



ASX Announcement

14 August 2023

Interim Financial Report 2023 – GPT Management Holdings Limited

The GPT Group ('GPT' or 'Group') provides its 2023 Interim Financial Report for GPT Management Holdings Limited.

–ENDS–

Authorised for release by The GPT Group Board.

For more information, please contact:

Investors

Penny Berger
Head of Investor Relations & Corporate Affairs
+61 402 079 955

Media

Grant Taylor
Group External Communications Manager
+61 403 772 123



GPT Management Holdings Limited

ABN: 67 113 510 188

**Interim Financial Report
30 June 2023**

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.

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GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Half year ended 30 June 2023

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 half year ended 30 June 2023. 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, Wholesale Funds and the UniSuper and Australian Core Retail Trust mandates 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 one of Australia's leading property groups, with assets under management of \$32.2 billion across a portfolio of high quality retail, office and logistics assets.

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 purpose is to create experiences that drive positive impact for people, place and planet.

Review of operations and operating result

The Group's Funds From Operations (FFO) reflects increased FFO contributions from the Retail and Logistics segments, offset by lower income in the Office segment and higher financing costs, as a consequence of the higher interest rate environment versus the prior corresponding period.

The Retail portfolio performed strongly in the period, with high occupancy maintained and strong leasing outcomes achieved. Retail sales across the portfolio were above the prior comparable period and our CBD located asset at Melbourne Central is back to pre-pandemic retail sales levels. Leasing spreads continued to strengthen, with lease structures consisting of fixed base rents and annual fixed increases.

The Office leasing environment continues to be challenging, with vacancy remaining above long term averages in each of our core markets. Smaller tenants continue to be the most active segment in the market and are seeking to upgrade to high quality assets in prime locations. Our prime grade Office portfolio occupancy is broadly stable compared to December 2022, with the ongoing rollout of our premium turn-key product, 'GPT DesignSuites', specifically designed for smaller tenants, resonating well with the market. Year-to-date, approximately 15,000 sqm (on a 100 per cent NLA basis) of GPT DesignSuites have been leased. The GPT Wholesale Office Fund's development at 51 Flinders Lane is progressing well and due for completion in 2025.

Continued tenant demand and low market vacancy rates has resulted in high occupancy and positive leasing outcomes across our Logistics portfolio. In the period, there were three completions in the Logistics sector, including two held within the GPT QuadReal Logistics Trust (GQLT), with a further two projects due to be complete by the end of 2023. Logistics currently represents 29 per cent of the Group's diversified property portfolio.

The growth of Funds Management remains a key focus for the Group. The strong result delivered reflects the full period contribution of managing UniSuper's \$2.8 billion portfolio of real estate investments, which transitioned to GPT in September 2022 and management of the Australian Core Retail Trust (ACRT) and property management of Pacific Fair Shopping Centre, which commenced in December 2022.

The Group's gearing at 30 June 2023 of 28.1 per cent remains below the mid-point of our stated range of 25 - 35 per cent.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

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Half year ended 30 June 2023

The Consolidated Entity's financial performance for the half year ended 30 June 2023 is summarised below.

The net profit after tax for the half year ended 30 June 2023 is \$6,333,000 (June 2022: \$11,356,000)

For the half year ended	30 Jun 23 \$'000	30 Jun 22 \$'000	Change %
Property management fees	23,955	16,858	42%
Development management fees and revenue	12,647	11,616	9%
Fund management fees	57,918	53,144	9%
Management costs recharged	24,267	15,550	56%
Other income	6,878	4,611	49%
Expenses	(114,253)	(85,727)	33%
Profit from continuing operations before income tax expense	11,412	16,052	(29%)
Income tax expense	(5,079)	(4,696)	8%
Net profit for the half year	6,333	11,356	(44%)

Consolidated Entity result

The net profit after tax for the half year to 30 June 2023 has decreased compared to prior period due to higher remuneration expenses, higher revaluations of financial arrangements and a net increase in impairment (where the prior period included reversals), offset partially by higher management costs recharged, property management and fund management fees.

Property management fees

The Consolidated Entity is responsible for property management activities across the retail, office and logistic sectors.

Retail

Property management fees increased to \$18,503,000 in the half year primarily as a result of increased property revenue and new fees associated with the UniSuper and ACRT mandates.

Office

Property management fees decreased to \$3,336,000 in the half year primarily as a result of lower rental income and recoverable expenses.

Logistics

Property management fees increased to \$2,116,000 in the half year as a result of property acquisitions and the conversion of properties from development assets to operating assets.

Development management fees and revenue

Development management fees have increased by 9 per cent to \$12,647,000 primarily due to an increase in development activity as a result of the roll out of the GPT DesignSuites, and revenue from the new retail mandates.

Fund management fees

Fund management fees have increased by 9 per cent to \$57,918,000 predominantly due to new fees in retail from the Unisuper and ACRT mandates and increased fees in logistics from the growing partnership with GQLT. Partially offset by reduced fees in office resulting from lower asset values in GPT Office Wholesale Fund.

Management costs recharged

Management costs recharged increased by 56 per cent to \$24,267,000 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.

Other income

Other income increased during the period to \$6,878,000 primarily as a result of rental income from recently acquired inventory assets.

Expenses

Expenses have increased 33 per cent overall to \$114,253,000 primarily due to the movement in remuneration expenses, which is reflective of the increased scale of the business resulting from the new mandates and the expansion of the logistics portfolio, higher revaluations of financial arrangements and a net increase in impairment (where the prior period included reversals).

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Half year ended 30 June 2023

Financial position

	30 Jun 23 \$'000	31 Dec 22 \$'000	Change %
Current assets	135,740	159,641	(15%)
Non-current assets	295,446	296,091	—%
Total assets	431,186	455,732	(5%)
Current liabilities	82,600	94,051	(12%)
Non-current liabilities	259,104	278,657	(7%)
Total liabilities	341,704	372,708	(8%)
Net assets	89,482	83,024	8%

Total assets decreased by 5 per cent to \$431,186,000 in 2023 (Dec 2022: \$455,732,000) primarily due to the movement in other receivables, where the prior balance included a large receivable for the sale of inventory which has since been received.

Total liabilities reduced to \$341,704,000 in 2023 (Dec 2022: \$372,708,000) primarily due to the movement in payables relating to accruals recognised in the prior year.

Capital management

The Consolidated Entity has an external loan of \$2,719,000 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 \$1,476.4 million (after allowing for refinancing of \$326.6 million of outstanding commercial paper) as at 30 June 2023;
- Weighted average debt expiry of 6.1 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 30 June 2024;
- Primary covenant gearing of 28.4 per cent, compared to a covenant level of 50.0 per cent; and
- Interest cover ratio for the six months to 30 June 2023 of 4.6 times, compared to a covenant level of 2.0 times.

Cash flows

The cash balance at 30 June 2023 increased to \$25,974,000 (Dec 2022: \$17,185,000).

Operating activities:

Net cash flows from operating activities have increased in 2023 to an inflow of \$38,846,000 (June 2022: \$6,532,000 outflow) driven by proceeds from the sale of inventories and higher receipts in the course of operations.

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

For the half year ended	30 Jun 23 \$'000	30 Jun 22 \$'000	Change %
Net profit for the half year	6,333	11,356	(44%)
Non-cash items included in net profit	17,949	8,246	118%
Timing difference	(19,254)	(16,432)	17%
Inventory movements	33,818	(9,702)	449%
Net cash inflows/(outflows) from operating activities	38,846	(6,532)	695%

Investing activities:

Net cash outflows from investing activities have increased to \$5,532,000 in the first half of 2023 (Jun 2022: \$2,981,000) due to the purchase of securities for employee incentive schemes.

Financing activities:

Net cash flows from financing activities have decreased to an outflow of \$24,525,000 in the first half of 2023 (Jun 2022: \$10,913,000 inflow) primarily due to higher repayments of related party borrowings.

Dividends

The Company has not paid any dividends for the half year to 30 June 2023 (2022: nil).

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Half year ended 30 June 2023

Prospects

The following details the prospects of the Group, Wholesale Funds and the UniSuper and ACRT mandates, 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 \$32.2 billion, including a balance sheet portfolio valued at \$15.9 billion. Occupancy of the Group's diversified portfolio at 30 June 2023 was 97.9 per cent.

Over the last 12 months there has been a material step up in interest rates by the Reserve Bank of Australia to bring inflation back toward its target range. These measures are having an impact with economic growth slowing as a result. While it would appear we are approaching the peak in the interest rate cycle, the rise in interest rates has increased the cost of debt and this has had a material impact on the Group's FFO.

Independent valuations were undertaken for all investment properties as at 30 June 2023, resulting in a softening of valuation metrics. Transaction activity has been limited over the last 12 months and we expect that investment appetite, particularly for larger assets, will remain relatively muted for the balance of 2023. There is the potential for further softening of valuation metrics and asset values as transaction evidence emerges.

The Group continues to deliver strong results from its Retail portfolio. Portfolio occupancy has been maintained at greater than 99 per cent supported by ongoing tenant demand from existing and new retailers. The transition of management of the \$2.8 billion UniSuper portfolio and the \$2.7 billion Australian Core Retail Trust in 2022, has provided deeper tenant relationships and operational leverage for the GPT Retail platform. While there has been a moderation in retail sales growth as a result of inflationary pressure and rising interest rates, the Group's portfolio is well positioned with high occupancy, ongoing tenant demand, fixed rental increases, and sustainable tenant occupancy costs.

The office sector continues to be impacted by subdued demand, new supply and subleasing activity, as tenants respond to employee preference for hybrid working arrangements. The Group made solid leasing progress over the first half of 2023, however vacancy remains elevated for the Office portfolio and we anticipate the leasing market will remain very competitive for some time. Smaller tenants remain the most active in the market, and GPT continues to achieve positive outcomes from high quality fitted suites to attract these tenants. Occupancy for the Office portfolio at 88.5 per cent (including Heads of Agreement (HoA)) remains in line with December 2022, despite approximately 4 per cent of lease expiry occurring in the first half of the year. While market leasing conditions remain challenging the Group is currently targeting to achieve portfolio occupancy (including HoA) of approximately 90 per cent by the end of 2023.

GPT is well placed to continue to deliver further growth from its Logistics portfolio. The logistics sector continues to benefit from ongoing tenant demand, very low market vacancy levels and limited uncommitted supply. GPT's Logistics portfolio has occupancy of greater than 99 per cent, and is well positioned to continue to deliver further growth through contracted rental increases and further development completions. The Group has a Logistics development pipeline with an end value of approximately \$2 billion of assets under management that will provide further opportunities to enhance the portfolio.

At 30 June 2023, the Group's balance sheet net gearing was 28.1 per cent, below the midpoint of our stated gearing range of 25 - 35 per cent and with liquidity of \$1.5 billion to meet funding requirements through to mid-2026. GPT has A space credit ratings with S&P and Moody's and over the next 3.5 years the Group is 72 per cent hedged at an average rate of 3.5 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. The Group remains on target for its owned and managed Retail and Office assets to be certified as operating carbon neutral by the end of 2024.

Outlook

While economic uncertainty remains in the Group's trading environment, GPT expects to deliver FFO of approximately 31.3 cents per security and a distribution of 25.0 cents per security for 2023, in line with previous guidance.

GPT has a strong balance sheet and a high quality diversified portfolio, combined with an 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 our strategic objectives.

GPT 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 and 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.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

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Half year ended 30 June 2023

Management of key risks in the 2023 operating environment

The most material key risk currently facing the Group remains the potential impact on future financial performance of ongoing inflation and increases in interest rates. This impact is occurring directly through increased financing and other costs, and indirectly through changes in tenant demand, 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. Closely aligned to interest rate risk is the risk of ongoing volatility and instability in global financial markets, with the potential to impact capital flows and slow activity in the real estate market generally. GPT's management and Board have implemented a number of measures to mitigate both of these risks, which are expected to require ongoing focus for the remainder of 2023.

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, and office leasing is expected to remain challenging throughout the remainder of 2023.

GPT continues to monitor cyber risk closely. The Group holds limited personal identifying information, with the key risk in this area being potential 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.

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

Emerging risks

In addition to current risks, GPT also monitors emerging risks which have the potential to disrupt the business. In many cases, these will also present opportunities. A review of emerging risks and GPT's preparedness for them is undertaken every six months by both the GPT Leadership Team and the Sustainability and Risk Committee. Some of the issues considered in the first half of 2023 include:

- Global economic uncertainty
- 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 period.

Risk	Our Response	Change in Residual Risk for 6 months to June 2023	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	No change 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
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 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

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Half year ended 30 June 2023

Risk	Our Response	Change in Residual Risk for 6 months to June 2023	Value Creation Input Affected
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	No change 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	No change There have been no 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, 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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

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Half year ended 30 June 2023

Risk	Our Response	Change in Residual Risk for 6 months to June 2023	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 • An ISO 14001 certified 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 Australian entities has increased 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 Market 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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

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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 prepared with reference to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and is summarised on the following pages.

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. The COP27 United Nations Climate Change Conference in Egypt reinforced progress on the Paris Agreement targets and widened the conversation to the importance of nature-related risks, including biodiversity loss and water.

As the owner and manager of a \$32.2 billion portfolio of retail, office and logistics assets across Australia, GPT understands the importance of our contribution to climate change mitigation efforts and planning for the business impacts of climate-related risks and opportunities.

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 is accountable for ensuring that the Group identifies, assesses, and manages 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 climate response, including decarbonisation and climate resilience. To achieve this, the Risk and Sustainability Team work closely with business units across GPT through a number of formalised delivery groups and committees.

Strategy

ESG leadership is a key pillar of GPT's overarching business strategy which is outlined in the 'Our Strategy' section of the 2022 Annual Report. 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.

Proactively identifying and managing key risks and opportunities related to climate change supports the achievement of this strategy. Our long term approach to our property investments and sustainability initiatives benefits our tenants and broader stakeholder groups. It improves the resilience of our assets to the impacts of transitional and physical climate risks.

As a result of our climate response strategy and GPT's focus on climate resilience, we aim to contribute to an orderly and just transition to a low carbon economy. Within our transition plans, we consider strategic opportunities and co-benefits, such as sustainable financing options, climate related income generation and funds management opportunities which may arise 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 Carbon Neutral certifications. Our current emissions reduction actions and future targets are tracking well ahead of Australia's commitments to the Paris Agreement and recently legislated emissions reduction targets.

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 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 with RCP 8.5. These scenarios test the resilience of the Group's strategy and help develop systems that address climate-related risks and opportunities.

Through workshops with GPT's business units and supported by subject matter experts, we consider transitional and physical risks which may arise under low and high emissions scenarios and potential impacts on the business. Workshops also identify possible opportunities which may occur as a result of these risks. Transitional impacts could result from changes to policy, regulation and technology, and stakeholder expectations. Physical impacts could directly or indirectly damage or limit our capacity to operate in specific locations.

Additionally, as part of GPT's ESG leadership strategy, we are also focusing on having a net positive impact on biodiversity. We have begun integrating nature-related risks and opportunity considerations into strategic decision making.

The scenarios adopted by GPT and a detailed analysis of the identified potential impacts, along with our mitigation and adaptation strategies can be found in the Group's 2022 Climate Disclosure Statement.

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 identifies and addresses climate-related risks and opportunities. Through these risk processes, no specific climate-related risks have currently been identified that we believe could have a material adverse 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 identifying, assessing, treating, and monitoring identified risks. The Risk Team supports the Leadership Team, the GPT Board, the Funds Management Board, and their respective committees in ensuring we manage risk appropriately.

Included on GPT's Key Risk Dashboard, climate change risk is reviewed every six months by the Board and the 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 MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Half year ended 30 June 2023

Metrics and Targets

GPT aspires 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 which we have an ownership interest in by the end of 2024.¹

During 2022, GPT also delivered Australia's first Climate Active certified upfront embodied carbon neutral development at 143 Foundation Road, Truganina. A target is in place 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 sets environmental performance and resilience targets driven by operational optimisation programs and capital upgrades. Medium 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, focusing 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, 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 to use 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.

GPT obtains independent external assurance over sustainability performance data, details of which are in Appendix C of the Group's 2022 Sustainability Report.

Find out more

GPT's 2022 Climate Disclosure Statement is available on our website: www.gpt.com.au.

3. EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstance occurring since 30 June 2023 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 periods.

4. DIRECTORS

The Directors of GPT Management Holdings Limited and GPT RE Limited at any time during or since the end of the half year are:

Chairman, Non-Executive Director

[Vicki McFadden](#) (joined the Board in March 2018, appointed Chairman in May 2018)

Chief Executive Officer and Managing Director

[Bob Johnston](#) (joined the Board in September 2015)

Non-Executive Directors

[Anne Brennan](#) (joined the Board in May 2022)

[Shane Gannon](#) (joined the Board on 1 May 2023)

[Tracey Horton AO](#) (joined the Board in May 2019)

[Mark Menhinnitt](#) (joined the Board in October 2019)

[Michelle Somerville](#) (joined the Board in December 2015 and retired following the Annual General Meeting on 10 May 2023)

[Robert Whitfield AM](#) (joined the Board in May 2020)

5. 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 12 and forms part of the Directors' Report.

6. 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.

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Half year ended 30 June 2023

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



Vicki McFadden
Chairman

Sydney
14 August 2023



Bob Johnston
Chief Executive Officer and Managing Director



Auditor's Independence Declaration

As lead auditor for the review of GPT Management Holdings Limited for the half-year ended 30 June 2023, 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink, appearing to read 'D. Smith', written over a light blue horizontal line.

Debbie Smith
Partner
PricewaterhouseCoopers

Sydney
14 August 2023

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999
Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999

Liability limited by a scheme approved under Professional Standards Legislation.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Half year ended 30 June 2023

	Note	30 Jun 23 \$'000	30 Jun 22 \$'000
Revenue			
Funds management fees		57,918	53,144
Property management fees		23,955	16,858
Development management fees		12,647	11,616
Management costs recharged		24,267	15,550
		118,787	97,168
Other income			
Interest revenue		1,467	35
Other		5,411	4,576
		6,878	4,611
Total revenue and other income		125,665	101,779
Expenses			
Remuneration expenses		78,404	60,140
Share of after tax loss of equity accounted investments		2	75
Property expenses and outgoings		2,816	1,920
Technology expenses		8,184	7,724
Professional fees		2,679	2,146
Depreciation of right-of-use asset		5,247	5,333
Depreciation		1,495	1,182
Amortisation		959	800
Revaluation of financial arrangements		4,754	783
Impairment expense/(reversal)		81	(2,383)
Finance costs		3,178	1,543
Other expenses		6,454	6,464
Total expenses		114,253	85,727
Profit before income tax		11,412	16,052
Income tax expense		5,079	4,696
Net profit for the half year		6,333	11,356
Other comprehensive income			
<i>Items that may be reclassified to profit and loss</i>			
Net foreign exchange translation gain/(loss)		23	(9)
Total comprehensive profit for the half year		6,356	11,347
Net profit attributable to:			
- Members of the Company		6,334	11,392
- Non-controlling interest		(1)	(36)
Total comprehensive income attributable to:			
- Members of the Company		6,357	11,383
- Non-controlling interest		(1)	(36)
Earnings per share attributable to the ordinary equity holders of the Company			
Basic and diluted earnings per share (cents per share) - total	8(a)	0.33	0.59

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 30 June 2023

	Note	30 Jun 23 \$'000	31 Dec 22 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		25,974	17,185
Trade receivables		83,264	77,962
Other receivables		772	39,260
Current tax asset		7,636	6,186
Inventories	4	14,058	13,406
Prepayments		4,036	5,642
Total current assets		135,740	159,641
Non-current assets			
Intangible assets	3	21,642	22,535
Property, plant and equipment	5	9,902	10,579
Inventories	4	169,755	163,994
Equity accounted investments	2	24,701	24,587
Right-of-use assets		27,191	32,966
Deferred tax asset		21,348	22,584
Other assets	6	20,907	18,846
Total non-current assets		295,446	296,091
Total assets		431,186	455,732
LIABILITIES			
Current liabilities			
Payables		43,437	60,707
Provisions		22,080	19,735
Borrowings	10	6,046	2,721
Lease liabilities		11,037	10,888
Total current liabilities		82,600	94,051
Non-current liabilities			
Borrowings	10	213,709	229,451
Provisions		13,760	11,989
Lease liabilities		31,635	37,217
Total non-current liabilities		259,104	278,657
Total liabilities		341,704	372,708
Net assets		89,482	83,024
EQUITY			
Contributed equity	7	331,842	331,842
Reserves		18,405	18,280
Accumulated losses		(278,579)	(284,913)
Total equity attributable to Company members		71,668	65,209
Non-controlling interests		17,814	17,815
Total equity		89,482	83,024

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

Half year ended 30 June 2023

	Company				Non-controlling interests			
	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 2022	331,842	18,235	(307,422)	42,655	21,172	(3,302)	17,870	60,525
Foreign currency translation reserve	—	(9)	—	(9)	—	—	—	(9)
Other comprehensive income for the half year	—	(9)	—	(9)	—	—	—	(9)
Profit for the half year	—	—	11,392	11,392	—	(36)	(36)	11,356
Total comprehensive income for the half year	—	(9)	11,392	11,383	—	(36)	(36)	11,347
Transactions with Members in their capacity as Members								
Movement in employee incentive security scheme reserve net of tax	—	14	—	14	—	—	—	14
At 30 June 2022	331,842	18,240	(296,030)	54,052	21,172	(3,338)	17,834	71,886
Equity attributable to Company Members								
At 1 January 2023	331,842	18,280	(284,913)	65,209	21,172	(3,357)	17,815	83,024
Foreign currency translation reserve	—	23	—	23	—	—	—	23
Other comprehensive income for the half year	—	23	—	23	—	—	—	23
Profit for the half year	—	—	6,334	6,334	—	(1)	(1)	6,333
Total comprehensive income for the half year	—	23	6,334	6,357	—	(1)	(1)	6,356
Transactions with Members in their capacity as Members								
Movement in employee incentive security scheme reserve net of tax	—	102	—	102	—	—	—	102
At 30 June 2023	331,842	18,405	(278,579)	71,668	21,172	(3,358)	17,814	89,482

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS

Half year ended 30 June 2023

	Note	30 Jun 23 \$'000	30 Jun 22 \$'000
Cash flows from operating activities			
Receipts in the course of operations (inclusive of GST)		123,262	105,056
Payments in the course of operations (inclusive of GST)		(112,846)	(93,544)
Proceeds from the sale of inventories		38,488	—
Payments for inventories		(4,670)	(9,702)
Interest received		628	34
Finance costs paid		(817)	(930)
Income taxes paid		(5,199)	(7,446)
Net cash inflows/(outflows) from operating activities	11	38,846	(6,532)
Cash flows from investing activities			
Payments for property, plant and equipment		(820)	(633)
Payments for intangibles		(66)	(686)
Purchases of securities for the employee incentive schemes		(4,646)	(1,662)
Net cash outflows from investing activities		(5,532)	(2,981)
Cash flows from financing activities			
Repayments of related party borrowings		(318,308)	(117,032)
Proceeds from related party borrowings		299,216	132,862
Proceeds from borrowings		—	175
Principal elements of lease payments		(5,433)	(5,092)
Net cash (outflows)/inflows from financing activities		(24,525)	10,913
Net cash increase in cash and cash equivalents		8,789	1,400
Cash and cash equivalents at the beginning of the half year		17,185	16,590
Cash and cash equivalents at the end of the half year		25,974	17,990

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2023

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 half year: focuses on results and performance of the Consolidated Entity.

Notes 2 to 6 - Operating assets and liabilities: provides information on the assets and liabilities used to generate the Consolidated Entity's trading performance.

Notes 7 to 10 - Capital structure: outlines how the Consolidated Entity manages its capital structure.

Notes 11 to 16 - 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	3
IT development and software	Impairment trigger and recoverable amounts	3
Inventories	Lower of cost and net realisable value	4
Property, plant and equipment	Useful life	5
Related party borrowings at fair value	Fair value	10
Investment in financial assets	Fair value	14
Contract assets	Amortisation period	15(c)(i)
Lease liabilities	Lease term and incremental borrowing rate	15(c)(iii)
Right-of-use assets	Impairment trigger and recoverable amounts	15(c)(iii)
Deferred tax assets	Recoverability	15(c)(iv)
Security based payments	Fair value	15(c)(v)
Provisions	Estimates of future obligations and probability of outflow	15(c)(vi)

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2023

RESULT FOR THE HALF 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	30 Jun 23 \$'000	31 Dec 22 \$'000
Investments in joint ventures	(i)	14,700	14,586
Investments in associates	(ii)	10,001	10,001
Total equity accounted investments		24,701	24,587

(a) Details of equity accounted investments

Name	Principal activity	Ownership interest			
		30 Jun 23 %	31 Dec 22 %	30 Jun 23 \$'000	31 Dec 22 \$'000
(i) Joint ventures					
Lendlease GPT (Rouse Hill) Pty Limited ⁽¹⁾	Property development	50.00	50.00	14,700	14,586
Total investment in joint ventures				14,700	14,586
(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.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2023

3. INTANGIBLE ASSETS

	Management rights \$'000	IT development and software \$'000	Total \$'000
Cost			
At 1 January 2022	52,042	46,312	98,354
Additions	—	994	994
Transfers	—	(126)	(126)
At 31 December 2022	52,042	47,180	99,222
Additions	—	66	66
At 30 June 2023	52,042	47,246	99,288
Accumulated amortisation and impairment			
At 1 January 2022	(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)
Amortisation	—	(959)	(959)
At 30 June 2023	(41,857)	(35,789)	(77,646)
Carrying amounts			
At 31 December 2022	10,185	12,350	22,535
At 30 June 2023	10,185	11,457	21,642

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 13.50% pre-tax discount rate and 2.99% growth rate have been applied to these asset specific cash flow projections.

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.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2023

4. INVENTORIES

	30 Jun 23 \$'000	31 Dec 22 \$'000
Development properties	14,058	13,406
Current inventories	14,058	13,406
Development properties	113,902	108,994
Properties held for sale	55,853	55,000
Non-current inventories	169,755	163,994
Total inventories	183,813	177,400

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 period and has compared the results to the cost of each asset. As a result, an impairment reversal of \$458,000 was recorded against the Metroplex inventory asset.

5. PROPERTY, PLANT AND EQUIPMENT

	30 Jun 23 \$'000	31 Dec 22 \$'000
Computers		
At cost	24,678	23,970
Less: accumulated depreciation	(19,119)	(18,001)
Total computers	5,559	5,969
Office fixtures and fittings		
At cost	15,965	15,965
Less: accumulated depreciation	(13,009)	(12,632)
Less: accumulated impairment	(335)	(335)
Total office fixtures and fittings	2,621	2,998
Solar installations		
At cost	1,722	1,612
Total solar installations	1,722	1,612
Total property, plant and equipment	9,902	10,579

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2023

5. PROPERTY, PLANT AND EQUIPMENT (continued)

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

	Computers \$'000	Office fixtures & fittings \$'000	Solar installations \$'000	Total \$'000
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
At 1 January 2023				
Opening carrying value	5,969	2,998	1,612	10,579
Additions	719	—	110	829
Disposals	(11)	—	—	(11)
Depreciation	(1,118)	(377)	—	(1,495)
At 30 June 2023	5,559	2,621	1,722	9,902

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.

6. OTHER ASSETS

	30 Jun 23 \$'000	31 Dec 22 \$'000
Lease incentive assets	117	172
Investment in financial assets	3,901	14
Other assets	4,170	3,153
Contract asset	11,635	15,507
Deposits	1,084	—
Total other assets	20,907	18,846

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2023

CAPITAL STRUCTURE

7. EQUITY AND RESERVES

	Number	\$'000
Ordinary stapled securities		
Opening securities on issue at 1 January 2022	1,915,577,430	331,842
Closing securities on issue at 30 June 2022	1,915,577,430	331,842
Opening securities on issue at 1 January 2023	1,915,577,430	331,842
Closing securities on issue at 30 June 2023	1,915,577,430	331,842

8. EARNINGS PER SHARE

(a) Basic and diluted earnings per share

	30 Jun 23 Cents	30 Jun 22 Cents
Total basic and diluted earnings per share	0.33	0.59

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

	30 Jun 23 \$'000	30 Jun 22 \$'000
Profit reconciliation - basic and diluted		
Profit attributable to members of the Company	6,334	11,392

(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:

	30 Jun 23 Number of shares '000s	30 Jun 22 Number of shares '000s
WANOS used as denominator in calculating basic earnings per ordinary share	1,915,577	1,915,577
Performance security rights (weighted average basis) ⁽¹⁾	716	1,198
WANOS used as denominator in calculating diluted earnings per ordinary share	1,916,293	1,916,775

(1) Performance security rights granted under the employee incentive schemes are only included in dilutive earnings per ordinary share calculation if they meet the hurdles at the end of the period as if the end of the period were the end of the contingency period.

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 period which is adjusted for bonus elements in ordinary shares issued during the financial period.

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.

9. DIVIDENDS PAID AND PAYABLE

The Company has not paid or declared dividends for the half year to 30 June 2023 (2022: nil).

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2023

10. BORROWINGS

	30 Jun 23		31 Dec 22	
	Carrying amount ⁽¹⁾	Fair value ⁽²⁾	Carrying amount ⁽¹⁾	Fair value ⁽²⁾
	\$'000	\$'000	\$'000	\$'000
Current borrowings at amortised cost - secured	2,719	2,723	2,721	2,723
Current related party borrowings from GPT Trust at amortised cost	3,327	3,327	—	—
Current borrowings	6,046	6,050	2,721	2,723
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	165,383	165,383	185,811	185,811
Non-current related party borrowings from GPT Trust at fair value	41,690	41,690	37,004	37,004
Non-current borrowings	213,709	213,709	229,451	229,451
Total borrowings	219,755	219,759	232,172	232,174

(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 \$4,686,000 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 \$41,690,000 at 30 June 2023 (Dec 2022: \$37,004,000). Refer to note 14 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.

The maturity profile of borrowings is provided below:

	Total facility ⁽¹⁾	Used facility ⁽¹⁾	Unused facility
	\$'000	\$'000	\$'000
Due within one year	6,050	6,050	—
Due between one and five years	86,237	42,445	43,792
Due after five years	531,717	525,491	6,226
	624,004	573,986	50,018
Cash and cash equivalents			25,974
Less: cash and cash equivalents held for AFSLs			(10,950)
Total financing resources available at the end of the half year			65,042

(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.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2023

OTHER DISCLOSURE ITEMS

11. CASH FLOW INFORMATION

(a) Cash flows from operating activities

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

	30 Jun 23	30 Jun 22
	\$'000	\$'000
Net profit for the year	6,333	11,356
Share of after tax loss of equity accounted investments (net of distributions)	2	75
Impairment expense/(reversal)	81	(2,383)
Non-cash employee benefits - security based payments	(935)	1,832
Fair value movement of investment in Trust	68	196
Interest capitalised	(769)	(638)
Amortisation of rental abatement	—	4
Depreciation expense	1,495	1,182
Depreciation of right-of-use assets	5,247	5,333
Amortisation expense	959	800
Amortisation of contract asset	3,945	—
Non-cash finance costs	3,121	1,235
Revaluation of financial arrangements	4,686	587
Payments for inventories	(4,670)	(9,702)
Proceeds from inventories	38,488	—
(Decrease)/increase in operating assets	(6,418)	1,612
Increase in operating liabilities	(12,836)	(18,044)
Other	49	23
Net cash inflows/(outflows) from operating activities	38,846	(6,532)

12. COMMITMENTS

(a) Commitments

Capital expenditure commitments relating to property, plant and equipment at 30 June 2023 were \$1,531,000 (Dec 2022: \$1,047,000).

Other contractual commitments at 30 June 2023 were \$11,334,000 (Dec 2022: \$955,000).

Commitments arise from the purchase of plant and equipment, and other commitments relating to development costs (including land) and committed tenant incentives, 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

	30 Jun 23	31 Dec 22
	\$'000	\$'000
Capital expenditure commitments	60	218
Total joint venture and associates commitments	60	218

The capital expenditure commitments in the Consolidated Entity's equity accounted investments at 30 June 2023 relate to Lendlease GPT (Rouse Hill) Pty Limited (Dec 2022: Lendlease GPT (Rouse Hill) Pty Limited).

13. 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 30 June 2023, the maximum value of these obligations assuming all the loans are fully drawn is A\$5.78 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.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2023

14. 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	
					30 Jun 23	31 Dec 22
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	7.29%	7.20%

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).

15. ACCOUNTING POLICIES, KEY JUDGEMENTS AND ESTIMATES

(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 Standard AASB 134 *Interim Financial Reporting*;
- in accordance with the recognition and measurement requirements of the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB);
- on a going concern basis. The Consolidated Entity has prepared an assessment of its ability to continue as a going concern, taking into account all available information for a period of 12 months from the date of these financial statements. As set out in note 10, the Consolidated Entity has access to \$65,042,000 in cash and undrawn loan facilities and future cashflow assessments have been made, taking into consideration appropriate probability-weighted factors. The Consolidated Entity is confident in the belief it will realise its assets and settle its liabilities and commitments in the normal course of business for at least the amounts stated in the financial statements. (Refer to section (b) for further information);
- 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 align any dissimilar accounting policies 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.

This interim financial report does not include all the notes of the type normally included within the annual financial report. Therefore, it is recommended this report be read in conjunction with the annual financial report for the year ended 31 December 2022.

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

The financial report was approved by the Board of Directors on 14 August 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 \$1,476.4 million (after allowing for refinancing of \$326.6 million of outstanding commercial paper) as at 30 June 2023;
- Weighted average debt expiry of 6.1 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 30 June 2024;
- Primary covenant gearing of 28.4 per cent, compared to a covenant level of 50.0 per cent; and
- Interest cover ratio for the six months to 30 June 2023 of 4.6 times, compared to a covenant level of 2.0 times.

(c) Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period with the exception of new and amended standards and interpretations commencing 1 January 2023 which were adopted where applicable.

(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.

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2023

15. ACCOUNTING POLICIES, KEY JUDGEMENTS AND ESTIMATES (continued)

The Consolidated Entity recognised \$15,906,000 of contract assets during 2022, 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) Trade receivables

Loans and 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 receivables

Management has assessed whether trade receivables 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 result from all possible default events over the expected life of the trade receivable 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 contracted cash flows due to the Consolidated 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.

(iii) 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 \$712,000 for the half year (Jun 2022: \$880,000).

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 includes:

- 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 period were nil (Dec 2022: Nil).

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 impairment of \$528,000 for the half year (Jun 2022: \$2,392,000 reversal).

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2023

15. ACCOUNTING POLICIES, KEY JUDGEMENTS AND ESTIMATES (continued)

(iv) Deferred tax

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 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.

(v) Security based payments

The fair value of the performance rights is recognised as an employee benefit expense with a corresponding increase in the employee benefits provision or in the employee security scheme reserve in equity. 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. 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 employee benefits provision.

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.

(vi) Provisions

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 obligations.

(d) New and amended accounting standards and interpretations adopted from 1 January 2023

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 2023.

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

There are no new standards or amendments to standards relevant to the Consolidated Entity.

16. EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstance occurring since 30 June 2023 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 periods.

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' DECLARATION

Half year ended 30 June 2023

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

- (a) the consolidated financial statements and notes set out on pages 13 to 27 are in accordance with the *Corporations Act 2001*, including:
- complying with Accounting Standard AASB 134 *Interim Financial Reporting*, 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 30 June 2023 and of its performance for the half year ended on that date; and
- (b) 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.



Vicki McFadden
Chairman



Bob Johnston
Chief Executive Officer and Managing Director

GPT Management Holdings Limited

Sydney
14 August 2023



Independent auditor's review report to the members of GPT Management Holdings Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of GPT Management Holdings Limited (the Company) and the entities it controlled during the half-year (together the Consolidated Entity), which comprises the Consolidated Statement of Financial Position as at 30 June 2023, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the half-year ended on that date, material accounting policy information and explanatory notes and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of GPT Management Holdings Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true

PricewaterhouseCoopers, ABN 52 780 433 757

One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001

T: +61 2 8266 0000, F: +61 2 8266 9999

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124

T: +61 2 9659 2476, F: +61 2 8266 9999

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and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'D.G. Smith'.

Debbie Smith
Partner

Sydney
14 August 2023