



**Goodman
Property Trust**
Interim Report 2022

**GMT Bond
Issuer Limited**
Interim Report 2022

**Space
to shape
the future**

Contents

This document comprises the Interim Reports of Goodman Property Trust and GMT Bond Issuer Limited for the six months ended 30 September 2021.

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Goodman Property Trust is New Zealand's largest listed property investor. It is a high-quality and sustainable business, with a substantial portfolio, a wide customer base and a proven development capability.

**Highbrook
Business Park,
East Tāmaki**

Encompassing
107 hectares,
GMT's largest estate
makes up over 50%
of the portfolio.

Urban logistics is enabling a data driven economy

Advances in technology, changes in consumer behaviour and the continued urbanisation of large cities is driving demand for well-located warehouse and logistics space all around the world.



**Highbrook
Business Park,
East Tāmaki**

Extensive landscaping, recreational spaces and on-site amenities make Highbrook an exceptional work environment for the 110+ customers located there.

**Goodman is at the forefront of these
changes, providing essential infrastructure
for a growing digital economy.**

Result highlights

Profit before tax

\$570.0 million

Loan to value ratio

17.5%

Operating earnings before tax

\$60.2 million

Projects under development

\$354.2 million

Property portfolio

\$4.3 billion

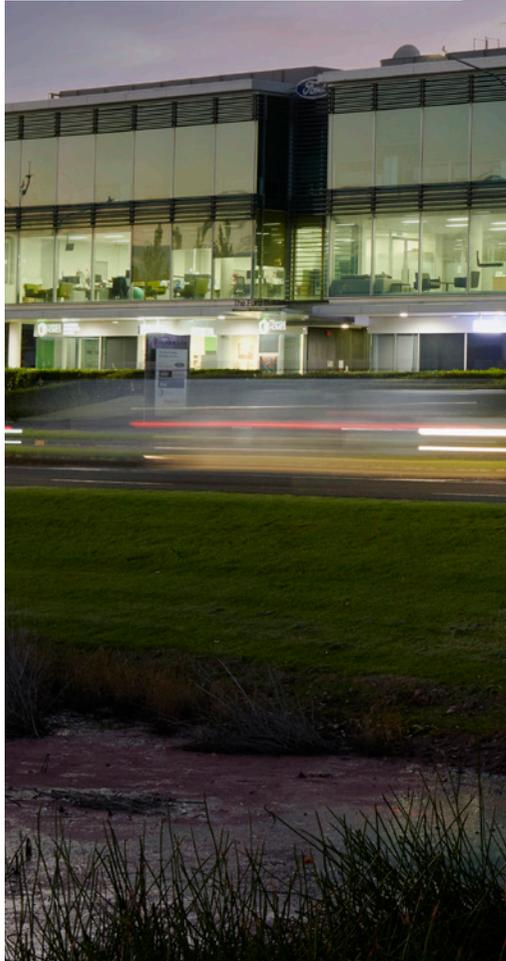
Portfolio occupancy

99.5%

Highbrook Drive,
Highbrook
Business Park

Approximately
30,000 vehicles
a day utilise the
link with SH1.

Key performance indicators



	30 September 2021	30 September 2020	% change
Profit before tax (\$m)	570.0	186.4	205.8
Profit after tax (\$m)	555.5	176.3	215.1
Movement in fair value of investment property (\$m)	504.7	140.2	260.0
Operating earnings before tax (\$m) ⁽¹⁾	60.2	56.0	7.5
Operating earnings after tax (\$m) ⁽²⁾	49.2	46.4	6.0
Cash earnings per unit (cpu) ⁽³⁾	3.29	3.04	8.2
Cash distribution per unit (cpu)	2.75	2.65	3.8
Net tangible assets (cpu)	249.6	182.4	36.8
Loan to value ratio (%) ⁽⁴⁾	17.5	21.5	(18.6)
GMT – S&P Global Ratings credit rating	BBB	BBB	–
Goodman+Bonds – S&P Global Ratings credit rating	BBB+	BBB+	–
Greenhouse gas emissions (tCO2e) ⁽⁵⁾	191.8	229.9	(16.6)

⁽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⁾ Cash earnings in previous period restated to 3.04 cent per unit (from 3.11 cents per unit) under amended calculation methodology which removes straight line rent adjustments.

⁽⁴⁾ Refer to note 2.6 of GMT's financial statements for further information.

⁽⁵⁾ Scope 1, 2 and mandatory Scope 3 emissions measured in accordance with the Toitū carbonzero programme requirements.

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 are as set out in GMT's Profit or Loss statement.

Cash earnings

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 2022 Interim Results Presentation, released on 11 November 2021.

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.

Greenhouse gas emissions

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

**Goodman
Property Trust**
Interim Report
2022

**GMT Bond
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2022

Chair's and Chief Executive Officer's report



Keith Smith
Chair and
Independent
Director

John Dakin
Chief Executive
Officer and
Executive Director

Location:

The Crossing

The commercial
heart of Highbrook
Business Park.

An investment strategy for a growing digital economy

GMT has continued to demonstrate its resilience, adapting to the ongoing challenges of COVID-19 and delivering a 7.5% increase in operating earnings before tax.



The first six months of FY22 have been positive for GMT, with strong customer demand continuing despite the reintroduction of COVID-19 Alert Level restrictions. Significant new leasing, high occupancy levels, sustained rental growth, further development progress and strategic acquisitions have all contributed to the Trust's strong operating performance.

With its \$4.3 billion industrial property portfolio exclusively invested in Auckland's urban logistics market, GMT is continuing to benefit from the increasing demand for distribution facilities close to consumers.

Supported by a rapidly growing digital economy and other structural changes, customer demand for warehouse and logistics space is now exceeding supply in many locations across the city.

We are meeting the positive demand dynamic by increasing development activity, with more than \$350 million of projects currently under construction.

While the emergence of the COVID-19 delta variant in our communities in August 2021 is likely to constrain economic activity over the short to medium term, the focus and quality of the portfolio is expected to support continued strong operating results in the second half of the year.

**Highbrook
Business Park,
East Tāmaki**

The estate is surrounded by 40 hectares of parkland and recreational areas that benefit the whole community.

Chair's and Chief Executive Officer's report (continued)

The Board has reaffirmed its guidance for the full year, with cash earnings of at least 6.5 cents per unit expected. Under the Trust's distribution policy, cash distributions totalling 5.5 cents per unit will be paid, consistent with the target payout ratio of between 80% and 90% of cash earnings.

Financial performance

The fair value gain of \$504.7 million, resulting from a comprehensive portfolio revaluation, was the main contributor to the 205.8% increase in the Trust's interim profit to \$570.0 million before tax (\$186.4 million at 30 September 2020).

The significant interim revaluation gain reflects strong property fundamentals and current investor demand for prime warehouse and logistics assets. These factors are reflected in the portfolio's average capitalisation rate which has strengthened 50 bps over the last six months to 4.2%.

Revaluations were also the main driver of the 17.5% increase in GMT's net tangible asset backing to 249.6 cents per unit, at 30 September 2021.

While the Trust has recorded a substantial increase in profit, it has been the strength of its underlying operating performance that has been the most pleasing aspect of the last six months.

**M20
Business Park,
Manukau**

The new 9,000 sqm warehouse currently under construction is one of 10 active development projects.

Operating earnings increased 7.5% to \$60.2 million before tax, with the additional revenue from new leasing, completed developments and earlier acquisitions offsetting two value-add properties being taken off-line for redevelopment.

The strong growth in operating earnings has been matched with an 8.2% increase in cash earnings, to 3.29 cents per unit. Cash distributions totalling 2.75 cents per unit have been declared for the first six months of this financial year.

Sustained customer demand

The growth in e-commerce has accelerated with the pandemic. Consumers are increasingly opting for the safety and convenience of online shopping and contactless delivery. This trend is expected to continue with Euromonitor forecasting e-commerce sales growth for New Zealand of 84% between 2020 and 2025.

Businesses are adapting to the growing online marketplace, with many incorporating e-commerce fulfilment functions into existing warehouse operations.

Disruption in global supply chains is also forcing local businesses to maintain higher inventory levels, creating additional demand for warehouse space.

GMT's own leasing results reflect these market dynamics, with 133,897 sqm of existing space (13.2% of the stabilised portfolio) secured on new or revised terms since 31 March 2021. Over 15,000 sqm of these new lease commitments have been negotiated during recent Alert Level restrictions.



The increased demand is also contributing to significant growth in rental income, with 5.1% average annual growth on a like-for-like basis.



The table below summarises the key metrics of the portfolio at 30 September 2021.

	Value (\$ million)	Rentable area (sqm)	Occupancy (%)	Weighted average lease term (years)
Core portfolio	3,676.4	916,162	99.5	5.5
Value-add estates	419.0	101,878	99.0	3.0
Total stabilised portfolio	4,095.4	1,018,040	99.5	5.3
Total investment portfolio (including land and active developments)	4,327.8	1,089,706	99.5	5.8

Top:
**Mainfreight,
Favona Estate,
Ōtāhuhu**

Artists impression of the two new facilities (35,860 sqm) under construction for Mainfreight, one of New Zealand's largest logistics and transport service providers.

Bottom:
**New Zealand Blood
and Organ Service,
Highbrook Business
Park, East Tāmaki**

Occupying a prominent site on Highbrook Drive the 3,290 sqm office and warehouse facility has been leased for 20 years from completion, expected to be in July 2022. Artists impression shown.



Sustainable development-led growth

The strong leasing market has also been positive for the Trust's development programme. Two new design-build commitments, totalling over 12,000 sqm of space, have been secured at Highbrook Business Park this year. In addition to these projects, a new build-to-lease office (3,900 sqm) and adjoining carpark facility have also been confirmed for the estate's town centre.

GMT now has over \$350 million of development work underway across 10 projects. Encompassing over 87,000 sqm, these new facilities are expected to generate around \$19.4 million of annual rental income once completed. Almost 80% committed, and with strong leasing enquiry, current demand indicates that warehouse and logistics customers remain confident about the future.

A commitment to carbonzero operations and sustainable development means all current and future projects will be carbon neutral. The use of lower carbon materials and building systems is reducing emissions in the development process with the residual embodied carbon being offset through the purchase of carbon credits.



Chair's and Chief Executive Officer's report (continued)

To ensure its facilities are industry leading, the Trust is also targeting a 5 Star Green Star rating for all new developments. The Green Star rating system provides independent certification from the New Zealand Green Building Council, based on an assessment of the sustainability attributes of new developments. It is widely regarded as the quality benchmark for commercial buildings.

These commitments complement other corporate sustainability initiatives that include the full electrification of Goodman fleet vehicles and

the installation of 150kW public fast chargers (in conjunction with EECA) at Highbrook Business Park in East Tāmaki and M20 Business Park in Manukau.

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

The Trust has extended its development capacity with the conditional acquisition of 34 hectares of light industrial zoned land in Māngere. Adjoining the Villa Maria winery, and close to the airport and other freight and transport infrastructure, the \$75 million acquisition is expected to support the development of up to 120,000 sqm of new warehouse and logistics space over time.

**Development
sites, Māngere**

Strategic acquisition that adds to GMT's development pipeline.



Following settlement of the new acquisition, the development potential within the Trust's one million sqm portfolio is estimated to exceed a further 400,000 sqm of net lettable area.

**Highbrook
Business Park,
East Tāmaki**

Artists impression of the new 9,000 sqm facility currently under construction for Stanley Black and Decker.

With a loan to value ratio of just 17.5% and only partially drawn debt facilities, at 30 September 2021 the Trust retains over \$300 million of available liquidity for future investment. This strong position has been achieved through prudent financial management and the disciplined execution of GMT's development-led growth strategy.

Looking ahead

GMT has continued to demonstrate that it is a resilient property business, operating through the COVID-19 Alert Level restrictions with minimal disruption.

By supporting its people, its customers, suppliers, and other stakeholders the business has responded to these challenges and delivered another strong operating result.

While the economic outlook is still uncertain, the Trust remains well positioned for sustainable long-term growth. A high-quality portfolio focused on urban logistics should ensure the Trust continues to benefit from the structural trends that are driving demand for distribution facilities close to consumers.



John Dakin
Chief Executive Officer
and Executive Director



Keith Smith
Chair and
Independent Director



Adapting and thriving in the new normal

COVID-19 continues to impact the lives and livelihoods of all New Zealanders. Goodman has adapted its work practices to minimise disruption and has continued to operate throughout current Alert Level restrictions.

Flexible work practices

Technology has enabled Goodman team members to stay connected and work collaboratively throughout the Alert Level restrictions.

While the longer-term economic impacts are uncertain, the performance of the warehousing and logistics segment continues to be the strongest of all the commercial property sectors. The relative outperformance reflects the essential role this type of property plays in the country's freight and distribution networks.

The majority of GMT's customers have adapted to the new operating environment under Alert Level restrictions, maintaining the Trust's strong rental cashflows. A number of businesses within the portfolio have been more adversely impacted, and the Trust has worked constructively with these customers, typically retail and hospitality operators, on a case-by-case basis to support the most vulnerable.

In response to the economic impacts of COVID-19 on certain business sectors, the Government has enacted new lease legislation. The amendment to the Property Law Act, effective from 18 August 2021, requires all commercial landlords to abate rent for any customer adversely impacted by these restrictions.

Customers who can prove financial loss will be required to pay only "a fair proportion" of rent while building access is limited.

The urban logistics focus of the Trust's portfolio and the essential business classification of many of its customers make it unlikely the new legislation will have a material impact on GMT's financial performance this year.

With the ongoing health and safety of its team, customers and other stakeholders its first priority, Goodman has continued to support important social and community initiatives. The recent focus has included assisting the national vaccine rollout by encouraging staff to get immunised, promoting the media-led 90% Project and providing iwi community organisations with a substantial financial contribution toward the Super Saturday Vaxathon in October 2021.

Achieving high vaccination rates will facilitate the transition to a more stable operating environment and further sustained growth for GMT.

Goodman Property Trust Interim Financial Statements

For the six months ended 30 September 2021



The Board of Goodman (NZ) Limited, the Manager of Goodman Property Trust, authorised these financial statements for issue on 10 November 2021. For and on behalf of the Board:

Keith Smith
Chair

Laurissa Cooney
Chair, Audit Committee

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NCI Packaging, Savill Link

The 14,206 sqm facility received an excellence award in the industrial category at the 2020 Property Council of New Zealand Awards.

Profit or loss

For the six months ended 30 September 2021

**Interim Financial
Statements**
of Goodman
Property Trust

\$ million	Note	6 months 30 Sep 21	6 months 30 Sep 20
Property income	1.1	94.1	87.3
Property expenses		(15.6)	(13.0)
Net property income		78.5	74.3
Interest cost	2.1	(9.4)	(11.0)
Interest income	2.1	0.1	–
Net interest cost		(9.3)	(11.0)
Administrative expenses		(1.6)	(1.3)
Manager's base fee	6.1	(7.4)	(6.0)
Operating earnings before other income / (expenses) and tax		60.2	56.0
Other income / (expenses)			
Movement in fair value of investment property	1.3	504.7	140.2
Movement in fair value of financial instruments	4.1	5.1	(9.8)
Profit before tax		570.0	186.4
Tax			
Current tax on operating earnings	5.1	(11.0)	(9.6)
Current tax on non-operating earnings	5.1	–	2.0
Deferred tax	5.1	(3.5)	(2.5)
Total tax		(14.5)	(10.1)
Profit after tax attributable to unitholders		555.5	176.3
There are no items of other comprehensive income, therefore profit after tax attributable to unitholders equals total comprehensive income attributable to unitholders.			
Cents	Note	6 months 30 Sep 21	6 months 30 Sep 20
Basic earnings per unit after tax	3.1	39.76	12.67

Balance sheet

As at 30 September 2021

\$ million	Note	30 Sep 21	31 Mar 21
Non-current assets			
Investment property	1.4	4,327.8	3,789.3
Other assets		7.5	–
Derivative financial instruments	4.2	33.4	30.3
Total non-current assets		4,368.7	3,819.6
Current assets			
Debtors and other assets		3.9	8.9
Derivative financial instruments	4.2	2.1	–
Cash		4.2	3.0
Total current assets		10.2	11.9
Total assets		4,378.9	3,831.5
Non-current liabilities			
Borrowings	2.2	661.5	730.1
Lease liabilities	2.5	62.7	62.3
Derivative financial instruments	4.2	1.8	3.9
Deferred tax liabilities		38.9	35.4
Total non-current liabilities		764.9	831.7
Current liabilities			
Borrowings	2.2	100.0	–
Creditors and other liabilities		18.5	25.4
Lease liabilities	2.5	3.2	3.2
Current tax payable		5.2	2.0
Total current liabilities		126.9	30.6
Total liabilities		891.8	862.3
Net assets		3,487.1	2,969.2
Total equity		3,487.1	2,969.2

Cash flows

For the six months ended 30 September 2021

\$ million	6 months 30 Sep 21	6 months 30 Sep 20
Cash flows from operating activities		
Property income received	97.0	91.6
Property expenses paid	(22.0)	(22.3)
Interest income received	0.1	–
Interest costs paid on borrowings	(7.6)	(9.5)
Interest costs paid on lease liabilities	(1.6)	(1.6)
Administrative expenses paid	(1.5)	(1.2)
Manager's base fee paid	(7.3)	(6.0)
Manager's performance fee paid	(13.7)	(11.4)
Net GST paid	(0.1)	(0.2)
Tax paid	(7.8)	(8.7)
Net cash flows from operating activities	35.5	30.7
Cash flows from investing activities		
Payments for the acquisition of investment properties	(11.2)	(82.6)
Proceeds from the sale of investment properties	4.6	–
Capital expenditure payments for investment properties	(28.8)	(38.6)
Holding costs capitalised to investment properties	(4.0)	(3.5)
Net cash flows from investing activities	(39.4)	(124.7)
Cash flows from financing activities		
Proceeds from borrowings	148.0	256.0
Repayments of borrowings	(119.0)	(81.0)
Proceeds from the issue of units	13.7	11.4
Distributions paid to unitholders	(37.6)	(41.5)
Settlement of derivative financial instruments	–	(7.2)
Net cash flows from financing activities	5.1	137.7
Net movement in cash	1.2	43.7
Cash at the beginning of the period	3.0	9.0
Cash at the end of the period	4.2	52.7

Changes in equity

For the six months ended 30 September 2021

Interim Financial
Statements
of Goodman
Property Trust

	Note	Distribution per unit (cents)	Number of units (million)	Units (\$ million)	Unit based payments reserve (\$ million)	Retained earnings (\$ million)	Total (\$ million)
As at 1 April 2020			1,385.8	1,605.0	11.4	785.7	2,402.1
Profit after tax				–	–	631.7	631.7
Distributions paid to unitholders		5.64		–	–	(78.3)	(78.3)
Manager's performance fee – earned	6			–	13.7	–	13.7
Issue of units							
Manager's performance fee – settled			5.4	11.4	(11.4)	–	–
As at 31 March 2021			1,391.2	1,616.4	13.7	1,339.1	2,969.2
Profit after tax				–	–	555.5	555.5
Distributions paid to unitholders		2.70		–	–	(37.6)	(37.6)
Issue of units							
Manager's performance fee – settled	6		6.1	13.7	(13.7)	–	–
As at 30 September 2021			1,397.3	1,630.1	–	1,857.0	3,487.1

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



Subsequent event

On 10 November 2021 a cash distribution of 1.375 cents per unit with 0.302686 cents per unit of imputation credits attached was declared. The record date for the distribution is 2 December 2021 and payment will be made on 16 December 2021.

General information

For the six months ended 30 September 2021

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 are the Trustee and Supervisor for GMT.

The interim financial statements for the six months ended 30 September 2021 are unaudited. Comparative balances for 30 September 2020 are unaudited, whilst comparative balances as at 31 March 2021 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 2021, 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 2021.

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 controlled entities.

New accounting standards now adopted

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



COVID-19 global pandemic

During the six months ended 30 September 2021, New Zealand has been subject to various restriction periods associated with the COVID-19 global pandemic, with Auckland being subject to greater restrictions than the balance of the country (<https://covid19.govt.nz/covid-19/alert-system/>).

Support has been provided to customers impacted by COVID-19 in a range of manners including rent abatements, rent deferrals and lease restructures.

Subsequent to GMT's 30 September 2021 balance date, New Zealand's parliament passed the COVID-19 Response (Management Measures) Legislation Act.

The Act introduces an implied clause into all leases, for rental periods from 18 August 2021 until such time as the Government determines the relevant epidemic response is no longer required.

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

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

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

Notes to the Financial Statements

For the six months ended 30 September 2021

1. Investment property

Property income is earned from investment property leased to customers.

1.1 Property income

\$ million	6 months 30 Sep 21	6 months 30 Sep 20
Gross lease receipts	85.6	79.9
Service charge income	11.6	10.7
Straight line rental adjustments	0.3	0.9
Amortisation of capitalised lease incentives	(3.4)	(4.2)
Property income	94.1	87.3

1.2 Future contracted gross lease receipts

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

\$ million	30 Sep 21	31 Mar 21
Year 1	164.0	160.5
Year 2	152.2	142.5
Year 3	133.0	121.8
Year 4	116.8	101.1
Year 5	97.3	85.5
Year 6 and later	465.8	400.1
Total future contracted gross lease receipts	1,129.1	1,011.5

Notes to the Financial Statements

For the six months ended 30 September 2021

1. Investment property (continued)

1.3 Movement in fair value of investment property

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

\$ million	6 months 30 Sep 21	6 months 30 Sep 20
Stabilised properties	489.8	129.9
Investment property under development	14.9	10.3
Total movement in fair value of investment property	504.7	140.2

Independent valuers used to assess fair market values at 30 September 2021 are consistent with those used at 31 March 2021.

1.4 Total investment property

This table details the total investment property value.

\$ million	30 Sep 21			31 Mar 21		
	Stabilised properties	Investment property under development	Total	Stabilised properties	Investment property under development	Total
Core						
Highbrook Business Park, East Tāmaki	2,175.2	61.9	2,237.1	1,917.0	57.4	1,974.4
Savill Link, Ōtāhuhu	550.9	4.4	555.3	457.0	4.1	461.1
M20 Business Park, Manukau	393.7	33.7	427.4	351.2	11.8	363.0
The Gate Industry Park, Penrose	338.3	–	338.3	284.0	–	284.0
Westney Industry Park, Māngere	218.3	–	218.3	221.8	–	221.8
Total core	3,676.4	100.0	3,776.4	3,231.0	73.3	3,304.3
Value-add	419.0	132.4	551.4	485.0	–	485.0
Total investment property	4,095.4	232.4	4,327.8	3,716.0	73.3	3,789.3

Included within stabilised properties is a gross-up equivalent to lease liabilities of \$65.9 million (31 March 2021: \$65.5 million).

Included within investment property under development is \$42.1 million of land held at fair value (31 March 2021: \$35.5 million), \$156.6 million of commenced developments held at the land transfer value plus subsequent capital expenditure (31 March 2021: \$37.8 million) and \$33.7 million of developments under construction held at fair value (31 March 2021: \$nil).

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

Notes to the Financial Statements

For the six months ended 30 September 2021

1. Investment property (continued)

1.4 Total investment property (continued)

Core

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

Value-add

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



Significant transactions

In August 2021, GMT contracted the acquisition of land at Māngere, Auckland for \$75.0 million. The contract remains subject to satisfaction of certain conditions.

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 cashflows by an appropriate discount rate to derive the fair value. The key assumptions used in the valuations are derived from recent comparable transactions to the greatest extent possible; however, all three of the valuation methods rely upon unobservable inputs in determining fair value for all investment property.

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.

Notes to the Financial Statements

For the six months ended 30 September 2021

1. Investment property (continued)

1.5 Valuation 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	Valuation input value		Measurement sensitivity	
		30 Sep 21	31 Mar 21	Increase in the input	Decrease in the input
Market capitalisation rate	The capitalisation rate applied to the market rental to assess a property's value. Derived from similar transactional evidence considering location, weighted average lease term, customer covenant, size and quality of the property. Used in the capitalisation method.	4.2%	4.7%	Decrease	Increase
Market rental	The valuer's assessment of the annual net market income per square metre ("psm") attributable to the property; includes both leased and vacant areas. Used in both the capitalisation method and the DCF method.	\$144 psm	\$139 psm	Increase	Decrease
Discount rate	The rate applied to future cashflows; it reflects transactional evidence from similar types of property assets. Used in the DCF method.	5.9%	6.2%	Decrease	Increase
Rental growth rate	The rate applied to the market rental over the 10-year cashflow projection. Used in the DCF method.	2.5% p.a.	2.3% p.a.	Increase	Decrease
Terminal capitalisation rate	The rate used to assess the terminal value of the property. Used in the DCF method.	4.3%	4.8%	Decrease	Increase

The market capitalisation rate is the main determinant of value in the valuation of investment property. The impact of a 1.00% increase in the market capitalisation rate from 4.2% to 5.2% would be equivalent to a decrease of \$794.0 million / 18.3% in the fair value of investment property.

Land is valued based on recent comparable transactions, resulting in land values ranging between \$211 psm and \$903 psm for industrial land (31 March 2021: between \$232 psm and \$1,150 psm) and \$1,297 psm for office land (31 March 2021: \$1,150 psm).

Notes to the Financial Statements

For the six months ended 30 September 2021

2. Borrowings

2.1 Interest

\$ million	6 months 30 Sep 21	6 months 30 Sep 20
Interest expense on borrowings	(9.9)	(11.0)
Interest expense on lease liabilities	(1.6)	(1.6)
Amortisation of borrowing costs	(1.5)	(1.6)
Borrowing costs capitalised ⁽¹⁾	3.6	3.2
Total interest cost	(9.4)	(11.0)
Interest income	0.1	–
Net interest cost	(9.3)	(11.0)

⁽¹⁾ Borrowing costs are capitalised at the weighted average cost of borrowing of 3.2% (30 September 2020: 4.0%). Borrowing costs of \$0.8 million were capitalised to land (30 September 2020: \$1.2 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.

Notes to the Financial Statements

For the six months ended 30 September 2021

2. Borrowings (continued)

2.2 Borrowings

\$ million	30 Sep 21	31 Mar 21
Current		
Retail bonds	100.0	–
Total current borrowings	100.0	–
Non-current		
Syndicated bank facilities	90.0	61.0
Retail bonds	200.0	300.0
Wholesale bonds	200.0	200.0
US Private Placement notes	174.0	171.8
Total non-current	664.0	732.8
Unamortised borrowings establishment costs	(2.5)	(2.7)
Total non-current borrowings	661.5	730.1
Total borrowings	761.5	730.1



Significant transactions

In August 2021, the syndicated bank facility was amended to extend the tranche maturities and alter the participation by bank. The total facility remains at \$400.0 million, comprising three facilities expiring in June 2023 (\$140.0 million), June 2024 (\$130.0 million) and June 2025 (\$130.0 million). The facility is provided by Bank of New Zealand (\$160.0 million), Commonwealth Bank of Australia, Westpac New Zealand Limited and The Hongkong and Shanghai Banking Corporation Limited (each providing \$80.0 million).

Notes to the Financial Statements

For the six months ended 30 September 2021

2. Borrowings (continued)

2.3 Composition of borrowings

30 Sep 2021	Date issued	Expiry	Weighted average remaining term (years)	Interest rate	\$ million	
					Facility drawn / Amount	Undrawn facility
Syndicated bank facilities	–	Jun 23 – Jun 25	2.7	Floating	90.0	310.0
Retail bonds – GMB030	Jun 15	Jun 22	0.7	5.000%	100.0	–
Retail bonds – GMB040	May 17	May 24	2.7	4.540%	100.0	–
Retail bonds – GMB050	Mar 18	Sep 23	1.9	4.000%	100.0	–
Wholesale bonds – 8 years	Sep 20	Sep 28	6.9	2.262%	50.0	–
Wholesale bonds – 10 years	Sep 20	Sep 30	8.9	2.559%	150.0	–
US Private Placement notes	Jun 15	Jun 25	3.7	3.460%	US\$40.0	–
US Private Placement notes	Jun 15	Jun 27	5.7	3.560%	US\$40.0	–
US Private Placement notes	Jun 15	Jun 30	8.7	3.710%	US\$40.0	–

31 Mar 21	Date issued	Expiry	Weighted average remaining term (years)	Interest rate	\$ million	
					Facility drawn / Amount	Undrawn facility
Syndicated bank facilities	–	Nov 22 – Nov 24	2.6	Floating	61.0	339.0
Retail bonds – GMB030	Jun 15	Jun 22	1.2	5.000%	100.0	–
Retail bonds – GMB040	May 17	May 24	3.2	4.540%	100.0	–
Retail bonds – GMB050	Mar 18	Sep 23	2.4	4.000%	100.0	–
Wholesale bonds – 8 years	Sep 20	Sep 28	7.4	2.262%	50.0	–
Wholesale bonds – 10 years	Sep 20	Sep 30	9.4	2.559%	150.0	–
US Private Placement notes	Jun 15	Jun 25	4.2	3.460%	US\$40.0	–
US Private Placement notes	Jun 15	Jun 27	6.2	3.560%	US\$40.0	–
US Private Placement notes	Jun 15	Jun 30	9.2	3.710%	US\$40.0	–

As at 30 September 2021 \$400.0 million of syndicated bank facilities was provided to the Trust by Bank of New Zealand (\$160.0 million), Commonwealth Bank of Australia, Westpac New Zealand Limited and The Hongkong and Shanghai Banking Corporation Limited (each providing \$80.0 million).

Notes to the Financial Statements

For the six months ended 30 September 2021

2. Borrowings (continued)

2.3 Composition of borrowings (continued)

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

As at 30 September 2021, GMT's drawn borrowings had a weighted average remaining term of 4.7 years (31 March 2021: 5.2 years), with 88% being drawn from non-bank sources (31 March 2021: 92%). Calculation of the weighted average remaining term assumes bank debt utilises the longest dated facilities.

2.4 Security and covenants

All borrowing facilities are secured on an equal ranking basis over the assets of the wholly owned subsidiaries of 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 21	31 Mar 21
Opening balance	65.5	63.3
Increase in liability as a result of ground rent reviews	0.4	2.3
Lease liability interest expense	1.6	3.2
Ground rent paid	(1.7)	(3.5)
Amortisation of incentives received	0.1	0.2
Total lease liabilities	65.9	65.5

Notes to the Financial Statements

For the six months ended 30 September 2021

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 21	31 Mar 21
Total borrowings	761.5	730.1
US Private Placement notes – foreign exchange translation impact	(13.3)	(11.1)
Cash	(4.2)	(3.0)
Borrowings for LVR calculation	744.0	716.0
Investment property	4,327.8	3,789.3
Lease liabilities	(65.9)	(65.5)
Assets for LVR calculation	4,261.9	3,723.8
Loan to value ratio %	17.5%	19.2%

3. Earnings per unit and net tangible assets

3.1 Earnings per unit

Earnings per unit measures are calculated as profit or operating earnings after tax divided by the weighted number of issued units for the 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 21	6 months 30 Sep 20
Operating earnings before other income / (expenses) and tax	60.2	56.0
Income tax on operating earnings	(11.0)	(9.6)
Operating earnings after tax	49.2	46.4

Notes to the Financial Statements

For the six months ended 30 September 2021

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

3.1 Earnings per unit (continued)

Million	Weighted units	
	30 Sep 21	30 Sep 20
Weighted units	1,397.3	1,391.2
cents per unit	6 months 30 Sep 21	6 months 30 Sep 20
Operating earnings per unit before tax	4.31	4.03
Operating earnings per unit after tax	3.52	3.34
Basic and diluted earnings per unit after tax	39.76	12.67

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.

Million	Diluted units	
	30 Sep 21	31 Mar 21
Issued units	1,397.3	1,391.2
Deferred units for Manager's performance fee expected to be reinvested	–	6.0
Diluted units	1,397.3	1,397.2
	30 Sep 21	31 Mar 21
Net tangible assets (\$ million)	3,487.1	2,969.2
Net tangible assets per unit (cents)	249.6	212.5

Notes to the Financial Statements

For the six months ended 30 September 2021

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 21	6 months 30 Sep 20
Interest rate derivatives	4.1	(6.8)
Cross currency interest rate derivatives relating to US Private Placement notes	3.2	(23.0)
Total movement in fair value of derivative financial instruments	7.3	(29.8)
Foreign exchange rate movement on US Private Placement notes	(2.2)	20.0
Total movement in fair value of financial instruments	5.1	(9.8)



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 2021 of between 0.65% for the 90-day BKBM and 2.25% for the 10-year swap rate (31 March 2021: 0.35% for the 90-day BKBM and 1.96% 10-year swap rate). There were no changes to these valuation techniques during the period.

4.2 Derivative financial instruments

\$ million	30 Sep 21	31 Mar 21
Cross currency interest rate derivatives		
Non-current assets	23.2	20.0
Interest rate derivatives		
Non-current assets	10.2	10.3
Current assets	2.1	–
Non-current liabilities	(1.8)	(3.9)
Net derivative financial instruments	33.7	26.4

Notes to the Financial Statements

For the six months ended 30 September 2021

5. Tax

5.1 Tax expense

\$ million	6 months 30 Sep 21	6 months 30 Sep 20
Profit before tax	570.0	186.4
Tax at 28%	(159.6)	(52.2)
Depreciation of investment property	4.4	4.6
Movement in fair value of investment property	141.3	39.3
Deductible net expenditure for investment property	1.4	1.4
Derivative financial instruments	1.5	(2.7)
Current tax on operating earnings	(11.0)	(9.6)
Settlement of derivative financial instruments	–	2.0
Current tax on non-operating earnings	–	2.0
Current tax	(11.0)	(7.6)
Depreciation of investment property	(4.4)	(4.6)
Reduction of liability in respect of depreciation recovery income	2.6	2.8
Deferred expenses	(0.3)	(0.4)
Derivative financial instruments	(1.4)	(0.3)
Deferred tax	(3.5)	(2.5)
Total tax	(14.5)	(10.1)

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.

Notes to the Financial Statements

For the six months ended 30 September 2021

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

6.1 Transactions with related parties

\$ million	Related party	Recorded		Capitalised		Outstanding	
		6 months 30 Sep 21	6 months 30 Sep 20	6 months 30 Sep 21	6 months 30 Sep 20	30 Sep 21	30 Sep 20
Manager's base fee	GNZ	(7.9)	(6.3)	0.5	0.3	(1.5)	(1.1)
Property management fees ⁽¹⁾	GPSNZ	(1.8)	(1.5)	-	-	-	(0.3)
Leasing fees	GPSNZ	(1.6)	(0.8)	-	-	(0.2)	-
Acquisition and disposal fees	GPSNZ	-	(0.8)	-	0.8	-	(0.7)
Minor project fees	GPSNZ	(0.3)	(0.1)	0.3	0.1	(0.2)	-
Development management fees	GPSNZ	(2.4)	(1.1)	2.4	1.1	-	(0.4)
Total fees		(14.0)	(10.6)	3.2	2.3	(1.9)	(2.5)
Reimbursement of expenses for services provided	GPSNZ	(1.2)	(0.6)	0.1	-	(0.1)	(0.1)
Gross lease receipts	GPSNZ	0.6	0.6	-	-	-	-
Issue of units for Manager's performance fee reinvested	GIH	13.7	11.4	-	-	-	-
Distributions paid	GIH	(8.7)	(8.8)	-	-	-	-

⁽¹⁾ Of the property management fees charged by GPSNZ, \$1.4 million was paid by customers and was not a cost borne by GMT (30 September 2020: \$1.2 million).

Notes to the Financial Statements

For the six months ended 30 September 2021

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 (30 September 2020: 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 2021, Goodman Group, GNZ's ultimate parent, through its subsidiary Goodman Investment Holdings (NZ) Limited, held 345,971,371 units in GMT out of a total 1,397,303,338 units on issue (31 March 2021: 297,975,387 units out of a total 1,391,227,995 units).

6.3 Related party capital commitments

\$ million	Related party	30 Sep 21	31 Mar 21
Development management fees for developments in progress	GPSNZ	10.3	5.2
Total related party capital commitments		10.3	5.2

Notes to the Financial Statements

For the six months ended 30 September 2021

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 21	31 Mar 21
Completion of developments	205.5	84.9
Acquisitions	67.5	–
Total non-related party capital commitments	273.0	84.9

7.2 Contingent liabilities

GMT has no material contingent liabilities (31 March 2021: 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, wholesale bonds and US Private Placement notes; the carrying values of all balance sheet financial instruments approximate their estimated fair value. The fair values of retail bonds, wholesale bonds and US Private Placement notes are as follows:

\$ million	Fair value hierarchy	30 Sep 21	31 Mar 21
Retail bonds	Level 1	312.8	320.1
Wholesale bonds	Level 2	177.6	179.8
US Private Placement Notes	Level 2	US\$122.4	US\$120.5

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 2021, and the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the six month period ended on that date, and significant accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that the 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 2021, 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 responsibility is further described in the *Auditor's responsibility for the review of the 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.

Responsibility of the directors of the Manager for the 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 Manager determine is necessary to enable the preparation and fair presentation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the 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 and International Standards on Auditing (New Zealand) 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 to the Trust's unitholders 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 Richard Day.

For and on behalf of:

Chartered Accountants
10 November 2021

Auckland

GMT Bond Issuer Limited

Interim Financial Statements

For the six months ended 30 September 2021

The Board of GMT Bond Issuer Limited, authorised these financial statements for issue on 10 November 2021.
For and on behalf of the Board:



Keith Smith
Chair



Laurissa Cooney
Chair, Audit Committee



Gateway Warehouse, Highbrook Business Park

Overlooking Highbrook Drive, these facilities offer extensive views over the Tāmaki River to Auckland's volcanic cones and the CBD.

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Profit or loss

For the six months ended 30 September 2021

\$ million	6 months 30 Sep 21	6 months 30 Sep 20
Interest income	9.3	10.2
Interest cost	(9.3)	(10.2)
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 2021

\$ million	Note	30 Sep 21	31 Mar 21
Non-current assets			
Advances to related parties	2	400.0	500.0
Current assets			
Advances to related parties	2	100.0	–
Interest receivable from related parties		3.5	3.5
Cash		0.1	0.1
Total assets		503.6	503.6
Non-current liabilities			
Borrowings	1	400.0	500.0
Current liabilities			
Borrowings	1	100.0	–
Interest payable		3.6	3.6
Total liabilities		503.6	503.6
Net assets		–	–
Equity			
Contributed equity	5	–	–
Retained earnings		–	–
Total equity		–	–

Cash flows

For the six months ended 30 September 2021

\$ million	6 months 30 Sep 21	6 months 30 Sep 20
Cash flows from operating activities		
Interest income received	9.3	9.9
Interest costs paid	(9.3)	(10.0)
Net cash flows from operating activities	–	(0.1)
Cash flows from investing activities		
Repayment of related party advances	–	–
Related party advances made	–	(200.0)
Net cash flows from investing activities	–	(200.0)
Cash flows from financing activities		
Proceeds received from issue of wholesale bonds	–	(200.0)
Repayment of retail bonds	–	–
Net cash flows from financing activities	–	(200.0)
Net movement in cash	–	(0.1)
Cash at the beginning of the year	0.1	0.2
Cash at the end of the year	0.1	0.1

Changes in equity

For the six months ended 30 September 2021

\$ million	Contributed equity	Retained earnings	Total
As at 1 April 2020	–	–	–
Profit after tax	–	–	–
As at 31 March 2021	–	–	–
Profit after tax	–	–	–
As at 30 September 2021	–	–	–

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 2021

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 2021 are unaudited. Comparative balances for 30 September 2020 are unaudited, whilst the comparative balances as at 31 March 2021 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 2021, 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 2021.

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 2021

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 2021	31 Mar 2021
Related party receivables	Level 2	490.4	499.9
Retail bonds	Level 1	(312.8)	(320.1)
Wholesale bonds	Level 2	(177.6)	(179.8)

For related party receivables, the Company uses the fair value of the retail bonds and the wholesale bonds as a proxy.

5. Equity

As at 30 September 2021, 100 ordinary shares had been issued for nil consideration (31 March 2021: 100 ordinary shares for nil consideration). All shares rank equally with one vote attached to each share.

The Company has tangible assets of \$0.1 million, and its net assets are nil. Consequently, the net tangible assets per bond at 30 September 2021 are nil (31 March 2021: nil).

Independent auditor's review report

To the shareholders 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 2021, and the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the six month period ended on that date, 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 Company as at 30 September 2021, 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 responsibility is further described in the *Auditor's responsibility for the review of the 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.

Director's responsibility for the interim financial statements

The Directors of the Company 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 Directors determine is necessary to enable the preparation and fair presentation of interim financial statements that are free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the 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 to the Company's Shareholder 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 Richard Day.

For and on behalf of:

Chartered Accountants
10 November 2021

Auckland

Other information

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Stormwater management, Highbrook Business Park

Functional systems like the retention ponds are designed to integrate with the landscape. They feature wetland plants that aid water filtration.

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 7 July 2021. The address and presentation from the hybrid meeting are available on GMT's website.

Publications

For Unitholders and Bondholders who elect to receive a printed copy, the Annual Report is typically mailed in June of each year. GMT's Interim Report and GoodResults newsletters are provided electronically.

Investor centre

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

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 2021 quarter was paid in September 2021. 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-21	\$0.013250	\$0.002329	\$0.015579	10-Jun-21
30-Jun-21	\$0.013750	\$0.003110	\$0.016860	16-Sep-21
30-Sep-21	\$0.013750	\$0.003027	\$0.016777	16-Dec-21*

* 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.

Helpline

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

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.

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 2022 Interim Results Presentation, released on 11 November 2021.

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 GGM

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 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 2021

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 are as set out in GMT's Profit or Loss statement.

Registrar

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

sqm

square metres.

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 Goodman+Bonds

GMT Bond Issuer Limited

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

Complaint procedure

Financial Dispute Resolution Service

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

Auditor

PricewaterhouseCoopers

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

Registrar

Computershare Investor Services Limited

Level 2, 159 Hurstmere Road
Takapuna
Private Bag 92119
Victoria Street West
Auckland 1142
Toll free: 0800 359 999
(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)

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

Chair and Independent Director
Keith Smith

Independent Directors

Laurissa Cooney
Leonie Freeman
David Gibson

Executive Director

John Dakin

Non-executive Directors

Gregory Goodman
Phillip Pryke

Management Team of Goodman (NZ) Limited and GMT Bond Issuer Limited

Chief Executive Officer

John Dakin

Chief Financial Officer

Andy Eakin

General Counsel and Company Secretary

Anton Shead

Director Investment Management

James Spence

General Manager Development

Michael Gimblett

Director Investment Management and Capital Transactions

Kimberley Richards

Head of Corporate Affairs

Jonathan Simpson

Marketing Director

Mandy Waldin

Human Resources Business Partner

Sophie Bowden



Goodman

Making space for greatness



goodman.com/nz