



Annual Report
2021

GPT
The GPT Group

Celebrating 50 years of creating value and enriching communities.

Celebrating **50** years

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Welcome to The GPT Group 2021 Annual Report.

GPT acknowledges the Traditional Custodians of the lands on which our business and assets operate, and recognise their ongoing connection to land, waters and community. We pay our respects to First Nations Elders past, present and emerging.

This Annual Report describes our strategy, reports our performance in financial, environmental, social and governance matters, and outlines how we create value over the short, medium and long term. It is prepared with reference to the International Integrated Reporting Framework and the Global Reporting Initiative (GRI). These frameworks inform our determination of the material matters we report. Information regarding our materiality assessment can be found on page 34.

In this report references to 'GPT', 'Group', 'we', 'us' and 'our' refer to The GPT Group, unless otherwise stated. Information in this Annual Report is stated as at 31 December 2021 unless otherwise indicated. References in this report to a 'year', '2021' and 'FY21' refer to the financial year ended 31 December 2021 unless otherwise stated. All values are expressed in Australian currency unless otherwise indicated. Key statistics for the Retail, Office and Logistics divisions include The GPT Group's weighted interest in the GPT Wholesale Shopping Centre Fund (GWSCF), the GPT Wholesale Office Fund (GWOF), and the GPT QuadReal Logistics Trust (QFLT) respectively.

2021 Highlights

Funds from Operations (FFO)
(2020: \$554.7m)

\$554.5m

Portfolio occupancy
(2020: 98.4%)

97.7%

Development pipeline
(2020: \$5.1b)

\$5.7b

Distribution per security
(2020: 22.50¢)

23.20¢

Total Return
(2020: (2.4)%)

14.1%

Emissions intensity
reduction since 2005
(2020: 75%)

82%

Reporting suite

The Annual Report is the primary document in our reporting suite. It summarises the value created by GPT's business activities together with the annual financial statements for the Group. Further information is available in our broader reporting suite, which includes:

RESULTS PRESENTATION AND DATA PACK + PROPERTY COMPENDIUM



CLIMATE DISCLOSURE STATEMENT



CORPORATE GOVERNANCE STATEMENT



MODERN SLAVERY STATEMENT

(Published Dec 2021)



SUSTAINABILITY REPORT

(To publish Apr 2022)



About GPT

GPT is a vertically integrated diversified property group that owns and actively manages a \$26.9 billion portfolio of high quality Australian office, logistics and retail assets. The Group leverages 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 32,000 securityholders.

Our vision

To be the most respected property company in Australia in the eyes of our investors, people, customers and communities.

Our purpose

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.

Our values

Each day, our core values guide our employees as they work to deliver on our purpose.



Safety First – Everyone, Always

We care about people above everything else.



Deliver Today, Create Tomorrow

We focus on the present and the future to deliver consistent, dependable performance.



Value Differences, Play as a Team

We embrace our diverse backgrounds, experiences and perspectives, working together for the best outcome.



Raise the Bar

We think big, take initiative, share ideas and challenge the status quo.



Speak Up

We are courageous and speak up about things that matter.

Celebrating 50 years

A proud history and an exciting future

As Australia's first real estate investment trust (A-REIT), units in The General Property Trust first traded on the Sydney Stock Exchanges on 28 April, 1971. The Trust's 6 million units were held by approximately 2,300 unitholders and provided everyday 'mum and dad' investors with the opportunity to invest in commercial property and share in its consistent returns.

The portfolio was valued at \$6.1 million at 30 June 1971 and consisted of Penrith Plaza shopping centre (still 50 per cent owned by GPT today and now named Westfield Penrith) and residential apartments in the Sydney suburbs of Gladesville and Homebush.

While the diversity and composition of our property portfolio has changed over the years, the foundations have remained the same – to deliver growing and predictable returns for investors of all sizes and to do so in a way that creates value for all stakeholders.



Our portfolio

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



Office

- » 27 assets
- » 1,030,000 square metres NLA
- » 400+ tenants
- » \$6.1 billion GPT owned portfolio
- » \$14.1 billion assets under management



Logistics

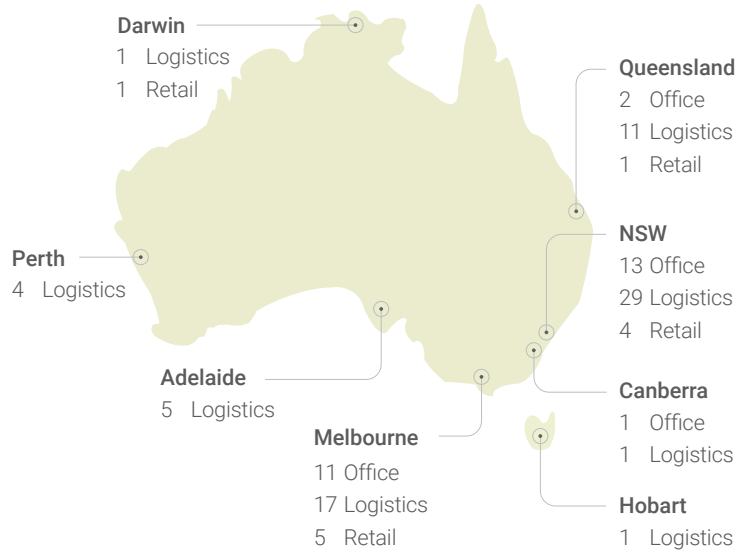
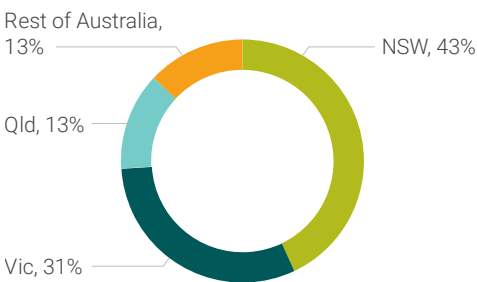
- » 69 assets
- » 1,410,000 square metres NLA
- » 110+ tenants
- » \$4.4 billion GPT owned portfolio
- » \$4.5 billion assets under management



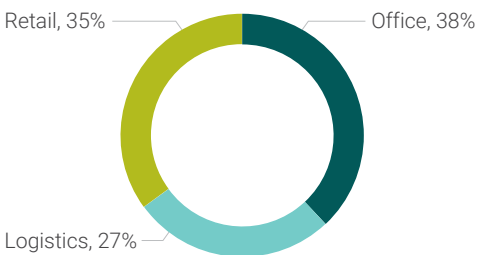
Retail

- » 11 shopping centres
- » 900,000 square metres GLA
- » 2,900+ tenants
- » \$5.6 billion GPT owned portfolio
- » \$8.3 billion assets under management

Diversity across locations



Diversity across asset classes



Letter to Securityholders

2021 Annual Result

2021 was another year punctuated by the impacts of the global pandemic and the measures implemented to protect the health and safety of the community. Its effects have been far reaching, taking a toll on our people, our customers and the community. The resilience and commitment of our teams to support our customers and communities has been remarkable and is to be commended. Despite the Omicron variant of COVID-19 now causing further disruption, the successful implementation of the national vaccination program provides a level of optimism that there is light at the end of the tunnel.

The Group delivered Funds From Operations (FFO) of \$554.5 million for the 12 months ended 31 December 2021, in line with the prior year. FFO per security increased 1.2 per cent to 28.82 cents, reflecting the reduction in securities due to the on-market buy back. For the year ended 31 December 2021, the Group bought back 32.3 million securities (1.7 per cent of securities issued) for a total consideration of \$146.8 million, an average price of \$4.54 per security.

Our Statutory Net Profit After Tax was \$1,422.8 million compared to a loss of \$213.2 million in the prior year, predominantly due to favourable investment property valuation movements of \$924.3 million. The Group's Total Return for the year increased to 14.1 per cent due to investment property valuation gains driving an increase in Net Tangible Assets per security by 9.3 per cent to \$6.09. A second half 2021 distribution of 9.9 cents was declared on 14 February 2022, resulting in a full year distribution of 23.2 cents per security. This is an increase of 3.1 per cent compared to the prior year.

Prudent capital management remained a focus for the Group during the year while continuing to deliver on our strategic objectives, with strong credit ratings of 'A negative' and 'A2 stable' by S&P and Moody's respectively. Gearing increased to 28.2 per cent, up 5 percentage points on the prior year, primarily due to the acquisition of the Ascot Capital logistics portfolio in November.

Executing on our strategy to create long term value

Owning and managing a diversified portfolio of high quality real estate in Australia's largest cities is core to our strategy and provides us with the opportunity to benefit from sectors with favourable trends while reshaping our exposure to others. Productive relationships with our customers are central to our success, and we remain committed to ensuring that we have a customer-centric approach across the business. Customer engagement provides rich insights into the space, services, and experiences our customers desire, and positions us to exceed their evolving expectations. This engagement informs our development projects, further investment in our assets, and investments in technology and sustainability which are of ever-growing importance to our customers.

Consistent with our strategy, we increased our investment in the Logistics sector through both acquisitions and developments during the year. At year end, our Logistics assets represented approximately 27 per cent of the Group's diversified real estate portfolio. The Logistics sector continues to benefit from strong structural tailwinds and investor demand. Revaluation gains from the Logistics portfolio were approximately \$555 million. With a \$1.6 billion development pipeline, we remain on track to grow Logistics to be approximately 30 per cent of the Group's investment portfolio.

Office occupancy for our \$6.1 billion portfolio was 92.9 per cent at 31 December 2021. This includes 32 Smith and the GPT Wholesale Office Fund's (GWOF) Queen & Collins developments completed in the year, which, including Heads of Agreement, are 81.7 per cent and 50.2 per cent committed respectively. In December, we commenced GWOF's 28,300 square metre development at 51 Flinders Lane.

Retail portfolio occupancy was 99.1 per cent at 31 December 2021. There was significant leasing activity during the year, with 561 deals completed and an improvement in all key leasing metrics compared to December 2020. In February 2022, GPT and the GPT Wholesale Shopping Centre Fund (GWSCF) announced the sale of Casuarina Square shopping centre in Darwin for a net sale price of \$397 million. This asset was considered

non-core for GPT, and we expect to redeploy the capital into new opportunities that will generate long-term value for investors.

Our Funds Management platform has expanded through the creation of the GPT QuadReal Logistics Trust with global real estate firm QuadReal. GPT has a 50.1 per cent interest in the venture and provides acquisition, development and investment management services. Approximately 70 per cent of the \$1 billion target has been committed to secured projects.

Sustainability

Excellence in environmental, social and governance (ESG) matters underpins our activities and the business's future performance. Leadership in ESG was elevated to a strategic priority following our regular review of the Group's strategy in 2021.

Safety is a core value for the Group. All GPT employees play a part in ensuring that our colleagues, stakeholders and visitors to GPT's workplaces or assets go home safely. We instil a 'Safety First' culture across all of our activities, including ensuring that all new employees participate in our safety leadership program as part of their induction process.

An ongoing focus on employee wellbeing has also been of paramount importance given the sustained impact of the pandemic. To support their wellbeing during restrictions, we centred our efforts on providing opportunities for our people to come together to continue building a sense of community and culture and on providing support with a focus on their mental health and family life. This included bespoke wellbeing programs and education sessions, and creating opportunities to engage with their colleagues. Regular communication through virtual Town Hall meetings and individual team meetings has also been effective in keeping people feeling connected and supported.

Global action to address climate change accelerated in 2021. GPT has been proactive in relation to ensuring the resilience of its portfolio and minimising its impact on the environment. We have established a target for our managed assets to be certified as operating on a carbon neutral basis by 2024. We remain on track to achieve this target with our asset teams progressively working through the certification of our Office assets



Vickki McFadden

Bob Johnston

with GWOF's portfolio achieving carbon neutral status in 2020. We will have further assets certified as operating carbon neutral in 2022, including two Retail shopping centres.

Aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we have released our third Climate Disclosure Statement. This Statement outlines our progress and priorities in addressing climate-related risk, and demonstrates our consideration of this risk as part of our investment, development, and asset management activities.

The importance of respecting human rights, including the rights of First Nations people, and the related need for meaningful action to identify and eliminate modern slavery continues to shape our social and community engagement. GPT respects and upholds human rights in line with the United Nations Guiding Principles on Business and Human Rights and continues to enhance transparency in this area. The Group's second Modern Slavery Statement was released in December and describes our progress and our future plans to address this complex global challenge.

We completed our Stretch Reconciliation Action Plan (RAP) during the year and will continue to contribute to reconciliation through our next RAP which will be released in 2022. We are partnering with First Nations stakeholders to inform our developments and to support opportunities for our people, customers and communities to explore the ancient cultures and traditions of Australia's First Nations people through our commitments and activities.

An inclusive, empowered corporate culture and work environment drives the Group's success. We continued our progress towards our diversity, inclusion and equity targets during 2021, retaining our status as an Employer of Choice for Gender Equality, a Bronze Employer for LGBTQ+ Inclusion, and seeking certification as a Family Inclusive Workplace. Our CEO and Managing Director, Bob Johnston, continues his active membership of the Property Champions of Change Coalition to improve inclusion and reduce gender bias across the property sector and corporate Australia.

Leadership Team changes

In January 2022, we announced changes to the Group's Leadership Team and organisational structure to reflect the growth in our Logistics portfolio, provide greater sector alignment and enhance operational efficiencies. These changes also reflect the changing dynamics of the markets and our business.

Martin Ritchie has been appointed as the Head of Office and brings deep experience in the sector, having been the GWOF Fund Manager since the inception of the Fund in 2006. Martin will retain oversight of GWOF. Chris Davis, who has been instrumental in growing the Logistics portfolio over the last six years, has been appointed as Head of Logistics and will also oversee the expansion of the QuadReal partnership. Chris Barnett's role as Head of Retail and Mixed-Use has been expanded to include oversight of GWSCF. As a result of these changes long standing members of the Leadership Team, Mathew Faddy and Nicholas Harris, have departed GPT.

James Coyne, the Group General Counsel and Company Secretary will also be departing the Group in April 2022 and will be replaced by Marissa Bendyk, who is currently the General Counsel, Corporate and Governance & Group Company Secretary for AMP Limited.

Corporate governance

Good corporate governance is a central part of GPT's commitment to our securityholders. The Board strives to ensure that GPT meets high governance standards across our operations.

The Board is committed to ensuring that it collectively has a mix of skills, experience, expertise, diversity and tenure to enable it to discharge its responsibilities. We are confident that the Board has the suitable composition to guide the Group and support management in their execution of the Group's strategy. The Board maintained its meeting program during the year, with technology continuing to facilitate director participation when restrictions were in place.

Outlook

It has been a busy year for the Group as we continued to navigate the challenges of the global pandemic as well as position the business for opportunities. Our Office and Logistics assets continued to deliver strong results, and when restrictions eased our

Retail assets benefited from a solid recovery in customer visitation and sales which is testament to the quality of our assets and the strength of the relationships we have with our customers.

The pandemic is still with us, but we are optimistic that the high levels of vaccinations across the Australian community will mean that there will be less disruption in the year ahead. The reactivation of the CBDs of Melbourne and Sydney will be important for the Group's performance in 2022 in terms of office leasing and the recovery of Melbourne Central. Melbourne Central was one of GPT's strongest performing retail assets prior to the pandemic and is yet to benefit from a return of office workers, students, and tourists to the heart of Melbourne. We believe CBDs will continue to play an important role for businesses and the broader economy in a post pandemic world, and our high quality assets will benefit from their prime locations, access to public transport and amenity.

Our focus on ESG over many years also positions us well for the future and we will continue to raise the bar to deliver outcomes that are in the long-term interests of our securityholders and the community.

We would like to thank our Board colleagues for their leadership and support in what has been a challenging period and on behalf of the Board and management, we thank our employees for their continued commitment, resilience, and hard work despite the year's uncertainty.

To conclude, we thank our investors for their support of GPT. We look forward to building on the successes of 2021 to continue to deliver long-term value for securityholders.

Vickki McFadden
CHAIRMAN

Bob Johnston
CHIEF EXECUTIVE OFFICER AND
MANAGING DIRECTOR

Megatrends

A key consideration in formulating the Group's strategy is the impact of megatrends that continue to shape how people live, work, and play and the spaces businesses need in order to thrive.

Emerging trends provide opportunities and challenges for the Group in creating value over the short, medium and long term. They include matters affecting the economy, environment, technology, society, regulation and politics. The key trends and potential implications currently shaping our strategy and business activities are set out below.¹



Urbanisation, densification and enabling infrastructure

Population, jobs and economic growth concentrated in major cities, and demographic change are impacting patterns of urban life and economic activity. Governments are being required to make a significant investment in enabling social and economic infrastructure to improve the liveability and affordability of major cities.

While this trend has stalled during the COVID-19 pandemic the long term fundamental drivers of urbanisation and densification will return as the Australian economy re-opens and mobility returns.

GPT's approach

- » Ensure our real estate portfolio is concentrated in markets which will benefit from urbanisation, densification and enabling infrastructure.
- » Continue to allocate capital to markets that are likely to benefit from existing and future infrastructure investment.
- » Consider viability of mixed-use developments to increase the social value of properties within existing site footprints.



Environment, resource scarcity and resilience

Growing populations and household wealth will increase pressure on environmental resources, including food, water, energy and mineral resources. At the same time, the impacts of human-induced climate change may be rapid and unpredictable.

Climate change, protecting the environment, natural disasters and pandemics are of increasing concern.

GPT's approach

- » Progress towards the Group's carbon neutral targets while actively managing the potential risks of climate change.
- » Develop climate resilience strategies outlined in our Climate Disclosure Statement.
- » Continue to enhance the efficient operations of our properties to use fewer natural resources, produce less waste and fewer emissions, and achieve intensity and efficiency targets.
- » Consider how new technologies, innovations and partnerships can provide new ways of managing and monitoring environmental impacts.
- » Use external ratings and accreditations to validate that our properties and developments meet or exceed best practice standards.



Demographic change, evolving communities and inequality

Demographic change is driving needs around health care, retirement, workplace flexibility, and workforce diversity.

Australia's income and wealth inequality is increasing. Millennials and Gen Z now represent almost half our workforce and one out of every three dollars spent, and they have distinctly different spending habits from previous generations.²

GPT's approach

- » Continue to invest in our properties to evolve our offering and meet the changing preferences of customers and the communities in which we operate.
- » Unlock additional productivity within the Group's workforce via flexible work arrangements, work-anywhere technology, changed expectations regarding workplace attendance, and continued active promotion of diversity and inclusion.



Space&Co. Melbourne Central Tower



Transformative technology and blurring boundaries

Broad based and rapid technological change, including automation, is transforming and disrupting traditional ways that society and businesses operate, communicate, and interact, changing ways of working and facilitating e-commerce.

Hypervigilance in cybersecurity will be necessary to ensure operational continuity, customer and broad stakeholder confidence.

GPT's approach

- » Leverage technological advances to enhance service offerings for customers at our properties.
- » Remain vigilant across our employees, partners, core systems and operations regarding privacy, data security, and business continuity to earn and retain stakeholder trust as the role of technology changes.
- » Grow our capital allocation in sectors that will benefit from transformative technology, such as logistics.
- » Maintain strong customer, supplier and stakeholder relationships to enable rapid adaptation of operations and supply chains if needed.



Empowering individuals and hyperconnectivity

Technological advances, ubiquitous connectivity, improvements in access to education and health are empowering individuals. Social media platforms have fundamentally changed the way people communicate, interact, and organise their lives.

Consumers have an increasing expectation for experience, personalisation, and customisation, as well as digital access and connectivity following its widespread adoption during the pandemic.

GPT's approach

- » Continue to invest in technology that improves connectivity with our customers, removing friction points and enhancing their experience.
- » Maintain initiatives to continually improve our investment strategy and asset selection criteria to incorporate the ongoing impact of technological advances and evolving customer expectations.
- » Continue to partner with our retailers to evolve our shopping centres to meet shopper expectations for enhanced experience, personalisation and customisation.
- » Work with our office customers to ensure that our buildings remain desirable places to collaborate, team-build and develop skills in connected, purpose-built spaces.



Economic power shifts, geopolitical risk and unfunded liabilities

Over the coming years the structure of the global economy will shift, with non-OECD economies expected to account for 57 per cent of the global output by 2030, creating new patterns of trade and investment.³ This growth is also creating a new middle "mass affluent" class, with two-thirds of the global middle class to reside in Asia Pacific by 2030.

At the same time, the richer economies are also the most indebted, and retirees are facing underfunded pension plans. During the pandemic, governments and central banks have demonstrated a willingness to take action to ensure economies recover.

GPT's approach

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

³ Organisation for Economic Co-operation and Development (OECD) Development Centre, Working Paper No. 285, 'The Emerging Middle Class in Developing Countries'.

Our Strategy

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

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

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

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

Executing on our strategic priorities

Expand and optimise the portfolio

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

Funds Management growth

The continued global demand for Australian real estate, combined with our strong relationships with domestic and foreign institutional investors and integrated management platform provides the foundation to further grow our Funds Management business. This is underpinned by a range of development opportunities across the portfolio that will add value for investors.

Exceed customer expectations

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

Leadership in ESG

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





42 Cox Place, Glendenning



GROWING OUR LOGISTICS PORTFOLIO

GPT accelerated the growth of our Logistics portfolio during 2021, capitalising on continued strong tenant demand for quality assets and reaffirming our significant position in the Australian logistics market. Portfolio growth in the logistics sector has been a core focus since 2017, and the Group again made strong progress by securing development and investment opportunities in an increasingly competitive market.

The Logistics portfolio increased to \$4.4 billion during the year, with strong portfolio occupancy of 98.8 per cent and a Weighted Average Lease Expiry (WALE) of 6.5 years.

Acquisitions have contributed to the portfolio's growth, including the Group's \$597 million acquisition of a portfolio of 23 Logistics assets. The acquisition extends our portfolio into new geographies while adding to our scale along the eastern seaboard.

Growth has also been achieved through the activation and development of the Group's substantial landbank. Four developments were completed during the year, adding 87,300 square metres to the portfolio. New facilities were completed in Sydney, Melbourne and Brisbane with a further four development projects underway or due to commence in the first quarter that are expected to be delivered in 2022.

Our capital partnership with QuadReal has also grown, with approximately 70 per cent of the increased \$1 billion target for the GPT QuadReal Logistics Trust now committed across acquisitions and future development projects.

Our expanded development pipeline, across the Group and the GPT QuadReal Logistics Trust has an estimated end value of approximately \$1.6 billion upon completion. Located in core industrial precincts across the eastern seaboard, the pipeline has the capacity to deliver approximately 715,000 square metres of high quality space.

We continue to execute on the Group's strategy to expand and optimise our portfolio, capitalising on development opportunities within our existing landbank and assessing acquisitions to further grow our significant Australian logistics portfolio and create value for securityholders.

Our Business Activities

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



Investment

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

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



Development

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

Our placemaking expertise provides added benefit, ensuring that the properties we design and develop are sustainable and prosperous places for our tenants, customers and communities.



Asset Management

We manage \$26.9 billion of commercial properties in the office, logistics and retail sectors. We apply our portfolio and asset management skills to ensure that we attract, secure and retain tenants, delight and satisfy our customers and visitors, operate efficiently and sustainably, and aim to deliver growing and predictable earnings for investors.



Funds Management

Our funds management and partnerships platform manages \$14 billion of investments focused on the Australian office, logistics and retail sectors, leveraging our skills and experience to enhance returns for fund investors and capital partners.

GPT invests alongside fund investors and capital partners to jointly access income and growth opportunities. The funds management platform provides the Group with income through funds management, property management and development management fees.



Highpoint mixed use development
(Artist's impression)



UNLOCKING VALUE THROUGH MIXED-USE DEVELOPMENTS

GPT's retail portfolio includes some of Australia's leading assets that also provide opportunities for growth and added value, particularly through mixed-use developments in growing communities. Mixed-use development opportunities at Rouse Hill Town Centre and Highpoint Shopping Centre demonstrate how our business activities combine to unlock value for our stakeholders, capitalising on the increasing desire to live in convenient and connected communities close to transport, retail and community facilities.

Originally developed by GPT in 2008, Rouse Hill Town Centre is well positioned to capitalise on the continued growth of north-west Sydney. Our popular and productive 70,000 square metre regional shopping centre has delivered a 8.5 per cent total return for the last 12 months and maintained 100 per cent occupancy. The centre is a community hub by design, combining the principles and feel of a traditional market town centre with the latest shopping, dining and lifestyle choices right next to a Metro train station.

Our proposed mixed-use development at Rouse Hill will offer the opportunity to live in the heart of this vibrant community setting. The project will deliver 10,500 square metres of incremental retail space, with approximately 220 residential apartments joining those already integrated into the existing Rouse Hill Town Centre. Planning approvals are progressing and we plan to commence the development in late 2022.

Similarly, the proposed mixed-use development at Highpoint Shopping Centre will cement the centre's position as the leading retail centre in the growing western Melbourne region over the long term. Plans were approved in December 2021 for a substantial mixed-use development on the centre's significant 28 hectare site. The proposed 30-year master plan allows for the creation of an additional 148,000 square metres of commercial space, 10,000 square metres of community space, and 3,000 residential dwellings, with Highpoint becoming home to approximately 6,000 residents and more than 9,000 daily workers. A new town square, community facilities and additional green space would add to Highpoint's transformation into a modern urban village.

Mixed-use opportunities such as the Rouse Hill and Highpoint developments provide significant scope to add value to the portfolio over the longer term while continuing to own and manage high performing assets.

How We Create Value

Our vision

To be the most respected property company in Australia in the eyes of our investors, people, customers and communities.

Our purpose

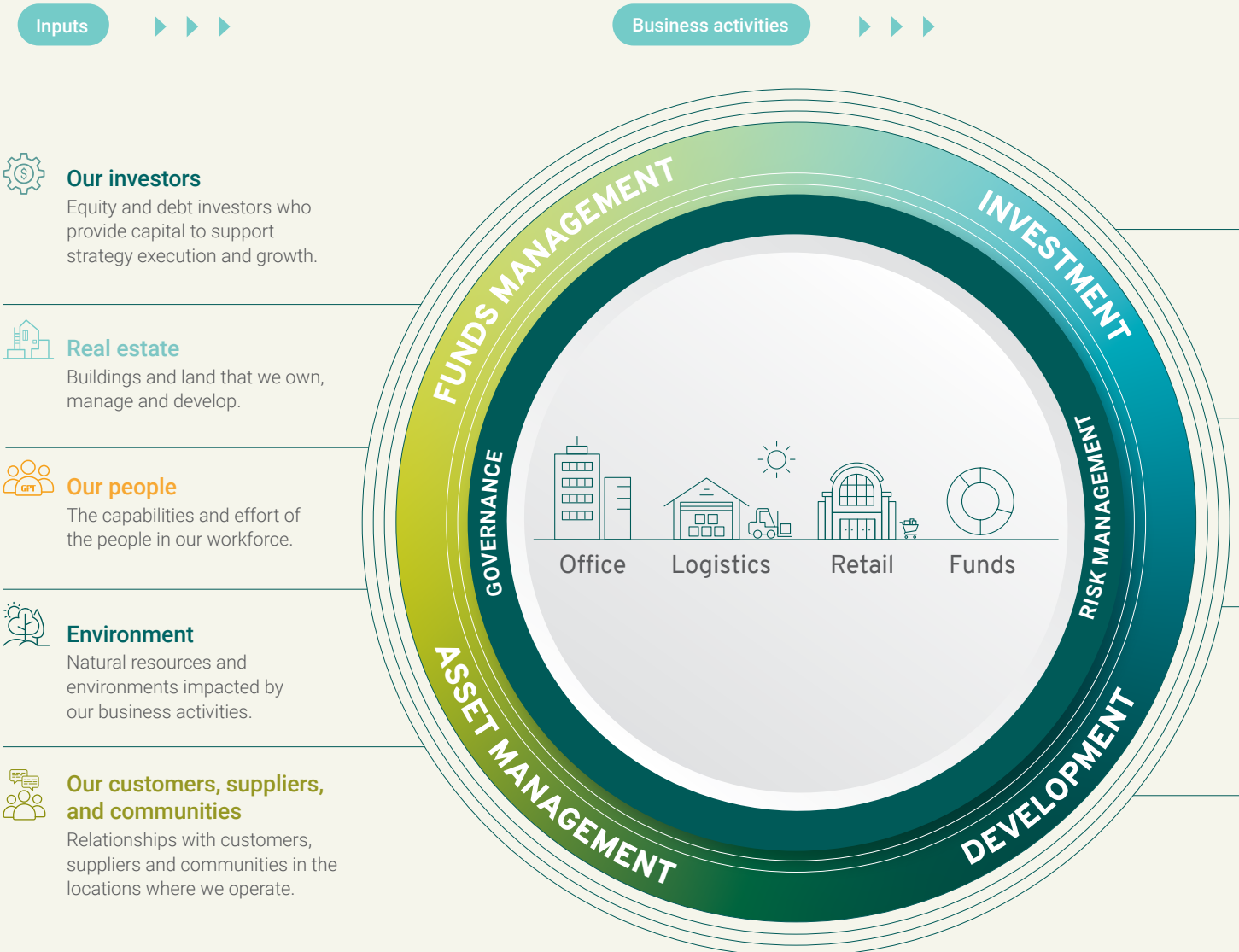
To create value for investors by providing high quality real estate spaces that enable people to excel and our customers and communities to prosper in a sustainable way.

To deliver our purpose, GPT uses resources and inputs in our business activities to create value for our stakeholders.

Key inputs into the Group are our investors, real estate, our people, environmental resources, and our customers, suppliers and communities.

Through the application of our business model, GPT creates value in the form of growing and predictable earnings, thriving places, empowered people, a sustainable environment, and prospering customers, suppliers, and communities.

This process of value creation is illustrated in the diagram below.





Charlestown Square, NSW

Value created



Growing and predictable earnings

Our aim is to deliver growing and predictable earnings and maximise total returns for our investors, through the successful execution of our strategy.

[MORE ON PAGE 14-15](#)



Thriving places

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

[MORE ON PAGE 16-17](#)



Empowered people

Through their effort and continued development, our talented, engaged and motivated workforce deliver on our purpose to create value for customers, investors and communities.

[MORE ON PAGE 18-19](#)



Sustainable environment

We develop and manage sustainable places that operate efficiently and minimise our impact on the environment.

[MORE ON PAGE 20-21](#)



Prospering customers, suppliers and communities

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

[MORE ON PAGE 22-23](#)



Growing and predictable earnings

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

2021 performance

Statutory profit after tax

\$1,422.8m

Funds from Operations (FFO)

\$554.5m

FFO per security

28.82¢

Distribution per security

23.20¢

NTA per security

\$6.09

Total Return

14.1%

Gearing

28.2%

S&P (negative) / Moody's (stable)

A/A2

Creating value

GPT uses financial resources sourced from our debt and equity investors to fund the Group's investments and developments.

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

While our aim is to deliver growing and predictable earnings, the global pandemic has caused disruption to GPT's operations particularly our retail portfolio. We have prioritised health and safety and supported our customers through this challenging period.

The Group delivered a solid result in 2021, with key metrics strengthening despite a volatile trading environment, particularly in the second half of the year due to pandemic-related restrictions.

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

The Group maintains its long term commitment to a target gearing range of 25 to 35 per cent and stable investment grade credit ratings in the "A" range.

[MORE ON PAGE 24-33](#)

Engaging with stakeholders

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

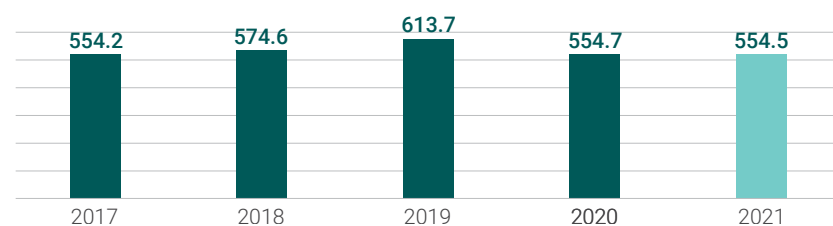
We also participate in external benchmarks and indices to compare our performance with that of our peers.

Alongside regulatory requirements, this investor engagement and benchmarking shapes the nature and extent of information we report.

Related risks and opportunities

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

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



Group Five Year Total Return (%)





GWOF ISSUES INAUGURAL GREEN BOND FOR \$250 MILLION

Leveraging our strong sustainability credentials to access capital markets seeking sustainable debt investments, the GPT Wholesale Office Fund (GWOF) issued its inaugural Green Bond for \$250 million for a 10 year term in November 2021.

Green Bonds are use of proceeds instruments where funds borrowed are used exclusively to finance or refinance assets, projects or activities that contribute to environmental sustainability and the transition to a low carbon, climate resilient economy. GWOF has assets of \$9.8 billion including an ownership interest in 17 Australian office assets, and achieved Carbon Neutral Certification of 100 per cent of its operating portfolio in 2020.

The GWOF Green Bond received strong support from a broad investor base across Australia and Asia, including a number of new investors who were attracted to its green nature and GWOF's sustainability credentials. This strong interest resulted in the bond being increased from its initial \$200 million target.

The GWOF Green Bond has been certified by the globally recognised Climate Bonds Initiative (CBI) in line with leading market standards. Proceeds from the Green Bond will be used to refinance existing GWOF assets that meet CBI's Low Carbon Buildings Criteria, which require the assets to perform in the top 15 per cent in their relative city in terms of carbon intensity.

Liberty Place, Sydney

Prior to launching the Green Bond, GPT established its Sustainable Debt Framework which outlines how GPT and its managed funds (including GWOF) intend to issue and manage sustainable debt. The Framework was assured by Ernst & Young and is available on GPT's website: www.gpt.com.au/sustainable-finance.

The Framework positions the Group and our managed funds to issue further sustainable debt instruments to capitalise on the growing appetite for sustainable investments.

Value created

- » Growing and predictable earnings
- » Sustainable environment



Thriving places

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

2021 performance

Portfolio occupancy

97.7%

Portfolio Weighted
Average Lease Expiry

4.8 years

Portfolio Weighted Average
Capitalisation Rate

4.70%

Office portfolio Net
Promoter Score⁴

72

Retail portfolio
customer visits

113m

Creating value

Our real estate assets – office buildings, logistics facilities and retail shopping centres – are the core of our business and our ability to create value. When the time is right, we develop new assets and enhance existing assets to meet tenant, customer and community needs and grow returns for our investors.

Our active management of each asset ensures we meet the needs of our customers, provide enjoyable places for them to be, and operate efficiently and sustainably. More than 113 million shoppers visited a GPT retail centre during 2021, choosing to make our centres a part of their daily lives. Our Office team achieved a Net Promoter Score (NPS) of 72 for GPT managed assets in 2021, increasing from a score of 61 in the prior year. By meeting our customers' needs, our places are desirable destinations where our tenants can succeed and where customers and communities want to visit to work, shop, transit and socialise.

Thriving places are safe and inclusive. Our asset teams are focused on identifying and eliminating safety incidents and risks from our properties and our developments as we strive for our goal of zero injuries. Ensuring our properties, facilities and local events are culturally sensitive and safe for all people boosts community engagement, economic development and asset productivity. This includes recognising the Traditional Custodians of the lands on which we operate.

Places thrive when they are connected to their communities. Our properties are dynamic places where people come together and we apply our planning, design and management expertise to create opportunities for them to connect.

Our properties are workplaces for businesses of all shapes and sizes that contribute to the Australian economy. From family-owned small businesses to major government departments and development construction sites, GPT provides places where thousands of people work each day.

Engaging with stakeholders

GPT engages with our tenants, customers and communities to understand how our properties can enable them to thrive. Our 'voice of the customer' programs provide us with insights into what works well and what could be improved at the places we manage, as do our strong relationships with current and prospective tenants and local community groups.

These insights guide how we develop, operate and enhance our properties so that they thrive – be it by offering relevant events and experiences, providing flexible spaces for start-ups and existing tenants, changing how people move through the local area, or sharing local First Nations history and culture.

Related risks and opportunities

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



Queen & Collins, Melbourne



EVOLVING THE OFFICE INTO THE SOCIAL HUB OF BUSINESS

The unconventional transformation of the landmark Queen & Collins building in Melbourne showcases the future of the office as the collaborative social hub of business. The \$272 million redevelopment of Queen & Collins for the GPT Wholesale Office Fund (GWOF) incorporates forward thinking design that illustrates how workplaces are evolving to embrace flexibility and collaboration.

Comprising 33,600 square metres of A-Grade office space, the development reimaged ANZ's former 34-storey global headquarters, located in the heart of Melbourne's CBD. The distinctive buildings offer workspaces ranging from 900 square metre floors in the office tower to more intimate spaces within refurbished heritage buildings 380 Collins Street and the Safe Deposit Building at 90 Queen Street. The buildings connect cohesively through Venetian-inspired campiello spaces that are home to retail, commercial and public facilities. The distinctive space hosted the Melbourne Fashion Week closing runway in November 2021.

The innovative workplace solutions featured at Queen & Collins support hybrid ways of working, which have become increasingly popular. Our adaptive approach offers tenants more spaces for the collaboration and social connection that employees are seeking when they come to the workplace. GPT and BVN Architecture have developed a new workplace model, The Clubhouse, that provides greater flexibility in the office environment, with equal weight given to zones for collaboration and team work, quiet desk work, meetings and calls, informal conversations and gatherings. Operable walls and multi-purpose spaces allow businesses and their employees to configure their workspace to suit the task at hand, and are flexible enough to look different every day of the week.

The Clubhouse offers tenants the opportunity to adopt and tailor this workplace model to their particular needs. Several tenants are already working in Clubhouse workplaces within Queen & Collins, with more being developed. ELMO Software adopted a two-floor Clubhouse model for their new Melbourne headquarters, which they occupied in October 2021.

To further enhance the idea of flexible space for our tenants, Queen & Collins also offers The Mezzanine, a collection of serviced spaces such as boardrooms, meeting rooms, and a 'third space' connected to the lobby atria for large gatherings, events and celebrations. The Mezzanine supplements tenants' own workspaces with bookable additional facilities and project rooms when needed. The Mezzanine is complemented by the cafe and the exciting addition of a restaurant to be delivered by the NOMAD Group in the striking gothic Cathedral Room.

Queen & Collins was completed in June 2021 and was awarded a 6 Star Green Star – Design rating from the Green Building Council of Australia. The precinct operates with 100 per cent renewable electricity.

Leasing is 50.2 per cent progressed including Heads of Agreement, with tenants such as technology firms Afterpay and ELMO Software, global recruitment consultancy Robert Walters, and engineering consulting business Arcadis calling Queen & Collins home.

Value created

- » Growing and predictable earnings
- » Thriving places
- » Sustainable environment
- » Prospering customers, suppliers and communities



Empowered people

Through their effort and continued development, our talented, engaged and motivated workforce deliver on our purpose to create value for customers, investors and communities.

2021 performance

Employees are proud to work for GPT

85%

Females in top quartile

50%

Employer for LGBTQ+ inclusion, small employer (AWEI)

Bronze

Average training per full-time employee

26 hours

Creating value

Our people are central to GPT's ability to deliver on our strategy and generate value for our stakeholders. Their passion, expertise, and capability drives our business activities and shapes our corporate culture.

Our ability to attract, engage and retain a motivated and empowered workforce is central to our success. We foster an inclusive and high performing work environment that provides our people with flexibility and development opportunities. An Employee Engagement Survey was completed in June 2021 using a new platform that utilises global benchmarking data. Overall employee engagement was 66 per cent. The survey showed that 85 per cent of employees are proud to work at GPT and 86 per cent believe we are a great place to work. Our commitment to community engagement and social sustainability, inclusive work environment, and strong and effective cross-team collaboration were also highly rated by our people. To improve our engagement score, our people have told us they would like greater celebration of our achievements, and enhanced communication about our progress against strategy and the contributions that our people make. These areas are the focus of our people strategy and activities for the coming year.

Our people are empowered when everyone feels represented, so we seek to be a diverse and inclusive workplace that offers opportunities for learning, development and growth to everyone. We launched the 2021 GPT First Nations Scholarship at Western Sydney University in September, offering paid work for a First Nations student from a broad range of study areas. We retained our Employer of Choice for Gender Equality citation and our Bronze status as an LGBTQ+ inclusive employer.

Our work environment strongly supports the wellbeing of our people, so we encourage our employees to develop lifelong healthy habits to support their wellbeing and productivity beyond their time at work. This has been a particularly critical year to do so, given the challenges that the pandemic brought to the wellbeing of our employees and their families.

Engaging with stakeholders

GPT has a consultative work environment where employee views are sought out, respected, and acted upon where appropriate. Typically, GPT conducts an employee engagement survey every 18 to 24 months and pulse surveys on focused topics during the intervening period. We also engage with our employees on various matters to shape our employee offerings and opportunities.

Over 2021 there has been a continued focus on GPT's culture especially in relation to employee wellbeing, behaviour, and psychological safety giving consideration to the outcomes of the Respect@Work: Sexual Harassment National Inquiry Report. This involved the Board and all our employees receiving sexual harassment and bullying training, and a review of policy and processes including consequence management. The Human Resources & Remuneration Committee retains oversight of all incidences and our response to any sexual harassment or bullying matters.

GPT's participation in external assessments such as the Workplace Gender Equality Agency's Employer of Choice for Gender Equality citation and the Australian Workplace Equality Index for LGBTQ+ inclusion, help us to measure our progress and identify further actions we can take to ensure our work environment remains inclusive and engaging.

Related risks and opportunities

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



SUPPORTING THE MENTAL HEALTH AND WELLBEING OF OUR PEOPLE

The mental health and wellbeing of our people is an important aspect of both our safety culture and our commitment to support our people. The COVID-19 pandemic impacted mental health and wellbeing across the community during 2020 and this continued in 2021.

Seeking to capitalise on the opportunities presented by enforced periods of 'working from home' in 2020, we consulted with our people to review our Flexible Work Policy during April and May 2021. Focus groups were held with a representative 20 per cent of our workforce to understand their experiences of flexible work and discuss the strengths and opportunities of the Group's existing policy. This consultation reinforced the desire for a flexible work approach that was itself flexible to accommodate each person's individual circumstances, preferences, and job role. Our refreshed Flexible Work Policy was launched in May and commits GPT to a Group-wide hybrid work model that enables our people to work in the office and remotely as best suits their role and circumstances, in agreement with their manager.

As the pandemic continued during the year, our people again demonstrated their resilience and adaptability as we adjusted work arrangements and daily routines in response to government restrictions. For many, the mental health impacts were more keenly felt during 2021, when 'lockdown' routines quickly returned and fatigue set in.

To support their wellbeing during restrictions, we focused our efforts on providing opportunities for our people to come together, to reflect on their mental health, to contribute to something beyond their work, and to have fun with their colleagues.

A range of virtual activities encouraged our teams to stay connected. They included physical activities including yoga, qi gong, meditation, and dance classes, and team-building events such as trivia, bingo, and pet competitions. Cooking classes and magic shows brought the young and young-at-heart together. These events were supplemented by regular updates on available virtual lockdown activities

for people seeking entertainment, cultural experiences such as virtual art exhibitions, and ideas to entertain children during remote schooling.

To encourage our people to reflect on their mental health, we hosted regular webinars throughout 2021 on topics such as combating fatigue, and balancing work and remote learning. We marked R U OK day with Cuppa for Life founder Luke Cook for a candid conversation about his strategies to maintain wellbeing, and the importance of genuine interactions and connections. Attended by almost half of our workforce, Luke's insights encouraged our people to participate for the first time in Mental Health Month during October. An annual initiative of the Mental Health Foundation Australia, GPT used Mental Health Month to offer our people access to the Cuppa for Life program of lunchtime masterclasses and regular wellbeing conversations.

Contributing to something beyond their work, several GPT teams took up community fundraising activities during the year. Members of our Brisbane team tackled the River to Rooftop stair climb hosted by One One One Eagle Street, which raised more than \$114,000 for domestic violence services provided by Women's Legal Service Queensland. The 105-person strong GPT September team logged more than 39 million steps to raise almost \$34,000 for the Cerebral Palsy Alliance. During Mental Health Month, our Melbourne Central team supported ReachOut's 'Make a Move' campaign and raised more than \$10,000 to prevent youth suicide.

Through our restated commitment to flexible work and our wellbeing-focused response to enforced periods of remote work, GPT continued to support and enhance employee mental health and wellbeing.

Value created

» Empowered people



Sustainable environment

We develop and manage sustainable places that operate efficiently and minimise our impact on the environment.

2021 performance

Emissions intensity since 2005

-82%

Energy intensity since 2005

-55%

Water intensity since 2005

-62%

Closed loop waste recovery in 2021

34.4%

Carbon neutral target⁵

2024

Retained highest GRESB rating

5 Stars

Ranked real estate company globally in the S&P Global Corporate Sustainability Assessment

2nd

Creating value

We rely on natural resources to develop and operate our properties. Commercial buildings use electricity which can produce emissions. Buildings generate waste from their development and daily operations, and use water for air-conditioning, amenities such as bathrooms and kitchens, and maintaining landscaping. Development activities can affect biodiversity.

GPT minimises our impact on the environment across our operations and aims to ensure the future resilience of our properties to foreseeable environmental changes. Comprehensive operations management systems and processes, including our ISO14001 Certified Environmental Management System, enable us to monitor and measure performance and set targets to improve building efficiency and reduce environmental impact. Developments are designed so that they can be constructed and operated with reduced environmental impact and operated efficiently upon completion.

The Group reduced its emissions intensity by 82 per cent and energy intensity by 55 per cent respectively against our 2005 baseline. We maintained the Climate Active Certification of the GWOFF portfolio, and continued to make progress on our Carbon Neutral 2024 target with a further two office assets certified during 2021. Four assets commenced operating on a carbon neutral basis during the year, including our first two retail assets. We also reduced our water intensity by 62 per cent against our 2005 baseline, and increased our closed loop waste recovery to 34.4 per cent in 2021.

We are committed to being a positive contributor to the environment across our property operations and development activities, informed by our restorative approach to addressing the residual environmental impacts of our direct activities. This approach creates value by restoring the environment while ensuring our buildings remain resilient as the environment changes to deliver shared benefits for our investors, local communities and stakeholders.

Engaging with stakeholders

GPT participates in external surveys and benchmarks on environmental, social and governance (ESG) matters – primarily the S&P Global Corporate Sustainability Assessment and GRESB real estate assessment. These benchmarks enable our stakeholders to assess the progress of the Group and our wholesale funds. They also assist us to identify and understand the changing stakeholder expectations in relation to ESG, how our performance aligns with those expectations, and how it compares to our global real estate peers.

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

Related risks and opportunities

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

⁵ Target to achieve independent Climate Active carbon neutral certification of all GPT owned and managed assets by the end of 2024.



51 Flinders Lane, Melbourne
(Artist's impression)



SMART DEVELOPMENT DESIGN REDUCES EMBODIED CARBON AT 51 FLINDERS LANE

The 51 Flinders Lane office development demonstrates our commitment to sustainability across the asset lifecycle. Currently being developed for the GPT Wholesale Office Fund (GWOF), 51 Flinders Lane comprises two office towers with 28,300 square metres of premium boutique work environments and a 1,200 square metre retail laneway precinct linking Flinders Street to Flinders Lane in Melbourne's iconic east-end. On completion the development is expected to have an end value of approximately \$535 million.

51 Flinders Lane has impressive sustainable design credentials and is targeting a 6 Star Green Star Design and As-Built rating from the Green Building Council of Australia, a WELL Platinum Rating for tenant health and wellbeing, a 6 Star NABERS Energy Rating (with GreenPower), and Climate Active for Buildings Carbon Neutral Certification when completed.

The development has also focused on reducing the building's embodied carbon, or the total carbon emissions generated from materials and during construction. These emissions are incurred during development from the production of construction materials, such as concrete and steel, and from the construction process itself. Embodied carbon can only be reduced or eliminated during the design and construction phase; it cannot be reduced once the building is complete and would instead need to be offset to reduce its impact.

For 51 Flinders Lane, we undertook a carbon mapping and lifecycle analysis as part of the building's design to measure the emissions of its material elements. We then set a goal to reduce the building's total embodied carbon by 40 per cent.⁶ With this goal in mind, we worked with our partners to achieve it and

used the analysis to inform design decisions. During the structural design review, for example, we re-engineered the building structure to reduce a significant proportion of embodied carbon, eliminating more than 3,600 cubic metres of concrete and 184,000 kilograms of accompanying reinforcement steel.

51 Flinders Lane is also targeting to recycle a minimum 90 per cent of its construction waste and has specified the use of environmentally certified products, such as timber, paint and carpet, procured locally where possible, as well as the use of recycled materials in tenant fit outs.

We are collaborating with our construction partner Probuild to enhance construction efficiencies to further reduce embodied carbon, and to explore the feasibility of low carbon materials and carbon neutral site operations. Construction commenced in December with completion expected in early 2025.

As with all GPT development projects, we will continue to learn from each project as we continue to create the leading office assets in their markets, with timeless design, quality amenities and superior sustainability outcomes.

Find out more about our approach to reducing embodied carbon in GPT's Climate Disclosure Statement, available on our website: www.gpt.com.au

Value created

- » Growing and predictable earnings
- » Thriving places
- » Sustainable environment

⁶ Measured as a 40% reduction in Global Warming Potential, an internationally recognised embodied carbon metric.



Prospering customers, suppliers, and communities

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

2021 performance

Community investment

\$8.2m

Employees supported
The GPT Foundation

88%

Reconciliation Action Plan
actions progressed or completed

97%

Small businesses
paid on time

82%

Creating value

GPT cannot succeed without strong, productive relationships with our tenants, customers, supply chain partners, and local communities. We foster trusted relationships and work collaboratively with these stakeholders to inform our business activities, such as development and placemaking, and build prosperous and sustainable futures. We respect and uphold human rights in line with the United Nations Guiding Principles on Business and Human Rights and continue to take action to enhance transparency in this area.

We maintain strong relationships with our tenants and customers, which are informed by research and data insights to ensure that we understand their current and emerging needs so that our properties support their prosperity today and into the future.

Our properties contribute to their local communities by providing employment opportunities and places, events and experiences where people can come together and which everyone can enjoy. We offer our communities the opportunity to explore the culture and traditions of First Nations people through our reconciliation commitments and regular activities.

We seek to build productive long-term partnerships with our suppliers and work together to source ethical and sustainable products and to support us in delivering on our commitments. We are committed to the timely payment of our suppliers to support their business viability. We paid 82 per cent of small businesses on time in 2021, and have put measures in place to improve the timeliness of these payments in 2022. We work together with our suppliers to identify and address the risk of unfair labour practices and modern slavery in our supply chain, including through our membership of the Cleaning Accountability Framework. The Group's annual Modern Slavery Statement reports our actions and commitments.

Our people participate in volunteering and employee giving in support of The GPT Foundation's charitable partners and local community groups and charities.

Engaging with stakeholders

GPT collaborates with our partners and stakeholders to create value for our customers, suppliers and communities. We work together to understand how we can best progress towards our shared goals. We regularly engage with our supply chain partners to understand their experience of working with GPT and identify how we can improve, while ensuring their ongoing performance and alignment through regular meetings, reporting, contractor reviews and risk assessments.

Strong relationships with GPT Foundation partners, First Nations partners, and community groups enable us to make relevant and meaningful contributions.

Related risks and opportunities

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



32 Smith, Parramatta

CREATING PLACES THAT RESPECT AND REFLECT OUR SHARED HISTORY

GPT is partnering with Traditional Custodians to shape our future developments, ensuring that our places recognise and foster understanding of the world's longest surviving cultures and communities.

In Western Sydney, we have worked closely with the Darug Custodian Aboriginal Corporation (DCAC) to understand the history and significance of the land on which we operate and to reflect this in the places we create. At 32 Smith, we collaborated with the Darug community to understand the history and significance of the nearby Parramatta River. Through this partnership, design features were developed to share Darug stories of Country and culture as visitors move through the precinct. Reflecting important Darug songlines, the intricate 14 metre long etched lobby artwork shows how the Darug people used the river, while Darug totems and language feature on seating and paving across 32 Smith's outdoor room.

Partnering with the DCAC also informed the initial planning of our Kemps Creek logistics estate development. Together we explored the opportunity to identify a First Nations name for the estate as a means of respectfully recognising Darug culture, reintroducing Darug language into everyday vocabulary, and to highlight the estate in this growing industrial precinct. The agreed name – Yiribana – means 'this way' in Darug language and holds a practical and symbolic meaning that reflects the movement of goods towards their destination. The estate's logo was then developed by Aboriginal-owned design agency Balarinji and Darug artist Leanne Mulgo Watson.

In Melbourne, a ceremonial fire dish developed by First Nations architect Jefa Greenaway in consultation with Traditional Custodians of Melbourne sits prominently in the southern campiello within the Queen & Collins redevelopment. The dish's design reflects the places of

significance and local topography, acknowledging this heritage and the continued connection to Country.

First Nations consultation has also informed the design approach for the proposed Cockle Bay Park development in the Sydney CBD. Engagement with the Sydney Aboriginal Community was led by Balarinji during concept development and precinct design, and this has informed how First Nations culture and the concept of Country can be embedded into the proposed development. Water elements throughout the precinct will reflect the cultural significance of the area's waterways to the Gadigal and Wangul people, and culture will also inform landscaping and open space design.⁷

GPT's commitment to our Reconciliation Action Plan (RAP) and our workforce's strong support for reconciliation have led to meaningful collaborations with Traditional Custodians during the initial development design stage to respectfully reflect and share each place's history and culture. We have completed our Stretch RAP 2018-2021 and will prepare our next Stretch RAP in consultation with Reconciliation Australia in 2022.

We continue to learn and build strong partnerships with First Nations communities, businesses and organisations at an asset level and in our corporate activities to contribute meaningfully to reconciliation through our partners, people, places and procurement.

Value created

- » Thriving places
- » Prospering customers, suppliers, and communities

⁷ As at 31 December 2021, the Cockle Bay Park development is subject to development approvals.

Group Performance

Review of Operations and Operating Result

The Group commenced 2021 with solid momentum and expected to deliver an increase in Funds From Operations. Our interim results demonstrated that we were on track to deliver on these expectations however momentum was disrupted at the end of the second quarter when governments commenced instituting various measures to prevent the spread of the Delta variant of COVID-19 in the community. This culminated in restrictive lockdown measures that extended into the fourth quarter of 2021. The measures implemented by the New South Wales and Victorian governments also included the reintroduction of the Commercial Tenancy Code of Conduct requiring landlords to provide relief to eligible tenants in the form of rent waivers and rent payment deferral. The impact was mainly felt across our Retail assets where only essential stores were able to continue trading. Leasing activity in the Office sector also slowed as customers delayed leasing decisions while most office staff were working from home. Pleasingly, our Logistics portfolio remained resilient throughout the period. When restrictions eased, we saw a strong recovery in Retail rent collection and leasing activity across the Retail and Office portfolios.

Despite the lockdown measures; we continued to make good progress on implementing our strategy to increase our weighting to the Logistics sector, successfully completing several acquisitions and developments. Logistics now represents approximately 27 per cent of the Group's diversified property portfolio.

Office developments at 32 Smith and the GPT Wholesale Office Fund's Queen & Collins were completed during the year and the Fund's development at 51 Flinders Lane commenced in December. We progressed masterplans for mixed-use development schemes at Highpoint Shopping Centre and the Rouse Hill Town Centre. Post the period, we also announced the sale of a non-core retail asset Casuarina Square owned jointly by GPT and the GPT Wholesale Shopping Centre Fund.

The Group's gearing at the end of 2021 of 28.2 per cent remains below the mid-point of our target range of between 25 – 35 per cent, and our balance sheet liquidity position remains strong providing additional capacity for growth.

Funds from Operations (FFO)

Funds from Operations (FFO) represents GPT's underlying earnings from its operations. This is determined by adjusting statutory net profit after tax under Australian Accounting Standards for certain items which are non-cash, unrealised or capital in nature. FFO includes impairment losses related to uncollected trade receivables.

GPT delivered FFO of \$554.5 million for the year ended 31 December 2021, broadly in line with the prior period. FFO per security increased 1.2 per cent to 28.82 cents, reflecting the reduction in securities due to the on-market buyback. For the year ended 31 December 2021, the Group bought back 32.3 million securities (1.7 per cent of securities issued) for a total consideration of \$146.8 million, being an average price of \$4.54 per security.

Each segment's operational financial performance is detailed from page 28. The Group FFO result includes corporate management expenses of \$62.5 million (2020: \$26.1 million) which are unallocated to the segments. Total management expenses including the segments is \$102.0 million (2020: \$68.2 million). The increase in expenses is due to the prior year withdrawal of remuneration schemes and the receipt of JobKeeper assistance, plus an increase in IT costs and Directors and Officers insurance premiums this period.

Finance costs from borrowings decreased to \$85.5 million (2020: \$103.8 million). This was predominantly as a result of a 70bp reduction in the cost of debt.

GPT's statutory net profit after tax was \$1,422.8 million, as compared to a loss of \$213.2 million in the prior comparable period, predominantly due to positive investment property valuation movements of \$924.3 million (2020: negative revaluation of \$712.5 million).

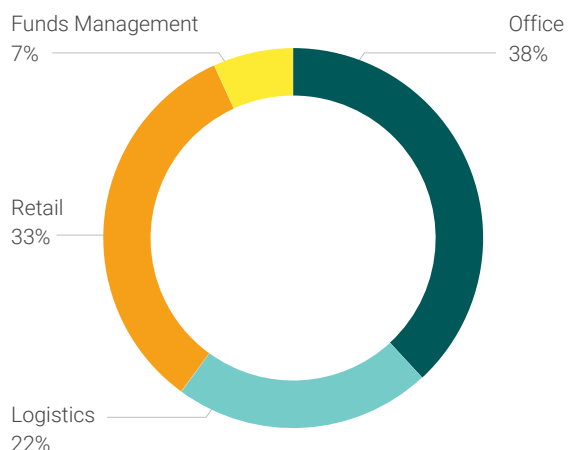
The Group's 12 month Total Return was 14.1% per cent (2020: negative 2.4 per cent) as a result of investment property revaluation gains predominantly driving the increase in NTA per stapled security of 52 cents to \$6.09 for the year ended 31 December 2021.

Distribution

The Group targets to distribute 95 to 105 per cent of free cash flow, defined as operating cash flow less maintenance and leasing capex and inventory movements.

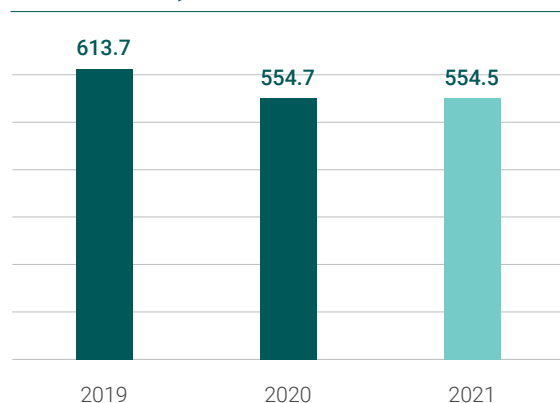
Distributions payable to stapled securityholders relating to the year ended 31 December 2021 totalled \$444.4 million (2020: \$438.3 million)¹, representing an annual distribution of 23.2 cents per ordinary stapled security, an increase of 3.1 per cent on 2020 (2020: 22.5 cents) as a result of higher cash collection rates. This includes 9.9 cents (\$189.6 million) in respect of the second half of 2021, which was declared on 14 February 2022 and is expected to be paid on 28 February 2022. The payout ratio for the year ended 31 December 2021 is 95.1 per cent of free cash flow.

2021 Group FFO earnings composition

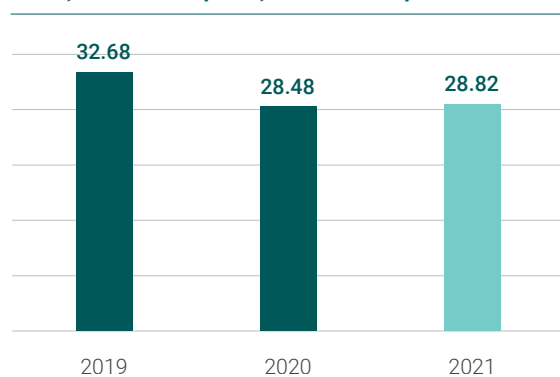


1. Represents distributions paid and payable relating to the financial year earnings. The distribution amount for 2021 includes the distribution paid on 31 August 2021 and the distribution to be paid on 28 February 2022. (2020: Distributions paid on 28 August 2020 and 26 February 2021).

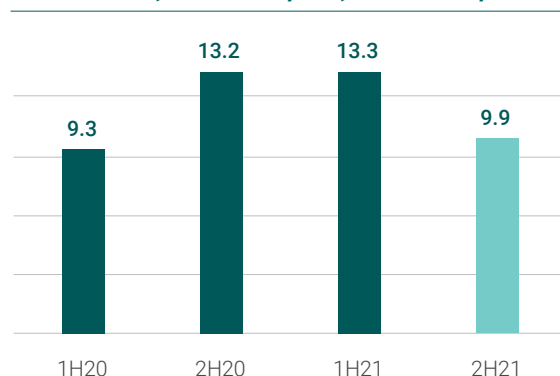
Funds From Operations (\$M)



FFO per ordinary stapled security (cents)



Distribution per ordinary stapled security (cents)



Financial Result

For the year ended	31 Dec 21 \$M	31 Dec 20 \$M	Change %
Retail			
- Operations net income	228.5	220.8	
- Development net income	5.4	4.9	
	233.9	225.7	3.6%
Office			
- Operations net income	268.0	280.2	
- Development net income	1.2	1.7	
	269.2	281.9	(4.5%)
Logistics			
- Operations net income	151.2	139.3	
- Development net income	3.5	0.1	
	154.7	139.4	11.0%
Funds management net income	48.3	47.2	2.3%
Corporate management expenses	(62.5)	(26.1)	139.5%
Net finance costs	(85.2)	(102.7)	(17.0%)
Income tax expense	(3.9)	(10.7)	(63.6%)
Funds from Operations (FFO)	554.5	554.7	—%
Non-FFO items¹:			
Valuation increase/(decrease)	924.3	(712.5)	N/A
Financial instruments mark to market, net foreign exchange movements and other items	(56.0)	(55.4)	1.1%
Net profit/(loss) for the year after tax	1,422.8	(213.2)	N/A
FFO per ordinary stapled security (cents)	28.82	28.48	1.2%
Funds from Operations (FFO)	554.5	554.7	—%
Maintenance capex	(31.3)	(32.0)	(2.2%)
Lease incentives	(60.3)	(59.0)	2.2%
Adjusted Funds from Operations (AFFO)	462.9	463.7	(0.2%)
Distributions ²	444.4	438.3	1.4%
Distribution per ordinary stapled security (cents)	23.20	22.50	3.1%

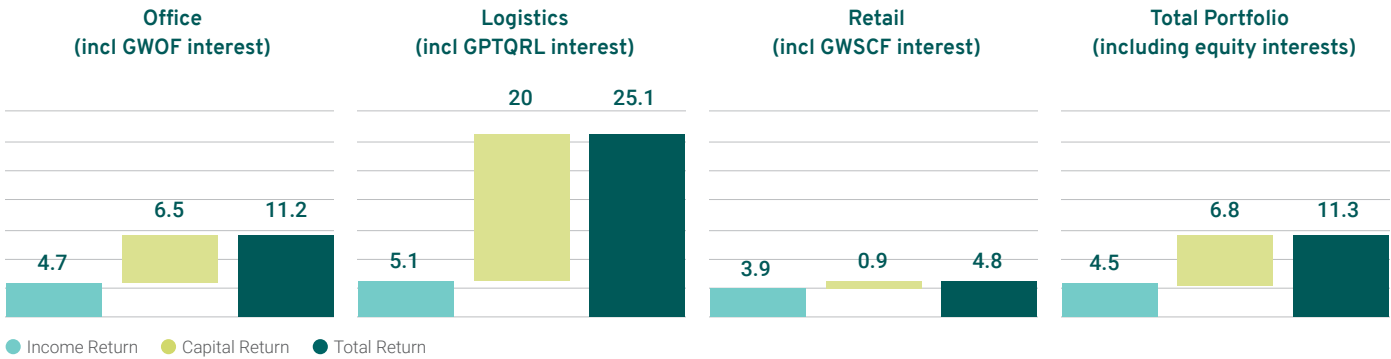
1. The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 24 for details.

2. Distribution is based on free cash flow.

Group Performance continued

Total Return (%)

The unlevered Total Return at the investment portfolio level was 11.3 per cent for 2021 with each portfolio's performance detailed in the following chart.



Financial Position

	31 Dec 21 \$M	31 Dec 20 ¹ \$M	Change %
Portfolio assets			
Retail	5,750.2	5,651.4	1.7%
Office	6,170.0	5,622.5	9.7%
Logistics	4,539.9	3,010.8	50.8%
Total portfolio assets	16,460.1	14,284.7	15.2%
Financing and corporate assets	719.6	1,062.2	(32.3%)
Total assets	17,179.7	15,346.9	11.9%
Borrowings	5,139.3	4,087.4	25.7%
Other liabilities	367.1	382.0	(3.9%)
Total liabilities	5,506.4	4,469.4	23.2%
Net assets	11,673.3	10,877.5	7.3%
Total number of ordinary stapled securities (million)	1,915.6	1,947.9	(1.7%)
NTA (\$ per security)²	6.09	5.57	9.3%

1. The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 24 for details.

2. Includes all right-of-use assets of The GPT Group.

Balance sheet

- » The Group independently valued 64.8 per cent of investment properties as at 31 December 2021. Valuations were conducted by valuers with appropriate experience and expertise. Some of the independent valuations continue to contain material valuation uncertainty clauses given the impacts of COVID-19 and reduced levels of transactional evidence. The valuations can be relied upon at the date of valuation however, a higher level of valuation uncertainty than normal is assumed.
- » The independent valuations contain judgements relating to the ongoing impact of COVID-19 in addition to a number of assumptions, estimates and judgements on the future performance of each property including market rents, growth rates, occupancy, capital expenditure and investment metrics. Total portfolio assets increased by 15.2 per cent in the year ended 31 December 2021 due to positive property valuation movements and net investment in acquisitions and developments.
- » The Group's rolling 12 month Total Return was 14.1 per cent (2020: negative 2.4 per cent) as a result of an increase in NTA per stapled security of 52 cents to \$6.09 for the year ended 31 December 2021.
- » Total borrowings increased by \$1,051.9 million, in addition to a reduction in cash of \$311.0 million, to fund acquisitions, developments and the security buy-back.

Capital management

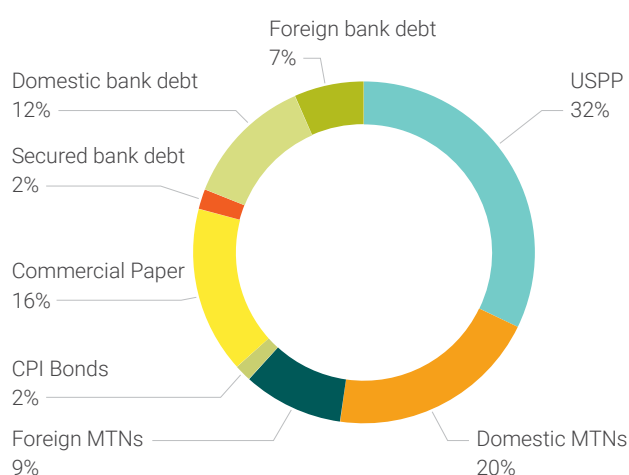
GPT continues to maintain a strong focus on capital management.

Key matters for the period include:

- » Net gearing increased to 28.2 per cent (2020: 23.2 per cent). This was a result of acquisitions, development capital expenditure and the security buy-back, offset by an increase in asset valuations during the period.
- » Weighted average cost of debt for the year was 2.4 per cent, down from 3.1 per cent in 2020.
- » Mark to market movements on derivatives and borrowings has increased net tangible assets by \$34.8 million.
- » Whilst gearing remains within GPT's target gearing range of 25 – 35 per cent, the debt funded acquisitions during the year resulted in S&P placing GPT's 'A' stable credit rating on negative outlook. The rating will remain within GPT's target A-rating band.

	31 Dec 21	31 Dec 20	Change
Cost of debt	2.4%	3.1%	Down 70bps
Net gearing	28.2%	23.2%	Up 5%
Weighted average debt maturity	6.3 years	7.8 years	Down 1.5 years
Interest rate hedging	69%	88%	Down 19%
S&P/Moody's credit rating	A negative / A2 stable	A stable / A2 stable	Revised outlook

Sources of funds



Going concern

Due to the uncertainty created by the COVID-19 pandemic, GPT has performed additional procedures to assess going concern. GPT believes it is able to meet its liabilities and commitments as and when they fall due for at least 12 months from the reporting date. In reaching this position, GPT has taken into account the following factors:

- » Available liquidity, through cash and undrawn facilities, of \$934.7 million (after allowing for refinancing of \$750.0 million of outstanding commercial paper as at 31 December 2021)
- » 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 31 December 2022;
- » Interest rate hedging level of 60 per cent over the next 12 months
- » Primary covenant gearing of 28.4 per cent, compared to a covenant level of 50.0 per cent, and
- » Interest cover ratio at 31 December 2021 of 7.5 times, compared to a covenant level of 2.0 times.

Cash flows

The cash balance as at December 2021 decreased to \$61.5 million (2020: \$372.5 million). The following table shows the reconciliation from FFO to the cash flow from operating activities and free cash flow:

	31 Dec 21 \$M	31 Dec 20' \$M	Change %
For the year ended			
FFO	554.5	554.7	—%
Less: non-cash items included in FFO	(36.6)	(44.1)	17.0%
Less: net movement in inventory	(7.1)	(9.0)	21.1%
Movements in working capital and reserves	9.6	(11.4)	184.2%
Net cash inflows from operating activities	520.4	490.2	6.2%
Add/(less): net movement in inventory	7.1	9.0	(21.1%)
Less: maintenance capex and lease incentives (excluding rent free)	(60.0)	(60.9)	1.5%
Free cash flow	467.5	438.3	6.7%

1. The free cash flow reconciliation has not been restated to reflect the implementation of an IFRIC agenda decision.

The increase in free cash flow is a result of higher collection of trade receivables in the current period and the impact that COVID-19 had on prior period income and operating cash flows.

The Non-IFRS information included above has not been audited in accordance with Australian Auditing Standards, but has been derived from note 1 and note 16 of the accompanying financial statements.



Office

Office portfolio value⁸
(2020: \$5.6b)

\$6.1b

Office portfolio occupancy
(2020: 94.9%)

92.9%

Office portfolio Weighted
Average Lease Expiry
(2020: 5.1 years)

5.0 years

Office portfolio Weighted
Average Capitalisation Rate
(2020: 4.89%)

4.77%

Office Total Return
(2020: 3.2%)

11.2%

Estimated end value of Office
development pipeline⁹

\$4.5b+

Performance

Operations net income

The Office portfolio achieved a net revaluation uplift of \$338.3 million (5.8 per cent) in the year to December 2021 (2020: negative revaluation of \$73.8 million), including GPT's equity interest in the GPT Wholesale Office Fund (GWOF). The largest revaluations were recorded at Melbourne Central Tower of \$43.0 million, and Darling Park 1 & 2 in Sydney of \$40.4 million (25 per cent share).

Office occupancy at December 2021 is 94.8 per cent for stabilised assets and 92.9 per cent including development completions during the year at 32 Smith, Parramatta and Queen & Collins, Melbourne. The portfolio has a WALE of 5.0 years.

Operations net income for the period ending 31 December 2021 decreased 4.4 per cent, as a result of the divestment of Governor Phillip & Governor Macquarie Towers at 1 Farrer Place in Sydney along with lower occupancy during the period. Comparable income growth for the portfolio was 2.0 per cent.

During the second half 62 Northbourne Avenue, Canberra was acquired for \$85 million from Ascot Capital. The 10,200sqm asset is leased to the Commonwealth of Australia with a 4.5 year lease term remaining.

Levels of office attendance remain below pre-COVID levels, with many of our tenants' employees working from home for part of their working week and impacted by prolonged lockdowns in Sydney and Melbourne in the second half.

The Group is adapting to future of work trends, with investments to further complement our customer offering, and through the roll-out of healthy building upgrades such as the enhancement of air filtration. We are also providing a range of space offerings, including turn-key office suites, flexible space through our Space&Co. offering, and the introduction of a new space-on-demand concept at Queen & Collins. Management has engaged with qualifying tenants to provide rent relief, predominantly for retail tenants in Victoria and New South Wales, and has reduced net income by \$5.2 million for processed and expected rent waivers and an estimate of loss for uncollected rent for 2021. Cash collection rates in 2021 remained high, and we continue to engage closely with impacted customers.

Development net income

Development net income decreased to \$1.2 million as a result of lower fees, with two developments reaching completion in the first half of 2021.

The Group's development of 32 Smith in Parramatta was completed in January and is 81.7 per cent committed including heads of agreement¹⁰. The building has attracted a range of insurance, legal and government customers including QBE who have leased 13,600sqm of the 26,800sqm tower.

GWOF's Queen & Collins redevelopment in Melbourne was completed in June and provides 33,600sqm of high quality, distinctive office space. The building is 50.2 per cent committed including heads of agreement, and customers include Afterpay and ELMO Software.

Both developments are 6 Star Green Star – Design rated, with 32 Smith recently achieving a 6 Star Green Star – As Built rating from the Green Building Council of Australia.

In December, GWOF commenced a development at 51 Flinders Lane in Melbourne. With completion expected in early 2025, the project will incorporate 28,300sqm of prime office space targeting boutique occupiers in the popular east end of the CBD. GWOF's pipeline in Parramatta also expanded, with contracts exchanged to acquire 81-83, 2/85 George Street together with 1 Barrack Lane, adjacent to its existing development site at 87-91 George Street. Pipeline projects are also being progressed, including Cockle Bay Park in Sydney.

8. Includes GPT's interest in GWOF.

9. Includes GPT direct and GWOF opportunities.

10. Inclusive of post balance date leasing activity.



Logistics

Performance

Operations net income

The Logistics portfolio achieved a net revaluation uplift of \$555.3 million (14.5 per cent) in 2021 (2020: \$227.8 million), with continued strength in investor demand for high quality logistics assets driving further firming of investment metrics.

Development completions and asset acquisitions resulted in operations net income growth of 8.5 per cent. Comparable income growth for the portfolio was 1.4 per cent. Occupancy of 98.8 per cent was achieved, with increased occupancy during the second half at the Austrak Business Park, Somerton along with the inclusion of leased acquisitions and completions. The portfolio has a WALE of 6.5 years.

The Group continued to execute its Logistics growth strategy, with the portfolio now totalling \$4.4 billion.

The Group acquired a portfolio for \$596.7 million from Ascot Capital, made up of 23 Logistics assets located across Australia. In Melbourne, GPT also acquired 235-239 Boundary Road, Laverton North for \$72.5 million.

Three fund-through acquisitions exchanged in the period, at Tarneit and Keysborough in Melbourne and Bundamba in Brisbane. All are to be held within the GPT QuadReal Logistics Trust (GQLT) with forecast completions phased through 2022 and 2023.

A number of land parcels exchanged during the period, growing the future development pipeline. In Sydney, land was acquired by the Group at Kemps Creek, expanding the Yiribana Logistics Estate – East holding by 3.9 hectares to now total 37.2 hectares. Nearby, at 771-797 Mamre Road, the GQLT secured 10.3 hectares of zoned land, to be named Yiribana Logistics Estate – West. In Brisbane, the GQLT secured land at Wacol, Crestmead and Bundamba.

Three assets at Sydney Olympic Park were divested, being subject to compulsory acquisition by the New South Wales Government for the Sydney Metro West project. A preliminary determination by the Valuer General has been received, with the final compensation outcome expected in 2022.

There have been minimal COVID-19 impacts for the Logistics portfolio in 2021.

Development net income

Development net income has increased to \$3.5 million as a result of development profit being realised from the sale of Metroplex lots.

During the period the Group completed four developments. In Sydney, a 17,200sqm facility was completed at 42 Cox Place, Glendenning, and has been leased to Total Tyres. At our Gateway Logistics Hub estate in Truganina, Melbourne two facilities were completed, with the 29,800sqm facility at 25 Niton Drive leased to The Hut Group, and the 24,000sqm facility at 2 Prosperity Street leased to Cameron Transport. In Brisbane, a 16,300sqm facility at 1 Wattlebird Court, Berrinba has been leased to Mainfreight and Nature's Best.

The GQLT's Metroplex Place development in Wacol, Brisbane is expected to be completed in the first half of 2022 and a further three developments are being activated by the Group for 2022 completion. In Truganina, at the Gateway Logistics Hub, a 27,200sqm speculative facility is expected to commence in the first quarter, and nearby at our Foundation Estate, a 10,600sqm facility is under construction, with terms agreed with an incoming tenant. In Brisbane, at the Wembley Business Park, Berrinba, a 21,800sqm facility is due for completion in the second half. An existing GPT customer has agreed terms to relocate into part of the new facility on completion.

The development pipeline, inclusive of projects underway, is expected to have an end value on completion of approximately \$1.6 billion.¹²

11. Includes GPT's interest in the GQLT.

12. Includes GPT direct and GQLT opportunities.

Logistics property portfolio metrics throughout this Annual Report include the three assets held as inventory.

Logistics portfolio value¹¹
(31 December 2020: \$3.0b)

\$4.4b

Logistics portfolio occupancy
(2020: 99.8%)

98.8%

Logistics portfolio Weighted
Average Lease Expiry
(2020: 6.7 years)

6.5 years

Logistics portfolio Weighted
Average Capitalisation Rate
(2020: 4.84%)

4.11%

Logistics Total Return
(2020: 15.1%)

25.1%

Estimated end value of Logistics
development pipeline¹²

~\$1.6b



Retail

Retail portfolio value
(2020: \$5.5 billion)

\$5.6b

Retail portfolio occupancy
(2020: 98.0%)

99.1%

Retail portfolio Weighted
Average Lease Expiry
(2020: 3.6 years)

3.9 years

Retail portfolio Weighted
Average Capitalisation Rate
(2020: 5.06%)

5.03%

Retail Total Return
(2020: negative 10.2%)

4.8%

Performance

Operations net income

The Retail portfolio achieved a net revaluation uplift, over the full year, of \$30.7 million (0.5 per cent) (2020: negative revaluation of \$866.5 million), including GPT's equity interest in the GPT Wholesale Shopping Centre Fund (GWSCF). The weighted average capitalisation rate remains relatively stable at 5.03 per cent (2020: 5.06 per cent), with several recent comparable transactions further supporting the adopted valuation metrics. These transactions have demonstrated renewed investor appetite for larger quality retail assets. Across the respective assets in the portfolio, revaluation uplift was minimal, reflecting subdued net income growth over the course of 2021 as the assets continue to be impacted from COVID-19 related disruption. The Independent Valuers continue to remain heavily focused on sustainable market rents and future growth rates in formulating their view of asset values.

Operations net income was \$228.5 million, reflecting an increase of 3.5 per cent compared to December 2020. This result was impacted by further rental relief given to tenants due to the reinstatement of the Code of Conduct in NSW from 13 July 2021 and Commercial Tenancy Relief Scheme in Victoria from 28 July 2021. For the full year, this has resulted in a reduction in income of \$62.9 million from a combination of processed and expected rent waivers and an estimate of loss from uncollected rent. The result was further impacted by an increase in operating costs of the assets and negative leasing spreads reducing rental income.

Despite the impacts from COVID-19 the portfolio remains resilient with improved occupancy of 99.1 per cent (2020: 98.0 per cent). The Group completed 561 leasing deals during the year, with an average leasing spread of -8.5 per cent. Deals achieved fixed rental increases averaging 4.3 per cent and an average lease term of 4.3 years.

Centre sales over the full year were up 3.7 per cent, and Total Specialty sales were up 6.2 per cent, with sales growth driven by a resurgence in discretionary spending, particularly in Fashion, Dining, Health and Beauty.

Development net income

Development net income was \$5.4 million, primarily from divestment of Rouse Hill land being subject to compulsory acquisition by the New South Wales Government for the department of NSW Health Infrastructure's new public hospital. A preliminary determination by the Valuer General is yet to be received, with the final sale price determination and settlement expected in 2022.



Funds Management

Performance

As at and for the year ended 31 December 2021

	GWOF	GWSCF	GQLT	Total
Assets under management ¹³	\$9.8b	\$3.5b	\$0.7b	\$14.0b
Number of assets	20	6	8	34
GPT Interest	21.81%	28.48%	50.10%	
GPT Investment	\$1,702.9m	\$787.1m	\$100.5m	\$2,590.5m
One year equity IRR (post-fees)	12.3%	6.2%	N/A	
Income from Funds	\$74.0m	\$34.1m	\$0.6m	\$108.7m
Funds Management fee income	\$44.1m	\$17.3m	\$0.5m	\$61.9m

GPT Wholesale Office Fund (GWOF)

The fund delivered a one year equity IRR of 12.3 per cent. GWOF's total assets increased to \$9.8 billion, up \$0.8 billion from 31 December 2020. The management fee income earned from GWOF increased by \$1.8 million as compared to 31 December 2020 due to the increase in the value of the portfolio.

GPT's ownership reduced slightly to 21.81 per cent (Dec 2020: 21.87 per cent) due to not participating in GWOF's Distribution Reinvestment Plan (DRP).

As at 31 December 2021, GWOF's net gearing was 16.9 per cent, in the lower half of GWOF's target gearing range of 10 to 30 per cent. GWOF has \$757.1 million of available liquidity held in cash and undrawn bank facilities (after allowing for refinancing of outstanding commercial paper), with no debt maturing until August 2024 (excluding commercial paper outstanding). GWOF maintains an A- (Stable) credit rating from S&P.

GPT Wholesale Shopping Centre Fund (GWSCF)

The fund delivered a one year equity IRR of 6.2 per cent. GWSCF's total assets decreased by \$0.4 billion to \$3.5 billion, compared to 31 December 2020 with the sale of Wollongong Central in December 2021. The management fee income earned from GWSCF decreased \$1.5 million as compared to 31 December 2020 due to the decrease in the value of the portfolio in 2020.

GPT's ownership in GWSCF was unchanged at 28.48 per cent (Dec 2020: 28.48 per cent).

As at 31 December 2021, GWSCF's net gearing was 18.1 per cent and remains within the target gearing range of 10 to 30 per cent. GWSCF has \$334.7 million of available liquidity held in cash and undrawn bank facilities, with no debt maturing until January 2024. GWSCF's credit rating with S&P is BBB+ (Stable).

GPT QuadReal Logistics Trust (GQLT)

The GPT QuadReal Logistics Trust is a partnership with QuadReal Property Group to create a prime Australian logistics portfolio with an original \$800 million target, that has since been expanded to \$1 billion. A number of assets were secured for this partnership during the year with approximately 70 per cent of the \$1 billion committed, inclusive of pipeline projects, with \$0.2 billion deployed to December 2021 (100 per cent).

Assets under management
(2020: \$12.9 billion)

\$14.0b

Total assets
(2020: 26)

34

Total income from funds
(2020: \$98.8 million)

\$108.7m

GPT Funds Management fee income
(2020: \$61.1 million)

\$61.9m

13. GQLT reflects committed capital as at 31 December 2021, including acquisitions yet to settle and pipeline projects. Deployed capital at 31 December 2021 is \$0.2b.

Prospects

Group

The global COVID-19 pandemic continues to disrupt the Australian economy and GPT's operating environment however, the governments' acceleration of vaccinations and booster programs in the second half of 2021 provides optimism that the impacts from COVID-19 should be less severe during the course of 2022 than experienced in prior years.

With the rapid spread of the Omicron variant of COVID-19 in late 2021, health and safety measures were reintroduced in New South Wales (NSW) and Victoria, including mandatory mask-wearing in indoor office and retail settings, and advice to work from home where possible. These measures remain in place and continue to impact office space utilisation and visitations to shopping centres.

Current indications suggest that the Omicron variant will weigh on economic activity for a relatively short period, and severe lockdown measures experienced in the second half of 2021 are less likely to be re-instated. The NSW and Victorian governments announced in January 2022 that the Commercial Tenancy Code of Conduct requiring landlords to provide rent relief to eligible businesses impacted by COVID-19 had been extended to March 2022.

In outlining the Group's prospects, management considers it has applied its best judgement at this point in time. Clearly there remains a high level of uncertainty as we continue to navigate pandemic related impacts, supply chain disruption and the outlook for interest rates and inflation.

GPT has a high quality diversified real estate portfolio currently valued at \$16.2 billion. Valuations for high quality assets continue to be supported by ongoing domestic and offshore investor demand particularly for Office and Logistics assets. Portfolio occupancy at 31 December 2021 was 97.7 per cent and we are expecting that the quality of our portfolio will continue to attract ongoing tenant demand.

The Group has a Logistics development pipeline of approximately \$1.6 billion, providing the opportunity for further growth in this sector. GPT is also targeting to commence the Rouse Hill Town Centre expansion at the end of 2022.

At 31 December 2021, the Group's net gearing was 28.2 per cent, with cash and undrawn bank facilities totalling \$0.9 billion and no significant loan expiries until 2023. GPT has strong credit ratings of 'A negative' and 'A2 stable' by S&P and Moody's respectively.

Office

In 2021 broader adoption of hybrid work practices remained evident, as many of our tenants' employees worked from home for part of their working week. While this trend is expected to continue, tenant feedback suggests that the physical workplace remains important for most organisations to shape culture, facilitate collaboration and learning experiences, and implement business growth opportunities.

Following the lifting of COVID-19 restrictions in the last quarter of 2021, we saw a material increase in office attendance, particularly in Sydney, coupled with a step up in new leasing enquiries. While this has slowed with the Omicron variant, lead indicators for Office demand remain positive, with ongoing economic growth and unemployment falling to the lowest level since 2008. The jobless rate is expected to fall further through the course of 2022.

Office vacancy, however, remains elevated across each of the markets that GPT participates in. Vacancy is expected to remain above long-term average levels for the year ahead and accordingly tenant incentives are likely to continue to be elevated. GPT currently has 7 per cent (by area) of its Office portfolio vacant following the completion of two development projects in 2021. In 2022, 11 per cent of the portfolio's leases (by income) expire, and our team are actively pursuing opportunities to secure tenants for this space. Tenant demand is most robust for prime space, supporting our view that many businesses will take the opportunity to upgrade their space and seek out accommodation in better quality office buildings. 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.

Logistics

The Logistics portfolio continues to deliver strong results for the Group, with structural tailwinds driving tenant and investor demand. Focus on the efficient movement

of goods and inventory management, along with increasing penetration of e-commerce is expected to underpin demand for prime Logistics space. Vacancy rates remain low in the core markets nationwide and investor demand for Logistics assets has resulted in strong valuation growth. These trends are expected to be sustained.

The Group successfully completed four developments in 2021 and expects to deliver a further four developments during 2022. The Group's Logistics development pipeline currently has an estimated end value of approximately \$1.6 billion, which positions GPT well to continue to benefit from ongoing demand in this sector.¹⁴

The Group's high quality Logistics portfolio, of which GPT has developed over 40 per cent, has a Weighted Average Lease Expiry of 6.5 years, occupancy of 98.8 per cent and is well supported by a diverse tenant base, with 75 per cent of income generated from ASX listed and multinational companies.

Retail

In the first half of 2021, the Group's Retail portfolio experienced an improvement in customer visitations and sales turnover compared to the previous year. However, in the middle of the year, the reintroduction of lockdowns in NSW and Victoria significantly impacted trading conditions until restrictions lifted towards the end of the year.

The emergence of the Omicron variant of COVID-19 and mandated mask-wearing for indoor retail settings in many of GPT's markets are expected to continue to disrupt the trading environment for the short term. However, as we have seen previously, as COVID-19 cases subside and measures such as mandated mask-wearing lift, we expect an improvement in customer visitations and retail sales at our shopping centres.



The recovery of Melbourne Central, our largest retail investment property and one of the leading retail destinations in Australia, is expected to be more protracted than the broader portfolio. As workers return to their offices and the Melbourne CBD is reactivated, we expect the recovery of Melbourne Central's trading performance to accelerate.

In February 2022, GPT and the GPT Wholesale Shopping Centre Fund (GWSCF) announced the sale of Casuarina Square, with settlement expected by the end of March 2022. Casuarina Square was considered a non-core asset for GPT. Capital proceeds from the sale will be redeployed into new opportunities to generate long-term value for investors, such as the expansion of the Rouse Hill Town Centre, which we are targeting to commence at the end of 2022.

Portfolio occupancy as at 31 December was 99.1 per cent, and all specialty store leases continue to have fixed base rents with annual increases. The portfolio revaluation was stable over the year, with investment metrics supported by several significant transactions completed in the market.

The Group's high quality Retail portfolio, located primarily in trade areas with above average population growth, is anticipated to benefit from the expected economic growth, low unemployment and high household savings rates once conditions normalise.

Funds Management

GPT has a well-established Funds Management platform with \$14.0 billion in Assets Under Management (AUM). The GPT Wholesale Office Fund (GWOF) is Australia's largest wholesale office fund with AUM of \$9.8 billion, and GWSCF has AUM of \$3.5 billion. In 2021 we established a partnership with global investment group QuadReal, to invest in the Logistics sector with an initial fund size of \$800 million (GPT share 50.1 per cent). Given the success GPT has had in identifying investment opportunities, GPT and QuadReal agreed to increase their capital allocation to the partnership to target total investments of \$1 billion, with GPT's investment in the partnership remaining at 50.1 per cent.

GWOF has an extensive development pipeline of more than \$3.5 billion which is continuing to activate to deliver enhanced returns for investors and growth in AUM. The Queen & Collins, Melbourne development, currently valued at \$506 million reached practical completion in June 2021, and the development of 51 Flinders Lane, Melbourne, which has an estimated end value of \$535 million also commenced during the period.

GWSCF divested Wollongong Central in December 2021 and post year-end exchanged on the sale of Casuarina Square. GWSCF intends to recycle proceeds from these sales into a number of mixed-use development opportunities that it is progressing, which will create longer-term value and growth for the fund.

Outlook

The global pandemic, inflationary pressure and the commencement of unwinding of Reserve Bank of Australia monetary stimulus, continues to provide uncertainty in relation to GPT's operating conditions for the year ahead.

Our current expectation is that the impacts of the Omicron variant will be relatively short lived, and that before the end of the first quarter of 2022 we will see a recovery in retail sales and foot traffic at our shopping centres and an improvement in office leasing conditions as businesses return to their offices. We are also assuming that with high vaccination rates, severe lockdown measures will not be re-imposed.

While uncertainty remains, the Group currently expects to deliver 2022 FFO in the range of 31.7 to 32.4 cents per security and a distribution of 25.0 cents per security.

GPT maintains a strong balance sheet, a high quality diversified portfolio, and an experienced management team focused on creating long term value for securityholders.

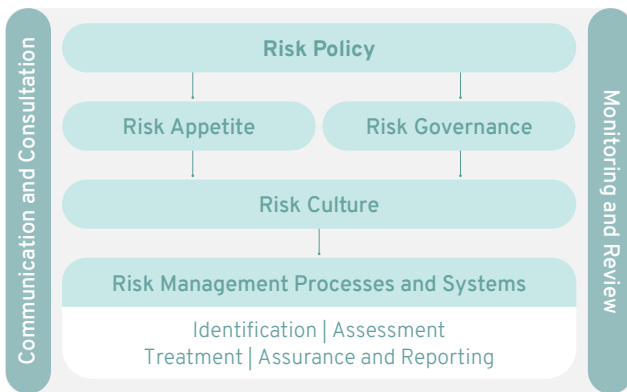


Risk Management

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.

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** – 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 the COVID-19 operating environment

GPT has responded proactively to the COVID-19 pandemic at both the governance and operational levels, with pandemic processes and procedures now incorporated into our usual business activities. In all aspects of our approach we have prioritised health and safety, followed government guidance and directives, and been flexible as the situation continues to evolve.

The focus of our risk management response has been in the areas set out below.

Health and Safety

The health and safety of our people, customers, contractors and other users of our assets has been our priority throughout the pandemic. We have consulted widely in our industry and beyond, and implemented best practice safety initiatives across our portfolio. These include cleaning, hygiene and social distancing measures, COVID-19 awareness training, and wellbeing support for our people.

Governance

GPT's Risk Management Framework has been reviewed to ensure that it continues to function effectively in the COVID-19 operating environment, where a large number of employees are working remotely and certain operations are required to be performed differently. Enhanced governance remains in place to address ongoing disruption.

Materiality assessment

GPT defines what is material to our business by considering risks and opportunities that influence our ability to deliver on our vision, purpose and strategy. Material matters are those that have the highest likelihood and/or consequence of impacting our business and our ability to create value for our stakeholders over the long term, whether by directly impacting our assets or the communities in which we operate.












To identify what is material, GPT researches trends, consults advisors and regularly engages with our stakeholders to consider their views.




In addition, an external materiality assessment was undertaken during 2021 to inform our consideration of potentially material economic, environmental, and social matters. The assessment used the 'double' or 'nested' materiality approach to prioritise topics that are both financially material as well being material from an 'impact' perspective, in line with global best practice. The assessment confirmed that we are focused on the areas where we can make the greatest impact, which include the transition to clean energy, transitioning to a circular economy, capitalising on e-commerce and the digital economy, designing flexible and innovative workspaces, and managing efficient buildings.

We will continue to consider material risks and opportunities when developing our strategy, assessing key risks and opportunities, and preparing our corporate reporting.

Key risks

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









Risks	Our Response	Change in Risk for 2021	Value Creation Input Affected
<p>Portfolio Operating and Financial Performance</p> <p>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.</p>	<ul style="list-style-type: none"> » 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 » Experienced and capable management, supplemented with external capabilities where appropriate » A structured program of investor engagement 	<p>—</p> <p>Ongoing disruption as a result of COVID-19, particularly in the second half of 2021, continued to present some risk to GPT's financial performance.</p>	<p>Our investors </p> <p>Real estate </p> <p>Our people </p> <p>Environment </p> <p>Our customers, suppliers and communities </p>
<p>Development</p> <p>Development provides the Group with access to new, high quality assets.</p> <p>Delivering assets that exceed our risk adjusted return requirements and meet our sustainability objectives is critical to our success.</p>	<ul style="list-style-type: none"> » 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 	<p>↓</p> <p>GPT delivered a number of developments in 2021 and has a significant development pipeline, particularly in the office and logistics portfolios.</p>	<p>Our investors </p> <p>Real estate </p> <p>Our people </p> <p>Environment </p> <p>Our customers, suppliers and communities </p>
<p>Capital Management</p> <p>Effective capital management is imperative to meet the Group's ongoing funding requirements and to withstand market volatility.</p>	<ul style="list-style-type: none"> » Target 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 prescribed limits » Limits on currency exposure » Limits on exposure to counterparties 	<p>—</p> <p>Debt funding market conditions stabilised in 2021 following significant volatility in 2020. Gearing has increased and remains below the mid-point of the target range, with significant liquidity in place.</p>	<p>Our investors </p>




KEY  Risk increased  No change in risk  Risk decreased

Key risks continued

Risks	Our Response	Change in Risk for 2021	Value Creation Input Affected
<p>Health and Safety</p> <p>GPT is committed to promoting and protecting the health, safety and wellbeing of its people, customers, contractors and all users of our assets.</p>	<ul style="list-style-type: none"> » 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 	<p>—</p> <p>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 2021 which have materially impacted health and safety risk.</p>	<p>Real estate </p> <p>Our people </p> <p>Our customers, suppliers and communities </p>
<p>People and Culture</p> <p>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.</p>	<ul style="list-style-type: none"> » 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 	<p>⬆</p> <p>The employment market has tightened and competition for skilled resources has increased during 2021.</p>	<p>Our investors </p> <p>Our people </p>
<p>Environmental and Social Sustainability</p> <p>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.</p>	<ul style="list-style-type: none"> » 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 	<p>—</p> <p>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.</p>	<p>Our investors </p> <p>Real estate </p> <p>Our people </p> <p>Environment </p> <p>Our customers, suppliers and communities </p>

KEY ⬆ Risk increased ⬇ No change in risk ⬇ Risk decreased

Risks	Our Response	Change in Risk for 2021	Value Creation Input Affected
<p>Technology and Cyber Security</p> <p>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.</p>	<ul style="list-style-type: none"> » A comprehensive technology risk management framework including third party risk management procedures around cyber security » Policies, guidelines and standards for Information Management and Privacy » Security testing and training completed by a specialist external security firm, including penetration testing, phishing exercises and social engineering testing » A Disaster Recovery Plan including annual disaster recovery testing, and a comprehensive Cyber Security Incident Response Plan » External specialists and technology solutions in place to monitor GPT platforms » Regular updates to technology hardware and software incorporating recommended security patches » Annual cyber risk assessments » An Information Security Risk and Compliance Committee overseeing information security » Alignment to the National Institute of Standards and Technology (NIST) Cyber Security Framework 	<p>⊖</p> <p>There has been no material change in GPT's technology and cyber security risk profile during 2021. Cyber security threats are assessed on an ongoing basis, with systems and processes to respond to threats tested regularly.</p>	<p>Real estate </p> <p>Our people </p> <p>Our customers, suppliers and communities </p>
<p>Compliance and Regulation</p> <p>We ensure compliance with all applicable regulatory requirements through our established policies and frameworks.</p>	<ul style="list-style-type: none"> » 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 	<p>⊖</p> <p>There has been no material change in GPT's compliance and regulatory risk during 2021.</p>	<p>Our investors </p> <p>Real estate </p> <p>Our people </p> <p>Environment </p> <p>Our customers, suppliers and communities </p>

KEY  Risk increased  No change in risk  Risk decreased

Climate-related risks

GPT outlines the steps that we are taking to identify, assess and manage climate-related risks and opportunities in the Group's Climate Disclosure Statement.

Summarised below, the Group's Climate Disclosure Statement has been prepared with reference to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and is available on GPT's website.

The need for urgent global action to address climate change was never clearer or more widely accepted than during 2021, with rising momentum culminating in the COP26 United Nations Climate Change Conference. The outcome of COP26 highlights the importance of action in this decade to halve emissions by 2030 and have the best chance of keeping global temperatures below 1.5 degrees Celsius.

As the owner and manager of a \$26.9 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 our assets and on the communities in which we operate.

Climate risk considerations inform key decision-making across the Group, both to minimise our emissions and to ensure the resilience of our assets to the changing environment. These range from resilience planning for a fast transition to a low carbon energy supply through 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 report to the SRC on sustainability matters such as climate change risks and opportunities, compliance with GPT's Environmental Management System and the delivery of environmental performance targets.

GPT's Chief Executive Officer and Managing Director (CEO) is accountable for ensuring that the Group is identifying, assessing and managing material risks including climate change and other sustainability risks, in accordance with GPT's Risk Management Framework. The Chief Risk Officer manages the Sustainability Team, which is responsible for formulating and driving the implementation of GPT's environmental sustainability initiatives across the Group. The Sustainability Team work closely with business unit managers to achieve this.

Strategy

The proactive identification and management of key risks and opportunities, including those related to climate change, supports the achievement of the Group's strategy.

GPT's overarching business strategy is outlined in the Our Strategy section of this Annual Report. In 2021, our strategy was refined to include sustainability (or ESG) leadership as a strategic priority that will drive our ability to create value into the future.

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.

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 our business and the resilience of our strategy. The two scenarios we have adopted align with the Representative Concentration Pathways (RCP) recommended by the Intergovernmental Panel on Climate Change (IPCC). We have adopted a low emissions scenario aligned with RCP 2.6 and a high emissions scenario aligned with RCP 8.5.

These scenarios are used to test the resilience of the Group's strategy and to develop strategies that address climate-related risks and opportunities. Through a series of internal workshops, we have determined the risks, opportunities and strategy impacts by considering potential transitional impacts and potential physical impacts under both the low and high emissions scenarios. Potential physical impacts could affect GPT's assets and the regions they are located in and could damage or limit their capacity to operate. Potential transitional impacts could result from policy, regulatory, or technological change and shifts in market and stakeholder expectations.

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.

We have implemented a range of mitigation and adaptation strategies in response to climate change, such as:

- » Our preference for assets in major cities and urban areas
- » Operating efficient carbon neutral buildings
- » Setting and achieving carbon neutral targets
- » Measuring and reducing embodied carbon
- » Ensuring long-term resilience through business and asset life-cycles
- » Ensuring our approach aligns with government resilience strategy, and
- » Considering the impact of a future carbon price.

Further information about these strategies can be found in the Group's Climate Disclosure Statement.

Risk Management

Effective risk management is fundamental to GPT's ability to achieve our strategic and operational objectives. By understanding and effectively managing risk, GPT can create and protect enterprise value and provide greater certainty and confidence for investors, employees, partners, and the communities in which we operate.

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 we manage 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.

GPT's cross-functional Sustainability Reference Group meets twice a year to identify and assess the existing climate-related risks and opportunities for each of the climate scenarios adopted by GPT, and to discuss and capture any new risks and opportunities.

In 2021, we developed a Risk Appetite Statement climate risk metric for asset acquisitions, which requires identification of potential physical climate hazards in the long to very long term as part of the due diligence process.

Metrics and Targets

GPT monitors our direct climate impacts and reports on emissions, energy, water and waste for each property annually. Our Environment Data Pack 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 annual asset-level operational targets for energy, water and waste, 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's corporate activities and business premises, including our travel and consumables, has been certified as carbon neutral by Climate Active since 2011. This certification covers material Scope 1, 2 and 3 emissions. GPT aims to reduce emissions through initiatives such as energy efficiency improvements at our offices and using technology to reduce the frequency of business-related flights. Emissions that can't be avoided in these areas are offset to ensure GPT's net emissions from our operations are zero.

Find out more

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

Governance

Good corporate governance is a central part of GPT’s commitment to our securityholders. The Board strives to ensure that GPT meets high standards of governance across our operations.

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

The Board and Committees

The Board comprises six independent non-executive Directors and one Executive Director, with the Chairman being an independent non-executive Director.

The Board has established four committees – the Audit Committee, Human Resources and Remuneration Committee, Nomination Committee, and Sustainability and Risk Committee – to assist it in carrying out its responsibilities. Each Committee has a formal charter setting out its responsibilities and functions, which is approved by the Board and reviewed at least every two years. The Board and Committee Charters are available on GPT’s website.

The Chairman of each Committee is an independent non-executive Director with the appropriate qualifications and experience to carry out that role.

The Board and Committees receive regular, and as required, reports and briefings from members of the Leadership Team and senior management.

The Board and Committee Charters and GPT Corporate Governance Statement are available on our website: www.gpt.com.au

Corporate Governance Framework



Key areas of governance focus in 2021

The GPT Board was actively engaged in its governance responsibilities throughout the year, fulfilling their role in accordance with the Board and Committee charters.

A significant area of Board focus was, and continues to be, the impact of the COVID-19 pandemic on the Group. Other focus areas for the Board during the year included:

- » Oversight of the systems and processes supporting the management of GPT’s culture
- » Review of the results of the employee engagement survey and the strategies to improve employee engagement
- » Review of GPT’s remuneration framework to assess its effectiveness and relevance to the market
- » A focus on GPT’s culture including demonstrable leadership in areas of employee wellbeing and psychological safety. This has involved training for all our employees around the identification, prevention and elimination of sexual harassment and bullying in our workplace. The Board continued its oversight and focus on consequence management, behaviour and management’s responses
- » A periodic review of the Board Charter and Committee Charters and various governance policies
- » Reinforcement of GPT’s strong commitment to safety and continued improvement of GPT’s safety leadership and culture
- » The Group’s strategic initiatives to create long term value, including through the growth of the Logistics and Funds Management portfolios
- » Oversight of plans to develop capabilities across the business to drive GPT’s strategic initiatives
- » Sustainability initiatives, including the pathway for all GPT managed assets to be carbon neutral by the end of 2024
- » A review of GPT’s Risk Appetite Statement and metrics to ensure it remains appropriate to enable the achievement of GPT’s strategic objectives
- » Review and input into the continued development and implementation of GPT’s diversity and inclusion strategy.

Board skills and experience

The Board is committed to ensuring that collectively the Board has a mix of skills, experience, expertise and diversity to enable it to discharge its responsibilities. The Board also seeks to have a mix of tenure for directors to balance those who have established knowledge of GPT’s business and history, with those who bring a fresh perspective and different insights.

The Board has identified the skills and experience set out on page 41 as those required for GPT’s Directors to provide effective governance and direction for the Group.

For each of the skills and experience identified, the level of experience is assessed using a set of objective criteria which include tertiary qualifications, relevant industry experience or qualifications, and length of experience at a senior level.

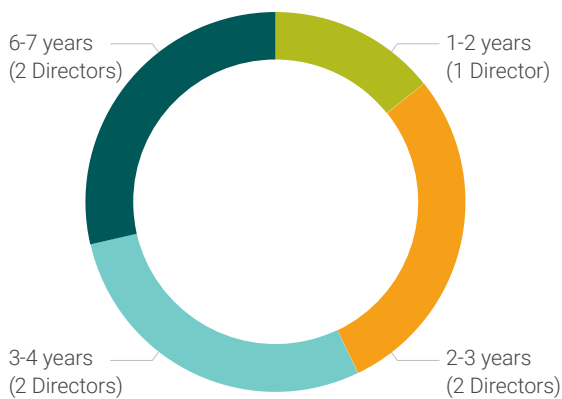
Having assessed its composition and the results of the analysis set out above, the Board considers that it has the appropriate mix of skills and experience to enable it to discharge its responsibilities.

Attendance of Directors at meetings

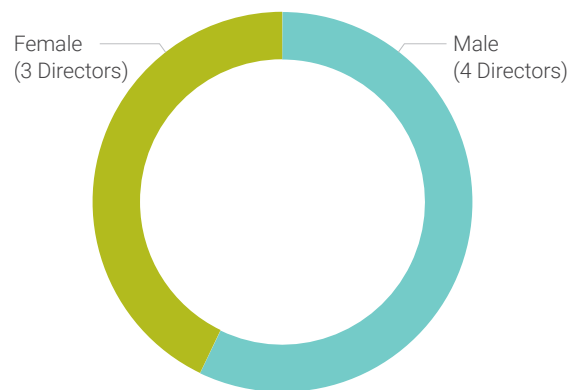
The number of Board meetings, including meetings of Board Committees, held during the year and the number of those meetings attended by each Director is set out below. There were also two special purpose Board Committees during the year, each attended by Vickki McFadden, Bob Johnston and Michelle Somerville, as appointed by the Board.

Director	Board		Audit Committee		Human Resources & Remuneration Committee		Nomination Committee		Sustainability & Risk Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Vickki McFadden	18	18	—	—	5	5	2	2	—	—
Bob Johnston	18	18	—	—	—	—	2	2	—	—
Tracey Horton AO	18	18	—	—	5	5	2	2	4	4
Angus McNaughton	18	18	6	6	5	5	2	2	—	—
Mark Menhinnitt	18	18	—	—	5	5	2	2	4	4
Michelle Somerville	18	18	6	6	—	—	2	2	4	4
Robert Whitfield AM	18	18	6	6	—	—	2	2	4	4

Director tenure



Board gender diversity



Board skills and experience

Property Investment, Funds Management and Development
Health, Safety, Environment, and Sustainability
Finance and Accounting
Strategy
Risk Management and Compliance
Leadership and Governance
People, Remuneration and Culture
Transformation, Innovation and Technology

Number of Directors



● Experience in some aspects ● Significant experience and/or tertiary qualifications ● Extensive experience and/or tertiary qualifications

Governance continued

Modern Slavery

GPT understands and takes seriously our responsibility to uphold high ethical standards in our business practices and decision-making. A critical part of this is respecting the human rights of everyone we deal with, directly and indirectly.

Modern slavery covers a range of unethical practices that result in serious exploitation of other people for personal or commercial gain. It can include forced labour, debt bondage and human trafficking.

GPT's second Modern Slavery Statement was released in December 2021 and articulates the actions we have taken and propose to take to identify and prevent modern slavery taking place within our operations and across our supply chains.

The GPT Human Rights Statement and Modern Slavery Statement are available on our website: www.gpt.com.au.

Tax Transparency

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

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

Tax Risk Management Framework

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

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

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

Our tax contribution

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

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

Tax Transparency Code

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

Tax disclosures

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

 [MORE ON PAGE 91.](#)



Director biographies



Vickki McFadden
Chairman
Independent Non-Executive Director

Term

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

Skills, Experience and Qualifications

Vickki is an experienced company director and brings a broad range of skills and experience to the Group gained from her current and previous board roles and her executive career spanning investment banking, corporate finance and corporate law.

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

Listed Company Directorships (held within the last 3 years)

- » Newcrest Mining Limited (since 2016)
- » Tabcorp Holdings Limited (2017–2020)

Other Current Appointments

- » Non-Executive Director Allianz Australia Limited

Board Committee Memberships

- » Chairman of the Nomination Committee
- » Member of the Human Resources & Remuneration Committee

GPT Security Holding (as at report date)

112,525 stapled securities



Bob Johnston
Chief Executive Officer & Managing Director
Executive Director

Term

Bob joined the Board in September 2015.

Skills, Experience and Qualifications

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

Bob holds a Bachelor of Engineering (Hons).

Listed Company Directorships (held within the last 3 years)

Nil

Other Current Appointments

- » Director of the Property Council of Australia

Board Committee Memberships

- » Member of the Nomination Committee

GPT Security Holding (as at report date)

1,689,078 stapled securities



Tracey Horton AO
Independent Non-Executive Director

Term

Tracey joined the Board in May 2019.

Skills, Experience and Qualifications

Tracey has held executive and senior management roles with Bain & Company in North America, and in Australia with Poynton and Partners and the Reserve Bank of Australia.

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

She was also previously a Non-Executive Director of Skilled Group and Automotive Holdings Group, President of the Chamber of Commerce and Industry (WA), and Winthrop Professor and Dean of the University of Western Australia Business School.

Listed Company Directorships (held within the last 3 years)

- » Nearmap Ltd (since 2019¹)
- » Navitas Limited (2012–2019)

Other Current Appointments

- » Deputy Chairman of the Australian Institute of Company Directors National Board
- » Member of the Australian Takeovers Panel
- » Non-Executive Director of Campus Living Villages Pty Ltd
- » Chair of the Australian Industry and Skills Committee

Board Committee Memberships

- » Chairman of the Human Resources & Remuneration Committee
- » Member of the Sustainability & Risk Committee
- » Member of the Nomination Committee

GPT Security Holding (as at report date)

27,525 stapled securities

1. Directorship concluded in February 2022.

Director biographies continued



Angus McNaughton Independent Non-Executive Director

Term

Angus joined the Board in November 2018.

Skills, Experience and Qualifications

Angus brings extensive experience in property investment, development and management and funds investment to the Board.

Angus was previously the CEO and Managing Director of Vicinity Centres, Managing Director Property for Colonial First State Global Asset Management, and CEO and Managing Director of ASX-listed Novion Property Group in 2014 which merged with Federation Centres and became known as Vicinity in June 2015.

Angus holds a Bachelor of Management Studies (Hons) and is a Fellow of the Australian Property Institute and a Graduate Member of the Australian Institute of Company Directors.

Listed Company Directorships (held within the last 3 years)

Nil

Other Current Appointments

- » Member of the REST Property Due Diligence Panel

Board Committee Memberships

- » Member of the Audit Committee
- » Member of the Human Resources & Remuneration Committee
- » Member of the Nomination Committee

GPT Security Holding (as at report date)

25,088 stapled securities



Mark Menhinnitt Independent Non-Executive Director

Term

Mark joined the Board in October 2019.

Skills, Experience and Qualifications

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

Mark holds a Masters of Applied Finance, and a Bachelor of Engineering. He is a Graduate Member of the Australian Institute of Company Directors and fellow of the Governance Institute of Australia.

Listed Company Directorships (held within the last 3 years)

Nil

Other Current Appointments

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

Board Committee Memberships

- » Member of the Human Resources & Remuneration Committee
- » Member of the Sustainability & Risk Committee
- » Member of the Nomination Committee

GPT Security Holding (as at report date)

30,000 stapled securities



Michelle Somerville Independent Non-Executive Director

Term

Michelle joined the Board in December 2015.

Skills, Experience and Qualifications

Michelle was previously a partner of KPMG for nearly 14 years specialising in external audit and advising Australian and international clients both listed and unlisted primarily in the financial services market in relation to business, finance risk and governance issues.

Michelle holds a Bachelor of Business and a Masters of Applied Finance. She is a Graduate Member of the Australian Institute of Company Directors and a Fellow Chartered Accountant.

She was also previously an independent consultant to the UniSuper Ltd Audit, Risk and Compliance Committee and a Non-Executive Director of Bank Australia Limited, Challenger Retirement and Investment Services Ltd, Save the Children (Australia) and Down Syndrome Australia.

Listed Company Directorships (held within the last 3 years)

- » IOOF Holdings Limited (since 2019)

Other Current Appointments

- » Non-Executive Director of Epworth Foundation
- » Non-Executive Director of Summer Foundation

Board Committee Memberships

- » Chairman of the Audit Committee
- » Member of the Sustainability & Risk Committee
- » Member of the Nomination Committee

GPT Security Holding (as at report date)

36,663 stapled securities



Robert Whitfield AM

Independent Non-Executive Director

Term

Rob joined the Board in May 2020.

Skills, Experience and Qualifications

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

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

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

Listed Company Directorships (held within the last 3 years)

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

Other Current Appointments

Nil

Board Committee Memberships

- » Chairman of the Sustainability & Risk Committee
- » Member of the Audit Committee
- » Member of the Nomination Committee

GPT Security Holding (as at report date)

15,000 stapled securities

Company Secretary biographies

James Coyne

General Counsel and Company Secretary

James is responsible for the legal, compliance and company secretarial activities of GPT. He was appointed as the General Counsel and Company Secretary of GPT in 2004. His previous experience includes company secretarial and legal roles in construction, infrastructure, and the real estate funds management industry (listed and unlisted).

Emma Lawler

Group Company Secretary

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

Lisa Bau resigned as Company Secretary in October 2021.

Directors' Report

The Directors of GPT RE Limited, the Responsible Entity of General Property Trust, present their report together with the financial statements of the General Property Trust (the Trust) and its controlled entities (the trust consolidated entity) for the year ended 31 December 2021. The trust consolidated entity together with GPT Management Holdings Limited and its controlled entities form the stapled entity, The GPT Group (GPT or The Group).

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

The Directors' Report for the year ended 31 December 2021 has been prepared in accordance with the requirements of the Corporations Act 2001 and includes the following information:

- » Operating and Financial Review, including information on the Group's operations and financial position, business strategies and prospects on pages 1 to 39
- » Information on the Directors and Company Secretary on pages 43 to 45, and
- » Board and committee meetings attendance on page 41
- » Remuneration Report on pages 48 to 60, and
- » Auditor's Independence Declaration on page 62.

Environmental regulation

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

GPT is subject to the reporting requirements of the National Greenhouse and Energy Reporting Act 2007 ("NGER Act"). The NGER Act requires GPT to report its annual greenhouse gas emissions and energy consumption and generation for the 12 month period from 1 July to 30 June. GPT has implemented systems and processes for the collection and calculation of the data required. The data is assured and submitted to the Australian Government Clean Energy Regulator by the legislative deadline of 31 October each year. GPT complied with the Regulator's submissions requirements for the period ended 30 June 2021 within the required timeframe.

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

Events subsequent to reporting date

The COVID-19 pandemic has created unprecedented economic and societal impacts and there remains significant uncertainty. In the event the COVID-19 impacts are more severe or prolonged than anticipated, this may have further adverse impacts to asset values and the operating results of the Group. At the reporting date a definitive assessment of the future effects of COVID-19 on the Group cannot be made, as the impact will depend on the magnitude and duration of the economic downturn, with the full range of possible effects unknown.

After the balance date, the Commercial Tenancy Code of Conduct was extended in New South Wales until 13 March 2022 and in Victoria until 15 March 2022, to provide rent relief to qualifying small and medium tenants. GPT continues to work with tenants to provide relief as required to assist with any short-term cash flow impacts.

The purchaser of Casuarina Square exercised its Call Option on 31 January 2022 and entered into a binding contract to purchase the asset (GPT's interest: 50%). Settlement of the transaction is scheduled to occur on or prior to 31 March 2022.

On 14 February 2022, the Directors declared a distribution for the half year ended 31 December 2021 of 9.9 cents per security, being \$189.6 million which is expected to be paid on 28 February 2022.

Other than the above, the Directors are not aware of any matter or circumstances occurring since 31 December 2021 that has significantly or may significantly affect the operations of GPT, the results of those operations or the state of affairs of GPT in the subsequent financial years.

Indemnification and insurance of directors officers and auditors

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

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

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

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

Non-audit services

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

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

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

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 62 and forms part of the Directors' Report.

Rounding of amounts

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



Remuneration Report

Introduction from the Chairman of the Human Resources And Remuneration Committee

On behalf of the Human Resources and Remuneration Committee (the Committee) of the Board, I am pleased to present the 2021 Remuneration Report for the GPT Group. This report provides an overview of GPT's remuneration framework, including strategic objectives, the link to company and individual performance and associated reward outcomes.

Entering 2021, the Committee was pleased to reinstate the Short Term Incentive Compensation (STIC) and Long Term Incentive (LTI) plans, and other employee ownership schemes reflecting a return to more stable market conditions. This followed a difficult 2020, where these programs were withdrawn and executives did not receive any increase to base salaries reflecting uncertainty and the negative impact of the pandemic on the Group's financial performance and the experience of investors and customers.

Unfortunately, the return of stable market conditions was not sustained across all segments of the business for the entire year. Pleasingly, the Group's financial performance for the first half of the year tracked above target. During the second half of the year, the strength of our diversified portfolio saw the Funds Management, Office and Logistics sectors maintain momentum, while the return to pandemic conditions and resulting restrictions adversely impacted Retail's financial performance for the remainder of the year. Regardless, the Retail team worked tirelessly to partner with retailers throughout this period to ensure that they were ready to safely re-open for customers.

The reintroduction and prolonged nature of government restrictions posed significant challenges for many customers and employees. In line with our safety culture, supporting the mental health and wellbeing of our employees was of paramount importance. We are proud of management's response and our employees' resilience during this challenging period. More information can be found in the Empowered People section on pages 18 -19 of this Report.

2021 Remuneration Outcomes

Performance rights granted under the 2019-21 LTI plan will lapse, as the hurdles of Total Return (TR) and Relative Total Securityholder Return (RTSR) were not met. This is the second consecutive LTI plan that has not vested, given the 2018-20 LTI plan also had a nil vesting outcome. As the 2020-23 LTI plan was withdrawn, executives will experience three consecutive years of nil vesting outcomes.

To determine the STIC outcome to be paid in 2022, the Committee considered the achievement of excellent outcomes against our non-financial strategic objectives achieved throughout 2021 (a performance assessment is available in the Group Scorecard on pages 52-53). However, the return to lockdown conditions and the associated effects on the retail sector meant the Group did not meet its primary target financial measure of FFO per security growth for the year, which had been set assuming a return to "normal" conditions. The Committee also carefully weighed the considerations of all stakeholders and each of the Group's remuneration principles, placing importance on the Group's ability to attract and retain high calibre employees, amidst an increasingly competitive labour market and in the context of nil 2020 STIC and three years of nil

vesting for the LTI plan. As a result, the Committee recommended that the Board use its discretion to fund the STIC pool up to \$14.0m (equivalent to a target result) allocated to reward strong performance in challenging circumstances also permitting the General Employee Security Ownership Plan (GESOP) and Broad Based Employee Security Ownership Plans (BBESOP) to operate. The Committee retained oversight of any STIC awards for the CEO's direct reports.

In taking this decision, the Committee recognises the incredible efforts demonstrated by our people over a challenging two year period to mitigate the impact of the pandemic for securityholders and we thank employees for their ongoing professionalism, dedication and commitment.

In 2021, the Committee approved a modest budget to implement a base pay review that excluded senior executives, representing an average increase of approximately 1.2 per cent for eligible employees. The budget made available for the 2022 base pay review for employees will be no more than 3 per cent. As GPT remunerates employees on a total package basis, there will be no further increase for the legislated superannuation increase effective 1 July 2022.

Following benchmarking, the Committee determined that no changes to Non-Executive Director fees occur in 2021 (or ahead in 2022).

The Committee also considered the composition of the ASX200 AREIT Accumulation Index (the Index) for the RTSR measure for the 2021 LTI plan, and made a minor change (detailed in Section 4 on page 54) to determine a more appropriate benchmark for the Group's performance. During the year, a review of the Group's remuneration platform was also undertaken to ensure that it strikes an appropriate balance between retaining and motivating our people to deliver superior performance while aligning reward outcomes to the securityholder experience. Through this review, the Committee determined that the current platform remains fit for purpose and all elements will be retained for the 2022 performance period.

In 2021, the Committee focused on the organisation's response to the Respect@Work Inquiry, and as a result, the Board as well as all employees received sexual harassment and bullying training and reviewed the Group's policies and processes. The Committee retained oversight of all incidences and GPT's response to any sexual harassment or bullying matters.

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

Tracey Horton

Tracey Horton AO
CHAIRMAN OF THE HUMAN RESOURCES
& REMUNERATION COMMITTEE



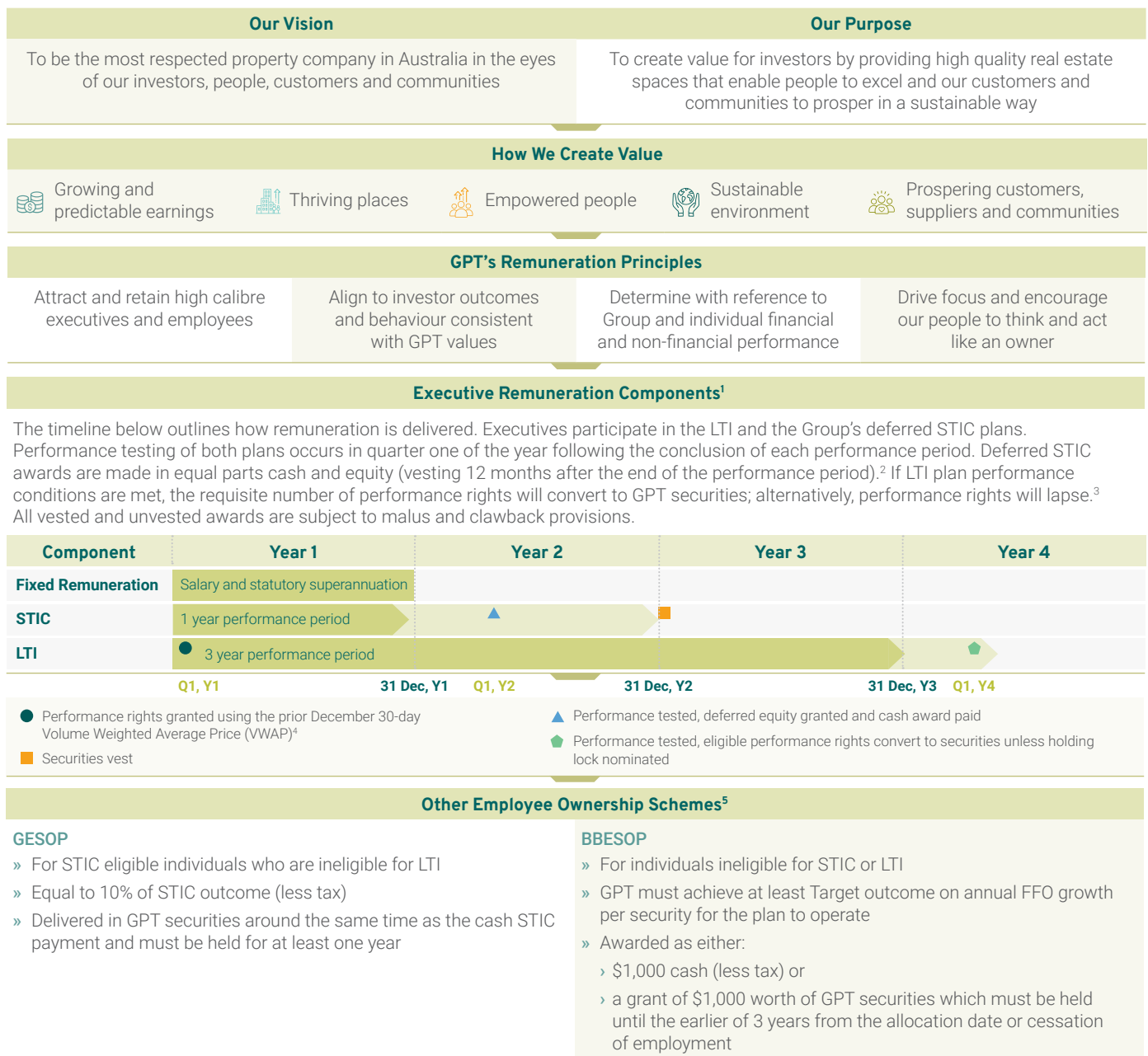
The information provided in this Report has been audited in accordance with section 308(3C) of the Corporations Act 2001.
Sydney, 14 February 2022

Key Management Personnel

GPT's Remuneration Report discloses information regarding our Key Management Personnel (KMP). In accordance with AASB 124 the KMP identified are the individuals responsible for planning, controlling and managing the GPT Group (being the Non-Executive Directors, Chief Executive Officer and Managing Director (CEO), Chief Financial Officer (CFO), and the Chief Operating Officer (COO)). The individuals appointed to these roles have responsibility for determining the outcomes of key decisions relating to the Group under a diversified business model. In contrast, other executives on the Leadership Team are solely responsible for decisions concerning the relevant divisional area. There have been no changes to the composition of KMP during the reporting period.

Remuneration Framework

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



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

Remuneration Report continued

GPT's Values and Culture

GPT provides a workplace where its people can realise their potential and consistently deliver high performance in a safe and inclusive work environment. Its diverse workforce benefits from a dynamic and flexible work environment, investment in technology and a culture where people feel they can bring their whole selves to work. These key elements that drive value are underpinned by GPT's shared sense of purpose – to create value by delivering superior returns to investors, and to provide environments that enable our people to excel and customers and communities to prosper in a sustainable way.



2021 presented another uncertain and challenging operating environment for the business and its stakeholders. The resilience, dedication and collective effort of our people to respond to the challenges of the pandemic brought the strength of GPT's organisational values and culture to the fore. Key areas of focus throughout the year, monitored by the Human Resources and Remuneration Committee via a quarterly review of the Culture Dashboard include:

Focus Area	Commentary
Safety	Safety is the number one priority for every employee, underpinned by the 'Safety First – Everyone, Always' value. All GPT employees play a part in ensuring that colleagues, stakeholders and visitors to GPT's workplaces or assets go home safely. Initiatives to embed the 'Safety First' culture continue to be implemented, including ensuring that all new employees participate in the safety leadership program initially launched during 2020. In addition to the members of the Board, People Managers also received bespoke sexual harassment and bullying training enabling them to continue to actively identify and respond to issues, protecting our employees and allowing the organisation to take a proactive stance against any sexual harassment and bullying matter. Regular and comprehensive training for all employees also continued. An ongoing focus on employee wellbeing was of paramount importance during 2021 given the sustained impact of the pandemic. GPT's people have access to mental health days in addition to sick/carers leave and were also able to access increased support through the Wellness@GPT program throughout the year. Initiatives focused on mental fitness and resilience in response to long periods working from home and managing stress and anxiety due to the impact of the pandemic. Programs to maintain physical fitness were also made available, such as Tai Chi, yoga, and dance classes. In alignment with the framework for workplace action on Domestic and Family Violence published by the Champions of Change Coalition in November 2021 (entitled 'Playing Our Part'), we revised our Domestic and Family Violence Policy to ensure it aligns with best practice. We have also consulted resources produced by Diversity Council Australia and Parents@Work in undertaking our review. In 2022 we will endeavour to run targeted education for employees on domestic and family violence.
Engagement	GPT has an energised, high calibre and committed workforce. Throughout 2021 GPT focused on enabling our people to remain connected, engaged, supported and productive whilst working remotely for many parts of the year, and built management and leadership capability to adapt this new way of working. We also invested heavily in learning and development programs that reflected the shifting capabilities and skills required to navigate through the pandemic. GPT provides a consultative work environment where employee views are sought, respected, and, where appropriate, acted on. This included the approach to Flexible Working and moving to a hybrid model post pandemic. Employee Engagement and Pulse Surveys were conducted throughout the year, allowing the ability to gauge people's wellbeing and satisfaction with the organisation, their altered work arrangements, working from home or working in reduced or hybrid on and off-site teams. The results enabled management to identify priorities and opportunities to support GPT's people in continued engagement, performance and development. The retention and development of our top talent also remained a key area of focus, with turnover for this cohort pleasingly at a lower level than the organisation overall.
Equal Opportunity	GPT promotes an inclusive workplace where the rich diversity of its workforce is respected, supported and valued. Our people possess a unique combination of characteristics: gender, age, ethnicity, cultural or spiritual background, disability, gender identity, sexuality, socio-economic status, education, professional and life experience. GPT provides a safe and welcoming workplace for everyone, recognising that an inclusive culture enhances the Group's performance and delivers long-term benefits for all its stakeholders. GPT is committed to consistently ensuring equal opportunity in all aspects of employment, including recruitment, learning and talent development, promotion, succession and remuneration. In 2021, the Group applied to renew its Workplace Gender Equality Agency (WGEA) Employer of Choice citation, with GPT's performance in this area among Australia's best employers each year since 2018. GPT is also among the first in the property industry to seek external certification as a Family Friendly Workplace. Sponsorship of the Property Council of Australia 500 Women in Property program also continued, as did GPT's commitment to the CareerTrackers Indigenous Internship Program. The Group also was again recognised as a Bronze ranked employer for LGBTQ+ inclusion in the Australian Workplace Equality Index Small Employer category.

Focus Area	Commentary
Behaviour and Consequences	GPT is proud of our reputation for applying the highest ethical and moral standards in all dealings. The Code of Conduct (the Code) describes the standard of behaviour expected of all employees and aligns with GPT's vision to be the most respected property company in Australia. Directors monitor breaches concerning the Code and Equal Employment Opportunity and Workplace Behaviour Policy, complaints received and resolved and any warnings issued during the reporting period. GPT regularly reinforces its expectations of employees via compulsory training and direct communications from management.
Risk Culture	GPT's approach to risk management incorporates culture, people, processes and systems to enable the organisation to realise potential opportunities whilst managing possible unintended adverse effects. GPT seeks to maintain a transparent and accountable culture where all employees are encouraged to actively consider, discuss and respond to risk as part of their daily activities. Directors monitor several organisational risk culture indicators each quarter aligned to Risk Committee reporting metrics. These include metrics concerning internal audits, compliance and unauthorised Risk Appetite Statement breaches, compliance breaches and reports to the Whistleblower Officer.

Group Financial Performance and Incentive Outcomes

1. Five year Group financial performance



		2021	2020	2019	2018	2017
Total Securityholder Return (TSR) ¹	%	27.76	(17.7)	9.6	9.6	6.6
Total Return ²	%	14.1	(2.4)	8.7	15.8	15.2
NTA per security ³	\$	6.09	5.57	5.80	5.58	5.04
FFO per security	cents	28.82	28.48	32.68	31.84	30.77
FFO per security growth	%	1.2	(12.9)	2.6	3.5	3.0
Security price at end of calendar year	\$	5.42	4.50	5.60	5.34	5.11

1. TSR is calculated as the percentage growth in GPT's security price from the last trading date of the previous financial year to the last trading date of the current financial year, together with the value of distributions received during the year, assuming that all of those distributions are reinvested into new securities. For LTI purposes, the average security price for the last 30 trading days is utilised in the calculation of the TSR.
2. Total Return is defined as the sum of the change in Net Tangible Assets (NTA) per security plus distributions per security over the Performance Period, divided by the NTA per security at the beginning of the performance period.
3. Includes all right-of-use assets of The GPT Group.



Remuneration Report continued

2. Summary of Group Scorecard objectives and performance outcomes

An assessment of performance against the primary objectives in the 2021 Group Scorecard is summarised in the table below.

Category	Performance measure	Achievement	Commentary
Safety and People 	Reduce the number of notifiable incidents at GPT managed assets	▲	» GPT's safety focus continued throughout 2021, with a 29 per cent decrease in material incidents at all sites under GPT's management / control compared to the previous year.
	Improve awareness of and engagement with GPT's safety culture		» Safety engagement at GPT scored 94 per cent in the 2021 survey, marginally higher than the prior survey. Our Safety Leadership Program continued to be consistently embedded, with 100 per cent of new hires receiving a safety induction within their first three weeks of commencement.
	Improve responsiveness to identified safety hazards		» 100 per cent of safety hazard risk audit action items were closed out by year end.
	Maintain and improve a strong and healthy culture		» The performance against the majority of indicators on the Culture Dashboard was maintained or improved in 2021. Pulse surveys of our employees noted that the measures GPT had put in place to support their wellbeing have helped them navigate the professional and personal challenges resulting from the pandemic. Our overall engagement score was 66 per cent with the introduction of a new engagement tool, with 85 per cent of GPT's people stating they are proud to work at GPT and 86 per cent consider GPT a Great Place to Work. There were no sexual harassment complaints made in 2021.
	Deliver on diversity and inclusion targets and initiatives to support further advancement		» GPT achieved 50 per cent gender diversity in the top quartile throughout 2021, exceeding our goal, as well as decreasing the gender pay gap to 20.73 per cent overall again exceeding target. The Group was also recognised as a Bronze employer for LGBTQ+ inclusion in the Australian Workplace Equality Index Small Employer category.
	Continue to retain and develop our talent		» Employee turnover of our top talent was lower than GPT levels for the year, illustrating our focus on retention and the development of our people.
Financial 	FFO and distribution growth per security target of at least 9 per cent and 12 per cent, respectively	●	» GPT was well placed to achieve its FFO growth target in the first half of the year. Unfortunately due to the impacts of COVID on our Retail segment in the second half, FFO was impacted with FFO per security growth of 1.2 per cent achieved. » A continued drive for leasing in Office, acquisitions in Logistics, and the recovery of debt in Retail became the key drivers to minimise the economic disruption and KPIs for performance outcomes. Spending to invest in the business was balanced with prudent management of operating costs throughout the second half of the year.

KEY ● Stretch ★ Between Target and Stretch ▲ Target ◆ Between Threshold and Target ■ Threshold ● Below threshold

Category	Performance measure	Achievement	Commentary
Strategy 	Portfolio occupancy greater than 96 per cent at year end	▲	» Achieved 97.7 per cent per cent occupancy for combined Retail, Office and Logistics portfolio.
	Increase the Group's exposure to the Logistics sector through appropriate acquisitions and developments		» GPT increased its exposure to Logistics, which now comprises 27 per cent of the GPT portfolio.
	QuadReal partnership committed to at least 50 per cent		» GPT exceeded the QuadReal capital partnership target, with over 70 per cent committed.
	Progress of key developments in the Office and Logistics sectors		» Two new logistics developments are underway, Berrinba Stage 3 and Foundation Estate, Truganina. » In Office, Queen & Collins achieved practical completion, Cockle Bay Park Stage 2 Development Application was submitted, the site-specific Development Control Plan has been approved for 87-91 George Street, Parramatta, and the 51 Flinders Lane, Melbourne development has commenced.
	GWOF and GWSCF to outperform the relative MSCI benchmarks for peer funds		» The Fund's performance was slightly below the goal set, with GWOF at 12.4 per cent versus the benchmark of 12.5 per cent, and GWSCF performing at 6.2 per cent versus 7.2 per cent.
Environment and Social Responsibility 	Achieve and maintain environmental certifications	★	» ISO 14001 Certification achieved for GPT's Environmental Management System (EMS). » GWOF carbon neutral re-certification and new certifications for 4 Murray Rose, Sydney Olympic Park and 60 Station Street, Parramatta achieved. » Carbon Neutral Certification pathway for Retail achieved through an aligned NABERS process with Green Star – Performance pathway available for ineligible NABERS assets.
	Achieve Climate Disclosure Statement operational targets		» GPT achieved the operational targets disclosed in the Climate Disclosure Statement, except for waste recycling which was narrowly missed as a result of planned tenant engagement and training sessions being postponed due to lockdowns.
	Advance and deliver on social responsibility targets		» GPT continued to deliver on its Stretch Reconciliation Action Plan (RAP) 2018-2021 commitments until the next RAP is completed. Actions have advanced in line with the plan for the next Stretch RAP, and stakeholder consultation will commence in Q1, 2022. » 88 per cent of employees were engaged in The GPT Foundation's campaigns during 2021. » The Group's second Modern Slavery Statement was published on 17 December 2021.

KEY ● Stretch ★ Between Target and Stretch ▲ Target ◆ Between Threshold and Target ■ Threshold ● Below threshold

Remuneration Report continued

3. 2021 STIC outcomes by Executive KMP

GPT's STIC provides executive KMP with the opportunity to be rewarded for their performance toward financial and non-financial objectives consistent with the Group's strategic and operational goals. Performance measures for the Executive KMP are derived from the Group Scorecard in Table 2 above and tailored to reflect their specific areas of responsibility.

The achievement of target FFO per security growth typically acts as a gateway for STIC to be awarded. In 2021 the Board used its discretion to fund a pool of up to \$14 million (at target rather than maximum) for payment of STIC awards allocated to reward strong performance in challenging circumstances. The Committee reviewed the performance of KMP versus both the original KPIs and with regard to the activities essential to effectively recover from the pandemic to determine the individual STIC outcomes. For executive KMP these ranged between 54.79 to 65.71 per cent of their maximum STIC opportunity and are set out in the table below. STIC outcomes for the balance of the eligible employees¹ are ordinarily determined in March post the issue of the Remuneration Report.

Executive KMP ²	Position	Actual STIC awarded	Actual STIC awarded as a % of maximum STIC	% of maximum STIC award forfeited	Cash component	Equity component (# of GPT securities) ³
Bob Johnston	Chief Executive Officer and Managing Director	\$1,000,000	54.79%	45.21%	\$500,000	94,411
Anastasia Clarke	Chief Financial Officer	\$575,000	65.71%	34.29%	\$287,500	54,286
Mark Fookes	Chief Operating Officer	\$500,000	59.52%	40.48%	\$250,000	47,205

1. i.e. Excluding the KMP.

2. Each KMP held the position as KMP for the whole of 2021

3. The number of deferred GPT securities is calculated by dividing 50% of the Actual STIC awarded by GPT's 30-day VWAP of \$5.296 immediately before the end of the performance period. Vesting subject to service on 31 December 2022.

4. Group performance measures for LTI plans currently relevant

LTI	LTI performance measurement period	Performance measure ^{1,2}	Performance measure hurdle	Weighting	Result	Vesting % by performance measure	Overall Plan Vesting Outcome %
2019	2019-21	Relative TSR versus ASX200 AREIT Accumulation Index	10% of PR vest at Index performance, up to 100% at Index plus 10% (pro-rata vesting in between)	50%	TSR result is beneath the Index by 27.89%	0%	0%
		Total Return	10% of PR vest at 8.5% Total Return, up to 100% at 10.0% Total Return (pro-rata vesting in between)	50%	Compound TR result of 6.57% is beneath threshold	0%	
2020	2020-22	Relative TSR versus ASX200 AREIT Accumulation Index	10% of PR vest at Index performance, up to 100% at Index plus 10% (pro-rata vesting)	50%	2020-22 LTI withdrawn		
		Total Return	10% of PR vest at 7.5% Total Return, up to 100% at 9.0% Total Return (pro-rata vesting in between)	50%			
2021	2021-23	Relative TSR versus ASX200 AREIT Accumulation Index	10% of PR vest at Index performance, up to 100% at Index plus 10% (pro-rata vesting in between)	50%	N/A	N/A	N/A
		Total Return	10% of PR vest at 4% Total Return, up to 100% at 6% Total Return (pro-rata vesting in between)	50%	N/A	N/A	

1. In early 2021, the HRRC determined that the Relative TSR comparator group in the ASX200 AREIT Accumulation Index be adjusted to exclude GPT and Goodman for LTI plans commencing from 2021 onward.

2. See Footnote 1 and 2, Table 1 on page 51.

5. 2019-2021 LTI outcomes by Executive KMP

Executive KMP	Position	Performance rights granted	Performance rights vested	Performance rights lapsed
Bob Johnston	Chief Executive Officer and Managing Director	413,551	—	413,551
Anastasia Clarke	Chief Financial Officer	160,511	—	160,511
Mark Fookes	Chief Operating Officer	156,734	—	156,734

6. LTI outcomes - fair value and maximum value recognised in future years¹

Executive KMP	Plan	Grant date	Fair value per performance right ²	Performance rights granted as at 31 Dec 21	Vesting date	Maximum value to be recognised in future years
Bob Johnston	2021	21 May 2021	\$3.038	470,199 ³	31 Dec 2023	\$953,180
Chief Executive Officer & Managing Director	2020	—	—	—	—	—
Anastasia Clarke	2021	26 April 2021	\$3.077	187,865	31 Dec 2023	\$385,763
Chief Financial Officer	2020	—	—	—	—	—
Mark Fookes	2021	26 April 2021	\$3.077	180,350	31 Dec 2023	\$370,331
Chief Operating Officer	2020	—	—	—	—	—

1. The GPT LTI plan is calculated on face value grants of performance rights based on the VWAP of GPT securities for specified periods; reference to fair value per performance right is included in this table to comply with accounting standards.

2. Reflects fair value per performance right as at the grant date.

3. Approval of the issue of performance rights to Mr Johnston was obtained in accordance with ASX Listing Rule 10.14.

7. Remuneration - Executive KMP - Actual Amounts Received

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

Executive KMP	Year	Fixed Pay		Variable or "at risk" ¹			Total
		Base Pay	Superannuation	Other ²	STIC	LTI	
Bob Johnston	2021	\$1,437,869	\$22,631	\$7,192	\$1,000,000	\$0	\$2,467,692
Chief Executive Officer & Managing Director	2020	\$1,438,709	\$21,348	\$7,061	\$0	\$0	\$1,467,118
Anastasia Clarke	2021	\$852,869	\$22,631	\$3,893	\$575,000	\$0	\$1,454,393
Chief Financial Officer	2020	\$853,709	\$21,348	\$3,840	\$0	\$0	\$878,897
Mark Fookes	2021	\$817,869	\$22,631	\$5,868	\$500,000	\$0	\$1,346,368
Chief Operating Officer	2020	\$818,709	\$21,348	\$7,279	\$0	\$0	\$847,336
Total	2021	\$3,108,607	\$67,893	\$16,953	\$2,075,000	\$0	\$5,268,453
	2020	\$3,111,127	\$64,044	\$18,180	\$0	\$0	\$3,193,351

1. Gross dollar values for the equity components have been calculated by multiplying the number of securities by GPT's 30-day VWAP immediately before the end of the relevant performance period of \$5.296.

2. Other may include death and total/permanent disability insurance premiums, service awards, GPT superannuation plan administration fees, professional memberships, subscriptions and/or other benefits.

Remuneration Report continued

8. Reported remuneration – Executive KMP – AIFRS Accounting

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

Executive KMP	Year	Fixed Pay		Variable or “at risk” ²			Total
		Base Pay ¹	Superannuation	Other	STIC ³	LTI ³	
Bob Johnston	2021	\$1,478,149	\$22,631	\$7,192	\$848,121	\$578,569	\$2,934,662
Chief Executive Officer & Managing Director	2020	\$1,468,141	\$21,348	\$7,061	\$272,254	\$165,691	\$1,934,495
Anastasia Clarke	2021	\$863,289	\$22,631	\$3,893	\$454,408	\$258,350	\$1,602,571
Chief Financial Officer	2020	\$867,590	\$21,348	\$3,840	\$141,662	\$95,489	\$1,129,929
Mark Fookes	2021	\$832,013	\$22,631	\$5,868	\$410,231	\$249,102	\$1,519,845
Chief Operating Officer	2020	\$852,887	\$21,348	\$7,279	\$135,020	\$94,664	\$1,111,198
Total	2021	\$3,173,451	\$67,893	\$16,953	\$1,712,760	\$1,086,021	\$6,057,078
	2020	\$3,188,618	\$64,044	\$18,180	\$548,936	\$355,844	\$4,175,622

1. Base pay includes the increase in provisions for annual leave and long service leave which are long-term benefits as per Corporations Regulation 2M.3.03(1) Item 8. These are \$40,280 (2020: \$29,432) for Bob Johnston; \$10,420 (2020: \$13,881) for Anastasia Clarke; and \$14,144 (2020: \$34,178) for Mark Fookes.
2. This column records the amount of the fair value of the awards under the various STIC and LTI plans expensed in the relevant financial years, and does not represent actual awards made to executives or the face value grant method.
3. The 2020 comparatives have been restated to reflect an amendment to the amortisation methodology for the 2018 and 2019 LTI and 2019 DSTIC.

9. GPT security ownership – Executive KMP as at 31 December 2021

Executive KMP	GPT Holdings (start of period) ¹	Employee Security Scheme (ESS)			Purchase/ (Sales) during period ²	GPT Holdings (end of period) ³	Value of GPT Holdings ⁴	MSHR Guideline ⁵
		2020 DSTIC	2018-20 LTI	Actual ESS received in 2021				
Bob Johnston Chief Executive Officer and Managing Director	1,689,078	Nil	Nil	Nil	Nil	1,689,078	\$8,945,357	\$2,190,000
Anastasia Clarke Chief Financial Officer	235,428	Nil	Nil	Nil	Nil	235,428	\$1,246,827	\$875,000
Mark Fookes Chief Operating Officer	1,222,362	Nil	Nil	Nil	Nil	1,222,362	\$6,473,629	\$840,000

1. GPT Holdings (start of period) include GPT securities obtained via sign-on grants (Mr Johnston only), awards previously received under ESS up to and including the 2019 performance period, private holdings less any prior sales.
2. Movement in GPT security holdings as a result of the sale of vested, unrestricted security holdings and/or the sale or purchase of additional private holdings on the individuals own account during the 2021 calendar year.
3. GPT Holdings (end of period) is the sum of GPT Holdings (start of the period) plus any securities granted during 2021 in respect of the 2020 DSTIC (noting the plan was cancelled) and 2018-20 LTI plan (with a nil vesting outcome) adjusted for any purchases or sales during the period.
4. The GPT Holdings (end of period) multiplied by GPT's December 2021 30-day VWAP of \$5.296 to derive a dollar value.
5. GPT's Minimum Security Holding Requirement (MSHR) guideline requires the CEO to acquire and maintain a holding equal to 150% of base salary. For other KMP and Leadership Team members the holding requirement is equal to 100% of base salary. Individuals have four years from commencement of employment to achieve the MSHR before it is assessed.

10. GPT performance rights – Executive KMP

Executive KMP	Performance rights	
	Performance rights that lapsed in 2021 ¹	Performance rights still on foot at 31 Dec 21 ²
Bob Johnston Chief Executive Officer and Managing Director	413,551	470,199
Anastasia Clarke Chief Financial Officer	160,511	187,865
Mark Fookes Chief Operating Officer	156,734	180,350

1. The sum of performance rights allocated under the 2019-21 LTI that will not vest at the end of the performance period, and as a result will lapse.
2. The total of unvested performance rights currently on foot excluding any GPT securities or performance rights that may have lapsed up to 31 December 2021. This represents the current maximum number of additional GPT securities to which the individual may become entitled subject to satisfying the applicable performance measures in the 2021-23 LTI plan. As such, these performance rights represent the incentive opportunity over future years, are subject to performance and hence “at risk”, and as a result, may never vest.

Employment Terms

The information regarding the STIC and LTI participation for the CEO and other Executive KMP below reflects their maximum level of opportunity.

1. Employment terms

Employment Terms	Conditions		
	CEO and Managing Director	Other Executive KMP	
Remuneration Package	Bob Johnston	Anastasia Clarke	Mark Fookes
Fixed Remuneration ¹	\$1,460,000	\$875,000	\$840,000
Range of STIC Opportunity as a percentage of Fixed Remuneration ²	0% to 125%	0% to 100%	
Range of LTI Opportunity as a percentage of Fixed Remuneration ³	0% to 150%	0% to 100%	
Contract duration	Ongoing	Ongoing	
Notice period ⁴	6 months	3 months	
Termination by Company without cause	12 months' notice. Treatment of unvested STIC and LTI will be at the Board's discretion under the terms of the relevant plans and GPT policy	3 months' notice. Severance payment subject to GPT policy and capped at the three year average of the executive's annual fixed remuneration. Treatment of unvested STIC and LTI will be at the Board's discretion under the terms of the relevant plans and GPT policy	
Termination by Company for cause	No notice requirement or termination benefits (other than accrued entitlements).		
Post Employment Restraints	6 months non-compete (CEO only), and 12 months non-solicitation of GPT employees		

1. Fixed remuneration is inclusive of superannuation.

2. Performance assessed against equally weighted financial and non-financial objectives, with any award generally also subject to the Group achieving FFO performance targets set by the Board at the beginning of each performance period.

3. Face value of performance rights at time of grant. Vesting outcomes dependent on performance and continued service, delivered in GPT securities.

4. GPT may elect to make a payment in lieu of notice.

2. Compensation mix at maximum STIC and LTI outcomes

The percentage of each component of variable or 'at risk' remuneration is calculated with reference to maximum or stretch potential opportunity as set out in the Remuneration Packages detailed in Tables 1 and 2 of the Employment Terms section. It does not reflect the actual remuneration paid during the period.

Executive KMP	Fixed Remuneration	Variable or "at risk" remuneration	
	Base Pay	STIC	LTI
Bob Johnston Chief Executive Officer and Managing Director	26.7%	33.3%	40.0%
Anastasia Clarke Chief Financial Officer	33.4%	33.3%	33.3%
Mark Fookes Chief Operating Officer	33.4%	33.3%	33.3%

Remuneration Report continued

Governance

Who are the members of the Committee?	<p>The Committee consists of the following four Non-Executive Directors:</p> <ul style="list-style-type: none"> » Tracey Horton AO (HRRC Chairman) » Vicki McFadden » Angus McNaughton » Mark Menhinnitt
What is the scope of work of the Committee?	<p>The Committee operates in accordance with the HRRC Charter and undertakes the following activities on behalf of the Board:</p> <ul style="list-style-type: none"> » Oversee the management of culture » Consider and recommend any changes to the remuneration framework to the Board for approval » Oversee the implementation of key policies and practices in support of GPT's remuneration framework and from time to time, review their appropriateness » Periodically review and make recommendations to the Board for approval in relation to the remuneration for Non-Executive Directors » Review annually and make recommendations to the Board for approval in relation to the remuneration package for the CEO and any other executive Director. In consultation with the CEO, review and approve remuneration packages for the Leadership Team (excluding the CEO) and approve the annual salary review budget for all other employees » Recommend to the Board for approval the key performance indicators for the CEO and having regard to the performance assessment undertaken by the Chairman of the Board, recommend to the Board incentive plan outcomes for the CEO to the Board for approval » Review the annual Remuneration Report and make recommendations to the Board for its inclusion in the Annual Report » Review and monitor the succession plan for the Leadership Team (excluding the CEO, which is a responsibility of the Nomination Committee¹) » Review and approve GPT's diversity & inclusion strategy, and oversee the implementation of key processes and procedures in support of this and report progress to the Board » Monitor and oversee talent development and employee engagement initiatives, and oversee the implementation of processes and procedures to support the implementation of those initiatives.

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

Remuneration – Non-Executive Directors

What are the key elements of the Non-executive Director Remuneration Policy?	<ul style="list-style-type: none"> » The Board determines the remuneration structure for Non-executive Directors based on recommendations from the Human Resources and Remuneration Committee. » Non-executive Directors are paid one fee for participation as a Director in all GPT related companies (principally GPT RE Limited, the Responsible Entity of General Property Trust and GPT Management Holdings Limited). » Non-executive Director remuneration is composed of three main elements: <ul style="list-style-type: none"> > Main Board fees > Committee fees, and > Superannuation contributions at the statutory superannuation guarantee contribution rate. » Non-executive Directors do not participate in any short or long term incentive arrangements and are not entitled to any retirement benefits other than compulsory superannuation. » Non-executive Directors are subject to the Group's Minimum Security Holding Policy as detailed on page 60 of this Report. » Non-executive Director remuneration is set by reference to comparable entities listed on the ASX (having regard to GPT's industry sector and market capitalisation). » External independent advice on remuneration levels for Non-executive Directors is sought annually. In the event that a review results in changes, the new Board and Committee fees are effective from 1 January in the applicable year and advised in the ensuing Remuneration Report. » Fees (including superannuation) paid to Non-executive Directors are subject to an aggregate limit of \$1,800,000 per annum, which was approved by GPT securityholders at the Annual General Meeting on 5 May 2015. As an Executive Director, Mr Johnston does not receive fees from this pool as he is remunerated as one of GPT's senior executives.
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1. Board and committee fees^{1,2}

		Board Fee	Audit Committee	Sustainability and Risk Committee	Human Resources and Remuneration Committee
Chairman	2021	\$450,000	\$40,000	\$34,000	\$34,000
	2020	\$450,000	\$40,000	\$34,000	\$34,000
Members	2021	\$170,000	\$20,000	\$17,000	\$17,000
	2020	\$170,000	\$20,000	\$17,000	\$17,000

1. In addition to the fees noted in the table, all Non-executive Directors receive reimbursement for reasonable travel, accommodation and other expenses incurred while undertaking GPT business.

2. Fees for Non-executive Directors are inclusive of superannuation.

2. Reported remuneration – Non-Executive Directors – AIFRS Accounting¹

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

Non-executive Director – Current		Fixed Pay			Total
		Base Fees	Superannuation	Other ²	
Vickki McFadden	2021	\$449,942	–	–	\$449,942
Chairman	2020	\$428,652	\$21,348	–	\$450,000
Tracey Horton AO	2021	\$201,368	\$19,632	–	\$221,000
	2020	\$201,826	\$19,173	–	\$220,999
Mark Menhinnitt	2021	\$185,878	\$18,122	–	\$204,000
	2020	\$184,453	\$17,523	–	\$201,976
Angus McNaughton	2021	\$188,611	\$18,389	–	\$207,000
	2020	\$189,041	\$17,959	–	\$207,000
Michelle Somerville	2021	\$206,835	\$20,165	–	\$227,000
	2020	\$207,306	\$19,694	–	\$227,000
Robert Whitfield AM ³	2021	\$225,372	\$20,464	–	\$245,836
	2020	\$97,729	\$9,284	–	\$107,013

Non-executive Director – Former		Fixed Pay			Total
		Base Fees	Superannuation	Other ²	
Gene Tilbrook ⁴	2021	–	–	–	–
	2020	\$204,566	\$19,434	\$859	\$224,859
Total	2021	\$1,458,006	\$96,772	–	\$1,554,778
	2020	\$1,513,573	\$124,415	\$859	\$1,638,847

1. No termination benefits were paid during the financial year.

2. Other may include death and total/permanent disability insurance premiums and/or GPT superannuation plan administration fees.

3. Mr Whitfield joined GPT on 14 May 2020. Total fees for 2021 were \$224,000, however an adjustment for unpaid fees in 2020 was made during the period.

4. Mr Tilbrook retired from the GPT Board on 31 December 2020.

Remuneration Report continued

3. Non-executive Director – GPT security holdings

Non-executive Director	Private holdings (# of securities)			Minimum securityholding requirement (MSHR)		
	Balance 31 Dec 20	Purchase / (Sale)	Balance 31 Dec 21	MSHR assessment ¹	MSHR guideline ²	MSHR assessment date
Vicki McFadden	112,525	–	112,525	\$595,932	\$450,000	March 2022
Tracey Horton AO	22,525	5,000	27,525	\$145,772	\$170,000	May 2023
Angus McNaughton	25,088	–	25,088	\$149,898	\$170,000	November 2022
Mark Menhinnitt	30,000	–	30,000	\$164,475	\$170,000	October 2023
Michelle Somerville	36,663	–	36,663	\$194,167	\$170,000	December 2021
Robert Whitfield AM ³	–	15,000	15,000	\$79,440	\$170,000	May 2024

1. The MSHR is assessed by the higher of cost or the current market value (derived by multiplying the number of holdings at the end of the period by GPT's December 2021 30-day VWAP of \$5.296).
2. The MSHR for Non-Executive Directors is equal to 100% of board fees. Individuals have four years from commencement of employment to achieve the MSHR before it is assessed for the first time.
3. Mr Whitfield was appointed to the Board in May 2020.

Remuneration Advisors

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

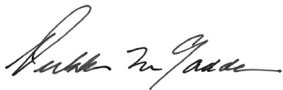
Clawback and Malus

GPT's Clawback Policy provides the Board with the discretion to modify remuneration outcomes as a result of adverse circumstances that arise or become known after remuneration has been granted, paid or vested. Individuals who participate in the STIC and LTI are subject to these awards being adjusted, cancelled or clawed back if a trigger event occurs. No trigger events occurred in 2021, and the Board did not enact the Clawback Policy during the reporting period.

Minimum Security Holding Requirement

GPT's Minimum Security Holding Policy requires Non-executive Directors, the CEO, other KMPs and members of the Leadership Team to build (initially over four years from appointment) and maintain a minimum holding of GPT securities. The guideline requires the CEO to maintain a holding equal to 150% of fixed remuneration. For Non-executive Directors, other KMP and Leadership Team members, the MSHR is equal to 100% of fixed remuneration or board fees.

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



Vicki McFadden
CHAIRMAN

Sydney
14 February 2022



Bob Johnston
CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

Sydney
14 February 2022

Auditor's Independence Declaration



Auditor's Independence Declaration

As lead auditor for the audit of General Property Trust for the year ended 31 December 2021, 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 audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of General Property Trust and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'S. Horlin', with a long horizontal flourish extending to the right.

Susan Horlin
Partner
PricewaterhouseCoopers

Sydney
14 February 2022

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Consolidated Statement of Comprehensive Income

Year ended 31 December 2021

	Note	31 Dec 21 \$M	31 Dec 20 Restated ¹ \$M
Revenue			
Rent from investment properties	17	673.7	632.9
Property and fund management fees		78.9	76.4
Development revenue		34.8	1.2
Development management fees		7.8	6.2
		795.2	716.7
Fair value adjustments and other income			
Fair value gain/(loss) on investment properties	2(a)(vi)	762.5	(365.6)
Share of after tax profit/(loss) of equity accounted investments		384.6	(99.4)
Interest revenue		0.3	1.1
Gain on financial liability at amortised cost		2.4	2.1
Net foreign exchange (loss)/gain		(0.2)	0.4
Net gain/(loss) from foreign currency borrowings and associated hedging	14(b)	17.6	(15.1)
Gain on financial asset at amortised cost		8.7	—
		1,175.9	(476.5)
Total revenue, fair value adjustments and other income		1,971.1	240.2
Expenses			
Property expenses and outgoings		197.5	166.2
Management and other administration costs		111.0	59.8
Development costs		27.2	1.0
Depreciation, amortisation and impairment		64.7	9.7
Impairment loss on trade and other receivables		50.0	62.4
Finance costs		87.0	105.7
Net loss on fair value movements of derivatives		11.9	39.6
Total expenses		549.3	444.4
Profit/(loss) before income tax expense		1,421.8	(204.2)
Income tax (benefit)/expense	9(a)	(1.0)	9.0
Net profit/(loss) for the year		1,422.8	(213.2)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss, net of tax</i>			
Movement in hedging reserve	10 (c)	20.9	(24.0)
Movement in fair value of cash flow hedges	10 (c)	6.0	(0.1)
Total other comprehensive income		26.9	(24.1)
Total comprehensive income/(loss) for the year		1,449.7	(237.3)
Net profit/(loss) attributable to:			
» Securityholders of the Trust		1,433.7	(240.1)
» Securityholders of other entities stapled to the Trust		(10.9)	26.9
Total comprehensive income/(loss) attributable to:			
» Securityholders of the Trust		1,460.6	(264.2)
» Securityholders of other entities stapled to the Trust		(10.9)	26.9
Basic earnings per unit attributable to ordinary securityholders of the Trust			
Earnings per unit (cents per unit) – profit/(loss) from continuing operations	11(a)	74.5	(12.3)
Basic earnings per stapled security attributable to ordinary stapled securityholders of the GPT Group			
Earnings per stapled security (cents per stapled security) – profit/(loss) from continuing operations	11(b)	73.9	(10.9)

1. The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 24 for details.

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

Consolidated Statement of Financial Position

As at 31 December 2021

	Note	31 Dec 21 \$M	31 Dec 20 Restated' \$M
Assets			
Current Assets			
Cash and cash equivalents		61.5	372.5
Trade receivables	4(a)	46.1	62.7
Other receivables	4(b)	169.3	30.7
Inventories	6	14.5	53.6
Derivative assets	14(a)	1.4	19.2
Prepayments		13.3	11.1
Other assets		20.5	41.6
		326.6	591.4
Assets classified as held for sale – investment properties	2(a)(v)	198.6	108.5
Total current assets		525.2	699.9
Non-current Assets			
Investment properties	2(a)	11,954.7	10,323.6
Equity accounted investments	3	4,067.9	3,723.8
Intangible assets	5	13.0	24.8
Inventories	6	71.0	41.9
Property, plant and equipment		9.2	10.6
Derivative assets	14(a)	464.6	461.1
Right-of-use assets		30.7	40.6
Deferred tax assets	9(d)	26.0	14.6
Other assets		17.4	6.0
Total non-current assets		16,654.5	14,647.0
Total assets		17,179.7	15,346.9
Liabilities			
Current liabilities			
Payables	7	207.0	180.5
Borrowings	13	802.4	519.0
Derivative liabilities	14(a)	6.3	4.0
Lease liabilities – other property leases		8.1	7.5
Provisions	8	30.5	29.7
Current tax liabilities	9(c)	6.1	2.0
Total current liabilities		1,060.4	742.7
Non-current liabilities			
Borrowings	13	4,336.9	3,568.4
Derivative liabilities	14(a)	62.0	109.6
Lease liabilities – investment properties	2(a)	14.8	7.8
Lease liabilities – other property leases		31.2	39.8
Provisions	8	1.1	1.1
Total non-current liabilities		4,446.0	3,726.7
Total liabilities		5,506.4	4,469.4
Net assets		11,673.3	10,877.5
Equity			
Securityholders of the Trust (parent entity)			
Contributed equity	10(a)	8,526.6	8,673.2
Reserves	10(c)	(20.7)	(47.6)
Retained earnings	10(d)	3,624.6	2,700.9
Total equity of the Trust securityholders		12,130.5	11,326.5
Securityholders of other entities stapled to the Trust			
Contributed equity	10(a)	331.8	332.0
Reserves	10(c)	22.7	19.6
Accumulated losses	10(d)	(811.7)	(800.6)
Total equity of other stapled securityholders		(457.2)	(449.0)
Total equity		11,673.3	10,877.5

1. The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 24 for details.

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

Consolidated Statement of Changes in Equity

Year ended 31 December 2021

Note	General Property Trust			Other entities stapled to the General Property Trust			Total equity ¹ \$M		
	Contributed equity \$M	Reserves \$M	Retained earnings \$M	Contributed Equity \$M	Reserves \$M	Accumulated losses ¹ \$M			
Equity attributable to Securityholders									
At 31 December 2019	8,673.2	(23.5)	3,123.5	11,773.2	332.0	37.3	(815.9)	(446.6)	11,326.6
Change in accounting policy	—	—	—	—	—	—	(11.6)	(11.6)	(11.6)
At 1 January 2020	8,673.2	(23.5)	3,123.5	11,773.2	332.0	37.3	(827.5)	(458.2)	11,315.0
Movement in hedging reserve	—	(24.0)	—	(24.0)	—	—	—	—	(24.0)
Movement in fair value of cash flow hedges	—	(0.1)	—	(0.1)	—	—	—	—	(0.1)
Other comprehensive income for the year	—	(24.1)	—	(24.1)	—	—	—	—	(24.1)
(Loss)/profit for the year	—	—	(240.1)	(240.1)	—	—	26.9	26.9	(213.2)
Total comprehensive (loss)/income for the year	—	(24.1)	(240.1)	(264.2)	—	—	26.9	26.9	(237.3)
Transactions with Securityholders in their capacity as Securityholders									
Movement in employee incentive scheme reserve net of tax	—	—	—	—	—	(17.5)	—	(17.5)	(17.5)
Purchase of treasury securities for employees	—	—	—	—	—	(0.2)	—	(0.2)	(0.2)
Reclassification of employee incentive security scheme reserve to retained earnings/accumulated losses	—	—	(1.3)	(1.3)	—	—	—	—	(1.3)
Distributions paid and payable	—	—	(181.2)	(181.2)	—	—	—	—	(181.2)
At 31 December 2020	8,673.2	(47.6)	2,700.9	11,326.5	332.0	19.6	(800.6)	(449.0)	10,877.5
Equity attributable to Securityholders									
At 1 January 2021	8,673.2	(47.6)	2,700.9	11,326.5	332.0	19.6	(800.6)	(449.0)	10,877.5
Movement in hedging reserve	—	20.9	—	20.9	—	—	—	—	20.9
Movement in fair value of cash flow hedges	—	6.0	—	6.0	—	—	—	—	6.0
Other comprehensive income for the year	—	26.9	—	26.9	—	—	—	—	26.9
Profit/(loss) for the year	—	—	1,433.7	1,433.7	—	—	(10.9)	(10.9)	1,422.8
Total comprehensive income/(loss) for the year	—	26.9	1,433.7	1,460.6	—	—	(10.9)	(10.9)	1,449.7
Transactions with Securityholders in their capacity as Securityholders									
On-market securities buy-back	(146.6)	—	—	(146.6)	(0.2)	—	—	(0.2)	(146.8)
Movement in employee incentive scheme reserve net of tax	—	—	—	—	—	3.5	—	3.5	3.5
Purchase of treasury securities for employees	—	—	—	—	—	(0.4)	—	(0.4)	(0.4)
Reclassification of employee incentive security scheme reserve to retained earnings/accumulated losses	—	—	1.9	1.9	—	—	(0.2)	(0.2)	1.7
Distributions paid and payable	—	—	(511.9)	(511.9)	—	—	—	—	(511.9)
At 31 December 2021	8,526.6	(20.7)	3,624.6	12,130.5	331.8	22.7	(811.7)	(457.2)	11,673.3

1. The Group's opening balances for the year have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 24 for details.

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

Consolidated Statement of Cash Flows

Year ended 31 December 2021

	Note	31 Dec 21 \$M	31 Dec 20 Restated' \$M
Cash flows from operating activities			
Receipts in the course of operations (inclusive of GST)		808.7	716.9
Payments in the course of operations (inclusive of GST)		(328.6)	(284.0)
Proceeds from sale of inventories		14.9	1.2
Payments for inventories		(14.4)	(10.0)
Distributions received from equity accounted investments		142.9	159.5
Interest received		0.3	1.3
Income taxes (paid)/refunded		(6.3)	1.3
Finance costs paid		(97.1)	(100.9)
Net cash inflows from operating activities	16(a)	520.4	485.3
Cash flows from investing activities			
Payments for acquisition of investment properties		(897.3)	(245.7)
Payments for maintenance and leasing capital expenditure on investment properties		(55.2)	(60.6)
Payments for development capital expenditure on investment properties		(151.3)	(265.6)
Proceeds from disposal of investment properties (net of transaction costs)		5.5	61.8
Deposit received for investment properties held for sale		10.5	—
Payments for property, plant and equipment		(1.6)	(3.6)
Payments for intangibles		(4.4)	(9.6)
Investment in equity accounted investments		(132.3)	(9.2)
Proceeds from disposal of equity accounted investments		—	583.9
Net cash (outflows)/inflows from investing activities		(1,226.1)	51.4
Cash flows from financing activities			
Payment for on-market buy-back of securities		(146.8)	—
Proceeds from borrowings		1,430.8	2,417.9
Repayment of borrowings		(369.9)	(2,201.7)
Repayment of principal elements of lease payments		(7.5)	(6.8)
Payment for termination and restructure of derivatives		—	(36.2)
Distributions paid to securityholders		(511.9)	(441.6)
Net cash inflows/(outflows) from financing activities		394.7	(268.4)
Net (decrease)/increase in cash and cash equivalents		(311.0)	268.3
Cash and cash equivalents at the beginning of the year		372.5	104.2
Cash and cash equivalents at the end of the year		61.5	372.5

1. The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 24 for details.

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

Notes to the Financial Statements

Year ended 31 December 2021

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

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 GPT's performance.

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

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

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

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

Notes 16 to 26 – OTHER DISCLOSURE ITEMS: provides information on other items that must be disclosed to comply with Australian Accounting Standards and other regulatory pronouncements.

Key judgements, estimates and assumptions

In applying GPT's accounting policies, management has made a number of judgements, estimates and assumptions regarding future events.

The ongoing COVID-19 pandemic has created heightened levels of economic uncertainty, resulting in management's judgements and estimates having a greater impact on the result for the period than normal.

GPT has assessed key judgements and estimates in light of COVID-19 and adjusted underlying assumptions accordingly.

Management has made key assumptions relating to the levels of debt forgiveness (rent waivers) to be provided to tenants (including both eligible SME tenants as defined by the commercial tenancy Code of Conduct, and other impacted tenants). While progress has been made in finalising agreements under the Code of Conduct, there are still a number of deals that remain unresolved. Therefore, management has used their judgement to determine estimated amounts of rent waivers for the year to 31 December 2021. These have been reflected as a write-off of trade receivables.

For remaining uncollected trade receivables at 31 December 2021, management has assessed that there is an increased level of risk associated with the collection of these balances due to the financial impacts of the pandemic on tenants. Management has therefore made judgements in relation to the likelihood of collecting these amounts, which have been reflected in the estimated credit loss allowance for trade receivables. See note 4.

The social distancing and mobility restrictions implemented in response to the COVID-19 pandemic have accelerated several existing trends impacting GPT's properties, such as online shopping and flexible working. Changes in shopping behaviours have resulted in an increase in demand for well-located logistics facilities to service increased online spending. This trend is also accelerating the transition to tenancies offering experience based services in our retail assets. The increased adoption of flexible working has impacted traffic at our office properties and has increased the focus on the provision of flexible work spaces within these properties. The extent and pace of the adoption of these trends in the future have the potential to impact future investment property income and prices, the estimated impacts of which are reflected in the property valuations. Management have reviewed the investment property valuations for both accuracy and the reasonableness of assumptions used to determine fair value. See note 2(c) for information on GPT's valuation process, and note 2(d) for a sensitivity analysis showing indicative movements in investment property valuations should certain key metrics differ from those assumed in the valuations.

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

Area of judgements and estimates	Assumptions underlying	Note
Lease liabilities	Lease term, incremental borrowing rate	2, 25
Investment properties*	Fair value	2
Trade receivables*	Measurement of expected credit loss	4
Management rights	Impairment trigger and recoverable amounts	5
IT development and software	Impairment trigger and recoverable amounts	5
Inventories	Lower of cost and net realisable value	6
Deferred tax assets	Recoverability	9
Security based payments	Fair value	20
Equity accounted investments	Assessment of control versus disclosure guidance	25(c)
Right-of-use assets*	Recoverable amount	25(d)(vii)

Items marked with * contain judgements and estimates which have been significantly impacted by COVID-19 in either the current or comparative periods.

RESULT FOR THE YEAR

1. Segment Information

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

1. Segment Information continued

Segment	Types of products and services which generate the segment result
Retail	Ownership, development (including mixed-use) and management of predominantly regional and sub-regional shopping centres as well as GPT's equity investment in the GPT Wholesale Shopping Centre Fund.
Office	Ownership, development (including mixed-use) and management of prime CBD office properties with some associated retail space as well as GPT's equity investment in the GPT Wholesale Office Fund.
Logistics	Ownership, development (including mixed-use) and management of logistics assets as well as GPT's equity investment in the GPT QuadReal Logistics Trust.
Funds Management	Management of two Australian wholesale property funds in the retail and office sectors and the GPT QuadReal Logistics Trust in the logistics sector.
Corporate	Cash and other assets and borrowings and associated hedges as well as net finance costs, corporate management and administration expenses and income tax expense.

a) Segment financial information

31 December 2021

The segment financial information provided to the chief operating decision makers for the year ended 31 December 2021 is set out below:

Financial performance by segment

	Note	Retail \$M	Office \$M	Logistics \$M	Funds Management \$M	Corporate \$M	Total \$M
Rent from investment properties	b(ii)	306.0	264.3	185.7	—	—	756.0
Property expenses and outgoings	b(iii)	(112.2)	(68.4)	(33.7)	—	—	(214.3)
Income from Funds	b(iv)	34.1	74.0	0.6	—	—	108.7
Management net income	b(v)	0.6	(1.9)	(1.4)	48.3	(62.5)	(16.9)
Operations Net Income		228.5	268.0	151.2	48.3	(62.5)	633.5
Development profit	b(vi)	5.2	—	3.3	—	—	8.5
Development management net income	b(vii)	0.2	1.2	0.2	—	—	1.6
Development Net Income		5.4	1.2	3.5	—	—	10.1
Interest revenue		—	—	—	—	0.3	0.3
Finance costs	b(viii)	—	—	—	—	(85.5)	(85.5)
Net Finance Costs		—	—	—	—	(85.2)	(85.2)
Segment Result Before Tax		233.9	269.2	154.7	48.3	(147.7)	558.4
Income tax expense	b(ix)	—	—	—	—	(3.9)	(3.9)
Funds from Operations (FFO)	b(i)	233.9	269.2	154.7	48.3	(151.6)	554.5

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

	Retail \$M	Office \$M	Logistics \$M	Funds Management \$M	Corporate \$M	Total \$M
Current Assets						
Current assets	218.5	—	126.2	—	180.5	525.2
Total Current Assets	218.5	—	126.2	—	180.5	525.2
Non-Current Assets						
Investment properties	4,630.1	3,019.3	4,305.3	—	—	11,954.7
Equity accounted investments	830.5	3,126.9	100.5	—	10.0	4,067.9
Inventories	71.0	—	—	—	—	71.0
Other non-current assets	0.1	23.8	7.9	—	529.1	560.9
Total Non-Current Assets	5,531.7	6,170.0	4,413.7	—	539.1	16,654.5
Total Assets	5,750.2	6,170.0	4,539.9	—	719.6	17,179.7
Current and non-current liabilities	6.9	20.7	7.9	—	5,470.9	5,506.4
Total Liabilities	6.9	20.7	7.9	—	5,470.9	5,506.4
Net Assets	5,743.3	6,149.3	4,532.0	—	(4,751.3)	11,673.3

Notes to the Financial Statements

Year ended 31 December 2021

1. Segment Information continued

a) Segment financial information continued

31 December 2020

The segment financial information provided to the chief operating decision makers for the year ended 31 December 2020 is set out below:

Financial performance by segment¹

	Note	Retail \$M	Office \$M	Logistics \$M	Funds Management \$M	Corporate \$M	Total \$M
Rent from investment properties	b(ii)	287.3	280.6	169.9	—	—	737.8
Property expenses and outgoings	b(iii)	(93.1)	(65.7)	(29.1)	—	—	(187.9)
Income from Funds	b(iv)	28.3	70.5	—	—	—	98.8
Management net income	b(v)	(1.7)	(5.2)	(1.5)	47.2	(26.1)	12.7
Operations Net Income		220.8	280.2	139.3	47.2	(26.1)	661.4
Development profit	b(vi)	4.6	—	0.2	—	—	4.8
Development management net income	b(vii)	0.3	1.7	(0.1)	—	—	1.9
Development Net Income		4.9	1.7	0.1	—	—	6.7
Interest revenue		—	—	—	—	1.1	1.1
Finance costs	b(viii)	—	—	—	—	(103.8)	(103.8)
Net Finance Costs		—	—	—	—	(102.7)	(102.7)
Segment Result Before Tax		225.7	281.9	139.4	47.2	(128.8)	565.4
Income tax expense	b(ix)	—	—	—	—	(10.7)	(10.7)
Funds from Operations (FFO)	b(i)	225.7	281.9	139.4	47.2	(139.5)	554.7

Reconciliation of segment assets and liabilities to the Consolidated Statement of Financial Position²

	Retail \$M	Office \$M	Logistics \$M	Funds Management \$M	Corporate \$M	Total \$M
Current Assets						
Current assets	46.9	—	122.0	—	531.0	699.9
Total Current Assets	46.9	—	122.0	—	531.0	699.9
Non-Current Assets						
Investment properties	4,753.9	2,691.8	2,877.9	—	—	10,323.6
Equity accounted investments	803.3	2,910.5	—	—	10.0	3,723.8
Inventories	37.1	—	4.8	—	—	41.9
Other non-current assets	10.2	20.2	6.1	—	521.2	557.7
Total Non-Current Assets	5,604.5	5,622.5	2,888.8	—	531.2	14,647.0
Total Assets	5,651.4	5,622.5	3,010.8	—	1,062.2	15,346.9
Current and non-current liabilities	7.8	23.9	31.9	—	4,405.8	4,469.4
Total Liabilities	7.8	23.9	31.9	—	4,405.8	4,469.4
Net Assets	5,643.6	5,598.6	2,978.9	—	(3,343.6)	10,877.5

1. Comparatives in this table have been restated to the current year presentation.

2. The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 24 for details.

1. Segment Information continued

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

	31 Dec 21 \$M	31 Dec 20' \$M
i) FFO to Net profit/(loss) for the year		
Segment result		
FFO	554.5	554.7
Adjustments		
Fair value gain/(loss) on investment properties	762.5	(365.6)
Fair value gain/(loss) and other adjustments to equity accounted investments	206.6	(295.4)
Amortisation of lease incentives and costs	(49.4)	(56.9)
Straightlining of rental income	4.6	5.4
Valuation increase/(decrease)	924.3	(712.5)
Net loss on fair value movement of derivatives	(11.9)	(39.6)
Net gain/(loss) from foreign currency borrowings and associated hedging	17.6	(15.1)
Net foreign exchange (loss)/gain	(0.2)	0.4
Gain on financial liability at amortised cost	2.4	2.1
Financial instruments mark to market and net foreign exchange movements	7.9	(52.2)
Impairment expense	(56.2)	(3.4)
Transaction costs ²	(20.7)	–
Other items	13.0	0.2
Total other items	(63.9)	(3.2)
Consolidated Statement of Comprehensive Income		
Net profit/(loss) for the year	1,422.8	(213.2)
ii) Rent from investment properties		
Segment result		
Rent from investment properties	756.0	737.8
Adjustments		
Less: share of rent from investment properties in equity accounted investments	(85.2)	(114.3)
Eliminations of intra-group lease payments	(2.3)	(1.5)
Amortisation of lease incentives and costs	(49.4)	(56.9)
Straightlining of rental income	4.6	5.4
Impairment loss on trade and other receivables	50.0	62.4
Consolidated Statement of Comprehensive Income		
Rent from investment properties	673.7	632.9
iii) Property expenses and outgoings		
Segment result		
Property expenses and outgoings	(214.3)	(187.9)
Adjustment		
Less: share of property expenses and outgoings in equity accounted investments	16.8	21.7
Consolidated Statement of Comprehensive Income		
Property expenses and outgoings	(197.5)	(166.2)
iv) Share of after tax profit of equity accounted investments		
Segment result		
Income from funds	108.7	98.8
Adjustments		
Share of rent from investment properties in equity accounted investments	85.2	114.3
Share of property expenses and outgoings in equity accounted investments	(16.8)	(21.7)
Development revenue – equity accounted investments	0.9	4.6
Fair value gain/(loss) and other adjustments to equity accounted investments	206.6	(295.4)
Consolidated Statement of Comprehensive Income		
Share of after tax profit/(loss) of equity accounted investments	384.6	(99.4)

1. The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 24 for details.

2. Transaction costs include \$10.7 million of penalties and interest in relation to the Darling Park stamp duty assessment (refer to note 3(b)(ii) for further details) and a \$10.0 million termination fee paid upon the acquisition of the Ascot portfolio.

Notes to the Financial Statements

Year ended 31 December 2021

1. Segment Information continued

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

	31 Dec 21 \$M	31 Dec 20' \$M
v) Management net income		
Segment result		
Operations management net income	(16.9)	12.7
Adjustments		
Expenses in development management net income	(6.2)	(4.5)
Eliminations of intra-group lease payments	2.3	1.5
Transfer to finance costs – leases	1.5	1.9
Depreciation, amortisation and impairment expense	8.5	6.3
Transaction costs	(20.7)	–
Other	(0.6)	(1.3)
Management net income	(32.1)	16.6
Consolidated Statement of Comprehensive Income		
Property and fund management fees	78.9	76.4
Management and other administration costs	(111.0)	(59.8)
Management net income	(32.1)	16.6
vi) Development profit		
Segment result		
Development profit	8.5	4.8
Adjustment		
Less: share of after tax profit of equity accounted investments	(0.9)	(4.6)
Development profit	7.6	0.2
Consolidated Statement of Comprehensive Income		
Development revenue	34.8	1.2
Development costs	(27.2)	(1.0)
Development profit	7.6	0.2
vii) Development management net income		
Segment result		
Development management net income	1.6	1.9
Adjustment		
Add: expenses in development net income	6.2	4.5
Consolidated Statement of Comprehensive Income		
Development management fees	7.8	6.2
viii) Finance costs		
Segment result		
Finance costs – borrowings	(85.5)	(103.8)
Adjustment		
Finance costs – leases	(1.5)	(1.9)
Adjustment		
Consolidated Statement of Comprehensive Income		
Finance costs	(87.0)	(105.7)
ix) Income tax expense		
Segment result		
Income tax expense	(3.9)	(10.7)
Adjustment		
Tax impact of reconciling items from segment result to net profit/(loss) for the year	4.9	1.7
Consolidated Statement of Comprehensive Income		
Income tax benefit/(expense)	1.0	(9.0)

1. The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 24 for details.

1. Segment Information continued

c) Net profit on disposal and derecognition of assets

	31 Dec 21 \$M	31 Dec 20 \$M
Details of disposals during the year:		
Consideration received/receivable	108.5	650.0
Less: transaction costs	—	(4.5)
Net consideration	108.5	645.5
Carrying amount of net assets sold	(108.5)	(645.5)
Profit on sale and derecognition before income tax	—	—
The carrying amounts of assets and liabilities as at the date of disposal were:		
Investment properties	108.5	61.8
Equity accounted investments	—	583.7
Net assets	108.5	645.5

OPERATING ASSETS AND LIABILITIES

2. Investment Properties

Basis of valuation

In line with the Valuation Policy, GPT independently values each asset (including investment property assets disclosed within equity accounted investments) at least annually.

Valuations were undertaken having regards to the following factors:

- » The government legislated the Code of Conduct for commercial tenancies, in addition to implementing various health and other economic measures which have impacted GPT's properties, tenants and cash flows; and
- » Independent valuers analyse and then reflect transaction evidence in their key valuation assumptions, including capitalisation and discount rates, as evidence becomes available. The fair value assessment of GPT's portfolio as at the reporting date includes an estimate of the impacts of COVID-19 using information available at the time of preparation of the financial statements, including the impact of rent relief estimated to be granted to tenants. Independent valuers have also adjusted a number of assumptions, including increasing allowances for incentives and lease up periods for current vacancies, near term lease expiries and lowering forecast market rental growth rates compared to prior to COVID-19.

Some of the independent valuations continue to contain material valuation uncertainty clauses during the period. Despite a higher level of transactional evidence, the impact of COVID-19 lockdowns on available key data remains 'high'. The valuations can be relied upon at the date of valuation however, a higher level of valuation uncertainty than normal is assumed.

GPT provides factual information to the independent valuers, including passing rent information, outstanding incentives and capital expenditure forecasts which the independent valuers then use to form their own assessment. Management has reviewed the investment property valuations for both accuracy and reasonableness of the assumptions used to determine fair value. The fair values are shown in the following tables.

a) Investment properties

		Investment properties	Less lease liabilities 31 Dec 21	Fair value	Investment properties	Less lease liabilities 31 Dec 20	Fair value
	Note	\$M	\$M	\$M	\$M	\$M	\$M
Retail	(i)	4,630.1	(6.9)	4,623.2	4,753.9	(7.8)	4,746.1
Office	(ii)	3,019.3	—	3,019.3	2,437.8	—	2,437.8
Logistics	(iii)	4,025.8	(7.9)	4,017.9	2,666.7	—	2,666.7
Properties under development	(iv)	279.5	—	279.5	465.2	—	465.2
Total investment properties	(vi)	11,954.7	(14.8)	11,939.9	10,323.6	(7.8)	10,315.8

Notes to the Financial Statements

Year ended 31 December 2021

2. Investment Properties continued

a) Investment properties continued

	Ownership interest % ¹	Acquisition date	Investment properties		Less lease liabilities 31 Dec 21		Fair value		Investment properties		Less lease liabilities 31 Dec 20		Fair value		Latest independent valuation date	Valuer
			\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M		
i) Retail																
Casuarina Square, NT ²	50.0	Oct 1973	—	—	—	—	—	209.8	209.8	—	—	—	—	209.8	—	—
Charlestown Square, NSW	100.0	Dec 1977	864.4	—	—	864.4	869.0	869.0	869.0	—	—	—	—	869.0	Jun 2021	CB Richard Ellis
Highpoint Shopping Centre, VIC	16.7	Aug 2009	366.7	—	—	366.7	350.0	350.0	350.0	—	—	—	—	350.0	Dec 2021	Savills Australia
Melbourne Central, VIC – retail portion ³	**100.0	May 1999/ May 2001	1,496.8	(4.8)	(4.8)	1,492.0	1,470.3	1,470.3	1,470.3	(5.7)	(5.7)	—	—	1,464.6	Dec 2021	Jones Lang LaSalle
Rouse Hill Town Centre, NSW	100.0	Dec 2005	672.8	—	—	672.8	645.2	645.2	645.2	—	—	—	—	645.2	Jun 2021	Colliers International
Sunshine Plaza, QLD	**50.0	Dec 1992/ Jun 1999/ Sep 2004	569.4	(2.1)	(2.1)	567.3	568.6	568.6	568.6	(2.1)	(2.1)	—	—	566.5	Jun 2021	Savills Australia
Westfield Penrith, NSW	50.0	Jun 1971	660.0	—	—	660.0	641.0	641.0	641.0	—	—	—	—	641.0	Dec 2021	Savills Australia
Total Retail			4,630.1	(6.9)	(6.9)	4,623.2	4,753.9	4,746.1	4,753.9	(7.8)	(7.8)			4,746.1		
ii) Office																
Australia Square, Sydney, NSW	50.0	Sep 1981	623.5	—	—	623.5	583.0	583.0	583.0	—	—	—	—	583.0	Jun 2021	Savills Australia
60 Station Street, Parramatta, NSW	100.0	Sep 2018	277.4	—	—	277.4	273.0	273.0	273.0	—	—	—	—	273.0	Jun 2021	CB Richard Ellis
32 Smith Street, Parramatta, NSW ⁴	100.0	Mar 2017	335.7	—	—	335.7	—	—	—	—	—	—	—	—	Jun 2021	Knight Frank
4 Murray Rose Avenue, Sydney Olympic Park, NSW	*100.0	May 2002	152.0	—	—	152.0	143.0	143.0	143.0	—	—	—	—	143.0	Dec 2021	Cushman & Wakefield
62 Northbourne Avenue, Canberra, ACT	100.0	Nov 2021	79.5	—	—	79.5	—	—	—	—	—	—	—	—	Nov 2021	Savills Australia
Melbourne Central, VIC – office portion ³	100.0	May 1999/ May 2001	785.5	—	—	785.5	729.0	729.0	729.0	—	—	—	—	729.0	Dec 2021	CB Richard Ellis
181 William & 550 Bourke Streets, Melbourne, VIC	50.0	Oct 2014	449.0	—	—	449.0	414.5	414.5	414.5	—	—	—	—	414.5	Dec 2021	Savills Australia
One One One Eagle Street, Brisbane, QLD	33.3	Apr 1984	316.7	—	—	316.7	295.3	295.3	295.3	—	—	—	—	295.3	Dec 2021	Cushman & Wakefield
Total Office			3,019.3	—	—	3,019.3	2,437.8	2,437.8	2,437.8	—	—			2,437.8		

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

2. On 17 December 2021, a call option for the sale of Casuarina Square was executed for a sales price of \$397.2 million (\$418.0 million less capital adjustments of \$20.8 million) (GPT's 50% share: \$198.6 million). Non-refundable deposits of \$20.9 million (\$0.5 million) have been received and are recorded as current liabilities as at 31 December 2021. Subject to exercise of the option by the purchaser, settlement is expected to occur no later than 31 March 2022.

3. Melbourne Central: 65.8% Retail and 34.5% Office (31 December 2020: 66.8% Retail and 33.2% Office). Melbourne Central – Retail includes 100% of Melbourne Central car park and 100% of 202 Little Lonsdale Street.

4. Following practical completion during the year, this property was reclassified from properties under development to investment property in the Office portfolio.

2. Investment Properties continued

a) Investment properties continued

	Ownership interest % ¹	Acquisition date	Investment properties		Less lease liabilities 31 Dec 21		Fair value		Investment properties		Less lease liabilities 31 Dec 20		Fair value		Latest independent valuation date	Valuer	
			\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M			
iii) Logistics																	
New South Wales																	
Rosehill Business Park, Camellia, NSW	100.0	May 1998	118.0	—	—	118.0	104.5	—	104.5	—	—	104.5	—	104.5	Dec 2021	Colliers International	
10 Interchange Drive, Eastern Creek, NSW	100.0	Aug 2012	47.7	—	—	47.7	42.0	—	42.0	—	—	42.0	—	42.0	Jun 2021	Savills Australia	
54 Eastern Creek Drive, Eastern Creek, NSW	100.0	Apr 2016	74.5	—	—	74.5	60.2	—	60.2	—	—	60.2	—	60.2	Dec 2021	Colliers International	
50 Old Wallgrove Road, Eastern Creek, NSW	100.0	Jun 2016	100.5	—	—	100.5	74.0	—	74.0	—	—	74.0	—	74.0	Dec 2021	Jones Lang LaSalle	
16-34 Templar Road, Erskine Park, NSW	100.0	Jun 2008	77.0	—	—	77.0	72.0	—	72.0	—	—	72.0	—	72.0	Jun 2021	CB Richard Ellis	
36-52 Templar Road, Erskine Park, NSW	100.0	Jun 2008	148.3	—	—	148.3	130.0	—	130.0	—	—	130.0	—	130.0	Jun 2021	Savills Australia	
54-70 Templar Road, Erskine Park, NSW	100.0	Jun 2008	202.2	—	—	202.2	179.0	—	179.0	—	—	179.0	—	179.0	Jun 2021	Colliers International	
67-75 Templar Road, Erskine Park, NSW	100.0	Jun 2008	39.8	—	—	39.8	28.8	—	28.8	—	—	28.8	—	28.8	Dec 2021	Jones Lang LaSalle	
29-55 Lockwood Road, Erskine Park, NSW	100.0	Jun 2008	148.0	—	—	148.0	123.7	—	123.7	—	—	123.7	—	123.7	Dec 2021	Savills Australia	
57-87 & 89-99 Lockwood Road, Erskine Park, NSW	100.0	Jul 2019	124.1	—	—	124.1	110.5	—	110.5	—	—	110.5	—	110.5	Jun 2021	CB Richard Ellis	
128 Andrews Road, Penrith, NSW	100.0	Jul 2019	105.7	—	—	105.7	93.6	—	93.6	—	—	93.6	—	93.6	Jun 2021	Colliers International	
42 Cox Place, Glendenning, NSW ²	100.0	Dec 2019	52.7	—	—	52.7	—	—	—	—	—	—	—	—	Jun 2021	Knight Frank	
407 Pembroke Road, Minto, NSW	50.0	Oct 2008	45.5	—	—	45.5	35.0	—	35.0	—	—	35.0	—	35.0	Dec 2021	Jones Lang LaSalle	
4 Holker Street, Newington, NSW	100.0	Mar 2006	50.0	—	—	50.0	42.0	—	42.0	—	—	42.0	—	42.0	Dec 2021	Colliers International	
83 Derby Street, Silverwater, NSW	100.0	Aug 2012	56.1	—	—	56.1	45.0	—	45.0	—	—	45.0	—	45.0	Dec 2021	Colliers International	
Sydney Olympic Park Town Centre, NSW	*100.0	Jun 2010/ Apr 2013	54.8	—	—	54.8	49.7	—	49.7	—	—	49.7	—	49.7	Dec 2021	Colliers International	
Quad 1, Sydney Olympic Park, NSW	*100.0	Jun 2001	32.0	—	—	32.0	31.0	—	31.0	—	—	31.0	—	31.0	Dec 2021	Knight Frank	
Quad 4, Sydney Olympic Park, NSW	*100.0	Jun 2004	60.0	—	—	60.0	55.0	—	55.0	—	—	55.0	—	55.0	Dec 2021	Knight Frank	
372-374 Victoria Street, Wetherill Park, NSW	100.0	Jul 2006	40.2	—	—	40.2	34.7	—	34.7	—	—	34.7	—	34.7	Jun 2021	Knight Frank	
38 Pine Road, Yennora, NSW	100.0	Nov 2013	83.3	—	—	83.3	72.0	—	72.0	—	—	72.0	—	72.0	Jun 2021	Knight Frank	
38A Pine Road, Yennora, NSW	100.0	Nov 2013	15.5	—	—	15.5	13.6	—	13.6	—	—	13.6	—	13.6	Jun 2021	Colliers International	
18-24 Abbott Road, Seven Hills, NSW	100.0	Oct 2006	55.0	—	—	55.0	44.2	—	44.2	—	—	44.2	—	44.2	Dec 2021	Colliers International	
1A Huntingwood Drive, Huntingwood, NSW	100.0	Oct 2016	63.3	—	—	63.3	52.4	—	52.4	—	—	52.4	—	52.4	Dec 2021	Savills Australia	
1B Huntingwood Drive, Huntingwood, NSW	100.0	Oct 2016	34.3	—	—	34.3	28.0	—	28.0	—	—	28.0	—	28.0	Dec 2021	Savills Australia	

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2. Following practical completion during the year, these property was reclassified from properties under development to investment property in the Logistics portfolio.

Notes to the Financial Statements

Year ended 31 December 2021

2. Investment Properties continued

a) Investment properties continued

	Ownership interest % ¹	Acquisition date	Investment properties		Less lease liabilities 31 Dec 21		Fair value		Investment properties		Less lease liabilities 31 Dec 20		Fair value		Latest independent valuation		
			\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	date
104 Vanessa Street, Kingsgrove, NSW	100.0	May 2019	34.0	—	—	34.0	27.4	27.4	—	—	27.4	—	—	27.4	Dec 2021	Knicht Frank	
64 Biloela Street, Villawood, NSW	100.0	May 2019	48.0	—	—	48.0	42.7	42.7	—	—	42.7	—	—	42.7	Jun 2021	CB Richard Ellis	
30-32 Bessemer Street, Blacktown, NSW	100.0	May 2019	46.5	—	—	46.5	43.5	43.5	—	—	43.5	—	—	43.5	Jun 2021	CB Richard Ellis	
21 Pipeclay Avenue, Thornton, NSW	100.0	Nov 2021	4.0	—	—	4.0	—	—	—	—	—	—	—	—	Oct 2021	Savills Australia	
ACT																	
12 Faulding Street, Symonston, ACT	100.0	Nov 2021	22.6	—	—	22.6	—	—	—	—	—	—	—	—	Oct 2021	Savills Australia	
Victoria																	
Citiport Business Park, Port Melbourne, VIC	100.0	Mar 2012	117.5	—	—	117.5	93.5	93.5	—	—	93.5	—	—	93.5	Dec 2021	Savills Australia	
21-23 Wirraway Drive, Port Melbourne, VIC	100.0	Mar 2020	36.5	—	—	36.5	32.6	32.6	—	—	32.6	—	—	32.6	Dec 2021	CB Richard Ellis	
Citiwest Industrial Estate, Altona North, VIC	100.0	Aug 1994	154.0	—	—	154.0	115.0	115.0	—	—	115.0	—	—	115.0	Dec 2021	CB Richard Ellis	
Sunshine Business Estate, Sunshine, VIC	100.0	Jan 2018	108.0	—	—	108.0	88.0	88.0	—	—	88.0	—	—	88.0	Dec 2021	Jones Lang LaSalle	
521 Geelong Road, Brooklyn, VIC	100.0	Nov 2021	50.9	—	—	50.9	—	—	—	—	—	—	—	—	Oct 2021	Savills Australia	
396 Mount Derrimut Road, Derrimut, VIC	100.0	Nov 2018	18.8	—	—	18.8	14.7	14.7	—	—	14.7	—	—	14.7	Dec 2021	Jones Lang LaSalle	
40 Fulton Drive, Derrimut, VIC	100.0	Nov 2021	17.2	—	—	17.2	—	—	—	—	—	—	—	—	Oct 2021	Savills Australia	
21 Shiny Drive, Truganina, VIC	100.0	Nov 2018	55.5	—	—	55.5	42.3	42.3	—	—	42.3	—	—	42.3	Dec 2021	Savills Australia	
2 Prosperity Street, Truganina, VIC ²	100.0	Nov 2018	49.0	—	—	49.0	—	—	—	—	—	—	—	—	Dec 2021	Savills Australia	
25 Niton Drive, Truganina, VIC ²	100.0	Jul 2019	59.0	—	—	59.0	—	—	—	—	—	—	—	—	Dec 2021	Savills Australia	
1 Botero Place, Truganina, VIC	100.0	May 2020	54.5	—	—	54.5	44.4	44.4	—	—	44.4	—	—	44.4	Dec 2021	CB Richard Ellis	
Foundation Estate, Truganina, VIC	100.0	Dec 2020	148.0	—	—	148.0	120.0	120.0	—	—	120.0	—	—	120.0	Dec 2021	CB Richard Ellis	
399 Boundary Road, Truganina, VIC	100.0	Dec 2018	27.0	—	—	27.0	20.5	20.5	—	—	20.5	—	—	20.5	Dec 2021	Jones Lang LaSalle	
235-239 Boundary Road, Laverton North, VIC	100.0	Aug 2021	72.8	—	—	72.8	—	—	—	—	—	—	—	—	Dec 2021	CB Richard Ellis	
79 Cherry Lane, Laverton North, VIC	100.0	Nov 2021	48.3	—	—	48.3	—	—	—	—	—	—	—	—	Oct 2021	Savills Australia	
16 Henderson Road, Knoxfield, VIC	100.0	Nov 2021	34.2	—	—	34.2	—	—	—	—	—	—	—	—	Oct 2021	Savills Australia	
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	255.3	—	—	255.3	215.5	215.5	—	—	215.5	—	—	215.5	Dec 2021	Jones Lang LaSalle	

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2. Following practical completion during the year, these properties have been reclassified from properties under development to investment property in the Logistics portfolio.

2. Investment Properties continued

a) Investment properties continued

	Ownership interest % ¹	Acquisition date	Investment properties		Less lease liabilities 31 Dec 21		Fair value		Investment properties		Less lease liabilities 31 Dec 20		Fair value		Latest independent valuation		Valuer	
			\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M		date
Queensland																		
59 Forest Way, Karawatha, QLD	100.0	Dec 2012	157.5	—	—	157.5	137.5	—	137.5	—	—	137.5	—	137.5	Dec 2021	Savills Australia		
55 Whitelaw Place, Wacol, QLD	100.0	Dec 2016	23.3	—	—	23.3	19.9	—	19.9	—	—	19.9	—	19.9	Dec 2021	Jones Lang LaSalle		
2 Ironbark Close, Wembley Business Park, Berrinba, QLD	100.0	Jun 2015	66.3	—	—	66.3	57.0	—	57.0	—	—	57.0	—	57.0	Dec 2021	Jones Lang LaSalle		
30 Ironbark Close, Wembley Business Park, Berrinba, QLD	100.0	Jun 2015	34.7	—	—	34.7	31.3	—	31.3	—	—	31.3	—	31.3	Dec 2021	Jones Lang LaSalle		
1 Wattlebird Court, Berrinba, QLD ²	100.0	Jun 2015	40.6	—	—	40.6	—	—	—	—	—	—	—	Dec 2021	Jones Lang LaSalle			
102-108 Magnesium Drive, Crestmead, QLD	100.0	Nov 2021	26.8	—	—	26.8	—	—	—	—	—	—	—	Oct 2021	Savills Australia			
248 Fleming Road, Tingalpa, QLD	100.0	Nov 2021	29.6	—	—	29.6	—	—	—	—	—	—	—	Oct 2021	Savills Australia			
48 Miller Street, Murarrie, QLD	100.0	Nov 2021	39.8	—	—	39.8	—	—	—	—	—	—	—	Nov 2021	Savills Australia			
4 Enterprise Street, Wulkuraka, QLD	100.0	Nov 2021	117.5	—	—	117.5	—	—	—	—	—	—	—	Nov 2021	Savills Australia			
15 Northern Link Circuit, Townsville, QLD	100.0	Nov 2021	28.7	—	—	28.7	—	—	—	—	—	—	—	Nov 2021	Savills Australia			
South Australia																		
1 Vimy Avenue, Adelaide Airport, SA	*100.0	Nov 2021	24.6	(4.4)	—	20.2	—	—	—	—	—	—	—	Oct 2021	Savills Australia			
26 Butler Boulevard, Adelaide Airport, SA	*100.0	Nov 2021	20.0	(3.5)	—	16.5	—	—	—	—	—	—	—	Nov 2021	Savills Australia			
176 Eastern Parade, Gillman, SA	100.0	Nov 2021	19.5	—	—	19.5	—	—	—	—	—	—	—	Oct 2021	Savills Australia			
1A Symonds Street, Royal Park, SA	100.0	Nov 2021	6.8	—	—	6.8	—	—	—	—	—	—	—	Oct 2021	Savills Australia			
6-10 Senna Road, Wingfield, SA	100.0	Nov 2021	38.5	—	—	38.5	—	—	—	—	—	—	—	Oct 2021	Savills Australia			
Western Australia																		
15 Modal Crescent, Canning Vale, WA	100.0	Nov 2021	23.8	—	—	23.8	—	—	—	—	—	—	—	Oct 2021	Savills Australia			
23 Destiny Way, Wangara, WA	100.0	Nov 2021	25.5	—	—	25.5	—	—	—	—	—	—	—	Oct 2021	Savills Australia			
50 Triumph Avenue, Wangara, WA	100.0	Nov 2021	7.3	—	—	7.3	—	—	—	—	—	—	—	Oct 2021	Savills Australia			
56 Triumph Avenue, Wangara, WA	100.0	Nov 2021	4.9	—	—	4.9	—	—	—	—	—	—	—	Oct 2021	Savills Australia			
Total Logistics			4,025.8	(7.9)	(7.9)	4,017.9	2,666.7	(7.9)	2,666.7	(7.9)	(7.9)	2,666.7	(7.9)	2,666.7				

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Notes to the Financial Statements

Year ended 31 December 2021

2. Investment Properties continued

a) Investment properties continued

	Ownership interest % ¹	Acquisition date	Investment properties		Less lease liabilities 31 Dec 21		Fair value		Investment properties		Less lease liabilities 31 Dec 20		Fair value		Latest independent valuation date	Valuer
			\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M		
iv) Properties under Development																
32 Smith, Parramatta, NSW ²	100.0	Mar 2017	—	—	—	—	—	—	254.0	—	—	—	—	254.0	—	—
42 Cox Place, Glendenning, NSW ³	100.0	Dec 2019	—	—	—	—	—	—	34.0	—	—	—	—	34.0	—	—
407 Pembroke Rd, Minto, NSW	50.0	Oct 2008	13.3	—	—	—	13.3	—	9.8	—	—	—	—	9.8	Dec 2021	Jones Lang LaSalle
Yiribana Logistics Estate – East, Kemps Creek, NSW	100.0	Oct 2020	147.7	—	—	—	147.7	—	35.0	—	—	—	—	35.0	Apr/Jun 2021	Knight Frank
2 Prosperity Street, Truganina, VIC ³	100.0	Nov 2018	—	—	—	—	—	—	13.9	—	—	—	—	13.9	Dec 2021	Savills Australia
25 Nilton Drive, Truganina, VIC ³	100.0	Jul 2019	—	—	—	—	—	—	12.1	—	—	—	—	12.1	Dec 2021	Savills Australia
The Gateway Logistics Hub, Stage 4-6, Truganina, VIC	100.0	Jul 2019	30.6	—	—	—	30.6	—	27.5	—	—	—	—	27.5	Dec 2020	Savills Australia
Austrak Business Park, Somerton, VIC	50.0	Oct 2003	64.8	—	—	—	64.8	—	47.6	—	—	—	—	47.6	Dec 2021	Jones Lang LaSalle
143 Foundation Road, Truganina, VIC	100.0	Dec 2020	8.0	—	—	—	8.0	—	5.7	—	—	—	—	5.7	Jun 2021	CB Richard Ellis
Wembley Business Park, Stage 3, Berrinba, QLD	100.0	Jun 2015	15.1	—	—	—	15.1	—	12.9	—	—	—	—	12.9	Dec 2021	Jones Lang LaSalle
Wembley Business Park, Stage 4, Berrinba, QLD ³	100.0	Jun 2015	—	—	—	—	—	—	12.7	—	—	—	—	12.7	Dec 2021	Jones Lang LaSalle
Total Properties under development			279.5	—	—	—	279.5	—	465.2	—	—	—	—	465.2		
v) Property held for sale																
Casuarina Square, NT ⁴	50.0	Oct 1973	198.6	—	—	—	198.6	—	—	—	—	—	—	—	—	—
Metro Assets – Sydney Olympic Park, NSW ⁵	*100.0	Jul 2004/Aug 2004/ Jul 2005	—	—	—	—	—	—	103.0	—	—	—	—	103.0	—	—
142-158 Pacific Highway, Charlestown, NSW ⁶	100.0	Oct 2002	—	—	—	—	—	—	5.5	—	—	—	—	5.5	—	—
Total Properties held for sale			198.6	—	—	—	198.6	—	108.5	—	—	—	—	108.5		

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2. Following practical completion during the year, this property has been reclassified from properties under development to investment property in the Office portfolio.

3. Following practical completion during the year, these properties have been reclassified from properties under development to investment property in the Logistics portfolio.

4. On 17 December 2021, a call option for the sale of Casuarina Square was exercised for a sales price of \$397.2 million (\$418.0 million less capital adjustments of \$20.8 million) (GPT's 50% share: \$198.6 million). Non-refundable deposits of \$20.9 million (\$10.5 million) have been received and are recorded as current liabilities as at 31 December 2021. Subject to exercise of the option by the purchaser, settlement is expected to occur no later than 31 March 2022.

5. The Metro Assets at Sydney Olympic Park were compulsorily acquired on 19 March 2021. At 31 December 2020 GPT recorded the disposal based on the initial offer price of \$103.0 million. A preliminary report provided by the Valuer General has estimated the value at \$111.7 million. This increase has been reflected as a gain on financial asset at amortised cost. Negotiations on the final sale price are continuing.

6. 142-158 Pacific Highway was sold on 30 June 2021 for a total consideration of \$5.5 million.

2. Investment Properties continued

a) Investment properties continued

vi) Reconciliation

	Retail \$M	Office \$M	Logistics \$M	Properties under development \$M	31 Dec 21 \$M	31 Dec 20 \$M
Opening balance at the beginning of the year	4,753.9	2,437.8	2,666.7	465.2	10,323.6	10,327.5
Additions – maintenance capital expenditure	18.6	8.4	2.5	–	29.5	28.4
Additions – development capital expenditure	21.6	16.6	1.0	115.4	154.6	247.4
Additions – interest capitalised ¹	0.3	–	–	5.6	5.9	10.3
Asset acquisitions	–	82.3	681.6	101.4	865.3	245.7
Transfers to assets held for sale	(198.6)	–	–	–	(198.6)	(108.5)
Transfers to/(from) properties under development/ other assets	–	335.7	201.3	(536.2)	0.8	–
Transfer to inventory	(2.9)	–	–	–	(2.9)	–
Movement in ground leases of investment properties	(0.9)	–	7.9	–	7.0	1.4
Disposals	–	–	–	–	–	(61.8)
Fair value adjustments	34.4	133.7	469.3	126.0	763.4	(365.6)
Lease incentives (includes rent free)	15.0	25.3	2.8	0.1	43.2	43.7
Leasing costs	4.1	2.9	0.3	0.4	7.7	6.6
Amortisation of lease incentives and costs	(13.6)	(25.4)	(10.2)	(0.2)	(49.4)	(56.9)
Straightlining of leases	(1.8)	2.0	2.6	1.8	4.6	5.4
Closing balance at the end of the year	4,630.1	3,019.3	4,025.8	279.5	11,954.7	10,323.6

1. A capitalisation interest rate of 2.4% (31 December 2020: 3.1%) has been applied when capitalising interest on qualifying assets.

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

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

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

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

Notes to the Financial Statements

Year ended 31 December 2021

2. Investment Properties continued

b) Fair value measurement, valuation techniques and inputs

Critical judgements are made by GPT in respect of the fair values of investment properties. Fair values are reviewed regularly by management with reference to independent property valuations, recent transactions and market conditions, using generally accepted market practices.

A description of the valuation techniques and key inputs are included in the following table:

Class of assets	Fair value hierarchy ¹	Valuation technique	Inputs used to measure fair value	Unobservable inputs 31 Dec 21	Unobservable inputs 31 Dec 20
Retail	Level 3	Discounted cash flow (DCF) and income capitalisation method	Gross market rent (per sqm p.a.)	\$1,427 – \$2,288	\$1,382 – \$2,238
			10 year average specialty market rental growth (DCF)	2.4% – 3.2%	2.4% – 3.1%
			Adopted capitalisation rate	4.50% – 5.50%	4.50% – 6.25%
			Adopted terminal yield (DCF)	4.75% – 5.75%	4.75% – 6.50%
			Adopted discount rate (DCF)	6.00% – 6.50%	6.00% – 7.00%
			Lease incentives (gross)	7.5% – 14.0%	7.3% – 12.5%
		COVID-19 allowance (% of asset annual income)	0.6% – 20.6%	7.3% – 20.1%	
Office	Level 3	DCF and income capitalisation method	Net market rent (per sqm p.a.)	\$430 – \$1,400	\$430 – \$1,435
			10 year average market rental growth (DCF)	3.1% – 3.9%	2.5% – 3.7%
			Adopted capitalisation rate	4.50% – 5.63%	4.75% – 5.75%
			Adopted terminal yield (DCF)	4.75% – 5.75%	5.00% – 6.00%
			Adopted discount rate (DCF)	5.75% – 6.25%	6.13% – 6.50%
			Lease incentives (gross)	15.0% – 40.0%	16.7% – 37.5%
		COVID-19 allowance (% of asset annual income)	0.1% – 4.9%	0.0% – 15.7%	
Logistics	Level 3	DCF and income capitalisation method	Net market rent (per sqm p.a.)	\$70 – \$529	\$70 – \$530
			10 year average market rental growth (DCF)	2.5% – 3.5%	2.6% – 3.4%
			Adopted capitalisation rate	3.50% – 5.75%	4.38% – 5.75%
			Adopted terminal yield (DCF)	3.63% – 6.00%	4.63% – 6.00%
			Adopted discount rate (DCF)	5.25% – 7.00%	6.00% – 6.75%
			Lease incentives (net)	10.0% – 32.0%	8.3% – 30.0%
		COVID-19 allowance (% of asset annual income)	0.0% – 0.0%	0.0% – 25.0%	
Properties under development	Level 3	Income capitalisation method, or land rate	Net market rent (per sqm p.a.)	\$80 – \$134	\$109 – \$655
			Adopted capitalisation rate	3.63% – 5.00%	5.00% – 5.25%
			Adopted terminal yield (DCF)	3.88% – 5.13%	5.00% – 5.63%
			Adopted discount rate (DCF)	5.25% – 6.00%	6.00% – 6.38%
			Land rate (per sqm)	\$348 – \$679	\$250 – \$500
			Profit and risk factor	0.0% – 10.0%	15.0% – 16.9%

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

2. Investment Properties continued

b) Fair value measurement, valuation techniques and inputs continued

DCF	Under the DCF method, the fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the assets' or liabilities' life including an exit or terminal value. The DCF method involves the projection of a series of cash flows from the assets or liabilities. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the cash flow stream associated with the assets or liabilities.
Income capitalisation method	This method involves assessing the total net market income receivable from the property and capitalising this in perpetuity to derive a capital value, with allowances for capital expenditure and reversions.
Gross market rent	A gross market rent is the estimated amount of rent for which a property or space within a property should lease between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion.
Net market rent	A net market rent is the estimated amount for which a property or space within a property should lease between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion and excludes the building outgoings or cleaning costs paid by the tenant.
10 year average specialty market rental growth	The expected annual rate of change in market rent over a 10 year forecast period in specialty tenancy rents. Specialty tenants are those tenancies with a gross lettable area of less than 400 square metres (excludes ATMs and kiosks).
10 year average market rental growth	The expected annual rate of change in market rent over a 10 year forecast period.
Adopted capitalisation rate	The rate at which net market income is capitalised to determine the value of a property. The rate is determined with regards to market evidence.
Adopted terminal yield	The capitalisation rate used to convert income into an indication of the anticipated value of the property at the end of the holding period when carrying out a discounted cash flow calculation. The rate is determined with regards to market evidence.
Adopted discount rate	The rate of return used to convert a monetary sum, payable or receivable in the future, into present value. Theoretically it should reflect the opportunity cost of capital, that is, the rate of return the capital can earn if put to other uses having similar risk. The rate is determined with regards to market evidence.
Land rate (per sqm)	The land rate is the market land value per sqm.
Profit and risk factor	The profit and risk factor is applied to the remaining costs of a development to reflect a target margin required to complete the project. The factor will vary depending on the remaining leasing or construction required.
Lease incentives	A lease incentive is often provided to a lessee upon the commencement of a lease. Incentives can be a combination of, or, one of the following: a rent free period, a fit-out contribution, a cash contribution or rental abatement.
COVID-19 allowance	The COVID-19 allowance reflects the anticipated prospective rent relief granted to tenants in accordance with the Code of Conduct principles.

Notes to the Financial Statements

Year ended 31 December 2021

2. Investment Properties continued

c) Valuation process – investment properties

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

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

The purpose of the committee is to:

- » approve the panel of independent valuers;
- » review valuation inputs and assumptions;
- » provide an escalation process where there are differences of opinion from various team members responsible for the valuation;
- » oversee the finalisation of the valuations; and
- » review the independent valuation sign-off and any comments that have been noted.

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

Independent valuations

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

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

Internal tolerance checks

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

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

Properties under development

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

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

Highest and best use

The fair value of investment properties is calculated based on the highest and best use whether or not current use reflects highest and best use. For all GPT investment properties current use equates to the highest and best use, with the exception of Sydney Olympic Park Town Centre.

The masterplan for Sydney Olympic Park provides long term opportunities for the Town Centre to significantly increase the floor space developed within the precinct, subject to development and planning approvals. The assets are currently leased and any future redevelopment is also subject to the expiration of these leases.

2. Investment Properties continued

d) Sensitivity information – investment properties

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

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

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

The following table shows the sensitivity of the valuation to movements in the key variables of discount rate and market rental growth rates.

i) Retail valuation sensitivity

Discount Rate	(0.25%)	0.25%
Impact to valuation	2.1%	(2.0%)
10 Year Specialty Growth Rate	(0.25%)	0.25%
Impact to valuation	(1.6%)	1.7%

ii) Office valuation sensitivity

Discount Rate	(0.25%)	0.25%
Impact to valuation	2.1%	(2.1%)
10 Year Growth Rate	(0.25%)	0.25%
Impact to valuation	(2.0%)	2.1%

iii) Logistics valuation sensitivity

Discount Rate	(0.25%)	0.25%
Impact to valuation	2.0%	(2.0%)
10 Year Growth Rate	(0.25%)	0.25%
Impact to valuation	(2.0%)	1.9%

e) Lease payments to be received

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

	31 Dec 21 \$M	31 Dec 20 \$M
Less than 1 year	582.5	550.0
2 years	507.2	478.1
3 years	446.5	398.5
4 years	382.0	337.9
5 years	312.1	278.1
Due after five years	1,055.1	1,021.2
Total lease payments to be received	3,285.4	3,063.8

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

Notes to the Financial Statements

Year ended 31 December 2021

3. Equity Accounted Investments

	Note	31 Dec 21 \$M	31 Dec 20 \$M
Investments in joint ventures	(a)(i)	991.0	848.6
Investments in associates	(a)(ii)	3,076.9	2,875.2
Total equity accounted investments		4,067.9	3,723.8

a) Details of equity accounted investments

Name	Principal Activity	Ownership Interest		31 Dec 21 \$M	31 Dec 20 \$M
		31 Dec 21 %	31 Dec 20 %		
i) Joint ventures					
2 Park Street Trust ¹	Investment property	50.00	50.00	847.1	804.6
Horton Trust	Investment property	50.00	50.00	28.8	28.1
GPT QuadReal Logistics Trust ²	Investment property	50.10	50.10	100.5	—
Lendlease GPT (Rouse Hill) Pty Limited ^{1,3}	Property development	50.00	50.00	14.6	15.9
Total investment in joint venture entities				991.0	848.6
ii) Associates					
GPT Wholesale Office Fund ^{1,4}	Investment property	21.81	21.87	1,702.9	1,579.6
GPT Wholesale Shopping Centre Fund ¹	Investment property	28.48	28.48	787.1	759.3
GPT Funds Management Limited	Funds management	100.00	100.00	10.0	10.0
Darling Park Trust ¹	Investment property	41.67	41.67	576.9	526.3
DPT Operator Pty Limited ¹	Management	91.67	91.67	—	—
DPT Operator No.2 Pty Limited ¹	Management	91.67	91.67	—	—
Total investments in associates				3,076.9	2,875.2

1. The entity has a 30 June balance date.

2. The GPT QuadReal Logistics Trust was formed in November 2020 and made its first investment in February 2021.

3. GPT has a 50% interest in Lendlease GPT (Rouse Hill) Pty Limited, a joint venture developing residential and commercial land at Rouse Hill, in partnership with Urban Growth and the NSW Department of Planning.

4. Ownership has decreased as a result of GPT not participating in the Distribution Reinvestment Plan (DRP) which occurred during the year.

For those joint ventures with investment property as the principal activity refer to note 2 for details on key judgements and estimates relating to the valuation of these investment properties, including how COVID-19 impacts have been addressed.

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

3. Equity Accounted Investments continued

b) Summarised financial information for associates and joint ventures

The information disclosed reflects the amounts presented in the 31 December 2021 financial results of the relevant associates and joint ventures and not GPT's share of those amounts. They have been amended to reflect adjustments made by GPT when using the equity method, including fair value adjustments and modifications for differences in accounting policies.

i) Joint ventures

	2 Park Street Trust		GPT QuadReal Logistics Trust		Others	
	31 Dec 21 \$M	31 Dec 20 \$M	31 Dec 21 \$M	31 Dec 20 \$M	31 Dec 21 \$M	31 Dec 20 \$M
Current assets						
Cash and cash equivalents	47.8	30.3	25.6	—	16.7	11.8
Other current assets	1.2	0.7	9.3	—	14.5	18.4
Total current assets	49.0	31.0	34.9	—	31.2	30.2
Non-current assets						
Investment properties and loans	1,700.0	1,610.0	181.2	—	61.4	57.0
Other non-current assets	—	—	—	—	—	7.2
Total non-current assets	1,700.0	1,610.0	181.2	—	61.4	64.2
Current liabilities						
Financial liabilities (excluding trade payables, other payables and provisions)	54.3	31.3	15.5	—	2.4	2.6
Other current liabilities	0.6	0.6	—	—	2.3	3.8
Total current liabilities	54.9	31.9	15.5	—	4.7	6.4
Other non-current liabilities	—	—	—	—	1.1	—
Total non-current liabilities	—	—	—	—	1.1	—
Net assets	1,694.1	1,609.1	200.6	—	86.8	88.0
Reconciliation to carrying amounts:						
Opening net assets 1 January	1,609.1	1,591.6	—	—	88.0	1,270.5
Profit for the year	151.1	84.1	14.5	—	4.7	16.8
Capital injection	—	—	—	—	—	2.8
Issue of equity	—	—	187.4	—	0.6	3.2
Distributions paid/payable	(66.1)	(66.6)	(1.3)	—	(6.5)	(37.5)
Closing net assets	1,694.1	1,609.1	200.6	—	86.8	1,255.8
GPT's share	847.1	804.6	100.5	—	43.4	44.0
Disposal of units	—	—	—	—	—	(583.9)
Closing GPT share	847.1	804.6	100.5	—	43.4	(539.9)
Summarised statement of comprehensive income						
Revenue	73.4	72.8	1.6	—	2.9	57.0
Profit for the year	151.1	84.1	14.5	—	4.7	16.8
Total comprehensive income	151.1	84.1	14.5	—	4.7	16.8

Notes to the Financial Statements

Year ended 31 December 2021

3. Equity Accounted Investments continued

b) Summarised financial information for associates and joint ventures continued

ii) Associates

	GPT Wholesale Office Fund		GPT Wholesale Shopping Centre Fund		Darling Park Trust		GPT Funds Management Limited and others	
	31 Dec 21 \$M	31 Dec 20 \$M	31 Dec 21 \$M	31 Dec 20 \$M	31 Dec 21 \$M	31 Dec 20 \$M	31 Dec 21 \$M	31 Dec 20 \$M
Total current assets	73.3	68.9	257.1	78.3	42.1	29.3	10.0	10.0
Total non-current assets	9,764.5	8,968.2	3,284.3	3,778.6	1,381.7	1,269.0	—	—
Total current liabilities	455.0	174.5	100.7	66.2	39.3	35.1	—	—
Total non-current liabilities	1,574.9	1,640.2	677.0	1,124.8	—	—	—	—
Net assets	7,807.9	7,222.4	2,763.7	2,665.9	1,384.5	1,263.2	10.0	10.0
Reconciliation to carrying amounts:								
Opening net assets 1 January	7,222.4	7,023.7	2,665.9	3,334.1	1,263.2	1,299.6	10.0	10.0
Profit/(loss) for the year	865.9	156.9	166.4	(668.4)	164.8	14.8	—	—
Issue of equity	18.8	340.5	—	0.9	21.9	14.9	—	—
Movement in reserves	13.3	(8.6)	—	—	—	—	—	—
Distributions paid/payable	(312.5)	(290.1)	(68.6)	(0.7)	(65.4)	(66.1)	—	—
Closing net assets	7,807.9	7,222.4	2,763.7	2,665.9	1,384.5	1,263.2	10.0	10.0
GPT's share	1,702.9	1,579.6	787.1	759.3	576.9	526.3	10.0	10.0
Investment ¹	—	—	—	—	29.2	—	—	—
Impairment	—	—	—	—	(29.2)	—	—	—
Closing GPT share	1,702.9	1,579.6	787.1	759.3	576.9	526.3	10.0	10.0
Summarised statement of comprehensive income								
Revenue	540.0	413.0	248.0	224.7	69.1	98.9	—	—
Profit/(loss) for the year	865.9	156.9	166.4	(668.4)	164.8	14.8	—	—
Total comprehensive income/(loss)	879.2	148.3	166.4	(668.4)	164.8	14.8	—	—
Distributions received/receivable from their associates	56.5	52.1	—	—	—	—	—	—

1. During the year GPT received a notice of assessment from Revenue NSW that levied stamp duty on the 2019 acquisition of a 41.67% interest in the Darling Park Trust. That notice levied stamp duty of \$29.2m (which was recognised against the equity accounted investment) as well as penalties and interest of \$10.7m. The penalty together with interest has been recognised as an expense in the Consolidated Statement of Financial Performance. GPT has objected to the notice of assessment but has determined that it is appropriate to reflect these amounts in the financial statements pending the outcome of the objection.

4. Trade and Other Receivables

a) Trade receivables

	31 Dec 21 \$M	31 Dec 20 \$M
Current assets		
Trade receivables ¹	42.4	50.2
Accrued income	9.7	7.2
Related party receivables ²	24.9	24.6
Less: impairment of trade receivables	(30.9)	(19.3)
Total current trade receivables	46.1	62.7

1. This includes trade receivables relating to revenue from contracts with customers. Refer to note 17 for the methodology of apportionment between trade receivables relating to AASB 15 Revenue from Contracts with Customers and other trade receivables balances.

2. The related party receivables are on commercial terms and conditions.

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

	31 Dec 21						31 Dec 20					
	Not yet due \$M	0-30 days \$M	31-60 days \$M	61-90 days \$M	90+ days \$M	Total \$M	Not yet due \$M	0-30 days \$M	31-60 days \$M	61-90 days \$M	90+ days \$M	Total \$M
Retail	11.0	8.1	3.9	1.8	15.3	40.1	7.2	12.4	6.6	4.6	17.5	48.3
Office	2.3	1.9	0.3	0.1	0.8	5.4	1.3	1.1	0.8	0.2	1.5	4.9
Logistics	3.7	1.0	0.1	0.1	0.1	5.0	1.5	0.3	—	0.2	0.5	2.5
Corporate	0.3	25.0	0.8	0.2	0.2	26.5	0.5	25.3	0.3	0.1	0.1	26.3
Less: impairment of trade receivables	(5.9)	(6.6)	(3.1)	(1.6)	(13.7)	(30.9)	(1.3)	(5.6)	(3.0)	(2.0)	(7.4)	(19.3)
Total loans and receivables	11.4	29.4	2.0	0.6	2.7	46.1	9.2	33.5	4.7	3.1	12.2	62.7

b) Other receivables

	31 Dec 21 \$M	31 Dec 20 \$M
Current assets		
Distributions receivable from associates	29.5	23.0
Distributions receivable from joint ventures	2.4	2.2
Settlement compensation receivable ¹	131.6	—
Other receivables	5.8	5.5
Total current other receivables	169.3	30.7

1. Comprising \$111.7 million in relation to Sydney Olympic Park and \$19.9 million in relation to Rouse Hill land.

c) Accounting policies and COVID-19 impacts

Regulated commercial rent relief schemes have been in place during 2021, in accordance with the national mandatory Code of Conduct, to assist small and medium enterprise (SME) tenants who are suffering financial hardship during the pandemic. The Code of Conduct sets out principles to guide discussions between commercial landlords and SME tenants and is legislated and regulated by the states and territories.

The application of the Code of Conduct requires GPT to engage with each of its SME tenants and provide cashflow support in a fair and proportionate manner during the COVID-19 period. Importantly, the Code of Conduct allows GPT to negotiate commercial outcomes on a case by case basis for those SMEs most impacted. GPT has also engaged with non-SME tenants who have sought assistance but are not eligible under the Code of Conduct. Assistance provided to tenants under the Code of Conduct has taken the form of rent waivers, rent payment deferral or a combination of the two. While steady progress has been made in finalising agreements under the Code of Conduct, there are still a number of deals that remain unresolved.

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. GPT holds these financial assets in order to collect the contractual cash flows, and the contractual terms are solely payments of outstanding principal and interest on the principal amount outstanding.

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

Rent waivers and other write-offs

Debts which management has determined will be subject to a rent waiver, or are otherwise uncollectible have been written off as at 31 December 2021, in accordance with the requirements of AASB 9 Financial Instruments. Bad debt write offs of \$41.6 million (31 December 2020: \$44.7 million) relating to COVID-19 abatements and other non recoverable amounts have been recognised during the financial year. Waivers which have been reflected on invoices issued to tenants and do not relate to previous outstanding debtors, have been shown as a reduction to rent from investment properties on the Consolidated Statement of Comprehensive Income.

Notes to the Financial Statements

Year ended 31 December 2021

4. Trade and Other Receivables continued

b) Other receivables continued

Estimated credit loss allowance

For remaining trade and other receivables balances which have not been written off, management has assessed whether these balances are "credit impaired", and recognised a loss allowance equal to the lifetime ECL.

Recoverability of receivables

At each reporting date, GPT 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.

Lifetime 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 cash flows due to GPT in accordance with the contract and the cash flows that GPT expects to receive). A default on trade receivables is when the counterparty fails to make contractual payments when they fall due and management determines that the debt is uncollectible, or where management forgives all or part of the debt.

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

- » forecasts of economic conditions such as unemployment, interest rates, gross domestic product and inflation;
- » financial difficulties of a counterparty or probability that a counterparty will enter bankruptcy; and
- » conditions specific to the asset to which the receivable relates.

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

As a result of COVID-19 GPT has reviewed its methodology to determine an estimated lifetime ECL, with historical default percentages no longer the most appropriate means of predicting future default events. At 31 December 2021, GPT has assessed the likelihood of future defaults and debt forgiveness taking into account several factors. These include the risk profile of the tenant, the age of the debt, the asset location, and tenant cash payment trends after the completion of rent relief agreements and other economic conditions impacting the tenants' ability to pay.

This has resulted in an ECL allowance of \$30.9 million being recognised as at 31 December 2021 (31 December 2020: \$19.3 million). The remaining net balance of trade receivables (excluding accrued income and related party receivables) is \$11.5 million (31 December 2020: \$30.9 million).

5. Intangible Assets

	Management rights \$M	IT development and software ¹ \$M	Total \$M
Costs			
Balance at 31 December 2019	55.8	53.9	109.7
Additions	—	8.7	8.7
Write off	(3.8)	(8.3)	(12.1)
Balance at 31 December 2020	52.0	54.3	106.3
Additions	—	4.3	4.3
Write off	—	(12.3)	(12.3)
Balance at 31 December 2021	52.0	46.3	98.3
Accumulated amortisation and impairment			
Balance at 31 December 2019	(45.5)	(45.6)	(91.1)
Amortisation	—	(2.6)	(2.6)
Impairment	—	0.1	0.1
Write off	3.8	8.3	12.1
Balance at 31 December 2020	(41.7)	(39.8)	(81.5)
Amortisation	—	(2.1)	(2.1)
Impairment	(10.3)	(3.7)	(14.0)
Write off	—	12.3	12.3
Balance at 31 December 2021	(52.0)	(33.3)	(85.3)
Carrying amounts			
Balance at 31 December 2020	10.3	14.5	24.8
Balance at 31 December 2021	—	13.0	13.0

1. The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 24 for details.

5. Intangible Assets continued

Management rights

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

For the management rights of Highpoint Shopping Centre, management considers the useful life as indefinite as there is no fixed term included in the management agreement. Therefore, GPT tests for impairment at balance date. Assets are impaired if the carrying value exceeds their recoverable amount. The recoverable amount is determined using a discounted cash flow. A 13% pre-tax discount rate and 2.98% growth rate have been applied to these asset specific cash flow projections.

During the year management tested all inputs in the fair value assessment of the management rights and have adjusted these inputs where they have been impacted by the COVID-19 pandemic. Based on this assessment management has identified that the carrying value is zero at year end and as such the asset has been fully impaired.

IT development and software

Costs incurred in developing systems and acquiring software and licenses that will contribute future financial benefits and which the Group controls (therefore excluding Software as a Service) are capitalised until the software is capable of operating in the manner intended by management. These include external direct costs of materials and services and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straightline basis over the length of time over which the benefits are expected to be received, generally ranging from 3 to 10 years.

IT development and software are assessed for impairment at each reporting date by evaluating if any impairment triggers exist. Where impairment triggers exist, management calculate the recoverable amount. The asset is impaired if the carrying value exceeds the recoverable amount. Critical judgements are made by GPT in setting appropriate impairment triggers and assumptions used to determine the recoverable amount. Impairment is also recognised where management intends to transition software from an on premises solution to a Software as a Service (SaaS) solution in accordance with the IFRIC agenda decision.

Management has reviewed the impairment indicators for the year including the COVID-19 pandemic and have recorded an impairment where appropriate. Management believe the carrying value reflects the recoverable amount.

6. Inventories

	31 Dec 21 \$M	31 Dec 20 \$M
Properties held for sale	8.4	—
Development properties	6.1	53.6
Current inventories	14.5	53.6
Development properties	71.0	41.9
Non-current inventories	71.0	41.9
Total inventories	85.5	95.5

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

NSW Health compulsorily acquired 23,448 sqm of land at Rouse Hill on 16 July 2021. GPT have recorded the disposal at the most recent offer price of \$19.9 million. This amount is reflected as a receivable. The final sale price to be received is yet to be determined.

On 29 November 2021, GPT acquired three assets as part of the Ascot property portfolio for a total of \$8.7 million (carrying value at 31 December 2021: \$8.4 million) which are expected to be sold in the next 12 months and are therefore classified as properties held for sale.

Cost

Cost includes the cost of acquisition and any subsequent capital addition. For development properties, cost also includes development, finance costs and all other costs directly related to specific projects including an allocation of direct overhead expenses. Post completion of the development, finance costs and other holding charges are expensed as incurred. A total of \$1.9 million in finance costs have been capitalised to inventory for the year ended 31 December 2021 (31 December 2020: \$2.6 million). When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. For wholly owned, internally managed developments, this expense is determined on a forward looking, revenue proportional basis.

Notes to the Financial Statements

Year ended 31 December 2021

6. Inventories continued

Net realisable value (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 year end that could cause any fluctuations of selling price and costs to sell.

Management have completed NRV assessments for each inventory asset taking into account the impacts of COVID-19 on these estimates including impacts on delivery timeframes and revenue assumptions as compared the cost of development assets, and the estimated sale prices of held for sale assets.

The amount of any write down is recognised as an impairment expense in the Consolidated Statement of Comprehensive Income. An impairment expense of \$0.2 million has been recognised for the year ended 31 December 2021 (31 December 2020: \$0.3 million).

7. Payables

	31 Dec 21 \$M	31 Dec 20 \$M
Trade payables and accruals	157.7	108.5
GST payables	5.5	3.2
Interest payable	11.7	16.6
Levies payable	20.4	20.1
Other payables	11.7	32.1
Total payables	207.0	180.5

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

8. Provisions

	31 Dec 21 \$M	31 Dec 20 \$M
Current provisions		
Employee benefits	15.6	15.3
Other	14.9	14.4
Total current provisions	30.5	29.7
Non-current provisions		
Employee benefits	1.1	1.1
Total non-current provisions	1.1	1.1
Total provisions	31.6	30.8

Provisions are recognised when:

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

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

Provision for employee benefits

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

Employee benefit expenses in the Consolidated Statement of Comprehensive Income

	31 Dec 21 \$M	31 Dec 20 \$M
Employee benefit expenses	122.2	86.3

9. Taxation

	31 Dec 21 Gross \$M	31 Dec 21 Tax Impact \$M	31 Dec 20 Gross \$M	31 Dec 20' Tax Impact \$M
a) Income tax expense				
Current income tax expense		10.2		–
Deferred income tax (benefit)/expense		(11.2)		9.0
Income tax (benefit)/expense in the Consolidated Statement of Comprehensive Income		(1.0)		9.0
Income tax (benefit)/expense attributable to: Profit from continuing operations		(1.0)		9.0
Aggregate income tax (benefit)/expense		(1.0)		9.0
b) Reconciliation of accounting profit to income tax (benefit)/expense				
Net profit/(loss) for the year excluding income tax expense	1,421.8	426.5	(204.2)	(61.3)
Less: Trust (profit)/loss not subject to tax	(1,401.3)	(420.4)	143.7	43.1
Profit/(loss) which is subject to taxation at 30% tax rate	20.5	6.1	(60.5)	(18.2)
Tax effect of amounts not deductible/assessable in calculating income tax expense:				
(Non-assessable)/non-deductible revaluation items in the Company	(22.9)	(6.9)	94.5	28.4
Equity accounted profits from joint ventures in the Company	(0.9)	(0.3)	(4.5)	(1.4)
(Loss)/profit used to calculate effective tax rate	(3.3)	(1.1)	29.5	8.8
Other tax adjustments	0.2	0.1	0.6	0.2
Income tax (benefit)/expense	(3.1)	(1.0)	30.1	9.0
Effective tax rate		30%		31%
			31 Dec 21 \$M	31 Dec 20 \$M
c) Current tax (liabilities)/assets				
Opening balance at the beginning of the year			(2.0)	2.2
Income tax benefit/(expense)			1.0	(9.0)
Tax payments made to/(receipts from) tax authorities			6.3	(1.3)
Other deferred tax asset charged to income			(5.8)	(1.8)
Movements in employee benefits			(5.6)	12.5
Movements in reserves			–	(4.6)
Closing balance at the end of the year			(6.1)	(2.0)
d) Net deferred tax assets				
Employee benefits			10.6	5.0
Provisions and accruals			1.9	2.0
Right-of-use assets			(13.2)	(13.4)
Lease liabilities			17.9	16.6
Other			8.8	4.4
Net deferred tax asset			26.0	14.6
Movement in temporary differences during the year				
Opening balance at the beginning of the year			14.6	25.5
Income tax benefit/(expense)			11.2	(9.0)
Movement in reserves			0.2	(1.9)
Closing balance at the end of the year			26.0	14.6

1. The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 24 for details.

Notes to the Financial Statements

Year ended 31 December 2021

9. Taxation continued

Trust

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

Company

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

Deferred income tax liabilities and assets – recognition

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

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

Deferred income tax liabilities and assets – measurement

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

Deferred income tax is provided on temporary differences at the reporting date between accounting carrying amounts and the tax cost bases of assets and liabilities, other than for the following:

- » Where taxable temporary differences relate to investments in subsidiaries, associates and interests in joint ventures:
 - › Deferred tax liabilities are not recognised if the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
 - › Deferred tax assets are not recognised if it is not probable that the temporary differences will reverse in the foreseeable future and taxable profit will not be available to utilise the temporary differences.

Tax relating to equity items

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

Effective tax rate

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

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

Attribution managed investment trust regime

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

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

CAPITAL STRUCTURE

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

At 31 December 2021, GPT is credit rated A (negative) / A2 stable by Standard and Poor's (S&P) and Moody's Investor Services (Moody's) respectively. The ratings are important as they reflect the investment grade credit rating of GPT which allows access to global capital markets to fund its development pipeline and future acquisition investment opportunities. The stronger ratings improve both the availability of capital, in terms of amount and tenor, and reduce the cost at which it can be obtained.

GPT is able to vary the capital mix by:

- » issuing stapled securities;
- » buying back stapled securities;
- » activating the distribution reinvestment plan;
- » adjusting the amount of distributions paid to stapled securityholders;
- » selling assets to reduce borrowings; or
- » increasing borrowings.

10. Equity and Reserves

a) Contributed equity

	Number	Trust \$M	Other entities stapled to the Trust \$M	Total \$M
Ordinary stapled securities				
Opening securities on issue and contributed equity at 1 January 2020	1,947,929,316	8,673.2	332.0	9,005.2
Closing securities on issue and contributed equity at 31 December 2020	1,947,929,316	8,673.2	332.0	9,005.2
Opening securities on issue and contributed equity at 1 January 2021	1,947,929,316	8,673.2	332.0	9,005.2
On-market securities buy-back ¹	(32,351,886)	(146.6)	(0.2)	(146.8)
Closing securities on issue and contributed equity at 31 December 2021	1,915,577,430	8,526.6	331.8	8,858.4

1. On 15 February 2021, the Group announced an on-market buy-back of GPT securities, with transactions occurring between 3 March 2021 and 1 June 2021 for an average price of \$4.54 per security.

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.

b) Treasury securities

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

	Number of securities	\$M
Opening balance at 1 January 2020	8,892	—
Acquisition of securities by the GPT Group Stapled Securities Trust	869,071	4.0
Employee securities issued	(877,963)	(4.0)
Balance at 31 December 2020	—	—
Opening balance at 1 January 2021	—	—
Acquisition of securities by the GPT Group Stapled Securities Trust	81,549	0.4
Employee securities issued	(81,549)	(0.4)
Balance at 31 December 2021	—	—

Notes to the Financial Statements

Year ended 31 December 2021

10. Equity and Reserves continued

c) Reserves

	Foreign currency translation reserve		Cash flow hedge reserve		Cost of hedging reserve		Employee incentive scheme reserve		Total reserves	
	Trust \$M	Other entities stapled to GPT	Trust \$M	Other entities stapled to GPT	Trust \$M	Other entities stapled to GPT	Trust \$M	Other entities stapled to GPT	Trust \$M	Other entities stapled to GPT
		\$M		\$M		\$M		\$M		\$M
Balance at 1 January 2020	(26.4)	18.3	(6.3)	—	9.2	—	—	19.0	(23.5)	37.3
Movement in hedging reserve	—	—	—	—	(24.0)	—	—	—	(24.0)	—
Movement in fair value of cash flow hedges	—	—	(0.1)	—	—	—	—	—	(0.1)	—
Security-based payment transactions, net of tax	—	—	—	—	—	—	—	(17.7)	—	(17.7)
Balance at 31 December 2020	(26.4)	18.3	(6.4)	—	(14.8)	—	—	1.3	(47.6)	19.6
Balance at 1 January 2021	(26.4)	18.3	(6.4)	—	(14.8)	—	—	1.3	(47.6)	19.6
Movement in hedging reserve	—	—	—	—	20.9	—	—	—	20.9	—
Movement in fair value of cash flow hedges	—	—	6.0	—	—	—	—	—	6.0	—
Security-based payment transactions, net of tax	—	—	—	—	—	—	—	3.1	—	3.1
Balance at 31 December 2021	(26.4)	18.3	(0.4)	—	6.1	—	—	4.4	(20.7)	22.7

Nature and purpose of reserves

Foreign currency translation reserve

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

Cash flow hedge reserve

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

Cost of hedging reserve

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

Employee incentive scheme reserve

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

d) Retained earnings / accumulated losses

	Note	Trust \$M	Other entities stapled to GPT ¹ \$M	Total ¹ \$M
Balance at 1 January 2020		3,123.5	(827.5)	2,296.0
Net (loss)/profit for the financial year		(240.1)	26.9	(213.2)
Less: Distributions paid/payable to ordinary stapled securityholders	12	(181.2)	—	(181.2)
Reclassification of employee incentive security scheme reserve to retained earnings/accumulated losses		(1.3)	—	(1.3)
Balance at 31 December 2020		2,700.9	(800.6)	1,900.3
Balance at 1 January 2021		2,700.9	(800.6)	1,900.3
Net profit/(loss) for the financial year		1,433.7	(10.9)	1,422.8
Less: Distributions paid/payable to ordinary stapled securityholders	12	(511.9)	—	(511.9)
Reclassification of employee incentive security scheme reserve to retained earnings/accumulated losses		1.9	(0.2)	1.7
Balance at 31 December 2021		3,624.6	(811.7)	2,812.9

1. The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 24 for details.

11. Earnings per stapled security

	31 Dec 21 Cents	31 Dec 21 Cents	31 Dec 20 Cents	31 Dec 20 Cents
a) Attributable to ordinary securityholders of the Trust	Basic	Diluted	Basic	Diluted
Total basic and diluted earnings per security attributable to ordinary securityholders of the Trust	74.5	74.5	(12.3)	(12.3)
b) Attributable to ordinary stapled securityholders of the GPT Group				
Total basic and diluted earnings per security attributable to stapled securityholders of the GPT Group	73.9	73.9	(10.9)	(10.9)

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

	31 Dec 21 \$M	31 Dec 21 \$M	31 Dec 20 \$M	31 Dec 20 \$M
c) Reconciliation of earnings used in calculating earnings per ordinary stapled security				
Basic and diluted earnings of the Trust	1,433.7	1,433.7	(240.1)	(240.1)
Basic and diluted earnings of the Company ¹	(10.9)	(10.9)	26.9	26.9
Basic and diluted earnings of the GPT Group	1,422.8	1,422.8	(213.2)	(213.2)

	31 Dec 21 Millions	31 Dec 21 Millions	31 Dec 20 Millions	31 Dec 20 Millions
d) Weighted average number of ordinary securities				
WANOS used as the denominator in calculating basic earnings per ordinary stapled security	1,924.3	1,924.3	1,947.9	1,947.9
Performance security rights at weighted average basis ²		0.7		—
WANOS used as the denominator in calculating diluted earnings per ordinary stapled security		1,925.0		1,947.9

1. The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 24 for details.

2. Performance security rights granted under the employee incentive schemes are only included in dilutive earnings per ordinary stapled security where the performance hurdles are met as at the year end.

Calculation of earnings per stapled security

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

Notes to the Financial Statements

Year ended 31 December 2021

12. Distributions paid and payable

Distributions are paid to GPT stapled securityholders half yearly.

	Cents per stapled security	Total amount \$M
Distributions paid/payable		
2021		
6 months period ended 30 June 2021	13.20	257.1
6 months period ended 31 December 2021 ¹	13.30	254.8
Total distributions paid/payable for the year	26.50	511.9
2020		
6 months period ended 30 June 2020 ²	—	—
6 months period ended 31 December 2020	9.30	181.2
Total distributions paid/payable for the year	9.30	181.2

1. The December 2021 half yearly distribution of 9.9 cents per security, was declared on 14 February 2022 and is expected to be paid on 28 February 2022. The distribution is 25 per cent lower than the 31 December 2020 distribution of 13.2 cents per security as a result of the impact of COVID-19 partially offset by a reduction in maintenance capex and lease incentives.

2. In the period ended 30 June 2020 GPT transitioned to declaring the distribution post balance date. Distributions for the period are recognised in the period in which they are declared.

13. Borrowings

	31 Dec 21 \$M	31 Dec 20 \$M
Current borrowings at amortised cost – unsecured ¹	800.0	514.0
Current borrowings at amortised cost – secured	2.4	5.0
Current borrowings	802.4	519.0
Non-current borrowings at amortised cost – unsecured	1,961.3	1,186.2
Non-current borrowings at fair value through profit and loss – unsecured ²	2,287.2	2,294.0
Non-current borrowings at amortised cost – secured	88.4	88.2
Non-current borrowings	4,336.9	3,568.4
Total borrowings – carrying amount³	5,139.3	4,087.4
Total borrowings – fair value⁴	5,217.4	4,124.1

1. Includes \$750.0 million of outstanding commercial paper (31 December 2020: \$514.0 million) which is an uncommitted line with a maturity period of generally three months or less and is classified as current borrowings. These drawings are in addition to GPT's committed facilities but may be refinanced by non-current undrawn bank loan facilities.

2. Cumulative fair value movements are shown in the table on the following page.

3. Including unamortised establishment costs, fair value and other adjustments.

4. For the majority of borrowings, the carrying amount is a reasonable approximation of fair value. Where material difference arises, the fair value is calculated using market observable inputs (level 2) and unobservable inputs (level 3). This excludes unamortised establishment costs.

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

13. Borrowings continued

The following table outlines the cumulative amount of fair value movements that are included in the carrying amount of borrowings in the Consolidated Statement of Financial Position.

	31 Dec 21 \$M	31 Dec 20 \$M
Nominal amount	1,907.4	1,907.4
Unamortised borrowing costs	(5.4)	(6.0)
Amortised cost	1,902.0	1,901.4
Cumulative fair value movements	385.2	392.6
Carrying amount	2,287.2	2,294.0

Carrying value of cross currency interest rate swaps hedging the above foreign currency borrowings is reflected in the Consolidated Statement of Financial Position within derivative assets totalling \$398.0 million (31 December 2020: \$368.9 million) and within derivative liabilities totalling \$12.0 million (31 December 2020: \$17.3 million).

The maturity profile of borrowings as at 31 December 2021 is as follows:

	Total facility ^{1,2,3} \$M	Used facility ¹ \$M	Unused facility ^{2,3} \$M
Due within one year	802.7	802.4	0.3
Due between one and five years	3,240.5	1,747.5	1,493.0
Due after five years	2,332.4	2,192.3	140.1
	6,375.6	4,742.2	1,633.4
Cash and cash equivalents			61.5
Total financing resources at the end of the year			1,694.9
Less: commercial paper ²			(750.0)
Less: cash and cash equivalents held for the AFSLs			(10.2)
Total financing resources available at the end of the year			934.7

1. Excluding unamortised establishment costs, fair value and other adjustments and \$10.0 million bank guarantee facilities and its \$2.1 million utilisation. This reflects the contractual cash flows payable on maturity of the borrowings taking into account historical exchange rates under cross currency interest rate swaps entered into to hedge the foreign currency borrowings.

2. GPT's commercial paper program is an uncommitted line with a maturity period of generally three months or less and is classified as current borrowings. These drawings are in addition to GPT's committed facilities but may be refinanced by non-current undrawn bank loan facilities and are therefore excluded from available liquidity.

3. Including \$100 million of forward starting facilities available to GPT.

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

Debt covenants

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

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

A breach of these covenants may trigger consequences ranging from rectifying and/or repricing to repayment of outstanding amounts.

GPT performed a review of debt covenants as at 31 December 2021 and no breaches were identified noting:

- » Covenant gearing ratio as at 31 December 2021 is 28.4 per cent; and
- » Interest cover ratio for the 12 months to December 2021 is 7.5 times.

Notes to the Financial Statements

Year ended 31 December 2021

14. Financial Risk Management

The GPT Board approve GPT's treasury policy which:

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

a) Derivatives

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

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

	31 Dec 21 \$M	31 Dec 20 \$M
Derivative Assets		
Interest Rate Swaps – AUD	68.0	111.4
Cross Currency Interest Rate Swaps – fair value hedges	41.8	34.5
Cross Currency Interest Rate Swaps – fair value and cash flow hedges	356.2	334.4
Total Derivative Assets	466.0	480.3
Derivative Liabilities		
Interest Rate Swaps – AUD	56.3	96.3
Cross Currency Interest Rate Swaps – fair value hedges	12.0	17.1
Cross Currency Interest Rate Swaps – fair value and cash flow hedges	–	0.2
Total Derivative Liabilities	68.3	113.6
Net Derivative Assets	397.7	366.7

GPT enters into ISDA (International Swap Derivatives Association) Master Agreements with its derivative counterparties. Under the terms of these agreements, where certain credit events occur, there is a right to set-off the position owing/receivable to a single counterparty to a net position as long as all outstanding derivatives with that counterparty are terminated. As GPT does not presently have a legally enforceable right to set-off, these amounts have not been offset in the Consolidated Statement of Financial Position. In the event a credit event occurred, the ISDA Master Agreement would have the effect of netting, allowing a reduction to derivative assets and derivative liabilities of the same amount of \$66.3 million (31 December 2020: \$110.7 million).

b) Hedge Accounting

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

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

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

14. Financial Risk Management continued

b) Hedge Accounting

Fair value hedges

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

Cash flow hedges

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

Currency basis

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

Hedging Instruments

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

	31 Dec 21				31 Dec 20			
	Less than 1 year \$M	1 to 5 years \$M	Over 5 years \$M	Total \$M	Less than 1 year \$M	1 to 5 years \$M	Over 5 years \$M	Total \$M
Cross currency interest rate swaps								
USD exposure								
AUD nominal amount	–	145.8	1,311.9	1,457.7	–	145.8	1,311.9	1,457.7
Average receive fixed interest rate	–	3.6%	3.8%		–	3.6%	3.8%	
Average contracted FX rate (AUD/USD)	–	1.0283	0.8042		–	1.0283	0.8042	
HKD exposure								
AUD nominal amount	–	69.1	380.6	449.7	–	–	449.7	449.7
Average receive fixed interest rate	–	3.0%	2.9%		–	–	2.9%	
Average contracted FX rate (AUD/HKD)	–	5.7890	6.3747		–	–	6.2847	

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

	31 Dec 21 \$M	31 Dec 20 \$M
Fair Value Hedge Movements in Net profit		
Fair value movements on foreign borrowings	7.3	36.3
Movement in Fair value hedges	10.3	(51.4)
Net gain/(loss) from fair value hedge ineffectiveness in Net profit	17.6	(15.1)
Movement in Hedge Reserves in OCI		
Movement in Cash flow hedge reserve	5.4	(0.1)
Movement in Cost of hedging reserve	18.8	(22.1)
Share of movement in Hedge reserves in equity accounted investments	2.7	(1.9)
Net increase/(decrease) in Hedge Reserves in OCI	26.9	(24.1)

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

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

Notes to the Financial Statements

Year ended 31 December 2021

14. Financial Risk Management continued

c) Interest rate risk

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

The following table provides a summary of GPT's gross interest rate risk exposure as at 31 December 2021 on interest bearing borrowings as well as the net effect of interest rate risk management transactions. This excludes unamortised establishment costs and fair value and other adjustments.

	31 Dec 21 \$M	31 Dec 20 \$M
Fixed Rate Exposure		
Fixed rate borrowings	3,004.0	3,006.4
Borrowings hedged via interest rate swaps ¹	247.6	247.6
Effective fixed rate borrowings	3,251.6	3,254.0
Floating Rate Exposure		
Floating rate borrowings	1,738.2	672.9
Borrowings hedged via interest rate swaps ¹	(247.6)	(247.6)
Effective floating rate borrowings	1,490.6	425.3

1. Net interest rate swaps converting floating rate borrowings into fixed rate borrowings.

Interest rate risk – sensitivity analysis

The impact on interest expense of a 0.25 per cent increase or decrease in market interest rates is shown below. Finance costs are sensitive to movements in market interest rates on floating rate borrowings (net of any derivatives).

Impact on Consolidated Statement of Comprehensive Income

	31 Dec 21 \$M	31 Dec 20 \$M
Increase in interest rates of 0.25%	(4.0)	(1.1)
Decrease in interest rates of 0.25%	2.9	1.1

d) Liquidity risk

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

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

GPT manages liquidity risk by:

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

14. Financial Risk Management continued

d) Liquidity risk continued

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

	31 Dec 21					31 Dec 20				
	1 year or less \$M	Over 1 year to 2 years \$M	Over 2 years to 5 years \$M	Over 5 years \$M	Total \$M	1 year or less \$M	Over 1 year to 2 years \$M	Over 2 years to 5 years \$M	Over 5 years \$M	Total \$M
Liabilities										
Non-derivatives										
Payables	207.0	—	—	—	207.0	180.5	—	—	—	180.5
Borrowings	802.4	288.5	1,459.0	2,192.3	4,742.2	519.0	50.0	708.8	2,401.5	3,679.3
Lease liabilities	8.1	9.6	20.9	15.5	54.1	7.5	8.5	26.3	12.8	55.1
Projected finance cost from borrowings ¹	99.9	98.0	296.0	358.3	852.2	90.1	90.6	245.6	381.9	808.2
Derivatives										
Projected finance cost from derivative liabilities ^{1,2}	23.3	14.4	12.1	16.8	66.6	35.6	26.9	30.2	—	92.7
Total liabilities	1,140.7	410.5	1,788.0	2,582.9	5,922.1	832.7	176.0	1,010.9	2,796.2	4,815.8
Less cash and cash equivalents (net of cash held for AFSLs)	51.3	—	—	—	51.3	362.5	—	—	—	362.5
Total liquidity exposure	1,089.4	410.5	1,788.0	2,582.9	5,870.8	470.2	176.0	1,010.9	2,796.2	4,453.3
Projected reduction to finance costs from derivative assets ²	18.0	20.4	25.7	19.1	83.2	38.0	17.5	33.7	13.8	103.0
Net liquidity exposure	1,071.4	390.1	1,762.3	2,563.8	5,787.6	432.2	158.5	977.2	2,782.4	4,350.3

1. Projection is based on the likely outcome of contracts given the interest rates, margins, interest rate forward curves as at 31 December 2021 and 31 December 2020 up until the contractual maturity of the contract. The projection is based on future non-discounted cash flows and does not ascribe any value to optionality on any instrument which may be included in the current market values. Projected interest on foreign currency borrowings is shown after the impact of associated hedging.

2. In accordance with AASB 7, the future value of contractual cash flows of non-derivative and derivative liabilities only is to be included in liquidity risk disclosures. As derivatives are exchanges of cash flows, the positive cash flows from derivative assets have been disclosed separately to provide a more meaningful analysis of GPT's net liquidity exposure. The methodology used in calculating projected interest income on derivative assets is consistent with the above liquidity risk disclosures.

e) Refinancing risk

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

As at 31 December 2021, GPT's exposure to refinancing risk can be monitored by the spreading of its contractual maturities on borrowings in the liquidity risk table above or with the information in note 13.

f) Foreign exchange risk

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

- » firm commitments of highly probable forecast transactions for receipts and payments settled in foreign currencies or with prices dependent on foreign currencies; and
- » investments in foreign assets.

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

Notes to the Financial Statements

Year ended 31 December 2021

14. Financial Risk Management continued

f) Foreign exchange risk continued

Foreign currency assets and liabilities

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

	United States Dollars		Hong Kong Dollars	
	31 Dec 21 \$M	31 Dec 20 \$M	31 Dec 21 \$M	31 Dec 20 \$M
Assets				
Derivative financial instruments	331.1	306.9	66.9	62.0
	331.1	306.9	66.9	62.0
Liabilities				
Derivative financial instruments	—	—	12.0	17.3
Borrowings ¹	1,791.3	1,796.5	501.3	503.5
	1,791.3	1,796.5	513.3	520.8

1. Excluding unamortised establishment costs.

g) Credit risk

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

GPT manages this risk by:

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

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

The maximum exposure to credit risk as at 31 December 2021 is the carrying amounts of financial assets recognised on GPT's Consolidated Statement of Financial Position. For more information refer to note 4.

15. Other Fair Value Disclosures

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

Fair value measurement, valuation techniques and inputs

Class of assets / liabilities	Fair value hierarchy ¹	Valuation technique	Inputs used to measure fair value	Unobservable inputs 31 Dec 2021	Unobservable inputs 31 Dec 2020
Derivative financial instruments	Level 2	DCF (adjusted for counterparty credit worthiness)	<ul style="list-style-type: none"> » Interest rates » Basis » CPI » Volatility » Foreign exchange rates 	Not applicable – all inputs are market observable inputs	
Foreign currency borrowings	Level 2	DCF	<ul style="list-style-type: none"> » Interest rates » Foreign exchange rates 	Not applicable – all inputs are market observable inputs	

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

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

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

Counterparty credit worthiness

Credit value adjustments are applied to derivatives assets based on that counterparty's credit risk using the observable credit default swaps curve as a benchmark for credit risk.

Debit value adjustments are applied to derivatives liabilities based on GPT's credit risk using GPT's credit default swaps curve as a benchmark for credit risk.

OTHER DISCLOSURE ITEMS

16. Cash Flow Information

a) Cash flows from operating activities

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

	31 Dec 21 \$M	31 Dec 20 ¹ \$M
Net profit/(loss) for the year	1,422.8	(213.2)
Fair value (gain)/loss on investment properties	(762.5)	365.6
Fair value loss on derivatives	11.9	39.6
Net (gain)/loss from foreign currency borrowings and associated hedging	(17.6)	15.1
Gain on financial liability at amortised cost	(2.4)	(2.1)
Gain on financial asset at amortised cost	(8.7)	–
Impairment expense	56.3	3.5
Share of after tax (profit)/loss of equity accounted investments (net of distributions)	(238.3)	242.7
Depreciation and amortisation	8.4	6.1
Non-cash employee benefits – security based payments	5.4	(0.4)
Non-cash revenue/expense adjustments	32.5	36.7
Profit on sale of inventories	(7.6)	(0.2)
Proceeds from sale of inventories	14.9	1.2
Payment for inventories	(14.4)	(10.0)
Movements in working capital and reserves (net of impairment)	16.2	(2.1)
Net foreign exchange loss/(gain)	0.2	(0.4)
Other	3.3	3.2
Net cash inflows from operating activities	520.4	485.3

1. The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 24 for details.

Notes to the Financial Statements

Year ended 31 December 2021

16. Cash Flow Information continued

b) Net debt reconciliation

Reconciliation of net debt movements during the financial year:

	Cash \$M	Lease liabilities \$M	Borrowings \$M	Total net debt \$M
1 January 2020	104.2	60.6	3,897.5	
Cash inflow/(outflow)	268.3	(8.5)	225.2	
Foreign exchange adjustments	—	—	(36.3)	
New leases and modification of lease	—	1.5	—	
Other non-cash movements	—	1.5	1.0	
31 December 2020	372.5	55.1	4,087.4	3,770.0
1 January 2021	372.5	55.1	4,087.4	
Cash inflow/(outflow)	(311.0)	(9.0)	1,060.9	
Foreign exchange adjustments	—	—	(7.4)	
New leases and modification of lease	—	6.6	—	
Other non-cash movements	—	1.4	(1.6)	
31 December 2021	61.5	54.1	5,139.3	5,131.9

17. Lease Revenue

	31 Dec 21				31 Dec 20			
	Retail \$M	Office \$M	Logistics \$M	Total \$M	Retail \$M	Office \$M	Logistics \$M	Total \$M
Segment Result								
Lease revenue	226.7	152.5	173.8	553.0	216.1	140.2	158.7	515.0
Recovery of operating costs	77.6	28.3	11.9	117.8	69.9	27.4	11.2	108.5
Share of rent from investment properties in equity accounted investments	1.7	83.5	—	85.2	1.3	113.0	—	114.3
	306.0	264.3	185.7	756.0	287.3	280.6	169.9	737.8
Less:								
Share of rent from investment properties in equity accounted investments				(85.2)				(114.3)
Amortisation of lease incentives and costs				(49.4)				(56.9)
Straightlining of leases				4.6				5.4
Eliminations of intra-group lease payments				(2.3)				(1.5)
Impairment loss on trade and other receivables				50.0				62.4
Consolidated Statement of Comprehensive Income				673.7				632.9
Rent from investment properties				673.7				632.9

Rent from investment properties

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

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

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

18. Commitments

a) Capital expenditure commitments

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

	31 Dec 21 \$M	31 Dec 20' \$M
Retail	52.8	22.0
Office	106.5	97.4
Logistics	23.4	17.1
Properties under development	7.9	42.8
Corporate	2.0	0.6
Total capital expenditure commitments	192.6	179.9

1. The comparatives have been restated to reflect the implementation of an IFRIC agenda decision, refer to note 24 for details.

In addition to the table above, in 2019, GPT has also contracted to purchase a logistics development site in Truganina, Melbourne at 865 Boundary Road for which GPT paid a deposit of \$5.1 million, with \$28.9 million committed to be paid at settlement, which is expected to occur in 2022.

b) Commitments relating to equity accounted investments

GPT's share of equity accounted investments' commitments at balance date:

	31 Dec 21 \$M	31 Dec 20 \$M
Capital expenditure	211.9	76.1
Total joint ventures and associates' commitments	211.9	76.1

In addition to the table above, during the year GQLT contracted to purchase the following logistics sites as part of the QuadReal joint venture:

- » a development site in Keysborough, Melbourne and paid a deposit of \$0.5 million (GPT's 50.1% share), with \$7.0 million (GPT's 50% ownership) to be paid at settlement, which is expected to occur in February 2022;
- » a development site in Crestmead, Brisbane and paid a deposit of \$1.1 million (GPT's 50.1% share), with \$10.1 million (GPT's 50% ownership) to be paid at settlement, which is expected to occur in June 2022; and
- » a development site in Kemps Creek, Sydney and paid a deposit of \$2.0 million (GPT's 50.1% share), with \$18.5 million (GPT's 50% ownership) to be paid at settlement, which is expected to occur in December 2022.

19. Contingent Liabilities

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

As at 31 December 2021, GPT has no material contingent liabilities.

Notes to the Financial Statements

Year ended 31 December 2021

20. Security Based Payments

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

a) GESOP

The Board believes in creating ways for employees to build an ownership stake in the business. As a result, the Board introduced the GESOP in March 2010 for individuals who do not participate in the LTI.

Under the plan individuals who participate receive an additional benefit equivalent to 10 per cent of their short term incentives (STIC). The amount after the deduction of income tax is invested in GPT securities to be held for a minimum of one year. The cost of this benefit is recognised as an expense in the Consolidated Statement of Comprehensive Income.

b) BBESOP

Under the plan individuals who are not eligible to participate in any other employee security scheme may receive \$1,000 worth of GPT securities or \$1,000 cash if GPT achieves at least target level performance. Securities must be held for the earlier of three years or the end of employment. The cost of this benefit is recognised as an in the Consolidated Statement of Comprehensive Income.

c) DSTI

Since 2014, STIC is delivered to the senior executives as 50 per cent in cash and 50 per cent in GPT stapled securities (a deferred component). The deferred component is rewarded in restricted securities which vest one year after award, subject to continued employment up to the vesting date.

d) LTI

At the 2009 AGM, GPT securityholders approved the introduction of a LTI plan based on performance rights.

The LTI plan covers each three year period. Awards under the LTI to eligible participants are in the form of performance rights which convert to GPT stapled securities for nil consideration if specified performance conditions for the applicable three year period are satisfied. Please refer to the Remuneration Report for detail on the performance conditions.

The Board determines those executives eligible to participate in the plan and, for each participating executive, grants a number of performance rights calculated as a percentage of their base salary divided by GPT's volume weighted average price (VWAP) for the 30-day period immediately prior to the commencement of the performance period.

Fair value of performance rights and restricted securities under DSTI and LTI

The fair value of the performance rights is recognised as an employee benefit expense (2021: \$5.4 million, 2020: \$(0.4) million) with a corresponding increase in the employee security scheme reserve in equity. For LTI, the fair value is measured at grant date. For DSTI, the fair value is measured at each reporting date until the restricted securities are awarded. Total share based payment expense based on the fair value is recognised over the period from the service commencement date of the performance rights to the vesting date.

Non-market vesting conditions are included in assumptions about 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 equity.

Management have assessed the number of rights that are expected to vest for the 2019 LTI plan in relation to non-market vesting conditions (Total Return) and determined that no rights are expected to vest. In the period to 31 December 2020, management reassessed the number of rights expected to vest under the 2018 and 2019 plans, resulting in the reversal of prior period amortisation. No plan was offered for 2020.

Fair value of the performance rights issued under LTI is determined using the Monte Carlo simulation and the Black Scholes methodologies. Fair value of the restricted securities under DSTI is determined using the security price. The following key inputs are taken into account:

	2021 LTI	2021 DSTI
Fair value of rights / restricted securities at period end (weighted average)	\$3.07	\$5.42
Security price at grant date	\$4.63	N/A
Security price at period end date	N/A	\$5.42
Grant date ¹	26-Apr-21	N/A
Vesting date	31-Dec-23	31-Dec-22
Out / (under) performance vs Index – plan to date	3.8%	N/A
Distribution Yield	5.5%	4.7%
Risk free interest rate	0.3%	N/A
Volatility ²	35.8%	N/A
Correlation	82.9%	N/A

1. Grant date for 2021 LTI is 21 May 2021 for CEO and 26 April 2021 for other participants. Grant date for 2021 DSTI is based on award date which is expected to be in the first half of 2022.

2. The volatility is based on the historic volatility of the security.

20. Security Based Payments continued

e) Summary table of all employee security schemes

	Number of rights		
	DSTI	LTI and Sign On	Total
Rights outstanding at 1 January 2020	1,234,704	7,511,010	8,745,714
Rights forfeited during 2020	(365,633)	(3,578,849)	(3,944,482)
Rights converted to GPT stapled securities during 2020 ¹	(869,071)	(1,566,137)	(2,435,208)
Rights outstanding at 31 December 2020²	–	2,366,024	2,366,024
Rights outstanding at 1 January 2021	–	2,366,024	2,366,024
Rights granted during 2021	–	2,690,585	2,690,585
Rights forfeited during 2021	–	(2,340,846)	(2,340,846)
Rights converted to GPT stapled securities during 2021 ³	–	(81,549)	(81,549)
Rights outstanding at 31 December 2021	–	2,634,214	2,634,214

	Number of stapled securities		
	GESOP	BBESOP	Total
Securities outstanding at 1 January 2020	40,920	97,138	138,058
Securities granted during 2020	53,226	46,330	99,556
Securities vested during 2020	(44,153)	(51,119)	(95,272)
Securities outstanding at 31 December 2020	49,993	92,349	142,342
Securities outstanding at 1 January 2021	49,993	92,349	142,342
Securities vested during 2021	(49,993)	(32,773)	(82,766)
Securities outstanding at 31 December 2021	–	59,576	59,576

1. Rights under the 2019 DSTI plan were converted to GPT stapled securities on 19 March 2020 and rights under the 2017 LTI Plan were converted to GPT stapled securities on 13 February 2020.

2. The 31 December 2020 balance has been restated to exclude rights under the 2018 LTI which lapsed on 31 December 2020.

3. Rights under the sign on agreements were converted to GPT stapled securities on 31 December 2021.

Notes to the Financial Statements

Year ended 31 December 2021

21. Related Party Transactions

General Property Trust is the ultimate parent entity.

Equity interests in joint ventures and associates are set out in note 3. Receivables from joint ventures and associates are on commercial terms and conditions with detail being set out in note 4.

Key management personnel

Key management personnel compensation was as follows:

	31 Dec 21 \$'000	31 Dec 20 \$'000
Short term employee benefits ¹	6,361.2	5,270.2
Post employment benefits	164.7	188.5
Long term incentive award accrual ¹	1,086.0	355.8
Total key management personnel compensation	7,611.9	5,814.5

1. The 2020 comparatives have been restated to reflect an amendment to the amortisation methodology for the 2018 and 2019 LTI and 2019 DSTI.

Information regarding individual Directors' and Senior Executives' remuneration is provided in the Remuneration Report. There have been no other transactions with key management personnel during the year.

Transactions with related parties

	31 Dec 21 \$'000	31 Dec 20 \$'000
Transactions with related parties other than associates and joint ventures		
Expenses		
Contributions to superannuation funds on behalf of employees	(7,267.3)	(6,643.7)
Transactions with associates and joint ventures		
Revenue and expenses		
Responsible Entity fees from associates	61,440.6	61,101.8
Property management fees	14,318.6	12,958.7
Development management fees from associates	8,527.5	7,221.0
Rent expense	(3,974.1)	(4,496.2)
Management fees from associates	7,199.5	6,753.9
Distributions received/receivable from joint ventures	37,058.4	51,988.5
Distributions received/receivable from associates	114,684.6	91,183.9
Payroll costs recharged to associates	(8,902.5)	(8,390.5)
Other transactions		
Increase in units in joint ventures	94,121.4	2,977.2
Decrease in units in joint ventures	—	(583,900.0)
Increase in units in associates	38,225.4	6,212.2

22. Auditor's Remuneration

	31 Dec 21 \$'000	31 Dec 20 \$'000
Audit services		
PricewaterhouseCoopers Australia		
Statutory audit and review of financial reports	1,584.4	1,416.4
Total remuneration for audit services	1,584.4	1,416.4
Other assurance services		
PricewaterhouseCoopers Australia		
Regulatory and contractually required audits	301.8	245.8
Other assurance services	111.5	100.0
Total remuneration for other assurance services	413.3	345.8
Total remuneration for audit and assurance services	1,997.7	1,762.2
Non-audit related services		
PricewaterhouseCoopers Australia		
Other services	—	18.0
Total remuneration for non audit related services	—	18.0
Total auditor's remuneration	1,997.7	1,780.2

23. Parent Entity Financial Information

	Parent entity	
	31 Dec 21 \$M	31 Dec 20 \$M
Assets		
Current assets	462.6	300.8
Non-current assets	16,765.7	15,709.9
Total assets	17,228.3	16,010.7
Liabilities		
Current liabilities	544.6	106.8
Non-current liabilities	5,196.0	4,501.7
Total liabilities	5,740.6	4,608.5
Net assets	11,487.7	11,402.2
Equity		
Equity attributable to security holders of the parent entity		
Contributed equity	8,549.9	8,696.5
Reserves	5.9	(18.3)
Retained earnings	2,931.9	2,724.0
Total equity	11,487.7	11,402.2
Profit/(loss) attributable to members of the parent entity	719.0	(140.2)
Total comprehensive income/(loss) for the year, net of tax, attributable to members of the parent entity	719.0	(140.2)
Capital expenditure commitments		
Retail	32.4	6.8
Office	31.3	20.9
Logistics	13.0	12.7
Properties under development	—	30.3
Total capital expenditure commitments	76.7	70.7

Intercompany loan receivables are considered to be low risk, and therefore the impairment provision is determined as 12 months expected credit losses. Applying the expected credit risk model does not result in any significant loss allowance being recognised in 2021.

The parent entity had a current net asset deficiency of \$82.0 million (31 December 2020: net current assets \$194.0 million). The parent has access to cash and undrawn financing facilities of \$934.7 million as set out in note 13.

Notes to the Financial Statements

Year ended 31 December 2021

24. Revision of Previously Issued Financial Statements

Implementation costs relating to Software as a Service (SaaS) platforms

In March 2021, the IFRS Interpretations Committee (IFRIC) released an agenda decision relating to the application of IAS 38 *Intangible Assets to Configuration or Customisation Costs in a Cloud Computing Arrangement*. Based on the observations made in IFRIC's agenda decision, the Group considers that costs an organisation incurs in relation to the configuration and customisation of SaaS platforms do not meet the criteria for recognition as an intangible asset, as the supplier of the software and not the organisation, controls the software. As a result, these costs should be immediately expensed as incurred.

Under GPT's previous accounting policy, these costs were capitalised and amortised on a straight line basis over the length of time the benefits were expected to be received (refer to note 5). GPT has updated its accounting policy to comply with the IFRIC agenda decision, and applied AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* to reflect this change.

GPT has restated comparative information in the financial statements to reflect this change in accounting policy, and has adjusted opening balances in the Consolidated Statement of Financial Position as at 1 January 2020.

The notes below disclose the impact of the change in accounting policy in the financial information of the Group at the beginning of the comparative period, during and at the end of the comparative period. Note 24(c) discloses the impact during and at the end of the current period.

a) Adjustments as at 1 January 2020

Consolidated Statement of Financial Position

(Extract)	1 Jan 20 Prior year \$M	Increase / (decrease) \$M	1 Jan 20 Restated \$M
Assets			
Non-current assets			
Intangible assets	35.3	(16.6)	18.7
Deferred tax assets	20.5	5.0	25.5
Total non-current assets	15,609.0	(11.6)	15,597.4
Total assets	15,867.8	(11.6)	15,856.2
Net assets	11,326.6	(11.6)	11,315.0
Equity			
Securityholders of other entities stapled to the Trust			
Accumulated losses	(815.9)	(11.6)	(827.5)
Total equity of other stapled securityholders	(446.6)	(11.6)	(458.2)
Total equity	11,326.6	(11.6)	11,315.0

b) Adjustments to comparative information

Consolidated Statement of Comprehensive Income

(Extract)	31 Dec 20 Prior year \$M	Increase / (decrease) \$M	31 Dec 20 Restated \$M
Expenses			
Management and other administration costs	54.9	4.9	59.8
Depreciation, amortisation and impairment	14.4	(4.7)	9.7
Total expenses	444.2	0.2	444.4
Profit/(loss) before income tax expense	(204.0)	(0.2)	(204.2)
Income tax expense	9.1	(0.1)	9.0
Net profit/(loss) for the year	(213.1)	(0.1)	(213.2)
Total comprehensive income/(loss) for the year	(237.2)	(0.1)	(237.3)
Net profit/(loss) attributable to:			
» Securityholders of other entities stapled to the Trust	27.0	(0.1)	26.9
Total comprehensive income/(loss) attributable to:			
» Securityholders of other entities stapled to the Trust	27.0	(0.1)	26.9

24. Revision of Previously Issued Financial Statements continued

b) Adjustments to comparative information continued

Consolidated Statement of Financial Position

(Extract)	31 Dec 20 Prior year \$M	Increase / (decrease) \$M	31 Dec 20 Restated \$M
Assets			
Non-current assets			
Intangible assets	41.5	(16.7)	24.8
Deferred tax assets	9.6	5.0	14.6
Total non-current assets	14,658.7	(11.7)	14,647.0
Total assets	15,358.6	(11.7)	15,346.9
Net assets	10,889.2	(11.7)	10,877.5
Equity			
Securityholders of other entities stapled to the Trust			
Accumulated losses	(788.9)	(11.7)	(800.6)
Total equity of other stapled securityholders	(437.3)	(11.7)	(449.0)
Total equity	10,889.2	(11.7)	10,877.5

Consolidated Statement of Changes In Equity

(Extract)	31 Dec 20 Prior year \$M	Increase / (decrease) \$M	31 Dec 20 Restated \$M
Equity attributable to other entities stapled to the General Property Trust			
Accumulated losses			
(Loss)/profit for the year	27.0	(0.1)	26.9
Total comprehensive (loss)/income for the year	27.0	(0.1)	26.9
<i>Other entities stapled to the General Property Trust Total</i>			
(Loss)/profit for the year	27.0	(0.1)	26.9
Total comprehensive (loss)/income for the year	27.0	(0.1)	26.9
<i>Total equity</i>			
(Loss)/profit for the year	(213.1)	(0.1)	(213.2)
Total comprehensive (loss)/income for the year	(237.2)	(0.1)	(237.3)
Transactions with Securityholders in their capacity as Securityholders			
<i>Other entities stapled to the General Property Trust Accumulated losses</i>			
At 31 December 2020	(788.9)	(11.7)	(800.6)
<i>Other entities stapled to the General Property Trust Total</i>			
At 31 December 2020	(437.3)	(11.7)	(449.0)
<i>Total equity</i>			
At 31 December 2020	10,889.2	(11.7)	10,877.5

Consolidated Statement of Cash Flows

(Extract)	31 Dec 20 Prior year \$M	Increase / (decrease) \$M	31 Dec 20 Restated \$M
Cash flows from operating activities			
Payments in the course of operations (inclusive of GST)	(279.1)	(4.9)	(284.0)
Net cash inflows from operating activities	490.2	(4.9)	485.3
Cash flows from investing activities			
Payments for intangibles	(14.5)	4.9	(9.6)
Net cash inflows from investing activities	46.5	4.9	51.4

Notes to the Financial Statements

Year ended 31 December 2021

24. Revision of Previously Issued Financial Statements continued

c) Adjustments for the year ended 31 December 2021

Consolidated Statement of Comprehensive Income

(Extract)	31 Dec 21 Original policy \$M	Increase / (decrease) \$M	31 Dec 21 New policy \$M
Expenses			
Management and other administration costs	102.7	8.3	111.0
Depreciation, amortisation and impairment	65.5	(0.8)	64.7
Total expenses	541.8	7.5	549.3
Profit/(loss) before income tax	1,429.3	(7.5)	1,421.8
Income tax expense/(benefit)	1.3	(2.3)	(1.0)
Net profit/(loss) for the year	1,428.0	(5.2)	1,422.8
Total comprehensive income/(loss) for the year	1,454.9	(5.2)	1,449.7
Net profit/(loss) attributable to:			
Securityholders of other entities stapled to the Trust	(5.7)	(5.2)	(10.9)
Total comprehensive income/(loss) attributable to:			
Securityholders of other entities stapled to the Trust	(5.7)	(5.2)	(10.9)

Consolidated Statement of Financial Position

(Extract)	31 Dec 21 Original policy \$M	Increase / (decrease) \$M	31 Dec 21 New policy \$M
Assets			
Non-current assets			
Intangible assets	37.2	(24.2)	13.0
Deferred tax assets	18.7	7.3	26.0
Total non-current assets	16,671.4	(16.9)	16,654.5
Total assets	17,196.6	(16.9)	17,179.7
Net assets	11,690.2	(16.9)	11,673.3
Equity			
Securityholders of other entities stapled to the Trust			
Accumulated losses	(794.8)	(16.9)	(811.7)
Total equity of other stapled securityholders	(440.3)	(16.9)	(457.2)
Total equity	11,690.2	(16.9)	11,673.3

Consolidated Statement of Changes In Equity

(Extract)	31 Dec 21 Original policy \$M	Increase / (decrease) \$M	31 Dec 21 New policy \$M
Equity attributable to other entities stapled to the General Property Trust			
<i>Accumulated losses</i>			
Profit/(loss) for the year	(5.7)	(5.2)	(10.9)
Total comprehensive income/(loss) for the year	(5.7)	(5.2)	(10.9)
<i>Other entities stapled to the General Property Trust Total</i>			
Profit/(loss) for the year	(5.7)	(5.2)	(10.9)
Total comprehensive income/(loss) for the year	(5.7)	(5.2)	(10.9)
Total equity			
Profit/(loss) for the year	1,428.0	(5.2)	1,422.8
Total comprehensive income/(loss) for the year	1,454.9	(5.2)	1,449.7
Transactions with Securityholders in their capacity as Securityholders			
<i>Other entities stapled to the General Property Trust Accumulated losses</i>			
At 31 December 2021	(794.8)	(16.9)	(811.7)
<i>Other entities stapled to the General Property Trust Total</i>			
At 31 December 2021	(440.3)	(16.9)	(457.2)
<i>Total equity</i>			
At 31 December 2021	11,690.2	(16.9)	11,673.3

24. Revision of Previously Issued Financial Statements continued

c) Adjustments for the year ended 31 December 2021 continued

Consolidated Statement of Cash Flows

(Extract)	31 Dec 21 Original policy \$M	Increase / (decrease) \$M	31 Dec 21 New policy \$M
Cash flows from operating activities			
Payments in the course of operations (inclusive of GST)	(320.3)	(8.3)	(328.6)
Net cash inflows from operating activities	528.7	(8.3)	520.4
Cash flows from investing activities			
Payments for intangibles	(12.7)	8.3	(4.4)
Net cash outflows from investing activities	(1,234.4)	8.3	(1,226.1)

25. Accounting Policies

a) Basis of preparation

The financial statements are a general purpose financial report which has been prepared:

- » in accordance with the requirements of the Trust's Constitution, Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and International Financial Reporting Standards;
- » on a going concern basis. GPT has prepared an assessment of its ability to continue as a going concern, taking into account all available information for a period of 12 months from the date of these financial statements and future cashflow assessments have been made (refer to note 25 (b)). GPT is confident in the belief that that it will realise its assets and settle its liabilities and commitments in the normal course of business and for at least the amounts stated in the financial statements. The net deficiency of current assets over current liabilities of \$535.2 million arises as a result of the inclusion of borrowings due within 12 months (inclusive of \$750.0 million of outstanding commercial paper). As set out in note 13, GPT has access to \$1,633.4 million in undrawn financing facilities (prior to refinancing of the commercial paper). Refer to note 25(b) for further information on going concern;
- » under the historical cost convention, as modified by the revaluation for financial assets and liabilities and investment properties at fair value through the Consolidated Statement of Comprehensive Income;
- » using consistent accounting policies with adjustments to bring into line any dissimilar accounting policies being adopted by the controlled entities, associates or joint ventures; and
- » in Australian dollars with all values rounded in the nearest hundred thousand dollars in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise stated.

In accordance with Australian Accounting Standards, the stapled entity reflects the consolidated entity. Equity attributable to other stapled entities is a form of non-controlling interest and represents the contributed equity of the Company.

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

As a result of the stapling, investors in GPT may receive payments from each component of the stapled security comprising distributions from the Trust and dividends from the Company.

The financial report was approved by the Board of Directors on 14 February 2022.

b) Going Concern

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

- » Access to undrawn facilities of \$1,633.4 million, with net available liquidity of \$934.7 million (inclusive of available cash and after allowing for refinancing of \$750.0 million of outstanding commercial paper as at 31 December 2021);
- » 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 31 December 2022;
- » Interest rate hedging level of 60.0 per cent over the next 12 months;
- » Primary covenant gearing of 28.4 per cent, compared to a covenant level of 50.0 per cent, and
- » Interest cover ratio at 31 December 2021 of 7.5 times, compared to a covenant level of 2.0 times.

Notes to the Financial Statements

Year ended 31 December 2021

25. Accounting Policies continued

c) Basis of consolidation

Controlled entities

The consolidated financial statements of GPT include the assets, liabilities and results of all controlled entities for the financial year.

Controlled entities are all entities over which GPT has control. GPT controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Controlled entities are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of controlled entities is accounted for using the acquisition method of accounting. All intercompany balances and transactions, income and expenses and profits and losses resulting from intra-group transactions have been eliminated.

Associates

Associates are entities over which GPT has significant influence but not control, generally accompanying voting or decision making rights of between 20 per cent and 50 per cent. Management considered if GPT controls its associates and concluded that it does not based on its level of control over each associate.

Investments in associates are accounted for using the equity method. Under this method, GPT's investment in associates is carried in the Consolidated Statement of Financial Position at cost plus post acquisition changes in GPT's share of net assets. GPT's share of the associates' result is reflected in the Consolidated Statement of Comprehensive Income. Where GPT's share of losses in associates equals or exceeds its interest in the associate, including any other unsecured long term receivables, GPT does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the associate.

Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. GPT has assessed the nature of its joint arrangements and determined it has both joint operations and joint ventures.

Joint operations

GPT has significant co-ownership interests in a number of properties through unincorporated joint ventures. These interests are held directly and jointly as tenants in common. GPT recognises its direct share of jointly held assets, liabilities, revenues and expenses in the consolidated financial statements under the appropriate headings. The investment properties that are directly owned as tenants in common are disclosed in note 2.

Joint ventures

Investments in joint ventures are accounted for in the Consolidated Statement of Financial Position using the equity method which is the same method adopted for associates.

d) Other accounting policies

Significant accounting policies that summarise the recognition and measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

i) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the GPT entities are measured using the currency of the primary economic environment in which they operate ('the functional currency').

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income.

Foreign operations

Non-monetary items that are measured in terms of historical cost are converted using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences of non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

Exchange differences arising on monetary items that form part of the net investment in a foreign operation are taken against a foreign currency translation reserve on consolidation.

Where forward foreign exchange contracts are entered into to cover any anticipated excesses of revenue less expenses within foreign joint ventures, they are converted at the ruling rates of exchange at the reporting period. The resulting foreign exchange gains and losses are taken to the Consolidated Statement of Comprehensive Income.

25. Accounting Policies continued

d) Other accounting policies continued

ii) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST (or equivalent tax in overseas locations) except where the GST incurred on purchase of goods and services is not recoverable from the tax authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated inclusive of the amount of GST. The net amount of GST receivable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are presented on a gross basis in the Consolidated Statement of Cash Flows. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

iii) Revenue

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.

Where the above criteria is not met, revenue is recognised at a point in time. Management has assessed that there have been no significant changes to the recognition of revenue as a result of the COVID-19 pandemic.

Other revenue

Rental revenue from investment properties is recognised on a straight line basis for the minimum contracted rent over the lease term with an asset recognised as a component of investment properties relating to the fixed increases in operating lease rentals in future periods. When GPT provides lease incentives to tenants, these costs are amortised against lease income on a straight line basis.

Contingent rental income is recognised as revenue in the period in which it is earned.

Revenue from dividends and distributions is recognised when they are declared.

Interest income is recognised on an accrual basis using the effective interest method.

Management has assessed that there have been no significant changes to the recognition of other revenue as a result of the COVID-19 pandemic.

Notes to the Financial Statements

Year ended 31 December 2021

25. Accounting Policies continued

d) Other accounting policies continued

The following table summarises the revenue recognition policies.

Type of revenue	Description	Recognised
Recoveries revenue	The Group recovers the costs associated with general building and tenancy operation from lessees in accordance with specific clauses within lease agreements. These are invoiced monthly based on an annual estimate. The consideration for the current month is due on the first day of the month. Revenue is recognised as the estimated costs are consumed by the tenant. Should any adjustment be required based on actual costs incurred, this is recognised in the Consolidated Statement of Financial Performance within the same reporting period and billed annually.	Over time
Recharge revenue	The Group recovers costs for any additional specific services requested by the lessee under the lease agreement. These costs are recovered in accordance with specific clauses within the lease agreements. Revenue from recharges is recognised as the services are provided. The lessee is invoiced on a monthly basis, where applicable. The consideration for the current month is due on the first day of the month.	Over time
Fund management fees	The Company provides fund management services to GPT Wholesale Office Fund (GWOF) and GPT Wholesale Shopping Centre Fund (GWSCF) as well as the GPT QuadReal Logistics Trust (GQLT) in accordance with their contractual arrangements. The services are utilised on an ongoing basis and revenue is calculated and recognised in accordance with the relevant constitution. The fees are invoiced on a quarterly basis and consideration is payable within 21 days of the quarter end.	Over time
Fee income – property management fees	The Company provides property management services to the owners of property assets in accordance with property services agreements. The services are utilised on an ongoing basis and revenue is calculated and recognised in accordance with the specific agreement. The fees are invoiced monthly with variable payment terms depending on the individual agreements. Should an adjustment, as calculated in accordance with the property services agreement be required, this is recognised in the Consolidated Statement of Financial Performance within the same reporting period.	Over time
Fee income – property management leasing fees – over time	Under some property management agreements, the Company provides a lease management service to the owners. These services are delivered on an ongoing basis and revenue is recognised monthly, calculated in accordance with the property management agreement. The fees are invoiced monthly with variable payment terms depending on the individual agreements.	Over time
Fee income – property management leasing fees – point in time	Under some property management agreements, the Company provides a lease management service to the owners. The revenue is recognised when the specific service is delivered (e.g. on lease execution) and consideration is due 30 days from invoice date.	Point in time
Development management fees	The Company provides development management services to the owners of property assets in accordance with development management agreements. Revenue is calculated and recognised in accordance with the specific agreement. The fees are invoiced on a monthly basis, in arrears, and consideration is due 30 days from invoice date.	Over time / point in time
Sale of inventory	Proceeds from the sale of inventory are recognised by the Company in accordance with a specific contract entered into with another party for the delivery of inventory. Revenue is calculated in accordance with the contract. Consideration is payable in accordance with the contract. Revenue is recognised when control has been transferred to the buyer.	Point in time

iv) Government grants

Government grants are accounted for under AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*. The standard provides the option to present these amounts as income or as a reduction in expenses.

The Group has received \$5.7 million in land tax relief relating to the period to 31 December 2021 (31 December 2020: \$0.7 million). GPT has elected to present the amounts relating to land tax relief as income or a reduction in expenses depending on the underlying substance of the transactions for GPT. The Group is in the process of applying for land tax relief for the periods 1 July 2021 to 31 December 2021 in NSW, and 28 July 2021 to 15 January 2022 in Victoria, however, no amounts have yet been received for these periods. For the year ended 31 December 2020, the Group had received \$8.8 million under the Federal Government's JobKeeper program. GPT did not receive any amounts under JobKeeper in 2021. GPT elected to present these amounts as a reduction in expenses.

25. Accounting Policies continued

d) Other accounting policies continued

v) Expenses

Property expenses and outgoings which include rates, taxes and other property outgoings, are recognised on an accruals basis.

vi) Finance costs

Finance costs include interest on borrowings and regular coupons paid or received under derivative instruments hedging GPT's interest rate risk on a portfolio basis, amortisation of discounts or premiums relating to borrowings and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Finance costs are expensed as incurred unless they relate to a qualifying asset.

A qualifying asset is an asset under development which generally takes a substantial period of time to bring to its intended use or sale. Finance costs incurred for the acquisition and construction of a qualifying asset are capitalised to the cost of the asset for the period of time that is required to complete the asset. Where funds are borrowed specifically for a development project, finance costs associated with the development facility are capitalised. Where funds are used from group borrowings, finance costs are capitalised using the relevant capitalisation rate taking into account the Group's weighted average cost of debt.

vii) Leases

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, GPT's incremental borrowing rate is used. The incremental borrowing rate is calculated by interpolating or extrapolating secondary market yields on the Group's domestic medium term notes (MTNs) for a term equivalent to the lease. If there are no MTNs that mature within a reasonable proximity of the lease term, indicative pricing of where the Group can price a new debt capital market issue for a comparative term will be used in the calculation.

Lease liabilities are subsequently measured by:

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

Interest on the lease liability and any variable lease payments not included in the measurement of the lease liability are recognised in the Consolidated Statement of Comprehensive Income in the period in which they relate. Interest on lease liabilities included in Finance costs in the Consolidated Statement of Comprehensive Income totalled \$1.5 million for the year (31 December 2020 \$1.9 million).

There have been no changes to the lease term or incremental borrowing rate used for the measurement of lease liabilities as a result of the COVID-19 pandemic.

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 include:

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

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless they meet the definition of an investment property. Right-of-use assets which meet the definition of an investment property form part of the investment property balance and are measured at fair value in accordance with AASB 140 *Investment Property* (refer note 2 and the following section on ground leases).

GPT determines the lease term as the non-cancellable period of a lease together with both:

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

Management considers all the facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

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

GPT has assessed the right-of-use assets for impairment indicators in light of the COVID-19 pandemic and has calculated the recoverable amount where indicators exist. This has resulted in impairment expense of \$1.2 million for the year (31 December 2020: \$2.9 million).

GPT's right-of-use assets are all property leases.

Notes to the Financial Statements

Year ended 31 December 2021

25. Accounting Policies continued

d) Other accounting policies continued

Ground Leases

A lease liability reflecting the leasehold arrangements of investment properties needs to be separately disclosed in the Consolidated Statement of Financial Position and the carrying value of the investment properties will be adjusted (i.e. grossed up) so that the net of these two amounts equals the fair value of the investment properties. The lease liabilities are calculated as the net present value of the future lease payments discounted at the incremental borrowing rate.

There were no changes to the incremental borrowing rate used for the measurement of lease liabilities as a result of the COVID-19 pandemic.

e) New and amended accounting standards and interpretations adopted from 1 January 2021

AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform Phase 2

Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform Phase 2 amends a number of existing Accounting Standards to introduce practical expedients in relation to accounting for the modification of financial contracts and/or leases if a change results directly from IBOR reform. IBOR reform refers to the global reform of interest rate benchmarks, which includes the replacement of some interbank offered rates (IBOR) with alternative benchmark rates. Amendments also allow a series of exemptions from the regular hedge accounting rules and introduce additional disclosure requirements.

GPT have no financial instruments that reference an impacted IBOR benchmark rate. Some impacted IBOR benchmark rates are however utilised as inputs in the hedge accounting valuations and the transition to alternative benchmark rates by June 2023 is being assessed but is not expected to be material to GPT.

The accounting policies adopted are consistent with those of the previous financial year with the exception of new and amended standards and interpretations commencing 1 January 2021 that have been adopted where applicable. The Group has restated comparative information to reflect the March 2021 IFRIC agenda decision on Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 *Intangible Asset*). Refer to note 24.

Other than the above, there are no significant changes to GPT's financial performance and position as a result of the adoption of the new and amended accounting standards and interpretations effective for annual reporting periods beginning on or after 1 January 2021.

f) New accounting standards and interpretations issued but not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

26. Events subsequent to reporting date

The COVID-19 pandemic has created unprecedented economic and societal impacts and there remains significant uncertainty. In the event the COVID-19 impacts are more severe or prolonged than anticipated, this may have further adverse impacts to asset values and the operating results of the Group. At the reporting date a definitive assessment of the future effects of COVID-19 on the Group cannot be made, as the impact will depend on the magnitude and duration of the economic downturn, with the full range of possible effects unknown.

After the balance date, the Commercial Tenancy Code of Conduct was extended in New South Wales until 13 March 2022 and in Victoria until 15 March 2022, to provide rent relief to qualifying small and medium tenants. GPT continues to work with tenants to provide relief as required to assist with any short-term cash flow impacts.

The purchaser of Casuarina Square exercised its Call Option on 31 January 2022 and entered into a binding contract to purchase the asset (GPT's interest: 50%). Settlement of the transaction is scheduled to occur on or prior to 31 March 2022.

On 14 February 2022, the Directors declared a distribution for the half year ended 31 December 2021 of 9.9 cents per security, being \$189.6 million which is expected to be paid on 28 February 2022.

Other than the above, the Directors are not aware of any matter or circumstances occurring since 31 December 2021 that has significantly or may significantly affect the operations of GPT, the results of those operations or the state of affairs of GPT in the subsequent financial years.

Directors' Declaration

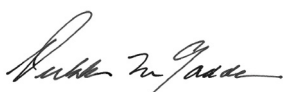
Year ended 31 December 2021

In the Directors of the Responsible Entity's opinion:

- a) The consolidated financial statements and notes set out on pages 63 to 118 are in accordance with the Corporations Act 2001, including:
- » complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - » giving a true and fair view of GPT's financial position as at 31 December 2021 and of its performance for the financial year ended on that date; and
- b) the consolidated financial statements and notes comply with International Financial Reporting Standards as disclosed in note 25 to the financial statements.
- c) There are reasonable grounds to believe that GPT will be able to pay its debts as and when they become due and payable. The net deficiency of current assets over current liabilities at 31 December 2021 of \$535.2 million arises as a result of the inclusion of borrowings due within 12 months (inclusive of \$750.0 million of outstanding commercial paper). GPT has access to \$1,633.4 million in undrawn financing facilities (prior to the refinancing of the commercial paper) as set out in note 13 to the financial statements.

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

This declaration is made in accordance with a resolution of the Directors.



Vickki McFadden
CHAIRMAN



Bob Johnston
CEO AND MANAGING DIRECTOR

GPT RE Limited

Sydney
14 February 2022

Independent Auditor's Report



Independent auditor's report

To the stapled security holders of the GPT Group

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of General Property Trust (the Trust) and its controlled entities and GPT Management Holdings Limited (the Company) and its controlled entities (together, GPT, the GPT Group or the Group) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the GPT Group's financial position as at 31 December 2021 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the Consolidated Statement of Financial Position as at 31 December 2021
- the Consolidated Statement of Comprehensive Income for the year then ended
- the Consolidated Statement of Changes in Equity for the year then ended
- the Consolidated Statement of Cash Flows for the year then ended
- the Notes to the Financial Statements, which include significant accounting policies and other explanatory information
- the Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

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

PricewaterhouseCoopers, ABN 52 780 433 757

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Liability limited by a scheme approved under Professional Standards Legislation.



Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality	Audit scope	Key audit matters
<ul style="list-style-type: none"> For the purpose of our audit we used overall Group materiality of \$27.7 million, which represents approximately 5% of the Group's Funds from Operations (FFO). We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. We chose FFO because, in our view, it is the key performance indicator used by security holders to measure the performance of the Group. An explanation of what is included in FFO is located in Note 1, Segment information. 	<ul style="list-style-type: none"> The structure of the Group is commonly referred to as a stapled group. In a stapled group, the securities of two or more entities are 'stapled' together and cannot be traded separately. In the case of the Group, the units in the Trust have been stapled to the shares in the Company. For the purposes of consolidation accounting, the Trust is the 'deemed' parent and the financial report reflects the consolidation of the Trust and its controlled entities and the Company and its controlled entities. Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. 	<ul style="list-style-type: none"> Amongst other relevant topics, we communicated the following key audit matters to the Audit Committee: <ul style="list-style-type: none"> Valuation of investment properties Carrying value of inventories Recoverability of trade receivables These are further described in the <i>Key audit matters</i> section of our report.

Independent Auditor's Report continued



- We selected 5% based on our professional judgement noting it is also within the range of commonly accepted profit related thresholds.
- The Group holds equity accounted investments in two wholesale real estate investment funds. The auditor of these funds (the component auditor) assisted in performing procedures on behalf of the Group engagement team.
- We determined the level of involvement we needed to have in the audit work performed by the component auditor to be able to conclude whether sufficient appropriate audit evidence had been obtained. This included written instructions and active dialogue throughout the year.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter

How our audit addressed the key audit matter

Valuation of investment properties

\$11,954.7 million
Refer to note 2

The Group's investment property portfolio is comprised of office, retail and logistics properties including properties under development in those categories.

Investment properties are valued at fair value at reporting date using the Group's policy as described in Note 2. The value of investment properties is dependent on the valuation methodology adopted and the inputs and assumptions in the valuation models. The following are significant assumptions in establishing fair value:

We tested key controls related to the data inputs provided by the Group to external valuers, as well as key controls over review and approval of the valuations by appropriate management.

We obtained a selection of independent property market reports and also worked together with PwC Real Estate experts to develop an understanding of the prevailing market conditions and their expected impact on GPT investment properties.

We agreed the fair value in investment property valuation reports to the Group's accounting records and assessed the competency, capability and objectivity of the external valuers.



Key audit matter

- Capitalisation rate
- Discount rate

In accordance with the Group's valuation policy, all investment properties (with the exception of unimproved land and properties under development with a value greater than \$100 million) must be externally valued by an independent valuation expert at least once every 12 months.

We considered this a key audit matter because of:

- the relative size of the investment property balance in the consolidated statement of financial position
- the inherently subjective nature of the key assumptions that underpin the valuations, including capitalisation and discount rates
- the extent of judgement involved in considering the impact of the COVID-19 pandemic on investment property valuations.

How our audit addressed the key audit matter

We met with management to discuss the specifics of the property portfolio including significant leasing activity, capital expenditure and vacancies impacting the portfolio.

For a sample of key data inputs to the valuations, we agreed details to supporting documentation. For example, we agreed a sample of rental income in valuations to lease agreements.

For a sample of properties which were assessed as being at greater risk of material misstatement, we performed the following procedures, amongst others, to assess the appropriateness of certain assumptions used in the Group's assessment of fair value. We:

- obtained the valuation and held discussions with management to develop an understanding of the basis for assumptions used.
- assessed the appropriateness of the methodology adopted and the mathematical accuracy of valuations.
- assessed the appropriateness of the capitalisation rate and discount rate used in the valuations by comparing them against market data for comparable properties.
- assessed the appropriateness of other key assumptions in the valuation by considering observable external market data such as comparable sales.
- met with a selection of external valuation firms to develop an understanding of their processes, judgement and observations including how they dealt with uncertainties arising from COVID-19 in the valuations.

In addition to the above, for selected properties under development:

- we compared key data inputs in the 'as if complete' valuation to underlying support; and
- we compared a sample of assumptions used within the development's 'cost to complete' schedule to appropriate evidence, for example, expected future costs were agreed to contractor forecast advice.

Independent Auditor's Report continued



Key audit matter

How our audit addressed the key audit matter

Carrying value of inventories

\$85.5 million
Refer to note 6

The Group develops a portfolio of sites for future sale which are classified as inventory. The Group's inventories are held at the lower of the cost and net realisable value for each inventory project.

The cost of the inventory includes the cost of acquisition, development, capitalised finance costs and all other costs directly related to specific projects including an allocation of direct overhead expenses.

We considered the carrying value of inventories a key audit matter given the significant judgement required by the Group, for example in estimating future selling prices. These judgements may have a material impact on the calculation of net realisable value and therefore in determining whether the value of a project should be written down or have a previous impairment reversed.

Recoverability of trade receivables

\$46.1 million
Refer to note 4

As a result of COVID-19 and the commercial tenancies Code of Conduct legislated in each state and territory, the GPT Group has provided a

We assessed the reasonableness of the Group's disclosures against the requirements of Australian Accounting Standards. In particular, we considered the adequacy of the disclosures made in Note 2 which explains the basis of valuations, as well as the inclusion of material valuation uncertainty clauses by some independent valuers.

For each project we obtained the Group's latest Net Realisable Value (NRV) models. We developed an understanding of how the Group identified the relevant assumptions and sources of data that are appropriate for calculating the NRV. We performed the following procedures, amongst others:

- discussed project specifics with management, for example the life cycle of the project, key project risks and the impact of COVID-19 and how it has been reflected in the NRV models.
- compared the estimated selling prices to market sales data in similar locations or to recent sales in the project.
- compared the carrying value to the NRV to identify projects with potential impairments.
- traced each inventory disposal to the supporting settlement statement, contract and cash support.
- traced a sample of capital expenditure additions to supporting documentation and tested whether they were valid costs that could be capitalised in accordance with the requirements of Australian Accounting Standards.
- tested the operating effectiveness of the control surrounding the Valuation Committee's review of inventory valuations.
- assessed the reasonableness of the disclosures relating to inventories in the Group's financial report against the requirements of Australian Accounting Standards.

We developed an understanding and evaluated the impact of COVID-19 and the Code of Conduct on tenant rental receivables, and the processes and controls established by the Group to calculate actual and expected rental waivers and the ECL model.



Key audit matter

significant volume of rental waivers to tenants during the year. Tenant debtors which have been waived, or are expected to be waived, have been written off as uncollectible.

For remaining trade receivables balances which have not been written off, the Group has assessed recoverability using an Expected Credit Loss (ECL) model.

The Group has applied judgement in establishing the assumptions used to assess expected rental waivers as well as in the ECL model.

Given the higher receivables balance and the uncertainty arising from COVID 19, as well as the extent of judgement involved in determining expected rental waivers and future expected credit losses, we consider this to be a key audit matter.

How our audit addressed the key audit matter

For a sample of executed rent abatement deeds, we recalculated the abatement amount using the relevant terms from the deed, and reconciled this to the general ledger.

For the population of tenants for which rent waivers are expected:

- we assessed whether the Group's significant assumptions to calculate the expected abatement were appropriate, for example by comparing the expected rebate percentage to the rebate in similar executed deals; and
- we recalculated the rent abatement for a sample of tenants.

For the Group's ECL model:

- we developed an understanding of the methodology applied by portfolio and the basis for significant assumptions.
- we tested, on a sample basis, the accuracy of the data in the ECL model to relevant supporting information. We also tested the model for mathematical accuracy.
- we considered the appropriateness of the methodology and significant assumptions. For example we considered the impact of COVID-19 on the risk profile of specific tenants, and on groups of tenants across the portfolios.
- for a sample of lease tenant receivables, we tested the data that informed the Group's significant assumptions such as tenant cash payment trends.

We also assessed the reasonableness of the Group's disclosures against the requirements of Australian Accounting Standards, including the impact of COVID-19.

Independent Auditor's Report continued



Other information

The directors of GPT RE Limited, the Responsible Entity of General Property Trust, (the directors) are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.



Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 48 to 60 of the directors' report for the year ended 31 December 2021.

In our opinion, the remuneration report of the GPT Group for the year ended 31 December 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

A stylized, cursive signature of the PricewaterhouseCoopers firm, written in a dark grey or black ink.

PricewaterhouseCoopers

A handwritten signature of Susan Horlin, written in a dark grey or black ink.

Susan Horlin
Partner

Sydney
14 February 2022

Securityholder Information

GPT is listed on the Australian Securities Exchange (ASX) under the ASX Listing Code: GPT.

VOTING RIGHTS

Securityholders in The GPT Group are entitled to one vote for each dollar of the value of the total securities they hold in The Group.

SECURITYHOLDERS

Substantial Securityholders	Number of Securities
Unisuper Limited	312,149,253
Vanguard Group	183,628,450
Blackrock	163,118,343
State Street Corporation	157,616,752

Distribution of Securities	Number of Securityholders	Percentage of total issued Securities
1 to 1,000	13,795	0.32
1,001 to 5,000	12,002	1.56
5,001 to 10,000	3,593	1.35
10,001 to 100,000	2,554	2.78
100,001 and over	96	93.99
Total Number of Securityholders	32,040	100.00

There were 1,062 securityholders holding less than a marketable parcel of 93 securities, based on a close price of \$5.42 as at 31 December 2021, and they hold 23,501 securities.

Twenty Largest Securityholders	Number of Securities	Percentage of total issued Securities
HSBC Custody Nominees (Australia) Limited	674,782,183	35.23
J P Morgan Nominees Australia Pty Limited	385,955,914	20.15
BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	351,283,891	18.34
Citicorp Nominees Pty Limited	183,029,468	9.55
National Nominees Limited	62,561,969	3.27
BNP Paribas Noms Pty Ltd <DRP>	27,151,080	1.42
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	23,758,079	1.24
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	20,733,825	1.08
BNP Paribas Nominees Pty Ltd Six Sis Ltd <DRP A/C>	14,799,273	0.77
Pacific Custodians Pty Limited <GPT Group Plans Ctrl A/C>	5,454,611	0.28
Argo Investments Limited	3,480,667	0.18
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <DRP A/C>	3,387,350	0.18
One Managed Investment Funds Ltd <Charter Hall Maxim Property Sec>	3,350,000	0.17
Navigator Australia Ltd <SMA Antares Inv DV Build A/C>	3,306,303	0.17
Mutual Trust Pty Ltd	3,106,000	0.16
Netwealth Investments Limited <Wrap Services A/C>	2,940,667	0.15
HSBC Custody Nominees (Australia) Limited – A/C 2	2,448,426	0.13
BNP Paribas Nominees Pty Ltd ACF Clearstream	2,432,669	0.13
BNP Paribas Noms Pty Ltd <Global Markets DRP>	1,615,201	0.08
HSBC Custody Nominees (Australia) Limited	1,461,653	0.08
Total	1,777,039,229	92.77
Total Securities on Issue	1,915,577,430	100.00

ISSUE OF SECURITIES

No GPT securities were issued during the period 1 January 2021 to 31 December 2021.

A complete list of all securities issued since GPT's inception in 1971 can be obtained from our website (www.gpt.com.au) or by calling the GPT Securityholder Service Centre on 1800 025 095 (freecall within Australia).

INVESTOR INFORMATION

Securityholder services – Link Market Services

You can access your investment online at www.linkmarketservices.com.au, signing in using your SRN/HIN, Surname and Postcode. Functions available include updating your address details, downloading a PDF of your Annual Tax Statement and collecting FATCA/CRS self certification.

Also online at www.linkmarketservices.com.au are regularly requested forms relating to payment instructions, name corrections and changes and deceased estate packs.

For assistance with altering any of your investment details, please phone the GPT Registry on 1800 025 095 (free call within Australia) or +61 1800 025 095 (outside Australia).

Electronic communications

GPT encourages our securityholders to receive investor communications electronically, including the Group Annual Report, as part of our commitment to sustainability. These reports are available on our website at www.gpt.com.au.

To register for electronic investor communications, please go to www.linkmarketservices.com.au and register for online services.

Annual General Meeting 2022

GPT's Annual General Meeting (AGM) will be held on 11 May 2022. Details will be provided in the Notice of Meeting. The Chairman's and CEO's addresses will be announced to the ASX on the day.

Investor calendar

Date	Event
11 May 2022	Annual General Meeting
15 August 2022	2022 Interim Result Announcement
15 August 2022	June 2022 Half Year Distribution Announcement
August 2022	June 2022 Half Year Distribution Payment

An investor calendar is also available on our website at www.gpt.com.au/investor-centre

Distribution policy and payments

GPT has a distribution policy that effectively aligns the Group's capital management framework with our business strategy, which reflects a sustainable distribution level to ensure a prudent approach to managing the Group's gearing through market and economic cycles.

GPT makes distribution payments in Australian dollars to securityholders two times a year, for the six months ended 30 June and the six months ended 31 December.

Feedback, suggestions and complaints

GPT is committed to delivering a high level of service to Securityholders, including responding to complaints in a fair, timely and efficient manner. Should there be some way you think that we can improve our service, we would like to know. Whether you are making a suggestion or a complaint, your feedback is always appreciated and can be provided by telephone on + 61 1800 025 095, by fax to +61 2 9287 0303 or by email to complaints@linkmarketservices.com.au. GPT's Investor Complaints Handling Policy can be found at www.gpt.com.au/complaints.

GPT RE Limited is a member (member no.11784) of the Australian Financial Complaints Authority (AFCA), an external dispute resolution scheme to handle complaints from consumers in the financial system. If you are not satisfied with the resolution of your complaint by GPT RE Limited, you may refer your complaint to AFCA, GPO Box 3, Melbourne Victoria 3001, by telephone on 1800 931 678, by email to info@afca.org.au or online at www.afca.org.au.

Glossary

Term	Meaning
A-Grade	As per the Property Council of Australia's 'A Guide to Office Building Quality'
AFFO	Adjusted Funds From Operations, defined as FFO less maintenance capex, leasing incentives and one-off items calculated in accordance with the Property Council of Australia 'Voluntary Best Practice Guidelines for Disclosing FFO and AFFO'
AREIT	Australian Real Estate Investment Trust
ASX	Australian Securities Exchange
AUM	Assets under management
bps	Basis points
Capex	Capital expenditure
CBD	Central Business District
CO2	Carbon Dioxide
CPI	Consumer Price Index
cps	Cents per security
DPS	Distribution per security
EBIT	Earnings Before Interest and Tax
EPS	Earnings per security. Earnings per security is defined as Funds From Operations per security
Free Cash Flow	Operating cash flow less maintenance and leasing capex, inventory movements and other one off items
FFO	Funds From Operations. Fund From Operations is defined as the underlying earnings calculated in accordance with the Property Council of Australia 'Voluntary Best Practice Guidelines for Disclosing FFO and AFFO'
FUM	Funds under management
Gearing	The level of borrowing relative to assets
GFA	Gross Floor Area
GLA	Gross Lettable Area
GWOF	GPT Wholesale Office Fund
GWSCF	GPT Wholesale Shopping Centre Fund
HoA	Heads of Agreement
IFRIC	IFRS Interpretations Committee
IFRS	International Finance Reporting Standards
IPD	Investment Property Databank
IRR	Internal Rate of Return
LBP	Logistics and Business Parks
Major Tenants	Retail tenancies including Supermarkets, Discount Department Stores, Department Stores and Cinemas
MAT	Moving Annual Turnover
MER	Management Expense Ratio, defined as management expenses divided by assets under management
Mini-Major Tenants	Retail tenancies with a GLA above 400 sqm not classified as a Major Tenant
MTN	Medium Term Notes

Term	Meaning
N/A	Not Applicable
NABERS	National Australian Built Environment Rating System
NAV	Net Asset Value
Net Gearing	Defined as debt less cash less cross currency derivative assets add cross currency derivative liabilities divided by total tangible assets less cash less cross currency derivative assets less right-of-use assets less lease liabilities – investment properties
NLA	Net Lettable Area
NPAT	Net Profit After Tax
NTA	Net Tangible Assets
Ordinary Securities	Those that are most commonly traded on the ASX. The ASX defines ordinary securities as those securities that carry no special or preferred rights. Holders of ordinary securities will usually have the right to vote at a general meeting of the company, and to participate in any dividends or any distribution of assets on winding up of the company on the same basis as other ordinary securityholders
PCA	Property Council of Australia
Premium Grade	As per the Property Council of Australia's 'A Guide to Office Building Quality'
psm	Per square metre
PV	Present Value
Retail Sales	Based on a weighted GPT interest in the assets and GWSCF portfolio. GPT reports retail sales in accordance with the Shopping Centre Council of Australia (SCCA) Guidelines
ROCE	Return on capital employed
Specialty Tenants	Retail tenancies with a GLA below 400 sqm
sqm	Square metre
TR	Total Return, calculated at the Group level as the change in Net Tangible Assets (NTA) per security plus distributions per security declared over the year, divided by the NTA per security at the beginning of the year
TSR	Total Securityholder Return, defined as distribution per security plus change in security price
Total Tangible Assets	Defined per the Constitution of the Trust and equals Total Assets less Intangible Assets reported in the Statement of Financial Position
USPP	United States Private Placement
VWAP	Volume weighted average price
WACD	Weighted average cost of debt
WACR	Weighted average capitalisation rate
WALE	Weighted average lease expiry

Corporate Directory

THE GPT GROUP

Comprising:

GPT Management Holdings Limited
ACN 113 510 188 and

GPT RE Limited
ACN 107 426 504
AFSL 286511

As Responsible Entity for
General Property Trust ARSN 090 110 357

Registered Office

Level 51
25 Martin Place
Sydney NSW 2000

Telephone: +61 2 8239 3555
Facsimile: +61 2 9225 9318

BOARD OF DIRECTORS

Vicki McFadden (Chairman)
Bob Johnston
Tracey Horton AO
Angus McNaughton
Mark Menhinnitt
Michelle Somerville
Robert Whitfield AM

Company Secretaries

James Coyne
Emma Lawler
Telephone: +61 2 8239 3555
Facsimile: +61 2 9225 9318

Audit Committee

Michelle Somerville (Chairman)
Angus McNaughton
Robert Whitfield AM

Human Resources and Remuneration Committee

Tracey Horton AO (Chairman)
Vicki McFadden
Angus McNaughton
Mark Menhinnitt

Nomination Committee

Vicki McFadden (Chairman)
Bob Johnston
Tracey Horton AO
Angus McNaughton
Mark Menhinnitt
Michelle Somerville
Robert Whitfield AM

Sustainability and Risk Committee

Robert Whitfield AM (Chairman)
Tracey Horton AO
Mark Menhinnitt
Michelle Somerville

AUDITORS

PricewaterhouseCoopers
One International Towers Sydney,
Watermans Quay, Barangaroo
Sydney NSW 2000

PRINCIPAL REGISTRY

Link Market Services
GPT Security Registrar
Locked Bag A14
Sydney South NSW 1235

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Melbourne Central Tower



The GPT Group

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