DSL, Westney Industry Park
The intermodal logistics specialist utilises automation and a sophisticated warehouse system to support its 3PL (third party logistics) services.

GOODMAN PROPERTY TRUST FINANCIAL STATEMENTS

For the year ended 31 March 2025

The Board of Goodman Property Services (NZ) Limited, the Manager of Goodman Property Trust, authorised these financial statements for issue on 28 May 2025. For and on behalf of the Board:

John Dakin Chair	**Laurissa Cooney** Chair, Audit Committee

CONTENTS

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

$ million	Note	2025	2024
Property income	1.1	277.9	244.1
Property expenses		(47.4)	(41.0)
Net property income		230.5	203.1
Interest cost	2.1	(64.9)	(47.3)
Interest income	2.1	0.8	0.6
Net interest cost		(64.1)	(46.7)
Net corporate costs	7	(10.9)	(20.8)
Share based payments expense	10	(1.2)	–
Operating earnings before other income / (expenses) and tax		**154.3**	**135.6**
Other income / (expenses)			
Movement in fair value of investment property	1.5	11.1	(478.4)
Movement in fair value of derivative financial instruments	6.1	(17.1)	(8.2)
Movement in fair value of pre-existing employee benefits		(13.7)	–
Transitional services		(1.1)	–
Internalisation transaction	4	-	(275.5)
Transaction costs	5	(2.6)	–
Profit / (loss) before tax		**130.9**	**(626.5)**
Tax expense	13	(21.3)	61.6
Profit / (loss) after tax		**109.6**	**(564.9)**
Other comprehensive income		–	–
Total comprehensive income / (loss) for the year attributable to unitholders		**109.6**	**(564.9)**

Cents	Note	2025	2024
Basic and diluted earnings per unit after tax	3.1	7.12	(40.21)

The above statement should be read in conjunction with the accompanying notes.

BALANCE SHEET

As at 31 March 2025

$ million	Note	2025	2024
Non-current assets			
Investment property	1.3	2,524.0	4,533.9
Other assets		–	1.9
Investment property contracted for sale		–	1.4
Derivative financial instruments	6.2	5.1	38.4
Property, plant and equipment		1.1	3.8
Tax receivable		6.9	6.9
Deferred tax assets	13.2	10.6	30.1
Related party assets	8	40.5	56.5
Total non-current assets		**2,588.2**	**4,672.9**
Investment properties held for sale	1.8	**2,165.1**	**–**
Current assets			
Cash		8.2	9.4
Derivative financial instruments	6.2	0.2	3.8
Debtors and other assets	11	6.7	9.1
Tax receivable		0.9	2.3
Related party assets	8	16.1	19.4
Total current assets		**32.1**	**44.0**
Total assets		**4,785.4**	**4,716.9**
Non-current liabilities			
Borrowings	2.2	1,132.8	1,157.1
Lease liabilities	2.5	126.0	65.4
Derivative financial instruments	6.2	14.3	6.8
Employee benefits liabilities	9	17.8	19.2
Total non-current liabilities		**1,290.9**	**1,248.5**
Current liabilities			
Borrowings	2.2	325.0	300.9
Creditors and other liabilities	12	38.9	48.2
Current tax payable		1.8	–
Lease liabilities	2.5	0.7	0.8
Derivative financial instruments	6.2	–	2.1
Employee benefits liabilities	9	17.1	17.3
Total current liabilities		**383.5**	**369.3**
Total liabilities		**1,674.4**	**1,617.8**
Net assets		**3,111.0**	**3,099.1**
Equity			
Units		1,955.0	1,955.0
Retained earnings		1,154.8	1,144.1
Employee compensation reserve	10	1.2	–
Total equity		**3,111.0**	**3,099.1**

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

$ million	Note	2025	2024
Cash flows from operating activities			
Property income received		275.9	242.2
Property expenses paid		(48.4)	(48.7)
Interest income received		0.8	0.6
Interest costs paid on borrowings		(56.3)	(43.5)
Interest costs paid on lease liabilities		(4.5)	(3.4)
Corporate costs paid		(7.6)	(22.4)
Net GST (paid) / received		2.3	0.3
Tax refund / (paid)		1.4	(10.0)
Transaction costs paid		(2.3)	–
Internalisation transaction costs paid		–	(3.0)
Net cash flows from operating activities	16	**161.3**	**112.1**
Cash flows from investing activities			
Proceeds from the sale of investment properties		1.4	–
Capital expenditure payments for investment properties		(80.1)	(191.0)
Holding costs capitalised to investment properties		(9.2)	(22.5)
Cash acquired on acquisition of subsidiary	4	–	1.5
Net cash flows from investing activities		**(87.9)**	**(212.0)**
Cash flows from financing activities			
Proceeds from borrowings		917.0	1,742.0
Repayments of borrowings		(877.7)	(1,553.0)
Units issue costs incurred		–	(0.4)
Settlement of derivative financial instruments		(15.0)	–
Distributions paid to unitholders		(98.9)	(85.9)
Net cash flows from financing activities		**(74.6)**	**102.7**
Net movement in cash		**(1.2)**	**2.8**
Cash at the beginning of the year		9.4	6.6
Cash at the end of the year		**8.2**	**9.4**

The above statement should be read in conjunction with the accompanying notes.

Goodman Property Trust Financial Statements 2025

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Note	Distribution per unit (cents)	Number of units (million)	Units ($ million)	Employee compensation reserve ($ million)	Retained earnings ($ million)	Total ($ million)
As at 1 April 2023			1,403.3	1,645.8	–	1,794.9	3,440.7
Total comprehensive loss for the year				–	–	(564.9)	(564.9)
Distributions paid to unitholders		6.125		–	–	(85.9)	(85.9)
Issue of units							
Internalisation transaction	4		135.5	309.6	–	–	309.6
Units issue costs incurred				(0.4)	–	–	(0.4)
As at 31 March 2024			**1,538.8**	**1,955.0**	**–**	**1,144.1**	**3,099.1**
Total comprehensive income for the year				–	–	109.6	109.6
Distributions paid to unitholders		6.425		–	–	(98.9)	(98.9)
Share based payment expense	10			–	1.2	–	1.2
As at 31 March 2025			**1,538.8**	**1,955.0**	**1.2**	**1,154.8**	**3,111.0**

The above statement should be read in conjunction with the accompanying notes.

Subsequent event

On 28 May 2025, a cash distribution of 1.625 cents per unit was declared with no imputation credits attached. The record date for the distribution is 6 June 2025 and payment will be made on 19 June 2025.

GENERAL INFORMATION

For the year ended 31 March 2025

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 Property Services (NZ) Limited ("GPS") 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, its subsidiaries and controlled entities (the "Group"). The subsidiaries include GMT Bond Issuer Limited, Goodman Property Aggregated Limited, Goodman Nominee (NZ) Limited, Highbrook Development Limited, Highbrook Business Park Limited, Highbrook Management Limited, Goodman (Highbrook) Limited and GMT NewCo Limited. The Trust has control over GPS, a wholly owned subsidiary of GMT Shareholder Nominee Limited (itself a subsidiary of Public Trust). Pursuant to a shareholding deed between GMT Shareholder Nominee Limited and Covenant Trustee Services Limited as trustee for Goodman Property Trust the shares in GPS are controlled by Covenant Trustee Services (NZ) Limited on behalf of GMT unitholders.

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 tier one entity for the purposes of complying with NZ GAAP. The financial statements comply with International Financial Reporting Standards Accounting Standards ("IFRS Accounting Standards").

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 Group 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)
+ Employee benefits liabilities (note 9)
+ Deferred tax (note 13.2)

Material 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 material 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 2024. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the financial statements. The Group has restated the comparatives for current and non-current lease liabilities, decreasing current lease liabilities by $3.2 million and increasing non-current lease liabilities by $3.2 million. This change has no impact on total liabilities or net assets.

New accounting standards now adopted

The Group has adopted the following new accounting pronouncements that are applicable to these financial statements.

+ Amendments to NZ IAS 1 Non-current Liabilities with Covenants – clarifies that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current.
+ Amendment to FRS 44 Disclosure of Fees for Audit Firms' Services – entities are required to disclose the fees incurred for services received from their audit or review firm, and a description of each service, using the specified categories.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

NZ IFRS 18 Presentation and Disclosure in Financial Statements

This standard becomes effective for reporting periods beginning on or after 1 January 2027. NZ IFRS 18 introduces new requirements on presentation within the statement of comprehensive income, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for the aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. Investment property

Property income is earned from investment property leased to customers.

1.1 Property income

$ million	2025	2024
Gross lease receipts	244.0	215.1
Service charge income	37.5	32.0
Straight–line rental adjustments	5.0	4.4
Amortisation of capitalised lease incentives	(8.6)	(7.4)
Property income	**277.9**	**244.1**

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. Straight-line rental adjustments are accounted for to achieve straight-line income recognition. Where lease incentives are provided to customers, the cost of incentives is amortised 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 year.

1.2 Future contracted gross lease receipts

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

$ million	2025	2024
Year 1	237.4	222.5
Year 2	214.4	210.6
Year 3	191.2	187.5
Year 4	162.0	167.5
Year 5	140.4	142.5
Year 6 and later	599.9	701.6
Total future contracted gross lease receipts	**1,545.3**	**1,632.2**

1. Investment property (continued)

1.3 Total investment property

This table details the total investment property value.

$ million	2025	2024
Core	1,818.9	3,669.8
Value–add	613.8	604.4
Total stabilised investment property	**2,432.7**	**4,274.2**
Investment property under development	91.3	259.7
Total investment property	**2,524.0**	**4,533.9**

Included within stabilised properties is a gross-up equivalent to lease liabilities of $125.8 million (2024: $63.6 million). Included within investment property under development is $13.3 million of land (2024: $86.7 million) and $78.0 million of developments (2024: $173.0 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

During the year ended 31 March 2025, three developments were completed and were independently valued at a total of $214.8 million.

During the year $2,152.8 million has been transferred out of 'core' to investment properties held for sale. Refer to note 1.8.

1. Investment property (continued)

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, who are all members of the New Zealand Institute of Valuers.

Fair value reflects the Board's assessment of highest and best use of each property at the end of the reporting period. If the Board's view of highest and best use has changed any impact on value will be assessed by independent valuations. Management reviews the valuations performed by the independent valuers for financial reporting purposes. Discussions of valuation processes and results are held between various combinations of 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 cash flows 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.

All investment property is categorised as level 3 in the fair value hierarchy. Refer to note 17.6 for details of the fair value hierarchy (applicable to all items measured at fair value) and the Group's transfer policy. During the year, there were no transfers of properties between levels of the fair value hierarchy.

1. Investment property (continued)

1.4 Valuation of investment property (continued)

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

		Weighted average valuation input value		Measurement sensitivity	
Key valuation input	Description	2025	2024	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.	6.0%	6.0%	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.	$186 psm	$197 psm	Increase	Decrease
Discount rate	The rate applied to future cash flows; it reflects transactional evidence from similar types of property assets. Used in the DCF method.	8.0%	8.0%	Decrease	Increase
Rental growth rate	The rate applied to the market rental over the 10-year cash flow projection. Used in the DCF method.	2.8% p.a.	2.9% p.a.	Increase	Decrease
Terminal capitalisation rate	The rate used to assess the terminal value of the property. Used in the DCF method.	6.2%	6.2%	Decrease	Increase

The market capitalisation rate is the main determinant of value in the valuation of investment property. The impact of a 0.5% increase in the market capitalisation rate from 6.0% to 6.5%, assuming all other valuation inputs remain unchanged, would be equivalent to a decrease of $91.3 million / 7.5% in the fair value of investment property. This impact excludes investment properties held for sale.

For the comparative 2024 year, the impact of a 0.5% increase in the market capitalisation rate from 6.0% to 6.5%, assuming all other valuation inputs remain unchanged, was equivalent to a decrease of $328.8 million / 7.3% in the fair value of investment property.

Land is valued based on recent comparable transactions, resulting in land values ranging between $184 psm and $650 psm (2024: between $194 psm and $650 psm).

1.5 Movement in fair value of investment property

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

$ million	Note	2025	2024
Stabilised properties	1.6	(1.6)	(452.6)
Investment property under development	1.7	0.4	(25.8)
Investment property held for sale	1.8	12.3	–
Total movement in fair value of investment property		**11.1**	**(478.4)**

1. Investment property (continued)

1.6 Stabilised properties

2025	Valuation 2024 ($ million)	Right of use asset ($ million)	Transfers in ($ million)	Net expenditure ($ million)	Transfers out ($ million)	Fair value movement ($ million)	Valuation 2025 ($ million)	Valuer	Net lettable area sqm	Weighted market cap rate	Occupancy	WALT years
Core	**3,669.8**	62.3	214.8	26.9	(2,152.8)	(2.1)	**1,818.9**	Colliers, JLL, Savills, Bayleys	520,066	5.9%	98%	6.7
Value-add	**604.4**	–	–	8.9	–	0.5	**613.8**	Colliers, JLL, Savills, Bayleys, CBRE	175,056	6.3%	97%	3.8
Total stabilised properties	**4,274.2**	**62.3**	**214.8**	**35.8**	**(2,152.8)**	**(1.6)**	**2,432.7**		**695,122**	**6.0%**	**98%**	**5.9**

Right of use asset reflects a gross-up equivalent to lease liability modifications.

Acquisitions reflects the purchase price and any associated transaction costs.

Transfers in represents the net book value transferred into a category during the year.

Net expenditure comprises capital expenditure, holding costs, straight-line rental adjustments, leasing incentives and leasing costs paid, less any amortisation of leasing incentives and leasing costs.

Fair value movement reflects the difference between the independent valuation and the net book value immediately prior to the valuation.

Transfers out represents the net book value transferred out to held for sale during the year.

2024	Valuation 2023 ($ million)	Right of use asset ($ million)	Acquisitions / transfers in ($ million)	Net expenditure ($ million)	Transfers out ($ million)	Fair value movement ($ million)	Valuation 2024 ($ million)	Valuer	Net lettable area sqm	Weighted market cap rate	Occupancy	WALT years
Core	**3,812.7**	(2.1)	369.2	32.8	(176.1)	(366.7)	**3,669.8**	Colliers, JLL, Savills, Bayleys	975,432	5.9%	100%	6.6
Value-add	**504.1**	–	176.1	10.1	–	(85.9)	**604.4**	Colliers, JLL, Savills, Bayleys, CBRE	177,114	6.3%	97%	4.2
Total stabilised properties	**4,316.8**	**(2.1)**	**545.3**	**42.9**	**(176.1)**	**(452.6)**	**4,274.2**		**1,152,546**	**6.0%**	**99%**	**6.0**

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 the Statement of Comprehensive Income.

Any gain or loss arising from a change in fair value is recognised in the Statement of Comprehensive Income.

When sold, the net gain or loss on disposal of stabilised property is included in the Statement of Comprehensive Income 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 that 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 the Group. 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.

1.1 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					
	Carrying value at start	Acquisitions	Net expenditure	Fair value movement	Transfers out	Carrying value at end
31 March 2025	**259.7**	–	46.0	0.4	(214.8)	**91.3**
31 March 2024	**474.4**	1.3	180.1	(25.8)	(370.3)	**259.7**

Included within investment property under development is $13.3 million of land held at fair value (2024: $86.7 million) and $78.0 million of developments under construction recorded at fair value (2024: $173.0 million).

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.

Employees costs are capitalised if they are directly attributable to the development of a property.

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 (adjusted for percentage of completion) in the same manner as stabilised properties.

Commenced developments held at the land transfer value plus subsequent capital expenditure are tested for impairment. An indication of impairment requires an assessment of the recoverable amount of the commenced development, with the full value of any applicable impairment immediately recognised.

Land is carried at fair value, independently valued at least annually, with any changes in valuation recognised in the Statement of Comprehensive Income.

1.8 Investment property held for sale

Investment property held for sale comprises "core" investment properties actively marketed for sale.

	$ million			
	Carrying value at start	Transfers in	Fair value movement	Carrying value at end
31 March 2025	**–**	2,152.8	12.3	**2,165.1**
31 March 2024	**–**	–	–	**–**

1.1 Investment property (continued)

1.8 Investment property held for sale (continued)

Accounting policies

Investment property is classified as held for sale if the property or group of properties is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and it is highly likely to be sold within one year.

The carrying value of the property is the proposed sale price or the most recent valuation if the investment property is not contracted for sale. Where the carrying value is the proposed sale price, the carrying value is adjusted for specific provisions made within the proposed sale agreement. Investment properties held for sale continue to be measured at fair value with assessment made as to whether the agreed selling price reflects fair value.

Subsequent events

In May 2025, GMT unconditionally contracted the sale of a core property in Albany, Auckland for $89.0 million with settlement expected to occur in July 2025.

In May 2025, GMT entered into conditional agreements to establish a new open-ended property fund to hold the $2.1 billion Highbrook Business Park estate. GMT will have a 72% ownership interest in the fund, with international investors acquiring 28%. The sale price for the estate is reflected in the held for sale asset value at 31 March 2025. The sale to and investment in the new fund are expected to settle by 30 September 2025.

2. Borrowings

2.1 Interest

$ million	2025	2024
Interest expense on borrowings	(62.7)	(56.9)
Interest expense on lease liabilities	(4.7)	(3.4)
Amortisation of borrowing costs	(6.7)	(6.0)
Borrowing costs capitalised [1]	9.2	19.0
Total interest cost	**(64.9)**	**(47.3)**
Interest income	0.8	0.6
Net interest cost	**(64.1)**	**(46.7)**

[1] Borrowing costs are capitalised at the weighted average cost of borrowing of 4.8% (2024: 4.8%). Borrowing costs of $0.7 million were capitalised to land (2024: $5.4 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	2025	2024
Current		
Bilateral bank facilities	325.0	–
Retail bonds	–	100.0
US Private Placement notes	–	200.9
Total current borrowings	**325.0**	**300.9**
Non–current		
Syndicated bank facilities	285.0	135.0
Bilateral bank facilities	150.0	475.0
Green retail bonds	150.0	150.0
Wholesale bonds	400.0	400.0
Wholesale green bonds	150.0	–
Total non–current	**1,135.0**	**1,160.0**
Unamortised borrowings establishment costs	(2.2)	(2.9)
Total non–current borrowings	**1,132.8**	**1,157.1**
Total borrowings	**1,457.8**	**1,458.0**

As at 31 March 2025, GMT has undrawn bank facilities of $405.0 million from which it expects to repay current maturities.

Accounting policies

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

Syndicated bank facilities drawn are considered non-current due to adequate undrawn capacity in the longer dated tranches, allowing these to be utilised to fund the amount drawn from short term tranches.

Significant transactions

In October 2024, GMT issued $150.0 million of wholesale green bonds, with a 5 year term expiring in October 2029, paying a fixed interest rate of 5.012%.

In October 2024, a $205.0 million tranche of the syndicated bank facilities, with a June 2025 expiry, was cancelled.

2. Borrowings (continued)

2.3 Composition of borrowings

2025	Date issued	Expiry	Weighted average remaining term (years)	Interest rate	$ million Drawn amount	Undrawn facility
Syndicated bank facilities	–	Jun 26 – Jun 28	2.1	Floating	285.0	305.0
Green bank facility – Bank of New Zealand	–	Dec 25	0.7	Floating	150.0	–
Bank facility – Commonwealth Bank of Australia	–	Mar 26	1.0	Floating	175.0	–
Green bank facility – Westpac New Zealand Limited	–	Dec 26	1.7	Floating	150.0	–
Bank facility – Bank of New Zealand	–	Jun 29	4.3	Floating	–	100.0
Green retail bonds – GMB060	Apr 22	Apr 27	2.0	4.740%	150.0	–
Wholesale bonds – 6 years	Dec 21	Dec 27	2.7	3.656%	200.0	–
Wholesale bonds – 8 years	Sep 20	Sep 28	3.4	2.262%	50.0	–
Wholesale bonds – 10 years	Sep 20	Sep 30	5.4	2.559%	150.0	–
Green wholesale bonds – 5 years	Oct 24	Oct 29	4.5	5.012%	150.0	–

2024	Date issued	Expiry	Weighted average remaining term (years)	Interest rate	$ million Drawn amount	Undrawn facility
Syndicated bank facilities	–	Jun 25 – Jun 28	2.6	Floating	135.0	660.0
Green bank facility – Bank of New Zealand	–	Dec 25	1.7	Floating	150.0	–
Bank facility – Commonwealth Bank of Australia	–	Mar 26	2.0	Floating	175.0	–
Green bank facility – Westpac New Zealand Limited	–	Dec 26	2.7	Floating	150.0	–
Bank facility – Bank of New Zealand	–	Jun 29	5.3	Floating	–	100.0
Retail bonds – GMB040	May 17	May 24	0.2	4.540%	100.0	–
Green retail bonds – GMB060	Apr 22	Apr 27	3.0	4.740%	150.0	–
Wholesale bonds – 6 years	Dec 21	Dec 27	3.7	3.656%	200.0	–
Wholesale bonds – 8 years	Sep 20	Sep 28	4.4	2.262%	50.0	–
Wholesale bonds – 10 years	Sep 20	Sep 30	6.4	2.559%	150.0	–
US Private Placement notes [1]	Jun 15	Jun 25	1.2	3.460%	US$40.0	–
US Private Placement notes [1]	Jun 15	Jun 27	3.2	3.560%	US$40.0	–
US Private Placement notes [1]	Jun 15	Jun 30	6.2	3.710%	US$40.0	–

1 The change in Manager of GMT triggered an option in the US Private Placement noteholder agreements, giving the noteholders the right to request early repayment. This resulted in the US Private Placement notes being classified as current borrowings at 31 March 2024, with all US Private Placement notes subsequently repaid.

As at 31 March 2025, $590.0 million of syndicated bank facilities were provided to the Group by Commonwealth Bank of Australia ($150.0 million), Westpac New Zealand Limited ($135.0 million), The Hongkong and Shanghai Banking Corporation Limited ($110.0 million), ANZ Bank New Zealand Limited ($100.0 million), Industrial and Commercial Bank of China Limited ($70.0 million) and Bank of New Zealand ($25.0 million). Additional bilateral facilities were provided to the Trust by Bank of New Zealand ($250.0 million), Commonwealth Bank of Australia ($175.0 million) and Westpac New Zealand Limited ($150.0 million).

2. Borrowings (continued)

2.3 Composition of borrowings (continued)

As at 31 March 2024, $795.0 million of syndicated bank facilities were provided to the Group by Westpac New Zealand Limited ($175.0 million), Commonwealth Bank of Australia ($150.0 million), The Hongkong and Shanghai Banking Corporation Limited ($150.0 million), ANZ Bank New Zealand Limited ($150.0 million), Industrial and Commercial Bank of China Limited ($95.0 million) and Bank of New Zealand ($75.0 million). Additional bilateral facilities were provided to the Trust by Bank of New Zealand ($250.0 million), Commonwealth Bank of Australia ($175.0 million) and Westpac New Zealand Limited ($150.0 million).

As at 31 March 2025, GMT's drawn borrowings had a weighted average remaining term of 2.5 years (2024: 3.2 years), with 48% being drawn from non-bank sources (2024: 57%). Calculation of the weighted average remaining term assumes syndicated bank facilities utilise the longest dated facilities.

2.4 Security and covenants

All borrowing facilities are secured on an equal ranking basis over the assets of the subsidiaries of Goodman Property Trust, excluding GPS. 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

	Investment properties		Office leases	
$ million	2025	2024	2025	2024
Opening balance	63.6	65.9	2.6	–
Changes in liability	62.3	(2.2)	(0.9)	–
Addition on acquisition of GPS	–	–	–	2.6
Interest expense on lease liabilities	4.6	3.4	0.1	–
Payments made	(4.8)	(3.7)	(0.9)	–
Amortisation of incentives received	0.1	0.2	–	–
Total lease liabilities	**125.8**	**63.6**	**0.9**	**2.6**

Key judgement

The lease liabilities are for perpetually renewable ground leases at Westney Industry Park for $125.7 million (2024: $63.5 million) and The Gate Industry Park for $0.1 million (2024: $0.1 million). The calculation of the lease liabilities assumes lease terms of between 60 and 63 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 7.8%. For the year ended 31 March 2025, there were two properties at Westney Industry Park which have ground lease renewals with associated market rent reviews (both in January 2025), one of which has yet to be agreed. For the purposes of these financial statements, an estimated implied land rate has been used as the basis for the calculation of the lease liability relating to that property. This rate is the midpoint between the rate;

— per the independent valuation advice obtained by the Group, and;

— the rate as served by the lessor of the property for which the review has yet to be agreed.

Sensitivities as applied to either option above would result in a change to the value of the lease liabilities being +/-$15.7 million. For the year ended 31 March 2025, the two ground lease renewals have resulted in an increase to lease liabilities of $62.4 million.

The Group has an operating lease for its offices at 18 Viaduct Harbour Avenue, Auckland. The Group has recognised right of use assets ($0.4 million included within plant, property and equipment) and corresponding lease liabilities in relation to these leases (2024: $2.2 million). The 18 Viaduct Harbour Avenue lease assumes a lease term of 0.5 years with an incremental borrowing rate of 3.5%.

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 the Group'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	2025	2024
Total borrowings	1,457.8	1,458.0
US Private Placement notes – foreign exchange translation impact	–	(40.2)
Cash	(8.2)	(9.4)
Investment property contracted for sale	–	(1.4)
Borrowings for LVR calculation	**1,449.6**	**1,407.0**
Investment property	2,524.0	4,533.9
Investment property held for sale	2,165.1	–
Lease liabilities	(125.8)	(66.2)
Assets for LVR calculation	**4,563.3**	**4,467.7**
Loan to value ratio %	**31.8%**	**31.5%**

2. Borrowings (continued)

2.7 Net debt reconciliation

The table below details the movements in net debt during the year.

$ million	Bank Facilities	Green retail bonds	Retail bonds	Green wholesale bonds	Wholesale bonds	US Private Placement notes	Unamortised costs	Total borrowings	Lease liabilities	Less: Cash	Net debt
As at 1 April 2024	610.0	150.0	100.0	–	400.0	200.9	(2.9)	**1,458.0**	66.2	**(9.4)**	**1,514.8**
Proceeds from borrowings	767.0	–	–	150.0	–	–	–	**917.0**	–	**–**	**917.0**
Repayments from borrowings	(617.0)	–	(100.0)	–	–	(160.7)	–	**(877.7)**	–	**–**	**(877.7)**
Changes in fair value – foreign exchange translation impact	–	–	–	–	–	(40.2)	–	**(40.2)**	–	**–**	**(40.2)**
Other	–	–	–	–	–	–	0.7	**0.7**	59.6	**1.2**	**61.5**
As at 31 March 2025	**760.0**	**150.0**	**–**	**150.0**	**400.0**	**–**	**(2.2)**	**1,457.8**	**125.8**	**(8.2)**	**1,575.4**

$ million	Bank Facilities	Green retail bonds	Retail bonds	Wholesale bonds	US Private Placement notes	Unamortised costs	Total borrowings	Lease liabilities	Less: Cash	Net debt
As at 1 April 2023	321.0	150.0	200.0	400.0	191.7	(3.6)	**1,259.1**	65.9	**(6.6)**	**1,318.4**
Proceeds from borrowings	1,742.0	–	–	–	–	–	**1,742.0**	–	**–**	**1,742.0**
Repayments from borrowings	(1,453.0)	–	(100.0)	–	–	–	**(1,553.0)**	–	**–**	**(1,553.0)**
Changes in fair value – foreign exchange translation impact	–	–	–	–	9.2	–	**9.2**	–	**–**	**9.2**
Other	–	–	–	–	–	0.7	**0.7**	0.3	**(2.8)**	**(1.8)**
As at 31 March 2024	**610.0**	**150.0**	**100.0**	**400.0**	**200.9**	**(2.9)**	**1,458.0**	**66.2**	**(9.4)**	**1,514.8**

3. Earnings per unit and net tangible assets

3.1 Earnings per unit

Earnings per unit measures are calculated as loss 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 the Statement of Comprehensive Income.

$ million	2025	2024
Operating earnings before other income / (expenses) and tax	154.3	135.6
Current tax on operating earnings	(29.3)	(14.2)
Operating earnings after tax	**125.0**	**121.4**

	Weighted units	
Million	2025	2024
Weighted units	1,538.8	1,404.7

cents per unit	2025	2024
Operating earnings per unit before tax	10.03	9.65
Operating earnings per unit after tax	8.12	8.64
Basic and diluted profit / (loss) per unit after tax	7.12	(40.21)

3. Earnings per unit and net tangible assets (continued)

3.2 Net tangible assets

Diluted units, comprising issued units plus deferred units not yet issued, are used to calculate net tangible assets (NTA) per unit. This non-GAAP financial measure may not be consistent with its calculation by other similar entities.

	Diluted units	
Million	2025	2024
Issued units	1,538.8	1,538.8
Diluted units	**1,538.8**	**1,538.8**

	2025	2024
Net tangible assets[1] ($ million)	3,111.0	3,099.1
Net tangible assets per unit (cents)	202.2	201.4

[1] Net tangible assets comprise net assets as disclosed on the face of GMT's Balance sheet.

4. Internalisation transaction

On 28 March 2024 the Trust settled the termination of its management arrangement with Goodman Group. The Trust entered into contracts for $272.4 million with Goodman Group for GNZ agreeing to relinquish its rights under the existing management arrangements as well as for the shares in Goodman Property Services (NZ) Limited ("GPS") and the provision of co-operation and services arrangements following settlement of the internalisation. These contracts comprised $250.0 million for the termination of the management arrangements between GMT and GNZ, $11.3 million for the termination of the current property and development management agreements between GMT and GPS and $11.2 million for co-operation services to be provided by Goodman Group to GMT.

The contract agreed that $17.6 million in aggregate was provided to Goodman Group in consideration for the sale to GMT of Goodman Group's interest in co-owned investment properties, the net tangible assets of GPS and in lieu of any performance fee that may be payable to GNZ for the period from 1 April 2023 until settlement of the internalisation under the terms of the Trust Deed. There will be no obligation for GMT to pay GNZ performance fees relating to historical out-performance that would be carried forward (see note 14). As part of their employment contracts, GPS employees are entitled to participate in certain long-term incentive plans. As part of the transaction, Goodman Group has indemnified GMT for any future long term incentive plan ("LTIP") costs in relation to LTIP schemes in existence on internalisation of GMT until such time as the awards vest.

To facilitate the settlement of the internalisation and related transactions, Goodman Industrial Trust subscribed for $290.0 million of Units at a fixed price of $2.14 per unit. The price was determined on the basis of the higher of the net tangible assets per Unit (taking account of preliminary 31 March 2024 valuations) or the 5-day volume-weighted average price up to 20 February 2024. The Unit subscription was approved at a meeting of Unitholders on 26 March 2024. This is the acquisition date as the Unitholder approval is the key determinant to the effecting of the internalisation transaction. The movement in unit price from 20 February 2024 to 26 March 2024 results in a total fair value of consideration to be equal to $2.285 per unit or $309.6 million. The transaction has been accounted for as an exchange of equity and for accounting the total consideration transferred has been reflected as the fair value of the equity instruments on the date of the transaction.

The table below summarises the transaction as agreed against the reported position.

$ million	Transaction price as agreed[1]	Reported transaction price[2]	Transaction expense in profit or loss
Surrender and termination of GNZ's management rights of GMT	250.0	250.0	250.0
Payment to GNZ in lieu of Manager's performance fee	14.7	14.7	14.7
Co-operation Services Agreement	11.2	11.2	–
Company secretarial services provided by GMT to GMG	(0.1)	(0.1)	–
Licence to use Goodman brand	–	–	–
Acquisition of GPS management rights	11.3	2.4	2.4
Acquisition of GPS net assets	1.3	1.3	–
GMT acquisition of remaining co-owned property interests	1.6	1.6	–
Pre-existing employee benefits	–	28.5	–
Transaction costs	–	–	8.4
Total	**290.0**	**309.6**	**275.5**

[1] As agreed on 20 February 2024.

[2] At fair value as of 26 March 2024.

4. Internalisation transaction (continued)

Acquisition of Goodman Property Services (NZ) Limited
Prior to the internalisation of GMT, GPS provided property management, development management and related services to GNZ as Manager of the Trust. As a result of the internalisation transactions, GMT acquired 100% control in the equity interests of GPS in exchange for GMT units subscribed by Goodman Group with settlement occurring on 28 March 2024. GPS is now the Manager of Goodman Property Trust and provides services directly to the Trust on a cost recovery basis.

Judgement was involved in determining whether some or all of these transactions met the definition of a business combination. It has been determined that the acquisition of GPS was a business combination.

The agreement for sale and purchase of shares in GPS between Goodman Limited and GMT included a clause in regard to an indemnity provided by Goodman Limited to GMT for the pre-existing LTIP schemes. This clause creates assets acquired at fair value being:

+ An indemnification asset relating to the past service component of these schemes, the value of which is equal to the LTIP liabilities recognised at acquisition date (see below).
+ A prepayment asset of $28.5 million for the years remaining on the LTIP schemes which is a component of the total consideration paid, being the future service element (see previous page).

The following table summarises the amounts of the fair value of the assets acquired, and liabilities assumed at the date of acquisition:

$ million	2024
Cash	1.5
Other assets	0.1
Indemnification assets	35.6
Property, plant & equipment	1.6
Deferred tax assets	0.2
Right-of-use assets	2.7
Lease liabilities	(3.1)
Employee entitlements	(36.0)
Other liabilities	(1.3)
Net identifiable assets acquired	**1.3**
Purchase consideration transferred	**1.3**

5. Transaction costs

Transaction costs relate to costs incurred in relation to the establishment of the new Highbrook fund and other transactions.

6. Derivative financial instruments

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

6.1 Movement in fair value of financial instruments

$ million	2025	2024
Interest rate derivatives	(15.9)	(6.6)
Cross currency interest rate derivatives relating to US Private Placement notes	(41.4)	7.6
Total movement in fair value of derivative financial instruments	**(57.3)**	**1.0**
Foreign exchange rate movement on US Private Placement notes	40.2	(9.2)
Total movement in fair value of financial instruments	**(17.1)**	**(8.2)**

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 the Statement of Comprehensive Income. The Group 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 the 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 2025 of between 3.61% for the 90-day BKBM and 4.10% for the 10-year swap rate (2024: 5.64% for the 90-day BKBM and 4.37% 10-year swap rate). There were no changes to these valuation techniques during the year.

6.2 Derivative financial instruments

$ million	2025	2024
Cross currency interest rate derivatives		
Non–current assets	–	26.4
Interest rate derivatives		
Non–current assets	5.1	12.0
Current assets	0.2	3.8
Non–current liabilities	(14.3)	(6.8)
Current liabilities	–	(2.1)
Net derivative financial instruments	**(9.0)**	**33.3**

6. Derivative financial instruments (continued)

6.3 Additional derivative information

	2025	2024
Cross currency interest rate derivatives		
Notional contract value as fixed rate receiver ($ million)	–	160.7
Percentage of US Private Placement notes borrowings converted to floating rate NZD payments	–	100%
Weighted average term to maturity (years)	–	3.5
Interest rate derivatives		
Notional contract value as fixed rate payer ($ million)	610.0	610.0
Interest rate range as fixed rate payer	0.4% – 5.0%	0.4% – 5.0%
Notional contract value as fixed rate receiver ($ million)	100.0	200.0
Weighted average term to maturity of borrowings fixed, including bonds (years)	3.6	4.1
Percentage of borrowings fixed, including bonds	83%	75%

7. Net corporate costs

Net corporate costs are incurred to manage the operational activity of the Group.

$ million	2025	2024
Manager's base fee	–	(17.2)
Salaries and other short–term benefits	(13.4)	–
Other administrative expenses	(8.6)	(3.6)
Less: Costs recognised in property expenses	6.8	–
Less: Costs recognised in transaction costs	1.4	–
Less: Costs capitalised to properties being developed	2.9	–
Net corporate costs	**(10.9)**	**(20.8)**

Fees paid to auditor

$ million	2025	2024
Audit and review of financial statements[1]	(0.7)	(0.8)
Audit or review related services		
Agreed upon procedures	–	–
Other assurance services and agreed–upon procedures engagements		
Climate and sustainability report related services	(0.2)	–
Other agreed upon procedures	–	–
Other services		
Provision of remuneration benchmarking data	(0.1)	–
Total fees paid to auditor	**(1.0)**	**(0.8)**

[1] The 2024 value includes scope changes for costs relating to the internalisation transaction of $0.3 million, which have been classified within internalisation transaction costs.

7. Net corporate costs (continued)

Other assurance services and agreed-upon procedures engagements	Fees for other assurance related services of $157,000 comprise agreed upon procedures on the operational emissions assurance and sustainability gap analysis in relation to climate reporting and assurance in regard to the use of proceeds for the Group's green lending arrangements (2024: $15,250 comprise scrutineering fees on the special meeting of unitholders).
Audit or review related services	Fees for audit or review related services of $14,800 comprise agreed upon procedures on the financial covenants of the bank facilities, agreed upon procedures on the NTA of GPS, and reporting to the supervisor of GMT Bond Issuer Limited (2024: $14,100 comprise agreed upon procedures on the financial covenants of the bank facilities, agreed upon procedures on the NTA of GPS and reporting to the supervisor of GMT Bond Issuer Limited).
Other services	Fees for other services comprise $74,000 for the provision of remuneration benchmarking data (2024: nil).

8. Related party assets

Goodman Group has indemnified the Trust for the settlement of the existing long-term incentive plan that GPS staff are entitled to (the 'pre-existing GMG LTIP' and the 'pre-existing GNZ LTIP'). All costs and liabilities owing to the employees relating to awards granted before settlement of the internalisation will be met by Goodman Group.

$ million	2025	2024
Current		
Co-operation Services Agreement	1.1	1.1
Indemnification assets	9.5	14.2
Prepayment assets	5.5	1.3
Other related party assets	–	2.8
Total current related party assets	**16.1**	**19.4**
Non-current		
Co-operation Services Agreement	9.0	10.0
Indemnification assets	9.7	19.3
Prepayment assets	21.8	27.2
Total non-current related party assets	**40.5**	**56.5**
Total related party assets	**56.6**	**75.9**

Accounting policies

The Co-operation Services Agreement with Goodman Group is initially recognised at fair value and subsequently measured at amortised cost (over an initial 10-year amortisation period).

The indemnification assets are recognised as part of the business combination in relation to the past service component of the pre-existing LTIPs (see note 4). The value of the indemnification assets is therefore equal to the pre-existing LTIP liabilities recognised at acquisition date and is subsequently measured on the same basis as the corresponding LTIP liability (see note 9) with the movements recognised through the Statement of Comprehensive Income.

Prepayment assets are recognised for the years remaining on the pre-existing LTIP schemes in relation to the component of the total consideration paid, being the future service element. As part of the internalisation transaction, a prepayment has been recognised in return for Goodman Limited assuming the liability for the pre-existing LTIPs for which GPS receives the benefit of the future service from the employees. This asset is initially recognised at cost, being the fair value at the date of settlement and subsequently measured at cost less impairment over the term of the prepayment.

Goodman Property Trust Financial Statements 2025

9. Employee benefits liabilities

The pre-existing GMG LTIP employee benefit expense relates to performance rights previously awarded to employees under the Goodman Group ("GMG") long-term incentive plan ("LTIP"). All full-time and part-time permanent employees were eligible to participate. The performance rights entitle an employee to acquire GMG stapled securities for nil consideration, subject to the vesting conditions having been satisfied. At vesting, settlement will be made directly by GMG with no additional financial impact to the Group than the value attributed to the indemnification asset. The future performance and settlement of this award is a responsibility of GMG until the vesting conditions around the service period cease.

The pre-existing Goodman NZ ("GNZ") LTIP share based payments expense relates to performance rights previously awarded to employees under the GNZ LTIP. All full-time and part-time permanent employees were eligible to participate. The performance rights entitle an employee to acquire GMT units for nil consideration, subject to the vesting conditions having been satisfied. These rights are vested subject to meeting performance hurdles based on the achievement of operating earnings targets by GMT and the relevant total unitholder return from holding GMT units compared to other New Zealand Stock Exchange ("NZX") property vehicles. At vesting, settlement will be made by a cash payment equivalent to the value of units, with the financial impact to the Group to be reimbursed by GMG as per the terms of the sale of the GPS to GMT.

$ million	2025	2024
Current		
Employee entitlements	3.4	3.2
Employee benefits liabilities – pre-existing GMG LTIP	8.4	8.9
Employee benefits liabilities – pre-existing GNZ LTIP	5.3	5.2
Total current employee benefits liabilities	**17.1**	**17.3**
Non-current		
Employee benefits liabilities – pre-existing GMG LTIP	10.5	11.1
Employee benefits liabilities – pre-existing GNZ LTIP	7.3	8.1
Total non-current employee benefits liabilities	**17.8**	**19.2**
Total employee benefits liabilities	**34.9**	**36.5**

Accounting policies

Employee entitlements are initially recognised at fair value and subsequently measured at amortised cost. Items recorded as current are expected to be settled within the next twelve months.

The Trust has recognised an employee benefit expense in relation to the pre-existing GMG LTIP and a cash-settled share-based payment in relation to the pre-existing GNZ LTIP.

The pre-existing GMG LTIP performance rights are settled directly between GMG and employees. This is calculated over the period to the vesting date and is adjusted to reflect the actual number of rights for which the related service and non-market vesting conditions are expected to be met. The liability recognised is remeasured at each balance date using the GMG market price and AUD/NZD exchange rate, with the movement in liability recorded through the Statement of Comprehensive Income.

The pre-existing GNZ LTIP performance rights is calculated over the period to the vesting date and is adjusted to reflect the actual number of rights for which the related service and non-market vesting conditions are expected to be met. The liability recognised is remeasured at each balance date using the GMT market price, with the movement in liability recorded through the Statement of Comprehensive Income.

9. Employee benefits liabilities (continued)

Key judgement

The fair value of services received in return for performance rights granted under the LTIP is measured by reference to the fair value of the performance rights granted. The fair value of these pre-existing LTIP performance rights is measured as follows:

+ Operating earnings per share (EPS) hurdles: are assessed using Management's estimates of achieving these targets. These estimates are based on information regarding the expected performance for GMG as publicly reported and are consistent with the valuation approach taken by GMG for recognition of LTIPs in its financial statements or based on internal forecast information in the business plan for GMT as presented to the Board, both risk adjusted for the passage of time.
+ Relative total shareholder return (TSR) tranches: these rights were valued using a Monte Carlo model which simulated total returns for each of the ASX 100 stocks / NZX Property vehicle stocks and discounted the future value of any potential future vesting performance rights to arrive at a present value. The model uses statistical analysis to forecast total returns, based on expected parameters of variance and co-variance.

The movement in the number of performance rights in the current year is as follows:

Number of rights	Pre-existing GMG LTIP 2025	Pre-existing GMG LTIP 2024	Pre-existing GNZ LTIP 2025	Pre-existing GNZ LTIP 2024
Outstanding at the beginning of the year	1,489,601	–	14,021,851	–
Acquired on acquisition of subsidiary	–	1,489,601	–	14,021,851
Vested	(295,029)	–	(2,454,911)	–
Cancelled	(4,692)	–	(45,421)	–
Outstanding at the end of the year	**1,189,880**	**1,489,601**	**11,521,519**	**14,021,851**

The model inputs for the remeasurement of the pre-existing GMG LTIPs at 31 March 2025 includes the following:

	Rights issued in FY24	Rights issued in FY23	Rights issued in FY22	Rights issued in FY21
Fair value at measurement date ($)	18.28	17.22	31.27	31.27
Security price ($)	31.27	31.27	31.27	31.27
Exercise price ($)	–	–	–	–
Expected volatility (%)	27.01	27.46	–	–
Rights' expected weighted average life (years)	2.4	1.4	0.4	–
Dividend/distribution yield per annum (%)	–	–	–	–
NZD/AUD exchange rate	1.10	1.10	1.10	1.10
Average risk free rate of interest per annum (%)	3.80	4.01	–	–

The model inputs for the remeasurement of the pre-existing GNZ LTIPs at 31 March 2025 includes the following:

	Rights issued in FY24	Rights issued in FY23	Rights issued in FY22	Rights issued in FY21
Fair value at measurement date ($)	0.61	1.87	1.87	1.87
Security price ($)	1.87	1.87	1.87	1.87
Exercise price ($)	–	–	–	–
Expected volatility (%)	13.99	–	–	–
Rights' expected weighted average life (years)	2.2	1.2	0.2	–
Dividend/distribution yield per annum (%)	3.75	–	–	–
Average risk free rate of interest per annum (%)	3.50	–	–	–

Goodman Property Trust Financial Statements 2025

9. Employee benefits liabilities (continued)

The model inputs for the remeasurement of the pre-existing GMG LTIPs at 31 March 2024 included the following:

	Rights issued in FY24	Rights issued in FY23	Rights issued in FY22	Rights issued in FY21	Rights issued in FY20
Fair value at measurement date ($)	28.38	28.51	16.84	36.85	36.85
Security price ($)	36.85	36.85	36.85	36.85	36.85
Exercise price ($)	–	–	–	–	–
Expected volatility (%)	29.32	24.07	27.17	–	–
Rights' expected weighted average life (years)	3.4	2.4	1.4	0.9	0.4
Dividend/distribution yield per annum (%)	–	–	–	–	–
NZD/AUD exchange rate	1.09	1.09	1.09	1.09	1.09
Average risk free rate of interest per annum (%)	4.28	3.88	4.22	–	–

The model inputs for the remeasurement of the pre-existing GNZ LTIPs at 31 March 2024 included the following:

	Rights issued in FY24	Rights issued in FY23	Rights issued in FY22	Rights issued in FY21	Rights issued in FY20
Fair value at measurement date ($)	1.43	2.02	2.28	2.28	2.28
Security price ($)	2.28	2.28	2.28	2.28	2.28
Exercise price ($)	–	–	–	–	–
Expected volatility (%)	16.83	14.61	–	–	–
Rights' expected weighted average life (years)	3.2	2.2	1.2	0.7	0.2
Dividend/distribution yield per annum (%)	3.07	3.00	–	–	–
Average risk free rate of interest per annum (%)	4.55	5.17	–	–	–

10. Employee compensation reserve

GMT Long-term incentive plan (Equity settled)

During the year, the Group implemented a new long-term incentive plan. This equity settled scheme offers share rights to all permanent employees, with vesting determined at the end of a 3-year vesting period. Vesting is subject to the achievement of certain financial hurdles set by the Board and included in the annual offer of participation to employees. Once it has been determined how many performance rights have vested, each performance right will convert to one fully paid ordinary unit, vesting into three equally sized tranches after three, four and five years from 1 June 2024.

The key terms and conditions related to the units under the GMT LTIP are as follows:

+ The units are granted for nil consideration and have a nil exercise price.
+ The participant must remain an employee of the Group as at the relevant vesting date for each tranche of units.
+ The vesting conditions include performance hurdles that must be met over a three-year testing period, with vesting in equal tranches, annually, from the end of year three to the end of year five.
  - Relative Total Unitholder Return ("TUR") – 25% weighting. The 2024 grant will be tested against the relative TUR for GMT compared with the total Shareholder/ Unitholder returns of participants of the S&P/NZX50 and GMT's cash earnings per unit ('EPU') over the three-year performance testing period to March 2027.
  - Cash Earnings Per Unit ("EPU") – 75% weighting. The EPU portion of the 2024 grant aligns with annualised cash earnings growth targets for GMT which have been set between 5% and 7% compound annual growth rate within a three year period.

10. Employee compensation reserve (continued)

Accounting policies

The performance rights are measured at fair value at the grant date and expensed with a corresponding increase in equity over the period during which the participant becomes unconditionally entitled to the units, based on an estimate of units that will eventually vest. The fair value of the performance rights which are vested and the corresponding units which are issued are transferred from the 'employee compensation reserve' to 'units' upon issue of the units.

Key judgement

The fair value of services received in return for performance rights granted under the LTIP is measured by reference to the fair value of the performance rights granted. The fair value of these LTIP performance rights was measured as follows:

+ EPU hurdles: are assessed using Management's estimates of achieving these targets. These estimates are based on internal forecast information in the business plan for GMT as presented to the Board, both risk adjusted for the passage of time.
+ Relative Total Unitholder Return tranches: these rights were valued using a Monte Carlo model which simulated total returns for each of the NZX50 stocks and discounted the future value of any potential future vesting performance rights to arrive at a present value. The model uses statistical analysis to forecast total returns, based on expected parameters of variance and co-variance.

The movement in the number of performance rights was as follows:

Number of rights	GMT LTIP 2025
Granted	10,114,440
Cancelled	–
Outstanding at the end of the year	**10,114,440**

The model inputs for the GMT LTIPs at issuance date included the following:

	Rights issued in FY25
Fair value at measurement date	0.81
Security price	2.05
Exercise price ($)	–
Expected volatility	16.58
Rights' expected weighted average life (years)	3.2
Distribution yield per annum	3.84
Average risk free rate of interest per annum	3.76

11. Debtors and other assets

$ million	2025	2024
Debtors	0.5	1.5
Prepayments	2.5	1.9
Interest receivable	2.9	5.6
Other assets	0.8	0.1
Total debtors and other assets	**6.7**	**9.1**

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 the Group will be unable to collect amounts due. The simplified approach to providing for expected credit losses 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.

12. Creditors and other liabilities

$ million	2025	2024
Creditors	1.9	0.4
Interest payable	13.1	12.6
Accrued capital expenditure	12.8	20.0
Other liabilities	11.1	15.2
Total creditors and other liabilities	**38.9**	**48.2**

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.

13. Tax

13.1 Tax expense

$ million	2025	2024
Profit / (loss) before tax	130.9	(626.5)
Tax at 28%	(36.7)	175.4
Depreciation of investment property	8.5	12.7
Movement in fair value of investment property	3.1	(133.9)
Movement in fair value of pre–existing employee benefits	(3.8)	–
Share based payments expense	(0.3)	–
Deductible net expenditure for investment property	4.1	9.3
Derivative financial instruments	(4.5)	(2.1)
Transaction costs	(0.6)	–
Internalisation transaction	–	(77.0)
Change in tax depreciation method	–	1.1
Prior period adjustments	0.9	0.3
Current tax on operating earnings	**(29.3)**	**(14.2)**
Internalisation transaction	–	15.7
Derivative financial instruments	4.2	–
Current tax on non–operating earnings	**4.2**	**15.7**
Tax loss utilised	23.3	–
Total current tax	**(1.8)**	**1.5**
Depreciation of investment property	(8.5)	(12.7)
Reduction of liability in respect of depreciation recovery income	9.4	13.5
Deferred expenses	(1.2)	(3.0)
Derivative financial instruments	0.3	2.1
Borrowing issue costs	–	0.1
Employee benefits liabilities	3.8	–
Tax losses	(23.3)	60.1
Deferred tax	**(19.5)**	**60.1**
Total tax expense	**(21.3)**	**61.6**

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.

Goodman Property Trust Financial Statements 2025

13. Tax (continued)

Accounting policies

Tax expense for the year comprises current and deferred tax recognised in the Statement of Comprehensive Income.

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.

13.2 Deferred tax

$ million	2025	2024
Deferred tax assets		
Tax losses	36.8	60.1
Employee compensation reserve	0.2	–
Employee benefits liabilities	9.5	9.3
Total deferred tax assets	**46.5**	**69.4**
Deferred tax liabilities		
Investment properties – depreciation recoverable	(17.0)	(17.9)
Investment properties – deferred expenses	(15.5)	(14.3)
Derivative financial instruments	2.6	2.3
Borrowings issue costs	(0.1)	(0.1)
Indemnification assets	(5.9)	(9.3)
Total deferred tax liabilities	**(35.9)**	**(39.3)**
Net deferred tax assets / (liabilities)	**10.6**	**30.1**

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.

14. Related party disclosures

GMT internalised its management with settlement occurring on 28 March 2024. From this date no further fees were payable to the former Manager with the costs of managing GMT to be incurred directly. The prior period information below relates to fees paid to related parties prior to internalisation.

Related party transactions with regard to the internalisation transaction are disclosed in note 4 and related party assets are disclosed in note 8. The Goodman Group entities continue to be related parties of GMT and its subsidiaries as GIH is a significant shareholder with GMT being equity accounted in the financial statements of Goodman Group.

Entity		Nature of relationship pre-internalisation (up to 28 March 2024)	Nature of relationship post-internalisation (from 28 March 2024)
Goodman (NZ) Limited	GNZ	Manager of the Trust	Subsidiary of GL
Goodman Property Services (NZ) Limited	GPS	Provider of property management, development management and related services to the Trust	Manager of the Trust and subsidiary
Goodman Investment Holdings (NZ) Limited	GIH	Unitholder in GMT	Unitholder in GMT
Goodman Limited	GL	Parent entity of GNZ & GIH. Parent entity of GPS	Parent entity of GNZ & GIH, and provider of support services
Goodman Industrial Trust	GIT	Unitholder in GMT and property co–owner with GMT	Unitholder in GMT

14.1 Transactions with related parties

		Recorded		Capitalised		Outstanding	
$ million	Related party	2025	2024	2025	2024	2025	2024
Manager's base fee	GNZ	–	(18.9)	–	1.7	–	–
Property management fees [1]	GPS	–	(4.5)	–	–	–	–
Leasing fees	GPS	–	(2.8)	–	–	–	–
Minor project fees	GPS	–	(1.1)	–	1.1	–	–
Development management fees	GPS	–	(13.1)	–	13.1	–	–
Total fees			**(40.4)**	**–**	**15.9**	**–**	**–**
Reimbursement of expenses for services provided	GPS	–	(2.5)	–	0.3	–	–
Gross lease receipts received	GPS	0.2	0.2	–	–	–	–
Transitional services	GL	(1.1)	–	–	–	–	–
Distributions paid	GIT	(13.5)	(4.6)	–	–	–	–
Distributions paid	GIH	(17.9)	(17.0)	–	–	–	–

1 At 31 March 2024, of the property management fees charged by GPS, $4.0 million was paid by customers and was not a cost borne by GMT.

14. Related party disclosures (continued)

14.2 Other related party transactions

Capital transactions
Capital transactions that occurred with related parties could only be approved by the Independent Directors of GPS, with non-Independent Directors excluded from the approval process.

Key management personnel
Key management personnel are those people with the responsibility and authority for planning, directing and controlling the activities of an entity. Prior to internalisation, as the Trust did not have any employees or Directors, key management personnel was considered to be the former Manager (GNZ). Post internalisation the key management personnel are considered to be the Directors, the Chief Executive Officer, the Chief Financial Officer and the General Counsel. Total key management personnel expenses for the year ended 31 March 2025 are detailed in the table below:

$ million	Year ended 31 March 2025	26 March 2024 to 31 March 2024
Short-term employee benefits	2.4	–
Share based payments – GMT plan	0.3	–
Share based payments – pre-existing plans	4.8	0.2
Directors fees	0.5	–
Total	**8.0**	**0.2**

No fees were paid to Directors of GPS for the period 26 March 2024 to 31 March 2024. Short-term employee benefits amounted to $31,808 for the period 26 March 2024 to 31 March 2024.

For the year ended 31 March 2025 there were no post-employment benefits, other long-term benefits or termination benefits (2024: none).

Related party investment in GMT
At 31 March 2025, Goodman Group, GNZ's ultimate parent, through its subsidiary Goodman Investment Holdings (NZ) Limited, held 241,863,312 units in GMT out of a total 1,538,768,535 units on issue (31 March 2024: 278,063,312 units in GMT out of a total 1,538,768,535 units).

At 31 March 2025, Goodman Group, GNZ's ultimate parent, through Goodman Industrial Trust, held 247,071,396 units in GMT out of a total 1,538,768,535 units on issue (31 March 2024: 210,871,396 units in GMT out of a total 1,538,768,535 units).

Licence to use Goodman brand
Goodman Group have granted GMT and GPS a non-exclusive, non-transferable licence to continue to use the "Goodman" brand for so long as Goodman Group holds at least 10% of the units in GMT. There is no ongoing fee payable for use of the Goodman brand under the Brand Licence Agreement.

In using the Goodman brand, GMT and GPS are required to follow Goodman Group brand guidelines and Goodman Group may terminate the licence in customary circumstances, including in the event of serious or unremedied breach. There is a two-month transition period to cease using the brand once GMT is no longer entitled to do so.

Up to the date of internalisation, certain services were provided by GPS instead of using external providers, with these amounts reimbursed on a cost recovery basis.

15. Commitments and contingencies

15.1 Capital commitments

These commitments are amounts payable for contractually agreed services for capital expenditure.

$ million	2025	2024
Completion of developments	18.0	39.9
Office fit-out	1.5	–
Total capital commitments	**19.5**	**39.9**

15.2 Lease commitments

The Company has lease commitments of $8.4 million relating to its new office lease for a 10-year period commencing September 2025.

15.3 Contingent liabilities

The Group has no material contingent liabilities (2024: none).

16. Reconciliation of profit / (loss) after tax to net cash flows from operating activities

$ million	2025	2024
Profit / (loss) after tax	109.6	(564.9)
Non-cash items:		
Movement in fair value of investment property	(11.1)	478.4
Deferred lease incentives and leasing costs	2.7	(7.1)
Fixed rental income adjustments	(5.0)	(4.4)
Issue costs and subsequent amortisation for non-bank borrowings	0.7	0.7
Movement in fair value of derivative financial instruments	17.1	8.2
Movement in valuation of pre-existing employee benefits	13.7	–
Transitional services	1.1	–
Share-based payment expense	1.2	–
Deferred tax	(3.8)	–
Internalisation transaction	–	272.5
Net cash flows from operating activities before changes in assets and liabilities	**126.2**	**183.4**
Movements in working capital from:		
Debtors and other assets	7.1	0.4
Creditors and other liabilities	5.3	(0.1)
Tax liabilities	22.7	(71.6)
Movements in working capital	**35.1**	**(71.3)**
Net cash flows from operating activities	**161.3**	**112.1**

Significant transaction

The internalisation transaction in 2024, as detailed in note 4, was settled via a non-cash payment direction with no cash movements required.

Goodman Property Trust Financial Statements 2025

17. 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.

17.1 Financial instruments

The following items in the Balance Sheet are classified as financial instruments: Cash, debtors and other assets (excluding prepayments), 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:

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 the Statement of Comprehensive Income have their fair value measured via active market inputs, or by using valuation techniques if no active market exists.

17.2 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. 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.

$ million	2025	2024
Impact to profit / (loss) after tax and equity of a 1% increase in interest rates	(2.5)	(3.6)
Impact to profit / (loss) after tax and equity of a 1% decrease in interest rates	2.5	3.6

17.3 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 and related parties, the Group assesses the credit quality, 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.

17. Financial risk management (continued)

17.4 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
2025								
Borrowings	383.6	194.6	526.0	198.4	157.8	151.7	1,612.1	1,460.0
Derivative financial instruments	2.5	2.5	2.2	1.4	1.0	0.7	10.3	14.3
Lease liabilities	8.7	7.7	7.4	6.9	5.1	–	35.8	126.7
Creditors and other liabilities	38.9	–	–	–	–	–	38.9	38.9
Total	**433.7**	**204.8**	**535.6**	**206.7**	**163.9**	**152.4**	**1,697.1**	**1,639.9**
2024								
Borrowings	169.8	444.8	192.7	426.4	195.4	212.4	1,641.5	1,420.7
Derivative financial instruments	–	–	–	–	–	–	–	8.9
Lease liabilities	3.3	2.0	1.0	0.8	0.2	–	7.3	66.2
Creditors and other liabilities	48.2	–	–	–	–	–	48.2	48.2
Total	**221.3**	**446.8**	**193.7**	**427.2**	**195.6**	**212.4**	**1,697.0**	**1,544.0**

17.5 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 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 and wholesale bonds, 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.

17. Financial risk management (continued)

17.6 Fair value of financial instruments

Except for the retail bonds, green retail bonds, wholesale bonds, green 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, green retail bonds, wholesale bonds, green wholesale bonds and US Private Placement notes are as follows:

$ million	Fair value hierarchy	2025	2024
Retail bonds	Level 1	–	99.7
Green retail bonds	Level 1	150.2	144.5
Wholesale bonds	Level 2	368.0	350.5
Green wholesale bonds	Level 2	146.1	–
US Private Placement notes	Level 2	–	US$106.7

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, green wholesale bonds and US Private Placement notes, is measured using a present value calculation of the future cash flows 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 circumstances that caused the transfer. During the year, there were no transfers between levels of the fair value hierarchy.

18. Major customer disclosure

The Group is required to provide information about the extent of its reliance on its major customers (being 10 per cent or more of an entity's revenues). For the year ended 31 March 2025, the Group had one customer with total revenue of $33.9 million, being 12.3% of the Group's revenue (2024: one customer with total revenue of $24.4 million, being 10.0% of the Group's revenue).

19. Operating segments

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

INDEPENDENT AUDITOR'S REPORT

pwc

To the unitholders of Goodman Property Trust

Our opinion

In our opinion, the accompanying financial statements (the 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 2025, 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 Accounting Standards (IFRS Accounting Standards).

What we have audited

The Group's financial statements comprise:

— the balance sheet as at 31 March 2025;

— the statement of comprehensive income 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, comprising material accounting policy information 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.

In our capacity as auditor and assurance practitioner, our firm provides review, other assurance and agreed-upon procedures services. Our firm carries out other assignments in the areas of other services relating to the provision of remuneration benchmarking data and ground rent advisory services. The firm has no other relationship with, or interests in, the Group.

PricewaterhouseCoopers, PwC Tower, 15 Customs Street West, Private Bag 92162, Auckland, 1142, New Zealand
T: +64 9 355 8000, www.pwc.co.nz

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. These matters were 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 these matters.

Description of the key audit matter

Valuation of investment property

As disclosed in note 1, the portfolio of investment properties comprising stabilised properties ($2,432.7m) investment property under development ($91.3m) and investment properties held for sale ($2,165.1m) held by the Group was valued at $4,689.1m as at 31 March 2025.

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. The existence of significant estimation uncertainty coupled with the size and value of the investment property portfolio, is why we have given specific audit focus and attention to this area and therefore why this is a key audit matter.

Valuations were carried out by independent registered valuers. 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-established and experienced 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, discount rates, market rental, rental growth rates and terminal capitalisation 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.

For properties held for sale, the Group continues to measure the property at fair value based on the latest valuation or a proposed sale agreement if the property is not contracted for sale at balance date. Where the carrying value is the proposed sale price, the carrying value is adjusted for specific provisions made within the proposed sale agreement.

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.

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; and

— the controls in place over the valuation process.

On a sample basis, we:

— obtained an understanding of the key valuation inputs;

— agreed forecast contractual rental and lease terms to lease agreements with tenants; and

— considered whether seismic assessments, capital maintenance requirements and outgoing ground rent had been appropriately taken into account in the valuations, with reference to supporting documentation.

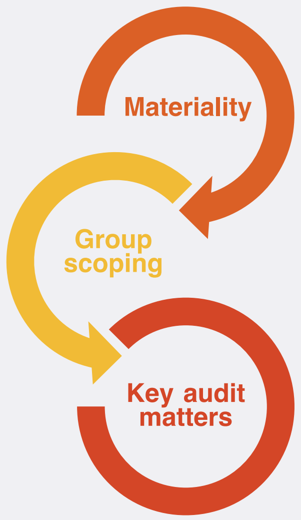
We held separate discussions with each of the independent registered valuers to gain an understanding of the assumptions and estimates used and the valuation methodology applied. We also assessed the valuers' qualifications, expertise and objectivity and found no evidence to suggest that their objectivity in performing the valuations was compromised.

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

Description of the key audit matter (continued)	How our audit addressed the key audit matter (continued)
Prior to finalising the valuations, Goodman Property Services (NZ) Limited (the Manager) verifies all key inputs to the valuations, assesses property valuation movements against prior periods and holds discussions with the Directors of the Manager on the process and results of the valuation.	For properties held for sale, where there is a proposed sale agreement, we have considered whether the sale agreement is representative of the fair value of the property. Where the sale agreement is considered the best evidence of the value of the property we have assessed the terms of the agreement, including adjustments made to the sale price. We considered the appropriateness of disclosures made in the financial statements.

Our audit approach

Overview



Overall group materiality: $7.54 million, which represents approximately 5% of profit before tax excluding movements in fair value of investment property and financial instruments and movement in fair value of pre-existing employee benefits.

We have chosen profit before tax excluding movements in fair value of investment property and financial instruments and movement in fair value of pre-existing employee benefits as the benchmark because in our view, it is the benchmark against which the performance of the Group is most commonly measured by users of the financial statements.

We performed a full scope audit over the financial information of all components of the Group.

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 the 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 the 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. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Manager and use our professional judgement to determine the appropriate action to take.

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 Accounting Standards, and for such internal control as the Directors of the Manager 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 of the Manager are 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 Directors of the Manager either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial 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), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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;
- obtain 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate 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; and
- plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for the audit opinion.

We communicate 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 we identify during the audit.

We also provide those charged with governance with a statement that we have 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 our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine 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. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our 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 Lisa Crooke.

For and on behalf of:

PricewaterhouseCoopers

PricewaterhouseCoopers
28 May 2025

Auckland