



# ASX Announcement

19 August 2024

## 2024 Interim Financial Report – GPT Management Holdings Limited

The GPT Group ('GPT') provides the 2024 Interim Financial Report for GPT Management Holdings Limited.

–ENDS–

Authorised for release by The GPT Group Board.

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# GPT Management Holdings Limited

ABN: 67 113 510 188

## Interim Financial Report 30 June 2024

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

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

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

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**GPT acknowledges the Traditional Custodians of the lands on which our business operates.**

**We pay our respects to Elders past, present and emerging, and to their knowledge, leadership and connections.**

**We honour our responsibility for Country, culture and community in the places we create and how we do business.**

# Directors' Report

The Directors of GPT Management Holdings Limited (the Company), present their report together with the financial statements of GPT Management Holdings Limited and its controlled entities (the Consolidated Entity) for the half year ended 30 June 2024. The Consolidated Entity is a for profit entity and is stapled to the General Property Trust (Trust). The GPT Group (GPT or the Group) financial statements include the results of the stapled entity as a whole.

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

## 1. OPERATING AND FINANCIAL REVIEW

The Consolidated Entity's results are largely driven by the results of the Trust, Wholesale Funds and the UniSuper, Australian Core Retail Trust and Commonwealth Superannuation Corporation (CSC) mandates managed by the Consolidated Entity given that management and other fees are driven by the asset value and performance of the underlying properties within these entities.

### About GPT

GPT is one of Australia's leading real estate investment managers with assets under management of \$34.4 billion across a diverse portfolio of high quality retail, office and logistics assets.

### Review of operations and operating result

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

The Consolidated Entity's financial performance for the half year ended 30 June 2024 is summarised below.

The net profit after tax for the half year ended 30 June 2024 is \$15,463,000 (Jun 2023: \$6,333,000)

|  | 30 Jun 24     | 30 Jun 23     | Change      |
|--|---------------|---------------|-------------|
|  | \$'000        | \$'000        | %           |
| Property management fees   | 25,070        | 23,945        | 5%          |
| Development management fees  | 9,702         | 12,647        | (23%)       |
| Fund management fees   | 62,127        | 57,918        | 7%          |
| Management costs recharged   | 27,243        | 24,267        | 12%         |
| Property revenue   | 4,549         | 4,224         | 8%          |
| Proceeds from sale of inventory                                    | 19,591        | —             | N/A         |
| Other revenue  | 2,522         | 2,664         | (5%)        |
| Expenses   | (131,302)     | (114,253)     | 15%         |
| <b>Profit from continuing operations before income tax expense</b> | <b>19,502</b> | <b>11,412</b> | <b>71%</b>  |
| Income tax expense   | (4,039)       | (5,079)       | (20%)       |
| <b>Net profit for the half year</b>                                | <b>15,463</b> | <b>6,333</b>  | <b>144%</b> |

### Consolidated Entity result

The increase in net profit after tax for the half year to 30 June 2024 compared to prior period is largely due to profits from the sale of inventory, higher fund management fees, and revaluation of financial arrangements. This is partially offset by lower development management fees and higher impairment expense.

## **DIRECTORS' REPORT**

Half year ended 30 June 2024

### **Property management fees**

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

#### **Retail**

Property management fees increased to \$18,861,000 in the half year primarily as a result of improved asset performance in the Retail segment.

#### **Office**

Property management fees increased to \$4,409,000 in the half year as a result of the internalisation of property management services for the Darling Park and 2 Southbank assets.

#### **Logistics**

Property management fees decreased to \$1,800,000 in the half year due to fewer leasing deals for the half year compared to the prior period.

### **Development management fees**

Development management fees have decreased by 23 per cent to \$9,702,000 primarily due to a decrease in development activity compared to 2023 which saw the completion of a number of projects particularly in Office and Logistics segments.

### **Fund management fees**

Fund management fees have increased by 7 per cent to \$62,127,000 due to the commencement of the Group's management of the CSC property portfolio comprising of office and retail assets and increased income through the QuadReal Student Accommodation portfolio which transitioned to GPT in October 2023, together with increased income from our Retail mandates. Increases were partially offset by reduced fees from GPT Office Wholesale Fund (GWOFF) due to decreased asset values.

### **Management costs recharged**

Management costs recharged increased by 12 per cent to \$27,243,000 compared to the prior year due to the proportionate increase in costs brought by the increased scale of the Group associated with asset internalisations.

### **Proceeds from sale of inventory**

Proceeds from the sale of inventory have increased to \$19,591,000 due to an increased number of sales compared to the prior period.

### **Expenses**

Expenses have increased 15 per cent overall to \$131,302,000 primarily due to the cost of sale of inventory and a net increase in impairment of inventory partially offset by revaluations of financial arrangements.

## DIRECTORS' REPORT

Half year ended 30 June 2024

## Financial position

|                          | 30 Jun 24      | 31 Dec 23      | Change       |
|--------------------------|----------------|----------------|--------------|
|                          | \$'000         | \$'000         | %            |
| Current assets           | 174,868        | 211,383        | (17%)        |
| Non-current assets       | 209,856        | 232,149        | (10%)        |
| <b>Total assets</b>      | <b>384,724</b> | <b>443,532</b> | <b>(13%)</b> |
| Current liabilities      | 122,128        | 128,646        | (5%)         |
| Non-current liabilities  | 172,132        | 239,748        | (28%)        |
| <b>Total liabilities</b> | <b>294,260</b> | <b>368,394</b> | <b>(20%)</b> |
| <b>Net assets</b>        | <b>90,464</b>  | <b>75,138</b>  | <b>20%</b>   |

Total assets decreased by 13 per cent to \$384,724,000 in 2024 (Dec 2023: \$443,532,000) primarily due to the sale of inventories and lower receivables due to higher cash receipts during the period.

Total liabilities reduced by 20 per cent to \$294,260,000 in 2024 (Dec 2023: \$368,394,000) primarily due to reduced borrowings from higher cash receipts and favourable revaluation of financial arrangements.

## Capital management

The Consolidated Entity has no external loans.

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

## Going concern

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

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

- Available liquidity, through cash and undrawn facilities, of \$1,409.6 million (after allowing for repayment of \$444.2 million of outstanding uncommitted facilities) as at 30 June 2024;
- Weighted average debt facility expiry of 5.6 years, with sufficient liquidity in place to cover the \$426.6 million of debt (excluding outstanding uncommitted facilities) due between the date of this report and 30 June 2025;
- Primary covenant gearing of 29.8 per cent, compared to a covenant level not exceeding 50.0 per cent, and
- Interest cover ratio for the six months to 30 June 2024 of 4.1 times, compared to a covenant level of not less than 2.0 times.

## Cash flows

The cash balance at 30 June 2024 decreased to \$18,473,000 (Dec 2023: \$19,852,000).

## Operating activities

Net cash inflows from operating activities have increased in 2024 to \$66,651,000 (Jun 2023: \$38,846,000) driven by higher cash receipts net of payments in the course of operations and higher proceeds from the sale of inventories.

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

## DIRECTORS' REPORT

Half year ended 30 June 2024

| For the half year ended                           | 30 Jun 24     | 30 Jun 23     | Change     |
|---|---------------|---------------|------------|
|   | \$'000        | \$'000        | %          |
| Net profit for the half year                      | 15,463        | 6,333         | 144%       |
| Non-cash items included in net profit             | 23,124        | 17,949        | 29%        |
| Timing difference                                 | (4,091)       | (19,254)      | (79%)      |
| Inventory movements                               | 32,155        | 33,818        | (5%)       |
| <b>Net cash inflows from operating activities</b> | <b>66,651</b> | <b>38,846</b> | <b>72%</b> |

**Investing activities**

Net cash outflows from investing activities have increased to \$11,028,000 in the first half of 2024 (Jun 2023: \$5,532,000) due to the purchase of securities for employee incentive schemes.

**Financing activities**

Net cash outflows from financing activities have increased to \$57,002,000 in the first half of 2024 (Jun 2023: \$24,525,000) primarily due to lower proceeds from related party borrowings.

**Dividends**

The Company has not paid any dividends for the half year to 30 June 2024 (2023: nil).

**Prospects**

Market conditions are improving in terms of transaction activity and capital mobility.

GPT is well positioned with a premium, multi-sector portfolio, complemented by a conservative capital profile and deep operational experience.

The immediate focus of the Group is the active pursuit of strategies to optimise existing assets, funds and partnerships, and establish new partnerships to achieve the diversification and growth targeted for the Funds Management platform.

In tandem, the operational capability in the business will be repositioned to facilitate the strategic growth emphasis on investment management and capital partnering.

**Outlook**

GPT continues to expect to deliver 2024 FFO of approximately 32.0 cents per security and a distribution of 24.0 cents per security.

## 2. EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstance occurring since 30 June 2024 that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in the subsequent financial periods.

## DIRECTORS' REPORT

Half year ended 30 June 2024

### 3. DIRECTORS

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

**Chairman, Non-Executive Director**

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

**Chief Executive Officer and Managing Director**

Russell Proutt (appointed to the Board on 22 March 2024)

Bob Johnston (appointed to the Board in September 2015 and retired on 4 March 2024.)

**Non-Executive Directors**

Anne Brennan (appointed to the Board in May 2022)

Shane Gannon (appointed to the Board in May 2023)

Tracey Horton AO (appointed to the Board in May 2019)

Louise Mason (appointed to the Board on 1 May 2024)

Mark Menhinnitt (appointed to the Board in October 2019)

Robert Whitfield AM (appointed to the Board in May 2020 and retired on 8 May 2024)

### 4. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 8 and forms part of the Directors' Report.

### 5. ROUNDING OF AMOUNTS

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

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



Vicki McFadden  
Chairman



Russell Proutt  
Chief Executive Officer and Managing Director

Sydney  
19 August 2024





## Auditor's Independence Declaration

As lead auditor for the review of GPT Management Holdings Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink, appearing to read 'D. G. Smith', written in a cursive style.

Debbie Smith  
Partner  
PricewaterhouseCoopers

Sydney  
19 August 2024

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## Financial Statements

## Consolidated Statement of Comprehensive Income

Half year ended 30 June 2024

|  | Note | 30 Jun 24<br>\$'000 | 30 Jun 23<br>\$'000 |
|--|------|---------------------|---------------------|
| <b>Revenue</b>   |      |                     |                     |
| Funds management fees  |      | 62,127              | 57,918              |
| Property management fees   |      | 25,070              | 23,945              |
| Development management fees  |      | 9,702               | 12,647              |
| Management costs recharged   |      | 27,243              | 24,267              |
| Property revenue   |      | 4,549               | 4,224               |
|  |      | <b>128,691</b>      | <b>123,001</b>      |
| <b>Other income</b>  |      |                     |                     |
| Share of after tax profit of equity accounted investments                            |      | 1                   | —                   |
| Interest income  |      | 924                 | 1,467               |
| Proceeds from sale of inventory  |      | 19,591              | —                   |
| Other  |      | 1,597               | 1,197               |
|  |      | <b>22,113</b>       | <b>2,664</b>        |
| <b>Total revenue and other income</b>  |      | <b>150,804</b>      | <b>125,665</b>      |
| <b>Expenses</b>  |      |                     |                     |
| Remuneration expenses  |      | 79,625              | 78,404              |
| Cost of sale of inventory  |      | 14,030              | —                   |
| Share of after tax loss of equity accounted investments                              |      | —                   | 2                   |
| Property expenses and outgoings  |      | 2,356               | 2,816               |
| Technology expenses  |      | 7,115               | 8,184               |
| Professional fees  |      | 2,345               | 2,679               |
| Depreciation of right-of-use asset   |      | 4,964               | 5,247               |
| Depreciation   |      | 1,611               | 1,495               |
| Amortisation   |      | 1,222               | 959                 |
| Revaluation of financial arrangements  |      | (6,382)             | 4,754               |
| Impairment expense   |      | 13,993              | 70                  |
| Finance costs  |      | 2,810               | 3,178               |
| Other expenses   |      | 7,613               | 6,465               |
| <b>Total expenses</b>  |      | <b>131,302</b>      | <b>114,253</b>      |
| <b>Profit before income tax</b>  |      | <b>19,502</b>       | <b>11,412</b>       |
| Income tax expense   |      | 4,039               | 5,079               |
| <b>Net profit for the half year</b>  |      | <b>15,463</b>       | <b>6,333</b>        |
| <b>Other comprehensive income</b>  |      |                     |                     |
| Items that may be reclassified to profit and loss                                    |      |                     |                     |
| Net foreign exchange translation gain  |      | 2                   | 23                  |
| <b>Total comprehensive profit for the half year</b>                                  |      | <b>15,465</b>       | <b>6,356</b>        |
| <b>Net profit attributable to:</b>   |      |                     |                     |
| - Members of the Company   |      | 15,462              | 6,334               |
| - Non-controlling interest   |      | 1                   | (1)                 |
| <b>Total comprehensive income attributable to:</b>                                   |      |                     |                     |
| - Members of the Company   |      | 15,464              | 6,357               |
| - Non-controlling interest   |      | 1                   | (1)                 |
| <b>Earnings per share attributable to the ordinary equity holders of the Company</b> |      |                     |                     |
| Basic and diluted earnings per share (cents per share) - total                       | 8(a) | <b>0.81</b>         | 0.33                |

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

# Consolidated Statement of Financial Position

As at 30 June 2024

|   | Note | 30 Jun 24<br>\$'000 | 31 Dec 23<br>\$'000 |
|---|------|---------------------|---------------------|
| <b>ASSETS</b>                                       |      |                     |                     |
| <b>Current assets</b>                               |      |                     |                     |
| Cash and cash equivalents                           |      | 18,473              | 19,852              |
| Trade receivables                                   |      | 76,953              | 91,445              |
| Other receivables                                   |      | 2,961               | 7,346               |
| Inventories   | 4    | 71,776              | 86,231              |
| Prepayments   |      | 4,705               | 6,509               |
| <b>Total current assets</b>                         |      | <b>174,868</b>      | <b>211,383</b>      |
| <b>Non-current assets</b>                           |      |                     |                     |
| Intangible assets                                   | 3    | 18,868              | 20,031              |
| Property, plant and equipment                       | 5    | 6,998               | 8,526               |
| Inventories   | 4    | 107,886             | 117,404             |
| Equity accounted investments                        | 2    | 25,097              | 25,009              |
| Right-of-use assets                                 |      | 14,892              | 22,655              |
| Deferred tax asset                                  |      | 26,150              | 27,306              |
| Other assets  | 6    | 9,965               | 11,218              |
| <b>Total non-current assets</b>                     |      | <b>209,856</b>      | <b>232,149</b>      |
| <b>Total assets</b>                                 |      | <b>384,724</b>      | <b>443,532</b>      |
| <b>LIABILITIES</b>                                  |      |                     |                     |
| <b>Current liabilities</b>                          |      |                     |                     |
| Payables  |      | 77,764              | 78,606              |
| Current tax liability                               |      | 2,917               | 4,281               |
| Provisions  |      | 24,221              | 30,060              |
| Borrowings  | 10   | 6,636               | 4,398               |
| Lease liabilities                                   |      | 10,590              | 11,301              |
| <b>Total current liabilities</b>                    |      | <b>122,128</b>      | <b>128,646</b>      |
| <b>Non-current liabilities</b>                      |      |                     |                     |
| Borrowings  | 10   | 149,081             | 206,424             |
| Provisions  |      | 5,707               | 7,408               |
| Lease liabilities                                   |      | 17,344              | 25,916              |
| <b>Total non-current liabilities</b>                |      | <b>172,132</b>      | <b>239,748</b>      |
| <b>Total liabilities</b>                            |      | <b>294,260</b>      | <b>368,394</b>      |
| <b>Net assets</b>                                   |      | <b>90,464</b>       | <b>75,138</b>       |
| <b>EQUITY</b>                                       |      |                     |                     |
| Contributed equity                                  | 7    | 331,842             | 331,842             |
| Reserves  |      | 18,401              | 18,538              |
| Accumulated losses                                  |      | (277,605)           | (293,067)           |
| <b>Total equity attributable to Company members</b> |      | <b>72,638</b>       | <b>57,313</b>       |
| Non-controlling interests                           |      | 17,826              | 17,825              |
| <b>Total equity</b>                                 |      | <b>90,464</b>       | <b>75,138</b>       |

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

# Consolidated Statement of Changes in Equity

Half year ended 30 June 2024

|   | Company                         |                    |                                 |                 | Non-controlling interests       |                                 |                 |                           |
|---|---------------------------------|--------------------|---------------------------------|-----------------|---------------------------------|---------------------------------|-----------------|---------------------------|
|   | Contributed<br>equity<br>\$'000 | Reserves<br>\$'000 | Accumulated<br>losses<br>\$'000 | Total<br>\$'000 | Contributed<br>equity<br>\$'000 | Accumulated<br>losses<br>\$'000 | Total<br>\$'000 | Total<br>equity<br>\$'000 |
| <b>Equity attributable to Company Members</b>                     |                                 |                    |                                 |                 |                                 |                                 |                 |                           |
| <b>At 1 January 2023</b>  | 331,842                         | 18,280             | (284,913)                       | 65,209          | 21,172                          | (3,357)                         | 17,815          | 83,024                    |
| Foreign currency translation reserve                              | —                               | 23                 | —                               | 23              | —                               | —                               | —               | 23                        |
| <b>Other comprehensive income for the half year</b>               | —                               | 23                 | —                               | 23              | —                               | —                               | —               | 23                        |
| Profit for the half year  | —                               | —                  | 6,334                           | 6,334           | —                               | (1)                             | (1)             | 6,333                     |
| <b>Total comprehensive income for the half year</b>               | —                               | 23                 | 6,334                           | 6,357           | —                               | (1)                             | (1)             | 6,356                     |
| <b>Transactions with Members in their capacity as Members</b>     |                                 |                    |                                 |                 |                                 |                                 |                 |                           |
| Movement in employee incentive security scheme reserve net of tax | —                               | 102                | —                               | 102             | —                               | —                               | —               | 102                       |
| <b>At 30 June 2023</b>  | 331,842                         | 18,405             | (278,579)                       | 71,668          | 21,172                          | (3,358)                         | 17,814          | 89,482                    |
| <b>Equity attributable to Company Members</b>                     |                                 |                    |                                 |                 |                                 |                                 |                 |                           |
| <b>At 1 January 2024</b>  | 331,842                         | 18,538             | (293,067)                       | 57,313          | 21,172                          | (3,347)                         | 17,825          | 75,138                    |
| Foreign currency translation reserve                              | —                               | 2                  | —                               | 2               | —                               | —                               | —               | 2                         |
| <b>Other comprehensive income for the half year</b>               | —                               | 2                  | —                               | 2               | —                               | —                               | —               | 2                         |
| Profit for the half year  | —                               | —                  | 15,462                          | 15,462          | —                               | 1                               | 1               | 15,463                    |
| <b>Total comprehensive income for the half year</b>               | —                               | 2                  | 15,462                          | 15,464          | —                               | 1                               | 1               | 15,465                    |
| <b>Transactions with Members in their capacity as Members</b>     |                                 |                    |                                 |                 |                                 |                                 |                 |                           |
| Movement in employee incentive security scheme reserve net of tax | —                               | (139)              | —                               | (139)           | —                               | —                               | —               | (139)                     |
| <b>At 30 June 2024</b>  | 331,842                         | 18,401             | (277,605)                       | 72,638          | 21,172                          | (3,346)                         | 17,826          | 90,464                    |

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

# Consolidated Statement of Cash Flows

Half year ended 30 June 2024

|  | Note | 30 Jun 24<br>\$'000 | 30 Jun 23<br>\$'000 |
|--|------|---------------------|---------------------|
| <b>Cash flows from operating activities</b>                  |      |                     |                     |
| Receipts in the course of operations (inclusive of GST)      |      | 133,158             | 123,262             |
| Payments in the course of operations (inclusive of GST)      |      | (100,210)           | (112,846)           |
| Proceeds from the sale of inventories                        |      | 42,311              | 38,488              |
| Payments for inventories                                     |      | (4,595)             | (4,670)             |
| Interest received  |      | 924                 | 628                 |
| Finance costs paid   |      | (595)               | (817)               |
| Income tax paid  |      | (4,342)             | (5,199)             |
| <b>Net cash inflows from operating activities</b>            | 11   | <b>66,651</b>       | <b>38,846</b>       |
| <b>Cash flows from investing activities</b>                  |      |                     |                     |
| Payments for property, plant and equipment                   |      | (83)                | (820)               |
| Payments for intangibles                                     |      | (59)                | (66)                |
| Purchases of securities for the employee incentive schemes   |      | (10,886)            | (4,646)             |
| <b>Net cash outflows from investing activities</b>           |      | <b>(11,028)</b>     | <b>(5,532)</b>      |
| <b>Cash flows from financing activities</b>                  |      |                     |                     |
| Repayments of related party borrowings                       |      | (224,648)           | (318,308)           |
| Proceeds from related party borrowings                       |      | 173,119             | 299,216             |
| Principal elements of lease payments                         |      | (5,473)             | (5,433)             |
| <b>Net cash outflows from financing activities</b>           |      | <b>(57,002)</b>     | <b>(24,525)</b>     |
| Net cash (decrease)/increase in cash and cash equivalents    |      | (1,379)             | 8,789               |
| Cash and cash equivalents at the beginning of the half year  |      | 19,852              | 17,185              |
| <b>Cash and cash equivalents at the end of the half year</b> |      | <b>18,473</b>       | <b>25,974</b>       |

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

# Notes to the Consolidated Financial Statements

Half year ended 30 June 2024

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

The notes to the financial statements are organised into the following sections:

**Note 1 – Result for the half year:** focuses on results and performance of the Consolidated Entity.

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

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

**Notes 11 to 16 – Other disclosure items:** provides information on other items that must be disclosed to comply with Australian Accounting Standards and other regulatory pronouncements.

## Key judgements, estimates and assumptions

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

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

| Financial statement item               | Area of judgements and estimates                           | Note       |
|--|--|------------|
| Equity accounted investments           | Assessment of control versus significant influence         | 2          |
| Management rights with indefinite life | Impairment trigger and recoverable amounts                 | 3          |
| IT development and software            | Impairment trigger and recoverable amounts                 | 3          |
| Inventories                            | Lower of cost and net realisable value                     | 4          |
| Property, plant and equipment          | Useful life  | 5          |
| Related party borrowings at fair value | Fair value   | 10         |
| Investment in financial assets         | Fair value   | 14         |
| Contract assets                        | Amortisation period  | 15(c)(i)   |
| Lease liabilities                      | Lease term and incremental borrowing rate                  | 15(c)(iii) |
| Right-of-use assets                    | Impairment trigger and recoverable amounts                 | 15(c)(iii) |
| Deferred tax assets                    | Recoverability   | 15(c)(iv)  |
| Security based payments                | Fair value   | 15(c)(v)   |
| Provisions                             | Estimates of future obligations and probability of outflow | 15(c)(vi)  |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Half year ended 30 June 2024

## RESULT FOR THE HALF YEAR

## 1. Segment Information

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

## OPERATING ASSETS AND LIABILITIES

## 2. Equity Accounted Investments

|   | Note    | 30 Jun 24<br>\$'000 | 31 Dec 23<br>\$'000 |
|---|---------|---------------------|---------------------|
| Investments in joint ventures             | (a)(i)  | 14,896              | 14,808              |
| Investments in associates                 | (a)(ii) | 10,201              | 10,201              |
| <b>Total equity accounted investments</b> |         | <b>25,097</b>       | <b>25,009</b>       |

## (a) Details of equity accounted investments

| Name  | Principal activity   | Ownership interest |           |           |           |
|---|----------------------|--------------------|-----------|-----------|-----------|
|   |                      | 30 Jun 24          | 31 Dec 23 | 30 Jun 24 | 31 Dec 23 |
|   |                      | %                  | %         | \$'000    | \$'000    |
| (i) Joint ventures                                    |                      |                    |           |           |           |
| Lendlease GPT (Rouse Hill) Pty Limited <sup>(i)</sup> | Property development | 50.00%             | 50.00%    | 14,896    | 14,808    |
| Total investment in joint ventures                    |                      |                    |           | 14,896    | 14,808    |
| (ii) Associates                                       |                      |                    |           |           |           |
| DPT Operator No. 1 Pty Limited                        | Management           | 91.67              | 91.67     | –         | –         |
| DPT Operator No. 2 Pty Limited                        | Management           | 91.67              | 91.67     | 1         | 1         |
| GPT Funds Management Limited                          | Funds management     | 100.00             | 100.00    | 10,200    | 10,200    |
| Total investment in associates                        |                      |                    |           | 10,201    | 10,201    |

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Half year ended 30 June 2024

## 3. Intangible Assets

|  | Management<br>rights<br>\$'000 | IT development<br>and software<br>\$'000 | Total<br>\$'000 |
|--|--------------------------------|--|-----------------|
| <b>Cost</b>                                    |                                |  |                 |
| <b>At 1 January 2023</b>                       | 52,042                         | 47,180                                   | 99,222          |
| Additions                                      | —                              | 1,026                                    | 1,026           |
| <b>At 31 December 2023</b>                     | 52,042                         | 48,206                                   | 100,248         |
| Additions                                      | —                              | 59                                       | 59              |
| <b>At 30 June 2024</b>                         | <b>52,042</b>                  | <b>48,265</b>                            | <b>100,307</b>  |
| <b>Accumulated amortisation and impairment</b> |                                |  |                 |
| <b>At 1 January 2023</b>                       | (41,857)                       | (34,830)                                 | (76,687)        |
| Amortisation                                   | —                              | (3,530)                                  | (3,530)         |
| <b>At 31 December 2023</b>                     | (41,857)                       | (38,360)                                 | (80,217)        |
| Amortisation                                   | —                              | (1,222)                                  | (1,222)         |
| <b>At 30 June 2024</b>                         | <b>(41,857)</b>                | <b>(39,582)</b>                          | <b>(81,439)</b> |
| <b>Carrying amounts</b>                        |                                |  |                 |
| At 31 December 2023                            | 10,185                         | 9,846                                    | 20,031          |
| <b>At 30 June 2024</b>                         | <b>10,185</b>                  | <b>8,683</b>                             | <b>18,868</b>   |

## Management rights

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

For the management rights of Highpoint Shopping Centre, management considers the useful life as indefinite as there is no fixed term included in the management agreement. Therefore, the Consolidated Entity tests for impairment at balance date. Assets are impaired if the carrying value exceeds their recoverable amount. The recoverable amount is determined using a discounted cash flow. A 13.75 per cent pre-tax discount rate and 3.01 per cent growth rate have been applied to these asset specific cash flow projections.

## IT development and software

Costs incurred in developing systems and acquiring software and licenses that will contribute future financial benefits and which the Consolidated Entity controls (therefore excluding Software as a Service) are capitalised until the software is capable of operating in the manner intended by management. These include external direct costs of materials and services and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over the length of time that benefits are expected to be received, ranging from 5 to 7 years.

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

Management believe the carrying value reflects the recoverable amount.

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Half year ended 30 June 2024

## 4. Inventories

|                                | 30 Jun 24      | 31 Dec 23      |
|--------------------------------|----------------|----------------|
|                                | \$'000         | \$'000         |
| Properties held for sale       | 67,846         | 68,819         |
| Development properties         | 3,930          | 17,412         |
| <b>Current inventories</b>     | <b>71,776</b>  | <b>86,231</b>  |
| Development properties         | 107,886        | 117,404        |
| <b>Non-current inventories</b> | <b>107,886</b> | <b>117,404</b> |
| <b>Total inventories</b>       | <b>179,662</b> | <b>203,635</b> |

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

**Cost**

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

**NRV**

The NRV is the estimated selling price in the ordinary course of business less estimated costs to sell and where relevant any estimated cost of completion. At each reporting date, management reviews these estimates by taking into consideration:

- the most reliable evidence; and
- any events which confirm conditions existing at the period end and cause any fluctuations of selling price and costs to sell.

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

The Consolidated Entity completed NRV assessments for each inventory asset for the period and has compared the results to the cost of each asset, as a result an impairment expense of \$14,023,000 has been recognised.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Half year ended 30 June 2024

## 5. Property, Plant And Equipment

|  | 30 Jun 24    | 31 Dec 23    |
|--|--------------|--------------|
|  | \$'000       | \$'000       |
| <b>Computers</b>                           |              |              |
| At cost                                    | 25,157       | 25,015       |
| Less: accumulated depreciation             | (21,730)     | (20,462)     |
| <b>Total computers</b>                     | <b>3,427</b> | <b>4,553</b> |
| <b>Office fixtures and fittings</b>        |              |              |
| At cost                                    | 15,887       | 15,962       |
| Less: accumulated depreciation             | (13,685)     | (13,354)     |
| Less: accumulated impairment               | (335)        | (335)        |
| <b>Total office fixtures and fittings</b>  | <b>1,867</b> | <b>2,273</b> |
| <b>Solar installations</b>                 |              |              |
| At cost                                    | 1,737        | 1,721        |
| Less: accumulated depreciation             | (33)         | (21)         |
| <b>Total solar installations</b>           | <b>1,704</b> | <b>1,700</b> |
| <b>Total property, plant and equipment</b> | <b>6,998</b> | <b>8,526</b> |

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

|                            | Computers    | Office<br>fixtures<br>& fittings | Solar<br>installations | Total        |
|----------------------------|--------------|----------------------------------|------------------------|--------------|
|                            | \$'000       | \$'000                           | \$'000                 | \$'000       |
| <b>At 1 January 2023</b>   |              |                                  |                        |              |
| Opening carrying value     | 5,969        | 2,998                            | 1,612                  | 10,579       |
| Additions                  | 1,082        | 2                                | 109                    | 1,193        |
| Disposals                  | (37)         | (5)                              | —                      | (42)         |
| Depreciation               | (2,461)      | (722)                            | (21)                   | (3,204)      |
| <b>At 31 December 2023</b> | <b>4,553</b> | <b>2,273</b>                     | <b>1,700</b>           | <b>8,526</b> |
| <b>At 1 January 2024</b>   |              |                                  |                        |              |
| Opening carrying value     | 4,553        | 2,273                            | 1,700                  | 8,526        |
| Additions                  | 153          | 1                                | 16                     | 170          |
| Disposals                  | (11)         | (76)                             | —                      | (87)         |
| Depreciation               | (1,268)      | (331)                            | (12)                   | (1,611)      |
| <b>At 30 June 2024</b>     | <b>3,427</b> | <b>1,867</b>                     | <b>1,704</b>           | <b>6,998</b> |

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Half year ended 30 June 2024

**Depreciation**

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

**Impairment**

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

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

**Disposals**

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

**Solar installations**

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

**6. Other Assets**

|                                | 30 Jun 24    | 31 Dec 23     |
|--------------------------------|--------------|---------------|
|                                | \$'000       | \$'000        |
| Lease incentive assets         | 43           | 74            |
| Investment in financial assets | 3,014        | 312           |
| Other assets                   | 3,248        | 3,206         |
| Contract asset                 | 3,660        | 7,626         |
| <b>Total other assets</b>      | <b>9,965</b> | <b>11,218</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Half year ended 30 June 2024

## CAPITAL STRUCTURE

## 7. Equity And Reserves

|  | Number               | \$'000         |
|--|----------------------|----------------|
| <b>Ordinary stapled securities</b>                 |                      |                |
| Opening securities on issue at 1 January 2023      | 1,915,577,430        | 331,842        |
| <b>Closing securities on issue at 30 June 2023</b> | <b>1,915,577,430</b> | <b>331,842</b> |
| Opening securities on issue at 1 January 2024      | <b>1,915,577,430</b> | <b>331,842</b> |
| <b>Closing securities on issue at 30 June 2024</b> | <b>1,915,577,430</b> | <b>331,842</b> |

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

## 8. Earnings Per Share

## (a) Basic and diluted earnings per share

|   | 30 Jun 24   | 30 Jun 23 |
|---|-------------|-----------|
|   | Cents       | Cents     |
| <b>Total basic and diluted earnings per share</b> | <b>0.81</b> | 0.33      |

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

|   | 30 Jun 24     | 30 Jun 23     |
|---|---------------|---------------|
|   | \$'000        | \$'000        |
| <b>Profit - basic and diluted</b>             | <b>\$'000</b> | <b>\$'000</b> |
| Profit attributable to members of the Company | <b>15,462</b> | 6,334         |

## (c) WANOS

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

|   | 30 Jun 24              | 30 Jun 23              |
|---|------------------------|------------------------|
|   | Number of shares '000s | Number of shares '000s |
| <b>WANOS used as denominator in calculating basic earnings per ordinary share</b>   | <b>1,915,577</b>       | 1,915,577              |
| Performance security rights (weighted average basis) <sup>(i)</sup>                 | <b>586</b>             | 716                    |
| <b>WANOS used as denominator in calculating diluted earnings per ordinary share</b> | <b>1,916,163</b>       | 1,916,293              |

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Half year ended 30 June 2024

**Calculation of earnings per share**

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

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

**9. Dividends Paid And Payable**

The Company has not paid or declared dividends for the half year to 30 June 2024 (Dec 2023: nil).

**10. Borrowings**

|   | 30 Jun 24                         | 31 Dec 23                         |
|---|-----------------------------------|-----------------------------------|
|   | Carrying<br>amount <sup>(i)</sup> | Carrying<br>amount <sup>(i)</sup> |
|   | \$'000                            | \$'000                            |
| Current related party borrowings from GPT Trust at amortised cost     | —                                 | 4,398                             |
| Current borrowings from joint ventures at amortised cost              | 6,636                             | —                                 |
| <b>Current borrowings</b>   | <b>6,636</b>                      | <b>4,398</b>                      |
| Non-current borrowings from joint ventures at amortised cost          | —                                 | 6,636                             |
| Non-current related party borrowings from GPT Trust at amortised cost | 107,588                           | 151,581                           |
| Non-current related party borrowings from GPT Trust at fair value     | 41,493                            | 48,207                            |
| <b>Non-current borrowings</b>   | <b>149,081</b>                    | <b>206,424</b>                    |
| <b>Total borrowings</b>   | <b>155,717</b>                    | <b>210,822</b>                    |

(i) The carrying amount approximates the fair value.

The related party borrowings from GPT Trust at fair value are subject to limited recourse based on available funds determined by the repayment fund calculation in the loan agreement. Management determined the fair value of these borrowings by forecasting a best estimate of future repayments. The repayments have been discounted at a risk adjusted rate appropriate to the Consolidated Entity to determine the fair value. This has resulted in a revaluation decrease of \$6,714,000 being recognised on the face of the Consolidated Statement of Comprehensive Income during the period as a result of the historical loans with the Trust being valued at \$41,493,000 at 30 June 2024 (Dec 2023: \$48,207,000). Refer to note 14 for further information on the fair value calculations.

GPT Trust has suspended interest in connection with the above loans from 3 September 2015. The lender has the option to reinstate interest. The loans are accounted for as non-revolving interest free borrowings that are revalued each reporting date in accordance with accounting standards.

Borrowings other than interest free loans are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Under this method, any transaction fees, costs, discounts and premiums directly related to the borrowings are recognised in the Consolidated Statement of Comprehensive Income over the expected life of the borrowings.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Half year ended 30 June 2024

The maturity profile of borrowings is provided below:

|  | <b>Total<br/>facility<sup>(i)</sup><br/>\$'000</b> | <b>Used<br/>facility<sup>(i)</sup><br/>\$'000</b> | <b>Unused<br/>facility<br/>\$'000</b> |
|--|--|---|---------------------------------------|
| Due within one year  | 6,636  | 6,636   | —                                     |
| Due between one and five years   | 160,600  | 72,030  | 88,570                                |
| Due after five years   | 438,718  | 419,476   | 19,242                                |
|  | <b>605,954</b>                                     | <b>498,142</b>                                    | <b>107,812</b>                        |
| Cash and cash equivalents  |  |   | <b>18,473</b>                         |
| Less: cash and cash equivalents held for AFSLs                         |  |   | <b>(10,600)</b>                       |
| <b>Total financing resources available at the end of the half year</b> |  |   | <b>115,685</b>                        |

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2024

## OTHER DISCLOSURE ITEMS

## 11. Cash Flow Information

## Cash flows from operating activities

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

|   | 30 Jun 24     | 30 Jun 23     |
|---|---------------|---------------|
|   | \$'000        | \$'000        |
| Net profit for the half year  | 15,463        | 6,333         |
| Share of after tax (profit)/loss of equity accounted investments (net of distributions) | (1)           | 2             |
| Impairment expense  | 13,993        | 81            |
| Non-cash employee benefits – security based payments                                    | 1,906         | (935)         |
| Fair value movement of investment in Trust  | 332           | 68            |
| Interest capitalised  | (898)         | (769)         |
| Depreciation expense  | 1,611         | 1,495         |
| Depreciation of right-of-use assets   | 4,964         | 5,247         |
| Amortisation expense  | 1,222         | 959           |
| Amortisation of contract asset  | 3,966         | 3,945         |
| Non-cash finance costs  | 3,173         | 3,121         |
| Revaluation of financial arrangements   | (6,714)       | 4,686         |
| Profit on sale of inventory   | (5,561)       | —             |
| Payments for inventories  | (4,595)       | (4,670)       |
| Proceeds from inventories   | 42,311        | 38,488        |
| Decrease in operating assets  | (1,062)       | (6,418)       |
| Increase in operating liabilities   | (3,029)       | (12,836)      |
| Other   | (430)         | 49            |
| <b>Net cash inflows from operating activities</b>                                       | <b>66,651</b> | <b>38,846</b> |

## 12. Commitments

Capital expenditure commitments relating to property, plant and equipment at 30 June 2024 were \$129,000 (Dec 2023: \$75,000).

Other contractual commitments at 30 June 2024 were \$2,386,000 (Dec 2023: \$3,104,000).

Commitments arise from the purchase of plant and equipment, and other commitments relating to development costs (including land) and committed tenant incentives, which have been contracted for at balance date but not recognised on the Consolidated Statement of Financial Position.

Capital expenditure commitments related to joint venture and associates for the half year ended 30 June 2024 total \$54,000 (Dec 2023: nil).

## 13. Contingent Liabilities

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

The Company has provided guarantees over GPT RE Limited as responsible entity of the Trust's obligations under various financing arrangements (including bank facilities, US Private Placement issuances, medium term notes and commercial paper program) and derivative obligations. As at 30 June 2024, the maximum value of these obligations assuming all the loans are fully drawn is A\$5.67 billion, with the latest maturity covered by these guarantees in December 2035.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Half year ended 30 June 2024

**14. Fair Value Disclosures**

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

**Fair value measurement, valuation techniques and inputs**

| Class of assets / liabilities      | Fair value hierarchy | Valuation technique  | Classification under AASB 9            | Inputs used to measure fair value | Range of unobservable inputs      |           |
|------------------------------------|----------------------|----------------------|--|-----------------------------------|-----------------------------------|-----------|
|                                    |                      |                      |  |                                   | 30 Jun 24                         | 31 Dec 23 |
| Investment in financial assets     | Level 1              | Market price         | Fair value through the profit and loss | Market price                      | Not applicable – observable input |           |
| Interest free loans from the Trust | Level 3              | Discounted cash flow | Fair value through the profit and loss | Discount rate                     | 7.86%                             | 7.49%     |

The different levels of the fair value hierarchy have been defined as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**15. Accounting Policies, Key Judgements And Estimates****(a) Basis of preparation**

The general purpose financial report has been prepared:

- in accordance with the requirements of the Company's constitution, Corporations Act 2001, Australian Accounting Standard AASB 134 Interim Financial Reporting;
- in accordance with the recognition and measurement requirements of the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB);
- on a going concern basis. The Consolidated Entity has prepared an assessment of its ability to continue as a going concern, taking into account all available information for a period of 12 months from the date of these financial statements. As set out in note 10, the Consolidated Entity has access to \$115,685,000 in cash and undrawn loan facilities and future cashflow assessments have been made, taking into consideration appropriate probability-weighted factors. The Consolidated Entity is confident in the belief it will realise its assets and settle its liabilities and commitments in the normal course of business for at least the amounts stated in the financial statements. (Refer to section (b) for further information);
- under the historical cost convention, as modified by the revaluation for financial assets and liabilities at fair value through the Consolidated Statement of Comprehensive Income;
- using consistent accounting policies and adjustments to align any dissimilar accounting policies adopted by the controlled entities, associates or joint ventures; and
- in Australian dollars with all values rounded to the nearest thousand dollars, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise stated.

This interim financial report does not include all the notes of the type normally included within the annual financial report. Therefore, it is recommended this report be read in conjunction with the annual financial report for the year ended 31 December 2023.

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

The financial report was approved by the Board of Directors on 19 August 2024.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Half year ended 30 June 2024

### (b) Going concern

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

- Available liquidity, through cash and undrawn facilities, of \$1,409.6 million (after allowing for repayment of \$444.2 million of outstanding uncommitted facilities) as at 30 June 2024;
- Weighted average debt expiry of 5.6 years, with sufficient liquidity in place to cover the \$426.6 million of debt (excluding outstanding uncommitted facilities) due between the date of this report and 30 June 2025;
- Primary covenant gearing of 29.8 per cent, compared to a covenant level not exceeding 50.0 per cent, and
- Interest cover ratio for the six months to 30 June 2024 of 4.1 times, compared to a covenant level of not less than 2.0 times.

### (c) Material accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period with the exception of new and amended standards and interpretations commencing 1 January 2024 which were adopted where applicable.

#### (i) Revenue

##### Revenue from contracts with customers

Revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits as the entity performs;
- the customer controls the asset as the entity creates or enhances it; or
- the seller's performance does not create an asset for which the seller has an alternative use and there is a right to payment for performance to date.

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

#### (ii) Trade receivables

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

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

##### Recoverability of receivables

Management has assessed whether trade receivables are "credit impaired", and recognised a loss allowance equal to the lifetime ECL. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset is expected to occur.

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

The Consolidated Entity analyses the age of outstanding receivable balances and applies historical default percentages adjusted for other current observable data as a means to estimate lifetime ECL. Other current observable data may include:

- forecasts of economic conditions such as unemployment, interest rates, gross domestic product and inflation; and
- financial difficulties of a counterparty or probability that a counterparty will enter bankruptcy.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Half year ended 30 June 2024

### (iii) Leases

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

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

Lease liabilities are subsequently measured by:

- increasing the carrying amount to reflect interest on the lease liabilities;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

Interest on the lease liabilities and any variable lease payments not included in the measurement of the lease liabilities are recognised in the Consolidated Statement of Comprehensive Income in the period in which they relate. Interest on lease liabilities included in finance costs in the Consolidated Statement of Comprehensive Income totalled \$535,000 for the half year (Jun 2023: \$712,000).

Right-of-use assets are measured at cost less depreciation and impairment and adjusted for any remeasurement of the lease liability. The cost of the asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Additions to the right-of-use assets during the period were nil (Dec 2023: Nil).

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

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

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

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

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

The Consolidated Entity has assessed the right-of-use assets for impairment indicators and has calculated the recoverable amount where indicators exist. This has resulted in impairment of \$30,000 for the half year (Jun 2023: \$528,000).

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Half year ended 30 June 2024

### (iv) Deferred tax

Deferred income tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

### (v) Security based payments

The fair value of the performance rights is recognised as an employee benefit expense with a corresponding increase in the employee benefits provision or in the employee security scheme reserve in equity. Fair value is measured at each reporting period, recognised over the period from the service commencement date to the vesting date of the performance rights. Non-market vesting conditions are included in the calculation of the number of rights that are expected to vest. At each reporting date, GPT revises its estimate of the number of performance rights that are expected to vest and the employee benefit expense recognised each reporting period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the Consolidated Statement of Comprehensive Income with a corresponding adjustment to employee benefits provision.

Fair value of the performance rights issued under LTI is determined using the Monte Carlo simulation and the Black Scholes methodologies. Fair value of the restricted securities under DSTI is determined using the security price.

### (vi) Provisions

Provisions are recognised when:

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

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

### (d) New and amended accounting standards and interpretations adopted from 1 January 2024

There are no significant changes to the Consolidated Entity's financial performance and position as a result of the adoption of the new and amended accounting standards and interpretations effective for annual reporting periods beginning on or after 1 January 2024.

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

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

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Half year ended 30 June 2024

### **16. Events Subsequent To Reporting Date**

The Directors are not aware of any matter or circumstance occurring since 30 June 2024 that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in the subsequent financial periods.

# Directors' Declaration

Half year ended 30 June 2024

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

(a) the consolidated financial statements and notes set out on pages 9 to 27 are in accordance with the Corporations Act 2001, including:

- complying with Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its performance for the half year ended on that date; and

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

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

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



Vicki McFadden  
Chairman



Russell Proutt  
Chief Executive Officer and Managing Director

GPT Management Holdings Limited

Sydney  
19 August 2024



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

### **Report on the half-year financial report**

#### ***Conclusion***

We have reviewed the half-year financial report of GPT Management Holdings Limited (the Company) and the entities it controlled during the half-year (together the Consolidated Entity), which comprises the Consolidated Statement of Financial Position as at 30 June 2024, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the half year ended on that date, material accounting policy information and selected explanatory notes and the Directors' Declaration.

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

1. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### ***Basis for conclusion***

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

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

#### ***Responsibilities of the directors for the half-year financial report***

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



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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

PricewaterhouseCoopers

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

Debbie Smith  
Partner

A handwritten signature in black ink, appearing to read 'Elizabeth Stesel'.

Elizabeth Stesel  
Partner

Sydney  
19 August 2024