



EVERY
STEP
COUNTS

GOODMAN PROPERTY TRUST INTERIM REPORT 2024
GMT BOND ISSUER LIMITED INTERIM REPORT 2024



Highbrook Business Park adjoins the Tāmaki River and provides almost 500,000 sqm of high-quality warehouse and logistics space.

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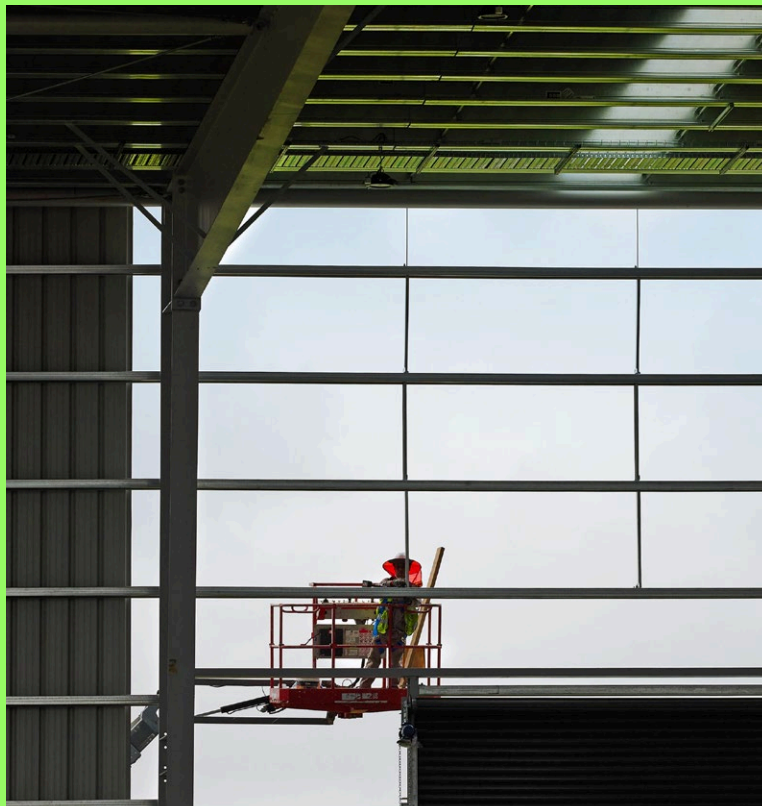
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GMT's \$4.7 billion urban logistics portfolio is exclusively invested in the Auckland industrial market and provides its 215+ customers with essential supply chain infrastructure.



RESULT HIGHLIGHTS

High occupancy levels, new development completions, continued rental growth and a lower tax expense, have all contributed to a strong first half operating result.



NET PROPERTY INCOME

13.5% increase in rental revenue

\$100.1m

FY24 GUIDANCE REAFFIRMED

4% increase in underlying cash earnings to around

7.4cpu

LOSS AFTER TAX

Including a (4.6%) valuation movement

(\$163.2m)

LOAN TO VALUE RATIO

20% to 30% preferred through cycle range

28.7%

OPERATING EARNINGS AFTER TAX

12.3% increase

\$61.3m

DEVELOPMENT WORK IN PROGRESS

Four active brownfield redevelopment projects

\$324.5m

PORTFOLIO UNDER-RENTING

Potential rent reversion to market

22.8%

PORTFOLIO OCCUPANCY

1.2 million sqm total portfolio size

99.6%

KEY PERFORMANCE INDICATORS



\$ million	30 September 2023	30 September 2022	% change
(Loss)/profit before tax (\$m)	(153.4)	48.8	(414.3)
(Loss)/profit after tax (\$m)	(163.2)	41.1	(497.1)
Movement in fair value of investment property (\$m)	(226.5)	–	–
Operating earnings before tax (\$m) ¹	68.1	64.3	5.9
Operating earnings after tax (\$m) ²	61.3	54.6	12.3
Underlying cash earnings per unit (cpu)	3.75	3.52	6.5
Cash distribution per unit (cpu)	3.10	2.95	5.1
Net tangible assets (cpu)	230.5	260.7	(11.6)
Loan to value ratio (%) ³	28.7	23.2	23.7
GMT – S&P Global Ratings credit rating	BBB	BBB	–
Bonds – S&P Global Ratings credit rating	BBB+	BBB+	–

¹ Refer to GMT's Profit or Loss statement for further information.

² Refer to note 3.1 of GMT's financial statements for further information.

³ Refer to note 2.6 of GMT's financial statements for further information.

Operating earnings

Operating earnings is a non-GAAP financial measure included to provide an assessment of the performance of GMT's principal operating activities. Calculation of operating earnings is as set out in GMT's Profit or Loss statement on page 12 of this report.

Underlying cash earnings

Underlying cash earnings is a non-GAAP financial measure that assesses underlying cashflows, on a per unit basis, after adjusting for certain items. The calculation is set out in GMT's FY24 Interim Results Presentation, released on 23 November 2023.

Loan to value ratio

Loan to value ratio is a non-GAAP financial measure used to assess the strength of GMT's balance sheet. The calculation is set out in note 2.6 of GMT's financial statements on page 25 of this report.



➤ James Spence, Chief Executive Officer and John Dakin, Chair and Non-executive Director

GMT delivers strong first half operating result

Customer demand for well-located warehouse and logistics space has driven significant revenue and earnings growth over the last six months, while sustainability initiatives have continued to enhance the business.

The Trust's interim operating results, including a strong 6.5% increase in underlying cash earnings to 3.75 cents per unit, reflects the resilience of the portfolio and customer demand for more efficient and sustainable logistics space, close to consumers.

High occupancy levels, new development completions, continued rental growth and a lower tax expense have all contributed to a strong first half operating result.

Underlying cash earnings guidance for the full year is reaffirmed at around 7.4 cents per unit. The guidance represents a 4% increase on the 7.1 cents per unit achieved in FY23.

Full year cash distributions have also been reaffirmed at 6.2 cents per unit, reflecting an expected pay-out ratio of around 84%.



Result summary

With high barriers to entry restricting new supply, the continued execution of an investment strategy exclusively focused on the Auckland industrial market has delivered strong revenue growth for GMT.

A 13.5% increase in net property income and a lower effective tax rate of 10% during the period, have more than offset higher interest costs, contributing to a 12.3% increase in operating earnings after tax of \$61.3 million.

Additional deductions for GMT's development activity, new leasing on the stabilised portfolio, and a change to diminishing value for building depreciation have contributed to the lower tax expense.

While the operating performance of the Trust has been extremely pleasing, a \$226.5 million or 4.6% reduction in the fair value of its property assets (following independent valuations of all properties) has resulted in an interim statutory loss after tax of \$163.2 million.

Despite the impact of rising interest rates on investment yields, underlying property market fundamentals remain sound. Historically low vacancy rates and limited new supply are contributing to a highly constrained Auckland industrial market which is driving strong rental growth.

The positive leasing dynamic has contributed to a further 3.5% increase in value assessed market rents for GMT over the last six months. This continued rental growth has mitigated some of the valuation impact of a 40bps softening in the portfolio capitalisation rate to 5.6%.

The interim valuation has been the principal driver of a 6.0% reduction in net tangible assets since 31 March 2023, to 230.5 cents per unit.

Disciplined capital management

Retaining substantial liquidity within its debt facilities, the Trust has the financial stability and flexibility required to manage risks and take advantage of new investment opportunities.

At 30 September 2023, the Trust had a loan to value ratio of 28.7% and committed gearing of 30.5%. Debt facilities were 71.2% drawn and 73.3% hedged for the next 12 months.

Refinancing of the bilateral bank facilities in November 2023 (following the interim balance date) has extended the weighted term to expiry of GMT's drawn debt, to 3.5 years.



➤ The highly sustainable Tāwharau Lane development at Highbrook Business Park achieved a 6 Green Star Design rating from the New Zealand Green Building Council.



➤ The twin North Point warehouses at Highbrook Business Park completed in July 2023. They provide almost 8,000 sqm of office and warehouse space.



Positive leasing environment

GMT's \$4.7 billion urban logistics portfolio is exclusively invested in the Auckland industrial market and provides its 215+ customers with essential supply chain infrastructure.

While a slowing economy may be impacting some business sectors, the structural trends that are driving customer demand for operationally efficient and sustainable logistics space have continued to support strong leasing results for the Trust.

Over 93,500 sqm of existing space, around 8.3% of the stabilised portfolio, has been secured on new or revised terms since 31 March 2023. With occupancy close to 100% there are only limited options within the portfolio for new space requirements.

The table below summarises key portfolio metrics at 30 September 2023.

The impacts of new leasing activity and regular rent reviews have driven like-for-like net property income growth of 6.2% over the last six months.

The impacts of new leasing activity and regular rent reviews have driven like-for-like net property income growth of 6.2% over the last six months. Market rents have continued to increase and the level of under-renting (the difference between contract and market rentals) within the portfolio remains substantial at around 22.8%¹.

The potential rent reversion is expected to be a significant driver of GMT's future revenue growth, as leases are reviewed to market, and new contracts are secured at the higher rates.

With rent increases and general inflation contributing to higher operating costs for customers, Goodman is working with businesses within the portfolio to help drive greater productivity from their facilities.

These measures include the rollout of sustainability initiatives such as solar energy and LED lighting upgrades, as well as facilitating specialist space planning and automation advice to improve efficiency.



➤ GMT's substantial property portfolio provides over one million sqm of warehouse and logistics space.

	Value (\$ million)	Rentable area (sqm)	Occupancy (%)	Weighted average lease term (years)	Weighted average cap rate (%)
Core portfolio	3,770.9	957,947	99.9	6.2	5.5
Value-add estates	638.5	172,763	98.0	4.5	6.0
Total stabilised portfolio	4,409.4	1,130,710	99.6	5.9	5.6
Total investment portfolio (including land and active developments)	4,685.4	1,194,362	99.6	6.4	5.6

¹ As assessed by independent valuers at 30 September 2023.



➤ Recently completed Mainfreight Supersite at Favona Road Estate. The global logistics provider is one of the Trust's largest customers, leasing four facilities within the portfolio.



➤ GMT's development programme includes four active projects, providing 68,000 sqm of prime warehouse of logistics space.

Development driven growth

The growth in demand for urban logistics space is also reflected in the large volume of development work being undertaken by GMT.

Three fully leased projects with a total project cost of \$228 million, have completed since 31 March 2023:

1. The 35,900 sqm Mainfreight Supersite at Favona Road Estate, Māngere
2. NZ Post's 17,700 sqm facility at Roma Road Estate in Mt Roskill
3. The multi-warehouse, Tāwharau Lane development at Highbrook Business Park in East Tāmaki.

All facilities are expected to achieve at least a 5 Green Star Built rating, considered New Zealand excellence, once the independent assessment process is completed. The certification from the New Zealand Green Building Council confirms that these are low emission, resource efficient and resilient buildings.

By investing in sustainable property solutions, GMT's development activity is improving the quality of the portfolio. It is also lowering customers carbon emissions with more efficient workspaces that contribute to greater productivity and reduced operating costs.

The Trust's development programme includes four active projects. More than 90% pre-committed and with a total project cost of \$324.5 million, these developments are all brownfield regeneration projects.

Located close to key transport infrastructure and large consumer catchments in Albany, Mt Roskill and Ōtāhuhu, this pipeline of work will add a further 68,000 sqm of prime warehouse and logistics space to the portfolio over the next 12 months.

The projects include additional facilities for Mainfreight and NZ Post, the Trust's largest customers.

The growth in demand for urban logistics space is also reflected in the large volume of development work being undertaken by GMT.



➤ The redevelopment of Roma Road Estate is well progressed with NZ Post's new facility now complete. The three adjoining warehouses are due for completion in mid-2024.

The strength of GMT's interim operating result demonstrates the resilience of the business and the benefits of an investment strategy focused on urban logistics property.

Governance changes

Recently announced Board changes complete a three-year renewal programme that has included the appointment of Laurissa Cooney and David Gibson as Independent Directors.

As signalled in the 2023 Annual Report, Keith Smith has now stepped down as Chair. He continues as an Independent Director but intends this to be his last term on the Board.

Non-executive Director Phil Pryke retired on 30 September 2023, reducing the size of the Board from seven directors to six. With four of the six directors being independent, a majority of Independent Directors is maintained.

The contribution of Keith and Phil to the ongoing success of GMT was acknowledged at the Annual Meeting in June 2023. Both Directors have played significant roles overseeing the repositioning of GMT as an industrial property specialist, and contributing to the strong governance that has delivered positive and sustainable business growth.

As announced to the NZX on 29 May 2023, Non-executive Director John Dakin is the new Chair with Independent Director David Gibson, Deputy Chair. Both appointments were unanimously approved by the Board.

Business outlook

The strength of GMT's interim operating result demonstrates the resilience of the business and the benefits of an investment strategy focused on urban logistics property.

Strong market fundamentals, underpinned by supply constraints and sustained customer demand, continue to drive GMT's operating performance.

A continuation of the positive leasing environment is expected to support full year underlying cash earnings of around 7.4 cents per unit, with forecast cash distributions of 6.2 cents per unit.

The longer-term outlook is more uncertain as the economy adapts to higher interest rates and inflation, and heightened geo-political risks. By remaining disciplined with investment decisions and staying focused on customer relationships, the Trust is set to benefit from the structural trends that are driving demand for well-located, sustainable warehouse and logistics space.

James Spence
Chief Executive Officer

John Dakin
Chair and Non-executive Director



GMT's sustainability programme includes initiatives to boost biodiversity, like these beehives at Highbrook Business Park.



Goodman Property Trust

INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2023

The Board of Goodman (NZ) Limited, the Manager of Goodman Property Trust, authorised these financial statements for issue on 22 November 2023.

For and on behalf of the Board:

John Dakin
Chair

Laurissa Cooney
Chair, Audit Committee

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Profit or loss

For the six months ended 30 September 2023

\$ million	Note	6 months 30 Sep 23	6 months 30 Sep 22
Property income	1.1	119.5	104.6
Property expenses		(19.4)	(16.4)
Net property income		100.1	88.2
Interest cost	2.1	(21.7)	(13.4)
Interest income	2.1	0.3	0.1
Net interest cost		(21.4)	(13.3)
Administrative expenses		(1.8)	(1.7)
Manager's base fee	6.1	(8.8)	(8.9)
Operating earnings before other income / (expenses) and tax		68.1	64.3
Other income / (expenses)			
Movement in fair value of investment property	1.3	(226.5)	-
Movement in fair value of financial instruments	4.1	5.0	(15.5)
(Loss) / profit before tax		(153.4)	48.8
Tax			
Current tax on operating earnings	5.1	(6.8)	(9.7)
Deferred tax	5.1	(3.0)	2.0
Total tax		(9.8)	(7.7)
(Loss) / profit after tax attributable to unitholders		(163.2)	41.1
There are no items of other comprehensive income, therefore (loss) / profit after tax attributable to unitholders equals total comprehensive (loss) / income attributable to unitholders.			
Cents	Note	6 months 30 Sep 23	6 months 30 Sep 22
Basic and diluted earnings per unit after tax	3.1	(11.63)	2.93



Balance sheet

As at 30 September 2023

\$ million	Note	30 Sep 23	31 Mar 23
Non-current assets			
Investment property	1.4	4,685.4	4,791.2
Other assets		2.7	2.8
Derivative financial instruments	4.2	55.3	42.9
Total non-current assets		4,743.4	4,836.9
Current assets			
Debtors and other assets		12.6	10.4
Cash		5.3	6.6
Total current assets		17.9	17.0
Total assets		4,761.3	4,853.9
Non-current liabilities			
Borrowings	2.2	1,269.0	1,159.1
Lease liabilities	2.5	60.3	62.6
Derivative financial instruments	4.2	9.6	10.1
Deferred tax liabilities		33.0	30.0
Total non-current liabilities		1,371.9	1,261.8
Current liabilities			
Borrowings	2.2	100.0	100.0
Creditors and other liabilities		49.3	45.1
Lease liabilities	2.5	3.3	3.3
Derivative financial instruments	4.2	-	0.5
Current tax payable		1.7	2.5
Total current liabilities		154.3	151.4
Total liabilities		1,526.2	1,413.2
Net assets		3,235.1	3,440.7
Total equity		3,235.1	3,440.7



Cash flows

For the six months ended 30 September 2023

\$ million	6 months 30 Sep 23	6 months 30 Sep 22
Cash flows from operating activities		
Property income received	114.9	108.9
Property expenses paid	(24.7)	(23.8)
Interest income received	0.3	0.1
Interest costs paid on borrowings	(21.1)	(10.2)
Interest costs paid on lease liabilities	(1.7)	(1.7)
Administrative expenses paid	(1.8)	(1.6)
Manager's base fee paid	(8.8)	(8.9)
Manager's performance fee paid	-	(15.7)
Net GST received / (paid)	0.6	(0.6)
Tax paid	(7.6)	(8.1)
Net cash flows from operating activities	50.1	38.4
Cash flows from investing activities		
Payments for the acquisition of investment properties	-	(50.1)
Capital expenditure payments for investment properties	(99.2)	(77.9)
Holding costs capitalised to investment properties	(10.8)	(8.3)
Net cash flows from investing activities	(110.0)	(136.3)
Cash flows from financing activities		
Proceeds from borrowings	915.0	449.0
Repayments of borrowings	(814.0)	(322.0)
Proceeds from the issue of units	-	15.7
Distributions paid to unitholders	(42.4)	(39.9)
Net cash flows from financing activities	58.6	102.8
Net movement in cash	(1.3)	4.9
Cash at the beginning of the period	6.6	3.6
Cash at the end of the period	5.3	8.5



Changes in equity

For the six months ended 30 September 2023

	Note	Distribution per unit (cents)	Number of units (million)	Units (\$ million)	Unit based payments reserve (\$ million)	Retained earnings (\$ million)	Total (\$ million)
As at 1 April 2022			1,397.3	1,630.1	15.7	2,011.6	3,657.4
Loss after tax				-	-	(135.4)	(135.4)
Distributions paid to unitholders		5.800		-	-	(81.3)	(81.3)
Issue of units							
Manager's performance fee – settled	6		6.0	15.7	(15.7)	-	-
As at 31 March 2023			1,403.3	1,645.8	-	1,794.9	3,440.7
Loss after tax				-	-	(163.2)	(163.2)
Distributions paid to unitholders		3.025		-	-	(42.4)	(42.4)
As at 30 September 2023			1,403.3	1,645.8	-	1,589.3	3,235.1

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



Subsequent event

On 22 November 2023, a cash distribution of 1.550 cents per unit with 0.201231 cents per unit of imputation credits attached was declared. The record date for the distribution is 30 November 2023 and payment will be made on 14 December 2023.



General information

For the six months ended 30 September 2023

Reporting entity

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

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

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

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

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

The interim financial statements for the six months ended 30 September 2023 are unaudited. Comparative balances for 30 September 2022 are unaudited, whilst comparative balances as at 31 March 2023 are audited.

Basis of preparation and measurement

The interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (“NZ GAAP”) and comply with International Accounting Standard 34 ‘Interim Financial Reporting’ and New Zealand Equivalent to International Accounting Standard 34 ‘Interim Financial Reporting’.

The interim financial statements of the Group have been prepared in accordance with the requirements of the NZX Main Board Listing Rules.

The interim financial statements do not include all of the notes included in the annual financial statements. Accordingly, these notes should be read in conjunction with the annual financial statements for the year ended 31 March 2023, prepared in accordance with New Zealand Equivalents to International Financial Reporting Standards (“NZ IFRS”) and International Financial Reporting Standards (“IFRS”).

The accounting policies and methods of computation used in the preparation of these interim financial statements are consistent with those used in the financial statements for the year ended 31 March 2023.

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

The interim 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.

New accounting standards now adopted

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

New Zealand climate-related disclosure framework

The Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (the Act) has established a climate-related disclosure framework for New Zealand and makes climate-related disclosures mandatory for climate reporting entities, which includes the Trust. The Act provides a mandate for the External Reporting Board (XRB) to issue a climate-related disclosure framework.

In December 2022 the XRB issued the following standards:

- + Aotearoa New Zealand Climate Standard 1 Climate-related Disclosures;
- + Aotearoa New Zealand Climate Standard 2 Adoption of Aotearoa New Zealand Climate Standards; and
- + Aotearoa New Zealand Climate Standard 3 General Requirements for Climate-related Disclosures.

The Trust’s first climate-related disclosures will be required for the year ending 31 March 2024.



Notes to the financial statements

For the six months ended 30 September 2023

1. Investment property

Property income is earned from investment property leased to customers.

1.1 Property income

\$ million	6 months 30 Sep 23	6 months 30 Sep 22
Gross lease receipts	105.6	95.2
Service charge income	15.3	12.6
Straight line rental adjustments	2.2	1.0
Amortisation of capitalised lease incentives	(3.6)	(4.2)
Property income	119.5	104.6

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	30 Sep 23	31 Mar 23
Year 1	212.3	201.2
Year 2	209.0	200.0
Year 3	186.5	181.4
Year 4	163.6	158.3
Year 5	143.7	140.4
Year 6 and later	708.6	677.4
Total future contracted gross lease receipts	1,623.7	1,558.7



1. Investment property (continued)

1.3 Movement in fair value of investment property

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

\$ million	6 months 30 Sep 23	6 months 30 Sep 22
Stabilised properties	(210.6)	–
Investment property under development	(15.9)	–
Total movement in fair value of investment property	(226.5)	–

1.4 Total investment property

This table details the total investment property value.

\$ million	30 Sep 23	31 Mar 23
Core		
Highbrook Business Park, East Tāmaki	2,169.8	2,226.3
Savill Link, Ōtāhuhu	525.6	541.6
M20 Business Park, Manukau	348.9	428.2
The Gate Industry Park, Penrose	283.8	395.4
Westney Industry Park, Māngere	202.8	211.7
Favona Road, Māngere	140.0	–
Roma Road, Mount Roskill	100.0	–
Total core	3,770.9	3,803.2
Value-add	638.5	513.6
Total stabilised investment property	4,409.4	4,316.8
Investment property under development	276.0	474.4
Total investment property	4,685.4	4,791.2



1. Investment property (continued)

1.4 Total investment property (continued)

Included within stabilised properties is a gross-up equivalent to lease liabilities of \$63.9 million (31 March 2023: \$65.9 million).

Included within investment property under development is \$86.5 million of land (31 March 2023: \$87.1 million) and \$189.5 million of developments (31 March 2023: \$387.3 million).

During the period three properties at The Gate Industry Park valued at \$91.9 million and one property at M20 Business Park valued at \$70.2 million were reclassified from Core properties to Value-add properties. The change reflects the future redevelopment potential of these properties.

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 six months ended 30 September 2023, three developments were completed and were independently valued at a total of \$280.5 million.

1.5 Valuation of investment property



Key judgement

The carrying value of stabilised properties is the fair value of the property as determined by expert independent valuers. 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.

Developments completed in the period, or adequately progressed to allow fair value to be reliably determined, have been independently valued. All other developments are held at cost and tested for impairment.



1. Investment property (continued)

1.5 Valuation of investment property (continued)

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

Key valuation input	Description	Weighted average valuation input value		Measurement sensitivity	
		30 Sep 23	31 Mar 23	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.	5.6%	5.2%	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	\$177 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.	7.6%	7.2%	Decrease	Increase
Rental growth rate	The rate applied to the market rental over the 10-year cash flow projection. Used in the DCF method.	3.0% p.a.	3.0% p.a.	Increase	Decrease
Terminal capitalisation rate	The rate used to assess the terminal value of the property. Used in the DCF method.	5.8%	5.5%	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 5.6% to 6.1%, assuming all other valuation inputs remain unchanged, would be equivalent to a decrease of \$361.4 million / 7.7% in the fair value of investment property.

Land is valued based on recent comparable transactions, resulting in land values ranging between \$197 psm and \$650 psm (31 March 2023: between \$212 psm and \$650 psm).



2. Borrowings

2.1 Interest

\$ million	6 months 30 Sep 23	6 months 30 Sep 22
Interest expense on borrowings	(26.8)	(17.3)
Interest expense on lease liabilities	(1.7)	(1.7)
Amortisation of borrowing costs	(3.0)	(1.8)
Borrowing costs capitalised ⁽¹⁾	9.8	7.4
Total interest cost	(21.7)	(13.4)
Interest income	0.3	0.1
Net interest cost	(21.4)	(13.3)

⁽¹⁾ Borrowing costs are capitalised at the weighted average cost of borrowing of 4.7% (30 September 2022: 3.6%). Borrowing costs of \$2.6 million were capitalised to land (30 September 2022: \$1.8 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	30 Sep 23	31 Mar 23
Current		
Retail bonds	100.0	100.0
Total current borrowings	100.0	100.0
Non-current		
Syndicated bank facilities	122.0	-
Bilateral bank facilities	400.0	321.0
Green retail bonds	150.0	150.0
Retail bonds	-	100.0
Wholesale bonds	400.0	400.0
US Private Placement notes	200.1	191.7
Total non-current	1,272.1	1,162.7
Unamortised borrowings establishment costs	(3.1)	(3.6)
Total non-current borrowings	1,269.0	1,159.1
Total borrowings	1,369.0	1,259.1

As at 30 September 2023, GMT has undrawn bank facilities of \$538.0 million from which it expects to repay the \$100.0 million retail bond expiring in May 2024.



Subsequent event

In November 2023, the bilateral bank facilities with Bank of New Zealand, Commonwealth Bank of Australia and Westpac New Zealand Limited were each extended by one year.



2. Borrowings (continued)

2.3 Composition of borrowings

30 Sep 23	Date issued	Expiry	Weighted average remaining term (years)	Interest rate	\$ million	
					Drawn amount	Undrawn facility
Syndicated bank facilities	-	Jun 24 – Jun 27	2.2	Floating	122.0	538.0
Green bank facility – Bank of New Zealand	-	Dec 24	1.2	Floating	150.0	-
Bank facility – Commonwealth Bank of Australia	-	Dec 24	1.2	Floating	100.0	-
Green bank facility – Westpac New Zealand Limited	-	Dec 25	2.2	Floating	150.0	-
Retail bonds – GMB040	May 17	May 24	0.7	4.540%	100.0	-
Green retail bonds – GMB060	Apr 22	Apr 27	3.5	4.740%	150.0	-
Wholesale bonds – 6 years	Dec 21	Dec 27	4.2	3.656%	200.0	-
Wholesale bonds – 8 years	Sep 20	Sep 28	4.9	2.262%	50.0	-
Wholesale bonds – 10 years	Sep 20	Sep 30	6.9	2.559%	150.0	-
US Private Placement notes	Jun 15	Jun 25	1.7	3.460%	US\$40.0	-
US Private Placement notes	Jun 15	Jun 27	3.7	3.560%	US\$40.0	-
US Private Placement notes	Jun 15	Jun 30	6.7	3.710%	US\$40.0	-

31 Mar 2023	Date issued	Expiry	Weighted average remaining term (years)	Interest rate	\$ million	
					Drawn amount	Undrawn facility
Syndicated bank facilities	-	Jun 24 – Jun 27	2.7	Floating	-	660.0
Green bank facility – Bank of New Zealand	-	Dec 24	1.7	Floating	150.0	-
Bank facility – Commonwealth Bank of Australia	-	Dec 24	1.7	Floating	100.0	-
Green bank facility – Westpac New Zealand Limited	-	Dec 25	2.7	Floating	71.0	79.0
Retail bonds – GMB040	May 17	May 24	1.2	4.540%	100.0	-
Retail bonds – GMB050	Mar 18	Sep 23	0.4	4.000%	100.0	-
Green retail bonds – GMB060	Apr 22	Apr 27	4.0	4.740%	150.0	-
Wholesale bonds – 6 years	Dec 21	Dec 27	4.7	3.656%	200.0	-
Wholesale bonds – 8 years	Sep 20	Sep 28	5.4	2.262%	50.0	-
Wholesale bonds – 10 years	Sep 20	Sep 30	7.4	2.559%	150.0	-
US Private Placement notes	Jun 15	Jun 25	2.2	3.460%	US\$40.0	-
US Private Placement notes	Jun 15	Jun 27	4.2	3.560%	US\$40.0	-
US Private Placement notes	Jun 15	Jun 30	7.2	3.710%	US\$40.0	-



2. Borrowings (continued)

2.3 Composition of borrowings (continued)

As at 30 September 2023 and 31 March 2023, \$660.0 million of syndicated bank facilities was provided to the Trust by Bank of New Zealand (\$125.0 million), Commonwealth Bank of Australia (\$150.0 million), The Hongkong and Shanghai Banking Corporation Limited (\$130.0 million), Westpac New Zealand Limited (\$105.0 million), Australia and New Zealand Bank (\$75.0 million) and Industrial and Commercial Bank of China (New Zealand) Limited (\$75.0 million). Additional bilateral facilities were provided to the Trust by Bank of New Zealand (\$150.0 million), Commonwealth Bank of Australia (\$100.0 million) and Westpac New Zealand Limited (\$150.0 million).

As at 30 September 2023, GMT's drawn borrowings had a weighted average remaining term of 3.3 years (31 March 23: 3.6 years), with 61% being drawn from non-bank sources (31 March 2023: 74%). 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 wholly owned subsidiaries of Goodman Property Trust. A loan to value ratio covenant restricts total borrowings incurred by the Group to 50% of the value of the secured property portfolio.

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

2.5 Lease liabilities

\$ million	30 Sep 23	31 Mar 23
Opening balance	65.9	66.0
Decrease in liability as a result of ground rent reviews	(2.3)	-
Interest expense on lease liabilities	1.7	3.3
Ground rent paid	(1.9)	(3.6)
Amortisation of incentives received	0.2	0.2
Total lease liabilities	63.6	65.9



2. Borrowings (continued)

2.6 Loan to value ratio calculation

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

\$ million	30 Sep 23	31 Mar 23
Total borrowings	1,369.0	1,259.1
US Private Placement notes – foreign exchange translation impact	(39.4)	(31.0)
Cash	(5.3)	(6.6)
Borrowings for LVR calculation	1,324.3	1,221.5
Investment property	4,685.4	4,791.2
Lease liabilities	(63.6)	(65.9)
Assets for LVR calculation	4,621.8	4,725.3
Loan to value ratio %	28.7%	25.9%

3. Earnings per unit and net tangible assets

3.1 Earnings per unit

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

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

\$ million	6 months 30 Sep 23	6 months 30 Sep 22
Operating earnings before other income / (expenses) and tax	68.1	64.3
Income tax on operating earnings	(6.8)	(9.7)
Operating earnings after tax	61.3	54.6



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

3.1 Earnings per unit (continued)

Million	Weighted units	
	30 Sep 23	30 Sep 22
Weighted units	1,403.3	1,403.3
	6 months 30 Sep 23	6 months 30 Sep 22
cents per unit		
Operating earnings per unit before tax	4.85	4.58
Operating earnings per unit after tax	4.37	3.89
Basic and diluted earnings per unit after tax	(11.63)	2.93

3.2 Net tangible assets

Diluted units, comprising issued units plus deferred units not yet issued, are used to calculate net tangible assets per unit. With no deferred units, issued units represent diluted units.

Million	Diluted units	
	30 Sep 23	31 Mar 23
Issued units	1,403.3	1,403.3
	30 Sep 23	31 Mar 23
Net tangible assets (\$ million)	3,235.1	3,440.7
Net tangible assets per unit (cents)	230.5	245.2



4. Derivative financial instruments

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

4.1 Movement in fair value of financial instruments

\$ million	6 months 30 Sep 23	6 months 30 Sep 22
Interest rate derivatives	10.8	(0.5)
Cross currency interest rate derivatives relating to US Private Placement notes	2.6	26.5
Total movement in fair value of derivative financial instruments	13.4	26.0
Foreign exchange rate movement on US Private Placement notes	(8.4)	(41.5)
Total movement in fair value of financial instruments	5.0	(15.5)



Key judgement

The fair values of derivative financial instruments are determined from valuations using Level 2 valuation techniques. These are based on the present value of estimated future cash flows, taking account of the terms and maturity of each contract and the current market interest rates at reporting date. Fair values also reflect the creditworthiness of the derivative counterparty and GMT at balance date. The valuations were based on market rates at 30 September 2023 of between 5.74% for the 90-day BKBM and 5.18% for the 10-year swap rate (31 March 2023: 5.23% for the 90-day BKBM and 4.30% 10-year swap rate). There were no changes to these valuation techniques during the year.

4.2 Derivative financial instruments

\$ million	30 Sep 23	31 Mar 23
Cross currency interest rate derivatives		
Non-current assets	21.4	18.8
Interest rate derivatives		
Non-current assets	33.9	24.1
Non-current liabilities	(9.6)	(10.1)
Current liabilities	-	(0.5)
Net derivative financial instruments	45.7	32.3



5. Tax

5.1 Tax expense

\$ million	6 months 30 Sep 23	6 months 30 Sep 22
(Loss) / profit before tax	(153.4)	48.8
Tax at 28%	43.0	(13.7)
Depreciation of investment property	6.1	4.5
Movement in fair value of investment property	(63.4)	–
Deductible net expenditure for investment property	5.1	3.7
Derivative financial instruments	1.5	(4.2)
Prior period adjustments	0.9	–
Current tax on operating earnings	(6.8)	(9.7)
Depreciation of investment property	(6.1)	(4.5)
Reduction of liability in respect of depreciation recovery income	6.6	3.0
Deferred expenses	(2.0)	(0.7)
Derivative financial instruments	(1.5)	4.2
Deferred tax	(3.0)	2.0
Total tax	(9.8)	(7.7)

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.



6. Related party disclosures

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

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

6.1 Transactions with related parties

\$ million	Related party	Recorded		Capitalised		Outstanding	
		6 months 30 Sep 23	6 months 30 Sep 22	6 months 30 Sep 23	6 months 30 Sep 22	30 Sep 23	30 Sep 22
Manager's base fee	GNZ	(9.7)	(9.8)	0.9	0.9	(1.6)	(1.6)
Property management fees ⁽¹⁾	GPSNZ	(2.2)	(2.0)	-	-	(0.4)	(0.3)
Leasing fees	GPSNZ	(1.7)	(1.7)	-	-	(0.6)	(0.1)
Acquisition and disposal fees	GPSNZ	-	(0.9)	-	0.9	-	-
Minor project fees	GPSNZ	(0.4)	(0.5)	0.4	0.5	(0.1)	-
Development management fees	GPSNZ	(7.5)	(0.3)	7.5	0.3	(1.5)	(0.1)
Total fees		(21.5)	(15.2)	8.8	2.6	(4.2)	(2.1)
Reimbursement of expenses for services provided	GPSNZ	(1.0)	(0.7)	0.2	0.1	-	(0.1)
Gross lease receipts received	GPSNZ	0.1	0.1	-	-	-	-
Issue of units for Manager's performance fee reinvested	GIH	-	15.7	-	-	-	-
Distributions paid	GIH	(8.4)	(8.9)	-	-	-	-
Distributions paid	GIT	(2.3)	(1.1)	-	-	-	-

⁽¹⁾ Of the property management fees charged by GPSNZ, \$1.8 million was paid by customers and was not a cost borne by GMT (30 September 2022: \$1.6 million).



6. Related party disclosures (continued)

6.2 Other related party transactions

Capital transactions

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

No properties were acquired pursuant to the Co-ownership Agreement between GMT and Goodman Industrial Trust (31 March 2023: none). This agreement was approved by unitholders at a general meeting held on 23 March 2004.

Key management personnel

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

Related party investment in GMT

At 30 September 2023, Goodman Group, GNZ's ultimate parent, through its subsidiary Goodman Investment Holdings (NZ) Limited, held 278,063,312 units in GMT out of a total 1,403,254,516 units on issue (31 March 2023: 278,063,312 units in GMT out of a total 1,403,254,516 units).

At 30 September 2023, Goodman Group, GNZ's ultimate parent, through Goodman Industrial Trust, held 75,357,377 units in GMT out of a total 1,403,254,516 units on issue (31 March 2023: 75,357,377 units in GMT out of a total 1,403,254,516 units).

6.3 Related party capital commitments

\$ million	Related party	30 Sep 23	31 Mar 23
Development management fees for developments in progress	GPSNZ	8.6	16.4
Total related party capital commitments		8.6	16.4

7. Commitments and contingencies

7.1 Non-related party capital commitments

These commitments are amounts payable for contractually agreed services for capital expenditure. For related party capital commitments refer to note 6.3.

\$ million	30 Sep 23	31 Mar 23
Completion of developments	111.4	202.2
Total non-related party capital commitments	111.4	202.2



7. Commitments and contingencies (continued)

7.2 Contingent liabilities

GMT has no material contingent liabilities (31 March 2023: none).

8. 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.

8.1 Fair value of financial instruments

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

\$ million	Fair value hierarchy	30 Sep 23	31 Mar 23
Retail bonds	Level 1	98.4	197.1
Green retail bonds	Level 1	139.9	143.4
Wholesale bonds	Level 2	329.8	341.7
US Private Placement notes	Level 2	US\$106.2	US\$109.4

9. Operating segments

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

Independent auditor's review report

To the unitholders of Goodman Property Trust

Report on the interim financial statements

Our conclusion

We have reviewed the interim financial statements of Goodman Property Trust (the Trust) and its controlled entities (together, the Group), which comprise the balance sheet as at 30 September 2023, and the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the six months ended 30 September 2023, and significant accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that these accompanying interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 30 September 2023, and its financial performance and cash flows for the six month period then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's responsibilities for the review of the interim financial statements* section of our report.

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. In addition to our role as auditor, our firm carries out other services for the Group in the areas of assurance services relating to the performance fee calculation, agreed upon procedures relating to financial covenants of the bank facilities and reporting to the supervisor of GMT Bond Issuer Limited. The provision of these other services has not impaired our independence.

Responsibilities of Directors of Goodman (NZ) Limited for the interim financial statements

The Directors of the Manager (Goodman (NZ) Limited) are responsible on behalf of the Trust for the preparation and fair presentation of these interim financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors of the Manager determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's review report (continued)

To the unitholders of Goodman Property Trust

Report on the interim financial statements

Auditor's responsibilities for the review of the interim financial statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34.

A review of interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Who we report to

This report is made solely to the Trust's unitholders, as a body. Our review work has been undertaken so that we might state those matters which we are required to state to them in our review 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's unitholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Lisa Crooke.

For and on behalf of:



Chartered Accountants
22 November 2023

Auckland



Sharing a consistent design theme that provides modern, efficient and flexible workspaces, the average age of GMT's core portfolio is just 11 years.



GMT Bond Issuer Limited

INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2023

The Board of GMT Bond Issuer Limited, authorised these financial statements for issue on 22 November 2023. For and on behalf of the Board:

John Dakin
Chair

Laurissa Cooney
Chair, Audit Committee

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Profit or loss

For the six months ended 30 September 2023

\$ million	6 months 30 Sep 23	6 months 30 Sep 22
Interest income	13.6	14.9
Interest cost	(13.6)	(14.9)
Profit before tax	-	-
Tax	-	-
Profit after tax attributable to shareholder	-	-

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



Balance sheet

As at 30 September 2023

\$ million	Note	30 Sep 23	31 Mar 23
Non-current assets			
Advances to related parties	2	550.0	650.0
Current assets			
Advances to related parties	2	100.0	100.0
Interest receivable from related parties		7.3	7.5
Cash		0.1	0.1
Total assets		657.4	757.6
Non-current liabilities			
Borrowings	1	550.0	650.0
Current liabilities			
Borrowings	1	100.0	100.0
Interest payable		7.4	7.6
Total liabilities		657.4	757.6
Net assets		-	-
Equity			
Contributed equity	5	-	-
Retained earnings		-	-
Total equity		-	-



Cash flows

For the six months ended 30 September 2023

\$ million	Note	6 months 30 Sep 23	6 months 30 Sep 22
Cash flows from operating activities			
Interest income received		13.8	13.0
Interest costs paid		(13.8)	(13.0)
Net cash flows from operating activities		-	-
Cash flows from investing activities			
Repayment of related party advances		100.0	100.0
Related party advances made		-	(150.0)
Net cash flows from investing activities		100.0	(50.0)
Cash flows from financing activities			
Proceeds received from issue of green bonds		-	150.0
Repayment of retail bonds		(100.0)	(100.0)
Net cash flows from financing activities		(100.0)	50.0
Net movement in cash		-	-
Cash at the beginning of the period		0.1	0.1
Cash at the end of the period		0.1	0.1



Changes in equity

For the six months ended 30 September 2023

\$ million	Contributed equity	Retained earnings	Total
As at 1 April 2022	-	-	-
Profit after tax	-	-	-
As at 31 March 2023	-	-	-
Profit after tax	-	-	-
As at 30 September 2023	-	-	-

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



General information

For the six months ended 30 September 2023

Reporting entity

GMT Bond Issuer Limited (“the Company”) was incorporated on 5 November 2009. The address of its registered office is Level 2, 18 Viaduct Harbour Avenue, Auckland.

GMT Bond Issuer Limited is an issuer for the purposes of the Financial Reporting Act 2013 as its issued retail bonds are listed on the New Zealand Debt Exchange (“NZDX”). GMT Bond Issuer Limited is a registered company under the Companies Act 1993.

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

The interim financial statements for the six months ended 30 September 2023 are unaudited. Comparative balances for 30 September 2022 are unaudited, whilst the comparative balances as at 31 March 2023 are audited.

Basis of preparation and measurement

The interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (“NZ GAAP”) and comply with International Accounting Standard 34 ‘Interim Financial Reporting’ and New Zealand Equivalent to International Accounting Standard 34 ‘Interim Financial Reporting’.

The interim financial statements do not include all notes included in the annual financial statements. Accordingly, these notes should be read in conjunction with the annual financial statements for the year ended 31 March 2023, prepared in accordance with New Zealand Equivalents to International Financial Reporting Standards (“NZ IFRS”) and International Financial Reporting Standards (“IFRS”).

The accounting policies and methods of computation used in the preparation of these interim financial statements are consistent with those used in the financial statements for the year ended 31 March 2023.

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

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



Notes to the financial statements

For the six months ended 30 September 2023

1. Borrowings

1.1. Security and covenants

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

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

2. Advances to related parties

All advances and interest receivable are with Goodman Property Trust.

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

3. Commitments and contingencies

GMT Bond Issuer Limited has no capital commitments and no material contingent liabilities.



4. Financial risk management

4.1. Fair value of financial instruments

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

\$ million	Fair value hierarchy	30 Sep 2023	31 Mar 2023
Related party receivables	Level 2	568.1	682.2
Wholesale bonds	Level 2	(329.8)	(341.7)
Green retail bonds	Level 1	(139.9)	(143.4)
Retail bonds	Level 1	(98.4)	(197.1)
Total borrowings		(568.1)	(682.2)

5. Equity

As at 30 September 2023, 100 ordinary shares had been issued for nil consideration (31 March 2023: 100 ordinary shares for nil consideration). All shares rank equally with one vote attached to each share.

The Company has tangible assets of \$0.1 million, and its net assets are nil. Consequently, the net tangible assets per bond at 30 September 2023 are nil (31 March 2023: nil).

Independent auditor's review report

To the Shareholder of GMT Bond Issuer Limited

Report on the interim financial statements

Our conclusion

We have reviewed the interim financial statements of GMT Bond Issuer Limited (the Company), which comprise the balance sheet as at 30 September 2023, and the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the six months ended 30 September 2023, and significant accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that these accompanying interim financial statements of the Company do not present fairly, in all material respects, the financial position of the Group as at 30 September 2023, and its financial performance and cash flows for the six month period then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's responsibilities for the review of the interim financial statements* section of our report.

We are independent of the Company in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. In addition to our role as auditor, our firm carries out other services for the Company in the area of reporting to the supervisor. The provision of these other services has not impaired our independence.

Responsibilities of the Directors for the interim financial statements

The Directors are responsible on behalf of the Company for the preparation and fair presentation of these interim financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Board determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's review report (continued)

To the Shareholder of GMT Bond Issuer Limited

Report on the interim financial statements

Auditor's responsibilities for the review of the interim financial statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34.

A review of interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Who we report to

This report is made solely to the Company's Shareholder. Our review work has been undertaken so that we might state those matters which we are required to state to them in our review 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 Shareholder, for our review procedures, for this report, or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Lisa Crooke.

For and on behalf of:



Chartered Accountants
22 November 2023

Auckland



Making up almost 50% of the portfolio, the world-class Highbrook Business Park is a major driver of the Trust's operating performance.



Investor relations

Introduction

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

Annual Meeting

GMT's Trust Deed requires at least one meeting of Unitholders each financial year. The most recent Annual Meeting was held on 28 June 2023. The address and presentation are available on GMT's website.

Investor centre

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

A dedicated toll-free number, 0800 000 656 (+64 9 375 6073 from outside NZ), will connect securityholders directly with the investor relations team.

Registrar

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

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

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

Unitholder distributions

The Trust typically pays its distributions quarterly in the third month that follows each quarter. For example, the distribution for the June 2023 quarter was paid in September 2023. The table below shows the composition and timing of distributions per unit that have been paid, or declared, since the beginning of this financial period.

Distribution for quarter ended	Cash distribution	Imputation credits	Total distribution	Payment date
31-Mar-23	\$0.014750	\$0.002064	\$0.016814	6-Jun-23
30-Jun-23	\$0.015500	\$0.001683	\$0.017183	26-Sep-23
30-Sep-23	\$0.015500	\$0.002012	\$0.017512	14-Dec-23*

* Distribution announced but not yet paid at the date of this report.

Bondholder interest payments

Interest is paid semi-annually, each year, until redemption. No dividends or distributions have been paid by GMT Bond Issuer Limited.

Complaints procedure

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

Complaints may be made to the Manager or through the financial dispute resolution scheme. The contact details of both are included in the business directory at the end of this report.



Glossary

\$ and cents

New Zealand currency.

Board

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

Bondholder

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

Underlying cash earnings

Cash earnings is a non-GAAP measure that assesses free cash flow, on a per unit basis, after adjusting for certain items. The calculation is set out in GMT's FY24 Interim Results Presentation, released on 23 November 2023.

CEO

the Chief Executive Officer of the Manager.

Chair

the Chair of the Board of the Manager.

Co-ownership Agreement

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

CPU or cpu

cents per unit.

Director

a director of the Manager and GMT Bond Issuer Limited.

GIT

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

GL

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

GMB

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

Goodman

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

Goodman Group or GMG

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

Goodman+Bond, Green Bond, or Bond

a bond issued by GMB.

GPSNZ

Goodman Property Services (NZ) Limited.

Independent Director

has the meaning given to that term in the Listing Rules which, for the Manager are those persons listed on the following page.

Interim Balance Date

30 September 2023.

Listing Rules

the Listing Rules of NZX from time to time and 'LR' is a reference to any of those rules.

Loan to value ratio or LVR

Loan to value ratio is a non-GAAP financial measure used to assess the strength of GMT's balance sheet. The calculation is set out in note 2.6 of GMT's financial statements.

Manager or GNZ

the manager of the Trust, Goodman (NZ) Limited.

NTA

net tangible assets.

NZ IFRS

New Zealand equivalents to International Financial Reporting Standards.

NZDX

the New Zealand debt market operated by NZX.

NZX

means NZX Limited.

Operating earnings

Operating earnings are a non-GAAP financial measure included to provide an assessment of the performance of GMT's principal operating activities. Calculation of operating earnings is as set out in GMT's Profit or Loss statement.

Registrar

the unit registrar for GMT and Bond registrar for GMB which, at the date of this Annual Report, is Computershare Investor Services Limited.

sqm

square metres.

Trust Deed

the GMT trust deed dated 23 April 1999, as amended from time to time.

Trust or GMT

Goodman Property Trust and its controlled entities, including GMB, as the context requires.

Trustee

the trustee of the Trust, Covenant Trustee Services Limited.

Unitholder or unitholder

any holder of a Unit whose name is recorded in the register.

Unit or unit

a unit in GMT.



Business directory

MANAGER OF GOODMAN PROPERTY TRUST

Goodman (NZ) Limited

Level 2, 18 Viaduct Harbour Avenue
Auckland 1010
PO Box 90940
Victoria Street West
Auckland 1142
Toll free: 0800 000 656
(within New Zealand)
Telephone: +64 9 375 6060
(outside New Zealand)
Email: info-nz@goodman.com
Website: www.goodman.com/nz

ISSUER OF BONDS

GMT Bond Issuer Limited

Level 2, 18 Viaduct Harbour Avenue
Auckland 1010
PO Box 90940
Victoria Street West
Auckland 1142
Toll free: 0800 000 656 (within New Zealand)
Telephone: +64 9 375 6060
(outside New Zealand)
Email: info-nz@goodman.com
Website: www.goodman.com/nz

COMPLAINT PROCEDURE

Financial Dispute Resolution Service

Freepost 231075
PO Box 2272
Wellington 6140
Toll free: 0508 337 337
(within New Zealand)
Telephone: +64 4 910 9952
(outside New Zealand)
Email: enquiries@fdr.org.nz

AUDITOR

PricewaterhouseCoopers

PwC Tower
15 Customs Street West
Auckland 1010
Private Bag 92162
Auckland
Telephone: +64 9 355 8000
Facsimile: +64 9 355 8001

REGISTRAR

Computershare Investor Services Limited

Level 2, 159 Hurstmere Road
Takapuna
Private Bag 92119
Victoria Street West
Auckland 1142
Toll free: 0800 359 999
(within New Zealand)
Telephone: +64 9 488 8777
(outside New Zealand)
Facsimile: +64 9 488 8787
Email: enquiry@computershare.co.nz

LEGAL ADVISORS

Russell McVeagh

Level 30, Vero Centre
48 Shortland Street
PO Box 8
Auckland 1140
Telephone: +64 9 367 8000
Facsimile: +64 9 367 8163

TRUSTEE AND SUPERVISOR FOR GOODMAN PROPERTY TRUST

Covenant Trustee Services Limited

Level 6, Crombie Lockwood Building
191 Queen Street
PO Box 4243
Auckland 1140
Telephone: +64 9 302 0638

BOND TRUSTEE

Public Trust

Level 9
34 Shortland Street
PO Box 1598
Shortland Street
Auckland 1140
Toll free: 0800 371 471
(within New Zealand)
Telephone: +64 9 985 5300
(outside New Zealand)

BOARD

Directors of Goodman (NZ) Limited and GMT Bond Issuer Limited

Chair and Non-executive Director

John Dakin

Independent Directors

Laurissa Cooney
Leonie Freeman
David Gibson
Keith Smith

Non-executive Directors

Gregory Goodman
Phillip Pryke (retired 30 Sept 23)

EXECUTIVES

Executives of Goodman (NZ) Limited and GMT Bond Issuer Limited

Chief Executive Officer

James Spence

Chief Financial Officer

Andy Eakin

General Counsel and Company Secretary

Anton Shead

General Manager – Property Services

Evan Sanders

General Manager Development

Michael Gimblett

Director Investment Management and Capital Transactions

Kimberley Richards

Head of Corporate Affairs

Jonathan Simpson

Marketing Director

Mandy Waldin

Human Resources Business Partner

Sophie Bowden



<https://nz.goodman.com/>