



# ESSENTIAL INFRASTRUCTURE



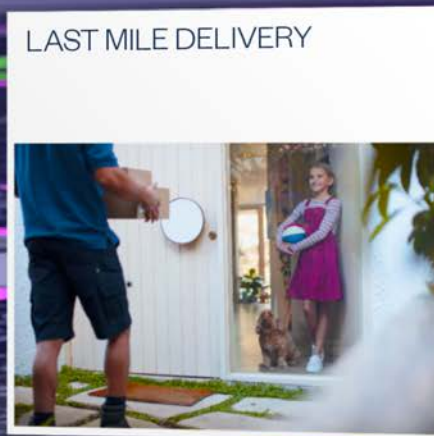


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A rapidly growing digital economy is one of the key structural trends driving customer demand for well-located urban logistics space.

Goodman is at the forefront of these changes providing the essential supply chain infrastructure that links producers with business, and business with consumers.





# EFFICIENT WAREHOUSING

FREIGHT NETWORKS



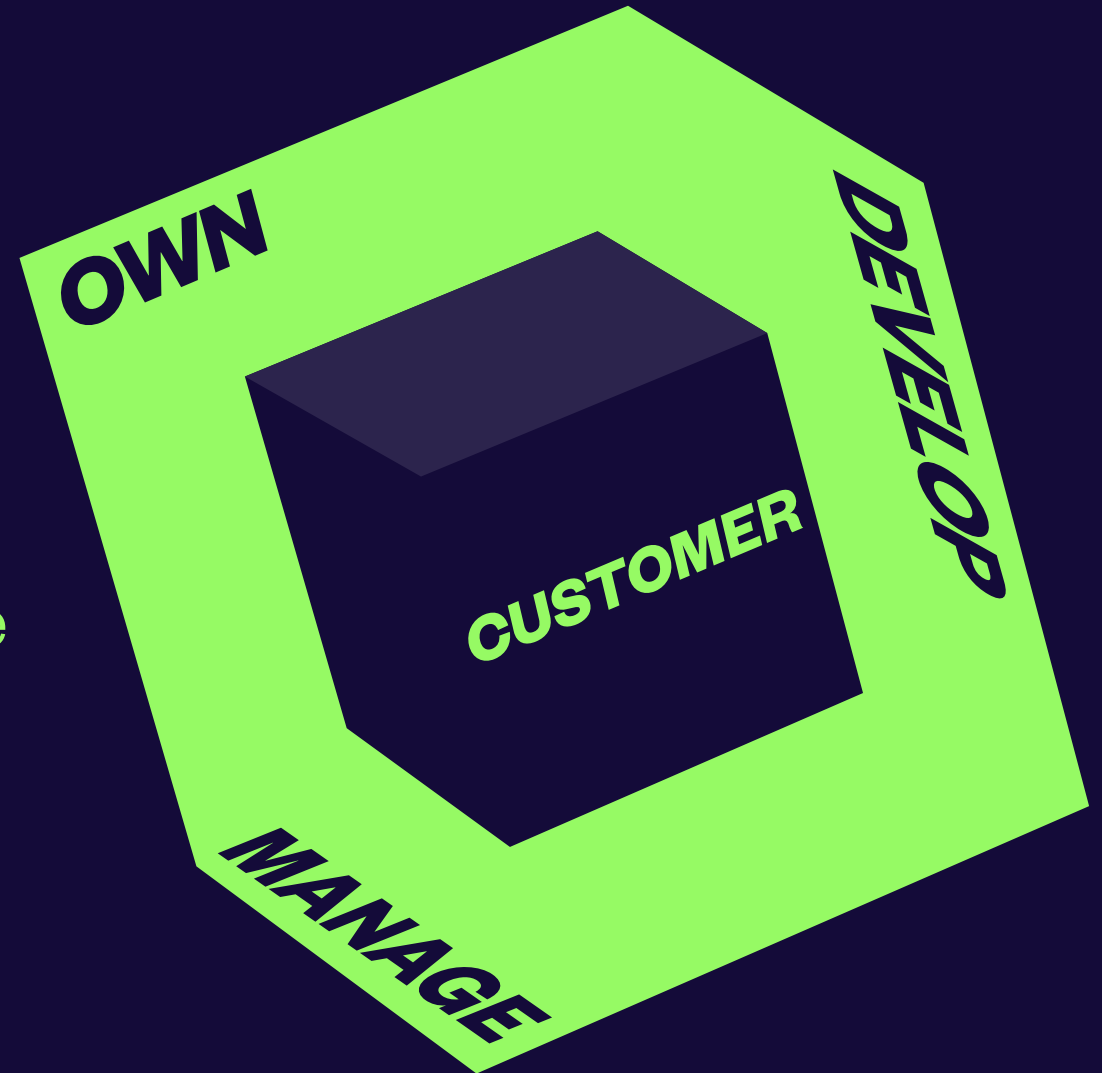
# SUSTAINABLE

Goodman is a global industrial property specialist, with a business model focused on its customers' current and future needs.

## Own+Develop+Manage

We own and maintain high-quality properties close to consumers.

We develop sustainable properties and our dedicated local teams take care of all aspects of property asset and investment management, ensuring a high level of customer service.



# BUSINESS





Proudly managed by Goodman, GMT is New Zealand's largest listed real estate entity. It is a high-quality business with a substantial portfolio, a wide customer base and a proven development capability.

# REVIEW

GMT is benefiting from a rapidly growing digital economy and sustained demand for warehouse and logistics space.



Highbrook Business Park

↗ PROFIT BEFORE TAX  
17.7% increase

\$763.8m

↗ PORTFOLIO REVALUATION  
16.1% increase in value

\$660.4m

↗ NET TANGIBLE ASSET BACKING  
22.6% increase

260.6 cpu

→ LOAN TO VALUE RATIO  
20% to 30% preferred range

21.3%

# YEAR IN






**CASH DISTRIBUTIONS**  
 82.6% of cash earnings

**3.8% increase**

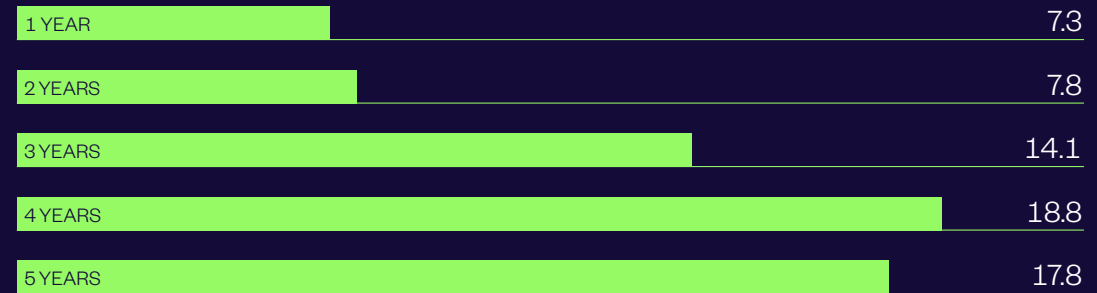

**NEW DEBT ISSUES<sup>1</sup>**  
 Wholesale and green bonds

**\$350m**

<sup>1</sup> The issue of \$150 million of five-year green bonds was completed on 14 April 2022, following GMT's financial year end.

**TOTAL UNITHOLDER RETURN %**

Annualised to 31 March 2022



New capital and investment initiatives, complemented by sustainable development solutions have further strengthened the business.



Our strategic focus and commitment to delivering profitable and sustainable outcomes for our stakeholders has underpinned a year of notable achievements.





# ADAPTING TO A CHANGING MARKET

## CHAIR'S REPORT



Keith Smith – Chair and Independent Director

The underlying strength of GMT's recent operating results has reinforced the value of an investment strategy focused on urban logistics in the Auckland industrial market.

The continued execution of this strategy, in a period that has included further disruption from the COVID-19 pandemic, has been supported by a growing digital economy and increased customer demand for warehouse and logistics space close to consumers.

We have continued to be successful by remaining agile, embracing opportunities and making positive changes to the business. These changes have included new sustainability and capital management initiatives that are focused on the long term.

### A NEW OPERATING ENVIRONMENT

Strategies to deal with the disruption of COVID-19 have evolved over the last 12 months as the threat from the virus has changed.

New technologies and agile work practices have enabled our people to continue working through Alert Level and Traffic Light restrictions, while new health and safety measures have protected their wellbeing. These precautions have also been applied to our worksites and governed our interactions with customers, contractors, and other stakeholders.

The wider response to the pandemic has also accelerated some of the key structural changes that are driving demand for urban logistics space. The continued expansion of e-commerce is a positive trend for the Trust with customers adapting their business operations to incorporate the growth in online retail.

GMT's \$4.8 billion property portfolio provides essential business infrastructure for these companies, facilitating the efficient storage and distribution of goods and materials.

While the longer-term economic impacts of COVID-19 are uncertain, the majority of the Trust's customers have adapted to the new normal. New leasing and development enquiries remain steady and, with the portfolio at capacity, GMT's substantial rental cashflows are contracted well into the future.

## PROFIT BEFORE TAX

\$m

FY22	763.8
FY21	648.9
FY20	284.4
FY19	334.8
FY18	207.2

### DELIVERING RESULTS

This year's statutory profit of \$763.8 million before tax was 17.7% higher than the \$648.9 million recorded in FY21. A portfolio revaluation of 16.1% contributed \$660.4 million to the profit, compared with \$560 million in the previous year.

The increase in value reflects a combination of strong property market fundamentals and increased investor demand for high-quality Auckland industrial assets, particularly in the first six months of FY22.

High occupancy levels, positive leasing results, new development completions and strategic acquisitions have all contributed to a 3.0% increase in operating earnings before tax, to \$118.3 million.

With a total return around 8% above its benchmark of listed peers, GMT's investment performance has resulted in the Manager earning a performance fee this year. The \$15.7 million fee is excluded from operating earnings as it is expected to be used to subscribe for new units in the Trust.

Cash distributions totalling 5.50 cents per unit, representing 82.6% of GMT's cash earnings, have been declared for the year.

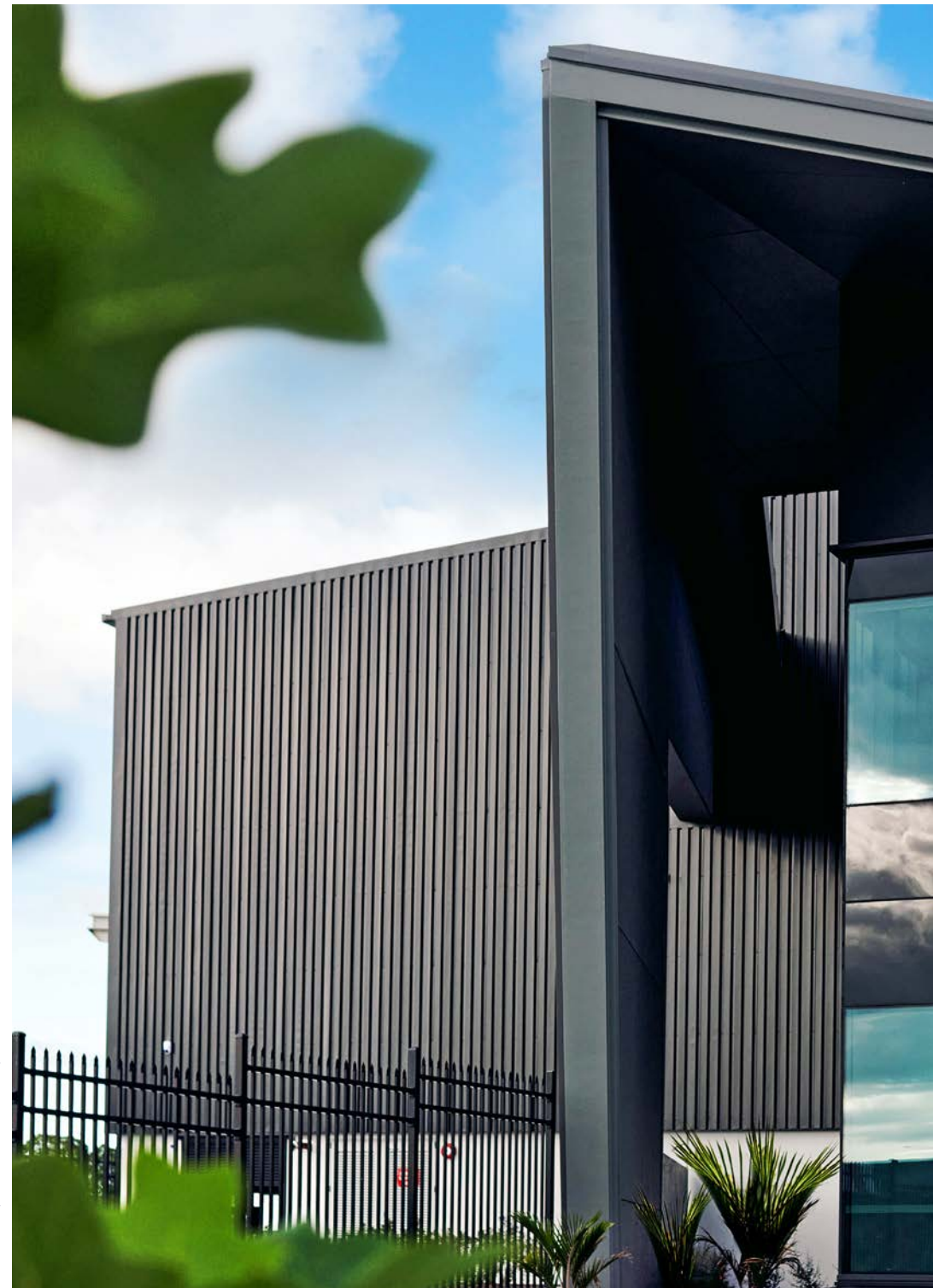
Guidance for FY23 includes cash earnings of around 6.9 cents per unit and cash distributions of approximately 5.9 cents per unit, a 7% increase from FY22.

Recognising that the world is changing rapidly, and that today's economic outlook is more uncertain than 12 months ago, this guidance is subject to there being no material adverse changes in market conditions or other unforeseen events.

### TAKING A LONG-TERM VIEW

A sustainable capital structure, which features low gearing and a diverse range of funding sources, provides GMT with the financial resilience to withstand market disruptions and a more challenging operating environment. The strong liquidity position has also enabled the Trust to secure new investment and development opportunities during the year.

The successful issue of a \$200 million six-year wholesale bond in December 2021 and the launch of a Sustainable Finance Framework in March 2022 have strengthened the Trust and added greater financial flexibility.



Dicker Data, M20 Business Park, Manukau





The new framework supports investment in sustainable assets through the issue of green bonds and bank debt. Aligning new funding with positive environmental outcomes is another step in the creation of a sustainable business focused on long term value creation.

The first issue of \$150 million of five-year green bonds was completed on 14 April 2022, following GMT's financial year end.

### LOWER CARBON FOOTPRINT

We have also continued to prioritise existing carbon reduction and management projects. These efforts have been reflected in lower emissions and an improved climate score from CDP, the global disclosure system for environmental reporting.

The CDP rating of B and the assurance provided by Toitū carbonzero certification for our business operations show we are making positive and credible progress toward our 2025 emission reduction targets.

Our reporting has also been extended to include voluntary disclosures on embodied carbon within completed development projects. It's an area of real opportunity with lower carbon materials and building systems being developed to reduce the high level of emissions generated by construction activity.

The purchase of New Zealand and internationally sourced carbon credits to offset both operational and development related emissions reinforces our businesswide commitment to a low carbon future.

### KEEPING TO OUR STRATEGY

GMT has continued to demonstrate that it is a robust and resilient property business, delivering a strong operating performance while adapting to the ongoing challenges of COVID-19.

A high-quality portfolio focused on urban logistics has positioned the Trust to benefit from the structural trends that are driving demand for distribution facilities close to consumers.

New capital and investment initiatives, complemented by a greater focus on low-carbon property solutions, have further strengthened the business, and are expected to support sustainable long-term growth.

On behalf of the Board, I sincerely thank our customers and investors for their support and all of the Goodman team for their efforts and contribution over the last 12 months.

**Keith Smith** – Chair and Independent Director



With its urban logistics portfolio strategically located across Auckland, GMT is providing essential infrastructure for New Zealand's rapidly growing digital economy.







Andy Eakin – Chief Financial Officer (left)

John Dakin – Chief Executive Officer and Executive Director (right)



### PORTFOLIO LEASING

268,042 sqm



### AVERAGE OCCUPANCY RATE

99.4%



### ACTIVE DEVELOPMENTS

\$426.0m



### COMPLEMENTARY ACQUISITIONS<sup>1</sup>

\$299.9m

<sup>1</sup> Includes post balance date property acquisitions.

# FUTURE PATHWAY

## MANAGEMENT REPORT

Greater customer demand is being reflected in high occupancy levels, sustained rental growth and an increased level of development activity for the Trust. These factors are driving GMT's operating performance and contributing to strong growth in asset values.

Focusing our investment strategy exclusively on the Auckland industrial sector more than five years ago recognised the emerging trends and unique drivers that have since made this New Zealand's strongest performing commercial real estate market. Demographic changes, regional growth, and the rapid expansion of online retailing have all contributed to the unprecedented level of demand for well-located and operationally efficient urban logistics space across the city.

While the pandemic has brought challenges, it has also accelerated the key structural trends that are contributing to GMT's strong results.

### Highlights of the last 12 months include:

- + Net property income of \$157.1 million and operating earnings before tax of \$118.3 million
- + An average portfolio occupancy rate of 99.4% over the year
- + \$300.2 million of new developments adding to the \$125.8 million of projects already underway
- + Acquisition of complementary properties in Albany, Māngere, Mt Wellington and Penrose for \$250.6 million.

### MAXIMISING PORTFOLIO PERFORMANCE

There are over 220 customers that lease space in the Trust's 1.1 million sqm portfolio. Demand from these businesses is at historically high levels, with the Trust's investment portfolio effectively at capacity.

The strength of the current leasing market reflects a growing digital economy and the requirement for highly efficient warehouse and logistics facilities close to consumers. This trend is expected to continue, with Euromonitor forecasting e-commerce sales growth for New Zealand of 84% over the next five years.

Customers are adapting to the growing online marketplace and demand for fulfilment services in a variety of ways.

## DEVELOPMENT COMMENCEMENTS

Total project cost \$m

FY22	300.2
FY21	132.0
FY20	123.2
FY19 <sup>1</sup>	134.4
FY18	164.8

<sup>1</sup> FY19 development commencements restated to reflect pausing of 10,000 sqm build-to-lease project at Highbrook Business Park in 2020. Project recommenced in FY22 as a 9,174 sqm design-build facility.

Large freight and parcel delivery operators are leasing additional facilities to accommodate business growth, while some smaller customers are now incorporating e-commerce functions into existing warehouse operations.

Disruption in global supply chains is also contributing to higher inventory levels, creating additional demand for warehouse space.

Customers investing in automation and warehouse management systems to improve the efficiency of their facilities is another feature of the highly constrained leasing market. It is also reflective of growing inflationary pressures, with an increasing number of customers seeking to mitigate the impact of rising costs through better space utilisation.

Around 25% of the portfolio (268,042 sqm) was leased on new or revised terms since 31 March 2021, with customers renewing leases early, committing to longer terms and paying a rental premium for facilities in prime locations.

The strength of current customer demand is reflected in the 5.1% growth in annual rentals, on a like-for-like basis.

With the pandemic having a disproportionate impact on some industries, not all customers within the portfolio have been able to adapt so easily.

We continue to stay close to these businesses, supporting them through the challenges of the current operating environment to the extent we can.

### DEVELOPING TO MEET DEMAND

GMT's development programme has been an important contributor to its growth, with around 90% of the core portfolio developed since 2004. These new facilities have provided high-quality property solutions for customers and generated strong rental returns and investment gains for the Trust.

The rapid growth in demand for urban logistics space is also being reflected in a heightened level of development activity, with \$300.2 million of new projects commencing during the year.

It adds to the current workbook, with seven active projects at 31 March 2022. With a total project cost of \$426.0 million, the development programme includes additional facilities for Mainfreight and NZ Post, the Trust's largest customers.



NZ Post, Highbrook Business Park



Around 98% pre-committed, the current development workbook will add almost 100,000 sqm of net lettable area to the portfolio. These new warehouse and logistics facilities are expected to generate \$21.1 million in annual rental income once complete.

Two of the active projects are parcel processing facilities for NZ Post. Part of a wider business strategy to accommodate the rapid growth in its delivery services, the latest commitment is for a 17,992 sqm facility to be built on Bush Road in Albany. The expected completion date is June 2024, with construction to commence in 2023, following the expiry of existing leases on the brownfield site.

A commitment to sustainable development means all GMT's current and future developments will be carbon neutral. To ensure its new facilities are industry leading, the Trust is also targeting a 5 Green Star Built rating for these projects. The certification, from the New Zealand Green Building Council, assesses the sustainability attributes of the project and the quality of the workspaces it provides.

With a substantial volume of work in progress, the Trust's development programme is being closely monitored to ensure that risks associated with rising costs, material and labour shortages, and contractor solvency are all managed effectively.

To prioritise the development of new warehouse and logistics facilities, a previously announced office and carpark project at Highbrook Business Park has been paused. With a longer lead time, the build-to-lease development will commence when construction market conditions and office occupier demand are better aligned.

**SECURING A FUTURE PIPELINE**

With the remaining development land at Highbrook Business Park now fully allocated, we're increasing our investment in strategic locations to accommodate customer demand.

The acquisition of 34 hectares of light industrial zoned land in Māngere in August 2021 has replenished the Trust's landbank. Adjoining the Villa Maria winery, and near the airport and other freight and transport infrastructure, the \$75 million<sup>1</sup> acquisition will provide a pipeline of large sites that is expected to support the development of up to 120,000 sqm of new warehouse and logistics space over time.

The masterplan vision is for a highly sustainable urban logistics estate that incorporates the natural features of the site and the unique cultural history of the area.

Four additional properties were acquired during the year:

1. Oji Fibre Solutions facility at 35 Hugo Johnston Drive in Penrose
2. Sky Network Television Campus in Mt Wellington
3. The Bush Road site in Albany to facilitate the development of a new parcel processing facility for NZ Post
4. A residential property neighbouring Favona Road Estate in Māngere.

The transactions had a combined purchase price of \$175.6 million and a total site area of 11.1 hectares. Currently 94% leased, with existing improvements providing steady holding income, the new properties offer a range of immediate and longer-term redevelopment options.

<sup>1</sup> At 31 March 2022 \$10 million of the \$75 million purchase remains subject to the satisfaction of a subdivision condition, expected to occur in FY23.



Riverside Warehouses under construction, Highbrook Business Park

Following the Trust's financial year end, the Sleepyhead manufacturing facility at 41-71 Great South Road in Ōtāhuhu was also unconditionally contracted for \$49.35 million. With settlement expected later in May 2022, the four hectare property is a medium term redevelopment opportunity.

With a combination of greenfield and brownfield sites now within the portfolio, GMT's future development pipeline is estimated to total over 400,000 sqm of urban logistics space.

## SUSTAINABLE INVESTMENT

A well-capitalised balance sheet has enabled the Trust to grow sustainably. Low gearing and substantial liquidity have provided the financial flexibility to target complementary acquisitions and commit to new development projects.

Ongoing capital management initiatives have added further liquidity and extended the range of funding sources available to GMT. They include:

- + the issue of a new \$200 million, six-year wholesale bond in December 2021
- + the extension of GMT's syndicated bank facility in March 2022, from \$400 million to \$570 million
- + the inaugural \$150 million, five-year green bond issued in April 2022.<sup>1</sup>

Both the wholesale bond and green bond were successful new issues, achieved at competitive margins that reflect fixed annual interest rates of 3.656% and 4.74% respectively.

<sup>1</sup> Following GMT's FY22 balance date.

The creation of a Sustainable Finance Framework to support the first issue of green bonds reinforces our commitment to delivering sustainable business outcomes. It provides a platform for future debt issues that will finance new Green Star rated development projects and other initiatives that improve the environmental performance of the portfolio.

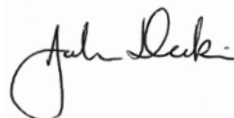
At 31 March 2022, the weighted term to expiry across all the Trust's drawn debt was 4.6 years.

## THE YEAR AHEAD

GMT is benefiting from a rapidly growing digital economy and sustained demand for warehouse and logistics space close to consumers.

Significant new leasing, high occupancy levels, continued rental growth, further development progress and strategic acquisitions have all contributed to the Trust's strong operating performance and record statutory profit.

While the pandemic and other downside risks are likely to constrain economic activity over the short to medium term, the quality and scale of the portfolio, together with low gearing and a focused investment strategy, give us confidence about the year ahead.



**John Dakin**  
Chief Executive Officer and Executive Director



**Andy Eakin**  
Chief Financial Officer



Showrooms, Highbrook Business Park



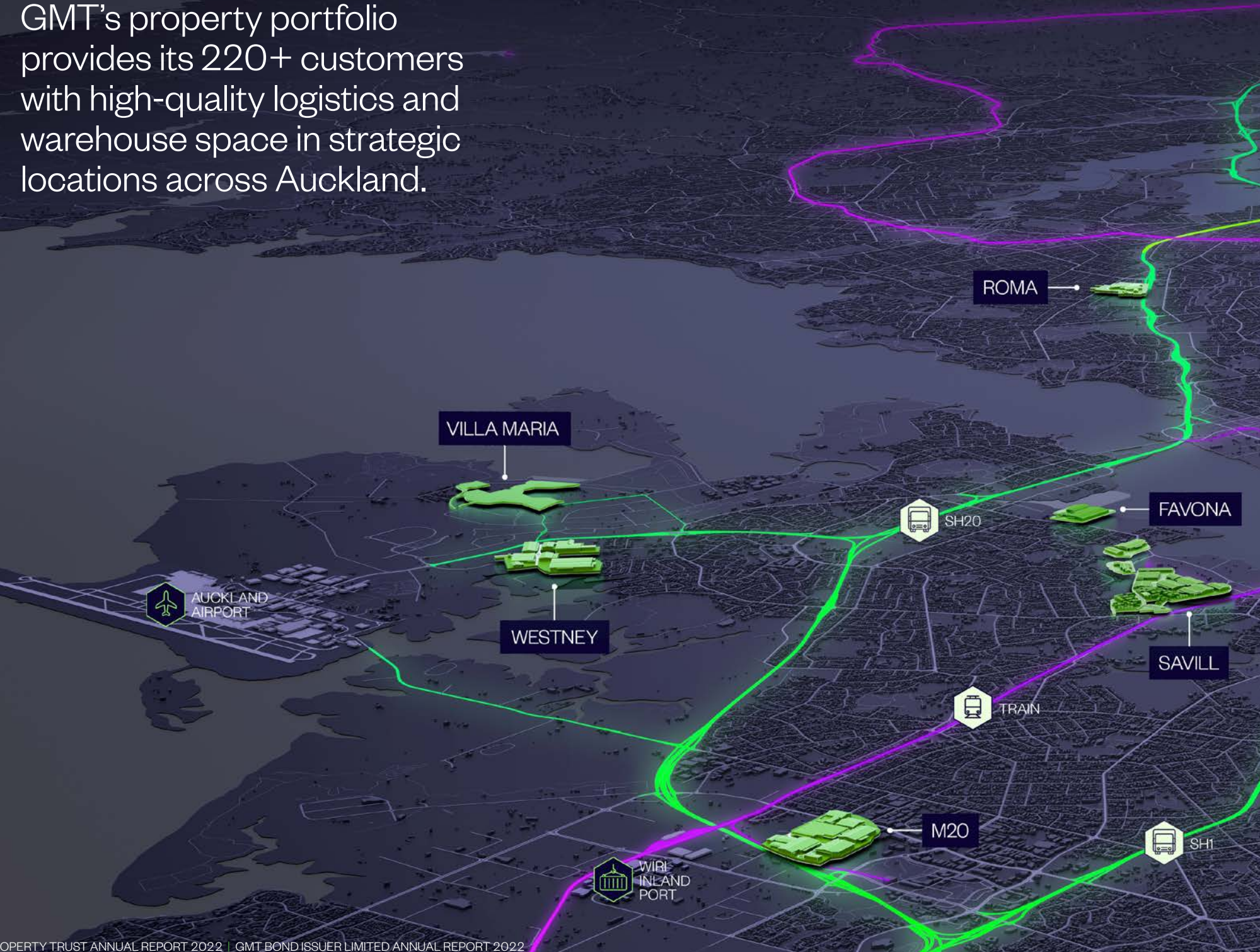


New Zealand consumers have embraced the convenience and safety of online shopping. The continuing shift in purchasing behaviour is another positive demand driver for well-located warehouse and logistics space.



# OUR ASSETS

GMT's property portfolio provides its 220+ customers with high-quality logistics and warehouse space in strategic locations across Auckland.







NZ POST ALBANY

AUCKLAND  
CBD  
PORTS OF  
AUCKLAND

CONNECT

THE GATE

PENROSE

TĀMAKI

METRO  
PORT

SKY

SLEEPYHEAD

MT WELLINGTON

Highbrook

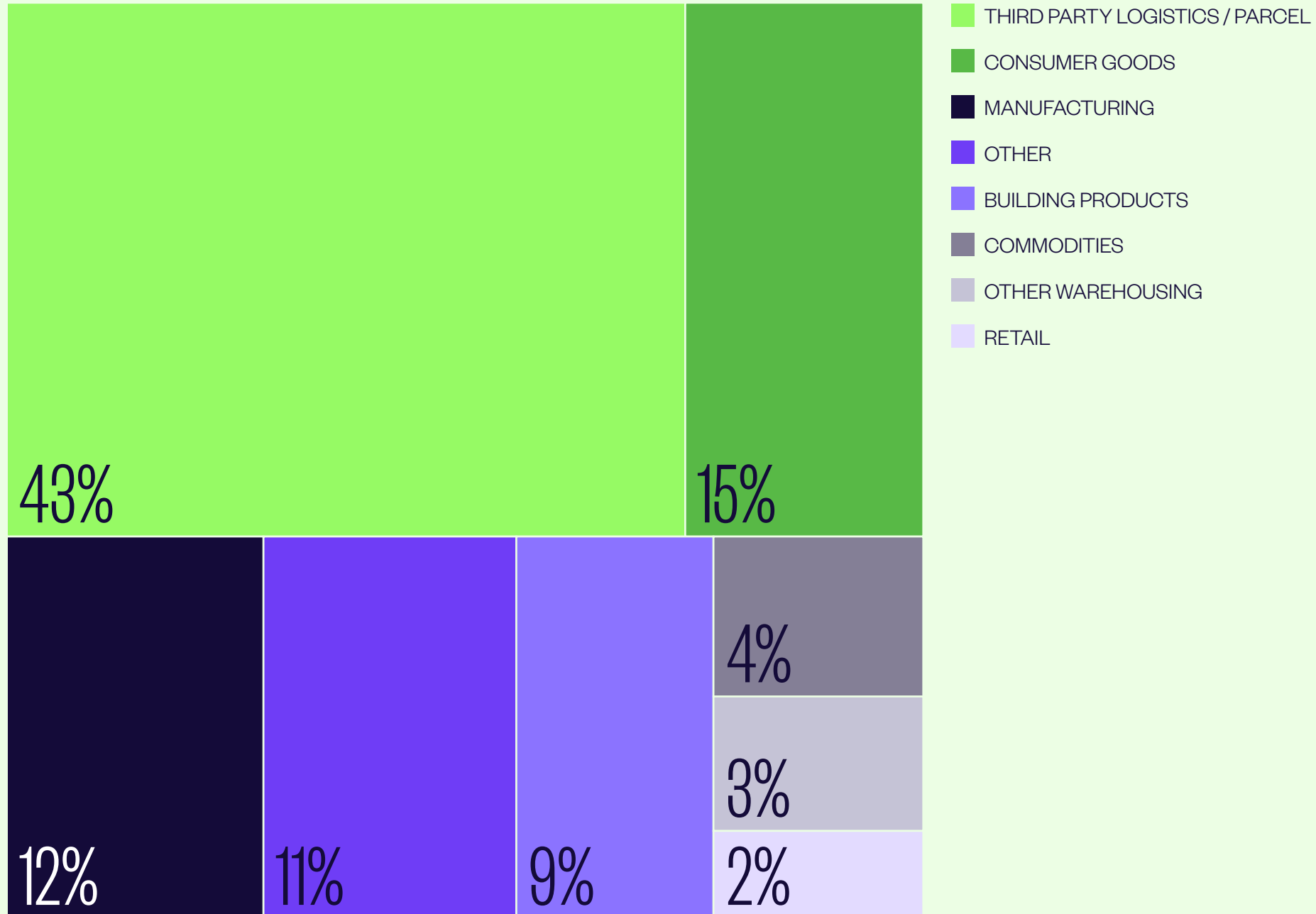
Supporting a rapidly growing digital economy, these properties are modern, operationally efficient and positioned close to key transport infrastructure.

GMT owned estates are shown highlighted in green.



# INDUSTRY EXPOSURE

As at 31 March 2022





# CUSTOMER WEIGHTING

As at 31 March 2022

CUSTOMER	ESTATE	WEIGHTING: RENTAL INCOME <sup>1</sup>
<b>NZ POST</b>	NZ Post Albany, Highbrook, M20, Roma Road	13.34%
<b>MAINFREIGHT</b>	Highbrook, Favona, M20, Savill Link, Westney	5.13%
<b>DHL</b>	Highbrook, Westney	3.62%
<b>OFFICEMAX</b>	Highbrook	2.51%
<b>FREIGHTWAYS</b>	Highbrook	2.34%
<b>TOLL</b>	Savill Link	1.96%
<b>LINFOX LOGISTICS</b>	Westney	1.77%
<b>T&amp;G GLOBAL</b>	Favona, Mt Wellington	1.72%
<b>CODA</b>	Savill Link, The Gate	1.70%
<b>STEEL &amp; TUBE</b>	Highbrook, Savill Link	1.68%
<b>FRUCOR SUNTORY</b>	M20	1.57%
<b>VIRIDIAN GLASS</b>	Highbrook	1.44%
<b>ASALEO CARE</b>	The Gate	1.41%
<b>SKY TV</b>	Sky Campus	1.33%
<b>SUPERCHEAP AUTO</b>	Savill Link	1.32%
<b>METRO PERFORMANCE GLASS</b>	Highbrook	1.31%
<b>SUPPLY CHAIN SOLUTIONS</b>	Westney	1.26%
<b>NCI PACKAGING</b>	Savill Link	1.24%
<b>COTTONSOFT</b>	Highbrook	1.23%
<b>INGRAM MICRO</b>	M20	1.20%

<sup>1</sup> Includes new development commitments.





# URBAN LOGISTICS







## URBAN LOGISTICS FOR A CHANGING MARKET PLACE

# Essential infrastructure

We're living in an era of rapid change. Advances in technology, changes in consumer behaviour and the ongoing impacts of a global pandemic are all contributing to a growing digital economy.

Goodman is at the forefront of these changes, providing the physical infrastructure that allows supply chains to operate efficiently. Our warehouse and logistics facilities are an essential link in these networks, allowing customers to manage inventory while distribution services connect these businesses with suppliers, clients, and consumers.

Expectations are being reset with the immediacy of e-commerce and prompt fulfilment offers a competitive advantage for businesses that can meet consumers' demands for faster delivery and greater convenience.

As a result, demand for well-located distribution facilities is outstripping supply in many locations across Auckland. A growing awareness around climate change and wellbeing is also driving customers to seek out more energy efficient and sustainable solutions when considering their future property requirements.

### STRATEGIC LOCATIONS



NZ Post, Highbrook Business Park



Roma Road Estate, Mt Roskill

## Urban regeneration

In Auckland, land is a diminishing and valuable resource. With just one greenfield development property in the portfolio and limited acquisition opportunities, the Trust is increasingly focused on the redevelopment of its non-core assets.

The inner-city location of these brownfield properties provides the greatest efficiency for customers focused on last mile delivery, minimising travel distances and transport-related emissions while improving speed to market.

The redevelopment of these older style properties into modern, efficient, sustainable distribution facilities improves the efficiency of Auckland's industrial building stock and makes use of existing infrastructure. Through intensification of use it helps limit urban sprawl, while the recycling of demolition materials reduces landfill waste.

Over 70% of GMT's current development workbook is being constructed on brownfield sites. Two of the largest current projects are design-built facilities for NZ Post. They extend a relationship that dates back to 2007, when the Trust delivered its first facility for the customer at Highbrook Business Park in East Tāmaki.

Today NZ Post is GMT's largest customer, with both businesses focused on meeting the demands of the new digital age in a sustainable way.



## E-commerce and NZ Post

Online shopping has continued to grow, with New Zealand consumers making around \$7.7 billion of purchases in 2021, an increase of 21% on the previous year.

COVID-19 has accelerated the change in spending patterns with the penetration of e-commerce rising steadily, then growing rapidly from 2020.

Delivering over 80 million parcels in 2020, NZ Post is an organisation that has adapted to the demands of a growing digital economy. Focused on fulfilment services, where parcels are delivered to the end consumer, the business is optimising its distribution network and investing in locations and technologies that will accommodate the rapid growth in e-commerce.

Greg Morris, Group Property and Procurement Manager for New Zealand Post said "E-commerce has created huge demand for NZ Post's logistics and delivery services. We're investing in our future network and extending our range of services with complementary business acquisitions to support this growth."





NZ Post, Highbrook Business Park



Roma Road Estate – artist impression, subject to final design.

## Designed for tomorrow

NZ Post has a blueprint for the future. It's focused on the delivery of end-to-end logistics and distribution support to local businesses. Central to this plan is a smart network able to respond to the expected growth.

Greg Morris said "More Kiwis clicking 'add to cart' means more parcels for NZ Post to deliver. We're investing \$180 million in our network infrastructure over the next ten years, to facilitate the growth in online shopping."

Included in this network plan is the automation of the two new, highly sustainable, parcel processing facilities under development in Albany and Mt Roskill.

NZ Post is extending the efficiency of its network with new sophisticated sorting equipment. The smart technology is easily scalable for volume and will allow the organisation to accommodate the expected growth in parcel volumes over the next 20 years.

Like all new GMT development projects both these facilities are targeting a 5 Green Star Built rating.<sup>1</sup>

They will also be carbon neutral projects, with unavoidable embodied emissions offset.

Delivering sustainable property solutions for its customers is positive for all GMT stakeholders and we're working collaboratively with NZ Post to maximise the operational performance and energy efficiency of both these new facilities.

Greg Morris said "Our businesswide commitment to sustainability, including carbon neutral operations by 2030, is reflected in our property requirements. We are adding roof top solar energy systems to these projects and incorporating charging infrastructure for a growing fleet of EV trucks and vans."

NZ Post is also prioritising the health and well-being of its staff with high-quality workspaces and extensive onsite amenities that include dedicated café and recreational areas, together with end of trip facilities.

"Goodman's focus on sustainable property solutions means it's a like-minded business partner, with similar brand values" said Greg Morris.

### DIGITAL ECONOMY



<sup>1</sup> The typical sustainability features of a NZGBC 5 Green Star Built rating are described on page 28.



# SUSTAINABILITY REPORT





# OUR APPROACH TO SUSTAINABILITY

As a leading real estate investment vehicle, our focus is on the built environment and the delivery of sustainable property solutions that help our customers thrive. We are working closely with these businesses and other stakeholders to decarbonise, to mitigate climate risk and to boost biodiversity.

We have acknowledged our ESG responsibilities, with a plan for a sustainable future that includes clearly defined targets. The world is changing, and we are investing in new technologies and alternative ways of operating to ensure our people and our customers have the spaces they need to succeed.

It's part of a wider journey, in which we are encouraging our investors, contractors, consultants, service providers, capital advisors, industry bodies, regulators, and other community partners to support sustainable business practices. The collective impact of these individual contributions will lead to better environmental, social and economic outcomes for everyone.

## DELIVERING ON OUR COMMITMENTS

We've adapted to the disruption of COVID-19 and continued to make substantial progress toward our 2025 sustainability objectives.

<sup>1</sup> Formerly the Carbon Disclosure Project

<sup>2</sup> Certification encompasses Goodman (NZ) Limited, Goodman Property Services (NZ) Limited and Goodman Property Trust. It includes emissions from operational activities and from the buildings and spaces within the portfolio where the Manager has operational control.

### Highlights of the last 12 months include:

Improved climate score of B from CDP<sup>1,2</sup> and a rating of A- on Supplier Engagement



50.0% reduction in greenhouse gas emissions<sup>2</sup> against FY20 base year



Toitū carbonzero certified operations<sup>2</sup>



Commenced calculating and reporting embodied carbon on new development projects with 3,241 tCO<sub>2</sub>e of unavoidable emissions offset



Completion of four rooftop solar energy systems with a further 716.0 kw being installed



New biodiversity initiatives with urban ngahere planned at two estates



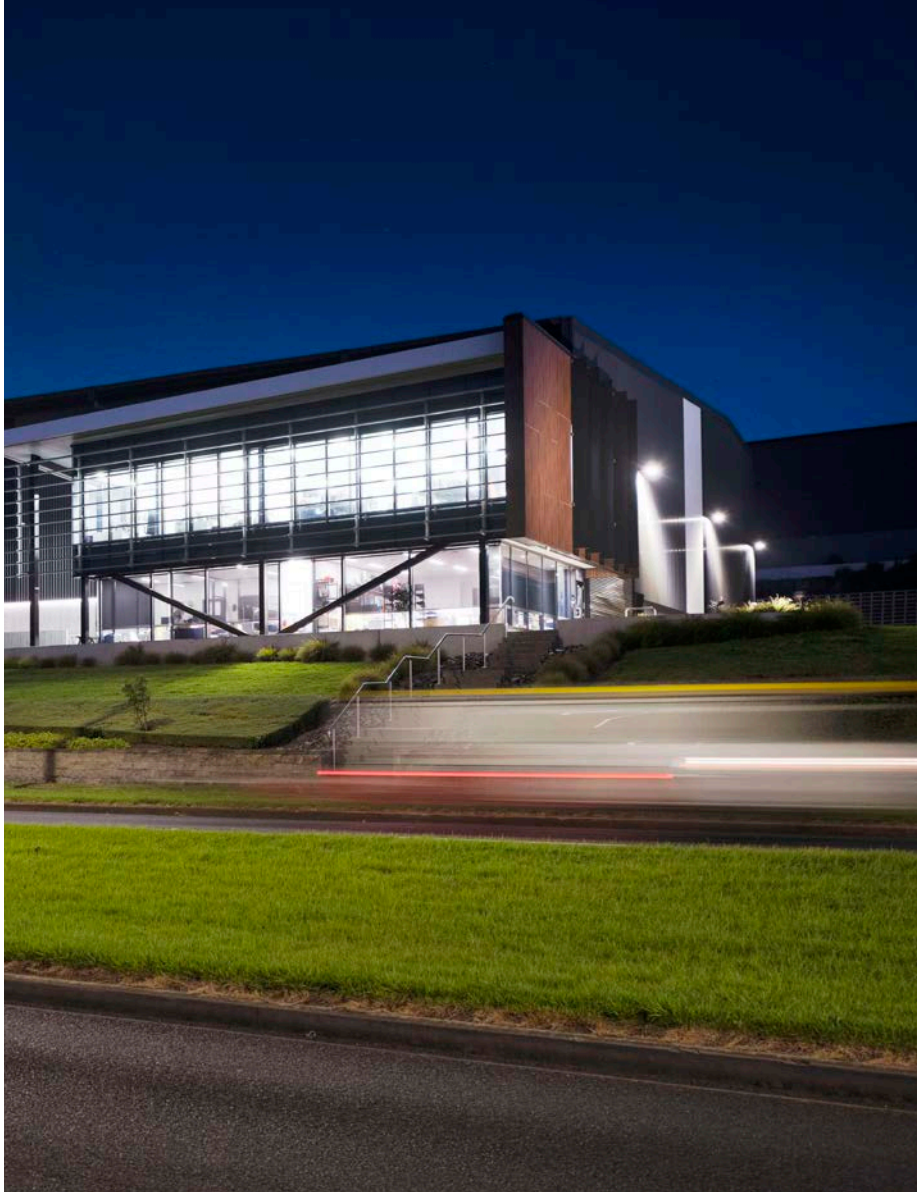
Launch of Sustainable Finance Framework and successful \$150 million green bond issue



Almost \$400,000 contributed to community initiatives through the Goodman Foundation



# OUR SUSTAINABILITY FRAMEWORK



Jost, Highbrook Business Park

Goodman's focus as an owner, developer and manager of warehouse and logistics space is part of a broader strategy that includes the aim of becoming a truly resilient and sustainable business.

Recognising that our corporate performance is integral to our reputation and long-term success, we've worked to incorporate sustainability principles across all areas of our business.

There are three pillars to our sustainability framework.



## Sustainable properties

As a long-term investor we want a future-proof portfolio, with high-quality assets that are adaptable, energy efficient and resistant to climate change. We understand the environmental benefits of repurposing brownfield sites and the value to our customers of being located close to consumers and key transport infrastructure.

A focus on workplace amenity ensures our facilities also meet our customers' wider business needs.



## People and culture

We believe that a business with a safety conscious and inclusive culture, that is positively connected with its community, will deliver superior long-term results.

Our people are recruited and rewarded based on their commitment to these values, their professional expertise, and their long-term strategic and ethical thinking. We encourage high standards of behaviour and provide a healthy work environment with the tools to work flexibly and safely.



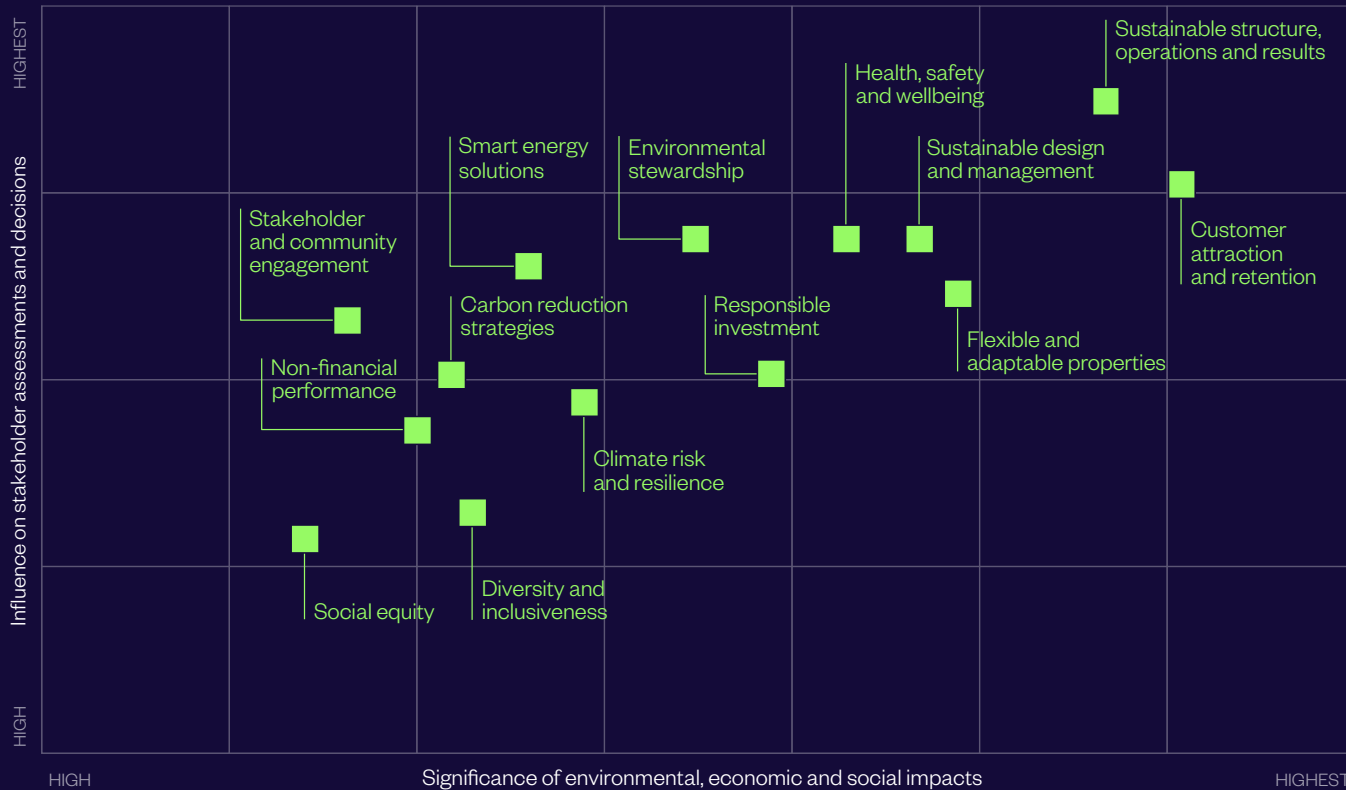
## Corporate performance

We critically assess our results and provide investors, regulators, customers and community partners with detailed information about our business activities including performance against recognised and credible benchmarks.

A sustainable capital structure, contemporary governance policies and commitment to environmental and social initiatives give these stakeholders confidence in our strategy.



## Material Factors



These 14 factors were determined through stakeholder interviews<sup>1</sup> in FY21 where stakeholders were asked what drivers of change they considered to be the most significant for our business.

<sup>1</sup> Facilitated by Proxima, the engagement process included face to face, online and phone interviews with a representative group of stakeholders. The group included customers, investors, analysts, and community partners. Of the 22 invited, 14 participated.

## MATERIAL FACTORS

The three pillars of sustainable properties, people and culture, and corporate performance include the material factors that have been identified as important contributors to our success.

These 14 factors were determined through stakeholder interviews<sup>1</sup> in FY21, where stakeholders were asked what drivers of change they considered to be the most significant for our business.

We have reviewed these factors internally this year, taking into account an increased focus on business sustainability and resilience, and determined that all 14 remain relevant.

Stakeholders will be surveyed again in FY24 as part of a regular three-year review cycle.

The following pages describe how these factors are integrated into our broader business strategy. It includes reporting on a range of non-financial metrics, monitoring progress against future targets and being accountable for our performance.

We're challenging ourselves to do better, and do more for the benefit of all, across each of these areas.



# Sustainable properties

The material factors that guide our investment activity include:

- + Customer attraction and retention
- + Sustainable design and management
- + Flexible and adaptable properties
- + Smart energy solutions
- + Climate risk and resilience
- + Carbon reduction strategies

## PORTFOLIO INITIATIVES

GMT's investment strategy is exclusively focused on the urban logistics segment of the Auckland industrial market. The Trust's 15 estates are strategically located, close to consumers and key transport infrastructure.

Strong customer relationships underpin the Trust's financial results. Consistently high occupancy levels (FY22 >99%) demonstrate that we are meeting the needs of our customers and developing to meet demand.

The average age of the core investment portfolio is around 10 years. Maintaining these properties to a high standard ensures they remain contemporary and attractive to customers.

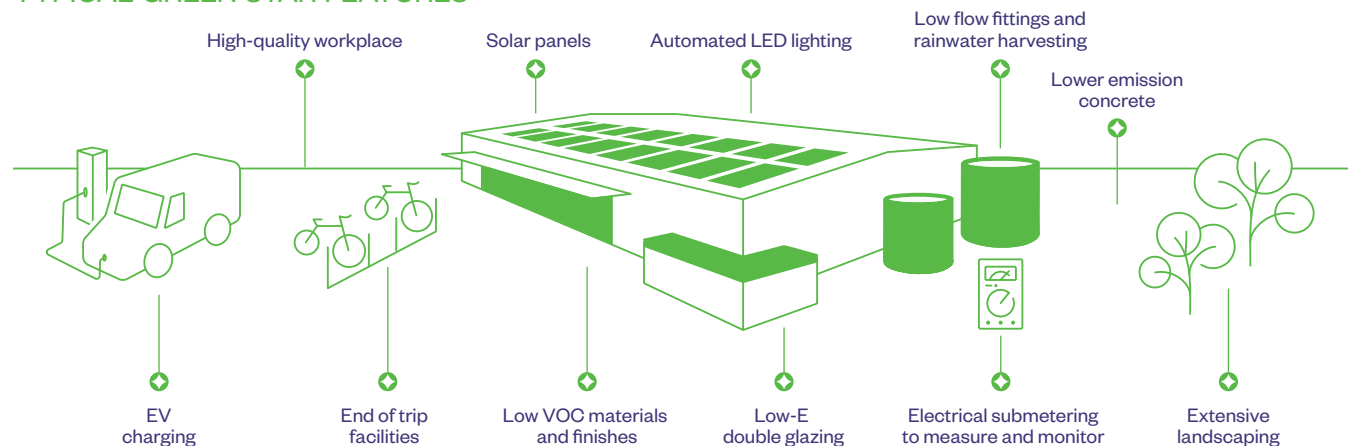
Improving the operational and environmental performance of these buildings is also a priority.

Energy efficiency and water conservation projects are ongoing. We're retrofitting existing properties with solar energy systems, LED lighting and water saving technologies. We are also replacing R22 refrigerants in building HVAC systems with low emission factor alternatives.

Key targets	Progress	Status
<b>Carbon neutral operations by 2025</b>	+ Toitū carbonzero certified since FY21 + 50.0% reduction in absolute emissions <sup>1</sup> from FY20 base year (2025 target of 19.4%)	+++++
<b>Sustainable development programme</b>	+ All new projects targeting 5 Green Star Built rating + Lower carbon developments + 3,241 tCO <sub>2</sub> e of Scope 3 embodied carbon offset for developments completed in FY22	+++++
<b>Energy efficiency 2025</b>	+ 100% of core portfolio to feature LED lighting by 2025 + NABERS ratings for all eligible office buildings at Highbrook by 2025	+++++
<b>Solar energy 2025</b>	+ 1.1 MW of solar energy installed or planned + Target 2.0 MW by 2025	+++++
<b>Renewable energy use 2025</b>	+ 100% certified renewable energy by 2025	+++++
<b>Maintain portfolio occupancy above 95%</b>	+ >99% occupancy	+++++

<sup>1</sup> Scope 1, Scope 2 and mandatory Scope 3 emissions as reported.

## TYPICAL GREEN STAR FEATURES







## MAINFREIGHT SUPERSITE

The new twin warehouse project for Mainfreight is well underway at Favona Road Estate, a former market garden in Māngere.

The demolition phase of the 35,860 sqm, redevelopment project has seen an impressive 90% of waste material, over 2,500 tonnes, diverted from landfill and recycled.

[www.goodmanfavona.co.nz](http://www.goodmanfavona.co.nz)



Artist's impression of the Mainfreight SuperSite at Favona



## DEVELOPING GREEN

A successful development programme has built over 90% of the core portfolio since 2004.

Targeting a 5 Green Star Built rating on all new projects, Goodman's base-build specification ensures its new warehouse and logistics facilities are industry leading.

A commitment to sustainable development is reflected in the use of lower carbon and sustainably sourced building materials. The development process is also managed to reduce waste and other environmental impacts. Unavoidable greenhouse gas emissions (embodied carbon) are carefully measured and offset.

Protecting and improving the natural environment around our estates is also an objective of our development programme. Urban ngahere projects are underway at Highbrook Business Park and Roma Road Estate, with beehive initiatives also planned to improve the biodiversity and resilience of the landscapes within the portfolio.

## MANAGING EMISSIONS AND CLIMATE RISK

Acknowledging the threat of climate change, our sustainability programme includes ambitious emission reduction targets that align with the objectives of the Paris Agreement and the limiting of global warming to less than 2 degrees.

GHG Emissions tCO <sub>2</sub> e	FY22	FY20 (base year)	% change
Scope 1	193.9	596.2	(67.5)
Scope 2	168.5	173.0	(2.6)
Scope 3 (mandatory)	76.5	108.3	(29.4)
<b>Total</b>	<b>438.8</b>	<b>877.5</b>	<b>(50.00)</b>
Scope 3 (non mandatory)	3,241.0	n/a	n/a

Mitigating the impacts of climate change by measuring and minimising greenhouse gas (GHG) emissions is an essential part of this strategy. Our Emissions Management and Reduction Plan details the initiatives that will help in the transition to a low carbon, sustainable business.

The table above summarises the combined emissions of these businesses, with the detailed inventory available online. While we expect some volatility year to year, our target objective is to reduce absolute emissions by 19.4% before 2025 (within five years of the 2020 base year).

## We are proud to be Toitū carbonzero certified as we work towards these 2025 targets.

Assurance from Toitū confirms our GHG emissions have been measured in accordance with ISO 14064-1:2006 and that we have offset unavoidable Scope 1, Scope 2 and mandatory Scope 3 emissions with locally sourced carbon credits.

The certification encompasses Goodman (NZ) Limited, Goodman Property Services (NZ) Limited and Goodman Property Trust. It includes emissions from operational activities and from the buildings and spaces within the portfolio where the Manager has operational control.

Our FY22 result, with a 50.0% reduction in absolute emissions, is already significantly ahead of the 2025 target. The strong progress reflects positively on our emissions reduction initiatives but also the impact of COVID-19 restrictions reducing energy consumption and travel related emissions.

This year we have also added non-mandatory Scope 3 emissions to our reporting, and these are included below the line. They relate to the embodied carbon within our completed development projects and the emissions are also offset, resulting in our development activity being carbon neutral.



Dicker Data roof-top solar panels, M20 Business Park, Manukau





EV chargers are now being installed in all new GMT developments. To complement these dedicated customer chargers, the Trust (with co-funding from ECCA) has also installed public 150kW DC fast chargers at Highbrook Business Park and M20 Business Park.





# People and culture

Focusing on the following material factors helps create a safe and inclusive business:

- + **Health, safety and wellbeing**
- + **Diversity and inclusiveness**
- + **Social equity**

## COVID-19 RESPONSE

The pandemic has reinforced the importance of a comprehensive approach to workplace health and safety.

We have further adapted our work practices over the last 12 months to help our people remain safe and well, and to ensure that our worksites are compliant with new regulations associated with the COVID-19 public health response.

Social distancing and contact tracing protocols have continued, while agile work practices have allowed us to work remotely when we have taken the precautionary step of closing our offices. We have also provided our people and their families with a supply of personal protective equipment and rapid antigen tests.

A new Employee Assistance Programme (EAP) provided by Benestar helps ensure that all aspects of our people's wellbeing are being professionally supported through this time of unique challenges.

Key targets	Progress	Status
<b>Safety at work</b>	<ul style="list-style-type: none"> <li>+ No serious harm injuries across all workplaces and contractor-controlled worksites in FY22</li> <li>+ Goodman safety framework strengthened with COVID-19 precautions</li> <li>+ Contractor induction and certification on all worksites</li> </ul>	+++++
<b>Diverse workplace</b>	<ul style="list-style-type: none"> <li>+ Gender, ethnicity and age representation targets set for 2023</li> <li>+ Improved gender representation with 37.5% of senior executive team female</li> <li>+ Our team of 64 includes nine different ethnicities, with speakers of 11 different languages</li> </ul>	+++++
<b>Social procurement and supply chain ethics</b>	<ul style="list-style-type: none"> <li>+ Introducing social procurement obligations into construction contracts and supplier agreements</li> <li>+ Wider supply chain review planned to ensure compliance with modern slavery regulations</li> </ul>	+++++
<b>Goodman brand values</b>	<ul style="list-style-type: none"> <li>+ Refresh of brand values this year</li> <li>+ Performance assessments include measurement against these values</li> </ul>	+++++







## DIVERSITY BRINGS STRENGTH

We know that a diverse and inclusive team creates a vibrant work culture with a rich mix of views and ideas. Diversity brings unique perspectives and experiences to problem solving, ultimately leading to better business outcomes.

We celebrate individual differences and want our people to feel included and supported.

A comprehensive Inclusion and Diversity policy, which sets goals across gender, ethnicity and age, guides our behaviour and helps ensure we are a representative and inclusive workplace.

Page 107 of this report includes more detail of our workplace demographics and our future targets.

Flexible and progressive employment policies are one of the ways we help reduce bias.

These policies have encouraged a more permanent shift in work practices over the last few years with around 60% of our people preferring to work remotely at least two days a week. New systems and technologies, together with a significant financial contribution toward a home office setup, has facilitated the change. By keeping our people connected and engaged it has generated a positive outcome that is also expected to contribute to a more diverse workforce over time.

A refreshed and contemporary parental leave policy has extended the level of support available to our people. Its coverage provides broader support for both primary and secondary carers. Workplace benefits, including employer Kiwisaver contributions, are also maintained during parental leave, ensuring our people are not financially disadvantaged in their retirement savings.



## HEALTH AND SAFETY REPORT CARD

We are committed to creating a safe working environment that is free of accidents and other workplace risks. A detailed Health and Safety policy governs our work practices and ensures our obligations under the Health and Safety at Work Act 2015 and the COVID-19 Protection Framework are complied with.

There were 52 health and safety incidents reported in FY22 compared to 38 in FY21.

All incidents were classified as minor with no serious harm injuries, a pleasing result that we're proud to have maintained since FY18.

The data includes any incidents involving our people or contractors together with any reported incidents occurring within the public areas of the portfolio. It includes hazard observations, near misses, injuries requiring first aid, injuries requiring medical treatment and serious harm injuries.

## DEVELOPING OUR HUMAN CAPITAL

We want to develop and foster a diverse talent pool. This focus starts with the recruitment process and a brief to agency partners that ensures they are representing Goodman's values and supporting us to attract diverse talent.

We empower our managers and provide the tools and processes to help our people reach their potential. Formal induction programmes, regular reviews, career development plans and training objectives provide the pathways that enable our people to thrive.

Training can be online or through more structured learning, with study grants and leave available for technical or tertiary courses. Topics can encompass a range of areas including business management and leadership, communication, compliance, digital literacy, finance and sustainability.

To encourage wider participation in our industry we also provide an annual scholarship for an Auckland University property student. Our 2022 recipient is Caitlyn Khoo.

### Sophie Bowden

Human Resources Business Partner

Goodman has expanded its team to include dedicated HR expertise. Sophie is working with the leadership team to implement strategic people and culture initiatives, with a focus on performance and development, diversity and inclusion, and employee experience.



## CARE AND RESPECT

Goodman's brand values guide how we interact with each other and ensure we provide our customers and investors with consistently high-quality service as well as innovative and sustainable property and investment solutions.

An employee retention rate of 97% over the last year and results of an all-employee survey in February 2021 show we have a positive and supportive work environment for our people.

We take a holistic approach to wellbeing with a range of initiatives focused on health and happiness. It includes employee assistance programme services, annual flu vaccinations, skin cancer and other health checks, speakers on topical issues, social and cultural events and, sporting and recreational opportunities.

This year we have introduced a caregivers support platform called Circle In. We have also launched our wellbeing programme with Groov. Co-founded by Sir John Kirwan, Groov is about helping workplaces, leaders and their people feel good and function well.



Sir John Kirwan, Groov



Holly Mace, Goodman Sustainability Analyst and 2021 scholarship recipient.





This year we have refreshed our brand values to further align them with our business strategy. Sustainability, Innovation, Determination and Integrity reflect not only who we are today, but who we want to be, long into the future.

#### **INNOVATION**

New ideas push our business forward. We focus on the future, proactively looking for new opportunities and improved solutions for our stakeholders that will make the world a better place for all of us.

#### **DETERMINATION**

Determination gets things done. We are motivated by excellence and work hard to achieve it, actively pursuing the best outcomes for all our stakeholders.

#### **INTEGRITY**

We have integrity, always. We work inclusively and transparently, balancing the needs of our business and our people with the needs of the community and those we do business with.

#### **SUSTAINABILITY**

We're building our business for the long term. That's why we consider the planet and all the people in it in everything we do. Our initiatives demonstrate our ongoing commitment to having a positive economic, environmental and social impact on the world.

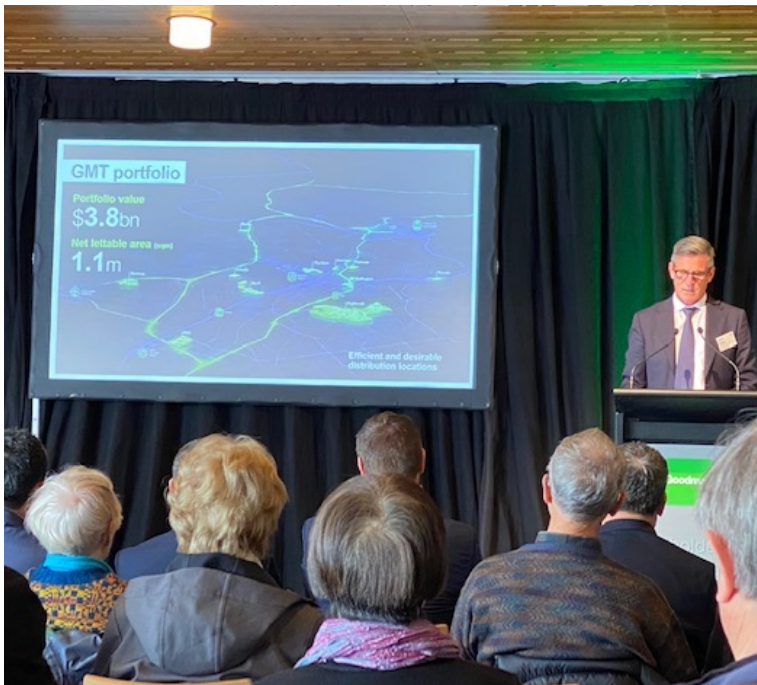


# Corporate performance

The material factors critical to the success of our business include:

- + Sustainable structure, operations and results
- + Stakeholder and community engagement
- + Environmental stewardship
- + Responsible investment
- + Non-financial performance

The table alongside includes the specific targets we have adopted in relation to these factors.



John Dakin presenting to Unitholders.

Key targets	Progress	Status
<b>Retain investment grade credit rating of BBB</b>	<ul style="list-style-type: none"> <li>+ Stable financial metrics with gearing of 21.3% within our preferred 20% to 30% range</li> <li>+ Sustainable distribution policy with a payout ratio of between 80% and 90% of cash earnings</li> <li>+ Portfolio occupancy of more than 99%</li> </ul>	+++++
<b>External certification</b>	<ul style="list-style-type: none"> <li>+ Sustainable Finance Framework established, and inaugural green bond issued on 14 April 2022</li> <li>+ Carbon neutral operations with Toitū carbonzero certification<sup>1</sup></li> <li>+ Improved CDP Climate Score of B and Supplier Engagement Score of A-</li> </ul>	+++++
<b>Governance and disclosure</b>	<ul style="list-style-type: none"> <li>+ Continued alignment with the NZX Corporate Governance Code</li> <li>+ Corporate Social Responsibility Committee, made up of senior management personnel, established</li> <li>+ Hybrid annual meeting held</li> <li>+ GRI reporting framework</li> </ul>	+++++
<b>Task Force on Climate related Financial Disclosures (TCFD)</b>	<ul style="list-style-type: none"> <li>+ New Zealand standards for climate risk assessment and disclosure being established</li> <li>+ First TCFD compliant report expected to be 2023</li> </ul>	+++++
<b>Community support</b>	<ul style="list-style-type: none"> <li>+ Almost \$400,000 distributed through the Goodman Foundation in FY22</li> <li>+ Support included initiatives promoting health and wellbeing initiatives associated with the pandemic</li> </ul>	+++++

<sup>1</sup> Certification encompasses Goodman (NZ) Limited, Goodman Property Services (NZ) Limited and Goodman Property Trust. It includes emissions from operational activities and from the buildings and spaces within the portfolio where the Manager has operational control.





John Dakin briefing media at Roma Road Estate, Mt Roskill.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

We monitor our performance and provide investors, regulators, customers and community partners with objective information about our business activities. Transparent and robust governance structures give these stakeholders confidence in our reporting, and we engage regularly across a variety of communication channels on the full range of ESG topics.

The Board of Goodman (NZ) Limited is committed to delivering the business strategy of GMT in a sustainable way. It oversees a risk management framework that includes consideration of all strategic, operational, financial and compliance risks. Non-financial issues, including the impacts of climate change, are also included within this risk framework.

A dedicated Corporate Social Responsibility Committee, made up of senior management personnel, oversees the implementation of our sustainability programme. Regular Board reporting includes performance against targets to reduce emissions, increase renewable energy use and lower the embodied carbon within our developments.

The behaviour of our people is governed by a comprehensive suite of employment policies, including a code of conduct. These articulate our standards and the expectations that come with being part of the Goodman team.

The corporate governance section on page 106 compares our governance practices against the principles and recommendations of the NZX Corporate Governance Code. The full suite of governance documents is available online: <https://nz.goodman.com/who-we-are/corporate-governance>.

## FINANCIAL STABILITY

Financial stability is a prerequisite for a sustainable business.

Maintaining high occupancy and customer retention levels is a key driver of our success. The strength of these businesses underpins our own financial performance, providing the strong rental cashflows that drive earnings growth and returns to investors.

Low gearing and substantial liquidity provide funding capacity for new investment. It also provides resilience against negative market events that could impact property values.

The creation of a Sustainable Finance Framework this year has extended the range of funding sources available to GMT. The platform allows the Trust to issue new bonds and loans to support the delivery of sustainable property solutions for customers.

The inaugural issue of \$150 million of green bonds was made on 14 April 2022, following the Trust's financial year end.



Blessing led by Ngāi Tamaoho at NZ Post's new site at Roma Road Estate, supported by the teams from Goodman and NZ Post.



## INVESTMENT GRADE CREDIT RATING

Our financial strength is reflected in our credit rating.

GMT's low gearing, prudent capital structure, sustainable operations and results, and responsible investments are all reflected in the investment grade credit rating of BBB from S&P Global Ratings.

As a result of the mortgage security held over the Trust's property assets, its debt (including the new green bonds) is rated one notch higher at BBB+.

Both ratings have remained stable since first assigned in 2009.

## BENCHMARKING

Regular benchmarking against respected international standards is a requirement of any business focused on continuous improvement and best practice.

A commitment to reducing our carbon footprint has seen us participate in the annual CDP survey every year since 2009. This global initiative encourages participants to monitor greenhouse gas emissions, reduce carbon pollution and minimise climate change impacts.

The implementation of emission management and reduction strategies as part of our Toitū carbonzero certification has contributed to an improved result in 2021 with a climate score of B, compared to B- in 2020. It was the highest rating achieved by a New Zealand organisation in 2021, with the top honour being shared with a number of other leading local companies.

There were 23 New Zealand businesses that submitted data with CDP evaluating over 13,000 organisations worldwide.

CDP also awarded a Supplier Engagement Score of A-, the first time this assessment has been made. It's an area of increasing focus as businesses look to manage their indirect emissions and improve wider environmental and social outcomes.

Our commercial contracts are being updated with social procurement clauses and requirements for suppliers to measure and report emissions. Starting with construction agreements, we will look to extend this requirement across our entire supply chain over time.

You can find out more about CDP and the rating process at [www.CDP.net](http://www.CDP.net).

## REPORTING

As a leading NZX investment entity, we have a responsibility to provide timely, balanced and readily available information. We engage with the investment community on a regular basis, through a variety of communication channels, including formal reporting, market announcements and briefings, newsletters and more directly through open days, road shows, presentations, and meetings.

We have adopted the GRI framework as the standard for our sustainability reporting. The index on page 44 allows stakeholders to access and review key information around our sustainability programme, enhancing transparency and accountability.

Our future reporting will be extended to ensure it is consistent with the New Zealand climate standards, currently under development. Work is underway to assess the performance of the Trust under a variety of climate scenarios across short, medium and longer timeframes and we expect to complete our first TCFD report in 2023.

We are active industry participants. Our corporate memberships and partnerships include Australasian Investor Relations Association, Diversity Works, Global Women, Greater East Tāmaki Business Association, NZ Green Building Council, New Zealand Shareholders Association and Property Council of New Zealand.

## COMMUNITY SPIRITED

Engagement with our communities and broader stakeholders is an important part of who we are as a business. We encourage and foster these relationships, building positive connections that give us the social licence to operate.

Our connection with tangata whenua is one of the most important of these stakeholder relationships. We celebrate Māori culture and work alongside local iwi in our investment and social initiatives, acknowledging our heritage while striving for an equitable future.

Through the Goodman Foundation we invest in programmes and enterprises that aim to improve the quality of life, standard of living and health of the most vulnerable in our communities. We contributed almost \$400,000 in support over the last 12 months.

This year we have also supported the WWF Whale Tale initiative (pictured above), sponsoring the creation of a decorated sculpture at Highbrook Business Park. It was one of 160 similar tail sculptures designed by artists and children and displayed across Tāmaki Makaurau. Inspired by the Bryde's Whale the art trail brings to life themes of protecting and restoring the mauri of our oceans.



# Goodman Foundation

The Goodman Foundation brings people and resources together to help address disadvantage in our communities. By partnering with like-minded charities and funding projects with clearly defined timelines and outcomes, we're making a tangible and sustainable difference to people's lives.

## HOW WE HELP

The Goodman Foundation supports charities in three key areas: children and youth, community and community health, and food rescue and the environment.

Our support comes in four different forms:

### + Cash grants

Funding for projects with defined outcomes over one to three years.

### + Do good

Goodman people volunteering or fundraising for charities.

### + Give back

Workplace giving schemes that equally match contributions from Goodman people.

### + In-kind

Donations of our expertise, space, office furniture, computers and other critical items.

Food rescue  
and  
environment

Community  
and  
community  
health

Children  
and  
youth

Goodman  
Foundation



Doing good  
in the world

Goodman  
Foundation

Food rescue  
and  
environment



We support charity organisations that are redistributing food and other goods that would otherwise go to waste.

#### KIWIHARVEST

A founding partner of KiwiHarvest since it began operating in Auckland in 2015, the Goodman Foundation is committed to supporting New Zealand’s leading food rescue organisation.

With local services operating in Auckland, the North Shore, Dunedin, Queenstown and Invercargill, KiwiHarvest collects nutritious but perishable food destined for landfill and redistributes it to those in need through foodbanks and other community agencies.

In a year when food insecurity was exacerbated by the impacts of the pandemic, KiwiHarvest has managed through the logistical challenges of Alert Level and Traffic Light restrictions, redistributing a record 1.8 million kgs of food over the last 12 months. Equivalent to over 5.1 million meals it included surplus produce, protein, mislabelled goods and grocery items approaching expiry.

The sheer volume of food being rescued reflects the determination and drive of the KiwiHarvest team and its commitment to feeding the most vulnerable in our communities.

#### NEW ZEALAND FOOD NETWORK

Operating alongside KiwiHarvest at GMT’s Highbrook Business Park in East Tāmaki is the New Zealand Food Network (NZFN). Established in 2020 by KiwiHarvest Founder Deborah Manning, NZFN meets the need for a nationally co-ordinated distribution service for surplus food.

Funded by the Ministry of Social Development and other sponsors, the organisation is extending the work of those community organisations already focused on addressing food insecurity in New Zealand.

The Goodman Foundation supported the new initiative by funding the fitout of the 830 sqm distribution warehouse. Operating since July 2020 NZFN has onboarded 61 food hubs and distributed 9.1 million kgs of donated and surplus food – the equivalent of 26.1 million meals.

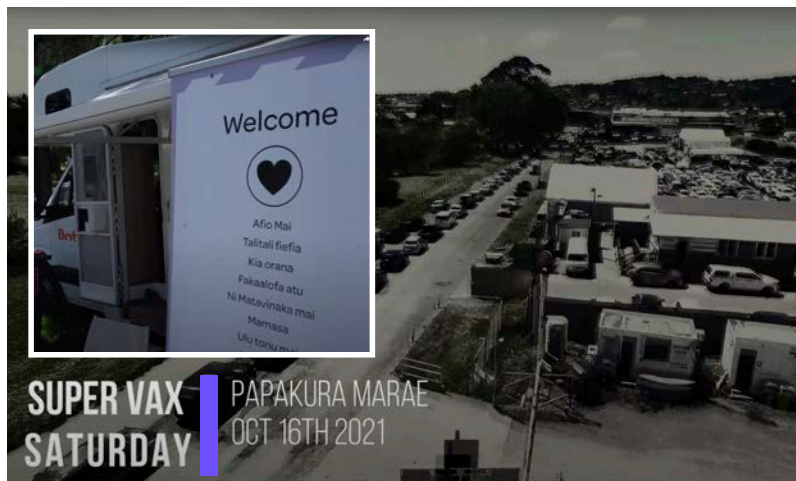




Doing good  
in the world

Goodman  
Foundation

Community  
and  
community  
health



We work with charity organisations that support efforts to create a more inclusive and equitable society.

### BOOSTING OUR COMMUNITIES

The Goodman Foundation extended its community support this year to include social initiatives promoting the COVID-19 vaccination programme and other health and wellbeing initiatives. Targeting at risk groups, a significant donation was made to each of the following organisations.

- + [Papakura Marae](#)
- + [Manukau Urban Māori Authority](#)
- + [Rākau Tautoko](#)

In addition to these, the Goodman Foundation also contributed to the NZME-led 90% Project in support of its #rollupyoursleevesNZ campaign. It was complemented by promotional advertising on our digital signs and social media platforms.

### ORANGE SKY

Orange Sky NZ visited the Goodman City Office in April 2021. The charity, which started operating in Auckland in 2018, provides mobile laundry and shower services in a safe and positive environment for people who are often ignored or feel disconnected from their community.

The free service offers some of the 41,600 Kiwis without a permanent home a chance to refresh, while also making a human connection with the volunteers that support the initiative.

The work of Orange Sky made a connection with our own people and the charity has been added to Goodman's payroll gifting programme. Ten staff are now donating a total of \$5,000 per annum, a sum that is matched by the Goodman Foundation.

[Orange Sky New Zealand](#)  
[Positively Connecting Communities](#)

### DOING GOOD AT CHRISTMAS

The Life Centre Trust is behind the Christmas Box initiative, providing families in need with Christmas hampers made up of donated food and other goods. Last Christmas, volunteers helped pack hampers in Auckland, Kaikohe, Whangārei, Hamilton, Tauranga, Rotorua, Palmerston North, Wellington, Christchurch and Dunedin.

We were pleased to play our part, providing warehousing space at M20 Business Park in Wiri for the annual event. Operating as a distribution hub for the other centres, over 260 tonnes of food was processed with around half of this packed into 12,000 hampers for the wider Auckland region. In total, 25,000 boxes were distributed to families in need, from Kaitiāia to Bluff.

<https://christmasbox.co.nz>

### ONGOING SUPPORT

Through the Foundation's give back initiative, other fundraising and discretionary grants, financial contributions were made to the following community health organisations last year:

- + 4U Mentoring
- + Diabetes New Zealand
- + Multiple Sclerosis Society of New Zealand
- + Ronald McDonald House
- + Starship Foundation
- + Westpac Rescue Helicopter
- + Womens Refuge

Doing good  
in the world

Goodman  
Foundation

Children  
and  
youth



Luisa Togotogorua – recipient of the Goodman Foundation funded TDF scholarship.

The benefits of early intervention and quality education motivate our work with charitable organisations that help to protect, nurture and develop children and young people.

### DUFFY BOOKS IN HOMES

Duffy Books in Homes is a literacy programme aimed at breaking the cycle of booklessness amongst children at low decile schools throughout New Zealand.

The nationwide reading initiative was established by author Alan Duff in 1994. He recognised that kids who can't read become adults who can't communicate – a serious disadvantage in a world that operates on the written word.

It has been a highly successful programme, with 800 schools and early childhood centres participating and more than 14 million books being distributed since it began.

The Goodman Foundation is proud to have been a Duffy supporter for over 10 years. The Foundation currently sponsors three South Auckland primary schools, with 1,300 students each receiving five new books a year.

The three schools include:

- + Fairburn School, Ōtāhuhu
- + Sir Edmund Hillary Junior School, Ōtara
- + Wiri Central School, Wiri

[www.booksinhomes.org.nz](http://www.booksinhomes.org.nz)



### TANIA DALTON FOUNDATION

The Tania Dalton Foundation (TDF) was established to support young New Zealanders from all circumstances and stages of development to unlock their talent and their best selves. The goal is to engage with thousands of young people across the country through a range of initiatives that are all aimed at making a positive and measurable impact on their lives.

The Goodman Foundation is a scholarship partner, providing financial support that helps a talented kiwi sportswoman realise their potential. TDF awards 12 scholarships a year and provides mentoring support and personal development opportunities to the recipients over the course of the three-year programme.

Luisa Togotogorua is the latest recipient of the Goodman Foundation funded scholarship. The former Howick College student and talented halfback is a member of the Auckland Storm Farah Palmer Cup team and the Auckland Blues Super Rugby team. She is in the second year of her scholarship.

[www.taniadaltonfoundation.org.nz](http://www.taniadaltonfoundation.org.nz)



### KEYSTONE TRUST

The Keystone Trust is focused on promoting opportunities and lifting the participation of young people in the property industry. Operating for more than 25 years, the Trust supports students who have financial need or have been affected by adverse circumstances that would otherwise prevent them from taking up tertiary studies in a property related discipline.

Along with financial support, the scholarship programme includes comprehensive pastoral care along with industry mentoring, networking and work placement opportunities.

Over 50 scholarships have been awarded in 2022.

[www.keystonetrust.org.nz](http://www.keystonetrust.org.nz)







New Zealand Food Network, Highbrook Business Park



At Goodman, we believe the sustainability of our planet – and the wellbeing of all the people in it – is everyone’s responsibility. That’s why we partner with organisations and charities who, like us, are striving to do good in the world.

# GRI INDEX

## GENERAL DISCLOSURES

Disclosure title	GRI	Location or reference
Name of the organisation	102 – 1	Goodman Property Trust
Activities, brands, products and services	102 – 2	Page 3, <a href="https://nz.goodman.com/who-we-are/about-us">https://nz.goodman.com/who-we-are/about-us</a>
Location of headquarters	102 – 3	Page 119
Location of operations	102 – 4	Page 119
Ownership and legal form	102 – 5	Page 56, NZX Listed Unit Trust
Markets served	102 – 6	Page 2, <a href="https://nz.goodman.com/who-we-are/about-us">https://nz.goodman.com/who-we-are/about-us</a>
Scale of the organisation	102 – 7	Page 2, <a href="https://nz.goodman.com/who-we-are/about-us">https://nz.goodman.com/who-we-are/about-us</a>
Information on employees and other workers	102 – 8	Page 107
Supply chain	102 – 9	Pages 16-23, 32, 38
Significant changes to the organisation and its supply chain	102 – 10	None
Precautionary principle approach	102 – 11	Goodman's risk management process uses the precautionary principle to assess potential impacts across a range of ESG criteria
External initiatives	102 – 12	Pages 39-43
Membership of associations	102 – 13	Pages 36, 38
Statements from senior decision-maker	102 – 14	Pages 6-9, 10-15
Values, principles, standards, and norms of behaviour	102 – 16	Pages 32-35, <a href="https://nz.goodman.com/-/media/files/sites/new-zealand/about-us/corporate-governance/code-of-conduct.pdf">https://nz.goodman.com/-/media/files/sites/new-zealand/about-us/corporate-governance/code-of-conduct.pdf</a>
Governance and structure	102 – 18	Pages 106-107, 114-115
List of stakeholder groups	102 – 40	Pages 25, 27
Collective bargaining agreements	102 – 41	None
Identifying and selecting stakeholders	102 – 42	Pages 25-27
Approach to stakeholder engagement	102 – 43	Pages 27, 36-38
Key topics and concerns raised	102 – 44	Page 27
Entities included in the consolidated financial statements	102 – 45	Page 56
Defining content and topic Boundaries	102 – 46	Page 27
List of material topics	102 – 47	Page 27
Restatements of information	102 – 48	None
Changes in reporting	102 – 49	None
Reporting period	102 – 50	12 months ended 31 March 2022
Date of most recent report	102 – 51	Annual Report 2021 (May 2021)
Reporting cycle	102 – 52	Annual
Contact point for questions regarding the report	102 – 53	<a href="mailto:info-nz@goodman.com">info-nz@goodman.com</a>
Claims of reporting in accordance with the GRI standards	102 – 54	GRI Standards (Core option)
GRI content index	102 – 55	Pages 44-45
External assurance	102 – 56	None

Goodman has chosen to prepare its 2022 Annual Report in accordance with the Global Reporting Initiative (GRI) Standards (core option). The GRI Standards are the world's most widely used sustainability reporting standard.

The GRI index shows where in this report information can be found about the indicators that are relevant to our business operations.



# TOPIC SPECIFIC DISCLOSURES

Disclosure title	GRI	Location or reference
<b>Energy</b>		
Disclosure on management approach	103	Pages 28–31, Emissions Reduction and Management Plan
Energy intensity	302 – 3	Page 30, FY22 Emissions Inventory
<b>Emissions</b>		
Disclosure on management approach	103	Pages 28–31, Emissions Reduction and Management Plan
GHG emissions intensity	305 – 4	Page 30, FY22 Emissions Inventory
<b>Occupational health &amp; safety</b>		
Disclosure on management approach	103	Pages 32–33, 111
Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	403 – 2	Page 33
<b>Diversity and equal opportunity</b>		
Disclosure on management approach	103	Pages 32–34, 107
Diversity of governance bodies and employees	405 – 1	Page 107
<b>Sustainable design and management – non GRI</b>		
Disclosure on management approach	103	Pages 28–31
<b>Customer attraction and retention – non GRI</b>		
Disclosure on management approach	103	Pages 2, 22–23, 28–29
<b>Climate risk and resilience – non GRI</b>		
Disclosure on management approach	103	Page 30, Emissions Reduction and Management Plan
<b>Flexible and adaptable properties – non GRI</b>		
Disclosure on management approach	103	Pages 17, 28
<b>Social equity – non GRI</b>		
Disclosure on management approach	103	Pages 39–43
<b>Sustainable structure, operations and results – non GRI</b>		
Disclosure on management approach	103	Pages 37–38
<b>Non-financial performance – non GRI</b>		
Disclosure on management approach	103	Pages 37–38
<b>Responsible investment – non GRI</b>		
Disclosure on management approach	103	Pages 37–38, 111
<b>Environmental stewardship – non GRI</b>		
Disclosure on management approach	103	Pages 37–38
<b>Stakeholder and community engagement – non GRI</b>		
Disclosure on management approach	103	Pages 38–39, 111



# FINANCIAL RESULTS





# FINANCIAL SUMMARY

A substantial portfolio revaluation has contributed to another record statutory profit for GMT.

Overview	FY22	FY21	% change
Profit before tax (\$m)	763.8	648.9	17.7
Profit after tax (\$m)	748.6	631.7	18.5
Movement in fair value of investment property (\$m)	660.4	560.0	17.9
Operating earnings before tax (\$m) <sup>1</sup>	118.3	114.9	3.0
Operating earnings after tax (\$m) <sup>2</sup>	99.3	95.4	4.1
Operating earnings per unit before tax (cpu) <sup>2</sup>	8.47	8.26	2.5
Operating earnings per unit after tax (cpu) <sup>2</sup>	7.11	6.86	3.6
Cash earnings per unit (cpu) <sup>3</sup>	6.66	6.28	6.1
Cash distribution per unit (cpu)	5.50	5.30	3.8
Loan to value ratio (%) <sup>4</sup>	21.3	19.2	10.9
Net tangible assets (cpu)	260.6	212.5	22.6
Management expense ratio (%)	0.84	0.90	(6.7)
Management expense ratio – excluding performance fee (%)	0.46	0.48	(4.2)

Non-GAAP financial measures may not be calculated in a manner consistent with other entities.

- <sup>1</sup> Operating earnings is a non-GAAP financial measure included to provide an assessment of the performance of GMT's principal operating activities. The calculation of operating earnings before other income/(expenses) and tax is set out in GMT's Profit or Loss statement.
- <sup>2</sup> Refer to note 3.1 of GMT's Financial Statements for the calculation.
- <sup>3</sup> Cash earnings is a non-GAAP financial measure that assesses underlying operating cashflows, on a per unit basis, after adjusting for borrowing costs and Manager's base fee capitalised to land, expenditure related to building maintenance, and to reverse straight line rental adjustments.
- <sup>4</sup> Loan to value ratio is a non-GAAP financial measure that assess GMT's level of gearing. Refer to note 2.6 of GMT's Financial Statements for the calculation.

The revaluation result is the main contributor to the 17.7% increase in profit before tax to \$763.8 million. The portfolio revaluation contributed \$660.4 million of fair value gains to this year's statutory profit, compared to \$560.0 million in FY21. It also underpinned the 22.6% increase in net tangible asset backing to 260.6 cents per unit (on a fully diluted basis).

The 16.1% increase in the value of the Trust's property portfolio to \$4.8 billion was driven by strong property market fundamentals and continued investor demand for high-quality warehouse and logistics space across Auckland.

Adjusting for these fair value gains and other cash and non-cash items provides the reconciliation between profit and operating earnings.

## OPERATING PERFORMANCE

Greater customer demand is being reflected in high occupancy levels, sustained rental growth and an increased level of development activity for the Trust. A balance sheet with low gearing has also facilitated the acquisition of yielding properties in Mt Wellington and Penrose during the year, for \$116.5 million.

These factors have offset the revenue impact of the Favona Road and Roma Road redevelopments and contributed to the 2.7% increase in net rental income, to \$157.1 million.

Total expenses of \$38.8 million were 1.8% higher than last year. An increased base management fee and higher administrative expenses, partly offset by lower interest costs, contributed to the \$0.7 million increase.

The revenue and expense items described above result in operating earnings before tax of \$118.3 million, 3.0% higher than the \$114.9 million recorded in FY21. On a weighted average unit basis, operating earnings were 8.47 cents per unit before tax and 7.11 cents per unit after tax.

A performance fee of \$15.7 million was also earned by the Manager this year, with GMT outperforming its benchmark of listed peers by around 8% on a total return basis. The fee is excluded from operating earnings as the Trust Deed requires it to be reinvested into new units in GMT, ensuring the interests of the Manager remain well aligned with the interests of other investors.

## BALANCE SHEET

GMT has always been managed prudently to ensure it can perform through economic cycles, with the financial flexibility to fund new investment and development opportunities.

The issue of \$200 million of six-year fixed interest rate bonds to New Zealand wholesale investors in December 2021 and the inaugural issue of \$150 million of green bonds on 14 April 2022 (following the Trust's financial year end) was a continuation of this strategy. Achieved at competitive margins, the highly successful issues add further tenor and diversity to the Trust's debt book, which now includes bank borrowings, listed retail bonds, listed green bonds, wholesale bonds and US Private Placement debt notes.

At 31 March 2022, the Trust had a loan to value ratio of 21.3%. The level of gearing is at the lower end of the Board's 20% to 30% target range and well below the 50% maximum allowed under the Trust Deed and debt facility covenants.

## TAXATION

A total tax expense of \$15.2 million results in an after-tax profit of \$748.6 million, a 18.5% increase from the \$631.7 million recorded in FY21.

Tax on operating earnings reflects an effective rate of 16.1%, compared to 17.0% previously. A higher level of development activity and new leasing has provided additional tax deductions, contributing to the lower tax rate this year.

## GMT BOND ISSUER LIMITED

GMT Bond Issuer Limited received \$20.6 million of interest income (FY21 \$20.8 million) and incurred \$20.6 million of interest expense (FY21 \$20.8 million).

The change in the interest income and interest expense amounts reflects the \$200 million wholesale bond issue in December 2021 and the full year impact of the September 2020 wholesale bond and the maturity of the GMB020 Goodman+Bonds in December 2020.

S&P Global Ratings has maintained the credit rating of all Goodman+Bonds at BBB+. This is one notch higher than the Trust's investment grade issuer rating of BBB because of the mortgage security held over GMT's property portfolio.

No dividends or distributions have been paid by GMT Bond Issuer Limited.

## CASH EARNINGS AND DISTRIBUTIONS

Cash earnings is a non-GAAP measure that assesses free cash flow, on a per unit basis, after adjusting for certain items. The table below details how the Trust's cash earnings are calculated and how this compares to the level of distribution paid to Unitholders (payout ratio).

This year we have amended the calculation to reverse straight line rental adjustments from leases with structured rent increases. The FY21 numbers have been restated on the same basis, for consistency.

Cash earnings of 6.66 cpu was ahead of earlier guidance (6.5 cpu) and 6.1% higher than the 6.28 cpu achieved in FY21. Cash distributions of 5.50 cpu reflect a payout ratio of 82.6% and represent a 3.8% increase on the 5.30 cpu paid previously.

Guidance for FY23 is for a 4% increase in cash earnings to around 6.9 cpu, with a 7% increase in cash distributions to approximately 5.9 cpu.

\$ million	FY22	FY21
Operating earnings before tax	118.3	114.9
Income tax on operating earnings	(19.0)	(19.5)
<b>Operating earnings after tax<sup>5</sup></b>	<b>99.3</b>	<b>95.4</b>
Straight line rent adjustments	(0.3)	(1.7)
Capitalised borrowing costs – land <sup>6</sup>	(1.6)	(2.3)
Capitalised management fees – land	(0.2)	(0.2)
Maintenance capex	(4.1)	(3.8)
<b>Cash earnings</b>	<b>93.1</b>	<b>87.4</b>
<b>Cash earnings (cpu)</b>	<b>6.66</b>	<b>6.28</b>
Distributions per unit (cpu)	5.50	5.30
Distributions % of cash earnings	82.6	84.4

<sup>5</sup> Refer to note 3.1 of GMT's Financial Statements.

<sup>6</sup> Refer to note 2.1 of GMT's Financial Statements.





# FIVE YEAR FINANCIAL SUMMARY

\$ million	FY22	FY21	FY20	FY19	FY18
<b>Profit or loss</b>					
Net property income	157.1	153.0	145.3	126.8	130.1
Share of operating earnings before tax from joint ventures	–	–	–	2.1	10.3
Net interest costs	(19.7)	(22.3)	(21.9)	(16.0)	(18.7)
Administrative expenses	(3.2)	(3.0)	(2.6)	(2.7)	(2.6)
Manager's base fee	(15.9)	(12.8)	(11.1)	–	–
<b>Operating earnings before other income / (expenses) and income tax</b>	<b>118.3</b>	<b>114.9</b>	<b>109.7</b>	<b>110.2</b>	<b>119.1</b>
Movement in fair value of investment property	660.4	560.0	165.8	201.9	83.8
Disposal of investment property	–	–	0.3	–	0.5
Profit on disposal of joint venture	–	–	–	35.1	–
Dividend income from joint venture	–	–	–	2.1	–
Share of other (expenses) / income and tax from joint ventures	–	–	–	(0.5)	20.6
Movement in fair value of financial instruments	0.8	(12.3)	20.0	3.2	(8.5)
Manager's base fee reinvested in units	–	–	–	(8.6)	(8.3)
Manager's performance fee expected to be reinvested in units	(15.7)	(13.7)	(11.4)	(8.6)	–
<b>Profit before tax</b>	<b>763.8</b>	<b>648.9</b>	<b>284.4</b>	<b>334.8</b>	<b>207.2</b>
Current tax	(14.6)	(13.7)	(15.1)	(16.2)	(16.5)
Deferred tax	(0.6)	(3.5)	(7.4)	0.9	3.3
<b>Profit after tax attributable to unitholders</b>	<b>748.6</b>	<b>631.7</b>	<b>261.9</b>	<b>319.5</b>	<b>194.0</b>
Operating earnings before tax per unit (cpu)	8.47	8.26	8.16	9.04	9.25
Operating earnings after tax per unit (cpu)	7.11	6.86	6.73	7.68	7.89
Cash earnings per unit (cpu) <sup>7</sup>	6.66	6.28	6.22	6.24	–
Cash distribution per unit (cpu)	5.50	5.30	6.65	6.65	6.65
<b>Balance sheet</b>					
Investment property	4,773.2	3,789.3	3,074.0	2,633.4	2,231.0
Investment property contracted for sale	–	–	–	43.5	238.6
Investment in joint venture	–	–	–	–	114.3
Total assets	4,814.3	3,831.5	3,168.4	2,720.5	2,719.5
Borrowings for LVR calculation	1,001.2	716.0	569.9	519.0	571.3
Total liabilities	1,156.9	862.3	766.3	674.3	925.8
Total equity	3,657.4	2,969.2	2,402.1	2,046.2	1,793.7
Loan to value ratio (%)	21.3	19.2	18.9	19.7	25.6
NTA per unit (cpu)	260.6	212.5	172.7	157.0	138.9
Unit price at 31 March (cpu)	236.0	226.0	214.5	173.0	133.0
<b>Property portfolio</b> <sup>8,9</sup>					
Net lettable area <sup>10</sup> (sqm)	1,073,978	1,097,698	1,059,263	1,004,794	1,111,244
Weighted average capitalisation rate (%)	4.2	4.7	5.4	5.8	6.2
Investment portfolio occupancy (%)	99	98	99	98	98
Weighted average lease term (years)	6.3	5.5	5.5	5.2	6.1
Customers	226	213	206	179	264

<sup>7</sup> FY21 restated from 6.40 cpu to reverse straight line rental adjustments from leases with structured rent increases. The change is consistent with the new calculation methodology adopted in FY22.

<sup>8</sup> Property portfolio metrics includes GMT's joint venture interests where applicable.

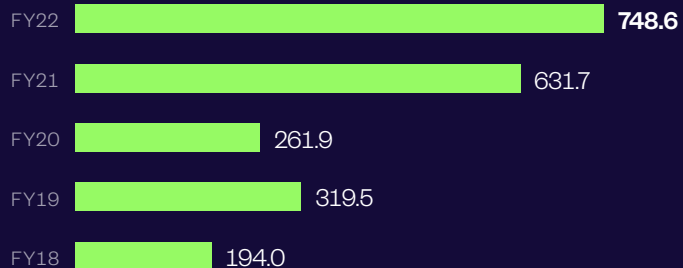
<sup>9</sup> After all contracted sales, including post balance date transactions.

<sup>10</sup> Net of canopies and yard.

# FIVE YEAR FINANCIAL SUMMARY — CONTINUED

## PROFIT AFTER TAX

\$ million



## NET PROPERTY INCOME

\$ million



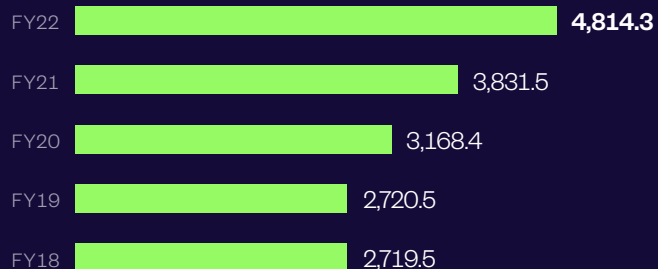
## OPERATING EARNINGS BEFORE TAX

\$ million



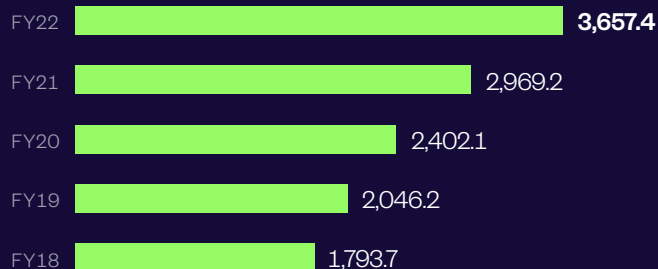
## TOTAL ASSETS

\$ million



## EQUITY

\$ million



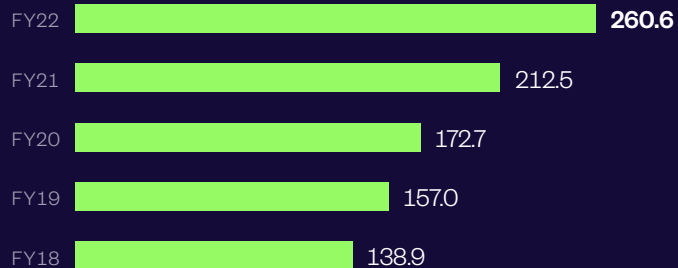
## LOAN TO VALUE RATIO

%



## NTA PER UNIT

cpu



## WEIGHTED AVERAGE CAPITALISATION RATE

%



## NET LETTABLE AREA

sqm







**GOODMAN PROPERTY TRUST**

# FINANCIAL STATEMENTS

For the year ended 31 March 2022

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The Board of Goodman (NZ) Limited, the Manager of Goodman Property Trust, authorised these financial statements for issue on 18 May 2022. For and on behalf of the Board:

**Keith Smith**  
Chair

**Laurissa Cooney**  
Chair, Audit Committee

# PROFIT OR LOSS

For the year ended 31 March 2022

FINANCIAL STATEMENTS OF GOODMAN PROPERTY TRUST

\$ million	Note	2022	2021
Property income	1.1	187.8	182.0
Property expenses		(30.7)	(29.0)
Net property income		157.1	153.0
Interest cost	2.1	(20.0)	(22.5)
Interest income	2.1	0.3	0.2
Net interest cost		(19.7)	(22.3)
Administrative expenses	5	(3.2)	(3.0)
Manager's base fee	9	(15.9)	(12.8)
<b>Operating earnings before other income / (expenses) and tax</b>		<b>118.3</b>	<b>114.9</b>
<b>Other income / (expenses)</b>			
Movement in fair value of investment property	1.5	660.4	560.0
Movement in fair value of financial instruments	4.1	0.8	(12.3)
Manager's performance fee expected to be reinvested in units	9	(15.7)	(13.7)
<b>Profit before tax</b>		<b>763.8</b>	<b>648.9</b>
<b>Tax</b>			
Current tax on operating earnings	8.1	(19.0)	(19.5)
Current tax on non-operating earnings	8.1	4.4	5.8
Deferred tax	8.1	(0.6)	(3.5)
<b>Total tax</b>		<b>(15.2)</b>	<b>(17.2)</b>
<b>Profit after tax attributable to unitholders</b>		<b>748.6</b>	<b>631.7</b>
There are no items of other comprehensive income, therefore profit after tax attributable to unitholders equals total comprehensive income attributable to unitholders.			
Cents	Note	2022	2021
Basic earnings per unit after tax	3.1	53.57	45.41



# BALANCE SHEET

As at 31 March 2022

FINANCIAL STATEMENTS OF GOODMAN PROPERTY TRUST

\$ million	Note	2022	2021
<b>Non-current assets</b>			
Investment property	1.3	4,773.2	3,789.3
Deposits paid for investment property		1.1	-
Derivative financial instruments	4.2	30.4	30.3
<b>Total non-current assets</b>		<b>4,804.7</b>	<b>3,819.6</b>
<b>Current assets</b>			
Debtors and other assets	6	5.5	8.9
Derivative financial instruments	4.2	0.5	-
Cash		3.6	3.0
<b>Total current assets</b>		<b>9.6</b>	<b>11.9</b>
<b>Total assets</b>		<b>4,814.3</b>	<b>3,831.5</b>
<b>Non-current liabilities</b>			
Borrowings	2.2	917.1	730.1
Lease liabilities	2.5	62.7	62.3
Derivative financial instruments	4.2	2.5	3.9
Deferred tax liabilities	8.2	36.0	35.4
<b>Total non-current liabilities</b>		<b>1,018.3</b>	<b>831.7</b>
<b>Current liabilities</b>			
Borrowings	2.2	100.0	-
Creditors and other liabilities	7	32.8	25.4
Lease liabilities	2.5	3.3	3.2
Current tax payable		2.5	2.0
<b>Total current liabilities</b>		<b>138.6</b>	<b>30.6</b>
<b>Total liabilities</b>		<b>1,156.9</b>	<b>862.3</b>
<b>Net assets</b>		<b>3,657.4</b>	<b>2,969.2</b>
<b>Total equity</b>		<b>3,657.4</b>	<b>2,969.2</b>

# CASH FLOWS

For the year ended 31 March 2022

FINANCIAL STATEMENTS OF GOODMAN PROPERTY TRUST

\$ million	Note	2022	2021
<b>Cash flows from operating activities</b>			
Property income received		194.5	190.0
Property expenses paid		(37.4)	(37.1)
Interest income received		0.3	0.2
Interest costs paid on borrowings		(15.6)	(20.0)
Interest costs paid on lease liabilities		(3.3)	(3.2)
Administrative expenses paid		(3.1)	(2.9)
Manager's base fee paid		(15.8)	(12.7)
Manager's performance fee paid		(13.7)	(11.4)
Net GST (paid) / received		(1.0)	1.0
Tax paid		(14.1)	(14.1)
<b>Net cash flows from operating activities</b>	11	<b>90.8</b>	<b>89.8</b>
<b>Cash flows from investing activities</b>			
Payments for the acquisition of investment properties		(245.4)	(83.4)
Proceeds from the sale of investment properties		4.6	-
Capital expenditure payments for investment properties		(64.2)	(68.2)
Holding costs capitalised to investment properties		(8.8)	(6.1)
<b>Net cash flows from investing activities</b>		<b>(313.8)</b>	<b>(157.7)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		632.0	342.0
Repayments of borrowings		(346.0)	(206.0)
Proceeds from the issue of units		13.7	11.4
Distributions paid to unitholders		(76.1)	(78.3)
Settlement of derivative financial instruments		-	(7.2)
<b>Net cash flows from financing activities</b>		<b>223.6</b>	<b>61.9</b>
<b>Net movement in cash</b>		<b>0.6</b>	<b>(6.0)</b>
Cash at the beginning of the year		3.0	9.0
<b>Cash at the end of the year</b>		<b>3.6</b>	<b>3.0</b>



# CHANGES IN EQUITY

For the year ended 31 March 2022

FINANCIAL STATEMENTS OF GOODMAN PROPERTY TRUST

	Note	Distribution per unit (cents)	Number of units (million)	Units (\$ million)	Unit based payments reserve (\$ million)	Retained earnings (\$ million)	Total (\$ million)
As at 1 April 2020			1,385.8	1,605.0	11.4	785.7	2,402.1
Profit after tax				-	-	631.7	631.7
Distributions paid to unitholders		5.64		-	-	(78.3)	(78.3)
Manager's performance fee – earned	9			-	13.7	-	13.7
<b>Issue of units</b>							
Manager's performance fee – settled	9		5.4	11.4	(11.4)	-	-
<b>As at 31 March 2021</b>			<b>1,391.2</b>	<b>1,616.4</b>	<b>13.7</b>	<b>1,339.1</b>	<b>2,969.2</b>
Profit after tax				-	-	748.6	748.6
Distributions paid to unitholders		5.45		-	-	(76.1)	(76.1)
Manager's performance fee – earned	9			-	15.7	-	15.7
<b>Issue of units</b>							
Manager's performance fee – settled	9		6.1	13.7	(13.7)	-	-
<b>As at 31 March 2022</b>			<b>1,397.3</b>	<b>1,630.1</b>	<b>15.7</b>	<b>2,011.6</b>	<b>3,657.4</b>

There are no items of other comprehensive income to include within changes in equity, therefore profit after tax equals total comprehensive income.



## SUBSEQUENT EVENT

On 18 May 2022 a cash distribution of 1.375 cents per unit with 0.182231 cents per unit of imputation credits attached was declared. The record date for the distribution is 26 May 2022 and payment will be made on 9 June 2022.

## REPORTING ENTITY

Goodman Property Trust (“GMT” or the “Trust”) is a unit trust established on 23 April 1999 under the Unit Trusts Act 1960. GMT is domiciled in New Zealand. The Manager of the Trust is Goodman (NZ) Limited (“GNZ”) and the address of its registered office is Level 2, 18 Viaduct Harbour Avenue, Auckland.

The financial statements presented are consolidated financial statements for Goodman Property Trust and its subsidiaries (the “Group”).

GMT is listed on the New Zealand Stock Exchange (“NZX”), is an FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013 (“FMCA”) and the Financial Reporting Act 2013 and is an Equity Security for the purposes of the NZX Main Board Listing Rules.

The Group’s principal activity is to invest in real estate in New Zealand.

Covenant Trustee Services Limited is the Trustee and Supervisor for GMT.

## BASIS OF PREPARATION AND MEASUREMENT

The financial statements of the Group have been prepared in accordance with the requirements of Part 7 of the FMCA and the NZX Main Board Listing Rules. The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (“NZ GAAP”), comply with New Zealand Equivalents to International Financial Reporting Standards (“NZ IFRS”), other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS. The Group is a for-profit entity for the purposes of complying with NZ GAAP. The financial statements also comply with International Financial Reporting Standards (“IFRS”).

The financial statements have been prepared on the historical cost basis except for assets and liabilities stated at fair value as disclosed.

The financial statements are in New Zealand dollars, the Group’s functional currency, unless otherwise stated.

## BASIS OF CONSOLIDATION

The financial statements have eliminated in full all intercompany transactions, intercompany balances and gains or losses on transactions between controlled entities.

## SIGNIFICANT ESTIMATES AND JUDGEMENTS

Management is required to make judgements, estimates, and apply assumptions that affect the amounts reported in the financial statements. These have been based on historical experience and other factors management believes to be reasonable. Actual results may differ from these estimates and the difference may be material. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in the future periods affected.

The significant judgements made in the preparation of these financial statements are detailed in the following notes:

- + Investment property (note 1.4)
- + Derivative financial instruments (note 4.1)
- + Deferred tax (note 8.2)

## SIGNIFICANT ACCOUNTING POLICIES

Units are classified as equity. If new units are issued in the year, any external costs directly attributable to the issue are deducted from the proceeds received.

Distributions are recognised in equity in the period in which they are paid.

Other significant accounting policies are disclosed in the relevant notes.

## CHANGES IN ACCOUNTING POLICY

The accounting policies and methods of computation used in the preparation of these financial statements are consistent with those used in the financial statements for the year ended 31 March 2021. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the financial statements.

## NEW ACCOUNTING STANDARDS NOW ADOPTED

There have been no new accounting standards that are applicable to these financial statements.





### COVID-19 GLOBAL PANDEMIC

During the year ended 31 March 2022, New Zealand has been subject to various restriction periods associated with the COVID-19 global pandemic, with Auckland being subject to greater restrictions than the balance of the country (<https://covid19.govt.nz/covid-19/alert-system/>).

Support has been provided to customers impacted by COVID-19 in a range of manners including rent abatements, rent deferrals and lease restructures. This support includes that required from the COVID-19 Response (Management Measures) Legislation Act, passed by New Zealand parliament in November 2021. The Act introduced an implied clause into all leases, for rental periods from 18 August 2021 until such time as the Government determines the relevant epidemic response is no longer required.

The clause states, that where there is an epidemic and the lessee is unable to gain access to all or any part of the leased premises to fully conduct their business, because of reasons of health or safety related to the epidemic, then a fair proportion of the rent will cease to be payable. The implied clause does not apply if there is a pre-commencement agreement in place (being any agreement relating to the payment of rent for the affected period).

In determining the fair proportion, the matters that the lessor and lessee must consider, include any loss of income experienced by the lessee in respect of that rental period because, for all or any of that rental period, (a) there is an epidemic; and (b) the lessee is unable to gain access to all or any part of the leased premises to conduct fully their operations in all or any part of the leased premises, because of reasons of health or safety related to the epidemic.

The Group continues to monitor closely the ongoing impacts of COVID-19 to its customers and to the New Zealand economy. The Group's operations are being managed conservatively and prudently in relation to potential impacts on GMT resulting from COVID-19.

For the year ended 31 March 2022

## 1. Investment property

Property income is earned from investment property leased to customers.

### 1.1. Property income

\$ million	2022	2021
Gross lease receipts	172.3	168.2
Service charge income	23.0	20.9
Straight line rental adjustments	0.3	1.7
Amortisation of capitalised lease incentives	(7.8)	(8.8)
<b>Property income</b>	<b>187.8</b>	<b>182.0</b>



### ACCOUNTING POLICIES

Property income from investment property leased to customers under operating leases is recognised on a straight-line basis over the term of the lease to the extent that future rental increases are known with certainty. Fixed rental adjustments are accounted for to achieve straight-line income recognition. Where lease incentives are provided to customers, the cost of incentives is recognised over the lease term on a straight-line basis as a reduction to rental income.

Service charge income is recognised for the recoverable portion of customer's property operating expenses incurred in the accounting period.

### 1.2. Future contracted gross lease receipts

Gross lease receipts that the Trust has contracted to receive in future years are set out below. These leases cannot be cancelled by the customer.

\$ million	2022	2021
Year 1	181.1	160.5
Year 2	175.1	142.5
Year 3	154.3	121.8
Year 4	134.2	101.1
Year 5	113.3	85.5
Year 6 and later	608.9	400.1
<b>Total future contracted gross lease receipts</b>	<b>1,366.9</b>	<b>1,011.5</b>



## 1. Investment property (continued)

### 1.3. Total investment property

This table details the total investment property value.

\$ million	2022			2021		
	Stabilised properties	Investment property under development	Total	Stabilised properties	Investment property under development	Total
<b>Core</b>						
Highbrook Business Park, East Tāmaki	2,283.3	59.9	2,343.2	1,917.0	57.4	1,974.4
Savill Link, Ōtāhuhu	566.4	4.4	570.8	457.0	4.1	461.1
M20 Business Park, Manukau	460.6	–	460.6	351.2	11.8	363.0
The Gate Industry Park, Penrose	413.7	–	413.7	284.0	–	284.0
Westney Industry Park, Māngere	210.4	–	210.4	221.8	–	221.8
<b>Total core</b>	<b>3,934.4</b>	<b>64.3</b>	<b>3,998.7</b>	<b>3,231.0</b>	<b>73.3</b>	<b>3,304.3</b>
Value-add	556.2	218.3	774.5	485.0	–	485.0
<b>Total investment property</b>	<b>4,490.6</b>	<b>282.6</b>	<b>4,773.2</b>	<b>3,716.0</b>	<b>73.3</b>	<b>3,789.3</b>

Included within stabilised properties is a gross-up equivalent to lease liabilities of \$66.0 million (31 March 2021: \$65.5 million).

GMT's estates are classified as either "core" or "value-add" estates.

#### Core

Those estates within the portfolio which largely consist of modern, high-quality logistics and industrial properties.

#### Value-add

Those estates which generally consist of older properties that are likely to have redevelopment potential. Redevelopment of the properties to realise their maximum future value may require a change in use.



#### SIGNIFICANT TRANSACTIONS

In August 2021, GMT contracted the acquisition of land at Māngere, Auckland for \$75.0 million. In March 2022, GMT settled the majority of this land acquisition for \$65.0 million, with the balance of the acquisition subject to the satisfaction of a subdivision condition expected to occur in FY23.

In February 2022, GMT completed the acquisition of a core property adjoining The Gate Industry Park, Penrose for \$60.5 million, and also completed the acquisition of a value-add property at Albany, Auckland for \$55.6 million.

In March 2022, GMT completed the acquisition of value-add properties at Mt Wellington, Auckland for \$56.0 million.

During the year ended 31 March 2022, three developments were completed and were independently valued at a total of \$54.7 million.

## 1. Investment property (continued)

### 1.3. Total investment property (continued)



#### SUBSEQUENT EVENT

In May 2022, GMT unconditionally contracted the acquisition of a value-add property in Ōtāhuhu, Auckland for \$49.4 million with settlement expected to occur in late May 2022.

### 1.4. Valuation of investment property



#### KEY JUDGEMENT

The carrying value of stabilised properties, substantially completed developments and land is the fair value of the property as determined by an expert independent valuer, from a panel of valuation companies comprising Bayleys Valuations Limited, CBRE Limited, Colliers International New Zealand Limited, Jones Lang LaSalle Limited & Savills (NZ) Limited.

Fair value reflects the Board's assessment of the highest and best use of each property at the end of the reporting period. If the Board's view of the highest and best use has changed, then any impact on value will be assessed by independent valuations. Management review the valuations performed by the independent valuers for financial reporting purposes. Discussions of valuation processes and results are held between the Board, the Chief Executive Officer, the Chief Financial Officer, the Management Valuation Committee, and the independent valuers at least twice every year in line with the Group's reporting dates. Full independent valuations are completed for stabilised properties, developments held at fair value and land at least annually. Developments where fair value is not able to be reliably determined are carried at cost less any impairment. Additionally, at each financial year end all major inputs to the independent valuation reports are verified and an assessment undertaken of all property valuation movements by management.

The fair values presented are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. If this information is not available, alternative valuation methods are used, such as: recent prices on less active markets; the capitalisation method, which determines fair value by capitalising a property's sustainable net income at a market derived capitalisation rate with capital adjustments made where appropriate; or discounted cash flow projections ("DCF"), which discount estimates of future cashflows by an appropriate discount rate to derive the fair value. The key assumptions used in the valuations are derived from recent comparable transactions to the greatest extent possible; however, all three of the valuation methods rely upon unobservable inputs in determining fair value for all investment property.

Valuations also reflect the following unobservable inputs, where appropriate: the quality of customers in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the customer; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and, where appropriate, counter-notices have been served validly and within the appropriate time.

The Group has considered the impact of climate change on the business and the valuation of investment property. To date, the panel of independent valuers used have made no explicit adjustments to valuations in respect of climate change matters. The Group acknowledges that climate change considerations will likely have a greater influence on valuations in the future as markets place a greater emphasis on these matters.



## 1. Investment property (continued)

### 1.4. Valuation of investment property (continued)



#### KEY JUDGEMENT (continued)

All investment property is categorised as level 3 in the fair value hierarchy. Refer to note 12.6 for details of the hierarchy and the Group's transfer policy. During the year, there were no transfers of properties between levels of the fair value hierarchy.

The key valuation inputs used to measure fair value of investment property and investment property under development held at fair value are disclosed below, along with the weighted average value for each input:

Key valuation input	Description	Weighted average valuation input value		Measurement sensitivity	
		2022	2021	Increase in the input	Decrease in the input
Market capitalisation rate	The capitalisation rate applied to the market rental to assess a property's value. Derived from similar transactional evidence considering location, weighted average lease term, customer covenant, size and quality of the property. Used in the capitalisation method.	4.2%	4.7%	Decrease	Increase
Market rental	The valuer's assessment of the annual net market income per square metre ("psm") attributable to the property; includes both leased and vacant areas. Used in both the capitalisation method and the DCF method.	\$144 psm	\$139 psm	Increase	Decrease
Discount rate	The rate applied to future cashflows; it reflects transactional evidence from similar types of property assets. Used in the DCF method.	6.1%	6.2%	Decrease	Increase
Rental growth rate	The rate applied to the market rental over the 10-year cashflow projection. Used in the DCF method.	2.7% p.a.	2.3% p.a.	Increase	Decrease
Terminal capitalisation rate	The rate used to assess the terminal value of the property. Used in the DCF method.	4.3%	4.8%	Decrease	Increase

## 1. Investment property (continued)

### 1.4. Valuation of investment property (continued)

The market capitalisation rate is the main determinant of value in the valuation of investment property. The impact of a 1.0% increase in the market capitalisation rate from 4.2% to 5.2% would be equivalent to a decrease of \$863.6 million / 18.1% in the fair value of investment property.

Land is valued based on recent comparable transactions, resulting in land values ranging between \$211 psm and \$649 psm (2021: between \$232 psm and \$1,150 psm).



#### IMPACT OF COVID-19 GLOBAL PANDEMIC TO THE FAIR VALUE ASSESSMENT OF INVESTMENT PROPERTY

During the year ended 31 March 2022, New Zealand has been subject to various restriction periods associated with the COVID-19 global pandemic, with Auckland being subject to greater restrictions than the balance of the country. Despite these restrictions, an increased level of certainty has remained in the investment market with continued confidence in the economic outlook. Real estate investor confidence remains high based on current market capitalisation rates applied and rental growth rates. Greater certainty also exists for the key valuation inputs that impact valuations as detailed on the preceding page.

The following table details the movement in fair value of investment property during the financial year split between the first half (six months to 30 September 2021) and the second half (1 October 2021 to 31 March 2022), with comparative information for the FY21 year.

\$ million	Fair value at 31 Mar 2021	1H FY22 movements		Fair value at 30 Sep 2021	2H FY22 movements		Fair value at 31 Mar 2022
		Fair value movement	Other movements		Fair value movement	Other movements	
Stabilised properties	<b>3,716.0</b>	489.8	(110.4)	<b>4,095.4</b>	143.6	251.6	<b>4,490.6</b>
Investment property under development	<b>73.3</b>	14.9	144.2	<b>232.4</b>	12.1	38.1	<b>282.6</b>
<b>Total investment property</b>	<b>3,789.3</b>	<b>504.7</b>	<b>33.8</b>	<b>4,327.8</b>	<b>155.7</b>	<b>289.7</b>	<b>4,773.2</b>
		1H FY21 movements			2H FY21 movements		
\$ million	Fair value at 31 Mar 2020	Fair value movement	Other movements	Fair value at 30 Sep 2020	Fair value movement	Other movements	Fair value at 31 Mar 2021
Stabilised properties	<b>2,951.8</b>	129.9	136.4	<b>3,218.1</b>	406.6	91.3	<b>3,716.0</b>
Investment property under development	<b>122.2</b>	10.3	(8.3)	<b>124.2</b>	13.2	(64.1)	<b>73.3</b>
<b>Total investment property</b>	<b>3,074.0</b>	<b>140.2</b>	<b>128.1</b>	<b>3,342.3</b>	<b>419.8</b>	<b>27.2</b>	<b>3,789.3</b>

Other movements comprise Acquisitions, Transfers In, Net Expenditure, Disposals, Transfers Out and the impact of NZ IFRS 16. See note 1.6 for an explanation of each item.



## 1. Investment property (continued)

### 1.5. Movement in fair value of investment property

Movement in fair value of investment property for the period is summarised below.

\$ million	Note	2022	2021
Stabilised properties	1.6	633.4	536.5
Investment property under development	1.7	27.0	23.5
<b>Total movement in fair value of investment property</b>		<b>660.4</b>	<b>560.0</b>

### 1.6. Stabilised properties

	\$ million						Valuer	Net lettable area sqm	Weighted market cap rate	Occupancy	WALT years	
	Valuation 2021	Right of use asset	Acquisitions / transfers in	Net expenditure	Disposals / transfers out	Fair value movement						Valuation 2022
<b>2022</b>												
<b>Core</b>												
Highbrook Business Park, East Tāmaki	<b>1,917.0</b>	–	17.6	4.0	–	344.7	<b>2,283.3</b>	CBRE, Colliers, JLL, Savills	469,684	4.0%	100%	6.1
Savill Link, Ōtāhuhu	<b>457.0</b>	–	–	2.1	–	107.3	<b>566.4</b>	Bayleys	143,887	4.0%	100%	5.0
M20 Business Park, Manukau	<b>351.2</b>	–	49.2	3.0	–	57.2	<b>460.6</b>	Colliers	121,400	4.4%	100%	4.4
The Gate Industry Park, Penrose	<b>284.0</b>	–	61.3	(0.2)	–	68.6	<b>413.7</b>	JLL	100,307	4.1%	100%	3.6
Westney Industry Park, Māngere	<b>221.8</b>	0.5	–	3.8	–	(15.7)	<b>210.4</b>	Savills	113,520	4.8%	98%	6.6
<b>Total core</b>	<b>3,231.0</b>	<b>0.5</b>	<b>128.1</b>	<b>12.7</b>	–	<b>562.1</b>	<b>3,934.4</b>		<b>948,798</b>			
Value-add	485.0	–	116.9	5.1	(122.1)	71.3	<b>556.2</b>	CBRE, Collier, JLL, Savills	125,180	4.8%	98%	3.6
<b>Total stabilised properties</b>	<b>3,716.0</b>	<b>0.5</b>	<b>245.0</b>	<b>17.8</b>	<b>(122.1)</b>	<b>633.4</b>	<b>4,490.6</b>		<b>1,073,978</b>	<b>4.2%</b>	<b>99%</b>	<b>6.3</b>

## 1. Investment property (continued)

### 1.6. Stabilised properties (continued)

<i>Right of use asset</i>	reflects a gross-up equivalent to lease liability modifications.
<i>Acquisitions</i>	reflect the purchase price and any associated transaction costs.
<i>Transfers in</i>	represent the net book value transferred into a category during the year.
<i>Net expenditure</i>	comprises capital expenditure, holding costs, straight line rental adjustments, leasing incentives and leasing costs paid, less any amortisation of leasing incentives and leasing costs.
<i>Fair value movement</i>	reflects the difference between the independent valuation and the net book value immediately prior to the valuation.
<i>Disposals</i>	comprise the net book value at the date of disposal for properties sold in the year.
<i>Transfers out</i>	represent the net book value transferred out of a category during the year.

2021	\$ million							Valuer	Net lettable area sqm	Weighted market cap rate	Occupancy	WALT years
	Valuation 2020	Right of use asset	Acquisitions / transfers in	Net expenditure	Disposals / transfers out	Fair value movement	Valuation 2021					
<b>Core</b>												
Highbrook Business Park, East Tāmaki	<b>1,527.6</b>	–	71.3	6.6	–	311.5	<b>1,917.0</b>	CBRE, Colliers, JLL	469,584	4.5%	99%	6.3
Savill Link, Ōtāhuhu	<b>361.9</b>	–	17.1	0.2	–	77.8	<b>457.0</b>	Bayleys	134,960	4.6%	100%	5.8
M20 Business Park, Manukau	<b>279.1</b>	–	20.3	2.3	–	49.5	<b>351.2</b>	Colliers	112,372	4.8%	99%	4.2
The Gate Industry Park, Penrose	<b>244.1</b>	–	–	1.8	–	38.1	<b>284.0</b>	Colliers, JLL	85,439	5.0%	100%	2.9
Westney Industry Park, Māngere	<b>193.9</b>	2.3	17.1	0.2	–	8.3	<b>221.8</b>	Savills	114,161	6.0%	95%	4.6
<b>Total core</b>	<b>2,606.6</b>	<b>2.3</b>	<b>125.8</b>	<b>11.1</b>	–	<b>485.2</b>	<b>3,231.0</b>		<b>916,516</b>			
Value-add	<b>345.2</b>	–	84.1	4.4	–	51.3	<b>485.0</b>	CBRE, Colliers, JLL, Savills	181,182	5.1%	93%	2.6
<b>Total stabilised properties</b>	<b>2,951.8</b>	<b>2.3</b>	<b>209.9</b>	<b>15.5</b>	–	<b>536.5</b>	<b>3,716.0</b>		<b>1,097,698</b>	4.7%	<b>98%</b>	<b>5.5</b>



## 1. Investment property (continued)

### 1.6. Stabilised properties (continued)



#### ACCOUNTING POLICIES

Stabilised properties are investment properties which are held to earn rental income. They are recorded initially at cost, including related transaction costs. After initial recognition, stabilised properties are carried at fair value. A panel of expert independent valuers value the portfolio at least once each year, generally at 31 March. Fair values are based on estimated market values. If this information is not available, alternative valuation methods such as recent prices in less active markets, the capitalisation method, or discounted cash flow projections are used.

Stabilised property that is being redeveloped is carried at fair value and holding costs are capitalised to the property during redevelopment. Expenditure is capitalised to a property when it is probable that it will provide future economic benefits to the Group. All other repairs and maintenance costs are charged to Profit or Loss.

Any gain or loss arising from a change in fair value is recognised in Profit or Loss.

When sold, the net gain or loss on disposal of stabilised property is included in Profit or Loss in the period in which the sale occurred. The gain or loss on disposal is calculated as the difference between the carrying amount of the stabilised property on the Balance Sheet and the proceeds from sale net of any costs associated with the sale.

For leases where the Group is a lessee, the Group recognises a right of use asset at the commencement date of the lease, being the date the underlying asset is available for use. Investment property is defined to include both owned investment property and investment property held by a lessee as a right of use asset. The Group therefore measures all investment property using the same measurement basis, being the fair value model. The value of the right of use assets represents the fair value of a freehold interest in the land subject to ground lease interests held by GMT. Investment property is adjusted for cash flows relating to lease liabilities already recognised separately on the balance sheet and also reflected in the investment property valuations.

## 1. Investment property (continued)

### 1.7. Investment property under development

Investment property under development comprises land held for future development and developments under construction, held at either fair value or held at cost.

	\$ million					
2022	Carrying value 2021	Acquisitions / Transfers in	Net expenditure	Fair value movement	Transfers out	Carrying value 2022
Roma Road, Mt Roskill	–	94.5	17.6	–	–	112.1
Villa Maria, Māngere	–	66.1	0.4	1.5	–	68.0
Highbrook Business Park, East Tāmaki	57.4	–	18.6	1.5	(17.6)	59.9
Favona Road, Favona	–	27.6	10.6	–	–	38.2
Savill Link, Ōtāhuhu	4.1	–	0.2	0.1	–	4.4
M20 Business Park, Manukau	11.8	–	13.5	23.9	(49.2)	–
<b>Total investment property under development</b>	<b>73.3</b>	<b>188.2</b>	<b>60.9</b>	<b>27.0</b>	<b>(66.8)</b>	<b>282.6</b>

Included within investment property under development is \$81.8 million of land held at fair value and \$200.8 million of commenced developments held at the land transfer value plus subsequent capital expenditure. There are no developments under construction recorded at fair value.

	\$ million					
2021	Carrying value 2020	Acquisitions / Transfers in	Net expenditure	Fair value movement	Transfers out	Carrying value 2021
Highbrook Business Park, East Tāmaki	89.2	–	27.7	11.8	(71.3)	57.4
M20 Business Park, Manukau	10.9	–	13.2	8.0	(20.3)	11.8
Savill Link, Ōtāhuhu	19.9	–	0.3	1.0	(17.1)	4.1
Westney Industry Park, Māngere	2.2	–	12.2	2.7	(17.1)	–
<b>Total investment property under development</b>	<b>122.2</b>	<b>–</b>	<b>53.4</b>	<b>23.5</b>	<b>(125.8)</b>	<b>73.3</b>

Included within investment property under development is \$35.5 million of land held at fair value, \$37.8 million of commenced developments held at the land transfer value plus subsequent capital expenditure. There are no developments under construction recorded at fair value.



## 1. Investment property (continued)

### 1.7. Investment property under development (continued)

#### ACCOUNTING POLICIES

Investment property under development includes properties that are being constructed for future use as stabilised property and land to be developed as stabilised property in the future. On acquisition, investment property under development is recorded at cost, including related transaction costs. Stabilised property to be redeveloped is transferred at the carrying value prior to transfer. All subsequent costs and capital expenditure directly associated with investment property under development is capitalised.

Holding costs are capitalised if they are directly attributable to the development of a property. The most significant component of holding costs is borrowing costs. Capitalisation of borrowing costs commences when the activities to prepare the property for its intended use are in progress and expenditure and borrowing costs are being incurred. The amount capitalised is determined by applying the weighted average cost of debt to borrowings attributed to the investment property under development. Capitalisation of borrowing costs continues until the development of the property is completed.

If the fair value of a development can be reliably determined during the course of its construction, then the development will be recorded at fair value in the same manner as stabilised properties.

Land is carried at fair value, independently valued at least annually, with any changes in valuation recognised in Profit or Loss.

## 2. Borrowings

### 2.1. Interest

<b>\$ million</b>	<b>2022</b>	<b>2021</b>
Interest expense on borrowings	(21.5)	(21.5)
Interest expense on lease liabilities	(3.3)	(3.2)
Amortisation of borrowing costs	(3.0)	(3.3)
Borrowing costs capitalised <sup>(1)</sup>	7.8	5.5
<b>Total interest cost</b>	<b>(20.0)</b>	<b>(22.5)</b>
Interest income	0.3	0.2
<b>Net interest cost</b>	<b>(19.7)</b>	<b>(22.3)</b>

<sup>(1)</sup> Borrowing costs are capitalised at the weighted average cost of borrowing of 3.2% (2021: 3.7%). Borrowing costs of \$1.6 million were capitalised to land (2021: \$2.3 million).

#### ACCOUNTING POLICIES

Interest costs charged on borrowings are recognised as incurred. Costs associated with the establishment of borrowings are amortised over the term of the relevant borrowings.

## 2. Borrowings (continued)

### 2.2. Borrowings

\$ million	2022	2021
<b>Current</b>		
Retail bonds	100.0	-
<b>Total current borrowings</b>	<b>100.0</b>	<b>-</b>
<b>Non-current</b>		
Syndicated bank facilities	147.0	61.0
Retail bonds	200.0	300.0
Wholesale bonds	400.0	200.0
US Private Placement notes	173.0	171.8
<b>Total non-current</b>	<b>920.0</b>	<b>732.8</b>
Unamortised borrowings establishment costs	(2.9)	(2.7)
<b>Total non-current borrowings</b>	<b>917.1</b>	<b>730.1</b>
<b>Total borrowings</b>	<b>1,017.1</b>	<b>730.1</b>



#### ACCOUNTING POLICIES

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are carried at amortised cost using the effective interest method.



#### SIGNIFICANT TRANSACTIONS

In December 2021, GMT issued \$200.0 million of wholesale bonds, with a 6 year term expiring in December 2027, paying a fixed interest rate of 3.656%.

In December 2021, GMT increased its bank facilities with a \$100.0 million facility expiring in December 2022. The facility was provided by Bank of New Zealand.

In March 2022, the syndicated bank facility was amended to increase and extend the tranche maturities and alter the participation by bank. The total facility has increased to \$570.0 million, comprising four facilities expiring in June 2023 (\$160.0 million), June 2024 (\$130.0 million), June 2025 (\$130.0 million) and June 2026 (\$150.0 million).



## 2. Borrowings (continued)

### 2.2. Borrowings (continued)



#### SUBSEQUENT EVENT

In April 2022, GMT issued \$150.0 million of green bonds, with a 5 year term expiring in April 2027, paying a fixed interest rate of 4.740%.

### 2.3. Composition of borrowings

2022	Date issued	Expiry	Weighted average remaining term (years)	Interest rate	\$ million	
					Facility drawn / Amount	Undrawn facility
Syndicated bank facilities	-	Jun 23 – Jun 26	2.7	Floating	147.0	423.0
BNZ bank facility	-	Dec 22	0.7	Floating	-	100.0
Retail bonds – GMB030	Jun 15	Jun 22	0.2	5.000%	100.0	-
Retail bonds – GMB040	May 17	May 24	2.2	4.540%	100.0	-
Retail bonds – GMB050	Mar 18	Sep 23	1.4	4.000%	100.0	-
Wholesale bonds – 6 years	Dec 21	Dec 27	5.7	3.656%	200.0	-
Wholesale bonds – 8 years	Sep 20	Sep 28	6.4	2.262%	50.0	-
Wholesale bonds – 10 years	Sep 20	Sep 30	8.4	2.559%	150.0	-
US Private Placement notes	Jun 15	Jun 25	3.2	3.460%	US\$40.0	-
US Private Placement notes	Jun 15	Jun 27	5.2	3.560%	US\$40.0	-
US Private Placement notes	Jun 15	Jun 30	8.2	3.710%	US\$40.0	-

2021	Date issued	Expiry	Weighted average remaining term (years)	Interest rate	\$ million	
					Facility drawn / Amount	Undrawn facility
Syndicated bank facilities	-	Nov 22 – Nov 24	2.6	Floating	61.0	339.0
Retail bonds – GMB030	Jun 15	Jun 22	1.2	5.000%	100.0	-
Retail bonds – GMB040	May 17	May 24	3.2	4.540%	100.0	-
Retail bonds – GMB050	Mar 18	Sep 23	2.4	4.000%	100.0	-
Wholesale bonds – 8 years	Sep 20	Sep 28	7.4	2.262%	50.0	-
Wholesale bonds – 10 years	Sep 20	Sep 30	9.4	2.559%	150.0	-
US Private Placement notes	Jun 15	Jun 25	4.2	3.460%	US\$40.0	-
US Private Placement notes	Jun 15	Jun 27	6.2	3.560%	US\$40.0	-
US Private Placement notes	Jun 15	Jun 30	9.2	3.710%	US\$40.0	-

## 2. Borrowings (continued)

### 2.3. Composition of borrowings (continued)

As at 31 March 2022, \$570.0 million of syndicated bank facilities was provided to the Trust by Bank of New Zealand (\$185.0 million), Commonwealth Bank of Australia (\$150 million), The Hongkong and Shanghai Banking Corporation Limited (\$130.0 million) and Westpac New Zealand Limited (\$105.0 million). An additional \$100.0 million facility was provided to the Trust by Bank of New Zealand.

As at 31 March 2021, \$400.0 million of syndicated bank facilities was provided to the Trust by Commonwealth Bank of Australia (\$115.0 million), Westpac New Zealand Limited (\$115.0 million), Bank of New Zealand (\$90.0 million) and The Hongkong and Shanghai Banking Corporation Limited (\$80.0 million).

As at 31 March 2022, GMT's drawn borrowings had a weighted average remaining term of 4.6 years (2021: 5.2 years), with 85% being drawn from non-bank sources (2021: 92%). Calculation of the weighted average remaining term assumes bank debt utilises the longest dated facilities.

### 2.4. Security and covenants

All borrowing facilities are secured on an equal ranking basis over the assets of the wholly owned subsidiaries of the Trust. A loan to value ratio covenant restricts total borrowings incurred by the Group to 50% of the value of the secured property portfolio.

The Group has given a negative pledge to not create or permit any security interest over its assets. The principal financial ratios which must be met are the ratio of earnings before interest, tax, depreciation and amortisation to interest expense, and the ratio of financial indebtedness to the value of the property portfolio. Further negative and positive undertakings have been given as to the nature of the Group's business.

### 2.5. Lease liabilities

\$ million	2022	2021
Opening balance	65.5	63.3
Increase in liability as a result of ground rent reviews	0.5	2.3
Lease liability interest expense	3.3	3.2
Ground rent paid	(3.5)	(3.5)
Amortisation of incentives received	0.2	0.2
<b>Total lease liabilities</b>	<b>66.0</b>	<b>65.5</b>



#### KEY JUDGEMENT

The lease liabilities are for perpetually renewable ground leases at Westney Industry Park for \$65.8 million (2021: \$65.3 million) and The Gate Industry Park for \$0.2 million (2021: \$0.2 million). The calculation of the lease liabilities assumes lease terms of between 63 and 66 years and utilises discount rates based on an assessment of GMT's long-term borrowing costs at the time of the renewal, which range from 3.5% to 5.5%.



## 2. Borrowings (continued)

### 2.5. Lease liabilities (continued)



#### ACCOUNTING POLICIES

At the commencement date of a lease the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term, including expected lease renewals. The lease payments include fixed payments, less any lease incentives receivable.

### 2.6. Loan to value ratio calculation

The loan to value ratio (“LVR”) is a non-GAAP metric used to measure the strength of GMT’s Balance Sheet. This non-GAAP financial measure may not be consistent with its calculation by other similar entities. The LVR calculation is set out in the table below.

\$ million	2022	2021
Total borrowings	1,017.1	730.1
US Private Placement notes – foreign exchange translation impact	(12.3)	(11.1)
Cash	(3.6)	(3.0)
<b>Borrowings for LVR calculation</b>	<b>1,001.2</b>	<b>716.0</b>
Investment property	4,773.2	3,789.3
Lease liabilities	(66.0)	(65.5)
<b>Assets for LVR calculation</b>	<b>4,707.2</b>	<b>3,723.8</b>
<b>Loan to value ratio %</b>	<b>21.3%</b>	<b>19.2%</b>

### 3. Earnings per unit and net tangible assets

#### 3.1. Earnings per unit

Earnings per unit measures are calculated as profit or operating earnings after tax divided by the weighted number of issued units for the year. Operating earnings is a non-GAAP financial measure included to provide an assessment of the performance of GMT's principal operating activities. This non-GAAP financial measure may not be consistent with its calculation by other similar entities.

The calculation of operating earnings before other income / (expenses) and tax is set out in Profit or Loss.

<b>\$ million</b>	<b>2022</b>	<b>2021</b>
Operating earnings before other income / (expenses) and tax	118.3	114.9
Income tax on operating earnings	(19.0)	(19.5)
<b>Operating earnings after tax</b>	<b>99.3</b>	<b>95.4</b>
	<b>Weighted units</b>	
<b>Million</b>	<b>2022</b>	<b>2021</b>
Weighted units	1,397.3	1,391.2
	<b>cents per unit</b>	
<b>cents per unit</b>	<b>2022</b>	<b>2021</b>
Operating earnings per unit before tax	8.47	8.26
Operating earnings per unit after tax	7.11	6.86
Basic and diluted earnings per unit after tax	53.57	45.41

#### 3.2. Net tangible assets

Diluted units, comprising issued units plus deferred units not yet issued, are used to calculate net tangible assets per unit.

	<b>Diluted units</b>	
<b>Million</b>	<b>2022</b>	<b>2021</b>
Issued units	1,397.3	1,391.2
Deferred units for Manager's performance fee expected to be reinvested	6.0	6.0
<b>Diluted units</b>	<b>1,403.3</b>	<b>1,397.2</b>
	<b>2022</b>	
	<b>2021</b>	
Net tangible assets (\$ million)	3,657.4	2,969.2
Net tangible assets per unit (cents)	260.6	212.5



## 4. Derivative financial instruments

Derivative financial instruments are used to manage exposure to interest rate risks and foreign exchange risks arising from GMT's borrowings.

### 4.1. Movement in fair value of financial instruments

\$ million	2022	2021
Interest rate derivatives	12.0	2.5
Cross currency interest rate derivatives relating to US Private Placement notes	(10.0)	(44.4)
<b>Total movement in fair value of derivative financial instruments</b>	<b>2.0</b>	<b>(41.9)</b>
Foreign exchange rate movement on US Private Placement notes	(1.2)	29.6
<b>Total movement in fair value of financial instruments</b>	<b>0.8</b>	<b>(12.3)</b>



#### ACCOUNTING POLICIES

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at fair value at each reporting date. Derivative financial instruments are classified as current or non-current based on their date of maturity.

Movements in the fair value of derivative financial instruments are recognised through Profit or Loss. GMT does not apply hedge accounting.



#### KEY JUDGEMENT

The fair values of derivative financial instruments are determined from valuations using Level 2 valuation techniques. These are based on the present value of estimated future cash flows, taking account of the terms and maturity of each contract and the current market interest rates at reporting date. Fair values also reflect the creditworthiness of the derivative counterparty and GMT at balance date. The valuations were based on market rates at 31 March 2022 of between 1.61% for the 90-day BKBM and 3.38% for the 10-year swap rate (2021: 0.35% for the 90-day BKBM and 1.96% 10-year swap rate). There were no changes to these valuation techniques during the period.

#### 4. Derivative financial instruments (continued)

##### 4.2. Derivative financial instruments

\$ million	2022	2021
<b>Cross currency interest rate derivatives</b>		
Non-current assets	10.0	20.0
<b>Interest rate derivatives</b>		
Non-current assets	20.4	10.3
Current assets	0.5	–
Non-current liabilities	(2.5)	(3.9)
<b>Net derivative financial instruments</b>	<b>28.4</b>	<b>26.4</b>

##### 4.3. Additional derivative information

	2022	2021
<b>Cross currency interest rate derivatives</b>		
Notional contract value as fixed rate receiver (\$ million)	160.7	160.7
Percentage of US Private Placement notes borrowings converted to floating rate NZD payments	100%	100%
Weighted average term to maturity (years)	5.5	6.5
<b>Interest rate derivatives</b>		
Notional contract value as fixed rate payer (\$ million)	260.0	260.0
Interest rate range as fixed rate payer	0.4% – 2.7%	0.4% – 2.7%
Notional contract value as fixed rate receiver (\$ million) <sup>1</sup>	250.0	150.0
Weighted average term to maturity of borrowings fixed, including retail and wholesale bonds (years)	5.3	5.8
Percentage of borrowings fixed, including retail and wholesale bonds	70%	85%

<sup>1</sup> The fixed rate receiver derivative expiries align with the retail bonds, to convert a portion of retail bonds back to floating rate interest.



## 5. Administrative expenses

Administrative expenses are incurred to manage the operational activity of GMT.

<b>\$ million</b>	<b>2022</b>	<b>2021</b>
Valuation fees	(0.9)	(0.8)
Trustees fees	(0.5)	(0.4)
Auditor's fees	(0.3)	(0.3)
Other costs	(1.5)	(1.5)
<b>Total administrative expenses</b>	<b>(3.2)</b>	<b>(3.0)</b>

### Auditor's fees

<b>\$ million</b>	<b>2022</b>	<b>2021</b>
Audit and review of financial statements	(0.3)	(0.3)
Other assurance related services	-	-
<b>Total auditor's fees</b>	<b>(0.3)</b>	<b>(0.3)</b>

#### *Other assurance related services*

Fees for other assurance related services of \$17,000 comprise assurance services on the performance fee calculation, agreed upon procedures on the financial covenants of the bank facilities and reporting to the supervisor of GMT Bond Issuer Limited (2021: \$10,500 comprised assurance services on the performance fee calculation, agreed upon procedures on the financial covenants of the bank facilities and reporting to the supervisor of GMT Bond Issuer Limited).

#### *Other services*

Fees for other services of \$6,000 comprise materiality guidance for the green bond issuance (2021: \$nil).

## 6. Debtors and other assets

\$ million	2022	2021
<b>Current</b>		
Debtors	1.3	1.6
Prepayments	0.9	0.7
Interest receivable	2.9	1.6
Other assets	0.4	5.0
<b>Total debtors and other assets</b>	<b>5.5</b>	<b>8.9</b>



### ACCOUNTING POLICIES

Debtors and other assets are initially recognised at fair value and subsequently measured at amortised cost. They are adjusted for expected impairment losses. Discounting is not applied to receivables where collection is expected to occur within the next twelve months.

A provision for impairment is recognised when there is objective evidence that GMT will be unable to collect amounts due. The simplified approach to providing for expected credit losses prescribed by NZ IFRS 9 has been applied, permitting the use of a lifetime expected loss provision for all trade receivables. The amount provided is the difference between the carrying amount and expected recoverable amount.

## 7. Creditors and other liabilities

\$ million	2022	2021
<b>Current</b>		
Creditors	1.8	0.7
Interest payable	7.2	4.6
Related party payables	3.8	0.4
Accrued capital expenditure	12.1	9.1
Other liabilities	7.9	10.6
<b>Total creditors and other liabilities</b>	<b>32.8</b>	<b>25.4</b>



### ACCOUNTING POLICIES

Creditors and other liabilities are initially recognised at fair value and subsequently measured at amortised cost. All payments are expected to be made within the next twelve months.



## 8. Tax

### 8.1. Tax expense

\$ million	2022	2021
Profit before tax	763.8	648.9
Tax at 28%	(213.9)	(181.7)
Depreciation of investment property	9.6	9.2
Movement in fair value of investment property	184.9	156.8
Deductible net expenditure for investment property	4.0	2.2
Derivative financial instruments	0.4	(3.2)
Performance fee	(4.4)	(3.8)
Other	0.4	1.0
<b>Current tax on operating earnings</b>	<b>(19.0)</b>	<b>(19.5)</b>
Settlement of derivative financial instruments	–	2.0
Performance fee	4.4	3.8
<b>Current tax on non-operating earnings</b>	<b>4.4</b>	<b>5.8</b>
<b>Current tax</b>	<b>(14.6)</b>	<b>(13.7)</b>
Depreciation of investment property	(9.6)	(9.2)
Reduction of liability in respect of depreciation recovery income	9.0	5.8
Deferred expenses	(0.5)	(0.4)
Derivative financial instruments	0.5	0.3
<b>Deferred tax</b>	<b>(0.6)</b>	<b>(3.5)</b>
<b>Total tax</b>	<b>(15.2)</b>	<b>(17.2)</b>

Current tax on operating earnings is a non-GAAP measure included to provide an assessment of current tax for GMT's principal operating activities. This non-GAAP financial measure may not be consistent with its calculation by other similar entities.

## 8. Tax (continued)

### 8.1. Tax expense (continued)



#### ACCOUNTING POLICIES

Tax expense for the year comprises current and deferred tax recognised in Profit or Loss.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at balance date, and includes any adjustment to tax payable in respect of previous years.

Deferred tax is provided in full using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax is not accounted for if it arises from the initial recognition of assets or liabilities in a transaction, other than a business combination, that affects neither accounting nor taxable profit or loss and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

### 8.2. Deferred tax

\$ million

	2022	2021
<b>Deferred tax liabilities</b>		
Investment properties – depreciation recoverable	(22.1)	(21.5)
Investment properties – deferred expenses	(9.9)	(9.4)
Derivative financial instruments	(3.8)	(4.3)
Borrowings issue costs	(0.2)	(0.2)
<b>Total deferred tax liabilities</b>	<b>(36.0)</b>	<b>(35.4)</b>



#### KEY JUDGEMENT

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

For deferred tax liabilities potentially arising on investment property measured at fair value, there is a rebuttable presumption that the carrying amount of the investment property asset will be recovered through sale. In estimating this deferred tax liability, the Group has made reference to the Manager's experience of tax depreciation recovered when properties of a similar nature have been sold.

## 9. Related party disclosures

As a Unit Trust, GMT does not have any employees. Consequently, services that the Group requires are provided under arrangements governed by GMT's Trust Deed or by contractual arrangements. The Trust has related party relationships with the following parties.

Entity		Nature of relationship
Goodman (NZ) Limited	GNZ	Manager of the Trust
Goodman Property Services (NZ) Limited	GPSNZ	Provider of property management, development management and related services to the Trust
Goodman Investment Holdings (NZ) Limited	GIH	Unitholder in GMT
Goodman Limited	GL	Parent entity of GNZ, GPSNZ & GIH
Goodman Industrial Trust	GIT	Property co-owner with GMT

### 9.1. Transactions with related parties

\$ million	Related party	Recorded		Capitalised		Outstanding	
		2022	2021	2022	2021	2022	2021
Manager's base fee	GNZ	(17.0)	(13.4)	1.1	0.6	(1.6)	(1.3)
Manager's performance fee	GNZ	(15.7)	(13.7)	-	-	(15.7)	(13.7)
Property management fees <sup>(1)</sup>	GPSNZ	(3.6)	(3.3)	-	-	(0.3)	(0.2)
Leasing fees	GPSNZ	(2.8)	(1.2)	-	-	(0.2)	(0.1)
Acquisition and disposal fees	GPSNZ	(2.4)	(0.8)	2.4	0.8	(2.4)	-
Minor project fees	GPSNZ	(0.6)	(0.2)	0.6	0.2	-	-
Development management fees	GPSNZ	(5.9)	(2.7)	5.9	2.7	(0.7)	-
<b>Total fees</b>		<b>(48.0)</b>	<b>(35.3)</b>	<b>10.0</b>	<b>4.3</b>	<b>(20.9)</b>	<b>(15.3)</b>
Reimbursement of expenses for services provided	GPSNZ	(2.0)	(1.6)	0.4	0.3	(0.2)	(0.1)
Gross lease receipts received	GPSNZ	0.2	0.2	-	-	-	-
Issue of units for Manager's performance fee reinvested	GIH	13.7	11.4	-	-	-	-
Distributions paid	GIH	(18.2)	(16.7)	-	-	-	-

<sup>(1)</sup> Of the property management fees charged by GPSNZ, \$2.9 million was paid by customers and was not a cost borne by GMT (2021: \$2.6 million).



## 9. Related party disclosures (continued)

### 9.2. Other related party transactions

#### Capital transactions

Capital transactions that occur with related parties can only be approved by the independent directors of GNZ, with non-independent directors excluded from the approval process.

No properties were acquired pursuant to the Co-ownership Agreement between GMT and Goodman Industrial Trust (2021: none). This agreement was approved by unitholders at a general meeting held on 23 March 2004.

#### Key management personnel

Key management personnel are those people with the responsibility and authority for planning, directing and controlling the activities of an entity. As the Trust does not have any employees or Directors, key management personnel is considered to be the Manager. All compensation paid to the Manager is disclosed within this note.

#### Related party investment in GMT

At 31 March 2022, Goodman Group, GNZ's ultimate parent, through its subsidiary Goodman Investment Holdings (NZ) Limited, held 345,971,371 units in GMT out of a total 1,397,303,338 units on issue (31 March 2021: 297,975,387 units in GMT out of a total 1,391,227,995 units).

### 9.3. Explanation of related party transactions

#### Manager's base fee

The Manager's base fee is calculated as 0.50% per annum of the book value of GMT's assets (other than cash, debtors and development land) up to \$500 million, plus 0.40% per annum of the book value of GMT's assets (other than cash, debtors and development land) greater than \$500 million.

#### Manager's performance fee

The Manager is entitled to be paid a performance fee equal to 10% of GMT's performance above a target return (which is calculated annually on 31 March) and is capped at 5% of annual out performance (except in a period in which GNZ ceases to hold office, or GMT terminates). The target return is equal to the annual return of a gross accumulation index created from NZX listed property entities having a principal focus on investment in real property, excluding GMT, with the index being compiled by a suitably qualified and experienced person.

Any performance below the target return is carried forward indefinitely to future periods. GMT will not earn a performance fee on any performance in excess of the target return plus 5% per annum. Any performance over that cap will be carried forward indefinitely to future periods (except in a period in which GNZ ceases to hold office, or GMT terminates). No performance fee is payable for any year where GMT's performance is less than 0%, however, any under or over performance is carried forward indefinitely to future periods.

The Manager is required to use performance fee proceeds to reinvest in GMT units in accordance with the terms of the Trust Deed, provided that the Independent Directors of GNZ consider it in the best interests of GMT unitholders for the Manager to do so. The issue price for these units is equal to the higher of market price and the net asset value per unit.

At 31 March 2022, a performance fee of \$15.7 million is payable (2021: \$13.7 million), with a \$9.0 million carry forward to include in the calculation for future periods (2021: \$nil carry forward).

## 9. Related party disclosures (continued)

### 9.3. Explanation of related party transactions (continued)

#### Property management fees

Property management fees are paid to GPSNZ for day to day management of properties.

#### Leasing fees

Leasing fees are paid to GPSNZ for executing leasing transactions.

#### Acquisition and disposal fees

Acquisition and disposal fees are paid to GPSNZ for executing sale and purchase agreements.

#### Minor project fees

Minor project fees are paid for services provided to manage capital expenditure projects for stabilised properties.

#### Development management fees

Development management fees are paid for services provided to manage capital expenditure projects for developments.

#### Reimbursement of expenses for services provided

Certain services are provided by GPSNZ instead of using external providers, with these amounts reimbursed on a cost recovery basis.

#### Gross lease receipts

Rent received by GMT for the office leased by GPSNZ at Highbrook Business Park.

### 9.4. Additional Trust information

#### (a) Termination of Goodman Property Trust

GMT terminates on the earlier of:

- i. The date appointed by GNZ, giving not less than three months' written notice to the unitholders and the Trustee; or
- ii. If the units are quoted, the office of trustee becomes vacant, and a new trustee is not appointed within two months of the vacancy occurring; or
- iii. The date on which GMT is terminated under the Trust Deed or by operation of law.

### 9.5. Related party capital commitments

\$ million	Related party	2022	2021
Development management fees for developments in progress	GPSNZ	10.6	5.2
<b>Total related party capital commitments</b>		<b>10.6</b>	<b>5.2</b>

## 10. Commitments and contingencies

### 10.1. Non-related party capital commitments

These commitments are amounts payable for contractually agreed services for capital expenditure. For related party capital commitments refer to note 9.5.

\$ million	2022	2021
Completion of developments	215.8	84.9
Acquisitions	58.4	–
<b>Total non-related party capital commitments</b>	<b>274.2</b>	<b>84.9</b>

### 10.2. Contingent liabilities

GMT has no material contingent liabilities (2021: none).

## 11. Reconciliation of profit after tax to net cash flows from operating activities

\$ million	2022	2021
Profit after tax	748.6	631.7
<b>Non-cash items:</b>		
Movement in fair value of investment property	(660.4)	(560.0)
Deferred lease incentives and leasing costs	0.8	0.8
Fixed rental income adjustments	(0.3)	(1.7)
Issue costs and subsequent amortisation for non-bank borrowings	(0.2)	0.2
Movement in fair value of derivative financial instruments	(0.8)	12.3
Manager's performance fee expected to be reinvested in units	2.0	2.3
Deferred tax	0.6	3.5
<b>Net cash flows from operating activities before changes in assets and liabilities</b>	<b>90.3</b>	<b>89.1</b>
<b>Movements in working capital from:</b>		
Debtors and other assets	(1.0)	(0.6)
Creditors and other liabilities	1.0	1.7
Current tax payable	0.5	(0.4)
<b>Movements in working capital</b>	<b>0.5</b>	<b>0.7</b>
<b>Net cash flows from operating activities</b>	<b>90.8</b>	<b>89.8</b>



## 12. Financial risk management

In addition to business risk associated with the Group's principal activity of investing in real estate in New Zealand, the Group is also exposed to financial risk for the financial instruments that it holds. Financial risk can be classified in the following categories; interest rate risk, credit risk, liquidity risk and capital management risk.

### 12.1. Financial instruments

The following items in the Balance Sheet are classified as financial instruments: cash, debtors and other assets, derivative financial instruments, creditors and other liabilities, lease liabilities and borrowings. All items are recorded at amortised cost with the exception of derivative financial instruments, which are recorded at fair value through Profit or Loss.



#### ACCOUNTING POLICIES

Financial instruments are classified dependent on the purpose for which the financial instrument was acquired or assumed. Management determines the classification of its financial instruments at initial recognition between two categories:

<i>Amortised cost</i>	Instruments recorded at amortised cost are those with fixed or determined receipts / payments that are recorded at their expected value at balance date.
<i>Fair value through Profit or Loss</i>	Instruments recorded at fair value through Profit or Loss have their fair value measured via active market inputs, or by using valuation techniques if no active market exists.

### 12.2. Interest rate risk

The Group's interest rate risk arises from borrowings. The Group manages its interest rate risk in accordance with its Financial Risk Management policy. The principal objective of the Group's interest rate risk management process is to mitigate negative interest rate volatility adversely affecting financial performance.

The Group manages its interest rate risk by using floating-to-fixed interest rate swaps and interest rate caps. Interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed directly at fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (primarily quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts. Where the Group raises long-term borrowings at fixed rates, it may enter into fixed-to-floating interest rate swaps to enable the cash flow interest rate risk to be managed in conjunction with its floating rate borrowings.

The table below considers the direct impact to interest costs of a 1% change to interest rates.

<b>\$ million</b>	<b>2022</b>	<b>2021</b>
Impact to net profit after tax of a 1% increase in interest rates	(3.0)	(1.1)
Impact to net profit after tax of a 1% decrease in interest rates	3.0	1.1

## 12. Financial risk management (continued)

### 12.3. Credit risk

Credit risk arises from cash, derivative financial instruments and credit exposures to customers. For banks and financial institutions, only independently credit rated parties are accepted, and when derivative contracts are entered into their credit risk is assessed. For customers, the Group assesses the credit quality of the customer, considering its financial position, past experience and any other relevant factors. The overall credit risk is managed with a credit policy that monitors exposures and ensures that the Group does not bear unacceptable concentrations of credit risk.

The Group's maximum exposure to credit risk is best represented by the total of its debtors, derivative financial instrument assets and cash as shown in the Balance Sheet. To mitigate credit risk the Group holds security deposits, bank guarantees, parent company guarantees or personal guarantees as deemed appropriate.

### 12.4. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations from its financial liabilities. The Group's approach to management of liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages this risk through active monitoring of the Group's liquidity position and availability of borrowings from committed facilities.

The following table outlines the Group's financial liabilities by their relevant contractual maturity date. Values are the contractual undiscounted cash flows and include both principal and interest where applicable.

\$ million	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 and later	Total cash flows	Carrying value
<b>2022</b>								
Borrowings	129.1	125.6	120.1	74.7	163.5	530.9	1,143.9	1,007.7
Derivative financial instruments	0.8	0.8	0.8	0.8	0.5	0.6	4.3	2.5
Lease liabilities	3.5	3.5	3.2	1.9	1.0	0.9	14.0	66.0
Creditors and other liabilities	32.8	-	-	-	-	-	32.8	32.8
<b>Total</b>	<b>166.2</b>	<b>129.9</b>	<b>124.1</b>	<b>77.4</b>	<b>165.0</b>	<b>532.4</b>	<b>1,195.0</b>	<b>1,109.0</b>
<b>2021</b>								
Borrowings	22.4	179.1	114.3	108.8	63.8	331.5	819.9	721.7
Derivative financial instruments	2.1	2.1	2.1	2.0	1.5	2.1	11.9	3.9
Lease liabilities	3.4	3.4	3.4	3.1	1.8	1.8	16.9	65.5
Creditors and other liabilities	25.4	-	-	-	-	-	25.4	25.4
<b>Total</b>	<b>53.3</b>	<b>184.6</b>	<b>119.8</b>	<b>113.9</b>	<b>67.1</b>	<b>335.4</b>	<b>874.1</b>	<b>816.5</b>

## 12. Financial risk management (continued)

### 12.5. Capital management risk

The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence, while maximising the return to investors through optimising the mix of debt and equity. The Group meets its objectives for managing capital through its investment decisions on the acquisition, development and disposal of assets, its distribution policy and raising new equity. The Group's policies in respect of capital management are reviewed regularly by the Board of Directors of the Manager.

The Group's capital structure includes bank debt, retail bonds, wholesale bonds, US Private Placement notes and unitholders' equity. GMT's Trust Deed requires the Group's ratio of borrowings to the aggregate value of its property assets to be less than 50%. The Group complied with this requirement during this year and the prior year.

The Group has issued retail bonds, wholesale bonds and US Private Placement notes, the terms of which require that the total borrowings of GMT and its subsidiaries do not exceed 50% of the value of the property portfolio on which these borrowings are secured. The Group complied with this requirement during this year and the prior year.

### 12.6. Fair value of financial instruments

Except for the retail bonds, wholesale bonds and US Private Placement notes; the carrying values of all balance sheet financial instruments approximate their estimated fair value. The fair values of retail bonds, wholesale bonds and US Private Placement notes are as follows:

\$ million	Fair value hierarchy	2022	2021
Retail bonds	Level 1	302.4	320.1
Wholesale bonds	Level 2	354.2	179.8
US Private Placement notes	Level 2	US\$114.8	US\$120.5

The Group classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

The fair value of financial instruments classified as Level 2, being wholesale bonds and US Private Placement notes, is measured using a present value calculation of the future cashflows using the relevant term swap rate as the discount factor.

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest input to the fair value measurement. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, the measurement is a Level 3 measurement.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the date of the event or change in circumstance that caused the transfer.

## 13. Operating segments

The Trust's activities are reported to the Board as a single operating segment; therefore, these financial statements are presented in a consistent manner to that reporting.



# INDEPENDENT AUDITOR'S REPORT

To the unitholders of Goodman Property Trust



## OUR OPINION

In our opinion, the accompanying financial statements of Goodman Property Trust (the Trust), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 31 March 2022, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

### What we have audited

The Group's financial statements comprise:

- + the balance sheet as at 31 March 2022;
- + the statement of profit or loss for the year then ended;
- + the statement of changes in equity for the year then ended;
- + the statement of cash flows for the year then ended; and
- + the notes to the financial statements, which include significant accounting policies and other explanatory information.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* 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 Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Group in the areas of assurance services relating to the performance fee calculation, agreed upon procedures relating to the financial covenants of the bank facilities, guidance on the application of materiality for the purposes of the Group's Green Bond Offer and reporting to the supervisor of GMT Bond Issuer Limited. The provision of these other services has not impaired our independence as auditor of the Group.

## KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

## Description of the key audit matter

### Valuation of investment property

As disclosed in note 1, the portfolio of investment properties comprising Auckland industrial stabilised properties and investment property under development held by the Group was valued at \$4.8 billion as at 31 March 2022.

The valuation of investment properties is inherently subjective. A small difference in any one of the key market input assumptions, when aggregated, could result in a material misstatement of the valuation of investment properties.

Valuations were carried out by independent registered valuers selected by the Group. The valuers performed their work in accordance with the International Valuation Standards and the Australia and New Zealand Valuation and Property Standards. The valuers engaged are well-known firms, with experience in the market in which the Group operates.

In determining a property's valuation, the valuers consider property specific information such as current tenancy agreements and rental income earned by the asset.

They then apply assumptions in relation to market capitalisation rates, market rental and rental growth rates, based on available market data and transactions, to arrive at a range of valuation outcomes, from which they derive a point estimate.

Due to the unique nature of each property, the assumptions applied take into consideration the individual property characteristics, as well as the qualities of the property as a whole.

Management verifies all key inputs to the valuations, assesses property valuation movements against prior periods and holds discussions with the directors of Goodman (NZ) Limited (the Manager) on the process and results of the valuation.

## How our audit addressed the key audit matter

The valuation of investment properties is inherently subjective given that there are alternative assumptions and valuation methods that may result in a range of values.

We considered the adequacy of the disclosures made in note 1 to the financial statements. This note explains that there is significant estimation uncertainty in relation to the valuation of investment property. We discussed with management and obtained sufficient appropriate audit evidence to demonstrate that management's assessment of the suitability of the inclusion of the valuation in the balance sheet and disclosures made in the financial statements were appropriate.

In assessing the individual valuations, we performed the procedures outlined below.

We held discussions with management and the valuers to understand:

- + movements in the Group's investment property portfolio
- + changes in the conditions of properties within the portfolio
- + the impact of climate change and related risks on the portfolio
- + the controls in place over the valuation process.

On a sample basis, with emphasis on properties with significant or unusual fluctuations in key inputs compared to other investment properties held by the Group, we performed the following procedures:

- + obtained an understanding of the key inputs in the valuation
- + agreed forecast contractual rental and lease terms to lease agreements with tenants
- + considered whether seismic assessments and/or capital maintenance requirements had been taken into account in the valuations, with reference to supporting documentation.

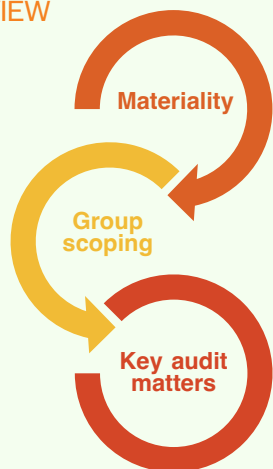
We held separate discussions with each of the independent registered valuers to gain an understanding of the assumptions and estimates used and the valuation methodology applied.

We also engaged our own valuation experts to critique and independently assess, based on their market and valuation knowledge, the work performed, and assumptions and estimates made by the valuers, on a sample basis.

We found no evidence of bias in determining the values.

## OUR AUDIT APPROACH OVERVIEW

### Overview



Overall group materiality: \$5,130,000, which represents 5% of profit before tax excluding movements in fair value of investment property and financial instruments.

We chose profit before tax excluding movements in the fair value of investment property and financial instruments as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users.

Following our assessment of the risk of material misstatement, a full scope audit was performed over the consolidated Group balances.

As reported above, we have one key audit matter, being:

- + Valuation of investment property

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are 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 statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

### How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.



## OTHER INFORMATION

The directors of the Manager are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 OF THE MANAGER FOR THE FINANCIAL STATEMENTS

The directors of the Manager are responsible, on behalf of the Trust, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager 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 STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are 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 ISAs (NZ) and ISAs 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 these financial statements.

As part of an audit in accordance with ISAs (NZ), the auditor exercises professional judgement and maintains professional scepticism throughout the audit.

The auditor also:

- + Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- + Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- + Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- + Concludes on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- + Evaluates the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- + Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the audit opinion.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

The auditor also provides those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## WHO WE REPORT TO

This report is made solely to the Trust's unitholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's unitholders, as a body, for our audit work, for this report or for the opinions we have formed.

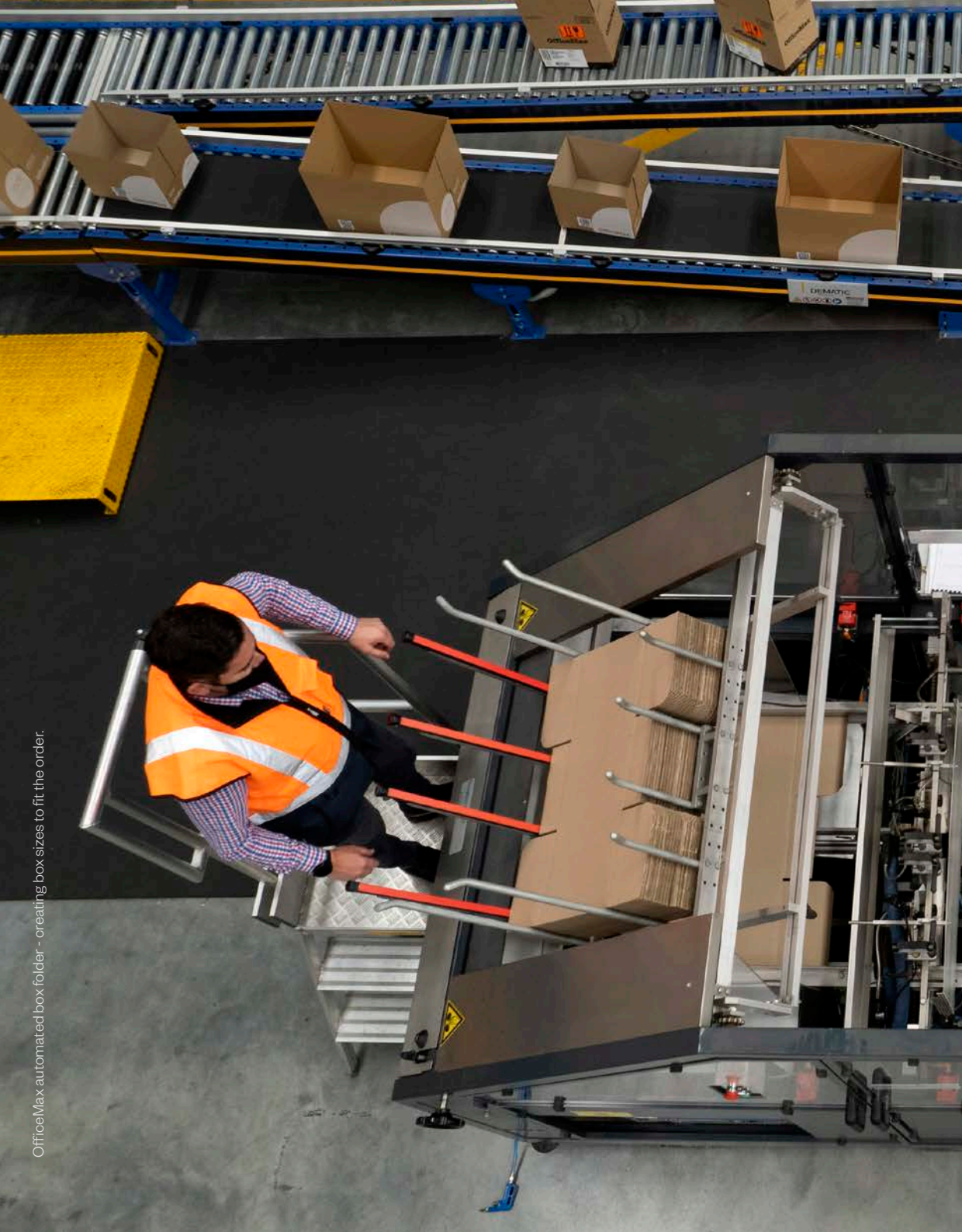
The engagement partner on the audit resulting in this independent auditor's report is Richard Day.

For and on behalf of:

A handwritten signature in black ink, appearing to read 'Richard Day', written in a cursive style.

Chartered Accountants  
18 May 2022

Auckland



## GMT BOND ISSUER LIMITED

# FINANCIAL STATEMENTS

For the year ended 31 March 2022

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The Board of GMT Bond Issuer Limited, authorised these financial statements for issue on 18 May 2022. For and on behalf of the Board:

**Keith Smith**  
Chair

**Laurissa Cooney**  
Chair, Audit Committee



# PROFIT OR LOSS

FINANCIAL STATEMENTS OF GMT BOND ISSUER LIMITED

For the year ended 31 March 2022

\$ million	2022	2021
Interest income	20.6	20.8
Interest cost	(20.6)	(20.8)
<b>Profit before tax</b>	<b>-</b>	<b>-</b>
Tax	-	-
<b>Profit after tax attributable to shareholder</b>	<b>-</b>	<b>-</b>

There are no items of other comprehensive income, therefore profit after tax attributable to shareholder equals total comprehensive income attributable to shareholder.

# BALANCE SHEET

As at 31 March 2022

\$ million	Note	2022	2021
<b>Non-current assets</b>			
Advances to related parties	2	600.0	500.0
<b>Current assets</b>			
Advances to related parties	2	100.0	-
Interest receivable from related parties		5.6	3.5
Cash		0.1	0.1
<b>Total assets</b>		<b>705.7</b>	<b>503.6</b>
<b>Non-current liabilities</b>			
Borrowings	1	600.0	500.0
<b>Current liabilities</b>			
Borrowings	1	100.0	-
Interest payable		5.7	3.6
<b>Total liabilities</b>		<b>705.7</b>	<b>503.6</b>
<b>Net assets</b>		<b>-</b>	<b>-</b>
<b>Equity</b>			
Contributed equity	7	-	-
Retained earnings		-	-
<b>Total equity</b>		<b>-</b>	<b>-</b>

# CASH FLOWS

For the year ended 31 March 2022

FINANCIAL STATEMENTS OF GMT BOND ISSUER LIMITED

\$ million	Note	2022	2021
<b>Cash flows from operating activities</b>			
Interest income received		18.5	22.3
Interest costs paid		(18.5)	(22.4)
<b>Net cash flows from operating activities</b>	5	<b>-</b>	<b>(0.1)</b>
<b>Cash flows from investing activities</b>			
Repayment of related party advances		-	100.0
Related party advances made		(200.0)	(200.0)
<b>Net cash flows from investing activities</b>		<b>(200.0)</b>	<b>(100.0)</b>
<b>Cash flows from financing activities</b>			
Proceeds received from issue of wholesale bonds		200.0	200.0
Repayment of retail bonds		-	(100.0)
<b>Net cash flows from financing activities</b>		<b>200.0</b>	<b>100.0</b>
<b>Net movement in cash</b>		<b>-</b>	<b>(0.1)</b>
Cash at the beginning of the year		0.1	0.2
<b>Cash at the end of the year</b>		<b>0.1</b>	<b>0.1</b>

# CHANGES IN EQUITY

For the year ended 31 March 2022

\$ million	Contributed equity	Retained earnings	Total
As at 1 April 2020	-	-	-
Profit after tax	-	-	-
<b>As at 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>
Profit after tax	-	-	-
<b>As at 31 March 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>

There are no items of other comprehensive income to include within changes in equity, therefore profit after tax equals total comprehensive income.

## REPORTING ENTITY

GMT Bond Issuer Limited (“the Company”) was incorporated on 5 November 2009. The address of its registered office is Level 2, 18 Viaduct Harbour Avenue, Auckland. GMT Bond Issuer Limited is an issuer for the purposes of the Financial Reporting Act 2013 as its issued retail bonds are listed on the New Zealand Debt Exchange (“NZDX”). GMT Bond Issuer Limited is a registered company under the Companies Act 1993.

GMT Bond Issuer Limited is a profit-oriented company incorporated and domiciled in New Zealand. The Company was incorporated to undertake issues of debt securities with the purpose of on-lending the proceeds to Goodman Property Trust (“GMT”) by way of interest bearing advances.

## BASIS OF PREPARATION AND MEASUREMENT

The principal accounting policies applied in the preparation of the financial report are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

The financial statements of the Company have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013. The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (“NZ GAAP”), comply with New Zealand equivalents to International Financial Reporting Standards (“NZ IFRS”), other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS. The Company is a for-profit entity for the purposes of complying with NZ GAAP. The financial statements also comply with International Financial Reporting Standards (“IFRS”).

The financial statements have been prepared on the historical cost basis.

The financial statements are in New Zealand dollars, the Company’s functional currency.

## SIGNIFICANT ESTIMATES AND JUDGEMENTS

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in the future periods affected.

## SIGNIFICANT ACCOUNTING POLICIES

### Interest income

Interest income from advances to related parties is recognised using the effective interest method.

### Interest cost

Interest expense charged on borrowings is recognised as incurred using the effective interest method.

### Advances to related parties

Advances to related parties are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method.

### Interest receivable from related parties

These amounts represent the fair value of interest income recognised but not yet due for payment. Due to the short term nature of the receivables, the recoverable value represents the fair value.

### Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are carried at amortised cost using the effective interest method.

### Interest payable

Interest payable represents interest costs recognised as an expense but not yet due for payment.

### Financial risk management

Financial instruments are classified dependent on the purpose for which the financial instrument was acquired or assumed. Management determines the classification of its financial instruments at initial recognition between two categories:

*Amortised cost* Instruments recorded at amortised cost are those with fixed or determined receipts / payments that are recorded at their expected value at balance date.

*Fair value through Profit or Loss* Instruments recorded at fair value through Profit or Loss have their fair value measured via active market inputs, or by using valuation techniques if no active market exists.

## CHANGES IN ACCOUNTING POLICY

There have been no changes in accounting policies made during the financial year.

## NEW ACCOUNTING STANDARDS NOW ADOPTED

There have been no new accounting standards that are applicable to these financial statements.



For the year ended 31 March 2022

## 1. Borrowings

### 1.1. Composition of borrowings

	Carried at	Date issued	Maturity	Interest rate	2022 \$ million	2021 \$ million
Retail bonds – GMB030	Amortised cost	Jun 15	Jun 22	5.000%	100.0	100.0
Retail bonds – GMB040	Amortised cost	May 17	May 24	4.540%	100.0	100.0
Retail bonds – GMB050	Amortised cost	Mar 18	Sep 23	4.000%	100.0	100.0
Wholesale bonds – 8 years	Amortised cost	Sep 20	Sep 28	2.262%	50.0	50.0
Wholesale bonds – 10 years	Amortised cost	Sep 20	Sep 30	2.559%	150.0	150.0
Wholesale bonds – 6 years	Amortised cost	Dec 21	Dec 27	3.656%	200.0	–
<b>Total</b>					<b>700.0</b>	<b>500.0</b>

### 1.2. Security and covenants

All borrowing facilities are secured on an equal ranking basis over the assets of the wholly-owned subsidiaries of the Company's parent entity, Goodman Property Trust. A loan to value covenant restricts total borrowings incurred by the Goodman Property Trust Group to 50% of the value of the secured property portfolio.

The Goodman Property Trust Group has given a negative pledge which provides that it will not create or permit any security interest over its assets. The principal financial ratio which must be met is the ratio of financial indebtedness to the value of the property portfolio. Further negative and positive undertakings have been given as to the nature of the Goodman Property Trust Group's business.



#### SIGNIFICANT TRANSACTIONS

In December 2021, the Company issued \$200.0 million of wholesale bonds, with a 6 year term expiring in December 2027, paying a fixed interest rate of 3.656%.



#### SUBSEQUENT EVENT

In April 2022, the Company issued \$150.0 million of green bonds, with a 5 year term expiring in April 2027, paying a fixed interest rate of 4.740%.

## 2. Advances to related parties

GMT Bond Issuer Limited is a wholly-owned subsidiary of Goodman Property Trust. All members of the Goodman Property Trust Group are considered to be related parties of the Company.

### 2.1. Composition of advances to related parties

	Carried at	Date issued	Maturity	Interest rate	2022 \$ million	2021 \$ million
Advance made to Goodman Property Trust in June 2015	Amortised cost	Jun 15	Jun 22	5.000%	100.0	100.0
Advance made to Goodman Property Trust in May 2017	Amortised cost	May 17	May 24	4.540%	100.0	100.0
Advance made to Goodman Property Trust in March 2018	Amortised cost	Mar 18	Sep 23	4.000%	100.0	100.0
Advance made to Goodman Property Trust in September 2020	Amortised cost	Sep 20	Sep 28	2.262%	50.0	50.0
Advance made to Goodman Property Trust in September 2020	Amortised cost	Sep 20	Sep 30	2.559%	150.0	150.0
Advance made to Goodman Property Trust in December 2021	Amortised cost	Dec 21	Dec 27	3.656%	200.0	–
<b>Total</b>					<b>700.0</b>	<b>500.0</b>

### 2.2. Guarantee

Covenant Trustee Services Limited (as Trustee for Goodman Property Trust) has entered into a guarantee under which Goodman Property Trust unconditionally and irrevocably guarantees all of the obligations of GMT Bond Issuer Limited under its Bond Trust Documents.

## 3. Administrative expenses

Goodman Property Trust, the Company's parent, paid all fees for audit services provided to the Company (2022: \$15,000, 2021: \$12,500), audit related services of reporting to the Supervisor (2022: \$3,000, 2021: \$2,000) and fees for materiality guidance on the green bond issuance (2022: \$6,000, 2021: \$nil).

## 4. Commitments and contingencies

### 4.1. Capital commitments payable

GMT Bond Issuer Limited has no capital commitments.

### 4.2. Contingent liabilities

GMT Bond Issuer Limited has no material contingent liabilities.

## 5. Reconciliation of profit after tax to net cash flows from operating activities

\$ million	2022	2021
Profit after tax	-	-
<b>Movements in working capital from:</b>		
Interest receivable from related parties	(2.1)	1.5
Interest payable	2.1	(1.6)
<b>Movements working capital</b>	<b>-</b>	<b>(0.1)</b>
<b>Net cash flows from operating activities</b>	<b>-</b>	<b>(0.1)</b>

## 6. Financial risk management

The Company is exposed to financial risk for the financial instruments that it holds. Financial risk can be classified in the following categories; interest rate risk, credit risk, liquidity risk and capital management risk.

The Board has delegated to the Goodman (NZ) Limited Audit Committee the responsibility to review the effectiveness and efficiency of management processes, risk management and internal financial controls and systems as part of their duties.

### 6.1. Financial instruments

The following items in the Balance Sheet are classified as financial instruments: Advances to related parties, cash, interest receivable from related parties, borrowings and interest payable. All items are recorded at amortised cost.

### 6.2. Interest rate risk

Interest rate risk is the risk that the value or future value of cash flows of a financial instrument will fluctuate because of changes in interest rates. The Board is responsible for the management of interest rate risk arising from the external borrowings.

To mitigate interest rate risk, all advances to related parties have fixed interest rates receivable that match the fixed interest rates payable on borrowings.

### 6.3. Credit risk

Credit risk is the risk of loss that arises from a counterparty failing to meet their contractual commitment in full and on time, or from losses arising from the change in value of a trading financial instrument as a result of changes in credit risk of that instrument.

The Company's exposure to credit risk is limited to cash and deposits held with banks and credit exposure for the advances to related parties.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if applicable) or to historical information about counterparty default rates. All financial assets are with Goodman Property Trust. Goodman Property Trust has been assigned a rating of BBB with a stable outlook by S&P Global Ratings.



## 6. Financial risk management (continued)

### 6.4. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations from its financial liabilities. The Company's approach to management of liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following table outlines the Company's financial liabilities by their relevant contractual maturity date. Values are the contractual undiscounted cash flows and include both principal and interest where applicable.

\$ million	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 and later	Total cash flows	Carrying value
<b>2022</b>								
Cash	0.1	-	-	-	-	-	0.1	0.1
Financial assets – Advances to related parties	121.9	118.5	113.0	12.3	12.3	420.1	798.1	705.6
Financial liabilities – Borrowings	(122.0)	(118.5)	(113.0)	(12.3)	(12.3)	(420.1)	(798.2)	(705.7)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2021</b>								
Cash	0.1	-	-	-	-	-	0.1	0.1
Financial assets – Advances to related parties	18.4	114.7	111.2	105.7	5.0	219.8	574.8	503.5
Financial liabilities – Borrowings	(18.5)	(114.7)	(111.2)	(105.7)	(5.0)	(219.8)	(574.9)	(503.6)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 6.5. Capital management risk

The Company's policy is to match the value, term and maturity of external borrowings to the value, term and maturity of advances made to related parties. This minimises capital management risk for the Company.

## 6. Financial risk management (continued)

### 6.6. Fair value of financial instruments

The fair value of financial instruments has been estimated as follows:

\$ million	Fair value hierarchy	2022	2021
Related party receivables	Level 2	656.6	499.9
Retail bonds	Level 1	(302.4)	(320.1)
Wholesale bonds	Level 2	(354.2)	(179.8)

For instruments where there is no active market, the Company may use internally developed models which are usually based on valuation methods and techniques generally recognised as standard within the industry. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The Company classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The fair value of wholesale bonds, classified as Level 2, is measured using a present value calculation of the future cashflows using the relevant term swap rate as the discount factor. The fair value of related party receivables, classified as Level 2, is measured using the quoted prices of the retail bonds liability and the fair value of the wholesale bonds.

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest input to the fair value measurement. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, the measurement is a Level 3 measurement.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

## 7. Equity

As at 31 March 2022, 100 ordinary shares had been issued for nil consideration (2021: 100 ordinary shares for nil consideration). All shares rank equally with one vote attached to each share.

The Company has tangible assets of \$0.1 million, and its net assets are nil. Consequently, the net tangible assets per bond at 31 March 2022 are nil (2021: nil).

# INDEPENDENT AUDITOR'S REPORT

To the shareholder of GMT Bond Issuer Limited



## OUR OPINION

In our opinion, the accompanying financial statements of GMT Bond Issuer Limited (the Company), present fairly, in all material respects, the financial position of the Company as at 31 March 2022, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

### What we have audited

The financial statements comprise:

- + the balance sheet as at 31 March 2022;
- + the statement of profit or loss for the year then ended;
- + the statement of changes in equity for the year then ended;
- + the statement of cash flows for the year then ended; and
- + the notes to the financial statements, which include significant accounting policies and other explanatory information.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* 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 Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Company in the area of reporting to the supervisor. The provision of these other services has not impaired our independence as auditor of the Company.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. The entity obtains funds from the issue of debt securities and then lends the proceeds to Goodman Property Trust at the same cost. Given the nature of the Company's operations, we determined that there were no key audit matters to communicate in our report.



## OUR AUDIT APPROACH

### Overview

**Materiality** Overall materiality: \$206,000, which represents 1% of interest expense.

We chose interest expense as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by users.

**Key audit matters** As reported above, we have not identified any key audit matters from our audit given the nature of the entity. Refer to the Key audit matters section of our report.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are 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 statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

## OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 STATEMENTS

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are 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 ISAs (NZ) and ISAs 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 these financial statements.

As part of an audit in accordance with ISAs (NZ), the auditor exercises professional judgement and maintains professional scepticism throughout the audit.

The auditor also:

- + Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- + Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- + Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- + Concludes on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- + Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

The auditor also provides those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## WHO WE REPORT TO

This report is made solely to the Company's shareholder. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Richard Day.

For and on behalf of:

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

Chartered Accountants  
18 May 2022

Auckland









# OTHER INFORMATION

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# CORPORATE GOVERNANCE

## INTRODUCTION

Corporate governance is the system by which organisations are directed and managed. It influences how an organisation's objectives are achieved, how its risks are monitored and assessed, and how its performance is optimised.

The Board has adopted an overall corporate governance framework that is designed to meet best practice standards and recognises that an effective corporate governance culture is critical to success.

At all times, the Board strives to achieve governance outcomes which effectively balance the needs of GMT and GMT Bond Issuer Limited investors, regulators and the wider market.

The governance section of the Goodman Property Trust website contains all the relevant policies, charters and other documents described in this report.

## GMT AND GMT BOND ISSUER LIMITED

GMT is an NZX listed unit trust created by the Trust Deed and administered under the Financial Markets Conduct Act 2013 ("FMCA"). Covenant Trustee Services Limited is the Trustee and supervisor of GMT and is appointed to hold the assets of GMT on trust for Unitholders. The Trustee has the rights and powers in respect of the assets of GMT it could exercise as if it was the absolute owner of such assets, but subject to the FMCA and the rights given to the Manager by the FMCA and the Trust Deed.

GMT Bond Issuer Limited is a wholly owned subsidiary of GMT and issuer of Goodman+Bonds. Goodman+Bonds are debt securities listed on the NZDX. They are direct, secured, unsubordinated, obligations of the issuer, ranking equally with debt owed to GMT's main banking syndicate. Public Trust is the Bond Trustee for Goodman+Bonds.

GMT Bond Issuer Limited has no activities other than those necessary or incidental to the issuing of Goodman+Bonds and complying with its obligations at law.

## RELATIONSHIP WITH GOODMAN GROUP

Goodman Group is the Trust's largest investor, owning approximately 24.76% of Units on issue at 31 March 2022.

It is also the Manager of the Trust through its wholly owned subsidiary, Goodman (NZ) Limited. The Manager receives fees for the fund management, property services, development management and other services it provides through Goodman (NZ) Limited and Goodman Property Services (NZ) Limited. These fees are summarised on the website within the corporate governance section.

Goodman Group's cornerstone investment and management contract, which includes a market leading performance fee structure, ensures close alignment of interests between Goodman Group and other Unitholders.

Goodman Group holds no Goodman+Bonds.

## NZX CORPORATE GOVERNANCE CODE

The following section assesses GMT's corporate governance framework against the principles and recommendations of the NZX Corporate Governance Code. A more detailed analysis against the NZX Code is set out in the Corporate Governance Statement which can be found in the governance section of the Goodman Property Trust website <https://nz.goodman.com/who-we-are/corporate-governance>.

### Principle 1 — Code of Ethical Behaviour

The highest standards of behaviour are expected from the Directors and employees of the Manager. These expectations are formalised in the following policies, practices and processes.

#### Code of Conduct

This policy establishes the standards of ethical and personal conduct expected of Directors and employees. It is consistent with the wider corporate values of the Manager and compliance with the policy is a condition of employment. Induction training and regular refresher sessions are provided.

The policy specifically requires Directors and employees to act with honesty and integrity in a professional and respectful manner, respecting confidentiality and in accordance with the law. All stakeholders are to be treated fairly and individuals are expected to be transparent, declaring and managing any conflicts of interest.

All Directors and employees are responsible for reporting unethical or corrupt behaviour and the Manager will take whatever disciplinary action it considers appropriate in the circumstances, including dismissal.

#### Financial Products Trading Policy

This policy reflects the insider trading provisions of the FMCA and strengthens those requirements with additional compliance standards and procedures which Directors and employees who wish to trade in GMT Units or Goodman+Bonds must comply with.

The Manager imposes trading windows through this policy as well as requiring written approval of the CEO or Chair prior to any trade.



## Principle 2 — Board Composition & Performance

The Board works with Management to formulate and implement its strategy for the Trust, monitoring its performance against set objectives. The Board also has the responsibility to ensure business risks are appropriately identified and managed and that the statutory, financial and social responsibilities of the Manager are complied with.

### Board Charter

The Board Charter sets out the roles and responsibilities of the Board, while a statement of investment policies and objectives provides the strategic framework.

To facilitate the effective execution of its responsibilities, the Board has developed a statement of delegated authority for Management. This statement clarifies which matters are dealt with by the Board and which matters are the responsibility of Management and includes areas such as finance, corporate matters and property transactions.

A copy of the Board's approved mandate and Board Charter can be found on the website within the corporate governance section.

### Board Composition

The Board of the Manager comprises seven Directors, with a majority being independent (as defined in the Listing Rules). John Dakin, Gregory Goodman and Phil Pryke are not considered independent due to their relationship with Goodman Group. The biographies of the Directors can be found online at [www.goodmanreport.co.nz](http://www.goodmanreport.co.nz).

The Board during the year included:

Name	Classification	Original appointment	Expiry of current term
Keith Smith	Independent Director	13 May 2004	The date of the annual meeting of unitholders in 2022
Laurissa Cooney	Independent Director	4 November 2020	The date of the annual meeting of unitholders in 2024
David Gibson	Independent Director	2 February 2021	The date of the annual meeting of unitholders in 2024
Leonie Freeman	Independent Director	11 October 2011	The date of the annual meeting of unitholders in 2024
Gregory Goodman	Non-executive Director	23 December 2003	n/a
Phil Pryke	Non-executive Director	28 January 2004	28 February 2023
John Dakin	Executive Director	1 July 2012	30 June 2024

Directors have an average tenure of 11 years at 31 March 2022. They are encouraged to undertake training to ensure they have the market knowledge and governance expertise to perform their roles and duties. Any new director receives a comprehensive induction that includes a tour of the Trust's assets.

All Directors are appointed for three-year terms, after which they are eligible for reappointment<sup>(1)</sup>. Independent Directors are appointed by Unitholders in the manner described in the Trust Deed. As the Manager is a wholly owned subsidiary of Goodman Group, appointment of non-independent directors is made by Goodman Group.

The Board of GMT Bond Issuer Limited replicates the Board of the Manager. A separate Board, including separate Board meetings, is maintained to ensure the obligations of GMT Bond Issuer Limited as the issuer of the Goodman+Bonds are met.

Both entities have written agreements with each Director setting out the terms and conditions of their appointment.

### Diversity and inclusion

As an externally managed Unit Trust, GMT does not have any employees. The Directors and staff are employed through Goodman (NZ) Limited and Goodman Property Services (NZ) Limited, subsidiaries of Goodman Group.

A diversity and inclusion policy, specific to NZ Directors and employees was adopted in 2018. It recognises that an inclusive and diverse culture provides a greater variety of views and ideas that lead to better business outcomes. Under this policy, the Manager undertakes to measure gender, ethnicity and age on a regular basis and to report progress against future targets.

The table below shows the gender split between the various business segments and compares this against the 2023 targets included in the diversity and inclusion policy.

Gender diversity	Total persons	Female			Male		
		2021	2022	2023	2021	2022	2023
Board	7	28.6%	28.6%	>40%	71.4%	71.4%	<60%
Executive*	8	28.6%	37.5%	>40%	57.1%	62.5%	<60%
Managerial	12	20.0%	33.3%	>35%	80.0%	66.7%	<65%
Other staff	44	53.7%	50.0%	=50%	46.3%	50%	=50%

\*The proportion of male and female executive team members does not sum to 100% in 2021 as participants can choose not to answer.

Of the seven directors that comprise the Board two are female and five are male and the four officers are all males. The composition is unchanged from the 2021 financial year.

Of the executives three are female and five are male.

Of the 64 staff that make up the business 45.3% are female and 54.3% are male. Around 6% of our people identify as part of the LGBTQI+ community.

On average, a Goodman team member has been with the business for 8 years and is approximately 40 years old. It's a team that includes nine different ethnicities, with speakers of 11 different languages.

<sup>(1)</sup> The exception is Gregory Goodman who has a standing appointment in his role as Group CEO of Goodman Group.

### The Chair and the Chief Executive Officer

As recommended by the NZX Code, the roles of Chair and Chief Executive Officer are separated. This separation avoids concentrations of influence and increases accountability.

Keith Smith is the Chair and John Dakin is the Chief Executive Officer of the Manager. John is also an Executive Director of the Manager.

### Board Meetings

The Board typically meets in person five times a year, with one of those meetings focused on business planning and strategy.

During the financial year to 31 March 2022, all Directors attended each Board meeting they were entitled to attend. The 100% attendance record was also maintained in the 2021 financial year.

The Independent Directors are encouraged to meet separately when necessary and, in any event, not less than once a year. They are also entitled to take independent legal advice at the Manager's expense should they believe it necessary to adequately perform their role.

### Company Secretary

The company secretarial function is performed by Anton Shead, the Manager's General Counsel and Company Secretary. Refer to [www.goodmanreport.co.nz](http://www.goodmanreport.co.nz) for Anton's biography.

## Principle 3 — Board Committees

The Board establishes committees to assist in the exercise of its functions and duties and to ensure that all risks are effectively monitored and managed.

### Audit Committee

The Audit Committee is a permanent committee which typically meets four times a year. As at the date of this Report, the Audit Committee has a majority of Independent Directors and comprises: Laurissa Cooney (Chair), Keith Smith, Leonie Freeman, David Gibson and Phil Pryke. Phil Pryke is the only Director on the Audit Committee who is not independent.

All members of the Audit Committee are non-executive Directors.

The Audit Committee operates under the terms of a formal charter, a copy of which is available on the website within the corporate governance section. The duties and responsibilities of the Audit Committee include the following:

- + monitoring the independence, ability and objectivity of the external auditor
- + ensuring the Key Audit Partner (as defined in the Listing Rules) is changed every five years
- + reviewing the financial statements of GMT and GMT Bond Issuer Limited and overseeing the auditing of those financial statements
- + reviewing and reporting to the Board on the appropriateness of GMT's Financial Risk Management policy

- + setting the parameters for the internal audit programme, overseeing its implementation and reviewing its outputs and recommendations
- + overseeing and advising on the Manager's internal risk management programme.

### Remuneration Committee

The NZX Code recommends that a Remuneration Committee be established to benchmark remuneration packages for Directors and senior employees and that this be disclosed to investors.

GMT has not followed this recommendation during the financial year ended 31 March 2022, as its external management structure means that these costs are borne by the Manager and a Remuneration Committee is not required.

In the interests of transparency and good governance the Manager has disclosed the basis upon which the Goodman Group Remuneration and Nominations Committee determines the packages payable to Directors and employees involved with its New Zealand operations. This disclosure is included under Principle 5 on page 109.

### Nomination Committee

GMT's Trust Deed gives Unitholders the right to nominate and appoint Independent Directors.

The Board, rather than a committee, manage the nomination and appointment process of any new non-independent director. The Goodman Group Nomination Charter applies to the extent relevant and should the Board decide to add a director (whether as the result of a retirement or otherwise), then the Board may constitute a committee to consider that appointment.

### Other Committees

The Board may from time to time establish other committees for a specific purpose. The terms of reference for each committee is agreed by the Board as part of the establishment process. Examples include:

#### (a) Due Diligence Committee

The Board will establish a Due Diligence Committee to oversee and report to the Board on any transaction of a significant size and/or complexity.

A Due Diligence Committee will usually include at least one Independent Director, relevant external consultants and members of Management considered appropriate for the transaction in question.

#### (b) Appointments Committee

The Board will, when it considers appropriate, constitute an Appointments Committee to consider senior executive and director appointments and performance. An Appointments Committee will usually include at least one Independent Director and other persons considered appropriate.

**Takeover protocol**

The Board has approved a Takeover Response Manual, which establishes the procedure to be followed if there is a takeover offer, including the establishment of an independent committee to manage the response obligations.

**Principle 4 — Reporting & Disclosure**

A fully informed and efficient market builds investor confidence which ultimately contributes to the investment performance of the Trust and its ability to raise capital.

The Manager is committed to keeping Unitholders, regulators and other stakeholders fully and promptly informed of all material information. The Manager has policies and procedures that govern the behaviour of the Directors and employees ensuring balanced and timely information is provided to the market.

**Continuous Disclosure Policy**

The Manager has a Continuous Disclosure Policy which details the relevant legal requirements and sets out the procedures put in place to ensure compliance with them.

**Related Party Policy**

The Manager believes that having a Board with a majority of experienced and strong Independent Directors, effectively manages any related party issues or conflicts that could arise with an external management structure.

A comprehensive Related Party Policy summarises the relevant restrictions contained in the Listing Rules, the law and relevant contractual commitments, and how these issues are managed. The Manager uses this policy as a tool to ensure that:

- + Management and the Board are properly briefed and educated on the relevant restrictions and the processes put in place to ensure compliance with these restrictions
- + Unitholders and the investment market recognise that the Manager deals with related party issues in an appropriate, transparent and robust manner.

**Other reporting**

The Manager has extended GMT's corporate reporting in recent years to provide a broader overview of the business, explaining how the Trust creates long-term value for all its stakeholders. It includes additional information about the Managers own-develop-manage business model, the current investment strategy and achievements in the sustainability programme.

Fourteen factors were identified as key drivers of the Trust's success in a materiality survey undertaken with a representative group of stakeholders in FY21. The seven most important included, customer attraction and retention, sustainable structure, operations and results, health, safety and wellbeing, flexible and adaptable properties, diversity and inclusiveness, sustainable design and management, and responsible investment. These seven areas are the focus of GMT's corporate reporting.

**Access to key governance documents**

The governance section of the website, <https://nz.goodman.com/who-we-are/corporate-governance> contains all the relevant policies, charters and other documents described in this report including;

- + The Trust Deed of Goodman Property Trust
- + The Statement of Investment Policies and Objectives for Goodman Property Trust
- + Goodman (NZ) Limited Audit Committee Charter
- + Goodman Property Trust Fee Summary
- + Goodman (NZ) Limited Board Charter
- + Goodman (NZ) Limited Board Mandate
- + Code of Conduct
- + Corporate Governance Statement
- + Financial Products Trading Policy
- + Goodman (NZ) Limited Diversity Policy
- + Continuous Disclosure Policy
- + Related Party Policy
- + Health and Safety Statement

Together with the Trust Deed of GMT Bond Issuer Limited (including the Supplemental Trust Deeds).

**Principle 5 — Remuneration**

GMT's external management structure means that the Trust does not have any Directors or employees of its own.

The remuneration of the Directors and employees are direct costs of Goodman (NZ) Limited and Goodman Property Services (NZ) Limited respectively. The expense is a cost of managing GMT, a service for which these entities receive fees. For these reasons, in relation to the financial year ended 31 March 2022, it is not possible to comply with the NZX Code recommendations that issuers have a remuneration policy and that Director remuneration be approved by unitholders. In this respect the NZX code recommendations have no application to a Unit Trust such as GMT, as it has no Directors or employees.

A breakdown of the fees paid by GMT in FY22 is provided in Note 9 of the Financial Statements, page 79.

In the interests of transparency and good governance the Manager has disclosed the basis upon which Goodman Group's Remuneration Committee determines the packages payable to Directors and employees involved with its New Zealand operations. This detail is provided with the consent of the Directors and the Chief Executive Officer.



## Directors remuneration

Directors of Goodman (NZ) Limited are paid fees that reflect the responsibility of governing the Trust and implementing a strategy that creates value for its investors. The level of remuneration is regularly benchmarked against other comparable companies.

Directors were entitled to fees, including fees for ad-hoc committees, as set out below. None of the Directors are paid performance related fees relating to their directorships.

Director	Role	2022 \$	2021 \$
Keith Smith	Chair, Independent Director	165,000	155,000
Laurissa Cooney (Appointed 4 November 2020)	Independent Director, Chair Audit Committee (from 1 January 2021)	120,000	39,250
Leonie Freeman	Independent Director	100,000	90,000
David Gibson (Appointed 2 February 2021)	Independent Director	100,000	15,000
Phil Pryke	Non-executive Director	100,000	90,000
Greg Goodman	Non-executive Director	–	–
John Dakin	Executive Director	–	–

With effect from 1 April 2021, the Chair receives \$160,000 per annum, the Chair of the Audit Committee \$120,000 per annum and each other Director \$100,000 per annum. In addition, Directors are paid \$300 per hour for time spent in relation any ad-hoc committees, such as a Due Diligence Committee.

Greg Goodman and John Dakin are remunerated by way of salary for their executive roles and are not paid any additional remuneration for their positions as Directors on the Board.

## Chief Executive Officer and employee remuneration

The remuneration of the CEO and other employees is designed to attract and retain the most talented and experienced individuals. Packages include a base salary, together with short-term and long-term incentive components.

A summary of key remuneration principles is set out below:

- + the basis of remuneration is local market referenced base salary, reviewed annually
- + employees may be awarded short term incentives in the form of discretionary cash bonuses. These remain subject to the performance of GMT, Goodman Group and the individual against specific financial and operational targets
- + all employees (other than the CEO) can participate equally in two long term incentive plans designed to maximise long-term alignment with unitholders of GMT (“NZ LTIP”) and securityholders of Goodman Group (“Goodman 5-year LTIP”)
- + for the NZ LTIP, performance rights are awarded which give employees the right to acquire, for nil consideration, Goodman Property Trust units subject to the satisfaction of hurdles assessed over specific three-year testing period timeframes. GMT units awarded are sourced from units

held by Goodman Group or purchased on-market by Goodman Group. GMT does not issue any new units in relation to the NZ LTIP

- + under the Goodman 5-year LTIP, performance rights are awarded which give employees the right to acquire, for nil consideration, stapled securities of Goodman Group subject to the satisfaction of hurdles assessed over specific three-year testing period timeframes
- + for both LTI schemes, an employee is required to remain employed for the full five-year period from the initial grant to be eligible to receive all the awards that meet performance hurdles
- + with effect from this financial year, the CEO participates in a new Goodman Group LTIP which has a four-year testing period for all performance rights, followed by a seven-year vesting period (“Goodman 10-year LTIP”). In all other respects this scheme replicates the Goodman 5-year LTIP.

Employees automatically receive life insurance cover and salary continuance insurance and for those that are participating, KiwiSaver contributions of 3% are made in addition to salary payments. Dependent on role, employees may receive the use of a company vehicle and may have a workplace carpark provided.

The remuneration of the CEO, including the nature and amount of each major element, is shown below. All amounts are in New Zealand dollars.

## Chief Executive Officer's Short-Term Remuneration

	Salary \$	Bonus <sup>1</sup> \$	KiwiSaver \$	Total \$
<b>31 March 2022</b>	<b>450,000</b>	<b>700,000</b>	<b>34,500</b>	<b>1,184,500</b>
31 March 2021	450,000	700,000	34,500	1,184,500

## Chief Executive Officer's Long-Term Remuneration

Number of Performance Rights	Goodman 5-year LTIP		NZ LTIP		Goodman 10-year LTIP	
	Granted	Vesting	Granted	Vesting	Granted	Vesting
<b>31 March 2022</b>	–	<b>130,000</b>	–	<b>915,766</b>	<b>405,000</b>	–
31 March 2021	125,000	128,959	934,500	832,683	–	–

<sup>1</sup> Bonus paid in the year ended 31 March 2022 related to GPSNZ's year ended 30 June 2021 and was paid in August 2021. Bonus paid in the year ended 31 March 2021 related to GPSNZ's year ended 30 June 2020 (paid in August 2020).

More than 90% of the CEO's total remuneration received during the year to 31 March 2022 was performance based and therefore at risk. For the year ended 31 March 2022 the ratio between the median of the base salaries paid to full time employees and the Chief Executive Officer was 1 to 4.5.

## Participation in long term incentive schemes

During the year ended 31 March 2022 the NZ LTIP vested a total of 3,913,670 GMT units with a market value of \$8.9 million on the date of vesting. Employees were offered the option to cash-out their NZ LTIP, with 60% of vesting units elected for cash-out.

During the year ended 31 March 2022, the Goodman Group LTIP vested a total of 552,685 GMG securities to employees, with a market value of NZ\$13.2 million on the date of vesting.

As at 31 March 2022, under the three LTI schemes employees, held performance rights some of which had completed their testing period and met some or all of the performance hurdles (“tested performance rights”). These performance rights will vest to employees over the next three years subject to continued employment and limited other circumstances. In addition, employees hold performance rights which have not yet reached the end of their testing period (“untested performance rights”).

Total performance rights held by employees as at 31 March 2022 is summarised below:

	NZ LTIP	Goodman 5-year LTIP	Goodman 10-year LTIP
Tested performance rights	4,184,968	546,127	-
Untested performance rights	9,834,405	1,174,294	405,000
Total performance rights held	14,019,373	1,720,421	405,000

## Principle 6 — Risk Management

The Manager maintains a risk management framework for GMT that includes regular reporting to both the Audit Committee and the Board and the undertaking of an annual risk assessment for GMT.

The Board has the overall responsibility for ensuring that risk is managed effectively. This includes consideration of all strategic, operational, financial and compliance risks. The Audit Committee reviews the effectiveness of the risk management process.

### Risk register

The register identifies the material risks to the business, assessing the impact and likelihood of each risk along with the steps taken to mitigate possible adverse impacts. Customer, environmental, financial, human, health and safety, regulatory and reputational impacts are all considered.

The Manager’s business risk function facilitates the annual review of the risk register in conjunction with senior management. Existing risks are reassessed, and new risks considered during the review.

### Financial risk management policy

The policy reflects the Board’s approach to managing financial risks. It includes policies, controls relating to:

- + Liquidity risk
- + Interest rate risk
- + Foreign exchange risk
- + Counterparty credit risk
- + Operational risk

This policy is reviewed by the Board annually.

## Health and Safety

The health, safety and wellbeing of employees, customers, contractors and the wider community is a business priority.

Since the introduction of the Health and Safety at Work Act 2015 the Manager has worked closely with staff and contractors to develop a culture of greater safety awareness. The emphasis on proper processes, vigilance and personal responsibility is consistent with the aim of being free of serious harm accidents.

Detailed reporting, including trend analysis, is provided to the Board on a regular basis and used to identify and mitigate future health and safety risks.

There were no serious harm accidents recorded in the last financial year.

## Principle 7 — Auditors

The Audit Committee ensures the quality and independence of the external audit process. The Committee ensures the annual audit is carried out independently and without impairment maintaining the credibility and reliability of the Trust’s financial reporting.

### Annual meeting attendance

The Manager also requires the external auditors to attend the annual meeting to answer Unitholders’ questions about the conduct of the audit, as well as the preparation and content of the independent auditor’s report.

### Internal audit

The Audit Committee approves the annual internal audit programme. The scope of the internal audit programme varies from year to year depending on the outcome of the risk assessment review described in Principle 6.

The service is performed by Goodman Group with its engagement approved by the Trust’s supervisor and the Independent Directors.

## Principle 8 — Unitholder Rights & Relations

The Board and Manager encourage investor engagement and facilitate this through regular communication and meeting opportunities. The Manager’s investor relations resource is responsible for delivering this programme. It typically includes:

- + An annual meeting
- + Investor open days
- + Periodic newsletters
- + Annual reports
- + Live webcasts of the interim and annual result presentations
- + Regular institutional investor and analyst meetings
- + National road show presentations
- + Investor briefings

The investor relations section of the website is the repository of important information about GMT and GMT Bond Issuer Limited. It includes, NZX releases, financial result and meeting presentations, reports and newsletters, and distribution histories. It also allows investors to view current prices and link to the Registrar to check their holding, update details and download forms.

Investors have the option of receiving communication in printed or electronic format and live webcasting is provided for the annual meeting and financial result presentations.

A dedicated toll-free investor line is also available for any investment related queries, 0800 000 656 (+64 9 375 6073 from outside New Zealand).

### Annual meeting of Unitholders

The Trust Deed requires an annual meeting of Unitholders every year. The Board encourages the participation of Unitholders at these meetings to ensure accountability and familiarity with the objectives of its investment strategy.

The next annual meeting is to be held on 8 July 2022.

Further details will be contained in the Notice of Meeting, which is expected to be distributed on or around 9 June 2022. This timing is consistent with the NZX requirement of being at least 28 days ahead of the meeting.

Voting on resolutions is done by poll and online proxy voting is provided for investors unable to attend. Unitholders have one vote per unit they hold.

## OTHER STATUTORY AND LISTING RULE DISCLOSURES

### NZX Waivers

NZX has granted waivers to GMT and GMT Bond Issuer Limited at various times, some of which have been relied upon by GMT and GMT Bond Issuer Limited during the year ended 31 March 2022.

### GMT

On 6 May 2019, NZX granted GMT waivers from various Listing Rules, set out below. GMT was granted waivers by the NZX from the equivalent provisions of the Listing Rules, which applied before 1 January 2020, in decisions dated 21 April 2005 and 18 October 2010.

1. NZX granted GMT waivers from various governance requirements in Listing Rules 2.2, 2.3, 2.4, 2.7 and 2.8 to the extent that these rules would apply to GMT's non-Independent Directors. As GMT is a managed investment scheme, the governance requirements and processes to be followed by issuers of Equity Securities (in receiving nominations and the appointment and duration of that appointment of a Director), are not readily applicable to GMT's governance structure. The effect of the waivers from Listing Rules 2.2, 2.3, 2.4, 2.7 and 2.8 is that the governance processes of the Board of the Manager remains consistent with how it was governed before the waivers were granted. The waivers from Listing Rules 2.2, 2.3, 2.4, 2.7 and 2.8 have been granted on the condition that GMT complies with those Listing Rules in respect of the Manager's Independent Directors, and GMT having a Non Standard (NS) designation in accordance with Listing Rule 1.18.1.
2. NZX granted GMT a waiver from Listing Rule 2.10 to the extent that Directors of the Manager are "interested" in transactions that the Manager is entering for the purposes of the day-to-day management of GMT, solely due to those Directors being a Director of the Manager. Without this waiver, the Directors of the Manager could be deemed to be "interested" in every decision relating to the investments by GMT due to the relationship between the Manager, GMT and Unitholders, with the Directors therefore unable to vote on these decisions. The waiver from Listing Rule 2.10 has been granted on the condition that any Director abstain from voting on any transactions entered into by the Manager on behalf of GMT with another entity in respect of which the Director would be otherwise "interested".
3. NZX granted GMT a waiver from Listing Rules 2.11 and 2.12. The effect of the waivers from Listing Rules 2.11 and 2.12 is that the remuneration of the Directors of the Manager is not required to be approved by Unitholders, as the remuneration is paid out of the fees the Manager is entitled to in relation to its role as manager of GMT under the Trust Deed, and which has been approved by Unitholders. The waivers from Listing Rules 2.11 and 2.12 are granted on the following conditions:
  - (a) all of the Manager's Directors' remuneration is paid directly from the income of the Manager
  - (b) the income of GMT cannot directly be applied in satisfaction of Directors' remuneration
  - (c) the Manager discloses in its annual report the income it has earned in respect of its management of GMT for the prior financial year.
4. NZX granted GMT a waiver from Listing Rule 2.20.1(a)(i) to the extent that this rule requires Rules 2.2.1 and 2.8.1 to be incorporated by reference into the Trust Deed of GMT, which GMT has been granted waivers from, discussed above. The effect of this waiver is to ensure there is consistency between the waivers granted and the contents of the Trust Deed.
5. NZX granted GMT a waiver from Listing Rule 4.2.2 permitting the issue of Units (on a perpetual basis) to the Manager as consideration for the Manager's performance fee ("Performance Fee Units") under the terms of the Trust Deed, without the annual approval of Unitholders. The waiver from Listing Rule 4.2.2 has been granted on the following conditions:
  - (a) that any Performance Fee Units would be issued to the Manager in accordance with the terms of the Trust Deed, as approved by Unitholders at GMT's annual meeting on 2 August 2011
  - (b) the terms and effect of this waiver are disclosed in any Offering Document distributed or registered in respect of an offer of Units during the period in which this waiver is relied upon
  - (c) the number and price of Performance Fee Units issued to the Manager is disclosed in each annual report during the period in which those Units are issued.



**GMT Bond Issuer Limited**

No waivers were relied upon during the period.

A complete copy of the waivers provided by NZX can be found at [www.nzx.com](http://www.nzx.com) under the GMT code.

**Summary of recent Trust Deed amendments**

During the period from 1 April 2021 to 31 March 2022, GMT's Trust Deed was not amended.

GMT's Trust Deed is available on the Corporate Governance section of the Goodman Property Trust Website at [www.goodman.com/nz](http://www.goodman.com/nz). It is also available on the Disclose Register accessible on the Companies Office website (<https://www.companiesoffice.govt.nz/disclose>).

**Register of Directors' holdings as at the Balance Date (to 31 March 2022)**

The table below shows all relevant interests of Directors in Units and Goodman+Bonds under the FMCA, which include legal and beneficial interests in Units.

Director	Units	Goodman+Bonds
Keith Smith (Chair) <sup>1</sup>	467,733	Nil
Laurissa Cooney	Nil	Nil
David Gibson <sup>2</sup>	127,579.54	Nil
Leonie Freeman <sup>3</sup>	173,750	Nil
Gregory Goodman	Nil	Nil
Phil Pryke	Nil	Nil
John Dakin <sup>4</sup>	2,249,288	Nil

<sup>1</sup> Keith holds a beneficial interest in 378,460 GMT units through The Selwyn Trust. He is also a trustee of that trust. Keith has an interest as a trustee only (i.e. no beneficial interest) in a further 89,273 units, through being trustee of The Gwendoline Trust.

<sup>2</sup> David holds 52,100 GMT units through Custodial Services Limited on behalf of the Rakino Trust of which he is a trustee and beneficiary. David Gibson has an interest in 75,479.54 GMT units held in a custodial account by Craigs Investment Partners Kiwisaver Account.

<sup>3</sup> Leonie holds her GMT units through the Wave Trust of which she is a trustee and beneficiary.

<sup>4</sup> John holds his units through the SGH Investment Trust of which he is a trustee and beneficiary.

**OTHER DISCLOSURES FOR GMT BOND ISSUER LIMITED****Interests register**

GMT Bond Issuer Limited is required to maintain an interests register in which the particulars of certain transactions and matters involving the Directors must be recorded. The interests register is available for inspection on request.

**Specific disclosures of interests**

During the financial period, GMT Bond Issuer Limited did not enter into any transactions in which its Directors had an interest. Accordingly, no disclosures of interest were made.

**Indemnity and insurance**

In accordance with section 162 of the Companies Act 1993 and its constitution, GMT Bond Issuer Limited has provided insurance for, and indemnities to, Directors for losses from actions undertaken in the course of their duties. The insurance includes indemnity costs and expenses incurred to defend an action that falls outside the scope of the indemnity. The cost of such insurance has been certified as fair by the Directors of GMT Bond Issuer Limited. Particulars have been entered in the interests register pursuant to section 162 of the Companies Act 1993.

**Use of company information by Directors**

No member of the Board issued a notice requesting to use information received in his or her capacity as a Director which would not have otherwise been available to that Director.

**Donations**

GMT Bond Issuer Limited did not make any donations during the financial period.

**Audit fees**

All audit fees and fees for other services provided by PricewaterhouseCoopers are paid by GMT.

**Directors' disclosure**

During the year ended 31 March 2022, Directors' disclosed interest or cessation of interest (indicated by (C)), in the following entities pursuant to section 140 of the Companies Act 1993.

**David Gibson**

Manawa Energy Limited  
(formerly Trustpower Limited (C))  
Freightways Limited (started 1 April 2022)

**Keith Smith**

Mercury NZ Limited (C)

# BOARD OF DIRECTORS



**Keith Smith**

Chair and Independent Director

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**John Dakin**

Chief Executive Officer and Executive Director

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**Leonie Freeman**

Independent Director

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**Gregory Goodman**

Non-executive Director

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**Laurissa Cooney**

Chair, Audit Committee  
and Independent Director

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**David Gibson**

Independent Director

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**Phillip Pryke**

Non-executive Director

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**Jonathan Simpson**

Head of Corporate Affairs



**Mandy Waldin**

Marketing Director



**James Spence**

Director – Investment Management



**John Dakin**

Chief Executive Officer and Executive Director



**Andy Eakin**

Chief Financial Officer



**Anton Shead**

General Counsel and Company Secretary



**Kimberley Richards**

Director – Investment Management  
and Capital Transactions



**Sophie Bowden**

Human Resources Business Partner



**Michael Gimblett**

General Manager – Development

# MANAGEMENT TEAM



# INVESTOR RELATIONS

## INTRODUCTION

Ensuring Unitholders and Bondholders are well informed and easily able to manage their investment is a key priority of the Manager's investor relations team. Regular meetings and communications, its website and a dedicated toll-free contact number provide investors with the means to make informed decisions.

## INVESTOR CENTRE

The website, [www.goodman.com/nz](http://www.goodman.com/nz), enables Unitholders and Bondholders to view information about their investment, check current prices and view publications and announcements.

## HELPLINE

The Manager has a dedicated toll-free number, 0800 000 656 (+64 9 375 6073 from outside New Zealand), which will connect Unitholders and Bondholders directly with the investor relations team who will assist with any queries.

## REGISTRAR

Computershare Investor Services Limited is the registrar with responsibility for administering and maintaining the Trust's Unit and Bond Registers.

If you have a question about the administration of your investment, Computershare can be contacted directly:

- + by phone, on their toll-free number 0800 359 999 (+64 9 488 8777 from outside New Zealand)
- + by email, to [enquiry@computershare.co.nz](mailto:enquiry@computershare.co.nz)
- + by mail, to Computershare Investor Services Limited, Private Bag 92119, Auckland 1142.

## COMPLAINTS PROCEDURE

As a financial service provider registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008, the Manager is a member of an approved dispute resolution scheme (registration number FSP36542).

Complaints may be made to the Manager or through the financial dispute resolution scheme.

Contact details of both are included in the corporate directory at the end of this document.

## TOP 20 UNITHOLDERS

As at 30 April 2022

Rank	Registered name	Holding balance	% of total issued units
1	Goodman Investment Holdings (NZ) Limited	345,971,371	24.76
2	HSBC Nominees (New Zealand) Limited	98,195,615	7.03
3	Accident Compensation Corporation	73,979,353	5.29
4	HSBC Nominees (New Zealand) Limited A/C State Street	67,422,637	4.83
5	FNZ Custodians Limited	63,567,886	4.55
6	JPMorgan Chase Bank NA NZ Branch – Segregated Clients Acct	57,855,379	4.14
7	Citibank Nominees (New Zealand) Limited	56,982,310	4.08
8	Custodial Services Limited	44,683,585	3.20
9	Tea Custodians Limited Client Property Trust Account	32,095,901	2.30
10	BNP Paribas Nominees (NZ) limited	30,198,084	2.16
11	ANZ Wholesale Trans-Tasman Property Securities Fund	29,151,397	2.09
12	New Zealand Depository Nominee Limited	26,809,298	1.92
13	Forsyth Barr Custodians Limited	25,005,628	1.79
14	Hobson Wealth Custodian Limited	21,994,161	1.57
15	HSBC Nominees A/C NZ Superannuation Fund Nominees Limited	15,342,050	1.10
16	Investment Custodial Services Limited	14,559,263	1.04
17	JBWere (NZ) Nominees Limited	14,035,638	1.00
18	ANZ Wholesale Property Securities	11,622,676	0.83
19	BNP Paribas Nominees (NZ) limited	11,034,217	0.79
20	Mint Nominees Limited	10,936,209	0.78
<b>Units held by top 20 Unitholders</b>		<b>1,051,442,658</b>	<b>75.25</b>
<b>Balance of Units held</b>		<b>345,860,680</b>	<b>24.75</b>
<b>Total of issued Units</b>		<b>1,397,303,338</b>	<b>100.00</b>

## UNITHOLDER DISTRIBUTION

As at 30 April 2022

Unitholding Range	Number of Unitholders	Number of Units
1 to 9,999	3,235	15,282,402
10,000 to 49,999	4,059	88,449,106
50,000 to 99,999	555	36,649,627
100,000 to 499,999	352	63,085,048
500,000 to 999,999	22	13,925,703
1,000,000 and above	29	1,179,911,452
<b>Total</b>	<b>8,252</b>	<b>1,397,303,338</b>

## SUBSTANTIAL UNITHOLDERS

As at 31 March 2022

It is a requirement of the Financial Markets Conduct Act 2013<sup>(1)</sup> that each listed issuer makes available the following information in its Annual Report.

Unitholder	Number of Units Held <sup>(2)</sup>
Goodman Investment Holdings (NZ) Limited	345,971,371 <sup>(3)</sup>
Goodman Limited	345,971,371 <sup>(3)</sup>
Accident Compensation Corporation	69,315,287

<sup>(1)</sup> The numbers of Units listed above are as at 31 March 2021 according to disclosures made under section 280(1)(b) of the Financial Markets Conduct Act 2013 and (prior to 1 December 2014) notices received under section 26 of the Securities Markets Act 1988. As these disclosures and notices are required to be filed only if the total holding of a Unitholder changes by 1% or more since the last notice filed, the numbers noted in this table may differ from those shown in the list of top 20 Unitholders. The list of top 20 Unitholders is shown as at 30 April 2022, rather than 31 March 2022.

<sup>(2)</sup> The total number of Units on issue as at 31 March 2022 was 1,397,303,338.

<sup>(3)</sup> Due to the breadth of the definition of "Substantial Product Holder" in the Financial Markets Conduct Act 2013 and the nature of Goodman Group's corporate structure, the list above requires Goodman Group's holding in GMT to be shown through multiple entities each holding differing (i.e. legal or beneficial) interests. The total holding of Goodman Group as at 31 March 2022 was 345,971,371 Units.

## BONDHOLDER DISTRIBUTION

As at 30 April 2022

GMB030	Number of Bondholders	Number of Bonds
1 to 9,999	164	918,000
10,000 to 49,999	531	9,071,000
50,000 to 99,999	63	3,789,000
100,000 to 499,999	20	3,395,000
500,000 to 999,999	5	3,414,000
1,000,000 and above	9	79,413,000
<b>Total</b>	<b>792</b>	<b>100,000,000</b>

GMB040	Number of Bondholders	Number of Bonds
1 to 9,999	14	91,000
10,000 to 49,999	116	2,254,000
50,000 to 99,999	21	1,286,000
100,000 to 499,999	17	3,385,000
500,000 to 999,999	7	4,115,000
1,000,000 and above	7	88,869,000
<b>Total</b>	<b>182</b>	<b>100,000,000</b>

GMB050	Number of Bondholders	Number of Bonds
1 to 9,999	28	149,000
10,000 to 49,999	157	2,891,000
50,000 to 99,999	16	981,000
100,000 to 499,999	14	2,435,000
500,000 to 999,999	5	3,366,000
1,000,000 and above	7	90,178,000
<b>Total</b>	<b>227</b>	<b>100,000,000</b>

GMB060	Number of Bondholders	Number of Bonds
1 to 9,999	42	232,000
10,000 to 49,999	234	5,091,000
50,000 to 99,999	37	2,264,000
100,000 to 499,999	29	5,472,000
500,000 to 999,999	2	1,385,000
1,000,000 and above	16	135,556,000
<b>Total</b>	<b>360</b>	<b>150,000,000</b>

# GLOSSARY

**\$ and cents**

New Zealand currency.

**Balance date**

31 March 2022.

**Board**

the Board of Directors of the Manager and GMT Bond Issuer Limited.

**Bondholder**

a person whose name is recorded in the register as a holder of a Goodman+Bond or Green Bond.

**Cash earnings**

Cash earnings is a non-GAAP measure that assesses free cash flow, on a per unit basis, after adjusting for certain items. Calculation of GMT's cash earnings is set out on page 48.

**CEO**

the Chief Executive Officer of the Manager.

**Chair**

the Chair of the Board of the Manager.

**Co-ownership Agreement**

the agreement of that name between the Manager, Goodman Property Aggregated Limited, the Trustee, Goodman Funds Management Limited as responsible entity of GIT, Tallina Pty Limited as trustee of Penrose Trust, and Trust Company Limited as custodian of Tallina Pty Limited, dated 1 April 2004 as amended by the Restructuring Agreement between the same parties dated 7 March 2005, relating to the buying, selling and holding of property by the Trust and Goodman Group in 50/50 shares.

**CPU or cpu**

cents per unit.

**Disclose Register**

the Disclose Register is a register for offers of financial products and managed investment schemes under the Financial Markets Conduct Act 2013.

**Director**

a director of the Manager and GMT Bond Issuer Limited.

**GIT**

Goodman Industrial Trust and its controlled entities, as the context requires.

**GL**

Goodman Limited and its controlled entities, as the context requires.

**GMB**

GMT Bond Issuer Limited, a wholly owned subsidiary of Goodman Property Trust.

**Goodman**

means Goodman (NZ) Limited as the Manager of the Trust.

**Goodman Group or GMG**

means GL, GIT and Goodman Logistics (HK) Limited, operating together as a stapled group. Where either GL, GIT or and Goodman Logistics (HK) Limited is party to a contract or agreement or responsible for an obligation or liability, without the other, all references to Goodman Group as concerns that contract, agreement or responsibility shall be to that party alone.

**Goodman+Bond, Green Bond or Bond**

a bond issued by GMB.

**GPSNZ**

Goodman Property Services (NZ) Limited.

**Independent Director**

has the meaning given to that term in the Listing Rules which, for the Manager are those persons listed on the following page.

**Listing Rules**

the Listing Rules of NZX from time to time and 'LR' is a reference to any of those rules.

**Loan to value ratio or LVR**

Loan to value ratio is a non-GAAP financial measure used to assess the strength of GMT's balance sheet. The calculation is set out in note 2.6 of GMT's financial statements.

**Management**

the senior executives of the Manager.

**Manager or GNZ**

the manager of the Trust, Goodman (NZ) Limited.

**NTA**

net tangible assets.

**NZ IFRS**

New Zealand equivalents to International Financial Reporting Standards.

**NZDX**

the New Zealand debt market operated by NZX.

**NZX**

means NZX Limited.

**NZX Code**

means the NZX Corporate Governance Code 2019.

**Operating earnings**

Operating earnings is a non-GAAP financial measure included to provide an assessment of the performance of GMT's principal operating activities. Calculation of operating earnings is as set out in GMT's Profit or Loss statement.

**Registrar**

the unit registrar for GMT and Goodman+Bond registrar for GMB which, at the date of this Annual Report, is Computershare Investor Services Limited.

**sqm**

square metres.

**Total Unitholder Return**

GMT's stock market performance including unit price appreciation and distributions paid.

**Trust Deed**

the GMT trust deed dated 23 April 1999, as amended from time to time.

**Trust or GMT**

Goodman Property Trust and its controlled entities, including GMB, as the context requires.

**Trustee**

the trustee of the Trust, Covenant Trustee Services Limited.

**Unitholder or unitholder**

any holder of a Unit whose name is recorded in the register.

**Unit or unit**

a unit in GMT.



## MANAGER OF GOODMAN PROPERTY TRUST

### **Goodman (NZ) Limited**

Level 2, 18 Viaduct Harbour Avenue  
Auckland 1010  
PO Box 90940  
Victoria Street West  
Auckland 1142  
Toll free: 0800 000 656  
(within New Zealand)  
Telephone: +64 9 375 6060  
(outside New Zealand)  
Email: info-nz@goodman.com  
Website: www.goodman.com/nz

## ISSUER OF GOODMAN+BONDS

### **GMT Bond Issuer Limited**

Level 2, 18 Viaduct Harbour Avenue  
Auckland 1010  
PO Box 90940  
Victoria Street West  
Auckland 1142  
Toll free: 0800 000 656 (within  
New Zealand)  
Telephone: +64 9 375 6060  
(outside New Zealand)  
Email: info-nz@goodman.com  
Website: www.goodman.com/nz

## COMPLAINT PROCEDURE

### **Financial Dispute Resolution Service**

Freepost 231075  
PO Box 2272  
Wellington 6140  
Toll free: 0508 337 337  
(within New Zealand)  
Telephone: +64 4 910 9952  
(outside New Zealand)  
Email: enquiries@fdr.org.nz

## AUDITOR

### **PricewaterhouseCoopers**

PwC Tower  
15 Customs Street West  
Auckland 1010  
Private Bag 92162  
Auckland  
Telephone: +64 9 355 8000  
Facsimile: +64 9 355 8001

## REGISTRAR

### **Computershare Investor Services Limited**

Level 2, 159 Hurstmere Road  
Takapuna  
Private Bag 92119  
Victoria Street West  
Auckland 1142  
Toll free: 0800 359 999  
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Facsimile: +64 9 488 8787  
Email: enquiry@computershare.co.nz

## LEGAL ADVISORS

### **Russell McVeagh**

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## BOND TRUSTEE

### **Public Trust**

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(within New Zealand)  
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## DIRECTORS OF GOODMAN (NZ) LIMITED AND GMT BOND ISSUER LIMITED

**Chair and Independent Director**  
Keith Smith

**Independent Directors**  
Laurissa Cooney  
Leonie Freeman  
David Gibson

**Executive Director**  
John Dakin

**Non-executive Directors**  
Gregory Goodman  
Phillip Pryke

## MANAGEMENT TEAM OF GOODMAN (NZ) LIMITED AND GMT BOND ISSUER LIMITED

**Chief Executive Officer**  
John Dakin

**Chief Financial Officer**  
Andy Eakin

**General Counsel and Company  
Secretary**  
Anton Shead

**Director Investment Management**  
James Spence

**General Manager Development**  
Michael Gimblett

**Director Investment Management  
and Capital Transactions**  
Kimberley Richards

**Head of Corporate Affairs**  
Jonathan Simpson

**Marketing Director**  
Mandy Waldin

**Human Resources Business Partner**  
Sophie Bowden



Ngā mihi

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