to entitlements, including long service leave, which are due to be payable after more than twelve months from the reporting date. It is measured as the present value of expected future payments for the service provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at balance date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible to the estimated future cash outflows. Employee benefit on-costs are recognised together with the employee benefits and included in employee benefit liabilities.

10. TAXATION

(a) Income tax expense/(credit)

	31 Dec 22 $'000	31 Dec 21 $'000
Current income tax expense	**58**	10,394
Deferred income tax expense/(benefit)	**4,050**	(10,843)
Income tax expense/(benefit) in the Consolidated Statement of Comprehensive Income	**4,108**	(449)
Income tax expense/(benefit) attributable to profit from continuing operations	**4,108**	(449)
Aggregate income tax expense/(benefit)	**4,108**	(449)

(b) Reconciliation of income tax expense/(credit) to prima facie tax payable

	31 Dec 22 Gross $'000	31 Dec 22 Tax effect $'000	31 Dec 21 Gross $'000	31 Dec 21 Tax effect $'000
Net profit for the year excluding income tax expense	**26,562**	**7,969**	22,054	6,616
Profit which is subject to taxation at 30% tax rate	**26,562**	**7,969**	22,054	6,616
Tax effect of amounts not deductible/assessable in calculating income tax expense:				
Non-assessable revaluation items	**(9,848)**	**(2,954)**	(22,876)	(6,862)
Proceeds from wind up of BGP Holdings plc	**(2,309)**	**(693)**	—	—
Equity accounted loss/(profits) from joint ventures	**115**	**34**	(903)	(271)
Profit/(loss) used to calculate effective tax rate	**14,520**	**4,356**	(1,725)	(517)
Other non-deductible items	**(827)**	**(248)**	228	68
Income tax expense/(credit)	**13,693**	**4,108**	(1,497)	(449)
Effective tax rate		**28 %**		26 %

(c) Current tax asset/(liability)

	31 Dec 22 $'000	31 Dec 21 $'000
Opening balance at the beginning of the year	**(6,083)**	(2,000)
Income tax (expense)/credit	**(4,108)**	449
Tax payments to the tax authorities	**12,327**	6,311
Other deferred tax liability/(asset) charged to income	**5,401**	(5,386)
Movements in employee benefits	**(1,342)**	(5,629)
Movement in provisions and accruals	**(18)**	(1)
Movement in reserves	**9**	173
Closing balance at the end of the year	**6,186**	(6,083)

(d) Deferred tax asset

	31 Dec 22 $'000	31 Dec 21 $'000
Employee benefits	**11,970**	10,628
Provisions and accruals	**1,957**	1,939
Right-of-use assets	**(9,653)**	(13,286)
Lease liabilities	**14,432**	17,866
Other	**3,878**	9,478
Net deferred tax asset	**22,584**	26,625
Movement in temporary differences during the year		
Opening balance at the beginning of the year	**26,625**	15,609
Income tax (expense)/credit	**(4,050)**	10,843
Movement in reserves	**9**	173
Closing balance at the end of the year	**22,584**	26,625

Adoption of Voluntary Tax Transparency Code
The Board of Taxation has released a voluntary Tax Transparency Code (TTC). The TTC sets out a recommended set of principles and minimum standards regarding the disclosure of tax information for businesses. The Consolidated Entity is committed to the TTC. The non-IFRS income tax disclosures above and in note 10(b) include the recommended additional disclosures.

The Australian Accounting Standards Board have issued a Draft Appendix to the TTC outlining the method to calculate the effective tax rate as shown in the table above, using:

- accounting profit before tax adjusted to exclude transactions which are not reflected in the calculation of income tax expense; and
- tax expense adjusted to exclude carry forward tax losses that have been recognised and prior year under/overstatements.

Income tax expense
Income tax expense for the financial year is the tax payable on the current year's taxable income. This is adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Deferred income tax liabilities and assets – recognition
Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carried forward unused tax assets and unused tax losses, to the extent it is probable that taxable profit will be available to utilise them. The carrying amount of deferred income tax assets is reviewed and reduced to the extent that it is no longer probable that sufficient taxable profit will be available.

Deferred income tax assets and liabilities – measurement
Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided on temporary differences at the reporting date between accounting carrying amounts and the tax cost bases of assets and liabilities, other than for the following where taxable temporary differences relate to investments in subsidiaries, associates and interests in joint ventures:

– Deferred tax liabilities are not recognised if the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
– Deferred tax assets are not recognised if it is not probable that the temporary differences will reverse in the foreseeable future and taxable profit will not be available to utilise the temporary differences.

Tax relating to equity items
Income taxes relating to items recognised directly in equity are recognised in equity and not in the Consolidated Statement of Comprehensive Income.

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CAPITAL STRUCTURE

11. EQUITY AND RESERVES

(a) Contributed equity

	Number	$'000
Ordinary stapled securities		
Opening securities on issue at 1 January 2021	1,947,929,316	331,974
On-market share buy-back(1)	(32,351,886)	(132)
Closing securities on issue at 31 December 2021	1,915,577,430	331,842
Opening securities on issue at 1 January 2022	**1,915,577,430**	**331,842**
Closing securities on issue at 31 December 2022	**1,915,577,430**	**331,842**

(1) On 15 February 2021, GPT announced an on-market buy-back of GPT securities, with transactions occurring between 3 March 2021 and 1 June 2021 at an average price of $4.54 per security. The proportion of the proceeds of the share buy back allocated to the Company was based on the relative net asset value between the Trust and the Company.

Ordinary stapled securities are classified as equity and recognised at the fair value of the consideration received by GPT. Any transaction costs arising on the issue and buy-back of ordinary securities are recognised directly in equity as a reduction, net of tax, of the proceeds received or added to the consideration paid for securities bought back.

(b) Reserves

	Foreign currency translation reserve $'000	Employee incentive scheme reserve $'000	Total reserves $'000
Balance at 1 January 2021	18,151	(169)	17,982
Net foreign exchange translation adjustments	(1)	—	(1)
Reclassification to accumulated losses	—	163	163
Employee incentive schemes expense, net of tax	—	52	52
Tax on incentives valued at reporting date	—	173	173
Vesting of securities	—	(134)	(134)
Balance at 31 December 2021	18,150	85	18,235
Balance at 1 January 2022	**18,150**	**85**	**18,235**
Net foreign exchange translation adjustments	**10**	**—**	**10**
Employee incentive schemes expense, net of tax	**—**	**25**	**25**
Tax on incentives valued at reporting date	**—**	**12**	**12**
Vesting of securities	**—**	**(2)**	**(2)**
Balance at 31 December 2022	**18,160**	**120**	**18,280**

Nature and purpose of reserves
Foreign currency translation reserve
The reserve is used to record exchange differences arising on translation of foreign controlled entities and associated funding of foreign controlled entities. The movement in the reserve is recognised in net profit when the investment in the foreign controlled entity is disposed.

Employee incentive scheme reserve
The reserve is used to recognise the fair value of equity-settled security-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to note 20 for further details of security based payments.

(c) Accumulated losses

	Company $'000	Non-controlling interest $'000	Total $'000
Balance at 1 January 2021	(329,329)	(2,599)	(331,928)
Net profit for the year	22,070	433	22,503
Reclassification from employee incentive security scheme	(163)	—	(163)
Distributions	—	(1,136)	(1,136)
Balance at 31 December 2021	(307,422)	(3,302)	(310,724)
Balance at 1 January 2022	**(307,422)**	**(3,302)**	**(310,724)**
Net profit/(loss) for the year	**22,509**	**(55)**	**22,454**
Reclassification from employee incentive security scheme	**—**	**—**	**—**
Distributions	**—**	**—**	**—**
Balance at 31 December 2022	**(284,913)**	**(3,357)**	**(288,270)**

12. EARNINGS PER SHARE

(a) Basic and diluted earnings per share

	31 Dec 22 Cents	31 Dec 21 Cents
Total basic and diluted earnings per share	**1.18**	1.15

(b) The profit used in the calculation of the basic and diluted earnings per share is as follows:

Profit/(loss) reconciliation - basic and diluted	31 Dec 22 $'000	31 Dec 21 $'000
Profit from continuing operations	**22,509**	22,070
(Loss)/profit attributed to external non-controlling interest	**(55)**	433
	22,454	22,503

(c) WANOS

The weighted average number of ordinary shares (WANOS) used in the calculations of basic and diluted earnings per ordinary share are as follows:

	31 Dec 22 Number of shares '000s	31 Dec 21 Number of shares '000s
WANOS used as denominator in calculating basic earnings per ordinary share	**1,915,577**	1,924,332
Performance security rights (weighted average basis)(1)	**671**	677
WANOS used as denominator in calculating diluted earnings per ordinary share	**1,916,248**	1,925,009

(1) Performance security rights granted under the Long Term Incentive plan are only included in dilutive earnings per ordinary share where the performance hurdles are expected to be met as at the year end.

Calculation of earnings per share

Basic earnings per share is calculated as net profit or loss attributable to ordinary shareholders of the Company, divided by the WANOS outstanding during the financial year which is adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share is calculated as net profit or loss attributable to ordinary shareholders of the Company divided by the WANOS and dilutive potential ordinary securities. Where there is no difference between basic earnings per share and diluted earnings per share, the term basic and diluted earnings per ordinary share is used.

13. DIVIDENDS PAID AND PAYABLE

The Company has not paid or declared dividends for the year to 31 December 2022 (2021: nil).

14. BORROWINGS

	31 Dec 22		31 Dec 21	
	Carrying amount(1)	**Fair value(2)**	Carrying amount(1)	Fair value(2)
	$'000	**$'000**	$'000	$'000
Current borrowings at amortised cost - secured	**2,721**	**2,723**	2,370	2,373
Current borrowings	**2,721**	**2,723**	2,370	2,373
Non-current borrowings from joint ventures at amortised cost	**6,636**	**6,636**	6,636	6,636
Non-current related party borrowings from GPT Trust at amortised cost	**185,811**	**185,811**	100,862	100,862
Non-current related party borrowings from GPT Trust at fair value	**37,004**	**37,004**	36,869	36,869
Non-current borrowings	**229,451**	**229,451**	144,367	144,367
Total borrowings	**232,172**	**232,174**	146,737	146,740

(1) Including unamortised establishment costs.
(2) For the majority of borrowings, the carrying amount approximates its fair value. Excluding unamortised establishment costs.

The related party borrowings from GPT Trust at fair value are subject to limited recourse based on available funds determined by the repayment fund calculation in the loan agreement. During the period, management determined the fair value of these borrowings by forecasting a best estimate of future repayments. The repayments have been discounted at a risk adjusted rate appropriate to the Consolidated Entity to determine the fair value. This has resulted in a revaluation increase of $135,000 being recognised on the face of the Consolidated Statement of Comprehensive Income during the period as a result of the historical loans with the Trust being valued at $37,004,000 at 31 December 2022 (Dec 2021: $36,869,000). Refer to note 24 for further information on the fair value calculations.

GPT Trust has suspended interest in connection with the above loans from 3 September 2015. The lender has the option to reinstate interest. The loans are accounted for as non-revolving interest free borrowings that are revalued each reporting date in accordance with accounting standards.
Borrowings other than interest free loans are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Under this method, any transaction fees, costs, discounts and premiums directly related to the borrowings are recognised in the Consolidated Statement of Comprehensive Income over the expected life of the borrowings.

All borrowings with maturities greater than 12 months after reporting date are classified as non-current liabilities.

When the terms of a financial liability are modified, AASB 9 requires an entity to perform an assessment to determine whether the modified terms are substantially different from the existing financial liability. Where a modification is substantial, it will be accounted for as an extinguishment of the original financial liability and a recognition of a new financial liability. Where the modification does not result in extinguishment, the difference between the existing carrying amount of the financial liability and the modified cash flows discounted at the original effective interest rate is recognised in the Consolidated Statement of Comprehensive Income as gain/loss on modification of financial liability. Management has assessed the modification of terms requirements within AASB 9 and have concluded that these will not have a material impact for the Consolidated Entity for the year ended 31 December 2022.

The maturity profile of borrowings is provided below:

	Total facility(1)	**Used facility(1)**	**Unused facility**
	$'000	**$'000**	**$'000**
Due within one year	2,723	2,723	—
Due between one and five years	155,361	129,417	25,944
Due after five years	465,718	458,948	6,770
	623,802	**591,088**	**32,714**
Cash and cash equivalents			**17,185**
Less: cash and cash equivalents held for AFSLs			**(10,950)**
Total financing resources available at the end of the year			**38,949**

(1) Excludes unamortised establishment costs and fair value adjustments.

Cash and cash equivalents includes cash on hand, cash at bank and short term money market deposits.

The borrowings set out in the maturity table above include the nominal value of the related party loans which are carried at fair value in the Consolidated Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

15. FINANCIAL RISK MANAGEMENT

The Board approves the Consolidated Entity's treasury policy which:
- establishes a framework for the management of risks inherent to the capital structure;
- defines the role of the Consolidated Entity's treasury; and
- sets out the policies, limits, monitoring and reporting requirements for cash, borrowings, liquidity, credit risk, foreign exchange and interest rate instruments.

(a) Interest rate risk
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Consolidated Entity's primary interest rate risk arises from interest bearing borrowings. The table below provides a summary of the Consolidated Entity's gross interest rate risk exposure on interest bearing borrowings together with the net effect of interest rate risk management transactions. This excludes unamortised establishment costs.

	Gross exposure		Net exposure	
	31 Dec 22	31 Dec 21	**31 Dec 22**	31 Dec 21
	$'000	$'000	**$'000**	$'000
Floating rate interest-bearing borrowings	**188,532**	103,235	**188,532**	103,235
	188,532	103,235	**188,532**	103,235

The impact on interest expense and interest revenue of a 0.5 (Dec 2021: 0.25) per cent increase or decrease in market interest rates is shown below.

A 0.5 per cent increase or decrease is used for consistency of reporting interest rate risk across the Consolidated Entity.

	31 Dec 22	**31 Dec 22**	31 Dec 21	31 Dec 21
	(+0.5%)	**(-0.5%)**	(+0.25%)	(-0.25%)
	$'000	**$'000**	$'000	$'000
Impact on Consolidated Statement of Comprehensive Income				
Impact on interest revenue increase/(decrease)	**86**	**(86)**	41	(41)
Impact on interest expense (increase)/decrease	**(943)**	**943**	(258)	258
	(857)	**857**	(217)	217

(b) Liquidity risk
Liquidity risk is the risk that the Consolidated Entity, as a result of its operations:
- will not have sufficient funds to settle a transaction on the due date;
- will be forced to sell financial assets at a value which is less than what they are worth; or
- may be unable to settle or recover a financial asset at all.

The Consolidated Entity manages liquidity risk by maintaining:
- sufficient cash;
- an adequate amount of committed credit facilities;
- a minimum liquidity buffer in cash and surplus committed facilities for the forward rolling twelve month period; and
- the ability to close out market positions.

The table below shows an analysis of the undiscounted contractual maturities of liabilities which forms part of the Consolidated Entity's assessment of liquidity risk.

			31 Dec 22		
	1 year or less	**Over 1 year to 2 years**	**Over 2 years to 5 years**	**Over 5 years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Liabilities					
Non-derivatives					
Payables	**60,707**	**—**	**—**	**—**	**60,707**
Lease liability	**10,888**	**11,323**	**21,890**	**4,004**	**48,105**
Borrowings(1)	**2,723**	**55,215**	**74,202**	**458,948**	**591,088**
Projected interest cost from borrowings	**8,508**	**8,451**	**14,548**	**12,650**	**44,157**
Total liabilities	**82,826**	**74,989**	**110,640**	**475,602**	**744,057**
Less cash and cash equivalents net of cash held for AFSLs	**6,235**	**—**	**—**	**—**	**6,235**
Total liquidity exposure	**76,591**	**74,989**	**110,640**	**475,602**	**737,822**

(1) Excluding unamortised establishment costs and fair value adjustments.

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	31 Dec 21				
	1 year or less	Over 1 year to 2 years	Over 2 years to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000	$'000
Liabilities					
Non-derivatives					
Payables	29,337	—	—	—	29,337
Lease liability	10,353	10,888	26,266	10,952	58,459
Borrowings(1)	2,373	—	106,257	397,159	505,789
Projected interest cost from borrowings	2,490	2,693	4,641	99	9,923
Total liabilities	44,553	13,581	137,164	408,210	603,508
Less cash and cash equivalents net of cash held for AFSLs	6,440	—	—	—	6,440
Total liquidity exposure	38,113	13,581	137,164	408,210	597,068

(1) Excluding unamortised establishment costs and fair value adjustments.

(c) Refinancing risk
Refinancing risk is the risk that credit is unavailable or available at unfavourable interest rates and credit market conditions result in an unacceptable increase in the Consolidated Entity's interest cost. Refinancing risk arises when the Consolidated Entity is required to obtain debt to fund existing and new debt positions. The Consolidated Entity manages this risk by spreading sources, counterparties and maturities of borrowings in order to minimise debt concentration risk, allow averaging of credit margins over time and reducing refinance amounts.

As at 31 December 2022, the Consolidated Entity's exposure to refinancing risk can be monitored by the spreading of its contractual maturities on borrowings in the liquidity risk table above or with the information in note 14.

(d) Foreign exchange risk
Foreign exchange risk refers to the risk that the value of a financial commitment, asset or liability will fluctuate due to changes in foreign exchange rates. The Consolidated Entity's foreign exchange risk arises primarily from:
- firm commitments of highly probable forecast transactions for receipts and payments settled in foreign currencies or with prices dependent on foreign currencies; and
- investments in foreign assets.

Sensitivity to foreign exchange is deemed insignificant.

(e) Credit risk
Credit risk is the risk that a contracting entity will not complete its obligations under a contractual agreement, resulting in a financial loss to the Consolidated Entity. The Consolidated Entity has exposure to credit risk on all financial assets included in the Consolidated Statement of Financial Position.

The Consolidated Entity manages this risk by:
- establishing credit limits for financial institutions and monitoring credit exposures for customers to ensure that the Consolidated Entity only trades and invests with approved counterparties;
- providing loans to joint ventures, associates and third parties, only where the Consolidated Entity is comfortable with the underlying property exposure within that entity;
- regularly monitoring loans and receivables balances;
- regularly monitoring the performance of its associates, joint ventures and third parties; and
- obtaining collateral as security (where appropriate).

Receivables are reviewed regularly throughout the year.

The maximum exposure to credit risk as at 31 December 2022 is the carrying amounts of financial assets recognised on the Consolidated Statement of Financial Position. For more information, refer to note 3.

OTHER DISCLOSURE ITEMS

16. CASH FLOW INFORMATION

(a) Cash flows from operating activities

Reconciliation of net profit after income tax to net cash inflows from operating activities:

	31 Dec 22 $'000	31 Dec 21 $'000
Net profit for the year	**22,454**	22,503
Share of after tax loss/(profit) of equity accounted investments (net of distributions)	**115**	(903)
Impairment (reversal)/expense	**(8,138)**	18,302
Non-cash employee benefits - security based payments	**5,100**	4,727
Fair value movement of investment in Trust	**202**	—
Interest capitalised	**(1,717)**	(1,554)
Amortisation of rental abatement	**4**	89
Depreciation expense	**2,624**	2,510
Depreciation of right-of-use assets	**10,580**	10,223
Amortisation expense	**1,547**	2,154
Non-cash finance costs	**3,125**	4,690
Revaluation of financial arrangements	**135**	(33,396)
Profit on sale of inventory	**(896)**	15,930
Payments for inventories	**(76,348)**	(13,448)
Proceeds from inventories	**10,989**	14,864
Increase in operating assets	**(61,713)**	(31,327)
Increase in operating liabilities	**27,316**	13,419
Capital return from unlisted investment	**(2,309)**	—
Other	**131**	12
Net cash (outflows)/inflows from operating activities	**(66,799)**	28,795

(b) Net debt reconciliation

Reconciliation of net debt movements during the year:

	Lease liability $'000	Borrowings[1] $'000	Less: cash $'000	Net Debt $'000
At At 1 January 2021	55,337	197,928	(22,968)	230,297
Cash inflows/(outflows)	(9,368)	(19,284)	6,378	(22,274)
Other non-cash movements	12,490	(31,907)	—	(19,417)
At At 31 December 2021	58,459	146,737	(16,590)	188,606
At At 1 January 2022	**58,459**	**146,737**	**(16,590)**	**188,606**
Cash inflows/(outflows)	**(10,354)**	**82,242**	**(595)**	**71,293**
Other non-cash movements	**—**	**3,193**	**—**	**3,193**
At At 31 December 2022	**48,105**	**232,172**	**(17,185)**	**263,092**

(1) There were no repayments of unsecured borrowings provided by the Trust at fair value (2021: nil)

17. COMMITMENTS

(a) Commitments

Capital expenditure commitments at 31 December 2022 were $1,047,000 (2021: $1,970,000).

Contractual commitments at 31 December 2022 were $955,000 (2021:$1,286,000).

Commitments arise from the purchase of plant and equipment, intangibles and development costs, which have been contracted for at balance date but not recognised on the Consolidated Statement of Financial Position.

(b) Commitments relating to equity accounted investments

	31 Dec 22 $'000	31 Dec 21 $'000
Capital expenditure commitments	**218**	61
Total joint venture and associates commitments	**218**	61

The capital expenditure commitments in the Consolidated Entity's equity accounted investments at 31 December 2022 relate to Lendlease GPT (Rouse Hill) Pty Limited (Dec 2021: Lendlease GPT (Rouse Hill) Pty Limited).

18. LEASE PAYMENTS TO BE RECEIVED

Lease amounts to be received not recognised in the financial statements at balance date are as follows:

	31 Dec 22	31 Dec 21
	$'000	$'000
Less than 1 year	**251**	2,039
2 years	**—**	688
3 years	**—**	451
4 years	**—**	464
5 years	**—**	478
Due after 5 years	**—**	1,959
Total lease payments to be received	**251**	6,079

19. CONTINGENT LIABILITIES

A contingent liability is a liability that is not sufficiently certain to qualify for recognition as a provision where uncertainty may exist regarding the outcome of future events.

The Company has provided guarantees over GPT RE Limited as responsible entity of the Trust's obligations under various financing arrangements (including bank facilities, US Private Placement issuances, medium term notes and commercial paper program) and derivative obligations. As at 31 December 2022, the maximum value of these obligations assuming all the loans are fully drawn is A$5.4 billion, with the latest maturity covered by these guarantees in December 2035.

Apart from the matter referred to above, there are no other material contingent liabilities at reporting date.

20. SECURITY BASED PAYMENTS

GPT currently has four employee security schemes – the General Employee Security Ownership Plan (GESOP), the Broad Based Employee Security Ownership Plan (BBESOP), the Deferred Short Term Incentive Plan (DSTI) and the Long Term Incentive (LTI) Scheme.

(a) GESOP

The Board believes in creating ways for employees to build an ownership stake in the business. As a result, the GESOP is in place for individuals who do not participate in the LTI.

Under the plan individuals who participate receive an additional benefit equivalent to 10 per cent of their short term incentives (STIC). The amount after the deduction of income tax is invested in GPT securities to be held for a minimum of one year. The cost of this benefit is recognised as an expense in the Consolidated Statement of Comprehensive Income.

(b) BBESOP

Under the plan individuals who are not eligible to participate in any other employee security scheme may receive $1,000 worth of GPT securities or $1,000 cash if GPT achieves at least target level performance. Securities must be held for the earlier of three years or the end of employment. The cost of this benefit is recognised as an expense in the Consolidated Statement of Comprehensive Income.

(c) DSTI

STIC is delivered to the senior executives as 50 per cent in cash and 50 per cent in GPT stapled securities (a deferred component). The deferred component is rewarded in restricted securities which vest one year after award, subject to continued employment up to the vesting date.

(d) LTI

At the 2009 AGM, GPT securityholders approved the introduction of a LTI plan based on performance rights.

The LTI plan covers each three year period. Awards under the LTI to eligible participants are in the form of performance rights which convert to GPT stapled securities for nil consideration if specified performance conditions for the applicable three year period are satisfied. Please refer to the Remuneration Report for detail on the performance conditions.

The Board determines those executives eligible to participate in the plan and, for each participating executive, grants a number of performance rights calculated as a percentage of their base salary divided by GPT's volume weighted average price (VWAP) for the 30-day period immediately prior to the commencement of the performance period.

Fair value of performance rights and restricted securities under DSTI and LTI
The fair value of the performance rights is recognised as an employee benefit expense with a corresponding increase in the employee benefits provision and in the employee security scheme reserve in equity. For 2022, employee benefit expense is $5,100,000 (2021: ($4,727,000) and employee benefit provision is $8,355,000 as at 31 December 2022 ($4,720,000 as at 31 December 2021). Fair value is measured at each reporting period, recognised over the period from the service commencement date to the vesting date of the performance rights.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

Non-market vesting conditions are included in the calculation of the number of rights that are expected to vest. At each reporting date, GPT revises its estimate of the number of performance rights that are expected to vest and the employee benefit expense recognised each reporting period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the Consolidated Statement of Comprehensive Income with a corresponding adjustment to equity.

Fair value of the performance rights issued under LTI is determined using the Monte Carlo simulation and the Black Scholes methodologies. Fair value of the restricted securities under DSTI is determined using the security price. The following key inputs are taken into account:

	2022 LTI	2022 DSTIC
Fair value of rights / restricted securities at valuation date	$2.79	$4.20
Security price at valuation date	$4.20	$4.20
Out / (under) performance vs Index - plan to date	1.1%	N/A
Expected vesting dates	31 December 2024	31 December 2023
Distribution yield	6.0%	6.0%
Risk free interest rate	3.4%	N/A
Volatility (1)	24.0%	N/A
Correlation	83.0%	N/A

(1) The volatility is based on the historic volatility of the security.
(2) Grant date for 2022 LTI is 20 May 2022 for CEO and 28 March 2022 for other participants. Grant date for 2022 DSTI is based on award date which is expected to be in the first half of 2023.

(e) Summary table of all employee security schemes

	Number of rights		
	DSTI	LTI and Sign on	Total
Rights outstanding at 1 January 2021	—	2,366,024	2,366,024
Rights granted during 2021	—	2,690,585	2,690,585
Rights forfeited during 2021	—	(2,287,972)	(2,287,972)
Rights converted to GPT stapled securities during 2021 [1]	—	(81,549)	(81,549)
Rights outstanding at 31 December 2021	—	2,687,088	2,687,088
Rights outstanding at 1 January 2022	**—**	**2,687,088**	**2,687,088**
Rights granted during 2022	**281,910**	**2,117,982**	**2,399,892**
Rights forfeited during 2022	**—**	**(455,141)**	**(455,141)**
Rights converted to GPT stapled securities during 2022	**(281,910)**	**(52,874)**	**(334,784)**
Rights outstanding at 31 December 2022	**—**	**4,297,055**	**4,297,055**

(1) Rights under the sign on agreements were converted to GPT stapled securities on 31 December 2021.

	Number of stapled securities			
	DSTI	GESOP	BBESOP	Total
Securities outstanding at 1 January 2021	—	49,993	92,349	142,342
Securities vested during 2021	—	(49,993)	(32,773)	(82,766)
Securities outstanding at 31 December 2021	—	—	59,576	59,576
Securities outstanding at 1 January 2022	**—**	**—**	**59,576**	**59,576**
Securities granted during 2022	**281,910**	**56,329**	**43,645**	**381,884**
Securities vested during 2022	**(281,910)**	**(5,496)**	**(32,356)**	**(319,762)**
Securities outstanding at 31 December 2022	**—**	**50,833**	**70,865**	**121,698**

21. RELATED PARTY TRANSACTIONS

GPT Management Holdings Limited is the ultimate parent entity. The Consolidated Entity is stapled to the Trust and the Group financial statements include the results of the stapled entity as a whole.

Equity interests in joint ventures and associates are set out in note 2. Payables and loans with the Trust are set out in note 8 and note 14 respectively.

All related party transactions have been agreed on commercial terms and conditions.

Key management personnel

Key management personnel compensation was as follows:

	31 Dec 22 $	31 Dec 21 $
Short term employee benefits[1]	**6,854,184**	6,185,237
Post employment benefits	**180,907**	164,665
Long term employee benefits	**1,395,347**	1,116,861
Total key management personnel compensation	**8,430,438**	7,466,763

1. The 2021 comparatives have been restated to reflect the number of deferred GPT securities granted under the 2021 DSTI. This results in a decrease to the 2021 short term employee benefits of $145,093.

Information regarding individual Directors' and Senior Executives' remuneration is provided in the Remuneration Report.

There have been no other transactions with key management personnel during the year.

Transactions with related parties

	31 Dec 22	31 Dec 21
	$	$
Transactions with General Property Trust (Trust):		
Revenue and expenses		
Fund management fees from Trust	**37,688,234**	36,395,018
Property management fees from Trust	**14,803,358**	13,661,284
Development management fees from Trust	**15,053,605**	12,343,466
Management costs recharged from Trust	**9,420,663**	7,461,065
Property rent and outgoings paid to Trust	**(3,634,524)**	(1,939,506)
Interest expense payable to Trust	**(3,057,514)**	(2,718,430)
Receivables		
Current receivables	**36,410,586**	24,227,329
Other non-current asset receivable	**3,153,000**	3,126,967
Borrowings		
Borrowings from Trust - secured	**3,125,241**	3,003,939
Borrowings from Trust - unsecured	**219,689,985**	134,727,236
Other transactions		
Revaluation of arrangements with Trust	**135,000**	(33,398,000)
Transactions with employees		
Contributions to superannuation funds on behalf of employees	**(8,603,385)**	(7,267,296)
Transactions with GWOF and GWSCF:		
Revenue		
Responsible Entity fees	**63,584,092**	61,440,571
Asset management fees	**14,128,226**	14,318,589
Development management fees	**10,908,593**	8,527,519
Directors fees recharged	**659,320**	659,320
Management costs recharged	**5,618,099**	6,540,157
Payroll costs recharged	**8,763,794**	8,902,539
Expense		
Rent expenses	**(4,355,187)**	(3,974,113)
Receivables and payables		
Current receivable outstanding	**12,477,381**	6,905,921
Current fund management fee receivable	**16,065,886**	15,564,734
Transactions with GQLT:		
Revenue		
Asset management fees	**122,428**	—
Responsible Entity fees	**2,118,597**	498,657
Development management fees	**1,724,479**	937,285
Receivables and payables		
Current receivable outstanding	**331,807**	118,025
Current fund management fee receivable	**112,703**	155,354

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

22. AUDITORS REMUNERATION

	31 Dec 22	31 Dec 21
	$	$
Audit services		
PricewaterhouseCoopers Australia		
Statutory audit and review of financial reports	**454,104**	468,244
Total remuneration for audit services	**454,104**	468,244
Other assurance services		
PricewaterhouseCoopers Australia		
Regulatory and contractually required audits	**157,781**	144,394
Other assurance services	**129,500**	111,500
Total remuneration for other assurance services	**287,281**	255,894
Total remuneration for audit and assurance services	**741,385**	724,138
Non-audit related services		
PricewaterhouseCoopers Australia		
Other services	**45,500**	—
Total remuneration for non-audit related services	**45,500**	—
Total auditor's remuneration	**786,885**	724,138

23. PARENT ENTITY FINANCIAL INFORMATION

	Parent entity	
	31 Dec 22	31 Dec 21
	$'000	$'000
ASSETS		
Total current assets	**415,671**	406,461
Total non-current assets	**163,809**	149,220
Total assets	**579,480**	555,681
LIABILITIES		
Total current liabilities	**221,405**	212,545
Total non-current liabilities	**61,079**	64,588
Total liabilities	**282,484**	277,133
Net assets	**296,996**	278,548
EQUITY		
Contributed equity	**331,842**	331,842
Reserves	**2,686**	2,658
Accumulated losses	**(37,532)**	(55,952)
Total equity	**296,996**	278,548
Profit attributable to members of the parent entity	**22,258**	10,737
Total comprehensive income for the year attributable to members of the parent entity	**22,258**	10,737

Capital expenditure commitments
The parent entity has capital commitments of $1,047,000 at 31 December 2022 (2021: $1,970,000).

Parent entity financial information
The financial information for the parent entity of the Consolidated Entity, GPT Management Holdings Limited, has been prepared on the same basis as the consolidated financial statements, except where set out below.

Investments in subsidiaries, associates and joint ventures
Investments in subsidiaries, associates and joint ventures are accounted for at cost in the financial statements of the parent entity. Distributions received from subsidiaries, associates and joint ventures are recognised in the parent entity's profit or loss rather than being deducted from the carrying amount of these investments.

24. FAIR VALUE DISCLOSURES

Information about how the fair value of financial instruments are calculated and other information required by the accounting standards, including the valuation process and critical assumptions underlying the valuations are disclosed below.

(a) Fair value measurement, valuation techniques and inputs

Class of assets / liabilities	Fair value hierarchy	Valuation technique	Classification under AASB 9	Inputs used to measure fair value	Range of unobservable inputs	
					31 Dec 22	31 Dec 21
Investment in financial assets	Level 1	Market price	Fair value through the profit and loss	Market price	Not applicable - observable input	
Interest free loans from the Trust	Level 3	Discounted cash flow	Fair value through the profit and loss	Discount rate	7.20%	5.81%

The different levels of the fair value hierarchy have been defined as follows:
Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

25. ACCOUNTING POLICIES

(a) Basis of preparation

The general purpose financial report has been prepared:

- in accordance with the requirements of the Company's constitution, *Corporations Act 2001*, Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board and International Financial Reporting Standards;
- on a going concern basis. In accordance with the considerations in note 25(b);
- under the historical cost convention, as modified by the revaluation for financial assets and liabilities at fair value through the Consolidated Statement of Comprehensive Income;
- using consistent accounting policies and adjustments to bring into line any dissimilar accounting policies being adopted by the controlled entities, associates or joint ventures; and
- in Australian dollars with all values rounded to the nearest thousand dollars, in accordance with ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191, unless otherwise stated.

Comparatives in the financial statements have been restated to the current year presentation.

The financial report was approved by the Board of Directors on 20 February 2023.

(b) Going Concern

The Consolidated Entity's financial position is highly dependent on the financial position of GPT given that the Consolidated Entity is funded through intercompany loans from GPT.

GPT believes it is able to meet its liabilities and commitments as and when they fall due for at least 12 months from the reporting date. In reaching this position, GPT has taken into account the following factors:

- Available liquidity, through cash and undrawn facilities, of $1,126.9 million (after allowing for refinancing of $502.3 million of outstanding commercial paper) as at 31 December 2022;
- Weighted average debt expiry of 6.2 years, with sufficient liquidity in place to cover the $202.7 million of debt (excluding commercial paper outstanding) due between the date of this report and 31 December 2023;
- Primary covenant gearing of 28.7 per cent, compared to a covenant level of 50.0 per cent; and
- Interest cover ratio for the twelve months to 31 December 2022 of 5.5 times, compared to a covenant level of 2.0 times.

(c) Basis of consolidation

Controlled entities

The consolidated financial statements of the Consolidated Entity report the assets, liabilities and results of all controlled entities for the financial year.

Controlled entities are all entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Controlled entities are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of controlled entities is accounted for using the acquisition method of accounting. All intercompany balances and transactions, income, expenses, profits and losses resulting from intra-group transactions have been eliminated.

Associates

Associates are entities over which the Consolidated Entity has significant influence but not control, generally accompanying voting or decision making rights of between 20 per cent and 50 per cent. Management considered if the Consolidated Entity controls its associates and concluded that it does not based on its level of control over each associate.

Investments in associates are accounted for using the equity method. Under this method, the Consolidated Entity's investment in associates is carried in the Consolidated Statement of Financial Position at cost plus post acquisition changes in the Consolidated Entity's share of net assets. The Consolidated Entity's share of the associates' result is reflected in the Consolidated Statement of Comprehensive Income. Where the Consolidated

Entity's share of losses in associates equals or exceeds its interest in the associate, including any other unsecured long term receivables, the Consolidated Entity does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the associate.

Joint arrangements
Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. The Consolidated Entity has assessed the nature of its joint arrangements and determined it has joint ventures only.

Joint ventures
Investments in joint ventures are accounted for in the Consolidated Statement of Financial Position using the equity method which is the same method adopted for associates.

(d) Other accounting policies

Significant accounting policies that summarise the recognition and measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.
Other accounting policies include:

(i) Revenue
Revenue from contracts with customers
Revenue is recognised over time if:
- the customer simultaneously receives and consumes the benefits as the entity performs;
- the customer controls the asset as the entity creates or enhances it; or
- the seller's performance does not create an asset for which the seller has an alternative use and there is a right to payment for performance to date.

Where the above criteria is not met, revenue is recognised at a point in time.

The following table summarises the revenue recognition policies.

Type of revenue	Description	Recognised
Fund management fees	The Consolidated Entity provides fund management services to GPT Wholesale Office Fund (GWOF), GPT Wholesale Shopping Centre Fund (GWSCF) (the Funds) and GPT QuadReal Logistics Trust (GQLT) in accordance with the Funds constitutions. The services are utilised on an ongoing basis and revenue is calculated and recognised in accordance with the relevant contractual arrangements. The fees are invoiced on a quarterly basis and consideration is payable within 21 days of the quarter end.	Over time
Fee income - property management fees	The Consolidated Entity provides property management services to the owners of property assets in accordance with property services agreements. The services are utilised on an ongoing basis and revenue is calculated and recognised in accordance with the specific agreement. The fees are invoiced monthly with variable payment terms depending on the individual agreements. Should an adjustment, as calculated in accordance with the property services agreement be required, this is recognised in the Consolidated Statement of Comprehensive Income within the same reporting period.	Over time
Fee income - property management leasing fees - over time	Under some property management agreements, the Consolidated Entity provides a lease management service to the owners. These services are delivered on an ongoing basis and revenue is recognised monthly, calculated in accordance with the property management agreement. The fees are invoiced monthly with variable payment terms depending on the individual agreements.	Over time
Fee income - property management leasing fees - point in time	Under some property management agreements, the Consolidated Entity provides leasing management services to the owners. The revenue is recognised when the specific service is delivered (e.g. on lease execution) and consideration is due 30 days from invoice date.	Point in time
Development management fees	The Consolidated Entity provides development management services to the owners of property assets in accordance with development management agreements. Revenue is calculated and recognised in accordance with the specific agreement. The fees are invoiced on a monthly basis, in arrears, and consideration is due 30 days from invoice date.	Over time/Point in time
Sale of inventory	Proceeds from the sale of inventory are recognised by the Consolidated Entity in accordance with a specific contract entered into with another party for the delivery of inventory. Revenue is calculated in accordance with the contract. Consideration is payable in accordance with the contract. Revenue is recognised when control has been transferred to the buyer.	Point in time

The Consolidated Entity recognised $15,500,000 of contract assets during the period, which amortise over a contract period of two years beginning 16 December 2022. Amortisation of this asset offsets revenue from Funds management fees, or is recognised in expenses in the Consolidated Statement of Comprehensive Income depending on the nature of the contract payments made.

(ii) Other revenue
Rental revenue is recognised on a straightline basis over the lease term. When the Consolidated Entity provides lease incentives to tenants, any costs are recognised on a straightline basis over the lease term.

Revenue from dividends and distributions are recognised when they are declared.

Interest income is recognised on an accruals basis using the effective interest method.

(iii) Expenses
Property expenses and outgoings which include rates, taxes and other property outgoings, are recognised on an accruals basis.

(iv) Finance costs
Finance costs include interest, amortisation of discounts or premiums relating to borrowings and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Finance costs are expensed as incurred unless they relate to a qualifying asset.

A qualifying asset is an asset under development which generally takes a substantial period of time to bring to its intended use or sale. Finance costs incurred for the acquisition and construction of a qualifying asset are capitalised to the cost of the asset until completion of the asset. Where funds are borrowed specifically for a development project, finance costs associated with the development facility are capitalised. Where funds are used from group borrowings, finance costs are capitalised using the relevant capitalisation rate taking into account the Group's weighted average cost of debt.

(v) Foreign currency translation
Functional and presentation currency
Items included in the financial statements of each of the GPT entities are measured using the currency of the primary economic environment in which they operate ('the functional currency').

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income.

Foreign operations
Non-monetary items that are measured in terms of historical cost are converted using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences of non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

Exchange differences arising on monetary items that form part of the net investment in a foreign operation are taken against a foreign currency translation reserve on consolidation.

Where forward foreign exchange contracts are entered into to cover any anticipated excesses of revenue less expenses within foreign joint ventures, they are converted at the ruling rates of exchange at the reporting period. The resulting foreign exchange gains and losses are taken to the Consolidated Statement of Comprehensive Income.

(vi) Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST (or equivalent tax in overseas locations) except where the GST incurred on purchase of goods and services is not recoverable from the tax authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated inclusive of the amount of GST. The net amount of GST receivable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are presented on a gross basis in the Consolidated Statement of Cash Flows. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(vii) Leases
Payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in the Consolidated Statement of Comprehensive Income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Lease liabilities are initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Consolidated Entity's incremental borrowing rate is used. The incremental borrowing rate is calculated by interpolating or extrapolating secondary market yields on the Group's domestic medium term notes (MTNs) for a term equivalent to the lease. If there are no MTNs that mature within a reasonable proximity of the lease term, indicative pricing of where the Group can price a new debt capital market issue for a comparative term will be used in the calculation.

Lease liabilities are subsequently measured by:
- increasing the carrying amount to reflect interest on the lease liabilities;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

Interest on the lease liabilities and any variable lease payments not included in the measurement of the lease liabilities are recognised in the Consolidated Statement of Comprehensive Income in the period in which they relate. Interest on lease liabilities included in finance costs in the Consolidated Statement of Comprehensive Income totalled $1,677,000 for the year (2021: $1,904,000).

Right-of-use assets are measured at cost less depreciation and impairment and adjusted for any remeasurement of the lease liability. The cost of the asset include:
- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Additions to the right-of-use assets during the year were nil (2021: $13,063,000).

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Consolidated Entity determines the lease term as the non-cancellable period of a lease together with both:

- the periods covered by an option to extend the lease if it is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Management considers all the facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. Management has considered this assessment and no significant events or changes in circumstances are deemed necessary.

The Consolidated Entity tests right-of-use assets for impairment where there is an indicator that the asset may be impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The Consolidated Entity has assessed the right-of-use assets for impairment indicators and has calculated the recoverable amount where indicators exist. This has resulted in net impairment expense of $890,000 for the year (2021: $3,801,000).

The Consolidated Entity's right-of-use assets are all property leases.

(e) New and amended accounting standards and interpretations adopted from 1 January 2022

There are no significant changes to the Consolidated Entity's financial performance and position as a result of the adoption of the new and amended accounting standards and interpretations effective for annual reporting periods beginning on or after 1 January 2022.

(f) New accounting standards and interpretations issued but not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Consolidated Entity. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

26. EVENTS SUBSEQUENT TO REPORTING DATE

As announced on 10 February 2023, it is Bob Johnston's current intention to retire by the end of this year. The Board has commenced a formal Chief Executive Officer search process to select a suitably qualified successor with the right leadership skills and experience to continue the successes of the Group.

The Directors are not aware of any other matter or circumstances occurring since 31 December 2022 that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in the subsequent financial years.

DIRECTORS' DECLARATION

Year ended 31 December 2022

In the directors of GPT Management Holdings Limited's opinion:

(a) the consolidated financial statements and notes set out on pages 28 to 55 are in accordance with the *Corporations Act 2001*, including:
  - complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the financial year ended on that date; and

(b) the consolidated financial statements and notes comply with International Financial Reporting Standards as disclosed in note 25 to the financial statements.

(c) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer as required by Section 295A of the *Corporations Act 2001.*

This declaration is made in accordance with the resolution of the directors.

Vickki McFadden	Bob Johnston
Chairman	Chief Executive Officer and Managing Director

GPT Management Holdings Limited

Sydney
20 February 2023

Independent auditor's report

To the members of GPT Management Holdings Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of GPT Management Holdings Limited (the Company) and its controlled entities (together the Consolidated Entity) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Consolidated Entity financial report comprises:

- the Consolidated Statement of Financial Position as at 31 December 2022
- the Consolidated Statement of Comprehensive Income for the year then ended
- the Consolidated Statement of Changes in Equity for the year then ended
- the Consolidated Statement of Cash Flows for the year then ended
- the Notes to the Consolidated Financial Statements, which include significant accounting policies and other explanatory information
- the Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Consolidated Entity, its accounting processes and controls and the industry in which it operates.

Materiality	Audit scope	Key audit matters
• For the purpose of our audit we used overall Consolidated Entity materiality of $2.2 million, which represents approximately 1% of the Consolidated Entity's total revenue and other income. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose the Consolidated Entity's total revenue and other income as the Consolidated Entity generates income from funds management, property management and development management	• Our audit focused on where the Consolidated Entity made subjective judgments; for example, significant accounting estimates involving assumptions and inherently uncertain future events.	• Amongst other relevant topics, we communicated the following key audit matters to the Audit Committee: – Revenue recognition – Carrying value of inventory • These are further described in the *Key audit matters* section of our report.

fees, whilst expenses within the Consolidated Entity are recharged to General Property Trust which can be altered based on the recharge model utilised.

- We selected a 1% threshold based on our professional judgment, noting it is within the range of commonly acceptable revenue related thresholds.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition *$210.6 million* *Refer to Consolidated Statement of Comprehensive Income* The Consolidated Entity earns revenue through its role as a fund and property manager. It also earns development revenue through providing development management services to owners of property assets. Total revenue for the year ended 31 December 2022 comprised the following: • Fund management fees • Property management fees • Management costs recharged • Development management fees We considered this a key audit matter due to the magnitude of revenue and there being multiple revenue streams increasing the complexity of recognition.	For each material revenue stream, we developed an understanding of how revenue is calculated and the process by which revenue is recognised and recorded. We also identified the key controls which include bank account reconciliations. For fund and property management fees, we inspected a sample of agreements to develop an understanding of the basis for which revenue is earned. We recalculated a sample of the fees by applying the fee percentage per agreement to the relevant benchmark, such as funds' gross asset value or property revenue. For management costs recharged during the year, we discussed with management the terms under which costs are recharged by the Consolidated Entity to assets it manages. Additionally: • We developed an understanding of the budgeting process and obtained evidence of management review of the 2022 related budget, via signed-off memos. • We reconciled the approved management cost recharges to the general ledger.

Key audit matter	How our audit addressed the key audit matter
	• We agreed payroll recharge amounts to the audit procedures performed over the Consolidated Entity's remuneration expense. For development management fees, we discussed with management the basis for which revenue is earned. We recalculated a sample of development management fees and agreed relevant inputs of the calculation back to source data, for example approved day rates.
Carrying value of inventory *$177.4 million* *Refer to note 5* The Consolidated Entity develops a portfolio of sites for future sale which are classified as inventory. The Consolidated Entity's inventories are held at the lower of the cost and net realisable value for each inventory project. The cost of the inventory includes the cost of acquisition, development, capitalised finance costs and all other costs directly related to specific projects including an allocation of direct overhead expenses. We considered the carrying value of inventories a key audit matter given the significant judgment required by the Consolidated Entity to appropriately determine assumptions, for example, in estimating future selling prices. These judgments may have a material impact on the calculation of net realisable value and therefore in determining whether the value of a project should be written down or have a previous impairment reversed.	For each material project we obtained the Consolidated Entity's latest Net Realisable Value (NRV) models. We developed an understanding of how the Consolidated Entity identified the relevant assumptions and sources of data that are appropriate for calculating the NRV and compared the carrying value to the NRV to identify projects with potential impairments. We performed the following procedures, amongst others, to gain an understanding of material projects: • discussed project specifics with management, for example the life cycle of the project, key project risks, the impact of macroeconomic trends and how they have been reflected in the NRV models. • where applicable, met with the external quantity surveyors (QS) and design specialists engaged by the Consolidated Entity, in order to develop an understanding of their methodology and considerations in estimating the forecast spend for the project. For selected projects we performed the following procedures over NRV models: • where applicable, agreed the forecast spend per the NRV of the inventory projects to external QS estimates. • compared the estimated selling prices to market sales data in similar locations or to recent sales in the project.

Key audit matter	How our audit addressed the key audit matter
	• compared escalation rates to relevant market data such as GDP growth and inflation. • where applicable, performed sensitivity analyses to supplement our procedures over the reasonableness of key assumptions in the NRV model, including sensitising forecast revenue, forecasts costs to complete and escalation rates. In addition, we have performed the following procedures: • traced each inventory disposal to the supporting settlement statement, sales contract and cash support. • traced inventory acquisitions to relevant supporting documents, for example, a purchase contract. • traced a sample of capital expenditure additions to supporting documentation and tested whether they were valid costs that could be capitalised in accordance with the requirements of Australian Accounting Standards. • tested the key control over review and approval of the inventory carrying value by management. We also assessed the reasonableness of the disclosures relating to inventories in the Consolidated Entity's financial report against the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Consolidated Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 15 to 26 of the Directors' report for the year ended 31 December 2022.

In our opinion, the remuneration report of GPT Management Holdings Limited for the year ended 31 December 2022 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

S. Horl

Susan Horlin
Partner

Sydney
20 February 2023