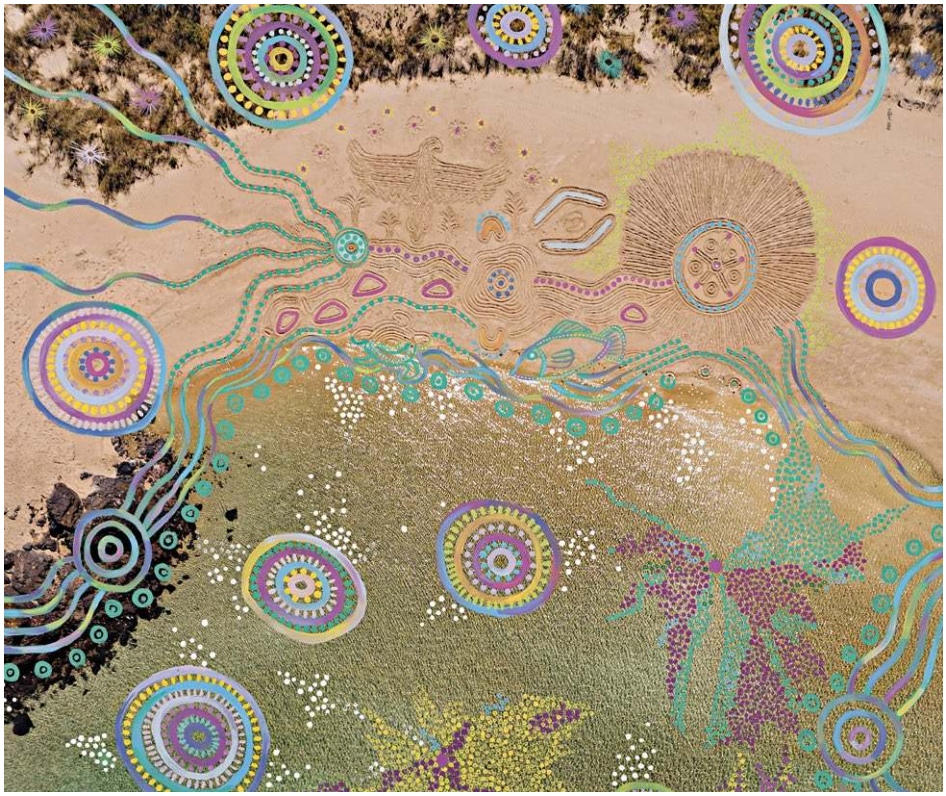
The GPT Group
2023 Annual Report

Experience First

Our Purpose

Experience First

We create experiences that drive positive impact for people, place and planet.



Front cover image: Melbourne Central, VIC

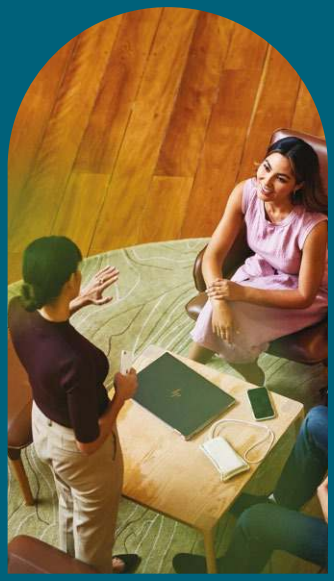
GPT acknowledges the Traditional Custodians of the lands on which our business operates.

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.

Artwork: 'Saltwater Spirit' by Lowell Hunter (proud Nyul Nyul Saltwater man) and Bobbi Lockyer (proud Ngarluma, Kariyarra, Nyul Nyul and Yawuru woman).

Our Values



Everyone counts

People really matter to us. We learn from our differences and we pull together as one. Life is precious, so safety and wellbeing are our priority, always.

Imagine if...

We believe anything is possible. We're inquisitive about the world around us, and use customer insights to drive the creative and the new. Great questions drive great outcomes.

Go for it!

We turn ideas into action. We back ourselves and each other. Energy and enthusiasm power everything we do. We're great at getting things done. We're excited to pioneer the firsts that others follow.

Make an impact

Property impacts our planet in a very real way. So we act with courage and conviction to make a difference — no matter how big or small. We know a better tomorrow is up to each of us.

Disclaimer

This Annual Report (Report) has been prepared by The GPT Group comprising GPT RE Limited (ACN 107 426 504; AFSL 286511), as responsible entity of the General Property Trust, and GPT Management Holdings Limited (ACN 113 510 188) (together, GPT). It has been prepared for the purpose of providing GPT's investors with general information regarding GPT's performance and plans for the future and risks. It is not intended to be and does not constitute an offer or a recommendation to acquire any securities in The GPT Group.

The information provided in this Report is for general information only. It is not intended to be investment, legal or other advice and should not be relied upon as such. You should make your own assessment of, or obtain professional advice about, the information in this Report to determine whether it is appropriate for you.

You should note that past performance is not necessarily a guide to future performance. While every effort is made to provide accurate and complete information, The GPT Group does not represent or warrant that the information in this Report is free from errors or omissions, is complete or is suitable for your intended use. In particular, no representation or warranty is given as to the accuracy, likelihood of achievement or reasonableness of any forward-looking statements contained in this Report or the assumptions on which they are based. Such material is, by its nature, subject to significant uncertainties and contingencies outside of GPT's control. Actual results, circumstances and developments may differ materially from those expressed or implied in this Report.

To the maximum extent permitted by law, The GPT Group, its related companies, officers, employees and agents will not be liable to you in any way for any loss, damage, cost or expense (whether direct or indirect) howsoever arising in connection with the contents of, or any errors or omissions in, this Report.

Information is stated as at 31 December 2023 unless otherwise indicated. Except as required by applicable laws or regulations, GPT does not undertake to publicly update or review any forward-looking statements, whether as a result of new information or future events.

Contents

About This Report 04
Overview 05
2023 Highlights 06
About GPT 08
Business Overview 10
Letter from the Chairman 10
Letter from the CEO 12
Megatrends 14
Our Strategy 16
Our Business Activities 18
Value Creation 20
Growing and Predictable Earnings 22
Thriving Places 26
Empowered People 30
Sustainable Environment 34
Prospering Customers, Suppliers and Communities 38
Group Performance 42
Retail 48
Office 50
Logistics 52
Prospects 54
Risk Management 56
Key Risks 58
Climate and Nature-related Disclosure 62
Governance 64
Director Biographies 70
Leadership Team Biographies 73
Directors' Report 75
Remuneration Report 77
Auditor's Independence Declaration 95
Financial Statements 96
Consolidated Statement of Comprehensive Income 97
Consolidated Statement of Financial Position 98
Consolidated Statement of Changes in Equity 99
Consolidated Statement of Cash Flows 100
Notes to the Consolidated Financial Statements 101
Directors' Declaration 154
Independent Auditor's Report 155
Securityholder Information 160
Glossary 163
Corporate Directory 165

WELCOME

Welcome to GPT's 2023 Annual Report

GPT is one of Australia's leading property groups, with assets under management of $32.6 billion across a portfolio of high quality retail, office and logistics assets.

The GPT Group (GPT) is a stapled entity comprised of the General Property Trust (the Trust) and its controlled entities and GPT Management Holdings Limited (the Company) and its controlled entities.

General Property Trust is a registered scheme, registered and domiciled in Australia. GPT RE Limited is the Responsible Entity of the General Property Trust. GPT Management Holdings is a company limited by shares, incorporated and domiciled in Australia. GPT RE Limited is a wholly owned entity of GPT Management Holdings Limited.

Reporting Suite

The GPT Group 2023 Annual Report forms part of our reporting suite, which includes:

Results Presentation and Data Pack

A summary of GPT's operating and financial performance and key developments in our business and portfolio, accompanied by a data supplement released every six months.

Property Compendium

Consolidated information about the assets in the Group's property portfolio, published every six months.

Corporate Governance Statement

An annual statement of how GPT addresses the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition).

Sustainability Website

Contains our performance, priorities, and progress in addressing material sustainability matters. (Updated website to be released in April 2024.)

Sustainability Data Dashboard

Previously called the 'Environmental Data Dashboard', our updated dashboard provides a comprehensive overview of our key environmental, social and governance (ESG) performance data for the reporting year, including alignment with global sustainability reporting frameworks.

Climate and Nature Disclosure Statement

An annual statement of the steps we are taking to identify, assess and manage climate and nature-related risks and opportunities, prepared to align with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD), and in preparation for the adoption of the International Sustainability Standards Boards (ISSB) Sustainability Disclosure Standards.

Modern Slavery Statement

A summary of the actions taken during the year and those proposed to be taken in the future, to assess and address modern slavery risks in our business.

About This Report

The GPT Group 2023 Annual Report provides a holistic overview of our business, including information on our strategy, our performance in financial, environmental, social and governance matters, and outlines how we create value over the short, medium and long term. It is prepared with reference to the fundamental concepts, guiding principles and content elements of the Integrated Reporting Framework up until and including page 94, and the Global Reporting Initiative (GRI). These frameworks inform our determination of the material matters we report.

This report should be read in conjunction with the rest of our 2023 Reporting Suite which is available on our website. The content in the reporting suite has been formed by recommendations from other frameworks, including the Task Force on Climate-related Financial Disclosures (TCFD), Task Force on Nature-related Financial Disclosures, and the United Nations Sustainable Development Goals (UN SDGs).

The primary audience of this report is our securityholders, however the information is also of value to other stakeholders which are listed on page 21.

Unless otherwise stated, references in this report to 'GPT', 'Group', 'we', 'us' and 'our' refer to The GPT Group. All values are expressed in Australian currency as at 31 December 2023 unless otherwise indicated. Key statistics for the Retail, Office and Logistics divisions include The GPT Group's investment interest in the GPT Wholesale Shopping Centre Fund (GWSCF), the GPT Wholesale Office Fund (GWOF), and the GPT QuadReal Logistics Trust (GQLT) respectively.

The Board acknowledges its responsibility for the 2023 Annual Report, and has reviewed, considered and provided feedback during its development. The 2023 Annual Report was approved by the Board on 19 February 2024.

The statutory reporting elements of the Directors' Report for the year ended 31 December 2023, including the Operating and Financial Review, have been prepared in accordance with the Corporations Act 2001 and includes information on the Group's operations and financial position, business strategies, and prospects on pages 42 to 55.

Materiality assessment

GPT identifies, addresses and reports on both financial materiality as well as environmental and social impact materiality matters that are relevant and important to our stakeholders, guided by an ISO-based approach and the GRI's Sustainability Reporting Standards.

GPT defines what is material to our business by considering risks and opportunities that influence our ability to deliver on our purpose and values. Material matters are those that have the highest likelihood and/or consequence of impacting our business and our ability to create value for our stakeholders over the long term, whether by directly impacting our assets or the communities in which we operate. To identify what is material, GPT researches trends, consults advisors and regularly engages with our stakeholders to consider their views.

We use the 'double' or 'nested' materiality approach to prioritise topics that are both financially material as well as being material from an 'impact' perspective, in line with global best practice. By prioritising these topics, we are able to focus on the areas where we can make the greatest impact.

We continue to review the new and emerging disclosure standards, including the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards and the Australian Sustainability Reporting Standards, together with TNFD in the context of our business and will adhere to the reporting requirements.

To read more about these topics and how we consider material risks and opportunities when developing our strategy and preparing our corporate reporting, see pages 10 to 16 of our Sustainability Report.

GPT DesignSuites, Melbourne Central, Melbourne

2023 Highlights

Financial

$600.9m

Funds From Operations (FFO)
(2022: $620.6m)

25.0¢

Distribution per security
(2022: 25.0¢)

98.2%

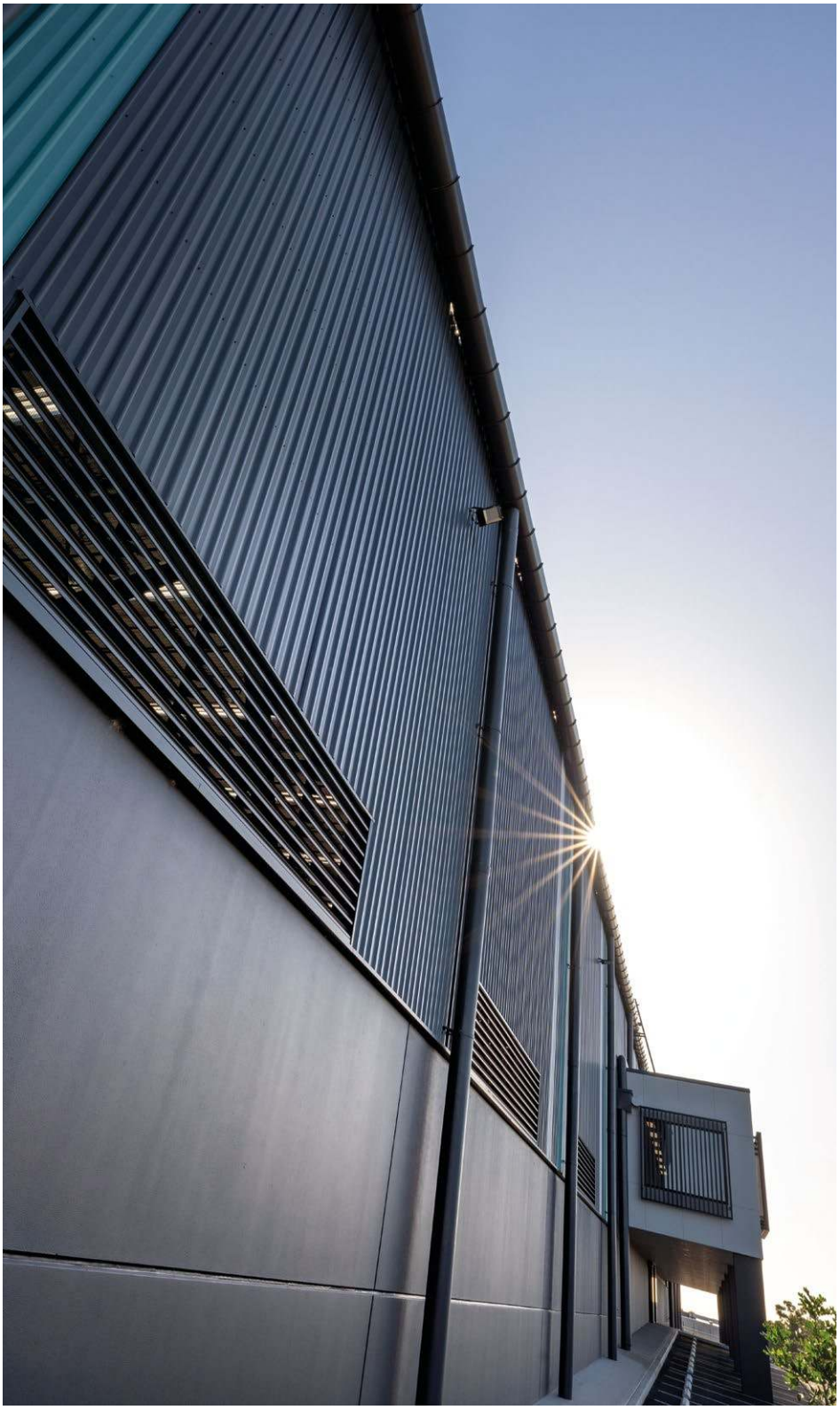
Portfolio occupancy[1]
(2022: 97.5%)

–2.0%

12 month Group Total Return
(2022: 3.9%)

$5.61

Net tangible assets per security
(2022: $5.98)



42 Cox Place, Glendenning, NSW

1. Including heads of agreement (HoA).

Non-Financial

2nd

Placed of real estate investment trusts in the S&P Global Corporate Sustainability Assessment 2024 Sustainability Yearbook

23%

Reduction in serious and notifiable incidents

90%

Employees are proud to work at GPT

92%

Emissions intensity reduction since 2005

RAP

Second Stretch Reconciliation Action Plan endorsed by Reconciliation Australia

76%

Employee engagement score

Ratings and Benchmarks

Participant in the United Nations Global Compact Network since 2012, contributing to the United Nations Sustainable Development Goals

Gold Employer for LGBTQIA+ inclusion in the Australian Workplace Equality Index (AWEI) small employer category since 2022

Accredited as a Family Inclusive Workplace™ by Family Friendly Workplaces

Workplace Gender Equality Agency (WGEA) Employer of Choice

9th Globally in the 2023 Equileap Gender Equality Report & Ranking report

Signatory to the United Nations Principles for Responsible Investment (UN PRI)

Constituent of the FTSE4Good Global Index Series

Climate Bonds Initiative Certification of green bonds and green loans where applicable

The GPT Group is a signatory to the World Green Building Council Net Zero Carbon Buildings Commitment

Rating of AAA in the MSCI ESG Ratings assessment

Rating of Prime in ISS ESG Corporate Rating

Included in the Euronext Vigeo World 120 Index as one of the highest-ranking listed companies in corporate responsibility performance

Included in the STOXX Global ESG Leaders Indices

Signatory to the United Nation's Women's Empowerment Principles (WEPs)

About GPT

Listed on the Australian Securities Exchange (ASX) since 1971, today The GPT Group is a constituent of the S&P/ASX 100 Index with a substantial investor base of more than 33,000 securityholders.

GPT owns and manages a diversified portfolio of high quality properties across Australia.

Office

30
assets

1,120,000sqm
NLA

500+
tenancies

$5.5b
GPT owned portfolio

$13.9b
assets under management

Retail

16
shopping centres

1,310,000sqm
GLA

4,000+
tenancies

$5.5b
GPT owned portfolio

$12.8b
assets under management

Logistics

72
assets

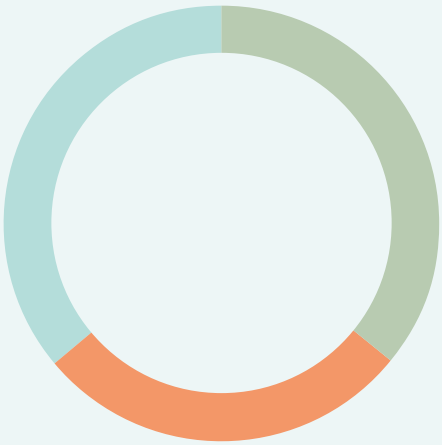
1,550,000sqm
GLA

90+
tenancies

$4.4b
GPT owned portfolio

$4.7b
assets under management

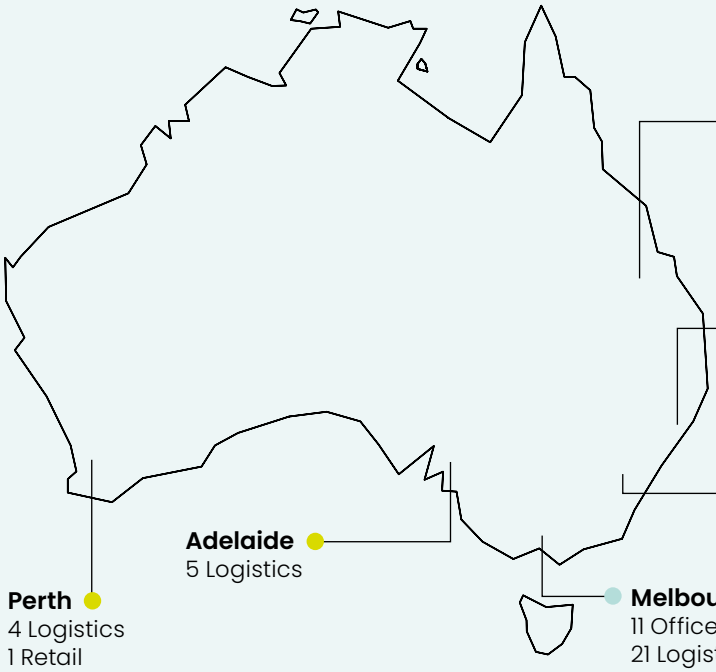
Diversity across asset classes



- **Retail** 36%
- **Office** 36%
- **Logistics** 28%

Highpoint Shopping Centre, VIC

Portfolio by location



QLD
2 Office
15 Logistics
2 Retail

NSW
16 Office
26 Logistics
7 Retail

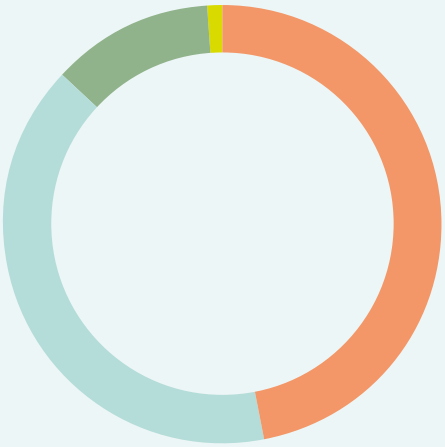
Canberra
1 Office
1 Logistics

Adelaide
5 Logistics

Perth
4 Logistics
1 Retail

Melbourne
11 Office
21 Logistics
6 Retail

Diversity across locations



- **NSW** 47%
- **QLD** 12%
- **VIC** 40%
- **Other** 1%

Letter from the Chairman

Vickki McFadden
Chairman

It is a pleasure to present the 2023 Annual Report for GPT.

I am pleased to report that GPT delivered Funds From Operations (FFO) and distributions for the year in line with guidance provided in early 2023.

The results reflect the quality of the Group's diversified platform and the focus of management on executing our key strategic objectives including growing funds under management, delivering Logistics developments and maintaining high occupancy across our investment portfolio.

CEO succession

In September 2023 we announced the appointment of Russell Proutt as our incoming Chief Executive Officer and Managing Director (CEO) to succeed Bob Johnston following the announcement of his intention to retire.

Russell will be joining GPT on 1 March 2024 and brings with him a deep understanding of commercial property markets, funds management, mergers and acquisitions, and finance, having held senior leadership positions, most recently as Chief Financial Officer at Charter Hall and prior to that at Brookfield Asset Management, a global asset manager. We are delighted to welcome Russell to GPT and are confident that he has the leadership capability, strategic insight and proven experience to lead GPT through its next phase of growth.

I would like to thank Bob for his outstanding stewardship of the Group and his valuable and significant contribution to GPT over the last eight years. Bob has brought a wealth of experience in the Australian property landscape to GPT and across his tenure as CEO has implemented changes to our strategy, structure and portfolio mix that continue to position the Group for success. Through his inclusive and considered leadership style, Bob captures the essence of our purpose and values of caring for our people, place and planet. On behalf of the Directors, management, and all stakeholders of GPT, we are greatly appreciative of his exceptional service and contribution to the Group and wish Bob all the best with his next endeavours.

Group performance

Higher interest rates and the disruption in the office sector impacted valuations and earnings during 2023. The Group delivered a statutory net loss after tax of $240.0 million for the year, including a net investment property valuation decline of $819.0 million. FFO was $600.9 million, which was marginally down on 2022, primarily as a result of higher financing costs. Our Retail and Logistics segments performed strongly in the period, with high portfolio occupancy maintained and positive leasing outcomes achieved. The Office segment result was impacted by elevated vacancy following lease expiries.

Distributions to securityholders for the year ended 31 December 2023 are $478.8 million, representing an annual distribution of 25.0 cents per security and a payout ratio of 96.0 per cent of free cash flow.

A key focus for the Group is growing funds under management and our result includes the first full year contribution of managing UniSuper's $2.7 billion portfolio of real estate investments, management of the $2.7 billion Australian Core Retail Trust and property management of Pacific Fair Shopping Centre. GPT was pleased to have been selected by QuadReal as the investment manager for its Student Accommodation portfolio which transitioned to the Group in the second half of the year. The Group was recently selected by Commonwealth Superannuation Corporation to manage a property portfolio comprising of office and retail assets.

Following an extensive engagement process with employees, the Leadership Team and Board, GPT's purpose and values were refreshed during 2023. Our renewed set of values guide our purpose to create experiences that drive positive impact for people, place and planet. Furthermore, our purpose puts the customer experience at the heart of everything we do and leads our employees on how to drive impactful outcomes for our stakeholders.

Leadership in sustainability is an important pillar of GPT's strategy. Our sustainability goals and efforts align to being a positive contributor to our people, communities, stakeholders and the environment, and take a restorative approach to addressing the residual environmental impacts of our direct activities. As part of our Net Zero Plan, we are on target to achieve carbon neutral certification for the operation of our owned and managed Retail and Office assets by the end of 2024.

The health and safety of our people, customers, contractors and all users and visitors to our assets is paramount. During the year we reviewed and updated our Health and Safety Management System to ensure it remains appropriate in an evolving risk environment, and achieved a 23 per cent reduction in serious and notifiable incidents compared to the prior year. We remain focused on identifying and eliminating safety incidents and risks from our business.

We continued to participate in global efforts to align and enhance human rights-focused action and disclosures as set out in our fourth Modern Slavery Statement. We are a participant in the United Nations Global Compact and a signatory to the United Nations Principles of Responsible Investment.

Board renewal

During the year, Michelle Somerville retired from the Board. Michelle joined the Board in 2015 and made a significant contribution, in particular as the Chairman of the Audit Committee. We would like to extend our gratitude to Michelle for her outstanding service and contribution to GPT.

Shane Gannon was appointed to the Board in May. Shane's extensive experience as a senior financial and property executive with over 40 years working with market-leading ASX-listed companies brings complementary knowledge, skills and experience to the Board.

We also recently announced the appointment of Louise Mason who will commence on 1 May 2024 as a Non-Executive Director. Louise will bring extensive and supplementary property experience given her senior executive roles in the industry across both multiple sectors and development.

Looking forward

As we move into 2024, the Board is focused on supporting our new CEO and the management team as we refine and execute our strategy to enhance securityholder value. While the operating environment remains uncertain and the disruption in the office sector will be an ongoing focus for management, we are reassured by the overall quality of the Group's portfolio, the strength of our balance sheet and our disciplined approach.

Our purpose, values and culture provide a strong foundation for ensuring we do what is right for all stakeholders. GPT's approach ensures environmental, social and governance considerations are not just part of our business, but central to every experience we create.

I would like to thank the Board, Leadership team and our employees for their commitment and engagement over the past year. Sustainable growth remains a priority for GPT as we look to build on the results from the last 12 months and deliver long term value for securityholders. We are excited by the opportunities ahead of us.

Vickki McFadden
Chairman

Letter from the CEO

Bob Johnston
Chief Executive Officer and Managing Director

In early 2023 I advised the Board of my intention to retire as CEO of GPT. I am incredibly proud and privileged to have had the opportunity to lead GPT since late 2015 and I am confident in the future prospects for the Group under the new leadership that Russell Proutt will bring.

While 2023 certainly presented challenges for GPT, with higher interest rates a headwind to earnings and impacting asset valuations, I am pleased with the business performance and the focus our leaders have maintained during the CEO succession process.

The strategic shift we made through increasing capital allocation to the logistics sector over the last five years has provided greater diversification and resilience of our investment portfolio and our Retail portfolio is delivering sector leading results. The office sector however, is facing a period of disruption and we expect that occupancy levels will remain below long term averages due to new supply and muted demand as a result of hybrid working practices and economic uncertainty.

Despite the headwinds, the Group delivered FFO and distributions per security in line with guidance provided at the beginning of the period. Both the Retail and Logistics business segments reported increased FFO on the prior period. This was offset by significantly higher financing costs as a result of interest rate rises and a lower FFO contribution from the Office segment.

The Group's Total Return of –2.0 per cent for the year was impacted by property valuation declines as valuation metrics adjusted to reflect the higher interest rate environment and changes to risk adjusted return expectations.

During the year we maintained a disciplined approach to capital management. Gearing at the end of 2023 was 28.3 per cent which is well within our stated gearing range of 25-35 per cent. Liquidity of $1.5 billion meets funding requirements through to mid-2026. Given the economic uncertainty and the potential for further softening of property valuation metrics, we will continue to take a measured and prudent approach to capital management.

Our Retail business delivered exceptional results in 2023, up 12.3 per cent on the prior year, boosted by the recovery of Melbourne Central and the transition of the management of the $2.7 billion UniSuper portfolio and the $2.7 billion Australian Core Retail Trust (ACRT) to GPT in the second half of 2022. Despite the pressure on consumer spending from rising interest rates, which appear to be near their peak, GPT's Retail portfolio is well positioned with high occupancy, strong sales productivity and fixed rental increases.

The office sector has been disrupted with hybrid work practices being adopted by many organisations in response to the demand for greater workplace flexibility. While office utilisation gradually improved through 2023, it is still tracking well below pre-pandemic levels and we anticipate that hybrid working will continue to be a strategy adopted by our tenant customers to attract talent. Despite elevated levels of expiry and a challenging leasing market, occupancy at year-end for the Office portfolio improved to 92.3 per cent.

The logistics sector continues to benefit from structural tailwinds and favourable supply and demand conditions. Our growth in this sector has been delivered through both acquisitions and developments with our primary focus now on developing new product. Our partnership with QuadReal in this sector also provides growth opportunities. Our Logistics portfolio is well positioned with contracted rental increases, expected positive leasing spreads on expiring leases and the build out of our development pipeline.

Expanding our capital relationships and growing funds under management is core to our strategy. Performance of existing funds and mandates is important to attract third-party capital, and I am pleased to report that both the GPT Wholesale Shopping Centre Fund and the GPT Wholesale Office Fund outperformed their respective MSCI/Mercer benchmarks in 2023. During the year, we were appointed by QuadReal as the investment manager for its Student Accommodation portfolio which transitioned to GPT management in the fourth quarter. In addition, GPT has recently been selected as investment manager of a portfolio of premium real estate assets by Commonwealth Superannuation Corporation. The mandate is expected to transition to GPT in the second quarter of 2024. These management mandates provide further scale and operating leverage for our real estate platform and is a strong endorsement of the Group's capabilities and governance framework.

Sustainability

Excellence in ESG is part of how we do business and our approach goes beyond a set of principles or good intentions and into tangible actions that drive positive impact for people, place and planet. ESG is central to every experience we create and is integrated into our organisational culture, stakeholder engagement, and development and investment management. Our sustainability practices continue to be successful in delivering results across the business.

We recognise the global threat posed by climate change and the decline in nature, and in response released our first integrated Climate and Nature Disclosure Statement which provides details of the work we are doing on delivering our Net Zero Plan. During the year, GPT achieved carbon neutrality for all material emissions sources (including Scope 1, 2 and 3) under our operational control and we are on track for all our managed assets to be Climate Active Carbon Neutral (for Buildings) certified by December 2024.

Gender equality is also a focal point of our diversity and inclusion strategy and during the year GPT was ranked 9th globally in the Equileap Gender Equality Global Report & Ranking. We continue to invest in supporting female talent to succeed both within GPT and within the industry.

Our second Stretch Reconciliation Action Plan was released in October and includes the development of a First Nations Procurement Strategy, entry into formal placemaking partnerships to ensure our assets reflect First Nations voices, and the establishment, as appropriate, of biodiversity management plans in collaboration with Traditional Custodians.

Strong relationships with First Nations partners, GPT Foundation partners and community groups enabled us to make meaningful contributions during the year through donations, sponsoring and attending events, time and expertise. Together, our work amplifies the voices of charities that are critical to the health and wellbeing of Australian society.

Outlook

While economic uncertainty remains in the current operating environment, GPT has a strong balance sheet, a high quality diversified portfolio and an experienced management team, making it well positioned to create long term value for securityholders.

I am sure the Group's new CEO will bring a sharp focus on creating securityholder value and build on the strong culture and capabilities across the Group.

I would like to extend my thanks to the Board for their advice, support and counsel over my tenure as CEO. To our people, I thank you for your ongoing dedication to GPT and for meeting our challenges and opportunities head on to optimise our performance.

I am proud of what we have accomplished together for our customers, investors, employees, securityholders and the industry.

Bob Johnston
Chief Executive Officer and Managing Director

Megatrends

Emerging trends provide challenges and opportunities for the Group in creating value over the short, medium and long term.

Several long term trends have become more inflationary in recent years, including supply-side pressures from deglobalisation and a labour productivity slowdown, raising the odds that we have entered a secular, high-inflation period. It is these trends that are shaping how people live and work and the spaces businesses require in order to thrive.

GPT has listed the following four trends and their potential implications as key considerations in formulating our strategy and shaping the business.

These Megatrends form part of our material topics, which are listed in our Sustainability Report on pages 10-16, and are linked to our ability to create value in our value creation framework on pages 20-21.

Demographic change, evolving customers and communities

Population, jobs and economic growth concentrated in major cities, and demographic change are impacting patterns of urban life and economic activity.

The shift in demographics is driving increased demand and significant investment in healthcare, retirement services, housing, workplace flexibility and workforce diversity, with affordability becoming increasingly important, as income and wealth inequality rises.

Millennials and Gen Z represent almost half our workforce and one out of every three dollars spent. They have distinctly different work preferences and spending habits.

GPT's approach

- Continue to invest in our properties to adapt and evolve our offering to meet the changing preferences of the customers and communities in which we operate
- Ensure our real estate portfolio is concentrated in markets which will benefit from densification and enabling infrastructure in major capital cities
- Continue to allocate capital to markets that are likely to benefit from existing and future infrastructure investment
- Unlock additional productivity within GPT's workforce and for our Office tenant employees through hybrid working, effective digital environments, work-anywhere technology, freedom to self-organise, and diversity and inclusion, and
- Consider viability of mixed-use developments to increase the social value of properties and manage land scarcity within existing site footprints.

Transformative technology augmenting humans and blurring boundaries

Broad based and rapid technological change, including Artificial Intelligence (AI), the Internet of Things, robots, automation, augmented and virtual reality, 5G, edge computing and next generation batteries are transforming and disrupting traditional ways that society and businesses operate, communicate, interact and facilitate e-commerce.

Consumers and customers are increasing their expectations for experience, personalisation and customisation, as well as digital access and connectivity. Hypervigilance in cybersecurity is crucial to ensure operational continuity, and customer confidence.

GPT's approach

- Leverage technological advances to enhance experience for customers at our properties and increase employee productivity
- Estimate the impact of technology on demand for our sectors to inform capital allocation decisions
- Grow our capital allocation in sectors, markets and assets that will benefit from transformative technology, and
- Remain vigilant across our employees, partners, core systems and operations regarding privacy, data security, and business continuity to earn and retain stakeholder trust as the role of technology changes.

Beyond globalisation, geopolitical and economic power shifts

The structure of the global economy is shifting, with non-OECD economies expected to account for 57 per cent of the global output by 2030, creating new patterns of trade and investment. This growth is also creating a new middle "mass affluent" class, with two thirds of the global middle class to reside in Asia Pacific by 2030. At the same time, the richer economies are also the most indebted, and retirees are facing underfunded pension plans.

There is a rising threat of geoeconomic decentralisation leading to trade tensions and restrictions, less direct investment, and a slower pace of innovation and technology adoption across fragmented "blocs".

GPT's approach

- Continue to focus on financial and capital management with a strong balance sheet, appropriate gearing, and an approach consistent with stable 'A category' credit ratings
- Continue to develop the GPT Funds Management platform to access alternative sources of capital, fund growth opportunities and deliver returns
- Position GPT as an attractive investment to a variety of funding sources, including domestic and international pension and superannuation funds
- Communicate our sector-leading ESG credentials to current and potential investors
- Pursue opportunities to assist with supply chain security for Australian businesses focused on 'just in case' and localisation, and
- Continue GPT's program to minimise the risk of modern slavery in the supply chain with regular and transparent reporting on our progress.

Re-imagining sustainability and resilience

Climate change, protecting nature and the environment, natural disasters and pandemics are increasing the urgency towards solving critical environmental and social issues.

Significant developments in global climate policy and energy markets have transformed the circumstances for Australian policymakers. Major economies have accelerated their shift to renewable energy, and extreme climate-induced weather events have displaced communities and impacted our economy.

Pools of capital are combining around clean technologies, and global competition for investment is intensifying.

ESG considerations are becoming increasingly critical for businesses and investors as markets globally look to enhance and standardise sustainability disclosures.

GPT's approach

- Progress towards the Group's carbon neutral targets while actively identifying and managing the potential risks and opportunities of climate change, biodiversity and water
- Develop climate resilience strategies as outlined in our Climate and Nature Disclosure Statement
- Continue to enhance the efficient operations of our properties to use fewer natural resources, produce less waste and fewer emissions, and achieve intensity and efficiency targets
- Progress our offset strategy which focuses on carbon removal with co-benefits that align with principles of a just transition, through Australian reforestation projects that sequester carbon, improve biodiversity and natural ecosystems including water
- Consider how new technologies, innovations and partnerships can provide new ways of managing and monitoring environmental impacts, and
- Obtain external assurance over sustainability performance data and use independent accreditations to validate that our properties and developments meet or exceed best practice standards.

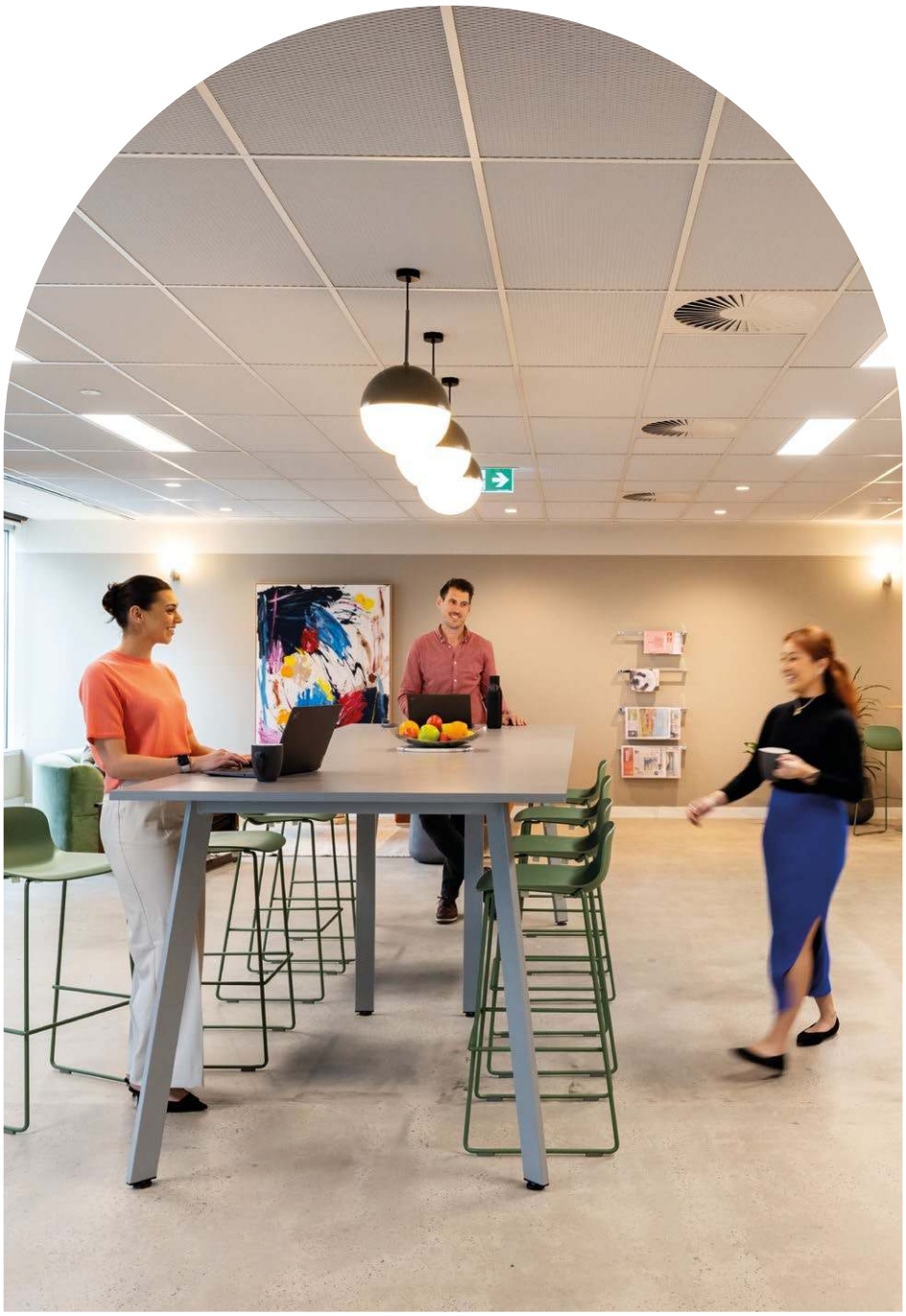
Our Strategy

GPT's strategy aims to deliver growing and predictable earnings for investors through owning, developing and managing a diversified portfolio of high quality real estate.

Our strategy is influenced by the Megatrends and material topics that continue to shape how people live, work and play and the spaces businesses need in order to thrive.

Owning and managing a diversified portfolio of high quality real estate in Australia's largest cities is core to our strategy and provides us with the opportunity to benefit from sectors with favourable trends while reshaping our exposure to others.

Our strategy leverages our extensive real estate experience to create value through disciplined investment, development, asset management, and funds management.



530 Collins Street, Melbourne

Executing on our strategic priorities

Optimise the portfolio

We intend to optimise our portfolio by prioritising investment in assets and sectors benefiting from structural tailwinds, such as the growth in e-commerce driving demand in the logistics sector. Our medium term capital allocation target is 30 per cent logistics, 30 per cent office and 30 per cent retail, with the potential for the balance to be invested in sectors which will benefit from the structural changes associated with the identified Megatrends, including the mixed-use opportunities identified across our investment portfolio.

Funds Management growth

Our strong relationships with domestic and foreign institutional investors and integrated management platform provides the foundation to further grow our Funds Management business. This is supported by a range of development opportunities across the portfolio.

We have been successful in securing new mandates, providing growth and opportunity for the Group.

Exceed customer expectations

A strategic priority is to exceed the expectations of our customers and deliver tailored solutions with investment in technology and sustainability. Building deep customer relationships and ongoing engagement is providing rich insights and informing how we can meet changing expectations.

Leadership in ESG

Leadership in ESG is a key focus of the Group and underpins our growth objectives. We remain focused on achieving our sustainability targets and commitments, ensuring that we engage in sustainable development that meets the needs and expectations of our customers and stakeholders into the future.

EXCEED
CUSTOMER
EXPECTATIONS

Our Business Activities

GPT undertakes four core business activities. We invest in, develop and manage Australian real estate assets and funds to create value for our stakeholders.

55 Whitelaw Place, Wacol, QLD

Investment

Combining our property expertise with our understanding of the economic drivers and market dynamics of each sector enables GPT to capitalise on opportunities, acquiring and divesting properties at the right time to deliver reliable returns for our investors.

Together with our directly held assets, GPT co-invests capital to benefit from the returns that can be derived from high quality core assets in wholesale funds and joint ventures.

Asset Management

We manage $32.6 billion of commercial properties in the retail, office, logistics and student accommodation sectors. We apply our portfolio and asset management skills to ensure that we attract, secure and retain tenants, delight and satisfy our customers and visitors, operate efficiently and sustainably, and aim to deliver growing and predictable earnings for investors.

Development

Our development capability and pipeline enables the creation of new opportunities and enhances the value of our well located existing properties for the Group and our third party investors.

Our placemaking expertise ensures the properties we design and develop are sustainable and prosperous places for our tenants, customers and communities.

Funds Management

Our funds management and mandate platform manages $19.7 billion of investments focused on the retail, office, logistics and student accommodation sectors, leveraging our skills and experience to enhance returns for fund investors and capital partners.

The funds management platform provides the Group with income through funds management, property management and development management fees.

INVESTMENT
MANAGEMENT
DEVELOPMENT

How We Create Value

External influences Megatrends

Our purpose

Experience First

We create experiences that drive positive impact for people, place and planet.

Our values

Everyone counts

Imagine if...

Go for it!

Make an impact

Page 01

Strategy

Optimise the portfolio

Funds management growth

Exceed customer expectations

Leadership in ESG

Page 16

Governance

Page 64

Risk Management

Page 56

Key inputs

Our investors

Equity and debt investors who provide capital to support strategy execution and growth.

Real estate

Buildings and land that we own, manage and develop.

Our people

The capabilities and effort of the people in our workforce.

Environment

Natural resources and environments impacted by our business activities.

Our customers, suppliers and communities

Relationships with customers, suppliers and communities in the locations where we operate.

Intellectual capital

Knowledge, experience, expertise, systems and procedures to grow our future earnings potential.

What we do

Investment

Development

Asset Management

Funds Management

Page 19

Retail

Page 48

Office

Page 50

Logistics

Page 52

What we deliver

$600.9m Funds From Operations
Page 42

98.2% Portfolio occupancy including HoA
Page 27

90% of employees proud to work at GPT
Page 31

92% Emissions intensity reduction rate since 2005
Page 35

$6m Community investment in 2023
Page 39

The value we create

Growing and predictable earnings
Page 22

Thriving places
Page 26

Empowered people
Page 30

Sustainable environment
Page 34

Prospering customers, suppliers and communities
Page 38

Who we create value for

Tenants and customers

Investors

Employees

Supply chain partners

Traditional Custodians and First Nations People

Government and local authorities

Industry groups

See pages 22-41 for more on our stakeholder engagement.

Financial and impact material topics Sustainability Report Pages 11-15

Our aim is to deliver

Growing and Predictable Earnings

FOCUS

Through the successful execution of our strategy, we aim to deliver growing and predictable earnings and maximise total returns over the long term.

2023 Performance

–$240.0m
Statutory loss after tax

$600.9m
Funds From Operations (FFO)

31.37¢
FFO per security

25.0¢
Distribution per security

$5.61
NTA per security

–2.0%
Total Return

28.3%
Gearing

A–/A2
S&P (stable)/Moody's (stable)

Karrinyup Shopping Centre, WA

Creating value

To deliver growing and predictable earnings, GPT uses financial resources sourced from our equity and debt investors to fund the Group's investments and developments.

We generate income in the form of rents from our portfolio of diversified properties and fees from our funds management activities. Distributions are based on free cash flow, with a target to distribute between 95 to 105 per cent of free cash flow. In addition to income, the capital growth of our portfolio drives the total return for our investors.

The Group delivered solid results during the year which has resulted from a strong balance sheet and a high quality diversified portfolio.

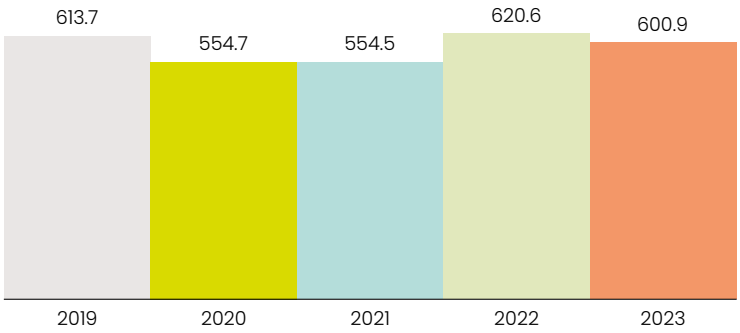
The Group's balance sheet net gearing was 28.3 per cent, below the midpoint of our stated gearing range of 25–35 per cent and with liquidity of $1.5 billion to meet funding requirements through to mid-2026.

GPT has A space credit ratings with S&P and Moody's and over the next 3.5 years the Group is 71 per cent hedged at an average rate of 3.5 per cent.

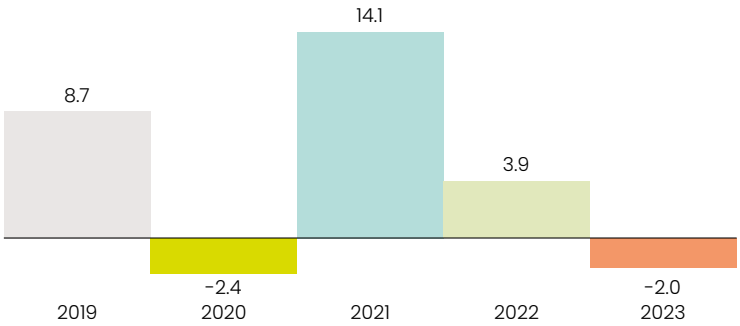
Effective capital management is essential to meeting the Group's ongoing funding requirements and to ensure we generate sustained returns for investors over the long term.

More on pages 44–47.

Group Five Year Funds From Operations (FFO) ($M)



Group Five Year Total Return (%)



Related risks and opportunities

- Portfolio operating and financial performance
- Development, and
- Capital management.

See pages 58-61 for more information.

Key achievements in 2023

- Further embedded the UniSuper and ACRT mandates into the Group
- Further investment to refurbish the Group's prime grade Office portfolio, to provide amenity-rich, sustainable, modern assets in desirable locations
- Completed five logistics assets during the year and undertook targeted divestment of five older assets, and
- Expanded QuadReal relationship, being appointed as investment manager for their Student Accommodation portfolio.

Engaging with stakeholders

GPT undertakes regular structured engagement with investors to understand their views on our strategy, performance, financial position, risks and governance, together with their current and emerging areas of focus. This engagement provides an opportunity to receive investor feedback and to address their questions.

Examples of our engagement throughout the year include:

- Full year and half year results presentations, quarterly operational updates, Annual General Meetings, investor briefings, conference presentations, and executive and director roadshows. Investor communications and ASX announcements ensure our investors receive timely material information throughout the year, and
- Participation in external benchmarks and indices to compare our performance with that of our peers. Alongside regulatory requirements, this investor engagement and benchmarking shapes the nature and extent of the information we report.

Focus for 2024

- Maintaining high occupancy of our diversified portfolio
- Continue growing exposure to the Logistics sector primarily through the creation of product via the development pipeline
- Pursue further opportunities to grow funds under management, including through the GPT QuadReal Logistics Trust, and
- Prudent capital management.

QuadReal Student Accommodation Mandate

CASE STUDY

In October, we were pleased to commence the investment management of QuadReal Property Group's (QuadReal) Australia and New Zealand Student Accommodation portfolio.

The mandate comprises a significant portfolio of nine, premium student accommodation assets housing approximately 5,000 beds. Located in Melbourne, Brisbane, Adelaide and Auckland, the assets have high occupancy levels and are situated in close proximity to prominent universities. UniLodge will continue to provide the property management services for these assets.

The addition of the mandate is in line with GPT's strategy to grow its Funds Management platform with high quality, aligned partners, and expands our diversified portfolio of real estate in three of Australia's largest and fastest growing cities.

GPT has a long history of leveraging our expertise and experience to add value for our investment partners. Since September 2022, three mandates totalling $6.6 billion have been transferred to GPT, a strong endorsement of our capabilities and robust governance processes. We look forward to continue building upon this track record.

Value created

Value creation model

125 Colchester Street, South Brisbane, QLD

Thriving Places

Our properties are community places where people come together for work, connection and enjoyment.

Pacific Fair Shopping Centre, QLD

2023 Performance

98.2%

Portfolio occupancy[1]

4.5 years

Portfolio Weighted Average Lease Expiry

5.41%

Portfolio Weighted Average Capitalisation Rate

152m

Retail portfolio customer visits

72

Retail portfolio Net Promoter Score

73

Office portfolio Net Promoter Score[2]

1. Including HoA.
2. The 2023 Office Customer Survey covered tenants at assets managed by GPT.

Creating value

Our real estate assets – retail shopping centres, office buildings and logistics facilities – are the core of our business and how we create value. Millions of people spend their time with us, making our assets part of their daily lives. In our retail centres alone we had more than 152 million shoppers come through our doors in 2023 and from this we know that winning their hearts begins and ends with experiences.

GPT's Experience First approach puts the customer experience at the heart of everything we do. It means leading with insight – researching our customers, tenants, and the communities in which we operate to understand their needs – and shifting our focus from the physical asset to the benefit of what happens inside it to deliver real and meaningful impact.

Our properties are workplaces for businesses of all shapes and sizes that contribute to the Australian economy. From family-owned small businesses to large multi-national corporations, major government departments and development construction sites, GPT provides places where thousands of people work each day. In 2023, our Office team achieved a Net Promoter score (NPS) of 73 for GPT managed assets, up two points from 2022. Our Retail team achieved an NPS of 72, up from 63 last year. Within our Logistics portfolio, customers gave our building management team a satisfaction score averaging 85 per cent.

Places thrive when they are safe, inclusive and connected to their communities. GPT maintains a robust safety culture which is underpinned by one of our values, 'Everyone Counts'. Safety is our first priority and we place the wellbeing of our people, service providers, contractors, supply chain partners, customers and members of the public above everything else. Our asset teams are focused on identifying and eliminating safety incidents and risks from our properties and developments as we strive for zero injuries.

24A & 24B Niton Drive, Truganina, VIC

Engaging with stakeholders

GPT engages daily with our customers. We listen to their needs, wants and expectations to ensure we shape our places around their journeys. Our insight and engagement guides how we develop, operate and enhance our properties so that they thrive. Examples of our engagement with stakeholders at an asset and corporate level include:

- Our 'voice of the customer' programs which provide us with insights into what works well and what could be improved. The programs also help us strengthen our relationships with current and prospective tenants and local community groups
- Connecting with tenants and customers through regular surveys and meetings, sector outlook seminars, tenant intranets and portals, relationship managers and building management committee meetings
- Monitoring and responding to customer complaints and feedback
- Collaborating with local leaders and community groups to share First Nations history and culture, and help inform our developments and placemaking activities, and
- Working with non-profit partners and community groups to offer relevant events and experiences that actively contribute to local and national social matters of importance.

Value created

Value creation model

Related risks and opportunities

- Portfolio operating and financial performance
- Development
- Health and safety, and
- Environmental and social sustainability.

See pages 58-61 for more information.

Key achievements in 2023

Retail portfolio

- Achieved Retail portfolio occupancy of 99.8 per cent
- Completed 678 leasing deals with average leasing spreads of positive 5.3 per cent
- Total centre sales growth of 7.4 per cent on prior year, and
- Finalised the integration of our mandate clients' assets (UniSuper and Australian Core Retail Trust) into the GPT platform.

Office portfolio

- Achieved Office portfolio occupancy of 92.3 per cent (including HoA)
- Commenced property management of Darling Park 1, 2 & 3 in Sydney, and 2 Southbank Blvd in Melbourne, with total number of office buildings under GPT property management at 21, and
- Expanded flexible space offering with three new GPT Space&Co facilities: One One One Eagle Street, 550 Bourke Street and Queen & Collins, bringing total venues to nine.

Logistics portfolio

- High portfolio occupancy maintained at 99.5 per cent including HoA, with positive leasing spreads of 39 per cent for 2023 deals
- Progressed planning approvals across the development pipeline, and
- Delivered five high quality logistics assets.

Focus for 2024

Retail portfolio

- Continue leasing strategies to drive sales productivity and position our assets to attract first to market retailers
- Enhance our retail assets to meet customer demand via strategic retail remixing and/or accretive redevelopments, and
- Further growth in the Retail Funds Management platform through existing and new mandates and third party clients.

Office portfolio

- Leasing to remain a core focus across our three products of GPT Space&Co, GPT DesignSuites and Traditional Space, and
- Customer experience to be at the heart of everything we do.

Logistics portfolio

- Progress milestones across the development pipeline, with construction targeted to commence this year at Kemps Creek, Sydney and Truganina, Melbourne, and
- Continue to pursue opportunities to grow Logistics funds under management, including through the GPT QuadReal Logistics Trust.

GPT's bespoke 'voice of the retail customer' program

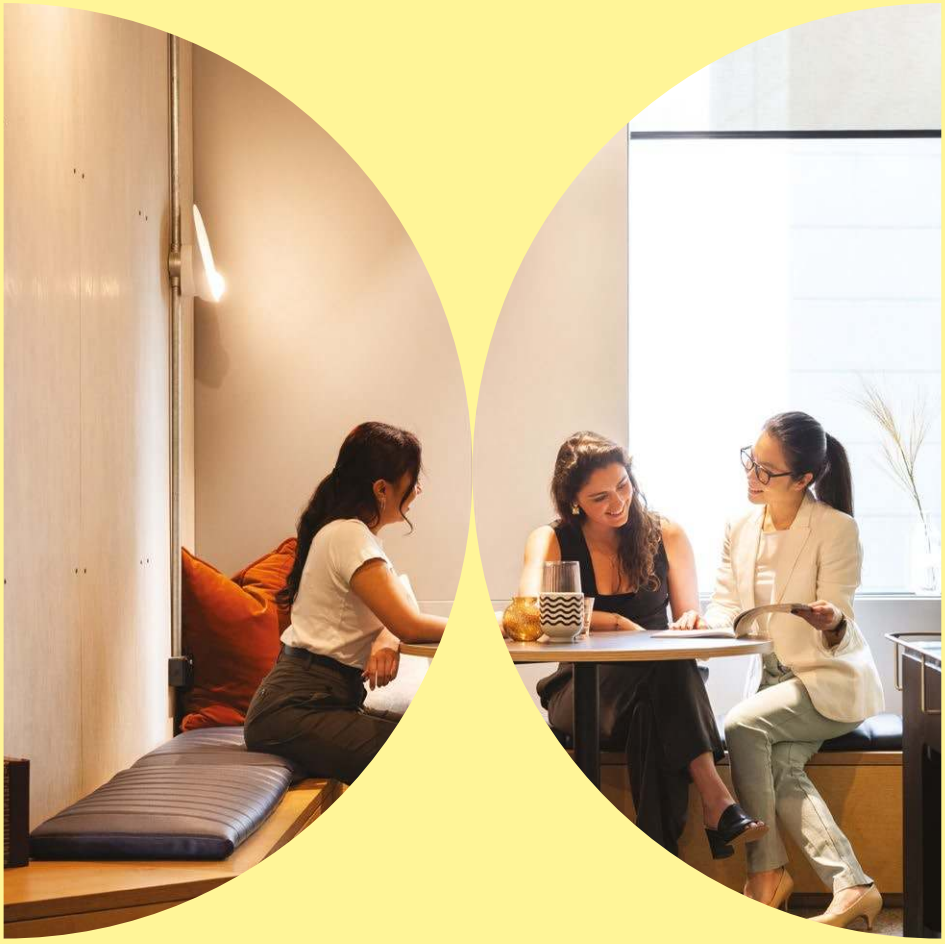
CASE STUDY

Our Experience First approach is a strategic priority for the Group and positions us to not only meet but exceed the expectations of our customers. By living and breathing this approach and placing the customer at the heart of everything we do, we can deliver exceptional experiences for shoppers and create a benchmark for service within our assets.

Understanding our customers, tenants and the communities in which we reside, drives the productivity of our assets and growing returns for our investors. To create measurable insights from our customers and our partners we have built a bespoke 'voice of the customer' and sentiment program.

The program utilises business intelligence systems and AI to enhance sentiment analysis, track actions and respond to customer feedback therefore improving our customer experience strategy. The program also cultivates a customer centric culture, adding net promoter scores (NPS) and sentiment for both the customer (our shopper) stream and the retailer (our partners) stream as a key performance indicator for the entire retail team.

The implementation of this platform was a significant step change for GPT as we embedded the new systems and elevated the importance of actioning, tracking and responding to feedback. We look forward to adding additional capabilities to the program in the future.



580 George Street, Sydney

Empowered People

Our talented, engaged and motivated workforce deliver on our purpose to create experiences that drive positive impact for people, place and planet.

2023 Performance

90%

Employees are proud to work for GPT

48%

Females in top quartile roles (by fixed remuneration)

Family Inclusive Workplace™

Employer of Choice

for Gender Equality citation – Workplace Gender Equality Agency (WGEA)

26 hours

Average training hours per fulltime employee

9th

in the 2023 Equileap Gender Equality Global Report & Ranking report

Creating value

GPT's people are central to our ability to deliver on our strategy and generate value for stakeholders. We strive for a high-performance, experience-led culture, where employees feel empowered and embrace and live our values.

Central to our success is our ability to attract, engage and retain a talented workforce. We foster a culture of diversity and inclusion, providing continuous opportunities for learning and growth. We invest in our talent and their development, enhancing organisational capability, growth and innovation. Our newly launched purpose and values enhance alignment for our people on how their role connects to our strategy and goals.

Our annual Employee Engagement Survey was conducted in June 2023 and provided us with great insight into what matters most to our people and their perspectives on, and experiences of, working at GPT.

- 86 per cent participation rate
- 76 per cent employee engagement score (10 per cent point increase since 2021)
- 90 per cent of employees are proud to work at GPT
- 89 per cent believe GPT is a great place to work, and
- Leadership, collaboration and communication ranked well above industry benchmarks.

GPT is committed to gender equality and we are proud of our achievements and ongoing efforts through the continued successful implementation of policies and initiatives. We aim to promote gender equality and take a disciplined and rigorous approach to ensure decisions are made fairly and workforce performance is optimised regardless of gender or gender identity. For more information on our gender diversity, see the Remuneration Report on page 77 and our Corporate Governance Statement.

GPT actively supports those people in our workforce who have caring responsibilities and introduced our Work + Family Hub, providing a range of resources to assist our people in balancing career, family and wellbeing priorities.

We foster safe and respectful work environments and the prevention of sexual harassment. In response to the 'Respect at Work' report and legislation changes, we created a standalone Sexual Harassment Policy and introduced a Behavioural Conduct Working Group tasked with proactive management for our positive duty and preventative action of any behavioural conduct matters.

GPT takes a proactive stance on the elimination of domestic and family violence and actively provides both education and support to our workforce. Ongoing training is offered to all employees and during the year we took part in the United Nations Women's 16 Days of Activism to end Gender-based Violence campaign.

Our active LGBTQIA+ (Lesbian, Gay, Bisexual, Transgender, Queer or Questioning, Intersex, Asexual +) awareness and diversity network, GLAD, promotes a culture of inclusion so that all LGBTQIA+ employees and allies can feel safe and welcome. 2023 saw our GLAD network actively participate in Sydney World Pride through a range of activations and events within our workplaces and assets.

Pride Night, Karrinyup Shopping Centre, WA

Karrinyup Shopping Centre's partnership with Pride WA

CASE STUDY

Karrinyup Shopping Centre, Perth's premier fashion, dining, lifestyle, and entertainment hub, serves as a crucial focal point for the local community. The Centre actively sought to strengthen its ties with the LGBTQIA+ community through offering meaningful engagement and support. This goal materialised through building a strategic partnership with Pride WA, an umbrella organisation encompassing over 30 smaller LGBTQIA+ community, sporting and recreation clubs.

Karrinyup's partnership with Pride WA – the first of its kind for the community, arts and cultural organisation – amplifies the existing support a selection of Karrinyup's retailers have with the LGBTQIA+ community.

The inaugural platform to showcase this collaboration emerged during PrideFEST, a month-long festival held in November in Western Australia. To boost awareness, drive sales, and underscore the Centre's support for the LGBTQIA+ community, Karrinyup hosted its inaugural Pride Night event. This was actively promoted throughout the Centre, including the conversion of the Karrinyup logo to a Pride emblem and striking rainbow light projections onto the large western façade.

Over 200 guests entered Karrinyup's FunLab rainbow-themed precinct for a night of glitz, glamour, and entertainment. The evening offered attendees free access to the entire venue, including bowling, mini-golf and arcade games and also featured Drag Bingo, live shows, a raffle, and silent auction. Over 30 retailers generously donated prizes and products contributing to a combined fundraising effort exceeding $12,000, all donated to Pride WA.

Karrinyup Shopping Centre looks forward to deepening the partnership with Pride WA, offering the community unique and memorable experiences, and fostering genuine engagement with the LGBTQIA+ community.

Engaging with stakeholders

GPT has a consultative work environment where employee views are sought out, respected, and acted upon where appropriate. Examples of our engagement with our people include:

- Employee Town Halls, internal committees and working groups, internal communication channels and business leader presentations
- Annual Employee Engagement Surveys and more frequently focused 'pulse' surveys to seek views on topical issues
- Voice of Employee – an open feedback loop for our people
- Regular consultation with our industry peers and a number of external expert bodies to shape our approach to workplace culture and diversity, inclusion and wellbeing, and
- Participation in external benchmarks such as the WGEA Employer of Choice for Gender Equality citation, the AWEI for LGBTQIA+ inclusion and the Family Inclusive Workplace™ certification to provide us with additional expertise in the space and the ability to measure our progress.

Related risks and opportunities

- People and culture
- Health and safety, and
- Portfolio operating and financial performance.

See pages 58-61 for more information.

Value created

Value creation model

Key achievements in 2023

- Implementation of our Human Resources Information System (HRIS) to include integrated payroll, additional functionality, streamlined data management and better quality reporting
- Ranked 9th in the annual 2023 Gender Equality Global Report & Ranking report released by Equileap out of 3,787 companies
- Leadership training delivered for current and aspiring People Leaders
- Delivered Domestic and Family Violence and Sexual Harassment awareness education
- Gender diversity initiatives resulting in achievement of 37.3 per cent gender diversity in the top decile and gender pay gap decreasing from 17.53 per cent to 16.54 per cent
- Become a signatory to the Women's Empowerment Principles (WEPs)
- Maintained the Family Inclusive Workplace™ accreditation, and
- Held ranking as a Gold Employer for LGBTQIA+ inclusion in the Australian Workplace Equality Index (AWEI) small employer category.

Focus for 2024

- Embed our purpose and values to drive organisational culture
- Develop and grow key talent and pathways for individual growth and performance
- Investment in leadership capability to deliver on our business strategy
- Embed our new HRIS and roll out modules and features for greater data reporting, efficiency and employee experience, and
- Evolve our talent acquisition approach to maximise quality hiring outcomes.

Sustainable Environment

IMPACT

Photo c/o: Ruth Huckstepp for Noosa Landcare

We will deliver resilient assets, that optimise environmental outcomes.

2023 Performance

92%

Emissions intensity reduction since 2005

52%

Energy intensity reduction since 2005

57%

Water intensity reduction since 2005

$237m

Sustainable Finance

5 Stars

Retained highest GRESB rating

100%

GPT Office assets operating carbon neutral

2nd

Placed of real estate investment trusts in the S&P Global Corporate Sustainability Assessment 2024 Sustainability Yearbook

Creating value

Our understanding of sustainable property operations, environmental issues, and stakeholder expectations influences how we create value. It informs our assessment of the material risks and opportunities arising from our environmental impact.

At GPT, we are committed to being a positive contributor to the environment and take a restorative approach to addressing the residual environmental impacts of our direct activities.

Comprehensive operations management systems and processes enable us to monitor and measure our performance and set targets to improve building efficiency and reduce environmental impact. In 2023, we maintained ISO14001 Certification for our Environmental Management System across GPT building operations and development activities.

Preserving the environment for future generations is a material topic for GPT and our stakeholders. GPT leads the property industry's decarbonisation efforts. Our carbon neutral commitment is delivered by running efficient buildings on renewable electricity and offsetting the emissions that we cannot eliminate through a combination of energy and Australian nature-based reforestation offsets. Our progressive electricity procurement strategy and long term renewable energy contract, has delivered significant energy cost savings. We have reduced our carbon emissions intensity (net scope 1 and 2) by 92 per cent and energy intensity by 52 per cent against our 2005 baseline. Cumulatively, an estimated 2.3 million tonnes of CO_2-e emissions have been avoided and saved the Group more than $340 million in energy costs.

As part of our Net Zero Plan, at the end of 2023, GPT proudly progressed to carbon neutral operations for all material emissions sources (including scope 1, 2 and 3) under our control. This includes our corporate operations (Climate Active certified since 2011), base building emissions (28 of 32 GPT assets already certified) as well as embodied carbon from developments (which we have already started certifying).

GPT is also improving our assets' resilience to climate risk and supporting an orderly transition to a low carbon economy. We undertake detailed climate risk assessment processes for our portfolio to identify and manage physical climate risk as well as address risks and opportunities. For example, we assess physical risk informed by detailed climate modelling under RCP 8.5 for all of our assets in increments out as far as 2100. Additionally, to support the transition to a renewable energy grid, GPT is installing more Smart Energy Hubs and Loadflex programs at assets which also reduce our energy and networks costs as well as generate income.

Our ability to create value over the long term is critically dependent on resilient ecosystems. We are guided by our Biodiversity Policy, which is to have a net positive impact on biodiversity and be resilient to nature-related risks. As such, we are reviewing all of our assets for their interfaces with nature to understand our risks and establishing natural capital accounts including nature-related impacts and dependency registers.

GPT is also investing in nature restoration opportunities. GPT contracted 500k tonnes of carbon offsets via the 'Restoring Country for Climate' collaborative native biodiverse reforestation project restoring 1,100 hectares of an ex-plantation estate within the Noosa Hinterland, Queensland. GPT's partnership with Greenfleet and Traditional Owners provides certainty of supply, quality and cost of offsets for approximately the next five years, helping GPT commit to our nature targets, including upfront embodied carbon neutrality, with strong confidence for delivery.

During the year, we continued developing our asset holistic water management plans in support of our water neutral objective. When compared to our 2005 baseline water intensities, we saw a 57 per cent improvement in our water intensity and saved $8 million in water costs in 2023. We also achieved a 4.6 Star Average NABERS Water Rating across our Office portfolio[1].

The transition to a circular economy remains a material issue to GPT, and the property industry, with a focus on addressing risks associated with resource scarcity by embracing a closed loop approach to resource consumption. We report on closed loop waste recovery outcomes, not just diversion from landfill.

GPT delivered a 34 per cent closed loop recovery outcome in 2023 which was below our target of 36.5 per cent. There are structural and cultural challenges ahead to achieve a truly circular economy with gaps in processing facilities and continued confusion over recycling processes. Increased engagement programs and a focus on non-operational materials and waste are aimed at improving this performance.

We also completed tranche 1 and 2 of the GPT DesignSuites project during the year, with the latest data demonstrating positive progress.

GPT DesignSuites provide excellent, tangible examples of incorporating recycled and re-used materials into our fitouts as well as designing for future re-use.

Full details of these achievements and future targets can be found within our first integrated Climate and Nature Disclosure Statement.

Value created

Value creation model

1. Calculated in accordance with the NABERS Rules for Conducting a Portfolio Rating.

Engaging with stakeholders

Key stakeholders for GPT's environmental sustainability goals include investors, tenants and our supply chain. Much of our engagement is open dialogue and in the spirit of sharing to improve outcomes. GPT also engages with the broader property industry, and as a leader in decarbonisation and developing processes to improve positive outcomes for nature, we have been able to support a broader transition through numerous forum presentations and through our transparent approach to disclosure.

GPT participates in external surveys and benchmarks on ESG matters - primarily the S&P Global Corporate Sustainability Assessment and GRESB real estate assessment. These benchmarks enable our stakeholders to assess our progress of the Group and our wholesale funds. They also provide useful insights into stakeholder expectations in relation to ESG, how our performance aligns with those expectations, and how it compares to our global real estate peers.

Charlestown Square, NSW

Related risks and opportunities

- Portfolio operating and financial performance
- Development, and
- Environmental and social sustainability.

See pages 58-61 for more information.

Key achievements in 2023

- Ranked second of real estate investment trusts in the S&P Global Corporate Sustainability Assessment 2024 Sustainability Yearbook
- Released our first Climate and Nature Disclosure Statement
- Achieved carbon neutrality for all material emissions sources (including scope 1, 2 and 3) under our operational control
- Planted 245ha of trees via GPT's 'Restoring Country for Climate' partnership since 2022, and
- GPT continues to have the largest amount of commercial space certified carbon neutral in Australia (by floor area) in the NABERS Sustainable Portfolio Index 2023.

Focus for 2024

- Continued delivery of GPT's Net Zero Plan, including Climate Active Carbon Neutral certification of buildings and developments
- Climate adaption planning processes across the portfolio
- Progress and refine our Nature Plan as part of our environmental sustainability vision
- Implement asset level water master plans to establish a pathway to water neutrality
- Focus on improving materials used in construction and operations, and driving higher quality recycling outcomes, and
- Leverage GPT's sustainability expertise to support our stakeholders on their journeys.

Carbon Neutral Now, Nature Positive Next

Key objectives for environmental sustainability

Climate response

Deliver certified carbon neutrality and building resilience to the impacts of climate change.

Restoring nature

Focus on achieving a net positive impact on biodiversity[1].

Resource circularity

Commit to circular outcomes by maximising the lifecycle of materials, closed-loop recovery processes and avoiding unnecessary consumption of materials.

Water neutrality

Strive to be water neutral and resilient to drought and flood (water scarcity and extreme rainfall).

GPT's Sustainability Data Dashboard

Previously called the 'Environmental Data Dashboard', our updated public dashboard provides a comprehensive overview of our key ESG performance data for the reporting year, including alignment to global sustainability reporting frameworks.

1. GPT's nature positive targets are detailed in the TNFD section of our Sustainability Data Dashboard. The specific net positive impact on biodiversity refers to the policy commitment to invest in biodiversity protection and restoration projects with a cumulative footprint greater than that of GPT owned and operationally controlled assets.

Prospering Customers, Suppliers and Communities

CONNECT

Darling Park, Sydney

Strong relationships with customers, supply chain partners and communities enable us to meet their current and emerging needs and ensure our mutual future success.

2023 Performance

$6m

Community investment

93%

Employees who supported The GPT Foundation

94%

Small businesses paid on time

RAP

Second Stretch Reconciliation Action Plan endorsed by Reconciliation Australia

PRI Principles for Responsible Investment

Submitted our first report to the UN PRI

WE SUPPORT UN GLOBAL COMPACT

Participant in UN Global Compact Early Adopter Programme 2022

Creating value

To be people positive, we need to build prosperous and sustainable futures for all our stakeholders. At GPT, we begin this by fostering trusting relationships and working collaboratively with our customers, supply chain partners and communities across our business activities, including strategy, operations, development and placemaking.

We publicly commit to protecting and respecting the human rights of everyone we engage with, directly or indirectly, and, as outlined in our updated Human Rights Statement, we uphold human rights in line with the United Nations Guiding Principles (UNGP) on Business and Human Rights. We recognise the emphasis of the UNGPs on tracking the effectiveness of measures to address human rights harms. Our commitment is embedded in our policies, systems and processes and we continue to take action to increase our transparency in this area.

Our fourth Modern Slavery Statement, published in October 2023, outlines how we are working to better identify and guard against human rights abuses, including modern slavery, in our operations and supply chain. Collaboration within the property industry and shared expertise with relevant businesses, governments, and non-government bodies, specifically the Australian Red Cross, was a focus for GPT during the year and has played a crucial role in helping us further understand and address these shared human rights challenges. In addition to this work, we continue to build productive, long term partnerships with our suppliers. Part of our procurement and supply chain commitment is the timely payment of our suppliers, and in 2023 we paid 94 per cent of small businesses on time.

GPT became a signatory to the United Nations Principles for Responsible Investment (UN PRI) in 2022, and in September 2023 we submitted our first report. Our support of the UN PRI further demonstrates our commitment and actions to incorporate ESG factors into our investment decision making.

Our places contribute to their local communities by providing employment and business opportunities, events and experiences where people can come together, and spaces everyone can enjoy. In partnership with national and local organisations, and through our tailored asset social plans, we hosted National Reconciliation Week and NAIDOC week events alongside key First Nations partners throughout 2023, as well as Sydney World Pride, IDAHOBIT and Wear it Purple activations with our LGBTQIA+ partners in both our office and retail assets. At a grassroots level, a broad range of events and experiences were delivered by our retail and office assets in partnership with national and local not-for-profit organisations. Collaborating with our customers and communities, supports socio-economic outcomes in the communities in which we operate.

The GPT Foundation coordinates GPT's philanthropic contributions which includes workplace giving, fundraising, volunteering and supporting our partnerships with three Australian charities. Creating value where we live and operate is a key objective for GPT and through the GPT Foundation we are able to provide targeted support and enable our people to play an active role in our communities.

In 2023, the GPT Foundation launched its three year strategy, partnering with three national charities, including Property Industry Foundation (PIF) a property specific charity partner, ReachOut Australia and Australian Childhood Foundation. Furthermore, 93 per cent of staff actively participated in the GPT Foundation's volunteering and fundraising endeavours, collaborating with various local and national charity partners.

In October 2023, we published our second Stretch Reconciliation Action Plan (RAP) which outlines our commitments for 2023 to 2026. Key priorities for our latest RAP include:

- Strengthening partnership activities to support greater First Nations employment and growth of First Nations businesses
- Annual review of the First Nations Inclusion Strategy, including the Cultural Learning Plan to ensure GPT maintains a culturally safe workplace
- Embedding formal partnerships in placemaking activities, to ensure assets are culturally safe places and reflect First Nations voices, and
- Increasing investment in First Nations businesses and ensuring this supports sustainable business growth.

GPT's RAP launch: KARI Singers

Engaging with stakeholders

Strong relationships with our supply chain partners, First Nations partners, the GPT Foundation partners and community organisations, helps us understand how we can progress towards our shared goals and enables us to make a real and meaningful impact. Examples of our engagement with stakeholders include:

- Regular meetings, reporting, reviews, audits and risk assessments with our supply chain partners to understand their experience of working with GPT, ways in which we can improve, and to monitor their ongoing performance and alignment with our values and practices
- Collaborating with Traditional Custodians and First Nations people, community groups, First Nations-owned businesses, non-profit organisations and local leaders to support reconciliation actions and inform our developments, placemaking activities and operations to ensure that our assets foster community connection, wellbeing and inclusion. We seek regular feedback from these partners, and
- Ongoing volunteering, workplace giving and fundraising opportunities in partnership with local stakeholder groups, social enterprises and non-profit organisations and government to support and collaborate with the communities in which we operate.

Related risks and opportunities

- Environmental and social sustainability
- Health and safety, and
- Portfolio operating and financial performance.

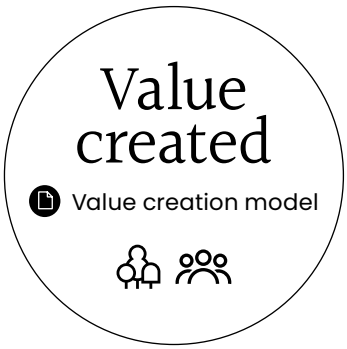
See pages 58-61 for more information.

Key achievements in 2023

- Submitted our first report to the United Nations Principles for Responsible Investment (UN PRI)
- Updated our Human Rights Statement
- Progressed GPT's modern slavery road map with a focus on our development supply chain
- Commenced the GPT Foundation's 2023-26 strategy, and
- Launched GPT's second Stretch Reconciliation Action Plan 2023-2026.

Focus for 2024

- Undertake an independent review of GPT's human rights due diligence approach
- Implement strategies to identify and mitigate modern slavery risks within GPT's development operations and capital expenditure projects
- Expand GPT's modern slavery partner network to enhance the impacted stakeholder voice in our approach and action
- Review of First Nations Inclusion Strategy, including the Cultural Learning Plan
- New First Nations Procurement Strategy 2024-2026
- Grow our impact with the GPT Foundation and community partners, and
- Target above 80 per cent employee engagement with the GPT Foundation and community initiatives.



Stretch Reconciliation Action Plan (RAP)

CASE STUDY

Following endorsement from Reconciliation Australia, GPT released our second Stretch Reconciliation Action Plan (RAP) in October 2023. As a recognised member of the RAP network, the plan outlines GPT's formal commitments to reconciliation with First Nations peoples in Australia.

First Nations engagement is an important human rights responsibility for GPT, and the RAP framework provides us with measurable objectives to increase our accountability and contributions to reconciliation and drive genuine, positive change.

Reconciliation Australia approves a Stretch RAP for organisations that have developed strategies, and established a strong approach towards advancing reconciliation internally and within the organisation's sphere of influence. The plan requires organisations to embed reconciliation initiatives into business strategies so they become 'business as usual'.

As part of our RAP, GPT collaborated with two First Nations artists to create a unique artwork (see the inside front cover of this report) which was used throughout the document itself and is currently on display at GPT Space&Co. 550 Bourke Street, Melbourne. Lowell Hunter, a proud Nyul Nyul Saltwater man from the Kimberley region and Bobbi Lockyer, a proud Ngarluma, Kariyarra, Nyul Nyul and Yawuru woman from Kariyarra Country in Port Hedland, worked together to create "Saltwater Spirit". The artwork invites people to appreciate the richness and beauty of the land, fostering a deep understanding of First Nations culture, community, and the vital connection to a sustainable future.

Through our RAPs, we are able to gain a deeper understanding of our responsibilities to Country, culture and community, to build stronger connections and partnerships, and importantly co-create thriving communities. At GPT, we believe genuine interest and action enables positive, sustainable change and we are committed to listening, learning and taking action to meaningfully advance reconciliation in Australia.

Group Performance

Review of Operations and Operating Result

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

The Retail portfolio continued to perform strongly, with high occupancy maintained and strong leasing outcomes achieved. Retail sales across the portfolio were above the prior year, and our CBD located asset at Melbourne Central surpassed pre-pandemic retail sales levels benefiting from increased levels of visitation. Leasing spreads continued to strengthen across the portfolio, with lease structures consisting of fixed base rents and annual fixed increases. The transition of management of UniSuper's real estate mandate and the Australian Core Retail Trust has provided deeper tenant relationships and operational leverage for our Retail platform.

The office leasing environment remained challenging during the year with elevated market vacancy and subdued demand. Office portfolio occupancy at year-end was 92.3 per cent (including heads of agreement). Our premium turn-key product, GPT DesignSuites, specifically designed for smaller tenants, continues to resonate well with the market.

Office portfolio income was down, primarily driven by lease expiries. The GPT Wholesale Office Fund's development at 51 Flinders Lane, Melbourne is progressing well and due for completion in 2025.

High occupancy and positive leasing outcomes have been achieved across our Logistics portfolio. There were five development completions during the year and we continue to progress our pipeline, with the first phases of the Yiribana East estate in Western Sydney and the Djeembana estate in Melbourne's west achieving planning approvals. Logistics represents 28 per cent of the Group's diversified property portfolio.

The growth of Funds Management remains a key focus for the Group. The strong result delivered reflects the full period contribution of managing UniSuper's $2.7 billion portfolio of real estate investments, which transitioned to GPT in September 2022 and management of ACRT and property management of Pacific Fair Shopping Centre, which commenced in December 2022. Additionally, GPT was delighted to be selected by QuadReal as the investment manager for its approximately 5,000 bed Student Accommodation portfolio which transitioned to GPT in October.

The Group's gearing at 31 December 2023 of 28.3 per cent remains below the mid-point of our stated range of 25-35 per cent.

Funds From Operations

FFO represents GPT's underlying earnings from its operations. This is determined by adjusting statutory net profit after tax (under Australian Accounting Standards) for certain items which are non-cash, unrealised or capital in nature. This is in accordance with FFO and Adjusted Funds From Operations (AFFO) in the Property Council of Australia 'Voluntary Best Practice Guidelines for Disclosing FFO and AFFO'.

GPT delivered FFO of $600.9 million for the year ended 31 December 2023, down 3.2 per cent on the prior period (2022: $620.6 million). FFO per security decreased 3.2 per cent to 31.37 cents (2022: 32.40 cents).

Both the Retail and Logistics segments contributed strongly with growth of 12.3 per cent and 5.5 per cent respectively. The Office segment contribution fell by 3.4 per cent predominantly as a consequence of higher vacancy during the period despite increased leasing volumes. Net finance costs from borrowings increased by 38.0 per cent to $193.0 million (2022: $139.9 million). This was due to an increase in the cost of debt to 4.7 per cent (2022: 3.2 per cent).

GPT's statutory net loss after tax was $240.0 million, as compared to a $469.3 million profit after tax in the prior corresponding period, predominantly due to negative investment property valuation movements of $819.0 million (2022: $159.3 million negative revaluation).

The Group's 12 month total return was negative 2.0 per cent (2022: positive 3.9 per cent) predominantly as a result of the negative investment property revaluations resulting in a decrease in NTA per stapled security to $5.61.

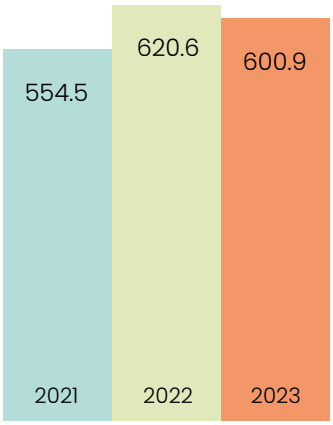
Distribution

The Group targets to distribute 95 to 105 per cent of free cash flow, defined as operating cash flow less maintenance and leasing capex and inventory movements. The Group may make other adjustments in its determination of free cash flow for one-off or abnormal items.

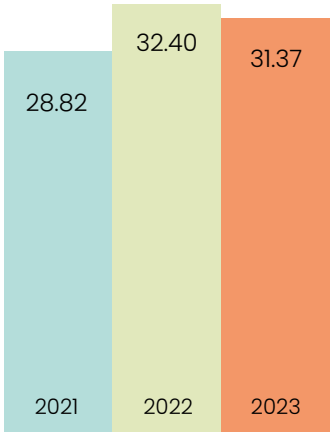
Distributions to stapled securityholders for the year ended 31 December 2023 are $478.8 million (2022: $478.8 million), representing an annual distribution of 25.0 cents per ordinary stapled security, in line with 2022 (2022: 25.0 cents). The payout ratio for the year ended 31 December 2023 is 96.0 per cent of free cash flow.

Portfolio asset weighting 31 December 2023

Funds from operations ($M)



FFO per ordinary stapled security (cents)



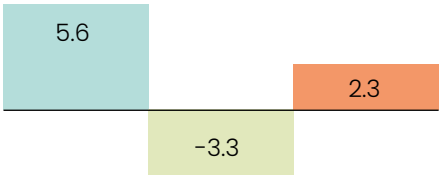
Distribution per ordinary stapled security (cents)

Portfolio Total Return (%)

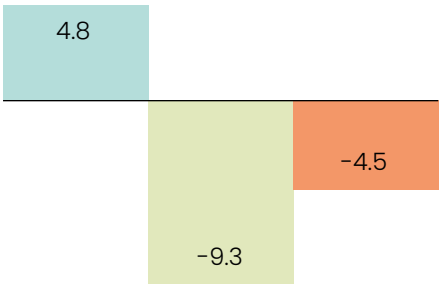
The portfolio total return at the investment portfolio level for the 12 months to 31 December 2023 was negative 0.5 per cent with each portfolio's performance detailed in the below chart.

Income Return · Capital Return · Total Return

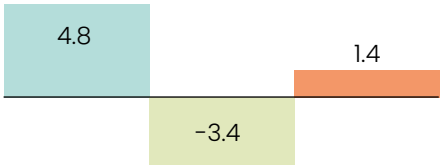
Retail (incl. GWSCF interest)



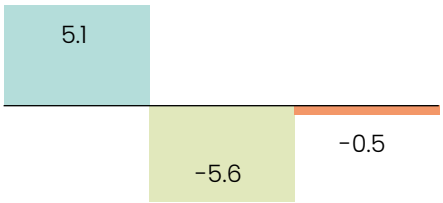
Office (incl. GWOF interest)



Logistics (incl. GQLT interest)



Total Portfolio (incl. equity interests)



Financial Result

For the year ended	31 Dec 23 $M	31 Dec 22 $M	Change %
Retail			
– Operations net income	317.5	289.9	
– Funds management net income	23.4	13.7	
– Development net income	–	(0.1)	
	340.9	303.5	12.3%
Office			
– Operations net income	281.3	290.3	
– Funds management net income	39.5	41.9	
– Development net income	2.6	2.7	
	323.4	334.9	(3.4%)
Logistics			
– Operations net income	192.7	182.4	
– Funds management net income	2.7	1.8	
– Development net income	3.1	3.9	
	198.5	188.1	5.5%
Corporate management expenses	(58.2)	(57.6)	1.0%
Net finance costs	(193.0)	(139.9)	38.0%
Income tax expense	(10.7)	(8.4)	27.4%
Funds from Operations (FFO)	**600.9**	**620.6**	**(3.2%)**
Non-FFO items:			
Valuation decrease	(819.0)	(159.3)	
Financial instruments mark to market, net foreign exchange movements and other items	(21.9)	8.0	
Net (loss)/profit for the year after tax	**(240.0)**	**469.3**	**(151.1%)**
FFO per ordinary stapled security (cents)	**31.37**	**32.40**	**(3.2%)**
Funds from Operations (FFO)	**600.9**	**620.6**	**(3.2%)**
Maintenance capex	(32.8)	(31.7)	3.5%
Lease incentives	(80.1)	(78.1)	2.6%
Adjusted Funds from Operations (AFFO)	**488.0**	**510.8**	**(4.5%)**
Distributions	478.8	478.8	–
Distribution per ordinary stapled security (cents)	25.00	25.00	–

Financial Position

	31 Dec 23 $M	31 Dec 22 $M	Change %
Portfolio assets			
Retail	5,657.2	5,789.2	(2.3%)
Office	5,533.9	5,982.6	(7.5%)
Logistics	4,416.0	4,834.5	(8.7%)
Total portfolio assets	**15,607.1**	**16,606.3**	**(6.0%)**
Financing and corporate assets	672.7	710.7	(5.3%)
Total assets	**16,279.8**	**17,317.0**	**(6.0%)**
Borrowings	4,796.3	5,052.5	(5.1%)
Other liabilities	717.3	788.6	(9.0%)
Total liabilities	**5,513.6**	**5,841.1**	**(5.6%)**
Net assets	**10,766.2**	**11,475.9**	**(6.2%)**
Total number of ordinary stapled securities (million)	1,915.6	1,915.6	–
NTA ($ per security)[1]	**5.61**	**5.98**	**(6.2%)**

1. Includes all right-of-use assets of the GPT Group.

580 George Street, Sydney

Balance sheet

The Group independently valued all investment properties as at 31 December 2023. Valuations were conducted by valuers with appropriate experience and expertise. The independent valuations contain a number of assumptions, estimates and judgements on the future performance of each property, including market rents and growth rates, occupancy, capital expenditure and investment metrics.

Total portfolio assets decreased by 6.0 per cent in the year ended 31 December 2023 due to net property devaluations, the divestment of five Logistics assets, partially offset by investment in developments.

Cash borrowings decreased by $296.1 million as a result of asset sales, partially offset by development capital expenditure. Total borrowings reduced by $256.2 million after adjusting for non-cash items of $39.9 million which includes movements on the Group's foreign currency borrowings. The Group's foreign borrowings are fully hedged against foreign currency exchange rate risk.

Capital management

GPT continues to maintain a strong focus on capital management.

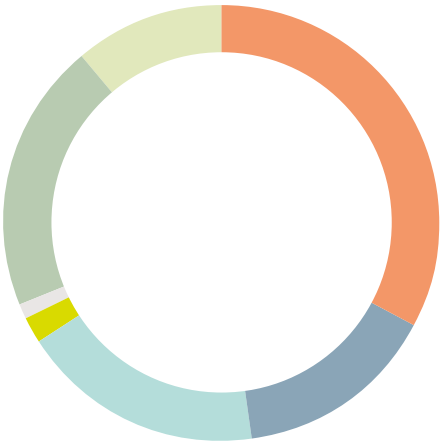
Key metrics for the period

Net gearing of 28.3 per cent (2022: 28.5 per cent).

Weighted average cost of debt for the year was 4.7 per cent, up from 3.2 per cent for 2022.

As at	31 Dec 23	31 Dec 22	Change
Net gearing	28.3%	28.5%	Down 20bps
Weighted average debt maturity	5.9 years	6.2 years	Down 0.3 years
Average interest rate hedging	88%	66%	Up 22%
S&P/Moody's credit rating	A – (stable)/ A2 (stable)	A (negative)/A2 (stable)	S&P down one notch

Sources of debt



- USPP 33%
- Domestic MTNs 15%
- Foreign MTNs 18%
- CPI Bonds 2%
- Commercial paper 1%
- Domestic bank debt 20%
- Foreign bank debt 11%

Going concern

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

- Available liquidity, through cash and undrawn facilities, of $1,465.2 million (after allowing for repayment of $67.1 million of outstanding commercial paper) as at 31 December 2023
- Weighted average debt facility expiry of 5.9 years, with sufficient liquidity in place to cover the $200.0 million of debt (excluding commercial paper outstanding) due between the date of this report and 31 December 2024
- Primary covenant gearing of 28.7 per cent, compared to a covenant level of 50.0 per cent, and
- Interest cover ratio for the 12 months to 31 December 2023 of 4.0 times, compared to a covenant level of 2.0 times.

50 Old Wallgrove Road, Eastern Creek, NSW

Cash flow

Free cash flow is broadly in line with the prior corresponding period with a smaller unfavourable movement in working capital balances offsetting the decline in FFO. One-off transaction costs to transition UniSuper and ACRT mandates from AMP to GPT are excluded from free cash flow.

The Non-IFRS information included below has not been audited in accordance with Australian Auditing Standards, but has been derived from note 1 and note 9 of the accompanying financial statements.

The following table shows the reconciliation from FFO to the cash flow from operating activities and free cash flow:

For the year ended	31 Dec 23 $M	31 Dec 22 $M	Change %
FFO	**600.9**	**620.6**	**(3.2)**
Less: non-cash items included in FFO	(26.8)	(30.2)	(11.3)
Add/(less): net movement in inventory	36.6	(4.8)	N/A
Less: one-off transaction costs	(22.3)	(5.1)	N/A
Movements in working capital and reserves	(2.4)	(18.4)	87.0
Net cash inflows from operating activities	**586.0**	**562.1**	**4.3**
(Less)/add: net movement in inventory	(36.6)	4.8	N/A
Add: one-off transaction costs	22.3	5.1	N/A
Less: maintenance capex and lease incentives (excluding rent free)	(72.8)	(73.0)	0.3
Free cash flow	**498.9**	**499.0**	**-**

Highlights

$5.5b

Portfolio value[1]
(2022: $5.6b)

99.8%

Portfolio occupancy
(2022: 99.4%)

3.9 years

Portfolio weighted average lease expiry
(2022: 4.0 years)

5.43%

Portfolio weighted average capitalisation rate
(2022: 5.03%)

2.3%

Portfolio 12 month total return
(2022: 7.0%)

1. Includes GPT's interest in GWSCF.

Performance

Operations

Operations net income for the period was $317.5 million, an increase of 9.5 per cent on 2022.

The portfolio occupancy as at 31 December 2023 was 99.8 per cent (2022: 99.4 per cent), reflecting the strength of the retail sector and desire from retailers to take floor space in GPT's high quality portfolio.

The Group completed 678 leasing deals during the period, with a higher average fixed annual rental increase of 4.8 per cent (31 December 2022: 4.4 per cent) and average lease term of 5.2 years (31 December 2022: 4.7 years). Total Specialty leasing spreads improved to positive 5.3 per cent (31 December 2022: negative 2.8 per cent).

Total Centre sales were up 7.4 per cent and Total Specialty sales were up 6.1 per cent compared to 2022. Strong sales growth was achieved across the majority of retail categories driven by continued sales growth in both non-discretionary and discretionary spending, particularly in Dining, Health and Beauty.

Melbourne Central, our largest retail property investment, achieved its highest MAT in 2023 and customer visitation was up 27.9 per cent on the prior year. The asset continues to be in strong demand by shoppers and retailers, with asset occupancy now 100 per cent at December 2023 (2022: 98.0 per cent).

The Retail portfolio recorded a net revaluation decline of 3.1 per cent or $178.7 million in 2023 (2022: $93.3 million), including GPT's equity interest in the GPT Wholesale Shopping Centre Fund (GWSCF). The weighted average capitalisation rate increased to 5.43 per cent (2022: 5.03 per cent).

Funds Management

Retail Funds Management income increased 70.8 per cent to $23.4 million driven by the addition of the UniSuper and ACRT portfolios in September and December 2022 respectively.

GWSCF has gross assets of $3.5 billion, net gearing of 16.3 per cent and has outperformed the MSCI/Mercer All Retail Index over 1, 2 and 3 years.

Development

The Group has continued advancing plans for redevelopments at Rouse Hill Town Centre and Melbourne Central.

OFFICE

One One One Eagle Street, Brisbane

Highlights

$5.5b

Portfolio value[1]
(2022: $6.0b)

92.3%

Portfolio occupancy[2]
(2022: 88.5%)

4.7 years

Portfolio weighted average lease expiry
(2022: 5.0 years)

5.49%

Portfolio weighted average capitalisation rate
(2022: 5.03%)

−4.5%

Portfolio 12 month total return
(2022: −0.4%)

1. Includes GPT's interest in GWOF.
2. Including HoA.
3. Includes signed leases and HoA, based on GPT and GWOF NLA.

Performance

Operations

Operations net income for the period ending 31 December 2023 decreased 3.1 per cent to $281.3 million (2022: $290.3 million). This was primarily driven by lease expiries at Darling Park, 60 Station Street and Melbourne Central Tower. Comparable income growth for the portfolio was negative 0.8 per cent.

Despite the challenging office leasing market, the Group achieved a high level of leasing in 2023, with 133,800sqm[3] leased across 167 deals. Office occupancy (including HoA) as at December 2023 was 92.3 per cent and the portfolio WALE was 4.7 years.

The Office portfolio recorded a net revaluation decline of 9.2 per cent or $555.8 million in 2023 (2022: net negative revaluation of $316.0 million), including GPT's equity interest in the GPT Wholesale Office Fund (GWOF). Negative revaluations were recorded across the portfolio, with the exception of One One One Eagle Street, Brisbane. The weighted average capitalisation rate increased to 5.49 per cent (31 December 2022: 5.03 per cent).

Funds Management

Office Funds Management income decreased 5.7 per cent to $39.5 million, largely as a result of lower property valuations in GWOF.

GWOF has gross assets of $9.3 billion, net gearing of 23.5 per cent and has outperformed the MSCI/Mercer All Office Index over one year.

Development

In 2023, GPT has continued to progress the strategic master planning and development approvals of the development pipeline for the next cycle.

The only project underway is GWOF's development at 51 Flinders Lane, Melbourne, with completion expected in late 2025.

Highlights

$4.4b

Portfolio value[1]
(2022: $4.5b)

99.5%

Portfolio occupancy[2]
(2022: 99.8%)

5.4 years

Portfolio weighted average lease expiry
(2022: 6.2 years)

5.26%

Portfolio weighted average capitalisation rate
(2022: 4.40%)

1.4%

Portfolio 12 month total return
(2022: 5.8%)

1. Includes GPT's interest in the GQLT.
2. Including HoA.

December 2022 excluded assets contracted for sale.

Performance

Operations

Operations net income for the period ending 31 December 2023 increased 5.6 per cent as a result of underlying income growth together with development completions. Comparable income growth for the period was 5.5 per cent as a result of structured rent increases, leasing outcomes achieved and high portfolio occupancy.

At December 2023, Logistics occupancy (including HoA) was 99.5 per cent and the portfolio has a WALE of 5.4 years.

The Logistics portfolio recorded a net revaluation decline of 1.9 per cent or $84.7 million in 2023 (2022: $63.4 million), including GPT's equity interest in the GPT QuadReal Logistics Trust (GQLT). The weighted average capitalisation rate has expanded to 5.26 per cent (31 December 2022: 4.40 per cent).

Following the divestment of Citiport Business Park, Port Melbourne and Rosehill Business Park, Camellia in 1H 2023, settlement of an additional three assets – 83 Derby Street, Silverwater and 64 Biloela Street, Villawood in Sydney, together with 21-23 Wirraway Drive, Port Melbourne – occurred in December 2023.

In the fourth quarter, the Group commenced a divestment campaign for its 50 per cent stake in Austrak Business Park, Somerton, Melbourne which is valued at approximately $300 million.

Funds Management

Funds Management income increased to $2.7 million through our existing GQLT partnership and GPT's appointment as investment manager for QuadReal's student accommodation portfolio.

The GQLT partnership was formed to create a $2 billion prime Australian logistics portfolio (GPT share 50.1 per cent), with assets under management of $0.6 billion at December 2023.

The portfolio consists of seven completed assets with a further four pipeline projects being progressed.

Development

There were five assets completed across the Logistics portfolio in 2023.

In Melbourne, GPT's development at 24A & 24B Niton Drive, Truganina reached completion in January and GQLT's facility at Keylink Estate – North, Keysborough, was delivered in February, with both assets leased at completion. This was followed in October by GPT's 31,700sqm facility at Gateway Logistics Hub, Truganina in Melbourne.

In Brisbane, GQLT's facility at 149 & 153 Coulson Street, Wacol was delivered in May and has been leased to Mainfreight. This was followed in August by GQLT's 11,700sqm facility, 22 Hume Drive at Apex Business Park, Bundamba with the space being marketed for lease.

The Group is also advancing planning and pre-construction milestones across the pipeline.

At GPT's future Djeembana Estate (previously known as 865 Boundary Road) in Melbourne, site servicing is underway. The site is expected to deliver 123,600sqm and will be built out across a staged program, with planning approvals achieved in 2H 2023 for the first two facilities.

In the Mamre Road Precinct at Kemps Creek in Sydney, 47 hectares of development land is held by both GPT and GQLT. In September, the DA was achieved for the first two facilities at GPT's Yiribana East estate, with infrastructure works to commence in 1H 2024.

PROSPECTS

Over the last 18 months there has been a material step up in interest rates by the Reserve Bank of Australia to bring inflation back toward its target range. The rise in interest rates has increased GPT's cost of debt and this had a material impact on FFO in 2023 and will further impact the FFO outlook for the year ahead. It would appear that the interest rate rising cycle may now have peaked as inflation moderates.

Independent valuations were undertaken for all investment properties as at 31 December 2023, resulting in a softening of valuation metrics. Valuation declines have been more prominent in the office sector. There is the potential for further softening of valuation metrics as a greater level of transaction evidence emerges.

The Group delivered strong results from its Retail portfolio in 2023 and we expect this positive trend to continue. Portfolio occupancy has been maintained at greater than 99 per cent supported by ongoing tenant demand from existing and new retailers. While there has been a moderation in retail sales growth as a result of inflationary pressure and rising interest rates, the Group's portfolio is well positioned with high occupancy, ongoing tenant demand, fixed rental increases and sustainable tenant occupancy costs. The transition of management of the $2.7 billion UniSuper portfolio and the $2.7 billion Australian Core Retail Trust in 2022, has provided deeper tenant relationships and operational leverage for the GPT Retail platform.

The office sector continues to be impacted by elevated vacancy, subdued demand, and new supply. The Group made solid leasing progress in 2023, however vacancy remains elevated for the Office portfolio and we anticipate the leasing market will remain very competitive for some time. We have invested in our assets to ensure that they represent compelling propositions for our tenant customers.

GPT's Logistics portfolio is benefiting from the ongoing demand for quality logistics space. While market vacancy has increased from historical lows it remains below 2 per cent in both Melbourne and Brisbane, and Sydney vacancy is less than 1 per cent. GPT's Logistics portfolio is well positioned with occupancy of greater than 99 per cent, contracted rental increases and further developments to commence. The Group has a Logistics development pipeline with an end value of approximately $2 billion of assets under management that will provide further opportunities to enhance the portfolio.

At 31 December 2023, the Group's balance sheet net gearing was 28.3 per cent, below the midpoint of our target gearing range of 25 – 35 per cent and with liquidity of $1.5 billion to meet funding requirements through to mid-2026. GPT has credit ratings of A – with S&P and A2 with Moody's.

GPT retains a strong commitment to being a leader in Sustainability and is on target to achieve carbon neutral certification by the end of 2024 for the operation of our owned and managed Retail and Office assets.

The Group remains focused on delivering growing and predictable earnings from our owned and managed diversified property portfolio, including expanding funds under management to provide further scale and leverage for the Group, while maintaining a prudent approach to capital management.

Outlook

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

The impacts of higher interest costs and elevated vacancy in our Office portfolio is expected to be offset by an increased level of trading profits in 2024 with the main contribution coming from the sale of sites at Sydney Olympic Park.

The distribution for 2024 is forecast to be lower given the impact of higher interest rates and a reduction in the payout ratio from GWOF and an expected increase in lease incentives particularly for the Office segment.

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

Highpoint Shopping Centre, VIC

Risk Management

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

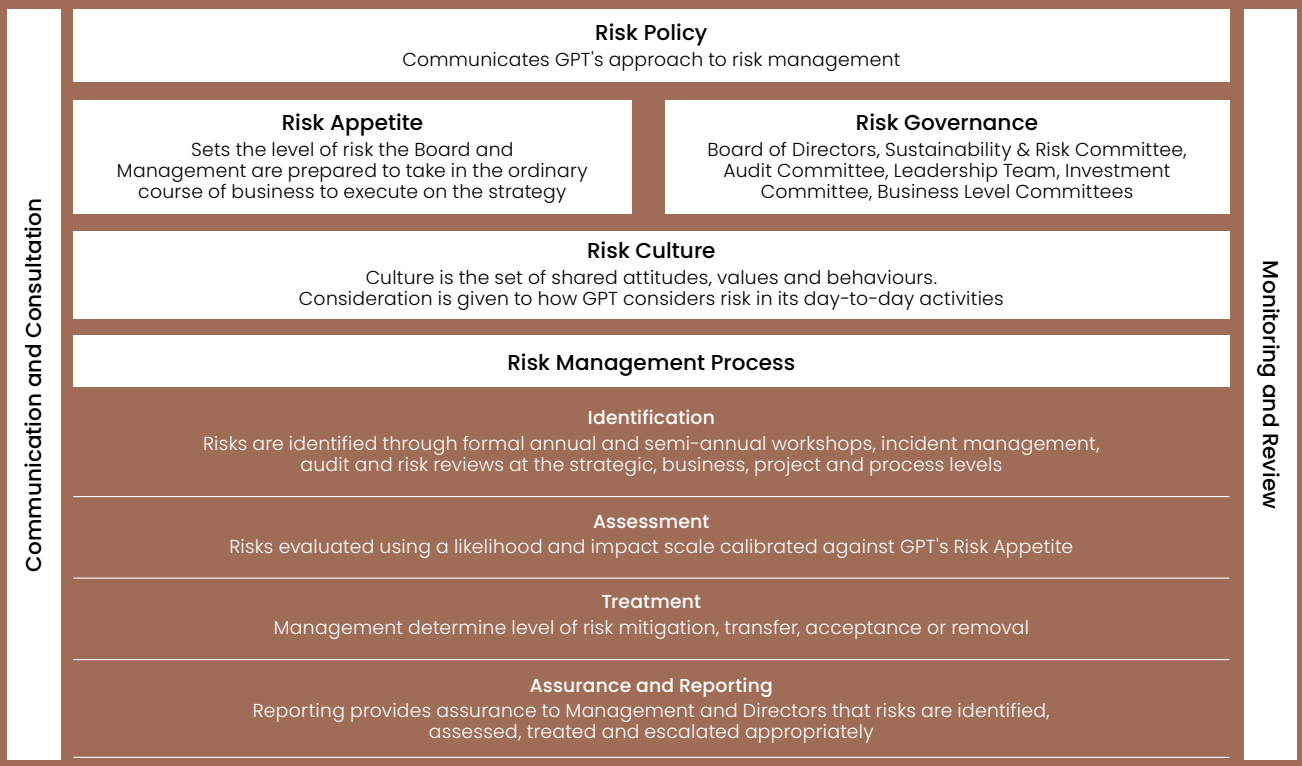
GPT takes an integrated, enterprise-wide approach to risk management which incorporates culture, conduct, compliance, processes and systems, consistent with AS/NZS ISO 31000:2018.

Risk Management Framework

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

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

Risk Management Framework



Management of key risks in the 2023 operating environment

The most material risks faced by the Group in 2023 were driven by ongoing macroeconomic uncertainty, in particular, the impact on financial performance of inflation and increases in interest rates. This impact occurred directly through increased financing and other costs, and indirectly through changes in tenant demand, retail sales and supply chain disruption. More broadly, real estate capital flows slowed and commercial real estate transactions were limited. Investment returns were reset and GPT experienced a number of negative asset revaluations, particularly in the Office portfolio. GPT's management and Board have implemented measures to mitigate macroeconomic risk, which will continue to be monitored closely in 2024.

There continued to be a level of uncertainty in the office property market regarding the long term impact of changing ways of working on demand for space. Levels of office leasing enquiry have been subdued, and office leasing is expected to remain challenging in 2024.

GPT continues to monitor cyber risk closely, as the number of Australian organisations impacted by cyber crime continues to grow. The Group holds limited personal identifying information, with the key risk in this area being potential interruption to business operations. A robust risk-based cyber security strategy is in place, aligned to the National Institute of Standards and Technology (NIST) Cyber Security Framework.

A full assessment of GPT's key risks is set out in the table on pages 58-61.

530 Collins Street, Melbourne

Emerging risks

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

- Increasing geopolitical tensions
- The transition to clean energy
- Global trends in ESG regulation
- The shift to electric vehicles, and
- Mass adoption of generative AI.

Key Risks

The following table sets out GPT's material risks in 2023 and our actions in response to them. Included in the table is an indication of the change in the rating of each risk over the period.

Risk	Our Response	Change in Residual Risk for 2023	Value Creation Input Affected
Portfolio Operating and Financial Performance Our portfolio operating and financial performance is influenced by internal and external factors, including our investment decisions, market conditions, interest rates, economic factors and potential disruption.	• A portfolio diversified by sector and geography • Structured review of market conditions twice a year, including briefings from economists • Scenario modelling and stress testing of assumptions to inform decisions • A disciplined investment and divestment approval process, including sensitivities of impacts to gearing and returns, as well as extensive due diligence requirements • A development pipeline to enhance asset returns and maintain asset quality • Active management of our assets, including leasing, to ensure a large and diversified tenant base • Experienced and capable management, supplemented with external capabilities where appropriate • A structured program of investor engagement	↑ Rising inflation and increases in interest rates increased GPT's cost of debt, reset required investment returns and restricted access to capital in 2023.	Our investors Real estate Our people Environment Our customers, suppliers and communities
Development Development provides the Group with access to new, high quality assets. Delivering assets that exceed our risk adjusted return requirements and meet our sustainability objectives is critical to our success.	• A disciplined acquisition and development approval process, including extensive due diligence requirements • Oversight of developments through regular cross-functional Project Control Group meetings • Scenario modelling and stress testing of assumptions to inform decisions • Experienced management capability • Application of a well defined development risk appetite with metrics around the proportion of a portfolio under development, contractor exposure and leasing pre-commitments	⊖ Some supply chain disruption and cost increases were experienced, however there has been minimal impact on projects underway or commenced in 2023.	Our investors Real estate Our people Environment Our customers, suppliers and communities

KEY: ↑ Risk increased ⊖ No change in risk ↓ Risk decreased

Risk	Our Response	Change in Residual Risk for 2023	Value Creation Input Affected
Capital Management Effective capital management is imperative to meet the Group's ongoing funding requirements and to withstand market volatility.	• Stated gearing range of 25 to 35 per cent consistent with stable investment grade credit ratings in the "A" range • Long term capital planning, including sensitivity of asset valuation movements on gearing • Maintenance of a minimum liquidity buffer in cash and surplus committed credit facilities • Diversified funding sources • Maintenance of a long weighted average debt term, with limits on the maximum amount of debt expiring in any 12 month period • Hedging of interest rates to keep exposure within policy • Limits on currency exposure • Limits on exposure to counterparties	⊖ Significant liquidity is in place and gearing sits below the mid-point of the stated range, however the cost of debt has increased materially, and asset devaluations have impacted gearing.	Our investors
Health and Safety GPT is committed to promoting and protecting the health and safety of its people, customers, contractors and all users of our assets.	• A culture of safety first and integration of safety risk management across the business • Comprehensive health and safety management systems • Training and education of employees and induction of contractors • Engagement of specialist safety consultants to assist in identifying risks and appropriate mitigation actions • Prompt and thorough investigation of all safety incidents to ascertain root causes and prevent future occurrences • Participation in knowledge sharing within the industry • Comprehensive Crisis Management and Business Continuity Plans, tested annually	⊖ There have been no changes in the period which have materially impacted health and safety risk.	Real estate Our people Our customers, suppliers and communities

KEY: ↑ Risk increased ⊖ No change in risk ↓ Risk decreased

Risk	Our Response	Change in Residual Risk for 2023	Value Creation Input Affected
People and Culture Our ongoing success depends on our ability to attract, engage and retain a motivated and high-performing workforce to deliver our strategic objectives and an inclusive culture that supports GPT's values.	• Active adoption and promotion of GPT's values • A comprehensive employee Code of Conduct, including consequences for non-compliance • Employee Engagement Surveys every 18 to 24 months with action plans to address results • An annual performance management process, setting objectives and accountability • Promotion of an inclusive workplace culture where differences are valued, supported by policies and training • Monitoring of both risk culture and conduct risk • An incentive system with capacity for discretionary adjustments and clawback policy • Benchmarking and setting competitive remuneration • Development and succession planning • Workforce planning	⊖ Key drivers of People and Culture risk during the period have been a tight employment market resulting in increased competition for skilled resources, and growth in GPT's funds under management, increasing employee numbers. A decrease in employee turnover and an increase in the employee engagement score indicate effective management of this risk.	Our investors Our people
Environmental and Social Sustainability GPT actively identifies and manages ESG risk. We recognise and address both the impact of our business on the environment and society, and the impact of the environment on our business.	• Extensive climate adaptation planning to ensure a portfolio of climate resilient assets • An ISO 14001 certified Environment and Sustainability Management System, including policies and procedures for managing environmental and social sustainability risks • Participation in the S&P Global Corporate Sustainability Assessment, Global Real Estate Sustainability Benchmark and other industry benchmarks • Climate and nature-related risks and potential financial impacts are assessed within GPT's enterprise-wide Risk Management Framework • Climate and nature disclosures in line with the recommendations of the Task Force on Climate-related Financial Disclosures and the Task Force on Nature-related Financial Disclosures • Active community engagement via The GPT Foundation, GPT's Stretch Reconciliation Action Plan and other targeted programs • A modern slavery audit program, including Cleaning Accountability Framework membership and auditing	⊖ There has been no material change to GPT's sustainability risk profile during the period. GPT remains highly proactive in its management of ESG risks, particularly around supply chain risk, energy use, the changing regulatory environment and climate change.	Our investors Real estate Our people Environment Our customers, suppliers and communities

KEY: ↑ Risk increased ⊖ No change in risk ↓ Risk decreased

Risk	Our Response	Change in Residual Risk for 2023	Value Creation Input Affected
Technology and Cyber Security Our ability to prevent critical outages, ensure ongoing available system access and respond to major cyber security threats and breaches of our information technology systems is vital to ensure ongoing business continuity and the safety of people and assets.	• A comprehensive technology risk management framework, including third party risk management procedures around cyber security • Policies, guidelines and standards for Information Management and Privacy • Security testing and training completed by a specialist external security firm, including penetration testing, phishing exercises and social engineering testing • A Disaster Recovery Plan, including annual disaster recovery testing, and a comprehensive Cyber Security Incident Response Plan • External specialists and technology solutions in place to monitor GPT platforms • Regular updates to technology hardware and software incorporating recommended security patches • Annual cyber risk assessments • An Information Security Risk and Compliance Committee overseeing information security • Alignment to the National Institute of Standards and Technology (NIST) Cyber Security Framework • Regular review of security of information and compliance with privacy regulations	↑ The number of cyber attacks impacting Australian entities has increased during the period.	Real estate Our people Our customers, suppliers and communities
Compliance and Regulation We ensure compliance with all applicable regulatory requirements through our established policies and frameworks.	• An experienced management team with Legal, Tax, Finance, Compliance and Risk Management expertise • Engagement of external expert advisors as required • An internal and external audit program overseen by the Audit Committee of the Board • Active management of the Group's Compliance Plans, in accordance with the requirements of the Corporations Law • Internal committees such as a Market Disclosure Committee, a Data Privacy Committee and a Cyber Security Governance Committee to monitor key compliance risks • An Anti-Money Laundering and Counter-terrorism Financing Policy, a Conflicts Management Policy, a Whistleblower Policy, a Code of Conduct and other internal policies and procedures which are reviewed and enforced • An ongoing program of training which addresses all key compliance requirements • Active involvement in the Property Council of Australia and other industry bodies	⊖ There has been no material change in GPT's compliance and regulatory risk during the period.	Our investors Real estate Our people Environment Our customers, suppliers and communities

KEY: ↑ Risk increased ⊖ No change in risk ↓ Risk decreased

Climate and Nature-related Disclosure

The global threat posed by climate change and the need for urgent mitigating action is well accepted. However, other impacts on nature are often overlooked, including the decline in biodiversity, over-exploitation of natural resources, and the pollution of land and water.

At GPT, we recognise that people and communities are impacted by these pressures and that our response needs to address both climate and nature-related issues while delivering long term value for our stakeholders.

To inform our stakeholders, GPT has released our first integrated Climate and Nature Disclosure Statement which outlines the steps we are taking to identify, assess and manage climate and nature-related risks and opportunities for our business.

The Statement has been prepared with reference to:

- The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- The recommendations of the Task Force on Nature-related Financial Disclosures (TNFD), and
- The International Sustainability Standards Boards (ISSB) Sustainability Disclosure Standards.

The 2023 Climate and Nature Disclosure Statement is approved by the GPT Board and prepared in consultation with our cross functional Sustainability Reference Group, which contributes to the identification of foreseeable climate and nature-related risks and opportunities and assists in formulating and implementing our ongoing response. The Statement applies to the whole of The GPT Group, including GPT Funds Management Limited in its capacity as the responsible entity for the GPT Wholesale Office Fund (GWOF) and the GPT Wholesale Shopping Centre Fund (GWSCF).

As the owner and manager of a $32.6 billion portfolio of retail, office and logistics properties across Australia, we have taken a strong position on climate action. Through our Climate Policy, we are fully committed to tangible actions that meet or exceed expectations under the Paris Agreement to avoid dangerous climate change and limit global warming to well under 2 degrees. In addition, our commitments through our Biodiversity, Water and Resource Circularity Policies are playing a crucial role in helping us responsibly manage our other nature-related impacts.

GPT's governance structures and risk management processes are common across sustainability-related risks and opportunities, including climate, energy, biodiversity, water, and resource management.

Our strategies and targets recognise the interconnectedness of all aspects of environmental sustainability and we endeavour to ensure that a positive impact on one has a positive flow-on effect on the others.

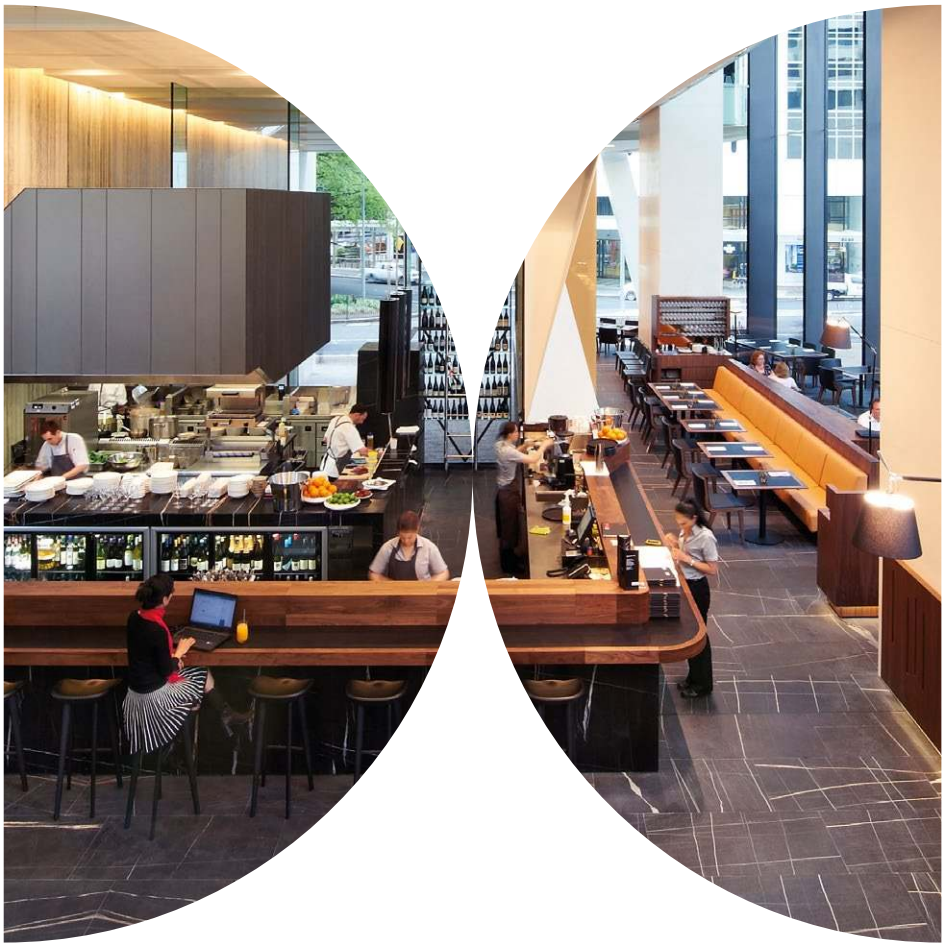
Climate and nature-related risk and opportunity considerations inform key decisions across GPT, both to minimise our impact on the environment and to ensure the financial and operational resilience of our assets and core business strategy to the changing environment. We undertake resilience planning for a transition to a low carbon economy as well as scenario modelling and climate adaptation planning for potential future physical impacts caused by continued business-as-usual emissions. We also implement processes of reviewing and responding to nature-related risks and opportunities.

Our actions to address climate change and nature impacts align with our Experience First purpose to create experiences that drive positive impact for people, place and planet. Combined with our commitment to ESG leadership and our environmental focus of – 'Carbon Neutral Now, Nature Positive Next', we believe our approach will contribute to long term value creation.

GPT's 2023 Climate and Nature Disclosure Statement is available here.

Full detail of GPT's climate and nature-related metrics and targets can be found in the GPT Sustainability Data Dashboard with numerous case studies in our Case Study Library.

GPT obtains independent external assurance over our sustainability performance data, details of which can also be found in Sustainability Data Dashboard.



One One One Eagle Street, Brisbane

Governance

Good corporate governance is a fundamental part of GPT's commitment to our securityholders.

Corporate governance plays an integral role in supporting GPT's business and helping us to deliver on our strategy. It provides the arrangements and practices through which GPT's strategy and business objectives are set, performance is monitored, and risks are managed. It includes a clear framework for decision making and accountability across the business.

Further information on GPT's corporate governance framework is available in the 2023 Corporate Governance Statement.

The Board and Committees

The Board comprises six independent Non-Executive Directors and the CEO and Managing Director. The Chairman of the Board is an independent Non-Executive Director who is responsible for providing leadership to the Board. During 2023, Shane Gannon was appointed to the Board following the retirement of Michelle Somerville. Mr Gannon was appointed on 1 May 2023 and his extensive experience as a senior financial and property executive brings complementary skills to the Board.

The Board has established the Audit, Human Resources and Remuneration, Nomination and Sustainability and Risk Committees to assist it in carrying out its responsibilities. The Board also establishes special purpose committees as may be required from time-to-time to focus on specific matters.

The Chairman of each Committee is an independent Non-Executive Director with the appropriate qualifications and experience to carry out that role. The Board receives minutes of Board Committee meetings and updates from the Chairman of each Committee to ensure that there is an appropriate flow of information between the Committees and the Board.

An internal review of the Board, Committees and each Director's performance was undertaken in 2023, following the external review which took place in 2022. Details of the key areas included in the review, along with a summary of the responsibilities of each Committee and their areas of focus in 2023, is available in the 2023 Corporate Governance Statement.

Each Committee has a formal Charter setting out its responsibilities which is reviewed at least every three years to ensure that they remain appropriate. Copies of these Charters are available in the Corporate Governance section of GPT's website: www.gpt.com.au.

Culture

The Board is committed to ensuring that there is a transparent and inclusive culture at GPT and understands the importance of the Board and Management's role in promoting and supporting behaviours that underpin the desired culture, as shown in Our Values. The Board meets regularly with various levels of the organisation, both formally at meetings and informally during asset tours and staff functions, to test and observe the organisation's culture. In addition, a culture dashboard is reported to the Board regularly through its Committees and the results of GPT's Employee Engagement Survey and planned actions to address any issues raised are reported to the Board's Human Resources and Remuneration Committee.

Code of Conduct

The Group's Code of Conduct (Code) is an important aspect of establishing and maintaining GPT's culture and assists Directors and employees to ensure that their conduct and the conduct of GPT meets the highest ethical and professional standards.

All Directors and employees are bound by the Code. In addition to setting out what our expectations are of our people, the Code articulates the consequences if these expectations are not met. The Board is informed of any material breaches to the Code via the Sustainability and Risk and Human Resources and Remuneration Committees. For further information regarding any breaches that occurred during the year, see page 81 of the Remuneration Report.

The Code was revised in 2023 as part of GPT's planned program of policy review, including aligning the Code to our new purpose and values.

Corporate Governance Framework

The Board's Governance Framework, as shown on page 65, is based on accountability, effective delegation and adequate oversight to support sound decision making. The Board is accountable to securityholders for GPT's performance and responsible for the overall management and governance of GPT, as well as setting GPT's strategic objectives and risk appetite.

Details of GPT's governance arrangements, including key policies, can be found in the Corporate Governance section of the website. These key policies are reviewed regularly to ensure that they remain appropriate, meet regulatory requirements and evolving stakeholder expectations, and maintain a high standard of corporate governance.

GPT Board

Sets GPT's strategy, risk appetite and oversees management

The Committees and Management report to the Board via recommendation and information papers and minutes

The Board delegates responsibility to its Committees and Management pursuant to Charters, Delegations of Authority, Risk Appetite Statement, Policies and other delegations from time-to-time

GPT Board Committees

Audit Committee

- Review financial reporting processes and recommend financial statements to Board
- Oversee:
  - Internal and external audit plans and processes
  - GPT's internal controls

Sustainability and Risk Committee (SRC)

- Oversee GPT's:
  - Risk Management Framework
  - Sustainability approach and plans
  - Health and safety systems and processes for all assets and operations

Human Resources and Remuneration Committee (HRRC)

- Oversee people and remuneration-related strategies, policies, frameworks and practices, including monitoring culture indicators

Nomination Committee

- Manage Non-Executive Director and CEO appointments and succession, and related matters
- Manage Board/ Committee review processes

Each committee refers relevant matters to other Board committees as required

Managing Director and CEO

Responsible for day-to-day management of the Group within the Group's Delegations of Authority

Leadership Team

Provide executive governance of the Group's organisational direction

Business/Management Committees (1st line of accountability)

Responsible for recommendations in specific areas for example, valuations, investments, technology, community engagements, modern slavery, diversity and inclusion, treasury activities and privacy

GPT's People

Responsible for working to deliver GPT's purpose, whilst adhering to the standards of behaviour set out in our values and Code of Conduct

Oversight (2nd line of accountability)	Risk Framework and Group Risk	Legal & Compliance	People & Culture, including our values	Finance, including delegations	Health & Safety
Independent Assurance (3rd line of accountability)	External Audit		Internal Audit	External assurance and verification and professional advice	

Key areas of governance focus in 2023

The Board was actively engaged in its governance responsibilities throughout the year, fulfilling their role in accordance with the Board and Committee Charters. Clear planning and agenda setting ensures the time of the Board and its Committees is used efficiently.

Time was allocated in 2023 to hear from experts in relevant fields, both internal and external to GPT, to further the Board's knowledge in specific areas. In addition, the Board toured GPT's assets and engaged directly with GPT's people.

	Focus Areas in 2023
Strategy	• Overseeing Management's initiatives to implement the Board endorsed strategy and create long term value • Monitoring changes in the domestic and global external environment, including inflationary and interest rate pressures, and overseeing Management's strategies in these areas • Monitoring the embedding and management of UniSuper's portfolio of real estate investments and the ACRT investments, including the updating of the governance framework • Overseeing the expression of interest process for GPT's successful selection in the QuadReal Student Accommodation and Commonwealth Superannuation Corporation mandates, and • Monitoring the Group's performance on key ESG metrics and overseeing implementation of strategies to improve ESG performance.
Financial oversight and controls	• Approving the interim and full year results and associated asset valuations and accounting judgements • Monitoring GPT's financial and operating performance and key metrics, and • Reviewing the Group's capital management strategies and responses to the rise in interest rates.
Governance, risk management and compliance	• Overseeing the Risk Management Framework, including a review of the Risk Appetite Statement to ensure it remains appropriate to achieve our strategic objectives, and reflects new and emerging risks and opportunities • Monitoring management of whistleblower processes • Reviewing the Board's succession planning and skills matrix. Shane Gannon was appointed to the Board in May 2023 following the retirement of Michelle Somerville and to complement the Board's skills and experience in finance and property • Overseeing GPT's culture, including our risk culture and programs for leadership in employee wellbeing and psychological safety • Monitoring the performance on health and safety and Management's policies and processes in this area, and • Reviewing and updating policies, reporting and processes to improve the Group's system of corporate governance and compliance.
People and remuneration	• Leading the CEO succession process with the appointment of Russell Proutt to succeed the outgoing CEO Bob Johnston • Commenced search for a permanent Chief Financial Officer • Reviewing CEO and management succession and talent plans • Reviewing the results of the Employee Engagement Survey and strategies to improve employee engagement • Overseeing the Group's remuneration framework and remuneration outcomes for the CEO and Leadership Team, and • Reviewing and contributing to the continued development and implementation of our diversity and inclusion strategy.

Board skills and experience

The Board is committed to ensuring that collectively the Board has a mix of skills, experience, expertise and diversity to enable it to discharge its responsibilities. The Board recognises the value of diversity and the Directors represent a range of ages and backgrounds. The Board has a gender target of 40 per cent female, 40 per cent male and 20 per cent of any gender that hold the relevant skills and experience. As at 31 December 2023, 43 per cent of the Directors were female and 57 per cent male.

The Board also consists of a mix of tenures to balance knowledge of GPT and our business with fresh insights. 33 per cent of Non-Executive Directors have less than three years tenure and 67 per cent have three to six years tenure at 31 December 2023.

The Board has identified the skills and experience set out in the matrix on page 68 as those required for Directors to provide effective governance and direction for the Group. The matrix is reviewed on a regular basis, in line with GPT's strategic direction and changes in Directors' skills and experience, and used by the Board as a key component of succession planning, Committee membership and professional development.

Having assessed its composition and the results of the analysis set out on page 68 the Board considers that it has the appropriate mix of skills and experience to enable it to discharge its responsibilities.

Induction and training

On commencement of employment, all Directors and employees undertake an induction program which includes information on GPT's values, Code of Conduct, health and safety, and employment practices and procedures. In addition, for Director induction, any new Directors meet with the members of the Leadership Team and visit GPT's assets as appropriate to discuss our strategy, the nature of our various businesses, our financial position and performance and risk management. This induction program was provided on the appointment of Shane Gannon as a Director during 2023.

Ongoing training for Directors is incorporated into the Board calendar to ensure that Directors, individually and collectively, develop and maintain the skills and knowledge required for the Board to fulfil its roles and responsibilities. This involves visits to GPT's offices and assets and presentations on developments impacting the business and the wider economy.

In 2023, the Board visited GPT's offices and assets in Brisbane and Maroochydore. The Board also gained insights and a deeper level of knowledge on topics such as the impacts of AI, leading in customer experience, property market insights, positive cultures in light of Respect@Work, management of cyber incidents and evolving international sustainability disclosure requirements.

Attendance of Directors at meetings

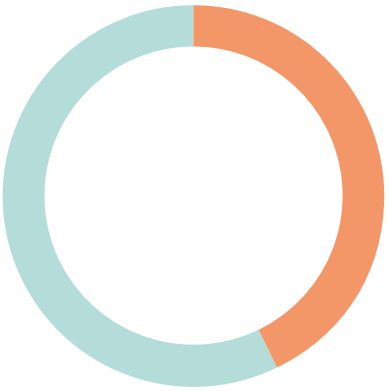
The number of Board meetings, including meetings of Board Committees, held during the year and the number of those meetings attended by each Director is set out below. There were also two special purpose Board Committees during the year with members appointed by the Board. One of these was attended by Vickki McFadden, Bob Johnston and Michelle Somerville. The other special purpose Board Committee was attended by Vickki McFadden, Bob Johnston and Anne Brennan.

	Board		Audit Committee		Human Resources & Remuneration Committee		Nomination Committee		Sustainability & Risk Committee	
Director	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Vickki McFadden	9	9	–	–	2	2	6	6	–	–
Anne Brennan	9	9	6	6	2	2	6	6	2	2
Bob Johnston	9	9	–	–	–	–	6	6	–	–
Shane Gannon	6	6	4	4	4	4	4	4	–	–
Tracey Horton AO	9	9	–	–	6	6	6	6	5	5
Mark Menhinnitt	9	9	–	–	6	6	6	6	5	5
Michelle Somerville	4	4	3	3	–	–	3	3	3	3
Robert Whitfield AM	9	9	6	5	–	–	6	6	5	5

Director tenure (years)

0-1	1-3	3-6	6+
1	1	4	1

Board gender diversity



Female	Male
3	4

Board Skills Matrix as at 31 December 2023

Experience with property investment, funds management and development	5	1	1

- Experience in property management and investment
- Experience in property development, asset generation, capital partnering, construction and funds management
- Understanding of industry trends

Health, safety, environment, sustainability	3	4

- Experience in health, safety, environmental, social responsibility and sustainability initiatives in large organisations.
- Deep understanding of environmental and social issues

Finance and accounting	4	3

- Senior executive or equivalent experience in financial accounting and reporting, corporate finance, capital management strategies, risk and internal controls
- Experience in financial accounting and reporting
- Experience in capital management and financing

Strategy	4	3

- Experience in developing, implementing and challenging strategic plans to achieve the long term goals of an organisation
- Experience in complex merger and acquisition activities
- Deep understanding of financial drivers and alternative business models

Risk management and compliance	5	2

- Experience of financial and non-financial Risk Management Frameworks and controls, and the identification, assessment and management of risk in large organisations

Leadership and Governance	5	2

- ASX100 Directorship and Chairman of a Committee or CEO or senior executive experience
- Knowledge, experience and commitment to the highest standards of governance

People, remuneration and culture	4	3

- Senior experience in people management and human resources policy
- Experience with remuneration structures and incentives in large ASX listed companies

Transformation, innovation and technology	7

- Experience in identifying innovative ways of doing business and achieving strategic goals
- Experience in transforming business models and processes

3 (Substantial): Extensive career experience in senior executive, Director or professional roles; tertiary qualifications.

2 (Significant): Significant experience at management or professional levels and/or tertiary qualification.

1 (Some): Experience in some aspects e.g. in a stage of career, or project roles.

Tax Transparency

Consistent with our commitment to good corporate governance, GPT is committed to managing the Group's tax obligations responsibly and in compliance with all laws and regulations.

The GPT Group is a stapled entity, a common arrangement in the Australian real estate sector. Each GPT security listed on the ASX is comprised of a share in GPT Management Holdings Limited (GMH) that is 'stapled' to a unit in General Property Trust (GPT). GPT is a unit trust (Managed Investment Trust) that is treated separately to GMH for Australian tax purposes. The GPT Group conducts our business only in Australia.

Tax Risk Management Framework

GPT has a Tax Risk Management Framework that is reviewed by the Audit Committee and reflects our conservative risk appetite with respect to taxation. By applying this framework, GPT is able to manage its tax obligations efficiently and ensure compliance with tax laws and mitigate transaction-related tax risks.

The Tax Risk Management Framework provides a holistic governance approach that ensures compliance with tax law through the implementation of tax-related policies, processes, procedures and systems across the Group's business. GPT applies this framework across the broader business to fully integrate the taxation implications of transactions, projects and business initiatives into day-to-day activities.

Private tax rulings, external advice and counsel opinion are obtained as necessary to ensure the correct application of the tax law to the Group's business.

Our tax contribution

The payment of applicable taxes is an important aspect of GPT's contribution to the Australian economy. The GPT Group's real estate investment assets are held in a trust (GPT) that is owned by securityholders. Under Australian tax law, rental income arising from real estate investments held by the Trust is taxed directly to securityholders. All other profits that arise from trading activities are earned by GMH and are subject to the Australian corporate income tax rate of 30 per cent.

GPT is also subject to goods and services tax, stamp duty, council rates, land tax, payroll tax, fringe benefits tax, and remits 'pay as you go' withholding taxes on behalf of employees and investors.

Tax Transparency Code

GPT reports in accordance with the voluntary Tax Transparency Code (TTC) issued by the Board of Taxation. The TTC recommends a set of principles and minimum standards for the disclosure of tax information by businesses.

Tax disclosures

Information regarding taxation of the Group is disclosed in this Annual Report.

Page 126.

Director Biographies

Vickki McFadden

Chairman
Independent Non-Executive Director

Vickki joined the Board in March 2018 and was appointed Chairman in May 2018.

Skills, Experience and Qualifications

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

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

Listed Company Directorships (held within the last three years)

- Newcrest Mining Limited (2016-2023)

Other Current Appointments

- Non-Executive Director Allianz Australia Limited

Board Committee Memberships

- Nomination Committee (Chair)

GPT Security Holding (as at report date)

- 112,525 stapled securities

Anne Brennan

Independent
Non-Executive Director

Anne joined the Board in May 2022.

Skills, Experience and Qualifications

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

Anne previously served as a Director of Argo Investments Limited, Tabcorp Holdings Limited, Spark Infrastructure Group, Charter Hall Group, Nufarm Limited, Metcash Limited, Myer Holdings Limited, Rabobank Australia Limited, Rabobank New Zealand Limited and Echo Entertainment Limited.

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

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

Listed Company Directorships (held within the last three years)

- The Lottery Corporation (since 2022)
- Endeavour Group (since 2022)
- Argo Investments Limited (2011-2022)
- Spark Infrastructure Group (2020-2021)
- TabCorp Holdings Limited (2020-2022)
- Charter Hall Group (2010-2021)
- Metcash Limited (2018-2021)

Other Current Appointments

- Non-Executive Director NSW Treasury Corporation

Board Committee Memberships

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

GPT Security Holding (as at report date)

- 12,000 stapled securities

Shane Gannon

Independent
Non-Executive Director

Shane joined the Board in May 2023

Skills, Experience and Qualifications

Shane is an experienced financial and property executive with over 40 years working with market-leading ASX-listed companies. Shane was previously Chief Financial Officer for Endeavour Group, Mirvac Limited, Goodman Fielder, CSR Limited and Dyno Nobel.

Shane holds a Bachelor of Business (Accounting) and is a Fellow member of the Australian Institute of Company Directors and Fellow member of the Australian Society of CPA's.

Listed Company Directorships (held within the last three years)

- Nil

Other Current Appointments

- Nil

Board Committee Memberships

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

GPT Security Holding (as at report date)

- Nil

Tracey Horton AO

Independent Non-Executive Director

Tracey joined the Board in May 2019.

Skills, Experience and Qualifications

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

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

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

Listed Company Directorships (held within the last three years)

- Nearmap Ltd (2019-2022)
- IDP Education (since 2022)
- Imdex Limited (since November 2023)

Other Current Appointments

- Member of the Australian Takeovers Panel
- Non-Executive Director Campus Living Villages Pty Ltd

Board Committee Memberships

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

GPT Security Holding (as at report date)

- 33,245 stapled securities

Mark Menhinnitt

Independent Non-Executive Director

Mark joined the Board in October 2019.

Skills, Experience and Qualifications

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

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

Listed Company Directorships (held within the last three years)

- Downer EDI Limited (since March 2022, Chairman from March 2023)

Other Current Appointments

- Chairman and Non-Executive Director of Fluent Property Pty Ltd

Board Committee Memberships

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

GPT Security Holding (as at report date)

- 42,000 stapled securities

Robert Whitfield AM

Independent Non-Executive Director

Rob joined the Board in May 2020.

Skills, Experience and Qualifications

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

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

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

Listed Company Directorships (held within the last three years)

- Commonwealth Bank Australia Limited (since 2017)
- Transurban Group (since 2020)

Other Current Appointments

- Nil

Board Committee Memberships

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

GPT Security Holding (as at report date)

- 27,500 stapled securities

Bob Johnston

Chief Executive Officer and Managing Director
Executive Director

Bob joined the Board in September 2015.

Skills, Experience and Qualifications

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

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

Listed Company Directorships (held within the last three years)

- Nil

Other Current Appointments

- Nil

Board Committee Memberships

- Nomination Committee

GPT Security Holding (as at report date)

- 1,934,763 stapled securities

Company Secretary Biographies

Marissa Bendyk

General Counsel and Company Secretary

Biography available in ''Leadership Team Biographies', refer to page 73.

Emma Lawler

Group Company Secretary

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

Leadership Team Biographies

Bob Johnston

Chief Executive Officer and Managing Director

Biography available in 'Director Biographies', refer to page 72.

Mark Fookes

Chief Operating Officer

As Chief Operating Officer (COO), Mark has responsibility for the Capital Transactions and Corporate Affairs functions of the business, in addition to chairing GPT's Investment Committee and Valuation Committee.

Mark has more than 30 years of experience in the property industry. Prior to becoming COO, he was GPT's Chief Financial Officer and Head of Investment Management.

Prior to working at GPT, Mark was Head of Retail (Asia Pacific) at Lendlease and General Manager of Retail Property Management and Leasing, also at Lendlease.

Dean McGuire

Interim Chief Financial Officer

As Interim Chief Financial Officer, Dean is responsible for capital management, financial planning and analysis, finance, technology, tax and procurement.

With over 16 years' experience Dean has a broad knowledge of the Australian real estate industry and capital markets. He previously held the role of Deputy Chief Financial Officer at GPT, as well as senior roles in investment management, corporate development, financial planning & analysis and treasury. Prior to joining GPT, Dean worked in property investment banking and capital raising at NAB.

Chris Barnett

Head of Retail & Mixed Use

Chris is responsible for GPT's Retail asset and investment management, as well as GPT's retail and mixed-use development function. Chris also has oversight of the GPT Wholesale Shopping Centre Fund.

Chris has over 28 years of real estate and asset management experience, with the majority of this gained within the retail property sector. Chris has held various senior roles in Westfield and Scentre Group in Australia, New Zealand and the United States.

Prior to joining GPT, Chris held the position of General Manager, Development and Strategic Asset Management (NSW/SA) at Scentre Group, where he was responsible for investment performance and the delivery of a number of development projects across Scentre's NSW and South Australian portfolio.

Marissa Bendyk

General Counsel and Company Secretary

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

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

Chris Davis

Head of Logistics

Chris is responsible for the investment, asset management and development of GPT's portfolio of Logistics assets, including the GPT QuadReal Logistics partnership.

Chris has over 20 years' experience in the property industry across investment and asset management, development and leasing in the office and logistics sectors.

Prior to his current role, Chris was Head of Investment for GPT's office and logistics balance sheet portfolio. He has been deeply involved in GPT's logistics acquisitions and developments since 2016.

Prior to joining GPT in 2010, Chris held roles at Mirvac Group, including Senior Investment Manager for Mirvac Property Trust responsible for its office and logistics portfolio. Prior to this, Chris worked at Colliers International in office leasing.

Jacqui O'Dea

Chief Risk Officer

Jacqui has responsibility for the Risk, Audit, Sustainability, and Health and Safety functions of GPT.

Jacqui has more than 25 years' experience in the property industry, with a focus on governance, legal and risk management. Prior to becoming Chief Risk Officer, Jacqui was GPT's Deputy General Counsel and was also Company Secretary for the GPT Wholesale Funds.

Before joining GPT, Jacqui worked as an in-house lawyer with Lendlease, having commenced her career with Ashurst.

Jill Rezsdovics

Chief People Officer

Jill is responsible for leading our People function at GPT.

Jill has over 25 years of experience and prior to GPT was the Chief People and Culture Officer with OFX. Jill has also held senior human resources roles at the Commonwealth Bank and had a 16 year career at Morgan Stanley where she was the Chief Operating Officer for Morgan Stanley Australia and held global, Asia regional and country roles based in Sydney, Hong Kong, New York and Budapest over these years. Jill's background and expertise covers the breadth of people leadership, development, talent, culture and reward.

Martin Ritchie

Head of Office

Martin is responsible for the investment, asset management and development of GPT's portfolio of Office assets, and has oversight of the GPT Wholesale Office Fund.

Martin has over 30 years of experience in the office sector, including funds management, investment, asset management, leasing and sustainability.

Prior to his current role, Martin was Fund Manager of the GPT Wholesale Office Fund since inception which he grew to be the largest wholesale office fund in Australia. Before joining GPT in 2001, Martin worked at Knight Frank, Sydney where he was a director, responsible for the management and leasing of landmark Sydney office buildings. Previously he working in leasing at Baker Harris Saunders in London.

Directors' Report

The Directors of GPT RE Limited, the Responsible Entity of General Property Trust, present their report together with the financial statements of the General Property Trust (the Trust) and its controlled entities (the trust consolidated entity) for the year ended 31 December 2023. The trust consolidated entity together with GPT Management Holdings Limited and its controlled entities form the stapled entity, The GPT Group (GPT or The Group).

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

The Directors' Report for the year ended 31 December 2023 has been prepared in accordance with the requirements of the *Corporations Act 2001* and includes the following information:

- Operating and Financial Review, including information on the Group's operations and financial position, business strategies and prospects on pages 42 to 55
- Information on the Directors and Company Secretary on pages 70 to 72
- Board and committee meetings attendance on page 67
- Remuneration Report on pages 77 to 94, and
- Auditor's Independence Declaration on page 95.

Environmental regulation

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

GPT is subject to the reporting requirements of the *National Greenhouse and Energy Reporting Act 2007* ("NGER Act"). The NGER Act requires GPT to report its annual greenhouse gas emissions and energy consumption and generation for the 12 month period from 1 July to 30 June. GPT has implemented systems and processes for the collection and calculation of the data required. The data is assured and submitted to the Australian Government Clean Energy Regulator by the legislative deadline of 31 October each year. GPT complied with the Regulator's submissions requirements for the period ended 30 June 2023 within the required timeframe.

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

Events subsequent to reporting date

The Directors are not aware of any other matter or circumstances occurring since 31 December 2023 that has significantly or may significantly affect the operations of GPT, the results of those operations or the state of affairs of GPT in the subsequent financial years.

Indemnification and insurance of directors officers and auditors

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

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

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

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

Non-audit services

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

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

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

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 95 and forms part of the Directors' Report.

Rounding of amounts

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

Remuneration Report

Introduction from the Chairman of the Human Resources and Remuneration Committee

On behalf of the Human Resources and Remuneration Committee (the Committee), I am pleased to present the Remuneration Report for 2023. This report provides an overview of our executive Remuneration Framework, including the objectives, mechanisms and outcomes, and the link between Group and individual performance and associated reward outcomes.

The Committee continues to focus on ensuring that the remuneration structures and outcomes reflect the drivers of Group performance and appropriately reward, attract and retain talent in order to drive positive outcomes for our securityholders.

2023 Remuneration Outcomes

The remuneration outcomes for 2023 reflect the intended operation of the Remuneration Framework which is designed to deliver competitive remuneration to attract, engage and retain talent and be aligned to securityholders, using the following mechanisms:

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

The Group met our primary financial measure of FFO for the year, achieving its "target" performance level to determine the STIC pool. However, this was lower than what was achieved in 2022 primarily as a result of the rapid rise in interest rates during 2022 and 2023. In considering the objectives for 2023, the Board set management a FFO growth target of at least three per cent for 2024. Guidance for the year ahead currently sits below this target and this has been reflected in the STIC outcomes for the Leadership Team. More details on the Group performance can be found on pages 42-55.

The CEO received a short-term incentive compensation (STIC) payment of $950,000 (52 per cent of maximum opportunity), which included a downward adjustment reflecting the 2024 FFO growth target below the Board-determined target and consideration of the outcomes achieved against the scorecard, detailed on pages 83-84. The Interim CFO received a STIC payment of $350,000 (64 per cent of maximum opportunity against annualised Interim CFO salary) and the COO received a STIC payment of $540,000 (64 per cent of maximum opportunity), aligned to performance outcomes achieved at the Group and at an individual level.

The 2021-23 Long Term Incentive (LTI) plan vested at 80.4 per cent. This is calculated with the Relative Total Securityholder Return (RTSR) metric achieving a 100 per cent vesting outcome and an achievement of 60.8 per cent for the Total Return (TR) metric. Each of these metrics has an equal weighting. This is the first time in four years that the plan has delivered a payout to participants as the 2018 and 2019 plans did not meet requisite performance-based thresholds and the 2020 plan was withdrawn.

For 2023, the Committee approved a budget for fixed remuneration reviews, resulting in an average increase of 3.75 per cent for eligible employees. No fixed remuneration increases were awarded to Executive KMP in 2023. The Deputy CFO was appointed to Interim CFO in October 2023 and his fixed remuneration was adjusted to reflect the expanded role.

The Committee determined that modest increases would be applied to Non-Executive Director (NED) fees in 2023 for the Board Chairman, Committee Members, and the Chairs of the Sustainability and Risk and Human Resources and Remuneration Committees. The average increase was 3.3 per cent.

2023 Leadership and Organisational Changes

We announced the appointment of Russell Proutt as CEO & MD following Bob Johnston's intention to retire after eight years in the role. Russell will commence on 1 March 2024 and details of his remuneration package, which was determined with reference to peer benchmarking and GPT's Remuneration Framework, are set out in the market announcement in September 2023.

In September 2023, Anastasia Clarke resigned as CFO. Dean McGuire was appointed as the Interim CFO and a search for a permanent CFO was initiated. There were no other changes to the Leadership team in 2023.

Our People and Culture

We are proud of our people and culture at GPT, with our people being our most important asset. In 2023, we refreshed our purpose and values, with widespread input from across the business. Our values led culture is reflected in our purpose, 'Experience First, we create experiences that drive positive impact for people, place, and planet'. Our engagement results demonstrate that our refreshed purpose and values also resonated with our people. In 2023, we increased our engagement score by four per cent overall, up ten per cent since 2021 and we now sit in the top quartile of all employers across Australia with 89 per cent of our people believing GPT is a great place to work and 90 per cent being proud to work at GPT. We continue to invest in our employee experience targeting initiatives in areas such as diversity and inclusion, leadership capability, flexible working arrangements and wellbeing.

GPT continues to implement actions through our Respect@Work program to enable everyone across our workforce to feel safe, respected and valued. In particular, a specific team has been established to focus on actions to prevent and eliminate any form of sexual harassment in the workplace. Any matters pertaining to behavioural conduct are reported to the Committee.

During 2023 we also made some enhancements to our Code of Conduct. These include the incorporation of the Group's new purpose and values, highlighting the breadth of the code in its application to everyone, irrespective of location or type of work activity and extends to representing GPT in any way including social media activity. The Code also reinforces our safety first culture and the elimination of workplace hazards, a focus on physical and psychological safety and our commitment to expectations of no anti-competitive practices.

In 2023, we are particularly proud of being recognised by Equileap as 9th globally in the Gender Equality Global Report and Ranking. We have enhanced our parental support policy to provide the same amount of leave to both parents and we have implemented a work and family hub, providing resources to all of our employees across all life stages. We have continued our focus on reducing the gender pay gap (which reduced again since the end of 2022 from 17.53 per cent to 16.54 per cent) and ensuring we support, promote and empower female employees across the organisation.

2024 Priorities

As we welcome our new CEO in early 2024, we are planning to review our Remuneration Framework as part of a broader strategic review to ensure best possible alignment between strategic goals and remuneration outcomes over a multi-year horizon. This is likely to include the broadening of the metrics used at a Group-level to determine short term incentive and the review of the metrics for the long term incentive in order to better align to our securityholder experience. Any changes to the Long Term Incentive for 2024 will be provided with the notice of meeting ahead of our Annual General Meeting.

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

Tracey Horton AO
Chairman of the Human Resources & Remuneration Committee

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

Sydney
19 February 2024

Key Management Personnel

This Remuneration Report discloses information regarding our Key Management Personnel (KMP). In accordance with AASB 124 the KMP identified are all Non-Executive Directors and those individuals responsible for planning, controlling and managing the GPT Group. For 2023, the KMP were:

Name	Role	Term as KMP
Non-Executive Directors		
Vickki McFadden	Chairman	Full year
Anne Brennan	Non-Executive Director	Full year
Shane Gannon	Non-Executive Director	Part year – appointed 1 May 2023
Tracey Horton AO	Non-Executive Director	Full year
Mark Menhinnitt	Non-Executive Director	Full year
Michelle Somerville	Non-Executive Director	Part year – retired 10 May 2023
Robert Whitfield AM	Non-Executive Director	Full year
Executive KMP		
Bob Johnston	Chief Executive Officer & Managing Director	Full year
Anastasia Clarke	Chief Financial Officer	Part year – resigned 29 September 2023
Mark Fookes	Chief Operating Officer	Full year
Dean McGuire	Interim Chief Financial Officer	Part year – appointed 9 October 2023

Remuneration Framework

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

How We Create Value

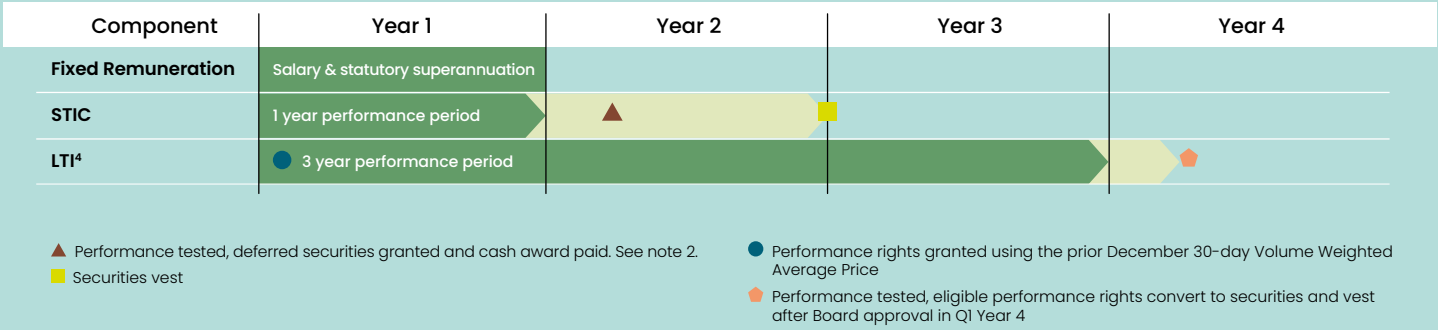
Growing and predictable earnings	Thriving places	Empowered people	Sustainable environment	Prospering customers, suppliers and communities

GPT's Remuneration Principles

Attract and retain high calibre executives and employees	Aligned to investor outcomes and behaviours consistent with GPT values	Determined with reference to Group and individual financial and non financial performance	Drive focus and encourage our people to think and act like an owner

Executive Remuneration Components[1]

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



Other Employee Ownership Schemes[5]

General Employee Security Ownership Plan (GESOP)

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

Broad-Based Employee Security Ownership Plan (BBESOP)

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

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

Minimum Security Holding Requirement (MSHR)

GPT's Minimum Security Holding Policy requires Non-Executive Directors, the CEO and members of the Leadership Team to build and maintain a minimum holding of GPT securities. The policy requires the CEO to maintain a holding equal to 150 per cent of fixed remuneration. For Non-Executive Directors, other KMP and Leadership Team members, the MSHR is equal to 100 per cent of fixed remuneration or board fees. For Non Executive Directors, the base fee on the date of appointment, and in the case of the Chairman, the date of becoming the Chairman, is the requirement. The timeframe to meet the MSHR was reviewed this year and increased from four years to five years for the CEO and members of the Leadership Team to align with market practice and remains four years for Non-Executive Directors.

Clawback and Malus

GPT's Clawback Policy provides the Board with the discretion to modify remuneration outcomes as a result of adverse circumstances that arise or become known after remuneration has been granted, paid or vested. Individuals who participate in the STIC and LTI are subject to these awards being adjusted, cancelled or clawed back if a trigger event occurs. No trigger events occurred in 2023, and the Board did not enact the Clawback Policy during the reporting period.

Consequence Management

Our Code of Conduct guides the way that our employees are expected to conduct themselves on a day-to-day basis and provides a benchmark for ethical behaviour to assist GPT in maintaining the trust and confidence of GPT's stakeholders. There are consequences for anyone who fails to meet these expectations, including requirements to undergo training, adjustments to performance-based remuneration, impact on promotion, formal warnings and termination.

All Directors and employees are bound by GPT's Code of Conduct and receive training on commencement of employment with GPT and routine refresher training thereafter.

In 2023, there was one substantiated incident that resulted in termination and two breaches of our Code of Conduct for multiple expense management breaches and failure to complete compulsory training on time. Consequences were in line with our consequence management framework.

GPT's Values and Culture

GPT provides a workplace where our people can realise their potential and consistently deliver high performance in a safe and inclusive work environment. Our diverse workforce benefits from a dynamic work environment, investment in technology and a culture where people feel they can bring their whole selves to work. These key elements that drive value are underpinned by GPT's shared sense of purpose, Experience First, we create experiences that drive positive impact for people, place and planet. Experience First puts the customer at the heart of everything we do. It means leading with insights and shifting our focus from the physical asset to the benefit of what happens inside to deliver real and meaningful impact.

Our culture is underpinned by the following values

Everybody Counts

People really matter to us. We learn from our differences and we pull together as one. Life is precious so safety and wellbeing are our priority, always.

Imagine If...

We believe anything is possible. We're inquisitive about the world around us and use customer insights to drive the creative and the new. Great questions drive great outcomes.

Go For It!

We turn ideas into action. We back ourselves and each other. Energy and enthusiasm power everything we do. We're great at getting things done. We're excited to pioneer the firsts that others follow.

Make an Impact

Property impacts our planet in a very real way. So, we act with courage and conviction to make a difference – no matter how big or small. We know a better tomorrow is up to each of us.

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

Performance and Remuneration Outcomes

1. Five year Group financial performance

		2023	2022	2021	2020	2019
Total securityholder return (TSR)[1]	%	16.9	(16.2)	27.8	(17.7)	9.6
Relative TSR[2]	%	10.5	(1.4)	8.2	(13.1)	(9.7)
Group total return[3]	%	(2.0)	3.9	14.1	(2.4)	8.7
NTA per security[4]	$	5.61	5.98	6.09	5.57	5.80
FFO per security	cents	31.37	32.40	28.82	28.48	32.68
FFO per security growth	%	(3.2)	12.4	1.2	(12.9)	2.6
Security price at end of calendar year	$	4.64	4.20	5.42	4.50	5.60

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

2. Short Term Incentive Compensation (STIC) overview and funding

GPT's STIC plan provides executive KMP with the opportunity to be rewarded for their performance consistent with the Group's strategic and operational goals. FFO is used by the Committee and the Board to determine the size of the overall STIC pool at a threshold, target and stretch range. Performance of KMP against their objectives include both financial and non-financial objectives along with other relevant factors to determine their incentive award for the year.

3. Group Performance

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

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

Measure and Commentary	Achievement
Funds from Operations (weighting 50%)	
Achievement of a FFO Target • Delivered FFO of $600.9m (FFO per security of 31.37 cents) vs target of $600m. • Both the Retail and Logistics business segments reported increased FFO on the prior period. This was offset by significantly higher financing costs reflecting interest rate rises and a lower FFO contribution from the Office segment.	At target
Position the business to deliver FFO growth target in 2024 • Market guidance for 2024 of FFO growth of 2.0% is lower than the FFO growth target of at least 3% set by the Board at the beginning of 2023.	Below target
Strategy (weighting 20% – 30%)	
Realignment of sector exposure • Down weighting of Office sector was not achieved given unfavourable market conditions.	Below target
Effective hedging and capital management plan in place to address higher interest rate environment. • Gearing at 31 December 2023 was 28.3%, which is slightly below the midpoint of the target of 25% – 35%. This has been assisted by the successful divestment of Logistics assets throughout 2023.	At target
Secure new Funds/Mandates to grow Funds Management platform • New Funds Management mandates totalling approximately $3.8 billion were secured during 2023. This includes the mandates from CSC and QuadReal Student Accommodation. • Since September 2022, three mandates totalling $6.6 billion have been transferred to GPT.	Exceeds target
Operations (weighting 15% – 25%)	
GWSCF & GWOF to outperform the respective MSCI index for 12 months total return performance • GWSCF was the best performing Fund in the MSCI/Mercer Australia Unlisted Wholesale Property Fund Retail Index over the 12-months to 31 December 2023. It was the leading retail fund in the Index over two years and continues to outperform the benchmark over the three year timeframe. • GWOF has outperformed the Index over the 12-month period to 31 December 2023 and ranked first across the peer group for the period.	Exceeds target
Leadership in ESG Ranked second of real estate investment trusts in the S&P Global Corporate Sustainability Assessment 2024 Sustainability Yearbook. Other ESG achievements include: • Released our first Climate and Nature Disclosure Statement • Achieved carbon neutrality for all material emissions sources (including scope 1, 2 and 3) under our operational control • GPT continues to have the largest amount of commercial space certified carbon neutral in Australia (by floor area) in the NABERS Sustainable Portfolio Index 2023 • Launched second Stretch Reconciliation Action Plan (RAP)	Exceeds target
Positive feedback from customers on our service offerings • Retail – NPS of 72, up from 63 last year • Office – NPS of 73, up from 71 in 2022 • Logistics – Customer satisfaction score averaging 85% (up from 80%)	Exceeds target
Continue to build on our Risk Culture • The Risk Culture dashboard provides eleven indicators. Six of the eleven risk culture indicators were within the agreed status levels. Two indicators did not fall within the acceptable tolerance level (relating to risk appetite and compliance) and three were approaching tolerance.	At target

Measure and Commentary	Achievement
People & Safety (weighting 5%)	
Continuous improvement in Safety Culture across the Group • Strong HSE performance in 2023 with one employee recordable injury and a 23% reduction in serious and notifiable events compared to the previous year.	**At target**
Continue to build our inclusive culture • Employee engagement was top quartile of the Australian National Average at 76% and increased four points YOY. • Ranked 9th globally by Equileap in their Gender Equality Global Report. • WGEA Employer of Choice. • Held gold status for Australian Workplace and Gender Equality (AWEI) in the small employer category and certified Family Inclusive Workplace™ accreditation.	**Exceeds target**
Improvement of % of top decile of females and gender pay gap • Achieved 37.3% gender diversity in the top decile of roles, which is just below the target for 2023 of 38%. • While the gender pay gap decreased in 2023 to 16.5% from 17.5% at the end of 2022, we did not achieve our 2023 target set at the beginning of 2023 of 15.78%[1].	**Below target**

1. Assessment based on annualised fixed remuneration. GPT has also assessed the total compensation gender pay gap, which is 24.5 per cent.

4. 2023 STIC outcomes by Executive KMP

Executive KMP's STIC outcomes for 2023 ranged between 0 to 64 per cent of their maximum STIC opportunity and are set out in the table below.

Executive KMP	Position	Actual STIC awarded	Actual STIC awarded as a % of maximum STIC	% of maximum STIC award forfeited	Cash component	Equity component (# of GPT securities)[1]	Maximum value to be recognised in future years[2]
Bob Johnston[3]	**Chief Executive Officer & Managing Director**	$950,000	52.05%	47.95%	$950,000	–	–
Anastasia Clarke[4]	**Chief Financial Officer**	–	–	100.00%	–	–	–
Mark Fookes	**Chief Operating Officer**	$540,000	64.29%	35.71%	$270,000	60,436	$140,596
Dean McGuire[5]	**Interim Chief Financial Officer**	$350,000	64.37%	35.63%	$175,000	39,172	$91,128

1. The number of deferred GPT securities is calculated by dividing 50 per cent of the Actual STIC awarded by GPT's 30-day VWAP of $4.4675 immediately before the end of the performance period. Vesting subject to service on 31 December 2024.
2. The maximum value to be recognised in future years has been estimated based on GPT's year end security price.
3. For the 2023 STIC outcome for Bob Johnston, the Board determined that his payment would be made as 100 per cent cash.
4. Anastasia Clarke was not awarded any 2023 STIC due to her resignation.
5. Actual STIC awarded to Dean McGuire is reflective of his full year award for time in the Interim CFO role and his prior role as Deputy CFO.

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

Executive KMP	Plan	Grant date	Fair value per security[2]	Securities awarded	Vesting date	Portion vested in year[3]
Bob Johnston Chief Executive Officer & Managing Director	2022	23/3/2023	$4.21	151,274	31/12/2023	100%
Anastasia Clarke[4] Chief Financial Officer	2022	shares forfeited	$4.21	n/a	n/a	–
Mark Fookes Chief Operating Officer	2022	23/3/2023	$4.21	61,592	31/12/2023	100%
Dean McGuire[5] Interim Chief Financial Officer	2022	23/3/2023	$4.21	36,840	31/12/2023	100%

1. The GPT deferred STIC awards are allocated with reference to the 30-day VWAP of a GPT security up to 31 December 2022.
2. Reflects fair value per security as at the grant date.
3. The Deferred STIC was fully vested and fully expensed as at reporting date. As such, the maximum value to be recognised in future years is nil.
4. Anastasia Clarke's 2022 Deferred STIC was forfeited due to her resignation.
5. The grant of Deferred STIC to Dean McGuire was awarded prior to his appointment to Interim CFO.

6. LTI performance hurdles

LTI	LTI performance measurement period	Performance measure[1,2]	Performance measure hurdle[3]	Weighting	Result[4]	Vesting % by performance measure[4]	Overall Plan Vesting Outcome %[4]
2021	2021-23	Relative TSR versus ASX200 AREIT Accumulation Index	10% of PR vest at Index performance, up to 100% at Index plus 10% (pro-rata vesting in between)	50%	11.5%	100%	80.4%
		Group total return	10% of PR vest at 4% total return, up to 100% at 6% Total Return (pro-rata vesting in between)	50%	5.1%	60.8%	
2022	2022-24	Relative TSR versus ASX200 AREIT Accumulation Index	10% of PR vest at Index performance, up to 100% at Index plus 10% (pro-rata vesting in between)	50%	n/a	n/a	n/a
		Group total return	10% of PR vest at 6.0% total return, up to 100% at 8.5% total return (pro-rata vesting in between)	50%	n/a	n/a	
2023	2023-25	Relative TSR versus ASX200 AREIT Accumulation Index	10% of PR vest at Index performance, up to 100% at Index plus 10% (pro-rata vesting in between)	50%	n/a	n/a	n/a
		Group total return	10% of PR vest at 6.0% total return, up to 100% at 8.5% total return (pro-rata vesting in between)	50%	n/a	n/a	

1. The Relative TSR comparator group, being the S&P/ASX200 A-REIT Accumulation Index, is adjusted to exclude GPT and Goodman Group for LTI plans. TSR is calculated as the percentage growth in GPT's security price over the performance period, together with the value of distributions received during the performance period, assuming that all of those distributions are reinvested into new securities.
2. Group total return is defined as the sum of the change in net tangible assets (NTA) per security plus distributions per security over the Performance Period, divided by the NTA per security at the beginning of the performance period.
3. Relative TSR was chosen as a performance condition in order to align remuneration outcomes with the relative performance experienced by investors, being a key measure of securityholder value generation. Group total return was chosen as a performance condition to reflect the underlying property performance of the business, aligned with the long term returns of the Group.
4. Entries of "n/a" are for awards that are part-way through their performance periods and where the testing date is in the future.

7. 2021-2023 LTI outcomes by Executive KMP

Executive KMP	Position	Performance rights granted	% Performance Rights vested	Performance rights vested	% Performance Rights Lapsed	Performance rights lapsed
Bob Johnston	Chief Executive Officer & Managing Director	470,199	80.4%	378,040	19.6%	92,159
Anastasia Clarke[1]	Chief Financial Officer	187,865	–	–	100.0%	187,865
Mark Fookes	Chief Operating Officer	180,350	80.4%	145,001	19.6%	35,349
Dean McGuire[2]	Interim Chief Financial Officer	93,396	80.4%	75,090	19.6%	18,306

1. Anastasia Clarke's 2021-2023 Performance Rights were forfeited upon her resignation.
2. The 2021-2023 LTI award to Dean McGuire was awarded prior to his appointment to Interim CFO.

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

Executive KMP	Plan	Grant date	Fair value per performance right[2]	Performance rights granted as at 31 Dec (of reporting year)[3]	Vesting date	Maximum value to be recognised in future years[4]
Bob Johnston Chief Executive Officer & Managing Director	**2023**	**10/05/2023**	**2.75**	**504,248**	**31/12/2025**	**50,057**
	2022	20/05/2022	3.21	413,520	31/12/2024	31,316
Anastasia Clarke Chief Financial Officer	**2023**	**n/a**	**2.79**	**n/a**	**n/a**	**–**
	2022	n/a	3.21	n/a	n/a	–
Mark Fookes Chief Operating Officer	**2023**	**01/05/2023**	**2.79**	**193,410**	**31/12/2025**	**175,179**
	2022	28/03/2022	3.21	158,610	31/12/2024	53,996
Dean McGuire Interim Chief Financial Officer	**2023**	**01/05/2023**	**2.79**	**105,340**	**31/12/2025**	**95,411**
	2022	28/03/2022	3.21	83,553	31/12/2024	28,444

1. The GPT LTI plan is calculated on face value grants of performance rights based on the VWAP of GPT securities for specified periods.
2. Reflects fair value per performance right as at the grant date.
3. Approval of the issue of performance rights to Bob Johnston was obtained in accordance with ASX Listing Rule 10.14.
4. Bob Johnston's maximum value to be recognised in future years is a pro-rata of rights approved by the Board to remain on foot, based on his cessation date.

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

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

		Fixed Pay				Variable or "at risk"[1]		
Executive KMP	**Year**	**Base Pay[2]**	**Super-annuation**	**Non-monetary Benefits[3]**	**Termination Benefits**	**STIC[4]**	**LTI[5]**	**Total**
Bob Johnston Chief Executive Officer & Managing Director	**2023**	**$1,433,654**	**$26,346**	**$7,616**	**–**	**$950,000**	**–**	**$2,417,616**
	2022	$1,435,570	$24,430	$8,222	–	$1,314,000	–	$2,782,222
Anastasia Clarke[6,7] Chief Financial Officer	**2023**	**$838,110**	**$26,346**	**$7,512**	**$211,438**	**–**	**–**	**$1,083,406**
	2022	$875,570	$24,430	$8,129	–	$575,000	–	$1,483,129
Mark Fookes Chief Operating Officer	**2023**	**$813,654**	**$26,346**	**$6,014**	**–**	**$540,000**	**–**	**$1,386,014**
	2022	$815,570	$24,430	$7,862	–	$535,000	–	$1,382,862
Dean McGuire[8] Interim Chief Financial Officer	**2023**	**$172,222**	**$6,850**	**$625**	**–**	**$79,589**	**–**	**$259,286**
	2022	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	**2023**	**$3,257,640**	**$85,888**	**$21,767**	**$211,438**	**$1,569,589**	**–**	**$5,146,322**
	2022	$3,126,710	$73,290	$24,213	–	$2,424,000	–	$5,648,213

1. Gross dollar values for the equity components have been calculated by multiplying the number of securities by GPT's 30-day VWAP immediately before the end of the relevant performance period of $4.4675.
2. Base Pay includes taxable cash salary and the value of items salary packaged on a pre-tax basis e.g. car parking.
3. Non-Monetary Benefits may include death and total/permanent disability insurance premiums, service awards, GPT superannuation plan administration fees, professional memberships, subscriptions and/or other benefits.
4. STIC receivable amounts are provided in two components: a 50 per cent cash component; and a 50 per cent deferred STIC component. The deferred STIC components are subject to time-based vesting conditions. The 2023 STIC component paid to Bob Johnston was approved by the Board to be paid as 100 per cent cash due to his cessation of employment.
5. No LTI was vested during the relevant performance years.
6. The Base Pay reported for Anastasia Clarke includes amounts received in her termination pay relating to annual leave and long service leave balance payouts.
7. Termination benefits paid to Anastasia Clarke relate to notice period payment following her resignation.
8. The amounts disclosed for Dean McGuire were since his appointment to the Interim Chief Financial Officer role in October 2023.

10. Reported remuneration – Executive KMP (AIFRS Accounting)

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

		Short-term benefits			Post-employment benefits	Long-term benefits		Share-based payments[1]				
Executive KMP	**Year**	**Base Pay[2]**	**STIC (cash)**	**Non-monetary[3]**	**Superannuation**	**Long-Service Leave movement[4]**	**Termination Benefits**	**STIC (deferred)**	**LTI**	**Total**	**% fixed remuneration**	**% performance-based remuneration**
Bob Johnston[5] Chief Executive Officer & Managing Director	**2023**	**$1,452,813**	**$950,000**	**$7,616**	**$26,346**	**$24,347**	**-**	**$319,642**	**$458,149**	**$3,238,913**	**47%**	**53%**
	2022	$1,490,658	$657,000	$8,222	$24,430	$26,787	-	$525,739	$772,523	$3,505,359		
Anastasia Clarke[6,7] Chief Financial Officer	**2023**	**$559,531**	**-**	**$7,512**	**$26,346**	**($64,669)**	**$211,438**	**($139,014)**	**($492,740)**	**$108,404**	**n/a**	**n/a**
	2022	$898,000	$287,500	$8,129	$24,430	($24,662)	-	$258,651	$300,386	$1,752,434		
Mark Fookes Chief Operating Officer	**2023**	**$825,944**	**$270,000**	**$6,014**	**$26,346**	**$14,009**	**-**	**$269,971**	**$127,784**	**$1,540,068**	**57%**	**43%**
	2022	$780,935	$267,500	$7,862	$24,430	$23,635	-	$233,374	$296,678	$1,634,414		
Dean McGuire[8] Interim Chief Financial Officer	**2023**	**$188,713**	**$39,795**	**$625**	**$6,850**	**($8,950)**	**-**	**$36,237**	**$15,759**	**$279,029**	**67%**	**33%**
	2022	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
Total	**2023**	**$3,027,001**	**$1,259,795**	**$21,767**	**$85,888**	**($35,263)**	**$211,438**	**$486,836**	**$108,952**	**$5,166,414**		
	2022	$3,169,593	$1,212,000	$24,213	$73,290	$25,760	-	$1,017,764	$1,369,587	$6,892,207		

1. These columns record the fair values of the awards under the STIC (deferred) and LTI plans, expensed in the relevant financial years. Values do not represent actual awards made to executives or the face value grant method.
2. Base Pay includes the value of items salary packaged on a pre-tax basis (e.g. car parking) as well as the value of year-on-year changes to annual leave provisions.
3. Non-Monetary Benefits may include death and total/permanent disability insurance premiums, service awards, GPT superannuation plan administration fees, professional memberships, subscriptions and/or other benefits.
4. Long-Service Leave Movements reflect the long-service leave balances as at the relevant year end, less the relevant balances from the prior comparable period. A negative value can result where leave taken during the year exceeds the value of any accrued leave during the year.
5. This reflects Bob Johnston's cessation of employment in March 2024 including the impact on LTI awards approved by the Board to remain on foot on a pro-rata basis and acceleration of the expense.
6. Anastasia Clarke's negative expenses are due to reversal of accumulated share-based payment expenses of her forfeited awards upon her resignation.
7. Termination benefits paid to Anastasia Clarke relate to notice period payment.
8. Figures are reflective of the period from the commencement of the role of Interim Chief Financial Officer.

11. GPT security ownership – Executive KMP as at 31 December 2023

Executive KMP	GPT Holdings (start of period)	Employee Security Scheme (ESS) 2022 DSTIC	Purchase/ (Sales)/ Changes during period[1]	GPT Holdings (end of period)[2]	Value of GPT Holdings[3]	MSHR Guideline[4]
Bob Johnston Chief Executive Officer & Managing Director	1,783,489	151,274	–	1,934,763	$8,643,583	$2,190,000
Anastasia Clarke[5] Chief Financial Officer	344,563	66,197	(66,197)	n/a	n/a	n/a
Mark Fookes Chief Operating Officer	1,269,567	61,592	–	1,331,159	$5,946,973	$840,000
Dean McGuire[6] Interim Chief Financial Officer	n/a	36,840[7]	101,604[7]	138,444	$618,501	n/a

1. Movement in GPT security holdings as a result of the sale of vested, unrestricted security holdings and/or the sale or purchase of additional private holdings on the individuals own account or those of close family members during the 2023 calendar year.
2. GPT Holdings (end of period) is the sum of GPT Holdings (start of the period) plus any securities granted during 2023 in respect of the 2022 Deferred STIC, noting that the 2020-2022 LTI plan was cancelled, adjusted for any purchases or sales during the period.
3. The GPT Holdings (end of period) multiplied by GPT's December 2023 30-day VWAP of $4.4675 to derive a dollar value.
4. GPT's Minimum Security Holding Requirement (MSHR) guideline requires the CEO to acquire and maintain a holding equal to 150 per cent of their Total Package Value averaged over the last five years i.e. their base pay plus superannuation. For other Leadership Team members the holding requirement is equal to 100 per cent of their Total Package Value averaged over the last five years. Individuals have five years from commencement of employment or promotion to a Leadership Team position to achieve the MSHR before it is assessed.
5. Anastasia Clarke's 2022 DSTIC were forfeited upon her resignation.
6. Dean McGuire is not subject to the MSHR Guideline due to the Interim CFO role not being a permanent Leadership Team member.
7. Dean McGuire's 2022 DSTIC were awarded prior to his appointment to the Interim CFO role and changes during period is a reflection of private holdings on his own account or those of a close family member acquired prior to the start of the period.

12. GPT performance rights – Executive KMP

Executive KMP	Performance rights at start of year	Awarded performance rights[1]	Changes/ Prior Awards	Performance rights exercised during year[2]	Performance rights that lapsed in year	Performance rights still on foot at year end[3]
Bob Johnston Chief Executive Officer & Managing Director	883,719	504,248	–	–	–	1,387,967
Anastasia Clarke[4] Chief Financial Officer	357,804	207,225	–	–	(565,029)	–
Mark Fookes Chief Operating Officer	338,960	193,410	–	–	–	532,370
Dean McGuire[5] Interim Chief Financial Officer	n/a	n/a	282,289	–	–	282,289

1. Awarded performance rights under the 2023-25 LTI Plan
2. The Board does not approve the vesting of the 2021-23 LTI Plan until February 2024 and as such, no rights were available to be exercised during 2023.
3. The total of unvested performance rights currently on foot, excluding any GPT securities or performance rights that may have lapsed up to 31 December 2023. This represents the current maximum number of additional GPT securities to which the individual may become entitled subject to satisfying the applicable performance measures in the 2021-23, 2022-24 and 2023-25 LTI plans. As such, these performance rights represent the incentive opportunity over future years, are subject to performance and hence "at risk", and as a result, may never vest.
4. The total number of unvested performance rights held by Anastasia Clarke were forfeited upon her resignation.
5. Dean McGuire's performance rights were awarded to him prior to his appointment to the Interim CFO role and as such are captured under 'prior awards'.

Employment Terms

1. Employment terms

	Conditions		
Employment Terms	**CEO & Managing Director**	**Other Executive KMP[5]**	
Remuneration Package	Bob Johnston	Dean McGuire	Mark Fookes
Fixed Remuneration[1]	$1,460,000	$725,000	$840,000
Range of STIC Opportunity as a percentage of Fixed Remuneration[2]	0% to 125%	0% to 75%	0% to 100%
Range of LTI Opportunity as a percentage of Fixed Remuneration[3]	0% to 150%	0% to 75%	0% to 100%
Contract duration	Ongoing	Ongoing	
Notice period[4]	6 months	3 months	
Termination by Company without cause	12 months notice. Unvested STIC and LTI will remain on foot and be treated in the same manner as a if the CEO remained in employment. The GPT Board retains discretion to forfeit a prorated amount of any unvested LTI.	3 months notice with restraint. Treatment of unvested STIC and LTI as under the terms of the relevant plans and GPT policy. The GPT Board retains discretion under these plans.	
Termination by Company for cause	No notice requirement or termination benefits (other than accrued entitlements).		
Post Employment Restraints	6 months non-compete 12 months non-solicitation of GPT employees.	12 months non-solicitation of GPT employees.	

1. Fixed remuneration is inclusive of superannuation.
2. Performance assessed against financial and non-financial objectives, with any award generally also subject to the Group achieving FFO performance targets set by the Board at the beginning of each performance period.
3. Face value of performance rights at time of grant. Vesting outcomes dependent on performance and continued service, delivered in GPT securities.
4. GPT may elect to make a payment in lieu of notice.
5. Table displays the Executive KMP who were employed at the end of 2023. Due to Anastasia Clarke's resignation on 29 September 2023, she is excluded from this table. Employment terms, excluding Fixed Remuneration, were consistent with Mark Fookes.

2. Compensation mix at maximum STIC and LTI outcomes

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

	Fixed Remuneration	**Variable or "at risk " remuneration**	
Executive KMP[1]	**Base Pay**	**STIC**	**LTI**
Bob Johnston Chief Executive Officer & Managing Director	26.7%	33.3%	40.0%
Mark Fookes Chief Operating Officer	33.4%	33.3%	33.3%
Dean McGuire Interim Chief Financial Officer	40.0%	30.0%	30.0%

1. Table displays the Executive KMP who were employed at the end of 2023. Due to Anastasia Clarke's resignation on 29 September 2023, she is excluded from the table. Compensation mix was consistent with Mark Fookes.

Governance

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

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

Remuneration – Non-Executive Directors

What are the key elements of the Non-executive Director Remuneration Policy?

- The Board determines the remuneration structure for Non-Executive Directors based on recommendations from the Human Resources and Remuneration Committee.
- Non-Executive Directors are paid one fee for participation as a Director in all GPT related companies (principally GPT RE Limited, the Responsible Entity of General Property Trust and GPT Management Holdings Limited).
- Non-Executive Director remuneration is composed of three main elements:
  - Main Board fees
  - Committee fees, and
  - Superannuation contributions at the statutory superannuation guarantee contribution rate.
- Non-Executive Directors do not participate in any short or long term incentive arrangements and are not entitled to any retirement benefits other than compulsory superannuation.
- Non-Executive Directors are subject to the Group's Minimum Security Holding Policy as detailed on page 81 of this Report.
- Non-Executive Director remuneration is set by reference to comparable entities listed on the ASX (having regard to GPT's industry sector and market capitalisation).
- External independent advice on remuneration levels for Non-Executive Directors is sought annually. In the event that a review results in changes, the new Board and Committee fees are effective from 1 January in the applicable year and advised in the ensuing Remuneration Report.
- Fees (including superannuation) paid to Non-Executive Directors are subject to an aggregate limit of $2,200,000 per annum, which was approved by GPT securityholders at the Annual General Meeting on 10 May 2023. As an Executive Director, Mr Johnston does not receive fees from this pool as he is remunerated as one of GPT's senior executives.

1. Board and committee fees[1,2]

		Board Fee	Audit Committee	Sustainability and Risk Committee	Human Resources and Remuneration Committee
Chairman	**2023**	**$470,000**	**$40,000**	**$37,000**	**$37,000**
	2022	$450,000	$40,000	$34,000	$34,000
Members	**2023**	**$175,000**	**$20,000**	**$17,000**	**$17,000**
	2022	$170,000	$20,000	$17,000	$17,000

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

2. Reported remuneration – Non-Executive Directors – AIFRS Accounting

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

		Fixed Pay			
		Base Fees	Superannuation	Other[1]	Total
Non-Executive Directors					
Vickki McFadden Chairman	**2023**	**$463,150**	**$6,850**	**–**	**$470,000**
	2022	$443,677	$6,323	–	$450,000
Anne Brennan[2]	**2023**	**$202,924**	**$21,830**	**–**	**$224,754**
	2022	$123,857	$13,005	–	$136,862
Shane Gannon[3]	**2023**	**$127,025**	**$13,815**	**–**	**$140,840**
	2022	n/a	n/a	n/a	n/a
Tracey Horton AO	**2023**	**$206,773**	**$22,227**	**–**	**$229,000**
	2022	$200,455	$20,545	–	$221,000
Mark Menhinnitt	**2023**	**$188,714**	**$20,286**	**–**	**$209,000**
	2022	$185,035	$18,965	–	$204,000
Robert Whitfield AM	**2023**	**$209,482**	**$22,518**	**–**	**$232,000**
	2022	$203,176	$20,824	–	$224,000
Former Non-Executive Directors					
Angus McNaughton[4]	**2023**	**n/a**	**n/a**	**n/a**	**n/a**
	2022	$68,517	$6,852	–	$75,369
Michelle Somerville[5]	**2023**	**$76,445**	**$8,027**	**–**	**$84,472**
	2022	$205,897	$21,103	–	$227,000
Total	**2023**	**$1,474,513**	**$115,553**	**–**	**$1,590,066**
	2022	$1,430,614	$107,617	–	$1,538,231

1. 'Other' may include death and total/permanent disability insurance premiums and/or GPT superannuation plan administration fees.
2. Anne Brennan was appointed to the GPT Board on 1 May 2022.
3. Shane Gannon was appointed to the GPT Board on 1 May 2023.
4. Angus McNaughton retired from the GPT Board on 11 May 2022.
5. Michelle Somerville retired from the GPT Board on 10 May 2023.

3. Non-Executive Director – GPT security holdings

		Holdings (# of securities)		Minimum securityholding requirement (MSHR)		
Non-Executive Director	**Balance at 31 Dec 22**	**Purchase/ (Sale)**	**Balance at 31 Dec 23**	**MSHR assessment[1]**	**MSHR guideline[2]**	**MSHR assessment date**
Vickki McFadden	112,525	–	112,525	$527,976	$380,000	Mar 2022
Anne Brennan	12,000	–	12,000	$53,610	$170,000	May 2026
Shane Gannon	n/a	–	–	–	$175,000	May 2027
Tracey Horton AO	33,245	–	33,245	$170,736	$170,000	May 2023
Mark Menhinnitt	42,000	–	42,000	$223,395	$170,000	Oct 2023
Robert Whitfield AM	27,500	–	27,500	$122,857	$170,000	May 2024

1. The MSHR is assessed by the higher of cost or the current market value (derived by multiplying the number of holdings at the end of the period by GPT's December 2023 30-day VWAP of $4.4675).
2. The MSHR for Non-Executive Directors is equal to 100 per cent of base fees on the date of appointment, and in the case of the Chairman, the date of becoming the Chairman. Individuals have four years from commencement of employment to achieve the MSHR before it is assessed for the first time.

Remuneration Advisors

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

Loans and Other Transactions to Directors and Executives

There were no loans outstanding at the reporting date to Directors and Executives. There have been no other transactions with Directors and Executives.

The Directors' Report is signed in accordance with a resolution of the Directors of the GPT Group.

Vickki McFadden
Chairman

Bob Johnston
Chief Executive Officer and Managing Director

Sydney
19 February 2024

Auditor's Independence Declaration

FINANCIALS

Financial Report

Contents

Consolidated Statement of Comprehensive Income	97
Consolidated Statement of Financial Position	98
Consolidated Statement of Changes in Equity	99
Consolidated Statement of Cash Flows	100
Notes to the Consolidated Financial Statements	101
Directors' Declaration	154
Independent Auditor's Report	155
Securityholder Information	160
Glossary	163
Corporate Directory	165

Consolidated Statement of Comprehensive Income

Year ended 31 December 2023

	Note	31 Dec 23 $M	31 Dec 22 $M
Revenue			
Rent from investment properties	17	781.0	707.3
Property management fees		31.4	17.0
Funds management fees		74.8	66.9
Development revenue		1.9	11.0
Development management fees		11.0	11.0
Profit on sale of investment		2.5	2.3
		902.6	**815.5**
Fair value adjustments and other income			
Fair value (loss)/gain on investment properties		(399.3)	34.0
Share of after tax (loss)/profit of equity accounted investments		(182.3)	62.8
Interest revenue		11.2	0.9
Impairment reversal on trade and other receivables		0.5	5.9
Gain on financial liability at amortised cost		2.7	2.4
Gain on financial asset at amortised cost		5.8	–
Net foreign exchange gain/(loss)		0.1	(0.4)
Net gain from hedge ineffectiveness on qualifying hedges	14(b)	12.6	0.6
Net (loss)/gain on fair value movements of derivatives		(31.8)	3.8
		(580.5)	**110.0**
Total revenue, fair value adjustments and other income		**322.1**	**925.5**
Expenses			
Property expenses and outgoings		236.7	212.8
Management and other administration costs		101.4	91.3
Development costs		1.5	10.6
Depreciation, amortisation and impairment expense		10.3	(4.4)
Finance costs		205.3	142.0
Total expenses		**555.2**	**452.3**
(Loss)/profit before income tax expense		**(233.1)**	**473.2**
Income tax expense	9(a)	6.9	3.9
Net (loss)/profit for the year		**(240.0)**	**469.3**
Other comprehensive income			
Items that may be reclassified to profit or loss, net of tax			
Movement in hedging reserve	10(c)	(4.1)	(0.3)
Movement in fair value of cash flow hedges	10(c)	11.9	(1.8)
Total other comprehensive income/(loss)		**7.8**	**(2.1)**
Total comprehensive (loss)/income for the year		**(232.2)**	**467.2**
Net (loss)/profit attributable to:			
– Securityholders of the Trust		(255.1)	446.7
– Securityholders of the Company		15.1	22.6
Total comprehensive (loss)/income attributable to:			
– Securityholders of the Trust		(247.3)	444.6
– Securityholders of the Company		15.1	22.6
Basic (loss)/earnings per unit attributable to ordinary securityholders of the Trust			
(Loss)/earnings per unit (cents per unit)	11(a)	(13.3)	23.3
Basic (loss)/earnings per stapled security attributable to ordinary stapled securityholders of the GPT Group			
(Loss)/earnings per stapled security (cents per stapled security)	11(b)	(12.5)	24.5

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

Consolidated Statement of Financial Position

As at 31 December 2023

	Note	31 Dec 23 $M	31 Dec 22 $M
Assets			
Current assets			
Cash and cash equivalents		67.9	60.2
Trade receivables	4(a)	55.5	56.2
Other receivables	4(b)	57.5	175.4
Intangible assets	5	0.8	0.3
Inventories	6	86.2	13.4
Derivative assets	14(a)	49.0	60.8
Prepayments		14.3	11.7
Other assets		29.6	23.8
Current tax assets	9(c)	–	6.2
		360.8	**408.0**
Assets classified as held for sale – investment properties	2(a)(v)	296.1	256.6
Total current assets		**656.9**	**664.6**
Non-current assets			
Investment properties	2(a)	11,265.3	11,956.6
Equity accounted investments	3	3,849.1	4,098.3
Intangible assets	5	21.9	24.5
Inventories	6	93.5	141.3
Property, plant and equipment		8.5	10.6
Derivative assets	14(a)	314.7	350.0
Right-of-use assets		14.6	23.9
Deferred tax assets	9(d)	26.7	21.9
Other assets		28.6	25.3
Total non-current assets		**15,622.9**	**16,652.4**
Total assets		**16,279.8**	**17,317.0**
Liabilities			
Current liabilities			
Payables	7	500.2	485.9
Borrowings	13	267.0	704.9
Derivative liabilities	14(a)	73.9	65.4
Lease liabilities – other property leases		10.0	8.6
Provisions	8	37.2	44.0
Current tax liabilities	9(c)	4.3	–
Total current liabilities		**892.6**	**1,308.8**
Non-current liabilities			
Borrowings	13	4,529.3	4,347.6
Derivative liabilities	14(a)	64.2	146.4
Lease liabilities – investment properties	2(a)	13.9	14.2
Lease liabilities – other property leases		12.5	22.6
Provisions	8	1.1	1.5
Total non-current liabilities		**4,621.0**	**4,532.3**
Total liabilities		**5,513.6**	**5,841.1**
Net assets		**10,766.2**	**11,475.9**
Equity			
Securityholders of the Trust (parent entity)			
Contributed equity	10(a)	8,526.6	8,526.6
Reserves	10(c)	(15.0)	(22.8)
Retained earnings	10(d)	2,668.7	3,402.5
Total equity of the Trust's securityholders		**11,180.3**	**11,906.3**
Securityholders of the Company			
Contributed equity	10(a)	331.8	331.8
Reserves	10(c)	28.1	26.9
Accumulated losses	10(d)	(774.0)	(789.1)
Total equity of the Company's securityholders		**(414.1)**	**(430.4)**
Total equity		**10,766.2**	**11,475.9**

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

Consolidated Statement of Changes in Equity

Year ended 31 December 2023

	Note	General Property Trust and its subsidiaries				GPT Management Holdings Limited and its subsidiaries				Total equity $M
		Contributed equity $M	Reserves $M	Retained earnings $M	Total $M	Contributed equity $M	Reserves $M	Accumu-lated losses $M	Total $M	
Equity attributable to Securityholders										
At 1 January 2022		8,526.6	(20.7)	3,624.6	12,130.5	331.8	22.7	(811.7)	(457.2)	11,673.3
Movement in hedging reserve	10(c)	–	(0.3)	–	(0.3)	–	–	–	–	(0.3)
Movement in fair value of cash flow hedges	10(c)	–	(1.8)	–	(1.8)	–	–	–	–	(1.8)
Other comprehensive loss for the year		–	(2.1)	–	(2.1)	–	–	–	–	(2.1)
Net profit for the year		–	–	446.7	446.7	–	–	22.6	22.6	469.3
Total comprehensive income for the year		–	(2.1)	446.7	444.6	–	–	22.6	22.6	467.2
Transactions with Securityholders in their capacity as Securityholders										
Movement in employee incentive scheme reserve net of tax	10(c)	–	–	–	–	–	5.3	–	5.3	5.3
Purchase of treasury securities for employees	10(c)	–	–	–	–	–	(1.4)	–	(1.4)	(1.4)
Reclassification of employee incentive security scheme reserve to retained earnings/accumulated losses	10(c)/(d)	–	–	(0.3)	(0.3)	–	0.3	–	0.3	–
Distributions paid and payable	12	–	–	(668.5)	(668.5)	–	–	–	–	(668.5)
At 31 December 2022		8,526.6	(22.8)	3,402.5	11,906.3	331.8	26.9	(789.1)	(430.4)	11,475.9
Equity attributable to Securityholders										
At 1 January 2023		**8,526.6**	**(22.8)**	**3,402.5**	**11,906.3**	**331.8**	**26.9**	**(789.1)**	**(430.4)**	**11,475.9**
Movement in hedging reserve	10(c)	**–**	**(4.1)**	**–**	**(4.1)**	**–**	**–**	**–**	**–**	**(4.1)**
Movement in fair value of cash flow hedges	10(c)	**–**	**11.9**	**–**	**11.9**	**–**	**–**	**–**	**–**	**11.9**
Other comprehensive income for the year		**–**	**7.8**	**–**	**7.8**	**–**	**–**	**–**	**–**	**7.8**
Net (loss)/profit for the year		**–**	**–**	**(255.1)**	**(255.1)**	**–**	**–**	**15.1**	**15.1**	**(240.0)**
Total comprehensive (loss)/income for the year		**–**	**7.8**	**(255.1)**	**(247.3)**	**–**	**–**	**15.1**	**15.1**	**(232.2)**
Transactions with Securityholders in their capacity as Securityholders										
Movement in employee incentive scheme reserve net of tax	10(c)	**–**	**–**	**–**	**–**	**–**	**5.4**	**–**	**5.4**	**5.4**
Purchase of treasury securities for employees	10(c)	**–**	**–**	**–**	**–**	**–**	**(4.1)**	**–**	**(4.1)**	**(4.1)**
Reclassification of employee incentive security scheme reserve to retained earnings/accumulated losses	10(c)/(d)	**–**	**–**	**0.1**	**0.1**	**–**	**(0.1)**	**–**	**(0.1)**	**–**
Distributions paid and payable	12	**–**	**–**	**(478.8)**	**(478.8)**	**–**	**–**	**–**	**–**	**(478.8)**
At 31 December 2023		**8,526.6**	**(15.0)**	**2,668.7**	**11,180.3**	**331.8**	**28.1**	**(774.0)**	**(414.1)**	**10,766.2**

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

Consolidated Statement of Cash Flows

Year ended 31 December 2023

	Note	31 Dec 23 $M	31 Dec 22 $M
Cash flows from operating activities			
Receipts in the course of operations (inclusive of GST)		972.6	876.8
Payments in the course of operations (inclusive of GST)		(405.6)	(331.6)
Proceeds from sale of inventories		63.1	11.0
Payments for inventories		(26.1)	(15.4)
Distributions received from equity accounted investments		170.7	172.5
Interest received		11.2	0.9
Income taxes refunded/(paid)		0.2	(12.3)
Finance costs paid		(200.1)	(139.8)
Net cash inflows from operating activities	16(a)	**586.0**	**562.1**
Cash flows from investing activities			
Payments for acquisition of investment properties		–	(22.4)
Deposit paid for investment properties		(12.5)	–
Payments for maintenance and leasing capital expenditure on investment properties		(63.8)	(70.6)
Payments for development capital expenditure on investment properties		(116.4)	(212.9)
Proceeds from disposal of investment properties (net of transaction costs)		489.2	221.2
Payments for property, plant and equipment		(1.1)	(4.0)
Payments for intangibles		(2.3)	(3.1)
Capital return from unlisted investments		2.5	2.3
Capital return from equity accounted investment		4.0	–
Investment in equity accounted investments		(93.5)	(154.0)
Net cash inflows/(outflows) from investing activities		**206.1**	**(243.5)**
Cash flows from financing activities			
Proceeds from borrowings		4,145.5	3,477.0
Repayment of borrowings		(4,441.6)	(3,354.0)
Repayment of principal elements of lease payments		(8.7)	(8.3)
Purchase of securities for security based payments plans		(4.6)	(1.7)
Distributions paid to securityholders		(475.0)	(432.9)
Net cash outflows from financing activities		**(784.4)**	**(319.9)**
Net increase/(decrease) in cash and cash equivalents		**7.7**	**(1.3)**
Cash and cash equivalents at the beginning of the year		60.2	61.5
Cash and cash equivalents at the end of the year		**67.9**	**60.2**

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

Notes to the Consolidated Financial Statements

Year ended 31 December 2023

These are the consolidated financial statements of the consolidated entity, The GPT Group (GPT or the Group), which consists of General Property Trust (the Trust) and its controlled entities and GPT Management Holdings Limited (the Company) and its controlled entities.

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

Note 1 – RESULT FOR THE YEAR: focuses on results and performance of GPT.

Notes 2 to 9 – OPERATING ASSETS AND LIABILITIES: provides information on the assets and liabilities used to generate GPT's trading performance.

Notes 10 to 15 – CAPITAL STRUCTURE: outlines how GPT manages its capital structure and various financial risks.

Notes 16 to 25 – 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 GPT's accounting policies, management has made a number of judgements, estimates and assumptions regarding future events.

Management have reviewed the investment property valuations for both factual accuracy and the reasonableness of assumptions used to determine fair value. See note 2(c) for information on GPT's valuation process, and note 2(d) for a sensitivity analysis showing indicative movements in investment property valuations should certain key metrics differ from those assumed in the valuations.

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

Area of judgements and estimates	Assumptions underlying	Note
Lease liabilities	Lease term, incremental borrowing rate	2, 24(d)(vii)
Investment properties	Fair value	2
Trade receivables	Measurement of expected credit loss	4
Inventories	Lower of cost and net realisable value	6
Security based payments	Fair value	20
Equity accounted investments	Assessment of control versus significant influence	24(c)
Right-of-use assets	Recoverable amount	24(d)(vii)

RESULT FOR THE YEAR

1. Segment Information

GPT's operating segments are described in the following table. The chief operating decision makers monitor the performance of the business on the basis of Funds from Operations (FFO) for each segment. FFO represents GPT's underlying and recurring earnings from its operations, and is determined by adjusting the statutory net profit after tax for certain items which are non-cash, unrealised or capital in nature. FFO has been determined in accordance with guidelines issued by the Property Council of Australia.

Segment	Types of products and services which generate the segment result
Retail	Ownership, development (including mixed-use) and property management of predominantly regional, sub-regional and CBD shopping centres and also includes the funds management of the GPT Wholesale Shopping Centre Fund (GWSCF) and mandates, as well as the results of GPT's equity investment in GWSCF.
Office	Ownership, development and property management of prime office properties and also includes the funds management of the GPT Wholesale Office Fund (GWOF), as well as the results of GPT's equity investment in GWOF.
Logistics	Ownership, development and property management of logistics assets and also includes the funds management of the GPT QuadReal Logistics Trust (GQLT) and the QuadReal Student Accommodation mandate, as well as the results of GPT's equity investment in GQLT.
Corporate	Cash, other assets, borrowings and associated hedges as well as net finance costs, corporate management and administration expenses and income tax expense.

1. Segment Information continued

a) Segment financial information

31 December 2023

The segment financial information provided to the chief operating decision makers for the year ended 31 December 2023 is set out below:

Financial performance by segment

	Note	Retail $M	Office $M	Logistics $M	Corporate $M	Total $M
Rent from investment properties	b(ii)	387.1	296.9	238.2	–	922.2
Property expenses and outgoings	b(iii)	(120.8)	(83.2)	(51.3)	–	(255.3)
Income from funds	b(iv)	40.7	69.8	7.3	–	117.8
Management net income	b(v)	10.5	(2.2)	(1.5)	(58.2)	(51.4)
Operations net income		**317.5**	**281.3**	**192.7**	**(58.2)**	**733.3**
Funds management net income	b(vi)	**23.4**	**39.5**	**2.7**	**–**	**65.6**
Development profit	b(vii)	(0.2)	–	0.6	–	0.4
Development management net income	b(viii)	0.2	2.6	2.5	–	5.3
Development net income		**–**	**2.6**	**3.1**	**–**	**5.7**
Net finance costs	b(ix)	**–**	**–**	**–**	**(193.0)**	**(193.0)**
Segment result before tax		**340.9**	**323.4**	**198.5**	**(251.2)**	**611.6**
Income tax expense	b(x)	–	–	–	(10.7)	(10.7)
Funds from Operations (FFO)	b(i)	**340.9**	**323.4**	**198.5**	**(261.9)**	**600.9**

Reconciliation of segment assets and liabilities to the Consolidated Statement of Financial Position

	Retail $M	Office $M	Logistics $M	Corporate $M	Total $M
Current assets					
Current assets	10.2	–	359.7	287.0	656.9
Total current assets	**10.2**	**–**	**359.7**	**287.0**	**656.9**
Non-current assets					
Investment properties	4,715.0	2,802.8	3,747.5	–	11,265.3
Equity accounted investments	839.1	2,702.4	297.4	10.2	3,849.1
Inventories	83.9	–	9.6	–	93.5
Other non-current assets	9.0	28.7	1.8	375.5	415.0
Total non-current assets	**5,647.0**	**5,533.9**	**4,056.3**	**385.7**	**15,622.9**
Total assets	**5,657.2**	**5,533.9**	**4,416.0**	**672.7**	**16,279.8**
Current liabilities	18.7	4.0	0.2	869.7	892.6
Non-current liabilities	6.3	9.4	7.3	4,598.0	4,621.0
Total liabilities	**25.0**	**13.4**	**7.5**	**5,467.7**	**5,513.6**
Net assets/(liabilities)	**5,632.2**	**5,520.5**	**4,408.5**	**(4,795.0)**	**10,766.2**

1. Segment Information continued

a) Segment financial information continued

31 December 2022

The segment financial information provided to the chief operating decision makers for the year ended 31 December 2022 is set out below:

Financial performance by segment

	Note	Retail $M	Office $M	Logistics $M	Corporate $M	Total $M
Rent from investment properties	b(ii)	350.5	295.8	222.6	–	868.9
Property expenses and outgoings	b(iii)	(112.2)	(76.6)	(42.3)	–	(231.1)
Income from funds	b(iv)	45.2	72.3	4.1	–	121.6
Management net income	b(v)	6.4	(1.2)	(2.0)	(57.6)	(54.4)
Operations net income		**289.9**	**290.3**	**182.4**	**(57.6)**	**705.0**
Funds management net income	b(vi)	**13.7**	**41.9**	**1.8**	**–**	**57.4**
Development profit	b(vii)	(0.3)	–	0.6	–	0.3
Development management net income	b(viii)	0.2	2.7	3.3	–	6.2
Development net income		**(0.1)**	**2.7**	**3.9**	**–**	**6.5**
Net finance costs	b(ix)	**–**	**–**	**–**	**(139.9)**	**(139.9)**
Segment result before tax		**303.5**	**334.9**	**188.1**	**(197.5)**	**629.0**
Income tax expense	b(x)	–	–	–	(8.4)	(8.4)
Funds from Operations (FFO)	b(i)	**303.5**	**334.9**	**188.1**	**(205.9)**	**620.6**

Reconciliation of segment assets and liabilities to the Consolidated Statement of Financial Position

	Retail $M	Office $M	Logistics $M	Corporate $M	Total $M
Current assets					
Current assets	48.2	–	338.9	277.5	664.6
Total current assets	**48.2**	**–**	**338.9**	**277.5**	**664.6**
Non-current assets					
Investment properties	4,783.5	2,987.8	4,185.3	–	11,956.6
Equity accounted investments	873.6	2,973.7	241.0	10.0	4,098.3
Inventories	73.7	–	67.6	–	141.3
Other non-current assets	10.2	21.1	1.7	423.2	456.2
Total non-current assets	**5,741.0**	**5,982.6**	**4,495.6**	**433.2**	**16,652.4**
Total assets	**5,789.2**	**5,982.6**	**4,834.5**	**710.7**	**17,317.0**
Current liabilities	18.6	3.7	–	1,286.5	1,308.8
Non-current liabilities	6.5	13.5	7.7	4,504.6	4,532.3
Total liabilities	**25.1**	**17.2**	**7.7**	**5,791.1**	**5,841.1**
Net assets/(liabilities)	**5,764.1**	**5,965.4**	**4,826.8**	**(5,080.4)**	**11,475.9**

1. Segment Information continued

b) Reconciliation of segment result to the Consolidated Statement of Comprehensive Income

	31 Dec 23 $M	31 Dec 22 $M
i) FFO to net (loss)/profit for the year		
Segment result		
FFO	600.9	620.6
Adjustments		
Fair value (loss)/gain on investment properties	(399.3)	34.0
Fair value loss and other adjustments to equity accounted investments	(367.0)	(130.0)
Amortisation of lease incentives and costs	(57.8)	(62.1)
Straightlining of rental income	5.1	(1.2)
Valuation decrease	(819.0)	(159.3)
Net (loss)/gain on fair value movement of derivatives	(31.8)	3.8
Net gain from hedge ineffectiveness on qualifying hedges	12.6	0.6
Net foreign exchange gain/(loss)	0.1	(0.4)
Gain on financial liability at amortised cost	2.7	2.4
Financial instruments mark to market and net foreign exchange movements	(16.4)	6.4
Impairment (expense)/reversal	(3.2)	8.5
Transaction costs and other items	(2.3)	(6.9)
Total other items	(5.5)	1.6
Consolidated Statement of Comprehensive Income		
Net (loss)/profit for the year	(240.0)	469.3
ii) Rent from investment properties		
Segment result		
Rent from investment properties	922.2	868.9
Adjustments		
Less: share of rent from investment properties in equity accounted investments	(85.3)	(89.6)
Eliminations of intra-group lease payments	(2.7)	(2.8)
Amortisation of lease incentives and costs	(57.8)	(62.1)
Straightlining of rental income	5.1	(1.2)
Impairment reversal on trade and other receivables	(0.5)	(5.9)
Consolidated Statement of Comprehensive Income		
Rent from investment properties	781.0	707.3
iii) Property expenses and outgoings		
Segment result		
Property expenses and outgoings	(255.3)	(231.1)
Adjustment		
Less: share of property expenses and outgoings in equity accounted investments	18.6	18.3
Consolidated Statement of Comprehensive Income		
Property expenses and outgoings	(236.7)	(212.8)
iv) Share of after tax profit of equity accounted investments		
Segment result		
Income from funds	117.8	121.6
Adjustments		
Share of rent from investment properties in equity accounted investments	85.3	89.6
Share of property expenses and outgoings in equity accounted investments	(18.6)	(18.3)
Development revenue – equity accounted investments	–	(0.1)
Interest income – equity accounted investments	0.2	–
Fair value loss and other adjustments to equity accounted investments	(367.0)	(130.0)
Consolidated Statement of Comprehensive Income		
Share of after tax (loss)/profit of equity accounted investments	(182.3)	62.8

1. Segment Information continued

b) Reconciliation of segment result to the Consolidated Statement of Comprehensive Income continued

	31 Dec 23 $M	31 Dec 22 $M
v) Management net income		
Segment result		
Operations management net income	(51.4)	(54.4)
Adjustments		
Expenses in development management net income	(5.7)	(4.8)
Expenses in funds management net income	(16.7)	(11.0)
Eliminations of intra-group lease payments	2.7	2.8
Transfer to finance costs – leases	0.9	1.2
Depreciation, amortisation and impairment expense	7.0	4.1
Transaction costs and other items	(6.8)	(12.2)
Management net income	(70.0)	(74.3)
Consolidated Statement of Comprehensive Income		
Property management fees	31.4	17.0
Management and other administration costs	(101.4)	(91.3)
Management net income	(70.0)	(74.3)
vi) Funds management net income		
Segment result		
Funds management net income	65.6	57.4
Adjustments		
Add: expenses in funds management net income	16.7	11.0
Transaction costs	(7.5)	(1.5)
Consolidated Statement of Comprehensive Income		
Funds management fees	74.8	66.9
vii) Development profit		
Segment result		
Development profit	0.4	0.3
Adjustment		
Less: share of after tax loss/(profit) of equity accounted investments	–	0.1
Development profit	0.4	0.4
Consolidated Statement of Comprehensive Income		
Development revenue	1.9	11.0
Development costs	(1.5)	(10.6)
Development profit	0.4	0.4
viii) Development management net income		
Segment result		
Development management net income	5.3	6.2
Adjustment		
Add: expenses in development management net income	5.7	4.8
Consolidated Statement of Comprehensive Income		
Development management fees	11.0	11.0

1. Segment Information continued

b) Reconciliation of segment result to the Consolidated Statement of Comprehensive Income continued

	31 Dec 23 $M	31 Dec 22 $M
ix) Finance costs		
Segment result		
Net finance costs	(193.0)	(139.9)
Adjustment		
Finance costs – leases	(0.9)	(1.2)
Less: Share of net finance costs in equity accounted investments	(0.2)	–
Net finance costs	(194.1)	(141.1)
Consolidated Statement of Comprehensive Income		
Interest revenue	11.2	0.9
Finance costs	(205.3)	(142.0)
Net finance costs	(194.1)	(141.1)
x) Income tax expense		
Segment result		
Income tax expense	(10.7)	(8.4)
Adjustment		
Tax impact of reconciling items from segment result to net (loss)/profit for the year	3.8	4.5
Consolidated Statement of Comprehensive Income		
Income tax expense	(6.9)	(3.9)

OPERATING ASSETS AND LIABILITIES

2. Investment Properties

Basis of valuation

In line with the Valuation Policy, GPT independently values each completed investment property (including investment property assets disclosed within equity accounted investments) at least annually. Independent valuers consider transaction evidence and prevailing market conditions, which guides them in their key valuation assumptions, including capitalisation and discount rates, market rental levels, tenant incentives, lease up periods, income growth rates and capital expenditure.

GPT provides factual information to the independent valuers, including passing rent information, outstanding incentives and capital expenditure forecasts which the independent valuers then use to form their own assessment.

In late January 2024 the Group consulted with the independent valuers to understand whether any changes subsequent to the balance date changed their view regarding the 31 December 2023 valuations. In particular the Group noted the current economic environment, including high inflation, rising interest rates and a slowing in capital flows. All valuers confirmed that their valuations were appropriate as at 31 December 2023. On 30 January 2024, the Valuation Committee met to reconfirm and recommend the 31 December 2023 valuations to the Board of Directors.

Management has reviewed the investment property valuations for both factual accuracy and reasonableness of the assumptions used to determine fair value. The fair values are shown in the following tables.

a) Investment properties

		Investment properties	Less lease liabilities	Fair value	Investment properties	Less lease liabilities	Fair value
		31 Dec 23			31 Dec 22		
	Note	$M	$M	$M	$M	$M	$M
Retail	(i)	4,715.0	(6.4)	4,708.6	4,783.5	(6.5)	4,777.0
Office	(ii)	2,802.8	–	2,802.8	2,987.8	–	2,987.8
Logistics	(iii)	3,511.5	(7.5)	3,504.0	3,841.3	(7.7)	3,833.6
Properties under development	(iv)	236.0	–	236.0	344.0	–	344.0
Total investment properties	(vi)	**11,265.3**	**(13.9)**	**11,251.4**	**11,956.6**	**(14.2)**	**11,942.4**

2. Investment Properties continued

a) Investment properties continued

	Ownership interest %[1]	Acquisition date	Investment properties 31 Dec 23 $M	Less lease liabilities 31 Dec 23 $M	Fair value 31 Dec 23 $M	Investment properties 31 Dec 22 $M	Less lease liabilities 31 Dec 22 $M	Fair value 31 Dec 22 $M	Latest independent valuation date	Valuer
(i) Retail										
Charlestown Square, NSW	100.0	Dec 1977	864.0	–	864.0	880.0	–	880.0	Dec 2023	Urbis
Highpoint Shopping Centre, VIC	16.7	Aug 2009	390.8	–	390.8	400.0	–	400.0	Dec 2023	CBRE
Melbourne Central, VIC	**100.0	May 1999/ May 2001	1,502.4	(5.4)	1,497.0	1,519.5	(5.5)	1,514.0	Dec 2023	Colliers
Rouse Hill Town Centre, NSW	100.0	Dec 2005	730.0	–	730.0	713.0	–	713.0	Dec 2023	Savills
Sunshine Plaza, QLD	**50.0	Dec 1992/ Jun 1999/ Sep 2004	551.8	(1.0)	550.8	576.5	(1.0)	575.5	Dec 2023	JLL
Westfield Penrith, NSW	50.0	Jun 1971	676.0	–	676.0	694.5	–	694.5	Dec 2023	CBRE
Total Retail			**4,715.0**	**(6.4)**	**4,708.6**	**4,783.5**	**(6.5)**	**4,777.0**		
(ii) Office										
Australia Square, Sydney, NSW	50.0	Sep 1981	565.5	–	565.5	627.8	–	627.8	Dec 2023	Knight Frank
60 Station Street, Parramatta, NSW	100.0	Sep 2018	203.5	–	203.5	244.0	–	244.0	Dec 2023	Knight Frank
32 Smith, Parramatta, NSW	100.0	Mar 2017	308.0	–	308.0	346.0	–	346.0	Dec 2023	M3 Property
4 Murray Rose Avenue, Sydney Olympic Park, NSW	*100.0	May 2002	128.5	–	128.5	146.0	–	146.0	Dec 2023	JLL
62 Northbourne Avenue, Canberra, ACT	100.0	Nov 2021	44.0	–	44.0	53.0	–	53.0	Dec 2023	M3 Property
Melbourne Central Tower, VIC	100.0	May 1999/ May 2001	741.0	–	741.0	785.0	–	785.0	Dec 2023	Savills
181 William & 550 Bourke Streets, Melbourne, VIC	50.0	Oct 2014	449.0	–	449.0	456.0	–	456.0	Dec 2023	Colliers
One One One Eagle Street, Brisbane, QLD	33.3	Apr 1984	363.3	–	363.3	330.0	–	330.0	Dec 2023	JLL
Total Office			**2,802.8**	**–**	**2,802.8**	**2,987.8**	**–**	**2,987.8**		

1. Freehold, unless otherwise marked with an * which denotes leasehold and ** denotes a combination of freehold and leasehold.

2. Investment Properties continued

a) Investment properties continued

	Ownership interest %[1]	Acquisition date	Investment properties 31 Dec 23 $M	Less lease liabilities 31 Dec 23 $M	Fair value 31 Dec 23 $M	Investment properties 31 Dec 22 $M	Less lease liabilities 31 Dec 22 $M	Fair value 31 Dec 22 $M	Latest independent valuation date	Valuer
(iii) Logistics										
New South Wales										
10 Interchange Drive, Eastern Creek, NSW	100.0	Aug 2012	50.0	–	50.0	49.0	–	49.0	Dec 2023	Colliers
54 Eastern Creek Drive, Eastern Creek, NSW	100.0	Apr 2016	77.5	–	77.5	76.5	–	76.5	Dec 2023	CBRE
50 Old Wallgrove Road, Eastern Creek, NSW	100.0	Jun 2016	104.0	–	104.0	101.8	–	101.8	Dec 2023	Knight Frank
16-34 Templar Road, Erskine Park, NSW	100.0	Jun 2008	82.3	–	82.3	80.8	–	80.8	Dec 2023	Colliers
36-52 Templar Road, Erskine Park, NSW	100.0	Jun 2008	148.0	–	148.0	149.5	–	149.5	Dec 2023	JLL
54-70 Templar Road, Erskine Park, NSW	100.0	Jun 2008	204.0	–	204.0	201.0	–	201.0	Dec 2023	CBRE
67-75 Templar Road, Erskine Park, NSW	100.0	Jun 2008	43.4	–	43.4	41.2	–	41.2	Dec 2023	Colliers
29-55 Lockwood Road, Erskine Park, NSW	100.0	Jun 2008	149.0	–	149.0	148.0	–	148.0	Dec 2023	CBRE
57-87 & 89-99 Lockwood Road, Erskine Park, NSW	100.0	Jul 2019	141.5	–	141.5	128.1	–	128.1	Dec 2023	Colliers
128 Andrews Road, Penrith, NSW	100.0	Jul 2019	105.0	–	105.0	110.0	–	110.0	Dec 2023	Knight Frank
42 Cox Place, Glendenning, NSW	100.0	Dec 2019	55.0	–	55.0	55.3	–	55.3	Dec 2023	Colliers
407 Pembroke Road, Minto, NSW	50.0	Oct 2008	47.8	–	47.8	45.5	–	45.5	Dec 2023	Colliers
4 Holker Street, Newington, NSW	100.0	Mar 2006	43.0	–	43.0	48.0	–	48.0	Dec 2023	Knight Frank
83 Derby Street, Silverwater, NSW[2]	100.0	Aug 2012	–	–	–	57.3	–	57.3	Dec 2022	Colliers
Quad 1, Sydney Olympic Park, NSW	*100.0	Jun 2001	24.0	–	24.0	28.5	–	28.5	Dec 2023	Colliers
Quad 4, Sydney Olympic Park, NSW	*100.0	Jun 2004	57.5	–	57.5	61.0	–	61.0	Dec 2023	Colliers
372-374 Victoria Street, Wetherill Park, NSW	100.0	Jul 2006	51.0	–	51.0	42.0	–	42.0	Dec 2023	CBRE
38 Pine Road, Yennora, NSW	100.0	Nov 2013	122.0	–	122.0	107.0	–	107.0	Dec 2023	CBRE
38A Pine Road, Yennora, NSW	100.0	Nov 2013	21.3	–	21.3	16.7	–	16.7	Dec 2023	Knight Frank
18-24 Abbott Road, Seven Hills, NSW	100.0	Oct 2006	76.8	–	76.8	55.8	–	55.8	Dec 2023	JLL
1A Huntingwood Drive, Huntingwood, NSW	100.0	Oct 2016	65.0	–	65.0	63.5	–	63.5	Dec 2023	Colliers
1B Huntingwood Drive, Huntingwood, NSW	100.0	Oct 2016	38.4	–	38.4	35.5	–	35.5	Dec 2023	Colliers
104 Vanessa Street, Kingsgrove, NSW	100.0	May 2019	33.8	–	33.8	33.8	–	33.8	Dec 2023	JLL
64 Biloela Street, Villawood, NSW[3]	100.0	May 2019	–	–	–	50.5	–	50.5	Dec 2022	CBRE
30-32 Bessemer Street, Blacktown, NSW	100.0	May 2019	46.0	–	46.0	49.0	–	49.0	Dec 2023	Savills
21 Pipeclay Avenue, Thornton, NSW	100.0	Nov 2021	3.7	–	3.7	4.1	–	4.1	Dec 2023	Knight Frank

1. Freehold, unless otherwise marked with an * which denotes leasehold.
2. 83 Derby Street, Silverwater was sold on 20 December 2023 for total consideration of $62.3 million.
3. 64 Biloela Street, Villawood was sold on 20 December 2023 for total consideration of $54.5 million.

2. Investment Properties continued

a) Investment properties continued

	Ownership interest %[1]	Acquisition date	Investment properties 31 Dec 23 $M	Less lease liabilities 31 Dec 23 $M	Fair value 31 Dec 23 $M	Investment properties 31 Dec 22 $M	Less lease liabilities 31 Dec 22 $M	Fair value 31 Dec 22 $M	Latest independent valuation date	Valuer
ACT										
12 Faulding Street, Symonston, ACT	100.0	Nov 2021	16.6	–	16.6	20.5	–	20.5	Dec 2023	JLL
Victoria										
21-23 Wirraway Drive, Port Melbourne[2]	100.0	Mar 2020	–	–	–	33.5	–	33.5	Dec 2022	CBRE
Citiwest Industrial Estate, Altona North, VIC	100.0	Aug 1994	159.4	–	159.4	153.9	–	153.9	Dec 2023	Savills
Sunshine Business Estate, Sunshine, VIC	100.0	Jan 2018	107.0	–	107.0	112.0	–	112.0	Dec 2023	Savills
521 Geelong Road, Brooklyn, VIC	100.0	Nov 2021	44.0	–	44.0	52.5	–	52.5	Dec 2023	Knight Frank
396 Mount Derrimut Road, Derrimut, VIC	100.0	Nov 2018	20.5	–	20.5	19.0	–	19.0	Dec 2023	Colliers
40 Fulton Drive, Derrimut, VIC	100.0	Nov 2021	16.0	–	16.0	16.8	–	16.8	Dec 2023	Colliers
21 Shiny Drive, Truganina, VIC	100.0	Nov 2018	50.5	–	50.5	56.5	–	56.5	Dec 2023	JLL
2 Prosperity Street, Truganina, VIC	100.0	Nov 2018	50.0	–	50.0	51.5	–	51.5	Dec 2023	Savills
25 Niton Drive, Truganina, VIC	100.0	Jul 2019	62.0	–	62.0	62.5	–	62.5	Dec 2023	CBRE
1 Botero Place, Truganina, VIC	100.0	May 2020	50.0	–	50.0	53.5	–	53.5	Dec 2023	Savills
Foundation Estate, Truganina, VIC	100.0	Dec 2020	125.3	–	125.3	138.0	–	138.0	Dec 2023	JLL
143 Foundation Road, Truganina, VIC	100.0	Dec 2020	21.5	–	21.5	23.0	–	23.0	Dec 2023	JLL
399 Boundary Road, Truganina, VIC	100.0	Dec 2018	28.3	–	28.3	28.3	–	28.3	Dec 2023	Colliers
235-239 Boundary Road, Laverton North, VIC	100.0	Aug 2021	67.5	–	67.5	71.8	–	71.8	Dec 2023	Savills
79 Cherry Lane, Laverton North, VIC	100.0	Nov 2021	38.4	–	38.4	45.8	–	45.8	Dec 2023	Knight Frank
16 Henderson Road, Knoxfield, VIC	100.0	Nov 2021	29.0	–	29.0	32.8	–	32.8	Dec 2023	JLL
Austrak Business Park, Somerton, VIC[3]	50.0	Oct 2003	–	–	–	255.3	–	255.3	Dec 2023	Savills
24A & 24B Niton Drive, Truganina, VIC[4]	100.0	Jul 2019	57.5	–	57.5	–	–	–	Dec 2023	JLL
30 Niton Drive, Truganina, VIC[4]	100.0	Jul 2019	71.0	–	71.0	–	–	–	Dec 2023	JLL

1. Freehold, unless otherwise marked with an * which denotes leasehold.
2. 21-23 Wirraway Drive, Port Melbourne was sold on 20 December 2023 for total consideration of $28.5 million.
3. During the year, this property was transferred to properties held for sale.
4. Following practical completion during the year, these properties were reclassified from properties under development to investment property in the Logistics Portfolio.

2. Investment Properties continued

a) Investment properties continued

	Ownership interest %[1]	Acquisition date	Investment properties	Less lease liabilities	Fair value	Investment properties	Less lease liabilities	Fair value	Latest independent valuation date	Valuer
			31 Dec 23			31 Dec 22				
			$M	$M	$M	$M	$M	$M		
Queensland										
59 Forest Way, Karawatha, QLD	100.0	Dec 2012	158.0	–	158.0	152.0	–	152.0	Dec 2023	JLL
55 Whitelaw Place, Wacol, QLD	100.0	Dec 2016	20.5	–	20.5	22.7	–	22.7	Dec 2023	Savills
2 Ironbark Close, Wembley Business Park, Berrinba, QLD	100.0	Jun 2015	56.5	–	56.5	66.3	–	66.3	Dec 2023	Savills
30 Ironbark Close, Wembley Business Park, Berrinba, QLD	100.0	Jun 2015	36.6	–	36.6	39.5	–	39.5	Dec 2023	Savills
1 Wattlebird Court, Berrinba, QLD	100.0	Jun 2015	41.5	–	41.5	42.0	–	42.0	Dec 2023	Savills
2 Wattlebird Court, Berrinba, QLD	100.0	Jun 2015	54.0	–	54.0	55.8	–	55.8	Dec 2023	Savills
102-108 Magnesium Drive, Crestmead, QLD	100.0	Nov 2021	22.0	–	22.0	25.9	–	25.9	Dec 2023	Knight Frank
248 Fleming Road, Tingalpa, QLD	100.0	Nov 2021	24.8	–	24.8	29.4	–	29.4	Dec 2023	JLL
48 Miller Street, Murarrie, QLD	100.0	Nov 2021	27.5	–	27.5	36.7	–	36.7	Dec 2023	JLL
4 Enterprise Street, Wulkuraka, QLD	100.0	Nov 2021	90.5	–	90.5	103.0	–	103.0	Dec 2023	Knight Frank
15 Northern Link Circuit, Townsville, QLD	100.0	Nov 2021	24.0	–	24.0	30.0	–	30.0	Dec 2023	Knight Frank
South Australia										
1 Vimy Avenue, Adelaide Airport, SA	*100.0	Nov 2021	20.9	(4.1)	16.8	24.3	(4.2)	20.1	Dec 2023	Knight Frank
26 Butler Boulevard, Adelaide Airport, SA	*100.0	Nov 2021	18.7	(3.4)	15.3	21.2	(3.5)	17.7	Dec 2023	JLL
176 Eastern Parade, Gillman, SA	100.0	Nov 2021	17.0	–	17.0	19.0	–	19.0	Dec 2023	JLL
1A Symonds Street, Royal Park, SA	100.0	Nov 2021	5.2	–	5.2	6.8	–	6.8	Dec 2023	Knight Frank
6-10 Senna Road, Wingfield, SA	100.0	Nov 2021	32.5	–	32.5	36.7	–	36.7	Dec 2023	JLL
Western Australia										
15 Modal Crescent, Canning Vale, WA	100.0	Nov 2021	22.3	–	22.3	24.5	–	24.5	Dec 2023	Knight Frank
23 Destiny Way, Wangara, WA	100.0	Nov 2021	20.5	–	20.5	25.8	–	25.8	Dec 2023	Knight Frank
50 Triumph Avenue, Wangara, WA	100.0	Nov 2021	8.5	–	8.5	8.0	–	8.0	Dec 2023	JLL
56 Triumph Avenue, Wangara, WA	100.0	Nov 2021	5.5	–	5.5	5.1	–	5.1	Dec 2023	JLL
Total Logistics			**3,511.5**	**(7.5)**	**3,504.0**	**3,841.3**	**(7.7)**	**3,833.6**		

1. Freehold, unless otherwise marked with an * which denotes leasehold.

2. Investment Properties continued

a) Investment properties continued

	Ownership interest %	Acquisition date	Investment properties	Less lease liabilities	Fair value	Investment properties	Less lease liabilities	Fair value	Latest independent valuation date	Valuer
			31 Dec 23			31 Dec 22				
			$M	$M	$M	$M	$M	$M		
(iv) Properties under development										
407 Pembroke Rd, Minto, NSW	50.0	Oct 2008	16.8	–	16.8	13.3	–	13.3	Dec 2023	Colliers
Yiribana Logistics Estate – East, Kemps Creek, NSW	100.0	Oct 2020	172.5	–	172.5	155.9	–	155.9	Dec 2023	CBRE
The Gateway Logistics Hub, Stage 6, Truganina, VIC[1]	100.0	Jul 2019	–	–	–	76.3	–	76.3	Dec 2022	JLL
Austrak Business Park, Somerton, VIC[2]	50.0	Oct 2003	–	–	–	64.8	–	64.8	Dec 2023	Savills
Djeembana Estate, Truganina, VIC	100.0	Jul 2022	46.7	–	46.7	33.7	–	33.7	Dec 2023	JLL
Total Properties under development			**236.0**	**–**	**236.0**	**344.0**	**–**	**344.0**		
(v) Properties held for sale										
Rosehill Business Park, Camellia, NSW[3]	100.0	May 1998	–	–	–	137.3	–	137.3	–	–
Citiport Business Park, Port Melbourne, VIC[3]	100.0	Mar 2012	–	–	–	119.3	–	119.3	–	–
Austrak Business Park, Somerton, VIC[4]	50.0	Oct 2003	296.1	–	296.1	–	–	–	–	–
Total Properties held for sale			**296.1**	**–**	**296.1**	**256.6**	**–**	**256.6**		

1. 24A & 24B Niton Drive and 30 Niton Drive, Truganina (previously Stages 4 & 5 of The Gateway Logistics Hub) reached practical completion in 2023.
2. During the year, this property was transferred to properties held for sale.
3. Sale contracts for Citiport Business Park and Rosehill Business Park were executed on 23 November 2022 for total consideration of $254.2 million. Settlements were completed on 28 April 2023.
4. GPT has entered into a Heads of Agreement for the sale of Austrak Business Park, this is still subject to due diligence and other approvals.

2. Investment Properties continued

a) Investment properties continued

vi) Reconciliation

	Retail $M	Office $M	Logistics $M	Properties under development $M	31 Dec 23 $M	31 Dec 22 $M
Opening balance at the beginning of the year	4,783.5	2,987.8	3,841.3	344.0	11,956.6	11,954.7
Additions – maintenance capital expenditure	14.6	7.3	9.6	–	31.5	29.4
Additions – development capital expenditure	33.4	19.3	1.8	40.9	95.4	216.1
Additions – interest capitalised[1]	0.1	0.1	–	10.9	11.1	9.1
Asset acquisitions	–	–	–	–	–	28.1
Transfers to assets held for sale	–	–	(214.4)	(81.7)	(296.1)	(256.6)
Transfers from/(to) properties under development	–	–	128.5	(128.5)	–	–
Transfer to inventory	(1.3)	–	–	–	(1.3)	(64.6)
Movement in ground leases of investment properties	(0.1)	–	(0.2)	–	(0.3)	(0.6)
Disposals	–	–	(150.1)	–	(150.1)	–
Fair value adjustments	(123.6)	(214.3)	(109.9)	50.2	(397.6)	32.0
Lease incentives (includes rent free)	19.2	28.2	7.4	–	54.8	60.9
Leasing costs	4.5	4.6	2.7	–	11.8	8.7
Amortisation of lease incentives and costs	(15.8)	(31.9)	(8.0)	–	(55.7)	(61.4)
Straightlining of leases	0.5	1.7	2.8	0.2	5.2	0.8
Closing balance at the end of the year	**4,715.0**	**2,802.8**	**3,511.5**	**236.0**	**11,265.3**	**11,956.6**

1. A capitalisation interest rate of 4.7% (2022: 3.2%) has been applied when capitalising interest on qualifying assets.

Land and buildings which are held to earn rental income or for capital appreciation or for both, and which are not wholly occupied by GPT, are classified as investment properties.

Investment properties are initially recognised at cost and subsequently stated at fair value at each balance date. Fair value is based on the latest independent valuation adjusting for capital expenditure and capitalisation and amortisation of lease incentives since the date of the independent valuation report. Any change in fair value is recognised in the Consolidated Statement of Comprehensive Income in the period.

Properties under development are stated at fair value at each balance date. Fair value is assessed with reference to reliable estimates of future cash flows, status of the development and the associated risk profile. Finance costs incurred on properties undergoing development are included in the cost of the development.

Lease incentives provided by GPT to lessees are included in the measurement of fair value of investment property and are amortised over the lease term using a straight line basis.

2. **Investment Properties** continued

b) Fair value measurement, valuation techniques and inputs

Critical judgements are made by GPT in respect of the fair values of investment properties. Fair values are reviewed regularly by management with reference to independent property valuations, recent transactions and market conditions, using generally accepted market practices. A description of the valuation techniques and key inputs are included in the following tables:

Class of assets	Fair value hierarchy[1]	Valuation technique	Inputs used to measure fair value	Unobservable inputs 31 Dec 23			Unobservable inputs 31 Dec 22		
Retail	**Level 3**	Discounted cash flow (DCF) and income capitalisation method	Gross market rent (per sqm p.a.)	$1,509	–	$2,556	$1,502	–	$2,444
			10-year average specialty market rental growth (DCF)	3.0%	–	3.5%	2.7%	–	3.3%
			Adopted capitalisation rate	5.00%	–	6.00%	4.50%	–	5.63%
			Adopted terminal yield (DCF)	5.25%	–	6.25%	4.75%	–	5.88%
			Adopted discount rate (DCF)	6.75%	–	6.75%	6.25%	–	6.50%
			Lease incentives (gross)	6.0%	–	10.0%	7.5%	–	10.0%
Office	**Level 3**	DCF and income capitalisation method	Net market rent (per sqm p.a.)	$460	–	$1,700	$435	–	$1,630
			10-year average market rental growth (DCF)	3.3%	–	4.0%	3.0%	–	3.9%
			Adopted capitalisation rate	5.25%	–	6.75%	4.75%	–	6.00%
			Adopted terminal yield (DCF)	5.50%	–	7.00%	5.00%	–	6.25%
			Adopted discount rate (DCF)	6.25%	–	7.25%	5.88%	–	6.50%
			Lease incentives (gross)	16.4%	–	40.0%	15.0%	–	42.5%
Logistics	**Level 3**	DCF and income capitalisation method	Net market rent (per sqm p.a.)	$98	–	$497	$80	–	$480
			10-year average market rental growth (DCF)	2.9%	–	3.9%	3.0%	–	3.9%
			Adopted capitalisation rate	4.63%	–	7.00%	4.13%	–	6.25%
			Adopted terminal yield (DCF)	4.88%	–	7.25%	4.25%	–	6.50%
			Adopted discount rate (DCF)	6.00%	–	7.75%	5.38%	–	7.00%
			Lease incentives (net)	2.5%	–	24.0%	8.3%	–	30.0%
Properties under development	**Level 3**	Development feasibility analysis or land rate per sqm	Net market rent (per sqm p.a.)	N/A			$95	–	$115
			Adopted capitalisation rate	N/A			4.13%	–	4.75%
			Adopted terminal yield (DCF)	N/A			4.38%	–	5.00%
			Adopted discount rate (DCF)	N/A			5.50%	–	5.75%
			Land rate (per sqm)	$235	–	$800	$363	–	$679
			Profit and risk factor	N/A			0.0%	–	20.0%

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

2. Investment Properties continued

b) Fair value measurement, valuation techniques and inputs continued

DCF	Under the DCF method, the fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's or liability's life including an exit or terminal value. The DCF method involves the projection of a series of cash flows from the asset or liability. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the cash flows from the asset or liability.
Income capitalisation method	This method involves assessing the total net market income receivable from the property and capitalising this in perpetuity to derive a capital value, with allowances for capital expenditure and reversions.
Gross market rent	A gross market rent is the estimated amount of rent for which a property or space within a property should lease between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion.
Net market rent	Net market rent is defined as gross market rent less the building outgoings or cleaning costs paid by the tenant.
10-year average specialty market rental growth	The expected annual rate of change in market rent over a 10-year forecast period in specialty tenancy rents. Specialty tenants are those retail tenancies with a gross lettable area of less than 400 square metres (excludes ATMs and kiosks).
10-year average market rental growth	The expected annual rate of change in market rent over a 10-year forecast period.
Adopted capitalisation rate	The rate at which net market income is capitalised to determine the value of a property. The rate is determined with regard to market evidence.
Adopted terminal yield	The capitalisation rate used to convert income into an indication of the anticipated value of the property at the end of the holding period when carrying out a discounted cash flow calculation. The rate is determined with regard to market evidence.
Adopted discount rate	The rate of return used to convert a monetary sum, payable or receivable in the future, into present value. Theoretically it should reflect the opportunity cost of capital, that is, the rate of return the capital can earn if put to other uses having similar risk. The rate is determined with regard to market evidence.
Land rate (per sqm)	The land rate is the market land value per sqm.
Profit and risk factor	The profit and risk factor is applied to the remaining costs of a development to reflect a target margin required to complete the project. The factor will vary depending on the remaining leasing or construction required.
Lease incentives	A lease incentive is often provided to a lessee upon the commencement of a lease. Incentives can be a combination of, or, one of the following: a rent-free period, a fit-out contribution, a cash contribution or rental abatement.

c) Valuation process – investment properties

GPT manages the semi-annual valuation process to ensure that investment properties are held at fair value in GPT's accounts and that GPT is compliant with applicable regulations (for example the *Corporations Act 2001* and ASIC regulations), the GPT RE Constitution and Compliance Plan.

GPT has a Valuation Committee (Committee) which is comprised of the Chief Operating Officer, Interim Chief Financial Officer, Head of Transactions and General Counsel.

The purpose of the Committee is to:

- Approve the panel of independent valuers
- Review valuation inputs and assumptions
- Where the valuations are conducted internally, provide an escalation process where there are differences of opinion from various team members responsible for the valuation
- Oversee the finalisation of the valuations, and
- Review the independent valuation sign-off and any comments that have been noted.

All independent valuations and internal tolerance checks are reviewed by the Committee prior to these being presented to the Board for approval.

2. **Investment Properties** continued

c) **Valuation process – investment properties** continued

Independent valuations

GPT's independent valuations are performed by independent professionally qualified valuers who hold recognised relevant professional qualifications and have specialised expertise in the investment properties being valued. Selected independent valuation firms form part of a panel approved by the Committee. Each valuation firm is limited to undertaking consecutive valuations of a property for a maximum period of two years. Where an exceptional circumstance arises, the extension of the valuer's term must be approved by the relevant Board.

The Valuation Policy requires an independent valuation at least annually for all completed investment properties. Properties under development with a value of $100 million or greater are independently valued at least every six months. Unimproved land is independently valued at least every three years. Additional valuations will be completed in the event an internal tolerance check identifies the requirement for an independent valuation.

Critical judgements are made by GPT in respect of the fair values of investment properties (including investment properties within equity accounted investments). Fair values are reviewed regularly by management with reference to independent property valuations, recent transactions and market conditions, and using generally accepted market practices. The valuation process, critical assumptions underlying the valuations and information on sensitivity are disclosed below and in note 2(b).

An independent valuer will typically conduct both an income capitalisation valuation and a DCF valuation for each asset, which informs a range of valuation outcomes. The valuer will then apply their expertise in determining an adopted value, which may include adopting one of these specific approaches or a mid-point of these two approaches.

The valuation of the properties under development is determined by a development feasibility analysis for each parcel of land within each asset. The development feasibility analysis is prepared on an "as if complete" basis and is a combination of the income capitalisation method and where appropriate, the DCF method. The cost to complete of the development includes development costs, finance costs and an appropriate profit and risk margin. These costs are deducted from the "as if complete" valuation to determine the "as is" basis or "current fair value."

The fair value of vacant land parcels is based on the market land value per square metre.

Internal tolerance checks

Every six months, with the exception of properties independently valued, an internal tolerance check is prepared. The internal tolerance check involves the preparation of a DCF and income capitalisation valuation for each investment property. These are produced using a capitalisation rate, terminal yield and discount rate based on comparable market evidence and recent independent valuation parameters. The tolerance measurement will typically be a mid-point of these two approaches.

These internal tolerance checks are used to determine whether the book value is in line with the fair value or whether an independent valuation is required.

Highest and best use

The fair value of investment properties is calculated based on the highest and best use whether or not the current use reflects the highest and best use.

2. **Investment Properties** continued

d) Sensitivity information – investment properties

In conducting the sensitivity analysis below, management has selected a sample of assets for each portfolio, for which key metrics are typical of the portfolio to which they relate. For those assets, the independent valuer conducted the sensitivity analysis in the following tables. Results for individual assets may differ based on each asset's particular attributes and market conditions.

The following table shows the sensitivity of the valuation to movements in the significant variables of capitalisation rates and market rent per sqm when using the income capitalisation valuation approach and the discount rate and terminal rate and market rental growth rates when using the DCF valuation approach.

	Capitalisation Method					
	Capitalisation Rate				Market Rent per sqm	
	0.25%	**0.50%**	**0.75%**	**1.00%**	**(5.0%)**	**5.0%**
Retail – impact to valuation	(4.9%)	(9.4%)	(13.5%)	(17.2%)	(5.9%)	5.9%
Office – impact to valuation	(4.9%)	(9.3%)	(13.5%)	(17.3%)	(4.6%)	4.4%
Logistics – impact to valuation	(4.7%)	(9.0%)	(13.0%)	(16.6%)	(4.1%)	4.1%

	DCF Method					
	Discount Rate and Terminal Rate				10-Year Growth Rate[1]	
	0.25%	**0.50%**	**0.75%**	**1.00%**	**(0.50%)**	**0.50%**
Retail – impact to valuation	(4.9%)	(9.4%)	(13.4%)	(17.2%)	(3.1%)	3.3%
Office – impact to valuation	(5.2%)	(10.0%)	(14.4%)	(18.4%)	(3.7%)	3.9%
Logistics – impact to valuation	(4.9%)	(9.3%)	(13.4%)	(17.1%)	(3.3%)	3.2%

1. For Retail, this is the 10-year specialty growth rate.

e) Lease payments to be received

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

	31 Dec 23 $M	31 Dec 22 $M
Less than 1 year	613.2	589.2
2 years	548.3	530.0
3 years	471.8	459.4
4 years	373.0	381.1
5 years	297.3	292.3
Due after five years	879.0	920.1
Total lease payments to be received	**3,182.6**	**3,172.1**

Lease amounts to be received include future amounts to be received on non-cancellable operating leases, not recognised in the financial statements at balance date. A proportion of this balance includes amounts receivable for recovery of operating costs on gross and semi-gross leases which will be accounted for as revenue from contracts with customers as this income is earned. The remainder will be accounted for as lease income as it is earned. Amounts receivable under non-cancellable operating leases where GPT's right to consideration for a service directly corresponds with the value of the service provided to the customer have not been included (for example, variable amounts payable by tenants for their share of the operating costs of the asset). Leases have only been included where there is an active lease in place and renewal has not been assumed unless there is reasonable certainty that the tenant intends to renew.

3. Equity Accounted Investments

	Note	31 Dec 23 $M	31 Dec 22 $M
Investment in joint ventures	(a)(i)	1,093.3	1,105.3
Investment in associates	(a)(ii)	2,755.8	2,993.0
Total equity accounted investments		**3,849.1**	**4,098.3**

a) Details of equity accounted investments

		Ownership Interest			
Name	**Principal Activity**	**31 Dec 23 %**	**31 Dec 22 %**	**31 Dec 23 $M**	**31 Dec 22 $M**
i) Joint ventures					
2 Park Street Trust[1]	Investment property	50.00	50.00	751.4	819.5
Horton Trust	Investment property	50.00	50.00	29.7	30.2
GPT QuadReal Logistics Trust	Investment property	50.10	50.10	297.4	241.0
Lendlease GPT (Rouse Hill) Pty Limited[1,2]	Property development	50.00	50.00	14.8	14.6
Total investment in joint venture entities				**1,093.3**	**1,105.3**
ii) Associates					
GPT Wholesale Office Fund[1,3]	Investment property	21.69	21.74	1,459.4	1,601.5
GPT Wholesale Shopping Centre Fund[1]	Investment property	28.48	28.48	794.6	828.8
GPT Funds Management Limited	Funds management	100.00	100.00	10.2	10.0
Darling Park Trust[1]	Investment property	41.67	41.67	491.6	552.7
DPT Operator Pty Limited[1]	Management	91.67	91.67	–	–
DPT Operator No.2 Pty Limited[1]	Management	91.67	91.67	–	–
Total investments in associates				**2,755.8**	**2,993.0**

1. The entity has a 30 June balance date.
2. GPT has a 50% interest in Lendlease GPT (Rouse Hill) Pty Limited, a joint venture developing residential and commercial land at Rouse Hill, in partnership with Urban Growth and the NSW Department of Planning.
3. Ownership has decreased as a result of GPT not participating in the Distribution Reinvestment Plan (DRP) which occurred during the year.

For those joint ventures and associates with investment property as the principal activity refer to note 2 for details on key judgements and estimates relating to the valuation of these investment properties.

For those joint ventures where the principal activity is property development refer to note 6 for details on key judgements and estimates.

3. Equity Accounted Investments continued

b) Summarised financial information for associates and joint ventures

The information disclosed reflects the amounts presented in the 31 December 2023 financial results of the relevant associates and joint ventures and not GPT's share of those amounts. They have been amended to reflect adjustments made by GPT when using the equity method, including fair value adjustments and modifications for differences in accounting policies.

i) Joint ventures

	2 Park Street Trust		GPT QuadReal Logistics Trust		Others	
	31 Dec 23 $M	31 Dec 22 $M	31 Dec 23 $M	31 Dec 22 $M	31 Dec 23 $M	31 Dec 22 $M
Current assets						
Cash and cash equivalents	8.5	10.5	7.4	13.5	12.0	13.6
Other current assets	1.1	0.7	0.9	13.2	14.8	14.5
Total current assets	**9.6**	**11.2**	**8.3**	**26.7**	**26.8**	**28.1**
Non-current assets						
Investment properties and other assets	1,540.0	1,660.0	596.7	469.1	65.5	65.8
Total non-current assets	**1,540.0**	**1,660.0**	**596.7**	**469.1**	**65.5**	**65.8**
Current liabilities						
Trade and other payables	46.8	32.2	11.5	14.8	2.2	3.2
Total current liabilities	**46.8**	**32.2**	**11.5**	**14.8**	**2.2**	**3.2**
Other non-current liabilities	–	–	–	–	1.1	1.1
Total non-current liabilities	–	–	–	–	1.1	1.1
Net assets	**1,502.8**	**1,639.0**	**593.5**	**481.0**	**89.0**	**89.6**
Reconciliation to carrying amounts:						
Opening net assets 1 January	1,639.0	1,694.1	481.0	200.6	89.6	86.8
(Loss)/profit for the year	(84.4)	8.0	(19.8)	22.8	1.6	5.1
Issue of equity	18.8	23.4	141.9	265.4	0.2	0.3
Distributions paid/payable	(70.6)	(86.5)	(9.6)	(7.8)	(2.4)	(2.6)
Closing net assets	**1,502.8**	**1,639.0**	**593.5**	**481.0**	**89.0**	**89.6**
GPT's share	**751.4**	**819.5**	**297.4**	**241.0**	**44.5**	**44.8**
Summarised statement of comprehensive income						
Revenue[1]	76.8	68.9	22.9	11.2	4.5	3.9
(Loss)/profit for the year	(84.4)	8.0	(19.8)	22.8	1.6	5.1
Total comprehensive income	(84.4)	8.0	(19.8)	22.8	1.6	5.1

1. Includes straight line and incentive amortisation of –$21.7m for 2 Park Street Trust, (31 December 2022: –$30.5m), $1.7m for GPT QuadReal Logistics Trust, (31 December 2022: $0.7m) and –$0.2m for Others (31 December 2022: –$0.2m).

3. Equity Accounted Investments continued

b) Summarised financial information for associates and joint ventures continued

ii) Associates

	GPT Wholesale Office Fund		GPT Wholesale Shopping Centre Fund		Darling Park Trust		GPT Funds Management Limited and others	
	31 Dec 23 $M	31 Dec 22 $M	31 Dec 23 $M	31 Dec 22 $M	31 Dec 23 $M	31 Dec 22 $M	31 Dec 23 $M	31 Dec 22 $M
Total current assets	92.1	81.2	47.4	35.8	52.9	56.0	10.2	10.0
Total non-current assets	9,189.1	9,643.3	3,440.6	3,524.8	1,166.0	1,320.5	–	–
Total current liabilities	(275.6)	(302.8)	(301.2)	(100.8)	(39.1)	(50.0)	–	–
Total non-current liabilities	(2,277.1)	(2,055.1)	(399.9)	(549.7)	–	–	–	–
Net assets	**6,728.5**	**7,366.6**	**2,786.9**	**2,910.1**	**1,179.8**	**1,326.5**	**10.2**	**10.0**
Reconciliation to carrying amounts:								
Opening net assets 1 January	**7,366.6**	**7,807.9**	**2,910.1**	**2,763.7**	**1,326.5**	**1,384.5**	**10.0**	**10.0**
(Loss)/profit for the year	(398.3)	(146.8)	9.8	291.6	(113.7)	(4.9)	–	–
Issue of equity	17.8	25.6	–	–	29.5	22.1	0.2	–
Movement in reserves	1.8	(2.1)	–	–	–	–	–	–
Distributions paid/payable	(259.4)	(318.0)	(133.0)	(145.2)	(62.5)	(75.2)	–	–
Closing net assets	**6,728.5**	**7,366.6**	**2,786.9**	**2,910.1**	**1,179.8**	**1,326.5**	**10.2**	**10.0**
GPT's share	**1,459.4**	**1,601.5**	**794.6**	**828.8**	**491.6**	**552.7**	**10.2**	**10.0**
Summarised statement of comprehensive income								
Revenue[1]	379.6	441.3	265.6	254.5	65.7	79.8	–	–
(Loss)/profit for the year	(398.3)	(146.8)	9.8	291.6	(113.7)	(4.9)	–	–
Total comprehensive (loss)/ income	(396.5)	(148.9)	9.8	291.6	(113.7)	(4.9)	–	–
Distributions received/ receivable from their associates	**53.2**	**63.0**	**-**	**-**	**-**	**-**	**-**	**-**

1. Includes straight line and incentive amortisation of –$83.2m for GPT Wholesale Office Fund (31 December 2022: –$86.2m), –$15.4m for GPT Wholesale Shopping Centre Fund (31 December 2022: –$19.3m) and –$16.9m for Darling Park Trust (31 December 2022: –$11.5m).

4. Trade and Other Receivables

a) Trade receivables

	31 Dec 23 $M	31 Dec 22 $M
Current assets		
Trade receivables[1]	21.6	29.6
Accrued income	21.8	12.9
Related party receivables[2]	26.5	30.6
Less: impairment of trade receivables	(14.4)	(16.9)
Total current trade receivables	55.5	56.2

1. This includes trade receivables relating to revenue from contracts with customers. Refer to note 17 for the methodology of apportionment between trade receivables relating to AASB 15 *Revenue from Contracts with Customers* and other trade receivables balances.
2. The related party receivables are on commercial terms and conditions.

The following table shows the ageing analysis of GPT's trade receivables.

	31 Dec 23						31 Dec 22					
	Not yet due $M	0–30 days $M	31–60 days $M	61-90 days $M	90+ days $M	Total $M	Not yet due $M	0–30 days $M	31–60 days $M	61-90 days $M	90+ days $M	Total $M
Retail	6.9	9.3	1.4	0.4	2.5	20.5	9.2	7.3	1.7	0.5	6.7	25.4
Office	2.1	1.6	0.3	0.2	0.8	5.0	2.4	3.4	1.1	0.1	1.1	8.1
Logistics	8.8	1.2	0.2	0.4	0.6	11.2	2.1	1.9	0.1	–	0.5	4.6
Corporate	5.3	27.6	0.2	–	0.1	33.2	3.5	30.0	0.5	0.3	0.7	35.0
Less: impairment of trade receivables	(1.2)	(8.6)	(1.3)	(0.5)	(2.8)	(14.4)	(3.6)	(4.5)	(1.4)	(0.5)	(6.9)	(16.9)
Total current trade receivables	**21.9**	**31.1**	**0.8**	**0.5**	**1.2**	**55.5**	**13.6**	**38.1**	**2.0**	**0.4**	**2.1**	**56.2**

b) Other receivables

	31 Dec 23 $M	31 Dec 22 $M
Current assets		
Distribution receivable from associates	28.8	37.7
Distribution receivable from joint ventures	15.6	11.8
Settlement compensation receivable[1]	–	117.1
Other receivables	13.1	8.8
Total current other receivables	**57.5**	**175.4**

1. Prior year balance includes $78.6 million in relation to Sydney Olympic Park and $38.5 million in relation to Rouse Hill land.

4. **Trade and Other Receivables** continued

c) Accounting policies

Receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest method less any allowance under the 'expected credit loss' (ECL) model. GPT 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.

Rent waivers and other write-offs

Debts which management has determined will be subject to a rent waiver, or are otherwise uncollectible have been written off as at 31 December 2023, in accordance with the requirements of AASB 9 *Financial Instruments* (AASB 9). Bad debt write offs of $4.0 million (31 December 2022: $26.5 million) relating to COVID-19 abatements and other non recoverable amounts have been recognised during the financial year. Waivers which have been reflected on invoices issued to tenants and do not relate to previous outstanding debtors, have been shown as a reduction to rent from investment properties on the Consolidated Statement of Comprehensive Income.

Recoverability of receivables

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

Lifetime ECLs result from all possible default events over the expected life of the receivables and are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to GPT in accordance with the contract and the cash flows that GPT expects to receive). A default on receivables is when the counterparty fails to make contractual payments when they fall due and management determines that the debt is uncollectible, or where management forgives all or part of the debt.

GPT 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
- Financial difficulties of a counterparty or probability that a counterparty will enter bankruptcy, and
- Conditions specific to the asset to which the receivable relates.

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

At 31 December 2023, GPT has assessed the likelihood of future defaults and debt forgiveness taking into account several factors. These include the risk profile of the tenant, the age of the debt, the asset location, and tenant cash payment trends after the completion of rent relief agreements and other economic conditions impacting the tenants' ability to pay.

This has resulted in an ECL allowance of $14.4 million being recognised as at 31 December 2023 (31 December 2022: $16.9 million). The remaining net balance of trade receivables (excluding accrued income and related party receivables) is $7.2 million (31 December 2022: $12.7 million).

5. Intangible Assets

	Management rights $M	IT development and software $M	Carbon offsets $M	Total $M
Costs				
Balance at 31 December 2021	52.0	46.3	–	98.3
Additions	–	0.9	2.2	3.1
Write off	–	–	–	–
Balance at 31 December 2022	52.0	47.2	2.2	101.4
Additions	–	1.0	1.3	2.3
Utilisation	–	–	(0.4)	(0.4)
Balance at 31 December 2023	**52.0**	**48.2**	**3.1**	**103.3**
Accumulated amortisation and impairment				
Balance at 31 December 2021	(52.0)	(33.3)	–	(85.3)
Amortisation	–	(1.5)	–	(1.5)
Reversal of impairment	10.2	–	–	10.2
Balance at 31 December 2022	(41.8)	(34.8)	–	(76.6)
Amortisation	–	(3.5)	–	(3.5)
Impairment	–	–	(0.5)	(0.5)
Balance at 31 December 2023	**(41.8)**	**(38.3)**	**(0.5)**	**(80.6)**
Carrying amounts				
Balance at 31 December 2022	10.2	12.4	2.2	24.8
Balance at 31 December 2023	**10.2**	**9.9**	**2.6**	**22.7**

Management rights

Management rights include property management and development management rights. Rights are initially measured at cost and 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, GPT 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.

The asset was impaired in full during the year ended 31 December 2021, with the full amount reversed at 31 December 2022 due to economies of scale benefits as a result of the commencement of management of the UniSuper and ACRT mandates.

IT development and software

Costs incurred in developing systems and acquiring software and licences that will contribute future financial benefits and which the Group 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 over which the benefits are expected to be received, generally 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 triggers exist, management calculate the recoverable amount. The asset is impaired if the carrying value exceeds the recoverable amount. Critical judgements are made by GPT in setting appropriate impairment triggers 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.

5. Intangible Assets continued

Carbon offsets

The Group has purchased carbon credits (or offsets). These carbon credits are used by the Group to offset its operational emissions or to offset embodied carbon within a development project. The carbon credits are measured at cost and management considers that the carbon credits have an indefinite useful life. Therefore, GPT tests for impairment at balance date. The costs of the carbon credits include any direct purchase costs.

Assets are impaired if the carrying value exceeds their recoverable amount. The recoverable amount is determined with reference to the current market price for equivalent carbon credits.

When carbon credits are utilised, they are derecognised and the cost is recognised as an expense where the carbon credits are utilised to offset operational emissions, or capitalised to development costs of investment properties where utilised to offset embodied carbon.

GPT has assessed the carbon credits for impairment indicators and has calculated the recoverable amount where indicators exist. This has resulted in an impairment expense of $0.5 million for the year ended 31 December 2023 (31 December 2022: nil).

6. Inventories

	31 Dec 23 $M	31 Dec 22 $M
Properties held for sale	68.8	–
Development properties	17.4	13.4
Current inventories	**86.2**	**13.4**
Development properties	93.5	141.3
Non-current inventories	**93.5**	**141.3**
Total inventories	**179.7**	**154.7**

Development properties held as inventory are stated at the lower of cost and net realisable value.

Cost includes the cost of acquisition and any subsequent capital addition. 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. A total of $3.6 million in finance costs have been capitalised to inventory for the year ended 31 December 2023 (31 December 2022: $2.2 million). 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.

Net realisable value (NRV)

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

- The most reliable evidence, and
- Any events which confirm conditions existing at the year end that could cause any fluctuations of selling price and costs to sell.

The amount of any write down is recognised as an impairment expense in the Consolidated Statement of Comprehensive Income. An impairment expense of $1.0 million has been recognised for the year ended 31 December 2023 (31 December 2022: $1.1 million).

7. Payables

	31 Dec 23 $M	31 Dec 22 $M
Distribution payable to stapled securityholders	239.4	235.6
Trade payables and accruals	178.8	198.4
GST payables	6.5	6.2
Interest payable	20.7	19.8
Levies payable	29.6	23.8
Other payables	25.2	2.1
Total payables	**500.2**	**485.9**

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

8. Provisions

	31 Dec 23 $M	31 Dec 22 $M
Current provisions		
Employee benefits	20.0	17.3
Other	17.2	26.7
Total current provisions	**37.2**	**44.0**
Non-current provisions		
Employee benefits	1.1	1.5
Total non-current provisions	1.1	1.5
Total provisions	**38.3**	**45.5**

Provisions are recognised when:

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

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

Provision for employee benefits

The provision for employee benefits represents annual leave and long service leave entitlements accrued for employees. The employee benefit liability expected to be settled within twelve months after the end of the reporting period is recognised in current liabilities.

Employee benefit expenses in the Consolidated Statement of Comprehensive Income

	31 Dec 23 $M	31 Dec 22 $M
Employee benefit expenses	157.5	126.5

9. Taxation

	31 Dec 23 Gross $M	31 Dec 23 Tax Impact $M	31 Dec 22 Gross $M	31 Dec 22 Tax Impact $M
a) Income tax expense				
Current income tax expense/(benefit)		11.5		(0.2)
Deferred income tax (benefit)/expense		(4.6)		4.1
Income tax expense in the Consolidated Statement of Comprehensive Income		**6.9**		**3.9**
Income tax expense attributable to profit from continuing operations		6.9		3.9
Aggregate income tax expense		**6.9**		**3.9**
b) Reconciliation of accounting profit to income tax expense/(benefit)				
Net (loss)/profit for the year excluding income tax expense	(233.1)	(69.9)	473.2	142.0
Less: Trust loss/(profit) not subject to tax	234.7	70.4	(447.3)	(134.2)
Profit which is subject to taxation at 30% tax rate	1.6	0.5	25.9	7.8
Tax effect of amounts not deductible/assessable in calculating income tax expense:				
Non-deductible revaluation items in the Company	22.4	6.7	(9.9)	(3.0)
Amounts related to wind up of BGP Holdings plc	(2.5)	(0.7)	(2.3)	(0.7)
Equity accounted losses from joint ventures in the Company	–	–	0.1	–
Profit used to calculate effective tax rate	**21.5**	**6.5**	**13.8**	**4.1**
Other tax adjustments	1.6	0.4	(0.8)	(0.2)
Income tax expense	**23.1**	**6.9**	**13.0**	**3.9**
Effective tax rate		**32%**		**28%**

9. **Taxation** continued

	31 Dec 23 $M	31 Dec 22 $M
c) Current tax (liabilities)/assets		
Opening balance at the beginning of the year	6.2	(6.1)
Current income tax expense/(benefit)	(11.5)	0.2
Tax (refund)/payments made to tax authorities	(0.2)	12.3
Movements in reserves	1.2	(0.2)
Closing balance at the end of the year	**(4.3)**	**6.2**
d) Net deferred tax assets		
Employee benefits	14.8	12.0
Provisions and accruals	2.0	2.0
Right-of-use assets	(6.6)	(9.7)
Lease liabilities	11.2	14.4
Other	5.3	3.2
Net deferred tax assets	**26.7**	**21.9**
Movement in temporary differences during the year		
Opening balance at the beginning of the year	21.9	26.0
Income tax benefit/(expense)	4.6	(4.1)
Movement in reserves	0.2	–
Closing balance at the end of the year	**26.7**	**21.9**

Trust

Property investments are held by the Trust for the purposes of earning rental income. Under current tax legislation, the Trust is not liable for income tax provided the taxable income of the Trust including realised capital gains is attributed in full to its securityholders each financial year. Securityholders are subject to income tax at their own marginal tax rates on amounts attributable to them.

Company

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

Deferred income tax liabilities and assets – recognition

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

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

Deferred income tax liabilities and assets – measurement

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

9. Taxation continued

Tax relating to equity items

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

Effective tax rate

The Australian Accounting Standards Board have issued a Draft Appendix to the Tax Transparency Code outlining the method to calculate the effective tax rate as shown in note 9(b), using:

- Accounting profit before tax adjusted to exclude transactions which are not reflected in the calculation of income tax expense, including,
  - Trust taxable income which is attributed in full to its securityholders, and
  - Non-tax related material items in the Company, and
- Tax expense adjusted to exclude carry forward tax losses that have been recognised and prior year tax under/overstatements.

Attribution managed investment trust regime

The Trust made an election to be an attribution managed investment trust (AMIT). Under Australia's taxation laws, unitholders of the Trust pay income tax to the Federal Government on taxable income that is attributed to them as part of the Trust distribution process.

In the case where a GPT unitholder is an Australian resident, the unitholder pays tax on the taxable income attributed to them at their own applicable tax rate. Where the unitholder is a non-resident, Managed Investment Trust (MIT) withholding tax applies at the rate of 15 per cent where the place of payment is in a country that has an exchange of information agreement with Australia. If such an agreement does not exist, a withholding tax rate of 30 per cent or 45 per cent applies, depending on the circumstances.

CAPITAL STRUCTURE

Capital is defined as the combination of securityholders' equity, reserves and net debt (borrowings less cash and cash equivalents). The Board is responsible for monitoring and approving the capital management framework within which management operates. The purpose of the framework is to safeguard GPT's ability to continue as a going concern while optimising its debt and equity structure. GPT aims to maintain a capital structure which includes net gearing levels within a range of 25 to 35 per cent that is consistent with a stable investment grade credit rating in the "A category".

At 31 December 2023, GPT is credit rated A– (stable) / A2 (stable) by Standard and Poor's (S&P) and Moody's Investor Services (Moody's) respectively. The ratings are important as they reflect the investment grade credit rating of GPT which allows access to global capital markets to fund the business. The stronger ratings improve both the availability of capital, in terms of amount and tenor, and reduce the cost at which it can be obtained.

GPT is able to vary the capital mix by:

- Issuing stapled securities
- Buying back stapled securities
- Activating the distribution reinvestment plan
- Adjusting the amount of distributions paid to stapled securityholders
- Selling assets to reduce borrowings, or
- Increasing borrowings.

10. Equity

a) Contributed equity

	Number	Trust $M	Company $M	Total $M
Ordinary stapled securities				
Opening securities on issue and contributed equity at 1 January 2022	1,915,577,430	8,526.6	331.8	8,858.4
Closing securities on issue and contributed equity at 31 December 2022	**1,915,577,430**	**8,526.6**	**331.8**	**8,858.4**
Opening securities on issue and contributed equity at 1 January 2023	1,915,577,430	8,526.6	331.8	8,858.4
Closing securities on issue and contributed equity at 31 December 2023	**1,915,577,430**	**8,526.6**	**331.8**	**8,858.4**

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

b) Treasury securities

Treasury securities are securities in GPT that the Group has purchased, that are held by GPT Group Stapled Security Plan Trust for the purpose of issuing securities under various employee security schemes. Refer to note 20 for further information. Securities issued to employees are recognised on a first-in-first-out basis.

	Number of securities	$M
Opening balance at 1 January 2022	–	–
Acquisition of securities by the GPT Group Stapled Securities Trust	285,376	1.4
Employee securities issued	(281,910)	(1.4)
Balance at 31 December 2022	**3,466**	**-**
Opening balance at 1 January 2023	3,466	–
Acquisition of securities by the GPT Group Stapled Securities Trust	977,863	4.1
Employee securities issued	(913,724)	(3.8)
Balance at 31 December 2023	**67,605**	**0.3**

10. **Equity** continued

c) Reserves

	Foreign currency translation reserve		Cash flow hedge reserve		Cost of hedging reserve		Employee incentive scheme reserve		Total reserves	
	Trust $M	**Company $M**	**Trust $M**	**Company $M**	**Trust $M**	**Company $M**	**Trust $M**	**Company $M**	**Trust $M**	**Company $M**
Balance at 1 January 2022	(26.4)	18.3	(0.4)	–	6.1	–	–	4.4	(20.7)	22.7
Movement in hedging reserve	–	–	–	–	(0.3)	–	–	–	(0.3)	–
Movement in fair value of cash flow hedges	–	–	(1.8)	–	–	–	–	–	(1.8)	–
Security-based payment transactions, net of tax	–	–	–	–	–	–	–	3.9	–	3.9
Reclassification of employee incentive security scheme reserve to retained earnings/ accumulated losses	–	–	–	–	–	–	–	0.3	–	0.3
Balance at 31 December 2022	**(26.4)**	**18.3**	**(2.2)**	**–**	**5.8**	**–**	**–**	**8.6**	**(22.8)**	**26.9**
Balance at 1 January 2023	(26.4)	18.3	(2.2)	–	5.8	–	–	8.6	(22.8)	26.9
Movement in hedging reserve	–	–	–	–	(4.1)	–	–	–	(4.1)	–
Movement in fair value of cash flow hedges	–	–	11.9	–	–	–	–	–	11.9	–
Security-based payment transactions, net of tax	–	–	–	–	–	–	–	1.3	–	1.3
Reclassification of employee incentive security scheme reserve to retained earnings/ accumulated losses	–	–	–	–	–	–	–	(0.1)	–	(0.1)
Balance at 31 December 2023	**(26.4)**	**18.3**	**9.7**	**–**	**1.7**	**–**	**–**	**9.8**	**(15.0)**	**28.1**

Nature and purpose of reserves

Foreign currency translation reserve

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

Cash flow hedge reserve

The reserve records the portion of the unrealised gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge relationship inclusive of the share of cash flow hedge reserve of equity accounted investments.

Cost of hedging reserve

The reserve records the changes in the fair value of the currency basis that is part of cross currency interest rate swaps used to hedge foreign currency borrowings, but is excluded from the hedge designations. This reserve is inclusive of the share of cost of hedging reserve of equity accounted investments. Refer to note 14 for further details.

Employee incentive scheme reserve

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

10. Equity continued

d) Retained earnings/accumulated losses

	Note	Trust $M	Company $M	Total $M
Balance at 1 January 2022		3,624.6	(811.7)	2,812.9
Net profit for the financial year		446.7	22.6	469.3
Less: distributions paid/payable to ordinary stapled securityholders	12	(668.5)	–	(668.5)
Reclassification of employee incentive security scheme reserve to retained earnings/accumulated losses		(0.3)	–	(0.3)
Balance at 31 December 2022		**3,402.5**	**(789.1)**	**2,613.4**
Balance at 1 January 2023		3,402.5	(789.1)	2,613.4
Net (loss)/profit for the financial year		(255.1)	15.1	(240.0)
Less: distributions paid/payable to ordinary stapled securityholders	12	(478.8)	–	(478.8)
Reclassification of employee incentive security scheme reserve to retained earnings/accumulated losses		0.1	–	0.1
Balance at 31 December 2023		**2,668.7**	**(774.0)**	**1,894.7**

11. (Loss)/earnings per Stapled Security

	31 Dec 23 Cents Basic	31 Dec 23 Cents Diluted	31 Dec 22 Cents Basic	31 Dec 22 Cents Diluted
a) Attributable to ordinary securityholders of the Trust				
Total basic and diluted (loss)/earnings per security attributable to ordinary securityholders of the Trust	(13.3)	(13.3)	23.3	23.3
b) Attributable to ordinary stapled securityholders of the GPT Group				
Total basic and diluted (loss)/earnings per security attributable to stapled securityholders of the GPT Group	(12.5)	(12.5)	24.5	24.5

The earnings and weighted average number of ordinary securities (WANOS) used in the calculations of basic and diluted (loss)/earnings per ordinary stapled security are as follows:

	31 Dec 23 $M Basic	31 Dec 23 $M Diluted	31 Dec 22 $M Basic	31 Dec 22 $M Diluted
c) Reconciliation of (loss)/earnings used in calculating earnings per ordinary stapled security				
Basic and diluted (loss)/earnings of the Trust	(255.1)	(255.1)	446.7	446.7
Basic and diluted earnings of the Company	15.1	15.1	22.6	22.6
Basic and diluted (loss)/earnings of the GPT Group	(240.0)	(240.0)	469.3	469.3

	31 Dec 23 Millions Basic	31 Dec 23 Millions Diluted	31 Dec 22 Millions Basic	31 Dec 22 Millions Diluted
d) Weighted average number of ordinary securities				
WANOS used as the denominator in calculating basic (loss)/earnings per ordinary stapled security	1,915.6	1,915.6	1,915.6	1,915.6
Performance security rights at weighted average basis[1]		1.6		0.7
WANOS used as the denominator in calculating diluted (loss)/earnings per ordinary stapled security		1,917.2		1,916.3

1. Performance security rights granted under the employee incentive schemes are only included in diluted earnings per ordinary stapled security 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. In 2023, the performance security rights are not dilutive as the Group reported a net loss for the period.

11. (Loss)/earnings per Stapled Security continued

Calculation of earnings per stapled security

Basic earnings per stapled security is calculated as net profit/loss attributable to ordinary stapled securityholders of GPT, divided by the weighted average number of ordinary stapled securities outstanding during the financial year which is adjusted for bonus elements in ordinary stapled securities issued during the financial year. Diluted earnings per stapled security is calculated as net profit/loss attributable to ordinary stapled securityholders of GPT divided by the weighted average number of ordinary stapled securities and dilutive potential ordinary stapled securities. Where there is no difference between basic earnings per stapled security and diluted earnings per stapled security, the term basic and diluted earnings per stapled ordinary security is used.

12. Distributions Declared

Distributions declared during the period were:

	Cents per stapled security	Total amount $M
Distributions declared		
2022		
31 December 2021 distribution (paid 28 February 2022)	9.90	189.7
30 June 2022 distribution (paid on 31 August 2022)	12.70	243.2
31 December 2022 distribution (paid on 28 February 2023)	12.30	235.6
Total distributions for the year	**34.90**	**668.5**
2023		
30 June 2023 distribution (paid on 31 August 2023)	12.50	239.4
31 December 2023 distribution declared (payable on 29 February 2024)	12.50	239.4
Total distributions paid/payable for the year	**25.00**	**478.8**

GPT Management Holdings Limited

There were no dividends from GPT Management Holdings Limited during the current or previous financial years. The dividend franking account balance as at 31 December 2023 is $89.1 million based on a 30% tax rate (2022: $88.8m).

General Property Trust

For the current year, the interim and final distribution are paid solely out of the Trust and therefore the franking percentage is not applicable.

13. Borrowings

	31 Dec 23 $M	31 Dec 22 $M
Current borrowings – unsecured[1]	267.0	702.2
Current borrowings – secured	–	2.7
Current borrowings	**267.0**	**704.9**
Non-current borrowings – unsecured[2]	4,529.3	4,259.4
Non-current borrowings – secured	–	88.2
Non-current borrowings	**4,529.3**	**4,347.6**
Total borrowings – carrying amount[3]	**4,796.3**	**5,052.5**
Total borrowings – fair value[4]	**4,686.0**	**4,909.0**

1. Includes $67.1 million of outstanding commercial paper (31 December 2022: $502.3 million) which is an uncommitted line with a maturity period of generally three months or less and is classified as current borrowings. These drawings are in addition to GPT's committed facilities but may be refinanced by non-current undrawn bank loan facilities.
2. Cumulative fair value hedge adjustments and impact of exchange rate changes are shown in the table on page 133.
3. Including unamortised establishment costs, fair value hedge adjustments, impact of exchange rate changes and other adjustments.
4. Of the total estimated fair value, $2,087.9 million (31 December 2022: $2,443.0 million) was classified as level 2 in the fair value hierarchy, and $2,598.1 million (31 December 2022: $2,466.0 million) was classified as level 3. The estimated fair value is calculating using the inputs which are described in Note 15, and excludes unamortised establishment costs.

13. **Borrowings** continued

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

Borrowings are initially measured at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method.

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

The following table outlines the cumulative amount of fair value hedge adjustments and impact of exchange rate changes that are included in the carrying amount of borrowings, which are designated in hedging relationships, in the Consolidated Statement of Financial Position.

	31 Dec 23 $M	31 Dec 22 $M
Nominal amount	2,272.5	2,192.8
Unamortised borrowing costs	(5.0)	(5.5)
Amortised cost	**2,267.5**	**2,187.3**
Cumulative fair value hedge adjustments and impact of exchange rate changes	212.6	174.2
Carrying amount	**2,480.1**	**2,361.5**

The carrying value of cross currency interest rate swaps hedging the above foreign currency borrowings is reflected in the Consolidated Statement of Financial Position within derivative assets totalling $300.4 million (2022: $237.6 million) and within derivative liabilities totalling $68.1 million (2022: $63.6 million).

The maturity profile of borrowings as at 31 December 2023 is as follows:

	Total facility[1,2,3] $M	Used facility[1,2] $M	Unused facility[2] $M
Due within one year	267.1	267.1	–
Due between one and five years	3,489.4	2,014.4	1,475.0
Due after five years	2,329.5	2,294.9	34.6
	6,086.0	**4,576.4**	**1,509.6**
Cash and cash equivalents			67.9
Total financing resources at the end of the year			**1,577.5**
Less: forward start facility			(34.6)
Less: commercial paper[2]			(67.1)
Less: cash and cash equivalents held for the AFSLs			(10.6)
Total financing resources available at the end of the year			**1,465.2**

1. Excluding unamortised establishment costs, fair value hedge adjustments, impact of exchange rate changes and other adjustments and $10 million bank guarantee facilities and its $5.3 million utilisation. This reflects the contractual cash flows payable on maturity of the borrowings taking into account historical exchange rates under cross currency interest rate swaps entered into to hedge the foreign currency borrowings.
2. GPT's commercial paper program is an uncommitted line with a maturity period of generally three months or less and is classified as current borrowings. These drawings are in addition to GPT's committed facilities but may be refinanced by non-current undrawn bank loan facilities and are therefore excluded from available liquidity.
3. Including $34.6 million of forward starting facilities available to GPT.

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

13. **Borrowings** continued

Debt covenants

GPT's borrowings are subject to a range of covenants, according to the specific purpose and nature of the loans. Most bank facilities include one or more of the following covenants:

- Gearing: adjusted borrowings must not exceed 50% of adjusted total tangible assets; and
- Interest coverage: the ratio of operating earnings before interest and taxes to finance costs on borrowings is not to be less than 2 times.

A breach of these covenants may trigger consequences ranging from rectifying and/or repricing to repayment of outstanding amounts. GPT performed a review of debt covenants as at 31 December 2023 and no breaches were identified noting:

- Covenant gearing ratio as at 31 December 2023 is 28.7 per cent, and
- Interest cover ratio for the 12 months to 31 December 2023 is 4.0 times.

14. Financial Risk Management

The GPT Board approve GPT's treasury policy which:

- Establishes a framework for the management of risks inherent to the capital structure
- Defines the role of GPT's treasury, and
- Sets out the policies, limits, monitoring and reporting requirements for cash, borrowings, liquidity, credit risk, foreign exchange, interest rate and other derivative instruments.

a) Derivatives

As part of normal business operations, GPT is exposed to financial market risks which are principally interest rate risk on borrowings and foreign exchange rate risk on foreign currency borrowings. GPT manages these risks through the use of derivative instruments including interest rate swaps (fixed to floating, floating to fixed and floating to floating swaps), cross currency interest rate swaps and option based derivatives. Regular coupons under these instruments are reported in finance costs in the Consolidated Statement of Comprehensive Income along with the interest cost on borrowings to which it relates.

Derivatives are carried in the Consolidated Statement of Financial Position at fair value and classified according to expected cash flow. If they do not qualify for hedge accounting, changes in fair value (including amortisation of upfront payment including premiums) are recognised in net gain/loss on fair value movements of derivatives in the Consolidated Statement of Comprehensive Income. Where derivatives qualify for hedge accounting and are designated in hedge relationships, the recognition of any gain or loss depends on the nature of the item being hedged. Refer to note 14(b) on hedge accounting. All of GPT's derivatives are valued using market observable inputs (level 2). For additional fair value disclosures refer to note 15.

The 31 December 2022 balances of derivative assets and liabilities have been restated to reflect a correction of an immaterial error in determining the current and non-current portions of the balances. The total derivative valuation remains unchanged.

	31 Dec 23 $M	31 Dec 22 $M
Derivative Assets		
Interest Rate Swaps – AUD	63.3	150.6
Cross Currency Interest Rate Swaps – fair value hedges	9.9	0.9
Cross Currency Interest Rate Swaps – fair value and cash flow hedges	290.5	259.3
Total Derivative Assets	**363.7**	**410.8**
Derivative Liabilities		
Interest Rate Swaps – AUD	70.0	125.4
Cross Currency Interest Rate Swaps – fair value hedges	42.6	64.5
Cross Currency Interest Rate Swaps – fair value and cash flow hedges	25.5	21.9
Total Derivative Liabilities	**138.1**	**211.8**
Net Derivative Assets	**225.6**	**199.0**

14. **Financial Risk Management** continued

a) **Derivatives** continued

GPT enters into ISDA (International Swap Derivatives Association) Master Agreements with its derivative counterparties. Under the terms of these agreements, where certain credit events occur, there is a right to set-off the position owing/receivable to a single counterparty to a net position as long as all outstanding derivatives with that counterparty are terminated. As GPT does not presently have a legally enforceable right to set-off, these amounts have not been offset in the Consolidated Statement of Financial Position. In the event a credit event occurred, the ISDA Master Agreement would have the effect of netting, allowing a reduction to derivative assets and derivative liabilities of the same amount of $104.1 million (31 December 2022: $151.6 million).

b) Hedge accounting

GPT's objective is to manage the risk of volatility in FFO and NTA and whilst economic hedges exist to manage its financial market risks, GPT has elected to apply hedge accounting only in relation to foreign currency borrowings. Foreign exchange and interest rate risks arising from foreign currency borrowings are managed with cross currency interest rate swaps which convert foreign currency fixed interest rate cash flows into Australian dollar floating interest rate cash flows.

At inception of the hedge relationship, GPT designates and documents the relationship between the hedging instrument and hedged item and the proposed effectiveness of the risk management objective the hedge relationship addresses. GPT fully hedges 100 per cent of its foreign currency exposure in respect of foreign currency borrowings with cross currency interest rate swaps and therefore applies a hedge ratio of 1:1. This means that whilst there are fair value movements from period to period, there is 100 per cent matching of cash flows, resulting in nil fair value movements over the duration of the borrowings nor FFO impact in any period. On an ongoing basis, GPT determines and documents its assessment of prospective hedge effectiveness of all hedge relationships.

Cross currency interest rate swaps hedging foreign currency borrowings are designated as either dual fair value and cash flow hedges or fair value hedges only.

Fair value hedges

A fair value hedge is a hedge of the exposure to changes in fair value of the underlying item (foreign currency borrowings) that is attributable to a particular risk (movements in foreign benchmark interest rates and if applicable, foreign exchange rates). All changes in the fair value of the foreign currency borrowings relating to the risk being hedged are recognised in the Consolidated Statement of Comprehensive Income together with the changes in the fair value of cross currency interest rate swaps with the net difference reflecting the hedge ineffectiveness.

Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows attributable to a particular risk (movements in foreign exchange rates) associated with a liability (foreign currency borrowings). The portion of the fair value gain or loss on the hedging instrument that is effective (that which offsets the movement on the hedged item attributable to foreign exchange movements) is recognised in Other Comprehensive Income and accumulated in the cash flow hedge reserve in equity and any ineffective portion is recognised as net ineffectiveness on qualifying hedges directly in the Consolidated Statement of Comprehensive Income.

Currency basis

A component of the cross currency interest rate swap is the currency basis. This is a liquidity premium that is charged for exchanging different currencies, and changes over time. Where currency basis has been included in fair value hedge designations, movement in currency basis is recognised in the Consolidated Statement of Comprehensive Income. In all other cases, currency basis have been excluded from GPT's fair value hedge designation with movements recognised in Other Comprehensive Income and accumulated in the cost of hedging reserve in equity.

14. Financial Risk Management continued

b) Hedge accounting continued

Hedging Instruments

The following table shows the nominal amount of derivatives designated in cash flow and/or fair value hedge relationships in time bands based on the maturity of each derivative.

	31 Dec 23				31 Dec 22			
	Less than 1 year $M	1 to 5 years $M	Over 5 years $M	Total $M	Less than 1 year $M	1 to 5 years $M	Over 5 years $M	Total $M
Cross currency interest rate swaps								
USD exposure								
AUD nominal amount	_	372.0	1,085.8	1,457.8	_	210.3	1,247.5	1,457.8
Average receive fixed interest rate	_	3.6%	3.9%		_	3.5%	3.9%	
Average contracted FX rate (AUD/USD)	_	0.9410	0.7874		_	0.9511	0.8056	
HKD exposure								
AUD nominal amount	_	167.9	646.8	814.7	_	69.1	665.9	735.0
Average receive fixed interest rate	_	3.3%	3.7%		_	3.0%	3.5%	
Average contracted FX rate (AUD/HKD)	_	7.1465	5.4990		_	5.7890	5.9420	

The following table shows the impact on the Consolidated Statement of Comprehensive Income relating to hedge ineffectiveness of fair value hedges and the impact on Other Comprehensive Income (OCI) relating to movements in cash flow hedges and the cost of hedging reserve.

	31 Dec 23 $M	31 Dec 22 $M
Fair Value Hedge Movements in Net profit		
Fair value hedge adjustments and impact of exchange rates changes on foreign borrowings	(38.4)	211.0
Gain/(loss) on derivatives designated in hedging relationships	51.0	(210.4)
Net gain from hedge ineffectiveness on qualifying hedges	**12.6**	**0.6**
Movement in Hedge Reserves in OCI		
Movement in cash flow hedge reserve	10.7	(1.7)
Movement in cost of hedging reserve	(3.3)	–
Share of movement in hedge reserves in equity accounted investments	0.4	(0.4)
Net increase/(decrease) in hedge reserves in OCI	**7.8**	**(2.1)**

In these hedge relationships, the main sources of ineffectiveness are:

- The effect of the counterparty and GPT's own credit risk on the fair value of the swaps, which is not reflected in the fair value of the hedged item
- Changes in Australian and foreign swap interest rates which will impact the fair value of the Australian dollar margin and implied foreign currency margin respectively, and
- Changes in currency basis included within fair value hedge designations impacting the fair value of the swaps, which is not reflected in the fair value of the hedged item.

14. Financial Risk Management continued

c) Interest rate risk

GPT's primary interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This mainly arises from borrowings. Interest rate risk inherent on borrowings issued at floating rates is managed by entering into interest rate swaps that are used to convert a portion of floating interest rate borrowings to fixed interest rates, which reduces GPT's exposure to interest rate volatility.

The following table provides a summary of GPT's gross interest rate risk exposure as at 31 December 2023 on interest bearing borrowings as well as the net effect of interest rate risk management transactions. This excludes unamortised establishment costs and fair value and other adjustments.

	31 Dec 23 $M	31 Dec 22 $M
Fixed Rate Exposure		
Fixed rate borrowings	3,119.1	3,239.3
Borrowings hedged via interest rate swaps[1]	1,520.9	192.0
Effective fixed rate borrowings	**4,640.0**	**3,431.3**
Floating Rate Exposure		
Floating rate borrowings	1,457.5	1,628.8
Borrowings hedged via interest rate swaps[1]	(1,520.9)	(192.0)
Effective floating rate borrowings[2]	**(63.4)**	**1,436.8**

1. Net interest rate swaps converting floating rate borrowings into fixed rate borrowings.
2. Asset sales proceeds in December resulted in hedging as at 31 December 2023 of 101%. Average hedging for the year was 88%.

Interest rate risk – sensitivity analysis

The impact on interest expense of a 0.50 per cent increase or decrease in market interest rates is shown below. Finance costs are sensitive to movements in market interest rates on floating rate borrowings over the period (net of any derivatives).

Impact on Consolidated Statement of Comprehensive Income

	31 Dec 23 $M	31 Dec 22 $M
Increase in interest rates of 0.50%	0.3	(7.2)
Decrease in interest rates of 0.50%	2.6	7.2

d) Liquidity risk

Liquidity risk is the risk that GPT, as a result of its operations:

- Will not have sufficient funds to settle a transaction on the due date
- Will be forced to sell financial assets at a value which is less than what they are worth, or
- May be unable to settle or recover a financial asset at all.

GPT manages liquidity risk by:

- Maintaining sufficient cash
- Maintaining an adequate amount of committed credit facilities
- Maintaining a minimum liquidity buffer in cash and surplus committed facilities for the forward rolling twelve month period;
- Minimising debt maturity concentration risk by diversifying sources and spreading maturity dates of committed credit facilities and maintaining a minimum weighted average debt maturity of 4 years, and
- Maintaining the ability to close out market positions.

14. Financial Risk Management continued

d) Liquidity risk continued

The following table provides an analysis of the undiscounted contractual maturities of liabilities which forms part of GPT's assessment of liquidity risk:

	31 Dec 23					31 Dec 22				
	1 year or less $M	Over 1 year to 2 years $M	Over 2 years to 5 years $M	Over 5 years $M	Total $M	1 year or less $M	Over 1 year to 2 years $M	Over 2 years to 5 years $M	Over 5 years $M	Total $M
Liabilities										
Non-derivatives										
Payables	408.5	–	–	–	408.5	397.4	–	–	–	397.4
Borrowings	267.1	252.5	1,761.9	2,294.9	4,576.4	705.0	455.0	1,254.9	2,453.2	4,868.1
Lease liabilities	10.9	8.5	9.0	19.7	48.1	10.6	10.9	15.5	21.7	58.7
Projected finance cost from borrowings[1]	261.9	228.6	476.6	355.1	1,322.2	222.4	211.4	478.7	410.6	1,323.1
Derivatives										
Projected finance cost from derivative liabilities[1,2]	21.6	17.4	33.8	30.9	103.7	12.3	16.4	40.3	38.6	107.6
Total liabilities	**970.0**	**507.0**	**2,281.3**	**2,700.6**	**6,458.9**	**1,347.7**	**693.7**	**1,789.4**	**2,924.1**	**6,754.9**
Less cash and cash equivalents (net of cash held for AFSLs)	57.3	–	–	–	57.3	49.2	–	–	–	49.2
Total liquidity exposure	**912.7**	**507.0**	**2,281.3**	**2,700.6**	**6,401.6**	**1,298.5**	**693.7**	**1,789.4**	**2,924.1**	**6,705.7**
Projected reduction to finance costs from derivative assets[2]	70.0	30.3	26.9	0.7	127.9	48.9	28.1	32.8	1.3	111.1
Net liquidity exposure	**842.7**	**476.7**	**2,254.4**	**2,699.9**	**6,273.7**	**1,249.6**	**665.6**	**1,756.6**	**2,922.8**	**6,594.6**

1. Projection is based on the likely outcome of contracts given the interest rates, margins, interest rate forward curves as at 31 December 2023 and 31 December 2022 up until the contractual maturity of the contract. The projection is based on future non-discounted cash flows and does not ascribe any value to optionality on any instrument which may be included in the current market values. Projected interest on foreign currency borrowings is shown after the impact of associated hedging.
2. In accordance with AASB 7, the future value of contractual cash flows of non-derivative and derivative liabilities only is to be included in liquidity risk disclosures. As derivatives are exchanges of cash flows, the positive cash flows from derivative assets have been disclosed separately to provide a more meaningful analysis of GPT's net liquidity exposure. The methodology used in calculating projected interest income on derivative assets is consistent with the above liquidity risk disclosures.

e) Refinancing risk

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

As at 31 December 2023, GPT's exposure to refinancing risk can be monitored by the spreading of its contractual maturities on borrowings in the liquidity risk table above or with the information in note 13.

14. **Financial Risk Management** continued

f) Foreign exchange risk

Foreign exchange risk refers to the risk that the value of a financial commitment, asset or liability will fluctuate due to changes in foreign exchange rates. GPT's foreign exchange risk arises primarily from:

- Firm commitments of highly probable forecast transactions for receipts and payments settled in foreign currencies or with prices dependent on foreign currencies, and
- Investments in foreign assets.

The foreign exchange risk arising from borrowings denominated in foreign currency is managed with cross currency interest rate swaps which convert foreign currency exposures into Australian dollar exposures. Sensitivity to foreign exchange is deemed insignificant.

Foreign currency assets and liabilities

The following table shows the Australian dollar equivalents of amounts within the Consolidated Statement of Financial Position which are denominated in foreign currencies.

	United States Dollars		Hong Kong Dollars	
	31 Dec 23 $M	31 Dec 22 $M	31 Dec 23 $M	31 Dec 22 $M
Assets				
Derivative financial instruments	222.2	202.2	78.2	58.0
	222.2	202.2	78.2	58.0
Liabilities				
Derivative financial instruments	30.0	32.1	38.2	54.3
Borrowings[1]	1,641.2	1,630.5	843.9	736.5
	1,671.2	1,662.6	882.1	790.8

1. Excluding unamortised establishment costs.

g) Credit risk

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

GPT manages this risk by:

- Establishing credit limits for financial institutions and monitoring credit exposures for customers to ensure that GPT only trades and invests with approved counterparties
- Investing and transacting derivatives with multiple counterparties that have a minimum long term credit rating of A– from S&P, or equivalent if an S&P rating is not available, minimising exposure to any one counterparty
- Providing loans into joint ventures, associates and third parties, only where GPT is comfortable with the underlying property exposure within that entity
- Regularly monitoring loans and receivables balances
- Regularly monitoring the performance of its associates, joint ventures and third parties, and
- Obtaining collateral as security (where appropriate).

Receivables are reviewed regularly throughout the year. A provision for doubtful debts is recognised at an amount equal to lifetime ECL. Refer to note 4 for the calculation of lifetime ECL. GPT's policy is to hold collateral as security over tenants via bank guarantees (or less frequently, collateral such as bond deposits or cash).

The maximum exposure to credit risk as at 31 December 2023 is the carrying amounts of financial assets recognised on GPT's Consolidated Statement of Financial Position. For more information refer to note 4.

15. Other Fair Value Disclosures

Information about how the fair value of financial instruments is calculated and other information required by the accounting standards, including the valuation process, critical assumptions underlying the valuations and information on sensitivity are disclosed in the following table:

Fair value measurement, valuation techniques and inputs

Class of assets/ liabilities	Fair value hierarchy[1]	Valuation technique	Inputs used to measure fair value	Unobservable inputs 31 Dec 23	Unobservable inputs 31 Dec 22
Derivative financial instruments – measured at fair value through profit or loss	Level 2	DCF (adjusted for counterparty credit worthiness)	• Interest rates • Basis • CPI • Volatility • Foreign exchange rates	Not applicable – all inputs are market observable inputs	
Borrowings - measured at amortised cost	Level 2 and Level 3	DCF	• Interest rates • Foreign exchange rates • GPT's own credit spread	Borrowings classified as Level 2 relate to Australian dollar denominated bonds, bank debt and commercial paper. All inputs are market observable. Borrowings classified as Level 3 relate to foreign currency denominated borrowings as GPT's own credit spreads are not market observable. These spreads are sourced from banks. Refer to note 13 for breakdown.	

1. 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 data (unobservable inputs).

Counterparty credit worthiness	Credit value adjustments are applied to derivative assets based on that counterparty's credit risk using observable credit default swap curves as a proxy for credit risk. Debit value adjustments are applied to derivative liabilities based on GPT's credit risk using observable credit default swap curves as a proxy for credit risk.

OTHER DISCLOSURE ITEMS

16. Cash Flow Information

a) Cash flows from operating activities

Reconciliation of net (loss)/profit after tax to net cash inflows from operating activities:

	31 Dec 23 $M	31 Dec 22 $M
Net (loss)/profit for the year	(240.0)	469.3
Fair value loss/(gain) on investment properties	399.3	(34.0)
Net loss/(gain) on fair value movement of derivatives	31.8	(3.8)
Net gain from hedge ineffectiveness on qualifying hedges	(12.6)	(0.6)
Gain on financial liability at amortised cost	(2.7)	(2.4)
Gain on financial asset at amortised cost	(5.8)	–
Impairment expense/(reversal)	3.6	(8.5)
Share of after tax loss of equity accounted investments (net of distributions)	346.7	122.7
Depreciation and amortisation	6.7	4.1
Non-cash revenue/expense adjustments	23.6	36.6
Profit on sale of inventories	(0.4)	(0.4)
Proceeds from sale of inventories	63.1	11.0
Payment for inventories	(26.1)	(15.4)
Movements in working capital and reserves (net of impairment)	(2.8)	(18.2)
Net foreign exchange (gain)/loss	(0.1)	0.4
Other	1.7	1.3
Net cash inflows from operating activities	**586.0**	**562.1**

b) Net debt reconciliation

Reconciliation of net debt movements during the financial year:

	Cash $M	Lease liabilities $M	Borrowings $M	Total net debt $M
1 January 2022	**61.5**	**54.1**	**5,139.3**	
Cash (outflow)/inflow	(1.3)	(9.5)	123.0	
Fair value hedge adjustments and impact of exchange rate changes	–	–	(211.0)	
New leases and modification of lease	–	(0.6)	–	
Other non-cash movements	–	1.4	1.2	
31 December 2022	**60.2**	**45.4**	**5,052.5**	**5,037.7**
1 January 2023	**60.2**	**45.4**	**5,052.5**	
Cash inflow/(outflow)	7.7	(9.6)	(296.1)	
Fair value hedge adjustments and impact of exchange rate changes	–	–	38.4	
New leases and modification of lease	–	(0.3)	–	
Other non-cash movements	–	0.9	1.5	
31 December 2023	**67.9**	**36.4**	**4,796.3**	**4,764.8**

17. Lease Revenue

	31 Dec 23				31 Dec 22			
	Retail $M	Office $M	Logistics $M	Total $M	Retail $M	Office $M	Logistics $M	Total $M
Segment Result								
Lease revenue	300.1	179.3	223.3	702.7	269.8	176.2	208.4	654.4
Recovery of operating costs	85.1	34.2	14.9	134.2	78.9	31.8	14.2	124.9
Share of rent from investment properties in equity accounted investments	1.9	83.4	–	85.3	1.8	87.8	–	89.6
	387.1	296.9	238.2	922.2	350.5	295.8	222.6	868.9
Less:								
Share of rent from investment properties in equity accounted investments				(85.3)				(89.6)
Amortisation of lease incentives and costs				(57.8)				(62.1)
Straightlining of leases				5.1				(1.2)
Eliminations of intra-group lease payments				(2.7)				(2.8)
Impairment reversal on trade and other receivables				(0.5)				(5.9)
Consolidated Statement of Comprehensive Income								
Rent from investment properties				**781.0**				**707.3**

Rent from investment properties

Rent from investment properties in the Consolidated Statement of Comprehensive Income is recognised and measured in accordance with AASB 16 *Leases* (AASB 16). Revenue for leases with fixed increases is recognised on a straight line basis for the minimum contracted rent over the lease term with an asset recognised as a component of investment properties relating to the fixed increases in operating lease rentals in future periods. When GPT provides lease incentives to tenants, these costs are amortised against lease income on a straight line basis. Contingent rental income is recognised as revenue in the period in which it is earned.

In addition to revenue generated directly from the lease, rent from investment properties includes non-lease revenue earned from tenants, predominately in relation to recovery of asset operating costs, which is recognised and measured under AASB 15 *Revenue from Contracts with Customers*.

Management has assessed if a rent waiver constitutes a lease modification under AASB 16 and concluded that where rent waivers relate to periods after the execution of an agreement with the tenant, this constitutes a lease modification and the rent waiver is reflected on a straight line basis over the life of the lease. Rent waivers relating to periods prior to the execution of an agreement are treated as write-offs under AASB 9 where the rent waiver offsets a receivable from the tenant (see note 4). Waivers reflected on invoices issued to tenants and which do not relate to previous outstanding debtors, are shown as a reduction to rent from investment properties on the Consolidated Statement of Comprehensive Income.

18. Commitments

a) Capital expenditure commitments

Commitments arising from contracts principally relating to the purchase and development of investment properties and committed tenant incentives contracted for at balance date but not recognised on the Consolidated Statement of Financial Position are shown below.

	31 Dec 23 $M	31 Dec 22 $M
Retail	24.9	31.4
Office	101.9	104.0
Logistics	27.6	22.7
Properties under development	0.4	28.3
Total capital expenditure commitments	**154.8**	**186.4**

b) Commitments relating to joint ventures

GPT's share of joint ventures' commitments at balance date:

	31 Dec 23 $M	31 Dec 22 $M
Capital expenditure	63.8	63.6
Total joint ventures' commitments	**63.8**	**63.6**

19. Contingent Liabilities

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

As at 31 December 2023, GPT has no material contingent liabilities.

20. Security Based Payments

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

a) GESOP

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

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

b) BBESOP

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

20. **Security Based Payments** continued

c) DSTI

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

d) LTI

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

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

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

Fair value of performance rights and restricted securities under DSTI and LTI

The fair value of the performance rights is recognised as an employee benefit expense over the vesting period (2023: $4.0 million, 2022: $5.9 million) with a corresponding increase in the employee incentive scheme reserve in equity. For LTI, the fair value is measured at grant date. For DSTI, the fair value is measured at each reporting date until the grant date. Total security based payment expense based on the fair value is 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 equity.

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

	2023 LTI	2023 DSTI
Fair value of rights/restricted securities at period end (weighted average)	$2.79	$4.64
Security price at grant date	$4.45	N/A
Security price at period end date	N/A	$4.64
Grant date[1]	1/5/2023	N/A
Vesting date	31/12/2025	31/12/2024
Outperformance vs Index – plan to date	6.4%	N/A
Distribution Yield	5.6%	5.2%
Risk free interest rate	3.0%	N/A
Volatility[2]	24.6%	N/A
Correlation	82.8%	N/A

1. Grant date for 2023 LTI is 10 May 2023 for CEO and 1 May 2023 for other participants. Grant date for 2023 DSTI is based on award date which is expected to be in the first half of 2024.
2. The volatility is based on the historic volatility of the security.

20. Security Based Payments continued

e) Summary table of all employee security schemes

	Number of rights		
	DSTI	LTI and Sign On	Total
Rights outstanding at 1 January 2022	–	2,687,088	2,687,088
Rights granted during 2022	281,910	2,117,982	2,399,892
Rights forfeited during 2022	–	(455,141)	(455,141)
Rights converted to GPT stapled securities during 2022	(281,910)	(52,874)	(334,784)
Rights outstanding at 31 December 2022	–	4,297,055	4,297,055
Rights outstanding at 1 January 2023	**–**	**4,297,055**	**4,297,055**
Rights granted during 2023	**946,098**	**2,605,399**	**3,551,497**
Rights forfeited during 2023	**(66,197)**	**(565,029)**	**(631,226)**
Rights converted to GPT stapled securities during 2023	**(879,901)**	**(33,823)**	**(913,724)**
Rights outstanding at 31 December 2023	**–**	**6,303,602**	**6,303,602**

	Number of stapled securities			
	DSTI	GESOP	BBESOP	Total
Securities outstanding at 1 January 2022	–	–	59,576	59,576
Securities granted during 2022	281,910	56,329	43,645	381,884
Securities vested during 2022	(281,910)	(5,496)	(32,356)	(319,762)
Securities outstanding at 31 December 2022	–	50,833	70,865	121,698
Securities outstanding at 1 January 2023	**–**	**50,833**	**70,865**	**121,698**
Securities granted during 2023	**946,098**	**73,843**	**49,248**	**1,069,189**
Securities forfeited during 2023	**(66,197)**	**–**	**–**	**(66,197)**
Securities vested during 2023	**(879,901)**	**(57,097)**	**(41,246)**	**(978,244)**
Securities outstanding at 31 December 2023	**–**	**67,579**	**78,867**	**146,446**

21. Related Party Transactions

General Property Trust is the ultimate parent entity.

Equity interests in joint ventures and associates are set out in note 3. Receivables from joint ventures and associates are on commercial terms and conditions with detail being set out in note 4.

Key management personnel

Key management personnel compensation was as follows:

	31 Dec 23 $'000	31 Dec 22 $'000
Short term employee benefits	5,994.5	5,836.3
Post employment benefits	201.4	180.9
Long term employee benefits	(35.3)	25.8
Share based payments	595.8	2,387.4
Total key management personnel compensation	**6,756.4**	**8,430.4**

Information regarding individual Directors' and Senior Executives' remuneration is provided in the Remuneration Report. There have been no other transactions with key management personnel during the year.

21. Related Party Transactions continued

Transactions with related parties

	31 Dec 23 $'000	31 Dec 22 $'000
Transactions with related parties other than associates and joint ventures		
Expenses		
Contributions to superannuation funds on behalf of employees	(11,134.4)	(8,603.4)
Transactions with associates and joint ventures		
Revenue and expenses		
Responsible Entity fees from joint ventures and associates	65,122.7	65,702.7
Property management fees	14,722.3	14,250.7
Development management fees from joint ventures and associates	11,302.1	12,633.1
Rent expense	(5,248.0)	(4,355.2)
Management fees from associates	8,245.8	6,277.4
Distributions received/receivable from joint ventures	46,312.9	48,398.2
Distributions received/receivable from associates	123,358.1	141,666.7
Payroll costs recharged to associates	(10,393.5)	(8,763.8)
Other transactions		
Increase in units in joint ventures	80,550.2	144,825.0
Increase in units in associates	12,871.5	9,223.5

22. Auditor's Remuneration

	31 Dec 23 $'000	31 Dec 22 $'000
Audit services		
PricewaterhouseCoopers Australia		
Statutory audit and review of financial reports	1,708.4	1,632.3
Total remuneration for audit services	**1,708.4**	**1,632.3**
Other assurance services		
PricewaterhouseCoopers Australia		
Regulatory and contractually required audits	361.6	321.3
Other assurance services	424.3	129.5
Total remuneration for other assurance services	**785.9**	**450.8**
Total remuneration for audit and assurance services	**2,494.3**	**2,083.1**
Non-audit related services		
PricewaterhouseCoopers Australia		
Other services	–	45.5
Total remuneration for non audit related services	**–**	**45.5**
Total auditor's remuneration	**2,494.3**	**2,128.6**

23. Parent Entity Financial Information

	Parent entity	
	31 Dec 23 $M	31 Dec 22 $M
Assets		
Current assets	1,065.6	1,032.7
Non-current assets	15,985.0	16,747.0
Total assets	**17,050.6**	**17,779.7**
Liabilities		
Current liabilities	1,350.5	940.7
Non-current liabilities	5,038.9	5,223.4
Total liabilities	**6,389.4**	**6,164.1**
Net assets	**10,661.2**	**11,615.6**
Equity		
Equity attributable to security holders of the parent entity		
Contributed equity	8,549.9	8,549.9
Reserves	11.7	4.3
Retained earnings	2,099.6	3,061.4
Total equity	**10,661.2**	**11,615.6**
Profit attributable to members of the parent entity	(496.0)	770.1
Total comprehensive income for the year, net of tax, attributable to members of the parent entity	(496.0)	770.1
Capital expenditure commitments		
Retail	13.6	16.1
Office	37.1	27.1
Logistics	12.1	22.9
Total capital expenditure commitments	**62.8**	**66.1**

Intercompany loan receivables are considered to be low risk, and therefore the impairment provision is determined as 12 months expected credit losses. Applying the expected credit risk model did not result in any significant loss allowance being recognised in 2023.

24. Accounting Policies

a) Basis of preparation

The financial statements are a general purpose financial report which has been prepared:

- In accordance with the requirements of the Trust's Constitution, *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and International Financial Reporting Standards
- In accordance with the recognition and measurement requirements of the International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB)
- On a going concern basis. GPT 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 and future cash flow assessments have been made (refer to note 24(b)). GPT is confident in the belief that it will realise its assets and settle its liabilities and commitments in the normal course of business and for at least the amounts stated in the financial statements. The net deficiency of current assets over current liabilities of $235.7 million arises as a result of the inclusion of borrowings due within 12 months (inclusive of $67.1 million of outstanding commercial paper). As set out in note 13, GPT has access to $1,509.6 million in undrawn financing facilities (prior to repayment of the commercial paper). Refer to note 24(b) for further information on going concern
- Under the historical cost convention, as modified by the revaluation for financial assets and liabilities and investment properties at fair value through the Consolidated Statement of Comprehensive Income
- Using consistent accounting policies with adjustments to bring into line any dissimilar accounting policies being adopted by the controlled entities, associates or joint ventures, and
- In Australian dollars with all values rounded in the nearest hundred thousand dollars in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise stated.

In accordance with Australian Accounting Standards, the stapled entity reflects the consolidated entity. Equity attributable to other stapled entities is a form of non-controlling interest and represents the contributed equity of the Company.

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

As a result of the stapling, investors in GPT may receive payments from each component of the stapled security comprising distributions from the Trust and dividends from the Company.

The financial report was approved by the Board of Directors on 19 February 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 date of this report. In reaching this position, GPT has taken into account the following factors:

- Available liquidity, through cash and undrawn facilities, of $1,465.2 million (after allowing for repayment of $67.1 million of outstanding commercial paper) as at 31 December 2023;
- Weighted average debt facility expiry of 5.9 years, with sufficient liquidity in place to cover the $200.0 million of debt (excluding commercial paper outstanding) due between the date of this report and 31 December 2024;
- Primary covenant gearing of 28.7 per cent, compared to a covenant level of 50.0 per cent, and
- Interest cover ratio for the twelve months to 31 December 2023 of 4.0 times, compared to a covenant level of 2.0 times.

c) Basis of consolidation

Controlled entities

The consolidated financial statements of GPT include the assets, liabilities and results of all controlled entities for the financial year.

Controlled entities are all entities over which GPT has control. GPT 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 to direct the activities of the entity.

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

24. **Accounting Policies** continued

c) **Basis of consolidation** continued

Associates

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

Investments in associates are accounted for using the equity method. Under this method, GPT's investment in associates is carried in the Consolidated Statement of Financial Position at cost plus post acquisition changes in GPT's share of net assets. GPT's share of the associates' result is reflected in the Consolidated Statement of Comprehensive Income. Where GPT's share of losses in associates equals or exceeds its interest in the associate, including any other unsecured long term receivables, GPT does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the associate.

Joint arrangements

Investment in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. GPT has assessed the nature of its joint arrangements and determined it has both joint operations and joint ventures.

Joint operations

GPT has significant co-ownership interests in a number of properties through unincorporated joint ventures. These interests are held directly and jointly as tenants in common. GPT recognises its direct share of jointly held assets, liabilities, revenues and expenses in the consolidated financial statements under the appropriate headings. The investment properties that are directly owned as tenants in common are disclosed in note 2.

Joint ventures

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

d) Other accounting policies

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

i) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

Foreign operations

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

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

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

24. **Accounting Policies** continued

d) **Other accounting policies** continued

ii) Goods and Services Tax (GST)

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

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

iii) Revenue

Rental revenue from investment properties is recognised on a straight line basis for the minimum contracted rent over the lease term with an asset recognised as a component of investment properties relating to the fixed increases in operating lease rentals in future periods. When GPT provides lease incentives to tenants, these costs are amortised against lease income on a straight line basis.

Contingent rental income is recognised as revenue in the period in which it is earned.

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

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

24. Accounting Policies continued

d) Other accounting policies continued

The following table summarises the revenue recognition policies.

Type of revenue	Description	Recognised
Recoveries revenue	The Group recovers the costs associated with general building and tenancy operation from lessees in accordance with specific clauses within lease agreements. These are invoiced monthly based on an annual estimate. The consideration for the current month is due on the first day of the month. Revenue is recognised as the estimated costs are consumed by the tenant. Should any adjustment be required based on actual costs incurred, this is recognised in the Consolidated Statement of Comprehensive Income within the same reporting period and billed annually.	Over time
Recharge revenue	The Group recovers costs for any additional specific services requested by the lessee under the lease agreement. These costs are recovered in accordance with specific clauses within the lease agreements. Revenue from recharges is recognised as the services are provided. The lessee is invoiced on a monthly basis, where applicable. The consideration for the current month is due on the first day of the month.	Over time
Fund management fees	The Company provides fund management services to GPT Wholesale Office Fund (GWOF), GPT Wholesale Shopping Centre Fund (GWSCF), GPT QuadReal Logistics Trust (GQLT) as well as mandates managed by GPT in accordance with their contractual arrangements. The services are utilised on an ongoing basis and revenue is calculated and recognised in accordance with the relevant constitution. The fees are invoiced on a quarterly basis and consideration is payable within 21 days of the quarter end.	Over time
Fee income – property management fees	The Company provides property management services to the owners of property assets in accordance with property services agreements. The services are utilised on an ongoing basis and revenue is calculated and recognised in accordance with the specific agreement. The fees are invoiced monthly with variable payment terms depending on the individual agreements. Should an adjustment, as calculated in accordance with the property services agreement be required, this is recognised in the Consolidated Statement of Comprehensive Income within the same reporting period.	Over time
Fee income – property management leasing fees – over time	Under some property management agreements, the Company provides a lease management service to the owners. These services are delivered on an ongoing basis and revenue is recognised monthly, calculated in accordance with the property management agreement. The fees are invoiced monthly with variable payment terms depending on the individual agreements.	Over time
Fee income – property management leasing fees – point in time	Under some property management agreements, the Company provides a lease management service to the owners. The revenue is recognised when the specific service is delivered (e.g. on lease execution) and consideration is due 30 days from invoice date.	Point in time
Development management fees	The Company provides development management services to the owners of property assets in accordance with development management agreements. Revenue is calculated and recognised in accordance with the specific agreement. The fees are invoiced on a monthly basis, in arrears, and consideration is due 30 days from invoice date.	Over time / point in time
Sale of inventory	Proceeds from the sale of inventory are recognised by the Company in accordance with a specific contract entered into with another party for the delivery of inventory. Revenue is calculated in accordance with the contract. Consideration is payable in accordance with the contract. Revenue is recognised when control has been transferred to the buyer.	Point in time

The Group has $7.5 million of contract assets (31 December 2023: $15.5 million) which amortise over a contract period of two years beginning 16 December 2022. Amortisation of this asset offsets revenue from funds management fees, or is recognised in expenses in the Consolidated Statement of Comprehensive Income, depending on the nature of the contract payments made.

iv) Government grants

Government grants are accounted for under AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*. The standard provides the option to present these amounts as income or as a reduction in expenses.

The Group recognised no land tax relief relating to the period to 31 December 2023 (31 December 2022: $6.6 million). GPT elected to present these amounts as a reduction in expenses.

v) Expenses

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

24. **Accounting Policies** continued

d) **Other accounting policies** continued

vi) Finance costs

Finance costs include interest on borrowings and regular coupons paid or received under derivative instruments hedging GPT's interest rate risk on a portfolio basis, amortisation of discounts or premiums relating to borrowings and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Finance costs are expensed as incurred unless they relate to a qualifying asset.

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

vii) Leases

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, GPT'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 liability
- 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 liability and any variable lease payments not included in the measurement of the lease liability 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 $0.9 million for the year (31 December 2022: $1.2 million).

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 lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration cost.

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, unless they meet the definition of an investment property. Right-of-use assets which meet the definition of an investment property form part of the investment property balance and are measured at fair value in accordance with AASB 140 *Investment Property* (refer note 2 and the following section on ground leases).

GPT's right-of-use assets are all property leases.

GPT 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.

GPT 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.

24. Accounting Policies continued

d) Other accounting policies continued

GPT has assessed the right-of-use assets for impairment indicators and has calculated the recoverable amount where indicators exist. This has resulted in an impairment expense of $1.3 million for the year (31 December 2022: $1.4 million reversal of impairment).

Ground Leases

A lease liability reflecting the leasehold arrangements of investment properties is separately disclosed in the Consolidated Statement of Financial Position and the carrying value of the investment properties is adjusted (i.e. grossed up) so that the net of these two amounts equals the fair value of the investment properties. The lease liabilities are calculated as the net present value of the future lease payments discounted at the incremental borrowing rate.

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

GPT has applied the following standard and amendment for the first time for the annual reporting period commencing 1 January 2023:

- AASB 2021-2 *Amendments to Australian Accounting Standards Disclosure of Accounting Policies and Definition of Accounting Estimates* [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2].
- AASB 2021-6 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies*: *Tier 2 and Other Australian Accounting Standards* [AASB 1049, AASB 1054 and AASB 1060].

Other than the above, there are no significant changes to GPT's financial performance and position as a result of the adoption of the new and amended accounting standards and interpretations effective for annual reporting periods beginning on or after 1 January 2023.

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

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

25. Events subsequent to reporting date

The Directors are not aware of any matter or circumstance occurring since 31 December 2023 that has significantly or may significantly affect the operations of GPT, the results of those operations or the state of affairs of GPT in the subsequent financial periods.

Directors' Declaration

Year ended 31 December 2023

In the Directors of the Responsible Entity's opinion:

a) The consolidated financial statements and notes set out on pages 96 to 153 are in accordance with the *Corporations Act 2001*, including:

- Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
- Giving a true and fair view of GPT's financial position as at 31 December 2023 and of its performance for the financial year ended on that date, and

b) The consolidated financial statements and notes comply with International Financial Reporting Standards as disclosed in note 24 to the financial statements.

c) There are reasonable grounds to believe that GPT 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 a resolution of the Directors.

Vickki McFadden
Chairman

GPT RE Limited
Sydney

19 February 2024

Bob Johnston
Chief Executive Officer and Managing Director

Independent Auditor's Report

Independent auditor's report

To the stapled security holders of the GPT Group

Report on the audit of the financial report

Our opinion

In our opinion:

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

(a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year then ended

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

What we have audited

The Group financial report comprises:

- the Consolidated Statement of Financial Position as at 31 December 2023
- the Consolidated Statement of Comprehensive Income for the year then ended
- the Consolidated Statement of Changes in Equity for the year then ended
- the Consolidated Statement of Cash Flows for the year then ended
- the Notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information
- the Directors' Declaration.

Basis for opinion

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

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

Independence

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

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999

Liability limited by a scheme approved under Professional Standards Legislation.

Our audit approach

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

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

Audit scope	*Key audit matters*
• The structure of the Group is commonly referred to as a stapled group. In a stapled group, the securities of two or more entities are 'stapled' together and cannot be traded separately. In the case of the Group, the units in the Trust have been stapled to the shares in the Company. For the purposes of consolidation accounting, the Trust is the 'deemed' parent and the financial report reflects the consolidation of the Trust and its controlled entities and the Company and its controlled entities. • Our audit focused on where the Group made subjective judgments; for example, significant accounting estimates involving assumptions and inherently uncertain future events.	• Amongst other relevant topics, we communicated the following key audit matter to the Audit and Risk Committee: – Valuation of investment properties, including investment properties in equity accounted investments • This is further described in the *Key audit matters* section of our report.

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 current period. The key audit matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	*How our audit addressed the key audit matter*
Valuation of investment properties, including investment properties in equity accounted investments *Refer to Note 2 and 3* The Group's investment property portfolio is comprised of office, retail and logistics properties including properties under development in those categories. These include:	We developed an understanding of the control activities relevant to our audit over the data provided by the Group to external valuers; and review and recommendation of the valuations by the Valuation Committee. We assessed whether certain control activities were appropriately designed and operated effectively throughout the year ended 31 December 2023.

Key audit matter	*How our audit addressed the key audit matter*
• Directly held properties included in the Consolidated Statement of Financial Position as investment properties valued at $11,265.3 million as at 31 December 2023 (2022: $11,956.6 million). • Investment properties held through associates and joint ventures included in the Consolidated Statement of Financial Position as equity accounted investments. Investment properties are valued at fair value at reporting date using the Group's policy as described in Note 2. The value of investment properties is dependent on the valuation methodology adopted and the inputs and assumptions in the valuation models. The following are significant assumptions in establishing fair value: • Capitalisation rate • Discount rate In line with the Group's valuation policy, GPT independently values each completed investment property (including investment property assets disclosed within equity accounted investments) at least annually. We considered this a key audit matter because of: • the relative size of the investment property balance in the consolidated statement of financial position (including investment properties within equity accounted investments). • the inherently subjective nature of the key assumptions that underpin the valuations, including capitalisation and discount rates. • the extent of judgement involved in considering the impact of the uncertain economic environment on investment property valuations.	We obtained a selection of property market reports and worked together with our real estate experts to develop an understanding of the prevailing market conditions and their expected impact on the Group's investment properties. We agreed the fair value in investment property valuation reports to the Group's accounting records and assessed the competency, capability, and objectivity of the external valuers. We met with management to discuss the specifics of the property portfolio including significant leasing activity, capital expenditure and vacancies impacting the portfolio. For a sample of properties which were assessed as being at greater risk of material misstatement, we performed the following procedures, amongst others, to assess the appropriateness of certain assumptions used in the Group's assessment of fair value. We: • obtained the valuation and held discussions with management to develop an understanding of the basis for assumptions used. • assessed the appropriateness of the methodology adopted and the mathematical accuracy of valuations. • assessed the appropriateness of the capitalisation rate, and discount rate used in the valuations by comparing them against market data for comparable properties. • assessed the appropriateness of other key assumptions in the valuation by considering observable external market data. • met with a selection of external valuation firms to develop an understanding of their processes, judgements and observations. We assessed the reasonableness of the Group's disclosures against the requirements of Australian Accounting Standards.

Other information

The directors of GPT RE Limited, the Responsible Entity of General Property Trust, (the directors) are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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 the financial report.

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

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors report for the year ended 31 December 2023.

In our opinion, the remuneration report of General Property Trust for the year ended 31 December 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

PricewaterhouseCoopers

PricewaterhouseCoopers

Debbie Smith
Partner

Elizabeth Stesel
Partner

Sydney
19 February 2024

Securityholder Information

GPT is listed on the Australian Securities Exchange (ASX) under the ASX Listing Code: GPT. Unless otherwise noted, the information in this section is current as at 31 January 2024.

Voting Rights

Securityholders in The GPT Group are entitled to one vote for each dollar of the value of the total securities they hold in The Group.

Securityholders

Substantial Securityholders as notified to the ASX	Number of Securities
UniSuper Limited	312,149,253
BlackRock Group	216,063,876
The Vanguard Group, Inc.	183,628,450
State Street Corporation	176,822,177

Distribution of Securities	Number of Securityholders	Percentage of total issued Securities
1 to 1,000	14,783	0.34
1,001 to 5,000	12,054	1.58
5,001 to 10,000	3,690	1.39
10,001 to 100,000	2,722	2.97
100,001 and over	103	93.72
Total Number of Securityholders	**33,352**	**100.00**

There were 1,273 securityholders holding less than a marketable parcel of 108 securities, based on a close price of $4.660 as at 31 January 2024, and they hold 43,146 securities.

There are no other classes of quoted equity securities on issue.

Unquoted Equity Securities

The GPT Group has 6,303,602 unquoted Performance Rights on issue to 35 Securityholders under employee incentive schemes.

Twenty Largest Securityholders	Number of Securities	Percentage of total issued Securities
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	673,499,879	35.16
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	376,219,748	19.64
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	335,848,363	17.53
CITICORP NOMINEES PTY LIMITED	218,686,878	11.42
NATIONAL NOMINEES LIMITED	51,086,219	2.67
BNP PARIBAS NOMS PTY LTD <DRP>	36,883,310	1.93
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	20,480,438	1.07
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	13,481,850	0.70
PACIFIC CUSTODIANS PTY LIMITED GPT GROUP PLANS CTRL	6,016,792	0.31
BNPP NOMS PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	4,555,759	0.24
WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	4,031,156	0.21
CITICORP NOMINEES PTY LIMITED	3,728,443	0.19
CHARTER HALL WHOLESALE MANAGEMENT LIMITED <CHARTER HALL DP VALUE AREIT>	3,580,884	0.19
ARGO INVESTMENTS LIMITED	3,480,667	0.18
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	3,180,290	0.17
CHARTER HALL WHOLESALE MANAGEMENT LTD <CH DEEP VALUE AREIT PARTNERSHIP>	2,965,384	0.15
MUTUAL TRUST PTY LTD	2,909,775	0.15
BNP PARIBAS NOMS (NZ) LTD	2,845,405	0,15
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	2,498,082	0.13
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	1,841,095	0.10
Total	**1,767,820,417**	**92.29**
Total Securities on Issue	**1,915,577,430**	**100.00**

Issue of Securities

No GPT securities were issued during the period 1 January 2023 to 31 December 2023.

Securities Purchased On-market

During 2023, 1,100,954 securities were purchased on-market for the purposes of The GPT Group's employee incentive schemes and the average price per security was $4.22.

On-market Buy-back

There is no current on-market buy-back.

Investor Information

Securityholder services – Link Market Services

You can access your investment online at www.linkmarketservices.com.au, signing in using your SRN/HIN, Surname and Postcode. Functions available include updating your address details, downloading a PDF of your Annual Tax Statement and collecting FATCA/CRS self certification.

Also online at www.linkmarketservices.com.au are regularly requested forms relating to payment instructions, name corrections and changes and deceased estate packs.

For assistance with altering any of your investment details, please phone the GPT Registry on 1800 025 095 (free call within Australia) or +61 1800 025 095 (outside Australia).

Electronic communications

GPT encourages our securityholders to receive investor communications electronically, including the Group Annual Report, as part of our commitment to sustainability. These reports are available on our website at www.gpt.com.au.

To register for electronic investor communications, please go to www.linkmarketservices.com.au and register for online services.

Annual General Meeting 2024

GPT's Annual General Meeting (AGM) will be held on 8 May 2024. Details will be provided in the Notice of Meeting. The Chairman's and CEO's addresses will be announced to the ASX on the day.

Investor calendar

Date	Event
8 May 2024	Annual General Meeting
19 August 2024	2024 Interim Result Announcement

An investor calendar is also available on our website at www.gpt.com.au/investor-centre

Distribution policy and payments

GPT has a distribution policy that effectively aligns the Group's capital management framework with our business strategy, which reflects a sustainable distribution level to ensure a prudent approach to managing the Group's gearing through market and economic cycles.

GPT makes distribution payments in Australian dollars to securityholders two times a year, for the six months ended 30 June and the six months ended 31 December.

Feedback, suggestions and complaints

GPT is committed to delivering a high level of service to Securityholders, including responding to complaints in a fair, timely and efficient manner. Should there be some way you think that we can improve our service, we would like to know. Whether you are making a suggestion or a complaint, your feedback is always appreciated and can be provided by telephone on +61 1800 025 095, by fax to +61 2 9287 0303 or by email to complaints@linkmarketservices.com.au. GPT's Investor Complaints Handling Policy can be found at www.gpt.com.au/complaints.

GPT RE Limited is a member (member no.11784) of the Australian Financial Complaints Authority (AFCA), an external dispute resolution scheme to handle complaints from consumers in the financial system. If you are not satisfied with the resolution of your complaint by GPT RE Limited, you may refer your complaint to AFCA, GPO Box 3, Melbourne Victoria 3001, by telephone on 1800 931 678, by email to info@afca.org.au or online at www.afca.org.au.

Glossary

Term	Meaning
A-Grade	As per the Property Council of Australia's 'a guide to office building quality'
ACRT	Australian Core Retail Trust
AFFO	Adjusted Funds From Operations, defined as FFO less maintenance capex, leasing incentives and one-off items calculated in accordance with the Property Council of Australia 'voluntary best practice guidelines for disclosing FFO and AFFO'
AREIT	Australian Real Estate Investment Trust
ASX	Australian Securities Exchange
AUM	Assets under management
bps	Basis points
Capex	Capital expenditure
CBD	Central business district
Carbon neutral	Carbon neutral means reducing emissions where possible and compensating for the remainder by investing in carbon offset projects to achieve net zero overall emissions, as defined in the Australian Government Climate Active Carbon Neutral Standards
Climate Active	Climate Active is an ongoing partnership between the Australian Government and Australian businesses to drive voluntary climate action. Climate Active certifies businesses and organisations that have proven that they are measuring, reducing and offsetting their emissions, with a net result of zero emissions. www.climateactive.org.au
CO_2	Carbon dioxide
CPI	Consumer price index
cps	Cents per security
Decarbonisation	Decarbonisation is the term used for removal or reduction of carbon dioxide (CO_2) output into the atmosphere. Decarbonisation is achieved by switching to usage of low carbon energy sources
DPS	Distribution per security
EBIT	Earnings before interest and tax
Embodied carbon	As per the World Green Building Council 2019 report, "Bringing embodied carbon upfront"
EPS	Earnings per security is defined as Funds From Operations per security
FFO	Funds From Operations. Funds From Operations is defined as the underlying earnings calculated in accordance with the Property Council of Australia 'Voluntary Best Practice Guidelines for Disclosing FFO and AFFO'
Free Cash Flow	Defined as operating cash flow less maintenance and leasing capex and inventory movements. The Group may make other adjustments in its determination of free cash flow for one-off or abnormal items
FUM	Funds under management
GAV	Gross asset value
GFA	Gross floor area
GLA	Gross lettable area
GQLT	GPT QuadReal Logistics Trust
Group total return	Calculated at the Group level as the change in NTA per security plus distributions per security declared over the year, divided by the NTA per security at the beginning of the year
GWOF	GPT Wholesale Office Fund
GWSCF	GPT Wholesale Shopping Centre Fund
HoA	Heads of agreement
IFRS	International Finance Reporting Standards
International Sustainability Standards Board (ISSB)	The ISSB is an independent, private-sector body that develops and approves IFRS Sustainability Disclosure Standards (IFRS SDS). The purpose is to deliver a comprehensive global baseline of sustainability-related disclosure standards that provide investors and other capital market participants with information about companies' sustainability-related risks and opportunities to help them make informed decisions. www.ifrs.org
IRR	Internal rate of return
Major tenants	Retail tenancies including supermarkets, discount department stores, department stores and cinemas
MAT	Moving annual turnover
Mini-major tenants	Retail tenancies with a GLA above 400 sqm not classified as a major tenant
MTN	Medium term notes
N/A	Not applicable
NABERS	National Australian Built Environment Rating System
NAV	Net asset value

Term	Meaning
Net gearing	Defined as debt less cash less cross currency derivative assets add cross currency derivative liabilities divided by total tangible assets less cash less cross currency derivative assets less right-of-use assets less lease liabilities – investment properties
Net Zero	A target of completely negating the amount of greenhouse gases produced by human activity, to be achieved by reducing emissions and implementing methods of absorbing carbon dioxide from the atmosphere. GPT uses the term 'carbon neutral' to describe the outcomes for its emissions reduction targets. This aligns with the language of the Australian Government's Climate Active Carbon Neutral program, which certifies buildings as operating on a carbon neutral basis. GPT's carbon neutral achievements have all been certified by Climate Active and are part of its overall net zero plan
NLA	Net lettable area
NPAT	Net profit after tax
NTA	Net tangible assets
Ordinary securities	Those that are most commonly traded on the ASX. The ASX defines ordinary securities as those securities that carry no special or preferred rights. Holders of ordinary securities will usually have the right to vote at a general meeting of the company, and to participate in any dividends or any distribution of assets on winding up of the company on the same basis as other ordinary securityholders
Paris Agreement	The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21 in Paris, on 12 December 2015 and entered into force on 4 November 2016. Its goal is to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels: Unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement
PCA	Property Council of Australia
Portfolio total return	Calculated as the sum of the net income and revaluation movement of the portfolio divided by the average book value of the portfolio, compounded monthly for a rolling 12 month period
Premium grade	As per the Property Council of Australia's 'a guide to office building quality'
Prime grade	Includes assets of premium and A-grade quality
psm	Per square metre
Representative Concentration Pathways (RCPs)	RCPs are different greenhouse gas concentrations and their radiative forcing potential to describe different climate futures that are considered in scenario analysis
Retail sales	Based on a weighted GPT interest in the assets and GWSCF portfolio. GPT reports retail sales in accordance with the Shopping Centre Council of Australia (SCCA) Guidelines
Specialty tenants	Retail tenancies with a GLA below 400sqm
sqm	Square metre
Taskforce on Climate-Related Financial Disclosures (TCFD)	The TCFD was established by the Financial Stability Board to develop recommendations for more effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions and, in turn, enable stakeholders understanding of the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks. These recommendations were released in 2017 to help companies provide better information to support informed capital allocation: www.fsb-tcfd.org
Taskforce on Nature-related Financial Disclosures (TNFD)	The Taskforce on Nature-related Financial Disclosures (TNFD) has developed a set of disclosure recommendations and guidance that encourage and enable business and finance to assess, report and act on their nature-related dependencies, impacts, risks and opportunities. The recommendations and guidance will enable businesses and finance to integrate nature into decision making. Our aim is to support a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes, aligned with the Global Biodiversity Framework. www.tnfd.global
Total specialties	Retail tenancies including specialty tenants and mini-major tenants
Total tangible assets	Defined as per the Constitution of the Trust and equals total assets less intangible assets reported in the Statement of Financial Position
TSR	Total securityholder return, defined as distribution per security plus change in security price, assuming distributions are reinvested
USPP	United States Private Placement
VWAP	Volume weighted average price
WACD	Weighted average cost of debt
WACR	Weighted average capitalisation rate
WALE	Weighted average lease expiry

Corporate Directory

The GPT Group

Comprising:

GPT Management Holdings Limited
ACN 113 510 188 and

GPT RE Limited
ACN 107 426 504
AFSL 286511

As Responsible Entity for
General Property Trust ARSN 090 110 357

Registered and Principal Administrative Office

Level 51
25 Martin Place
Sydney NSW 2000

Telephone: +61 2 8239 3555
Facsimile: +61 2 9225 9318

Auditors

PricewaterhouseCoopers

One International Towers Sydney,
Watermans Quay, Barangaroo
Sydney NSW 2000

Principal Registry

Link Market Services

GPT Security Registrar
Locked Bag A14
Sydney South NSW 1235

Within Australia: 1800 025 095 (free call)
Outside Australia: +61 1800 025 095

Fax: +61 2 9287 0303
Email: registrars@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

Board of Directors

Vickki McFadden (Chairman)
Bob Johnston
Anne Brennan
Tracey Horton AO
Mark Menhinnitt
Shane Gannon
Robert Whitfield AM

Company Secretaries

Marissa Bendyk
Emma Lawler

Audit Committee

Anne Brennan (Chairman)
Shane Gannon
Robert Whitfield AM

Human Resources and Remuneration Committee

Tracey Horton AO (Chairman)
Anne Brennan
Mark Menhinnitt

Nomination Committee

Vickki McFadden (Chairman)
Bob Johnston
Anne Brennan
Tracey Horton AO
Mark Menhinnitt
Shane Gannon
Robert Whitfield AM

Sustainability and Risk Committee

Robert Whitfield AM (Chairman)
Anne Brennan
Tracey Horton AO
Mark Menhinnitt

gpt

gpt.com.au