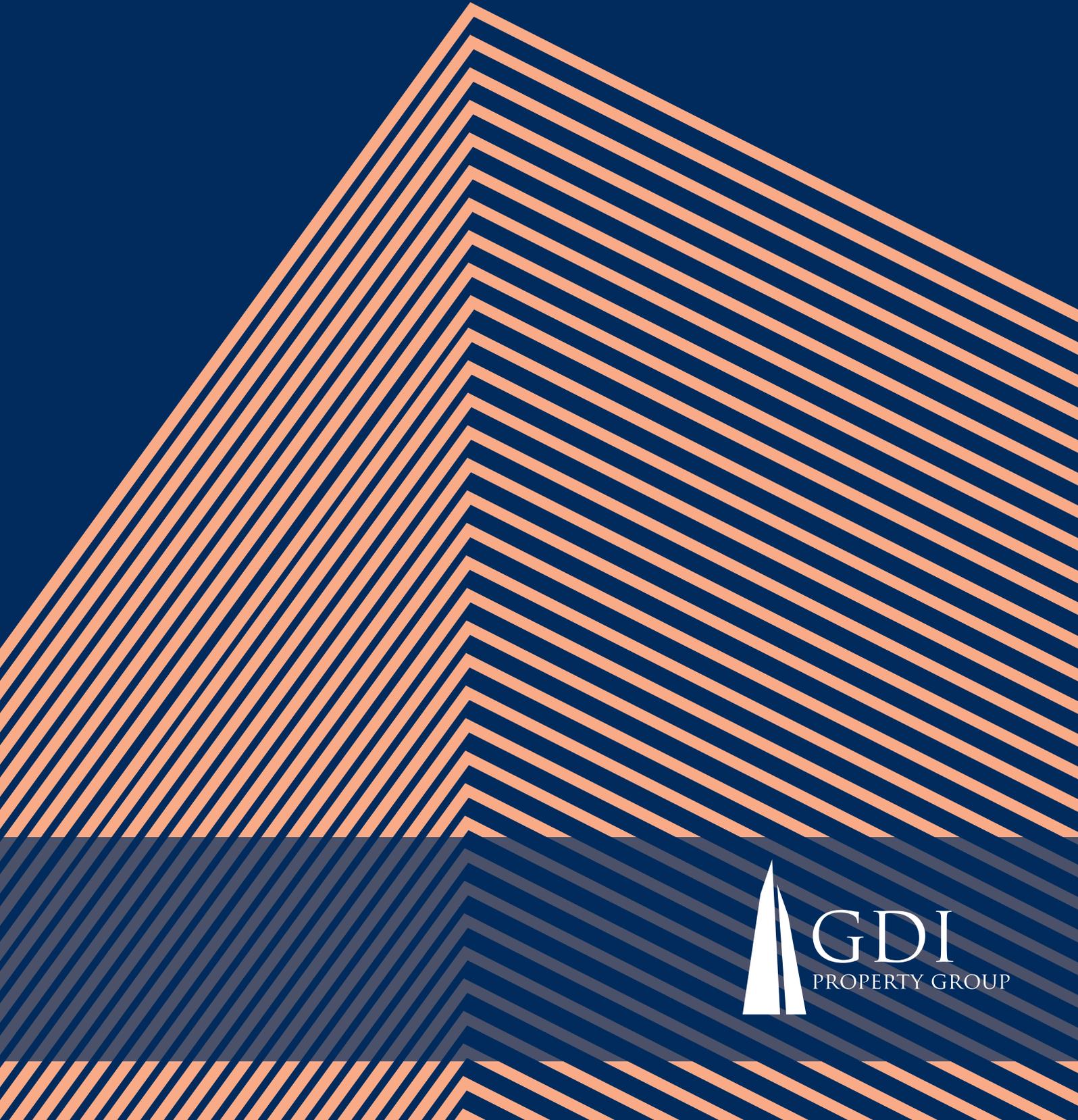


GDI Property Group

2024

ANNUAL REPORT



GDI
PROPERTY GROUP

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Acknowledgement of Country

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

About GDI Property Group

A proud history of strong returns

GDI is an integrated, internally managed commercial property investor with capabilities in the identification and execution of acquisition opportunities, and then the ownership, management, development, refurbishment, leasing, and syndication of assets.

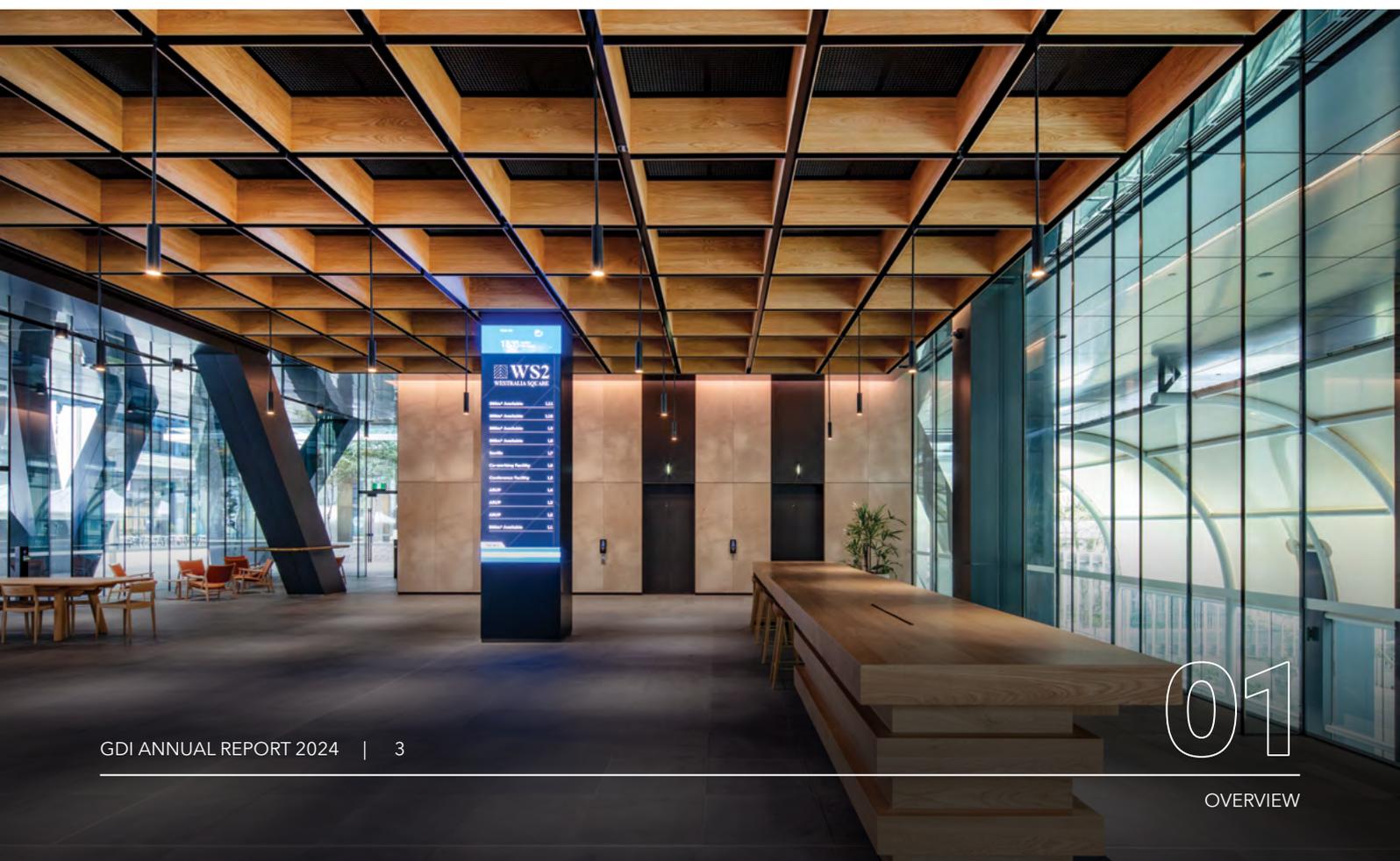
GDI is structured as a stapled security to enable it to participate in both the ownership of properties either directly (wholly owned) or indirectly (asset partnerships or co-investment stakes) via the Trust, and to receive earnings from fund management fees, car park operations, the provision of co-living accommodation, and development, via the Company and its subsidiaries.

We intend to always hold a portfolio of office properties in the Trust ("Property Division"). These office properties will typically have either been developed by us or purchased for below replacement cost and have additional upside potential through development, redevelopment, refurbishment and releasing.

We seek to acquire these properties in markets where we believe there will be strong demand fundamentals, despite residual work from home headwinds, and limited supply. Such properties are generally well located, core CBD properties with the potential to create boutique accommodation solutions for our clients, our tenants. Actual or potential vacancy often provides an opportunity for repositioning and releasing to unlock additional value.

We also seek to continue to grow the earnings of the Company. Currently the Company and its subsidiaries operate a Funds Business, two Perth CBD carparks, and has a 50% interest in a joint venture in the co-living mining accommodation sector.

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



FY 24 Highlights

Financial snapshot

All assets were independently valued during FY24 achieving a weighted average capitalisation rate of 6.6% and an average rate/sqm of NLA of \$8,019¹.

Gearing is well within policy of sub 40%. GDI has an LVR of 40.6% (covenant of 50%) and ICR of 2.0X (covenant 1.5X) on the syndicated facility. We also have high levels of interest rate protection, but ability to participate in any interest rate reductions.

\$1.19

NTA

33%

GEARING

Growing FFO per security is indicative of strong leasing outcomes and a full year contribution from the Co-living JV, notwithstanding our higher interest expense.

FY24 distribution of 5.00 cents per security with objective to hold 5.00 cents through cycle.

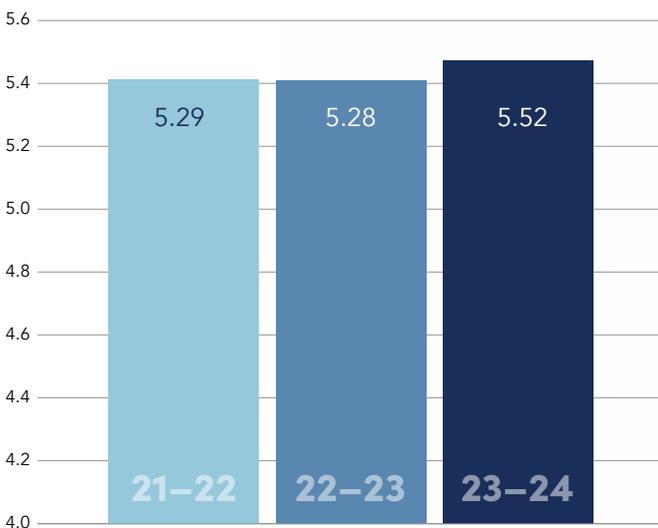
5.52c
PER SECURITY

FFO

5.00c
PER SECURITY

DISTRIBUTION

FFO per security (cents)



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

FY 24 Highlights

Operational highlights

GDI began FY24 under the stewardship of a newly appointed Managing Director and Chief Executive Officer, having only recently achieved practical completion of WS2 and bedded down the initial investment in the co-living mining accommodation Joint Venture (“Co-living JV”).

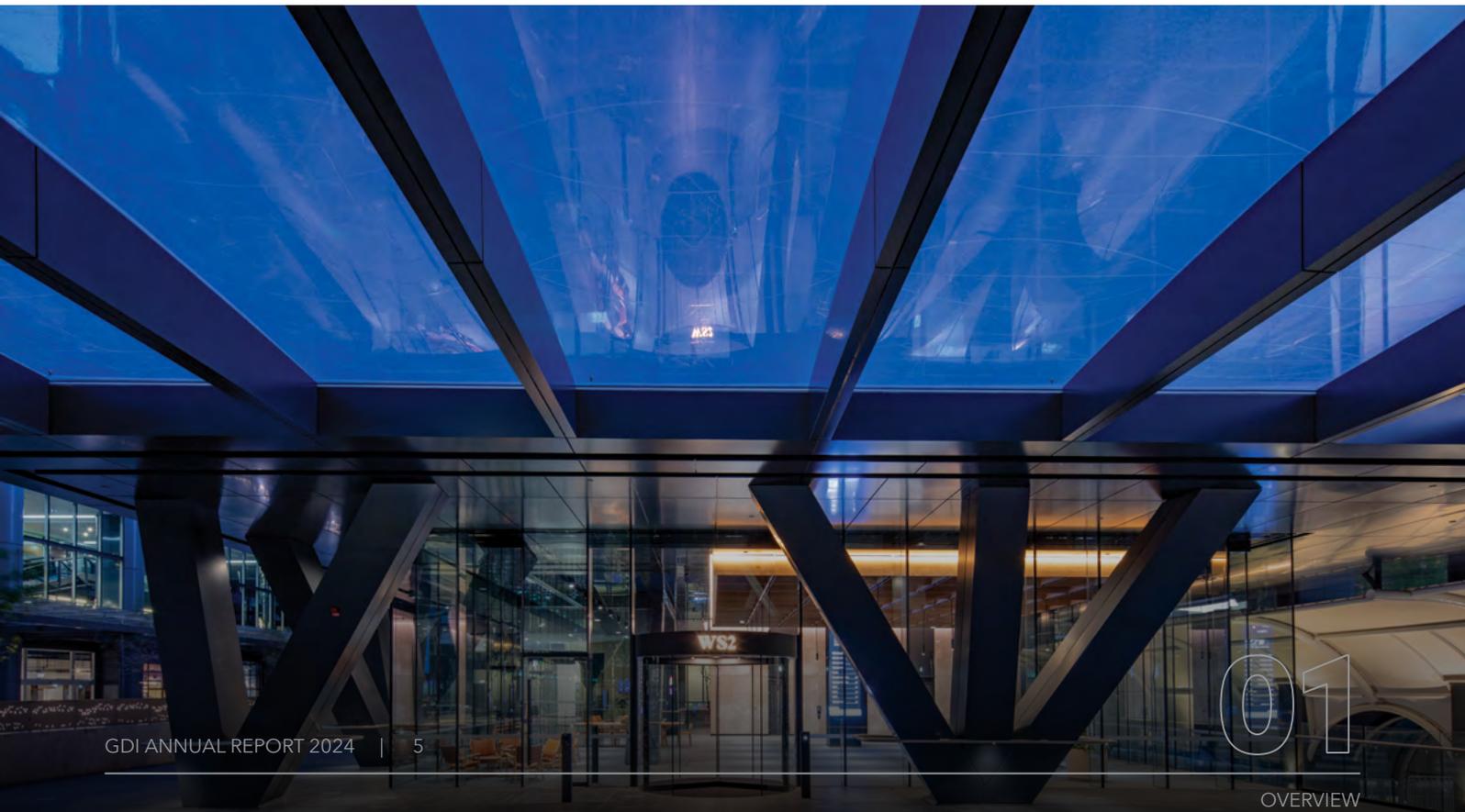
The Board and management team set ambitious goals for the year focused operationally on leasing, refinancing and non-core asset sales. Most of these and other objectives were achieved, including that GDI:

- Leased or renewed over 37,000sqm of office space, including all but filling both Westralia Square and WS2, most notably with a combined 16,347sqm lease and lease extension to the Minister of Works for over 10 years at Westralia Square;
- Introduced a second major funding partner to the Syndicated Facility (previously Principal Facility), extended the term to December 2026 and increased its size, initially by \$25.0 million and subsequently by another \$25.0 million, giving GDI timing flexibility on capital recycling initiatives;
- Renewed the Board by appointing two highly qualified Directors following the retirement of Gina Anderson in April 2024;

- Restructured both the management team and our service providers, creating a more harmonious team that is able to work collaboratively, including with our partners;
- Successfully navigated the first full year of operations of the Co-living JV, making a small additional acquisition and achieving our return expectations;
- Made significant progress implementing the strategies of our unlisted funds; and
- Exceeded the financial objectives set for the year, including exceeding internal FFO budgets, maintaining the distribution and outperforming the MSCI Core Office Property Fund Index.

The capital markets remain challenging. We appointed agents to assess demand for two non-core assets but withdrew both campaigns due to a lack of buyer depth and demand. We continue to monitor this and aim to crystallise some non-core asset sales in FY25.

As we begin FY25 we have set similar objectives to FY24. However, as there is now less space to lease we do not expect to achieve the same volume of leasing as was achieved in FY24.



FY 24 Highlights

Growth opportunities and outlook

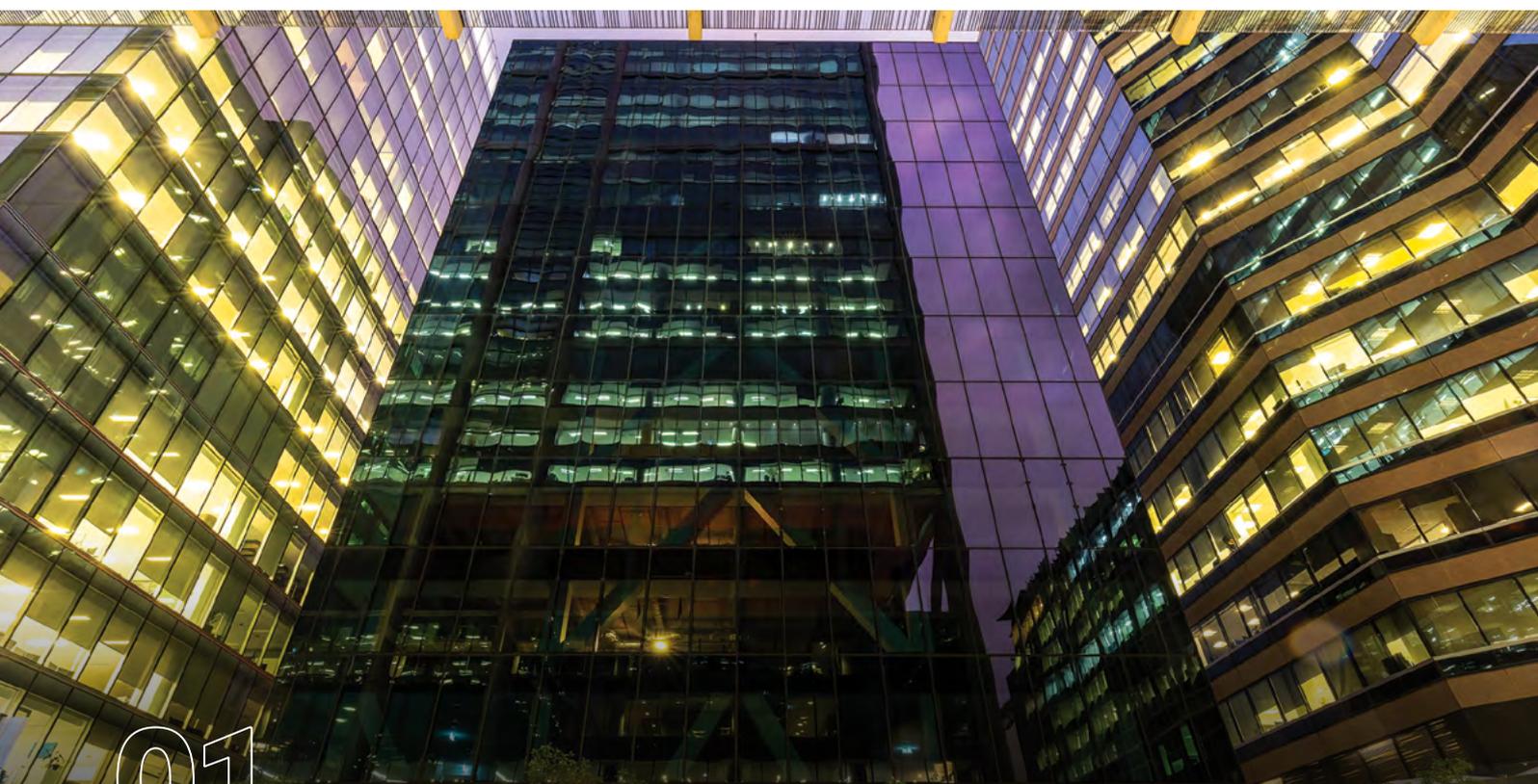
GDI is relentlessly focused on executing leases for the balance of the portfolio. The strong momentum in the Perth market will underpin FFO growth. Strategically, GDI is positioned to capitalise on the relatively stronger Perth market to optimise a recycling of the portfolio towards East Coast markets while they are in a dislocation phase.

GDI's proposition is to be the best office property total return specialist, with a value driven approach to entering and exiting markets with agility, flexibility, and a through cycle funding structure. GDI is executing on its point of difference by delivering value enhancing timber and reuse buildings, and high returns through the Co-living JV. There is considerable scope within the existing portfolio to deliver further value accretive timber and reuse opportunities, and the Co-living JV has opportunities to deliver stronger growth through the continuation of operational improvements, in addition to further acquisitions.

The leasing successes from FY24 has meant that our property income is forecast to be higher in FY25 than what we achieved in FY24. Our portfolio continues to experience leasing interest, and making additional headway into the existing vacancy and adding further to our property income remains a priority.

The Co-living JV exceeded our return hurdles from the first full year of ownership. Although the focus is on operational excellence, there are opportunities in the Co-living sector for accretive acquisitions, and these will continue to be reviewed.

This positive forecast revenue backdrop, combined with the increase to and extension of our Syndicated Facility, has meant we have the financial flexibility to manage the timing of our capital recycling plans. We also confirm that it is our intent to pay a cash distribution of 5.00 cents per security for FY25, subject to no material change in circumstances or unforeseen events. As with FY24, we would expect that a proportion of any cash distribution for FY25 will be paid out of capital.



Letter from the Chair

Improving securityholder value

Welcome to GDI's 2024 Annual Report, my first as Chairman.

The rising cost of capital has generally speaking negatively impacted commercial property valuations. Further, there still remains a sizeable buy / sell spread for office properties. Office landlords are also grappling with two dynamics – work from home (“WFH”) and the increased costs of brown to green. WFH varies and its effect is most pronounced in Melbourne and Sydney, with both those markets also having experienced negative demand and increased supply over the last two years.

By design our office assets are predominantly located in Perth. The Perth market had the strongest demand of all the CBD office assets over that same two-year period. Our two largest holdings comprise firstly, Westralia Square and WS2 which reside on one title and secondly, the Mill Green precinct, comprising 197 St Georges Terrace, and 5 and 1 Mill Street, which also are on one title. We had tremendous success leasing these properties, noting 1 Mill Street remains vacant due to future development considerations. We have been disciplined with our approach to capital expenditure on properties, requiring a positive benefit for the investment made. Our increased portfolio occupancy and resulting increases in rental income meant that our portfolio was somewhat insulated from the downward pressure on valuations. Pleasingly, our tenancies point to increased rental income from our portfolio in FY25. Our energies are directed to improving securityholder value.

We have a history of investing in our properties to both improve their appeal and their performance and thus achieve higher rents. That investment also improves a property's environmental footprint. More recently, we have completed the development of WS2, Perth's first steel and timber office building. Significant benefits were achieved, including significant savings of embodied carbon compared to a contemporary concrete building. We believe that our experience in this building technology gives us a competitive advantage in refurbishment, redevelopment and repurposing opportunities.

Two of our FY24 objectives were to ensure we had through cycle funding and to diversify our funding sources. We achieved this by converting our Principal Facility to a Syndicated Facility and welcomed a second funding partner. We increased the Syndicated Facility by \$50.0 million and extended its term to December 2026.



This gives us flexibility to time our capital recycling initiatives. We can be patient when recycling assets so as to maximise outcomes for our securityholders.

We remain vigilant with the work we have to do, particularly with several assets in our funds. The Board has been impressed with the GDI teams collaborative approach with each other, our tenants, our funding partners and our service providers to position these assets to capture existing tenant demand and new tenant interest. Our structured approach to driving increased occupancy of these assets will deliver a better outcome for the investors in those funds, as well as GDI.

Credit for all the achievements in FY24 must go to Stephen and the GDI team. Going into FY25 we have a new look streamlined executive team. We welcomed to the senior ranks Sally Ockenden as Head of Development and Strategic Communications.

Our Board renewal programme resulted in us welcoming to the Board Patria Mann and Susan Hilliard. Both have already brought unique insights. John Tuxworth and I look forward to their ongoing contribution as the Board focuses on securityholder value. I also thank Gina Anderson for her decade of service to GDI.

On behalf of the Board, I would like to thank the team at GDI for their efforts and contributions.

A handwritten signature in black ink that reads "Giles G. Woodgate". The signature is written in a cursive, slightly slanted style.

Giles Woodgate
Chairman

Letter from the Managing Director and CEO Delivering strategic objectives

Teamwork and executing our strategic objectives, especially a relentless focus on leasing, has helped deliver what we said we would do. Executing on strategy is key to all aspects of GDI.

Over 37,000m² of office leasing (plus additional leasing of industrial space), continued the leasing momentum from FY23 and more importantly, it has continued into FY25. In part this is due to the favourable dynamics of the Perth market and economy. Credit must also go to the team for sticking relentlessly to the speculative fit-out strategy at 197 St Georges Terrace, and clever renewal strategies that have captured some of the largest deals done in the Perth market during FY24. Our leasing efforts secured The Minister of Works (WAPOL) in Westralia Square until 2034, accounting for over half of the building.

There is more to do on the leasing front and the team continues to be very focused.

In July 24 we officially opened WS2, with the Deputy Premier and Treasurer for WA, The Honourable Rita Saffioti. This marked a step change in carbon efficient performance engineering and Perth's first timber office building. Together with our partners, Built and Arup,



we learnt a lot about implementing adaptive re-use, to preserve existing income producing assets, whilst building a 12 storey boutique office building on top of a car park.

This is a very important model for future GDI opportunities with a deliverable point of difference, in addition to reducing carbon emissions by at least 70%, compared with doing an equivalent concrete building. The key point is that we can produce a very effective boutique space for tenants on a number of our properties, with a requisite risk and return.

We were able to deliver on our targets for the Co-living JV and re-iterate that our focus is very much on the operational returns. The three-asset portfolio represents a strategic cluster focused on customers in iron ore, gold and infrastructure.

Recycling is a focus and this year is likely to see continued sales of non-core properties and investments. At the same time we will be very focused on leasing, improving the balance sheet and delivering on our objectives for our securityholders.

Whilst we constantly analyse opportunities to enhance returns through acquisitions and optimising our assets and funds, we remain focused on executing strategy – which calls for more leasing and recycling.

Thankyou to the Board and the GDI team for all your hard work during the year and especially to our previous Chairman, Gina for your kind and helpful advice. I would like to welcome three outstanding additions to the GDI team. Patria Mann and Susan Hilliard recently joined the Board and have already made valuable contributions. The third outstanding addition is Sally Ockenden, who joins the Senior Management Team as our Head of Development & Strategic Communications.

A handwritten signature in dark ink that reads "Stephen Burns". The signature is fluid and cursive.

Stephen Burns
Managing Director and CEO

How we create value

The GDI Business Model

The Proposition

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

Our Vision

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

The GDI point of difference

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

The Strategy to Create Value

We ensure GDI skills and capability matches our ability to execute on our strategy. Our best in class team is focused on executing our goals and attracting the best stakeholders.

We achieve a through cycle diversified funding structure, by managing appropriate debt levels, accessing perpetual equity on the GDI balance sheet and by partnering and managing capital.

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

We execute on leasing across all parts of the GDI business.

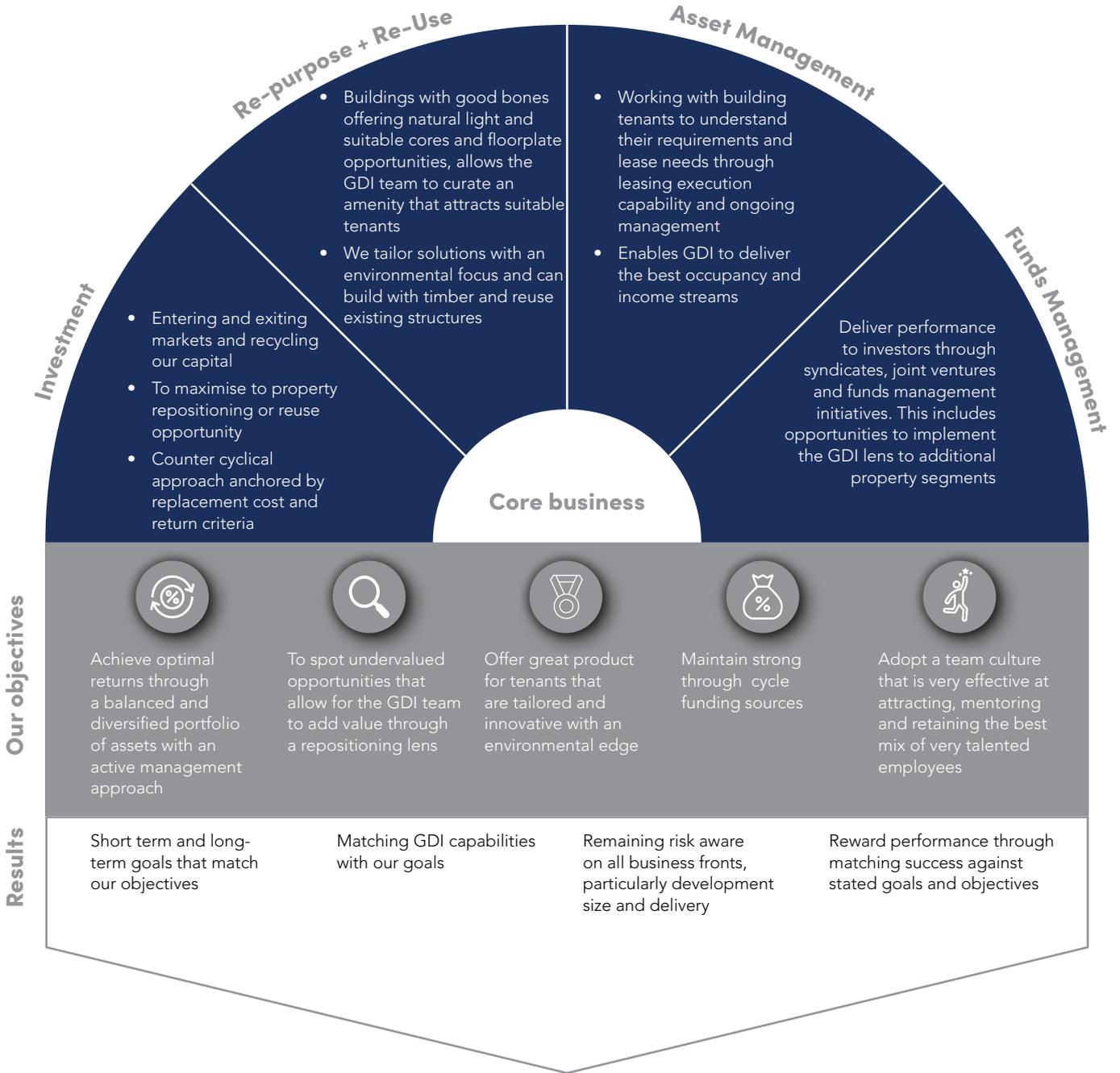
We adopt a boutique mindset to funds management to make investors' money across the spectrum. We need to speed up the velocity of our syndicates by returning capital and earning the right to issue new product.

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

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

How we create value

The GDI Business Model



Delivering on strategy

Our scorecard

Leasing	<ul style="list-style-type: none"> Leased or renewed over 37,000sqm of office space, including all but filling both Westralia Square and WS2, most notably with a combined 16,347sqm lease and lease extension to the Minister of Works for over 10 years at Westralia Square Completed additional leasing in industrial and retail and segments Focus on remaining space and growth opportunities 	
Financial	<ul style="list-style-type: none"> Exceeded all the financial objectives set for the year, including exceeding internal FFO budgets, maintaining the distribution and outperforming the MSCI Core Office Property Fund Index Target distribution of 5.00 cents full year guidance 	
Refinancing	<ul style="list-style-type: none"> Introduced a second major funding partner to the Syndicated Facility (previously Principal Facility), extended the term to December 2026 and increased its size, initially by \$25.0 million and subsequently by another \$25.0 million, giving GDI timing flexibility on capital recycling initiatives c. \$50m unutilised, c. 33% gearing ICR 2.0 x (covenant 1.50 x) 	
Removal of Legacy Issues	<ul style="list-style-type: none"> Restructured both the management team and our service providers, creating a more harmonious team that is able to work with best-in-class partners 	
Board Renewal	<ul style="list-style-type: none"> Renewed the Board by appointing two new highly qualified Directors following the retirement of Gina Anderson in April 2024 	
Co-living JV	<ul style="list-style-type: none"> Successfully navigated the first full year of operations of the Co-living JV, making a small additional acquisition and achieving our return expectations <ul style="list-style-type: none"> > 20% return on capital target (initial investment \$33m) > \$6.8m FFO contribution for FY24 	
Asset Management	<ul style="list-style-type: none"> Achieved significant headway in the asset management strategies of our unlisted funds 	
Recycling	<ul style="list-style-type: none"> Non-core assets > \$100m identified Transactions commencing in an improving but muted environment 	Underway
Positioned for Growth	<ul style="list-style-type: none"> Timber and adaptive re-use focus Target agreements for lease Existing assets (DA approved) / Additional targets 	Underway

Delivering on strategy Core properties – Westralia Square

GDI secured the Minister of Works (WAPOL) for entire lower lift bank, encompassing 16,347sqm (approximately 50% of the NLA), until March 2034. Leases were also executed for Hexagon (level 16) and Infosys (1,037 sqm of level 17) for 5 years, leaving only part level 17 (~700 sqm) vacant.

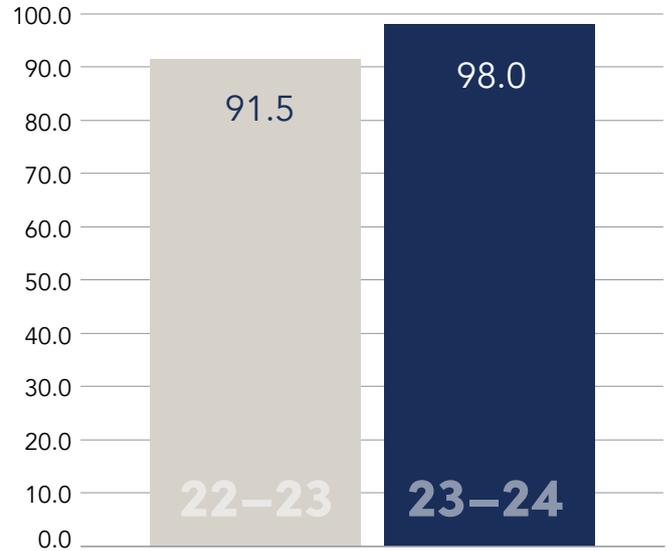
The building now has a WALE of 7.7 years and occupancy of 98%, with no expiry until FY27.

Westralia Square has been valued at \$379.0 million (6.0% capitalisation rate), reflecting \$10,619/sqm of NLA¹.

GDI will take a measured and persistent approach to the remaining vacancy to continue to enhance the rent profile.

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

Occupancy (%)



Delivering on strategy Core properties – WS2

GDI welcomed new tenants Arup, Built, Savills, Navitas and Liberty who are all now in occupation. The tenant's fitouts and conference amenity provided by Liberty further enhances the building.

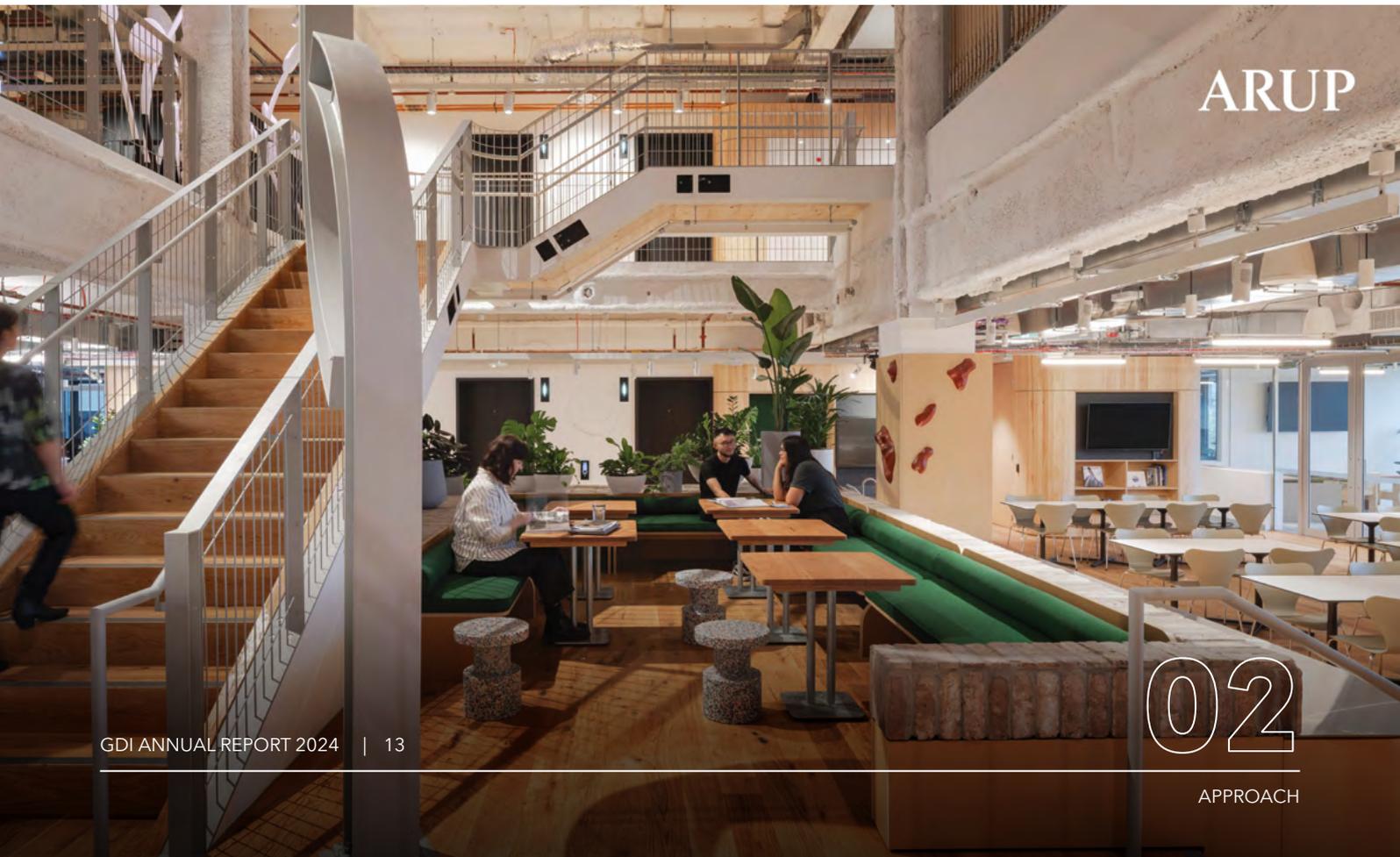
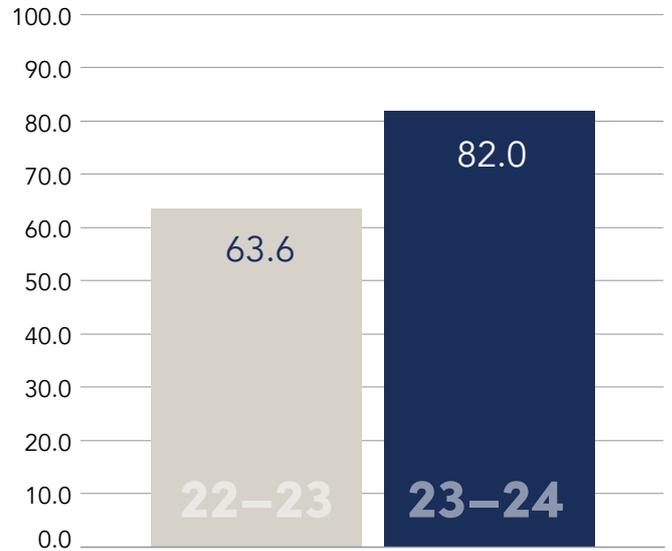
A targeted approach on the two unlet floors is underway with plans for a GDI fit out to market the space for both levels 8 and 10 single floor users.

The WALE is 8.5 years, and occupancy has been increased to 82%, with no expiry until 2029.

WS2 was independently valued at \$94.0 million (with a 6.50% capitalisation rate), however the rents achieved are significantly higher than the valuation assumption.

A successful opening launch positioned GDI as a Perth market leader in delivering boutique timber office buildings. The delivery demonstrated a profitable and competitive model which can be applied to other GDI growth opportunities.

Occupancy (%)



Delivering on strategy

Core properties – Mill Green Complex

197 St Georges Terrace

Leasing up has been progressively executed in accordance with our targeted part floor fit out strategy.

Over 6,000sqm of NLA has been leased this financial year, with occupancy increasing to 78%. GDI has been achieving the target rent profile with reduced incentives bringing forward budgeted lease commencement dates.

The team is progressing well on the balance of the building while remaining disciplined with capital expenditure.

5 Mill Street - Renewal Focus

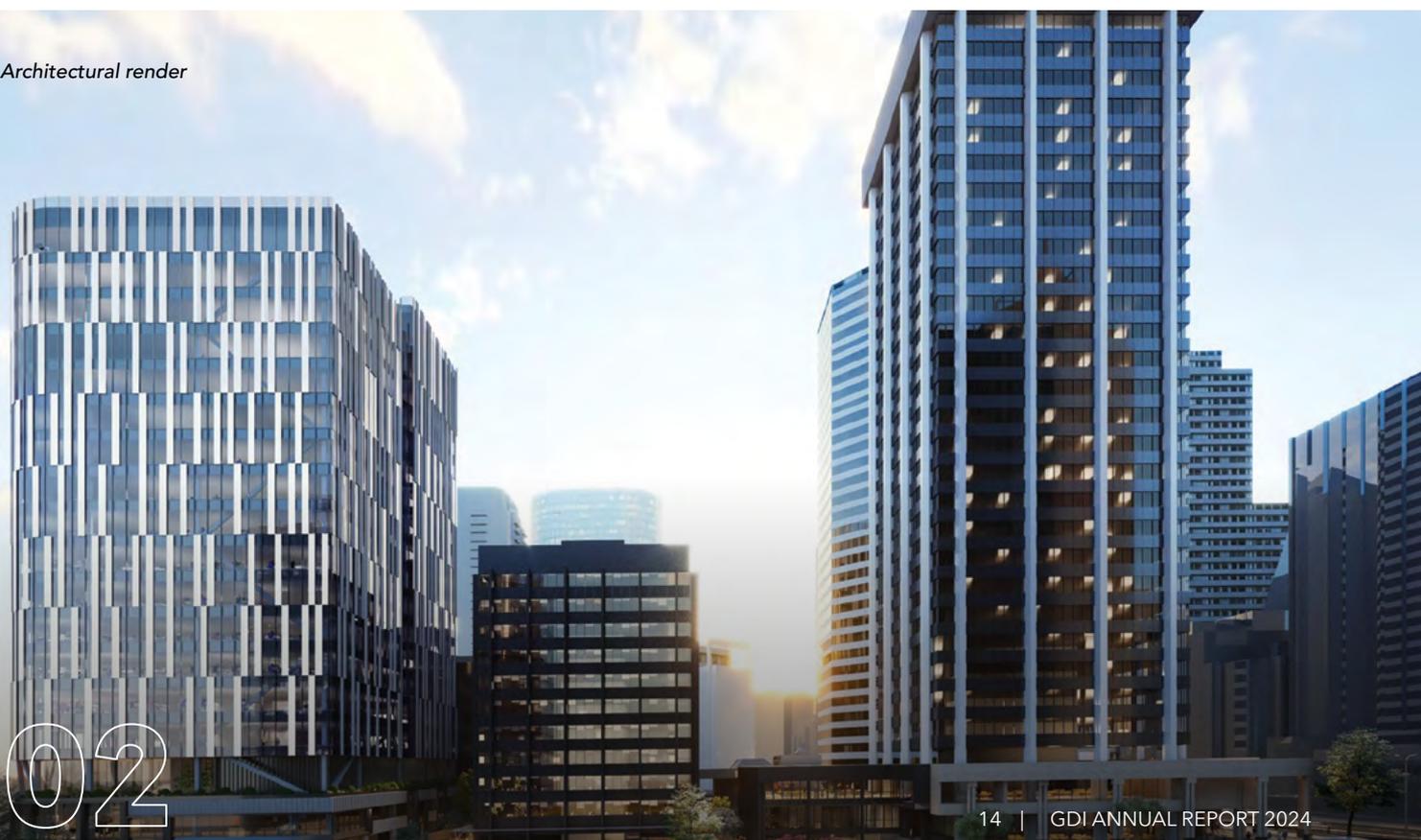
5 Mill Street has provided an opportunity for expanding tenants accommodated in 197 St Georges Terrace. A number of renewals have been executed with the product appealing to those tenants with a smaller space requirement.

The building is representative of good value in the market and benefits from quality fitouts in place.

1 Mill Street

1 Mill Street is suitable for timber and adaptable reuse model but requires a tenant pre-commitment. There is opportunity to provide integrated access to improved retail and services amenity across the entire Mill Green site. A staged master plan for the entire site is underway with the planned repositioning of 197 St Georges Terrace to set the tone.

Architectural render



02

Delivering on strategy

Co-living

The repositioning of South Hedland has improved occupancy, client mix and revenues.

The acquisition of Newman has been completed and repositioning is underway.

GDI is considering the benefit of adding further rooms at South Hedland.

Norseman's tenant, Pantoro recapitalised +\$100 million.

The portfolio has achieved +20% return on initial invested capital. GDI is actively pursuing further targeted acquisition opportunities however the core focus remains on delivering operational returns.



Delivering on strategy

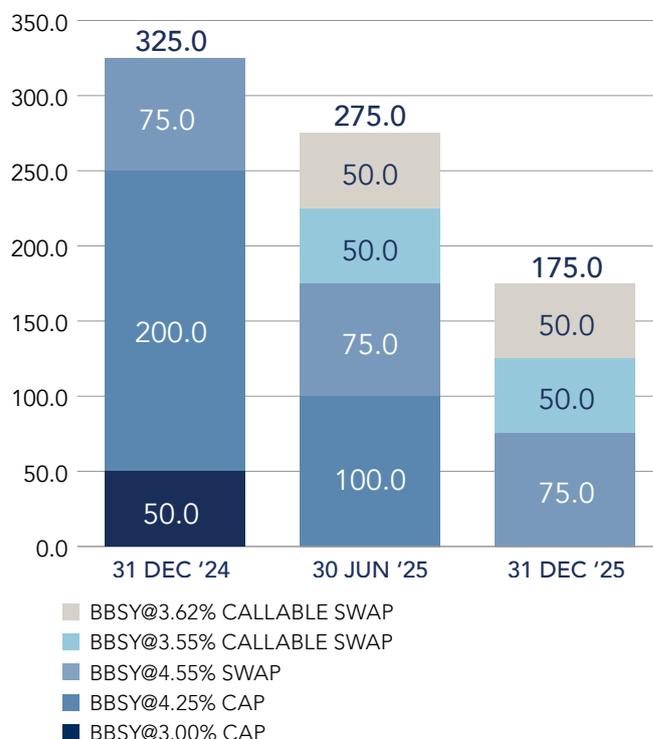
Extension of Syndicated Facility

The principal facility has been converted to a syndicated facility, introducing a second Tier 1 financier.

Recycling flexibility has been maintained by increasing the facility by two lots of \$25 million, providing capacity with undrawn debt of c. \$50 million maturing in December 2026.

94% of drawn debt is hedged to 31 December 2024, 79% to 30 June 2025 and 50% at 31 December 2025.

Hedging profile



	Secured	Maturity Date	30 June 2024 Facility \$'000	Utilised \$'000	Unutilised \$'000
Syndicated Facility					
Tranche A	Yes	December 2026	346,500	322,331	24,169
Tranche B	Yes	December 2026	50,000	25,000	25,000
Total Principal Facility			396,500	347,331	49,169
Consolidated unlisted funds					
GDI No. 42 Office Trust	Yes	August 2024	11,500	10,000	1,500
GDI No. 46 Property Trust	Yes	February 2025	30,000	30,000	–
Total consolidated unlisted funds			41,500	40,000	1,500
TOTAL DEBT			438,000	387,331	50,669

Property portfolio Overview

Details	Independent valuation			Carrying Value		
	Date	\$m	Cap rate %	30/6/24 \$m	30/6/23 \$m	
141 St Georges Terrace, Perth (WS1)	31/12/23	379.0	6.00	385.2	371.0	↑
143 St Georges Terrace, Perth (WS2)	31/12/23	94.0	6.50	99.1	90.0	↑
197 St Georges Terrace, Perth	31/12/23	205.0	7.25	209.5	212.8	↓
5 Mill Street, Perth	31/12/23	54.0	7.25	53.9	58.1	↓
1 Mill Street, Perth	31/12/23	38.3	8.00	38.3	36.0	↑
235 Stanley Street, Townsville	02/04/24	43.5	8.00	43.5	51.4	↓
180 Hay Street, East Perth	31/12/23	18.8	8.00	18.8	20.5	↓
Total office properties		832.6		848.3	839.8	↓
Autoleague Portfolio, Perth	31/12/23	140.6	6.44 ¹	140.5	136.6	↑
419-431 Murray Street, Perth	31/12/23	42.9	6.00	43.1	42.6	↔
301-311 Wellington Street, Perth	31/12/23	24.4	6.00	24.5	32.2	↓
Total carparks and car yards		207.9		208.1	211.4	↓
Total carrying value				1,056.3	1,051.2	↑

1. Relates to 17 car yards within Perth with a market yield range of 5.79% - 7.31% and an IRR range of 7.06% - 7.84%.

Property portfolio

Direct assets



	Westralia Square, Perth	WS2, Perth	197 St Georges Tce. Perth
Valuation date	31 December 2023	31 December 2023	31 December 2023
Valuation (\$m)	379.0	94.0	205.0
Carrying value (\$m)	385.2	99.1	209.5
NLA (sqm)	32,618.7	9,472.6	26,126
Value (\$/sqm)	10,619 ³	9,923.4	7,846.5
Discount rate (%)	6.75	6.75	7.25
Capitalisation rate (%)	6.00	6.50	7.25
Occupancy¹ (of NLA) (%)	97.6	81.7	77.9
WALE² (years)	7.7 / 7.5	8.5 / 6.9	3.9 / 3.0
Major tenants (sqm/expiry)	MOW 1,833 / FY27 16,347 / FY34	Arup 2,598 / FY32	Albemarle 2,381 / FY28

1. Including signed Heads of Agreement to 31 July 2024

2. By occupied area / total NLA

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

Property portfolio

Direct assets



5 Mill Street, Perth

1 Mill Street, Perth

180 Hay Street, Perth

	5 Mill Street, Perth	1 Mill Street, Perth	180 Hay Street, Perth
Valuation date	31 December 2023	31 December 2023	31 December 2023
Valuation (\$m)	54.0	38.3	18.8
Carrying value (\$m)	53.9	38.3	18.8
NLA (sqm)	7,148	6,648	4,927
Value (\$/sqm)	7,554.9	5,761	3,805
Discount rate (%)	7.50	9.00	8.75
Capitalisation rate (%)	7.25	8.00	8.00
Occupancy¹ (of NLA) (%)	90.1	–	–
WALE² (years)	1.6 / 1.5	–	–
Major tenants (sqm/expiry)	Knightcorp 741 / FY25	–	–

1. Including signed Heads of Agreement to 31 July 2024

2. By occupied area / total NLA

Property portfolio

Direct assets



	Murray Street, Perth	301-311 Wellington St, Perth ³	Autoleague WA
Valuation date	31 December 2023	31 December 2023	31 December 2023
Valuation (\$m)	42.9	24.4	140.57
Carrying value (\$m)	43.1	24.4	140.50
NLA (sqm)	–	–	n/a
Value (\$/sqm)	–	–	–
Discount rate (%)	6.50	6.50	7.26 ³
Capitalisation rate (%)	6.00	6.00	6.44 ³
Occupancy¹ (of NLA) (%)	n/a	n/a	100.0
WALE² (years)	n/a	n/a	6.4/6.4
Major tenants (sqm/expiry)	Wilson's (under management agreement)	Wilson's (under management agreement)	Autoleague 25,250 / FY31

1. Including signed Heads of Agreement to 31 July 2024
2. By occupied area / total NLA
3. Architectural render

Property portfolio

Direct assets



Stanley Place, Townsville

Valuation date	2 April 2024
Valuation (\$m)	43.50
Carrying value (\$m)	43.50
NLA (sqm)	12,820
Value (\$/sqm)	3,393
Discount rate (%)	8.50
Capitalisation rate (%)	8.00
Occupancy¹ (of NLA) (%)	88.0
WALE² (years)	2.59/2.29
Major tenants (sqm/expiry)	Dept. of Human Resources 4,644 / FY27

1. Including signed Heads of Agreement to 31 July 2024

2. By occupied area / total NLA

Fund business highlights

Unlisted funds



IKEA

GDI No. 43 Property Trust

Council approval to remove both the road easement and the fixed term right of use provides IKEA with the opportunity for long-term tenure and building improvements



UGL Portfolio

GDI No. 38 Diversified Property Trust

UGL exercised the first of its two 5-year options of Broadmeadow and agreed to a new 5-year lease at Bassendean

Continued all of Government interest in rezoning of Broadmeadow



Autoleague Portfolio

GDI No. 46 Property Trust

Post balance date, sold one of the 17 assets for a 2.3% premium to valuation

Fund business highlights

Unlisted funds



1 Adelaide Terrace

GDI No. 36 Perth CBD Office Trust

Lease transactions with existing tenants has reduced short-term expiry risks

Capital support from our financier to improve the property's amenities and to invest in tenant led initiatives



10 Market Street

GDI No. 33 Brisbane Office Trust

All strata suites are now contracted for sale with anticipated settlements during the remainder of CY24



Stanley Place

GDI No. 42 Office Trust

Recent valuation impacted by regional nature of the asset and its short WALE

Opportunity to recapture value through active leasing program

Team

Board of Directors

Giles Woodgate

Chairman, Independent Non-Executive Director

Giles is a highly respected Chartered Accountant with more than 40 years of extensive professional practice experience in audit, compliance and turnaround & insolvency, both locally and internationally. Having worked for prominent firms like KPMG, Deloitte and Crowe Horwath, as well as being responsible for publishing several widely acknowledged articles and presentations on topics such as insolvency, voluntary administrations, and bankruptcy, Giles has been the senior partner of Woodgate & Co since its inception in 1989. Giles was appointed as a Director of the company in November 2017, was the Chairman of the ARCC until 24 April 2024, the date of which he stepped down and was appointed as Chairman of the Board.

John Tuxworth

Independent Non-Executive Director

John has nearly 40 years' experience in senior executive and non-executive roles in financial services and management consulting businesses, including over nine years with Rothschild Australia Asset Management as an Executive Director and most recently as a founder and the Managing Director of PeopleFirst & Associates, a management consultancy specialising in financial services. John was appointed as a Director of the Company in February 2017 and is the Chairman of the Nomination and Remuneration Committee.

Patria Mann

Independent Non-Executive Director

Patria is an experienced non-executive Director and is currently on the Boards of GWA Group Limited and Bega Cheese

Limited, and until recently was a non-executive Director of EVT Limited and Ridley Corporation Limited. Patria was previously a partner at KPMG and she brings over 20 years of non-executive Director experience to the Board of GDI. Patria was appointed to the Board and Chairman of the ARCC on 24 April 2024.

Susan Hilliard

Independent Non-Executive Director

Susan has had a distinguished career at King & Wood Mallesons, and was one of Australia's most highly regarded corporate lawyers. She has over 30 years' experience advising A-REITs and other real estate sector clients across a wide range of matters, including public and private M&A, IPOs and capital raisings, regulatory issues, and funds management. Susan is currently a non-executive Director of the Australian Brandenburg Orchestra. Susan was appointed to the Board on 3 June 2024.

Stephen Burns

Managing Director and CEO

Stephen was appointed Managing Director on 14 June 2023 having served as an Independent Non-Executive Director since November 2018. Prior to his appointment as Managing Director, Stephen was a Managing Director at Stanton Road Partners and was previously head of real estate investment banking at Credit Suisse, Australia, a role he held for nine years after holding a similar position at Deutsche Bank, Australia. Stephen has extensive experience as a Real Estate specialist advisor and expertise in capital markets, mergers, acquisitions and other corporate transactions demonstrated over 30+ years and multiple cycles.

Left to right: Susan Hilliard, Stephen Burns, Giles Woodgate, John Tuxworth, Patria Mann



04

Team

Executive Team

Stephen Burns

Managing Director and CEO

Stephen was appointed Managing Director on 14 June 2023 having served as an Independent Non-Executive Director since November 2018. Prior to his appointment as Managing Director, Stephen was a Managing Director at Stanton Road Partners and was previously head of real estate investment banking at Credit Suisse, Australia, a role he held for nine years after holding a similar position at Deutsche Bank, Australia. Stephen has extensive experience as a Real Estate specialist advisor and expertise in capital markets, mergers, acquisitions and other corporate transactions demonstrated over 30+ years and multiple cycles.

David Williams

Chief Financial Officer and Company Secretary

David has 30 years' experience in the accounting and financial services industry with major accounting firms, commercial banks and international investment banks. David joined GDI in early 2013 as a consultant, and from the time GDI listed was formally appointed as Chief Financial Officer and Company Secretary.

John Garland

Head of Property

John has over 30 years' experience in the property industry including almost 15 years with GDI. Prior to this, John was the general manager of a private property investment company focusing on value added style commercial and industrial property investments.

Sally Ockenden

Head of Development and Strategic Communications

With 20+ years' experience in large corporates across finance, project leadership and strategy, Sally brings full lifecycle and cross sector property experience to her role. With creative and financial aptitude, she focuses on de-risked customer led development outcomes. Prior to her role at GDI, Sally consulted to a range of public and private companies, leveraging experience from long term roles at Goldman Sachs, Brookfield Multiplex, and Vicinity Centres.

Left to right: David Williams, John Garland, Sally Ockenden, Stephen Burns





Corporate Governance

Corporate Governance Statement

GDI Property Group (GDI) through its Board, Board Committees and executive management team believes sound corporate governance practices enhance stakeholder outcomes. GDI is therefore committed to meeting the expectations of all stakeholders in relation to corporate governance.

The 4th Edition of the ASX Corporate Governance Council Principles and Recommendations (ASX Recommendations) was released in February 2019. GDI has adopted the ASX Recommendations and all governance practices outlined in the Corporate Governance Statement applied for the entire reporting period. Where a Recommendation has not been followed, the reason for not following the Recommendation and the alternative governance practices GDI has adopted in respect of that Recommendation are disclosed.

This Corporate Governance Statement is current as at 30 June 2024. It was approved by the Board, has been lodged with the ASX and is available on GDI's website at www.gdi.com.au.



GDI Property Group

Directors' Report

For the financial year ended 30 June 2024

The Directors of GDI Property Group Limited ACN 166 479 189 ("the Company") present their report together with the financial report of the Company and its controlled entities and GDI Property Trust ARSN 166 598 161 ("the Trust") and its controlled entities for the financial year ended 30 June 2024. Shares in the Company are stapled to units in the Trust to form GDI Property Group ("GDI").

The Financial Reports of the Company and its subsidiaries and the Trust and its subsidiaries have been presented jointly in accordance with ASIC Class Order 13/1050 relating to combining or consolidating accounts under stapling and for the purpose of fulfilling the requirements of the Australian Securities Exchange ("ASX"). The Responsible Entity of the Trust is GDI Funds Management Limited ACN 107 354 003, AFSL 253 142. GDI Funds Management Limited is a wholly owned subsidiary of the Company and shares a common board.

The Company was incorporated on 5 November 2013 and the Trust established on 4 November 2013, becoming registered as a managed investment scheme on 18 November 2013. The Company and the Trust remained dormant until shares in the Company were stapled to units in the Trust on 16 December 2013 as part of an Initial Public Offer ("IPO") of stapled securities, forming GDI, with trading on the ASX commencing on 17 December 2013.

The registered office and principal place of business of the Company and its subsidiaries and the Trust and its subsidiaries is Level 23, 56 Pitt Street, Sydney NSW 2000.

1. Directors

The following persons were Directors of GDI at all times during the year and to the date of this Directors' Report, unless otherwise stated:

Directors		Appointed
Giles Woodgate ¹	Chairman, Independent Non-Executive Director	16 November 2017
Gina Anderson ²	Chairman, Independent Non-Executive Director	5 November 2013
Stephen Burns ³	Managing Director and Chief Executive Officer	14 June 2023
John Tuxworth	Independent Non-Executive Director	20 February 2017
Patria Mann ⁴	Independent Non-Executive Director	24 April 2024
Susan Hilliard	Independent Non-Executive Director	3 June 2024

1. Giles Woodgate stepped down as Chairman of the ARCC and was appointed Chairman of the Board on 24 April 2024.
2. Gina Anderson retired as Chairman and from the Board on 24 April 2024.
3. Stephen Burns was appointed to the Board on 15 November 2018 and was appointed Managing Director & CEO on the 14 June 2023.
4. Patria Mann was appointed as Chairman of the ARCC on 24 April 2024.

GDI Property Group

Directors' Report

For the financial year ended 30 June 2024

Giles Woodgate

Chairman, Independent Non-Executive Director

Giles is a highly respected Chartered Accountant with more than 40 years of extensive professional practice experience in audit, compliance and turnaround & insolvency, both locally and internationally. Having worked for prominent firms like KPMG, Deloitte and Crowe Horwath, as well as being responsible for publishing several widely acknowledged articles and presentations on topics such as insolvency, voluntary administrations, and bankruptcy, Giles has been the senior partner of Woodgate & Co since its inception in 1989. Giles was appointed as a Director of the company in November 2017, was the Chairman of the ARCC until 24 April 2024, the date of which he stepped down and was appointed as Chairman of the Board.

Stephen Burns

Managing Director and Chief Executive Officer

Stephen was appointed Managing Director on 14 June 2023 having served as an Independent Non-Executive Director since November 2018. Prior to his appointment as Managing Director, Stephen was a Managing Director at Stanton Road Partners and was previously head of real estate investment banking at Credit Suisse, Australia, a role he held for nine years after holding a similar position at Deutsche Bank, Australia. Stephen has extensive experience as a Real Estate specialist advisor and expertise in capital markets, mergers, acquisitions and other corporate transactions demonstrated over 30+ years and multiple cycles.

John Tuxworth

Independent Non-Executive Director

John has nearly 40 years' experience in senior executive and non-executive roles in financial services and management consulting businesses, including over nine years with Rothschild Australia Asset Management as an Executive Director and most recently as a founder and the Managing Director of PeopleFirst & Associates, a management consultancy specialising in financial services. John was appointed as a Director of the Company in February 2017 and is the Chairman of the Nomination and Remuneration Committee.

Patria Mann

Independent Non-Executive Director

Patria is an experienced non-executive Director and is currently on the Boards of GWA Group Limited

and Bega Cheese Limited, and until recently was a non-executive Director of EVT Limited and Ridley Corporation Limited. Patria was previously a partner at KPMG and she brings over 20 years of non-executive Director experience to the Board of GDI. Patria was appointed to the Board and Chairman of the ARCC on 24 April 2024.

Susan Hilliard

Independent Non-Executive Director

Susan has had a distinguished career at King & Wood Mallesons, and was one of Australia's most highly regarded corporate lawyers. She has over 30 years' experience advising A-REITs and other real estate sector clients across a wide range of matters, including public and private M&A, IPOs and capital raisings, regulatory issues, and funds management. Susan is currently a non-executive Director of the Australian Brandenburg Orchestra. Susan was appointed to the Board on 3 June 2024.

2. Company Secretaries

The names and details of the Company Secretaries of GDI as at 30 June 2024 are as follows:

David Williams (BCom, LLB)

Chief Financial Officer and Company Secretary

Appointed: 5 November 2013

David has 30 years' experience in the accounting and financial services industry with major accounting firms, commercial banks and international investment banks. David joined GDI in early 2013 as a consultant, and from the time GDI listed was formally appointed as Chief Financial Officer and Company Secretary.

John Garland (BBus)

Head of Property and Alternate Company Secretary¹

Appointed: 5 March 2023

John has over 30 years' experience in the property industry including almost 15 years with GDI. Prior to this, John was the general manager of a private property investment company focusing on value added style commercial and industrial property investments.

1. GDI has appointed an Alternate Company Secretary principally for the purpose of document execution in the event of the Company Secretary's absence.

GDI Property Group
Directors' Report
For the financial year ended 30 June 2024

3. Attendance of Directors at Board meetings and Board Committee meetings

The number of Board meetings, including Committees, held during the period and the number of those meetings attended by each Director is set out below:

	Board		Audit Risk and Compliance Committee		Nomination and Remuneration Committee	
	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended
Current chairman	Giles Woodgate		Patria Mann		John Tuxworth	
Giles Woodgate ¹	10	10	4	4	-	-
John Tuxworth	10	9	-	-	5	5
Patria Mann ²	2	2	1	1	-	-
Susan Hilliard ³	-	-	-	-	-	-
Stephen Burns	10	10	4	4	5	5
Gina Anderson ⁴	8	8	3	3	5	5

1. Giles Woodgate stepped down as Chairman of the ARCC and was appointed Chairman of the Board on 24 April 2024.
2. Patria Mann was appointed to the Board and as Chairman of the ARCC on 24 April 2024.
3. Susan Hilliard was appointed to the Board on 3 June 2024.
4. Gina Anderson retired as Chairman and from the Board on 24 April 2024.

GDI Property Group
Directors' Report
For the financial year ended 30 June 2024

4. Directors' relevant interests

The relevant interests of each Director as at the date of this Directors' Report are shown below:

Directors	Securities held at 30 June 2023	Securities granted as part of a performance rights plan	Net securities acquired / (sold) during the year	Securities held at 30 June 2024
Giles Woodgate	500,000	-	100,000	600,000
John Tuxworth	270,300	-	-	270,300
Patria Mann ¹	-	-	80,000	80,000
Susan Hilliard ¹	-	-	-	-
Stephen Burns	49,533	-	200,000	249,533
Gina Anderson ²	214,000	-	108,191	322,191

1. Patria Mann was appointed on 24 April 2024 and Susan Hilliard on 3 June 2024.

2. Gina Anderson retired on 24 April 2024, the securities shown as held by Gina Anderson at end of the period were as at 24 April 2024.

5. Directors' directorships in other listed entities

Details of other directorships of listed entities held by existing Directors in the last three years are set out below:

Director	Other directorships
Giles Woodgate	-
John Tuxworth	-
Patria Mann	GWA Group Limited, Bega Cheese Limited, EVT Limited, Ridley Corporation Limited
Susan Hilliard	-
Stephen Burns	-

GDI Property Group

Directors' Report

For the financial year ended 30 June 2024

6. Principal activities

GDI is an integrated, internally managed commercial property investor with capabilities in the identification and execution of acquisition opportunities, and then the ownership, management, development, refurbishment, leasing, and syndication of assets. GDI is structured as a stapled security to enable it to participate in both the ownership of properties either directly (wholly owned) or indirectly (asset partnerships or co-investment stakes) via the Trust, and to receive earnings from fund management fees, car park operations, the provision of co-living accommodation, and development, via the Company and its subsidiaries.

We intend to always hold a portfolio of office properties in the Trust ("Property Division"). These office properties will typically have either been developed by us or purchased for below replacement cost and have additional upside potential through development, redevelopment, refurbishment and releasing. We seek to acquire these properties in markets where we believe there will be strong demand fundamentals, despite residual work from home headwinds, and limited supply. Such properties are generally well located, core CBD properties with the potential to create boutique accommodation solutions for our clients, our tenants. Actual or potential vacancy often provides an opportunity for repositioning and releasing to unlock additional value.

As at 30 June 2024, the Property Division's portfolio of wholly owned investment properties listed below have a combined independent value of \$856.4 million:

- Mill Green Complex, which comprises three Buildings: 197 St Georges Terrace, 5 Mill Street and 1 Mill Street, Perth;
- Westralia Square, 141 St Georges Terrace, Perth;
- WS2, 143 St Georges Terrace, Perth;
- 180 Hay Street, Perth;
- Murray Street carpark, Perth; and
- Wellington Street carpark, Perth.

We also seek to continue to grow the earnings of the Company. Currently the Company and its subsidiaries operate a Funds Business, two Perth CBD carparks, and has a 50% interest in a joint venture in the co-living mining accommodation sector.

The Funds Business generates income by way of co-investment stakes held by the Trust, due diligence and acquisition fees, asset management fees, performance and disposal fees, and other fees including leasing, project management and financing. Asset(s) purchased in the Funds Business demonstrate similar characteristics to that of the Property Division, namely being acquired for below management's view of replacement value, with the potential to add value through active asset management, in markets that we believe will outperform over the medium term.

The Funds Business currently comprises six unlisted, unregistered managed investment schemes with total AUM of approximately \$525.0 million. The Funds Business has an investor base of approximately 1,500 high net worth investors, many of whom have a history of repeat investment.

We also have a 50% interest in a co-living mining accommodation joint venture ("Co-living JV"). Together with the expertise of our Joint Venture partner, the Tulla Group, the Co-living JV intends to build and acquire accommodation facilities, and once the Co-living JV believes there is sufficient scale and diversity, GDI intends to syndicate the real estate to its network of high-net-worth investors, freeing up capital to invest in further facilities. The Co-living JV will also consider other forms of capital partnering to accelerate its growth opportunities.

The Co-living JV currently owns and operates three assets, a 269 room village at Norseman, WA, the accompanying Lodge Motel and South Hedland Motel with 242 rooms, in South Hedland, WA and the recently acquired Lodge Newman (previously Seasons Newman), an 87 room facility in Newman, WA.

7. Operating and financial review

7.1 Review of operations

GDI began FY24 under the stewardship of a newly appointed Managing Director, having only recently achieved practical completion of WS2 and bedded down the initial investment in the Co-living JV. The Board and management team set ambitious goals for the year focused operationally on leasing, refinancing and non-core asset sales. Most of these and other objectives were achieved, including that GDI:

GDI Property Group

Directors' Report

For the financial year ended 30 June 2024

- Leased or renewed over 37,000sqm of office space, including all but filling both Westralia Square and WS2, most notably with a combined 16,347sqm lease and lease extension to the Minister of Works for over 10 years at Westralia Square;
- Introduced a second major funding partner to the Syndicated Facility (previously Principal Facility), extended the term to December 2026 and increased its size, initially by \$25.0 million and subsequently by another \$25.0 million, giving GDI timing flexibility on capital recycling initiatives;
- Renewed the Board by appointing two highly qualified Directors following the retirement of Gina Anderson in April 2024;
- Restructured both the management team and our service providers, creating a more harmonious team that is able to work collaboratively, including with our partners;
- Successfully navigated the first full year of operations of the Co-living JV, making a small additional acquisition and achieving our return expectations;
- Made significant progress implementing the strategies of our unlisted funds; and
- Exceeded the financial objectives set for the year, including the internal FFO budgets, maintaining the distribution and outperforming the MSCI Core Office Property Fund Index.

The capital markets remain challenging. We appointed agents to assess demand for two non-core assets, but withdrew both campaigns due to a lack of buyer depth and demand. We continue to monitor this and aim to crystallise some non-core asset sales in FY25.

As we begin FY25 we have set similar objectives to FY24. However, as there is now less space to lease we do not expect to achieve the same volume of leasing as was achieved in FY24.

Perth market

GDI's property portfolio is heavily weighted to Perth. The Perth office market has been the best performing Australian CBD office market in terms of occupier demand ("net absorption") for the last two years. This positive net absorption, coupled with constrained supply, has resulted in the vacancy rate decreasing to 15.9%, now in-line with Sydney (15.6%) and tighter than

Melbourne (19.6%) and Adelaide (16.6%), with only Brisbane having a single digit vacancy rate (9.6%). With only 1.8% of total stock to be completed before the end of 2027, the tightest sub-lease market since 2011, and no apparent signs of a slowdown in demand, Perth's vacancy rate is forecast to continue to tighten.

The tighter market has led to an improvement in market rents. Prime gross effective rents increased 3.0% year on year, and are forecast to continue to grow at an average rate of nearly 5.0% p.a. over the next three years. Incentives remain stubbornly high, although they are forecast to moderate as the market continues to improve. This is particularly the case if there is an existing fit out that can be repurposed, or a speculative fit out, in which case incentives can be more than 50% less than what is considered market, and this number is contracting more quickly than the incentive provided for non-fitted out space.

Interest rates

Notwithstanding much of the economic dialogue has been about interest rates, inflation and cost of living pressures, FY24 saw inflation fall from an annual rate of 6.0% in June 2023 to 3.8% in June 2024, and the Reserve Bank of Australia only increasing the cash rate once by 25bps to 4.35%. Globally we have started to see central banks either cut rates, or indicate that they will be cutting rates before the end of the calendar year.

Despite falling inflation and a consequential stabilisation in rates, capital market demand remains muted for office buildings. As we have stated in prior years, we have been wary of the East Coast office markets, believing they were overvalued and would be repriced, not only because of higher rates but also because of a more difficult leasing market. We are now seeing this play out, where only a limited number of assets have traded and at over 20% discounts to their valuation highs.

Perth's office market did not re-rate upwards to anywhere near the same extent as the East Coast markets during the period of near zero interest rates. Although many research houses are forecasting Perth to have one of the highest effective rental growth rates in the medium term, it currently has the second highest average mid-point market capitalisation rate of all the Australian CBDs (only Adelaide's is higher) and the spread of those capitalisation rates to the East Coast markets remains high. For these reasons,

GDI Property Group

Directors' Report

For the financial year ended 30 June 2024

we feel confident in the outlook for Perth from a capital markets perspective, notwithstanding the impact that rate rises have had on short term confidence and a lack of any significant office transactions to benchmark.

Work from home

Much has been said about the impact of 'work from home' and the consequent demand for workplace flexibility on the demand for office space, both from a leasing and capital markets perspective. Where COVID-19 had less of an impact on behaviours, like in Perth, office attendance rates remain at near pre-COVID levels. On the other side of that is a city like Melbourne, where extreme lockdowns appear to have cemented work from home behaviours. We believe that the office will continue to be an important part of business life. The office provides an organisation with the ability to foster its own identity and culture; promote innovation and productivity improvements through staff collaboration; on-the-job and tacit learnings for junior employees from their more experienced colleagues; importantly marks the boundary between work and home; and enhances the social aspect of work.

However, to assist our tenants to encourage workplace attendance, and to attract new tenants, it is incumbent on us as a landlord to create spaces people want to come to. Offices need to be far more dynamic than they once were, from the services provided, to the foyer, the property's access to amenities, and the tenant's own fit out. When we created WS2 we had this in mind. It is a boutique offering in the centre of the CBD, but still has a commanding foyer that highlights the timber used in its construction, has access to some of the best amenities in Perth, has its own conference centre, prime grade end of trip facilities, and flexible floor plates that allow tenants to create their own unique environments. We believe our ability to create such environments gives us a competitive advantage.

Adaptive reuse and sustainability

Most environmental standards used by the property sector measure the operational phase of a property's life. Existing properties have embodied carbon – the carbon created during their construction phase. This carbon can be up to 30% of a typical office property's carbon emissions over its lifecycle, and that does not include a demolition phase. By repurposing and repositioning existing buildings, we conserve the embodied carbon. As far as carbon conservation is concerned our historic asset strategy of continual improvement is effective.

We recently officially opened our new office building, WS2, in Perth. WS2 is an approximately 9,500sqm premium office building constructed from a combination of steel and timber situated on the existing carpark at Westralia Square, the first of its kind in the Perth CBD. This construction brings a step change approach to minimising embodied carbon across our portfolio, and importantly, in our built environment. The two primary areas of focus were to firstly replace as much concrete as possible with cross laminated timber. Secondly, WS2 borrows structural support from an existing concrete carpark structure beneath it and spare thermal capacity from an adjoining office building (all owned and operated by GDI). These key factors, in combination, have driven an effective embodied carbon reduction of greater than 70% compared to the construction of an equivalent contemporary reinforced concrete building.

Based on our experiences from WS2 and our ongoing market assessment we believe that we are market leaders in Perth, in the way we are viewing the opportunities for lightweight steel and timber construction. These developments and reuse opportunities allows us to deliver unique and bespoke spaces that are attractive to tenants at a competitive price. We have received a DA for an approximately 35,000sqm steel and timber building at 1 Mill Street and a 28,000sqm steel and timber building on our Wellington Street carpark. Securing tenants is a prerequisite to proceeding with these developments.

GDI Property Group
Directors' Report
For the financial year ended 30 June 2024

7.2 Financial review

The Board monitors a range of financial information and operating performance indicators to measure performance over time. We use several measures to monitor the success of our overall strategy, most importantly Funds From Operations ("FFO") versus budgets and GDI's total return - calculated as the movement in Net Tangible Assets ("NTA") per security plus distributions per security. FFO is a Property Council of Australia definition which adjusts statutory AIFRS net profit for non-cash changes in investment properties, non-cash impairment of goodwill, non-cash fair value adjustments to financial instruments, amortisation of incentives, straight-line adjustments and other unrealised one-off items.

The reconciliation between GDI's FFO and its total comprehensive (loss) / income is as follows:

	GDI	
	FY24 \$'000	FY23 \$'000
Total comprehensive (loss) / income for the year	(5,584)	20,228
Acquisition expenses	-	257
Contribution resulting from consolidation of GDI No. 42 Office Trust	(3,766)	(2,040)
Distributions / funds management fees received from GDI No. 42 Office Trust	700	761
Contribution resulting from consolidation of GDI No. 46 Property Trust	(6,899)	(7,064)
Distributions / funds management fees received from GDI No. 46 Property Trust	3,291	3,554
Restructure and other non-operating costs ¹	1,526	-
Straight lining adjustments	(549)	984
Amortisation and depreciation	14,046	9,497
Net fair value loss on investment property	23,363	1,097
Net fair value loss on interest rate swaps	3,427	725
Loss on non-current asset held for sale	-	122
Funds From Operations	29,552	28,121

1. Restructure and other non-operating costs include termination payments made to employees of \$0.281 million and the recognition of GDI's share of the income tax expense of the Co-living JV of \$1.245 million.

Individual operating segment results are provided below:

	FY24 \$'000	FY23 \$'000
FFO pre corporate, administration and net interest		
Property	41,622	37,124
Funds management	6,592	6,810
Co-living JV	6,806	1,149
Reviewed but unallocated	(41)	97
Total FFO pre corporate, administration and net interest	54,980	45,180
Less:		
Net interest expense	(15,839)	(9,184)
Corporate and administration expenses	(9,102)	(7,618)
Other expenses	(487)	(257)
Total FFO	29,552	28,121

GDI Property Group

Directors' Report

For the financial year ended 30 June 2024

Property Division

WS2

WS2 is an approximately 9,500sqm office building constructed on top of the existing carpark at Westralia Square from a combination of steel and timber, making it one of the most environmentally efficient new buildings of its scale in Australia. Practical completion of WS2 was achieved in June 2023, and as at the date of this report nine of the 11 floors are leased. WS2 was partly conceived to help fund the approximately \$10.0 million precinct works we envisaged for the Westralia Square complex at the time of its acquisition. WS2 was built where there had previously been a very dated double-heighted canopy. The completion of WS2 and the precinct works has transformed the Westralia Square complex, with it now presenting as premium grade as its location deserves. The upgrading of the precinct has had the flow on effects that we anticipated. Westralia Square has only 700sqm of the 32,600sqm available for lease.

Leasing

We set ambitious leasing objectives for FY24 and are very pleased to have exceeded those objectives. We have an experienced leasing team in Perth that is supported by best-in-class agents on a property by property basis, with this focused strategy resulting in executing over 37,000sqm of leasing transactions during the year.

At Westralia Square, the Minister of Works signed a new 1,833sqm approximately 10-year lease for all of level 6. In addition, the Minister of Works has extended the existing leases over levels 1 - 5 and 7 - 9 to expire at the same time as the new level 6 lease. Together, this gives the Minister of Works all the lower-level lift bank at Westralia Square, encompassing 16,347sqm until March 2034. To facilitate the Minister of Works lease on level 6, GDI executed a lease surrender with Euroz Hartleys and itself relocated to WS2. We also leased all level 16 (1,882sqm) to Leica Geosystems Pty Limited (Hexagon) for five-years, and Infosys Technologies Limited signed a five-year lease for the majority of level 17 (1,037sqm). These leasing successes mean that there is now only approximately 700sqm available at Westralia Square. At 30 June 2024, Westralia Square had occupancy of 98% and a weighted average lease expiry by occupied area (WALE) of 7.7 years.

At WS2, we signed leases with the Commonwealth of Australia for 15 years for level 11, Navitas Pty Limited for six years for level 9, and Built Pty Limited for five years for the majority of level 1 (650sqm), with GDI leasing the balance. In addition, Liberty Flexible Workspaces has leased approximately 1.5 floors and is managing a half floor conference facility to provide a combination of onsite meeting and conference rooms, lounge, hospitality areas, coworking desks and serviced offices. The 10-year lease commences in the first quarter of 2025, with the conference facility already available to tenants. We are especially pleased that both Arup (levels 2, 3, and 4) and Built, who were both integral in the creation of WS2, have chosen it to be their new Perth headquarters. Leases with such high calibre tenants vindicates our boutique timber strategy. At 30 June 2024, WS2 had occupancy of 82% and a WALE of 8.5 years.

We have had similar success at the Mill Green complex. Since 1 July 2023, at 197 St Georges Terrace, we have executed 15 new leases or lease extensions representing 5,685sqm of space, the largest being Cygnet West's renewal of 1,235.6sqm (previously 1,645sqm) for 6.25 years, Paladin Energy Limited for all of level 11 (832.7sqm) on a 7-year term and Insight Enterprises Australia Pty Limited for all of level 8 (835sqm) for 4 years. The strategy of creating smaller, fitted out suites is bearing fruit and we intend to continue to invest into 197 St Georges Terrace while the demand remains strong. At 30 June 2024, 197 St Georges Terrace had occupancy of 78% and WALE of 3.9 years.

5 Mill Street comprises approximately 7,148sqm of net lettable area, and with over 30 tenancies, there is invariably a short WALE and numerous impending expiries. Our decision to sub-divide several of the floors at 197 St Georges Terrace gives us greater flexibility to meet tenant expansion requests on lease expiry, and we have had success with several tenants and are in active dialogue with others regarding relocating from 5 Mill Street to 197 St Georges Terrace. As most of the existing tenancies at 5 Mill Street have existing fit outs, we don't anticipate any long term vacancy created on a move from 5 Mill Street to 197 St Georges Terrace (or from our portfolio altogether). At 30 June 2024, 5 Mill Street had occupancy of 90% and a WALE of 1.6 years.

05

GDI Property Group

Directors' Report

For the financial year ended 30 June 2024

During the period we did not look for any long-term leasing of 1 Mill Street given both the time of the cycle and its redevelopment opportunities.

At our only other wholly owned office asset, 180 Hay Street, Perth, although we have had numerous whole of building and multiple floor inspections, we are yet to progress to a leasing outcome. As the building presents as new and at a much lower cost than a new building, we can be competitive on rents. As the Perth market continues to tighten, we expect the interest in 180 Hay Street to increase.

At 235 Stanley Street, Townsville (Stanley Place), we had great leasing success with the Commonwealth Government (Great Barrier Reef Marine Park Authority) leasing 3,021sqm over levels 11,12 and 13 with a November 2023 commencement date. At 30 June 2024, Stanley Place had occupancy of 88% and a WALE of 2.6 years.

Development

We received a development approval for an approximately 47,000sqm office building at 1 Mill Street in 2021, which would have required the demolition of the existing building. We formed the opinion that rising construction costs and the potential for higher capitalisation rates meant that the net rent required to support the commencement of the development was unlikely to be achieved. The significant interest from the occupier market in the embodied carbon savings in WS2, together with the comparatively lower costs of construction of a steel and timber building versus a concrete equivalent, and its quicker construction time, meant that we reconsidered the development plans for 1 Mill Street.

In January 2023, we received a new development approval for an approximately 35,000sqm building, incorporating the existing 6,000sqm building and adding a further approximately 29,000sqm constructed from steel and timber. We are discussing various accommodation options with several potential occupiers, including creating smaller bespoke buildings within the Mill Green complex including on 1 Mill Street, rather than the one larger building, and are hopeful of progressing the opportunity in FY25.

At our Wellington Street carpark, we received development approval to build a new 28,000 square metre steel and timber office building on top of the

existing carpark. Under the scheme, most of the existing car bays will be converted to residential accommodation to conserve the existing concrete structure and minimise the use of concrete in the new office component. The development is expected to deliver an even larger benefit in terms of embodied carbon than WS2. We will not commence construction without a substantial level of tenant pre-commitment.

Carparks

We purchased the two Perth CBD carparks in December 2021 for \$68.5 million on a passing net yield of approximately 5%, or \$3.4 million p.a., well below their four-year average of closer to \$4.0 million. With one of the highest office attendance rates in the country, the carparks' performance quickly recovered to be in line with the pre-acquisition four-year average with FFO of \$4.0 million in FY24 (FY23: \$4.2 million).

Property Division FFO

The contribution to FFO from the Property Division pre corporate, administration and net interest ("Property FFO") for the year ended 30 June 2024 was \$41.6 million (FY23 \$36.9 million). A significant increase at Westralia Square complex (FY24 FFO of \$23.7 million vs FY23 FFO of \$18.1 million) was partly offset by a slight decrease from Mill Green (FY24 FFO of \$14.0 million vs FY23 FFO of \$15.4 million). GDI has scope to continue to grow the Property FFO through re-leasing, particularly at 197 St Georges Terrace, 5 Mill Street and WS2.

Valuations

All consolidated investment properties were independently valued during the year.

Westralia Square was independently valued at \$379.0 million, up \$8.0 million from its previous valuation of \$371.0 million. The valuation increase was predominately a result of the 16,347sqm lease and lease renewal with the Minister of Works and the two five-year leases signed on levels 16 and 17, with the resultant uplift in Westralia Square's occupancy and weighted average lease expiry from 92% to 98% and 5.7 years to 7.7 years, respectively. This also led to a 25 basis point tightening of the market capitalisation rate to 6.00% from a previous 6.25%.

WS2 was independently valued at \$94.0 million, up \$4.0 million from its previous valuation of \$90.0 million.

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The valuation increase was attributable to higher occupancy and higher assumed market rents. The market capitalisation rate for WS2 remained consistent with the previous valuation at 6.50%.

The Mill Green complex was independently valued at \$297.3 million, down \$4.2 million from its previous value of \$301.5 million. The devaluation is attributed to 197 St Georges Terrace, Perth (\$205.0 million from its previous value of \$207.5 million) and 5 Mill Street, Perth (\$54.0 million from its previous valuation of \$58.0 million) as market capitalisation rates softened by 25 basis points to 7.25%. The devaluation of 197 St Georges Terrace and 5 Mill Street was partially offset by the valuation increase of 1 Mill Street, Perth, up \$2.3 million to \$38.3 million from its previous valuation of \$36.0 million. The valuation increase is resultant of lower forecast leasing costs.

Both carparks were also independently valued, with the valuation of 419-431 Murray Street up \$0.4 million to \$42.9 million from its previous valuation of \$42.5 million. The increase in the carpark's financial performance underpins the valuation increase despite the market capitalisation rate softening 75 basis points to 6.00%. The valuation of 301-311 Wellington Steet was down \$7.6 million to \$24.4 million from its previous valuation of \$32.0 million, resultant of a 75 basis points softening of the market capitalisation rate to 6.00%, increases in outgoings, and forecast future leasing costs.

180 Hay Street, Perth was also revalued to \$18.8 million, down \$1.7 million from its previous valuation of \$20.5 million.

GDI's wholly owned portfolio is now independently valued at \$856.4 million.

We also independently valued the consolidated 17 property Autoleague portfolio (GDI No. 46 Property Trust) at \$140.6 million, up \$4.1 million from its previous valuation of \$136.5 million. The valuation increase was primarily driven by increased adopted rents, partially offset by a softening in the average market capitalisation rate for the 17 properties to 6.4%, from a previous 6.0%.

Stanley Place (GDI No. 42 Office Trust) was independently valued at \$43.5 million, down \$7.5 million from its previous value of \$51.0 million. The valuation decrease is primarily a result of a 25 basis points

softening in the market capitalisation rate to 8.00% and an increase in the forecast future leasing costs.

The Board, together with management, has considered at length the carrying value of the investment properties as at 30 June 2024. Detailed in the table below are the comparison occupancy, weighted average lease expiry and weighted average capitalisation rates between 30 June 2024 and 30 June 2023:

	GDI	
	As at 30 June 2024	As at 30 June 2023
Occupancy ¹	87.2%	82.5%
Weighted average lease expiry by occupied area ¹	5.4 years	5.2 years
Weighted average capitalisation rate	6.6%	6.6%

1. Excludes 1 Mill Street, but includes the small commercial tenancies at the Perth CBD carparks and the showrooms in the Autoleague portfolio.

Funds Business

GDI's funds management business has been managing unlisted, unregistered managed investment schemes for more than 30 years. Over that time GDI has established nearly 40 unlisted, unregistered managed investment schemes, with over 30 of those now having been terminated. To date, no unlisted, unregistered managed investment scheme has returned a negative Internal Rate of Return ("IRR").

Overview of Funds

We currently manage six unlisted, unregistered managed investment schemes.

GDI No. 33 Brisbane Office Trust owns 10 Market Street, Brisbane, a 15-level office building commanding a corner position within Brisbane's 'golden triangle'. The building was strata titled in 2012 and since then, sales have been consistent, albeit slower than forecast. Pleasingly, the pace and rate of sales have accelerated dramatically, and during FY24 we were able to return a further \$0.46 per unit to investors, and now all remaining lots are subjected to contracts. We anticipate that the fund will be finalised and terminated during CY24.

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GDI No. 36 Perth CBD Office Trust owns the iconic 1 Adelaide Terrace, Perth. With levels 6 and 7 vacant this Trust has been unable to make distributions and reletting this space is a priority. Although we haven't been able to secure a new tenant for levels 6 and 7, we have had considerable success with the existing tenants. Lycopodium Limited agreed to extend two of its three leases, and not exercise a right to break in its other lease. The Minister for Works has confirmed that it intends to extend its tenancy over levels 2 and 3 (3,847sqm) for a further 3 years to 2029, and Vocus Limited has signed a heads of agreement to extend its tenancy (1,004sqm) to 2027. In addition, our banking partner agreed to increase the finance facility by \$6 million to \$64.05 million and extend its term for a further year to August 2025.

GDI No. 38 Diversified Property Trust acquired a portfolio of six industrial and one office property from UGL on a sale and leaseback basis, with five of the seven properties now sold. Investors have received \$0.63 per unit of capital returned, with the remaining \$0.37 per unit yielding over 15% p.a. and last valued at \$0.95 per unit. The two assets that remain are an industrial site in Bassendean, Perth, and the 16-hectare industrial site at Broadmeadow, Newcastle. The Broadmeadow site is strategically located in Broadmeadow, one of seven council areas the former NSW government identified to unlock 70,000 new dwelling approvals through fast-tracked planning processes. Plans have been drawn up to redevelop the site into mixed use residential and commercial, in conjunction with a wider NSW government and Newcastle council Broadmeadow strategy. During the financial year UGL exercised the first of its two 5-year options at Broadmeadow, with UGL having a right of occupation through to May 2034 should it exercise its second option. UGL elected not to exercise its 5-year option at Bassendean, but subsequently entered into a new five year lease.

GDI No. 42 Office Trust was originally a two-asset trust comprising an asset in Ashfield (sold in 2019) and 235 Stanley Street, Townsville (Stanley Place). Having secured the Great Barrier Reef Marine Park Authority for 3,021sqm for three years, Stanley's Place occupancy improved to 88% with a 2.6 year WALE. Notwithstanding the difficult capital markets environment, on the back of these improved fundamentals, we decided to test the market and

launched a sales campaign for Stanley Place in August 2023. Although we engaged with several potential buyers, we were not satisfied with the progress or pricing and decided to terminate the sales process.

GDI No. 43 Property Trust owns 6 Sunray Drive, Innaloo, home to Perth's only IKEA store. During the year we received planning approvals to remove both an easement for a road through the middle of the IKEA showroom and a 50-year restriction on the prior planning approval (use). Having both of these removed now means the store can be operated as an IKEA showroom (or other retailer) for longer than 2053. Now that this has been achieved, we are in active discussions with IKEA about its longer term future at Innaloo.

GDI No. 46 Property Trust owns a portfolio of 17 Perth metropolitan car dealerships and service centres occupied by Autoleague, a high-profile car dealership business selling popular makes like Toyota, Hyundai, Mitsubishi and Kia. Rent is reviewed annually in December to CPI +1%, except every fifth year, where there is a market review with a 10% cap and a 5% collar on any increase / decrease in rent. This market review occurred in December 2023 and remains unresolved in relation to 14 of the 17 properties. In accordance with the lease terms, the market rent is to be determined by an independent valuer, the independent valuer is yet to make a determination in accordance of his terms of engagement.

During the year we also finalised the strata sell down of 251 Adelaide Terrace, Perth, owned by GDI No. 29 GDI Office Fund, with investors receiving an internal rate of return of 18.35% on their investment.

Post balance date, we engaged Burgess Rawson to market one of the 17 properties for sale through its monthly portfolio auctions. The property was sold at auction for \$5.12 million, a 2.3% premium to its book value of \$5.00 million.

Funds Business FFO

The contribution to FFO from the Funds Business pre corporate, administration and net interest ("Funds Business FFO") was \$6.6 million (FY23: \$6.8 million). A large contributor to this is the distributions received from the consolidated funds. A higher interest expense for those consolidated funds, together with some one-

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off expenses, meant the distributions received from those funds was lower than in FY23, with a distribution from GDI No. 42 Office Trust of \$0.7 million (FY23 \$0.8 million) and GDI No. 46 Property Trust of \$3.3 million (FY23 \$3.6 million). There were no material transaction fees generated in the Funds Business in FY24.

Co-living JV

The Co-living JV currently owns and operates three facilities, one at each of Norseman, South Hedland and Newman, WA. The Norseman village consists of 269 rooms across multiple sites, with shared dining and breakout facilities. The Norseman village benefits from a contract with Pantoro Limited, the owner of the nearby Norseman goldmine, (which recently enhanced its creditworthiness following its completion of a \$100 million capital raising). The Pantoro contract underwrites approximately 80% occupancy of the Norseman village over a five year term.

The Co-living JV also owns the Norseman Hotel, which supplements the accommodation services provided in Norseman village. The security of the Pantoro contract means the Norseman village operates on a lower margin than the Lodge South Hedland and the Lodge Newman (previously Seasons Newman). (See below for further detail about these facilities).

The Lodge South Hedland and the accompanying South Hedland Motel ("the Lodge South Hedland") were settled in April 2023, with FY24 being the first full year of ownership and operation. The Lodge South Hedland comprises 242 rooms, also with a shared dining and breakout facilities. At the time of acquisition, the Lodge South Hedland was operated more like a traditional motel, however under the Co-living JV's ownership the facilities, accommodation and food offering were improved, directly leading to higher overall occupancy. However, without the benefit of the longer-term contracts like that at Norseman, the Lodge South Hedland is subject to variable occupancy, and there was softer occupancy than forecast in March and April, before trending back to budget levels and to 90+% post balance date. The management team of the Co-living JV are very focused on eliminating this cyclical performance from the Lodge South Hedland, and are having fruitful discussions with several parties that may result in some longer term contracts and a more stabilised occupancy throughout the year.

On 29 May 2024, the Co-living JV settled the acquisition of the Lodge Newman (previously Seasons Newman). The Lodge Newman comprises 87 motel rooms, 11 staff rooms, dining capacity for up to 90 patrons, a bar, a large reception area and large office area for site management. The Lodge Newman is located in the heart of Newman, backing onto the main shopping centre, with other retail amenity, coffee shops, bars and a gym within easy walking distance. The large site area of approximately 29,000sqm allows for potential expansion of up to a further 80 rooms.

The acquisition price of the Lodge Newman of \$6.45 million was within the Co-living JV's acquisition metrics. Upon settlement, the Co-living JV immediately began to leverage the successful strategies undertaken at South Hedland and pivot the offering to the resource sector, for example, by increasing the hours of operation of the kitchen to better suit mining sector employees. With several new or expansion mining projects announced within the Newman catchment, we anticipate this strategy will lead to higher average occupancy than when it was acquired. The acquisition of the Lodge Newman was funded by a combination of cash reserves and debt.

The FFO contribution of the Co-living JV to GDI's FFO for the year ended 30 June 2024 was \$6.8 million, in excess of our 20% return hurdles from our initial investment of \$33.0 million.

Capital management

During the year we introduced a second funding partner to our Syndicated Facility (previously Principal Facility), extending the term to December 2026 and initially increasing its size by \$25.0 million to \$376.5 million, and subsequently by another \$25.0 million to \$401.5 million. Drawn debt on the Syndicated Facility at 30 June 2024 was \$347.3 (FY23: \$305.1 million), with undrawn debt of \$49.2 million.

We were pleased that we have been able to maintain the distribution of 5.0 cents per security for FY24. For the distribution for the six-month period ended 30 June 2023 we introduced a distribution re-investment plan ("DRP"). The DRP was introduced to provide our securityholders with a cost-efficient method of increasing their holdings in GDI. The DRP only applied to the distribution for the six-month period ended 30 June 2023, paid on 31 August 2023. The DRP was not

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activated for the 2024 interim or final distributions. For the August 2023 distribution, 21.8% of eligible securityholders participated in the DRP, resulting in GDI issuing 4,383,365 new securities. During FY24 we also issued 387,330 new securities to satisfy FY20 performance rights that had vested.

In March 2024, GDI cancelled the on-market buyback program that was originally announced in March 2020. Over the four years the buyback was in operation, securities bought back and cancelled totalled 13,179,719.

Securities on issue on 30 June 2024 totalled 536,407,358.

We are actively looking at asset recycling opportunities to manage capital and optimise returns.

Hedging

GDI utilises various interest rate derivatives to protect from interest rate increases, including interest rate swaps, callable swaps and interest rate caps. Currently, 94% of the drawn debt of the Syndicated Facility is hedged to 31 December 2024, 79% to 30 June 2025 and 50% to 31 December 2025.

Interest expense

The interest expense for the year totalled \$19.5 million (FY23: \$12.0 million) including the interest expense of the consolidated trusts. While, the interest expense of the consolidated trusts is included in the statutory accounts, this does not form part of GDI's FFO.

The interest expense relating to the construction of WS2 (\$2.9 million) is capitalised for accounting purposes until it is considered available for rent.

Corporate and administration expenses

GDI's operating expenses were \$9.4 million (FY23: \$7.6 million). The largest component of corporate and administration expenses is employee benefits, including \$1.4 million expensed or accrued for the issue of performance rights in FY21, FY22, FY23 and this financial year. The lower FY23 total was primarily a result of a \$1.4 million reversal of previous years' expense of forfeited performance rights.

7.3 Likely developments

In FY25, we will continue to manage GDI in the structured and disciplined manner adopted during FY24, mindful of enhancing securityholder value.

Property Division

Each office in the Property Division has leasing opportunities, either through current vacancy or impending expiry, or by securing a pre-commitment to create a bespoke tenant solution. We believe that leasing up the current vacancy, addressing the impending expiries and progressing the development opportunities will significantly increase the value of the portfolio.

Funds business

GDI intends to continue to manage the six unlisted, unregistered managed investment schemes in accordance with the strategies articulated in each scheme Information Memorandum and subsequent investment updates. We will continue to monitor opportunities to establish new unlisted, unregistered managed investment schemes.

Co-living JV

We intend to hold our 50% interest in the Co-living JV, which will continue to operate the three facilities it currently owns at Norsemen, South Hedland and Newman.

Distribution guidance

Our objective is to pay a cash distribution at levels similar to FY24, being 5.0 cents per security, regardless of our level of FFO, subject to no material change in circumstances or unforeseen events. A proportion of any cash distribution for FY25 may be paid out of capital.

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Directors' Report
For the financial year ended 30 June 2024

7.4 Risks

Risk	Description	Risk mitigation
Property values	There is a risk that the value of GDI's portfolio, or individual assets in the portfolio, may fall.	<ul style="list-style-type: none"> • To help assess the fair value of GDI's investment portfolio, GDI has a policy of obtaining regular independent valuations for each of its properties, usually at least annually. • Most of the value of GDI's portfolio is in two office complexes, the two building Westralia Square and WS2 complex, and the three building Mill Green Complex. These prime grade properties are well located, have limited near term exposure to multi floor tenants and have floor plates that are easily divisible, somewhat insulating the portfolio from adverse influences on property valuations. • GDI's other assets include exposure to non-traditional asset classes like carparks, car dealerships, and mining accommodation. The value of these assets don't necessarily move in the same direction, at the same pace or at the same time as GDI's office portfolio.
Concentration risk	GDI's portfolio is heavily weighted to Perth. There is a risk that either or both the WA economy, or the Perth commercial property market, underperforms the other states or capital city CBDs, respectively.	<ul style="list-style-type: none"> • The WA economy is one of the strongest in the country, with low unemployment and high state GDP. • The Perth commercial office market has seen the strongest net positive absorption over the last 24 months of any Australian CBD. • GDI monitors the forward looking indicators of the strength of the WA economy and Perth commercial property market to assess this concentration risk.
Adverse economic conditions	There is a risk that the broader Australian economy enters in to either a recession or depression, due to domestic policies, global influences or a combination thereof.	<ul style="list-style-type: none"> • GDI's portfolio has a weighted average lease expiry profile by occupied area of 5.4 years and is leased to a diverse range of tenants, including government. • GDI has access to \$49.2 million of undrawn debt facilities to continue to fund its activities.
Re-leasing and vacancy	There is a risk that GDI may not be able to negotiate suitable lease extensions with existing tenants or replace outgoing tenants with new tenants on the same terms (if at all) or be able to find new tenants to take over space that is currently unoccupied.	<ul style="list-style-type: none"> • GDI has deliberately weighted its portfolio to Perth, a market with limited new supply and solid prospects for increasing demand. • GDI's Portfolio comprises well located properties and has floor plates that are easily divisible, enabling it to meet the demands of both larger and smaller space users.

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Risk	Description	Risk mitigation
Funding	GDI's ability to raise capital on favourable terms is dependent upon the general economic climate, the state of the capital markets and the performance, reputation and financial strength of GDI.	<ul style="list-style-type: none"> As at 30 June 2024, GDI has gearing of 33%. GDI would not seek to acquire a new property unless it was able to obtain funding on favourable terms. During FY24, GDI introduced a second capital partner to its debt facilities, diversifying its reliance from a single debt provider.
Ability to establish new unlisted property funds	There is a risk that GDI may not be able to establish any new unlisted property funds, due to any number of reasons including but not limited to dissatisfaction with GDI as a manager, a lack of appeal of a proposed new fund, or the size of the offering relative to the appetite.	<ul style="list-style-type: none"> GDI will not look to launch any new fund until it was confident it has the funding in place or new it could raise both debt and equity capital.
Performance of Co-living JV and carparks	GDI generates a significant amount of its total revenue from the Co-living JV and its Perth CBD carparks, both of which are exposed to variable occupancy risks.	<ul style="list-style-type: none"> The Co-living JV is diversified by location, client and commodity, minimising the impact of short-term demand fluctuations. The Perth CBD carparks are aligned to the performance of the Perth office markets. In addition to the strongest CBD absorption over the last two years, the Perth CBD has the highest office attendance percentage of any of the capital city CBDs.
Development risks	GDI's business plan includes generating unique office spaces by adaptively re-using existing built form structures.	<ul style="list-style-type: none"> GDI will not undertake any development until it has identified the risks associated with that development, and then mitigated those risks to the extent possible.
Capital expenditure requirements	While GDI will undertake reasonable due diligence investigations prior to acquiring properties, there can be no assurance that properties will not have defects or deficiencies, or that unforeseen capital expenditure or other costs will not arise.	<ul style="list-style-type: none"> GDI and its executives have extensive experience in acquiring properties and undertaking due diligence investigations. GDI is regularly reviewing the capital requirements of its properties and investing in capital works upgrades to maintain a property's grade and appeal.

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Risk	Description	Risk mitigation
Loss of key management personnel	The loss of key management personnel could cause material disruption to GDI's activities in the short to medium term and could result in the loss of key relationships and expertise which could have a material adverse impact on current and future earnings.	<ul style="list-style-type: none"> • GDI has a competitive remuneration structure to retain key talent. • Key management personnel performance and succession is regularly reviewed by the Board. • GDI invests into its talent to develop the next generation of key management personnel.
Gearing and breach of covenants	<ul style="list-style-type: none"> • The Debt Facility contains undertakings to maintain certain Covenant LVR and Covenant ICR, and an event of default would occur if GDI fails to maintain these financial levels. • Interest rates may rise greater than anticipated putting pressure on debt covenants. 	<ul style="list-style-type: none"> • GDI remains well within both its covenants imposed on it under its debt facility. • GDI monitors compliance with its covenants. • GDI also has derivative financial instruments on a substantial portion of its drawn debt. These instruments offer protection against rising interest rates.
Impacts of climate change and other environmental considerations	<ul style="list-style-type: none"> • GDI's properties may be impacted by adverse impacts of climate related events such as severe storms and flooding, and heatwaves that disrupt power supply. • Changes to environmental legislation may mean GDI's properties need a significant amount of capital expenditure to comply or become obsolete. 	<ul style="list-style-type: none"> • Climate related risks and potential financial impacts are assessed with GDI's enterprise wide risk management framework. • GDI has a history of investing into its properties to improve their environmental credentials, as measured by an industry accepted NABERS ratings system.
Business disruption, including data breaches	<ul style="list-style-type: none"> • GDI's business or a supplier's business might be subject to a cyber-attack or data breach. • GDI's properties or business practices may be impacted by disruptive technologies. 	<ul style="list-style-type: none"> • Business disruption risks and technology changes are assessed with GDI's enterprise wide risk management framework.
Compliance and regulation	GDI has a small team, and there is a risk that it may fail to comply with compliance related or / and regulatory updates.	<ul style="list-style-type: none"> • This risk is mitigated by engaging experienced external advisors and consultants including legal, compliance, custodial and registry services. In addition, regular staff training is undertaken.

GDI Property Group

Directors' Report

For the financial year ended 30 June 2024

8. Remuneration Report

The Remuneration Report is set out on pages 49 to 65 of the Annual Financial Report and forms part of this Directors' Report.

9. Dividends / distributions declared and paid and dividend / distribution reinvestment plan

There were no dividends paid or payable by GDI in respect of the 2024 and 2023 financial years.

Distributions determined or paid in respect of the reporting period were:

	Amount per security	Total distribution
	cents	\$'000
2023 final – paid 31 August 2023	2.500	13,290
2024 interim – paid 29 February 2024	2.500	13,410
2024 final – determined 26 August 2024	2.500	13,410

On 22 June 2023 GDI announced the introduction of a distribution and dividend reinvestment plan ("DRP"). The DRP only applied to the distribution for the six-month period ended 30 June 2023, paid on 31 August 2023. The DRP was not activated for the 2024 interim or final distributions.

10. Significant changes in GDI Property Group's state of affairs

During the year there were no significant changes in GDI's state of affairs.

11. Events subsequent to balance date

At the date of this report, the following matters have occurred subsequent to the balance date:

- GDI entered into a four-year interest rate swap agreement commencing 1 January 2025, callable after one year, for a notional value of \$50.0 million at a fixed rate of 3.55%;
- Extended the finance facility of the consolidated GDI No. 42 Property Trust to August 2026; and

- Sold one of the 17 properties held by the consolidated GDI No. 46 Property Trust for \$5.12 million, a 2.3% premium to its book value of \$5.00 million. Settlement is expected to occur in November 2024 with an intention to repay \$4.50 million of debt and seek an extension of the Capital Loan Agreement facility for at least 12 months.

12. Environmental regulation

GDI's senior management, with oversight from the Board, oversee the policies, procedures and systems that have been implemented to ensure the adequacy of GDI's environmental risk management practices. We are not aware of any significant breaches of our environmental responsibilities.

13. Indemnification and Insurance of Directors and Officers

GDI provides a Deed of Indemnity and Access ("Deed") in favour of each Director of GDI and its controlled entities. The Deed indemnifies the Directors on a full indemnity basis to the extent permitted by law for losses, liabilities, costs and charges incurred as a Director of GDI, its controlled entities or such other entities.

Subject to specified exclusions, the liabilities insured are for costs that may be incurred in defending civil or criminal proceedings that may be brought against directors and officers in their capacity as Directors, its controlled entities or such other entities, and other payments arising from liabilities incurred by the Directors in connection with such proceedings. GDI has agreed to indemnify the auditors out of the assets of GDI if GDI has breached the agreement under which the auditors are appointed.

During the financial year, GDI paid insurance premiums to insure the Directors of GDI and its controlled entities. The terms of the contract prohibit disclosure of the premiums paid.

GDI Property Group Directors' Report For the financial year ended 30 June 2024

14. Corporate governance

GDI's Corporate Governance Statement is available at: www.gdi.com.au/about-gdi/#corporate-governance.

15. Audit

15.1 Auditor

Hall Chadwick continues as group auditor in office in accordance with section 327 of the *Corporations Act 2001*.

15.2 Non-audit services

The following fees were paid or payable to Hall Chadwick for non-audit services provided during the year ended 30 June 2024:

	\$
Provision of tax advice	143,000

The Directors have considered the non-audit services and other assurance services provided by the auditor during the financial period. In accordance with advice received from the Audit, Risk and Compliance Committee, the Directors are satisfied that:

1. the non-audit services provided during the financial year by Hall Chadwick as the external auditor were compatible with the general standard of independence for auditors imposed by the Act; and

2. any non-audit services provided during the financial year by Hall Chadwick as the external auditor did not compromise the auditor independence requirements of the Act for the following reasons:

- i. all non-audit services were reviewed and approved by the Audit, Risk and Compliance committee prior to commencement to ensure they would not adversely affect the integrity and objectivity of the auditor;
- ii. the fact that none of the non-audit services provided by Hall Chadwick during the financial year had the characteristics of management, decision making, self-review, advocacy or joint sharing of risks; and
- iii. the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

15.3 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 the following page.

16. Rounding of amounts

GDI is of a kind referred to in ASIC Class Order 98/100. Accordingly, amounts in the financial report have been rounded to the nearest thousand in accordance with that Class Order, unless stated otherwise.

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Directors' Report
For the financial year ended 30 June 2024

17. Directors' Authorisation

Signed in accordance with a resolution of the Directors of GDI Property Group Limited and GDI Funds Management Limited.



Giles Woodgate
Chairman

Sydney

Dated this 26th day of August 2024



Stephen Burns
Managing Director & Chief Executive Officer

GDI Property Group
Auditor's Independence Declaration
For the financial year ended 30 June 2024



**AUDITOR'S INDEPENDENCE DECLARATION
 UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
 TO THE DIRECTORS OF GDI PROPERTY GROUP LIMITED AND
 GDI FUNDS MANAGEMENT LIMITED AS RESPONSIBLE ENTITY FOR GDI PROPERTY TRUST**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of GDI Property Group Limited and GDI Funds Management Limited as responsible entity for GDI Property Trust.

As the lead audit partner for the audit of the financial report of GDI Property Trust and GDI Property Group Limited and their controlled entities (collectively "GDI Property Group") for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

HALL CHADWICK (NSW)
 Level 40, 2 Park Street
 Sydney NSW 2000

DREW TOWNSEND
 Partner
 Dated: 26 August 2024

ADELAIDE	BRISBANE	DARWIN	MELBOURNE	PERTH	SYDNEY
Level 9	Level 4	Level 1	Level 14	Level 11	Level 40
50 Pirie Street	240 Queen Street	48-50 Smith Street	440 Collins Street	77 St Georges Tce	2 Park Street
Adelaide SA 5000	Brisbane QLD 4000	Darwin NT 0800	Melbourne VIC 3000	Perth WA 6000	Sydney NSW 2000
+61 8 7093 8283	+61 7 2111 7000	+61 8 8943 0645	+61 3 9820 6400	+61 8 6557 6200	+61 2 9263 2600

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GDI Property Group

Remuneration Report

For the financial year ended 30 June 2024

1. Remuneration report - basis of preparation

The Remuneration Report is designed to provide securityholders with an understanding of GDI's remuneration policies and the link between our remuneration approach and performance, in particular regarding Key Management Personnel ("KMP") as defined under the *Corporations Act 2001*. Individual outcomes are provided for GDI's non-executive Directors ("NEDs"), the Managing Director and Chief Executive Officer ("MD") and Disclosed Executives. Disclosed Executives are defined as those direct reports to the MD with responsibility for the strategic direction of GDI.

The Remuneration Report has been prepared in accordance with section 300A of the *Corporations Act* and has been audited as required by section 308(3C) of the *Corporations Act 2001* and forms part of the Directors' Report.

2. Key Management Personnel

The KMP disclosed in this year's Remuneration Report are detailed in the table below.

Key Management Personnel

Non-Executive Directors		Appointed	Retired	Term as a KMP for year
Gina Anderson	Independent Chairman	5 November 2013	24 April 2024	10 months
Giles Woodgate ¹	Independent Chairman	16 November 2017	-	Full year
John Tuxworth	Independent Director	20 February 2017	-	Full year
Patria Mann	Independent Director	24 April 2024	-	Two months
Susan Hilliard	Independent Director	3 June 2024	-	One month
Managing Director and Chief Executive Officer				
Stephen Burns ²		14 June 2023		Full year
Disclosed Executives				
David Williams	Chief Financial Officer, Company Secretary			Full year
David Ockenden ³	Head of Development			Full year
John Garland	Head of Property, Alternate Company Secretary			Full year

1. Giles Woodgate was appointed Chairman on Gina's retirement.

2. Stephen Burns was appointed to the Board on 15 November 2018 and was appointed Managing Director & CEO on the 14 June 2023.

3. David Ockenden resigned on 30 June 2024.

3. Role of the Board in relation to remuneration

The Board has established a Nomination and Remuneration Committee ("N&RC"). The N&RC is responsible for, among other matters:

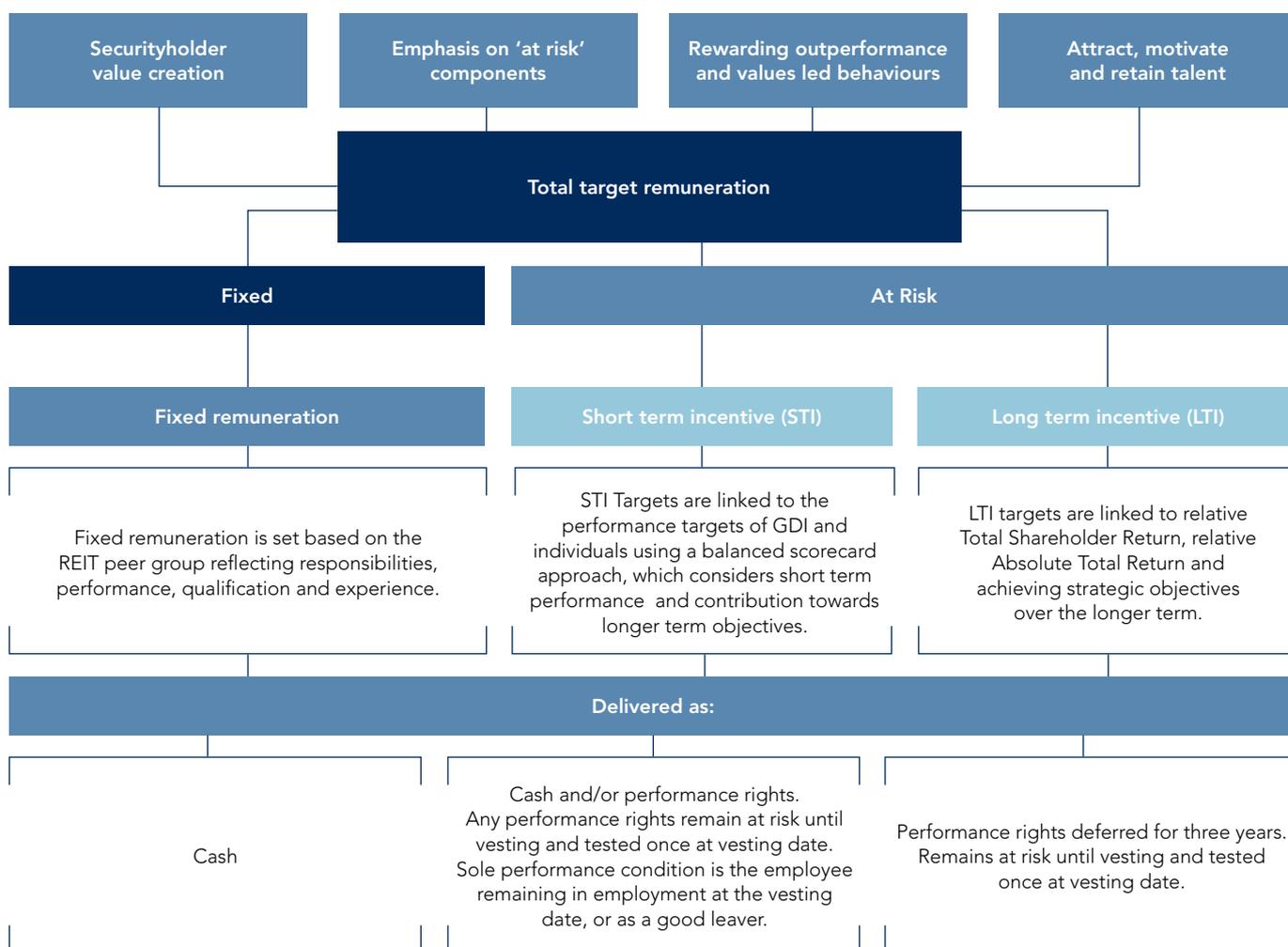
- reviewing and making recommendations to the Board on remuneration and succession matters related to the MD and other Disclosed Executives;
- reviewing and making recommendations to the Board on remuneration relating to Non-Executive Directors;
- overseeing a Board performance evaluation programme, which addresses the performance of individual directors;
- designing incentive plans; and
- determining remuneration structures for the MD and Disclosed Executives.

GDI Property Group Remuneration Report For the financial year ended 30 June 2024

4. Remuneration objectives

The following principles shape GDI’s remuneration approach:

- creating and enhancing value for all GDI stakeholders;
- emphasising the ‘at risk’ component of total remuneration to increase alignment with securityholders and encourage behaviour that supports both entrepreneurship and long-term financial soundness within the confines of GDI’s risk management framework;
- incentivises and aligns rewards with goals and objectives;
- encourages effective senior management teamwork to deliver on strategy; and
- providing a competitive remuneration proposition to attract, motivate and retain the highest quality individuals within a framework of ethical standards of behaviour.



GDI Property Group
Remuneration Report
For the financial year ended 30 June 2024

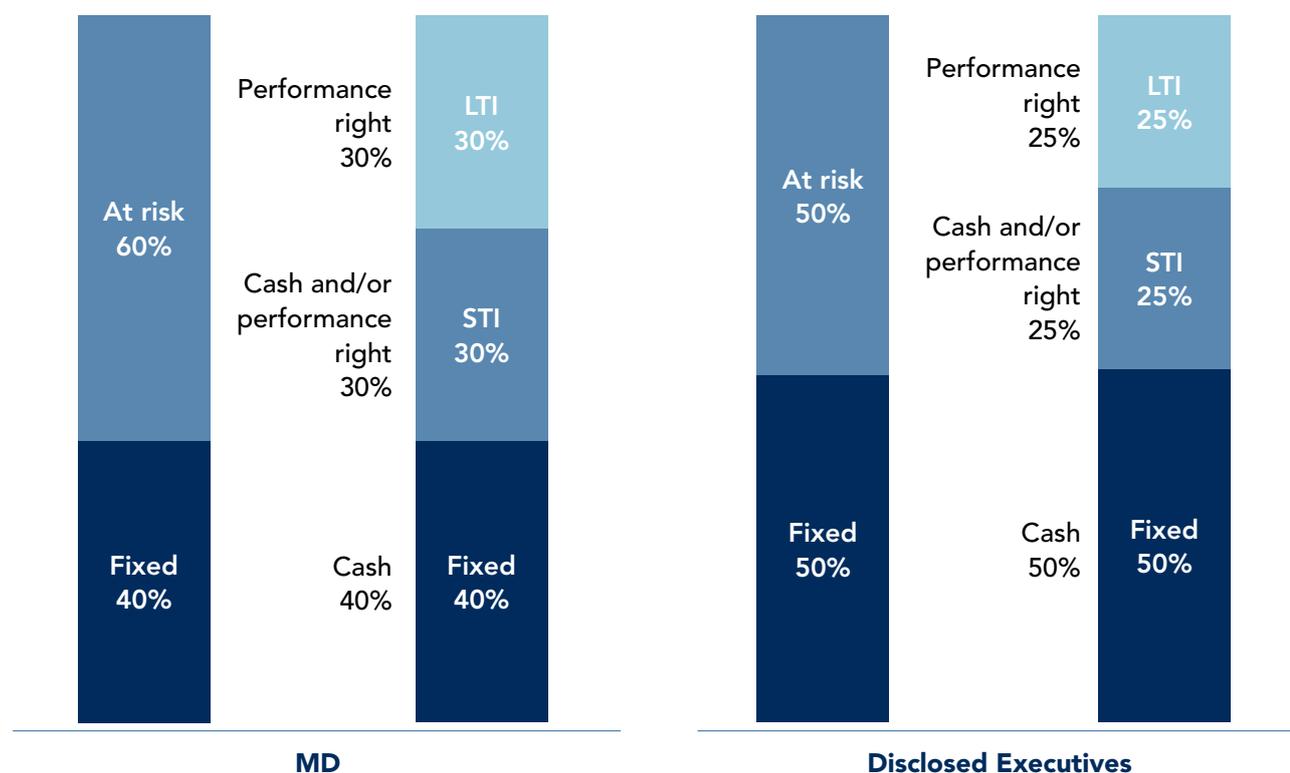
5. The composition of remuneration at GDI

The Board aims to find a balance between:

- fixed and at-risk remuneration;
- short and long-term incentives;
- amounts paid in cash and performance rights.

The following chart provides an overview of the target remuneration mix for the MD and Disclosed Executives.

Remuneration mix for the MD and Disclosed Executives



The MD’s target remuneration mix is weighted such that a higher component is at-risk (60%), with an equal weighting of the at-risk component between STIs and LTIs. Should an STI be granted, it can be delivered as either cash and / or performance rights where the principle performance condition is the employee remaining in employment at the vesting date.

The Disclosed Executives target remuneration mix is weighted equally between fixed and at-risk components, with an equal weighting of the at-risk component between STIs and LTIs. Should an STI be granted, it can be delivered as either cash and / or performance rights where the principle performance condition is the employee remaining in employment at the vesting date.

GDI Property Group

Remuneration Report

For the financial year ended 30 June 2024

Fixed remuneration

GDI positions fixed remuneration for the MD and Disclosed Executives against relevant A-REIT comparables taking into consideration the role, responsibilities, performance, qualifications and experience. A-REIT comparables are considered the most relevant as this is the main pool for sourcing talent and where key talent may be lost.

Fixed remuneration is expressed as a total dollar amount which can be taken as cash salary, superannuation contributions and other nominated benefits.

At risk remuneration

The at-risk component forms a significant part of the MD and Disclosed Executives target remuneration.

Short term incentives (STI)

The STI provides an annual opportunity for an incentive award. Individuals are assessed on a balanced scorecard based on measures relating to longer term performance outcomes aligned to GDI's strategic objectives, as well as annual goals and workplace behaviours, agreed to in a KMP Accountability Matrix. For the MD and Disclosed Executives, the weighting of these measures will vary to reflect the responsibilities of each role and their individual KPIs set at the commencement of each year. Notwithstanding any individual meeting or exceeding their performance measures, or some thereof, the N&RC may determine to reduce (but not increase) their STI entitlement at its absolute discretion.

Long term incentives (LTI)

The LTI provides an annual opportunity for an equity award deferred for three years that aligns a significant portion of overall remuneration to security value over the longer term. LTI awards will remain at risk until vesting and must meet or exceed a relative Total Securityholder Return (for 50% of performance rights issued), an Absolute Total Return (for 25% of performance rights issued), and achieving long term strategic objectives as set by the Board (for 25% of the performance rights issued). The table on the following page summarises the conditions that will apply to the performance rights granted for the year ended 30 June 2024. Details of the offers of performance rights are disclosed in Section 6 and 7 of this Remuneration Report.

GDI Property Group

Remuneration Report

For the financial year ended 30 June 2024

Arrangements for the year ended 30 June 2024

Type of award Performance right, being a right to acquire a stapled security at nil cost, subject to meeting time and performance hurdles. Upon exercise, each performance right entitles the MD and Disclosed Executives to one stapled security. The future value of the grant may range from zero to an undefined amount depending on performance against the hurdles and the security price at the time of exercise. Grants may be satisfied by a cash equivalent payment rather than stapled securities at the Board's discretion.

Time restriction Performance rights will be tested against the performance hurdles at the end of three years. Performance rights that do not vest will be forfeited.

Vesting conditions Performance rights will be subject to three tests, with 50% of the performance rights subject to a TSR test, 25% subject to a ATR test and 25% subject to achieving long term strategic objectives.

50% - Total Securityholder Return (TSR)	Vesting percentage (for TSR measure)
Does not reach the 50th percentile of the TSR of the Comparator Group	0%

Reaches or exceeds the 50th percentile of the TSR of the Comparator Group but does not reach the 75th percentile	50%, plus 2% for every one percentile increase above the 50th percentile
--	--

Reaches or exceeds the 75th percentile of the TSR Comparator Group	100%
--	------

25% - Absolute Total Return (ATR)	Vesting percentage (for ATR measure)
Does not exceed the MSCI Core Office Property Fund Index return	0%

Achieves or exceeds the MSCI Core Office Property Fund Index return	50% up to 100% (at Index +1.0% ATR) on a straight-line basis
---	--

Achieves or exceeds MSCI Core Office Property Fund Index return by 1.0%	100%
---	------

25% - Strategic objectives (SO)	Vesting percentage (for SO measure)
Does not achieve long term strategic objectives as set by the Board	0%

Achieves some of the strategic objectives as set by the Board	0% up to 100%
---	---------------

Achieves all of the strategic objectives as set by the Board	100%
--	------

Definitions

TSR Movement in security price and distributions.
For the LTIs issued for the year ended 30 June 2024, the commencing security price is based on the 30 June 2024 closing security price of GDI and its Comparator Group

ATR Movement in NTA and distributions
For the LTIs issued for the year ended 30 June 2024, the commencing NTA is based on the 30 June 2024 NTA.

Comparator Group Dexus, The GPT Group, Abacus Property Group, Growthpoint Properties Australia, Cromwell Property Group, Centuria Office Fund, Elanor Commercial Property Fund, and any other predominantly office landlord or real estate fund managers of similar scale in terms of market capitalisation and / or assets under management considered a comparator at the date of vesting.

Valuation The dollar value of the LTI grant is converted into a number of performance rights based on a valuation, taking into account factors including the performance conditions, security price volatility, term, distribution yield, and the security price at grant date. Full details of the value, and the method of calculation, are provided in Note 30 of the GDI Financial Report, but in summary:

- The value of the ATR and SO performance rights (50% of the LTI performance rights) are the value of the GDI security price at 30 June 2024 (face value), as the fair value equals the face value;
- The fair value of the TSR performance rights (50% of the LTI performance rights) are lower than the face value; and
- The value of each LTI performance right is the weighted average of the value of the TSR, ATR and SO performance right.

GDI Property Group

Remuneration Report

For the financial year ended 30 June 2024

Other remuneration elements

Clawback

The Board will have on-going and absolute discretion to adjust performance-based components of remuneration downwards, or to zero, at any time, including after the grant of such remuneration, where an individual has committed any act which amounts or would amount to any of dishonesty, fraud, wilful misconduct, wilful breach of duty, serious and wilful negligence or incompetence in the performance of the individual's duties, or the individual is convicted of a criminal offence, other than an offence of a trivial nature (like a minor motor traffic offence) which does not impact on the individual's good fame and character or ability to perform his / her duties.

Hedging prohibition

As specified in GDI's Security Trading Policy and Performance Rights Plan and in accordance with the Corporations Act, equity allocated under a GDI

incentive scheme must remain at risk until exercisable. As such, it will be a condition of grant that no schemes are entered into, either by an individual or their associated persons, which specifically protects the unvested value of performance rights. Doing so would constitute a breach of the grant conditions and would result in the forfeiture of the relevant performance rights.

Other employees

Given the relatively small number of staff at GDI, the Board believes that it is important to recognise the efforts of all employees and not just the Disclosed Executives and has granted the MD discretion to grant both cash bonuses and participation in GDI's LTI plan to all employees on a merit basis. During the year ended 30 June 2024, cash bonuses to other employees totalled \$297,500, and they will also receive LTI performance rights with a value of \$380,000 and a 30 June 2024 employee benefit expense of \$95,000.

6. Performance and outcomes

6.1 GDI's performance and securityholder wealth

	Years	Opening security price	Movement in security price	Opening NTA	Movement in NTA	Distribution	TSR	TSR p.a.	ATR	ATR p.a.
		\$	\$	\$	\$	\$				
Since listing	10.55	1.00	(0.440)	0.91	0.280	0.7525	31.3%	3.0%	113.5%	10.8%
Since 1 July 2021	3.00	1.12	(0.560)	1.25	(0.060)	0.1775	(34.2%)	(11.4%)	9.4%	3.1%
Since 1 July 2023	1.00	0.645	(0.085)	1.25	(0.060)	0.0500	(5.4%)	(5.4%)	(0.8%)	(0.8%)
30 June 2024		0.560		1.19						

GDI Property Group

Remuneration Report

For the financial year ended 30 June 2024

6.2 Past issues of STI performance rights (FY21)

To enhance the alignment with securityholders, the FY21 STI granted to KMP was paid entirely as a performance right where the principle performance condition was continued employment (or a good leaver) for three years from the conclusion of the performance year (FY24). In total, 682,366 performance rights were granted as part of the FY21 STI programme to KMP. Of the 682,366 STI performance rights granted, 375,000 vested.

6.3 Past issues of STI performance rights (FY23)

To enhance the alignment with securityholders, fifty percent (50%) of the FY23 STI granted to KMP was paid as a performance right where the principle performance condition was continued employment (or a good leaver) for one year from the conclusion of the performance year (FY24). In total, 445,737 performance rights were granted as part of the FY23 STI programme to KMP, with all the performance rights granted vesting.

6.4 Past issues of LTI performance rights (FY21)

1,887,008 performance rights were granted as part of GDI's FY21 LTI plan. Of those, 777,182 have lapsed. The remaining 1,109,826 performance rights were subject to a TSR test (for 50% of the rights granted) and an ATR test (for 50% of the rights granted).

6.4.1 TSR test

As at 30 June 2024, GDI's Comparator Group comprised seven entities (eight including GDI). GDI's TSR for the three-year period ended 30 June 2024 was (11.4%) p.a. As GDI's TSR was not in either the 1st or 2nd quartile, none of these performance rights vested. The Comparator Group comprises the same entities that comprise the Comparator Group for the issue of FY24 LTIs (refer page 53).

6.4.2 ATR test

The ATR is determined by the movement in NTA over the vesting period plus distributions, divided by the commencing NTA. This is then divided by the vesting period (in this case three years) to determine the ATR per year.

Movement in NTA per security		Distributions per security		ATR per security	ATR %	ATR % p.a.
30 June 2021 NTA	1.25	FY22	\$0.0775			
30 June 2024 NTA	1.19	FY23	\$0.0500			
		FY24	\$0.0500			
Total movement	\$(0.06)	Total distributions	\$0.1775	11.75	9.40%	3.13%

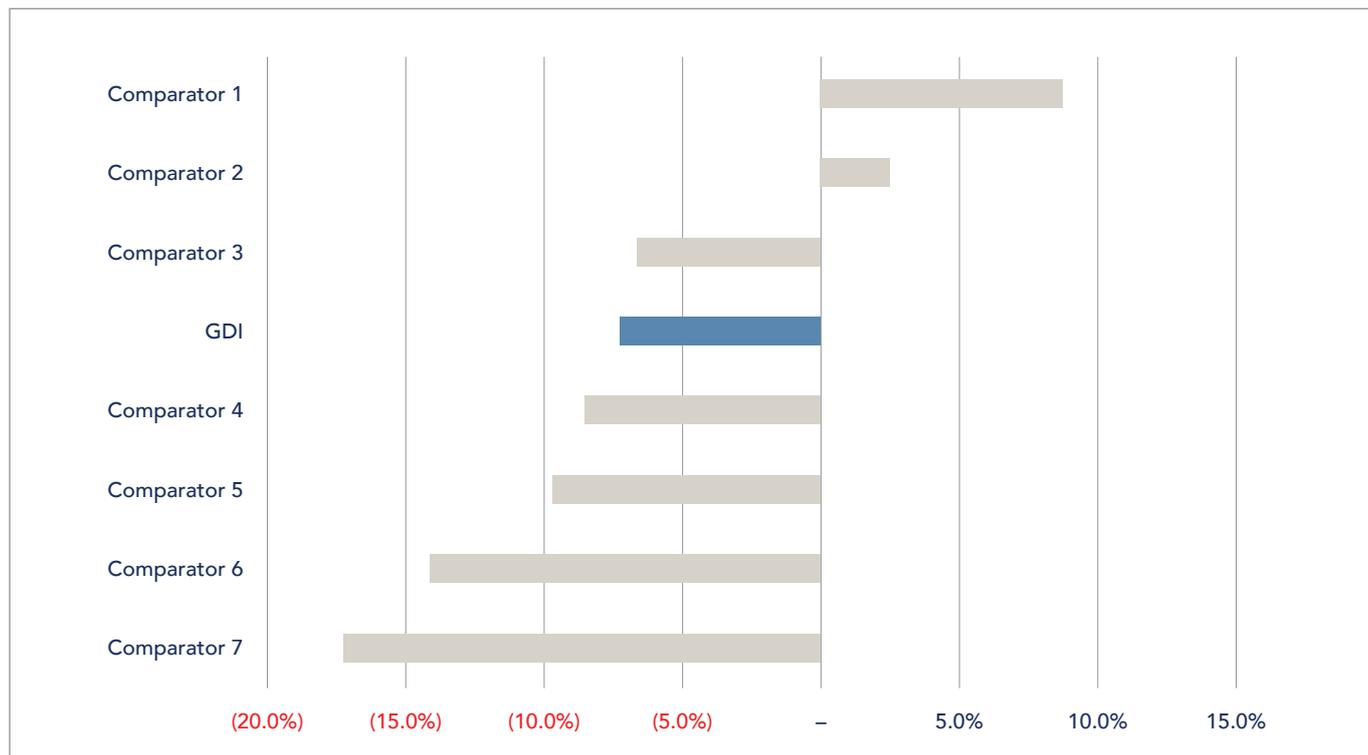
As the ATR was below the minimum threshold of 8% p.a., no performance rights subject to the ATR test vested.

GDI Property Group Remuneration Report For the financial year ended 30 June 2024

6.4.3 Sign-on performance rights

The MD received 435,287 performance rights that were subject to a one-year TSR test. As at 30 June 2024, GDI's Comparator Group comprised seven entities (eight including GDI). GDI's TSR for the period commencing 14 June 2023 and ending on 30 June 2024 was (7.3%), ranking 4th of eight in the Comparator Group as disclosed in the table below.

Total securityholder return – 14 June 2023 to 30 June 2024



Accordingly, 50% (217,644) of these performance rights vested.

GDI Property Group

Remuneration Report

For the financial year ended 30 June 2024

6.5 Current year STI outcomes

6.5.1 KMP balanced scorecard

Detailed in the table below is a summary of the performance measures and outcomes of the balanced scorecard for the MD and Disclosed Executives.

	Financial		Operational		Total
	% weighting of total STI	% of total STI granted	% weighting of total STI	% of total STI granted	Total STI granted %
Stephen Burns	40.0%	40.0%	60.0%	60.0%	100.0%
David Williams	30.0%	30.0%	70.0%	70.0%	100.0%
David Ockenden ¹	20.0%	-	80.0%	-	-
John Garland	20.0%	20.0%	80.0%	80.0%	100.0%

1. As David Ockenden resigned from GDI on 30 June 2024, he was not eligible for a STI.

The following provides an explanation of the performance measures and outcomes.

Financial

The following four measures have been used to assess the financial performance of GDI and therefore each KMP, with each measure accounting for 25% of the financial component of the balanced scorecard as summarised below:

Financial measure	Target	Measure	Outcome
Internal FFO Budget	Exceed	FY24 FFO +16% of FY24 FFO budget	Achieved
MSCI Core Office Market one year total return	Exceed	GDI total return of (0.8)% vs MSCI Index return of (16.4)%, a 15.6% outperformance	Achieved
Grow future property income	FY25 'as is' property FFO + 10% of FY24 'as is' property FFO	FY25 'as is' property FFO of \$47.6 million, 22% higher than FY24	Achieved
Maintain financial flexibility	As determined by the N&RC	<ul style="list-style-type: none"> Dividend maintained Two debt refinancings increasing debt capacity by \$50.0 million in total Introduction of a second funding partner 	Achieved

The 'as is' budget is based on contracted rents only (no leasing assumptions) and in the case of operating earnings (Co-living, carparks), budgets.

Based on the above, all KMP achieved the full financial component of their balanced scorecard.

GDI Property Group

Remuneration Report

For the financial year ended 30 June 2024

Operational

Operational measures for the Disclosed Executives reflect the responsibilities of each role. For example, the Head of Property's performance is weighted towards asset management and sustainability, whilst the CFO and Company Secretary's are weighted towards capital management and reporting, risk management and compliance.

Under the new leadership of the MD, each KMP signed an Accountability Matrix adopted by the N&RC that assigned key tasks and responsibilities for delivering on GDI's strategic objectives. The Accountability Matrix allocated 36 key objectives for FY24 and the three-year period ending 30 June 2026, with each KMP given either primary, secondary or assist responsibility for all 36 objectives. The major FY24 objectives related to leasing, management initiatives, refinancing, and re-imaging the GDI brand. The KMP, and each KMP individually, exceeded the goals set for them in the Accountability Matrix.

Securityholder alignment

To enhance the alignment with securityholders, the N&RC determined that 50% of any STI granted to Disclosed Executives would be granted as performance rights where the principle performance condition is continued employment (or a good leaver) for one year from the conclusion of the performance year. The expense of these performance rights is incurred over two years, the year to which the performance period relates (FY24) and the vesting year (FY25).

As the only performance condition for STI rights to vest is continued employment (or a good leaver) for one year from the end of the performance year, the value of each performance right is the same as the GDI closing price at 30 June 2024.

Further details of the STI outcomes for the MD and Disclosed Executives are provided in Section 7 of this Remuneration Report.

6.6 LTI outcomes

The Board considers it is important to align executive remuneration with securityholders outcomes and to encourage behaviour that supports both entrepreneurship and long-term financial soundness within the confines of GDI's risk management framework. As a result, GDI grants LTI performance rights to the MD and Disclosed Executives as part of their annual remuneration package. The details of the LTI performance rights are described in section 5 of this report. The issue of performance rights to the MD is subject to securityholder approval at the Annual General Meeting to be held on 7 November 2024. The expense of the performance rights relating to the year ended 30 June 2024 is incurred over four years, the year to which the performance period relates (FY24) and the three vesting years (FY25, FY26 and FY27).

Further details of the LTI performance rights granted for the MD (subject to approval) and Disclosed Executives are provided in Section 7 of this Remuneration Report. Details on the fair value of performance rights issued and intended to be issued are provided in Note 1(p)(iii) and Note 30.

GDI Property Group Remuneration Report For the financial year ended 30 June 2024

7. Remuneration outcomes

Non-Executive Directors

Principles underpinning the remuneration policy for Non-Executive Directors (“NEDs”) are as provided below:

Principle	Comment			
Aggregate Board fees are within the maximum aggregate limit	The aggregate fee pool for NED’s is \$3.0 million. The annual total of NEDs’, including superannuation contributions, is within this limit.			
Fees are set by reference to key considerations	Board fees are set by reference to a number of relevant considerations including: <ul style="list-style-type: none"> • general industry practice and best principles of corporate governance; • the responsibilities and risks attached to the role of NEDs; and • the expected time commitments. 			
The remuneration structure preserves independence	NED fees are not linked to the performance of GDI and NEDs are not eligible to participate in any of GDI’s incentive arrangements.			
Annual fees (inclusive of superannuation)	Board	Committee		
	Chairman	Other NED	Chairman	Other NED
	\$165,000	\$90,000	\$10,000	\$5,000

Details of non-executive Directors statutory remuneration are disclosed in the remuneration table in section 8 below.

Managing Director and Chief Executive Officer’s contract terms

The following sets out details of the contract terms relating to the MD. The contract terms are in line with industry practice and ASX Corporate Governance Principles.

Fixed remuneration	\$750,000, inclusive of superannuation.
Participation in performance rights plan	Subject to stapled securityholder approvals, Stephen Burns is entitled to participate in the performance rights plan.
Length of contract	Stephen Burns commenced as Managing Director and Chief Executive Officer on 14 June 2023 and is on a permanent contract, which is an ongoing employment contract until notice is given.
Notice periods	<ul style="list-style-type: none"> • Stephen Burns may terminate the employment contract at any time by giving six months’ notice in writing. • GDI may terminate the employment contract for any reason by giving six months’ notice, or alternatively, payment in lieu of notice. • In the event of wilful negligence or serious misconduct, GDI may terminate Stephen Burns’ employment contract immediately by notice in writing and without payment.
Restraint of trade	Stephen Burns will be subject to a restraint period of six months from termination.

GDI Property Group

Remuneration Report

For the financial year ended 30 June 2024

Managing Director and Chief Executive Officer's remuneration outcome

Actual remuneration provided to the MD for the period ended 30 June 2024 is provided below, with the expense relating to the MD's remuneration disclosed in the following section 8.

Fixed remuneration	The MD received \$750,000 of fixed remuneration for the year ended 30 June 2024, inclusive of superannuation.
STI	<p>The MD received an STI award of \$562,500, 100.0% of his potential entitlement, based on the Balanced Scorecard approach discussed above.</p> <p>The STI award will be paid 50% as cash, and subject to securityholder approval, 50% as performance rights where the principle performance condition is remaining employed by a GDI entity for one year after the conclusion of the performance year. Further details of the actual STI awarded to the MD are provided in the table below on page 61 of this Remuneration Report.</p>
LTI	Subject to securityholder approval, the MD will receive an LTI award of \$562,500, being 1,393,708 performance rights. 50% of these are subject to a Total Securityholder Return test (versus a peer group), twenty five percent are subject to an Absolute Total Return test (NTA growth plus distributions) and twenty five percent are subject to achieving long term strategic objectives. Each performance right is tested once three years after the conclusion of the performance year. Details of the actual LTI awarded to the MD are provided in the table below on page 61 of this Remuneration Report.

Disclosed Executive contract terms

The Disclosed Executive contract terms for the year ended 30 June 2024 are provided below:

	David Williams	John Garland	David Ockenden ¹
Fixed remuneration	\$500,000	\$500,000	\$500,000
Participation in performance rights plan	Disclosed Executives are entitled to participate in the performance rights plan.		
Length of contract	Disclosed Executives are subject to an ongoing employment contract until notice is given.		
Notice periods	<ul style="list-style-type: none"> Disclosed Executives may terminate the employment contract at any time by giving three months' notice in writing. GDI may terminate the employment contract for any reason by giving three months' notice, or alternatively, payment in lieu of notice. In the event of wilful negligence or serious misconduct, GDI may terminate a Disclosed Executive's employment contract immediately by notice in writing and without payment. 		
Restraint of trade	Disclosed Executives will be subject to a restraint period of three months from termination.		

1. David Ockenden resigned on 30 June 2024.

GDI Property Group

Remuneration Report

For the financial year ended 30 June 2024

Disclosed Executives remuneration outcomes

Actual remuneration provided to Disclosed Executives for the period ended 30 June 2024 is provided below, with the remuneration table disclosed in section 8 below.

Fixed remuneration	The Disclosed Executives received the fixed remuneration shown on the previous page, inclusive of superannuation.
STI	The Disclosed Executives received an STI as shown in the table below. The STI has been paid in cash and performance rights where the principle performance condition is remaining employed by a GDI entity for one year after the conclusion of the performance year.
LTI	The Disclosed Executives received an LTI as shown in the table below. Fifty percent of these are subject to a Total Securityholder Return test (versus a peer group), twenty five percent are subject to an Absolute Total Return test (NTA growth plus distributions) and twenty five percent are subject to achieving long term strategic objectives. Each performance right is tested once three years after the conclusion of the performance year.

MD and Disclosed Executive STI outcomes

	Potential STI	STI granted	STI forgone	STI granted	STI forgone	Cash component	PR ¹ component	PR ¹ granted	FY24 PR ¹ Expense	Total expense
	\$	\$	\$	%	%	\$	\$	Number	\$	\$
Stephen Burns ²	562,500	562,500	-	100.0%	0.0%	281,250	281,250	502,232	140,625	421,875
David Williams	250,000	250,000	-	100.0%	0.0%	125,000	125,000	223,214	62,500	187,500
David Ockenden	250,000	-	250,000	-	100.0%	-	-	-	-	-
John Garland	250,000	250,000	-	100.0%	0.0%	125,000	125,000	223,214	62,500	187,500
Total	1,312,500	1,062,500	250,000			531,250	531,250	948,660	265,625	796,875

MD and Disclosed Executive LTI outcome

	LTI granted	PR ¹ Granted	FY24 PR ¹ expense
	\$	Number	\$
Stephen Burns ²	562,500	1,393,708	140,625
David Williams	250,000	619,426	62,500
David Ockenden ³	-	-	-
John Garland	250,000	619,426	62,500
Total	1,062,500	2,632,560	265,625

1. Performance rights. The valuation methodology of both the STI and LTI performance rights is discussed on page 53 of the remuneration report and in the Note 30 of the GDI Financial Report.
2. The issue of performance rights to Stephen Burns is subject to securityholder approval at the AGM to be held on 7 November 2024.
3. As David Ockenden resigned on 30 June 2024 he was not eligible for an STI or LTI.

MD and Disclosed Executive summary of performance rights issued¹

Primary performance condition employment

Vesting date	FY22 STI		FY24 STI	Total STI		Past year LTI		FY23		FY24 LTI		TSR ²		FY24 ATR ³		SO ⁴		Total PR ⁵	
	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-26	30-Jun-25	30-Jun-26	30-Jun-26	30-Jun-26	30-Jun-27	30-Jun-27	30-Jun-27	30-Jun-27	30-Jun-27	30-Jun-27	30-Jun-27	30-Jun-27	30-Jun-27	30-Jun-27
Stephen Burns ⁶	-	502,232	502,232	502,232	1,190,478	1,047,591	1,190,478	1,190,478	1,190,478	348,427	348,427	348,427	696,853	348,427	348,427	348,427	1,393,708	1,393,708	4,134,009
David Williams	109,890	223,214	223,214	333,104	423,282	298,330	423,282	423,282	423,282	154,856	154,857	154,857	309,713	154,856	154,857	154,857	619,426	619,426	1,674,142
David Ockenden ⁷	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
John Garland	96,841	223,214	223,214	320,055	396,826	279,684	396,826	396,826	396,826	154,856	154,857	154,857	309,713	154,856	154,857	154,857	619,426	619,426	1,615,991
	206,731	948,660	948,660	1,155,391	2,010,586	1,625,605	2,010,586	2,010,586	2,010,586	658,139	658,142	658,142	1,316,279	658,139	658,142	658,142	2,632,560	2,632,560	7,424,142

1. Does not include performance rights issued in relation to FY21, FY23 (STI only) and sign-on performance rights that were tested at 30 June 2024.

2. Total shareholder return, being movement in the security price and distributions.

3. Absolute total return, being movement in NTA / security and distributions.

4. Strategic objectives, as determined by the Board.

5. Performance rights.

6. The issue of performance rights to Stephen Burns for the year ended 30 June 2024 is subject to securityholders approval at the AGM to be held on 7 November 2024. The FY22 LTI issue to Stephen Burns relates to the sign-on performance rights (approved at the 2023 AGM).

7. The FY22 (tested 30 June 2025) and FY23 (tested 30 June 2026) LTI performance rights issued to David Ockenden lapsed on his cessation of employment on 30 June 2024.

8. KMP remuneration table

8.1 KMP remuneration table for the period ended 30 June 2024

	Short term benefits		Post employment		Security based payments ³							Total remuneration ⁴			
	Salary & fees	Accrued leave ¹ Other ²	Cash bonus	Super contributions	Long service leave ¹	Relating to prior periods			Relating to current period				Total remuneration	Performance related	
						FY21 Performance rights	FY22 Performance rights	FY23 Performance rights	LTI Sign-on Performance rights	Performance rights	STI Performance rights	LTI Performance rights			\$
Non-executive directors															
G Anderson ⁵	-	-	-	22,499	-	-	-	-	-	-	-	-	143,182	-	
J Tuxworth	-	-	-	27,500	-	-	-	-	-	-	-	-	100,000	-	
G Woodgate	-	-	-	11,289	-	-	-	-	-	-	-	-	113,920	-	
P Mann ⁶	-	-	-	1,839	-	-	-	-	-	-	-	-	18,561	-	
S Hilliard ⁷	-	-	-	743	-	-	-	-	-	-	-	-	7,500	-	
Managing Director & CEO															
S Burns	722,500	27,764	-	281,250	1,119	-	-	140,625	191,667	140,625	140,625	140,625	1,673,674	53%	37%
Disclosed executives															
D Williams	472,600	7,216	1,254	125,000	25,698	85,000	75,000	100,000	-	62,500	62,500	62,500	1,044,168	49%	37%
D Ockenden ⁸	472,500	30,373	-	-	(1,807)	53,652	(213,750)	(46,875)	-	-	-	-	321,593	(64%)	(64%)
J Garland	472,600	45,814	957	125,000	41,083	78,750	68,906	93,750	-	62,500	62,500	62,500	1,079,260	46%	34%
Total	2,459,492	111,168	2,210	531,250	173,671	217,402	(69,844)	287,500	191,667	265,625	265,625	265,625	4,501,858		

1. Annual and long-term service leave are accounted on an accrual basis. The amounts represent the change in accrued leave during the period.

2. Other includes the cost of an annual gym membership and other items incurred by GDI as part of its employee health and wellbeing programme.

3. The amount shown is the fair value of performance rights under the various STI and LTI plans included in the relevant financial period and does not represent actual STI or LTI awards made.

4. Amounts disclosed as total remuneration excludes insurance premiums paid by GDI in respect of Directors' and Officers' liability insurance contracts.

5. G Anderson retired from the Board on 24 April 2024.

6. P Mann was appointed to the Board on 24 April 2024.

7. S Hilliard was appointed to the Board on 3 June 2024.

8. D Ockenden resigned on 30 June 2024. The negative charge for performance rights issued in FY22 and FY23 relate to the reversal of previously expensed charges.

8.2 KMP remuneration table for the period ended 30 June 2023

	Security based payments ³																	
	Short term benefits				Post employment		Long term benefits		Relating to prior periods				Relating to current period				Total remuneration ⁴	
	Salary & fees	Accrued leave ¹	Other ²	Cash bonus	Super contributions	Long service leave ¹	FY20 Performance rights	FY21 Performance rights	FY22 Performance rights	LTI Sign-on Performance rights	STI Performance rights	LTI Performance rights	Total remuneration	Performance related	Performance rights	%	%	
Non-executive directors																		
G Anderson	147,511	-	-	-	27,489	-	-	-	-	-	-	-	175,000	-	-	-	-	
J Tuxworth	72,510	-	-	-	27,490	-	-	-	-	-	-	-	100,000	-	-	-	-	
G Woodgate	90,498	-	-	-	9,502	-	-	-	-	-	-	-	100,000	-	-	-	-	
S Burns ⁵	86,041	-	-	-	9,034	-	-	-	-	-	-	-	95,075	-	-	-	-	
Managing Director																		
S Burns ⁵	153,407	4,281	-	-	16,332	19	-	-	-	191,667	-	140,625	506,331	28%	28%	-	-	
S Gillard ⁶	521,060	22,269	377,829	-	25,296	8,417	(623,954)	(459,000)	(219,459)	-	-	-	(347,542)	-	-	-	-	
Disclosed executives																		
D Williams	374,704	(8,154)	866	100,000	25,296	14,200	47,500	85,000	75,000	-	50,000	50,000	814,412	50%	50%	38%	38%	
D Ockenden	347,500	14,524	-	93,750	27,500	1,381	10,312	43,750	71,250	-	46,875	46,875	703,717	44%	44%	31%	31%	
J Garland	349,704	8,409	815	93,750	25,296	6,620	43,750	78,750	68,906	-	46,875	46,875	769,750	49%	49%	37%	37%	
P Malek	349,704	(19,875)	467	-	25,296	6,620	44,844	78,750	68,906	-	-	-	554,712	35%	35%	-	-	
Total	2,492,639	21,454	379,977	287,500	218,531	37,257	(477,548)	(172,750)	64,604	191,667	143,750	284,375	3,471,455					

1. Annual and long-term service leave are accounted on an accrual basis. The amounts represent the change in accrued leave during the period.

2. Other includes the cost of an annual gym membership and other items incurred by GDI as part of its employee health and wellbeing programme. In the case of Steve Gillard, see point 6 below.

3. The amount shown is the fair value of performance rights under the various STI and LTI plans included in the relevant financial period and does not represent actual STI or LTI awards made.

4. Amounts disclosed as total remuneration excludes insurance premiums paid by GDI in respect of Directors' and Officers' liability insurance contracts.

5. S Burns received directors fees up until his appointment as Managing Director & CEO on 14 June 2023. He received a consultancy fee whilst acting as Acting Managing Director & CEO between 16 March 2023 and his appointment as Managing Director & CEO on 14 June 2023, after which he received a salary.

6. S Gillard resigned with immediate effect as Managing Director on 15 March 2023. He received six months in lieu (\$377,829) and was paid out his annual and long service leave (\$216,533). Although considered a good leaver, the performance rights granted to him lapsed in accordance with Clause 11 of the Performance Rights Plan rules, resulting in a reversal of previous years' expenses.

GDI Property Group

Remuneration Report

For the financial year ended 30 June 2024

8.3 Transactions with KMP

8.3.1 Equity instrument disclosures relating to KMP

	Securities held at 30 June 2023	Securities granted as part of a performance rights plan	Net securities acquired / (sold) during the year	Securities held at 30 June 2024
Directors				
Giles Woodgate	500,000	-	100,000	600,000
John Tuxworth	270,300	-	-	270,300
Patria Mann ¹	-	-	80,000	80,000
Susan Hilliard ¹	-	-	-	-
Stephen Burns	49,533	-	200,000	249,533
Gina Anderson ²	214,000	-	108,191	322,191
Other key management personnel				
David Williams	1,720,747	80,717	-	1,801,464
David Ockenden	535,769	-	-	535,769
John Garland	928,850	78,475	(60,000)	947,325

1. Patria Mann was appointed on 24 April 2024 and Susan Hilliard on 3 June 2024.

2. Gina Anderson retired on 24 April 2024, the securities shown as held by Gina Anderson at end of the period were as at 24 April 2024.

GDI Property Group
Financial Report
For the financial year ended 30 June 2024

Consolidated statement of profit or loss and other comprehensive income

	Notes	GDI		Trust	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Revenue from ordinary activities					
Property revenue		66,487	60,037	63,929	57,831
Funds management revenue		2,573	2,495	-	-
Interest revenue		462	437	2,497	806
Other income		294	-	-	-
Total revenue from ordinary activities	2	69,816	62,969	66,426	58,636
Share of net profits from joint ventures	14	5,241	1,149	2,195	276
Net fair value (loss) on derivative financial instruments		(3,427)	(725)	(3,427)	(725)
Net fair value (loss) on investment properties	9	(23,474)	(1,097)	(23,474)	(1,097)
(Loss) on sale of non-current assets held for sale		-	(122)	-	(122)
Total income		48,156	62,174	41,720	56,969
Expenses					
Property expenses		24,351	21,833	23,298	20,921
Finance costs	3	19,520	11,981	19,499	11,973
Corporate and administration expenses	4	9,383	7,618	6,449	4,933
Provision for impairment of receivables	7	475	7	304	7
Acquisition expenses		-	257	-	10
Total expenses		53,729	41,696	49,550	37,844
(Loss) / profit before tax		(5,573)	20,478	(7,830)	19,125
Income tax benefit / (expense)	5	178	(188)	-	-
Net (loss) / profit from continuing operations		(5,394)	20,290	(7,830)	19,125
Other comprehensive (loss) from associates		(190)	(62)	(190)	(62)
Total comprehensive (loss) / income for the year		(5,584)	20,228	(8,020)	19,063
(Loss) / profit and total comprehensive income attributable to:					
Company shareholders		2,436	1,165	-	-
Trust unitholders		(9,369)	15,481	(9,369)	15,481
(Loss) / profit and total comprehensive income attributable to:					
Stapled securityholders		(6,934)	16,647	(9,369)	15,481
External non-controlling interests		1,350	3,582	1,350	3,582
(Loss) / profit after tax from continuing operations		(5,584)	20,228	(8,020)	19,063
		Cents	Cents	Cents	Cents
Basic earnings per stapled security / unit	21	(1.29)	3.13	(1.75)	2.91
Diluted earnings per stapled security / unit	21	(1.29)	3.11	(1.74)	2.89

The accompanying notes form part of these financial statements.

GDI Property Group
Financial Report
For the financial year ended 30 June 2024

Consolidated statement of financial position

	Note	GDI		Trust	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current assets					
Cash and cash equivalents	6	17,014	8,228	15,373	5,931
Trade and other receivables	7	3,186	2,221	2,057	1,755
Derivative financial instruments	13	536	730	536	730
Other assets	8	6,771	8,228	30,327	31,608
Total current assets		27,508	19,407	48,293	40,025
Non-current assets					
Investment properties	9	1,056,304	1,051,157	1,056,304	1,051,157
Plant and equipment	10	311	286	237	237
Right of use asset		1,098	280	-	-
Deferred tax assets	11	1,198	1,002	-	-
Intangible assets	12	18,110	18,110	-	-
Derivative financial instruments	13	286	1,139	286	1,139
Investments in joint ventures	14	39,390	34,149	13,471	11,276
Investments in associates		958	3,483	958	3,483
Total non-current assets		1,117,656	1,109,606	1,071,256	1,067,292
Total assets		1,145,164	1,129,013	1,119,549	1,107,317
Current liabilities					
Borrowings	17	40,000	-	40,000	-
Trade and other payables	15	23,436	18,344	21,758	17,168
Lease liability		214	288	-	-
Provisions	16	349	554	-	-
Total current liabilities		63,999	19,186	61,758	17,168
Non-current liabilities					
Borrowings	17	346,439	344,741	346,414	344,716
Lease liability		904	-	-	-
Provisions	16	343	109	-	-
Derivative financial instruments	13	290	-	290	-
Other liabilities		3	17	-	-
Total non-current liabilities		347,979	344,867	346,704	344,716
Total liabilities		411,978	364,053	408,462	361,883
Net assets		733,186	764,960	711,087	745,433
Equity					
Contributed equity	18	21,971	21,888	496,084	493,081
Reserves	19a	156	138	3,426	3,039
Retained earnings	19b	(28)	(2,498)	133,989	169,421
Equity attributable to equity holders of the Company / Trust		22,099	19,527	633,498	665,541
Non-controlling interests					
Unitholders of the Trust					
Contributed equity	18	496,084	493,081	-	-
Reserves	19a	3,426	3,039	-	-
Retained earnings	19b	133,989	169,421	-	-
Total equity attributable to trust unitholders		633,498	665,541	-	-
Equity attributed to holders of stapled securities		655,597	685,068	-	-
External non-controlling interest					
Contributed equity		64,625	64,625	64,625	64,625
Retained earnings	19b	12,965	15,268	12,965	15,268
Total equity attributable to external non-controlling interest		77,589	79,892	77,589	79,892
Total equity		733,186	764,960	711,087	745,433

The accompanying notes form part of these financial statements.

GDI Property Group
Financial Report
For the financial year ended 30 June 2024

Consolidated statement of changes in equity

GDI

	Equity attributable to securityholders of GDI						
	Contributed equity	Reserves	Retained earnings	Total	Non-controlling interest (Trust)	Non-controlling interest (External)	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2022	22,007	223	(3,770)	18,460	678,804	80,339	777,603
Comprehensive income							
Profit for the year	-	-	1,165	1,165	15,543	3,582	20,290
Other comprehensive (loss)	-	-	-	-	(62)	-	(62)
Total comprehensive income for the year	-	-	1,165	1,165	15,481	3,582	20,228
Transactions with securityholders in their capacity as securityholders							
Security-based payments expense	-	39	-	39	862	-	901
Cash settlement transaction – Performance rights	-	(17)	-	(17)	(380)	-	(397)
Transfer from security-based payment reserve	-	(107)	107	-	-	-	-
On-market securities buy-back	(120)	-	-	(120)	(2,647)	-	(2,767)
Distributions paid / payable	-	-	-	-	(26,580)	(4,028)	(30,608)
Settlement of performance rights	-	-	-	-	-	-	-
Settlement of dividend reinvestment plan	-	-	-	-	-	-	-
Issue and formation costs	-	-	-	-	-	-	-
Total transactions with securityholders in their capacity as securityholders	(120)	(85)	107	(98)	(28,744)	(4,028)	(32,871)
Balance as at 30 June 2023	21,888	138	(2,498)	19,527	665,541	79,892	764,960
Balance as at 1 July 2023	21,888	138	(2,498)	19,527	665,541	79,892	764,960
Comprehensive income							
Profit / (loss) for the year	-	-	2,436	2,436	(9,180)	1,350	(5,394)
Other comprehensive (loss)	-	-	-	-	(190)	-	(190)
Total comprehensive income for the year	-	-	2,436	2,436	(9,369)	1,350	(5,584)
Transactions with securityholders in their capacity as securityholders							
Security-based payments expense	-	63	-	63	1,381	-	1,443
Cash settlement transaction – Performance rights	-	-	-	-	-	-	-
Transfer from security-based payment reserve	-	(34)	34	-	-	-	-
On-market securities buy-back	-	-	-	-	-	-	-
Distributions paid / payable	-	-	-	-	(26,820)	(3,652)	(30,473)
Settlement of performance rights	11	(11)	-	-	-	-	-
Settlement of dividend reinvestment plan	125	-	-	125	2,766	-	2,892
Issue and formation costs	(53)	-	-	(53)	-	-	(53)
Total transactions with securityholders in their capacity as securityholders	83	18	34	135	(22,673)	(3,652)	(26,191)
Balance as at 30 June 2024	21,971	156	(28)	22,099	633,498	77,589	733,186

The accompanying notes form part of these financial statements.

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GDI Property Group

Financial Report

For the financial year ended 30 June 2024

Trust

	Equity attributable to unitholders of the Trust					
	Contributed equity	Reserves	Retained earnings	Total equity attributable to unitholders of the Trust	External non-controlling interest (External)	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2022	495,728	4,917	178,159	678,804	80,339	759,143
Comprehensive income						
Profit for the year	-	-	15,543	15,543	3,582	19,125
Other comprehensive (loss)	-	-	(62)	(62)	-	(62)
Total comprehensive income for the year	-	-	15,481	15,481	3,582	19,063
Transactions with unitholders in their capacity as unitholders						
Security-based payments expense	-	862	-	862	-	862
Cash settlement transaction – Performance rights	-	(380)	-	(380)	-	(380)
Transfer from security-based payment reserve	-	(2,360)	2,360	-	-	-
On-market securities buy-back	(2,647)	-	-	(2,647)	-	(2,647)
Distributions paid / payable	-	-	(26,580)	(26,580)	(4,028)	(30,608)
Settlement of performance rights	-	-	-	-	-	-
Settlement of dividend reinvestment plan	-	-	-	-	-	-
Issue and formation costs	-	-	-	-	-	-
Total transactions with unitholders in their capacity as unitholders	(2,647)	(1,878)	(24,220)	(28,744)	(4,028)	(32,773)
Balance as at 30 June 2023	493,081	3,039	169,421	665,541	79,892	745,433
Balance as at 1 July 2023	493,081	3,039	169,421	665,541	79,892	745,433
Comprehensive income						
(Loss) / profit for the year	-	-	(9,180)	(9,180)	1,350	(7,830)
Other comprehensive (loss)	-	-	(190)	(190)	-	(190)
Total comprehensive income for the year	-	-	(9,369)	(9,369)	1,350	(8,020)
Transactions with unitholders in their capacity as unitholders						
Security-based payments expense	-	1,381	-	1,381	-	1,381
Cash settlement transaction – Performance rights	-	-	-	-	-	-
Transfer from security-based payment reserve	-	(758)	758	-	-	-
On-market securities buy-back	-	-	-	-	-	-
Distributions paid / payable	-	-	(26,820)	(26,820)	(3,652)	(30,473)
Settlement of performance rights	236	(236)	-	-	-	-
Settlement of dividend reinvestment plan	2,766	-	-	2,766	-	2,766
Issue and formation costs	-	-	-	-	-	-
Total transactions with unitholders in their capacity as unitholders	3,003	387	(26,063)	(22,673)	(3,652)	(26,326)
Balance as at 30 June 2024	496,084	3,426	133,989	633,498	77,589	711,087

The accompanying notes form part of these financial statements.

GDI Property Group
Financial Report
For the financial year ended 30 June 2024

Consolidated statement of cash flows

	Notes	GDI		Trust	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash flows from operating activities					
Receipts in the course of operations		71,493	66,541	66,925	61,969
Payments in the course of operations		(29,893)	(29,971)	(26,765)	(26,670)
Interest received		462	437	2,497	806
Interest paid		(19,520)	(11,626)	(19,499)	(11,628)
Net cash inflow from operating activities	25	22,542	25,381	23,157	24,476
Cash flows from investing activities					
Proceeds from the sale of investment property		-	1,087	-	1,087
Proceeds from joint ventures		2,250	-	2,250	-
Payments for capital expenditure		(27,049)	(18,289)	(27,049)	(18,289)
Payments for investment properties under construction		-	(32,517)	-	(32,271)
Payments for plant and equipment		(36)	(144)	-	(137)
Payments of incentives and leasing fees		(4,083)	(3,026)	(4,083)	(3,026)
Repayment of / (loan to) loans from associated companies		1,556	(580)	1,394	(22,728)
Acquisition of equity accounted investment		-	(33,000)	-	(11,000)
Distributions received from equity accounted investments		2,335	51	2,335	51
Net cash used in investing activities		(25,027)	(86,418)	(25,153)	(86,313)
Cash flows from financing activities					
Payments for the on-market buy-back of securities		-	(2,767)	-	(2,647)
Payment of loan transaction costs		(1,108)	(89)	(1,108)	(89)
Payment of dividends / distributions		(27,461)	(38,045)	(27,586)	(38,045)
Payment for derivative financial instruments		(2,090)	-	(2,090)	-
Proceeds from borrowings		42,225	98,275	42,225	98,275
Equity issue costs		(53)	-	-	-
Cash settlement transaction – Performance rights		-	(397)	-	(380)
Principal reduction in lease liabilities		(245)	(283)	-	-
Net cash from financing activities		11,269	56,695	11,441	57,115
Net increase / (decrease) in cash and cash equivalents		8,786	(4,342)	9,442	(4,721)
Cash and cash equivalents at beginning of year		8,228	12,570	5,931	10,653
Cash and cash equivalents at the end of the year	6	17,014	8,228	15,373	5,931

The accompanying notes form part of these financial statements.

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

NOTE 1 – SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

GDI Property Group (“GDI”) was formed by the stapling of the shares GDI Property Group Limited (the “Company”) and units GDI Property Trust (the “Trust”). The Responsible Entity of the Trust is GDI Funds Management Limited, a wholly owned subsidiary of the Company. GDI was established for the purpose of facilitating a joint quotation of the Company and the Trust in respect of the stapled securities on the ASX. The constitutions of the Company and the Trust, together with a Co-operation Deed dated 25 November 2013, ensure that for so long as the two entities remain jointly quoted, the number of units in the Trust and shares in the Company shall be equal and the unitholders and the shareholders be identical. Both the Responsible Entity of the Trust and the Company must at all times act in the best interests of GDI. The Company was incorporated on 5 November 2013 and the Trust established on 4 November 2013 and registered as a management investment scheme on 18 November 2013.

The Company has been deemed the parent entity of the Trust. The consolidated financial statements and notes represent those of the Company and its controlled entities, including the Trust and its controlled entities as the deemed acquiree. The financial report includes separate financial statements for:

- GDI, consisting of the Company, the Trust and their controlled entities; and
- the Trust, consisting of GDI Property Trust and its controlled entities.

The financial statements are authorised for issue on 26 August 2024 by the directors of the Company and the Responsible Entity of the Trust.

a. Basis of preparation

These general-purpose financial statements have been prepared on a going concern basis, in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. GDI is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial

statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

b. Consolidated financial statements

The Financial Reports of the Company and its subsidiaries and the Trust and its subsidiaries have been presented jointly in accordance with ASIC Class Order 13/1050 relating to combining or consolidating accounts under stapling and for the purpose of fulfilling the requirements of the Australian Securities Exchange (“ASX”).

The shares of the Company and the units in the Trust are stapled and issued as stapled securities of GDI. Whilst the shares and units are stapled, they cannot be traded separately and can only be traded as stapled securities. The stapling occurred on 16 December 2013, with trading on the ASX commencing on 17 December 2013.

The stapling has been accounted for pursuant to AASB 3: *Business Combinations*. The Company has been identified as the acquirer of the Trust whereby the Trust’s net assets are attributed to the trust unitholders. In this regard, the unitholders are treated as the non-controlling interest in the financial statements of GDI, despite the fact that such owners also have an equal interest in the Company.

c. Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of all controlled entities for the year ended 30 June 2024, that is the Company and its subsidiaries and the Trust and its subsidiaries, collectively referred to as GDI.

Subsidiaries are entities GDI controls. GDI controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the controlled entities is provided in Note 31.

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of GDI from the date on which control is obtained. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by GDI.

d. Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

e. Investment in joint ventures and associates

An associate is an entity over which GDI has significant influence. Significant influence is the power to

participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the consolidated financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in GDI's share of net assets of the associate. In addition, GDI's share of the profit or loss and other comprehensive income is included in the consolidated financial statements.

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby GDI's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between GDI and the associate are eliminated to the extent of GDI's interest in the associate.

When GDI's share of losses in an associate equals or exceeds its interest in the associate, GDI discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, GDI will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

The requirements of AASB 128: *Investments in Associates and Joint Ventures* and AASB 9: *Financial Instruments* are applied to determine whether it is necessary to recognise any impairment loss with respect to GDI's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136: *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

f. Goodwill

Goodwill is carried at cost less any accumulated impairment losses.

Goodwill is calculated as the excess of the sum of:

- the consideration transferred;
- any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
- the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value re-measurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to GDI's cash-generating unit or groups of cash-generating units, representing the lowest level at which goodwill is monitored being not larger than an operating segment.

Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the disposed of entity.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

g. Income Tax

i. Trust

Under current income tax legislation, the Trust is not liable to pay tax provided its taxable income and taxable realised capital gains are distributed to unitholders. The liability for capital gains tax that may arise if the investment properties owned by the Trust, either directly or indirectly, were sold is not accounted for in this Financial Report.

ii. Company and other taxable entities

The income tax expense / (income) for the year comprises current income tax expense / (income) and deferred tax expense / (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities / (assets) are measured at the amounts expected to be paid to / (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense / (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference cannot be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where:

- a legally enforceable right of set-off exists; and
- the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

iii. Tax consolidation

The Company and its wholly owned subsidiaries (excluding the Trust and its wholly owned subsidiaries) have formed a tax-consolidated group with effect from 16 December 2013 and are therefore taxed as a single entity from that date. The head entity of the tax-consolidated group is the Company.

Current tax expense / income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group, using the 'separate taxpayer within group' approach by reference to the carrying amounts of the assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities or assets and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised

as amounts payable (receivable) to (from) other entities in the tax-consolidated group in conjunction with any funding arrangement amounts referred to below. Any difference in these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that the future taxable profits of the tax-consolidated group will be available against which the asset can be utilised. Any subsequent period adjustment to deferred tax assets arising from unused tax losses, as a result of revised assessments of the probability of recoverability, is recognised by the head entity only.

iv. Nature of tax funding arrangements and tax sharing arrangements

The Company, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement, which sets out the funding obligations of the members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to / from the Company equal to the current tax liability (asset) assumed by the Company and any tax-loss / deferred tax asset assumed by the Company, resulting in the Company recognising an inter-entity receivable (payable) equal in amount to the liability (asset) assumed. The inter-entity receivable (payable) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the Company's obligation to make payments for tax liabilities to the relevant tax authorities.

The Company, in conjunction with other members of the tax-consolidated group, has also entered into a tax sharing arrangement. The tax sharing arrangement provides for the determination of the allocation of income tax liabilities between the entities should the Company default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement, as payment of any amounts under the tax sharing agreement is considered remote.

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

h. Plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 GDI and the cost of the item can be measured reliably. All repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated using both the straight line and diminishing values method to allocate costs of assets, net of their residual values, over their estimated useful lives, as follows:

Class	Rate
Furniture and fittings	2.5% - 50%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. 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.

Gains and losses on disposals are determined by comparing proceeds to the carrying amount. Any gain or loss is included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

i. Impairment of assets

Goodwill and tangible assets that have an indefinite useful life are not subject to amortisation and are tested at least annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired.

At each reporting date, and whenever events or changes in circumstances occur, GDI assesses whether there is any indication that any other asset may be impaired. Where an indicator of impairment exists, GDI makes a formal estimate and an impairment loss is recognised for the amount by which the asset's

carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Assets other than goodwill that suffer an impairment are viewed for possible reversal of the impairment at each reporting date.

j. Investment properties

Investment properties is property which is held either to earn income or for capital appreciation or both. Investment properties also include properties that are under construction for future use as investment properties. Investment properties are initially measured at their cost inclusive of transaction costs. After initial recognition, investment properties are measured at fair value, with gains or losses from a change in the fair value recognised in the profit or loss for the period in which it arises. As part of the process of determining fair value, an external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values individual properties annually on a rotation basis or on a more regular basis if considered appropriate and as determined by management and the Board in accordance with the valuation policy of GDI.

These valuation processes are taken into consideration when determining the fair value of the investment properties. The fair value is based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The valuations are prepared by considering the capitalisation of net income and the discounting of future cash flows to their present value. These methods incorporate assumptions of future rental income and costs, appropriate capitalisation and discount rates and also consider market evidence of transaction prices of similar investment properties.

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

Valuations reflect, where appropriate:

- the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting of vacant accommodation and the market's general perception of their creditworthiness;
- the allocation of maintenance and other operating cost responsibilities between lessor and lessee; and
- the remaining economic life of the property.

Further information on assumptions underlying the assessment of fair value is contained below at Note 1 (aa) Critical accounting estimates and assumptions and in Note 9, Investment properties.

Changes in fair values are recorded in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The gain or loss on disposal of an investment property is calculated as the difference between the carrying amount of the asset at the date of disposal and the net proceeds from disposal and is included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the year of disposal.

Repairs and maintenance costs and minor renewals are charged as expenses when incurred. Subsequent refurbishment costs (other than repairs and maintenance) are capitalised to the investment property where they result in an enhancement in the future economic benefits of the property.

k. Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash at bank.

l. Leases

GDI as lessee

At inception of a contract, GDI assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by GDI where GDI is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease. Initially the lease liability is measured

at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, GDI uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that GDI anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

GDI as lessor

GDI leases property to lessees. Upon entering into each contract as a lessor, GDI assesses if the lease is a finance or operating leases. The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease. Initial direct costs incurred in entering into an operating lease (for example legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term. Lessees may also be offered incentives as an inducement to enter into leases. These incentives may take various forms including up-front cash payments, rent free periods, or a contribution to certain lessee costs such as fit-out or relocation costs. Any incentive is also recognised as an asset in the statement of financial position as a component of the carrying amount of the investment property and amortised over the lease period as a reduction in rental income. In certain circumstances, GDI will invest in a "spec" fit-out. Such fit-outs are not considered part of a lessees incentive as they are owned by GDI.

Rental income due under finance leases is recognised as receivables at the amount of GDI's net investment in the leases. When a contract is determined to include lease and non-lease components, GDI applies AASB 15: *Revenue from contracts with customers* to allocate the consideration under the contract to each component.

m. Fair value of assets and liabilities

GDI measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standards.

Fair value is the price GDI would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

n. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at amortised cost using the effective interest method, fair value through profit or loss, or for financial assets, fair value through other comprehensive income.

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

GDI does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

i. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

ii. Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

o. Derivative financial instruments

GDI enters into various derivative financial instruments to manage its exposure to interest rate risks. Derivative financial instruments are initially and subsequently measured at fair value. All gains and losses subsequent to the initial recognition are recognised in profit or loss.

p. Employee benefits

i. Short-term employee benefits

Provision is made for GDI's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

GDI's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. GDI's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

ii. Long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

GDI's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where GDI does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

iii. Performance rights plan

GDI has established a performance rights plan and has issued performance rights to employees. Under the performance rights plan, employees will be granted performance rights which will vest if vesting conditions are satisfied, into either GDI's securities at no cost, or an equivalent amount of cash, at the election of GDI.

The cost of the issues of performance rights are recognised as an employee benefit expense. The fair value of the performance rights is recognised in the security-based payments reserve in equity, or, if the performance rights are yet to be granted, accrued in the Consolidated Statement of Financial Position and reversed with a corresponding increase in the security-based payments reserve in equity once the performance rights are granted.

Fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the rights. For relative market performance-based vesting conditions, fair value is determined using binomial option pricing to model the performance of GDI to the selected peer group taking into account individual volatilities and correlations.

For non-market based vesting conditions, the fair value is determined based on the likelihood of achieving the conditions having reference to budgets and management plans and is measured using a Black-Scholes option pricing model. For non-market based vesting conditions, at each reporting date GDI revises its estimate of the number of performance rights that are expected to be exercisable and the employee benefit expense recognised each reporting period takes into account the most recent estimate.

The impact of any revision to original estimates is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income with a corresponding adjustment to equity.

q. Revenue and other income

GDI has applied AASB 15: Revenue from contracts with customers, which is based on the principle that revenue is recognised when control of a good or

service transfers to a customer. AASB 15 applies to all contracts with customers except leases, financial instruments and insurance contracts so for GDI, principally its funds management revenue.

i. Funds management revenue

GDI, through wholly owned subsidiaries, manages investment schemes which do not form part of the consolidated financial statements. GDI earns revenue in a number of ways such as:

- Due diligence and acquisition fees
- Asset management fees
- Performance fees
- Disposal fees

Revenue is recognised as the funds management services are provided and the transaction price is calculated in line with the fees schedule stated in the information memorandum.

ii. Rental revenue

Rental revenue from investment property is recognised on a straight-line basis over the lease term or until the first contingency (market or CPI review) occurs. Rental revenue not received at reporting date is reflected in the statement of financial position as a contract asset or if paid in advance, as a contract liability. Lease incentives granted are considered an integral part of the total rental revenue and are recognised as a reduction in rental income over the term of the lease, on a straight-line basis. Contingent rents based on the future amount of a factor that changes other than with the passage of time, including turnover rents and CPI or market linked rental increases, are only recognised when contractually due.

iii. Interest

Interest revenue is recognised as it accrues using the effective interest method.

Where an asset has been held for syndication with funding provided by GDI Property Trust by way of an at call loan, and the asset is subsequently syndicated, the interest income earned by GDI Property Trust whilst the asset is held for syndication is recognised in both the accounts of GDI Property Trust and GDI.

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Notes to the Financial Statements

For the financial year ended 30 June 2024

r. Property expenses

Property expenses and outgoings include rates, taxes and other property outgoings incurred in relation to investment properties where such expenses are the responsibility of GDI Property Trust, and are recognised on an accruals basis.

s. Borrowing and borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest rate method. Under this method fees, costs, discounts and premiums directly related to the financial liability are spread over its expected life. Borrowings are classified as current liabilities unless GDI has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the period in which they are incurred.

t. Provisions

Provisions are recognised when:

- GDI has a present legal or constructive obligation as a result of past events; and
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Provisions are not recognised for future operating losses.

u. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

v. Rounding of amounts

GDI has applied the relief available to it under ASIC Class Order 98/100. Accordingly, amounts in the financial statements and directors' report have been rounded to the nearest \$1,000.

w. Segment reporting

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other segments. Each segment is reviewed by the entity's chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and assess the performance and for which discrete financial information is available.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, investment properties and goodwill. Due to the small size of the GDI's team, corporate overhead expenses and property, plant and equipment are not allocated in reporting to the CODM and therefore for the purpose of segment reporting are unallocated.

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

x. Contributed equity

Ordinary shares and units are classified as equity and recognised at the fair value of the consideration received by GDI. Any transaction costs arising on the issue of ordinary stapled securities are recognised directly in equity as a reduction, net of tax, of the proceeds of the issue.

y. Distributions and dividends

Distributions are paid to GDI stapled securityholders half yearly. A provision for distributions is made for the amount of any estimated distribution announced to the market, on or before the end of the reporting period but not paid to securityholders at the reporting date.

z. Earnings per stapled security

Basic earnings per stapled security is calculated as net profit attributable to ordinary securityholders of GDI divided by the weighted average number of ordinary securities outstanding during the financial year. Diluted earnings per stapled security is calculated as net profit attributable to ordinary securityholders of GDI divided by the weighted average number of ordinary stapled securities and dilutive potential ordinary securities. Where there is no difference between basic and diluted earnings per stapled security, the term basic and diluted earnings per stapled security is used.

aa. Critical accounting estimates and assumptions

The preparation of the financial reports requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial reports. Management bases its judgements and estimates on historical experience and other various factors it believes to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the results of which form the basis of the carrying values of assets and liabilities. The resulting accounting estimates may differ from the actual results under difference assumptions and conditions.

The key estimates and assumptions that have a risk of causing adjustment in the next financial year to the carrying amounts of asset and liabilities recognised in these financial reports are:

i. Valuation of investment properties

Critical judgements are made by GDI in respect of the fair value of investment properties. The fair value of these investments is reviewed regularly by management with reference to external independent property valuations, recent offers and market conditions existing at reporting date, using generally accepted market practices. The critical assumptions underlying management's estimates of fair value are those relating to the passing rent, market rent, occupancy, capitalisation rate, terminal yield and discount rate. If there is any change in these assumptions or regional, national or international economic conditions, the fair value of the property investments may differ. Major assumptions used in valuation of the property investments are disclosed in Note 9.

ii. Valuation of financial instruments

The fair value of derivative assets and liabilities are based on assumptions of future events and involve significant estimates. The basis of valuation for GDI's derivatives are set out in Note 1(o), however the fair values of derivatives reported at 30 June 2024 may differ if there is volatility in market rates in future periods. The valuation techniques are discussed in detail at Note 29 and have been developed in compliance with requirements of AASB 9 *Financial Instruments: Recognition and Measurement*.

iii. Security-based payments

GDI measures the cost of performance rights allocated to employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of performance rights is determined using Black-Scholes option pricing model and Binomial option pricing model. The related assumptions are detailed in Note 30. The accounting estimates and the assumptions relating to performance rights will have no impact on the carrying amounts of assets and liabilities within the next reporting period, but may impact the security-based payment expense and equity.

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

iv. Recoverability of deferred tax assets

Deferred tax assets are recognised for deductible temporary difference and unused tax losses as management considers that it is probable that future taxable profits will be available to utilise those temporary differences and unused tax losses. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits which may lead to impairment of the deferred tax asset.

v. Consolidation of entities in which GDI holds less than 50%

GDI has de facto control of GDI No. 42 Office Trust and GDI No. 46 Property Trust, even though it has less than 50% of the units on issue in either trust. GDI is the majority unitholder of GDI No. 42 Office Trust with a 43.68% interest and GDI No. 46 Property Trust with a 47.19% interest, while all other unitholders in both trusts indirectly hold less than 10% of the units on issue. There is no history of other unitholders forming a group to exercise their votes collectively. Entities controlled by GDI also act as Trustee and Investment Manager of both trusts.

vi. Recoverable value of the funds management business

GDI acquired from the privately owned GDI group of companies the rights, title and interest in the funds management business, and the shares of the operating companies, for total consideration of \$18.5 million. The value of the shares acquired was determined by the net asset value of the relevant company, with the balance (\$18.11 million) of the total consideration recognised as goodwill. The recoverable value of the funds management business is estimated at each reporting date to test the funds management business cash generating unit for impairment. The method and related assumptions to estimate the recoverable value are detailed in Note 12.

GDI Property Group
Notes to the Financial Statements
For the financial year ended 30 June 2024

NOTE 2 – REVENUE FROM ORDINARY ACTIVITIES

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
a) Revenue				
Rent and recoverable outgoings	79,771	69,174	77,213	66,968
Lease costs and incentive amortisation	(13,284)	(9,137)	(13,284)	(9,137)
Funds management revenue	2,573	2,495	-	-
Interest income	462	437	2,497	806
Other income	294	-	-	-
Total revenue from ordinary activities	69,816	62,969	66,426	58,636

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Revenue from contracts with customers	2,573	2,495	-	-
Revenue from leases	66,487	60,037	63,929	57,831
Other sources of revenue	756	437	2,497	806
Total revenue from ordinary activities	69,816	62,969	66,426	58,636

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
b) Other sources of revenue				
Interest received				
- unrelated parties	235	195	199	563
- related parties	227	242	2,298	242
Total interest received	462	437	2,497	806
Other income	294	-	-	-
Total other sources of revenue	756	437	2,497	806

c) Disaggregated revenue	Funds management		Lease income		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
GDI						
Geographical markets						
NSW	2,573	2,495	-	-	2,573	2,495
WA	-	-	61,462	56,185	61,462	56,185
QLD	-	-	5,025	3,852	5,025	3,852
Total	2,573	2,495	66,487	60,037	69,060	62,532
Timing and recognition	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Services transferred to customers:						
At a point in time	-	-	-	-	-	-
Over time	2,573	2,495	66,487	60,037	69,060	62,532
Total	2,573	2,495	66,487	60,037	69,060	62,532

Trust	Lease income		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Geographical markets				
NSW	-	-	-	-
WA	58,904	53,979	58,904	53,979
QLD	5,025	3,852	5,025	3,852
Total	63,929	57,831	63,929	57,831
Timing and recognition	\$'000	\$'000	\$'000	\$'000
Services transferred to customers:				
At a point in time	-	-	-	-
Over time	63,929	57,831	63,929	57,831
Total	63,929	57,831	63,929	57,831

GDI Property Group
Notes to the Financial Statements
For the financial year ended 30 June 2024

NOTE 3 – FINANCE COSTS

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Finance costs				
Interest paid / payable	19,520	11,981	19,499	11,973
Total finance costs	19,520	11,981	19,499	11,973

NOTE 4 – CORPORATE AND ADMINISTRATION EXPENSES

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Corporate and administration expenses				
Audit and taxation fees	325	273	123	70
Custodian fees	104	94	104	94
Employee benefits expense	7,087	5,508	1,381	302
Other expenses	1,867	1,743	4,841	4,468
Total corporate and administration expenses	9,383	7,618	6,449	4,933

For 30 June 2024, the employee benefits expense includes a \$431,250 (Trust \$412,568) reversal of previous year's expense of forfeited performance rights. For 30 June 2023, the employee benefits expense includes a \$1,382,000 (Trust \$1,323,000) reversal of previous year's expense of forfeited performance rights.

NOTE 5 – INCOME TAX BENEFIT / (EXPENSE)

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Income tax benefit				
a) The components of tax benefit / (expense) comprise:				
Current tax	-	-	-	-
Deferred tax	178	(188)	-	-
Income tax benefit / (expense)	178	(188)	-	-
b) Reconciliation of income tax benefit / (expense) to prima facie tax payable:				
Prima facie tax payable on (loss) from ordinary activities before income tax at 27.5%	(918)	(338)	-	-
Add tax effect of:				
Tax effect of reduction in tax rate	-	-	-	-
Other non-allowable items	(3)	(68)	-	-
Share option expensed	(16)	(3)	-	-
Less tax effect of:				
Share options paid	-	4	-	-
Non-taxable trust income	1,115	217	-	-
Income tax benefit / (expense) attributable to GDI / Trust	178	(188)	-	-

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Notes to the Financial Statements
For the financial year ended 30 June 2024

NOTE 6 – CASH AND CASH EQUIVALENTS

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash and cash equivalents				
Cash at bank	17,014	8,228	15,373	5,931
Total cash and cash equivalents	17,014	8,228	15,373	5,931

NOTE 7 – TRADE AND OTHER RECEIVABLES

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade and other receivables				
Trade receivables	3,076	1,986	1,770	1,531
Others	309	241	298	230
Provision for expected credit losses	(199)	(6)	(11)	(6)
Total trade and other receivables	3,186	2,221	2,057	1,755

The movement in the provision for impairment of trade and other receivables is as follows:

	GDI	Trust
	\$'000	\$'000
Provision for expected credit losses		
Balance at 1 July 2023	(6)	(6)
Charge for the year	(475)	(304)
Amounts written off	282	299
Balance as at 30 June 2024	(199)	(11)

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

Trade receivables

Included in trade and other receivables of GDI is \$839,000 (2023: \$52,000) of fees charged to managed funds that remain unpaid. Of this, \$188,000 (2023: nil) has been specifically provisioned for expected credit losses. A further \$79,000 (2023: \$348,000) of rent is past due. Of this, \$11,000 (2023: \$6,000) has been specifically provisioned for expected credit losses and the remainder relates to a number of tenants for whom there is no recent history of default and in most cases, as security is held for greater than the amount outstanding, there has been no impairment of receivables.

GDI applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward-looking information. The amounts written off or provision for expected credit losses charged for the year are all due to customers entering insolvency administration, or receivables that have now become irrecoverable. GDI expects to recover in full the outstanding balance of trade and other receivables. The loss allowance provision has been determined as provided below.

GDI 2024	31 – 60 days		61 - 90 days		>90 days	
	Current \$'000	past due \$'000	past due \$'000	past due \$'000	past due \$'000	Total \$'000
Expected loss rate	0%	0%	0%	0%	0%	
Gross carrying amount	2,997	51	18	9		3,076
Loss allowing for provision	-	-	-	-	-	-
Specific provision for expected credit losses	(199)	-	-	-	-	(199)
2023						
Expected loss rate	0%	0%	0%	0%	0%	
Gross carrying amount	1,632	115	56	177		1,986
Loss allowing for provision	-	-	-	-	-	-
Specific provision for expected credit losses	-	-	-	-	-	-
Trust 2024	31 – 60 days		61 - 90 days		>90 days	
	Current \$'000	past due \$'000	past due \$'000	past due \$'000	past due \$'000	Total \$'000
Expected loss rate	0%	0%	0%	0%	0%	
Gross carrying amount	1,691	51	18	9		1,770
Loss allowing for provision	-	-	-	-	-	-
Specific provision for expected credit losses	(11)	-	-	-	-	(11)
2023						
Expected loss rate	0%	0%	0%	0%	0%	
Gross carrying amount	1,177	115	56	177		1,525
Loss allowing for provision	-	-	-	-	-	-
Specific provision for expected credit losses	-	-	-	(6)		(6)

GDI Property Group
Notes to the Financial Statements
For the financial year ended 30 June 2024

NOTE 8 – OTHER ASSETS

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Other assets				
Prepayment	626	525	176	62
Development works in progress	2,630	2,332	2,630	2,332
Loans to managed funds	3,515	5,371	3,483	5,051
Loans to related parties	-	-	24,038	24,163
Total other assets	6,771	8,228	30,327	31,608

NOTE 9 – INVESTMENT PROPERTIES

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
a. Investment properties at fair value				
<i>Movement in investment properties</i>				
Opening balance	1,051,157	1,008,376	1,051,157	1,008,376
Additions				
- Investment property	-	25,567	-	25,567
Capital works				
- Property improvements	25,797	9,605	25,797	9,605
- Maintenance capital (GDI Property Trust)	1,112	6,823	1,112	6,823
- Maintenance capital (Consolidated Trusts)	732	519	732	519
Straight-lining of rental income	567	(979)	567	(979)
Lease costs	4,083	3,017	4,083	3,017
Amortisation of lease costs	(1,816)	(828)	(1,816)	(828)
Net (loss) from fair value adjustments	(23,474)	(1,097)	(23,474)	(1,097)
Incentives paid (GDI Property Trust)	8,567	8,536	8,567	8,536
Incentives paid (Consolidated Trusts)	1,047	-	1,047	-
Amortisation of incentives (GDI Property Trust)	(10,770)	(8,291)	(10,770)	(8,291)
Amortisation of incentives (Consolidated Trusts)	(697)	(91)	(697)	(91)
Balance as at 30 June	1,056,304	1,051,157	1,056,304	1,051,157

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

b. Valuation basis

The basis of valuation of investment properties is fair value, being the amounts for which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. All non-current investment properties have been independently valued in the last twelve months based on independent assessments by a member of the Australian Property Institute of Valuers.

The table below illustrates the key valuation assumptions used in the determination of the investment properties fair value.

Valuation basis	2024	2023
Weighted average capitalisation rate (%)	6.6%	6.6%
Weighted average lease expiry by occupied area ¹ (years)	5.4 years	5.2 years
Occupancy ¹ (%)	87.2%	82.5%

¹ Excludes 1 Mill Street, but includes the small commercial tenancies at the Perth CBD carparks and the showrooms in the Autoleague portfolio.

Ten-year discounted cash flows and capitalisation valuation methods are used together with active market evidence. In addition to the key assumptions set out in the table above, assumed portfolio downtime ranges from 12 to 24 months and tenant retention of 25% - 50%.

c. Assets pledged as security

Borrowings (refer Note 17) are secured by a General Security Agreement over the assets of each company plus charges over any building document, lease document, performance bond and bank guarantee in addition to a real property mortgage over each property.

d. Leases as a lessor

GDI and the Trust lease out investment properties under operating leases. The future minimum lease payments receivable under non-cancellable leases are as follows:

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Lease receivable commitments				
Within one year	75,518	64,618	75,518	64,618
Later than one year but not later than five years	227,404	175,291	227,404	175,291
Later than five years	213,540	118,248	213,540	118,248
Total lease receivable commitments	516,461	358,157	516,461	358,157

e. Details of investment properties

The following table presents individual properties owned by GDI and the Trust as at 30 June 2024:

Investment properties	Title	Acquisition date	Acquisition price \$'000	Independent valuation date	Independent valuation \$'000	Carrying amount \$'000	Fair value adjustment \$'000
Westralia Square, Perth	Freehold	27 October 2017	216,250	31 December 2023	379,000	385,210	4,575
WS2	Freehold	13 June 2023	67,494	31 December 2023	94,000	99,075	1,024
197 St Georges Terrace, Perth	Freehold	16 December 2013	233,316	31 December 2023	205,000	209,502	(12,659)
5 Mill Street, Perth	Freehold	16 December 2013	53,323	31 December 2023	54,000	53,869	(4,008)
1 Mill Street, Perth	Freehold	16 December 2013	46,017	31 December 2023	38,300	38,274	2,300
180 Hay Street, Perth	Freehold	31 July 2020	12,595	31 December 2023	18,750	18,758	(1,801)
Murray Street Carpark	Freehold	22 December 2021	38,250	31 December 2023	42,900	43,097	291
Wellington Street Carpark	Freehold	22 December 2021	30,250	31 December 2023	24,400	24,515	(7,852)
Autoleague Portfolio	Freehold	14 February 2020	98,000	31 December 2023	140,575	140,526	4,064
235 Stanley Street, Townsville	Freehold	16 June 2016	53,500	2 April 2024	43,500	43,478	(9,410)
Total investment properties					1,040,425	1,056,304	(23,474)

GDI Property Group
Notes to the Financial Statements
For the financial year ended 30 June 2024

NOTE 10 – PLANT AND EQUIPMENT

a.	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Plant and equipment				
Furniture and fittings at cost	322	301	237	237
Accumulated depreciation	(11)	(15)	-	-
Total plant and equipment	311	286	237	237

b. Movement in plant and equipment

Reconciliations of the carrying amounts of each class of plant and equipment are set out below:

	Furniture and fittings \$'000	Total \$'000
Balance at 1 July 2022	157	157
Additions	144	144
Depreciation	(15)	(15)
Balance as at 30 June 2023	286	286
Balance at 1 July 2023	286	286
Additions	36	36
Depreciation	(11)	(11)
Balance as at 30 June 2024	311	311

NOTE 11 – DEFERRED TAX ASSETS

	Opening Balance \$'000	(Charged) / Credited to Profit or Loss \$'000	(Charged) / Credited Directly to Equity \$'000	Closing Balance \$'000
30 June 2024				
Deferred tax asset on:				
Provisions	199	88	-	287
Transaction costs on equity issue	-	(4)	18	14
Tax losses carried forward	803	94	-	897
Net amount	1,002	178	18	1,198

	Opening Balance \$'000	(Charged) / Credited to Profit or Loss \$'000	(Charged) / Credited Directly to Equity \$'000	Closing Balance \$'000
30 June 2023				
Deferred tax asset on:				
Provisions	248	(49)	-	199
Transaction costs on equity issue	-	-	-	-
Tax losses carried forward	942	(139)	-	803
Net amount	1,190	(188)	-	1,002

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Notes to the Financial Statements
For the financial year ended 30 June 2024

NOTE 12 – INTANGIBLE ASSETS

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Intangible assets				
Goodwill - at cost and at net carrying amount	18,110	18,110	-	-
Total intangible assets	18,110	18,110	-	-

a. Impairment test for goodwill

GDI acquired from the privately owned GDI group of companies the rights, title and interest in the funds management business, and the shares of the operating companies, for total consideration of \$18.5 million. The value of the shares acquired was determined by the net asset value of the relevant company, with the balance (\$18.11 million) of the total consideration recognised as goodwill. The acquisition price was supported by an Independent Expert's Report.

For subsequent measurement, goodwill is allocated to cash-generating units which are based on GDI's reporting segments. GDI has determined that the cash-generating unit is the funds management business and as per reporting to the Chief Operating Decision Maker (CODM), no fee has been assumed to be charged to the Trust by the funds management business. The recoverable amount of the cash generating unit is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of the forecast profit after tax from funds established since the acquisition of the funds management business and new funds to be established over a five-year term, with a terminal value applied to the forecast fifth year profit after tax. The cash flows are discounted at a 17.5% discount rate.

Management has based the value-in-use calculations on the historical performance and future prospects of the Funds Management business as reported to the CODM, taking into consideration the historical rate at which funds are established.

As a result of the value-in-use calculation, no impairment of goodwill has been recorded in the Financial Statements.

b. Key assumptions used in valuation assumptions

The following key assumptions were used in the value-in-use calculations:

30 June 2024	New funds (p.a.)	Fee income	Terminal value growth rate	Discount rate
Funds management segment	\$72.63 million	Management fee – 0.65% and 1.00%	4.0%	17.5%
		Acquisition fee – 2%		
		Disposal fee – 2%		
30 June 2023	New funds (p.a.)	Fee income	Terminal value growth rate	Discount rate
Funds management segment	\$72.63 million	Management fee – 0.65% and 1.00%	5.0%	17.5%
		Acquisition fee – 2%		
		Disposal fee – 2%		

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Notes to the Financial Statements

For the financial year ended 30 June 2024

The calculation of value-in-use is most sensitive to the following assumptions:

- the rate at which new funds are established and the size of these funds (property values);
- fee income;
- terminal growth rate; and
- discount rate.

Rate at which new funds are established – based on management’s expectations on the pace and size of new fund establishments, having regard to GDI’s past performance and future prospects.

Fee income – fee income is based on due diligence, management and disposal fees only, and does not include performance fees, debt arranging fees or any project management fees.

Terminal growth rate – terminal growth rate was determined based on management’s estimate of the long-term compound annual EBITDA growth rate, consistent with the assumption that a market participant would make.

Discount rate – discount rates reflect management’s estimate of the risks specific to each cash generating unit, in particular in relation to establishing new funds.

NOTE 13 – DERIVATIVE FINANCIAL INSTRUMENTS

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current interest rate swaps asset	536	730	536	730
Non-current interest rate swaps asset	286	1,139	286	1,139
Non-current interest rate swaps (liability)	(290)	-	(290)	-
Total derivative financial instruments asset / (liability)	533	1,869	533	1,869

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Notes to the Financial Statements

For the financial year ended 30 June 2024

NOTE 14 – INVESTMENTS IN JOINT VENTURES

a. Information about joint ventures:

GDI has a 49.99% interest (2023: 49.99%) in Resource Accommodation Management Pty Ltd and a 50% (2023: 50.00%) interest in RAM Operations Pty Ltd, GDI Tulla Investment Management Pty Ltd and the Co-living Accommodation Trust 1 (held by the Trust). The joint ventures are collectively described as the Co-living JV.

The Co-living JV owns and operates co-living mining accommodation facilities in Norseman, South Hedland, and Newman, Western Australia. The country of establishment and tax residency of all Co-living joint venture entities is Australia. GDI's interest in the Co-living JV represents a strategic investment and compliments both GDI's Property and Funds Management businesses.

GDI and the Trust's interests are accounted for using the equity method in the consolidated financial statements. Summarised information of the Co-living JV and reconciliation with the carrying amount of the investment are set out below:

b. Summarised statement of financial position of the Co-living JV:

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current assets	13,338	4,964	2,404	553
Non-current assets	87,173	52,230	47,137	26,622
Current liabilities	7,487	3,687	462	70
Non-current liabilities	35,673	6,638	22,137	4,553
Equity	57,351	46,868	26,942	22,553
GDI's share in equity	28,675	23,434	13,471	11,276
Goodwill	10,715	10,715	-	-
Carrying amount of the investment	39,390	34,149	13,471	11,276

c. Summarised statement of profit or loss of the Co-living JV:

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Revenue from contracts with customers	39,464	6,542	5,741	622
Cost of sales	(5,364)	(1,196)	-	-
Operating expenses	(21,129)	(3,048)	(1,351)	(70)
Profit before tax	12,972	2,298	4,390	553
Income tax expense	(2,489)	-	-	-
Total comprehensive income for the year	10,483	2,298	4,390	553
Share of net profits for the year	5,241	1,149	2,195	276

d. Reconciliation of the Co-living JV to carrying amounts:

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
GDI's share of opening net assets	34,149	-	11,276	-
Investments during the period	-	33,000	-	11,000
GDI's share of net profits for the year	5,241	1,149	2,195	276
Carrying amount of the investment	39,390	34,149	13,471	11,276

The Co-living JV had no contingent liabilities or commitments as at 30 June 2024. Profits from the Co-living JV cannot be distributed without consent from the two joint venture partners. The financial year ended 30 June 2024 represents the first full year of the Co-living JV's operations.

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Notes to the Financial Statements
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NOTE 15 – TRADE AND OTHER PAYABLES

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade and other payables				
Trade payables and accruals	9,476	4,525	7,998	3,546
Distribution payable	13,410	13,290	13,410	13,290
Other payables	550	530	349	332
Total trade and other payables	23,436	18,344	21,758	17,168

Trade and other payables are generally unsecured, non-interest bearing and settled within 30-60 days terms. Lease incentives payable are generally unsecured, non-interest bearing and are normally settled in cash. Distribution payable relates to the distribution for the period from 1 January 2024 to 30 June 2024, estimated in June and payable in August 2024.

NOTE 16 – PROVISIONS

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Provisions				
Current				
Employee benefits	349	554	-	-
Non-current				
Employee benefits	343	109	-	-
Total provisions	692	662	-	-

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, GDI does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since GDI does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been discussed in Note 1(p).

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

NOTE 17 – BORROWINGS

Borrowings shown below are net of transaction costs which are amortised over the term of the loan.

a. Interest bearing liabilities - current

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Borrowings				
<i>Secured liabilities:</i>				
Capital Loan Agreement ¹	30,000	-	30,000	-
Loans – financial institutions ²	10,000		10,000	
Transaction costs	-	-	-	-
Total current borrowings	40,000	-	40,000	-

b. Interest bearing liabilities – non-current

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Borrowings				
<i>Secured liabilities:</i>				
Capital Loan Agreement ¹	-	30,000	-	30,000
Loans - financial institutions	347,331	315,106	347,331	315,106
Transaction costs	(892)	(365)	(917)	(390)
Total non-current borrowings	346,439	344,741	346,414	344,716

1. The Capital Loan Agreement relates to GDI No. 46 Property Trust and is secured against the assets of that trust. Interest is paid monthly in arrears at variable rates.
2. The current Loans – financial institution relates to the debt facility for GDI No. 42 Office Trust. Subsequent to the reporting date GDI extended the finance facility of the consolidated GDI No.42 Property Trust to August 2026.

c. Borrowing details

Borrowings of GDI and the Trust are the same and details as at balance date are set out below:

Facility	Secured	Maturity date	Facility \$'000	Utilised \$'000	Unutilised \$'000
Facility Tranche A ¹	Yes	December 2026	346,500	322,331	24,169
Facility Tranche B ¹	Yes	December 2026	50,000	25,000	25,000
Bank Bill Business Loan ²	Yes	August 2024	11,500	10,000	1,500
Capital Loan Agreement ³	Yes	February 2025	30,000	30,000	-
Facility Tranche D ^{1,4}	Yes	December 2026	5,000	-	-
Total facility			443,000	387,331	50,669

1. Facility Tranche A and B are secured by first registered mortgages over the wholly owned investment properties held by GDI and a registered General Security Agreement over the assets of GDI. Interest is payable monthly in arrears at variable rates based on the 30-day BBSY. Line fees are payable quarterly in advance.
2. The Bank Bill Business Loan relates to GDI No. 42 Office Trust and is secured against the assets of that trust. Interest and line fees are payable quarterly in arrears at variable rates based on the 90-day BBSY.
3. The Capital Loan Agreement relates to GDI No. 46 Property Trust and is secured against the assets of that trust. Interest is paid monthly in arrears at variable rates.
4. GDI also has a \$5 million bank guarantee supporting the financial requirements of GDI Funds Management Limited's AFS Licence. This is undrawn and cannot be used for general working capital purposes.

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

d. Maturity profile

The maturity profile of the principal amounts of borrowings, together with estimated interest thereon, is provided in the table below:

Maturity profile	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Due within one year	59,828	16,715	59,828	16,715
Due between one and five years	374,560	347,355	374,560	347,355
Due after five years	-	-	-	-
Total	434,388	364,069	434,388	364,069

The amount due within one year includes the estimated interest expense.

NOTE 18 – CONTRIBUTED EQUITY

Contributed equity	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Contributed equity	518,055	514,969	496,084	493,081
Total contributed equity	518,055	514,969	496,084	493,081

a. Movements in ordinary securities / units

	GDI		Trust	
	No ('000)	\$'000	No ('000)	\$'000
Securities on issue at 1 July 2022	534,884	517,735	534,884	495,728
On-market buyback	(3,292)	(2,767)	(3,292)	(2,647)
Equity issued	-	-	-	-
Issue and formation costs	-	-	-	-
Contributed equity attributable to shareholders / unitholders as at 30 June 2023	531,592	514,968	531,592	493,081
Securities on issue at 1 July 2023	531,592	514,968	531,592	493,081
On-market buyback	-	-	-	-
Equity issued	4,815	3,139	4,815	3,003
Issue and formation costs	-	(53)	-	-
Contributed equity attributable to shareholders / unitholders as at 30 June 2024	536,407	518,055	536,407	496,084

b. Stapled securities

The ordinary shares on the Company are stapled to the units of the Trust. Each stapled security entitles the holder to participate in dividends and distributions as declared from time to time and the proceeds on winding up. Each stapled security entitles the holder to vote in accordance with the provisions of the Constitution, Trust Deed and the *Corporations Act 2001*.

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

NOTE 19 – RESERVES AND RETAINED EARNINGS

a. Security-based payment reserve

	GDI \$'000	Trust \$'000
Balance at 1 July 2022	5,140	4,917
Security-based payments expense	901	862
Cash settlement transaction – Performance rights	(397)	(380)
Transfer from security based payment reserve	(2,467)	(2,360)
Settlement of performance rights	-	-
Balance as at 30 June 2023	3,177	3,039
Balance at 1 July 2023	3,177	3,039
Security-based payments expense	1,444	1,381
Cash settlement transaction – Performance rights	-	-
Transfer from security based payment reserves	(792)	(758)
Settlement of performance rights	(247)	(236)
Balance as at 30 June 2024	3,582	3,426

The security-based payment reserve is used to recognise the fair value of performance rights issued under the performance rights plan. Refer to Note 30 for further details.

b. Retained earnings

	GDI \$'000	Trust \$'000
Balance at 1 July 2022	190,103	193,873
Net profit for the financial period	20,228	19,063
Transfer from security based payment reserve	2,467	2,360
Less: Dividends / distributions paid / payable	(30,608)	(30,608)
Balance as at 30 June 2023	182,191	184,689
Balance at 1 July 2023	182,191	184,689
Net (loss) for the financial period	(5,584)	(8,020)
Transfer from security based payment reserves	792	758
Less: Dividends / distributions paid / payable	(30,473)	(30,473)
Balance as at 30 June 2024	146,926	146,954

c. Treasury security reserve

	Note	GDI \$'000	Trust \$'000
Balance at 1 July 2022		-	-
On-market buyback		(2,766)	(2,766)
Cancellation of treasury securities	19a	2,766	2,766
Balance as at 30 June 2023		-	-
Balance at 1 July 2023		-	-
On-market buyback		-	-
Cancellation of treasury securities	19a	-	-
Balance as at 30 June 2024		-	-

The treasury securities reserve is used to recognise stapled securities that have been repurchased by GDI and not cancelled but held in treasury.

GDI Property Group
Notes to the Financial Statements
For the financial year ended 30 June 2024

NOTE 20 – DIVIDENDS / DISTRIBUTIONS PAID / PAYABLE

a. Dividends paid / payable by the Company

There were no dividends paid or payable by GDI in respect of the 2024 and 2023 financial years.

b. Distributions paid / payable by GDI / Trust

	GDI		Trust	
	2024 cents / security	2023 cents / security	2024 cents / unit	2023 cents / unit
Distributions paid / payable by GDI / Trust				
28 February 2023	-	2,500	-	2,500
31 August 2023	-	2,500	-	2,500
29 February 2024	2,500	-	2,500	-
30 August 2024	2,500	-	2,500	-
Total distributions paid / payable by GDI / Trust	5,000	5,000	5,000	5,000

NOTE 21 – EARNINGS PER SECURITY/UNIT

	GDI		Trust	
	2024 cents	2023 cents	2024 cents	2023 cents
Basic earnings per security/unit	(1.29)	3.13	(1.75)	2.91
Diluted earnings per security/unit	(1.29)	3.11	(1.74)	2.89
	\$'000	\$'000	\$'000	\$'000
Earnings used to calculate basic and diluted earnings per security/unit:				
(Loss)/profit for the year	(6,934)	16,647	(9,369)	15,481
(Loss)/profit attributable to ordinary securityholders/equityholders of the Group/Trust used in calculating basic and diluted earnings per security/unit	(6,934)	16,647	(9,369)	15,481
	GDI		Trust	
	2024 No.(000)	2023 No.(000)	2024 No.(000)	2023 No.(000)
Weighted average number of ordinary securities/units used in calculating basic earnings per security/unit	535,605	532,420	535,605	532,420
Weighted average number of ordinary securities/units used in calculating diluted earnings per security/unit	538,666	535,226	538,666	535,226

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Notes to the Financial Statements
For the financial year ended 30 June 2024

NOTE 22 – PARENT ENTITY DISCLOSURES

GDI Property Group Limited

a. Summary financial information

The individual financial statements for GDI Property Group Limited (the Company) show the following aggregate amounts:

	Company	
	2024 \$'000	2023 \$'000
Results		
(Loss) for the period	(6)	(5)
Total comprehensive (loss) for the period	(6)	(5)
Financial position		
Current assets	31	21
Total assets	21,822	21,770
Current liabilities	131	136
Total liabilities	1,942	2,073
Net assets	19,879	19,697
Contributed equity	22,024	21,888
Reserves	155	138
Accumulated losses	(2,300)	(2,328)
Total equity	19,879	19,697

b. Guarantees entered in to by the parent entity

During the years ended 30 June 2024 and 30 June 2023 the Company did not enter into any guarantee in favour of entities it controlled.

c. Contingent liabilities

The Company had no contingent liabilities at year end.

d. Contractual commitments

As at 30 June 2024 and as at 30 June 2023, the Company had no commitments in relation to capital expenditure contracted for but not provided as liabilities.

GDI Property Group
Notes to the Financial Statements
For the financial year ended 30 June 2024

NOTE 23 – SEGMENT REPORTING

a. Identification of reportable segments

GDI

The Chief Operating Decision Maker (CODM) has been identified as the Board of Directors as it is responsible for the strategic decision making within GDI. The following summary describes the operations in each of GDI's operating segments:

Operating segments	Products/Services
Property investment	Investment and management of income producing properties
Funds management	Establishment and management of property investment vehicles
Co-living JV	Operation of income producing co-living accommodation facilities

The Board assesses the performance of each operating sector based on FFO and AFFO. FFO is a global financial measure of the real estate operating performance after finance costs and taxes, adjusted for certain non-cash items. AFFO adjusts FFO for incentives paid during the year and maintenance capital expenditure. The Directors consider FFO to be a measure that reflects the underlying performance of GDI. GDI's FFO comprises net profit/loss after tax calculated in accordance with the Australian Accounting Standards and adjusts for property revaluations, impairments, derivative mark to market impacts, amortisation of tenant incentives, straight line rent adjustments, gain/loss on sale of assets, rental guarantees and performance fees charged that remain unpaid.

Trust

The Trust operates in predominately one operating segment being property investment.

b. Basis of accounting for purposes of reporting by operating segments

i. Accounting policies adopted

- Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of GDI.

ii. Intersegment transactions

- Corporate and administration costs other than direct expenses are not allocated to divisions for segment reporting purposes; and
- There is no revenue recorded by the funds management business from managing the Trust for segment reporting purposes.

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

c. Segment information

30 June 2024	Property \$'000	Funds management \$'000	Co-living JV \$'000	Reviewed but unallocated \$'000	Total \$'000
Operating earnings					
Net property income	42,136	-	-	-	42,136
Co-living JV income	-	-	6,393	-	6,393
Funds Management income	-	2,573	-	-	2,573
Other income	-	-	294	-	294
Total operating earnings	42,136	2,573	6,686	-	51,396
FFO adjustments					
Straight-lining rental income	(567)	17	-	-	(549)
Amortisation and depreciation	13,284	11	120	-	13,414
Adjustment for GDI No. 42 Office Trust	(4,375)	700	-	2	(3,673)
Adjustment for GDI No. 46 Property Trust	(8,856)	3,291	-	(42)	(5,607)
FFO pre corporate, administration and net interest	41,622	6,592	6,806	(41)	54,980
+/- corporate, administration and interest expense / income					
Interest paid	(16,272)	-	(18)	-	(16,290)
Interest income	436	15	-	-	451
Corporate and administration expenses	(3,332)	-	-	(5,770)	(9,102)
Provision for impairment of debts	(304)	(171)	-	-	(475)
Income tax (expense)/benefit	-	178	-	-	178
Other comprehensive (loss)	-	(190)	-	-	(190)
Total FFO	22,150	6,424	6,788	(5,811)	29,552
+/- AIFRS adjustments from FFO to profit after tax from ordinary activities					
Net fair value loss on interest rate swaps	(3,427)	-	-	-	(3,427)
Net fair value loss of investment properties	(23,474)	-	111	-	(23,363)
Straight-lining rental income	567	(17)	-	-	549
Other income	294	-	(294)	-	-
Restructure and other non-operating costs	-	-	(1,244)	(281)	(1,526)
Amortisation of leasing fees and incentives	(13,284)	-	-	-	(13,284)
Amortisation of loan establishment costs	(631)	-	-	-	(631)
Depreciation	-	(11)	(120)	-	(131)
Capital loss on sales	-	-	-	-	-
Adjustment for GDI No. 42 Office Trust	3,766	(700)	-	-	3,066
Adjustment for GDI No. 46 Property Trust	6,899	(3,291)	-	-	3,609
Acquisition and other costs	-	-	-	-	-
Profit after tax from ordinary activities	(7,139)	2,406	5,241	(6,092)	(5,584)

Segment assets and liabilities

30 June 2024	Property	Funds management	Co-living JV	External non- controlling interest	Total
Total assets	901,429	104,617	39,390	99,727	1,145,164
Total liabilities	(370,744)	(19,094)	-	(22,139)	(411,978)
Net assets	530,685	85,522	39,390	77,589	733,186

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For the financial year ended 30 June 2024

30 June 2023	Property \$'000	Funds management \$'000	Co-living JV \$'000	Reviewed but unallocated \$'000	Total \$'000
Operating earnings					
Net property income	38,204	-	-	-	38,204
Co-living JV income	-	-	1,149	-	1,149
Funds Management income	-	2,495	-	-	2,495
Other income	-	-	-	-	-
Total operating earnings	38,204	2,495	1,149	-	41,848
FFO adjustments					
Straight-lining rental income	979	-	-	5	984
Amortisation and depreciation	9,137	-	-	15	9,152
Adjustment for GDI No. 42 Office Trust	(2,510)	761	-	-	(1,749)
Adjustment for GDI No. 46 Property Trust	(8,686)	3,554	-	77	(5,055)
FFO pre corporate, administration and net interest	37,124	6,810	1,149	97	45,180
+/- corporate, administration and interest expense / income					
Interest paid	(9,225)	(391)	-	-	(9,616)
Interest income	800	(368)	-	-	431
Corporate and administration expenses	(2,228)	-	-	(5,390)	(7,618)
Other comprehensive (loss)	-	(62)	-	-	(62)
Provision for impairment of debts	(7)	-	-	-	(7)
Income tax (expense)/benefit	-	(188)	-	-	(188)
Total FFO	26,464	5,800	1,149	(5,292)	28,121
+/- AIFRS adjustments from FFO to profit after tax from ordinary activities					
Net fair value gain on interest rate swaps	(725)	-	-	-	(725)
Net fair value gain of investment properties	(1,097)	-	-	-	(1,097)
Straight-lining rental income	(979)	-	-	(5)	(984)
Other income	-	-	-	-	-
Restructure and other non-operating costs	-	-	-	-	-
Amortisation of leasing fees and incentives	(9,137)	-	-	-	(9,137)
Amortisation of loan establishment costs	(344)	-	-	-	(344)
Depreciation	-	-	-	(15)	(15)
Capital loss on sales	(122)	-	-	-	(122)
Adjustment for GDI No. 42 Office Trust	2,039	(761)	-	-	1,278
Adjustment for GDI No. 46 Property Trust	7,072	(3,554)	-	-	3,518
Acquisition and other costs	(264)	-	-	-	(264)
Profit after tax from ordinary activities	22,905	1,486	1,149	(5,312)	20,228

Segment assets and liabilities

30 June 2023	Property	Funds management	Co-living JV	External non- controlling interest	Total
Total assets	885,863	105,501	34,149	101,638	1,127,151
Total liabilities	(321,682)	(18,763)	-	(21,746)	(362,190)
Net assets	564,181	86,738	34,149	79,892	764,960

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GDI Property Group
Notes to the Financial Statements
For the financial year ended 30 June 2024

NOTE 24 – COMMITMENTS

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Commitments				
Capital commitments				
Capital expenditure	-	-	-	-
Total capital commitments	-	-	-	-
Lease payable commitments				
Within one year	263	304	-	-
Later than one year but not later than five years	984	20	-	-
Later than five years	-	-	-	-
Total lease payable commitments	1,247	324	-	-

NOTE 25 – RECONCILIATION OF NET PROFIT TO CASH INFLOW FROM OPERATING ACTIVITIES

a. Reconciliation of cash from operations with profit after tax

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Net (loss)/profit	(5,584)	20,228	(8,020)	19,063
Non-cash and other movements				
Amortisation of loan establishment costs and depreciation	592	359	581	344
Amortisation of lease incentives and lease costs	13,443	9,137	13,443	9,137
Straight-lining rental income	(567)	979	(567)	979
Non-cash incentives	(9,773)	(8,418)	(9,773)	(8,407)
Fair value adjustments to:				
- Investment properties	23,474	1,097	23,474	1,097
- Interest rate swaps	3,427	602	3,427	602
Profit on sale of non-current asset held for sale	-	122	-	122
Acquisition expenses	-	257	-	-
Net movement in provision for bad debts	175	10	4	10
Bad debts written off	300	(6)	300	(6)
Movement in employee incentive scheme reserve	1,443	901	1,381	862
Co-living JV & Other comprehensive income	(5,051)	(1,087)	(2,005)	(214)
Right of use asset depreciation	255	280	-	-
(Increase)/decrease from operating activities in				
Trade and other receivables	(1,158)	2,261	(302)	2,390
Other assets	111	(58)	80	(2)
Trade and other payables	1,636	(1,297)	1,134	(1,501)
Provisions	29	(168)	-	-
Other liabilities	(14)	(5)	-	-
Deferred tax	(196)	188	-	-
Net cash provided by operating activities	22,542	25,381	23,157	24,476

GDI Property Group
Notes to the Financial Statements
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b. Credit standby facilities with bank

Refer to Note 17 for details of unutilised finance facilities.

NOTE 26 – KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the remuneration report contained in the Directors’ Report for details of the remuneration paid or payable to each member of GDI’s key management personnel (KMP) for the years ended 30 June 2024 and 30 June 2023.

The totals of remuneration paid to KMP of the company and GDI and Trust during the period are as follows.

Key management personnel compensation

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
KMP compensation				
Short term employee benefits	3,104	3,182	-	-
Post-employment benefits	174	219	-	-
Other long-term benefits	66	37	-	-
Security-based payments	1,158	34	1,108	33
Total KMP compensation	4,502	3,471	1,108	33

Short term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits

These amounts are the current year’s cost of superannuation contributions made during the period.

Other long-term benefits

These amounts represent long service leave benefits accrued during the period.

Security-based payments

These amounts represent the expense accrued for the participation of KMP in the performance rights plan as disclosed in Note 30 and the issue of performance rights for the prior years ended 30 June 2023, 30 June 2022 and 30 June 2021.

For 30 June 2024, the employee benefits expense included a \$431,250 (Trust \$412,568) reversal of previous years’ expense of forfeited performance rights. For 30 June 2023, the employee benefits expense included a \$1,382,000 (Trust \$1,323,000) reversal of previous years’ expense of forfeited performance rights.

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Notes to the Financial Statements
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a. Equity instrument disclosure relating to key management personnel

	Securities held at 30 June 2022	Securities granted as part of a performance rights plan	Net securities acquired / (sold) during the year	Securities held at 30 June 2023	Securities granted as part of a performance rights plan	Net securities acquired / (sold) during the year	Securities held at 30 June 2024
Directors							
Giles Woodgate	-	-	500,000	500,000	-	100,000	600,000
John Tuxworth	270,300	-	-	270,300	-	-	270,300
Patria Mann ¹	-	-	-	-	-	80,000	80,000
Susan Hilliard ¹	-	-	-	-	-	-	-
Stephen Burns	49,533	-	-	49,533	-	200,000	249,533
Gina Anderson ²	102,000	-	112,000	214,000	-	108,191	322,191
Other key management personnel							
David Williams	1,652,155	68,592	-	1,720,747	80,717	-	1,801,464
David Ockenden	535,769	-	-	535,769	-	-	535,769
John Garland	971,991	56,859	(100,000)	928,850	78,475	(60,000)	947,325

1. Patria Mann was appointed on 24 April 2024 and Susan Hilliard on 3 June 2024.

2. Gina Anderson retired on 24 April 2024. The securities shown as held by Gina Anderson at end of the period were as at 24 April 2024.

Securities held includes indirect holdings and holdings held by related parties of key management personnel.

NOTE 27 – RELATED PARTY TRANSACTIONS

Related parties for GDI

a. Identification of related parties

i. Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel. For details of disclosures relating to key management personnel, refer to Note 26 and the Remuneration Report contained in the Directors' Report.

ii. Entities exercising control over GDI:

The ultimate parent entity that exercises control over GDI is GDI Property Group Limited, which is incorporated in Australia.

b. Transactions with related parties

Transactions with related parties in the year ended 30 June 2024

There are no transactions with KMP in the year ended 30 June 2024.

Transactions with related parties in the year ended 30 June 2023

There are no transactions with KMP in the year ended 30 June 2023.

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

Related parties for GDI Property Trust

a. Identification of related parties

i. Responsible Entity, Investment Manager and Custodian

The Responsible Entity of GDI Property Trust is GDI Funds Management Limited (ACN 107 354 003), a wholly owned subsidiary of GDI Property Group Limited. GDI Funds Management Limited has appointed The Trust Company (Australia) Limited as Custodian for all the assets of the Trust and GDI Investment Management Pty Limited as Investment Manager of the Trust.

ii. Key management personnel

The Trust does not employ personnel in its own right. However, it is required to have an incorporated Responsible Entity to manage the activities of the Trust and this is considered the KMP. The directors of the Responsible Entity are key management personnel of that entity, their names being:

- Giles Woodgate
- John Tuxworth
- Patria Mann (appointed 24 April 2024)
- Susan Hilliard (appointed 3 June 2024)
- Stephen Burns
- Gina Anderson (retired 24 April 2024)

b. Transactions with related parties

The Responsible Entity is entitled to a fee calculated on a cost recovery basis only. During the year ended 30 June 2024 the Responsible Entity charged \$392,000 (2023: \$458,000), with no balance owing as at 30 June 2024.

Pursuant to an Investment Management Agreement dated 15 November 2013, GDI Investment Management Pty Limited is entitled to fees for acting as the Investment Manager of GDI Property Trust. During the year ended 30 June 2024, GDI Investment Management Pty Limited charged \$3,000,000 (2023: \$2,500,000), with no balance owing as at 30 June 2024.

The Trust has lent GDI Investment Management Pty Limited \$22,000,000 to finance GDI Investment Management Pty Limited's investment into the Co-living Joint Venture. Interest is charged on an arm's length basis. For the year ended 30 June 2024, the interest income and expense of the Trust and GDI Investment Management Pty Limited was \$2,049,547 (2023: \$381,876).

No compensation is paid to the key management personnel of the Responsible Entity directly by the Trust.

All transactions with related parties are conducted on normal commercial terms and conditions. From time to time the key management personnel of the Responsible Entity, or their related entities, may invest in or sell units (stapled securities) of the Trust on the same terms and conditions as those of other Trust investors and are immaterial and domestic in nature.

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

NOTE 28 – CAPITAL AND FINANCIAL RISK MANAGEMENT

Capital risk management

GDI's capital management strategy is to maximise securityholders returns through active capital management whilst mitigating the inherent risks associated with both debt and equity.

In determining the appropriate mix of debt and equity, GDI reviews both commercial and regulatory considerations:

Commercial	Regulatory
<ul style="list-style-type: none"> The underlying real estate fundamentals The relative cost and availability of debt and equity Forecast cash flows and capital expenditure requirements Current and future debt covenants Financial risk management 	<ul style="list-style-type: none"> Need to comply with the capital and distribution requirements of GDI Property Trust's trust deed Need to comply with the capital requirements of relevant regulatory authorities and licences.

GDI's policy is to target gearing of less than 40%. GDI is able to manage its capital through a number of means, including but not limited to:

- asset recycling;
- new debt financing;
- issuing new stapled securities;
- adjusting the level of distributions paid to securityholders; and
- active management of interest rate exposures.

The gearing ratio as at 30 June 2024 of GDI and Trust was 33% (2023: 31%) and 34% (2023: 31%) respectively (as detailed below).

	Note	GDI		Trust	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Net debt and adjusted assets					
Total borrowings	17	386,439	344,741	386,414	344,716
Less: cash and cash equivalents	6	(17,014)	(8,228)	(15,373)	(5,931)
Net debt		369,425	336,513	371,041	338,785
Total assets		1,145,164	1,129,013	1,119,549	1,107,317
Less: intangible assets and deferred tax assets	12/11	(19,308)	(19,112)	-	-
Less: cash and cash equivalents	6	(17,014)	(8,228)	(15,373)	(5,931)
Adjusted assets		1,108,842	1,101,673	1,104,176	1,101,386
Gearing ratio		33%	31%	34%	31%

Capital and interest expense risk management is also monitored having reference to the covenants on the Syndicated Facility:

	Bank covenant	2024	2023
LVR ¹	< 50%	41%	35%
ICR ²	> 1.5X	2.0X	3.0X

GDI also protects its equity in its assets by taking out insurance.

- Bank covenant LVR is total debt on the Syndicated Facility (including net derivative exposures) divided by the value of the secured properties as determined by the last independent valuation.
- Bank covenant ICR is EBIT/Interest expense.

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

Financial risk management

The financial risks that result from GDI's activities are credit risk, liquidity risk, refinancing risk and market risks (interest rates). GDI manages its exposure to these key financial risks in accordance with its risk management policy and focuses on mitigating the impact of volatility in financial markets.

GDI's financial instruments consist mainly of deposits with banks, accounts receivable and payable, borrowings and interest rate hedge derivatives. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as described in a) Credit risk, b) Liquidity risk and c) Market risk below. See Note 1(n) for how GDI classifies financial assets and liabilities.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to GDI or Trust.

Credit risk arises principally from GDI's and the Trust's receivables from customers and amounts due from the leasing of premises in accordance with lease agreements with property tenants. GDI and the Trust have a diverse range of customers and tenants and therefore there is no significant concentration of credit risk with any single counterparty or group of counterparties.

The Board has established a credit policy under which each new customer is analysed individually for creditworthiness before GDI does business with them. GDI and the Trust request security deposits or bank guarantees from new tenants in order to secure the premises and tenants are invoiced monthly in advance. Ongoing checks are performed by management to ensure settlement terms detailed in individual contracts are adhered to.

The maximum exposure to credit risk at the end of the reporting period is equivalent to the carrying amount of the financial assets (net of any provisions) as presented in the Consolidated Statement of Financial Position. GDI and the Trust typically hold bank guarantees or cash from tenants' equivalent to six-month rent as security. There are no significant financial assets that have had renegotiated terms that would otherwise have been overdue or impaired.

Risk is also minimised through investing surplus funds in Australian financial institutions. Interest rate derivative counterparties are also Australian financial institutions.

Trade and other receivables that are neither overdue nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in Note 7.

The aging analysis of lease receivables overdue but not impaired is shown below:

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
One - three months	2,868	1,803	1,772	1,348
Three - six months	9	177	9	177
Over six months	-	-	-	-
Total	2,877	1,980	1,781	1,525

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

b. Liquidity risk

Liquidity risk arises from the possibility that GDI might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial instruments.

GDI believes that prudent risk management requires maintaining sufficient cash reserves and finance facilities to meet the ongoing operational requirements of the business. It is GDI's policy to maintain sufficient funds in cash and undrawn finance facilities to meet the expected near-term operational requirements.

GDI also monitors the maturity profile of borrowings and puts in place strategies designed to ensure that all maturing borrowings are refinanced within required timeframes.

The weighted average debt maturity of GDI is 2.26 years (2023: 1.06 years).

Contractual maturity of financial liabilities (borrowings and payables) of GDI, including interest, is as follows:

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Due within one year	83,264	35,063	81,586	33,887
Due between one and five years	374,560	347,355	374,560	347,355
Due after five years	-	-	-	-
Total	457,824	382,418	456,146	381,241

c. Market risk

i. Interest rate risk

GDI's interest rate risk primarily arises from borrowings. Borrowings issued at variable rates expose GDI to interest rate risk. Borrowing issued at fixed rates expose GDI to fair value interest rate risk. At balance date, 93.6% (2023:49.2%) of GDI's Syndicated Facility's borrowings were hedged. None of the borrowings of either GDI No. 42 Office Trust or GDI No. 46 Property Trust are hedged.

GDI may manage its cash flows interest rate risk by using interest rate derivatives. Such interest rate derivatives have the economic effect of converting borrowings from floating interest rates to fixed interest rates. Generally, GDI raises longer term borrowings at floating rates and may hedge a portion of the borrowings into fixed or capped rates. Under the interest rate derivatives, GDI agrees with other counter parties to exchange, at specified intervals the difference between contract rates and floating rates interest amounts calculated by reference to the agreed notional principal amounts. Because GDI's interest rate derivatives do not meet the accounting requirements to qualify for hedge accounting treatment, gains or losses arising from changes in fair value have been reflected in the profit or loss.

GDI's and the Trust's borrowings are the same.

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

At balance date, the expiry profile of GDI's interest rate derivatives is shown below:

Interest rate derivative	Expiry	Notional Principal \$'000	Rate %
Interest rate cap	Expiry December 2024 (FY25)	50,000	3.00%
Interest rate cap	Expiry January 2025 (FY25)	200,000	4.25%
Interest rate cap	Expiry July 2025 (FY26)	100,000	4.25%
Interest rate swap	Expiry December 2025 (FY26)	75,000	4.55%
Interest rate callable swap	Commencing 1 January 2025 with an expiry January 2029 (FY29), callable at 1 January 2026	50,000	3.62%
Total / average		475,000	3.93%

Because GDI's interest rate derivatives do not meet the accounting requirements to qualify for hedge accounting treatment, gains or losses arising from changes in fair value have been reflected in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Information on borrowings and the maturity profile of borrowings (including interest) is provided in Note 17. GDI purchased additional interest rate swaps post 30 June 2024, refer to Note 36 for further information.

ii. Sensitivity

At balance date, if interest rates on GDI's Syndicated Facility for all relevant time periods had changed by +/- 100 basis points (1%) for the year ended 30 June 2024 and 30 June 2023 with all other variables held constant, profit would have been higher/(lower) as shown below:

	+1%		-1%		+1%		-1%	
	GDI 2024 \$'000	Trust 2024 \$'000	GDI 2024 \$'000	Trust 2024 \$'000	GDI 2023 \$'000	Trust 2023 \$'000	GDI 2023 \$'000	Trust 2023 \$'000
Sensitivity to interest rates								
Increase/(decrease) to interest income	106	574	(106)	(574)	96	192	(96)	(192)
(Increase)/decrease to interest expense	(630)	(630)	3,873	3,873	(3,451)	(3,451)	3,451	3,451
Increase/(decrease) to valuation of interest rate derivatives	4,101	4,101	(2,032)	(2,032)	4,675	4,675	(4,675)	(4,675)
Total	3,577	4,045	1,735	1,267	1,320	1,416	(1,320)	(1,416)

NOTE 29 – FAIR VALUE MEASUREMENTS

a. Valuation techniques

GDI selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by GDI are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, GDI gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

b. Financial instruments

The following table represents a comparison between the carrying amounts and fair values of financial assets and liabilities:

	30 June 2024		30 June 2023	
	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000
Financial assets at amortised cost				
Cash and cash equivalents	17,014	17,014	8,228	8,228
Trade and other receivables	3,186	3,186	2,221	2,221
Financial assets at fair value				
Derivative financial instruments	822	822	1,869	1,869
Total financial assets	21,022	21,022	12,318	12,318
Financial liabilities at amortised cost				
Trade and other payables	23,436	23,436	18,344	18,344
Provisions	692	692	663	663
Borrowings	386,439	386,439	344,741	344,741
Financial liabilities at fair value				
Derivative financial instruments	290	290	-	-
Total financial liabilities	410,857	410,857	363,748	363,748

c. Fair value hierarchy

GDI and Trust measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Derivative financial instruments; and
- Investment properties.

GDI and Trust do not subsequently measure any other liabilities (other than derivative financial instruments) at fair value on a non-recurring basis.

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For the financial year ended 30 June 2024

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The following tables provide the fair values of GDI's and Trust's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	As at 30 June 2024			As at 30 June 2023		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements						
<i>Non-financial assets</i>						
- Investment properties ¹	-	1,056,304	-	-	1,051,157	-
Total non-financial assets recognised at fair value on a recurring basis	-	1,056,304	-	-	1,051,157	-
<i>Financial assets/(liabilities)</i>						
- Interest rate swaps	-	532	-	-	1,869	-
Total financial assets/(liabilities) recognised at fair value on a recurring basis	-	532	-	-	1,869	-

d. Valuation techniques and inputs used to measure Level 2 Fair Values

	30 June 2024 \$'000	30 June 2023 \$'000	Valuation technique	Inputs Used
Financial assets/(liabilities)				
Interest rate swaps	532	1,869	Income approach using discounted cash flow methodology	BBSY swap rate
Non-financial assets				
Investment properties ¹	1,056,304	1,051,157	Market approach using discounted cash flow, rent capitalisation and recent observable market data methodologies	Comparable discount rates, capitalisation rates and price per square metres of NLA

1. The fair value of Investment properties is determined annually based on valuations by an independent valuer who has recognised and appropriate professional qualifications and recent experience in the location and category of investment property being valued.

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

e. Sensitivity information

Significant movement in any one of the inputs listed in the table above may result in a change in the fair value of GDI's investment properties as follows:

Inputs	Fair value measurement sensitivity to:	
	Significant increase in input	Significant decrease in input
Discount rate	Decrease	Increase
Capitalisation rate	Decrease	Increase
Assumed market rent per square metre of NLA	Increase	Decrease
Price per square metre of NLA	Increase	Decrease

NOTE 30 – SECURITY-BASED PAYMENTS

GDI has established a performance rights plan under which employees (including the Managing Director & CEO) of GDI may be offered performance rights representing an entitlement to acquire stapled securities, subject to meeting certain performance conditions as determined by the Board and, in the case of the MD, subject to receipt of stapled securityholder approval. The performance rights and stapled securities allocated under the performance rights plan are intended to be allocated free of charge provided that the relevant performance conditions are met.

a. STI performance rights

For the year ended 30 June 2024, the Board determined that 50.0% of any STI granted to a KMP would be by way of performance rights where the sole performance condition is that the employee remains employed by a member of GDI for one year from the conclusion of the performance period (30 June 2025). The total number of STI performance rights to be issued for 30 June 2024 will be 948,660.

b. LTI performance rights

For the year ended 30 June 2024, GDI intends to offer 3,574,102 performance rights to all staff, with 1,393,708 of those performance rights to be offered to the MD subject to securityholder approval. The performance conditions that relate to the LTI performance rights for previous years (FY22, FY23) and the year ended 30 June 2024 are summarised below:

Number of LTI performance rights		Performance condition
Relating to previous years	Relating to FY24 year	
1,833,906	1,787,050	Relative performance (stapled security price movement + distributions) versus a peer group
1,191,039	893,522	Total return (NTA growth + distributions) vs benchmark
642,857	893,530	Achieving long term strategic objectives as set by the Board

c. Sign-on bonus

The MD was awarded \$500,000 (1,482,878 in number) of performance rights as a sign-on incentive, approved by securityholders at the AGM on 9 November 2023. These performance rights were subject to a one-year (\$150,000, or 435,287 performance rights) and a two-year (\$350,000, or 1,047,591 performance rights) RTR test. Details of the outstanding performance rights are provided in the table below.

Financial year ending	Value of rights	Number of rights
30 June 2025	\$350,000	1,047,591

The commencing period for the two RTR tests is 14 June 2023 and the Comparator Group comprises the same entities that comprise the Comparator Group for the issue of FY23 LTIs.

d. Valuation of performance rights

The assessed fair value of the intended issue of performance rights was determined using the Black-Scholes option pricing model and the Binomial option pricing model using the inputs as disclosed below:

Performance test	Relating to prior years				Relating to the year ended 30 June 2024				
	STI PR	LTI PR	Relative return	Total return	LTI PR (sign on)	STI PR	LTI PR	Relative return	Total return
Issue size	391,484	1,833,906	\$nil	1,191,039	642,857	948,660	1,787,050	\$nil	893,522
Exercise price	\$nil								
Life	3 years	1 years	3 years	3 years	3 years				
Initial valuation methodology	Black-Scholes option pricing	Binomial option pricing	Black-Scholes option pricing	Black-Scholes option pricing	Black-Scholes option pricing	Black-Scholes option pricing	Binomial option pricing	Black-Scholes option pricing	Black-Scholes option pricing
Cost apportioned over (years)	4 – Year to which the grant relates + vesting period	4 – Year to which the grant relates + vesting period	4 – Year to which the grant relates + vesting period	4 – Year to which the grant relates + vesting period	4 – Year to which the grant relates + vesting period	2 – Year to which the grant relates + vesting period	4 – Year to which the grant relates + vesting period	4 – Year to which the grant relates + vesting period	4 – Year to which the grant relates + vesting period
Expected volatility	N/A	19% - 54%	N/A	N/A	N/A	N/A	23% - 30%	N/A	N/A
Risk-free interest rate	N/A	0.5% - 4.0%	N/A	N/A	N/A	N/A	4.00%	N/A	N/A
Valuation	\$356,250	\$975,000	\$671,250	\$303,750	\$350,000	\$531,250	\$721,250	\$360,625	\$360,625

The expected security price volatility is based on the historic volatility adjusted for any expected changes to future volatility due to publicly available information.

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Notes to the Financial Statements
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e. Expense arising from issued and intended issue of performance rights

Total expense arising from the issued and intended issue of security-based payments transactions recognised during the year/period are as follows:

Amount expended in year/period

	FY21 STI/LTI \$'000	FY22 STI/LTI \$'000	FY23 STI/LTI \$'000	FY24 STI/LTI \$'000	FY24 SOB \$'000	Reversal \$'000	Total \$'000
30 June 2024							
GDI	218	345	495	626	191	(432)	1,443
Trust	209	329	473	599	183	(412)	1,381
		FY20 STI/LTI \$'000	FY21 STI/LTI \$'000	FY22 STI/LTI \$'000	FY23 STI/LTI/SO \$'000	Reversal \$'000	Total \$'000
30 June 2023							
GDI		230	336	352	781	(1,382)	317
Trust		220	322	336	745	(1,323)	300

The performance rights expense is recognised as corporate and administration expenses in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Forfeited performance rights are reversed through the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

GDI Property Group

Notes to the Financial Statements

For the financial year ended 30 June 2024

NOTE 31 – CONTROLLED ENTITIES

The Company's investment in controlled entities is shown below:	Principal place of business	2024	2023
Entities controlled by the Company (Parent Entity)			
GDI Funds Management Limited	Sydney, Australia	100%	100%
GDI Investment Management Pty Limited	Sydney, Australia	100%	100%
GDI Investor Pty Limited	Sydney, Australia	100%	100%
GDI No. 29 Pty Limited	Sydney, Australia	100%	100%
GDI No. 35 Pty Limited	Sydney, Australia	100%	100%
GDI No. 38 Pty Limited	Sydney, Australia	100%	100%
GDI No. 38 Asset Pty Limited	Sydney, Australia	100%	100%
GDI No. 41 Pty Limited	Sydney, Australia	100%	100%
GDI No. 42 Pty Limited	Sydney, Australia	100%	100%
GDI No. 43 Pty Limited	Sydney, Australia	100%	100%
GDI No. 44 Pty Limited	Sydney, Australia	100%	100%
GDI No. 45 Pty Limited	Sydney, Australia	100%	100%
GDI No. 46 Pty Limited	Sydney, Australia	100%	100%
GDI No. 47 Pty Limited	Sydney, Australia	100%	100%
GDI No. 48 Pty Limited	Sydney, Australia	100%	100%
GDI Carpark Pty Limited	Sydney, Australia	100%	100%
Amour Morley Pty Limited	Sydney, Australia	100%	100%
Brass Broun Pty Limited	Sydney, Australia	100%	100%
Copper Great Eastern Hwy Pty Limited	Sydney, Australia	100%	100%
Dusk Midland Pty Limited	Sydney, Australia	100%	100%
Engine Hwy Pty Limited	Sydney, Australia	100%	100%
First Bellevue Pty Limited	Sydney, Australia	100%	100%
Garden Eastern Pty Limited	Sydney, Australia	100%	100%
Hill Great Pty Limited	Sydney, Australia	100%	100%
Island Albany Pty Limited	Sydney, Australia	100%	100%
Jungle Maddington Pty Limited	Sydney, Australia	100%	100%
Kite Leach Pty Limited	Sydney, Australia	100%	100%
Lava Myaree Pty Limited	Sydney, Australia	100%	100%
Moss Thurso Pty Limited	Sydney, Australia	100%	100%
New Melville Pty Limited	Sydney, Australia	100%	100%
Orbit Hwy Pty Limited	Sydney, Australia	100%	100%
Pocket Lancaster Pty Limited	Sydney, Australia	100%	100%
Quest Wangara Pty Limited	Sydney, Australia	100%	100%
The Trust's investment in controlled entities is shown below:	Principal place of business	2024	2023
Entities controlled by GDI Property Trust (Head Entity with the Trust) ¹			
GDI No. 35 Perth Prime CBD Office Trust	Sydney, Australia	100%	100%
GDI No. 41 Trust	Sydney, Australia	100%	100%
GDI No. 42 Office Trust	Sydney, Australia	44%	44%
GDI No. 44 Trust	Sydney, Australia	100%	100%
GDI No. 45 Property Trust	Sydney, Australia	100%	100%
GDI No. 46 Property Trust	Sydney, Australia	47%	47%
GDI No. 47 Trust	Sydney, Australia	100%	100%
GDI No. 48 Trust	Sydney, Australia	100%	100%

1. Units in GDI Property Trust are stapled to the shares of the Parent Entity. The Trust and its controlled entities listed above are consolidated as part of GDI as required under accounting standards, refer to Note 1(c). Controlled entity financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as GDI's and the Trust's financial statements.

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Notes to the Financial Statements

For the financial year ended 30 June 2024

NOTE 32 – AUDITOR’S REMUNERATION

During the year the following fees were paid or payable for services provided by the auditor of GDI (Hall Chadwick) and its related entities.

	GDI		Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Audit services				
Auditing or reviewing financial reports	161	159	117	64
Auditing of controlled entity’s AFS Licence	6	6	6	6
Auditing of controlled entity’s compliance plan	16	16	-	-
Total audit services	182	181	123	70
Other services				
Provision of tax advice	143	92	-	-
Total	325	273	123	70

NOTE 33 – BUSINESS COMBINATIONS

30 June 2024

Neither GDI nor the Trust undertook any business combinations during the year ended 30 June 2024.

30 June 2023

Neither GDI nor the Trust undertook any business combinations during the year ended 30 June 2023.

NOTE 34 – NON-CONTROLLING INTERESTS

a. Non-controlling interests – Trust

To account for the stapling, Australian Accounting Standards require an acquirer (the Company) to be identified and an acquisition to be recognised. The net assets of the acquiree (the Trust) are recognised as non-controlling interests as they are not owned by the acquirer in the stapling arrangement.

Movements in non-controlling interests	Non-controlling interests	
	2024 \$'000	2023 \$'000
Opening balance	745,433	759,143
Profit for the period	(8,020)	19,063
Security-based payments expense	1,381	862
On-market securities buy-back	-	(2,647)
Cash settlement transaction	-	(380)
Issue and formation costs	-	-
Equity issued/transferred	2,766	-
Distributions paid/payable	(30,473)	(30,608)
Balance as at year end	711,087	745,433

GDI and the Trust has a \$5 million bank guarantee supporting the financial requirements of GDI Funds Management Limited’s AFS Licence.

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Notes to the Financial Statements

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b. Non-controlling interests

GDI No. 42 Office Trust

On 16 June 2016, GDI Funds Management Limited arranged an issue of 65.5 million units of GDI No. 42 Office Trust to fund the acquisition of 235 Stanley Street, Townsville and settle an inter-company loan with GDI Property Trust that was used to fund the acquisition of 223-237 Liverpool Road, Ashfield (which was subsequently sold on 31 January 2019). Following the arrangement, GDI Property Trust holds 43.68% of units on issue in GDI No. 42 Office Trust, with the other 56.32% units on issue held by unrelated parties and shown in the financial statements, together with the non-controlling interests of GDI No. 46 Property Trust (see below), as non-controlling interests – Unlisted Property Funds.

GDI No. 46 Property Trust

On 31 January 2020, GDI Funds Management Limited arranged an issue of 75.7 million units of GDI No. 46 Property Trust to fund the acquisition of a portfolio of 17 properties occupied by high profile car dealerships and service centres in metropolitan Perth. Following the raising, GDI Property Trust holds 47.19% of units on issue in GDI No. 46 Property Trust, with the other 52.81% units on issue held by unrelated parties and shown in the financial statements, together with the non-controlling interests of GDI No. 42 Office Trust (see above) as non-controlling interests – Unlisted Property Funds.

	GDI No. 42 Office Trust		GDI No. 46 Property Trust		Total Unlisted Property Funds	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Results						
Profit / (loss) for the period	(7,016)	627	10,038	6,197	3,022	6,824
Total comprehensive profit / (loss) for the period	(7,016)	627	10,038	6,197	3,022	6,824
Financial position						
Current assets	858	580	1,032	396	1,890	976
Total assets	44,335	51,979	141,558	137,022	185,893	189,001
Current liabilities	373	84	860	424	1,233	508
Total liabilities	10,373	10,084	30,860	30,424	41,233	40,508
Net assets	33,962	41,895	110,698	106,598	144,660	148,493
Contributed equity	43,885	43,885	75,575	75,575	119,460	119,460
Retained earnings	(9,923)	(1,990)	35,123	31,023	25,200	29,033
Total equity	33,962	41,895	110,698	106,598	144,660	148,493

NOTE 35 – CONTINGENT LIABILITIES

GDI and Trust had no contingent liabilities as at 30 June 2024 and as at 30 June 2023.

NOTE 36 – EVENTS AFTER THE REPORTING DATE

The following events have occurred after the reporting date:

- GDI entered into a four-year interest rate swap agreement commencing 1 January 2025, callable after one year, for a notional value of \$50.0 million at a fixed rate of 3.55%;
- GDI extended the finance facility of the consolidated GDI No. 42 Property Trust to August 2026; and
- GDI sold one of the 17 properties held by the consolidated GDI No. 46 Property Trust for \$5.12 million, a 2.3% premium to its book value of \$5.00 million. Settlement is expected to occur in November 2024 with an intention to repay \$4.50 million of debt and seek an extension of the Capital Loan Agreement facility for at least 12 months.

GDI Property Group

Consolidated entity disclosure statement

For the financial year ended 30 June 2024

Set out below is a list of entities that are consolidated in this set of consolidated financial statements at 30 June 2024.

Entity name:	Entity type:	Place formed or incorporated:	% of ownership:	Tax residency:
Entities controlled by the Company (Parent Entity)				
GDI Funds Management Limited	Body corporate	Australia	100%	Australian
GDI Investment Management Pty Limited	Body corporate	Australia	100%	Australian
GDI Investor Pty Limited	Body corporate	Australia	100%	Australian
GDI No. 29 Pty Limited	Body corporate	Australia	100%	Australian
GDI No. 35 Pty Limited	Body corporate	Australia	100%	Australian
GDI No. 38 Pty Limited	Body corporate	Australia	100%	Australian
GDI No. 38 Asset Pty Limited	Body corporate	Australia	100%	Australian
GDI No. 41 Pty Limited	Body corporate	Australia	100%	Australian
GDI No. 42 Pty Limited	Body corporate	Australia	100%	Australian
GDI No. 43 Pty Limited	Body corporate	Australia	100%	Australian
GDI No. 44 Pty Limited	Body corporate	Australia	100%	Australian
GDI No. 45 Pty Limited	Body corporate	Australia	100%	Australian
GDI No. 46 Pty Limited	Body corporate	Australia	100%	Australian
GDI No. 47 Pty Limited	Body corporate	Australia	100%	Australian
GDI No. 48 Pty Limited	Body corporate	Australia	100%	Australian
GDI Carpark Pty Limited	Body corporate	Australia	100%	Australian
Amour Morley Pty Limited	Body corporate	Australia	100%	Australian
Brass Broun Pty Limited	Body corporate	Australia	100%	Australian
Copper Great Eastern Hwy Pty Limited	Body corporate	Australia	100%	Australian
Dusk Midland Pty Limited	Body corporate	Australia	100%	Australian
Engine Hwy Pty Limited	Body corporate	Australia	100%	Australian
First Bellevue Pty Limited	Body corporate	Australia	100%	Australian
Garden Eastern Pty Limited	Body corporate	Australia	100%	Australian
Hill Great Pty Limited	Body corporate	Australia	100%	Australian
Island Albany Pty Limited	Body corporate	Australia	100%	Australian
Jungle Maddington Pty Limited	Body corporate	Australia	100%	Australian
Kite Leach Pty Limited	Body corporate	Australia	100%	Australian
Lava Myaree Pty Limited	Body corporate	Australia	100%	Australian
Moss Thurso Pty Limited	Body corporate	Australia	100%	Australian
New Melville Pty Limited	Body corporate	Australia	100%	Australian
Orbit Hwy Pty Limited	Body corporate	Australia	100%	Australian
Pocket Lancaster Pty Limited	Body corporate	Australia	100%	Australian
Quest Wangara Pty Limited	Body corporate	Australia	100%	Australian
Entity name:	Entity type:	Place formed or incorporated:	% of ownership:	Tax residency:
Entities controlled by GDI Property Trust (Head Entity with the Trust) ¹				
GDI No. 35 Perth Prime CBD Office Trust	Trust	Australia	100%	Australian
GDI No. 41 Trust	Trust	Australia	100%	Australian
GDI No. 42 Office Trust	Trust	Australia	44%	Australian
GDI No. 44 Trust	Trust	Australia	100%	Australian
GDI No. 45 Property Trust	Trust	Australia	100%	Australian
GDI No. 46 Property Trust	Trust	Australia	47%	Australian
GDI No. 47 Trust	Trust	Australia	100%	Australian
GDI No. 48 Trust	Trust	Australia	100%	Australian

1. Units in GDI Property Trust are stapled to the shares of the Parent Entity. The Trust and its controlled entities listed above are consolidated as part of GDI as required under accounting standards, refer to Note 1(c). Controlled entity financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as GDI's and the Trust's financial statements.

GDI Property Group
Directors' Declaration
For the financial year ended 30 June 2024

**GDI Property Group Limited and
GDI Funds Management Limited as Responsible Entity
for GDI Property Trust**

Directors' Declaration
For the period ended 30 June 2024

The Directors of GDI Property Group Limited and GDI Funds Management Limited as Responsible Entity for GDI Property Trust, declare that:

- a. the financial statements and notes that are set out on pages 66 to 119 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Australian Accounting Standards which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - ii. giving a true and fair view of the financial position as at 30 June 2024 and of the performance for the period ended on that date;
- b. there are reasonable grounds to believe that GDI will be able to pay its debts as and when they become due and payable; and
- c. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Managing Director and Chief Financial Officer.
- d. the information disclosed in the Controlled Entity Disclosure Statement set out on page 119 is true and correct.

This declaration is made in accordance with a resolution of the directors of GDI Property Group Limited and GDI Funds Management Limited.



Giles Woodgate
Chairman

Dated this 26th day of August 2024

GDI Property Group
Independent Auditor's Report
For the financial year ended 30 June 2024



**INDEPENDENT AUDITOR'S REPORT
 TO THE SECURITY HOLDERS OF GDI PROPERTY GROUP LIMITED
 TO THE UNITHOLDERS OF GDI PROPERTY TRUST**

Report on the Financial Report

Opinion

We have audited the accompanying consolidated financial report of GDI Property Trust and GDI Property Group Limited and their controlled entities (collectively "GDI Property Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended and notes comprising a summary of material accounting policies and other explanatory information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of GDI Property Group, is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of GDI Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of GDI Property Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110: Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, has been given to the directors of GDI Property Group.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2024. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters.

ADELAIDE	BRISBANE	DARWIN	MELBOURNE	PERTH	SYDNEY
Level 9	Level 4	Level 1	Level 14	Level 11	Level 40
50 Pirie Street Adelaide SA 5000	240 Queen Street Brisbane QLD 4000	48-50 Smith Street Darwin NT 0800	440 Collins Street Melbourne VIC 3000	77 St Georges Tce Perth WA 6000	2 Park Street Sydney NSW 2000
+61 8 7093 8283	+61 7 2111 7000	+61 8 8943 0645	+61 3 9820 6400	+61 8 6557 6200	+61 2 9263 2600
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**INDEPENDENT AUDITOR'S REPORT
 TO THE SECURITY HOLDERS OF GDI PROPERTY GROUP LIMITED
 TO THE UNITHOLDERS OF GDI PROPERTY TRUST**

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p>Carrying value of investment properties <i>Refer to Note 9 Investment properties, Note 1 (aa) Critical accounting estimates and assumptions</i></p> <p>Investment property is property which is held either to earn income or for capital appreciation or both. Investment property is measured at fair value, with acquisition and other related costs written off through the profit and loss. As part of the process of determining fair value, an external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values individual properties annually on a rotation basis or on a more regular basis if considered appropriate and as determined by management and the Board in accordance with the valuation policy of GDI Property Group.</p> <p>Critical judgements are made by GDI Property Group in respect of the fair values of investment properties. The fair value of these investments are reviewed regularly by management with reference to external independent property valuations, recent offers and market conditions existing at reporting date, using generally accepted market practices. Critical assumptions underlying management's estimates of fair values are those relating to the passing rent, market rent, occupancy, capitalisation rate, terminal yield and discount rate. If there is any change in these assumptions or regional, national or international economic conditions, the fair value of the property investments may differ.</p> <p>Management has a policy of engaging independent property valuers to perform external valuations of the property portfolio annually on a rotation basis or more frequently if market conditions are volatile. Director's valuations are carried out on properties that are not independently valued at reporting date.</p> <p>We have focussed on this area as a key audit matter due to amounts involved being material and the inherent subjectivity associated with critical judgements being made in relation to fair values of investment properties.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> • We reviewed external independent valuation reports, assumptions and management's controls around external valuations. This included review of critical assumptions related to cash flow items such as lease income, outgoings and incentives adopted in valuing the investment properties including any future uncertainty as to the impact on the carrying value of investment properties. • We reviewed the internal valuation process including critical assumptions related to cash flow items such as income support, outgoings and incentives adopted in valuing the investment properties. • We performed procedures on the reconciliation between the opening balance and the closing fair value adopted and that the movements are recorded in the appropriate general ledger accounts. • We ensured appropriate accounting treatments and disclosures were adopted. • We discussed with management to confirm their views on assumptions adopted in the valuations. We assessed managements' assumptions by giving due consideration to industry issues and other external factors. • We reviewed and assessed qualitative and quantitative disclosures made in the financial statements.

GDI Property Group
Independent Auditor's Report
For the financial year ended 30 June 2024

HALL CHADWICK  (NSW)

**INDEPENDENT AUDITOR'S REPORT
TO THE SECURITY HOLDERS OF GDI PROPERTY GROUP LIMITED
TO THE UNITHOLDERS OF GDI PROPERTY TRUST**

Carrying value of borrowings

Refer to Note 17 Borrowings

The purchase of investment property is typically funded through a combination of cash generated from capital raising and borrowings from financial institutions. At 30 June 2024, GDI Property Group had borrowings of \$386.4 million representing 94% of total liabilities. The borrowing terms and conditions are disclosed in Note 17.

We have focussed on this area as a key audit matter due to the size of the borrowings balance.

Our audit procedures included, amongst others:

- We reviewed covenant calculations, debt maturity forecasts and plans for future funding.
- We reviewed new funding and settlement arrangements entered into by GDI during the year.
- We read the most up-to-date agreements between GDI Property Group and its financiers to understand the terms associated with the facilities and the amount of facility available for drawdown.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information in GDI Property Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

**INDEPENDENT AUDITOR'S REPORT
TO THE SECURITY HOLDERS OF GDI PROPERTY GROUP LIMITED
TO THE UNITHOLDERS OF GDI PROPERTY TRUST**

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GDI Property Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on GDI Property Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause GDI Property Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within GDI Property Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of GDI Property Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the communication with the directors, we determined those matters that were of most significant in the audit of the financial report for the current period and are therefore the key audit matters. We have described these matters in our auditor's report unless laws or regulations precludes public disclosure about the matter, or when in extremely rare circumstances, we determined that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of GDI Property Group Limited for the year ended 30 June 2024 complies with s 300A of the *Corporations Act 2001*.

GDI Property Group
Independent Auditor's Report
For the financial year ended 30 June 2024

HALL CHADWICK  (NSW)

INDEPENDENT AUDITOR'S REPORT
TO THE SECURITY HOLDERS OF GDI PROPERTY GROUP LIMITED
TO THE UNITHOLDERS OF GDI PROPERTY TRUST

Responsibilities

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



HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner
Dated: 26 August 2024

GDI Property Group

Securityholder information

For the financial year ended 30 June 2024

Spread of securities as at 30 August 2024

Range	Securities	%	No. of holders	%
100,001 and Over	487,946,782	90.79	315	12.19
10,001 to 100,000	45,411,846	8.45	1,245	48.16
5,001 to 10,000	2,956,724	0.55	359	13.89
1,001 to 5,000	1,006,023	0.19	333	12.88
1 to 1,000	124,364	0.02	333	12.88
Total	537,445,739	100.00	2,585	100.00
Unmarketable Parcels	35,098	0.01	237	9.17

Top 20 securityholders as at 30 August 2024

Rank	Name	23 Aug 2023	%IC
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	145,474,003	27.07%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	107,107,705	19.93%
3	CITICORP NOMINEES PTY LIMITED	41,927,962	7.80%
4	BNP PARIBAS NOMS PTY LTD	38,769,246	7.21%
5	KINDOL PTY LTD	9,474,019	1.76%
6	NATIONAL NOMINEES LIMITED	7,665,437	1.43%
7	CITICORP NOMINEES PTY LIMITED	7,313,367	1.36%
8	WEC ENTERPRISES PTY LTD	6,028,640	1.12%
9	M NESBITT SUPER PTY LTD	5,600,000	1.04%
10	BNP PARIBAS NOMINEES PTY LTD	5,337,327	0.99%
11	NETWEALTH INVESTMENTS LIMITED	4,534,939	0.84%
12	BNP PARIBAS NOMINEES PTY LTD	4,461,720	0.83%
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,874,985	0.72%
14	GILLARD SUPERANNUATION PTY LIMITED	2,437,516	0.45%
15	BNP PARIBAS NOMINEES PTY LTD	2,326,950	0.43%
16	MRS JULIEANN MARY HALL	2,028,000	0.38%
17	KINDOL PTY LTD	2,000,000	0.37%
18	STANBOX NO 2 PTY LTD	2,000,000	0.37%
19	ALLEG HOLDINGS PTY LTD	1,851,641	0.34%
20	MR DAVID JOHN WILLIAMS	1,780,039	0.33%
	Total	401,993,496	74.80%
	Balance of register	135,452,243	25.20%
	Grand total	537,445,739	100.00%

Voting rights attaching to each class of equity securities

The voting rights attached to each stapled security is that on a show of hands, each member present in person or proxy has one vote, and upon a poll, each stapled security shall have one vote.

Substantial holders as at 30 August 2024

Substantial holder	Securities	%
The Vanguard Group, Inc	54,844,778	10.22
Renaissance Property Securities Pty Ltd	39,238,894	7.32
Salt Funds Management Limited	31,981,532	7.02

05

GDI Property Group

Corporate directory

For the financial year ended 30 June 2024

GDI Property Group Limited

ACN 166 479 189

GDI Property Trust

ARSN 166 598 161

Responsible Entity of GDI Property Trust GDI Funds Management Limited

ACN 107 354 003

AFSL 253142

Directors of GDI Property Group Limited and the Responsible Entity

Giles Woodgate, Chair

Stephen Burns, MD and CEO

John Tuxworth

Patria Mann

Susan Hilliard

Secretaries of GDI Property Group Limited and the Responsible Entity

David Williams

John Garland

Registered office of GDI Property Group Limited and the Responsible Entity

Level 23

56 Pitt Street

Sydney NSW 2000

PO Box R1845

Royal Exchange

Sydney NSW 1225

Tel: +61 2 9223 4222

Fax: +61 2 9252 4821

Email: info@gdi.com.au

www.gdi.com.au

Auditors

Hall Chadwick

Level 40

2 Park Street

Sydney NSW 2000

Security registry

Link Market Services Limited

Locked Bag A14

Sydney South NSW 1235

Registry Infoline: +61 1800 237 687

Fax: +61 2 9287 0303

Email: registrars@linkmarketservices.com.au

www.linkmarketservices.com.au

Open Monday to Friday between
8.30am and 5.30pm (EST).

For enquiries regarding security holdings,
contact the security registry.

For other enquiries regarding
GDI Property Group contact:

Tel: +61 2 9223 4222

Fax: +61 2 9252 4821

Email: info@gdi.com.au

www.gdi.com.au

Australian Securities Exchange

ASX Code: GDI

GDI Property Group comprises GDI Property Group Limited ACN 166 479 189 (GDI) and its subsidiaries and GDI Property Trust ARSN 166 598 161 (The Trust) and its subsidiaries. The responsible entity of the Trust is GDI Funds Management Limited ACN 107 354 003, AFSL 253142, a wholly owned subsidiary of GDI.

