GPT Management Holdings Limited
ABN: 67 113 510 188

Interim Financial Report
30 June 2022

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

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

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

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DIRECTORS' REPORT

For the half year ended 30 June 2022

The Directors of GPT Management Holdings Limited (the Company), present their report together with the financial statements of GPT Management Holdings Limited and its controlled entities (the Consolidated Entity) for the half year ended 30 June 2022. The Consolidated Entity is a for profit entity and is stapled to the General Property Trust (Trust). The GPT Group (GPT or the Group) financial statements include the results of the stapled entity as a whole.

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

1. OPERATING AND FINANCIAL REVIEW

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

About GPT

GPT is a vertically integrated diversified property group that owns and actively manages a $27.4 billion portfolio of high quality Australian office, logistics and retail assets. The Group utilises its real estate management platform to enhance returns through property development and funds management.

Listed on the Australian Securities Exchange (ASX) since 1971, today The GPT Group is a constituent of the S&P/ASX 50 Index with a substantial investor base of more than 31,000 securityholders.

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

Review of operations and operating result

The Group delivered a solid result in the first half of 2022, despite the ongoing impacts of the global COVID-19 pandemic and the uncertain economic environment driven by high inflation and rising interest rates. All three business segments reported increased Funds From Operations on the prior corresponding period. This was partially offset by higher corporate and financing costs.

Notwithstanding the effects of COVID-19, retail sales across the portfolio were generally well above 2019 pre-pandemic levels with the only exception being our CBD located asset at Melbourne Central where customer visitation has not fully recovered. High occupancy was retained across the Retail portfolio and leasing spreads continued to improve, with lease structures consisting of fixed base rents and annual fixed increases. Our prime grade Office portfolio occupancy improved compared with June 2021 reflecting the lease up of developments at 32 Smith and Queen & Collins, and was in-line with December 2021 occupancy. Low levels of physical occupancy in part due to the Omicron outbreak and unfavourable weather conditions, led to subdued leasing activity in the March 2022 quarter, with activity increasing in the June 2022 quarter as the operating environment improved. Ongoing structural tailwinds in Logistics generated solid tenant demand, maintaining high occupancy and driving strong rental outcomes across our Logistics portfolio.

During the half we continued to execute on our strategic objectives. We increased our investment in the Logistics sector, completing two developments with a further four projects underway. Our Logistics partnership with QuadReal is well progressed, with half of the $2 billion target committed. Logistics currently represents 28 per cent of the Group's diversified property portfolio. Our Office development pipeline grew by 22 per cent to $5.5 billion. The GPT Wholesale Office Fund's development at 51 Flinders Lane is underway and during the period a development site was secured for the Fund in the North Sydney CBD. Mixed-use development schemes are progressing at Rouse Hill Town Centre and Highpoint Shopping Centre. The sale of a non-core retail asset, Casuarina Square, owned jointly by GPT and the GPT Wholesale Shopping Centre Fund was completed in March 2022. Funds Management growth remains a key focus for the Group and in April 2022, UniSuper selected GPT to manage its $2.8 billion portfolio of real estate investments. The transition to GPT management is expected to complete in September 2022.

The Group's gearing at 30 June 2022 of 27.3 per cent remains below the mid-point of our stated range of 25 - 35 per cent.

The Consolidated Entity's financial performance for the half year ended 30 June 2022 is summarised below.

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The net profit after tax for the half year ended 30 June 2022 is $11,356,000 (Jun 2021: $20,577,000)

For the half year ended	30 Jun 22 $'000	30 Jun 21 $'000	Change %
Property management fees	**21,439**	21,400	—%
Development management fees and revenue	**11,616**	9,826	18%
Fund management fees	**53,144**	48,311	10%
Management costs recharged	**15,550**	15,353	1%
Proceeds from sale of inventory	**—**	11,716	(100%)
Other income	**30**	67	(55%)
Expenses	**(85,727)**	(81,844)	5%
Profit from continuing operations before income tax expense	**16,052**	24,829	(35%)
Income tax expense	**(4,696)**	(4,252)	10%
Net profit for the half year	**11,356**	20,577	(45%)

Consolidated Entity result
The decrease in net profit after tax compared to the profit recognised at 30 June 2021 is largely due to the change in the quantum of the revaluation on the intercompany loans.

Property and Fund Management

Retail
The Consolidated Entity is responsible for property and funds management activities across the retail sector. Property management fees decreased to $11,480,000 in the first half of 2022 primarily as a result of decreased property revenue due to the sale of retail assets during the period. The funds management fee income earned from GPT Wholesale Shopping Centre Fund (GWSCF) to 30 June 2022 remained largely stable at $5,800,000 compared to 30 June 2021 with reductions in the gross asset value of GWSCF post the Wollongong and Casuarina asset divestment being offset by revaluation gains and capital expenditure.

Office
The Consolidated Entity is responsible for property and funds management activities across the office sector. Property management fees increased to $8,341,000 in the first half of 2022 primarily as a result of higher rent and recoverable expenses. The funds management fee income earned from GPT Wholesale Office Fund (GWOF) to 30 June 2022 increased to $20,700,000 as a result of GWOF's growth during the period from 30 June 2021 driven by investment property revaluations and acquisitions.

Logistics
The Consolidated Entity is responsible for property and funds management activities across the logistics sector. Property management fees increased to $1,618,000 in the first half of 2022 as a result of property acquisitions and the conversion of properties from development assets to operating assets.The funds management fee income earned from GPT QuadReal Logistics Trust (GQLT) increased to $1,000,000 as a result of the Group's growing partnership with QuadReal.

Development management fees and revenue
Development management fees have increased by 18 per cent to $11,616,000 primarily due to an increase in development activity as a result of a number of new office and logistics projects commencing in 2022, and additional project work completed on retail assets, specifically Rouse Hill and Melbourne Central.

Management costs recharged
Management costs recharged increased by 1 per cent to $15,550,000 compared to the prior corresponding period due to increasing costs at the corporate level passed onto the assets.

Proceeds from sale of inventory
There were no proceeds from the sale of inventory in the first half of 2022.

Other income
Other income decreased during the period to $30,000 primarily due to a decrease in interest income.

Expenses
Expenses have increased 5 per cent overall to $85,727,000 primarily due to the movement in revaluation of financial arrangements, and an increase in spend on technology projects. This is offset partially by the impairment reversal on right of use assets.

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Financial position

	30 Jun 22 $'000	31 Dec 21 $'000	Change %
Current assets	**113,654**	109,991	3%
Non-current assets	**221,177**	217,060	2%
Total assets	**334,831**	327,051	2%
Current liabilities	**49,761**	67,784	(27%)
Non-current liabilities	**213,184**	198,742	7%
Total liabilities	**262,945**	266,526	(1%)
Net assets	**71,886**	60,525	19%

Total assets increased by 2 per cent to $334,831,000 in the first half of 2022 (Dec 2021: $327,051,000) primarily as a result of the final Boundary Road deposit being paid. There is also an increase in trade receivables and cash compared to the prior corresponding period, slightly offset by a decrease in prepayments and right-of-use assets.

Total liabilities reduced to $262,945,000 in the first half of 2022 (Dec 2021: $266,526,000) due to a decrease in payables mostly in relation to people costs, offset by an increase in intercompany borrowings.

Capital management

The Consolidated Entity has an external loan of $2,547,000 relating to the Metroplex joint venture.

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

Going Concern

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

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

- Available liquidity, through cash and undrawn facilities, of $1,124.0 million (after allowing for refinancing of $517.9 million of outstanding commercial paper) as at 30 June 2022;
- Weighted average debt expiry of 6.3 years, with less than $55.0 million of debt (excluding commercial paper outstanding) due between the date of this report and 30 June 2023;
- Primary covenant gearing of 27.5 per cent, compared to a covenant level of 50.0 per cent; and
- Interest cover ratio at 30 June 2022 of 7.1 times, compared to a covenant level of 2.0 times.

Cash flows

The cash balance at 30 June 2022 increased to $17,990,000 (Dec 2021: $16,590,000).

Operating activities:

Net cash flows from operating activities have decreased in the first half of 2022 to an outflow of $8,194,000 (Jun 2021: $33,179,000 inflow) driven by higher payments for inventory, lower proceeds from inventory sales and higher cash payments throughout the course of the half year.

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

For the half year ended	30 Jun 22 $'000	30 Jun 21 $'000	Change %
Net profit for the half year	**11,356**	20,577	(45%)
Non-cash items included in net profit	**7,979**	1,056	656%
Timing difference	**(27,529)**	11,546	(338%)
Net cash (outflows)/inflows from operating activities	**(8,194)**	33,179	(125%)

Investing activities:

Net cash outflows from investing activities have decreased to $1,319,000 in the first half of 2022 (Jun 2021: $1,713,000) due to lower costs associated with the acquisition of intangible assets.

Financing activities:

Net cash inflows from financing activities have increased to $10,913,000 in the first half of 2022 (Jun 2021: $36,529,000 outflow) primarily due to an increase in proceeds from related party borrowings.

Dividends

The Directors have not declared any dividends for the half year ended 30 June 2022 (Jun 2021: nil).

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Prospects

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

GPT is an owner and manager of $27.4 billion of high quality, diversified real estate assets with a balance sheet portfolio valued at $16.4 billion. Portfolio occupancy at 30 June 2022 was 97.5 per cent and we are expecting that the quality of our portfolio will continue to attract ongoing tenant demand.

The COVID-19 pandemic continues to disrupt the Australian economy and GPT's operating environment. While most government pandemic restrictions have been lifted, global economies including Australia are facing inflationary pressures and central banks including the Reserve Bank of Australia have commenced raising interest rates. As a result, GPT's cost of debt will increase in the second half of 2022 and further in 2023. The effect of rising bond yields is observed in the recent slowing of investment capital flows and general economic uncertainty, with the possibility of an increase in the expectation for higher asset yields in the future. This may lead to a softening of valuation metrics for real estate assets.

Whilst Retail shopping centres have broadly recovered since the end of government pandemic restrictions, the return of CBD workers to the workplace has been subdued even after mandated work from home orders were fully lifted in late February 2022. Conditions including prolonged extreme weather in Sydney and Brisbane, the outbreak of the winter flu season and the current COVID-19 infection wave are impacting office space utilisation.

GPT currently has 8 per cent (by area) of its Office portfolio vacant, and in the remainder of 2022, 9 per cent of the portfolio's leases (by income) expire. Our team is actively pursuing opportunities to secure tenants for this space. Tenants are continuing to seek out accommodation in better quality office buildings and many businesses are taking the opportunity to upgrade their space, leading to growing demand in the premium office market. This supports GPT's view that this segment of the market will be more resilient over the long-term. Our assets have an average NABERS energy rating of 5.8 stars and we expect an increasing number of office tenants will seek to be located in assets with strong environmental credentials.

There has been a strong recovery in sales performance across GPT's Retail portfolio, buoyed by low unemployment and elevated levels of household savings. However, given rising interest rates, it is expected that retail sales growth will moderate.

Strong retail sales volumes continue to underpin demand for Logistics facilities. The logistics sector is also benefiting from ongoing structural tailwinds with occupiers investing in the supply chain, along with increasing penetration of e-commerce. Vacancy rates remain low in the core markets nationwide, resulting in an expectation for further increases in market rents.

The Group has a growing development pipeline with an estimated end value of $8.1 billion, providing the opportunity near term to further up weight in the strong Logistics sector and to create next generation Office assets over the medium to long term in Melbourne, Sydney, North Sydney, Parramatta and Brisbane. The expansion of the Rouse Hill Town Centre and development of residential apartments is expected to commence in the first half of 2023, subject to market conditions and authority approvals.

Strategically the Group is also focused on growing its funds under management, underpinned by the Funds' existing development pipeline and enhanced by UniSuper selecting GPT to manage its $2.8 billion portfolio of real estate investments. The UniSuper mandate transition to GPT management is expected to complete in September 2022. The remaining uncommitted $1 billion capacity in the ungeared GQLT and low gearing levels in GWOF and GWSCF, position each of our funds strongly to grow through opportunistic acquisition and development.

At 30 June 2022, the Group's balance sheet net gearing was 27.3 per cent, below the midpoint of our stated gearing range of 25 - 35 per cent and with cash and undrawn bank facilities totalling $1.1 billion to meet funding requirements through to 2024. GPT has strong credit ratings of A (negative) and A2 (stable) by S&P and Moody's respectively. In light of rising interest rates and uncertainty in higher financing costs, in late July interest rate hedging levels were increased resulting in the Group being 71% hedged on drawn debt as at 30 June 2022 for the next 2.5 years at an average rate of 2.8%.

Our commitment to being a leader in ESG enhances and protects GPT and its assets for the long term. GPT has more carbon neutral certified floorspace than any other Australian property owner, and this continues to grow. We are also innovating with an investment in the restoration of 1,100 hectares of Australian biodiverse native koala habitat in partnership with Greenfleet and First Nations peoples for permanent removal of our development pipeline residual carbon emissions. The large scale of this nature positive initiative provides certainty to stakeholders of GPT's ongoing ability to operate our assets carbon neutral and upfront commit to embodied carbon neutral developments.

Outlook

While uncertainty remains in our trading environment, including further rising interest rates, the Group expects to deliver 2022 FFO of approximately 32.4 cents per security and a distribution of 25.0 cents per security.

GPT's high quality diversified portfolio, strong balance sheet and experienced management team is well positioned to create long-term value for securityholders.

Risk Management

GPT's approach to risk management incorporates culture, conduct, compliance, processes and systems to enable the Group to realise potential opportunities while managing potential adverse effects.

Our commitment to integrated risk management ensures an enterprise-wide approach to the identification, assessment and management of risk, consistent with AS/NZS ISO 31000:2018.

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Risk Management Framework

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

1. Risk Policy – The Risk Policy sets out the Group's approach to risk management, which is reviewed annually by the Board Sustainability and Risk Committee. The Risk Policy is available on GPT's website.

2. Risk Appetite Statement – The Board sets GPT's risk appetite to align with strategy, having regard to GPT's operating environment and key risks. Risk appetite is documented in our Risk Appetite Statement, against which all key investment decisions are assessed.

3. Risk Governance – The Board is supported in its oversight of the Risk Management Framework by the Sustainability and Risk Committee, which reviews the effectiveness of the Framework, and by the Audit Committee, the Leadership Team and the Investment Committee.

4. Risk Culture – GPT maintains a transparent and accountable culture where risk is actively considered and managed in our day-to-day activities. Risk culture is assessed as part of all internal audits and tracked using a Risk Culture Scorecard.

5. Risk Management Processes and Systems – GPT has robust processes and systems in place for the identification, assessment, treatment, assurance and reporting of risk.

Managing risk in an uncertain operating environment

Over the last two years, COVID-19 has been the key driver of risks in GPT's operating environment. GPT's pandemic response is now embedded into our usual business practices and although COVID-19 continues to cause some disruption, the rapidly evolving macro-economic conditions have replaced the pandemic as the primary driver of risks to the business.

In particular, GPT has identified rising inflation and increases in interest rates as having the potential to impact the Group's future financial performance. This can happen directly through increased borrowing and other costs, and indirectly through changes in consumer sentiment, retail sales, supply chain disruption and in the transactions market for commercial real estate, both through a slowing in capital flows and a resetting of required investment returns.

The GPT Board has recently reviewed the Group's Risk Appetite Statement and Key Risks Dashboard, with a focus on the uncertain macro-economic environment. GPT's Risk Management Framework continues to operate effectively.

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

Risks	Our Response	Change in Risk for 6 months to June 2022	Value Creation Input Affected
Portfolio Operating and Financial Performance Our portfolio operating and financial performance is influenced by internal and external factors including our investment decisions, market conditions, interest rates, economic factors and potential disruption.	• A portfolio diversified by sector and geography • Structured review of market conditions twice a year, including briefings from economists • Scenario modelling and stress testing of assumptions to inform decisions • A disciplined investment and divestment approval process, including 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 with limited single tenant exposure • Experienced and capable management, supplemented with external capabilities where appropriate • A structured program of investor engagement	**Increased** Rising inflation and increases in interest rates have the potential to negatively impact GPT's financial performance.	• Our investors • Real estate • Our people • Environment • Our customers, suppliers and communities
Development Development provides the Group with access to new, high quality assets. Delivering assets that exceed our risk adjusted return requirements and meet our sustainability objectives is critical to our success.	• A disciplined acquisition and development approval process, including extensive due diligence requirements • Oversight of developments through regular cross-functional Project Control Group meetings • Scenario modelling and stress testing of assumptions to inform decisions • Experienced management capability • Application of a well defined development risk appetite with metrics around the proportion of a portfolio under development, contractor exposure and leasing pre-commitments	**No change** GPT's development pipeline remains strong, particularly in the Office and Logistics portfolios. There are some signs of supply chain disruption and increasing costs as a result of macro-economic conditions, however these risks are being effectively managed and are not impacting project delivery at the current time.	• Our investors • Real estate • Our people • Environment • Our customers, suppliers and communities

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Risks	Our Response	Change in Risk for 6 months to June 2022	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 • Maintenance of a minimum liquidity buffer in cash and surplus committed credit facilities • Diversified funding sources • Maintenance of a long weighted average debt term, with limits on the maximum amount of debt expiring in any 12 month period • Hedging of interest rates to keep exposure within policy • Limits on currency exposure • Limits on exposure to counterparties	**Increased** Significant liquidity is in place and gearing sits below the mid-point of the stated range, however the cost of debt is increasing materially in the forthcoming periods.	• Our investors
Health and Safety GPT is committed to promoting and protecting the health, safety and wellbeing of its people, customers, contractors and all users of our assets.	• A culture of safety first and integration of safety risk management across the business • Comprehensive health and safety management systems • Training and education of employees and induction of contractors • Engagement of specialist safety consultants to assist in identifying risks and appropriate mitigation actions • Prompt and thorough investigation of all safety incidents to ascertain root causes and prevent future occurrences • Participation in knowledge sharing within the industry • Comprehensive Crisis Management and Business Continuity Plans, tested annually	**No change** COVID-19 continues to present a risk to the health, safety and wellbeing of our employees, customers, contractors and users of our assets. There have been no other changes in the period, which have materially impacted health and safety risk.	• Real estate • Our people • Our customers, suppliers and communities
People and Culture Our ongoing success depends on our ability to attract, engage and retain a motivated and high-performing workforce to deliver our strategic objectives and an inclusive culture that supports GPT's core values.	• Active adoption and promotion of GPT's values • A comprehensive employee Code of Conduct, including consequences for non-compliance • Employee Engagement Surveys every 18 to 24 months with action plans to address results • An annual performance management process, setting objectives and accountability • Promotion of an inclusive workplace culture where differences are valued, supported by policies and training • Monitoring of both risk culture and conduct risk • An incentive system with capacity for discretionary adjustments and clawback policy • Benchmarking and setting competitive remuneration • Development and succession planning • Workforce planning	**No change** The employment market has tightened and competition for skilled resources has increased during the period. As a result, GPT has experienced increased staff turnover, although this increase has not been material and is in line with industry turnover rates.	• Our investors • Our people
Environmental and Social Sustainability Delivering sustainable outcomes for investors, customers, communities and the environment, today and for future generations, is essential. GPT understands and recognises that changes to the environment and society can affect our assets and business operations.	• A portfolio of climate resilient assets that we own, develop and maintain through asset-level investment, divestment and capital expenditure strategies • A world-class Environment and Sustainability Management System, including policies and procedures for managing environmental and social sustainability risks • Participation in the S&P Global Corporate Sustainability Assessment, Global Real Estate Sustainability Benchmark and other industry benchmarks • Climate related risks and potential financial impacts are assessed within GPT's enterprise-wide Risk Management Framework • Climate change reporting in line with the recommendations of the Task Force on Climate-related Financial Disclosures • Active community engagement via The GPT Foundation, GPT's Reconciliation Action Plan and other targeted programs • A Modern Slavery Statement and program of work in response to Modern Slavery legislation	**No change** GPT remains at the forefront of environmental and social sustainability, but acknowledges the speed of change in this area and the need to adapt quickly. It is a key focus area.	• Our investors • Real estate • Our people • Environment • Our customers, suppliers and communities

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Risks	Our Response	Change in Risk for 6 months to June 2022	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 • Information Management policy, guidelines and standards • 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 • Regular updates to technology hardware and software incorporating recommended security patches • External specialists and technology solutions in place to monitor GPT platforms • 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	**No change** There has been no material change in GPT's technology and cyber security risk profile during the period. Cyber security threats are assessed on an ongoing basis, with systems and processes to respond to threats tested regularly.	• Real estate • Our people • Our customers, suppliers and communities
Compliance and Regulation We ensure compliance with all applicable regulatory requirements through our established policies and frameworks.	• An experienced management team with Legal, Tax, Finance, Compliance and Risk Management expertise • Engagement of external expert advisors as required • An internal and external audit program overseen by the Audit Committee of the Board • Active management of the Group's Compliance Plans, in accordance with the requirements of the Corporations Law • Internal committees such as a Continuous Disclosure Committee, a Data Privacy Committee and a Cyber Security Governance Committee to monitor key compliance risks • An Anti-money Laundering and Counter-terrorism Financing Policy, a Conflicts Management Policy, a Whistleblower Policy, a Code of Conduct and other internal policies and procedures which are reviewed and enforced • An ongoing program of training which addresses all key compliance requirements • Active involvement in the Property Council of Australia and other industry bodies	**No change** There has been no material change in GPT's compliance and regulatory risk during the period.	• Our investors • Real estate • Our people • Environment • Our customers, suppliers and communities

2. CLIMATE-RELATED RISK

The need for urgent global action to address climate change has seen increased acceptance and rising momentum over the past year, following events such as the COP26 United Nations Climate Change Conference in October 2021. The outcomes of COP26 highlight the importance of action in this decade to halve emissions by 2030 to have the best chance of keeping global temperatures below 1.5 degrees Celsius.

As the owner and manager of a $27.4 billion portfolio of office, logistics and retail properties across Australia, GPT recognises the importance of identifying, monitoring and transparently reporting the climate change risks and opportunities that could have a material impact on its assets and on the communities in which it operates.

Climate risk considerations inform key decision-making across the Group, both to reduce the impact of our business on the environment and to ensure the resilience of our assets to climate change. These range from resilience planning for a fast transition to a low carbon energy supply to scenario modelling and adaptation planning for future physical impacts during asset acquisitions, major development projects and major lifecycle upgrades.

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

Strategy
GPT's overarching business strategy is outlined in the Our Strategy section of The GPT Group 2021 Annual Report. In 2021, the Group's strategy was refined to include ESG leadership as a strategic priority that will drive our ability to create value in the future. The proactive identification and management of key risks and opportunities, including those related to climate change, support the achievement of the Group's strategy.

Our business strategy of owning, managing, and developing a diversified, high quality portfolio of property assets principally located in Australian capital cities and established regional centres, ensures that we are well positioned to manage stresses and shocks, including those from climate change.

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This strategy also supports a long-term approach to investment in initiatives to help achieve our sustainability goals, including tools to inform building design and operations, and climate scenario modelling. This benefits our tenants and our broader stakeholders and improves the resilience of our assets to the impacts of physical climate risks.

GPT has adopted two global warming scenarios to model the potential future impacts of climate change on its business and to ensure these impacts and opportunities are considered in developing the Group’s strategy.

The Group implemented a range of mitigation and adaptation planning strategies in response to climate change and it is seeing tangible results.

In February this year, Brisbane and its surrounding areas experienced severe flooding, which caused widespread damage and power outages for many businesses and buildings in the city. Centrally located on the Riverside precinct, our iconic One One One Eagle Street and Riverside Centre locations were highly exposed due to the continued swelling of the Brisbane River. However, key capital works and risk management activities that were undertaken following the 2011 flood event, ensured that both buildings were protected and accessible.

This strategic flood mitigation investment, which included newly installed floodgates, sewer and stormwater diversion works and an updated flood management plan, was instrumental in keeping our assets fully operational and the fast actions taken by the building management team meant our customers had constant access, with full services such as electricity, water, and lifts remaining available.

Further examples of our adaptation plans, a detailed summary of the scenarios adopted by GPT, and the potential impacts identified by this analysis can be found in the Group’s Climate Disclosure Statement on GPT's website. This Statement is prepared with reference to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Risk Management

Effective risk management is fundamental to GPT’s ability to achieve its strategic and operational objectives. By understanding and effectively managing risk, GPT can create and protect enterprise value and provide greater certainty and confidence for stakeholders.

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

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

Since 2018, GPT’s Energy Management Plan has paid particular attention to the risks of rising energy costs and reduced reliability of supply as the grid transitions from ageing coal-fired power to renewable energy.

The Plan has three key pillars – decarbonisation, resilient energy supplies and partnerships. Energy efficiency anchors our decarbonisation strategy, with our average building efficiency improving by over 50% since 2005. This has delivered both emissions reductions and significant financial savings to mitigate rising energy prices. Additionally, progressive procurement when buying energy means GPT can optimise energy purchases at less volatile times in the market cycles. On-site solar PV (photo voltaic arrays) projects also reduce exposure to energy market increases.

In addition, the Group has been implementing innovative energy resilience plans with its energy partners. These demand-side flexibility programs use predictive technology to better match our energy consumption to supply availability, allowing us to use less energy when there are supply constraint issues in the grid. Backup generators are utilised when there are severe supply constraints, and GPT are now starting to introduce large battery storage into buildings to further improve resilience. With these processes, we describe our buildings as ‘Smart Energy Hubs’ that are part of the solution for us all to transition to a renewable and sustainable future.

In implementing these three strategies, GPT will see minimal impact on the cost of operating its buildings due to energy market volatility over the next 18 months and it is closely watching the 2024 markets for any longer-term risks.

Metrics and Targets

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

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

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

GPT obtains external certification of its carbon neutral status through the Australian Government Climate Active for Buildings Certification, which covers material Scope 1, 2, and 3 emissions.

In addition, GPT’s corporate activities and business premises, including its travel and consumables, have been certified as carbon neutral by Climate Active since 2011.

Find out more

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

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For the half year ended 30 June 2022

3. EVENTS SUBSEQUENT TO REPORTING DATE

GPT Management Holdings Limited paid the final deposit of $6,384,000 for 865 Boundary Road, Truganina on 30 June 2022 bringing the total paid to $7,511,000. Settlement occurred on 1 July 2022. This asset will be classified as inventory thereafter.

Other than the above, the Directors are not aware of any matter or circumstances occurring since 30 June 2022 that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in the subsequent financial years.

4. DIRECTORS

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

Chairman, Non-Executive Director

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

Chief Executive Officer and Managing Director

Bob Johnston (joined the Board in September 2015)

Non-Executive Directors

Anne Brennan (joined the Board on 1 May 2022)

Tracey Horton AO (joined the Board in May 2019)

Angus McNaughton (joined the Board in November 2018 and retired on 11 May 2022)

Mark Menhinnitt (joined the Board in October 2019)

Michelle Somerville (joined the Board in December 2015)

Robert Whitfield AM (joined the Board in May 2020)

5. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 12 and forms part of the Directors' Report.

6. ROUNDING OF AMOUNTS

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

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

Vickki McFadden
Chairman

Bob Johnston
Chief Executive Officer and Managing Director

Sydney
15 August 2022

Auditor's Independence Declaration

As lead auditor for the review of GPT Management Holdings Limited for the half-year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been:

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

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

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

Susan Horlin
Partner
PricewaterhouseCoopers

Sydney
15 August 2022

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FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Half year ended 30 June 2022

	Note	30 Jun 22 $'000	30 Jun 21 $'000
Revenue			
Funds management fees		**53,144**	48,311
Property management fees		**21,439**	21,400
Development management fees		**11,616**	9,826
Management costs recharged		**15,550**	15,353
		101,749	94,890
Other income			
Interest revenue		**30**	67
Proceeds from sale of inventory		**—**	11,716
		30	11,783
Total revenue and other income		**101,779**	106,673
Expenses			
Remuneration expenses		**60,140**	56,646
Cost of sale of inventory		**—**	9,727
Share of after tax loss/(profit) of equity accounted investments		**75**	(6)
Property expenses and outgoings		**1,881**	1,672
Technology expenses		**7,724**	5,389
Professional fees		**2,146**	2,088
Depreciation of right-of-use asset		**5,333**	4,837
Depreciation		**1,182**	1,235
Amortisation		**800**	1,024
Revaluation of financial arrangements		**783**	(11,320)
Impairment (reversal)/expense		**(2,383)**	2,405
Finance costs		**1,543**	2,110
Other expenses		**6,503**	6,037
Total expenses		**85,727**	81,844
Profit before income tax		**16,052**	24,829
Income tax expense		**4,696**	4,252
Net profit for the half year		**11,356**	20,577
Other comprehensive income			
Items that may be reclassified to profit and loss			
Net foreign exchange translation adjustments		**(9)**	—
Total comprehensive profit for the half year		**11,347**	20,577
Net profit attributable to:			
- Members of the Company		**11,392**	20,574
- Non-controlling interest		**(36)**	3
Total comprehensive income attributable to:			
- Members of the Company		**11,383**	20,574
- Non-controlling interest		**(36)**	3
Earnings per share attributable to the ordinary equity holders of the Company			
Basic and diluted earnings per share (cents per share) - total	8(a)	**0.59**	1.06

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	30 Jun 22 $'000	31 Dec 21 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**17,990**	16,590
Trade receivables		**57,523**	52,018
Other receivables		**20,444**	19,777
Current tax asset		**197**	—
Inventories	4	**14,724**	14,565
Prepayments		**2,776**	7,041
Total current assets		**113,654**	109,991
Non-current assets			
Intangible assets	3	**12,818**	13,029
Property, plant and equipment	5	**8,490**	9,154
Inventories	4	**97,582**	94,115
Equity accounted investments	2	**24,587**	24,634
Right-of-use assets		**41,495**	44,436
Deferred tax asset		**23,104**	26,625
Other assets	6	**13,101**	5,067
Total non-current assets		**221,177**	217,060
Total assets		**334,831**	327,051
LIABILITIES			
Current liabilities			
Payables		**17,896**	29,337
Current tax liability		**—**	6,083
Provisions		**18,622**	19,641
Borrowings	10	**2,547**	2,370
Lease liabilities		**10,696**	10,353
Total current liabilities		**49,761**	67,784
Non-current liabilities			
Borrowings	10	**161,985**	144,367
Provisions		**8,528**	6,269
Lease liabilities		**42,671**	48,106
Total non-current liabilities		**213,184**	198,742
Total liabilities		**262,945**	266,526
Net assets		**71,886**	60,525
EQUITY			
Contributed equity	7	**331,842**	331,842
Reserves		**18,240**	18,235
Accumulated losses		**(296,030)**	(307,422)
Total equity attributable to Company members		**54,052**	42,655
Non-controlling interests		**17,834**	17,870
Total equity		**71,886**	60,525

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Half year ended 30 June 2022

		Company				Non-controlling interests			
	Note	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000	Contributed equity $'000	Accumulated losses $'000	Total $'000	Total equity $'000
Equity attributable to Company Members									
At 1 January 2021		331,974	17,982	(329,329)	20,627	21,172	(2,599)	18,573	39,200
Other comprehensive income for the half year		—	—	—	—	—	—	—	—
Profit for the half year		—	—	20,574	20,574	—	3	3	20,577
Total comprehensive income for the half year		—	—	20,574	20,574	—	3	3	20,577
Transactions with Members in their capacity as Members									
On-market share buy back	7	(132)	—	—	(132)	—	—	—	(132)
Movement in employee incentive security scheme reserve net of tax		—	156	—	156	—	—	—	156
Reclassification of employee incentive security scheme reserve to accumulated losses		—	11	(11)	—	—	—	—	—
At 30 June 2021		331,842	18,149	(308,766)	41,225	21,172	(2,596)	18,576	59,801
Equity attributable to Company Members									
At 1 January 2022		**331,842**	**18,235**	**(307,422)**	**42,655**	**21,172**	**(3,302)**	**17,870**	**60,525**
Foreign currency translation reserve		**—**	**(9)**	**—**	**(9)**	**—**	**—**	**—**	**(9)**
Other comprehensive income for the half year		**—**	**(9)**	**—**	**(9)**	**—**	**—**	**—**	**(9)**
Profit for the half year		**—**	**—**	**11,392**	**11,392**	**—**	**(36)**	**(36)**	**11,356**
Total comprehensive income for the half year		**—**	**(9)**	**11,392**	**11,383**	**—**	**(36)**	**(36)**	**11,347**
Transactions with Members in their capacity as Members									
Movement in employee incentive security scheme reserve net of tax		**—**	**14**	**—**	**14**	**—**	**—**	**—**	**14**
At 30 June 2022		**331,842**	**18,240**	**(296,030)**	**54,052**	**21,172**	**(3,338)**	**17,834**	**71,886**

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

GPT MANAGEMENT HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS

Half year ended 30 June 2022

	Note	30 Jun 22 $'000	30 Jun 21 $'000
Cash flows from operating activities			
Receipts in the course of operations (inclusive of GST)		**105,056**	99,358
Payments in the course of operations (inclusive of GST)		**(95,206)**	(72,675)
Proceeds from the sale of inventories		**—**	11,716
Payments for inventories		**(9,702)**	(1,776)
Interest received		**34**	34
Finance costs paid		**(930)**	(1,005)
Income taxes paid		**(7,446)**	(2,473)
Net cash (outflows)/inflows from operating activities	11	**(8,194)**	33,179
Cash flows from investing activities			
Payments for property, plant and equipment		**(633)**	(638)
Payments for intangibles		**(686)**	(1,075)
Net cash outflows from investing activities		**(1,319)**	(1,713)
Cash flows from financing activities			
Payment for on-market buy-back of securities		**—**	(132)
Repayments of related party borrowings		**(117,032)**	(76,308)
Proceeds from related party borrowings		**132,862**	45,885
Repayments of borrowings		**—**	(1,734)
Proceeds from borrowings		**175**	142
Principal elements of lease payments		**(5,092)**	(4,382)
Net cash inflows/(outflows) from financing activities		**10,913**	(36,529)
Net cash increase/(decrease) in cash and cash equivalents		**1,400**	(5,063)
Cash and cash equivalents at the beginning of the half year		**16,590**	22,968
Cash and cash equivalents at the end of the half year		**17,990**	17,905

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

NOTES TO THE FINANCIAL STATEMENTS
Half year ended 30 June 2022

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

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

The notes to the financial statements are organised into the following sections:
Note 1 - Result for the half year: focuses on results and performance of the Consolidated Entity.
Notes 2 to 6 - Operating assets: provides information on the assets used to generate the Consolidated Entity's trading performance.
Notes 7 to 10 - Capital structure: outlines how the Consolidated Entity manages its capital structure and various financial risks.
Notes 11 to 16 - Other disclosure items: provides information on other items that must be disclosed to comply with Australian Accounting Standards and other regulatory pronouncements.

Key judgements, estimates and assumptions
In applying the Consolidated Entity's accounting policies, management have made a number of judgements, estimates and assumptions regarding future events.

The Consolidated Entity has assessed key judgements and estimates in light of COVID-19 and adjusted the underlying assumptions accordingly.

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

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

RESULT FOR THE HALF YEAR

1. SEGMENT INFORMATION

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

OPERATING ASSETS

2. EQUITY ACCOUNTED INVESTMENTS

	Note	**30 Jun 22 $'000**	31 Dec 21 $'000
Investments in joint ventures	(i)	**14,586**	14,633
Investments in associates	(ii)	**10,001**	10,001
Total equity accounted investments		**24,587**	24,634

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2022

Details of equity accounted investments

Name	Principal activity	Ownership interest			
		30 Jun 22	31 Dec 21	**30 Jun 22**	31 Dec 21
		%	%	**$'000**	$'000
(i) Joint ventures					
Lendlease GPT (Rouse Hill) Pty Limited [(1)]	Property development	**50.00**	50.00	**14,586**	14,633
Total investment in joint ventures				**14,586**	14,633
(ii) Associates					
DPT Operator No. 1 Pty Limited	Management	**91.67**	91.67	**—**	—
DPT Operator No. 2 Pty Limited	Management	**91.67**	91.67	**1**	1
GPT Funds Management Limited	Funds management	**100.00**	100.00	**10,000**	10,000
Total investment in associates				**10,001**	10,001

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

3. INTANGIBLE ASSETS

	Management rights $'000	IT development and software $'000	Total $'000
Cost			
At 1 January 2021	52,042	54,223	106,265
Additions	—	4,357	4,357
Write-off	—	(12,268)	(12,268)
At 31 December 2021	52,042	46,312	98,354
Additions	**—**	**589**	**589**
At 30 June 2022	**52,042**	**46,901**	**98,943**
Accumulated amortisation and impairment			
At 1 January 2021	(41,857)	(39,669)	(81,526)
Amortisation	—	(2,154)	(2,154)
Impairment	(10,185)	(3,728)	(13,913)
Write-off	—	12,268	12,268
At 31 December 2021	(52,042)	(33,283)	(85,325)
Amortisation	**—**	**(800)**	**(800)**
At 30 June 2022	**(52,042)**	**(34,083)**	**(86,125)**
Carrying amounts			
At 31 December 2021	—	13,029	13,029
At 30 June 2022	**—**	**12,818**	**12,818**

Management Rights

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

For the management rights of Highpoint Shopping Centre, management considers the useful life as indefinite as there is no fixed term included in the management agreement. Therefore, the Consolidated Entity considered indicators of impairment or reversal at balance date. Assets are impaired if the carrying value exceeds their recoverable amount. As the asset was impaired in full at 31 December 2021, management determined that there were no indicators of impairment reversal present at 30 June 2022 and as such the nil carrying value remains appropriate.

IT development and software

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

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

Management believe the carrying value reflects the recoverable amount.

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

NOTES TO THE FINANCIAL STATEMENTS
Half year ended 30 June 2022

4. INVENTORIES

	30 Jun 22 $'000	31 Dec 21 $'000
Properties held for sale	**8,400**	8,400
Development properties	**6,324**	6,165
Current inventories	**14,724**	14,565
Development properties	**97,582**	94,115
Non-current inventories	**97,582**	94,115
Total inventories	**112,306**	108,680

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

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

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

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

The Consolidated Entity completed NRV assessments for each inventory asset for the half year and has compared the results to the cost of each asset.

On 29 November 2021, the Consolidated Entity acquired three assets from the Ascot property portfolio. The assets are expected to be sold in the next 12 months and are therefore classified as properties held for sale.

5. PROPERTY, PLANT AND EQUIPMENT

	30 Jun 22 $'000	31 Dec 21 $'000
Computers		
At cost	**22,027**	21,527
Less: accumulated depreciation	**(16,946)**	(16,151)
Total computers	**5,081**	5,376
Office fixtures and fittings		
At cost	**15,989**	15,971
Less: accumulated depreciation	**(12,245)**	(11,858)
Less: accumulated impairment	**(335)**	(335)
Total office fixtures and fittings	**3,409**	3,778
Total property, plant and equipment	**8,490**	9,154

NOTES TO THE FINANCIAL STATEMENTS
Half year ended 30 June 2022

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

	Computers $'000	Office fixtures & fittings $'000	Total $'000
At 1 January 2021			
Opening carrying value	5,002	5,603	10,605
Additions	1,492	93	1,585
Disposals	(57)	(134)	(191)
Transfers	551	(551)	—
Depreciation	(1,612)	(898)	(2,510)
Impairment	—	(335)	(335)
At 31 December 2021	5,376	3,778	9,154
At 1 January 2022			
Opening carrying value	**5,376**	**3,778**	**9,154**
Additions	**519**	**18**	**537**
Disposals	**(19)**	**—**	**(19)**
Depreciation	**(795)**	**(387)**	**(1,182)**
At 30 June 2022	**5,081**	**3,409**	**8,490**

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

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

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

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

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

6. OTHER ASSETS

	30 Jun 22 $'000	31 Dec 21 $'000
Lease incentive assets	**257**	307
Investment in financial assets	**1,200**	—
Other assets	**11,644**	4,760
Total other assets	**13,101**	5,067

CAPITAL STRUCTURE

7. EQUITY

	Number	$'000
Ordinary stapled securities		
Opening securities on issue at 1 January 2021	1,947,929,316	331,974
On-market share buy-back[1]	(32,351,886)	(132)
Closing securities on issue at 30 June 2021	1,915,577,430	331,842
Opening securities on issue at 1 January 2022	**1,915,577,430**	**331,842**
Closing securities on issue at 30 June 2022	**1,915,577,430**	**331,842**

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

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

8. EARNINGS PER SHARE

(a) Basic and diluted earnings per share

	30 Jun 22 **Cents**	30 Jun 21 Cents
Total basic and diluted earnings per share	**0.59**	1.06

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

Profit/(loss) reconciliation - basic and diluted	**30 Jun 22** **$'000**	30 Jun 21 $'000
Profit from continuing operations	**11,392**	20,574
(Loss)/profit attributed to external non-controlling interest	**(36)**	3
	11,356	20,577

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

	30 Jun 22 **Number of shares ‘000s**	30 Jun 21 Number of shares ‘000s
WANOS used as denominator in calculating basic earnings per ordinary share	**1,915,577**	1,933,232
Performance security rights (weighted average basis)[1]	**1,198**	264
WANOS used as denominator in calculating diluted earnings per ordinary share	**1,916,775**	1,933,496

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

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

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

9. DIVIDENDS PAID AND PAYABLE

No dividends have been paid or declared for the half year to 30 June 2022 (2021: nil).

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2022

10. BORROWINGS

	30 Jun 22		31 Dec 21	
	Carrying amount(1)	**Fair value(2)**	Carrying amount(1)	Fair value(2)
	$'000	**$'000**	$'000	$'000
Current borrowings at amortised cost - secured	**2,547**	**2,548**	2,370	2,373
Current borrowings	**2,547**	**2,548**	2,370	2,373
Non-current borrowings from joint ventures at amortised cost	**6,636**	**6,636**	6,636	6,636
Non-current related party borrowings from GPT Trust at amortised cost	**117,893**	**117,893**	100,862	100,862
Non-current related party borrowings from GPT Trust at fair value	**37,456**	**37,456**	36,869	36,869
Non-current borrowings	**161,985**	**161,985**	144,367	144,367
Total borrowings	**164,532**	**164,533**	146,737	146,740

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

The related party borrowings from GPT Trust at fair value are subject to limited recourse based on available funds determined by the repayment fund calculation in the loan agreement. During the period, management determined the fair value of these borrowings by forecasting a best estimate of future repayments. The repayments have been discounted at a risk adjusted rate appropriate to the Consolidated Entity to determine the fair value. This has resulted in a revaluation increase of $587,000 being recognised on the face of the Consolidated Statement of Comprehensive Income during the period as a result of the historical loans with the Trust being valued at $37,456,000 at 30 June 2022 (Dec 2021: $36,869,000). Refer to note 14 for further information on the fair value calculations.

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

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

When the terms of a financial liability are modified, AASB 9 requires an entity to perform an assessment to determine whether the modified terms are substantially different from the existing financial liability. Where a modification is substantial, it will be accounted for as an extinguishment of the original financial liability and a recognition of a new financial liability. Where the modification does not result in extinguishment, the difference between the existing carrying amount of the financial liability and the modified cash flows discounted at the original effective interest rate is recognised in the Consolidated Statement of Comprehensive Income as gain/loss on modification of financial liability. Management has assessed the modification of terms requirements within AASB 9 and have concluded that these will not have a material impact for the Consolidated Entity for the half year ended 30 June 2022.

The maturity profile of borrowings is provided below:

	Total facility(1)	**Used facility(1)**	**Unused facility**
	$'000	**$'000**	**$'000**
Due within one year	2,723	2,548	175
Due between one and five years	149,035	107,667	41,368
Due after five years	419,918	412,781	7,137
	571,676	**522,996**	**48,680**
Cash and cash equivalents			**17,990**
Less: cash and cash equivalents held for AFSLs			**(10,400)**
Total financing resources available at the end of the half year			**56,270**

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

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

The borrowings set out in the maturity tables above include the nominal value of the related party loans which are held at face value.

OTHER DISCLOSURE ITEMS

11. CASH FLOW INFORMATION

Cash flows from operating activities

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

	30 Jun 22	30 Jun 21
	$'000	$'000
Net profit for the year	**11,356**	20,577
Share of after tax loss/(profit) of equity accounted investments (net of distributions)	**75**	(6)
Impairment (reversal)/expense	**(2,383)**	2,405
Non-cash employee benefits - security based payments	**1,565**	769
Fair value movement of investment in Trust	**196**	—
Interest capitalised	**(638)**	(485)
Amortisation of rental abatement	**4**	59
Depreciation expense	**1,182**	1,235
Depreciation of right-of-use assets	**5,333**	4,837
Amortisation expense	**800**	1,024
Non-cash finance costs	**1,235**	2,461
Revaluation of financial arrangements	**587**	(11,320)
Profit on sale of inventory	**—**	(1,988)
Payments for inventories	**(9,702)**	(1,776)
Proceeds from inventories	**—**	11,716
Decrease in operating assets	**217**	1,174
(Decrease)/increase in operating liabilities	**(18,044)**	2,420
Other	**23**	77
Net cash (outflows)/inflows from operating activities	**(8,194)**	33,179

12. COMMITMENTS

(a) Capital expenditure commitments

Capital expenditure commitments at 30 June 2022 were $2,720,000 (Dec 2021: $3,256,000).

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

(b) Commitments relating to equity accounted investments

	30 Jun 22	31 Dec 21
	$'000	$'000
Capital expenditure commitments	**150**	61
Total joint venture and associates commitments	**150**	61

The capital expenditure commitments in the Consolidated Entity's equity accounted investments at 30 June 2022 relate to Lendlease GPT (Rouse Hill) Pty Limited (Dec 2021: Lendlease GPT (Rouse Hill) Pty Limited).

13. CONTINGENT LIABILITIES

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

The Company has provided guarantees over GPT RE Limited as responsible entity of the Trust's obligations under various financing arrangements (including bank facilities, US Private Placement issuances, medium term notes and commercial paper program) and derivative obligations. As at 30 June 2022, the maximum value of these obligations assuming all the loans are fully drawn is A$5.5 billion, with the latest maturity covered by these guarantees in December 2035.

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

14. FAIR VALUE DISCLOSURES

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

NOTES TO THE FINANCIAL STATEMENTS
Half year ended 30 June 2022

(a) Fair value measurement, valuation techniques and inputs

Class of assets / liabilities	Fair value hierarchy	Valuation technique	Classification under AASB 9	Inputs used to measure fair value	Range of unobservable inputs 30 Jun 22	31 Dec 21
Investment in financial assets	Level 1	Market price	Fair value through the profit and loss	Market price	Not applicable - observable input	
Interest free loans from the Trust	Level 3	Discounted cash flow	Fair value through the profit and loss	Discount rate	6.92%	5.81%

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

15. ACCOUNTING POLICIES, KEY JUDGEMENTS AND ESTIMATES

(a) Basis of preparation
The general purpose financial report has been prepared:
- in accordance with the requirements of the Company's constitution, *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting;*
- in accordance with the recognition and measurement requirements of the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB);
- on a going concern basis. The Consolidated Entity has prepared an assessment of its ability to continue as a going concern, taking into account all available information for a period of 12 months from the date of these financial statements. As set out in note 10, the Consolidated Entity has access to $56,270,000 in cash and undrawn loan facilities and future cashflow assessments have been made, taking into consideration appropriate probability-weighted factors. The Consolidated Entity is confident in the belief it will realise its assets and settle its liabilities and commitments in the normal course of business for at least the amounts stated in the financial statements. (Refer to section (b) for further information);
- under the historical cost convention, as modified by the revaluation for financial assets and liabilities at fair value through the Consolidated Statement of Comprehensive Income;
- using consistent accounting policies and adjustments to align any dissimilar accounting policies adopted by the controlled entities, associates or joint ventures; and
- in Australian dollars with all values rounded to the nearest thousand dollars, in accordance with ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191, unless otherwise stated.

This interim financial report does not include all the notes of the type normally included within the annual financial report. Therefore, it is recommended this report be read in conjunction with the annual financial report for the year ended 31 December 2021.

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

The financial report was approved by the Board of Directors on 15 August 2022.

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

GPT believes it is able to meet its liabilities and commitments as and when they fall due for at least 12 months from the reporting date. In reaching this position, GPT has taken into account the following factors:
- Available liquidity, through cash and undrawn facilities, of $1,124.0 million (after allowing for refinancing of $517.9 million of outstanding commercial paper) as at 30 June 2022;
- Weighted average debt expiry of 6.3 years, with less than $55.0 million of debt (excluding commercial paper outstanding) due between the date of this report and 30 June 2023;
- Primary covenant gearing of 27.5 per cent, compared to a covenant level of 50.0 per cent; and
- Interest cover ratio at 30 June 2022 of 7.1 times, compared to a covenant level of 2.0 times.

(c) Significant accounting policies
The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period with the exception of new and amended standards and interpretations commencing 1 January 2022 which were adopted where applicable.

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

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

(ii) Trade receivables
Loans and receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method less any allowance under the 'expected credit loss' (ECL) model. The Consolidated Entity holds these financial assets in order to collect the contractual cash flows, and the contractual terms are solely payments of outstanding principal and interest on the principal amount outstanding.
All loans and receivables with maturities greater than 12 months after the balance date are classified as non-current assets.

Recoverability of receivables
At each reporting date, the Consolidated Entity assesses whether financial assets carried at amortised cost are 'credit-impaired'. 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.

The Consolidated Entity recognises loss allowances at an amount equal to lifetime ECL on trade and other receivables. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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

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

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

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

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

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

Lease liabilities are subsequently measured by:

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

Interest on the lease liabilities and any variable lease payments not included in the measurement of the lease liabilities are recognised in the Consolidated Statement of Comprehensive Income in the period in which they relate. Interest on lease liabilities included in finance costs in the Consolidated Statement of Comprehensive Income totalled $880,000 for the half year (Jun 2021: $923,000).

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

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

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

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

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

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

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

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

The Consolidated Entity has assessed the right-of-use assets for impairment indicators and has calculated the recoverable amount where indicators exist. This has resulted in net impairment reversal of $2,392,000 for the half year (Jun 2021: $2,485,000 expense).

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

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

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

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

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

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

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

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

(vi) Provisions
Provisions are recognised when:

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

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

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

(e) New accounting standards and interpretations issued but not yet adopted
There are no new standards or amendments to standards relevant to the Consolidated Entity.

16. EVENTS SUBSEQUENT TO REPORTING DATE

GPT Management Holdings Limited paid the final deposit of $6,384,000 for 865 Boundary Road, Truganina on 30 June 2022 bringing the total paid to $7,511,000. Settlement occurred on 1 July 2022. This asset will be classified as inventory thereafter.

Other than the above, the Directors are not aware of any matter or circumstances occurring since 30 June 2022 that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in the subsequent financial years.

DIRECTORS' DECLARATION

Half year ended 30 June 2022

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

(a) the consolidated financial statements and notes set out on pages 13 to 26 are in accordance with the *Corporations Act 2001*, including:
   - complying with Accounting Standard AASB 134 *Interim Financial Reporting* , the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   - giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and of its performance for the half year ended on that date; and

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

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

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

Vickki McFadden
Chairman

Bob Johnston
Chief Executive Officer and Managing Director

GPT Management Holdings Limited

Sydney
15 August 2022

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

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of GPT Management Holdings Limited (the Company) and the entities it controlled during the half-year (together the Consolidated Entity), which comprises the Consolidated Statement of Financial Position as at 30 June 2022, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the half-year ended on that date, significant accounting policies and explanatory notes and the Directors' Declaration.

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

1. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and of its performance for the half-year ended on that date

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

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

Responsibilities of the directors for the half-year financial report

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

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

PricewaterhouseCoopers

PricewaterhouseCoopers

S. Horlin

Susan Horlin
Partner

Sydney
15 August 2022