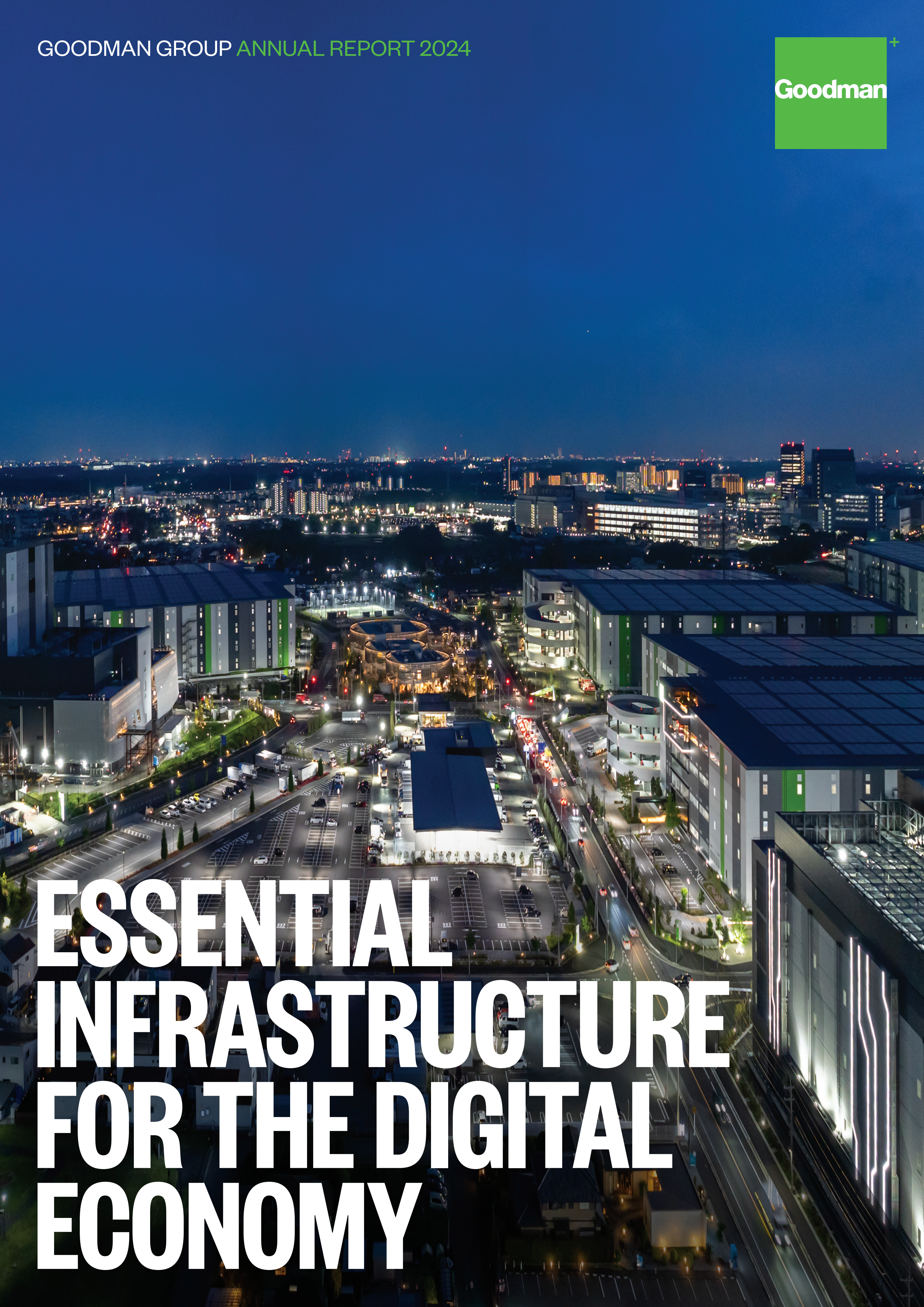
GOODMAN GROUP ANNUAL REPORT 2024



ESSENTIAL INFRASTRUCTURE FOR THE DIGITAL ECONOMY

Contents

GOODMAN'S 2024 REPORTING SUITE

We encourage you to explore our full suite detailing our Group performance on goodman.com.

Chairman and Group CEO's letter

Goodman Group has again delivered an excellent performance for Securityholders in FY24. Operating earnings per security were up 14% on the prior year, significantly ahead of initial guidance, as Goodman successfully executed its strategy. The Group has continued to evolve, and is now positioned as a key global provider of essential infrastructure for the digital economy.

In a year characterised by global macro uncertainty, the Group generated robust operating profit growth and cash flow, supported by high occupancy and significant development activity. The movement in global bonds has continued to influence the cost of capital with material movement in capitalisation rates impacting property valuations, despite strong market rental and net property income growth. While this has impacted Statutory profit and Net Tangible Assets (NTA), the Group's operations are positioned well going into FY25.

Key financial highlights include:

- Operating profit of $2,049.4 million, up 15%
- Operating EPS of 107.5 cents, up 14%
- Statutory loss of $98.9 million
- NTA down 3.5% to $8.80 per security
- Maintenance of a strong financial position with gearing low at 8.4% and interest cover ratio of 44.0x
- Liquidity of $3.8 billion available in cash and undrawn lines (excludes available liquidity of $14.0 billion in Partnerships)
- Distribution per security of 30.0 cents
- Total Securityholder return of 74.9% over one year and 149.4% over five years.

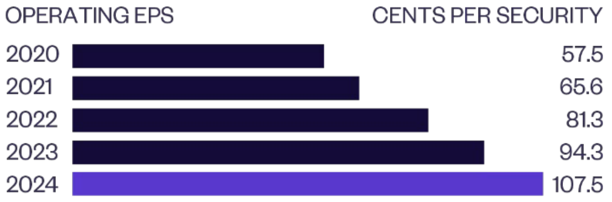
Key operational highlights include:

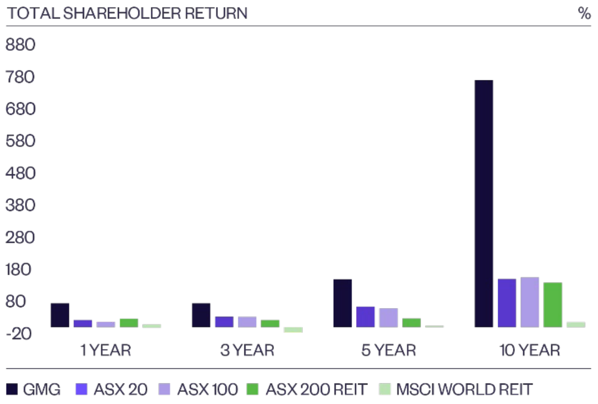
- Total portfolio of $78.7 billion, down 3%
- High portfolio occupancy of 97.7%
- Development work in progress of $13.0 billion maintained
- Development completions of $4.2 billion
- Data centre power bank of 5.0 GW across 13 major global cities
- Working to reduce emissions, including using renewable energy and trialling innovative materials in pilot development projects.

Providers of essential infrastructure

Goodman is benefitting from the successful execution of its strategy, where it is positioned to deliver significant essential infrastructure projects globally. Goodman continues to focus on owning, developing and managing logistics and data centre properties in key cities around the world, where barriers to entry are high and supply is limited.

The expansion of the digital economy, particularly through the growth of e-commerce, cloud computing systems and adoption of new technologies, including artificial intelligence and machine learning, is creating significant opportunity to develop the infrastructure customers are seeking.





Chairman and Group CEO's letter

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The concentration of Goodman's properties in urban infill locations provides opportunities to enhance sites, primarily through planning, to alternative and higher intensity uses over time. Over the years, it has given rise to multi-storey logistics, residential conversions and data centres, delivering significant long-term value to the business, its customers and investors.

The expansion of Goodman's data centre portfolio and power bank to 5.0 GW demonstrates its ability to deliver digital infrastructure, where it is securing power on its sites and developing data centres in cities with high demand.

For logistics, Goodman's strategically located properties are the infrastructure that facilitate the movement of goods through the global economy. As markets experience greater volatility and cost pressures, customers are seeking sophisticated solutions that provide greater efficiency and productivity, allowing them to extract more value from the sites. Goodman's properties provide customers with the opportunity to improve their performance through digitisation, mechanisation and automation of their facilities. This is particularly important to the e-commerce sector which despite slowing overall retail sales growth, is still expected to grow by 57% globally over the next five years (Source: Euromonitor).

It all comes down to location, intensity of use, and increased productivity.

Portfolio strength underscoring $2.05 billion operating profit

Goodman's locational strategy has meant that there is still more demand than there is supply in its target markets. This has translated to positive operating conditions for the Group, with $2.05 billion in operating profit.

Property investment income was up 7% to $567.1 million, with investment in Partnerships for acquisitions and development completions, in combination with rental growth, offsetting disposals. Occupancy remained high at 97.7%, and like-for-like net property income growth of 4.9% reflected the continued demand for Goodman's properties in the majority of its markets.

Development activity continued strongly throughout the year with Goodman maintaining work in progress of $13.0 billion and completing $4.2 billion worth of projects. Development earnings were strong at $1.28 billion.

A key highlight was the increase in management earnings, which were up 62% on FY23 to $776.4 million, driven primarily by higher performance fees. Goodman raised $1.4 billion of capital across the Partnership platform and added one new Partnership, taking the total to 21, with $70.2 billion external assets under management.

Active management optimising returns

Goodman is an active manager focused on optimising returns for its investors. During the year, the management of the $4.1 billion NZX-listed Goodman Property Trust (GMT) was internalised. This new structure offers greater growth opportunities for GMT unit holders and enhances returns on the Group's investment. Goodman also continued to actively rotate assets, including the sale of a $780 million portfolio of Australian properties to a major superannuation investor. Goodman regularly reviews its assets, capital structures, and global capital allocation, and anticipates undertaking further recycling of capital as a means to optimise the portfolio composition and capital position.

Strong balance sheet

Goodman continued its prudent approach to capital management. The Group has maintained low gearing of 8.4%, strong interest cover, and $3.8 billion of cash and undrawn lines with a further $14 billion available through the Partnerships. This provides the Group with flexibility to pursue investment and development opportunities, particularly in the data centre space where capital intensity is increasing. The Group is keeping distributions steady at 30 cents per security, enabling profits to be reinvested into the business and support its growth.

Data centre opportunity

Goodman has made significant progress on its data centre strategy in FY24, with data centres now accounting for 40% of Goodman's work in progress. Goodman's global power bank of 5.0 GW, combined with its proven development expertise and strong capital position, enables it to deliver best in class solutions for its customers at scale, while delivering strong returns for investors.

This strategically located power bank across 13 major global cities is a source of competitive advantage as the Group seeks to reposition several of its industrial sites as higher value data centres. Goodman's 5.0 GW power bank now includes 2.5 GW of secured power consisting of 0.5 GW of completed facilities, 0.4 GW work in progress and 1.6 GW of secured power to sites Goodman owns or controls. The remaining 2.5 GW is in advanced stages of procurement.

Goodman further demonstrated its strong track record in designing, developing and delivering large-scale data centre projects by completing projects, advancing planning for future projects, and commencing extensive infrastructure works to reduce time to market for its sites around the world.

This year Goodman also strengthened its integrated local and global specialist data centre team with key strategic hires, working in conjunction with the existing team who have a strong track record of delivering complex infrastructure projects.

Chairman and Group CEO's letter

(continued)

Sustainability innovation

The Group continues to focus on sustainability initiatives, embracing innovation as it looks for ways to reduce its environmental impact and improve social outcomes. You can read more about this in the sustainability section of this report and on the Goodman website.

Evolving governance

In preparation for the incoming mandatory climate-related disclosures, (Australian Accounting Standards Board and International Sustainability Standards Board), Goodman is changing its sustainability disclosure reporting. For the first time this year, the Group has incorporated specific climate reporting into its annual report (see the Sustainability report section), with additional data and sustainability information available on the Goodman website (http://goodman.com/sustainability). As part of these changes, responsibility for sustainability disclosures now sits with the Audit, Risk and Compliance Committee. The Sustainability and Innovation Committee will continue to concentrate on opportunities to incorporate innovation and technology across the business.

Board update

At this year's Annual General Meetings, David Collins and Danny Peeters will be standing for re-election with the full support of the Boards.

We would also like to acknowledge the retirement of Phillip Pryke from the Board in April of this year. Over 13 years he helped steward a successful international business with a strong shared culture and long-term focus that is a testament to the policies he promoted as Chair of the Remuneration Committee. On behalf of the Board, we would like to thank Phil for his dedication and commitment to Goodman.

FY25 outlook

Goodman is now positioned as a major provider of essential infrastructure globally. This is the result of many years of focus that has strengthened the value of the Group's assets.

The outlook for the Group remains positive with the active rotation of capital a key factor in funding sustained earnings growth over the long term, and maintaining a prudent level of financial leverage, in line with the Group's strategy.

Looking ahead, while Goodman's logistics offering remains core to the business with strong underlying fundamentals expected to be maintained, data centres are anticipated to be a major area of growth moving forward. Goodman is in active negotiations with several customers for powered shell and fully fitted turnkey facilities across its secured power bank, with substantial new starts anticipated to commence between now and the end of 2025. This will result in data centres representing an increasing proportion of work in progress and the total property portfolio.

The Group continues to assess its capital allocation, to both existing and potential opportunities, to provide the best risk-adjusted returns.

Goodman is well positioned heading into FY25, with a strong development workbook underway, a strong capital position and numerous opportunities ahead. We expect FY25 operating EPS growth to be 9.0%.

Cultural strength and alignment

Goodman continues to foster a culture based on its values of sustainability, innovation, determination and integrity. We would like to thank the Goodman team all around the world for their continued demonstration of these values and dedication to the long-term success of the Group.

The positive results we achieved this year are the outcome of a long-term strategy and are only possible when we have the whole team working together. Our people are aligned with Securityholders and incentivised by our mutual success. You can read more about this alignment in the Remuneration report.

We are pleased with our results this year but are not complacent. We have great opportunities ahead and our focus is on successful execution so we can continue to provide attractive returns for you, our Securityholders, over the long term.

Finally, we would like to thank all our stakeholders for their continued support.

Sincerely,

Stephen Johns
Independent Chairman

Gregory Goodman
Group Chief Executive Officer

Corporate Governance 2024

Goodman's Corporate Governance Statement can be viewed on our website at
http://www.goodman.com/about-us/corporate-governance/statement

Goodman's core corporate governance framework documents including Charters and Policies can be viewed on our website at
https://www.goodman.com/about-goodman/corporate-governance

Further information about Goodman's Corporate Governance policies and frameworks can be found within the Sustainability report starting on page 39.

Additional information for Securityholders is available at the Goodman Investor Centre at https://www.goodman.com/investor-centre

Goodman Limited and its controlled entities

Consolidated financial report for the year ended 30 June 2024

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Directors' report

The directors (Directors) of Goodman Limited (ABN 69 000 123 071) and Goodman Funds Management Limited (GFML), the responsible entity for Goodman Industrial Trust (ARSN 091 213 839), present their Directors' report together with the consolidated financial statements of Goodman Limited and the entities it controlled (Goodman or Group) and the consolidated financial statements of Goodman Industrial Trust and the entities it controlled (GIT) at the end of, or during, the financial year ended 30 June 2024 (FY24) and the audit report thereon.

Shares in Goodman Limited (Company or GL), units in Goodman Industrial Trust (Trust) and CHESS Depositary Interests (CDIs) over shares in Goodman Logistics (HK) Limited (GLHK) are stapled to one another and are quoted as a single security on the Australian Securities Exchange (ASX). In respect of stapling arrangements, Australian Accounting Standards require an acquirer to be identified and an in-substance acquisition to be recognised and accordingly GL is identified as having acquired control over the assets of GIT and GLHK. The consolidated financial statements of GL therefore include the results of GIT and GLHK.

As permitted by the relief provided in Australian Securities & Investments Commission (ASIC) Instrument 20-0568, the accompanying consolidated financial statements present both the financial statements and accompanying notes of Goodman and GIT. GLHK, which is incorporated and domiciled in Hong Kong, prepares its financial statements under Hong Kong Financial Reporting Standards and the applicable requirements of the Hong Kong Companies Ordinance and accordingly the financial statements of GLHK have not been included as adjacent columns in the consolidated financial statements. The financial statements of GLHK have been included as an appendix to this financial report.

GFML, as responsible entity for the Trust, is solely responsible for the preparation of the accompanying consolidated financial report of GIT, in accordance with the Trust's Constitution and the *Corporations Act 2001*.

OPERATING AND FINANCIAL REVIEW

About Goodman

Goodman Group is a global industrial property and digital infrastructure specialist, founded in Australia by Gregory Goodman over 30 years ago. We provide essential infrastructure by delivering warehouses and data centres needed to power the digital economy. We do so by owning, developing and managing high-quality properties that are close to consumers in key cities around the world. These properties support the distribution and storage of goods, as well as data processing – critical components for the functioning of the economies we operate in and therefore essential infrastructure.

As at 30 June 2024, we have 435 properties located in key consumer markets in 14 countries across Asia Pacific, Continental Europe, the United Kingdom and the Americas, while our 5.0 GW power bank is across 13 major global cities within these countries. Our property portfolio consists mainly of single and multi-level industrial buildings and data centres. They may be single buildings or a collection of buildings on one site leased to one or more customers for various purposes.

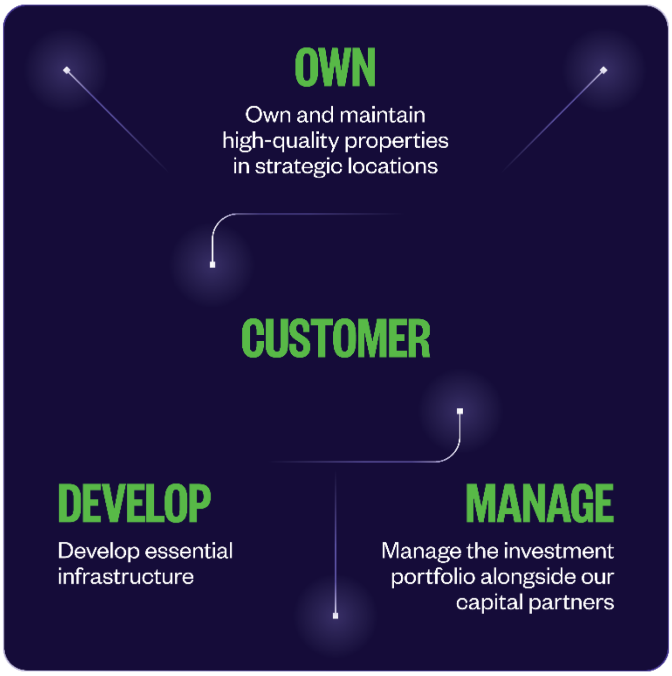
With a total portfolio value of $78.7 billion, we are the largest property group on the ASX, an ASX top 20 entity by market capitalisation, and one of the largest listed specialist investment managers of industrial property globally. We invest significantly alongside our capital partners in our Partnerships, and work to provide sustainable long-term returns for our investors.

We are a passionate team who are working together to create a better future for our customers, our people, and the communities we operate in, while achieving strong financial results for investors. We believe in innovation, determination, integrity, and sustainability and continually looking, where we can, to optimise, increase resilience and make space for greatness in the things we do.

Directors' report

Operating and financial review (continued)

Our integrated business model



Goodman's Own Develop Manage model focuses our business on our customers' current and future needs. This approach helps us better understand the trends in the market and refine our investment portfolio preferences accordingly.

We own high-quality properties in locations we believe have favourable supply and demand fundamentals, we develop new properties in those markets for long-term investment with specifications that are aimed at satisfying customer needs now and in the future, and we manage our global investment portfolio to the high standard that we desire. We work alongside our investment partners, which include sovereign wealth, pension and large multi-manager funds to manage capital in a manner commensurate with our respective requirements.

Our strategy involves providing essential infrastructure for the digital economy

The way we live, work and consume is evolving. Urbanisation and population growth are changing our cities and the expectations of the communities we operate within are evolving. Consumers are demanding more service, and the need for data management services is increasing rapidly. Customer demand for our properties is driven by structural drivers such as the expansion of e-commerce, supply chain optimisation, and growth in data management requirements.

Our strategy is to position ourselves to capitalise on these trends to provide what we class as essential infrastructure for the digital economy. By supporting our customers to operate in the most productive and sustainable way possible through the combination of our locational choices, our building specifications and our customer service we believe that we can meet the needs of our customers and therefore deliver attractive returns from the property investments.

We are targeting customers who value higher speed to market, the ability to gain more efficiency out of the properties they occupy, and greater resilience in their supply chain. We believe that in the future they will prefer to occupy more sustainable properties. To that end, the new properties we develop can be specified to accommodate greater automation, and their location close to consumers and connected to infrastructure can potentially help our customers minimise costs, reduce transport-related emissions, and drive greater productivity in their business. We are also investing in our properties to enhance their sustainability credentials. We believe that the sustainability and resilience characteristics of our properties will support their ongoing place in the market and make them attractive for the long term.

Our long-term investment horizon means we select sites with existing or future access to key transportation and/or power and water infrastructure that is hard to replicate. Our focus on urban infill assets or brownfield sites that can be redeveloped, means we can often regenerate existing sites and revitalise communities, while minimising land use and our impact on biodiversity. These sites are often ideal for multistorey facilities, optimising space and providing customers with centrally located facilities. This may result in higher development costs and lower short-term returns, but we believe that this is offset by lower risk and more opportunity for growth in the long run.

Directors' report

Operating and financial review (continued)

AUSTRALIA/NZ

$34.6BN
Portfolio

192
Properties

98%
Occupancy

330+
People

OFFICES
Brisbane
Melbourne
Sydney

ASIA

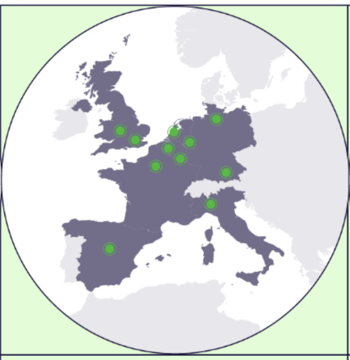
$23.2BN
Portfolio

80
Properties

96%
Occupancy

290+
People

OFFICES
Beijing
Chongqing
Guangzhou
Hong Kong
Osaka
Shanghai
Shenzhen
Tokyo



EUROPE/UK

$11.1BN
Portfolio

133
Properties

99%
Occupancy

230+
People

OFFICES
Amsterdam
Barcelona
Birmingham
Brussels
Düsseldorf
Hamburg
London
Luxembourg
Madrid
Milan
Munich
Paris

THE AMERICAS

$9.8BN
Portfolio

31
Properties

100%
Occupancy

110+
People

OFFICES
Los Angeles
New Jersey
Pennsylvania
San Francisco
São Paulo

Our values

Goodman's values are integral to the success of the business. They shape our culture and focus our teams on delivering high-quality service, and innovative property and investment solutions over the long term. As part of the annual performance review process, our people are assessed on their demonstration of the Goodman values of innovation, determination, integrity and sustainability.

- Innovation – New ideas push our business forward. We focus on the future, proactively looking for new opportunities and improved solutions for our stakeholders.
- Determination – Determination gets things done. We are motivated by excellence and work hard to achieve it, actively pursuing the very best outcomes for our stakeholders.
- Integrity – We have integrity, always. We work inclusively and transparently, balancing the needs of our business and our people, with the needs of the community and those we do business with.
- Sustainability – We are building our business for the long term. That is why we consider people and the planet in what we do. Our actions demonstrate our ongoing commitment to having a positive economic, environmental, and social impact.

Directors' report

Operating and financial review (continued)

Our purpose

Goodman's purpose of "making space for greatness" recognises our stakeholders' needs and drives us to help them reach their full potential. Here's how we make space for greatness for each of our stakeholders.

Customers

Our customers come from a wide range of industries including e-commerce, logistics, retail, consumer goods, automotive, food production, pharmaceutical, life sciences, healthcare and technology. Regardless of their sector, they need the right properties in the right locations. Proximity to their end consumer is key to increased speed to market and reducing transport costs and related emissions. Our customers are increasingly taking a strategic approach to their infrastructure decisions. They are boosting their investment in our buildings to maximise both supply chain efficiency and overall capacity as the digital economy grows.

To help our customers achieve their goals, we create spaces in desirable locations to an appropriately high specification with sustainability in mind and provide them with excellent service. Here, the greatest ambitions of our customers can flourish as we give them the space and service support to help them reach their goals.

Securityholders and investment partners

At Goodman, we invest in and manage the investment portfolio alongside our investment partners – including some of the world's largest pension and sovereign wealth funds. We take a patient and long-term approach to managing capital and focus on growing a sustainable and resilient business over time.

This long-term approach guides our decision making. By owning, developing and managing high-quality properties in key locations, we provide both short-term and long-term benefits for our customers while simultaneously working to deliver sustainable returns for our Securityholders and investors.

Our people

Our team of just under 1,000 people in 28 offices around the world is key to our long-term success. Skilled and diverse, team members use their expertise across the range of locations and cultures we operate in to deliver strong results. There are many opportunities for our people to get involved, to learn and to build rewarding careers.

Goodman encourages innovation. We look for people who want to realise their ambitions, challenge the status quo, drive change and develop new ideas that deliver a sustainable business – making a tangible difference today and long into the future. Through Goodman's Long Term Incentive Plan (LTIP), our team have a stake in our business, which motivates them to have a positive impact and take a long-term strategic approach to decision making. This also facilitates the alignment of remuneration outcomes for our people with the returns for Securityholders.

Supply chains

We acknowledge that providing a high-quality sustainable offering to our customers is a team effort, requiring relationships built on integrity. Our network of suppliers extends from our general building contractors who we work with closely to build facilities for our customers, to the providers of our office supplies.

In each case, we respect the needs of our suppliers and provide an environment for them to succeed by setting high quality standards and practicing good business ethics across our operations and global supply chains. This ranges from implementing strategies to protect human rights to treating our suppliers as part of our team, keeping them safe and paying them fairly and on time. In return, we expect our suppliers to abide by our high standards and communicate these requirements within their own supply chains. Key technology partners in our supply chain are also expected to maintain adequate controls, risk mitigation capabilities and recovery strategies to protect our information and our systems from error and malice.

Directors' report

Operating and financial review (continued)

Our communities

As a long-term owner of properties, Goodman understands the importance of contributing to the local community. We build long-term relationships, engaging and collaborating with landowners, cities and municipalities, charity partners, and the community at large, to provide developments that meet our customers' needs and benefit the wider community.

Our properties add value to local communities and the wider economy by generating jobs and creating essential infrastructure. They are developed in line with the local planning authorities' ambitions to build sustainable and resilient communities. Our urban infill developments, often on brownfield sites, optimise scarce land resources and support local regeneration. Our projects can also add social value – through the provision of cafes, fitness, and recreation facilities for the whole community to enjoy.

We add social value in other ways too – by working with local charities and community partners in all our markets to make a sustained and tangible difference. Whether it is working with organisations on meeting essential needs, social and mental wellbeing, education and employment, or disaster relief, the Goodman Foundation accelerates bold and tangible solutions that strengthen communities and enable long-term positive change. We aim to contribute $100.0 million to community organisations by 2030.

Goodman also considers the important role First Nations communities and peoples play in Australia. Our Reflect Reconciliation Action Plan (RAP) has received official endorsement and we have implemented cultural and community initiatives, and through the Goodman Foundation we have contributed $2.4 million to First Nations peoples-focused community programs in FY24.

Directors' report

Operating and financial review (continued)

Financial highlights

$2,049.4M	↑	OPERATING PROFIT[1] $1,783.2 million in FY23 Increase of 14.9%
($98.9M)	↓	LOSS ATTRIBUTABLE TO SECURITYHOLDERS Profit of $1,559.9 million in FY23 5.2¢ statutory loss per security (FY23: profit of 83.0¢) 1,896.7 million weighted average number of securities on issue
107.5¢	↑	OPERATING PROFIT PER SECURITY[1] 94.3¢ in FY23 Increase of 14.0%
30¢	—	DIVIDENDS/DISTRIBUTIONS PER SECURITY 30¢ in FY23 Stable, in line with financial risk management objective to susbtainably fund future investments and business growth
$8.80	↓	NET TANGIBLE ASSETS PER SECURITY $9.12 at 30 June 2023 Decrease of 3.5% 1,899.2 million securities on issue
$78.7B	↓	TOTAL PORTFOLIO $81.0 billion at 30 June 2023 Decrease of 2.8%
$13.0B		DEVELOPMENT WORK IN PROGRESS[2] 40% of WIP is data centre developments
8.4%		GEARING[3] 8.3% at 30 June 2023 Increase of 10 basis points
$3.8B		LIQUIDITY No debt facility maturities in next 12 months 5.1 years weighted average debt maturity (at 30 June 2023: 5.5 years)
44.0X		INTEREST COVER[4] Substantially in excess of the financial covenant

The footnotes for the results summary are set out on the following page.

Directors' report

Operating and financial review (continued)

Footnotes to the results summary:

1. Operating profit comprises profit attributable to Securityholders adjusted for net property valuations, non-property impairment losses, net gains/losses from the fair value movements on derivative financial instruments and unrealised fair value and foreign exchange movements on interest bearing liabilities and other non-cash adjustments or non-recurring items e.g. the share based payments expense associated with Goodman's LTIP.

   Operating earnings per security (operating EPS) is the operating profit divided by the weighted average number of securities on issue during FY24, including securities relating to performance rights that have not yet vested but where the performance hurdles have been achieved.

   As it is closely aligned with operating cash generation, the Directors consider that Goodman's operating profit is a key measure by which to examine the underlying performance of the business, notwithstanding that operating profit is not an income measure under International Financial Reporting Standards (IFRS).

2. Development work in progress (WIP) relates to active developments across Goodman and its investments in associates and joint ventures (JVs) (collectively referred to as Partnerships). In most cases, WIP is the projected end value of projects. However, for certain longer dated projects that are in the early stages of development, WIP is the estimated cost of land and committed works.

   Production rate is the WIP at a point in time divided by the expected time from commencement to stabilisation, reported on a per annum basis.

3. Gearing is calculated as total interest bearing liabilities over total assets, both net of cash and the fair values of certain derivative financial instruments included in other financial assets of $88.6 million (2023: $81.7 million). Total interest bearing liabilities are grossed up for the fair values of certain derivative financial instruments included in other financial liabilities of $41.9 million (2023: $34.2 million).

4. Interest cover is operating profit before net finance expense (operating) and income tax (operating) divided by net finance expense (operating). The calculation is in accordance with the financial covenants associated with the Group's unsecured bank loans and includes certain adjustments to the numerator and denominator.

Directors' report

Operating and financial review (continued)

Overview

The Group has delivered another year of strong operating performance. Operating profit increased by 14.9% to $2,049.4 million (2023: $1,783.2 million). This equates to an operating EPS of 107.5 cents (2023: 94.3 cents), up 14.0% on FY23.

Our active asset management optimises returns for our investors as we continue to focus on the delivery of essential infrastructure for the expanding digital economy. We remain focused on major metropolitan markets that are characterised by higher than average depth of demand and relatively high supply constraints. The location and quality of our properties can enable increased productivity, underpinning demand as our customers are seeking to improve their supply chain efficiency using automation and offering faster transit times. The growth in e-commerce has been an extension of these trends and an important consideration in the formulation of our strategy and composition of the portfolio.

Supplementing the portfolio performance is the growing activity in data centres. We continue to experience very strong demand from these customers. We are responding by developing large-scale, high value, data centres, and expanding our global power bank to address the expansion of artificial intelligence usage and cloud computing. To date, we have not taken an operational control position in any of the data centres.

The slow rates of gross domestic product growth in most economies have, however, had a short-term cyclical impact on general demand from occupiers of logistics and warehouse property. Notwithstanding this, the relative scarcity of space in our locations, and customers' need for more productive and sustainable solutions is supporting underlying property fundamentals, which has continued to drive development demand and rental growth. The strength of our specific markets means that our portfolio has a high rate of occupancy and growing income.

During the year we internalised the management of the NZX-listed Goodman Property Trust (GMT) providing it with an improved platform for growth in the context of that market. We continue to review our assets and capital allocation globally and expect to remain active over time as we continue to optimise returns.

We expect continued volatility in real estate markets globally, however the Group and Partnerships are well placed and have strong balance sheets. The Group has no drawn debt facility maturities until late 2025, with significant liquidity following our recent bank and bond market activity. We are well placed to adapt to the macroeconomic environment, including the higher global cost of capital, allowing us to pursue opportunities for growth.

There remains impetus to continue to execute on our development strategy. We have taken account of current economic conditions and adopted a measured approach to new industrial development and started to migrate many of our sites away from traditional industrial uses to data centres. The data centre developments, whilst typically larger, usually take more time than industrial property developments. As a result, we have reduced the volume of development activity. The level of ongoing activity at 30 June 2024 is equivalent to an annual production rate of $6.4 billion which is down from $7.0 billion in the prior year. We have continued to invest alongside our Partners in the creation of the new properties.

With the continued investment, high rates of occupancy and rental growth, property investment earnings are up on the prior year, increasing by 6.7% to $567.1 million. Whilst development earnings are slightly lower than FY23, decreasing by 1.9% to $1,276.8 million, it represents a significant contribution to the Group's operating earnings.

However, the higher interest rates and more specifically higher longer-term government bond yields compared to 12 months ago have adversely impacted property valuations during the year. The Group and Partnerships (on a 100% ownership basis) have reported a net property valuation loss of $5.1 billion (2023: gain of $0.8 billion), of which the Group's share was a loss of $1,595.3 million (2023: gain of $264.1 million). The Group's share of the loss also included a negative adjustment of $322.3 million that offsets the prior year valuation gains recognised in current year operating profit following the disposals of the properties in FY24. The main driver of the valuation losses has been the expansion of property capitalisation rates, with the weighted average capitalisation rate across our portfolio increasing to 5.2% at 30 June 2024 from 4.5% at 30 June 2023. The effects of higher capitalisation rates have been partly offset by the growth in current and projected rents and the contribution from developments.

These property valuation decrements, along with asset disposals and the adverse impact of foreign currency translation, have resulted in a decrease in the value of our portfolio during FY24. The impacts have been partly offset by the ongoing investment and development activity in the Partnerships, but overall our total portfolio has decreased from $81.0 billion to $78.7 billion.

Directors' report

Operating and financial review (continued)

Our external assets under management also decreased during FY24 from $76.3 billion to $70.2 billion. The higher decrease in value compared to the total portfolio was due to the impact of the internalisation of GMT in March 2024. However, across the financial year the average external AUM was higher in FY24 compared to FY23 and consequently, revenues from management services, which includes base management fees and property services income, increased to $445.2 million (2023: $438.7 million). Performance and transactional related income from management services was also higher in FY24 at $331.2 million (2023: $41.9 million), with a number of performance fee assessment dates within the Partnerships having occurred during FY24 and the recognition of management fee income from GMT being accelerated due to the internalisation.

Primarily as a consequence of the Group's share of the property valuation losses, Goodman has reported a statutory loss for FY24 of $98.9 million (2023: profit of $1,559.9 million). The other significant items that reconcile the operating to statutory results include the expense associated with the LTIP of $501.4 million (2023: $286.0 million) and the net fair value loss on derivatives of $10.8 million (2023: net loss of $225.8 million).

The Group and Partnerships have maintained their strong financial positions during the year. At 30 June 2024, the Group's gearing was 8.4% (2023: 8.3%) and the cash and undrawn bank lines available to the Group were $3.8 billion (2023: $3.1 billion). Dividends and distributions relating to FY24 were maintained at 30 cents per security, equivalent to 28% of operating profit. The cash retained for future investment in the business enables the maintenance of a balance sheet and capital position that is consistent with our financial risk management targets given the significant development activity and the commensurate growth in investments that are expected in the near term.

Key operational highlights for FY24:

Property investment:

- Property investment earnings of $567.1 million (2023: $531.4 million)
- $78.7 billion (2023: $81.0 billion) total property portfolio, of which the Group owns a whole or a part share
- 4.9% (2023: 4.7%) like for like growth in net property income (NPI) from the assets in Partnerships
- 97.7% (2023: 98.7%) occupancy across the Partnerships.

Management:

- Management earnings of $776.4 million (2023: $480.6 million)
- $70.2 billion (2023: $76.3 billion) of external AUM in Partnerships, of which $63.0 billion (2023: $68.8 billion) relates to stabilised properties
- Average external stabilised AUM of $67.1 billion (2023: $64.5 billion)
- Partnerships reported -5.0% (2023: 7.3%) weighted average total return on net assets.

Development:

- Development earnings of $1,276.8 million (2023: $1,301.2 million)
- Completed $4.2 billion of developments with 99% of completions leased
- $13.0 billion (2023: $13.0 billion) of development WIP
- 71% (2023: 81%) of WIP is being undertaken by Partnerships or has been pre-sold to Partnerships and third parties.
- Global power bank increased to 5.0 GW across 13 major cities.

Directors' report

Operating and financial review (continued)

Analysis of performance

Goodman's key operating regions are Australia and New Zealand (reported on a combined basis), Asia (Greater China, including the Hong Kong SAR, and Japan), Continental Europe, the United Kingdom and the Americas (principally North America and including Brazil). The operational performance can be analysed into property investment earnings, management earnings and development earnings, and the Directors consider this presentation of the consolidated results facilitates a better understanding of the underlying performance of Goodman given the differing nature of and risks associated with each earnings stream.

Property investment earnings consist of gross property income (excluding straight lining of rental income), less property expenses, plus Goodman's share of the operating results of Partnerships that is allocable to property investment activities which excludes the Group's share of property revaluations and derivative mark to market movements. The key drivers for maintaining or growing Goodman's property investment earnings are increasing the size of the portfolio (subject also to Goodman's direct and indirect interest), maintaining or increasing occupancy and rental levels within the portfolio, and controlling operating and financing costs within Partnerships.

Management earnings relate to the revenue from managing both the property portfolios and the capital invested in Partnerships. This includes performance related revenues but excludes earnings from managing development activities in Partnerships, which are included in development earnings. The key drivers for maintaining or growing management earnings are activity levels, asset performance, and increasing the level of external AUM, which can be impacted by property valuations and asset disposals and is also dependent on liquidity including the continued availability of third party capital to fund both development activity and acquisitions across Goodman's Partnerships.

Development earnings consist of development income, plus Goodman's share of the operating results of Partnerships that is allocable to development activities, plus net gains or losses from disposals of investment properties and equity investments that are allocable to development activities (including the Group's share of realised valuation gains booked in prior periods in respect of properties that had been repositioned – refer to page 22, plus interest income on loans to development joint ventures (JVs), less development expenses. Development income includes development management fees and performance related revenues associated with managing individual development projects in Partnerships. The key drivers for Goodman's development earnings are the level of development activity, land and construction prices, property valuations and the continued availability of third party capital to fund development activity.

Directors' report

Operating and financial review (continued)

The analysis of Goodman's performance and the reconciliation of the operating profit to profit for the year attributable to Securityholders for FY24 are set out in the table below:

	Note	2024 $M	2023 $M
Analysis of operating profit			
Property investment earnings		567.1	531.4
Management earnings		776.4	480.6
Development earnings[1]		1,276.8	1,301.2
Operating earnings		2,620.3	2,313.2
Operating expenses		(382.7)	(372.5)
		2,237.6	1,940.7
Net finance expense (operating)[2]		(18.5)	(13.5)
Income tax expense (operating)[3]		(169.7)	(144.0)
Operating profit		2,049.4	1,783.2
Adjustments for:			
Property valuation related movements			
– Net gain from fair value adjustments on investment properties	5(e)	6.0	278.9
– Share of fair value adjustments attributable to investment properties in Partnerships after tax	5(f)(i),(ii)	(1,410.4)	544.7
– Deferred tax on fair value adjustments on investment properties	4(d)	131.4	(47.7)
– Realisation of prior years' property valuation gains, net of deferred tax[1]		(322.3)	(511.8)
		(1,595.3)	264.1
Fair value adjustments related to hedging activities			
– Fair value adjustments on derivative financial instruments	14	(10.3)	(221.3)
– Share of fair value adjustments on derivative financial instruments in Partnerships	5(f)(i),(ii)	(0.5)	(4.5)
		(10.8)	(225.8)
Other non-cash adjustments or non-recurring items			
– Share based payments expense	1	(501.4)	(286.0)
– Other adjustments, including the straight lining of rental income and deferred taxes		(47.1)	24.4
– Gain on early redemption of debt	14	6.3	-
		(542.2)	(261.6)
(Loss)/profit for the year attributable to Securityholders		(98.9)	1,559.9

1. In the analysis of the Group's performance, Goodman has categorised $322.3 million (2023: $511.8 million) of realised property valuation gains in development earnings. These gains, which occurred in prior periods and had been recorded in the income statement as revaluation adjustments, related to investment properties (both directly and indirectly held) that had been repositioned for development activities and subsequently sold. The amount of $322.3 million (2023: $511.8 million) represents the cumulative valuation gains since the most recent repositioning activities commenced. In the reconciliation of the operating profit to profit attributable to Securityholders, these gains have been notionally offset against the current year valuation gains so that they are not double counted. Refer to page 22.
2. Net finance expense (operating) excludes derivative mark to market movements.
3. Income tax expense (operating) excludes the deferred tax movements relating to investment property valuations and other non-operating items, such as the Group's LTIP.

Directors' report

Operating and financial review (continued)

Property investment

Property investment earnings in FY24 of $567.1 million (2023: $531.4 million) increased by 6.7% on the prior year and comprised 22% of the total operating earnings (2023: 23%).

	2024 $M	2023 $M
Analysis of property investment earnings:		
Direct	77.6	87.4
Partnerships	489.5	444.0
	567.1	531.4

	2024	2023
Key metrics:		
Weighted average capitalisation rate (WACR) (%)	5.2	4.5
Weighted average lease expiry (WALE) (yrs)	5.0	5.5
Occupancy (%)	97.7	98.7

Goodman's property portfolios are concentrated in large, urban locations where available space remains restricted and barriers to entry are relatively high.

Our customers have maintained a cautious approach during FY24 given the macroeconomic uncertainty surrounding economic growth, interest rates, inflation, and geopolitical issues. Activity levels among the bulk of the traditional logistics and warehouse users moderated to more normalised levels seen pre-pandemic lock downs. Nevertheless, e-commerce activity continues to grow, and logistics customers are continuing to optimise productivity (including using automation and technology) as the digital economy remains a key driver of demand. This, and the relatively limited supply of space in our markets, are supporting the underlying property fundamentals and cash flows in our portfolio, with high levels of occupancy and income growth. Property fundamentals are weak in the Mainland China portfolio, but this has been largely offset by the other regions.

The majority of the directly held properties have potential for significant long-term growth from redevelopment to more intense or higher and better uses. The net income from the Group's directly held properties decreased to $77.6 million (2023: $87.4 million) as a result of disposals to both Partnerships and external third parties and the deliberate creation of vacancy to facilitate their redevelopment. This was partly offset by increased income from acquisitions and rental growth.

The more significant component of the Group's property investment earnings was from its cornerstone interests in the Partnerships. During FY24 the Group maintained or increased its interests in the Partnerships and its share of property investment earnings from the stabilised assets increased by $45.5 million to $489.5 million (2023: $444.0 million). This was principally due to the stabilisation of developments in both FY23 and FY24 and rental income growth from existing stabilised properties, partly offset by higher interest expense. On a like for like basis NPI from the Partnership stabilised portfolios was up by 4.9% (2023: 4.7%) compared to FY23 and occupancy at 30 June 2024 remained strong at 97.7% (2023: 98.7%).

Over the course of FY24, the Group's weighted average capitalisation rates expanded from 4.5% to 5.2%, reflecting the increase in cost of capital in global financial markets. During FY24, the Group's share of the property valuation decrements from the stabilised portfolios (before deferred tax) was $1,555.4 million (2023: gain of $721.9 million). The most significant valuation decrements have arisen in North America (in the first half of FY24), New Zealand and Mainland China, with smaller decrements having also occurred in Hong Kong and Continental Europe. Other markets, including Australia, have been relatively stable with growth in market rents and valuation uplifts on development completions helping to offset the impacts of higher capitalisation rates.

The operating income return on Goodman's investment in the stabilised portfolios held by the Partnerships was 3.3% compared to 3.5% in FY23, as the impacts of higher net property income were offset by the higher asset base following the valuation results in the prior year. The net valuation decrement in the current year resulted in a negative total return for our Partnerships of -5.0% for FY24 (2023: positive return of +7.3%). Gearing remained within target ranges, which continued to be appropriate given the ongoing development activity and the aim of Goodman and its investment partners to position the Partnerships for sustainable long-term growth.

Directors' report

Operating and financial review (continued)

Management

Management earnings in FY24 of $776.4 million (2023: $480.6 million) increased by 61.5% compared to the prior year and comprised 29% of total operating earnings (2023: 21%). This increase was primarily due to higher performance and transaction related income, but base management and property service fee income were also higher.

Excluding performance and transaction related income, management fee income earned from the overall management of the Group's Partnerships was $445.2 million (2023: $438.7 million). The higher base management fees were primarily a result of a higher average stabilised AUM, which was $67.1 billion compared to $64.5 billion in FY23. However, between the start and end of the financial year, external AUM decreased to $70.2 billion from $76.3 billion, primarily due to valuation decrements, the internalisation of GMT in March 2024 and disposals. This was partly offset by the ongoing acquisitions and developments in most Partnerships.

External AUM

	FY24 $B
At the beginning of the year	76.3
Acquisitions	3.0
Disposals	(1.2)
Capital expenditure (developments)	2.0
Valuations	(5.1)
Internalisation of management rights	(4.1)
Foreign currency translation	(0.7)
At the end of the year	**70.2**

Performance and transactional related fee revenue was $331.2 million (2023: $41.9 million), which was higher than FY23 due to more performance fee assessment dates during the year and the acceleration of income as a result of the GMT internalisation. Despite the increased capitalisation rates, there remains a significant backlog of potential fees that may be earned in the future if the relevant conditions are met.

Development

In FY24, development earnings were $1,276.8 million (2023: $1,301.2 million). This represents a decrease of 1.9% on the prior year but development earnings still comprised 49% of the Group's total operating earnings (2023: 56%). At 30 June 2024, WIP is globally diversified across 80 projects and the majority of development activity was undertaken by or for the Partnerships and third parties (71% of WIP at 30 June 2024).

The quality and location of our sites continues to be a key factor in the strength of our development activity. We have continued to optimise returns by increasingly undertaking development projects that have been originated on our balance sheet and orienting the development workbook towards data centres and higher intensity of use outcomes. Data centre demand has put further pressure on the availability of space and has resulted in a growth in rents, which combined with the Group's strong risk management and cost control, has seen project margins remain attractive during FY24.

Directors' report

Operating and financial review (continued)

Data centre projects represented 40% of WIP at 30 June 2024 and a number of these will be in WIP throughout FY25. We have continued to make progress on the power bank globally and our key focus is on securing additional power, advancing planning and commencing site infrastructure works to provide certainty on project milestones. At 30 June 2024, our global power bank had increased to 5.0 GW across 13 major global cities, comprising 2.5 GW of secured power and 2.5 GW of power in advanced stages of procurement. The power is attached to specific properties within the existing portfolio. We are in active discussions with our customers on delivery and leasing models for powered shell and full infrastructure fit-out solutions that best suit their requirements. In addition, there are several additional sites owned or controlled by the Group and Partnerships that are currently under review for potential data centre use.

The number of large scale and higher value data centre projects has resulted in the average development period increasing to 25 months for projects in WIP. At 30 June 2024, the average annualised production rate (based on expected development end value) was, at $6.4 billion, lower than prior year.

In locations where the supply of available land is restricted, the Group continues to commence certain projects prior to securing a pre-lease commitment. Consequently, of the $5.2 billion of project commencements during the year, 67% had pre-committed leases. Commencing development without pre-leases in place is not unusual, and it is common to see leasing occur during the development period. Of the $4.2 billion of development completions during the year, 99% had been leased, a reflection of the customer demand and the Group's ability to convert that into lease contracts during development.

Operating expenses

For FY24, operating expenses were $382.7 million, up from $372.5 million in the prior year.

Employee expenses were $273.2 million compared to $271.6 million in the prior year, an increase of $1.6 million. The Group's aim is to keep base remuneration costs relatively steady, and instead use variable remuneration to incentivise staff. Globally, the Group has 976 employees at 30 June 2024.

Administrative and other expenses increased to $109.5 million from $100.9 million in the prior year primarily due to inflationary pressures, resumption of travel and higher expenditure on information technology.

Net finance expense (operating)

Net finance expense (operating), which excludes interest income on loans to development JVs, derivative mark to market and unrealised foreign exchange movements, increased to $18.5 million from $13.5 million. This was due to higher interest rates on loans but this was partly offset by higher interest income received on our cash and hedges and an increase in capitalised interest, with more development capital allocated directly by the Group.

Income tax expense (operating)

Income tax expense (operating) for FY24 at $169.7 million (2023: $144.0 million) increased compared to the prior year, primarily due to the nature and geographic location of the Group's growing earnings.

It should be noted that a significant proportion of Goodman's property investment earnings related to GIT and its controlled entities, which, as trusts, are 'flow through' entities under Australian tax legislation, meaning Securityholders (and not GIT) are taxed on their respective share of income.

Many countries have either adopted or have indicated that they are going to adopt the Organisation for Economic Co-operation and Development's (OECD) Pillar Two minimum tax regime, which has the objective of requiring a minimum effective corporate tax rate of 15% for large multinational enterprises. The Group will continue to review the impacts of any proposed changes but does not anticipate that the legislation will have a material impact on the Group's results.

Directors' report

Operating and financial review (continued)

Capital management

Interest bearing liabilities

At 30 June 2024, the Group's available debt facilities and fixed rate long-term bonds totalled $5.8 billion, of which $3.7 billion had been drawn, and had a weighted average maturity of 5.1 years. The Group's cash and undrawn bank facilities totalled $3.8 billion and there are no significant debt maturities until September 2025.

At 30 June 2024, gearing was 8.4% (2023: 8.3%), which continued to be at the lower end of the Group's policy range of 0% to 25%. Interest cover was 44.0 times (2023: 48.3 times) and the Group continued to have significant headroom relative to its financing covenants. Goodman's strong investment grade credit ratings were unchanged over the year.

Including the Partnerships, the Group completed $8.1 billion of debt financing to extend and expand its capacity. The Group also secured $1.4 billion in third party equity commitments, which will provide capacity for future acquisition and development opportunities. At 30 June 2024, the Partnerships had $13.9 billion in available cash, undrawn bank facilities and equity commitments, noting that the majority of the equity commitments remain subject to the approval by the relevant investment partners, including Goodman, of proposed property investments for which the funding is required.

Dividends and distributions

The Group's distribution for FY24 was again maintained at 30 cents per security, a pay-out ratio of 28% (FY23: 32%), with 15 cents per security paid on 23 February 2024 and 15 cents per security to be paid on 26 August 2024. This pay-out ratio has assisted the Group in retaining funds for its ongoing development activity and in keeping gearing at an appropriate level, within the desired range. The distribution reinvestment plan was not in operation during the year.

In respect of the separate components that comprise the 30 cents per security distribution for FY24:

+ Goodman Limited did not declare any dividends during the year (2023: $nil)
+ Goodman Industrial Trust declared and accrued distributions of 26.0 cents per security (2023: 25.0 cents per security), amounting to $493.8 million (2023: $470.4 million)
+ GLHK declared and accrued a dividend of 4.0 cents per security (2023: 5.0 cents per security), amounting to $76.0 million (2023: $94.2 million).

Summary of items that reconcile operating profit to statutory profit

Property valuation related movements

The net gain from fair value adjustments on investment properties directly held by Goodman was $6.0 million (2023: $278.9 million). The uplift in value was primarily due to development completions in Australia.

Goodman's share of net losses from fair value adjustments before deferred tax attributable to investment properties in Partnerships was $1,542.9 million (2023: gain of $508.1 million), primarily due to the expansion in capitalisation rates, partly offset by increases in market rents. The Group's share of the deferred tax credits in the Partnerships due to the property valuation decrements was $132.5 million.

At 30 June 2024, the weighted average capitalisation rate for Goodman's stabilised property portfolios (both directly held and Partnerships) was 0.7 percentage points higher than 30 June 2023, increasing from 4.5% to 5.2%.

Directors' report

Operating and financial review (continued)

Fair value movements on properties subject to contracts for disposal
Given the large size and scale of the Group's projects, it is common for development periods to extend beyond 12 months. Consequently, properties under development or repositioning may be subject to significant fair value adjustments at reporting dates during the development phase. These fair value adjustments are reflected in the Group's statutory profit attributable to Securityholders (as a valuation movement) but do not form part of the Group's operating profit at that time, as the gains have not been realised.

However, in the reporting period when the property has been sold, then under the Group's operating profit policy, any property valuation movements that have arisen between the date of commencement of the most recent development or repositioning activities and the date of disposal are allocated to operating profit, as development earnings. This aligns the Group's performance measurement with the commercial outcomes that are linked to the cash generation from these activities. The effect of this policy is that the Group's operating profit will reflect the full cash gain, but only in the period in which the transaction completes.

During FY24, gains of $322.3 million (2023: $511.8 million) were realised on completion of such transactions and as a consequence this amount has been reported as part of the Group's operating profit for FY24. In the reconciliation of the operating profit to profit attributable to Securityholders, these gains have been notionally offset against the current year valuation gains so that they are not double counted.

At 30 June 2024, the Group's share of cumulative unrealised valuation gains on properties that were subject to contracts for disposal but had not yet been derecognised was $4.4 million (2023: $271.3 million). These gains have been reported as part of the Group's statutory profit attributable to Securityholders in either the current or prior periods and would form part of future years' operating profit if and when the transactions are settled.

There were no impairment losses associated with the Group's inventories during the year.

Fair value adjustments relating to hedging activities
The amount reported in the income statement associated with the Group's derivative financial instruments was a net loss of $10.8 million (2023: $225.8 million net loss). Whilst the AUD was weaker compared to most of the Group's foreign currencies for a large part of FY24 (the notable exception being JPY) it strengthened during June 2024 such that at 30 June 2024 it ended up marginally stronger than almost all the Group's currencies when compared to 30 June 2023. This resulted in an unrealised mark to market gain on the foreign exchange hedges over the year. This gain was more than offset by the decline in the fair value of the interest rate hedges.

In accordance with our Financial Risk Management (FRM) policy, the Group continues to hedge between 65% and 90% of the net investment in major overseas operations. Where Goodman invests in foreign assets, it will borrow in that currency or enter into derivative financial instruments to create a similar liability. In so doing, Goodman reduces its economic exposures to those currencies. The unrealised fair value movement of the derivative financial instruments (up or down) is recorded in the income statement; however, the foreign currency translation of the net investment that is being hedged is recorded directly in reserves. In FY24, the movement in reserves attributable to foreign currency movements was a $115.8 million loss (2023: $360.6 million gain).

Other non-cash adjustments or non-recurring items
The principal other non-cash adjustments or non-recurring items for FY24 related to the share-based payments expense of $501.4 million (2023: $286.0 million) for Goodman's LTIP. The increase was primarily due to the movement in the Goodman security price in the year, from $20.07 to $34.75 in FY24 compared to $17.84 to $20.07 in FY23. This has resulted in a higher expense on remeasurement of the cash settled performance rights. Other factors include the full amortisation of the performance rights attributable to the former employees in New Zealand on internalisation of the management rights.

Directors' report

Operating and financial review (continued)

Statement of financial position

	2024 $M	2023 $M
Stabilised properties	1,417.0	2,086.2
Cornerstone investments in Partnerships	13,688.8	14,328.7
Development holdings	5,334.5	4,565.4
Intangible assets	829.5	850.1
Cash and cash equivalents	1,785.3	1,360.1
Other assets	773.0	836.7
Total assets	**23,828.1**	**24,027.2**
Interest bearing liabilities	3,686.7	3,292.9
Other liabilities	2,603.5	2,709.5
Total liabilities	**6,290.2**	**6,002.4**
Net assets	**17,537.9**	**18,024.8**

At 30 June 2024, the carrying value of the directly held stabilised investment properties, which included assets held for sale of $25.7 million (2023: $509.6 million), decreased by $669.2 million to $1,417.0 million at 30 June 2024. This was due to disposals of $773.7 million in Australia and Continental Europe, valuation decrements of $28.6 million, net transfers to development holdings of $114.7 million and foreign currency translation losses of $22.6 million, partly offset by acquisitions and development expenditure of $270.0 million (predominantly Australia and the Americas).

The value of Goodman's cornerstone investments in Partnerships, which excludes the Group's share of their development assets, decreased by $639.9 million to $13,688.8 million. The movements during the year included the valuation decrements (net of deferred tax) across the portfolios of $1,400.9 million and foreign currency translation losses of $57.6 million, partly offset by the Group's net investments in the Partnerships of $698.4 million and transfers from development properties on stabilisation of $115.4 million.

Goodman's development holdings increased by $769.1 million to $5,334.5 million (2023: $4,565.4 million). Overall, activity levels have been marginally lower across the year, with the level of ongoing activity at 30 June 2024 being equivalent to an annual production rate of $6.4 billion. However, the Group's development WIP at 30 June 2024 was maintained at $13.0 billion (2023: $13.0 billion).

The directly held development assets (inventories and investment properties) increased by $320.3 million to $2,936.0 million (2023: $2,615.7 million), with acquisitions and capital expenditure of $731.8 million, valuation uplifts of $34.6 million and net transfers from stabilised properties of $114.7 million. These increases were partly offset by disposals of $532.9 million and foreign currency translation losses of $28.0 million.

The Group's share of development assets in the Partnerships increased by $448.8 million to $2,398.5 million (2023: $1,949.7 million). This was due to acquisitions of $620.1 million, partly offset by transfers to stabilised assets at completion of $115.4 million, valuation decrements of $9.5 million (net of deferred tax benefit of $6.6 million) and foreign currency translation losses of $33.4 million.

The principal goodwill and intangible asset balance relates to Continental Europe of A$611.1 million (2023: $622.8 million). The movement in the consolidated balance during the year related to the internalisation of the Goodman Property Trust management rights in New Zealand and changes in foreign currency exchange rates. There were no impairments or reversals of impairments during the year.

The movement in the cash balance during the year is explained in the cash flows section of this report.

In respect of the interest bearing liabilities, during FY24 Goodman negotiated a number of bank facilities to increase facility limits and extend the Group's weighted average maturity profile. In addition, in April 2024, the Group completed a tender offer that resulted in repayment of EUR 197.0 million of the EUR 500.0 million notes that were scheduled to mature in September 2025 and issued new notes of EUR 500.0 million that mature in May 2030. There are no significant debt maturities in the next 12 months, with the next scheduled repayment being the remainder of the notes of EUR 303.0 million that mature in September 2025.

Directors' report

Operating and financial review (continued)

Other assets included receivables, right of use assets from the Group's operating leases (primarily office premises) and the fair values of certain derivative financial instruments, which hedge the Group's interest rate and foreign exchange rate risks. There were no material movements during FY24.

Other liabilities included trade and other payables, lease liabilities, the provision for distributions to Securityholders, fair values of certain derivative financial instruments and tax liabilities (including deferred tax). The decrease in other liabilities is primarily due to lower liabilities associated with the Group's derivative financial instruments.

Cash flows

	2024 $M	2023 $M
Operating cash flows	1,188.6	1,284.2
Investing cash flows	(688.2)	(716.0)
Financing cash flows (excluding dividends and distributions)	515.0	253.3
Dividends and distributions paid	(567.4)	(562.1)
Net increase in cash held	448.0	259.4
Cash and cash equivalents at the beginning of the year	1,360.1	1,056.0
Effect of exchange rate fluctuations on cash held	(22.8)	44.7
Cash and cash equivalents at the end of the year	**1,785.3**	**1,360.1**

Operating cash flows

Operating cash flows of $1,188.6 million (2023: $1,284.2) million were lower than the prior year. This was mainly due to lower receipts from development inventory disposals and higher development expenditure as the Group expanded its development capital allocation, partly offset by an increase in cash received from management activities (portfolio performance fees).

The net development cash inflow was $494.6 million (2023: $827.1 million). The difference between development cash flow reported in operating activities and the Group's development earnings has remained the primary reason for the difference between operating cash flow and operating profit. The gross receipts from development activities were lower than the prior year at $1,311.9 million (2023: $1,416.7 million) primarily due to the timing of inventory completions. The gross payments for development activities, which include acquisitions of development inventories and development capital expenditure, were higher than the prior year at $817.3 million (2023: $589.6 million), as the Group has continued to invest in directly held inventories, which are expected to generate development earnings in future periods.

Cash outflows from other cash payments decreased by $28.8 million to $466.7 million, partly due to timing of working capital cash flows as overall operating costs increased slightly compared to FY23. These payments again included the outflow of $70.3 million (2023: $67.2 million) from the cash settled performance rights under the LTIP. Consistent with recent financial years, new securities were issued (reported in financing cash flows) to fund the cash settled portion of the LTIP and as a result, the LTIP was cash neutral overall.

The Partnerships have continued to distribute their net cash flows from property investment (rental income) and the distributions received from Partnerships in FY24 were $609.3 million (2023: $583.5 million) as property investment earnings have increased compared to FY23. The distributions received also include the Group's share of development activities in the Partnerships, which have been broadly consistent with the prior year.

Portfolio performance fee revenues are reported under cash receipts from management and other activities, which increased by A$161.6 million to A$639.4 million. The timing of receipts of portfolio performance fees is dependent on the assessment dates for the Partnerships although revenues may be recognised in advance of the assessment dates where the returns and the economic conditions mean that the receipt of revenue is highly probable. During FY24, the cash inflows from performance and transaction related earnings were $182.6 million (2023: $30.8 million), higher than FY23 because there were more performance fee assessment dates. This inflow would have been $148.6 million higher, but this income was directly invested in additional equity of the respective Partnerships, resulting in a lower operating cash inflow and a lower investing cash outflow.

Directors' report

Operating and financial review (continued)

Investing cash flows

Investing net cash outflow was $688.2 million (2023: $716.0 million), a decreased outflow of $27.8 million compared to the prior year. The Group has continued to invest in its property portfolio, both directly held investment properties and in the Partnerships. During FY24 cash outflows for acquisitions of directly held properties were $363.0 million (2023: $441.2 million) and for investments in the Group's Partnerships were $1,105.3 million (2023: $1,243.9 million).

Partly offsetting these outflows, the Group received proceeds of $795.6 million (2023: $629.7 million) from the disposals of investment properties in Australia. In the prior year there had also been inflows of $352.4 million from the partial disposal of the Group's investment in a Partnership joint venture in Australia.

Financing cash flows

Financing net cash outflow (net of dividends and distributions) was $52.4 million, a movement of $256.4 million compared to a net cash outflow of $308.8 million in the prior year.

Proceeds from borrowings and derivative financial instruments were $849.8 million (2023: $1,029.3 million). This included cash inflows in respect of new bank facilities of $824.8 million (2023: $192.9 million) and drawdowns on the Group's existing revolving bank loans of $25.0 million (2023: $836.4 million).

Payments on borrowings and derivative financial instruments were $456.0 million (2023: $772.0 million). This included repayments on the Group's revolving bank loans of $58.0 million (2023: $550.0 million), the repayment of the Euro notes $324.9 million (EUR 197.0 million) in April 2024 and payments on derivative maturities of $73.1 million (2023: $84.5 million).

The net cash flow from related party loans was an inflow of $62.8 million (2023: $58.0 million net outflow). These loans are provided by the Group to fund developments in the Partnerships (including JVs) and are repaid either at completion or when the Partnership obtains its own external debt.

The net proceeds from the issue of stapled securities of $70.3 million (2023: $67.2 million) were directly used to fund obligations under the LTIP that have been reported as part of the Group's operating cash flows.

The other principal financing cash outflows were the distributions paid to Securityholders of $567.5 million (2023: $562.1 million).

Directors' report

Operating and financial review (continued)

Outlook

We have positioned Goodman as a major provider of essential infrastructure globally. This is the result of many years of focus and has produced significant embedded value in the Group's assets.

The outlook for the Group remains positive with the active rotation of our capital a key factor in funding sustained earnings growth over the long term, as part of the Group's strategy to maintain a prudent level of financial leverage.

While our logistics offering remains core to the business with strong underlying fundamentals expected to be maintained, data centres are anticipated to be a major area of growth going forward. We are in active negotiations with several customers for powered shell and fully fitted turnkey facilities across our power bank, with substantial new starts anticipated to commence between now and the end of 2025.

We continue to assess the Group's capital allocation, to both existing and potential opportunities, to provide the best risk-adjusted returns.

We are well positioned heading into FY25, with a strong development workbook underway, a robust capital position and attractive opportunities before us. We expect FY25 operating EPS to be 117.2 cents per security, up 9.0% on FY24, with the annual distribution maintained at 30 cents per security.

Risks

Goodman identifies strategic and operational risks for each of its regions as part of its strategy process. The key risks, an assessment of their likelihood of occurrence and consequences and controls that are in place to mitigate the risks are reported to the Board regularly.

Goodman has established formal systems and processes to manage the risks at each stage of its decision making process. This is facilitated by a Group Investment Committee comprising senior executives, chaired by the Group Chief Executive Officer, which considers all major operational decisions and transactions. The Group Investment Committee meets on a weekly basis.

The Audit, Risk and Compliance Committee reviews and monitors a range of material risks in Goodman's risk management systems including, among other risks, market risks, operational risks, sustainability, regulation and compliance, financial risk management, tax policies and information technology.

The key risks faced by Goodman and the controls that have been established to manage those risks are set out in the table overleaf:

Directors' report
(continued)

	Risk area	Mitigation
Capital management (debt, equity and cash flow)	Goodman could suffer an inability to deliver its strategy, or an acute liquidity or solvency crisis, financial loss or financial distress as a result of a failure in the design or execution of its capital management and financing strategy.	+ Monthly preparation of a consolidated Capital Management Plan, which is reported to the Group Investment Committee and the Finance and Treasury management committee + Financial reporting to the Goodman Board + Weekly cashflow monitoring and reporting + Goodman Board approved FRM policy + Capital partnering transfers risks into Partnerships + Low gearing, ample liquidity and appropriate hedging and duration to absorb market shocks + Diversity and tenor of debt funding sources and cash on deposit + Appropriate hedging quantities and duration in accordance with FRM policy + Distribution pay-out ratio consistent with contribution of development earnings + Long lease terms with prime customers + Strong assets that can generate better rental outcomes and growth + Key urban market strategy – urban, infill locations support re-usability of property + Insurance program (both Goodman's and key counterparties) including project specific insurance
Economic environment	Economic conditions and government policies present both risks and opportunities in the property and financial markets and the business of our customers, which can impact the delivery of Goodman's strategy and its financial performance.	+ Global diversification of Goodman's property portfolios + Focus on core property portfolios in key urban market locations and adaptable assets + Focus on cost management + Annual risk assessment and profile + Annual budget + Regular independent property valuations + Asset planning program + Prudent capital management with low gearing and significant available liquidity to allow for potential market shocks + Adherence to FRM policy as it relates to hedging of interest rates and currencies + Co-investment with local capital partners
Geopolitical	A continued increase in geopolitical tension between countries could have consequences on our people, operations, and capital partners.	+ Global diversification of Goodman's property portfolios + Focus on core property portfolios in key urban market locations and adaptable assets + Annual business strategy + Focus on cost management + Annual risk assessment and profile + Co-investment with local capital partners

Directors' report
(continued)

	Risk area	Mitigation
Governance, regulation and compliance	Non-compliance with legislation, regulators, or internal policies, or an ability to understand and respond to changes in the political and regulatory environment (including taxation) could result in legal action, financial consequences and damage our standing and reputation with stakeholders.	+ Independent governance structures + Core values and attitudes, with an embedded compliance culture focused on best practice + Resourcing in Legal, Compliance and Risk + Review of transactions by the Group Investment Committee + Annual compliance plan audits + Partnership investment committees independent of the manager + Global tax risk management framework + Regional and Group Executive declarations and sign-offs + Verification process and sign-off of public documents + Comprehensive insurance program, covering property, liability, Directors and Officers and Professional Indemnity + Continuous disclosure regime – regular group management meetings
People and culture	Failure to recruit, develop, support, and retain staff with the right skills and experience may result in significant underperformance or impact the effectiveness of operations and decision making, in turn impacting business performance.	+ Competitive remuneration structures, in particular performance rights under the LTIP, with ALL staff having ownership + Succession planning for senior executives and key roles + Performance management and staff review + Overall performance review ratings to assess culture and engagement + Learning and development program to enhance skills sets + Goodman Values program + Staff engagement through team strategy days, town halls and the (good) life program + Creative incentive schemes or remuneration packages to retain high performing Data Centre employees
Development	Development risks may arise from location, site complexity, planning and permitting, infrastructure, size, duration along with general contractor capability.	+ Review and approval of development projects by the Group Investment Committee and relevant Partnership Investment Committee + Targeted returns are higher for the size and complexity of the project + Engaging general contractors that are appropriately capitalised + Senior oversight and responsibility by Executive Directors + Capital partnering transfers risks into partnerships + Specialised staff who understand the development process, including dedicated development staff within each region + Goodman defined design specifications, which cover environmental, technological, and safety requirements, protecting against short-term obsolescence + Fixed price, design and construct contracts with appropriately capitalised contractors + Redevelopment of older assets to intensify use + Insurance program (both Goodman's and key contractors), including project specific insurance + Spread and diversification of projects across markets + Ongoing monitoring and reporting of WIP and levels of speculative development, with Board oversight including limits with respect to speculative development + Implementation of Goodman policies and procedures (e.g. reporting, Safety framework and delegation of authority) + Leasing prior to reaching development completion

Directors' report

(continued)

	Risk area	Mitigation
Disruption, changes in demand and obsolescence	The longer-term risk that an inability to understand and respond effectively to changes in our competitive landscape and customer value chain could result in business model disruption and asset obsolescence, including the perception of obsolescence in the short term.	+ Key urban market strategy – urban, infill locations support re-usability of property + Adaptable and reusable building design – ease to reconfigure for another customer + Geographic diversification - capital allocation across regions and location of properties + Capital partnering transfers risks into partnerships + Insurance program (both Goodman's and key contractors), including project specific insurance covering design and defects + Long lease terms with prime customers + Innovation and technology strategy – visibility and insight into technology trends along with direct investment into technology start-ups + Competition analysis and behaviour
Environmental sustainability and climate change	Failure to deliver on Goodman's sustainability leadership strategy and ambitions may lead to a negative impact on Goodman's reputation, ability to raise capital and a disruption to operations and stranded assets.	+ Corporate Responsibility and Sustainability policy + 2030 Sustainability Strategy and reporting against those targets + Assessment of individual assets to improve resilience and implementation of sustainability initiatives + Sustainability guidelines for development projects including embodied carbon measurement and offset + Review and approval of acquisitions and development projects by the Group Investment Committee and relevant Partnership Investment Committee, including consideration of climate risks in the due diligence process and minimum property specifications + Adoption of the Task Force on Climate-Related Financial Disclosures recommendations as a framework for the assessment, management and disclosure of climate risks + Investor, customer and regulatory requirements + Verification process and sign-off of public sustainability documents + Adherence to Group Procurement Policy for selection and purchase of Carbon Credits + LTIP performance directly linked to meeting the Group's sustainability initiatives + Working directly with industry bodies to help promote industry engagement and understand disclosure obligations + Working with supply chain to promote carbon reduction through choice of materials etc

Directors' report

(continued)

	Risk area	Mitigation
Asset and portfolio	Inability to execute asset planning and management strategies, including leasing risk exposures, can reduce returns from Goodman's portfolios.	+ Key urban market strategy – urban, infill locations where customer demand is strongest + In-house property management team + Diversification of customer base and lease expiries + Review and approval of significant leasing transactions and development projects by the Group Investment Committee and relevant Partnership Investment Committee + Capital expenditure programs keeping pace with property lifecycle + Implementation of Goodman policies and procedures (e.g. reporting, Safety framework, sustainability measures and minimum design specifications) + Insurance program including public liability policies and property risk assessment reports + Customer risk assessments + Asset plans - in particular categorisation of assets, maintenance program, customer engagement + Portfolio strategy – locations, type of building
Concentration of counterparties and markets	Over-exposure to specific areas, such as capital partners, supply chain, customers and markets, may limit growth and sustainability opportunities.	+ Standardised governance structures around Partnerships, which includes: - Relationship deeds articulating service arrangements - Pre-emptive rights + Independent governance structures of Partnerships + Diversification of capital partners and fund expiries, including local investors. Analysis of alternate capital sources + Goodman's cornerstone investment in each Partnership and the underlying strength of the Manager + Appropriate management contracts across all Partnerships + Contractor pre-selection and tendering + Diversification of customer base and lease expiry + Investment metrics established for GMG and Partnerships, setting limits including: - Speculative development - Geographic and customer exposure + FRM policy at the Group (and Partnerships where appropriate) establishing criteria for financial institution counterparties

Directors' report

(continued)

	Risk area	Mitigation
Information, data and cyber security	Maintaining security (including cyber security) of Information Technology (IT) environment and data, ensuring continuity of IT infrastructure and applications to support sustainability and growth and prevent operational, regulatory, financial and reputational impacts.	+ Strategic roadmap for delivery of secured IT systems, benchmarked against the Australian Signal Directorate's Essential maturity model and the United States National Institute of Standards and Technology Cyber Security framework + Proactive monitoring, review and testing of infrastructure and system behaviour + Incident response, disaster recovery and business continuity planning + Penetration testing, vulnerability scanning and network review to identify and remediate + IT Dashboard Reporting to the Audit, Risk & Compliance Committee + Phishing awareness program implemented to educate and test employees' awareness and vigilance in avoiding threats + Cyber security awareness/training + Decommissioning legacy systems + Transition from employee password reliance + Speed of threat/vulnerability detection + Data system back-up/restore testing + Phishing simulation testing/reporting + Reporting and compliance with Essential Eight, baseline strategies to mitigate cyber security incidents, developed by the Australian Cyber Security Centre.

Directors' report

(continued)

QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES OF DIRECTORS AND COMPANY SECRETARY

Board of Directors

Stephen Johns
Independent Chairman

Stephen is the Independent Chairman and a Non-executive Director of Goodman Limited, Goodman Funds Management Limited and Goodman Logistics (HK) Limited.

Appointed: 1 January 2017 to Goodman Limited and Goodman Funds Management Limited; 19 November 2020 to Goodman Logistics (HK) Limited.

Board Committees: Chair of the Remuneration and Nomination Committee and member of the Audit, Risk and Compliance Committee and Sustainability and Innovation Committee.

Skills, Experience and Expertise
Stephen is a former executive of Westfield Group where he had a long executive career during which he held a number of senior positions including that of Finance Director from 1985 to 2002. He was a non-executive director of Westfield Group from 2003 to 2013.

Stephen has previously been Chairman of Brambles Limited, Leighton Holdings Limited and Spark Infrastructure Group.

He has a Bachelor of Economics degree from The University of Sydney and is a Fellow of Chartered Accountants Australia and New Zealand and a Fellow of the Australian Institute of Company Directors.

Other Directorships and Offices
+ Director of the Garvan Institute of Medical Research
+ Director of European-Australian Business Council.

Gregory Goodman
Group Chief Executive Officer

Gregory is Group Chief Executive Office of Goodman and a Director of Goodman Limited and Goodman Funds Management Limited. He is also an alternate director of Goodman Logistics (HK) Limited.

Appointed: 7 August 1998 to Goodman Limited and 17 January 1995 to Goodman Funds Management Limited; 18 January 2012 to Goodman Logistics (HK) Limited.

Board Committees: Nil.

Skills, Experience and Expertise
Gregory is responsible for Goodman's overall operations and the implementation of its strategic plan. He has over 30 years of experience in the property industry with significant expertise in industrial property. Gregory is the founder of Goodman, playing an integral role in establishing its specialist global position in the property market through various corporate transactions, including takeovers, mergers and acquisitions.

Other Directorships and Offices
+ Director of Goodman Property Services (NZ) Limited (the manager of the New Zealand Exchange listed Goodman Property Trust)
+ Director and/or representative on other subsidiaries and management companies of Goodman and its Partnerships
+ Director of Goodman Foundation Pty Limited as trustee of the Goodman Foundation.

Directors' report

Qualifications, experience and special responsibilities of Directors and Company Secretary (continued)

Christopher Green
Independent Director

Chris is an Independent Non-executive Director of Goodman Limited and Goodman Funds Management Limited.

Appointed: 28 April 2019.

Board Committees: Chairman of the Sustainability and Innovation Committee and member of the Remuneration and Nomination Committee.

Skills, Experience and Expertise
Chris spent 16 years at Macquarie Group and was the Global Head of Macquarie Capital's real estate business leading its global expansion through to 2018.

Chris is the Founder and Chief Executive Officer of GreenPoint Partners, a New York headquartered firm investing in real estate innovation, technology and private equity. Chris is also the Co-Founder and Chairman of Wyuna Regenerative Ag which offers large-scale land regeneration with a focus on sustainable food production, carbon sequestration and improved biodiversity.

He has a Bachelor of Laws (Honours) degree and a Bachelor of Commerce (Computer Science and Accounting) degree from The University of Sydney.

Other Directorships and Offices
- Chief Executive Officer of GreenPoint Partners
- Director of Wyuna Regenerative Ag Pty Limited
- Director of Infinium Logistics Solutions UK Limited
- Director of The Opportunity Network
- Director of Outpost 53 Inc.

Mark Johnson
Independent Director

Mark is an Independent Non-executive Director of Goodman Limited and Goodman Funds Management Limited.

Appointed: 1 June 2020.

Board Committees: Chairman of the Audit, Risk & Compliance Committee and member of the Remuneration and Nomination Committee.

Skills, Experience and Expertise
Mark is a trained accountant and spent 30 years at PricewaterhouseCoopers (PwC) where he was CEO from 2008 to 2012 as well as holding positions as Asian Deputy-Chairman and as a member of PwC's global strategy council.

Mark also has extensive experience as a Director of charities, educational bodies and mutual organisations and he is currently a Councillor at UNSW Sydney and the Chairman of the Hospitals Contribution Fund of Australia. He was Chairman and a director of G8 Education Limited and was formerly an independent director of Coca-Cola Amatil Limited, Westfield Corporation Limited and Boral Limited.

Mark holds a Bachelor of Commerce (UNSW) degree and is a Fellow of Chartered Accountants Australia and New Zealand, Certified Practicing Accountant Australia and Fellow of the Australian Institute of Company Directors.

Other Directorships and Offices
- Director of Aurecon Limited
- Director of Metcash Limited
- Director of Sydney Airport Limited (and its subsidiaries).

Former Directorships of Other Listed Entities in the Past Three Years
- G8 Education Limited (January 2016 – November 2021)
- Director of Boral Limited (December 2021 – July 2024).

Directors' report

Qualifications, experience and special responsibilities of Directors and Company Secretary (continued)

Vanessa Liu
Independent Director

Vanessa is an Independent Non-executive Director of Goodman Limited and Goodman Funds Management Limited.

Appointed: 1 June 2022.

Board Committees: Member of the Sustainability and Innovation Committee.

Skills, Experience and Expertise

Vanessa is an experienced technology business leader and currently Co-Founder and CEO of SaaS technology company Sugarwork. She has more than twenty years of experience in the technology sector having started her career at McKinsey in the Telecom, Media & Technology Practice.

She was most recently Vice President of SAP.iO North America, SAP's early-stage venture arm, where she recruited and accelerated 87 enterprise software startups. Prior to SAP, Vanessa was Chief Operating Officer at Trigger Media Group, a digital media venture studio, and co-founded Trigger's portfolio companies: digital media company InsideHook and SaaS technology company Fevo.

Vanessa serves as a Past President Director of the Harvard Alumni Association and is a member of the Harvard Board of Overseers. Vanessa is also a Board Advisor of Talking Talent Ltd. and is a director of ASX listed Appen Ltd.

Vanessa graduated magna cum laude highest honours with an AB in Psychology from Harvard University and cum laude with a JD from Harvard Law School. She was a Fulbright Scholar at Universiteit Utrecht in the Netherlands.

Other Directorships and Offices
- CEO/President/Director of Sugarwork, Inc.
- Member, Harvard University Board of Overseers
- Director of Appen Ltd.

Danny Peeters
Executive Director, Corporate

Danny is an Executive Director of Goodman Limited, Goodman Funds Management Limited and Goodman Logistics (HK) Limited.

Appointed: 1 January 2013 to Goodman Limited and Goodman Funds Management Limited; 1 February 2018 to Goodman Logistics (HK) Limited.

Board Committees: Nil.

Skills, Experience and Expertise
Danny was formerly CEO of Goodman's European business and has oversight and is currently the CEO of Goodman's Brazilian operations. Danny has been with Goodman since 2006 and has over 20 years of experience in the property and logistics sectors.

During his career, Danny has built up extensive experience in the design, implementation and outsourcing of pan-European supply chain and real estate strategies for various multinationals. Danny was Chief Executive Officer of Eurinpro, a developer of tailor-made logistic property solutions in Europe acquired by Goodman in May 2006.

Other Directorships and Offices
- Director and/or representative of Goodman's subsidiaries and Partnership entities in Europe and Brazil.

Directors' report

Qualifications, experience and special responsibilities of Directors and Company Secretary (continued)

Phillip Pryke
Independent Director

Phillip was an Independent Non-executive Director of Goodman Limited and Goodman Funds Management Limited.

Appointed: 13 October 2010 and retired on 10 April 2024.

Board Committees: Member of the Audit, Risk and Compliance Committee and Sustainability and Innovation Committee (retired 10 April 2024)

Skills, Experience and Expertise
Phillip has wide experience in the fishing, energy, financial services, and health and technology industries and holds a Bachelor of Economics degree.

Phillip is currently a director of Carbine Aginvest Corporation Limited. He was formerly a Director of Goodman (NZ) Limited (the former manager of the New Zealand Exchange listed Goodman Property Trust), the Deputy Chairman and Lead Independent Director of New Zealand Exchange listed Contact Energy Limited, a director of Tru-Test Corporation Limited and North Ridge Partners Pty Limited, Vice President of EDS, Chief Executive of Nextgen Networks, Chief Executive Officer of Lucent Technologies Australia Pty Limited and New Zealand Health Funding Authority and a member of the Treaty of Waitangi Fisheries Commission.

Other Directorships and Offices
- Director of Carbine Aginvest Corporation Limited.

Belinda Robson
Independent Director

Belinda is an Independent Non-executive Director of Goodman Limited and Goodman Funds Management Limited.

Appointed: 1 March 2023.

Board Committees: Member of the Audit, Risk and Compliance Committee.

Skills, Experience and Expertise
Belinda has over 30 years' experience in the property industry, with specific expertise in retail and commercial property funds management in the Asia Pacific. Prior to becoming a non-executive director, Belinda was an executive at Lend Lease Investment Management and the fund manager for Australian Prime Property Fund Retail where she was responsible for developing and implementing the fund strategy. She was a Director of Lendlease's Asian Retail Investment Funds until February 2024.

Belinda has a Bachelor of Commerce with Honours (Marketing) from the University of New South Wales.

Other Directorships and Offices
- Director of Region Group
- Director of GPT Funds Management Limited.

Directors' report

Qualifications, experience and special responsibilities of Directors and Company Secretary (continued)

Anthony Rozic
Deputy Chief Executive Officer and Chief Executive Officer North America

Anthony is an Executive Director of Goodman Limited and Goodman Funds Management Limited.

Appointed: 1 January 2013.

Board Committees: Nil.

Skills, Experience and Expertise
Anthony is an Executive Director and Deputy Chief Executive Officer (since August 2010). He was appointed Chief Executive Officer North America in September 2016, and in that role is responsible for setting and managing the strategy, business performance and corporate transactions for the Group's North American business.

Anthony joined Goodman in 2004 as Group Chief Financial Officer and was appointed Group Chief Operating Officer in February 2009 before taking on his current positions.

Anthony is a qualified Chartered Accountant and has over 25 years' experience in the property industry having previously held a number of senior roles in the property funds management industry and chartered accountancy profession.

Other Directorships and Offices
+ Director and/or representative of Goodman's subsidiaries and Partnership entities in North America.

Hilary Spann
Independent Director

Hilary is an Independent Non-executive Director of Goodman Limited and Goodman Funds Management Limited.

Appointed: 4 April 2022.

Board Committees: Member of the Sustainability and Innovation Committee.

Skills, Experience and Expertise
Hilary has an extensive background in public and private equity markets and is currently a senior executive at NYSE-listed Boston Properties, Inc. (NYSE: BXP), based in New York. There, she is responsible for all aspects of the office developer, owner, and manager's portfolio in the New York region. She was previously the Head of Real Estate for the Americas at CPP Investments and prior to that she held a number of senior real estate roles at JPMorgan in the United States.

Hilary graduated from the Georgia Institute of Technology with a BS and a Masters in City Planning, both from the College of Architecture. She also studied architecture at L'École Nationale Supérieure D'architecture de Paris – La Villette.

Other Directorships and Offices
+ Executive Vice President, Boston Properties, Inc. (NYSE: BXP).

Directors' report

Qualifications, experience and special responsibilities of Directors and Company Secretary (continued)

George Zoghbi
Independent Director

George is an Independent Non-executive Director of Goodman Limited and Goodman Funds Management Limited.

Appointed: 11 April 2023.

Board Committees: Member of the Sustainability and Innovation Committee.

Skills, Experience and Expertise
Currently the Chief Executive Officer of The Arnott's Group following its acquisition by private equity group KKR in 2020, George has extensive international consumer packaged goods and supply chain experience. He is also a Strategic Advisor to Altimetrik – a US-based digital and IT solutions company.

Previously, George was Chief Operating Officer – US Businesses at Kraft Heinz and prior to that Chief Operating Officer at Kraft Foods Group. He has also held senior roles with Fonterra Cooperative and Associated British Foods. He has previously been a Director of Brambles Limited and Director of Kraft Heinz Company (NASDAQ: KHC).

George has a Diploma of Business, Marketing, as well as a Master of Enterprise from the University of Melbourne. He has also completed an Accelerated Development Programme at MC London Business School.

Other Directorships and Offices
+ Chief Executive Officer of The Arnott's Group
+ Director of Altimetrik.

Directorships of other listed entities in the past three years
+ Director of Brambles Limited (January 2016 to December 2023)

Carl Bicego
Group Head of Legal and Company Secretary

Appointed: 24 October 2006.

Skills, Experience and Expertise
Carl is the Company Secretary and Group Head of Legal and Risk at Goodman. Carl started his corporate law career at Allens in 1997, after which he joined Goodman in 2006. He is currently Chair of the Corporate Governance and Regulation Committee of the Property Council of Australia and a Fellow of the Governance Institute of Australia.

Carl holds a Master of Laws, Bachelor of Laws (Hons) and Bachelor of Economics.

Directors' report
(continued)

Directors' meetings (GL and GFML)

The number of Directors' meetings held (including meetings of committees of Directors) and the number of meetings attended by each of the Directors during the financial year were:

	Board meetings		Audit, Risk and Compliance Committee meetings		Remuneration and Nomination Committee meetings		Sustainability and Innovation Committee meetings	
Directors	Held[1]	Attended	Held[1]	Attended	Held[1]	Attended	Held[1]	Attended
Stephen Johns	7	7	4	4	4	4	4	4
Gregory Goodman	7	7	-	-	-	-	-	-
Chris Green	7	6	-	-	4	4	4	4
Mark Johnson	7	7	4	4	4	4	-	-
Vanessa Liu	7	7	-	-	-	-	4	4
Danny Peeters	7	7	-	-	-	-	-	-
Phillip Pryke[2]	5	5	3	3	-	-	3	3
Belinda Robson	7	7	4	4	-	-	-	-
Anthony Rozic	7	7	-	-	-	-	-	-
Hilary Spann	7	7	-	-	-	-	4	4
George Zoghbi	7	7	-	-	-	-	4	4

1. Reflects the number of meetings individuals were entitled to attend.
2. Philip Pryke retired as a director on 10 April 2024.

Directors' report

(continued)

SUSTAINABILITY REPORT

CONTENTS

Directors' report

Sustainability report (continued)

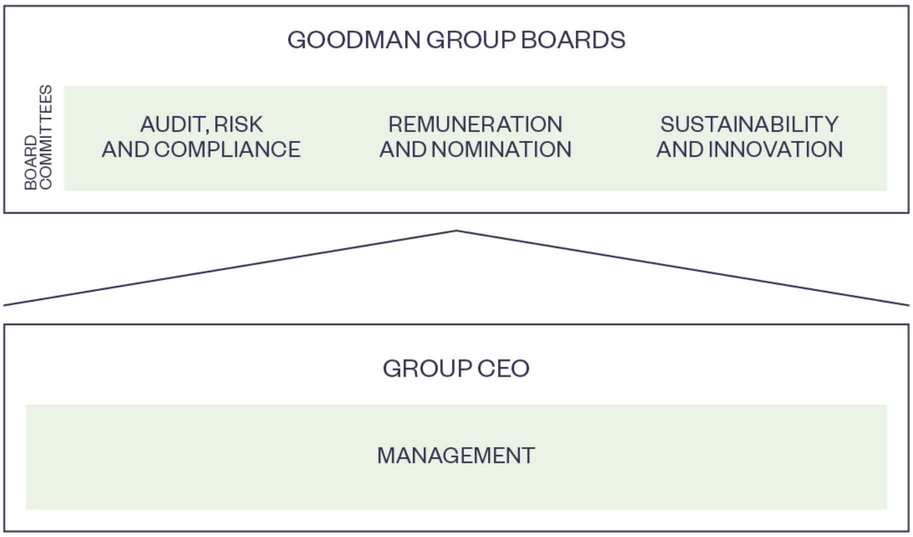
Our annual business strategy integrates Goodman's sustainability objectives from the 2030 Sustainability Strategy. These objectives are consistent with our desire to generate financially attractive outcomes over the long term.

Our sustainability report includes consideration and discussion of sustainability risks and opportunities identified by management – this includes climate risks and opportunities.

For more information on Goodman's 2030 Sustainability Strategy, visit https://www.goodman.com/sustainability/overview

OVERVIEW OF SUSTAINABILITY FRAMEWORK

The table below summarises the corporate governance frameworks we use to consider various environmental and social factors which we believe may impact on our performance (including those relating to climate), and how we seek to address them.

Summary of corporate governance and processes	
Governance frameworks	The Goodman Group Boards (being the Boards of Goodman Limited, Goodman Logistics Hong Kong Limited and Goodman Funds Management Limited as Responsible entity of Goodman Industrial Trust, and hereafter referred to as the "Board") and the management team are committed to high standards of governance. We also recognise that an effective corporate governance culture is critical to the long-term performance of the business. Goodman's corporate governance framework underpins our commitment to maximise long-term sustainable value for Securityholders through: + Strategic planning and alignment of the interests of our people with those of Securityholders and other stakeholders + Effective controls, risk management, transparency and corporate responsibility + Being an organisation that acts lawfully, ethically and responsibly in accordance with its corporate values. The Board works with management to consider and agree the strategic direction of the Group. Key strategic considerations and targets are formally reviewed annually, or more frequently if required. This includes the areas of property investment, development, investment management, capital management, operational and sustainability strategies. Deliberations also take into account the property ownership structures of Goodman's Partnerships and the preferences of investment partners. This is an iterative process of evaluating emerging trends, seeking feedback from our customers, suppliers, industry, investors, and investment partners, and considering the economic context, both globally and by region. It is through these processes that the 2030 Sustainability Strategy and the annual business strategy are created and updated. 

Directors' report

Sustainability report (continued)

Summary of corporate governance and processes – continued	
Risk and opportunity identification process	In accordance with general director's duties and the Board Charter, the Board seeks to identify items that can materially impact on financial performance and to set parameters and strategies in relation to these, as well as review their financial viability. Sustainability risks and opportunities (including climate) are considered in this way. The scope of sustainability is outlined in the 2030 Sustainability Strategy. Refer to the Materiality and the Key risk and opportunity sections of this report for more information on the issues considered, which included Taskforce on Climate-Related Financial Disclosures (TCFD) scenario analysis. The outcomes of these deliberations have resulted in the strategies and initiatives in our 2030 Sustainability Strategy and are summarised in the remainder of this report. A list of targets has been set including those in the Performance section of this report. At a Goodman level, the work done by the Board happens in collaboration with management (including internal experts such as our dedicated sustainability resources and the property development and management team members who have relevant knowledge). It also involves the Board committees, as well as external parties as required. The specific bodies and their tasks are outlined below: The Group's Board committees + The Audit Risk and Compliance Committee is involved in the oversight of financial disclosures, risk and compliance matters including sustainability + The Remuneration and Nomination Committee looks at remuneration linkages to sustainability targets and other human resources (HR) related sustainability considerations + The Sustainability and Innovation Committee considers property innovations including technologies that impact sustainability Other Goodman bodies + The standalone Goodman Foundation Board considers social contributions. Within the Partnerships, the key strategies, policies and practices are agreed with their investors and are managed by the Group. Each of Goodman's Partnerships has its own governance processes and structure. The frequency of their meetings varies. Partnership board and/or investor committee meetings occur at least annually – and commonly quarterly – and sustainability considerations are included in strategic discussions; issues for consideration may be raised by Partners or by the Group. Management is delegated with the responsibility to execute the agreed strategies by the Goodman Board and the investment partners. The three key Goodman management committees designed to manage its delegations are: 1. the weekly Group Investment Committee (GIC) – charter includes sustainability due diligence for acquisitions and developments, with a focus on physical risk 2. the quarterly Corporate Services Committee (which includes Risk, Compliance and Sustainability matters as standing agenda items) – reporting of progress on key sustainability initiatives 3. the monthly Finance and Treasury Committee – incorporation of financial plans and reporting of financial results, which include sustainability items. These Committees are the mechanism management uses to consider, inform and respond to the Board and its -committees, and to the relevant governance bodies of the Partnerships. Management also uses its own industry expertise and takes external advice where required (such as the work conducted in our TCFD analysis). The outworkings of these deliberations have been broken down into various components that are relevant to the scope of the Board and management committees so that the issues are being addressed. (Refer also to the Risks section in the Directors' Report).

Directors' report

Sustainability report (continued)

Summary of corporate governance and processes – continued	
Strategy formulation process	The Board and management agree on annual updates to the Group's strategic and financial plans (one-year and five-year). The FRM Policy, Risk Appetite Statements and Compliance Framework are also reviewed and updated annually, with interim reviews and adjustments made as required. Each of these tasks incorporate sustainability-related considerations. These policies and frameworks guide the formulation of our sustainability strategy. Relevant matters are then recommended to the governance bodies associated with the Partnerships. As these bodies set the overarching requirements (for example, priorities and targets) Goodman then incorporates these into the Group's annual business strategy.
Measurement and reporting framework for metrics and targets	Relevant reporting against the Group's targets and risk management objectives, including sustainability, is made available to the management committees and the Board and may be announced to the market periodically in accordance with the following: Financial performance (which includes the impacts of sustainability initiatives): + Monthly management reporting + Board reporting at each meeting (typically scheduled every six to eight weeks – refer to the Directors' meetings section of the Directors' report) + External reporting. This includes financial statements for the Group (audited annually and reviewed semi-annually) and reporting on Partnerships (annually). Risk management indicators and strategies (including sustainability): + Quarterly management reporting + Quarterly reporting to the Audit, Risk and Compliance Committee and at each Board meeting + Annual external reporting. Sustainability (including climate) risks, opportunities and progress on key metrics and strategies: + Quarterly management reporting + Semi-annual reporting to the Board and quarterly reporting to relevant Board committees + Annual external reporting.

Refer to corporate governance statement and Board and Committee charters published on our website for more detail (including the Board skills matrix): Corporate governance (goodman.com).

Directors' report

Sustainability report (continued)

SUSTAINABILITY OBJECTIVES IN OUR 2030 SUSTAINABILITY STRATEGY AND RELATIONSHIP TO OUR ANNUAL BUSINESS STRATEGY

Goodman supports both logistics and data centre customers that require space in key locations and where speed to market is critical, allowing them to store, process and distribute products or data quickly and efficiently. Global trends in consumer behaviour and data usage show an increasing demand for these services over time and we believe that as providers of this essential infrastructure we play a significant role in servicing their needs.

As we seek to fulfill these essential purposes, we acknowledge that as one of the world's largest owners, developers and managers of industrial property and digital infrastructure, the way we operate impacts businesses, people and the environment. Therefore, our strategy includes proactive practical measures aimed at reducing the environmental and community impact of our actions. Where possible, we aim to go beyond reducing our impact and seek to also create benefits. This is occurring in a way that does not materially compromise our short-term financial performance, and we believe supports our long-term viability.

Goodman's focus on urban infill properties places our customers close to infrastructure such as transport hubs and close to consumers. This provides our customers with faster speed to market which also creates the opportunity for potential environmental benefits including an ability to reduce transport costs and related carbon emissions, as well as a reduced impact on biodiversity, relative to greenfield developments.

We work with our suppliers, investment partners and customers to design and maintain buildings that are aimed at optimising their performance relative to a range of operational efficiency objectives, environmental and social factors (more detail is discussed elsewhere in this report and may be found on our website https://www.goodman.com/sustainability/overview/sustainable-properties. On our new property developments, we aim to reduce the emissions resulting from their construction. We also focus on repurposing brownfield sites and existing under-utilised buildings by turning them into appealing and modern properties. We believe this approach can lead to positive economic, environmental, social and community outcomes. Our aim here is to reduce energy intensity (and consequently Greenhouse Gas ("GHG") emissions) for the economy as a whole, while endeavouring to minimise harm to the planet and continue to generate attractive investment returns.

We are executing this sustainability strategy in an economically viable way for our customers and investors over the long term, which may sometimes cost more (in terms of value per square or cubic metre) than similar properties with lower specifications and/or in cheaper locations. However, there is also an economic rationale behind our strategy. We expect the growing emphasis on environmental performance will enhance the long-term viability of our assets. Over time, this may help us continue to achieve high occupancy rates which support greater utilisation of our properties.

We believe our approach reduces the risk of assets becoming vulnerable to the effects of climate change including both physical and transition risks. It should support demand for our properties over time and, in turn, maintain returns for our investors. Importantly, this approach also allows us to continue to provide ongoing employment for our people, as well as those employed by our suppliers. Remaining financially strong and being able to consistently generate strong returns to investors also enables us to continue to make strong social contributions through our donations.

We have categorised our sustainability considerations into three strategy pillars. These pillars act as guiding principles and are aligned to nine of the 17 United Nations Sustainable Development Goals (UNSDGs). The UNSDGs were adopted by the United Nations in 2015 to address a range of issues ranging from social equity to environmental degradation.

The three pillars of our 2030 Sustainability Strategy

	UNSDGs
SUSTAINABLE PROPERTIES & PLACES	3 GOOD HEALTH AND WELL-BEING 7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 15 LIFE ON LAND
PEOPLE, CULTURE & COMMUNITY	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
CORPORATE GOVERNANCE & PERFORMANCE	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 13 CLIMATE ACTION

Directors' report

Sustainability report (continued)

Materiality

Underneath the three pillars of our sustainability strategy are a set of objectives and a list of initiatives focused on environmental and social outcomes relevant to our business. From that we can derive specific targets related to the initiatives. We prioritise initiatives we believe could have the greatest potential to benefit our sustainability objectives, while remaining cognisant of our financial performance targets and our reputation with key stakeholders. Apart from the scenario analysis conducted in our TCFD work, the Board and management use their own knowledge or that of outside parties such as industry experts, industry bodies and collaborations, customers and suppliers, to identify risks and to formulate strategies.

Our current priority is to shift our business to one that is less carbon intensive and more resilient to climate risks, while continuing to generate attractive financial performance. We strive to strengthen our ethical and responsible practices and deliver positive community outcomes. We have set ambitious targets, and we report on our progress and performance.

We have also focused on initiatives that we can most influence through our own actions. Part of this work includes monitoring: global trends, technological advancements, emerging disclosure and reporting standards, and customer and investor expectations. This helps us in our aim to remain relevant in the markets we operate in.

After careful consideration of the risks and opportunities outlined later in this document, we have identified the following eight material sustainability priorities that inform our 2030 Sustainability Strategy, our targets, and the initiatives we will undertake to achieve them.

- Actively contributing to the net zero transition of the global economy including addressing our own emission reduction plans
- Owning strategically located properties close to consumers in key global markets
- Developing and adapting properties that have an ability to be highly productive
- Delivering resilient assets that support human health
- Demonstrating Goodman's values and promoting diversity, inclusiveness and social equity
- Investing responsibly and with defined governance and sustainable capital structures
- Sustainable sourcing, including environmental and social considerations to influence (where appropriate and possible) the practices of parties in our value chain
- Promoting workplace safety and wellbeing.

Key risk and opportunity summary

The risk and opportunity factors described below have helped inform the list of material sustainability priorities. There are additional levels of risk sitting beneath these summary observations that are discussed in the Quantification of Impacts, Risks and Opportunities section of this report and in the physical and transition risks identified in our TCFD analysis.

Risk / opportunity	Description	Initiatives
Physical damage to buildings	Hazards such as floods, heat, storms	Locational selection and building specifications are considered. We continue to perform analysis to consider potential losses and make modifications to the portfolio as required. We also insure against a wide range of potential events. See TCFD statement for more information regarding climate exposure assessment, which considers medium and longer-term impacts under various climate scenarios (including business-as-usual, medium, and strong carbon mitigation scenarios) https://www.goodman.com/-/media/project/goodman/global/files/about-goodman/corporate-governance/policies/2023/goodman-group_tcfd_statement.pdf
Building specification is too low to meet industry sustainability standards impacting customer, investor and financier demand	Energy, waste, water, worker comfort	In contributing to the net zero transition of the global economy, including addressing our own emission reduction plans, we have taken a building lifecycle approach to the review of climate in most regions, to see where we can reduce upfront and operational carbon emissions. This lifecycle approach also supports our customers and investors to meet their emission reduction targets. We make investments in sustainability that are currently commercially viable and technically achievable on both existing assets and new developments. Where properties are likely to be redeveloped within a foreseeable timeframe, the investment is deferred until that time

Directors' report

Sustainability report (continued)

Risk / opportunity	Description	Initiatives
Emissions from items we have operational control over are too high	GHG emissions	We aim to make progress by using a combination of methods ranging from generating and/or purchasing renewable energy, purchasing offsets, energy efficiency measures, to behavioural change
Poor financial performance may impact on our access to capital and inhibit our ability to manage climate risks and opportunities	Loss of support from financiers and investors	Maintain strong focus on achieving financial performance targets while containing financial risks
Culture can impact on reputation and ability to continue to operate	Employee behaviour may impact on performance, lead to complacency which may have a detrimental impact on our social licence and subsequently investor support. Our values incorporate inclusion and diversity as well as safety, so we seek to align our culture in a manner that can address these risks. A broader risk management framework exists which includes items relevant to sustainability (including climate).	Appropriately align our employees with our strategic intent and expected standards through remuneration policies, training and support. Our community investments such as donations of time and/or money to charitable organisations. We have a sustainable sourcing framework that takes human rights into consideration.

The table below illustrates where we believe the possible (material) effects on the financial statements may occur due to sustainability risks not being managed or the cost of managing them. It also depicts the areas of opportunity that may emerge. See "Business impact quantification" discussion for more information.

Financial statements impact	Line item	Potential impact driver
Income statement and cash flow statement	Net rental income Investment property valuations Development inventory	Occupancy and market rental levels may be impacted by customer demand Capital investment (cash flows) required to offset the impacts of climate change
	Share of equity accounted investment income and distributions from Partnerships	Share of rental income and property valuation change
	Management fees	Ability to attract, retain and grow access to capital which impacts the AUM. Property values impact management fees and performance fees
	Development revenues	Ability to earn development management fees and to trade our development inventory to generate gains
Financial position	Investment Property Inventory	Property valuations and carrying values
	Capital expenditure on properties	Capital investment required to offset the impacts of climate change

Directors' report

Sustainability report (continued)

GOODMAN'S 2030 SUSTAINABILITY PILLARS

Having employed the frameworks, knowledge, skills and processes described earlier, we have arrived at Goodman's 2030 Sustainability Strategy structured around three pillars:

- Sustainable properties and places
- People, culture, and community
- Corporate governance and performance.

The following section describes the interaction between our property and corporate activities and the sustainability strategies aimed at addressing our priorities. From that, we have derived a list of quantitative targets to help address our key priorities. While not all priorities have targets, there exist actions that are factored into our overall annual business strategy and policies. One example is the measurement of embodied carbon from developments as we seek methods to reduce them.

	Goodman's 2030 Sustainability Pillars		
	Sustainable properties and places	**People, culture, and community**	**Corporate governance and performance**
Our sustainability priorities:	**Sustainability targets, key actions and policies/ frameworks across the business**		
Actively contributing to the net zero transition of the global economy including addressing our own emission reduction plans	Carbon emission reduction targets Renewable energy through installation of solar photovoltaics (PV), procured energy and offsets		100% renewable energy target
Owning strategically located properties close to consumers in key global markets	Occupancy target		
=Developing and adapting properties that have an ability to be highly productive	Occupancy target		
Delivering resilient assets that support human health	Occupancy target – which can be assisted by quality assets that take into account sustainability		
Demonstrating Goodman's values and promoting diversity, inclusiveness and social equity		Diversity and inclusion targets Gender pay equity targets Employee engagement surveys conducted	Human resource management and cultural objectives Business Ethics Statement and Employee Code of Conduct Staff training
Investing responsibly and with defined governance and sustainable capital structures			Credit metrics and rating Sustainable sourcing framework
Sustainable sourcing, including environmental and social considerations to influence (where appropriate and possible) on the practices of parties in our value chain	Sustainable sourcing framework	Sustainable sourcing framework	Sustainable sourcing framework
Promoting workplace safety and wellbeing.		Safety targets	Safety targets

Directors' report

Sustainability report (continued)

Sustainable properties and places

A summary of our sustainable properties and places strategy and initiatives is set out below. For more details and examples please refer to our website https://www.goodman.com/sustainability/overview/sustainable-properties.

Well-located and well-designed property can continue to meet customer needs well into the future

Developing new properties consumes resources. However, as the properties Goodman develops are essential infrastructure for the digital economy, we believe this is an effective use of the planet's resources. By combining sustainable design principles with innovative materials, and strategic locations, we believe we are developing responsibly and giving our properties a better chance of continuing to be resilient, efficient and highly functional long into the future.

Our designs are shaped by our experience and working with industry experts in using techniques we believe are both at the forefront of technology and financially viable.

While our specifications vary across Goodman's global regions, sustainability features in our new developments or renovations often include sustainability and climate-related features such as:

- strategic site selection close to infrastructure, consumers and transport
- developing buildings that integrate energy-efficient design throughout (this includes automated LED lighting)
- installing electrical sub-metering to monitor and measure performance
- including solar PV on rooftops to generate renewable energy
- installation of significantly more charging points for electric vehicles
- water conservation such as rainwater harvesting and native landscaping
- use of low volatile organic compound materials and low carbon materials
- implementing practices to minimise waste and maximise resource recovery in our development and operational activities.

We also focus on supporting our customers' sustainability ambitions and make allowances for flexibility within the building design to meet changing customer needs. We actively continue to work with our customers to uncover new areas of opportunity. In this process, we seek to enhance the efficiency, resilience and adaptability of our properties to also help address future climate risks.

Goodman also aims to include features that are not specifically climate related but support other parts of our sustainability strategy. For example, we seek to include facilities that support good health and wellbeing such as well-appointed end of trip facilities.

Enhanced specification remains economically viable

By developing well-specified and well-located properties that meet the needs of our customers, we believe we can generate appropriate returns in the short and long term. This is achieved by attracting high-quality customers with better long-term prospects, as well as businesses with similar concerns about their sustainability practices and its effect on their long-term viability. These types of customers are expected to have the capacity to pay the higher costs involved in sustainable builds (compared to cheap secondary or tertiary property with lower specifications and weaker locations) if they can maintain a reasonable operating profit margin and return on their capital. Ultimately, this will be determined by several factors, such as: consumer preferences toward sustainably created and distributed products; regulatory action that favours sustainable businesses; and capital markets behaviour in allocating capital away from less sustainability-focused businesses.

The impact of the higher cost of the specifications listed above has been absorbed, and the yield on the cost of developments completed in FY24 was 6.7%. It is not possible to accurately determine what the impact on the financial performance of these developments would have been in the absence of our sustainability initiatives, as insufficient comparable data exists today.

Concentration on major markets supports productivity of resources employed

We believe that the concentration of assets in our chosen markets will generate attractive returns for many years to come. These returns are expected to come through income and/or capital growth. We also believe potential can be unlocked in the redevelopment of properties for more intense industrial uses (such as multi-level logistics) or higher value uses (such as data centres or residential).
We believe our focus on the infill/brownfield property markets will create assets most in demand by customers seeking to maximise productivity while meeting their sustainability objectives. We expect these customers will be more willing and able to invest in their operations – yet another reason why we believe that they will be in business for the long term, creating more sustainable financial outcomes for Goodman. We expect our forward-looking approach will also result in our assets being in high demand in the investment market.

Directors' report

Sustainability report (continued)

The key principles behind our thinking, and some of the resulting environmental benefits follow:

- A likely trend in urban planning bias toward infill/brownfield sites being more intensively used (as opposed to the proliferation of greenfield developments)
- Proximity to end consumers to reduce transport times
- Reduced transport emissions for goods and employees
- Reduced impacts on nature and biodiversity
- Creation of job opportunities
- Better utilisation of available infrastructure placing less pressure on public resources, enabling them to be diverted elsewhere.

We have considered several factors when coming up with this strategy, however we appreciate they are influenced by market behaviour, the legislative landscape and technological changes. We are not yet able to accurately predict future changes in these factors in order to empirically assess the potential effects of our approach. However, our years of experience and understanding of our industry and customer base suggests that Goodman's strategy, operating model and sustainability approach are appropriate for the current environment.

Brownfield properties, as we define them, are properties on previously developed sites. They may be outdated or no longer in use and provide the opportunity for rejuvenation and repositioning into modern business precincts.

Brownfield developments allow Goodman to use its expertise to regenerate existing sites, reuse materials, and reduce our construction emissions while providing logistics and data centre facilities in strategic locations. In FY24, more than 50% of our global property development program occurred on brownfield sites.

Globally, it is common for sites in highly land constrained markets to be redeveloped as multi-level buildings. This increases capacity and productivity, and further enhances the economic benefits of the development relative to its impact on the planet. Over the past few years approximately 50% of our development activity has been for multi-level developments, mainly in Asia.

In order to continue to achieve desirable financial outcomes over the long term, we wish to maintain an investment strategy that is focused on what we expect will be the more desirable infill locations. We also want to continue to enhance the sustainability features of our properties which can be measured by various green certifications

With these goals in mind, we have continued to focus on climate-related factors we can control which can also influence the long-term financial performance of the properties. This means considering and acting on the climate-related hazards associated with specific geographies. The analysis undertaken through our TCFD work involved the identification of the climate-related factors relevant to each region, the possible major effects of which are summarised in the Quantification of Impacts, Risks and Opportunities section of this report. See also the "Environmental sustainability and climate change" discussed in the Risks section in the Director's report.

In response, we continue to review the specification of our buildings to establish their resilience to these climate-related hazards. When acquiring properties we undertake climate-related diligence as governed by the GIC process. Using the TCFD principles, we will continue to assess the resilience of our properties as more data becomes available. We will take appropriate remedial action as required in relation to the existing portfolio, new developments and new acquisitions which may include changing investment plans and/or building specifications. See the Quantification of Impacts, Risks and Opportunities section of this report for more detail.

High occupancy supports the need for our activities

The occupancy on developments completed during FY24 remained high again at over 95%. The occupancy rate in our stabilised portfolio also remained high at 97.7% and our rent growth was robust.

We believe the trends of moving towards greater supply chain efficiencies and society's reliance on e-commerce, support the need for our developments and therefore the demand for our properties from warehouse and logistics customers will remain sound long term. Additionally, the global demand for land to use for data centres continues to grow as the world becomes increasingly digitised. These use types are also supported by many Goodman properties. Our locational strategy and the preference for buildings that can be used by a variety of customers means that our properties' long-term value is supported by the location of land and buildings as opposed to purely the value of existing leases.

Ongoing high demand for our properties allows the resources used to create our buildings (or the avoided need to recreate buildings) to be extended over a longer period of time, reducing the potential climate effects associated with the property we own. That is why we focus on occupancy as both a financial performance and a sustainability related indicator.

Directors' report

Sustainability report (continued)

Our sphere of influence is our priority

While we do not have day-to-day operational control of most of our assets (as they are typically controlled by our customers), we take actions to help improve their environmental performance. For existing properties, we endeavour to work with our customers to optimise building efficiencies. For example, we continue to look at how we can manage, track and improve performance, and we install solar PV where viable.

Customer emissions and consumption are a more challenging issue to deal with. Industrial property leases are typically struck on a net basis, which means that our customers control their premises and the use of energy and water within them. They nearly always procure these services directly from the utilities, so we have little or no visibility.

This means that our ability to influence their use is limited by contract and regulation, and our ability to get property-level information is subject to the co-operation of customers. This information is not necessarily forthcoming as access provides insight into commercial elements that customers may not be inclined to share. Additionally, the data from one site may not give the insight into the sustainability of our customers (for example, they may have a broader strategy as a national or multi-national company). It is also worth noting that many of our customers report their emissions at an aggregate level and they are taking actions to reduce their impacts in ways which are not specific to our buildings. While we review the overall financial health of our customers, we have other risk mitigants in assessing the viability of leasing prospects. A significant one of which is the ability to re-lease a property if a customer was to fail.

Notwithstanding the use of renewable energy. a customer's activities within a building have a material impact on emissions. For this reason, two identically specified buildings can have vastly different emissions outcomes. A simple use, such as long-term storage with little or no mechanisation, will have a low emissions outcome. However, if the next customer to lease the same property was to employ a high-throughput mechanised warehouse methodology, this would have a different result. Then, if a customer installed refrigeration on the site (at their own expense and within their own control) we'd get yet another different outcome. Customers who choose to use the space for data storage and processing would have potentially different outcomes too.

This variation is further complicated by location. If we were to overlay the location of two buildings, their identical use could have vastly different outcomes (for example, due to transport-related costs of employees, haulage, or the requirement to use resources for additional property assets in more central locations).

Although energy is consumed in the activities carried out within our buildings, it's a necessity as we believe that these activities are essential to the functioning of the economy, and that the demand for these activities is growing.

We believe that by having high-quality properties and attractive locations, we can attract customers who are conscious of their environmental impact and are prepared to tackle the challenges involved in reducing this. We believe that if we do not provide our buildings to customers, their demand will move to other suppliers, some of which may not be concerned about outcomes other than short-term financial gain. Therefore, it is our view that by concentrating our assets on higher-cost locations and asset types that are more efficient than others on the market, we can both help the global energy transition and remain financially attractive.

Our investment management business can benefit from our sustainability strategies

We believe the appeal of our investment management operations is underpinned by the growing need for long-term investment opportunities that generate income and capital appreciation suitable for pension and sovereign wealth funds.

Our desire for long-term financially sustainable outcomes also leads us to a strong focus on financing that incorporates levels of indebtedness consistent with strong credit metrics. We believe our investment strategy and our focus on climate resilience are consistent with this desire. Typically, our investment partners share our view as they too are seeking to be financially sustainable in the long term. The end result means our ability to undertake consistent strategic initiatives is possible.

Directors' report

Sustainability report (continued)

People, culture and community

For more information regarding the Group's people, culture and community considerations and initiatives please refer to our website https://www.goodman.com/sustainability/overview/people-and-culture.

Summary of our human capital management strategy

Values: Goodman's long-term success is underpinned by our dedicated local teams who are aligned to the Group's values: innovation, determination, integrity and sustainability. These values shape our culture and provide direction on how our people should behave when delivering high-quality service and innovative property and investment solutions. Our people are assessed on their demonstration of the Group's values during the annual performance review process. This assessment contributes to remuneration outcomes. Our Employee Code of Conduct and Business Ethics Statements help guide employees and set expectations.

Employee engagement: During FY24 engagement surveys were conducted for employees in Australia, Continental Europe and United Kingdom. The average positive engagement score across the regions was 84%. The average participation rate across these regions was 83%. In addition to engagement surveys, some regions carry out occasional pulse surveys on topics of interest to assess feedback relating to various workplace decisions. This consultation, along with communication to employees on business-related issues, is as an important aspect of ensuring our employees are committed to success in their roles.

Workforce wellbeing: Goodman understands that the wellbeing of its workforce is critical to maintaining a high-performance culture. As a result, Goodman provides a wide range of employee health and wellbeing programs in each location. These are designed to provide employees with ways to manage their lifestyle and work demands. The overall objective of these programs is to ensure that employees are able to perform at their best.

Employee benefits: The levels of employee benefits are set in relation to the local market in each region. Goodman's philosophy is that benefits should be set at a competitive level within each market to attract the best people. Benefits include (but are not limited to): health insurance, provision of electric vehicle allowances, and progressive leave policies that reflect (or in some cases exceed) local market requirements. All employees participate in the Group's equity-based LTIP and therefore contribute to, and benefit from, the positive performance of the Goodman.

Learning and development: To foster a positive culture, Goodman provides its people with access to learning and development activities that complement their current roles and assists with both preparing them for changing demands in the business and future career development. Training is a combination of on-the-job training and access to an extensive online catalogue on a wide range of technical and non-technical subjects. All employees are encouraged to access this online learning and create a self-directed learning plan where possible. Goodman also supports undergraduate and postgraduate study opportunities in each location. Financial assistance is provided for this purpose where tertiary study is complementary to an employee's current role or their agreed career development.

Diversity and Inclusion: Diversity and inclusion activities are conducted in each region and focus on the elimination of internal barriers for participation of employees. Goodman supports inclusion regardless of gender, marital or family status, sexual orientation, gender identity, age, ethnicity, cultural background, religious beliefs or disability and considers that all people should have equal access to opportunities within the workforce. In addition, all workplaces should be free from harassment or discrimination.
In relation to recruitment, the principles of merit-based employment are critical. The best person for the job should be recruited. Recruitment processes are reviewed to provide for a diverse range of candidates and recruit, appoint and promote on the basis of merit, internally and externally.

Several senior positions have been recruited using search firms with the instruction to those firms that shortlists include a diverse range of candidates wherever possible. At other levels in the organisation and when social media platforms are used to recruit (such as LinkedIn Recruiter), all applications are screened and considered with diversity objectives in mind. In addition to this, several regions have created video presentations and other materials explaining the concept of inclusion to enhance the knowledge and understanding of these issues more broadly.

For historic reasons and due to the lack of turnover, we have a higher representation of male employees in senior roles. The Group has a stated objective of lifting the representation of females in senior executive positions to 40% by 2030. Currently the Group sits at around 30% against this measure, with several regions such as Australia and Continental Europe, approaching 40%. However, in some other regions this may be more of a challenge due to labour market demographics.

The Group has policies to further support the objectives included in the Bullying and Harassment Policy, Employee Code of Conduct and its Business Ethics Statement.

Directors' report

Sustainability report (continued)

Gender pay equity: One critical area of focus for HR across all locations is to ensure that no differences in remuneration outcomes occur based on gender. Goodman has a performance culture and where there are differences in remuneration outcomes this should only be based on performance rather than any indirect form of discrimination. Males and females are paid the same levels of fixed remuneration for the same roles. Each year, Group HR conducts an analysis of remuneration outcomes after the annual remuneration process has occurred to ensure that remuneration outcomes reflect performance outcomes.

Succession planning: Succession planning forms a critical aspect of HR strategy within Goodman. Our senior executive succession plan has been presented to the Board. As part of this discussion, the Board was provided with the short-term, medium-term and long-term plans to cover for or replace critical roles in the organisation. Importantly, where individuals were identified, the development activities or the circumstances around how they may be deployed in the future was discussed. This is a critical aspect of effective succession planning.

Talent management: As with succession planning, talent management forms an important part of HR activities in each region. Typically, talent management occurs at lower-level levels of the organisation. As part of this process, high potential individuals are identified, then provided with development activities or experiences to make them more effective in their current role or in a future role. Talent management is also related to remuneration planning. This means it often occurs at the same time each year as the annual remuneration review process (often July or August).

Health and safety: Our most significant health and safety risks are in the construction phase of development on sites controlled by our principal contractors . Through the pragmatic management of safety, and a focus on real risks, we believe we have had a positive influence on worker safety standards across the industry globally. To achieve this, we have taken a proactive approach as the client on our development projects.

We believe the client sets the expected safety standards in construction, particularly in regions where safety regulations are evolving. Working with our contractors from the earliest stages of the project and maintaining an active onsite presence conducting inspections has been a very effective strategy for achieving three years of zero fatalities in our development projects.

While we have maintained a fatality rate on our development projects of zero for three years running , there was a contractor in China who unfortunately died on one of our properties from circumstances beyond Goodman's control or influence. This was determined by relevant authorities to be an unforeseeable accident for which no fault could reasonably be attributed. The Audit, Risk and Compliance Committee and the Board made a similar finding, on the basis there could have been no safety measures which would have prevented the incident.

Sustainable sourcing: Policies concerning procurement included in Employee Code of Conduct and Business Ethics Statement and further developed through our Sustainable Sourcing Framework (implemented in FY23 and recently updated), we aim to address issues such as human rights, modern slavery, social procurement and sustainability (refer to our website for more information https://www.goodman.com/about-goodman/corporate-governance

Our community involvement: Social contributions are made by the Group either directly (through development applications and community donations) or through the Goodman Foundation. Contributions outside of development applications are in the form of cash and in-kind resources to charities and humanitarian organisations.

The Goodman Foundation is committed to making a sustained and tangible difference. We partner with organisations to build resilient and vibrant communities through four key areas of focus:

1. Meeting essential needs. We support community organisations that are enabling food and housing security and providing access to household goods and clothing.
2. Promoting social and mental wellbeing. We focus on initiatives that improve psychosocial wellbeing and create space for people and communities to flourish.
3. Enabling education and employment. We partner with organisations that offer education and employment pathways in our communities.
4. Providing disaster relief. We support organisations that work with communities to prepare for disasters and are equipped to deliver immediate response and sustained disaster relief.

The Foundation has a contribution target of $100.0 million over the period from FY20 to FY30. For more information on the Goodman Foundation and the activities it supports, visit www.Goodman.com/Foundation.

Directors' report

Sustainability report (continued)

Corporate governance and performance

As previously outlined at the start of this Sustainability report, we promote strong leadership and governance, with the Goodman Board and its Committees overseeing how we implement our sustainability strategy and meet our targets.

Financial considerations: Maintaining a strong capital position is critical to the sustainability of our business. Our ability to withstand market volatility and to continue to deliver the services to our customers and partners can only be repeatable if we have the financial capacity to do so. The FRM Policy that governs the key aspects of our capital position has served us well and is clearly communicated to employees whose role it is to execute the strategies.

Profitability is also important to the sustainability of our business. We measure this through operating profit. A competitive rate of return at the property level is required to ensure the ongoing support of investors and lenders. Our development and management businesses are also expected to generate a positive contribution that is at least in line with industry benchmarks. If we achieve these objectives, we can continue to employ our people, pay our suppliers and contribute to the community.

Cybersecurity: Cybersecurity is an increasing corporate risk for companies, and Goodman is not exempt. We are actively managing our cybersecurity risks, safeguarding critical systems, networks, and Goodman's sensitive information from cyber-attacks.

Information and data security is part of Goodman's risk management framework and a priority for both our Risk and Information Technology teams. Our security approach aligns with the principles of the globally recognised National Institute of Standards and Technology Framework and involves:

- Identifying key information systems and data
- Applying controls to protect data and reduce business impact
- Testing and detecting vulnerabilities
- Being prepared to respond and recover systems and information in a cyber event.

Our overall cybersecurity risk management program is assessed annually, with quarterly updates provided to the Audit, Risk and Compliance Committee.

Directors' report

Sustainability report (continued)

QUANTIFICATION OF IMPACTS, RISKS AND OPPORTUNITIES

Emissions

Goodman sees emission reduction as a priority, and we have set ourselves targets to help achieve this. We aim to make progress by using a combination of methods ranging from renewable energy sources and energy efficiency measures to behavioural change. In each instance, we are guided by availability of market solutions, practicality of implementation, and economic rationality. When applying timeframes, we consider the expected life of the investment. While reducing our emissions remains our first priority, Goodman selectively invests in carbon offsets to supplement our emissions reduction activities and accommodate for market and product limitations.

When considering carbon emissions from our operations we are focused on Scope 1 and 2, as well as the various components of Scope 3 that we can directly influence. We are reviewing the appropriate reporting and targets associated with Scope 3 emissions and aim to comply with the impending Australian Accounting Standards Board disclosure requirements as soon as practically possible.

We align with the Climate Active Carbon Neutral Standard for Organisations (Climate Active). Climate Active is an Australian Government initiative that helps promote voluntary climate action by Australian businesses. It certifies organisations which measure, reduce, and offset carbon emissions in accordance with their standard. Climate Active defines carbon neutral as: "A situation where the net emissions associated with an activity are equal to zero because emissions have been reduced and offset units cancelled to fully account for all emissions."

For Group reporting, our Scope 1 and Scope 2 emissions reduction and renewable energy targets, we use the GHG protocol to determine our emissions reduction boundary. Our emissions boundary is based on an operational control approach, including activities in areas across our property portfolio where we have control over day-to-day operations and our corporate activities, including some scope 3 emissions. It excludes other sources of scope 3 emissions including emissions from our customers' activities within leased areas, and the embodied emissions from developments. For reporting purposes, we take into account 100% of the emissions within our defined boundary, irrespective of our share of equity ownership in the properties.

We expect to maintain our status as a Carbon Neutral Organisation for our global operations in FY24 under Climate Active. As part of our commitment, we annually report our operational carbon inventory to Climate Active for verification. We continue to look for ways to lower our operational emissions and increase our use of renewable electricity. Purchasing certified GreenPower electricity in our Australian operations and using renewable energy certificates in other regions have been key factors. To meet our carbon neutral target, we have purchased Australian Carbon Credit Units (ACCUs) to offset our residual operational emissions - for more information relating to renewable energy certificates and ACCU sources, please refer to Climate Active's website. We note that Climate Active is considering a change in its methodology and designations, and we will monitor any potential changes.

Our annual operational emissions are included in the table overleaf.

Directors' report

Sustainability report (continued)

GHG Scope[1,2,3,4]	Emissions source	2021 tCO2-e	2022 tCO2-e	2023 tCO2-e	2024 tCO2-e
Scope 1	Fuels	898	846	896	632
	Natural gas	1,001	899	822	1,096
	Refrigerants	1,414	1,360	1,775	1,701
Total Scope 1		**3,313**	**3,105**	**3,492**	**3,429**
Scope 2[5]	Electricity (market-based)	37,065	11,637	2,566	2,548
	Electricity (location-based)	37,065	29,777	32,867	32,429
Total scope 1 and 2	Market-based	40,378	14,742	6,058	5,977
Total scope 1 and 2	Location based	40,378	32,882	36,359	35,858
Scope 3		12,583	8,964	13,183	15,855
Total Emissions (including scope 2 - market-based)		52,962	23,705	19,241	21,832
Total Emissions (including scope 2 - location-based)		52,962	41,846	49,542	51,713
Offsets purchased and retired		(52,962)	(23,705)	(19,241)	In progress
Net Emissions - market based		nil	nil	nil	In progress

1. Data tables, including any estimates used, may be updated as more current data becomes available.
2. At the time of writing, FY24 data is in the process of verification by qualified independent third parties and final data will be updated on our website. Until then, data should be considered to include estimates.
3. Our emissions boundary is based on an operational control approach (we refer to the GHG Protocol), including Scope 3 emissions relating to transmission and distribution of energy, waste, water use, data servers, staff commuting, working from home, business travel, advertising, cleaning, telecommunications, and other corporate expenses. For the purpose of this report, other scope 3 items, such as future emissions from sold products, embodied carbon from developments and customer emissions data have not been included.-We are however tracking these and are continuing to develop better methods of capturing and reporting. We are also working on strategies to manage the emerging risks and opportunities (as outlined in the preceding sections).
4. Data derived from invoices and meter readings are the primary method used for validation. Where required due to timing, new acquisitions or developments, and site and meter access, estimates are used based on extrapolation or prior period comparisons.
5. Goodman reports both location and market-based electricity emissions. Under the market-based approach, calculations for electricity emissions include the use of market-based instruments such as the retirement of renewable energy certificates. Location-based emissions reporting is based on average energy generation emission factors for defined locations.

By procuring renewable electricity (and using market-based instruments), we have reduced our Scope 1 and 2 emissions by 85% relative to the 2021 baseline year. The resumption of travel following the period that was heavily impacted by the pandemic, has resulted in an increase in Scope 3 emissions within our operational boundary. Overall, emissions within our operational boundary under the market-based measure are down 59% since 2021.

For reference, the Group's equity weighted share of the emissions within the emissions boundary described above (taking into account our equity ownership interest in the assets) is set out below.

GHG Scope	Emissions source	2024 tCO2-e
Scope 1		1,104
Scope 2	Electricity (market-based)	333
	Electricity (location-based)	8,009
Scope 3		12,698
Total Emissions (including scope 2 - market-based)		14,134
Total Emissions (including scope 2 - location-based)		21,810

Directors' report

Sustainability report (continued)

We are also taking additional measures over and above our carbon neutral organisation status. These include:

- Measuring, and reviewing where possible and appropriate, reducing and offsetting the upfront embodied carbon emissions associated with materials used in new developments.
- Seeking to support our customers in their own emission-reduction goals and improving their efficiency of energy use as best we can (mainly through building design and locational selection).

If we can reduce both our own and our customers' emissions, we are also helping our capital markets stakeholders who are seeking a reduction of the emissions they have financed. We also believe that we are taking these actions in a manner that is consistent with their long-term financial performance objectives.

The Group has been tracking and disclosing emissions in relation to its Science-Based Targets initiative (SBTi) validated targets. Our commitments are however currently under review, pending the outcomes of SBTi's plan to revise the Corporate Net-Zero guidelines and its implications for Scope 3 accounting. At the conclusion of our review of the revised guidance, we may either continue our SBTi-aligned targets, adopt an alternative benchmark, or construct a new methodology that is relevant to Goodman.

Business impact quantification

Short term

To date, the financial cost of the strategies and targets outlined throughout this report have been relatively immaterial when compared to the value of our assets. We are not yet able to quantify the relative financial benefits from our sustainability initiatives as there is insufficient data to allow meaningful analysis. As a result, we have not itemised them separately.

However, what we can observe is that we have maintained high occupancy rates and that rents have continued to grow. Whether this is materially better or worse than comparable assets is unclear. As we also remain able to attract capital to our business and generate sufficiently attractive returns to investors, our strategies do not appear to be hindering us, but as at 30 June 2024 it is hard to say that it has materially helped.

We can measure the near-term cost of our property development and operation (within one to three years) which includes the costs of those strategies outlined above. These costs are factored into our property valuation methodology (through discounted cash flows) and included in our performance planning and investment analysis.

Longer term

We are not able to quantify with sufficient accuracy or without excessive cost and resources, the financial implications of our climate-related risks and opportunities associated with the potential climate scenarios over the medium to longer term (beyond three years). The main reasons for this are:

- We cannot yet have sufficient certainty regarding the future legislative environment in each of the jurisdictions in which we operate (or from which we receive capital) as these will be impacted by factors like future building standards and financial market regulation. Additionally, there are a number of other legislative changes that could have a second order effect on these estimates, such as industrial relations laws, taxes/subsidies and international comparative standards.
- We cannot yet predict with sufficient accuracy the behaviour of competitors who may invest more or less intensively than we do (particularly if there exists legislative arbitrage for unregulated players in the market). Furthermore, we cannot yet determine the capital market behaviour in relation to the cost and availability of capital for businesses that do or do not meet appropriate standards. We do not know if the markets will provide insurance against physical risks.
- We cannot yet determine what customer behaviour will be in the long term because we don't know if consumer behaviours and preferences will allow those who choose a higher short-term cost structure to win market share, or higher returns based on their sustainability credentials.
- We cannot yet determine what technological advancements may occur, such as the availability of green power or new construction materials and methods and what they will cost.
- The cumulative effect of these issues will potentially have a non-linear impact on the results of any analysis, which means that the range of potential outcomes is currently far too wide to give any reliable estimates.

As such information becomes more accessible and the industry matures, we will be able to report on this.

Directors' report

Sustainability report (continued)

Basis of measurement

In addition to the established concepts of measurement associated with emissions for property, we believe that the best way to truly assess the environmental impacts of our activity is by considering the whole of economy effects of conducting business and productivity-related intensity measures.

The approach we advocate is the development of intensity measures that go beyond traditional real estate standards such as emissions rates per square metre (sqm) of floor space or per cubic metre of capacity. Instead, measures that take into account the end-to-end movement of goods on a volumetric basis (such as tonnage or cubic volume) or on economic value. These measures are likely to be more comprehensive in assessing the true impacts and therefore help inform the best relative use of capital for sustainable outcomes.

Similar considerations may be required in relation to data storage and processing where the commonly used efficiency measure is PUE (Power Usage Effectiveness). Ultimately, if we are not the operator of the data centre, we are unable to control anything in relation to the leased area.

In all cases, one must consider how else these activities could be conducted if not in our buildings.

The technology and data to enable the capture and reporting of information involving factors that are outside our control and/or relate to customer activities is not yet sufficiently advanced, but we believe that this will become so in time. This could be accelerated if and when the legislative support emerges for enforcement of reporting on these bases. This multidimensional reporting is necessary to truly gain insights as to the appropriateness of capital allocation and test the resilience of businesses.

In addition to understanding energy consumption and consequential emissions by our customers within our assets, we believe that it is also important to understand the relative impacts resulting from transport-related emissions from properties in different locations. Again, this information is not within our control, and we do not have such sensitive customer information today.

Although we are not currently able to measure all the productivity benefits of our properties, we believe that the throughput from our assets has the capability to be higher than the average. This is because they are located and specified to facilitate high amounts of mechanisation and new technologies. A suggested alternative approach would involve reference to output measures such as volume of goods and data being compared to the emissions that result relative to the output and emissions that would have resulted in an alternative property.

Impact of Goodman's sites and site selection

A significant portion of the development activity we expect to perform in the coming decade is on land that we currently own and in many cases have owned for many years. Typically, such sites have existing improvements on them. Therefore, our aim is to enhance the productivity of the site or property by developing new buildings or renovating existing ones so that they can meet demand.

In land-constrained markets, we are optimising land through multi-level developments. Our extensive experience in developing multi-level buildings includes nearly 50 properties in Japan, Hong Kong SAR, China, Australia, and Continental Europe. Multi-level buildings have the capacity to generate much higher output per sqm of land. This typically occurs in urban infill markets which can potentially increase output per unit of transport cost or time taken or energy utilised relative to buildings in secondary locations and those with less capacity for high intensity usages.

Government planning agencies are demonstrating varying degrees of support for this type of infill development (as opposed to greenfield developments in non-metropolitan markets). We believe that there exist greater long-term risks with greenfield properties that are outside of the existing major markets. Such assets may not get planning support for future development as they are likely to have a poorer environmental outcome and may be too costly to service with related infrastructure. This is one reason that we are focusing on infill locations.

Directors' report

Sustainability report (continued)

Sustainable design

Notwithstanding our view of the relative merits of our strategy, we acknowledge that we do have an impact on the environment. It is becoming increasingly common that new development planning submissions are accompanied by a multitude of environmental and social impact statements. These include sustainability, natural environment, community, transport and other infrastructure, to name a few. In addition, we have embedded into our due diligence processes explicit considerations of physical climate risk as well as other environmental and social considerations. Climate transition risks are dealt with on a case by case basis where we seek to add sustainable design characteristics to each building that best suits the situation. We do this from a forward looking perspective whereby the immediate cost/benefit may not be quantified but instead we take a view the features will enhance the attractiveness of our buildings to climate conscious customers over time but remain economically attractive in the near term.

Emissions during development

Over and above this, we are aiming to reduce the emissions related to the construction process. The growing research and development of less carbon-intensive building products is a key driver in the ability to reduce emissions in construction. While we are not a construction company, we are working with our contractors to encourage them to bring us lower carbon solutions. We are measuring and monitoring the embodied carbon emissions in our developments and working with our supply chain to reduce them. We cannot yet accurately quantify the trajectory of such change or the financial viability but when we can, we will do so.

Physical climate risks

One of the climate-related risks we can report upon relates to physical risks in specific locations. As at 30 June 2024 we had over 400 properties in the portfolio of assets we own directly and within Partnerships, with a total value of $78.7 billion. Of those, we have less than 100 properties worth over $200 million each. The top ten properties had an aggregate value $11.9 billion, and each asset ranged in value between $0.8 billion and $2.2 billion. The geographic exposures are set out in our TCFD statement, but we have assets in markets that may be subject to future hazards under certain scenarios. The hazards we are most focused on for our top ten properties relate to storm, flooding and heat.

We have conducted some reviews and implemented remedial actions to enhance the resilience of those assets. This analysis is ongoing and will be updated with our next TCFD analysis as more data becomes available. Management of storm and flood risk is dealt with through a combination of building specifications and insurance. Flood risk in particular is also being managed by local governments as this is an issue that affects their entire market. We are not yet able to assess the future extent of the government-related flood risk management initiatives nor are we able to predict the cost or availability of insurance in the future. However, at 30 June 2024, we have not yet identified any material costs associated with the management of storm and flood risks in the portfolio.

Heat risks are governed by building codes and industrial relations regulations as they relate to worker comfort, and to a lesser extent, the durability of the materials used in construction. We are not aware of any of our properties being in contravention of any current codes and regulations. However, we cannot estimate the potential impact of changes in these types of codes or regulations in the future. This also means we cannot reliably measure the potential financial impact of climate change under various scenarios because this will be determined by any code and regulation changes, as well as market behaviour.

Please refer to our TCFD statement
https://www.goodman.com/-/media/project/goodman/global/files/about-goodman/corporate-governance/policies/2023/goodman-group_tcfd_statement.pdf

Directors' report

Sustainability report (continued)

PERFORMANCE REPORTING

Summary of quantified sustainability targets

The table below contains the list of the material sustainability targets that have been derived through the processes of the various governance arrangements described earlier. The most significant targets from the initiatives are:

Climate related sustainability targets

Targets	Activity in FY24	Progress
Carbon emissions from operations: Carbon Neutral Operations by end of FY25[1]	Achieved annually since FY21 and on track to achieve again in FY24. Emissions calculation and verification process in progress	On track
Gross (excluding offsets) Scope 1 and 2 emission reduction[2] of 42% (relative to FY21 baseline) by end of FY30	Scope 1 and 2 emissions have reduced by approximately 11% since FY21 – refer to the Emissions section of this report	In progress
100% renewable electricity use within Goodman's operations by 2025 (including use of renewable energy certificates and other market-based mechanisms, subject to government regulation in each jurisdiction)[3]	Expected to remain above 80% in FY24	In progress
Solar PV: 400 MW of solar PV capacity installed or committed between 2019 and the end of 2025[4]	Added 24 MW of solar PV installations and/or commitments over the past year. Approximately 330 MW of solar PV installations and commitments at 30 June 2024	In progress
Maintain >95% occupancy rate overall	97.7% at 30 June 2024	Achieved
TCFD	Maintain public climate risk disclosures updated annually.	Achieved

1. Carbon neutrality is based on activities within our direct operational control (excludes customer emissions and embodied emissions from developments) and will be aligned with a reputable industry standard such as the Climate Active Carbon Neutral Standard for Organisations, which is undergoing a review that might impact our continued use of this standard.
2. Scope 1 and 2 reduction targets are based on location-based reporting, pending future SBTi re-baseline requirements, and exclude the effect of offsets. Refer to the operational emissions table on page 54 for more information on our emissions inventory and reporting boundary. For the purposes of Group reporting, we refer to the GHG protocol as follows:
    Scope 1 emissions are direct emissions from owned or controlled sources.
    Scope 2 emissions are indirect emissions from the generation of purchased energy.
    Scope 3 emissions include indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company. Refer to the emissions table to view the Scope 3 emissions included in our boundary.
3. The renewable energy target is based on electricity consumed within our direct operations (Scope 2) using the RE100 technical criteria. Our target Includes the use of renewable energy certificates and other market-based mechanisms, and subject to government regulation in each jurisdiction. Acquisitions of new properties are excluded until existing energy agreements and procurement opportunities are reviewed.
4. Includes both onsite and offsite solar installations and/or commitments, subject to local regulations and grid connection.

Directors' report

Sustainability report (continued)

Non-climate related sustainability targets

Targets	Activity in FY24	Progress
Safe working environment	One contractor fatality in China	Ongoing
Implementation of our sustainable sourcing framework (includes non-climate related items as well as social procurement and modern slavery considerations)	Implemented in FY23 Updated and enhanced in FY24	Achieved
Diversity target of 50% female overall and 40% female in senior executive roles by 30 June 2030	43% female representation overall 30% female senior executives	In progress
Capital management – retain investment grade credit rating	Maintained	Achieved
Cumulative social contributions valued at $100.0 million from 1 July 2019 to 30 June 2030	The Group's financial contributions were $12.1 million in FY24 plus a further $1.35 million in staff fundraising and in-kind contributions. Total social contributions of $55.9 million since 1 July 2019 3,993 volunteering hours in FY24	On track
Strong workplace culture	Employees demonstrating Goodman values 99% Strong engagement survey results 84%[1] Low voluntary turnover 6.6% High parental leave return rate 95% Employee LTIP participation represents 4.2%[2] of issued capital	Achieved

1. In those regions that undertook surveys in FY24 (Group, Australia, Continental Europe and the United Kingdom)
2. Refers to unvested performance rights under the LTIP.

Progress on key initiatives is linked to remuneration of the executive KMP (refer to the Remuneration report for more information).

Directors' report

(continued)

REMUNERATION REPORT – AUDITED

Directors' report

Remuneration report - audited (continued)

Letter from the Chairman and Chair of the Remuneration and Nomination Committee

Dear Securityholders,

On behalf of the Board, I am pleased to present the 2024 Remuneration Report, outlining Goodman's remuneration strategy and principles which we believe provide appropriate alignment of the interests of Securityholders and executive management .

We have been encouraged by the strong support from our investors for our remuneration strategy as evidenced by the 87% vote we received in favour of the remuneration report at last year's AGM. We continue to engage with Securityholders and proxy advisors in relation to our remuneration arrangements, with the aim of addressing concerns they have.

FY24 was another highly successful year for the Group, where we significantly exceeded financial performance expectations while also making excellent progress on specific initiatives aimed at enhancing the long-term resilience of the business. We have strategically concentrated our assets in urban infill locations on a global basis, developing expertise in planning, design and delivery of essential infrastructure for the flow of goods and data across our markets. We have also substantially increased our focus on data centres in our development strategy going forward, which will require additional skills and competencies.

It is important to appreciate that our operations are complex, particularly our development projects which can take many years to complete, covering both the planning phase and the actual construction and leasing.

We have positioned ourselves to deliver the required infrastructure to support the ongoing expansion of the digital economy. This activity is being facilitated by the adoption of new technologies and requires a substantial execution capability. Planning and procurement are increasingly complex and capital intensive, requiring a highly specialised workforce with international skills and relationships. Accordingly, a significant proportion of our people are based in our global operations outside Australia.

Importantly, the nature of our operational strategy and the long-term returns that can be generated from it when executed well, has increasingly been reflected in the equity markets appreciation of Goodman. This translated into a 75% total shareholder return (TSR) in FY24, an exceptional outcome.

The attraction and retention of talent have always been critical for the success of the Group. The Group's substantial $2.05 billion operating profit for FY24 followed on from substantial profit growth in prior years. Over the last five years our global workforce of around 900 employees has achieved operating profit growth of 117%, a compound annual growth rate of 17%.

The Group's longstanding and consistent approach to remuneration has been a key driver of our success as an international business over an extended period of time. This is reflected in the outstanding achievements delivered this year which include:

- Operating profit is up 15% to $2.05 billion
- Operating EPS growth of 14.0%, substantially exceeding initial expectations of 9.0%
- Maintaining a significant volume of development work in progress of $13.0 billion at 30 June 2024, across 80 projects and providing a solid base for future profitability
- Total portfolio of $79 billion at 30 June 2024
- Low leverage of 8.4% and significant liquidity of $3.8 billion as at 30 June 2024, providing strong financial capacity both for resilience and growth
- Advancement of our data centre activities to bring forward substantial new opportunities for growth and strong returns.

Securityholder and stakeholder engagement

We continue to engage with our shareholder base and proxy advisors in relation to our remuneration structure, corporate governance matters and sustainability programs. We are committed to continuing these conversations in the future. We have noted some key feedback from investors and proxy advisors, including our responses, in Section 1.4.

Directors' report

Remuneration report - audited (continued)

Remuneration Summary

In setting the outcomes for remuneration, the Board has reflected on the outstanding performance of the Group in FY24, in particular:

- The significant outperformance of the Group's operations in FY24 where operating EPS increased 14%, well ahead of the broader equities market and our own initial guidance
- Outstanding securityholder return for FY24 of 75%
- The Group's positioning as a major provider of essential infrastructure globally, the relevant competitor set to this in addition to being rated within the 10 largest companies on the ASX by market capitalisation ($66 billion as at 30 June 2024)
- The LTI awards vest over a ten year period[1], are at risk for four years, and in order to achieve full vesting, the Group will have to:
  - Grow operating profit by $1.2 billion to more than $3.2 billion in the next four years. That represents almost 60% growth starting from an already high profit base
  - Deliver TSR performance in the 90th percentile or higher.

For key management personnel (KMP):

- The STI component has increased by 18% compared with FY23 (with the Group CEO continuing to not participate in STI awards) reflecting outstanding execution, operational performance and TSR
- The quantum of the FY24 LTI awards has been reduced by 30% which compensates for the increased face value of new performance rights as a result of the 73% increase in the security price in FY24.
- Challenging operating EPS hurdles (6% to 11% compound annual growth over a four-year testing period and commencing from a substantially higher base) for LTI have again been set.

The Board is always mindful of the focus on overall remuneration levels and spends considerable time each year determining remuneration outcomes in the context of our complex international operations. We recognise the need on the one hand, to attract, retain and incentivise our employees while, on the other hand, to meet the range of expectations of our Securityholders.

We look forward to receiving your views and support at our 2024 Annual General Meeting.

Yours sincerely,

Stephen Johns
Independent Chairman and Chair of the Remuneration and Nomination Committee

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[1] The ten-year LTIP (for executive KMP and selected senior executives) includes a four-year testing period, with the number of performance rights satisfying the testing criteria then vesting in seven tranches from years four to ten (see section 2.1 for details). It is the longest remuneration plan in the listed equity market globally and 2.5x the average length of the ASX 20 plans.

Directors' report

Remuneration report - audited (continued)

1. REMUNERATION GOVERNANCE

1.1 The role of the Board and the Remuneration and Nomination Committee

The Board is responsible for approving the Group's remuneration structure and for the specific pay of the Group CEO and other KMP, on the advice of the Remuneration and Nomination Committee. Goodman's core corporate governance framework documents including Charters and Policies are available at https://www.goodman.com/about-goodman/corporate-governance.

In setting the structure, the Board considers potential remuneration with a five-to-ten-year horizon. It takes into consideration the impact that decisions made over the last three to five years have had on current performance and how it expects the business to perform in the longer term. Remuneration awards are not solely determined based on reviewing a single year, but also reference the long-term nature of our development program, particularly data centre projects, and the critical requirements across the planning and execution in the next few years, in order to deliver positive outcomes in future years.

The Board believes that the success of Goodman is a result of its people and their ability to execute a global strategy. As a result, in assessing structural aims of the Group's remuneration the Board:

- Encourages management to take a long-term strategic view regarding the operations of the Group
- Expects the senior leadership team to accept collective responsibility for the outcomes
- Focuses on the creation of long-term sustainable returns and the consistency of cash generation with a strong focus on risk management. The Board uses the Group's operating profit (and therefore operating EPS) as a measure that is closely aligned with cash generation and consider this as the most tangible means of measuring long-term value creation for Securityholders.

1.2 Remuneration and Nomination Committee for FY24

Members of the Remuneration and Nomination Committee during FY24 were:

Member	Role
Stephen Johns	Independent Director and Chairman of Goodman Group, Chair of the Remuneration and Nomination Committee since 1 April 2023, Member of the Remuneration Committee and Chair of the Nomination Committee (both predecessor committees of the Remuneration and Nomination Committee) since 18 February 2021, Member of the original Remuneration and Nomination Committee since 19 November 2020
Chris Green	Independent Director –Member of the Remuneration and Nomination Committee since 1 April 2023, Member of the predecessor Remuneration Committee since 18 November 2021 and member of the predecessor Nomination Committee since 18 February 2021
Mark Johnson	Independent Director – Member of Remuneration and Nomination Committee since 1 April 2023, Member of the predecessor Nomination Committee since 1 October 2022.

1.3 Key Management Personnel (KMP)

Member	Role	Tenure at Goodman
Executive KMP		
Gregory Goodman	Group Chief Executive Officer	29 years 0 months
Danny Peeters	Executive Director Corporate	18 years 1 month
Anthony Rozic	Deputy CEO and CEO North America	20 years 1 month
Nick Kurtis	Group Head of Equities	24 years 4 months
Nick Vrondas	Group Chief Financial Officer	18 years 2 months
Non-Executive KMP		
Stephen Johns	Chairman and Non-Executive Director	7 years 6 months
Chris Green	Non-Executive Director	5 years 2 months
Mark Johnson	Non-Executive Director	4 years 1 month
Vanessa Liu	Non-Executive Director	2 years 1 month
Belinda Robson	Non-Executive Director	1 year 4 months
Phillip Pryke (retired 10 April 2024)	Non-Executive Director	13 years 6 months
Hilary Spann	Non-Executive Director	2 years 3 months
George Zoghbi	Non-Executive Director	1 year 2 months
David Collins	GLHK Non-Executive Director	6 years 5 months
Kitty Chung	GLHK Non-Executive Director	1 year 0 months

Directors' report

Remuneration report - audited (continued)

1.4 Engagement feedback and response

The Group received strong support for the Remuneration Report (87% of securities in favour) and grants (89% of securities in favour) at the Annual General Meeting (AGM). The Chairman and the Group Head of Stakeholder Relations engaged with a significant proportion of Securityholders in the lead up to the AGM, which included discussions with 55 investors representing approximately 66% of Goodman's securities on issue. We have included the key items of feedback discussed with investors.

Securityholder and Proxy Feedback	Response
Strongly positive feedback regarding the structure of the LTIP, the hurdles and vesting period.	The Board maintained the issuance of LTI awards under the ten-year plan for the Group CEO and other executive KMP. This ten-year plan will apply for the intended grant of performance rights to be made in September 2024 (therefore in FY25) in respect of FY24 performance.
Operating profit/operating EPS should include non-cash share-based payment (SBP) expense.	The Board believes that managing the business, on what is primarily a cash profit basis as represented by operating profit, is fundamental to long-term sustainability of earnings and is the strongest determinant of value creation for Securityholders over time. The Group's operating profit is one of the key measures used to drive the business strategy for employees to execute. This is why the Board has used operating EPS (operating profit per security, diluted for tested performance rights) as one of the two (and the principal) performance hurdles in its LTI awards. Based on external analyst reports and investor discussions, the market overwhelmingly uses operating profit as the most relevant and appropriate measure to value the Group. This is covered in further detail in section 3.3.3.
Two proxy advisors and a small number of investors recommended a preference for the LTI awards to be 50% tested against the operating EPS hurdle (currently 75%) and 50% tested against the relative TSR hurdle (currently 25%)	The Board has considered the appropriate portion of the performance rights to be tested using the TSR measure. Prior to this, we engaged with a large number of investors and proxy advisors to obtain feedback on this matter. The feedback we received from investors was that there is no universally accepted view as to what level of TSR (if any) is appropriate for LTI metrics or whether it should be absolute or relative TSR. Our largest investors are significantly in favour of retaining our existing 75/25 testing structure. Primarily investors noted that the current structure has been successful over many years, and they support the link between OEPS and cash flow and the alignment of remuneration outcomes for all staff with returns for Securityholder. The Board has resolved to retain the current LTIP testing structure, in light of both the market feedback and its own view that the 75/25 testing structure has promoted better Company performance and the appropriate alignment with employees and Securityholders.

Directors' report

Remuneration report - audited (continued)

2. REMUNERATION STRATEGY

The Group's remuneration structure reflects:

- Appropriate incentive based remuneration to attract and retain high quality employees in the labour markets the Group operates in globally. Goodman has positioned itself with significant expertise in planning, design and delivery of essential infrastructure globally. There continues to be strong competition for experienced talent in the logistics and data centre sectors, with data centres in particular a significant growth driver for the Group, over the next five to ten years and many new entrants to the sector looking to build teams.
- Our operations are increasingly complex (particularly planning and capital intensity), and projects can take many years to complete, embedding significant value in the sites prior to realisation and therefore timeframes of LTI align with this delivery
- The objective of aligning multiple regional businesses with a global strategy and pay for performance outcomes
- Incentive structures within real estate businesses are highly outcome driven, particularly influenced by private equity real estate managers where most institutional assets reside. Our focus on pay for performance through LTI awards is a key component of competitively rewarding successful outcomes.

The Group's capital and resource allocations shift over time in response to variable market circumstances. The effects of these real estate strategies can take time to manifest. The Group's remuneration framework is therefore focused on influencing long-term decision making and collaboration across business units and international operations to derive sustainable outcomes.

Furthermore, the retention of talent is critical for the long-term success of the Group and is increasingly challenging given the competitive sectors and markets our teams operate in around the world. The Group's remuneration framework is crucial in its ability to have the appropriate human resources to deliver on the strategy, create the right culture and drive performance for the benefit of all stakeholders. This is becoming even more complex with the significant near-term execution required in the data centre space, to deliver the long-term performance targets.

The Board considers that the remuneration structure achieves these strategic aims through the focus on the LTIP. The potential for employees to earn a significant part of their remuneration through a long-term plan with challenging but sustainable cash-based earnings targets, has been a key component of the Group's success as an international organisation.

The LTIP has been a fundamental differentiator in generating and rewarding long-term performance and retaining quality people in a highly competitive global environment. It is particularly important considering the challenges created by the volatility in global political and capital markets and binds all employees together as Securityholders in the business and is a powerful incentive and driver of operational resilience. The Board believes that aligning all employees with Securityholders through the Group's remuneration structure, and in particular the LTIP, has added significant value to the Group.

All permanent full time and part time employees are eligible to receive LTI grants, which will be a material component of remuneration if performance hurdles are met or exceeded. The hurdles are intended to be challenging without encouraging inappropriate risk (see section 3.3.2), thereby enhancing alignment of rewards across the Group with Securityholders.

The ten-year plan for the Group CEO, other executive KMP and a number of other senior executives in the organisation has a four-year testing period with vesting occurring at the end of year four through to the end of year ten to the extent that the hurdles have been met. These testing and vesting timeframes are longer than any other LTI plan offered by S&P/ASX 100 companies and influence decision making and create alignment with the time periods required to deliver superior and sustainable operational results.

The five-year plan remains in place for all eligible employees who do not participate in the ten-year plan. This has a three-year testing period with vesting from the end of year three to the end of year five, which is longer than most in the S&P/ASX 100. The testing hurdles are aligned with the ten-year plan.

Base salaries and STI are kept relatively low compared to market medians, increasing the total component of remuneration that is at risk over the short and long term. For instance, the Group CEO's base remuneration has not changed in 18 years, and since 2014 he has agreed with the Board not to receive an STI award.

Directors' report

Remuneration report - audited (continued)

2.1 Objectives of the remuneration strategy

	Remuneration structure	Performance conditions	Alignment with strategy and long-term performance
	Fixed remuneration Low fixed costs, with the focus on at risk components of remuneration.	Scope and complexity of the role, individual absolute and relative comparison in the relevant market and comparator group.	Real estate investment management and development are cyclical, so fixed employee costs are kept relatively low, below median and mean for comparable companies.
At risk remuneration - typically >90% of Group CEO total remuneration	**STI** remuneration is a 100% at risk performance based award tied to operational performance metrics over the past 12 months. For executive KMP, payments are made in two instalments, the first after the financial year end and the second 12 months later.	Assessment includes: Achieving the operating EPS target. This is a gate, for establishing an STI pool for executive KMP but does not determine the level of STI. If EPS guidance is not met, there is no STI pool. In addition, employees must meet Goodman behavioural expectations per the Code of Conduct to qualify. STI quantum is then assessed based on individual financial, operational, sustainability objectives as appropriate for the individual.	STI is an at risk component, rewarding financial and non-financial performance against objectives of the individual and the Group. The performance of individuals is assessed through a performance appraisal process based on contribution to strategic, financial, operational, sustainability, social and governance objectives, while also reflecting behavioural expectations (see section 4.1). Financial and operational performance is the primary measure in determining the maximum level of STI for the individual; however, remuneration can be penalised if behavioural standards are not met or breached (up to 100% of STI for certain measures – see section 3.2). These factors together incentivise the executive KMPs to achieve the operating EPS targets as well as doing so in a manner which aligns with appropriate risk and governance settings. Given the complex nature of the Group's global operations, individual financial metrics are reflected in the operating EPS as well as other financial risk measures. This structure is simple and transparent and aligns management with the operating EPS growth expectations of Securityholders. Detailed financial metrics for the business are disclosed in reporting.
	LTI is at risk remuneration that rewards long-term sustained performance. New awards will be granted in FY25 in relation to FY24 performance achievements, an assessment of potential future contributions and relevant alignment of employees. Ten-year plan awards to the Group CEO, other executive KMP and certain senior executives are tested over four years with vesting in equal tranches, annually, from the end of year four to the end of year ten. Five-year plan awards to remaining employees are tested over three years with vesting in equal tranches, annually, from the end of year 3 to the end of year 5.	75% tested based on achieving the cash-based operating EPS hurdle range 25% tested based on relative TSR against the S&P/ASX 100 constituents. The benchmark index aligns with a significant portion of investors' benchmarks relevant to their holdings and provides closest alignment with their performance. Sustainability targets (set by the Board) over the LTIP testing period with penalty to vesting outcomes of up to 20% of rights satisfying the operating EPS hurdle, for material underperformance against targets. Achieving full vesting requires significant outperformance of the relevant peer groups EPS and TSR performance and should align with significant outperformance for Securityholders	The high weighting to LTI is believed to be the most effective way of rewarding sustained performance and retaining talent while maintaining alignment with Securityholders' longer term investment expectations. Hurdles are set to be competitive relative to reference groups and challenging for management with a significant stretch component, but without encouraging inappropriate risk in execution (see section 3.3.2) relative to external and internal reference points. TSR provides an effective check against increasing risk or unsustainable practices within the Group as the price to earnings multiple attributable to securities will typically reflect the risk in achieving operating EPS targets, which impacts the ultimate value upon vesting. TSR impacts the value of all performance rights. Given the significant proportion of overall remuneration that relates to LTI, the effective impact of the TSR (e.g. security price) on remuneration in a relative sense is much greater than its 25% weighting. The combination of 25% TSR testing and in excess of 90% equity-based remuneration for the Group CEO, provides greater exposure to TSR than the average of ASX 20 companies. Equity issuance to all employees encourages a collaborative approach and broader distribution of remuneration across the entire workforce when the Group is performing well.

Directors' report

Remuneration report - audited (continued)

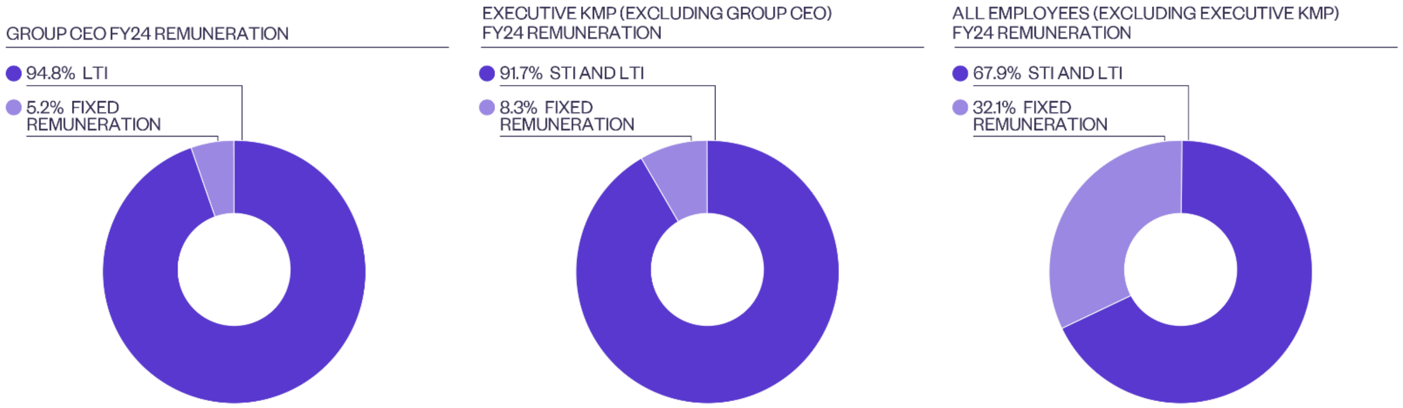
2.2 Remuneration mix and alignment across the Group

The Board believes that the alignment between pay and long-term performance is evidenced by the significant proportion of the total remuneration that is at risk for the Group CEO, the other executive KMP and employees throughout the organisation. In respect of the Group CEO, all at risk remuneration is in the form of LTI as he has again agreed with the Board not to receive an STI award.

The charts below illustrate the vested remuneration received during FY24, which includes fixed base pay, STI and the value of performance rights that vested during FY24 (from prior grants and using the closing Goodman security price on the day of vesting). In respect of the grants that vested, while there was partial vesting associated with certain of the TSR tested tranches, the overall at risk remuneration across the Group is illustrated below.

The Board believes that this demonstrates the alignment of the remuneration outcomes for the Group CEO with the outcomes for Securityholders who have experienced strong performance over a significant period alongside the Group CEO.

FY24 vested remuneration outcome



For the prospective FY25 awards, which would only vest over the period from 1 September 2029 through to 1 September 2035, the Board would expect a similar proportion of at risk elements for future remuneration. This assumes a similar vesting proportion compared to FY24.

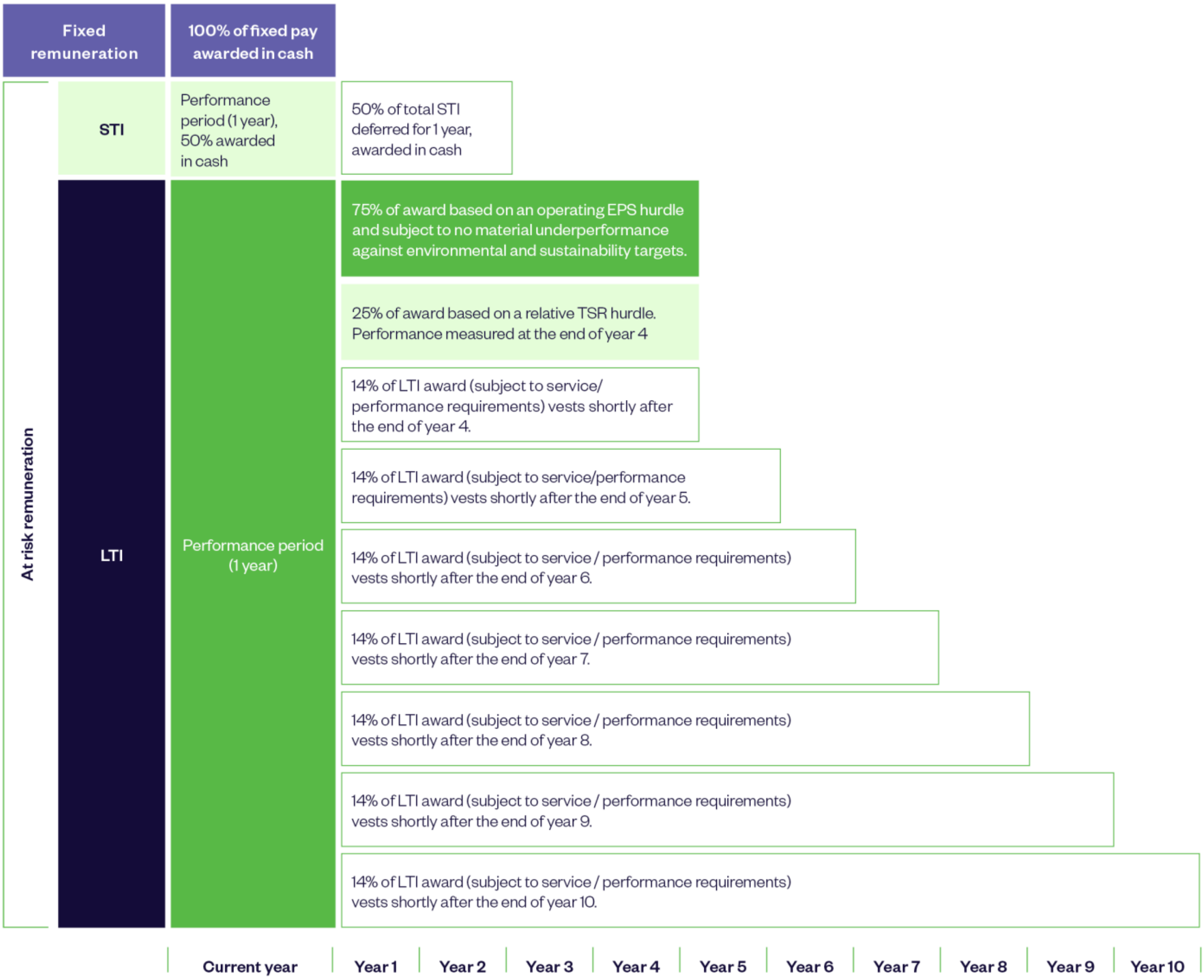
Directors' report

Remuneration report - audited (continued)

3. EXECUTIVE REMUNERATION FRAMEWORK

3.1 When is remuneration earned and received?

The chart below illustrates the timing of receipt of the remuneration components for executive KMP. Performance goals under the ten-year plan must be achieved over a period of four years to qualify for performance-based pay. Vesting then occurs in seven equal tranches from years four to ten.



Performance period (1 year), 50% awarded in cash

50% of total STI deferred for 1 year, awarded in cash

75% of award based on an operating EPS hurdle and subject to no material underperformance against environmental and sustainability targets.

25% of award based on a relative TSR hurdle. Performance measured at the end of year 4

14% of LTI award (subject to service/performance requirements) vests shortly after the end of year 4.

14% of LTI award (subject to service/performance requirements) vests shortly after the end of year 5.

14% of LTI award (subject to service / performance requirements) vests shortly after the end of year 6.

14% of LTI award (subject to service / performance requirements) vests shortly after the end of year 7.

14% of LTI award (subject to service / performance requirements) vests shortly after the end of year 8.

14% of LTI award (subject to service / performance requirements) vests shortly after the end of year 9.

14% of LTI award (subject to service / performance requirements) vests shortly after the end of year 10.

Directors' report

Remuneration report - audited (continued)

3.2 Short-term incentive (STI)

STI is an at risk component of remuneration. Receiving an STI is subject to Group-wide and individual gates and is then determined by the individual's performance in their respective role.

<table>
<tr><th>Questions</th><th></th></tr>
<tr><td>Who is eligible to participate in the STI?</td><td>All full-time and part-time permanent employees are eligible to participate in the STI. However, the Group CEO has again agreed with the Board not to participate in the STI awards, to emphasise reward for long-term decision making across the organisation.</td></tr>
<tr><td>What is the form of the STI award?</td><td>STI is awarded in cash. For executive KMP, 50% of the STI award is paid on finalisation of Goodman's full year result and 50% of the STI award is deferred and paid in cash after a period of 12 months. This deferred STI amount is subject to forfeiture under malus provisions (refer below).</td></tr>
<tr><td>What is the maximum award participants may earn?</td><td>STI awards are capped at 150% of fixed remuneration for executive KMP. Target STI for individuals is also compared to market-based remuneration data and their manager's own assessment of what an appropriate level of incentive compensation may be relative to the long-term value that person brings to the Group.</td></tr>
<tr><td>How is the STI earned?</td><td>The Board sets targets for the business annually. These targets are set relative to the market conditions, earnings visibility, financial structure and strategy and are believed to be challenging, competitive and appropriate. Requirements for STI include:(1) The Group's initial guidance for the financial year must be achieved in order for an overall company-wide bonus pool to be available for the executive KMP (2) meeting behavioural expectations under the Group's Code of Conduct (3) individual financial and operational assessment, including sustainability targets where relevant.
It is important to note, achieving the operating EPS Target does not determine the level of STI. It is a gate to the creation of the STI pool.
<table>
<tr><th>STI process</th><th></th><th></th></tr>
<tr><td></td><td></td><td>Impact</td></tr>
<tr><td>1st Hurdle</td><td>Operating EPS</td><td>Gate</td></tr>
<tr><td>2nd Hurdle</td><td>Conduct, Governance, Social and Diversity</td><td>Gate</td></tr>
<tr><td>Financial, and operational assessments (including sustainability objectives)</td><td>Individual assessment</td><td>0% to 100%</td></tr>
</table>
</td></tr>
<tr><td>How is the individual STI award determined?</td><td>STI rewards annual performance against objectives of the individual and the Group.
The Group objectives include multiple factors as set from time to time, dependent on the market and strategy of the Group. Overall Group financial performance relative to targets is the primary assessment, overlaid with required achievement against sustainability objectives and adherence to the Group's core values and conduct.
The performance of individuals is assessed through a detailed and formal performance appraisal process based on contribution to financial and non-financial targets as well as compliance with the Group's Code of Conduct. Consideration is also given to the total remuneration package with a view to retaining people in a competitive market and appropriately aligning and motivating employees.</td></tr>
<tr><td>Is there malus/ clawback?</td><td>Payment of 50% of the executive KMP STI awards is deferred for 12 months from the date of publication of Goodman's financial statements. This deferral period provides protection from malus. The Board has discretion to forfeit deferred amounts for material misstatement, fraud or adverse changes that would have affected the award where there is executive responsibility.</td></tr>
<tr><td>Is STI deferred into equity?</td><td>STI awards for the executive KMP are not deferred into equity. The executive KMP have the ability to earn a much greater portion of equity-based remuneration (relative to the average for companies in the S&P/ASX 20 and S&P/ASX 100) through the LTIP awards and hence they are already significantly more aligned with Securityholders' outcomes than executives at other listed entities. As a result, in the Board's view, there is little benefit in deferring some or all of the STI into equity.</td></tr>
<tr><td>What happens to STI upon termination or resignation?</td><td>For the executive KMP, the deferred portion of STI award is subject to immediate forfeiture in circumstances where employees are dismissed for cause without notice (e.g. fraud or serious misconduct) or resign from the organisation, barring special circumstances.</td></tr>
</table>

Directors' report

Remuneration report - audited (continued)

While STI and LTI both utilise an operating EPS measure the impact of the test has different consequences on remuneration.

For the STI:

- Achieving the operating EPS guidance for a particular financial year acts as a gate, not a financial calculation determining the quantum of payment. The Group's initial guidance for the financial year ahead must be achieved for an overall company-wide bonus pool to be available for the majority of staff
- STI (excluding the Group CEO) is then determined based on individual employee performance objectives.

For the LTI:

- Operating EPS is tested over four years, so while the first year's guidance is relevant, it is only one year of the four years growth required to determine CAGR in operating EPS for the tranches of the LTI. The level of compound annual growth achieved will determine the financial outcome under the LTI as it relates to the number of securities that would vest
- The level of certainty relating to operating EPS growth is lower beyond one year, and hence the guidance for the coming financial year is not indicative of future years.

3.3 Long Term Incentive Plan (LTIP)

The LTIP is an equity-based reward that is at risk due to its dependence on performance and time. It is open to all permanent employees and creates alignment of remuneration outcomes throughout the Group with the interests of Securityholders over the long term.

- No value is derived from LTI unless minimum performance hurdles of operating EPS and relative TSR are achieved or exceeded, and performance rights have no entitlement to dividends or assets until they vest
- Where the performance hurdles are achieved or exceeded and performance rights vest, LTI will represent the majority of remuneration for executive KMP. It will also be a material component of remuneration for all participating employees
- Performance rights represent a small portion of the Group's equity and a very small percentage of the likely value created for Securityholders where the performance hurdles are met, and vesting occurs.
- The operating EPS hurdle requires a compound annual growth rate over the testing period that includes in the weighted average securities count those performance rights that have already met the hurdles but have not yet vested, thereby incorporating the effect of the dilution on Securityholders.

3.3.1 LTI awards

Questions	
Who is eligible to participate?	All full-time and part-time permanent employees are eligible to participate in either the five-year or the ten-year plans. Executive KMP and some senior executives participate in the ten-year plan.
What is the form of the award?	The LTIP awards performance rights linked to the underlying ASX listed securities. The performance rights do not receive distributions or have any right to income, net assets or voting until vesting.
What is the maximum LTI participants may earn?	When considering the overall size of LTIP awards, the Board also considers the number of securities that could vest and the associated impact on the operating EPS growth. The total five-year and ten-year performance rights outstanding under the LTIP (both equity-settled and cash-settled) are capped at 5.0% of issued capital and at 30 June 2024 equated to 4.2%. The number of rights vesting on 1 September 2024 will be 0.7% of total issued equity. Even if the number of outstanding rights were equal to the cap of 5.0% of issued capital, assuming the ten-year plan has been in place for ten years, all hurdles are fully achieved and all employees remain employed over the vesting period, then the vested securities would represent approximately 1.1% of issued capital. This equates to a small proportion of the likely value created for Securityholders if the LTIP performance hurdles are achieved (see section 4.3.5). Ultimately it is a function of the performance of Goodman and the security price, the better the performance and the higher the price, the greater the reward. This is fully aligned with the outcomes for the Securityholders.
How is the number of rights determined?	The Board sets the quantum based on several factors described in sections 4.2 and 4.3. The Board considers the face value (security price) per right at the end of the prior financial year e.g. in respect of the intended awards to be made in FY25, the Board considers the face value at 30 June 2024.

Directors' report

Remuneration report - audited (continued)

Questions	
What are the performance measures?	Behaviour in accordance with Goodman's core values is an absolute requirement for the granting of performance rights. The Board believes that the commercial decisions management makes in fulfilment of its overall financial objectives are best reflected in two key indicators: operating EPS and TSR (relative to the S&P/ASX 100). Operating EPS is a critical measure of long-term Group-wide performance of the operations (see section 3.3.3). The hurdles are set to be competitive and challenging relative to external and internal reference points (see sections 3.3.2 and 4.3.3). TSR provides both alignment with Securityholder returns and an effective check against increasing risk practices within the Group, in that the price to earnings multiple for the Goodman Group will reflect the markets perceived risk in achieving operating EPS targets. The proposed FY25 LTIP awards, will incorporate sustainability targets, in addition to the operating EPS and relative TSR hurdles. Targets set by the Board will be tested annually and at the end of the LTIP testing period. A penalty can apply to the number of performance rights that have satisfied the operating EPS hurdle, with 20% maximum reduction in the event of material underperformance against the sustainability targets occurs.

LTI Process – three and four-year testing period

		Impact
1st Hurdle	Conduct and behaviour	Gate: 0% to 100%
2nd hurdle	Operating EPS and relative TSR	0% to 100%
Group assessment	Sustainability	The penalty applies to the number of performance rights that have satisfied the operating EPS hurdle with 20% maximum reduction in the event of material underperformance against targets

What is the weighting?	75% operating EPS hurdle 25% relative TSR hurdle
What is the performance period?	Ten-year plan: both operating EPS and relative TSR performance are tested over four financial years starting from 1 July in the year the grant was made. Operating EPS growth is assessed in the fourth year relative to the year preceding the year of the grant. Sustainability targets are reviewed annually and tested at the end of year four. Five-year plan: both operating EPS and relative TSR performance are tested over three financial years starting from 1 July in the year the grant was made. Operating EPS growth is assessed in the third year relative to the year preceding the year of the grant. Sustainability targets are reviewed annually and tested at the end of year three.
How do the LTIP awards vest?	Ten-year plan: Subject to meeting performance hurdles, vesting occurs in equal tranches shortly after the end of years four to ten, provided participants remain employed by the Group. Five-year plan: Subject to meeting performance hurdles, vesting occurs in equal tranches shortly after the end of years three to five, provided participants remain employed by the Group.
Is there clawback?	Subject to immediate forfeiture in circumstances where employees are dismissed for cause (e.g. fraud or serious misconduct). LTI will also be forfeited where employees cease to be employed, unless in Special Circumstances.
What happens to awards upon termination?	Performance rights lapse upon the employee leaving Goodman unless in Special Circumstances (primarily Death, Total and Permanent Disablement, Redundancy and Retirement in the normal course) in which case they are not subject to the employment requirement and vest subject to performance hurdles being met and the usual vesting timetable.
What rights are attached to the performance rights?	Performance rights do not have the same rights and entitlements as ordinary Securityholders prior to vesting (e.g. distributions, voting, rights issue participation). They would be subject to reconstruction in instances of corporate events such as stock splits or stock consolidations.
Is there a minimum executive KMP equity holding	Executive KMP are expected to hold 100% of the value of their fixed remuneration in Goodman securities. In addition, Goodman's remuneration structure includes significant emphasis on performance-based remuneration in equity and therefore the overall exposure of executive KMP to Goodman securities extends significantly beyond this requirement.
Can the hurdles be adjusted?	No (subject to ASX Listing Rule adjustments).

Directors' report

Remuneration report - audited (continued)

3.3.2 Setting operating EPS hurdles for LTI

The operating EPS target range under the LTIP is only for the purpose of testing criteria for vesting of performance rights. The range does not constitute earnings guidance for the Group.

The hurdles are set in line with the pay for performance culture and the Board's desire for them to be both challenging and competitive while maintaining the integrity of the business strategy and risk management objectives in a sustainable manner.

The hurdle range, has been set with reference to:

- The significant proportion of the Group's revenue over the next three to four years being at risk in the sense that it is not currently contracted and subject to a wide number of variables. This is particularly in regard to the proportion of income derived from development activities and performance fees
- The range of potential real estate opportunities for the Group globally that can impact returns and performance, given the Group's constraints associated with the risk parameters and the concentrated locations of operation
- The long-run historical performance of the Group, noting that previous history is not a reflection of future earnings growth
- Increased volatility across the global economic and political environment which has manifest in higher cost of capital, and slower real gross domestic product growth rates
- The desire to achieve a sustainable long-term growth rate that is competitive with the market on a risk adjusted basis.

The hurdles are set for the entire period of the plan and hence performance must be achieved regardless of changes to business conditions globally. Employees carry the risk associated with external factors negatively impacting operating earnings and, in the Board's view this risk has increased given the ongoing geopolitical tensions and the impact this has on global economic activity and capital markets.

3.3.3 Operating EPS – long-term cash flow alignment with vesting outcomes

The Group presents statutory profit in accordance with IFRS, including all required disclosures. Operating profit is a management defined profit measure provided by the Group in addition to Statutory profit. The use of such non-IFRS measures is a common market practice and measures are typically bespoke to each company and referred to as underlying profit, operating profit, management profit, normalised profit, FFO, AFFO etc. They are used by companies to reflect the underlying operational earnings of the business (or in Goodman's case, the underlying cash-based earnings).

The Board believes that managing the business, on what is primarily a cash profit basis, is the strongest determinant of value creation for Securityholders over time. That is the intent of the Group's operating profit definition (and operating EPS), and it is the key measures used to drive the business strategy. This links directly to all employees globally who execute this strategy. It is also why the Board has used operating EPS (operating profit per security diluted for tested performance rights) as the principal performance test in its LTI awards. It represents the actual cash-based operating profit that Securityholders are entitled to, at the point when testing outcomes are confirmed.

Importantly, based on investment analyst reports and discussions with investors, the public equity market participants overwhelmingly use operating profit as the most relevant and appropriate measure to value the Group. This is important as it directly impacts the targets we set.

Directors' report

Remuneration report - audited (continued)

Calculation of operating EPS

Operating EPS has been calculated and applied consistently since being adopted in 2005.

- Operating profit intentionally excludes non-cash profits and losses that form part of the statutory result
- As required under the accounting standards, the Share Based Payments (SBP) expense in the Group's statutory income statement reflects the amortisation of the aggregated fair value of outstanding performance rights. Given the volatility inherent in the accounting valuation of the performance rights, and its non-cash nature, it is appropriate for the SBP expense to be excluded from operating profit, like other non-cash items (such as unrealised revaluations and derivative mark to market movements). The performance rights awarded under the LTIP have no impact on Securityholders until they have vested.
- The operating EPS at each reporting date is calculated using the weighted average number of securities, which includes:
    - All securities that have already vested
    - Rights that have been tested and assessed as having met the hurdles but have not yet vested (tested rights, in the case of the ten year plan, will be included in this calculation up to seven years before they vest and two years in the case of the five year plan)

  The Board believes the cost of the LTIP to Securityholders, which arises from the future dilution through the issuance of securities under the LTIP, is most appropriately reflected by including all vested and tested performance rights in the denominator used for determining operating EPS. This is not subject to accounting estimation (up and down) and is a more definitive measure of the cost to Securityholders
- The inclusion of these unvested performance rights in the operating EPS calculation is a conservative treatment as the financial impact of the performance rights occurs only when securities are issued through the dilution to net assets per security at the time of issuance and the dilution to operating EPS in future reporting periods
- Not all performance rights vest even if they have satisfied performance hurdles, which does not always align with the treatment of the SBP expense in the statutory financial statements. In addition, the accounting for SBP potentially has the effect of incurring an expense impacting prior year performance, which may be reversed in a later period if vesting conditions are not met. This is an uncontrollable outcome and not an appropriate methodology for testing employee performance
- Following successful testing at the end of years three or four (for the five-year plan and ten-year plan respectively), performance rights still have no entitlement to distributions or net assets, nor do they have all of the other usual Securityholder rights until they vest, which may be up to seven years later (under the ten-year plan)
- All performance rights that have passed the testing hurdles are included in the operating EPS calculation and therefore operating profit needs to absorb this dilution of future vesting to continue meeting future hurdles.

Use of cash settled performance rights

In certain jurisdictions, it is impractical to issue performance rights which vest into Goodman securities. In these instances, cash settled performance rights are issued, with the same economic outcome on vesting. From time to time, the Group may issue new securities into the market to fund the settlement of those rights. This results in the same outcome to Securityholders as if the cash settled rights had been settled in Goodman securities because it results in the situation where the dilutionary impact to operating EPS is consistent with the equity settled performance rights.

As in recent years, the Board's current intention is to issue securities to fund the cash requirements for the cash settled rights. This results in the effective funding of the LTIP having no cash impact for the Group and therefore the SBP expense remains effectively a non-cash item in the context of the definition of operating profit.

Directors' report

Remuneration report - audited (continued)

3.4 Non-financial measures

3.4.1 Types of non-financial measures

Goodman continues to increase accountability and transparency across a range of non-financial measures which are important to the Group's culture and its stakeholders. These are integral components of the organisation and encompass a wide range of areas (which can be found in detail on our website) including:

- Sustainability considerations for developments and building operations
- Carbon emission reduction strategies (see sustainability report)
- The wellbeing of Goodman's people and striving to make a positive impact on the communities where we operate
- High standards of corporate and social governance
- A diverse and inclusive work environment
- Behaviour standards that are in line with Goodman's Code of Conduct.

All of these are integrated with Goodman's culture and business operations with the Group's financial results being achieved whilst performing to these expectations.

Individuals' behaviour and adherence to the Code of Conduct, governance, support of diversity principles and social programs are assessed as a gate to STI and LTI awards. Breaches or non-performance can result in forfeiture of LTI or potentially more severe consequences, including termination of employment.

3.4.2 Integration of non-financial measures into LTI

The Board also believes that ownership through the LTIP assists in creating a common purpose in the organisation and that this has been reflected in the Group's performance over many years. Behaviour and adherence to the Group's Code of Conduct have always been a prerequisite to entitlement to vested LTI and since 2021 additional hurdles for vesting, related to our sustainability targets, have been incorporated into awards (detailed in sections 4.1.6 and 4.3.4)

- The Board will review progress on targets annually and set long-term targets each year as they relate to the new testing period
- Sustainability objectives and their execution are integrated into the operations of the Group, particularly for development projects. For this reason, the additional penalty criteria will apply to the operating EPS tested performance rights
- Targets set by Board will be tested formally at the end of the testing period
- Targets and performance will be reported each year in the remuneration report.

Directors' report

Remuneration report - audited (continued)

4. PERFORMANCE AND OUTCOMES

The Group has delivered an exceptional result, significantly outperforming the original estimates notwithstanding the challenging operating conditions and market volatility. Goodman's security price has continued to demonstrate a significant premium to underlying net assets and outperformance relative to the peer group indices, attributable to the value creation by employees. The Group's remuneration strategy, focused on long-term outcomes, is the key driver of this sustained performance. Detailed results for FY24 are found in the Directors' report in the Operating and Financial Review and our Results Presentation.

4.1 Goodman FY24 performance, financial and operational highlights and statistics

Financial

- Operating profit of $2,049 million (up 15% on FY23)
- Operating EPS of 107.5 cents (up 14% on FY23)
- Distribution maintained at 30.0 cents per security to sustain financial risk management objectives
- Net tangible assets per security decreased 3.5% to $8.80

Operational property investment, management, and development

- High occupancy maintained at 97.7% and like for like net property income growth of 4.9%
- Total portfolio of $79 billion
- Strong performance by the Partnerships, achieving weighted average total returns of 11.6% over the past 5 years
- Development WIP of $13.0 billion and with 99% commitment levels on completions and 13 year weighted average lease terms

People, culture and community

- Social investment of $13.5 million by the Goodman Foundation, employee fund raising and contributions in kind through efforts of employees worldwide, contributing 3,993 hours to volunteering in our communities
- The level of females in senior roles remained at 30% in FY24. Goodman continues to work towards 40% females in senior roles by 2030 and 40:40:20 gender representation overall by 2030
- Continued implementation of our Sustainable Sourcing Framework to support human rights and social procurement initiatives.
- Strong focus on reinforcing employee behaviours that are consistent with the Group's values
- Feedback from employees in various regions via surveys undertaken in FY24 indicates strong leadership, communication, and high employee engagement with an average 84% favourable response, in those regions where surveys were conducted.

Climate

- Goodman's global operations is on track to maintain certification as a carbon-neutral organisation under the Climate Active program
- Goodman's global renewable energy usage is expected to remain above 80%, with the Australian operations consuming certified GreenPower and other regions using renewable energy certificates
- Approximately 330 MW of solar PV is now installed or committed across the global portfolio
- Continued to calculate and track the embodied emissions for all of Goodman's logistics developments globally, completing approximately 30 life cycle assessments in FY24

Capital management

- Maintained significant available liquidity of $3.8 billion for the Group and capital resources of $13.9 billion in the Partnerships
- Significant business growth while maintaining low gearing at 8.4%
- Group and Partnerships completed debt refinancing transactions totalling $8.1 billion

Directors' report

Remuneration report - audited (continued)

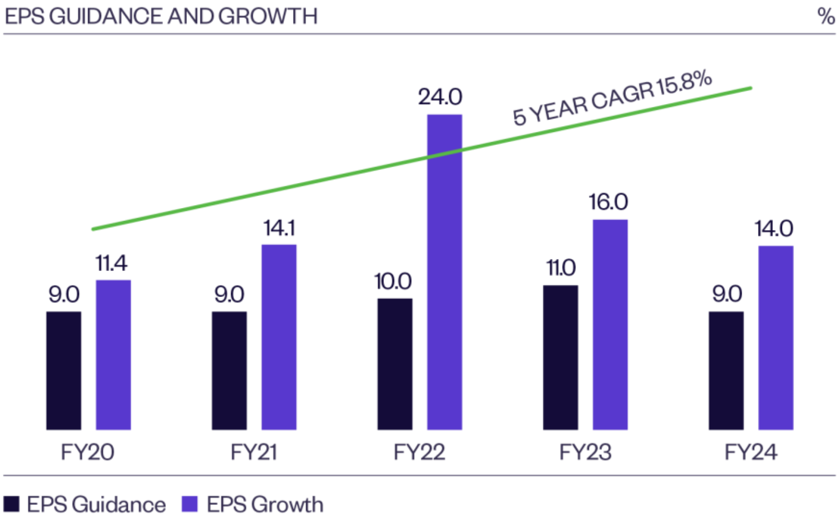
4.1.1 Financial performance

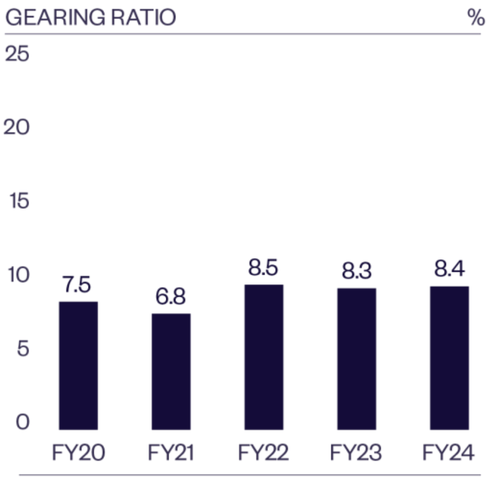
Performance measures	FY20	FY21	FY22	FY23	FY24
Operating profit ($M)	1,060.2	1,219.4	1,528.0	1,783.2	2,049.3
Operating EPS (cents)	57.5	65.6	81.3	94.3	107.5
Operating EPS growth (%)	11.4	14.1	24.0	16.0	14.0
Security price as at 30 June ($)	14.85	21.17	17.84	20.07	34.75
Distributions per security (cents)	30.0	30.0	30.0	30.0	30.0
3-year TSR (%)[1]	103.4	133.4	24.7	41.3	70.9
NTA per security ($)	5.84	6.68	8.37	9.12	8.80
Growth in NTA ($B)	1.0	1.7	3.3	1.5	(0.5)
Gearing (%)	7.5	6.8	8.5	8.3	8.4
Total Portfolio ($B)	51.6	57.9	73.0	81.0	78.7
Market capitalisation premium to NTA ($B)	16.5	26.8	17.7	20.6	49.3

[1] TSR is the increase in market capitalisation plus dividends and distributions, attributable to the respective financial year.

4.1.2 Operating EPS performance

CAGR in operating EPS over the past five years has been exceptional at 15.8%, which has exceeded forecasts. This has been achieved whilst maintaining low gearing.



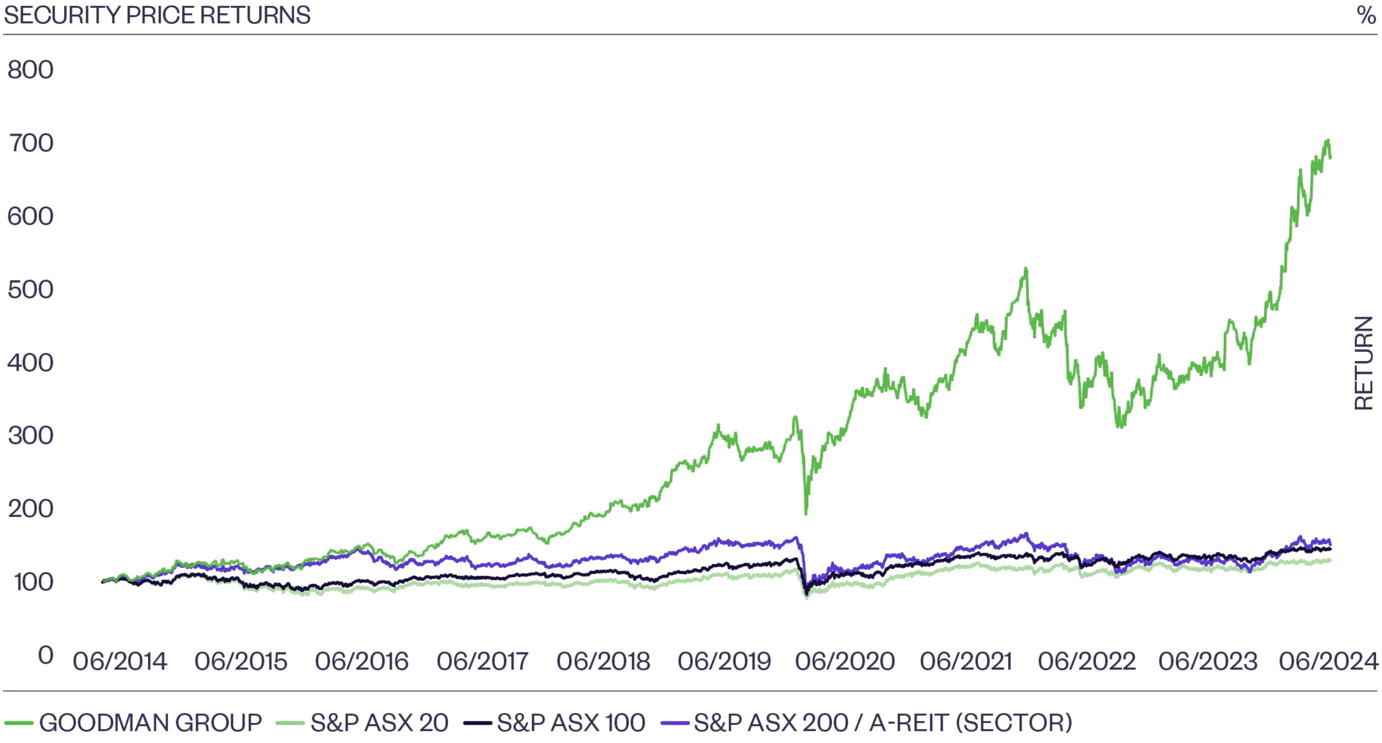


Directors' report

Remuneration report - audited (continued)

4.1.3 Total security price returns

Goodman is the only real estate group currently in the S&P/ASX 20 and the 9th largest ASX listed entity at 30 June 2024 with a market capitalisation of $66.0 billion. Despite the volatility in the past 24 months impacting pricing of global interest rate sensitive sectors, the chart below shows the Group has consistently (and significantly) outperformed the S&P/ASX 20, S&P/ASX 100 and S&P/ASX 200 A-REIT indices over medium to longer term.



Directors' report

Remuneration report - audited (continued)

4.1.4 Group CEO performance

In determining the Group CEO's remuneration, the Board acknowledged his strong leadership through the challenges of economic, market and operational volatility in recent years, positioning the business for resilience and outperformance in FY24, far exceeding the Group's operational targets. In particular, the Board acknowledges the strategic decisions driven by the Group CEO, to establish a significant opportunity in the data centre sector, for the future benefit of Securityholders. It has also considered the following contributing factors and highlights:

Gregory Goodman	Group CEO
Leadership	+ Positioned the business as a leader in its field, managing, motivating and incentivising key personnel across the platform to perform in highly competitive environment + Developed and positioned the global business strategy consistently across all markets to sustain the performance of the Group despite the increases in volatility, costs and risk in the global operating environment. + Positioned the business in key locations providing future opportunities for development and higher cash flow resilience + Guided the Group to continues to outperform targets, retaining employees and increasing community support and charitable programs + Fostered a culture that focused on delivering quality across all aspects of the business: people, properties and service + Led global internal programs to promote a strong culture of inclusion, collaboration and conduct across the organisation, underpinned by the long-held principles in the Group's Code of Conduct, treating all stakeholders with integrity, and accountability, reflected in top decile engagement scores + Reinforced Goodman's purpose aimed at understanding the drivers of change and the needs of customers and all stakeholders to support their future success + Only 6.6% voluntary staff turnover in FY24, a marginal decrease from the level of FY23.
Financial and risk	+ Fostered continuity of strategy over successive years leading to continued outperformance over benchmark indices and comparator companies in FY24, and with strong and sustained TSR of 149.4% over five years, almost 3 times the performance of the S&P/ASX 100 + Delivered: - 75% total return to securityholders for FY24 - Significant operating profit growth of 15% on FY23, to $2,049 million - Operating EPS of 107.5 cents, up 14% on FY23 - Occupancy in the portfolio of 97.7% + Exceeded earnings guidance in FY24 after posting significant outperformance in FY23, through volatile economic conditions + Drove a clearly defined capital management strategy with financial leverage of 8.4% and maintained a strong Group balance sheet with $3.8 billion of liquidity + Continued managing relationships with capital partners. Available equity and financial facilities totalled $13.9 billion at 30 June 2024 + Integrated strong risk management approaches globally.

Directors' report

Remuneration report - audited (continued)

Gregory Goodman	Group CEO
Sustainability	+ Instrumental in significantly increasing and evolving the focus on sustainability initiatives and programs throughout the Group and a culture which continually looks to improve Goodman's impact on the world. In particular: - Established collaborations with global design and architecture organisations to look at evolution of wholistic design, including approach to development, biodiversity, emissions, space, lifecycle - Maintaining our carbon neutral emissions operations target for the Group by 2025, first achieved in FY21 - Further progress on the 2025 solar PV installation on the rooftops of Goodman's global portfolios, reaching 330 MW of solar PV installations or commitments despite 50% less roof area available and extension of intensity targets through to 2030 - Established a process for measuring and assessing embodied carbon to transition to carbon neutral developments. As part of a greater program to reduce embodied carbon, the Group CEO has encouraged partnerships with materials suppliers to accelerate production of components which will reduce our carbon footprint. - Developed several buildings on an embodied carbon neutral basis as offsets have been purchased and retired. - Commenced test projects with the aim of maximising reduction in embodied carbon while maintaining minimum required specifications for commercial use, including collaboration with suppliers, the use of new materials and adapting design to increase low emissions components such as mass timber + Supported implementation and progression of EV incentive scheme for staff globally to encourage a shift towards lower emissions vehicles.
Social and cultural	+ Continued to demonstrate strong personal commitment to the value of equity-based remuneration by taking 100% of variable remuneration in equity. Strong supporter of the ten-year plan for senior executives to ensure maximum alignment with the objectives of Securityholders. + Updated and enhanced our Sustainable Sourcing Framework, which includes non-climate related items as well as social procurement and modern slavery considerations. + The Group contributed $13.5 million to community and philanthropic causes and has a cumulative social investment target of $100.0 million for the period from 1 July 2019 to 30 June 2030. + The Goodman Foundation strengthened its focus on: - building community resilience by providing essential human needs (food and housing security), supporting psychosocial wellbeing, preventing violence against women, enabling education and employment and responding to disasters and humanitarian issues the important role First Nations communities and peoples play in Australia. Our Reflect Reconciliation Action Plan has received official endorsement, and we have implemented cultural and community initiatives, and through the Goodman Foundation we have contributed $2.4 million to First Nations peoples-focused community programs in FY24. - Enabling the Goodman team globally to contribute 3,933 hours to volunteering and community events.

Directors' report

Remuneration report - audited (continued)

4.1.5 Other executive KMP performance

In FY24, the Board considered the following highlights when assessing other executive KMP:

Danny Peeters	Executive Director, Corporate
	+ Successfully overseen Goodman Brazil, currently acting as interim CEO, including the execution of a business strategy consistent with the Group's global objectives, adjusted to the local Brazilian market dynamics, both from a real estate and corporate perspective + Progressed the acquisition and permitting of significant infill development sites, despite the complicated regulatory and commercial context in Brazil, positioning the Group and Goodman Brazil Logistics Partnership to capitalise on the growing e-commerce penetration and powered infrastructure requirements - Completed the acquisition of prime infill sites for future redevelopment - Completed and progressed the permitting processes for significant increase in development projects - Advanced data centre opportunities within the current portfolio and acquisition pipeline + Played a key role in Goodman Brazil Logistics Partnership delivering quality and financial outcomes: - Occupancy of the stabilised portfolio increased to 97.1% - Total return on stabilised assets since inception of 13.3% + Strengthened relationships with regional and global e-commerce customers and capital partners + Embedded key controls and culture with the team working cohesively, while integrating a strong risk management approach: - Positive results from all internal and external compliance and operational audits - Zero workplace fatalities + Strengthened team capabilities and managed a focused and motivated team with an emphasis on strong leadership and embedded Goodman values - Female representation in senior roles above 50% in Goodman Brazil + Further integrated the Brazil operation into the global Goodman network + Provided advice and support to senior management in Group regarding data centre strategy, sustainability, modern slavery and innovation initiatives + Important direct link for the Board to the operations in Brazil.
Nick Vrondas	Group Chief Financial Officer
	+ Overseen financial execution of the Group's business strategy, including further progression into the global data centre market + Overseen the allocation of capital which has contributed to the Group's strong FY24 operating profit result and a 73% increase in the security price over the year + Co-ordinated the financial performance and financial position of the regions in support of their strategic objectives + In relation to capital management, driven financial risk management policies and specific structural initiatives for the Group and Partnerships, which further strengthened their positions. At 30 June 2024, the Partnerships had $13.9 billion of equity commitments, cash and undrawn debt + Directed the Group's initiatives with regard to debt finance transactions in banking and debt capital markets that sourced over $8.1 billion of new facilities for the Group and its Partnerships in FY24. This has resulted in increased liquidity, term to maturity and diversity of funding sources + Undertaken effective hedging and financial risk management via money market and hedge transactions of over $10.6 billion for the Group and Partnerships + The Group Chief Financial Officer role also has global responsibility for the Group's IT platform and during FY24 has overseen further operational improvements in relation to IT systems and processes around the areas of cyber-risk and artificial intelligence + Undertaken an ongoing program of continuous improvement relating to various global compliance matters, risk management initiatives and operational controls + Maintained long-standing relationships within the local and global capital markets and advisory sectors + Managed effective statutory and management financial reporting which assisted operational and transactional decision making and managed the implementation of improvements and increased resilience into the systems and controls framework. + Actively involved in the Group Investment Committee process, therefore advising on the viability of various transactions alongside prudent risk management + Provided significant input into proposed and executed Group transactions.

Directors' report

Remuneration report - audited (continued)

Anthony Rozic | **Chief Executive Officer North America, and Deputy Group Chief Executive Officer**

- Played a critical role in communicating and reinforcing the Group's strategy in the region, a key growth market for the Group
- Managed a focused and motivated team with an emphasis on succession planning, strong leadership in embedding the Goodman values in the behaviour of the team and encouraging teamwork and collaboration
- Continued to develop a high-quality portfolio and strongly differentiated brand position and building team capabilities and skill sets for complex acquisitions and developments ahead of future growth
  - Commencement of seven development projects with 2.6 million square feet (A$1.3 billion)
  - Pivot to onboard data centre opportunities
  - Continued to grow infill development pipeline with acquisitions of in major US gateway cities providing strong positioning for future performance and driven progress on new opportunities with significant portfolio of projects in due diligence
- Oversaw strong performance of the investment portfolio with:
  - Occupancy at 99.5%
  - Continued active management of Investment Management operations with strong long-term performance. GNAP life to date IRR continues to track favourably at 13% despite negative valuations and the resetting of capitalisation rates in the US
- Continued to build further new US based capital partner relationships
- Implementation and completion of numerous new operational initiatives across property management procurement, development transition plan, outsource internal audit, business intelligence reporting.

Nick Kurtis | **Group Head of Equities**

- Formulated and implemented the Partnerships' strategies to successfully deliver consistent long-term total returns (Partnerships average total return over 5 years is >10%)
- Established of new ventures to facilitate the growth of the partnership platform
- Partnership investment portfolio delivered:
  - Annualised average annual total return on net assets of >10% over the past five years (based on the respective Partnership reporting periods)
- Delivered strong performance metrics including:
  - Significant growth in management earnings up 62% to $776 million to the Group's operating earnings including performance fee revenue of $331.2 million, with significant future embedded performance fees
  - External AUM of $70.2 billion across 20 Partnerships in 13 countries
- Overseen strategic asset planning and a focus on new asset selection, to position the Group for long-term returns.
- Communicated and executed the Group's strategy and values across the investment management platform.
- Communicated with key capital partners as the economic landscape evolved during the year and established investment and financing strategies to ensure portfolio investment program and execution was consistent with capital partner expectations.
- Overseen Partnership capital management plans, including equity, debt and hedging strategies across the whole portfolio in all jurisdictions.
- Fostered strong relationships with existing and new capital partners.
- Provided strategic advice across a range of corporate and structural transactions in the business to position opportunities for future years.

Directors' report

Remuneration report - audited (continued)

4.1.6 Assessment of non-financial measures (including sustainability)

STI and LTI award assessments are undertaken with reflection on behaviour, governance, social, sustainability goals and targets, including specific testing criteria for LTI. The Group has made significant contributions and efforts in a wide range of areas.

Sustainability

Please see the Sustainability report section of the Directors' report and also the Goodman website for detailed information regarding our sustainability strategy, objectives and performance.

In FY22, all LTI awards made to the executive KMP were under the ten-year plan. This was the first year that the ten-year plan was implemented, and it was also the first year that targets related to sustainability were included in the LTI awards. The targets were formally set prior to the awards being made and the testing for these performance rights will occur at 30 June 2025. Accordingly at 30 June 2024 there was no LTI testing in respect of awards made to executive KMP but the form of the annual sustainability assessment is expected to align with that reported below, subject to relevant and appropriate changes over time that may be determined by the Board.

The sustainability assessment at 30 June 2024 is, however, relevant for the testing for the LTI awards made in FY22 to the majority of the Group's employees under the five-year plan. The Board assesses the individual targets set out in the table below, and the outcomes as a whole, and has determined that there was no material underperformance against the sustainability targets, as they relate to the FY22 five-year LTI awards.

Sustainability assessment: LTI targets relating to the FY22 five-year plan

Area	Long-term target	Progress
Renewable energy	100% renewable electricity use within Goodman's operations by 2025 (including use of renewable energy certificates and other market-based mechanisms, subject to government regulation in each jurisdiction)	Goodman's global renewable energy usage for FY24 is expected to remain above 80%, with continued use of certified GreenPower electricity in our Australian operations and use of renewable energy certificates in other regions.
Solar PV installation[1]	400 MW of solar PV installed or committed by 2025	Approximately 24 MW of new solar installations or commitments taking global total to approximately 330 MW
Carbon neutral[2]	Carbon neutral operations by 2025	Carbon neutral certification in FY24 is on track, with submission for certification to Climate Active due later this year. This follows our annual carbon neutral certification, first achieved in 2021.
TCFD	Achieve TCFD by FY22	TCFD statement updated and available online.
Occupancy	>95% (ensures utilisation of sites and therefore appropriate use of resources)	97.7% at 30 June 2024

1. Includes both onsite and offsite solar, subject to local regulations and grid connection.
2. The Climate Active program is undergoing a review which might impact our continued use of the standard.

In addition to those sustainability targets relevant for the FY22 LTI awards, there exist other sustainability targets and non-financial measures that the Board assesses annually in considering proposed STI and LTI awards. Progress at 30 June 2024 against these targets is set out on the following page.

Directors' report

Remuneration report - audited (continued)

Progress on other sustainability targets

Area	Long-term target	Progress
Embodied carbon	Measuring, reducing and where appropriate offsetting embodied carbon emissions from our global development workbook	Embodied carbon emissions are calculated and included in all development approval papers prior to management committee approval. Carbon reduction initiatives are longer-term and ongoing, demonstrated by our industry and supplier engagement, collaborations and carbon assessments of materials. Several buildings to date have been developed on an embodied carbon neutral basis as offsets have been purchased and retired.
Emissions reduction targets	In addition to our continued commitments to renewable energy and carbon neutrality, the Group has committed to Scope 1 and 2 GHG emissions reductions of 42% by 2030 (relative to an FY21 baseline) in line with 1.5°C Paris Agreement pathway	Scope 1 and 2 emissions are calculated and disclosed annually on the Goodman website. FY24 emissions data calculation is in progress and will be published when finalised. For reference, our FY23 Scope 1 and 2 emissions (market-based) are ahead of our 2030 target.

1. Acquisitions of new properties are excluded until existing energy agreements and procurement opportunities are reviewed.
2. Based on a boundary of operational control and using a reputable industry standard.
3. Offsetting is voluntary and in accordance with specific selection criteria.

The Board has assessed that the Group, including the executive KMP, has met these other sustainability targets for FY24. See also section 4.3.4 for further information on the solar PV installation target.

Other non-financial measures

In addition, the following ongoing non-financial measures are assessed when determining STI and future LTI awards:

Code of conduct, behaviour, social and governance

Area	Long-term target	Progress
Diversity		
Gender ratio in the workforce	40:40:20 gender target	Female representation stable with total employees 43% female, 57% male overall. Continued progress has been made on career development (job scope widening, internal promotions etc.) and recruitment of females.
Women in senior roles	More than 40% in senior roles by 2030	Women represent 30% of senior positions. Strong focus and progress on female career development and recruitment of females into new roles should over time evolve into senior roles as positions turnover
Governance		
Workplace safety	Safe working environment with demonstrable risk controls, contractor management and monitoring of key safety metrics. Zero fatality target	There was unfortunately one fatality on a Goodman stabilised property in FY24. The fatality related to a landscaping contractor in China who fell into an historical and undocumented covered pit. This was determined by relevant authorities to be an unforeseeable accident for which no fault could reasonably be attributed. The Audit, Risk and Compliance Committee and the Board made a similar finding, on the basis there could have been no safety measures which would have prevented the incident.
Significant reputational issues arising from illegal conduct	Zero	No issues have occurred.
Social		
Social/charitable donations	$100.0 million cumulative investment by Goodman Foundation from 2019 to 2030	$13.5 million was contributed to community and philanthropic causes during FY24, taking our total investment to $55.9 million since 1 July 2019.

The Board has assessed that the Group, including the executive KMP, has met these non-financial measures for FY24.

Directors' report

Remuneration report - audited (continued)

4.2 Remuneration outcomes

4.2.1 STI outcomes in relation to FY24

The Board has again agreed with the Group CEO that he will not participate in the STI award. In line with the continued focus on sustained long-term performance, all his performance-based remuneration for FY24 will be awarded in the form of performance rights.

The STI recommendations for the other executive KMP are based on the Board's assessment of the Group's and the respective individual's performance. For FY24, the Board has determined that the other executive KMP were eligible for the maximum STI.

Executive KMP STI assessment

Test	Metrics	Result
Gate 1: Behaviour	Code of Conduct: Pass/Fail	Pass
Gate 2: Operating EPS - FY24 operating EPS versus target	Operating EPS growth: Target 9% (102.8 cents)	Pass (14.0% operating EPS growth – 107.5 cents)
Financial and operational assessments (including sustainability objectives)	Group and individual assessment	100%

The table below indicates the maximum possible STI and the actual STI awarded for FY24.

Executive	Year	STI maximum $M	Actual STI awarded $M	Cash component $M	Deferred component $M	Actual STI % of maximum
Gregory Goodman	FY24	2.1	-	-	-	-
	FY23	2.1	-	-	-	-
Nick Kurtis	FY24	1.35	1.35	0.68	0.68	100
	FY23	1.35	0.90	0.45	0.45	67
Nick Vrondas	FY24	1.05	1.00	0.50	0.50	95
	FY23	1.05	0.81	0.41	0.41	77
		€M	€M	€M	€M	
Danny Peeters	FY24	0.97	0.64	0.32	0.32	66
	FY23	0.97	0.63	0.32	0.32	65
		US$M	US$M	US$M	US$M	
Anthony Rozic	FY24	1.425	1.00	0.50	0.50	70
	FY23	1.425	0.95	0.48	0.48	67

4.2.2 LTI outcomes

In this section the Board primarily focuses on the value of the executive KMP vested remuneration in FY24, and the Securityholder value that has been generated over the vesting period. However, details have also been provided in respect of:

- Awards made in FY22 under the five-year plan where the hurdles have been tested at 30 June 2024 (none of these relate to the executive KMP)
- New awards made in FY24 that were based on the executive KMP performance in FY23 and discussed in last year's remuneration report.

The considerations in respect of the intended awards to be made in FY25 that are based on the Board's assessment of executive KMP performance in FY24 are detailed in section 4.3.

Directors' report

Remuneration report - audited (continued)

4.2.2.1 LTI awards made in FY22 where the hurdles have been tested at 30 June 2024

In FY22, all executive KMP LTIP awards were made under the ten-year plan. FY22 was the first year that the ten-year plan was implemented and the testing for these performance rights will occur at 30 June 2025. Accordingly at 30 June 2024, there was no LTI testing in respect of awards made to executive KMP.

However, testing as at 30 June 2024 was completed for the grants of performance rights made in FY22 to other employees under the five-year plan. The awards had two hurdles: operating EPS and a relative TSR and performance rights that achieved the hurdles will vest in three equal tranches in September 2024, September 2025 and September 2026.

Operating EPS hurdle (75% weighting)

Operating EPS for the year ended 30 June 2024 was 107.5 cents, compared to a threshold (minimum) hurdle of 78.1 cents and an upper level (maximum) hurdle of 87.3 cents. At the threshold level, 25% of the operating EPS performance rights satisfy the hurdle with a sliding scale up to 100% satisfying the hurdle at the upper level.

FY22 LTIP grant (five-year plan)	Threshold level	Upper level	Actual	Outperformance	Outcome
Operating EPS hurdle[1]	78.1 cents	87.3 cents	107.5 cents	20.2 cents	100%
		Maximum Penalty		Actual outcome	Outcome
Sustainability targets		20%		At or ahead of target – refer to section 4.1.6	No penalty

1. Testing period for operating EPS from 1 July 2023 to 30 June 2024, in accordance with the LTIP terms for the FY22 grant.

Relative TSR hurdle (25% weighting)

Goodman posted a three-TSR of 71.7% at 30 June 2024, which relative to the S&P/ASX 100 peer groups ranked Goodman in the 93rd percentile. Zero vesting occurs up to and including the 50th percentile; at the 51st percentile, 25% of the TSR performance rights satisfy the hurdle with a sliding scale up to 100% at the 90th percentile.

Y22 LTIP grant (five-year plan)	Goodman TSR[1]	Percentile	Outcome
Three-year relative TSR hurdle[1]	71.7%	93rd	100%

1. Testing period for grant was 1 July 2021 to 30 June 2024. In accordance with the LTIP, the TSR is based on the ten-day volume weighted average price (VWAP) at beginning and end of testing period and is therefore different from the three-year TSR sourced from Bloomberg and presented elsewhere in this report.

As a result of satisfying 100% of the operating EPS hurdle and 100% of the relative TSR hurdle, it is expected that up to a total of 7,186,701 equity settled performance rights will vest in September 2024, September 2025 and September 2026. In addition, up to a total of 3,688,310 cash settled performance rights are also expected to vest, and the Group currently intends to issue an equivalent number of new securities to satisfy this obligation.

4.2.2.2 LTI awards tested in previous years that vested during FY24

Performance rights which vested in FY24 as a result of prior year testing are detailed in section 6.2. The value of this vested remuneration is calculated using the closing price on the day the performance rights vested. This is often used as a measure of executive KMP remuneration. In respect of the Group CEO, 1,100,001 performance rights vested on 1 September 2023 at a closing price of $23.03 per security, amounting to $25.3 million.

Directors' report

Remuneration report - audited (continued)

4.2.2.3 LTI awards made in FY24

The LTI awards made to the executive KMP during FY24 are set out in section 6.2. The awards to the Group CEO and the other executive directors were approved at the Group's AGM held on 14 November 2023. The Board's considerations in determining the quantum and the hurdles for these awards were detailed in last year's remuneration report.

The awards made in FY24 will be tested at 30 June 2027 and, if hurdles are achieved, will vest over the period from 1 September 2027 to 1 September 2033. The awards are subject to meeting conduct and behaviour standards, with 75% of the awards tested against an operating EPS hurdle and 25% against a relative TSR hurdle. The vesting of the operating EPS tranches is also subject to meeting sustainability objectives.

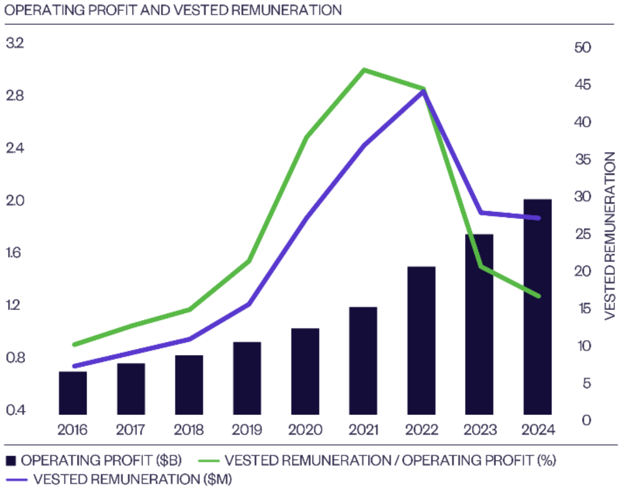
From an FY23 base year, the operating EPS hurdles are:

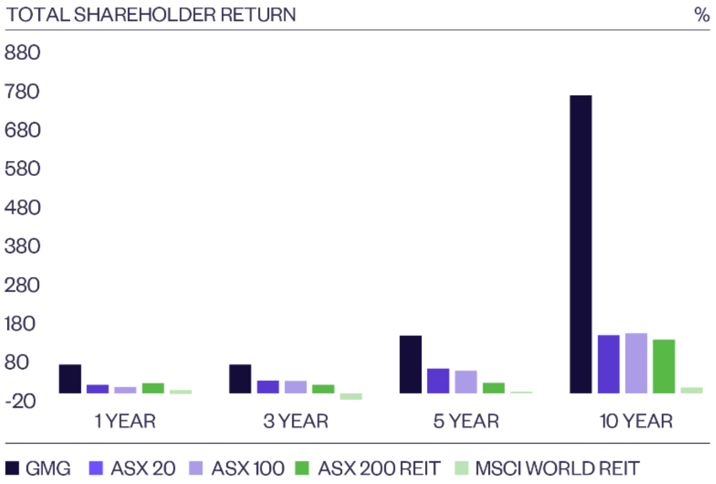
+ Threshold level (25% vesting) – 119.1 cents per security for the year ending 30 June 2027, reflecting a 6.0% CAGR in operating EPS over the period from 1 July 2023 to 30 June 2027
+ Upper level (100% vesting) – 143.2 cents per security for the year ending 30 June 2027, reflecting 11.0% CAGR in operating EPS over the period from 1 July 2023 to 30 June 2027.

The relative TSR hurdle is tested against the S&P/ASX 100 peer group over the four-year period to 30 June 2027. Zero vesting occurs up to and including the 50th percentile; at the 51st percentile, 25% of the TSR performance rights satisfy the hurdle with a sliding scale up to 100% at the 90th percentile.

4.2.3 Group performance and the Group CEO's historic remuneration

The following chart illustrates the profit alignment of the Group's performance and the Group CEO's vested remuneration outcomes in FY24 and prior years. While Group CEO vested remuneration has increased over time, over the past five years, it has almost halved as a proportion of the Group's Operating profit. This is largely a function of the implementation of the ten-year plan, with longer testing and vesting period, aligning the Group CEO with Securityholders over a longer period.





Directors' report

Remuneration report - audited (continued)

The table below includes the base salary received by the Group CEO in the respective year plus the value of performance rights which vested during that year using the closing security price on the day the performance rights vested. The table also includes the value of the performance rights that vested during FY24 using the closing security price at the grant date.

The table highlights:

- No change in fixed remuneration and no STI (as agreed by the Board and the Group CEO)
- The value of the Group CEO vested remuneration in FY24 is the same as it was in FY20, but operating profit has doubled over that period
- The growth in the value of LTI due to the increase in security price from the grant dates to the vesting dates, illustrates the alignment of the Group CEO's remuneration outcome with Securityholders' performance.

	FY20 $M	FY21 $M	FY22 $M	FY23 $M	FY24 $M
Base salary	1.4	1.4	1.4	1.4	1.4
STI	–	–	–	–	–
Value of LTI on grant date[1]	11.6	14.4	15.9	14.3	14.9
Value of LTI on vesting date	25.4	35.6	42.9	26.0	25.3
Total remuneration based on LTI value at grant date[1]	13.0	15.8	17.3	15.7	16.3
Total vested remuneration based on LTI value at vesting date	26.8	37.0	44.3	27.4	26.7
Increase in LTI value due to security price performance of the Group	13.8	21.2	26.9	11.7	10.4
Percentage growth in value of LTI during vesting period	119%	147%	169%	82%	70%

1. Value based on the security prices at the grant dates for the performance rights that vested in the financial year. This is so as to allow comparison of the security price outperformance over the period between grant and vesting dates.

4.3 Considerations for setting FY25 LTI awards

4.3.1 Goodman in context

The Board assesses the Group CEO and other executive KMP performance during FY24 in its determination of the LTI awards that are proposed to be made in FY25 (subject to a vote at the AGM in respect of those awards for the executive Directors). However, these awards do not yet form part of the statutory remuneration disclosures in section 6, nor do they appear in other measures of executive KMP remuneration. The FY25 awards will be tested at 30 June 2028 and, if hurdles are achieved, will vest over the period from 1 September 2028 to 1 September 2034.

Nevertheless, given the potential impact on future remuneration, we have disclosed the factors considered by the Board in determining the quantum of the LTI awards for the executive KMP. The considerations by the Board include:

- Feedback from investor engagement
- Maintaining the structure and principles of the Group's remuneration strategy
- The Group's relative performance against operational targets in FY24 and positioning to achieve future strategic objectives
- The Group's consistent track record over the past ten years that has also positioned the business for the future
- Global market conditions for human capital in those sectors in which we operate, particularly the data centre sector
- Balancing employee and Securityholder outcomes
- Hurdles and testing criteria for performance rights under the LTIP, are set so as to be very challenging.

The Board and the Remuneration and Nomination Committee have considered the Group's global operations, including its Partnerships, when assessing the executive KMP roles and remuneration awards.

Directors' report

Remuneration report - audited (continued)

4.3.2 Peer group analysis

Goodman has evolved into a specialist provider of essential infrastructure, developing significant expertise in planning, design and delivery of large-scale projects globally. The scale of this opportunity is significant both globally and across a wide range of infrastructure like projects including powered sites for data centre use, residential, and consumer goods delivery and potentially others over time. This can also take many years, embedding significant value in the sites prior to realisation. Planning and procurement are increasingly complex and capital intensive, and we are resourcing appropriately.

The Group has limited direct comparable market peers in Australia, having operating businesses in five continents and 13 countries, each with market driven remuneration outcomes. The Group has 976 employees at 30 June 2024, the majority of whom are offshore. The Group's global operations are significant, accounting for 64% or earnings, and with approximately 65% of our people based offshore. Consequently, Goodman competes for labour in an international marketplace and requiring globally competitive remuneration practices and levels. As with prior years, the Board has referenced several data points in assessing its proposed FY25 awards:

- The S&P/ASX 20
- A range of relevant Australian listed comparators with significant global operations (>$1.0 billion revenue)
- A range of local and global listed companies with operations of similar scale and complexity including alternative asset companies such as data centre and infrastructure developers and managers, real estate companies, REIT's, fund managers and operators.
- Private equity (PE) firms have also been considered. Noting that PE firms are significant players in the infrastructure, data centre and logistics real estate sector sectors, with considerable new capital and a desire to assemble teams and invest in the sector. PE remuneration structures are particularly relevant because:
  - They are typically competitors
  - the nature of pay for performance remuneration structures is highly equity-based and outcome-driven similar to the Group's remuneration structure
  - the period of testing and realisation of remuneration is linked to investor outcomes over significant periods of up to ten years, again a similar remuneration structure. The majority of the Group's assets are within PE (unlisted) market entities, which in turn creates significant competition for high performing people.

While Goodman is an S&P/ASX REIT under the Global Industry Classification Standard (GICS), the ASX listed REITs:

- Are significantly smaller (on average <20% of Goodman's market capitalisation)
- Typically, have less than 20% active earnings compared to 78% for Goodman
- Typically, only operate in Australia, whereas Goodman has significant global operations.

Various Reference Groups

		Annual CEO remuneration							
Peer group comparator	**Reason for comparison**	**Range**	**Average**	**Median**	**% LTI**	**LTI Term years**	**1-year TSR**	**3-year TSR**	**5-year TSR**
Goodman	Goodman Group CEO	n/a	$23.3m[1]		94%[1]	10	75%	71%	149%
S&P/ASX 20	Goodman is the 9th largest company in the S&P/ASX 20 index	$1m - $29m	$11m	$9m	39%	4	18%	35%	78%
Selected ASX listed companies with global operations and >$1bn EBIT	Goodman has complex global operations across a number of alternative asset classes in 14 countries with 78% of earnings from active sources	$6m - $29m	$15m	$13m	48%	4	6%	13%	67%
International Peer Group	71% of Goodman's earnings are outside Australia. The comparator group provides a reference to local companies with international operations and similar global companies	$5m - $75m	$39m	$10m	85%	3	4%	4%	49%

[1] Based on proposed FY25 award and 100% vesting

Directors' report

Remuneration report - audited (continued)

It is noted by the Board that the structure of Goodman's remuneration results in:

- Significantly larger exposure to at risk remuneration (for example 94% of the Group CEO's remuneration is at risk compared to 39% for CEOs of other entities in the S&P/ASX 20)
- Significantly longer period at risk (ten years compared to the average for the comparators of four and a half years).

In the Board's view, the highly competitive environment for specialist skills data centre assets from investors and power from customers and logistics assets generally, is translating to competition for teams with skills to develop and manage the products and services over the long term. Goodman is seen as a global leader in this space and the potential loss of key employees and regional teams poses significant commercial risk. The Board has also assessed the FY25 awards in this context.

4.3.3 LTIP hurdles

In respect of the executive KMP, the hurdles for the FY25 intended LTI awards are set out below:

Vesting conditions for FY25 ten-year plan grants

Operating EPS tested (75% of grant)	Relative TSR tested (25% of grant)
Financial From an FY24 base year, the Board has set operating EPS hurdles as below: + Threshold level (25.0% vesting) – 135.7 cents reflecting 6.0% per annum over 4 years or 26% cumulative growth + Target Level (62.5% vesting) – 149.0 cents reflecting ~8.5% per annum over 4 years or 39% cumulative growth + Upper Level (100.0% vesting) – 163.2 cents reflecting 11.0% per annum over 4 years or 52% cumulative growth **Non-financial** A penalty may apply to the number of performance rights that have satisfied the operating EPS hurdle if sustainability targets are not met. These are reviewed by the Board annually and at the end of the testing period with 20% maximum reduction in the number of rights vesting under the operating EPS tranches, in the event of material underperformance against targets.	Vesting of the TSR awards is subject to achievement of cumulative TSR relative to the S&P/ASX 100 entities over a four-year period: + 25% of awards vest for performance at the 51st percentile. + Awards vest on a sliding scale between 25% and 100% for performance between the 51st and the 90th percentile. + 100% of awards vest for performance at the 90th percentile or above.

The Board considers the 6.0% to 11.0% CAGR in operating EPS range, (26% to 52% over four years), to be a challenging hurdle range for executives in the current environment. The hurdles are both competitive against numerous comparator groups (below) and challenging relative to Board targets, particularly considering the Groups long-term focus and risk metrics employed.

The Board's operating EPS growth targets for executive KMP and the senior executives have remained challenging particularly in the continued the difficult economic and financial market conditions. In setting the operating EPS hurdles, the Board takes the following into account :

Threshold level hurdle

- Performance at the Threshold level hurdle is required for performance rights' vesting to start and this hurdle has been set such that it requires performance materially in excess of relevant peer groups (S&P/ASX 20, S&P/ASX 100 S&P/ASX 200 REIT). The Board considers performance at Threshold level would be very good relative to the market and with respect to the required operational outcomes but despite this, only 25% vesting would occur, and remuneration outcomes would be well below the median remuneration outcomes for relevant peer groups.

Target level hurdle

- Performance at Target level would be in line with aspirations determined by the Board in setting the Group's annual business strategy and the Board considers performance at Target level would be a very strong outcome, requiring an increase in activity levels and no material adverse change in market conditions. This level of performance must also be achieved in a sustainable manner, maintaining appropriate risk management in the context of the global economic and political environment. However, even if operating EPS at the Target level were to be achieved only 62.5% of the performance rights would vest.

Upper level hurdle

- Performance at the Upper level hurdle would require outcomes significantly ahead of internal targets and broader market performance and is considered by the Board to be an outstanding outcome, incorporating a large stretch component.

Directors' report

Remuneration report - audited (continued)

The long-term nature of the Group's strategy (and a reflection of the ten-year plan) means a large component of the work undertaken, particularly in the data centre space, will generate earnings opportunities beyond the testing period. This is a critical component of generating sustainable earnings growth over time. The priority is not to maximise short-term earnings at the expense of long-term sustainable EPS growth or by introducing additional risk.

To achieve full vesting requires an increase of almost $1.2 billion in operating profit from FY25 to FY28.

The table below illustrates the competitive nature of the hurdles compared with various comparator groups and Goodman's own Board targets.

Comparator Group	Ten-year plan operating EPS[1] hurdles (cents)	Estimated CAGR in operating EPS FY25 – FY28	Growth in operating EPS FY25 to FY28 based on estimated CAGR	LTI vesting based on estimated CAGR in operating EPS
S&P/ASX 20[2]		4.8%	20.8%	0.0%
S&P/ASX 100[2]		6.7%	29.6%	36.2%
S&P/ASX 100 REITs[2]		4.6%	19.9%	0.0%
GMG broker consensus[3]		11.0%	51.8%	100.0%
Threshold level	135.7	6.0%	26.2%	25.0%
Target Level	149.0	8.5%	38.6%	62.5%
Upper level	163.2	11.0%	51.8%	100.0%

1. Proposed operating EPS hurdles for Goodman under the ten-year plan
2. Operating EPS sourced from broker estimates
3. Broker reports sourced from Visible Alpha

For the intended LTI awards under the five-year plan, which will be made to all permanent employees who do not receive awards under the ten-year plan, the vesting criteria are the same as under the ten-year plan but the hurdles will be tested after three years rather than four. This means that the operating EPS hurdles to be tested at 30 June 2027 off the FY24 base are as follows:

+ Threshold level (25.0% vesting) – 128.0 cents reflecting 6.0% per annum over three years or 19.1% cumulative growth,
+ Target Level (62.5% vesting) – 137.3 cents reflecting 8.5% per annum over three years or 27.7% cumulative growth
+ Upper Level (100.0% vesting) – 147.0 cents reflecting 11.0% per annum over three years or 36.7% cumulative growth

4.3.4 LTIP sustainability targets for FY25 awards

The areas of sustainability assessment relating to testing for the proposed FY25 awards (five and ten-year plans) are set out below. The measures will be reviewed annually for relevant progress. Assessment of these targets, on an overall basis, will occur at 30 June 2027 for the five-year plan and 30 June 2028 for the ten-year plan.

A penalty can apply to the number of performance rights that have satisfied the operating EPS hurdle, with a 20% maximum reduction if the Board deems that on an overall basis there has been a material underperformance against the sustainability targets.

Directors' report

Remuneration report - audited (continued)

Sustainability assessment: LTI targets relating to proposed FY25 awards

Area	Long-term target
Carbon emissions from operations[1]	Calculate and offset carbon emissions from Goodman's direct global operations, excluding customer emissions and embodied emissions.
Emissions reduction targets	In addition to our continued commitments to renewable energy and carbon emissions from operations, the Group has committed to Scope 1 and 2 GHG emissions reductions of 42% by 2030 (relative to an FY21 baseline) in line with 1.5°C Paris Agreement pathway.
Renewable energy[2]	Target 100% renewable electricity use (including use of renewable energy certificates and other market-based mechanisms) within Goodman's direct operations based on current business and strategy and subject to availability and government regulation.
Embodied carbon	Measuring and including embodied carbon in new development approvals by the GIC. Where possible reducing and where appropriate, offsetting those emissions.
TCFD	Maintain public climate risk disclosures updated annually.
Occupancy	>95% to demonstrate utilisation of sites and therefore appropriate use of resources.

1. Based on a boundary of operational control and using a reputable industry standard. Offsetting is voluntary and in accordance with specific selection criteria.
2. Acquisitions of new properties are excluded until existing energy agreements and procurement opportunities are reviewed.

Solar PV installation targets

The Board historically set a solar PV installation target for the period from 2019 to 2025 of 400 MW and then a target for a further 100 MW for the period from 2025 to 2030. These targets were included as part of the overall sustainability assessments for previous LTI awards.

The targets related to the installation (and commitment to installation) of solar PV on our roof space and were based on three key factors:
1. Estimated roof area available in the stabilised portfolio
2. Estimated roof area to be created as part of the development program
3. Target installation rate (kW/sqm of roof area).

For the stabilised portfolio, in the period post setting the targets, the detailed roof audit and stabilised asset assessment yielded a significant decrease in available roof area for solar PV installations. This was primarily due to assets being removed from the pool as they were divested or planned to be divested, held for redevelopment or they did not pass the structural building audit required to support installation.

In addition, the evolution of the Group's business strategy over the past few years has seen increasing intensity of use of sites. As a result, the Group has (i) developed less available warehouse roof area (in part due to a higher proportion of multi-storey projects that have less roof area per sqm of floor area compared to single level warehouses), and (ii) undertaken a higher proportion of data centre development (data centres have no space available for solar PV installation). We expect to see an increasing proportion of our development WIP in data centre development over time.

These strategic outcomes are aligned with our higher return on capital (ROC) objective through more intensive development and alternative use, underpinning the financial performance of the Group.

Directors' report

Remuneration report - audited (continued)

2025 solar PV installation target

The combined impact of the strategic evolution described above, has been a 50% decline in roof area available for solar PV installation compared to initial estimates. However, the installation rate (kW/sqm) is almost 80% higher than initially estimated, resulting in significantly more solar capacity on the available roof space.

Despite the abovementioned factors the Group has reached 330 MW of the 400 MW target at 30 June 2024 and is likely to achieve installation in a range of 350 MW to 370 MW by the end of 2025.

2030 solar PV installation target

It is not possible to accurately predict the available roof space in our property portfolio for solar PV installations given the factors described above and particularly in view of our greater focus on data centres in our development activities. As a result, the Board has deemed it no longer appropriate to set a specific MW target for solar installation and hence this 2030 target will not be applied to the sustainability targets for future awards under the LTIP. However, the Board remains focused on the installation of solar capacity as a component of our sustainability strategy, and will continue to report this.

4.3.5 Cost of the plan and alignment with Securityholder outcomes

The Board has assessed potential outcomes for Securityholders, based on the testing criteria under the LTIP and that these will deliver strong pay for performance alignment with all Goodman employees. Based on the proposed hurdles, the Board believes that significant balance exists between the cost of the plan and outcomes for Securityholders.

- Before any performance awards are realised under the ten-year plan hurdles, significant Securityholder value that equates to $20 billion in market capitalisation growth, must be created, consistent with approximately 31% TSR over the testing period (assumptions set out in the table below)
- The maximum employee share of the value created will occur if the awards fully vest. Based on the hurdles, the performance required to achieve this represents >$38 billion of value created for Securityholders (net of dilution of the plan) or 52% potential security price growth based on current price to earnings ratios (assumptions set out in the table below).
- If growth were to exceed 11% per annum and the security price grows beyond the assumption above, the employee share diminishes relative to value created for Securityholders.

Directors' report

Remuneration report - audited (continued)

Estimated Securityholder value over the four-year testing period under the LTIP

	Outcomes relating to various LTIP hurdle rates			
	Less than 6.0%	6.0%	8.5%	11.0% (or more)
Economic outcomes				
Cumulative EPS growth	<26.2%	26.2%	38.6%	51.8%
Percentage of performance rights vesting[1]	<25.0%	25.0%	62.5%	100.0%
Cumulative NPAT Growth (including LTIP Dilution)[2]	<30.6%	30.6%	43.2%	57%
Equivalent Year 4 operating profit (million)	<$2,676	$2,676	$2,936	$3,213
Market capitalisation (MCAP) at 30 June 2024 (billion)	$65,997			
Net value created for Securityholders (growth in MCAP)[2] (million)	**<$20,346**	**$20,346**	**$28,784**	**$37,827**
Assumed security price[3]	<$43.87	$43.87	$48.16	$52.75
Effective cost of total plan / MCAP	0.0%	0.2%	0.4%	0.6%
Employee share of Securityholder value created[4]	0.0%	0.7%	1.3%	1.6%

1. Assumes that the proportion of rights that vest under the operating EPS hurdle also applies to the rights that vest under the relative TSR hurdle.
2. Based on 30 June 2024 security price, assuming the market Price/Earnings (P/E) multiple applied to operating EPS remains unchanged over time and is inclusive of an allowance for increases in the securities on issue because of securities vesting under the LTIP. Excludes distributions and dividend payments that may be made during the period.
3. Assumes constant P/E multiple at the end of year four and uses the relevant CAGR in operating EPS growth.
4. Values the number of vested securities at an assumed security price which is calculated using the 30 June 2024 security price and growing it at the same rate as the operating EPS growth. This includes full dilution for securities under the five-year and ten-year plans.

4.3.6 Proposed Group CEO award

The Board's proposed award for the Group CEO is detailed below:

Group CEO	Number of rights	Face value per security[1] $	Fixed Pay $M	LTI at Threshold[2] $M	LTI at Target[2] $M	LTI at Upper level[2] $M	Fixed pay and LTI (25.0% vesting) $M	Fixed pay and LTI (100% vesting) $M
FY24	630,000	$34.75	1.4	5.5	13.7	21.9	6.9	23.3
FY23	900,000	$20.07	1.4	4.5	11.3	18.1	5.9	19.5
Variance	(30%)	73%	0%	21%	21%	21%	16%	20%

1. Face value per security is the closing Goodman security price as at 30 June 2024 for FY24 and as at 30 June 2023 for FY23.
2. Threshold would result in 25.0% LTI vesting, Target would result in 62.5% LTI vesting and Upper level would result in 100.0% LTI vesting.

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Remuneration report - audited (continued)

Group CEO - maximum possible outcome for the proposed award

The Group CEO base pay will remain unchanged for FY25. In respect of LTI, which is subject to Securityholder approval at the AGM, the Board notes that the quantum of the proposed performance rights for the Group CEO has been reduced by 30% compared to the prior year to compensate for the increased face value of the new performance rights as a result of the 73% increase in the security price in FY24. Furthermore, the operating EPS annual growth targets (6.0% to 11.0% over a four-year testing period) have remained the same as the prior year, despite the substantially higher base because of the outperformance posted by Goodman in FY24.

Based on the face value of the rights at 30 June 2024, the maximum value of remuneration assuming the upper level of performance (100% vesting) would be $23.3 million. At the target level (62.5% vesting) this would reduce to $15.1 million and at the threshold level (25.0% vesting) this would be $6.9 million. In all scenarios, any LTI would only be received by the Group CEO over a ten-year period, in accordance with the terms of the 10-year plan.

	CAGR in EPS	Vesting %	Vesting $M	Fixed remuneration $M	Total remuneration $M	Total return over four years	Out-performance versus S&P/ASX 20	Pay difference[1] $M
S&P/ASX 20 consensus	4.8%	n/a		2.2	10.5	21%	n/a	n/a
Goodman below Threshold	<6%	0%	0	1.4	1.4	26%	5%	(9.1)
Goodman Threshold	6%	25%	5.5	1.4	6.9	26%	5%	(3.6)
Goodman Target	8.5%	63%	13.7	1.4	15.1	39%	15%	4.6
Goodman Upper level	11%	100%	21.9	1.4	23.3	52%	27%	12.8

1. Between Group CEO's potential remuneration and S&P/ ASX 20 CEO's potential remuneration

4.4 Proposed LTI grants for other executive KMP

The remuneration proposed by the Board in respect of the other executive KMP performance in FY24 comprises fixed remuneration, STI awards and awards under the LTIP.

As with the Group CEO, the Board has determined to reduce the number of intended performance rights by 30%. The Board believes these awards provide an appropriate balance between remuneration of these executive KMP and the performance and positioning of the Group and therefore the interests of Securityholders.

The grants that the Board intends to make to the other executive KMP in FY25, in respect of their performance in FY24, noting that the awards for Danny Peeters and Anthony Rozic are subject to Securityholder approval at the Group's AGM, are detailed below:

Executive	Year of grant	Performance rights proposed Number	Face value per performance right $	Face value at Threshold level (25% vesting) $M	Face value at Target level (62.5% vesting) $M	Face value at Upper Level (100% vesting) $M
Danny Peeters	FY25	320,000	34.75	2.8	7.0	11.1
Anthony Rozic	FY25	350,000	34.75	3.0	7.6	12.2
Nick Kurtis	FY25	410,000	34.75	3.6	8.9	14.2
Nick Vrondas	FY25	350,000	34.75	3.0	7.6	12.2

Based on the face value of the rights at 30 June 2024, the combined maximum value of other executive KMP LTI assuming the upper level of performance (100% vesting) would be $49.7 million. At the target level (62.5% vesting) this would reduce to $31.1 million and at the threshold level (25.0% vesting) this would be $12.4 million. In all scenarios, any LTI would only be received by the executive KMP over a ten-year period, in accordance with the terms of the ten year plan.

Directors' report

Remuneration report - audited (continued)

5. NON-EXECUTIVE DIRECTOR REMUNERATION

5.1 Key elements of the Non-Executive Director remuneration policy

- The policy is structured to ensure independence of judgement in the performance of their duties.
- Non-Executive Directors receive fixed fees for Board membership and additional fees for membership of committees.

- The fees are set considering the size and scope of Goodman's activities and the responsibilities and experience of the Directors. Periodically, these fees are benchmarked against data for comparable entities provided by external advisers.
- As approved by Securityholders at the 2022 AGM, total remuneration (including superannuation) payable by Goodman to all Non-Executive Directors in aggregate must not exceed $4.0 million per annum. For FY24, total Non-Executive Directors' remuneration was $2.9 million (2023: $2.8 million).

- Non-Executive Directors are not entitled to participate in any STI or LTI schemes as they may be perceived to create a bias when overseeing executive decision making.

- To align the interests of the Board with Securityholders, the Board updated the Directors' Security Holding Policy in April 2021. The policy requires Non-Executive Directors to accumulate and hold Goodman securities with a value equivalent to their pre-tax annual base fee within three years of appointment, or in the case of the Chairman the pre-tax Chairman's fee within three years of appointment as Chairman (subject to a transitional year following adoption of the new policy). For the purpose of this policy, the value of each parcel acquired is the higher of the purchase price or market value at the end of the financial year.

5.2 Board and committee annual fees

The Board and Committee fees that applied for FY24 are set out below:

	Board $	Audit, Risk and Compliance Committee $	Remuneration and Nomination Committee $	Sustainability and Innovation Committee $
Chairman	625,000	70,000	n/a	50,000
Member	240,000	30,000	30,000	30,000

The remuneration of each of the Non-Executive Directors of GLHK was HK$680,000.

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Remuneration report - audited (continued)

6. STATUTORY DISCLOSURES

6.1 KMP remuneration (statutory analysis)

Details of the nature and amount of each major element of the remuneration of each executive KMP, as calculated under Australian Accounting Standards, are set out below:

							Long-term		Share-based payments		Performance related	
Executive KMP		Salary and fees[1]	Bonus (STI)[2]	Other[3,4]	Total	Superannuation benefits	Bonus (STI)[2]	Other[3]	Performance rights (LTI)[5]	Total	STI and LTI as % of total	LTI as % of total
		$	$	$	$	$	$	$	$	$	%	%
Gregory Goodman	FY24	1,447,548	-	-	1,447,548	27,399	-	21,348	13,478,005	14,974,300	90.0	90.0
	FY23	1,417,919	-	-	1,417,919	25,292	-	(77,351)	12,797,691	14,163,551	90.4	90.4
Nick Kurtis	FY24	822,616	-	-	822,616	27,399	1,350,000	13,731	6,995,474	9,209,220	90.6	76.0
	FY23	873,642	-	-	873,642	25,292	900,000	31,622	5,909,166	7,739,722	88.0	76.3
Nick Vrondas	FY24	694,241	-	-	694,241	27,399	1,000,000	10,680	6,093,210	7,825,530	90.6	77.9
	FY23	712,123	-	-	712,123	25,292	810,000	(18,978)	5,221,710	6,750,147	89.4	77.4
		€	€	€	€	€	€	€	€	€		
Danny Peeters[6]	FY24	677,508	-	-	677,508	-	640,000	-	3,741,371	5,058,879	86.6	74.0
	FY23	670,751	-	-	670,571	-	630,000	-	3,318,233	4,618,984	85.5	71.8
		US$	US$	US$	US$	US$	US$	US$	US$	US$		
Anthony Rozic[7]	FY24	882,502	-	30,507	913,009	17,965	1,000,000	6,273	4,419,967	6,357,214	85.3	69.5
	FY23	1,047,619	-	30,224	1,077,843	17,024	950,000	29,276	3,757,981	5,832,124	80.7	64.4

The footnotes for this table are set out on the following page.

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Remuneration report – audited (continued)

Executive KMP are engaged under written employment contracts until notice is given by either Goodman or the executive KMP. Notice periods are for six months except for Gregory Goodman and Danny Peeters for whom the period is 12 months. Danny Peeters provides his services through a management company, DPCON Bvba.

Footnotes to the executive KMP remuneration table:

1. Salary and fees represent the amounts due under the terms of executives' service contracts and include movements in annual leave provisions.
2. Executives' bonus (STI) awards are paid in two instalments: 50% on finalisation of Goodman's financial statements and 50% 12 months later. Under Australian Accounting Standards, this means the entire bonus award is considered as a long-term benefit with regard to the disclosure of individual executive's remuneration. No bonuses were forfeited during the financial year.
3. Other includes changes in long service leave provisions and in the prior year, car parking and reportable fringe benefits.
4. The Board agreed certain tax equalisation payments with Anthony Rozic in connection with his employment arrangements in the United States and Australia to ensure that he was no better or worse off. As a result, in FY20 Goodman made additional tax related payments of USD 150,005 in respect of the period prior to 1 January 2019. These amounts were on top of Anthony Rozic's Australian tax obligations for which he remained exclusively responsible. The Board also advanced under an interest free loan, double-tax amounts for which foreign income tax offsets from the Australian Taxation Office will be used to repay the advances.
   At 1 July 2023, the advances made by Goodman amounted to USD 503,729 and as there have been no further advances or repayments during the year ended 30 June 2024, the balance at 30 June 2024 was also US$503,729. The amount of interest that would have been payable if charged on an arm's length basis during the year is USD 30,507 (2023: USD 30,224). The notional interest amount has been included in Anthony Rozic's statutory remuneration (Other remuneration). No other executive KMP received a loan from the Group during the current or prior financial years.
5. Performance rights are an LTI and in accordance with Australian Accounting Standards: the values of the awards are determined using option pricing models and amortised in the income statement over the vesting periods.
6. The remuneration of Danny Peeters is disclosed in Euros, the currency in which his base remuneration and STI are determined. The value attributed to his performance rights is translated from Australian dollars at the weighted average rate for the relevant financial year.
7. The remuneration of Anthony Rozic is disclosed in US dollars, the currency in which his base remuneration and STI are determined. The value attributed to his performance rights is translated from Australian dollars at the weighted average rate for the relevant financial year.

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Remuneration report - audited (continued)

6.2 Movements in performance rights held by executive KMP

The movements in the number of performance rights during FY24 are summarised as follows:

		Held at the start of the year	Granted as compensation	Vested	Forfeited	Held at the end of the year
Executive Directors						
Gregory Goodman	FY24	4,619,334	900,000	(1,100,001)	(113,999)	4,305,334
	FY23	5,010,001	1,000,000	(1,354,667)	(36,000)	4,619,334
Danny Peeters	FY24	1,912,335	455,000	(406,802)	(45,599)	1,914,934
	FY23	1,905,001	500,000	(478,668)	(13,998)	1,912,335
Anthony Rozic	FY24	2,083,201	500,000	(438,935)	(47,998)	2,096,268
	FY23	2,070,000	550,000	(521,601)	(15,198)	2,083,201
Other executive KMP						
Nick Kurtis	FY24	2,383,201	585,000	(465,335)	(58,798)	2,444,068
	FY23	2,275,000	645,000	(521,601)	(15,198)	2,383,201
Nick Vrondas	FY24	2,103,201	500,000	(444,801)	(50,400)	2,108,000
	FY23	2,090,000	550,000	(521,601)	(15,198)	2,103,201

Directors' report

Remuneration report - audited (continued)

6.3 Analysis of performance rights held by executive KMP

Details of the awards of performance rights under the LTIP granted by Goodman as compensation to the executive KMP are set out in the following tables:

	Number of performance rights granted	Date performance rights granted	Year	Fair value per performance right[1] $	Total value of performance rights granted[1] $	Vested in prior years %	Vested in the year %[2]	Forfeited %	Value of performance rights vested in the year[3] $	Financial years in which grant vests[4]
Executive Directors										
Gregory Goodman	900,000	14 Nov 2023	FY24	18.93	17,037,000	-	-	-	-	2028–2034
	1,000,00	17 Nov 2022	FY23	13.89	13,890,000	-	-	-	-	2027–2033
	1,560,00	18 Nov 2021	FY22	20.16	31,449,600	-	-	-	-	2026–2032
	950,000	19 Nov 2020	FY21	16.07	15,266,500	-	29.3	12.0	6,417,701	2024–2026
	900,000	20 Nov 2019	FY20	11.48	10,332,000	32.0	32.0	4.0	6,632,640	2023–2025
	1,600,00	15 Nov 2018	FY19	8.72	13,952,000	66.7	33.3	-	12,282,682	2022–2024
Danny Peeters	455,000	14 Nov 2023	FY24	18.93	8,613,150	-	-	-	-	2028–2034
	500,000	17 Nov 2022	FY23	13.89	6,945,000	-	-	-	-	2027–2033
	625,000	18 Nov 2021	FY22	20.16	12,600,000	-	-	-	-	2026–2032
	380,000	19 Nov 2020	FY21	16.07	6,106,600	-	29.3	12.0	2,567,085	2024–2026
	350,000	20 Nov 2019	FY20	11.48	4,018,000	32.0	32.0	4.0	2,579,383	2023–2025
	550,000	15 Nov 2018	FY19	8.72	4,796,000	66.7	33.3	-	4,222,182	2022–2024
Anthony Rozic	500,000	14 Nov 2023	FY24	18.93	9,465,000	-	-	-	-	2028–2034
	550,000	17 Nov 2022	FY23	13.89	7,639,500	-	-	-	-	2027–2033
	690,000	18 Nov 2021	FY22	20.16	13,910,400	-	-	-	-	2026–2032
	400,000	19 Nov 2020	FY21	16.07	6,428,000	-	29.3	12.0	2,702,202	2024–2026
	380,000	20 Nov 2019	FY20	11.48	4,362,400	32.0	32.0	4.0	2,800,471	2023–2025
	600,000	15 Nov 2018	FY19	8.72	5,232,000	66.7	33.3	-	4,606,000	2022–2024

The footnotes for this table are set out at the end of this section.

Directors' report

Remuneration report - audited (continued)

	Number of performance rights granted	Date performance rights granted	Year	Fair value per performance right[1] $	Total value of performance rights granted[1] $	Vested in prior years %	Vested in the year %[2]	Forfeited %	Value of performance rights vested in the year[3] $	Financial years in which grant vests[4]
Other executive KMP										
Nick Kurtis	585,000	29 Sep 2023	FY24	17.44	10,202,400	-	-	-	-	2028–2034
	645,000	30 Sep 2022	FY23	11.69	7,540,050	-	-	-	-	2027–2033
	805,000	30 Sep 2021	FY22	17.22	13,862,100	-	-	-	-	2026–2032
	490,000	30 Sep 2020	FY21	15.77	7,727,300	-	29.3	12.0	3,310,194	2024–2026
	380,000	30 Sep 2019	FY20	11.26	4,278,800	32.0	32.0	4.0	2,800,471	2023–2025
	600,000	28 Sep 2018	FY19	8.52	5,112,000	66.7	33.3	-	4,606,000	2022–2024
Nick Vrondas	500,000	29 Sep 2023	FY24	17.44	8,720,000	-	-	-	-	2028–2034
	550,000	30 Sep 2022	FY23	11.69	6,429,500	-	-	-	-	2027–2033
	690,000	30 Sep 2021	FY22	17.22	11,881,800	-	-	-	-	2026–2032
	420,000	30 Sep 2020	FY21	15.77	6,623,400	-	29.3	12.0	2,837,296	2024–2026
	380,000	30 Sep 2019	FY20	11.26	4,278,800	32.0	32.0	4.0	2,800,471	2023–2025
	600,000	28 Sep 2018	FY19	8.52	5,112,000	66.7	33.3	-	4,606,000	2022–2024

1. The fair value was determined at grant date for each of the tranches and calculated using a combination of the standard Black Scholes model with a continuous dividend/distribution yield and a Monte Carlo model which simulated total returns for each of the S&P/ASX 100 entities and discounted the future value of any potential future vesting performance rights to arrive at a present value.
2. As performance rights had an exercise price of $nil, Goodman securities were automatically issued to employees when the performance rights vested. Accordingly, the percentage of performance rights that vested during the year equalled the percentage of securities issued during the year.
3. The value of performance rights vested was calculated using the closing price of a Goodman security on the ASX of $23.03 on 1 September 2023, the day the performance rights vested.
4. As Goodman securities were automatically issued to employees when the performance rights vested, and lapsed where they failed to do so, the vesting date was also deemed to be the expiry date.

Directors' report

Remuneration report - audited (continued)

6.4 Securities issued on exercise of performance rights

During FY24, Goodman issued 12,198,132 securities as a result of the vesting of performance rights. The amount paid by the employees on exercise of these securities was $nil.

No performance rights have vested since the end of the financial year.

6.5 Unissued securities under performance rights

At the date of this Directors' report, unissued securities of Goodman under performance rights, i.e. those performance rights that have not yet vested, were:

Vesting date[1]	Exercise price $	Number of performance rights[2]
Ten-year plan		
Sep 2033	-	1,027,148
Sep 2032	-	2,262,146
Sep 2031	-	3,822,148
Sep 2030	-	3,822,143
Sep 2029	-	3,822,141
Sep 2028	-	3,822,139
Sep 2027	-	3,822,139
Sep 2026	-	2,794,997
Sep 2025	-	1,559,999
Five-year plan		
Sep 2028	-	3,096,621
Sep 2027	-	5,859,272
Sep 2026	-	8,253,728
Sep 2025	-	8,703,488
Sep 2024	-	9,341,809

[1] As Goodman securities were automatically issued to employees when the performance rights vested, and lapsed where they failed to do so, the vesting date was also deemed to be the expiry date.

[2] The number of performance rights at the date of this Directors' report is net of any rights forfeited and excludes 17,130,826 performance rights where the intention is to cash settle.

Directors' report

Remuneration report - audited (continued)

6.6 Non-Executive Directors' remuneration (statutory analysis)

Details of the nature and amount of each major element of the remuneration of Non-Executive Directors, as calculated under Australian Accounting Standards, are set out below:

		Fees $	Superannuation benefits $	Total $
Non-Executive Directors – GL and GFML				
Stephen Johns	FY24	597,601	27,399	625,000
	FY23	599,708	25,292	625,000
Christopher Green	FY24	320,000	-	320,000
	FY23	330,000	-	330,000
Mark Johnson	FY24	312,601	27,399	340,000
	FY23	323,874	25,292	349,166
Vanessa Liu	FY24	270,000	-	270,000
	FY23	262,500	-	262,500
Rebecca McGrath[1]	FY24	-	-	-
	FY23	220,833	-	220,833
Phillip Pryke[2]	FY24	235,838	21,379	257,217
	FY23	418,727	25,292	444,019
Belinda Robson[3]	FY24	242,601	27,399	270,000
	FY23	81,569	8,431	90,000
Hilary Spann	FY24	270,000	-	270,000
	FY23	262,500	-	262,500
George Zoghbi[4]	FY24	242,601	27,399	270,000
	FY23	55,059	5,691	60,750
Non-Executive Director – GLHK		HK$	HK$	HK$
Kitty Chung[5,6]	FY24	680,000	-	680,000
	FY23	-	-	-
David Collins[6]	FY24	680,000	-	680,000
	FY23	680,000	-	680,000

1. Rebecca McGrath retired as a Director on 28 February 2023.
2. Philip Pryke retired as a Directed on 10 April 2024. Salary and fees for Phillip Pryke included an amount of A$23,127 (NZ$25,000) (2023: A$91,516 (NZ$100,000)) due in respect of his role on the board and audit committee of Goodman (NZ) Limited, the former manager of Goodman Property Trust. Philip Pryke retired as a Director of Goodman (NZ) Limited on 30 September 2023.
3. Belinda Robson was appointed as a Director on 1 March 2023.
4. George Zoghbi was appointed as a Director on 11 April 2023.
5. Kitty Chung was appointed as a Director of GLHK on 1 July 2023.
6. Kitty Chung and David Collins are Directors of GLHK and their Director's fees are disclosed in Hong Kong dollars.

Directors' report

Remuneration report - audited (continued)

6.7 Movements in Goodman securities held

The movements during the year in the number of Goodman securities held, directly, indirectly or beneficially, by each KMP, including their related parties, are set out below:

		Held at the start of the year[1]	Securities issued on vesting of performance rights	Acquisitions	Disposals	Held at the end of the year[2]
Non-Executive Directors – GL and GFML						
Stephen Johns	FY24	41,143	-	-	-	41,143
	FY23	41,143	-	-	-	41,143
Christopher Green	FY24	78,996	-	-	-	78,996
	FY23	78,996	-	-	-	78,996
Mark Johnson	FY24	15,000	-	-	-	15,000
	FY23	15,000	-	-	-	15,000
Vanessa Liu	FY24	1,938	-	-	-	1,938
	FY23	-	-	1,938	-	1,938
Phillip Pryke	FY24	59,880	-	-	-	59,880
	FY23	59,880	-	-	-	59,880
Belinda Robson	FY24	4,990	-	4,593	-	9,583
	FY23	-	-	4,990	-	4,990
Hilary Spann	FY24	13,275	-	-	-	13,275
	FY23	3,500	-	9,775	-	13,275
George Zoghbi	FY24	-	-	-	-	-
	FY23	-	-	-	-	-
Non-Executive Director – GLHK						
Kitty Chung	FY24	-	-	5,800	-	5,800
	FY23	-	-	-	-	-
David Collins	FY24	5,000	-	-	-	5,000
	FY23	5,000	-	-	-	5,000
Executive Directors – GL and GFML						
Gregory Goodman	FY24	38,669,487	1,100,001	-	(1,838,993)	37,930,495
	FY23	38,604,546	1,354,667	-	(1,289,726)	38,669,487
Danny Peeters	FY24	1,678,465	406,802	-	-	2,085,267
	FY23	2,199,797	478,668	-	(1,000,000)	1,678,465
Anthony Rozic	FY24	1,472,908	438,935	-	(1,122,153)	789,690
	FY23	951,307	521,601	-	-	1,472,908
Other executive KMP						
Nick Kurtis	FY24	500,220	465,335	-	(665,305)	300,250
	FY23	503,619	521,601	-	(525,000)	500,220
Nick Vrondas	FY24	129,909	444,801	-	(269,710)	305,000
	FY23	129,909	521,601	-	(521,601)	129,909

1. Relates to securities held at the later of the start of the financial year or the date of becoming a KMP.
2. Relates to securities held at the earlier of the end of the financial year or the date of ceasing to be a KMP.

Directors' report

Remuneration report - audited (continued)

6.8 Transactions with Directors, executives and their related entities

GreenPoint Real Estate Innovation and Technology Venture, LP (GreenPoint)

In order to enhance understanding of and access to technologies that may influence the property sector and the business, the Group committed to investing USD15.0 million in GreenPoint, a property technology fund that is a Delaware limited partnership, managed by GreenPoint Partners. GreenPoint Partners is beneficially owned and controlled by Christopher Green, a director of GL.

In FY24, the Group invested a further USD2.3 million and the total investment in GreenPoint at 30 June 2024 was USD9.5 million (30 June 2023: USD7.2 million). No distributions were received from GreenPoint in the current year (2023: $nil).

Wyuna Regenerative Ag Investment Fund (Wyuna)

As part of its sustainability strategy, Goodman has committed to investing up to $30.0 million in an integrated carbon credit and regenerative platform in Australia – Wyuna. Investing alongside Australia's Clean Energy Finance Corporation, this project assists land regeneration, sustainable food production and land-based solutions to climate change. Wyuna is managed by Wyuna Regenerative Ag Pty Limited, which is 50% owned by Christopher Green, a director of GL.

In FY24, GL invested $3.0 million, and the total investment in Wyuna at 30 June 2024 was $14.9 million (30 June 2023: $11.9 million). No distributions were received from Wyuna in the current and prior year.

Other than as disclosed elsewhere in the remuneration report, there were no other transactions with Directors, executives, and their related entities.

Directors' report

(continued)

Environmental regulations

Goodman has policies and procedures to identify and appropriately address environmental obligations that might arise in respect of Goodman's operations that are subject to significant environmental laws and regulation. The Directors have determined that Goodman has complied with those obligations during the financial year and that there has not been any material breach.

Declaration by the Group Chief Executive Officer and Group Chief Financial Officer

The Group Chief Executive Officer and Group Chief Financial Officer declared in writing to the Board that, in their opinion, the financial records of Goodman for the year ended 30 June 2024 have been properly maintained and the financial report for the year ended 30 June 2024 complies with accounting standards and presents a true and fair view of Goodman's financial condition and operational results. The Group Chief Executive Officer and Group Chief Financial Officer confirmed that the above declaration was, to the best of their knowledge and belief, founded on a sound system of risk management and internal control and that the system was operating effectively in all material respects in relation to the financial reporting risks.

Disclosure in respect of any indemnification and insurance of officers and auditors

Pursuant to the Constitution of Goodman, current and former Directors and officers of Goodman are entitled to be indemnified. Deeds of Indemnity have been executed by Goodman, consistent with the Constitution, in favour of each Director. The Deed indemnifies each Director to the extent permitted by law for liabilities (other than legal costs) incurred in their capacity as a director of Goodman Limited or a controlled entity and, in respect of legal costs, for liabilities incurred in defending or resisting civil or criminal proceedings.

Goodman has insured to the extent permitted by law, current and former Directors and officers of Goodman in respect of liability and legal expenses incurred in their capacity as a director or officer. As it is prohibited under the terms of the contract of insurance, the Directors have not included details of the nature of the liabilities covered or the amount of the premiums paid.

The auditors of Goodman are not indemnified by Goodman or covered in any way by this insurance in respect of the audit.

Non-audit services

During the financial year, KPMG, Goodman and GIT's auditor, performed certain other services in addition to the audit and review of the financial statements.

The Board has considered the non-audit services provided during the financial year by the auditor and, in accordance with written advice authorised by a resolution of the Audit, Risk and Compliance Committee, resolved that it is satisfied that the provision of those non-audit services during the financial year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by Goodman and have been reviewed by the Audit, Risk and Compliance Committee to determine they do not impact the integrity and objectivity of the auditor
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for Goodman, acting as an advocate for Goodman or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of Goodman and GIT, KPMG and its network firms, for the audit and non-audit services provided during the financial year are set out in note 25 to the consolidated financial statements.

Directors' report

(continued)

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001*

The lead auditor's independence declaration is set out on page 107 and forms part of this Directors' report for the financial year.

Rounding

Goodman and GIT are entities of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. In accordance with that Instrument, amounts in this Directors' report and the consolidated financial statements have been rounded to the nearest hundred thousand dollars, unless otherwise stated.

Events subsequent to balance date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of Goodman, the results of those operations, or the state of affairs of Goodman, in future financial years.

The Directors' report is made in accordance with a resolution of the Directors.

Stephen Johns
Independent Chairman

Gregory Goodman
Group Chief Executive Officer

Sydney, 15 August 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Goodman Limited and Goodman Funds Management Limited, as Responsible Entity for Goodman Industrial Trust

I declare that, to the best of my knowledge and belief, in relation to the audits of Goodman Limited (as the deemed parent presenting the stapled security arrangement of the Goodman Group) and Goodman Industrial Trust for the financial year ended 30 June 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audits; and

ii. no contraventions of any applicable code of professional conduct in relation to the audits.

KPMG

KPMG

Nigel R Virgo
Partner

Sydney
15 August 2024

Consolidated statements of financial position

as at 30 June 2024

		Goodman		GIT	
		2024	2023	2024	2023
	Note	$M	$M	$M	$M
Current assets					
Cash and cash equivalents	20(a)	1,785.3	1,360.1	1,018.2	689.9
Receivables	6	221.3	243.1	244.4	242.1
Contract assets	7	12.9	72.9	-	-
Inventories	5(b)	434.4	464.2	-	-
Other financial assets	16	9.3	87.8	2.8	76.6
Assets held for sale	8	25.7	509.6	25.7	509.6
Total current assets		**2,488.9**	**2,737.7**	**1,291.1**	**1,518.2**
Non-current assets					
Receivables	6	178.3	231.0	2,291.7	3,122.4
Inventories	5(b)	1,924.5	1,781.3	-	-
Investment properties	5(b)	1,778.3	1,644.8	586.4	234.4
Investments accounted for using the equity method	5(b)	16,098.0	16,285.2	13,068.9	13,012.3
Deferred tax assets	4(d)	59.3	43.9	-	-
Other financial assets	16	406.1	381.5	260.6	251.7
Property, plant and equipment	11	65.2	71.7	-	-
Intangible assets	13	829.5	850.1	-	-
Total non-current assets		**21,339.2**	**21,289.5**	**16,207.6**	**16,620.8**
Total assets		**23,828.1**	**24,027.2**	**17,498.7**	**18,139.0**
Current liabilities					
Payables	9	837.2	683.4	256.2	170.9
Current tax payables	4(c)	217.8	170.2	-	-
Interest bearing liabilities	15	1.7	-	-	-
Provisions	10	303.9	301.5	208.9	188.4
Lease liabilities	12	9.1	12.3	-	-
Other financial liabilities	16	40.3	143.9	18.5	63.9
Total current liabilities		**1,410.0**	**1,311.3**	**483.6**	**423.2**
Non-current liabilities					
Payables	9	342.9	390.2	445.4	778.0
Interest bearing liabilities	15	3,685.0	3,292.9	3,432.5	2,982.8
Deferred tax liabilities	4(d)	335.8	458.2	266.6	375.0
Provisions	10	15.9	14.3	-	-
Lease liabilities	12	27.2	55.4	-	-
Other financial liabilities	16	473.4	480.1	339.4	383.6
Total non-current liabilities		**4,880.2**	**4,691.1**	**4,483.9**	**4,519.4**
Total liabilities		**6,290.2**	**6,002.4**	**4,967.5**	**4,942.6**
Net assets		**17,537.9**	**18,024.8**	**12,531.2**	**13,196.4**
Equity attributable to Securityholders					
Issued capital	19(a)	8,343.6	8,273.3	8,568.7	8,355.4
Reserves		737.5	774.6	491.5	459.1
Retained earnings		8,456.8	8,976.9	3,471.0	4,381.9
Total equity attributable to Securityholders		**17,537.9**	**18,024.8**	**12,531.2**	**13,196.4**
Comprising:					
Total equity attributable to GL	21(a)	3,267.2	2,731.4		
Total equity attributable to other entities stapled to GL	21(b)	14,270.7	15,293.4		
Total equity attributable to Securityholders		**17,537.9**	**18,024.8**		

The consolidated statements of financial position are to be read in conjunction with the accompanying notes.

Consolidated income statements

for the year ended 30 June 2024

		Goodman		GIT	
		2024	2023	2024	2023
	Note	$M	$M	$M	$M
Revenue					
Gross property income	1	106.1	122.8	11.4	27.4
Management income	1	680.8	438.9	-	-
Development income	1	1,196.5	1,407.2	(2.7)	22.6
Distributions from investments		-	-	8.0	27.7
		1,983.4	1,968.9	16.7	77.7
Property and development expenses					
Property expenses		(24.4)	(31.7)	(4.4)	(9.8)
Development expenses	1	(531.7)	(606.7)	-	(6.7)
		(556.1)	(638.4)	(4.4)	(16.5)
Other income					
Net gain from fair value adjustments on investment properties	5(e)	6.0	278.9	44.4	229.0
Net gain/(loss) on disposal of investment properties		5.0	3.6	5.0	(0.6)
Net gain on disposal of controlled entities	22	208.0	-	-	-
Share of net results of equity accounted investments	5(f)(i),(ii)	(796.7)	1,022.4	(545.1)	1,079.1
		(577.7)	1,304.9	(495.7)	1,307.5
Other expenses					
Employee expenses	1	(273.2)	(271.6)	-	-
Share based payments expense	1	(501.4)	(286.0)	-	-
Administrative and other expenses		(109.5)	(100.9)	(48.4)	(74.5)
		(884.1)	(658.5)	(48.4)	(74.5)
(Loss)/profit before interest and tax		(34.5)	1,976.9	(531.8)	1,294.2
Net finance income/(expense)					
Finance income	14	39.8	22.9	185.8	179.2
Finance expense	14	(62.3)	(257.7)	(177.3)	(236.3)
Net finance income/(expense)		(22.5)	(234.8)	8.5	(57.1)
(Loss)/profit before income tax		(57.0)	1,742.1	(523.3)	1,237.1
Income tax (expense)/credit	4(a)	(41.9)	(182.2)	106.2	(99.1)
(Loss)/profit after income tax		(98.9)	1,559.9	(417.1)	1,138.0
Profit attributable to GL	21(a)	401.1	288.2		
(Loss)/profit attributable to other entities stapled to GL	21(b)	(500.0)	1,271.7		
(Loss)/profit for the year attributable to Securityholders		(98.9)	1,559.9		
Basic (loss)/profit per security (¢)	2	(5.2)	83.0		
Diluted (loss)/profit per security (¢)	2	(5.2)	81.3		

The consolidated income statements are to be read in conjunction with the accompanying notes.

Consolidated statements of comprehensive income

for the year ended 30 June 2024

		Goodman		GIT	
		2024	2023	2024	2023
	Note	$M	$M	$M	$M
(Loss)/profit for the year		(98.9)	1,559.9	(417.1)	1,138.0
Other comprehensive income/(loss) for the year					
Items that will not be reclassified to profit or loss					
Actuarial (losses)/gains on defined benefit retirement schemes, net of income tax		(3.5)	0.5	-	-
Effect of foreign currency translation		0.2	(2.6)	-	-
		(3.3)	(2.1)	-	-
Items that are or may be reclassified subsequently to profit or loss					
Increase/(decrease) due to revaluation of other financial assets		0.1	(0.2)	(0.5)	(15.6)
Cash flow hedges:					
– Change in value of financial instruments		(6.8)	2.4	(6.8)	2.4
Effect of foreign currency translation		(116.0)	363.2	(6.4)	200.6
		(122.7)	365.4	(13.7)	187.4
Other comprehensive (loss)/income for the year		(126.0)	363.3	(13.7)	187.4
Total comprehensive (loss)/income for the year		(224.9)	1,923.2	(430.8)	1,325.4
Total comprehensive income attributable to GL	21(a)	355.5	294.9		
Total comprehensive (loss)/income attributable to other entities stapled to GL	21(b)	(580.4)	1,628.3		
Total comprehensive (loss)/income for the year attributable to Securityholders		(224.9)	1,923.2		

The consolidated statements of comprehensive income are to be read in conjunction with the accompanying notes.

Consolidated statements of changes in equity

for the year ended 30 June 2024

		Attributable to Securityholders								
Goodman	Note	Issued capital $M	Asset revaluation reserve $M	Cash flow hedge reserve $M	Foreign currency translation reserve $M	Employee compensation reserve $M	Defined benefit retirement schemes reserve $M	Total reserves $M	Retained earnings $M	Total $M
Balance at 1 July 2022		**8,206.1**	**(6.4)**	**11.1**	**53.4**	**325.5**	**(30.9)**	**352.7**	**7,866.0**	**16,424.8**
Total comprehensive income/(loss) for the year										
Profit for the year		-	-	-	-	-	-	-	1,559.9	**1,559.9**
Other comprehensive income/(loss)										
Effect of foreign currency translation		-	(0.5)	0.5	363.2	-	(2.6)	360.6	-	**360.6**
Cash flow hedges:										
– Change in value of financial instruments		-	-	2.4	-	-	-	2.4	-	**2.4**
Revaluation of other financial assets		-	(0.2)	-	-	-	-	(0.2)	-	**(0.2)**
Actuarial gains on defined benefit superannuation funds, net of income tax		-	-	-	-	-	0.5	0.5	-	**0.5**
Total other comprehensive income/(loss) for the year, net of income tax		-	(0.7)	2.9	363.2	-	(2.1)	363.3	-	**363.3**
Total comprehensive income/(loss) for the year, net of income tax		**-**	**(0.7)**	**2.9**	**363.2**	**-**	**(2.1)**	**363.3**	**1,559.9**	**1,923.2**
Transfers		-	-	-	-	(115.6)	-	(115.6)	115.6	**-**
Contributions by and distributions to owners										
Dividends/distributions on stapled securities	18	-	-	-	-	-	-	-	(564.6)	**(564.6)**
Issue of stapled securities	19(a)	67.4	-	-	-	-	-	-	-	**67.4**
Issue costs		(0.2)	-	-	-	-	-	-	-	**(0.2)**
Equity settled share based payments expense		-	-	-	-	173.6	-	173.6	-	**173.6**
Deferred taxes associated with the LTIP		-	-	-	-	0.6	-	0.6	-	**0.6**
Balance at 30 June 2023		**8,273.3**	**(7.1)**	**14.0**	**416.6**	**384.1**	**(33.0)**	**774.6**	**8,976.9**	**18,024.8**

Consolidated statements of changes in equity

(continued)

		Attributable to Securityholders								
Goodman	Note	Issued capital $M	Asset revaluation reserve $M	Cash flow hedge reserve $M	Foreign currency translation reserve $M	Employee compensation reserve $M	Defined benefit retirement schemes reserve $M	Total reserves $M	Retained earnings $M	Total $M
Balance at 1 July 2023		**8,273.3**	**(7.1)**	**14.0**	**416.6**	**384.1**	**(33.0)**	**774.6**	**8,976.9**	**18,024.8**
Total comprehensive income/(loss) for the year										
Loss for the year		-	-	-	-	-	-	-	(98.9)	**(98.9)**
Other comprehensive income/(loss)										
Effect of foreign currency translation		-	0.1	-	(116.1)	-	0.2	(115.8)	-	**(115.8)**
Cash flow hedges:										
– Change in value of financial instruments		-	-	(6.8)	-	-	-	(6.8)	-	**(6.8)**
Revaluation of other financial assets		-	0.1	-	-	-	-	0.1	-	**0.1**
Actuarial losses on defined benefit superannuation funds, net of income tax		-	-	-	-	-	(3.5)	(3.5)	-	**(3.5)**
Total other comprehensive income/(loss) for the year, net of income tax		-	0.2	(6.8)	(116.1)	-	(3.3)	(126.0)	-	**(126.0)**
Total comprehensive income/(loss) for the year, net of income tax		**-**	**0.2**	**(6.8)**	**(116.1)**	**-**	**(3.3)**	**(126.0)**	**(98.9)**	**(224.9)**
Transfers		-	-	-	-	(148.6)	-	(148.6)	148.6	**-**
Contributions by and distributions to owners										
Dividends/distributions on stapled securities	18	-	-	-	-	-	-	-	(569.8)	**(569.8)**
Issue of stapled securities	19(a)	70.4	-	-	-	-	-	-	-	**70.4**
Issue costs		(0.1)	-	-	-	-	-	-	-	**(0.1)**
Equity settled share based payments expense		-	-	-	-	227.2	-	227.2	-	**227.2**
Deferred taxes associated with the LTIP		-	-	-	-	10.3	-	10.3	-	**10.3**
Balance at 30 June 2024		**8,343.6**	**(6.9)**	**7.2**	**300.5**	**473.0**	**(36.3)**	**737.5**	**8,456.8**	**17,537.9**

The consolidated statements of changes in equity are to be read in conjunction with the accompanying notes. For an analysis of equity attributable to non-controlling interests, refer to note 21(b).

Consolidated statements of changes in equity

(continued)

GIT	Note	Attributable to Unitholders Issued capital $M	Asset revaluation reserve $M	Cash flow hedge reserve $M	Foreign currency translation reserve $M	Employee compensation reserve $M	Total reserves $M	Retained earnings $M	Total $M
Balance at 1 July 2022		8,154.5	9.4	11.1	1.5	216.8	238.8	3,714.4	12,107.7
Total comprehensive income/(loss) for the year									
Profit for the year		-	-	-	-	-	-	1,138.0	**1,138.0**
Other comprehensive income/(loss)									
Effect of foreign currency translation		-	0.8	0.4	199.4	-	200.6	-	**200.6**
Cash flow hedges:									
- Change in value of financial instruments		-	-	2.4	-	-	2.4	-	**2.4**
Decrease due to revaluation of other financial assets		-	(15.6)	-	-	-	(15.6)	-	**(15.6)**
Total other comprehensive (loss)/income for the year, net of income tax		-	(14.8)	2.8	199.4	-	187.4	-	**187.4**
Total comprehensive (loss)/income for the year		**-**	**(14.8)**	**2.8**	**199.4**	**-**	**187.4**	**1,138.0**	**1,325.4**
Contributions by and distributions to owners									
Distributions on ordinary units	18	-	-	-	-	-	-	(470.5)	**(470.5)**
Issue of ordinary units	19(a)	201.0	-	-	-	-	-	-	**201.0**
Issue costs on ordinary units		(0.1)	-	-	-	-	-	-	**(0.1)**
Equity settled share based payments transactions		-	-	-	-	32.9	32.9	-	**32.9**
Balance at 30 June 2023		**8,355.4**	**(5.4)**	**13.9**	**200.9**	**249.7**	**459.1**	**4,381.9**	**13,196.4**

Consolidated statements of changes in equity

(continued)

		Attributable to Unitholders							
GIT	Note	Issued capital $M	Asset revaluation reserve $M	Cash flow hedge reserve $M	Foreign currency translation reserve $M	Employee compensation reserve $M	Total reserves $M	Retained earnings $M	Total $M
Balance at 1 July 2023		8,355.4	(5.4)	13.9	200.9	249.7	459.1	4,381.9	13,196.4
Total comprehensive income/(loss) for the year									
Loss for the year		-	-	-	-	-	-	(417.1)	(417.1)
Other comprehensive income/(loss)									
Effect of foreign currency translation		-	0.1	0.1	(6.6)	-	(6.4)	-	(6.4)
Cash flow hedges:									
- Change in value of financial instruments		-	-	(6.8)	-	-	(6.8)	-	(6.8)
Decrease due to revaluation of other financial assets		-	(0.5)	-	-	-	(0.5)	-	(0.5)
Total other comprehensive (loss)/income for the year, net of income tax		-	(0.4)	(6.7)	(6.6)	-	(13.7)	-	(13.7)
Total comprehensive (loss)/income for the year		-	(0.4)	(6.7)	(6.6)	-	(13.7)	(417.1)	(430.8)
Contributions by and distributions to owners									
Distributions on ordinary units	18	-	-	-	-	-	-	(493.8)	(493.8)
Issue of ordinary units	19(a)	213.4	-	-	-	-	-	-	213.4
Issue costs on ordinary units		(0.1)	-	-	-	-	-	-	(0.1)
Equity settled share based payments transactions		-	-	-	-	46.1	46.1	-	46.1
Balance at 30 June 2024		8,568.7	(5.8)	7.2	194.3	295.8	491.5	3,471.0	12,531.2

The consolidated statements of changes in equity are to be read in conjunction with the accompanying notes.

Consolidated cash flow statements

for the year ended 30 June 2024

		Goodman		GIT	
		2024 $M	2023 $M	2024 $M	2023 $M
Cash flows from operating activities					
Property income received		97.9	125.2	10.8	29.5
Cash receipts from development activities		1,311.9	1,416.7	-	17.5
Cash receipts from management and other activities		639.4	477.8	-	-
Property expenses paid		(20.0)	(30.1)	(2.2)	(7.7)
Payments for development activities		(817.3)	(589.6)	-	(0.5)
Other cash payments in the course of operations		(466.7)	(495.5)	(44.4)	(75.8)
Distributions received from equity investments, including Partnerships		609.3	583.5	339.0	329.0
Interest received		38.9	19.5	25.0	12.3
Finance costs paid		(80.2)	(59.2)	(136.2)	(95.1)
Net income taxes paid		(124.6)	(164.1)	(1.6)	(2.1)
Net cash provided by operating activities	20(b)	**1,188.6**	**1,284.2**	**190.4**	**207.1**
Cash flows from investing activities					
Net proceeds from disposal of investment properties		795.6	629.7	804.0	629.9
Proceeds from disposal of controlled entities, net of cash disposed		(5.0)	-	-	-
Net proceeds from disposal of equity investments		-	352.4	-	348.8
Payments for investment properties		(363.0)	(441.2)	(621.8)	(37.7)
Payments for investments in Partnerships		(1,105.3)	(1,243.9)	(1,018.0)	(671.5)
Payments for property, plant and equipment		(10.5)	(13.0)	-	-
Net cash (used in)/provided by investing activities		**(688.2)**	**(716.0)**	**(835.8)**	**269.5**
Cash flows from financing activities					
Net proceeds from issue of stapled securities		70.3	67.2	43.9	42.5
Net cash inflows/(outflows) from loans with related parties		62.8	(58.0)	956.2	191.7
Drawdown of borrowings and receipts from derivative financial instruments		849.8	1,029.3	824.8	712.3
Repayments of borrowings and payments under derivative financial instruments		(456.0)	(772.0)	(363.5)	(722.9)
Dividends and distributions paid		(567.4)	(562.1)	(473.3)	(515.6)
Payments of lease liabilities		(11.9)	(13.2)	-	-
Net cash (used in)/provided by financing activities		**(52.4)**	**(308.8)**	**988.1**	**(292.0)**
Net increase in cash held		448.0	259.4	342.7	184.6
Cash and cash equivalents at the beginning of the year		1,360.1	1,056.0	689.9	473.6
Effect of exchange rate fluctuations on cash held		(22.8)	44.7	(14.4)	31.7
Cash and cash equivalents at the end of the year	20(a)	**1,785.3**	**1,360.1**	**1,018.2**	**689.9**

The consolidated cash flow statements are to be read in conjunction with the accompanying notes.
Non-cash transactions are included in note 20(c).

Notes to the consolidated financial statements

This section sets out the general basis upon which Goodman and GIT have prepared their financial statements and information that is disclosed to comply with the Australian Accounting Standards, *Corporations Act 2001* or Corporations Regulations.

Specific accounting policies can be found in the sections to which they relate.

BASIS OF PREPARATION

Goodman Limited and Goodman Industrial Trust are for-profit entities domiciled in Australia.

Statement of compliance

These consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. International Financial Reporting Standards (IFRS) form the basis of Australian Accounting Standards adopted by the AASB. The consolidated financial statements also comply with IFRS.

The consolidated financial statements are presented in Australian dollars and were authorised for issue by the Directors on 15 August 2024.

Basis of preparation of the consolidated financial reports

Shares in the Company, units in the Trust and CDIs over shares in GLHK are stapled to one another and are quoted as a single security on the ASX. Australian Accounting Standards require an acquirer to be identified and an in-substance acquisition to be recognised. In relation to the stapling of the Company, the Trust and GLHK, the Company is identified as having acquired control over the assets of the Trust and GLHK. In the consolidated statement of financial position of the Group, equity attributable to the Trust and the CDIs over the shares of GLHK are presented as non-controlling interests.

As permitted by the relief provided in ASIC Instrument 20-0568, these financial statements present both the financial statements and accompanying notes of Goodman and GIT. GLHK, which is incorporated and domiciled in Hong Kong, prepares its financial statements under Hong Kong Financial Reporting Standards and the applicable requirements of the Hong Kong Companies Ordinance and accordingly the financial statements of GLHK have not been combined and included as adjacent columns in this report. The financial statements of GLHK have been included as an appendix to this report.

The consolidated financial statements are prepared on the historical cost basis, subject to any impairment of assets, except that the following assets and liabilities are stated at fair value:

- Investment properties
- Derivative financial instruments
- Investments in unlisted securities
- Liabilities for cash settled share-based payment arrangements.

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, amounts in these consolidated financial statements have been rounded to the nearest hundred thousand dollars, unless otherwise stated.

Foreign currency translation

Functional and presentation currency

Items included in the consolidated financial statements of each of the controlled entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars, which is the Company's and the Trust's functional and presentation currency.

Notes to the consolidated financial statements

Basis of preparation (continued)

Transactions

Foreign currency transactions are translated to each entity's functional currency at rates approximating to the foreign exchange rates ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at the balance date are translated at the rates of exchange ruling on that date. Resulting exchange differences are recognised in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost are translated at rates of exchange applicable at the date of the initial transaction. Non-monetary items which are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation of controlled foreign operations

The assets and liabilities of controlled foreign operations are translated into Australian dollars at foreign exchange rates ruling at the balance date.

Revenue and expenses are translated at weighted average rates for the financial year. Exchange differences arising on translation are taken directly to the foreign currency translation reserve. On cessation of operations in a foreign region, the cumulative exchange differences relating to the operations in that region, that have been included in the foreign currency translation reserve, are reclassified to the income statement.

Exchange differences arising on monetary items that form part of the net investment in a controlled foreign operation are recognised in the foreign currency translation reserve on consolidation.

Exchange rates used

The following exchange rates are the main exchange rates used in translating foreign currency transactions, balances and financial statements to Australian dollars:

	Weighted average		As at 30 June	
Australian dollar (AUD) to	2024	2023	2024	2023
New Zealand dollar (NZD)	1.0810	1.0927	1.0947	1.0871
Hong Kong dollar (HKD)	5.1273	5.2751	5.2081	5.2235
Chinese yuan (CNY)	4.7371	4.6804	4.8469	4.8339
Japanese yen (JPY)	97.7982	92.3936	107.3010	96.1530
Euro (EUR)	0.6062	0.6433	0.6226	0.6109
British pound sterling (GBP)	0.5206	0.5592	0.5274	0.5249
United States dollar (USD)	0.6557	0.6731	0.6670	0.6664
Brazilian real (BRL)	3.2793	3.4743	3.7304	3.1911

Changes in accounting policies

The AASB has issued amendments to standards that were first effective from 1 July 2023 but none of these had a material impact on the Group's financial statements.

Notes to the consolidated financial statements

Basis of preparation (continued)

Australian Accounting Standards issued but not yet effective

The Group has not applied any new or amended standard that is not yet effective but available for early application in the current accounting period. None of the new or amended accounting standards are expected to have a significant impact on the future results of the Group.

Critical accounting estimates used in the preparation of the consolidated financial statements

The preparation of consolidated financial statements requires estimates and assumptions concerning the application of accounting policies and the future to be made by Goodman. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year can be found in the following notes:

- Note 5 – Property assets
- Note 13 – Goodwill and intangible assets
- Note 17 – Financial risk management.

The accounting impacts of revisions to estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Measurement of fair values

A number of Goodman's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, Goodman uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy and have been defined as follows:

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

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 5 – Property assets
- Note 17 – Financial risk management

Notes to the consolidated financial statements

(continued)

RESULTS FOR THE YEAR

The notes in this section focus on the significant items in the income statement, and include the earnings per security, analysis of the results by operating segment and taxation details.

1 Profit before income tax

Gross property income

Gross property income comprises rental income under operating leases (net of incentives provided) and amounts billed to customers for outgoings (e.g. rates, levies, cleaning, security, etc). Amounts billed to customers for outgoings are a cost recovery for Goodman and are recognised once the expense has been incurred. The expense is included in property expenses.

Rental income under operating leases is recognised on a straight-line basis over the term of the lease contract. Where operating lease rental income is recognised relating to fixed increases in rentals in future years, an asset is recognised. This asset is a component of the relevant investment property carrying amount. The cost of lease incentives provided to customers is amortised on a straight-line basis over the life of the lease as a reduction of gross property income.

Management and development income

The revenue from management and development activities is measured based on the consideration specified in a contract with a customer. Goodman recognises revenue when it transfers control over a product or service to a customer.

Management income

Fee income derived from management services relates to investment management base fees and property services fees and is recognised and invoiced progressively as the services are provided. Customers make payments usually either monthly or quarterly in arrears.

Performance related management income generally relates to portfolio performance fee income, which is recognised progressively as the services are provided but only when the income can be reliably measured and is highly probable of not being reversed. These portfolio performance fees are typically dependent on the overall returns of a Partnership relative to an agreed benchmark return, assessed over the life of the Partnership, which can vary from one year to seven years. The returns are impacted by operational factors such as the quality and location of the portfolio, active property management, rental income rates and development activity but can also be significantly affected by changes in global and local economic conditions. Accordingly, portfolio performance fee revenue is only recognised towards the end of the relevant assessment period, as prior to this revenue recognition is not considered to be sufficiently certain.

In determining the amount of revenue that can be reliably measured, management prepares a sensitivity analysis to understand the impact of changes in asset valuations on the potential performance fee at the assessment date. The assessment of revenue will depend on the prevailing market conditions at the reporting date relative to long-term averages and the length of time until the assessment date e.g. the longer the time period to assessment date, the greater the impact of the sensitivity analysis. The potential portfolio performance fee revenue is then recognised based on the length of time from the start of the assessment period to the reporting date as a proportion of the total assessment period. Where the income is attributable to development activities or it relates to a combination of inextricable management and development activities that have occurred over the performance fee period, then it is reported as development income; otherwise, the income is reported as management income. The Partnerships make payments in respect of portfolio performances fees at the end of the performance periods once the attainment of the conditions has been verified and the amount of the fee has been agreed by all parties.

Notes to the consolidated financial statements

Results for the year (continued)

Development income – disposal of inventories

The disposal of inventories is recognised at the point in time when control over the property asset is transferred to the customer. This will generally occur on transfer of legal title and payment in full by the customer. The gain or loss on disposal of inventories is calculated as the difference between the carrying amount of the asset at the time of disposal and the proceeds on disposal (less transaction costs) and is included in the income statement in the period of disposal.

Development income – development management services

Fee income from development management services (including master-planning, development management and overall project management) is recognised progressively as the services are provided in proportion to the stage of completion by reference to costs. Payments are received in accordance with the achievement of agreed milestones over the development period. The development period can exceed 24 months for larger, more complex projects.

Performance related development income includes income associated with the returns from individual developments under the Group's management and performance fee income that relates to development activity. Income in respect of individual developments is recognised by Goodman on attainment of the performance related conditions, which is when the income can be reliably measured and is highly probable of not being reversed. These amounts are paid by the Partnership when the amounts have been measured and agreed. Income associated with development activities as part of a portfolio assessment is recognised on the same basis as outlined above in the management income section.

Development income – fixed price development contracts

Certain development activities are assessed as being fixed price development contracts. This occurs when a signed contract exists, either prior to the commencement of or during the development phase, to acquire a development asset from Goodman on completion. Revenue and expenses relating to these development contracts are recognised in the income statement in proportion to the stage of completion of the relevant contracts by reference to costs. The payments by the purchaser usually occur on completion of the development once legal title has been transferred, but payments may be made during the development period on achievement of agreed milestones. The development period can exceed 24 months for larger, more complex projects.

Net gain on disposal of investment properties

The disposal of an investment property is recognised at the point in time when control over the property has been transferred to the purchaser.

Employee expenses

Wages, salaries and annual leave

Wages and salaries, including non-monetary benefits, and annual leave represent present obligations resulting from employees' services provided to the balance date. These are calculated at undiscounted amounts based on rates that are expected to be paid as at balance date including related on-costs, such as insurances and payroll tax.

Bonuses

A liability is recognised in other payables and accruals for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation. Liabilities for bonuses are measured at the amounts expected to be paid, including related on-costs, when they are settled.

Superannuation

Defined contribution funds

Obligations for contributions to defined contribution funds are recognised as an expense as incurred.

Defined benefit retirement schemes

The net obligation in respect of defined benefit retirement schemes is recognised in the statement of financial position and is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest), are recognised immediately in other comprehensive income. Net interest expense and other expenses related to defined benefit retirement schemes are recognised in the income statement.

Notes to the consolidated financial statements

Results for the year (continued)

Profit before income tax has been arrived at after crediting/(charging) the following items:

	Goodman		GIT	
	2024 $M	2023 $M	2024 $M	2023 $M
Gross property income				
Rental income	96.4	110.4	9.4	22.1
Recovery of property outgoings	9.7	12.4	2.0	5.3
Gross property income	**106.1**	**122.8**	**11.4**	**27.4**
Management activities				
Management services	445.1	438.7	-	-
Performance related income	235.7	0.2	-	-
Management income	**680.8**	**438.9**	**-**	**-**
Development activities				
Income from disposal of inventories	644.4	706.9	-	18.3
Income from fixed price development contracts	157.8	231.9	-	-
Other development income, including development management	333.1	440.2	-	-
Net (loss)/gain on disposal of assets held for sale	(2.7)	4.3	(2.7)	4.3
Net gain on disposal of special purpose development entities, including JVs	63.9	23.9	-	-
Development income	**1,196.5**	**1,407.2**	**(2.7)**	**22.6**
Inventory cost of sales	(389.0)	(420.7)	-	(6.7)
Other development expenses	(142.7)	(186.0)	-	-
Development expenses	**(531.7)**	**(606.7)**	**-**	**(6.7)**
Disposal of controlled entities				
Consideration received from disposal of controlled entities	221.6	-	-	-
Transaction costs and carrying value of net assets disposed	(13.6)	-	-	-
Net gain on disposal of controlled entities[1]	**208.0**	**-**	**-**	**-**
Employee expenses				
Wages, salaries and on-costs	(265.6)	(265.7)	-	-
Annual and long service leave	1.1	2.1	-	-
Superannuation costs	(8.7)	(8.0)	-	-
Employee expenses	**(273.2)**	**(271.6)**	**-**	**-**
Share based payments expense				
Equity settled share based payments expense	(227.2)	(173.6)	-	-
Cash settled share based payments expense	(222.6)	(85.7)	-	-
Other share based payments related costs	(51.6)	(26.7)	-	-
Share based payments expense	**(501.4)**	**(286.0)**	**-**	**-**
Amortisation and depreciation	(17.5)	(16.7)	-	-

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1. Net gain on disposal of controlled entities included the disposal of the New Zealand operating business and derecognition of management rights on internalisation of the management of GMT.

Notes to the consolidated financial statements

Results for the year (continued)

2 Earnings per security

Basic earnings per security (EPS) of the Group is calculated by dividing the profit/loss attributable to the Securityholders by the weighted average number of securities outstanding during the year. Diluted EPS is determined by adjusting the profit/loss attributable to the Securityholders and weighted average number of securities outstanding for all dilutive potential securities, which comprise performance rights issued under the LTIP.

Goodman

	2024 ¢	2023 ¢
Earnings per security		
Basic (loss)/profit per security	(5.2)	83.0
Diluted (loss)/profit per security	(5.2)	81.3

Loss after tax of $98.9 million (2023: profit of $1,559.9 million) was used in calculating basic and diluted EPS.

The weighted average number of securities used in calculating basic and diluted EPS is set out below:

	2024 Number of securities	2023 Number of securities
Weighted average number of securities used in calculating basic EPS	1,896,680,969	1,878,611,049
Effect of performance rights on issue	-	40,542,511
Weighted average number of securities used in calculating diluted EPS	**1,896,680,969**	**1,919,153,560**

The calculation of EPS is not required for GIT.

Goodman Limited

Under Australian Accounting Standards, the issued units of the Trust and the CDIs over the shares of GLHK are presented as non-controlling interests. As a consequence, the Directors are required to present basis EPS and diluted EPS based on Goodman Limited's consolidated result after tax but excluding the results attributable to the Trust and GLHK.

	2024 ¢	2023 ¢
Profit per Goodman Limited share		
Basic profit per Goodman Limited share	21.1	15.3
Diluted profit per Goodman Limited share	20.7	15.0

Profit after tax of $401.1 million (2023: $288.2 million) was used in calculating basic and diluted earnings per Goodman Limited share.

The weighted average number of shares used in calculating basic and diluted earnings per share is set out below:

	2024 Number of shares	2023 Number of shares
Weighted average number of shares used in calculating basic earnings per Company share	1,896,680,969	1,878,611,049
Effect of performance rights on issue	43,122,428	40,542,511
Weighted average number of shares used in calculating diluted earnings per Company share	**1,939,803,397**	**1,919,153,560**

Notes to the consolidated financial statements

Results for the year (continued)

3 Segment reporting

An operating segment is a component of Goodman that engages in business activities from which it may earn revenues and incur expenses. Goodman reports the results and financial position of its operating segments based on the internal reports regularly reviewed by the Group Chief Executive Officer in order to assess each segment's performance and to allocate resources to them.

Operating segment information is reported on a geographic basis and Goodman has determined that its operating segments are Australia and New Zealand (reported on a combined basis), Asia (Greater China (including the Hong Kong SAR) and Japan), Continental Europe (with the majority of assets located in Germany, France, Spain and Netherlands), the United Kingdom and the Americas (principally North America and including Brazil).

The activities and services undertaken by the operating segments include:

- Property investment, through both direct ownership and cornerstone investments in Partnerships
- Management activities, both investment and property management
- Development activities, including development of directly owned assets (predominantly disclosed as inventories) and management of development activities for Partnerships.

The segment results that are reported to the Group Chief Executive Officer are based on profit before net finance expense and income tax expense, and also exclude non-cash items such as fair value adjustments and impairments, corporate expenses and share-based remuneration. The assets allocated to each operating segment are the property assets, including the investments in Partnerships and trade and other receivables associated with the operating activities, but exclude inter-entity funding, income tax receivables and corporate assets. The liabilities allocated to each operating segment primarily relate to trade and other payables associated with the operating activities, but exclude interest bearing liabilities, derivative financial instruments, provisions for distributions and corporate liabilities.

The accounting policies used to report segment information are the same as those used to prepare the consolidated financial statements of Goodman and GIT.

For the purpose of operating segment reporting, there are no material intersegment revenues and costs.

Information regarding the operations of each reportable segment is included on the following pages.

Notes to the consolidated financial statements

Results for the year (continued)

Information about reportable segments

Goodman	Australia and New Zealand		Asia		Continental Europe		United Kingdom		Americas		Total	
Income statement	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M
External revenues												
Gross property income	52.1	66.3	41.9	29.8	3.9	22.8	0.3	0.7	7.9	3.2	106.1	122.8
Management income	331.2	176.1	161.6	156.8	133.1	57.5	8.8	7.5	46.1	41.0	680.8	438.9
Development income	383.9	238.0	183.8	125.0	513.3	742.2	6.3	93.8	109.2	208.2	1,196.5	1,407.2
Total external revenues	**767.2**	**480.4**	**387.3**	**311.6**	**650.3**	**822.5**	**15.4**	**102.0**	**163.2**	**252.4**	**1,983.4**	**1,968.9**
Analysis of external revenues												
Revenue from contracts with customers												
Assets and services transferred at a point in time	329.9	194.6	40.8	28.0	389.6	534.4	-	33.7	1.4	-	761.7	790.7
Assets and services transferred over time	391.5	227.6	308.0	256.1	256.8	267.3	15.1	67.6	153.9	249.2	1,125.3	1,067.8
Other revenue												
Rental income (excludes outgoings recoveries)	45.8	58.2	38.5	27.5	3.9	20.8	0.3	0.7	7.9	3.2	96.4	110.4
Total external revenues	**767.2**	**480.4**	**387.3**	**311.6**	**650.3**	**822.5**	**15.4**	**102.0**	**163.2**	**252.4**	**1,983.4**	**1,968.9**
Reportable segment profit before tax	**1,197.7**	**869.5**	**516.2**	**310.3**	**376.4**	**392.7**	**20.2**	**172.1**	**275.3**	**343.7**	**2,385.8**	**2,088.3**
Share of net results of equity accounted investments	(39.3)	464.5	(137.3)	28.5	1.1	(100.1)	38.0	(117.6)	(658.8)	747.9	(796.3)	1,023.2
Material non-cash items not included in reportable segment profit before tax												
Net gain/(loss) from fair value adjustments on investment properties	43.9	279.3	(23.4)	(0.4)	-	-	-	-	(14.5)	-	6.0	278.9
Share of net gain/(loss) from fair value adjustments in equity accounted investments	(184.3)	292.5	(366.2)	(52.2)	(50.5)	(146.2)	17.4	(152.5)	(827.3)	598.6	(1,410.9)	540.2

	Australia and New Zealand		Asia		Continental Europe		United Kingdom		Americas		Total	
Statement of financial position	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M
Reportable segment assets	**9,056.6**	**9,070.8**	**4,501.4**	**4,592.0**	**2,486.4**	**2,634.4**	**1,075.4**	**1,049.5**	**4,952.1**	**5,350.3**	**22,071.9**	**22,697.0**
Included in reportable segment assets are:												
Investment properties	780.7	882.5	526.8	451.7	-	-	-	-	470.8	310.6	1,778.3	1,644.8
Investments accounted for using the equity method	7,311.9	6,666.0	3,052.3	3,231.5	917.2	964.6	613.6	586.6	4,189.3	4,825.4	16,084.3	16,274.1
Non-current assets	**8,461.2**	**7,968.1**	**4,107.0**	**4,243.2**	**2,369.3**	**2,347.6**	**967.1**	**926.8**	**4,791.3**	**5,154.6**	**20,695.9**	**20,640.3**
Additions to non-current assets include:												
– Investment properties	170.3	31.7	17.0	101.4	-	-	-	-	161.6	307.5	348.9	440.6
– Investments accounted for using the equity method	842.4	974.6	289.9	213.2	14.7	15.6	13.1	138.0	160.4	167.6	1,320.5	1,509.0
Reportable segment liabilities	**384.0**	**432.7**	**330.4**	**278.2**	**60.4**	**139.8**	**13.3**	**38.3**	**315.9**	**434.9**	**1,104.0**	**1,323.9**

Notes to the consolidated financial statements

Results for the year (continued)

GIT	Australia and New Zealand		Asia		Continental Europe		Americas		Total	
Income statement	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M
External revenues										
Gross property income	11.4	27.4	-	-	-	-	-	-	11.4	27.4
Development income	(2.7)	22.6	-	-	-	-	-	-	(2.7)	22.6
Distributions from investments	-	-	-	-	8.0	27.7	-	-	8.0	27.7
Total external revenues	**8.7**	**50.0**	**-**	**-**	**8.0**	**27.7**	**-**	**-**	**16.7**	**77.7**
Analysis of external revenues										
Revenue from contracts with customers										
Assets and services transferred at a point in time	(2.7)	22.6	-	-	-	-	-	-	(2.7)	22.6
Assets and services transferred over time	2.0	5.3	-	-	-	-	-	-	2.0	5.3
Other revenue										
Rental income (excludes outgoings recoveries)	9.4	22.1	-	-	-	-	-	-	9.4	22.1
Distributions from investments	-	-	-	-	8.0	27.7	-	-	8.0	27.7
Total external revenues	**8.7**	**50.0**	**-**	**-**	**8.0**	**27.7**	**-**	**-**	**16.7**	**77.7**
Reportable segment profit before tax	**175.6**	**175.1**	**38.4**	**33.7**	**48.6**	**63.9**	**147.5**	**126.9**	**410.1**	**399.6**
Share of net results of equity accounted investments	84.9	488.3	5.3	(39.8)	(0.5)	(90.2)	(634.8)	720.8	(545.1)	1,079.1
Material non-cash items not included in reportable segment profit before tax										
Net gain from fair value adjustments on investment properties	44.4	229.0	-	-	-	-	-	-	44.4	229.0
Share of net (loss)/gain from fair value adjustments in equity accounted investments	(59.2)	345.3	(36.7)	(76.3)	(37.4)	(122.1)	(797.3)	577.0	(930.6)	723.9

	Australia and New Zealand		Asia		Continental Europe		Americas		Total	
Statement of financial position	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M
Reportable segment assets	**6,717.5**	**6,795.3**	**1,767.2**	**1,739.9**	**766.9**	**801.7**	**4,539.7**	**4,693.3**	**13,791.3**	**14,030.2**
Included in reportable segment										
Investment properties	115.6	234.4	-	-	-	-	470.8	-	586.4	234.4
Investments accounted for using the equity method	6,518.7	5,826.0	1,767.2	1,739.9	745.0	795.2	4,038.0	4,651.2	13,068.9	13,012.3
Non-current assets	**6,634.3**	**6,060.4**	**1,767.2**	**1,739.9**	**766.2**	**801.0**	**4,508.8**	**4,651.2**	**13,676.5**	**13,252.5**
Additions to non-current assets include:										
– Investment properties	154.6	25.7	-	-	-	-	476.3	-	630.9	25.7
– Investments accounted for using the equity method	737.3	756.2	59.5	31.0	-	-	154.6	161.6	951.4	948.8
Reportable segment liabilities	**272.5**	**346.2**	**-**	**-**	**-**	**-**	**270.6**	**376.5**	**543.1**	**722.7**

Notes to the consolidated financial statements

Results for the year (continued)

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities

		Goodman		GIT	
	Note	2024 $M	2023 $M	2024 $M	2023 $M
Revenues					
Total revenues for reportable segments		1,983.4	1,968.9	16.7	77.7
Consolidated revenues		**1,983.4**	**1,968.9**	**16.7**	**77.7**
Profit or loss					
Total profit before tax for reportable segments					
Property investment earnings		567.1	531.4	412.7	400.2
Management earnings		776.4	480.6	-	-
Development earnings[1]		1,276.8	1,301.2	-	-
Operating expenses allocated to reportable segments		(234.5)	(224.9)	(2.6)	(0.6)
Reportable segment profit before tax		**2,385.8**	**2,088.3**	**410.1**	**399.6**
Corporate expenses not allocated to reportable segments		(148.2)	(147.6)	(47.7)	(73.9)
		2,237.6	**1,940.7**	**362.4**	**325.7**
Valuation and other items not included in reportable segment profit before tax:					
– Net gain from fair value adjustments on investment properties	5(e)	6.0	278.9	44.4	229.0
– Share of fair value adjustments attributable to investment properties in Partnerships	5(f)(i),(ii)	(1,410.4)	544.7	(928.3)	716.5
– Share of fair value adjustments on derivative financial instruments in Partnerships	5(f)(i),(ii)	(0.5)	(4.5)	(2.3)	7.4
– Share based payments expense	1	(501.4)	(286.0)	-	-
– Straight lining of rental income and tax deferred adjustments		(43.5)	14.9	(8.0)	15.6
– Realisation of prior years' property valuation gains, net of deferred tax [1]		(322.3)	(511.8)	-	-
(Loss)/profit before interest and tax		**(34.5)**	**1,976.9**	**(531.8)**	**1,294.2**
Net finance (expense)/income	14	(22.5)	(234.8)	8.5	(57.1)
Consolidated (loss)/profit before income tax		**(57.0)**	**1,742.1**	**(523.3)**	**1,237.1**
Assets					
Assets for reportable segments		22,071.9	22,697.0	13,791.3	14,030.2
Cash		1,092.9	590.0	937.0	448.6
Other unallocated amounts[2]		663.3	740.2	2,770.4	3,660.2
Consolidated total assets		**23,828.1**	**24,027.2**	**17,498.7**	**18,139.0**
Liabilities					
Liabilities for reportable segments		1,104.0	1,323.9	543.1	722.7
Interest bearing liabilities		3,686.7	3,292.9	3,432.5	2,982.8
Provisions for dividends/distributions to Securityholders	18	284.9	282.5	208.9	188.4
Other unallocated amounts[2]		1,214.6	1,103.1	783.0	1,048.7
Consolidated total liabilities		**6,290.2**	**6,002.4**	**4,967.5**	**4,942.6**

1. Realisation of prior years' property valuation gains, net of deferred tax is a non-IFRS measure and relates to the Group's share of realised valuation gains on repositioned properties (both directly and indirectly owned) that have transacted during the year. During FY24, $322.3 million of these realised valuation gains have been included in development earnings and as at 30 June 2024, the Group's share of unrealised valuation gains since the repositioning activities commenced was $4.4 million (30 June 2023: $271.3 million). Refer to page 22 of the Directors report for further details.
1. Other unallocated amounts in Goodman and GIT included other financial assets and liabilities, deferred tax assets, tax payables and provisions which did not relate to the reportable segments. Additionally, other unallocated assets and liabilities in GIT included loans due from/to controlled entities of Goodman.

Notes to the consolidated financial statements

Results for the year (continued)

4 Taxation

Income tax for the period comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised directly in equity, in which case the relevant amounts of tax are recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the financial year and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not accounted for:

- Goodwill
- The initial recognition of assets or liabilities that affect neither accounting nor taxable profit
- Differences relating to investments in controlled entities to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. Deferred tax assets or liabilities in respect of investment properties held at fair value are calculated on the presumption that the carrying amount of the investment property will be recovered through sale. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from dividends/distributions are recognised at the same time as the liability to pay the related dividends/distributions.

Pillar Two minimum tax regime

Many countries have either adopted or have indicated that they are going to adopt the OECD Pillar Two minimum tax regime, which has the objective of requiring a minimum effective corporate tax rate of 15% for large multinational enterprises. On 21 March 2024, the Australian Treasury released draft legislation for the implementation of the OECD's Pillar Two minimum tax regime in Australia, confirming that a global and domestic minimum tax rate of 15% will apply in Australia with effect from 1 January 2024. Whilst at 30 June 2024 the measure has not yet been enacted in Australia, similar legislation has been enacted in Japan, parts of Continental Europe and the United Kingdom, which are countries in which the Group has operations.

This new (enacted or proposed) legislation has been incorporated in the assessment of income tax as at 30 June 2024 and there have been no material impacts. The Group will continue to review the impacts of any proposed changes but does not anticipate that the legislation will have a material impact on the Group's results.

In the current and prior year, the Group has applied the temporary mandatory exception, under Australian accounting standards, from deferred tax accounting for any top-up tax arising from the legislation to adopt the OECD's Pillar Two minimum tax regime.

Notes to the consolidated financial statements

Results for the year (continued)

(a) Amounts recognised in the income statement

	Goodman		GIT	
	2024 $M	2023 $M	2024 $M	2023 $M
Current tax expense recognised in the income statement				
Current year	(170.6)	(141.8)	(3.8)	(2.9)
Changes in estimates related to prior years	4.6	7.2	-	-
Current tax expense	**(166.0)**	**(134.6)**	**(3.8)**	**(2.9)**
Deferred tax credit/(expense) recognised in the income statement				
Origination and reversal of temporary differences	124.1	(47.6)	110.0	(96.2)
Deferred tax credit/(expense)	**124.1**	**(47.6)**	**110.0**	**(96.2)**
Total income tax (expense)/credit recognised in the income statement	**(41.9)**	**(182.2)**	**106.2**	**(99.1)**

(b) Reconciliation of profit before income tax to income tax expense

	Goodman	
	2024 $M	2023 $M
Profit before income tax	(57.0)	1,742.1
Prima facie income tax expense calculated at 30% (2022: 30%) on the profit before income tax	17.1	(522.6)
Decrease/(increase) in income tax expense due to:		
– (Loss)/profit attributable to GIT Unitholders	(166.3)	333.0
– Current year losses for which no deferred tax asset was recognised	(25.9)	(8.8)
– Other (non-deductible)/non-assessable items, net	(66.0)	(61.0)
– Benefit of previously unrecognised temporary differences, including tax losses	84.7	128.3
– Difference in overseas tax rates	19.0	50.1
– Changes in estimates related to prior years	4.6	7.2
– Taxes on Partnership income	94.3	(108.6)
– Other items	(3.4)	0.2
Income tax expense	**(41.9)**	**(182.2)**

GIT

The income tax expense recorded by GIT relates to withholding taxes on actual distributions and deferred taxes on potential future distributions from Partnerships. Refer to note 4(e).

(c) Current tax receivables/payables

	2024 $M	2023 $M
Net income tax payable		
Net income tax payable at the beginning of the year	(158.3)	(169.5)
Decrease/(increase) in current tax payable due to:		
– Net income taxes paid	124.6	164.1
– Current tax expense	(166.0)	(134.6)
– Other	3.1	(18.3)
Net income tax payable at the end of the year	**(196.6)**	**(158.3)**
Current tax receivables (refer to note 6)	21.2	11.9
Current tax payables	(217.8)	(170.2)
	(196.6)	**(158.3)**

Notes to the consolidated financial statements

Results for the year (continued)

(d) Deferred tax assets and liabilities

Deferred tax assets/(liabilities) are attributable to the following:

	Goodman			
	2024	2023	2024	2023
	Deferred tax assets		Deferred tax liabilities	
	$M	$M	$M	$M
Investment properties[1]	-	-	(391.2)	(493.6)
LTIP	104.9	68.8	-	-
Other items	30.5	20.4	(20.7)	(9.9)
Tax assets/(liabilities)	**135.4**	**89.2**	**(411.9)**	**(503.5)**
Set off of tax	(76.1)	(45.3)	76.1	45.3
Net tax assets/(liabilities)	**59.3**	**43.9**	**(335.8)**	**(458.2)**

1. Including withholding tax on potential future distributions from the disposal of investment properties by Partnerships.

Movements in deferred taxes recognised in expenses and equity are attributable to the following:

	Goodman	
	2024 $M	2023 $M
Deferred tax benefit/(expense) recognised in expenses		
Investment properties - fair value adjustments	131.4	(47.7)
LTIP	25.9	28.9
Other items	(33.2)	(28.8)
Total deferred tax benefit/(expense) recognised in expenses	**124.1**	**(47.6)**
Deferred tax benefit recognised in equity		
LTIP	10.3	0.6
Total deferred tax benefit recognised in equity	**10.3**	**0.6**
Total deferred tax movements recognised in expenses and equity	**134.4**	**(47.0)**

Deferred tax assets of $269.9 million (2023: $281.8 million) arising primarily from tax losses (revenue and capital in nature) and deductions associated with the LTIP have not been recognised by Goodman.

GIT

At 30 June 2024, deferred tax liabilities of $266.6 million (2023: $375.0 million) have been recognised in relation to withholding tax on potential future distributions from the disposal of investment properties by Partnerships.

(e) Taxation of GIT

Under current Australian income tax legislation, the Trust is not liable for income tax, including capital gains tax, provided that Securityholders are presently entitled to the distributable income of the Trust as calculated for trust law purposes. The controlled entities of the Trust that operate in certain foreign jurisdictions are liable to pay tax in those jurisdictions.

Notes to the consolidated financial statements

(continued)

OPERATING ASSETS AND LIABILITIES

The notes in this section focus on Goodman's property assets, working capital and goodwill and intangible assets.

5 Property assets

(a) Principles and policies

Investment in property assets includes both inventories and investment properties (including those under development), which may be held either directly or through investments in Partnerships (both associates and JVs).

Inventories

Inventories relate to land and property developments that are held for sale or development and sale in the normal course of the Group's business. Inventories are carried at the lower of cost or net realisable value. The calculation of net realisable value requires estimates and assumptions which are regularly evaluated and are based on historical experience and expectations of future events that are believed to be reasonable under the circumstances.

Inventories are classified as non-current assets unless they are contracted to be sold within 12 months of the end of the reporting period, in which case they are classified as current assets.

Investment properties

Investment properties comprise investment interests in land and buildings held for the purpose of leasing to produce rental income and/or for capital appreciation. Investment properties are carried at fair value. The calculation of fair value requires estimates and assumptions which are continually evaluated and are based on historical experience and expectations of future events that are believed to be reasonable under the circumstances. Investment properties are not depreciated as they are subject to continual maintenance and regularly revalued on the basis described below. Changes in the fair value of investment properties are recognised directly in the income statement.

Components of investment properties

Land and buildings (including integral plant and equipment) comprising investment properties are regarded as composite assets and are disclosed as such in the consolidated financial report.

Investment property carrying values include the costs of acquiring the assets and subsequent costs of development, including costs of all labour and materials used in construction, costs of managing the projects, holding costs and borrowing costs incurred during the development periods.

Amounts provided to customers as lease incentives and assets relating to fixed rental income increases in operating lease contracts are included within investment property values. Lease incentives are amortised over the term of the lease on a straight-line basis. Direct expenditure associated with leasing a property is also capitalised within investment property values and amortised over the term of the lease.

Classification of investment properties

Investment properties are classified as either properties under development or stabilised properties. Investment properties under development include land, new investment properties in the course of construction and investment properties that are being redeveloped. Stabilised investment properties are all investment properties not classed as being under development and would be completed properties that are leased or are available for lease to customers.

For investment properties under development, the carrying values are reviewed by management at each reporting date to consider whether they reflect the fair value and at completion external valuations are obtained to determine the fair values.

For stabilised investment properties, independent valuations are obtained at least every two years to determine the fair values. At each reporting date between obtaining independent valuations, the carrying values are reviewed by management to ensure they reflect the fair values.

Deposits for investment properties

Deposits and other costs associated with acquiring investment properties that are incurred prior to obtaining legal title are recorded at cost and disclosed as other receivables in the statement of financial position.

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

(b) Summary of investment in property assets

		Goodman		GIT	
		2024	2023	2024	2023
	Note	$M	$M	$M	$M
Inventories					
Land and development properties - current	5(d)	434.4	464.2	-	-
Land and development properties - non-current	5(d)	1,924.5	1,781.3	-	-
		2,358.9	2,245.5	-	-
Assets held for sale					
Investment properties included in assets held for sale	8	25.7	515.3	25.7	515.3
		25.7	515.3	25.7	515.3
Investment properties					
Stabilised investment properties		1,179.4	1,125.3	115.7	25.2
Investment properties under development		598.9	519.5	470.7	209.2
	5(e)	1,778.3	1,644.8	586.4	234.4
Investments accounted for using the equity method					
Associates	5(f)(i)	8,418.5	8,315.4	7,521.8	7,291.9
JVs	5(f)(ii)	7,679.5	7,969.8	5,547.1	5,720.4
		16,098.0	16,285.2	13,068.9	13,012.3
Total property assets		20,260.9	20,690.8	13,681.0	13,762.0

(c) Estimates and assumptions in determining property carrying values

Inventories

For both inventories held directly and inventories held in Partnerships, external valuations are not performed but instead valuations are determined using the feasibility studies supporting the land and property developments. The end values of the developments in the feasibility studies are based on assumptions such as capitalisation rates, letting up periods, rental income and incentives that are consistent with those observed in the relevant market. If the feasibility study calculations indicate that the forecast cost of a completed development will exceed the net realisable value, then the inventories are impaired.

Investment properties

Stabilised investment properties

The fair value of stabilised investment properties is based on current prices in an active market for similar properties in the same location and condition and subject to similar lease and other contracts. The current price is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgably, prudently and without compulsion.

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

Approach to determination of fair value

The approach to determination of fair value of investment properties is applied to both investment properties held directly and investment properties held in Partnerships.

Valuations are determined based on assessments and estimates of uncertain future events, including upturns and downturns in property markets and availability of similar properties, vacancy rates, market rents and capitalisation and discount rates. Recent and relevant sales evidence and other market data are taken into account. Valuations are either based on an external independent valuation or on an internal valuation.

External valuations are undertaken only where market segments were observed to be active. In making the determination of whether a market segment is active, the following characteristics are considered:

- Function of the asset (distribution/warehouse or suburban office)
- Location of asset (city, suburb or regional area)
- Carrying value of the asset (categorised by likely appeal to private (including syndicates), national and/or institutional investors)
- Categorisation as primary or secondary based on a combination of location, weighted average lease expiry, quality of tenant covenant (internal assessment based on available market evidence) and age of construction.

Each property asset is assessed and grouped with assets in the same or similar market segments. Information on all relevant recent sales is also analysed using the same criteria to provide a comparative set. The number of sales and the circumstances of each sale are assessed to determine whether a market segment is active or inactive.

Where a market segment is observed to be active, then external independent valuations are instructed for stabilised investment properties where there has been a combination of factors that are likely to have resulted in a material movement in valuation. The considerations include a greater than 10% movement in market rents, more than a 25 basis point movement in capitalisation rates, a material change in tenancy profile (including changes in the creditworthiness of a significant customer that may have a material impact on the property valuation), significant capital expenditure, a change in use (or zoning), a development has reached completion/stabilisation of the asset or it has been two years since the previous external independent valuation. For all other stabilised investment properties in an active market segment, an internal valuation is performed based on observable capitalisation rates and referenced to independent market data.

Where a market segment is observed to be inactive, then no external independent valuations are performed and internal valuations are undertaken based on discounted cash flow (DCF) calculations. The DCF calculations are prepared over a 10-year period. The key inputs considered for each individual calculation are:

- Current contractual lease terms
- Current market rents
- Projected growth in market rents
- Expected and likely capital expenditures
- Projected letting up incentives provided to customers and vacant time on expiry of leases
- Discount rates – computed using the 10 year bond rate or equivalent in each jurisdiction plus increments to reflect country risk, tenant credit risk and industry risk. Where possible, the components of the discount rate are benchmarked to available market data.

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

Market assessment

With the more volatile economic conditions in FY24 compared to prior years, there have been fewer transactions of industrial, logistics and warehousing properties during the year. Nevertheless, at 30 June 2024, the Board has been able to assess that all markets in which the Group operated were active and as a consequence no adjustments have been made to the carrying values of the Group's stabilised investment property portfolios on the basis of internally prepared discounted cash flow valuations.

The overall weighted average capitalisation rates for the divisional portfolios (including Partnerships) are as set out in the table below:

	Total portfolio weighted average capitalisation rate			
	Goodman		GIT	
Division	2024 %	2023 %	2024 %	2023 %
Australia and New Zealand	5.2	4.4	5.1	4.3
Asia	4.8	4.4	4.5	4.1
Continental Europe	5.1	4.5	-	4.5
United Kingdom	5.3	4.9	-	-
Americas	5.8	4.7	5.8	4.6

In respect of the Group's and GIT's directly held stabilised investment properties at 30 June 2024, 68% (2023: 72%) and 100% (2023: 100%), respectively, had been valued by an external independent valuer during the financial year. All independent valuers used by the Group are required to hold a recognised and relevant professional qualification and have recent experience in the location and category of the investment properties being valued.

For the Partnerships, all stabilised properties were valued by an external independent valuer during the financial year.

Sensitivity analysis

The fair value measurement approach for directly held investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation method used. The usual valuation methods are either based on income capitalisation or market comparison. Where the income capitalisation method is adopted, then the stabilised investment property valuations at 30 June 2024 are most sensitive to the following inputs:

+ Capitalisation rates
+ Market rents
+ Incentives provided to customers and/or vacant time on expiry of leases.

The directly held stabilised investment properties are in Australia and Asia and the Americas. The range of market rents and average capitalisation rate and range of prices are summarised in the table below:

Valuation technique	Significant unobservable inputs	2024	2023
Income capitalisation	Range of net market rents (per square metre per annum)	\$110 to \$477	\$110 to \$450
	Average capitalisation rate	5.0%	4.5%
Market comparison	Price per square metre	\$1,851 to \$8,951	\$1,851 to \$21,218

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

The impacts on the Group's financial position that would arise from the changes in capitalisation rates, market rents and incentives/re-leasing time are set out in the table below. This illustrates the impacts on Goodman in respect of both the directly held stabilised investment properties and its share of those stabilised investment properties held by Partnerships.

	Goodman		GIT	
	Valuation impact for the Group		Valuation impact for GIT	
	Directly held properties $M	Partnerships[1] $M	Directly held properties $M	Partnerships[1] $M
Book value at 30 June 2024	1,179.3	18,387.1	77.0	14,896.6
Changes in capitalisation rates				
Increase in cap rates +50 bps	(111.2)	(1,607.7)	(7.3)	(1,306.9)
Increase in cap rates +25 bps	(58.4)	(841.1)	(3.9)	(683.7)
Decrease in cap rates -25 bps	65.0	927.2	4.3	753.4
Decrease in cap rates -50 bps	137.7	1,954.8	9.1	1,587.9
Changes in market rents				
Decrease in rents -10%	(47.6)	(823.1)	(3.4)	(676.8)
Decrease in rents -5%	(23.8)	(411.6)	(1.7)	(338.4)
Increase in rents +5%	23.8	411.6	1.7	338.4
Increase in rents +10%	47.6	823.1	3.4	676.8
Changes in incentives/re-leasing time[2]				
Increase in incentives/ re-leasing time +3 months	(5.1)	(56.9)	(0.2)	(45.0)
Increase in incentives/ re-leasing time +6 months	(10.3)	(113.8)	(0.5)	(89.9)

1. Goodman's share of stabilised investment properties held by Partnerships.
2. On assumed lease expiries over the next 12 months.

Investment properties under development

For the directly held investment properties under development, external independent valuations are generally not performed, but instead valuations are determined at each reporting date using the feasibility assessments supporting the developments. The end values of the developments in the feasibility assessments are based on assumptions such as capitalisation rates, market rents, incentives provided to customers and vacant time that are consistent with those observed in the relevant market adjusted for a profit and risk factor. This profit and risk factor is dependent on the function, location, size and current status of the development and are generally in a market range of 10% to 15%; although for larger more complex projects that are at an early stage of the development, the profit and risk factor could be higher. This adjusted end value is then compared to the forecast cost of a completed development to determine whether there is an increase or decrease in value.

In respect of the Partnerships, certain Partnerships obtain external independent valuations of investment properties under development at reporting dates. However, the majority determine the fair values at reporting dates by reference to the feasibility assessments, with external independent valuations obtained when the properties have been stabilised.

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

(d) Inventories

	Goodman		GIT	
	2024 $M	2023 $M	2024 $M	2023 $M
Current				
Land and development properties	434.4	464.2	-	-
	434.4	464.2	-	-
Non-current				
Land and development properties	1,924.5	1,781.3	-	-
	1,924.5	1,781.3	-	-

Goodman

During the current and prior financial year, no impairment losses were recognised on land and development properties.

During the financial year, borrowing costs of $7.1 million (2023: $5.1 million) previously capitalised into the carrying value of inventories were expensed to the income statement on disposal of the inventories.

(e) Investment properties

Reconciliation of carrying amount of directly held investment properties

	Goodman		GIT	
	2024 $M	2023 $M	2024 $M	2023 $M
Carrying amount at the beginning of the year	1,644.8	1,423.7	234.4	495.3
Acquisitions	280.1	407.1	594.5	-
Capital expenditure	88.1	33.5	40.6	25.4
Carrying value of properties disposed	(2.0)	(0.2)	(2.0)	-
On disposal of interests in controlled entities	(291.7)	-	(291.7)	-
Transfers to assets held for sale	(25.7)	(515.3)	(25.7)	(515.3)
Transfers from inventories	81.9	-	-	-
Net gain from fair value adjustments	6.0	278.9	44.4	229.0
Effect of foreign currency translation	(3.2)	17.1	(8.1)	-
Carrying amount at the end of the year	**1,778.3**	**1,644.8**	**586.4**	**234.4**
Analysed by segment:				
Australia and New Zealand	780.7	882.5	115.6	234.4
Asia	526.8	451.7	470.8	-
Americas	470.8	310.6	-	-
	1,778.3	1,644.8	586.4	234.4

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

Non-cancellable operating lease commitments receivable from investment property customers

The analysis in the table below reflects the gross property income, excluding recoverable outgoings, based on existing lease agreements. It assumes that leases will not extend beyond the next review date, where the customer has an option to end the lease.

	Goodman		GIT	
	2024 $M	2023 $M	2024 $M	2023 $M
Non-cancellable operating lease commitments receivable:				
Less than one year	45.6	58.3	5.3	17.3
One to two years	36.4	51.0	4.7	17.1
Two to three years	22.9	42.6	4.3	14.6
Three to four years	14.9	29.6	4.3	12.5
Four to five years	7.3	22.8	-	11.4
More than five years	20.4	137.4	-	54.6
	147.5	341.7	18.6	127.5

(f) Investments accounted for using the equity method

Investments accounted for using the equity method comprise associates and JVs, which are collectively referred to as Partnerships.

Associates

An associate is an entity in which Goodman exercises significant influence but not control over its financial and operating policies.

JVs

A JV is an arrangement in which Goodman is considered to have joint control for accounting purposes, whereby Goodman has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

In the consolidated financial statements, investments in Partnerships are accounted for using the equity method. Under this method, Goodman's investment is initially recognised at cost. Subsequent to initial recognition, the consolidated financial statements include Goodman's share of the gains or losses and other comprehensive income of Partnerships until the date on which significant influence or joint control ceases.

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

(i) Investments in associates

Investments in Partnerships classified as associates are set out below:

		Share of net results		Ownership interest		Investment carrying amount	
Name of associate	Country of establishment	2024 $M	2023 $M	2024 %	2023 %	2024 $M	2023 $M
Goodman							
Property investment							
Goodman Australia Industrial Partnership (GAIP)	Australia	55.5	300.7	29.0	28.6	3,468.9	3,453.6
Goodman Australia Partnership (GAP)	Australia	41.6	106.8	19.9	19.9	1,152.8	1,133.6
Goodman Property Trust (GMT)[1]	New Zealand	(155.8)	(29.5)	31.8	25.2	899.5	797.9
Goodman Hong Kong Logistics Partnership (GHKLP)	Cayman Islands	5.3	(39.8)	20.6	20.4	1,767.2	1,739.9
Goodman Japan Core Partnership (GJCP)[2]	Japan	31.6	32.7	14.0	14.4	384.9	394.9
Goodman European Partnership (GEP)	Luxembourg	(0.5)	(90.2)	19.8	19.8	745.0	795.2
Other associates		-	(0.6)			0.2	0.3
		(22.3)	280.1			8,418.5	8,315.4
GIT							
Property investment							
GAIP	Australia	55.5	300.7	29.0	28.6	3,468.9	3,453.6
GAP	Australia	41.6	106.8	19.9	19.9	1,152.8	1,133.6
GMT[1]	New Zealand	(39.7)	(6.2)	13.7	5.4	387.9	169.6
GHKLP	Cayman Islands	5.3	(39.8)	20.6	20.4	1,767.2	1,739.9
GEP	Luxembourg	(0.5)	(90.2)	19.8	19.8	745.0	795.2
		62.2	271.3			7,521.8	7,291.9

1. GMT is listed on the New Zealand Stock Exchange (NZX). At 30 June 2024, the market value of Goodman's investment in GMT using the quoted price on the last day of trading was $897.7 million (2023: $721.7 million), which compared to the carrying value of $899.5 million. Goodman does not consider its investment impaired as the carrying value is equal to its share of GMT's net assets and is supported by independent valuations of the individual investment properties in GMT. GIT has a 13.7% ownership interest in GMT, which forms part of Goodman's 31.8% ownership interest in GMT. As a result, the Directors have assessed that GIT also has significant influence over GMT and has applied the equity method of accounting for its 13.7 % interest.
2. Goodman's ownership interest in GJCP reflected the weighted average ownership interest in the various property investment vehicles.

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

The reconciliation of the carrying amount of investments in Partnerships classified as associates is set out as follows:

	Goodman		GIT	
	2024	2023	2024	2023
Movement in carrying amount of investments in associates	$M	$M	$M	$M
Carrying amount at the beginning of the year	8,315.4	7,850.7	7,291.9	6,814.4
Share of net results after tax (before fair value adjustments)	201.8	230.3	197.9	194.9
Share of fair value adjustments attributable to investment properties after tax	(222.3)	47.1	(134.2)	71.8
Share of fair value adjustments on derivative financial instruments	(1.8)	2.7	(1.5)	4.6
Share of net results	(22.3)	280.1	62.2	271.3
Share of movements in reserves	(6.9)	2.4	(6.9)	2.4
Acquisitions	419.0	261.6	368.0	255.6
Distributions received and receivable	(226.5)	(210.1)	(180.2)	(181.8)
Effect of foreign currency translation	(60.2)	130.7	(13.2)	130.0
Carrying amount at the end of the year	**8,418.5**	**8,315.4**	**7,521.8**	**7,291.9**

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

The table below includes further information regarding Partnerships classified as associates, held at the end of the financial year:

	GAIP		GAP		GMT	
	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M
Summarised statement of financial position						
Total current assets	158.0	923.5	60.9	38.4	40.2	13.8
Total non-current assets	14,709.0	13,872.8	7,140.0	7,012.5	4,268.7	4,508.6
Total current liabilities	338.3	454.4	113.3	126.5	340.3	131.3
Total non-current liabilities	2,630.0	2,349.4	1,355.5	1,290.6	1,137.6	1,223.1
Net assets (100%)	**11,898.7**	**11,992.5**	**5,732.1**	**5,633.8**	**2,831.0**	**3,168.0**
Summarised statement of comprehensive income						
Revenue	557.3	523.9	347.1	320.5	187.9	117.7
Profit/(loss) after tax and revaluations	192.0	1,050.2	209.0	536.4	(522.6)	(117.7)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income/(loss) (100%)	**192.0**	**1,050.2**	**209.0**	**536.4**	**(522.6)**	**(117.7)**
Goodman						
Consolidated ownership interest	29.0%	28.6%	19.9%	19.9%	31.8%	25.2%
Consolidated share of net assets	3,448.2	3,434.7	1,141.3	1,121.7	899.5	797.9
Other items, including capitalised costs	-	-	-	-	-	-
Distributions receivable[1]	20.7	18.9	11.5	11.9	-	-
Carrying amount of investment	**3,468.9**	**3,453.6**	**1,152.8**	**1,133.6**	**899.5**	**797.9**
Distributions received and receivable	**80.3**	**73.3**	**22.5**	**33.1**	**22.2**	**19.0**
GIT						
Consolidated ownership interest	29.0%	28.6%	19.9%	19.9%	13.7%	5.4%
Consolidated share of net assets	3,448.2	3,434.7	1,141.3	1,121.7	387.9	170.1
Other items, including capitalised costs	-	-	-	-	-	(0.5)
Distributions receivable[1]	20.7	18.9	11.5	11.9	-	-
Carrying amount of investment	**3,468.9**	**3,453.6**	**1,152.8**	**1,133.6**	**387.9**	**169.6**
Distributions received and receivable	**80.3**	**73.3**	**22.5**	**33.1**	**6.3**	**4.0**

1. Distributions receivable related to distributions provided for but not paid by the Partnerships at 30 June 2024. This was applicable to trusts in Australia where unitholders were presently entitled to income at the end of the financial year.

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

	GHKLP		GJCP		GEP	
	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M
Summarised statement of financial position						
Total current assets	174.3	161.4	258.4	220.3	88.4	107.4
Total non-current assets	11,602.4	11,529.7	4,056.7	3,929.9	6,494.9	6,793.9
Total current liabilities	437.8	457.7	41.4	301.6	217.8	226.5
Total non-current liabilities	2,777.1	2,711.3	1,526.5	1,105.9	2,600.3	2,655.8
Net assets (100%)	**8,561.8**	**8,522.1**	**2,747.2**	**2,742.7**	**3,765.2**	**4,019.0**
Summarised statement of comprehensive income						
Revenue	441.6	386.7	307.4	196.3	319.4	280.1
Profit/(loss) after tax and revaluations	(200.2)	(194.5)	213.2	216.6	(2.3)	(455.9)
Other comprehensive income	(34.1)	11.8	-	-	-	-
Total comprehensive income/(loss) (100%)	**(234.3)**	**(182.7)**	**213.2**	**216.6**	**(2.3)**	**(455.9)**
Goodman						
Consolidated ownership interest	20.6%	20.4%	14.0%	14.4%	19.8%	19.8%
Consolidated share of net assets	1,765.8	1,738.5	385.0	395.1	745.0	795.2
Other items, including capitalised costs	1.4	1.4	(0.1)	(0.2)	-	-
Distributions receivable[1]	-	-	-	-	-	-
Carrying amount of investment	**1,767.2**	**1,739.9**	**384.9**	**394.9**	**745.0**	**795.2**
Distributions received and receivable	**35.3**	**38.8**	**30.4**	**13.3**	**35.8**	**32.6**
GIT						
Consolidated ownership interest	20.6%	20.4%	-	-	19.8%	19.8%
Consolidated share of net assets	1,765.8	1,738.5	-	-	745.0	795.2
Other items, including capitalised costs	1.4	1.4	-	-	-	-
Distributions receivable[1]	-	-	-	-	-	-
Carrying amount of investment	**1,767.2**	**1,739.9**	-	-	**745.0**	**795.2**
Distributions received and receivable	**35.3**	**38.8**	-	-	**35.8**	**32.6**

1. Distributions receivable related to distributions provided for but not paid by the Partnerships at 30 June 2024. This was applicable to trusts in Australia where unitholders were presently entitled to income at the end of the financial year.

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

(ii) Investments in JVs

A summary of the results and ownership interests of principal Partnerships classified as JVs is set out below:

		Share of net results		Ownership interest		Investment carrying amount	
Name of JV	Country of establishment/ incorporation	2024 $M	2023 $M	2024 %	2023 %	2024 $M	2023 $M
Goodman							
Property investment and development							
Goodman Japan Development Partnership (GJDP)	Cayman Islands	158.2	8.8	50.0	50.0	220.2	172.5
Goodman China Logistics Partnership (GCLP)	Cayman Islands	(335.2)	26.8	20.0	20.0	605.0	923.3
Goodman UK Partnerships (GUKP)[1]	United Kingdom	39.6	(125.4)	35.2	35.0	604.4	573.7
Goodman North America Partnership (GNAP)	United States of America	(659.7)	745.0	55.0	55.0	4,164.1	4,798.5
Other JVs		22.7	87.1			2,085.8	1,501.8
		(774.4)	742.3			7,679.5	7,969.8
GIT							
Property investment and development							
GNAP	United States of America	(635.6)	717.9	53.0	53.0	4,012.9	4,624.2
Other JVs		28.3	89.9			1,534.2	1,096.2
		(607.3)	807.8			5,547.1	5,720.4

1. The consolidated ownership interest in GUKP reflected the weighted average ownership in GUKP, GUKP II and GUKP III.

The reconciliation of the carrying amount of investments in Partnerships classified as JVs is set out as follows:

	Goodman		GIT	
Movement in carrying amount of investments in JVs	2024 $M	2023 $M	2024 $M	2023 $M
Carrying amount at the beginning of the year	7,969.8	6,528.9	5,720.4	4,541.7
Share of net results after tax (before fair value adjustments)	412.4	251.9	187.6	160.3
Share of fair value adjustments attributable to investment properties after tax	(1,188.1)	497.6	(794.1)	644.8
Share of fair value adjustments on derivative financial instruments	1.3	(7.2)	(0.8)	2.7
Share of net results	(774.4)	742.3	(607.3)	807.8
Share of movements in reserves	(5.3)	(0.1)	-	-
Acquisitions	904.4	1,259.3	583.4	693.2
Disposals	(2.0)	(351.0)	-	(350.9)
Distributions/dividends received and receivable	(382.3)	(373.9)	(151.5)	(120.0)
Effect of foreign currency translation	(30.7)	164.3	2.1	148.6
Carrying amount at the end of the year	7,679.5	7,969.8	5,547.1	5,720.4

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

The table below includes further information regarding principal Partnerships classified as JVs, held at the end of the financial year:

	GJDP		GCLP[1]		GUKP		GNAP	
	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M
Summarised statement of financial position								
Current assets								
Cash and cash equivalents	337.6	94.0	409.8	398.2	54.7	44.2	80.7	99.0
Other current assets	11.5	38.1	180.8	198.2	13.6	15.8	10.1	11.2
Total current assets	**349.1**	**132.1**	**590.6**	**596.4**	**68.3**	**60.0**	**90.8**	**110.2**
Total non-current assets	**302.1**	**653.6**	**4,531.3**	**6,660.0**	**2,287.8**	**2,216.0**	**9,054.8**	**10,290.6**
Current liabilities								
Other current liabilities	73.9	10.4	3,173.8	3,067.4	59.6	55.1	134.0	246.7
Total current liabilities	**73.9**	**10.4**	**3,173.8**	**3,067.4**	**59.6**	**55.1**	**134.0**	**246.7**
Non-current liabilities								
Financial liabilities	140.3	432.4	1,363.1	1,354.2	581.5	583.1	1,460.3	1,445.7
Other non-current liabilities	-	1.6	195.1	733.4	-	-	(10.3)	(6.8)
Total non-current liabilities	**140.3**	**434.0**	**1,558.2**	**2,087.6**	**581.5**	**583.1**	**1,450.0**	**1,438.9**
Net assets (100%)	**437.0**	**341.3**	**389.9**	**2,101.4**	**1,715.0**	**1,637.8**	**7,561.6**	**8,715.2**
Summarised statement of comprehensive								
Revenue	1,200.9	88.4	236.7	210.0	80.3	93.2	456.8	392.3
Net finance (expense)/income	(0.2)	-	(47.9)	(32.7)	1.3	(11.3)	(18.5)	(13.2)
Income tax expense	(0.9)	(0.8)	(45.9)	(44.1)	(0.2)	(0.2)	(0.4)	(0.7)
Profit after tax and revaluations	316.3	17.6	(1,676.0)	134.2	56.1	(337.0)	(1,199.4)	1,354.5
Other comprehensive income	-	-	(27.1)	(0.1)	-	-	-	-
Total comprehensive income (100%)	**316.3**	**17.6**	**(1,703.1)**	**134.1**	**56.1**	**(337.0)**	**(1,199.4)**	**1,354.5**
Goodman								
Consolidated ownership interest	50.0%	50.0%	20.0%	20.0%	35.2%	35.0%	55.0%	55.0%
Consolidated share of net assets	218.4	170.6	78.0	420.3	603.9	573.2	4,158.9	4,793.4
Shareholder loan[1]	-	-	523.7	499.6	-	-	-	-
Other items, including capitalised costs	1.8	1.9	3.3	3.4	0.5	0.5	5.2	5.1
Carrying amount of investment	**220.2**	**172.5**	**605.0**	**923.3**	**604.4**	**573.7**	**4,164.1**	**4,798.5**
Distributions/dividends received and receivable	**174.9**	**36.8**	**8.4**	**8.5**	**18.5**	**160.5**	**139.9**	**110.1**
GIT								
Consolidated ownership interest	-	-	-	-	-	-	53.0%	53.0%
Consolidated share of net assets	-	-	-	-	-	-	4,007.7	4,619.2
Other items, including capitalised costs	-	-	-	-	-	-	5.2	5.0
Carrying amount of investment in JV	**-**	**-**	**-**	**-**	**-**	**-**	**4,012.9**	**4,624.2**
Distributions/dividends received and receivable	**-**	**-**	**-**	**-**	**-**	**-**	**134.8**	**106.1**

1. Shareholder loans have been provided by investors of GCLP in proportion to their ownership interest. The shareholder loans are interest free and unsecured and have no fixed terms of repayment. The shareholder loans are not expected to be repaid within 12 months from the end of the reporting period and the Directors consider the loans to form part of Goodman's investment in GCLP.

With respect to Goodman's other JVs, the total loss after tax and revaluations was $72.8 million (2023: $254.9 million) and total other comprehensive income was $nil (2023: $nil). With respect to GIT's other JVs, the total profit after tax and revaluations was $7.1 million (2023: $317.2 million) and total other comprehensive income was $nil (2023: $nil).

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

6 Receivables

Receivables comprise trade and other receivables and loans to related parties and are recognised on the date that they are originated, initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest rate method, less any impairment losses.

Receivables are derecognised when the contractual rights to the cash flows from the receivable expire or the Group transfers the rights to receive the contractual cash flows on the receivable in a transaction in which substantially all the risks and rewards of the receivable are transferred.

		Goodman		GIT	
		2024	2023	2024	2023
	Note	$M	$M	$M	$M
Current					
Trade receivables		9.9	20.9	-	-
Tax receivables	4(c)	21.2	11.9	-	-
Other receivables		102.4	110.1	1.9	18.2
Amounts due from related parties[1]		87.8	100.2	6.7	8.9
Loans to related parties[1]		-	-	235.8	215.0
		221.3	243.1	244.4	242.1
Non-current					
Other receivables		8.3	2.8	-	-
Loans to related parties[1]		170.0	228.2	2,291.7	3,122.4
		178.3	231.0	2,291.7	3,122.4

1. Refer to note 23 for details of amounts due from and loans to related parties.

Goodman assessed the receivables balances at 30 June 2024 for expected credit losses (risk of non-payment). The level of provisioning was not significant in the context of the Group's financial position.

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

7 Contract balances

Contract assets primarily comprise amounts recoverable from fixed price development contracts (disclosed net of any payments received on account) and accrued performance fee income where the Group assesses that the income can be reliably measured.

Contract liabilities primarily comprise consideration received in advance of the completion of development contracts and rental guarantees.

The following table provides an analysis of receivables from contracts with customers (excluding rental income receivables), contract assets and contract liabilities at the reporting dates:

	Goodman	
	2024 $M	2023 $M
Current		
Receivables, which are included in trade receivables, other receivables and amounts due from related parties	128.8	133.6
Contract assets	12.9	72.9
Contract liabilities	9.2	21.2
Non-current		
Contract liabilities	9.0	-

Significant changes in the contract assets and the contract liabilities balances during the year are set out below:

	Goodman			
	2024		2023	
	Contract assets $M	Contract liabilities $M	Contract assets $M	Contract liabilities $M
Balance at the beginning of the year	72.9	21.2	77.6	4.7
Increase due to changes in the measure of progress during the year	(3.1)	-	381.9	-
Transfers from contract assets to receivables	(57.3)	-	(388.8)	-
Revenue recognised that was included in the contract liability balance at the beginning of the year	-	(33.3)	-	(14.0)
Increases due to cash received, excluding amounts recognised as revenue during the year	-	31.1	-	30.5
Effect of foreign currency translation	0.4	(0.8)	2.2	-
Balance at the end of the year	**12.9**	**18.2**	**72.9**	**21.2**
Current contract assets and liabilities	12.9	9.2	72.9	21.2
Non-current contract liabilities	-	9.0	-	-
Total	**12.9**	**18.2**	**72.9**	**21.2**

Details regarding Goodman's future rental income associated with existing lease agreements is included in note 5.

In addition, Goodman receives investment management, development management and property services fees under various contracts that it has with its Partnerships. These contracts are for varying lengths of time and are typically transacted on terms that are consistent with market practice. The revenues under these contracts are linked to the AUM, total development project costs or gross property income of Partnerships and are invoiced as the services are provided.

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

8 Assets held for sale

In the current year, the Group entered into a conditional contract to dispose of an investment property with a carrying value of $25.7 million. As the conditions under the contract had not been satisfied as at 30 June 2024, the investment property has been presented as an asset held for sale.

In the prior year, the Group entered into a conditional contract to dispose of two controlled entities with a carrying value of $509.6 million. The disposal of the two controlled entities was completed in FY24.

9 Payables

Trade and other payables are recognised initially at trade date fair value plus any directly attributable transaction costs. Subsequent to initial recognition, trade and other payables are measured at amortised cost.

Trade and other payables are derecognised when the contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, there is a legal right to offset the amounts and an intention to either settle on a net basis or to realise the asset and settle the liability simultaneously.

	Goodman		GIT	
	2024 $M	2023 $M	2024 $M	2023 $M
Current				
Trade payables	109.7	90.4	7.4	5.8
Employee benefits	257.2	213.8	-	-
Other payables and accruals	461.1	358.0	212.8	113.8
Contract liabilities	9.2	21.2	-	-
Loans from related parties[1]	-	-	36.0	51.3
	837.2	683.4	256.2	170.9
Non-current				
Employee benefits	224.3	99.8	-	-
Other payables and accruals	109.6	290.4	90.4	256.6
Contract liabilities	9.0	-	-	-
Loans from related parties[1]	-	-	355.0	521.4
	342.9	390.2	445.4	778.0

[1] Refer to note 23 for details of loans from related parties.

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

10 Provisions

A provision is recognised when there is a legal, equitable or constructive obligation as a result of a past event and it is probable that a future sacrifice of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain.

	Goodman		GIT	
	2024 $M	2023 $M	2024 $M	2023 $M
Current				
Dividends/distributions to Securityholders	284.9	282.5	208.9	188.4
Other	19.0	19.0	-	-
	303.9	301.5	208.9	188.4
Non-current				
Defined benefit retirement schemes in the United Kingdom	14.6	12.8	-	-
Other	1.3	1.5	-	-
	15.9	14.3	-	-

11 Property, plant and equipment

	Goodman	
	2024 $M	2023 $M
Property, plant and equipment at cost	171.4	171.9
Accumulated depreciation	(106.2)	(100.2)
Property, plant and equipment at net book value[1]	**65.2**	**71.7**

[1] Refer to note 12 for property, plant and equipment held as a lessee.

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

12 Leases

Goodman leases office buildings, motor vehicles and office equipment. Certain investment properties and developments classified as inventories are also built on land held under leasehold interests.

Goodman recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost plus any direct costs incurred and an estimate of costs to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the lessee's incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest rate method. The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change arising from the reassessment of whether Goodman will be reasonably certain to exercise an extension or termination option.

The right of use assets in respect of office buildings, motor vehicles and office equipment are depreciated using the straight-line method over the period of the lease. Right of use assets that meet the definition of investment property are carried at fair value in accordance with note 5(a). Ground leases of development land that are classified as inventories are not depreciated but are assessed at each reporting date for impairments to ensure they are recorded at the lower of cost and net realisable value.

Information about leases for which Goodman is a lessee is detailed below:

	Goodman	
	2024 $M	2023 $M
Right of use assets		
Inventories	469.6	561.8
Investment properties	770.3	695.6
Property, plant and equipment	33.9	43.8
	1,273.8	1,301.2

During the year, the additions to the Group's right of use assets were $91.4 million (2023: $245.0 million) and the depreciation expense was $12.0 million (2023: $12.4 million).

	Goodman	
	2024 $M	2023 $M
Lease liabilities		
Current	9.1	12.3
Non-current	27.2	55.4
	36.3	67.7

During the year, the interest expense associated with the Group's lease liabilities was $1.0 million (2023: $1.1 million) and the cash repayments under the Group's leases was $12.9 million (2023: $14.3 million).

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

13 Goodwill and intangible assets

Goodman recognises both goodwill and indefinite life management rights in its statement of financial position.

Goodwill

Goodwill arising on the acquisition of controlled entities is stated at cost less any accumulated impairment losses (refer below). No amortisation is provided.

Management rights

When fund and/or investment management activities are acquired as part of a business combination, management rights are recorded where they arise from contractual or other legal rights, and the fair value can be measured reliably.

Management rights are stated at cost less impairment. Management rights are not amortised as they are assumed to have an indefinite life, given they are routinely renewed at minimal cost and on broadly similar terms.

Impairment

The carrying amounts of goodwill and management rights are tested annually for impairment. For the purpose of impairment testing, goodwill and management rights are allocated to the related cash-generating units monitored by management. An impairment loss is recognised whenever the carrying amount of the cash-generating unit exceeds its recoverable amount. Recoverable amount is the greater of the fair value (net of disposal costs) and the value in use but given that goodwill and management rights are not frequently traded (i.e. fair value is difficult to ascertain), the recoverable amount will be equal to the value in use of the cash-generating unit. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the cash-generating unit.

Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the goodwill allocated to the cash-generating unit, then to the carrying amount of the management rights allocated to the cash-generating unit and then to reduce the carrying amount of the other assets in the cash-generating unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. An impairment loss for management rights is reversed only to the extent that its carrying amount does not exceed its original cost.

A summary of Goodman's goodwill and intangible assets is set out by below:

	Goodman	
	2024 $M	2023 $M
Goodwill	724.7	738.3
Management rights	104.8	111.8
	829.5	850.1

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

The carrying value of goodwill and intangible assets is analysed by division in the table below:

	2024 $M	2023 $M
Analysed:		
Goodwill		
Continental Europe	611.1	622.8
Other	113.6	115.5
Subtotal - goodwill	**724.7**	**738.3**
Management rights		
Continental Europe	34.7	35.3
Other	70.1	76.5
Subtotal - management rights	**104.8**	**111.8**
Total	**829.5**	**850.1**

A reconciliation of the movement in the cost of goodwill and management rights during the year is set out below:

Cost	Balance at 30 June 2022 $M	Effect of foreign currency translation $M	Balance at 30 June 2023 $M	Disposals $M	Effect of foreign currency translation $M	Balance at 30 June 2024 $M
Goodwill						
Continental Europe	584.3	46.4	630.7	-	(11.8)	618.9
Other	154.7	10.7	165.4	-	(2.2)	163.2
Subtotal - goodwill	**739.0**	**57.1**	**796.1**	**-**	**(14.0)**	**782.1**
Management rights						
Continental Europe	32.7	2.6	35.3	-	(0.6)	34.7
Other	77.1	(0.6)	76.5	(6.3)	(0.1)	70.1
Subtotal - management rights	**109.8**	**2.0**	**111.8**	**(6.3)**	**(0.7)**	**104.8**
Total	**848.8**	**59.1**	**907.9**	**(6.3)**	**(14.7)**	**886.9**

A reconciliation of the movement in the impairment losses during the year is set out below:

Impairment losses	Balance at 30 June 2022 $M	Effect of foreign currency translation $M	Balance at 30 June 2023 $M	Effect of foreign currency translation $M	Balance at 30 June 2024 $M
Goodwill					
Continental Europe	7.3	0.6	7.9	(0.1)	7.8
Other	46.1	3.8	49.9	(0.3)	49.6
Subtotal - goodwill	**53.4**	**4.4**	**57.8**	**(0.4)**	**57.4**
Total	**53.4**	**4.4**	**57.8**	**(0.4)**	**57.4**

Impairments and reversals of impairments

There were no impairment losses or reversals of impairment losses during either the current or prior financial year.

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

Impairment testing for intangible assets

The carrying values of both goodwill and indefinite life management rights are assessed for impairment annually. For the purpose of impairment testing, goodwill and indefinite life management rights are allocated to the Goodman divisions that represent the lowest level within Goodman at which the goodwill and indefinite life management rights are monitored for internal management purposes. Where goodwill and management rights arise in the same division, impairment testing has been performed on the combined intangible asset.

The impairment tests for all intangible assets are based on each division's value in use. Value in use is determined by discounting the future projected cash flows generated from continuing operations. These cash flows are for a five-year period, with a year five terminal value calculated using a terminal growth rate and an appropriate discount rate for each division.

The key drivers of value in respect of the intangible assets are:

+ Development cash flows, which are dependent on development volumes and margins and whether the developments are undertaken directly by Goodman or directly by Partnerships or in joint venture with Partnerships
+ Management cash flows, which are dependent on the level of external AUM and net property income in Partnerships and, in the case of portfolio performance fee income, the long-term performance of the Partnerships.

The estimation of future cash flows requires assumptions to be made regarding uncertain future events. The cash flows do not assume a downturn in earnings that might arise in the event of a significant adverse change in market conditions for the Group. The cash flows also assume that Goodman's management contracts with Partnerships have an indefinite life. This is on the basis that in the past these contracts have been typically renewed at minimal cost and on broadly similar financial terms.

The post-tax discount rates used in the value in use calculations were determined using the capital asset pricing model, with individual assumptions referenced to market data, where available, and adjusting for specific factors associated with each division. A risk premium was included in each division's discount rate, reflecting the level of forecasting, size, country and financing risks for that division. The value in use was determined using the after-tax cash flows and the post-tax discount rates, with the discount rates then converted to the equivalent pre-tax rates.

When assessing a potential impairment, the value in use is compared against the sum of the intangible asset balance and the property, plant and equipment balance for each division.

The principal intangible asset balance relates to the Group's business activities in Continental Europe. The value in use and the key assumptions used to calculate the value in use are set out below.

Value in use – Continental Europe

The value in use for Continental Europe is consistent with the prior years. The Group's strategy remains the same with assets focused on core infill locations, close to consumers.

	2024	2023
Value in use (A$M)	2,673.2	2,559.4
Key assumptions:		
Pre-tax discount rate (per annum)	12.6%	12.7%
Average annual development expenditure (A$B)	1.4	1.2
Average annual growth in AUM	9.8%	6.6%

All amounts were calculated in local currency and translated to Australian dollars at the closing exchange rate at the end of the financial period. Averages related to average amounts over the five-year forecast period.

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

Development earnings

During FY24, gross domestic product growth in Europe has been weak. However, inflation rates have reduced and the unemployment rate is at a historic low, providing some optimism for the medium-term outlook. Demand continues to exist for modern, well-located industrial product, but in the current economic environment customers are more inclined to renew existing leases rather than seeking new premises, and the appetite for growth and new investment has been curtailed.

Goodman will maintain its focus on the core markets in western and southern Europe but in the short term, development activity levels for logistics and warehousing space are projected to be lower than they have been in recent years. This is, however, being replaced by the development of large scale, high value, data centres, and the Group already has access to a significant power bank in Amsterdam, Frankfurt, Paris and Madrid. It is assumed that logistics and data centre projects will continue to be a mix of those undertaken directly by Goodman and those in joint venture with Partnerships.

Across the forecast period, the average annual development cash outflow to fund the projected development pipeline is A$1.4 billion per annum (2023: A$1.2 billion per annum). This is higher than the prior year, partly due to cost inflation expectations but also a result of the more capital intensive nature of data centre development. The development earnings forecasts include projects which have not yet been contracted.

Management earnings and AUM

External AUM at 30 June 2024 was A$7.4 billion (2023: A$7.8 billion). The average annual increase in external AUM of 10.0% (2023: 6.6%) assumes most of the projected development over the forecast period is for Partnerships. For the value in use assessments, property values are expected to be stable over the period and no portfolio performance revenue is assumed.

Sources of funding for development activity

Capital inflows required to fund acquisitions and development activity are assumed from the following sources: equity investment directly into Partnerships (including distribution reinvestment plans) by Goodman and its investment partners (in some cases, the projections assume future equity investment will be greater than existing commitments); lending facilities advanced to Partnerships; debt capital markets; customer-funded turnkey developments; and proceeds from disposals of assets. It is not practicable to determine the percentage of the total which will flow from each source.

Funds available to Goodman and its investment partners are assumed to be sourced from available global markets and are not limited to regional lending markets.

Assumptions impacting the terminal year

The cash flow projections assume that there will be no significant change in regional or global market conditions over the period. Long-term growth rates have been used to extrapolate cash flow projections beyond the period covered by the five-year forecast. For Continental Europe, the growth rate of 2.6% (2023: 3.2%) has been based on the average longer-term consumer price indices.

Notes to the consolidated financial statements

(continued)

CAPITAL MANAGEMENT

The notes in this section focus on Goodman's and GIT's financing activities, capital structure and management of the financial risks involved.

14 Net finance income/(expense)

Interest income and expense are recognised using the effective interest rate method.

Finance costs relating to a qualifying asset are capitalised as part of the cost of that asset using a weighted average cost of debt. Qualifying assets are assets which take a substantial time to get ready for their intended use or sale. All other finance costs are expensed using the effective interest rate method.

	Goodman		GIT	
	2024 $M	2023 $M	2024 $M	2023 $M
Finance income				
Interest income from:				
– Related parties	-	2.1	161.6	93.8
– Other parties	39.3	20.0	24.2	12.3
Foreign exchange gains	0.5	0.8	-	73.1
	39.8	22.9	185.8	179.2
Finance expense				
Interest expense from third party loans, overdrafts and derivatives	(81.2)	(52.4)	(128.0)	(55.4)
Interest expense from related party loans	-	-	(29.6)	(20.1)
Gain on early redemption of debt	6.3	-	6.3	-
Other borrowing costs	(14.7)	(12.8)	(8.9)	(6.9)
Fair value adjustments on derivative financial instruments	(10.3)	(221.3)	(16.2)	(156.6)
Foreign exchange losses	-	-	(4.8)	-
Capitalised borrowing costs[1]	37.6	28.8	3.9	2.7
	(62.3)	(257.7)	(177.3)	(236.3)
Net finance (expense)/income	(22.5)	(234.8)	8.5	(57.1)

[1] Borrowing costs were capitalised to inventories and investment properties under development during the year at rates between 1.05 % and 4.20 % per annum (2023: 0.95% and 4.85% per annum).

Notes to the consolidated financial statements

Capital management (continued)

15 Interest bearing liabilities

Interest bearing liabilities comprise bank loans and notes issued in the capital markets. Interest bearing liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, interest bearing liabilities are measured at amortised cost using the effective interest rate method.

		Goodman		GIT	
		2024	2023	2024	2023
Carrying amount of drawn debt	Note	$M	$M	$M	$M
Current					
Secured:					
– Bank loans	15(a)	1.7	-	-	-
		1.7	-	-	-
Non-current					
Secured:					
– Bank loans	15(a)	63.9	47.9	-	-
Unsecured:					
– Bank loans	15(a)	331.1	421.5	139.8	156.0
– USD denominated notes	15(b)	2,024.0	2,025.8	2,024.0	2,025.8
– EUR denominated notes	15(c)	1,289.8	818.5	1,289.8	818.5
Borrowing costs		(23.8)	(20.8)	(21.1)	(17.5)
		3,685.0	3,292.9	3,432.5	2,982.8

(a) Bank loans

Secured

As at 30 June 2024, Goodman and GIT had the following secured bank facilities:

	Goodman		GIT	
Facility maturity date	Facility limit $M	Amounts drawn $M	Facility limit $M	Amounts drawn $M
9 January 2028	79.7	-	-	-
5 January 2033	51.4	23.9	-	-
18 March 2034	17.4	17.4	-	-
20 April 2038	48.8	24.3	-	-
Total at 30 June 2024	197.3	65.6	-	-
Total at 30 June 2023	220.4	47.9	-	-

Notes to the consolidated financial statements

Capital management (continued)

Unsecured

As at 30 June 2024, Goodman and GIT had the following unsecured bank facilities:

	Goodman		GIT	
Facility maturity date	Facility limit $M	Amounts drawn $M	Facility limit $M	Amounts drawn $M
7 December 2025	40.2	-		
31 July 2026	149.9	-	149.9	-
30 September 2026	56.2	-	56.2	-
30 September 2026	37.6	-	37.6	-
30 September 2026	251.5	94.0	-	-
30 September 2026	74.6	50.7	-	-
30 September 2026	74.6	-	-	-
30 September 2026	139.8	46.6	-	-
30 September 2026	93.1	-	-	-
22 October 2026	149.9	-	149.9	-
21 October 2026	150.0	-	150.0	-
31 December 2026	120.5	-	120.5	-
31 December 2027	149.9	-	149.9	-
31 March 2029	70.0	-	70.0	-
31 March 2029	30.0	-	30.0	-
19 April 2029	100.0	-	100.0	-
19 April 2029	100.0	-	100.0	-
30 June 2029	70.0	-	70.0	-
30 June 2029	30.0	-	30.0	-
30 June 2029	150.0	-	150.0	-
31 July 2029	100.0	-	100.0	-
31 December 2029	139.8	139.8	139.8	139.8
Total at 30 June 2024	**2,277.6**	**331.1**	**1,603.8**	**139.8**
Total at 30 June 2023	1,970.8	421.5	1,263.6	156.0

The majority of the unsecured bank loans are multi-currency facilities.

(b) USD denominated notes

As at 30 June 2024, Goodman and GIT had notes on issue in the US144A/Regulation S bond market as follows:

	Carrying amount		Coupon (fixed)
Maturity date	A$M	US$M	per annum
15 March 2028	787.1	525.0	3.70%
4 May 2032	749.6	500.0	4.63%
15 October 2037	487.3	325.0	4.50%
Total at 30 June 2024	**2,024.0**	**1,350.0**	
Total at 30 June 2023	2,025.8	1,350.0	

Notes to the consolidated financial statements

Capital management (continued)

(c) EUR denominated notes

As at 30 June 2024, Goodman and GIT had Regulation S EUR denominated senior notes on issue as follows:

	Maturity date	Carrying amount A$M	€M	Coupon (fixed) per annum
	27 September 2025	486.7	303.0	1.38%
	3 May 2030	803.1	500.0	4.25%
Total at 30 June 2024		1,289.8	803.0	
Total at 30 June 2023		818.5	500.0	

(d) Finance facilities

	Goodman		GIT	
	Facilities available $M	Facilities utilised $M	Facilities available $M	Facilities utilised $M
30 June 2024				
Secured:				
- Bank loans	197.3	65.6	-	-
Unsecured:				
– Bank loans	2,277.6	331.1	1,603.8	139.8
– USD denominated notes	2,024.0	2,024.0	2,024.0	2,024.0
– EUR denominated notes	1,289.8	1,289.8	1,289.8	1,289.8
– Bank guarantees[1]	-	38.6	-	17.4
	5,788.7	3,749.1	4,917.6	3,471.0
30 June 2023				
Secured:				
- Bank loans	220.4	47.9	-	-
Unsecured:				
– Bank loans	1,970.8	421.5	1,263.6	156.0
– USD denominated notes	2,025.8	2,025.8	2,025.8	2,025.8
– EUR denominated notes	818.5	818.5	818.5	818.5
– Bank guarantees[1]	-	23.6	-	-
	5,035.5	3,337.3	4,107.9	3,000.3

1. Bank guarantees are drawn from facilities available under unsecured bank loans. The guarantees are not reflected as a liability in the statements of financial position.

Notes to the consolidated financial statements

Capital management (continued)

16 Other financial assets and liabilities

Other financial assets and liabilities primarily comprise derivative financial instruments that are recognised initially on the trade date at which Goodman and GIT become a party to the contractual provisions of the instrument.

Derivative financial instruments and hedging
Goodman and GIT use derivative financial instruments to hedge their economic exposure to foreign exchange and interest rate risks arising from operating, investing and financing activities. In accordance with the Group's FRM policy, Goodman and GIT do not hold or issue derivative financial instruments for speculative trading purposes.

Goodman and GIT's derivative financial instruments are not designated as a hedge for accounting purposes, and accordingly movements in the fair value of derivative financial instruments are recognised in the income statement.

Cash flow hedges
Certain of Goodman and GIT's associates and JVs continue to designate derivative financial instruments as cash flow hedges for accounting purposes. Goodman's and GIT's share of the effective portion of changes in the fair value of derivative financial instruments in associates and JVs that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve. The gain or loss relating to any ineffective portion is recognised in the income statement.

Other financial assets

	Goodman		GIT	
	2024 $M	2023 $M	2024 $M	2023 $M
Current				
Derivative financial instruments[1]	9.3	87.8	2.8	76.6
	9.3	87.8	2.8	76.6
Non-current				
Derivative financial instruments[1]	385.8	363.4	238.1	232.1
Investment in unlisted securities, at fair value	20.3	18.1	22.5	19.6
	406.1	381.5	260.6	251.7

1. Includes fair values of derivative financial instruments equating to $88.6 million (2023: $81.7 million) that hedge Goodman's net investments in Continental Europe and the United Kingdom.

Other financial liabilities

	Goodman		GIT	
	2024 $M	2023 $M	2024 $M	2023 $M
Current				
Derivative financial instruments[1]	40.3	143.9	18.5	63.9
	40.3	143.9	18.5	63.9
Non-current				
Derivative financial instruments[1]	473.4	480.1	339.4	383.6
	473.4	480.1	339.4	383.6

1. Includes fair values of derivative financial instruments equating to $41.9 million (2023: $34.2 million) that hedge Goodman's net investments in Continental Europe and the United Kingdom.

Notes to the consolidated financial statements

Capital management (continued)

17 Financial risk management

The Board has overall responsibility for approving Goodman's risk management framework. The Board has established the Audit, Risk and Compliance committee, which is responsible for reviewing, approving and subsequently monitoring the Group's risk management policies, including the FRM policy. The FRM policy is established to identify and analyse the financial risks faced by the Group, to set appropriate risk limits and controls for managing the financial affairs of the Group, and to monitor those risks and adherence to limits by Management.

Goodman's treasury function is responsible for the day to day compliance with the Group's FRM policy and prepares reports for consideration by management committees and the Board including:

- Cash flow projections over a period of at least 12 months to assess the level of cash and undrawn facilities, and headline gearing at each month end
- Debt maturity profile, to allow the Group to plan well in advance of maturing facilities
- Interest rate hedge profile over the next ten years, to allow the Group to manage the proportion of fixed and floating rate debt in accordance with its FRM policy
- Capital hedge position (by currency) and profile of expiring currency derivatives, to allow the Group to manage its net investment hedging in accordance with its FRM policy.

Any significant investments or material changes to the finance facilities or FRM policy require approval by the Board.

Capital management

Goodman's principal capital management objectives are to maintain a strong capital base and provide funds for operating activities (including development expenditure), capital expenditure and investment opportunities as they arise. This is achieved through an appropriate mix of debt and equity.

Goodman is able to alter the capital mix by issuing new Goodman debt and equity securities or hybrid securities, by reinstating the distribution reinvestment plan, by adjusting the timing of development and capital expenditure and by selling assets to reduce borrowings. Goodman also manages capital through its distribution policy in which distributions made to Securityholders are based on the Group's operating profit, subject to a minimum distribution equal to the taxable income of the Trust.

Goodman's key financial risks are market risk (including foreign exchange and interest rate risk), liquidity risk and credit risk.

(a) Market risk

Foreign exchange risk

Goodman is exposed to foreign exchange risk through its investments in New Zealand, Hong Kong, China, Japan, Continental Europe, the United Kingdom, North America and Brazil. Foreign exchange risk represents the gain or loss that would be recognised from fluctuations in currency prices against the Australian dollar as a result of Goodman's net investment in foreign operations, future commercial transactions, and other foreign currency denominated assets and liabilities.

Notes to the consolidated financial statements

Capital management (continued)

In managing foreign exchange risks, Goodman aims to reduce the impact of short-term fluctuations on Goodman's earnings and net assets. However, over the long term, permanent changes in foreign exchange rates will have an impact on both earnings and net assets.

Goodman's capital hedge policy for each overseas region is to hedge between 65% and 90% of foreign currency denominated assets with foreign currency denominated liabilities. This is achieved by borrowing in the same currency as the overseas investments to form a natural economic hedge against any foreign currency fluctuations and/or using derivatives such as cross currency interest rate swaps (CCIRS) and foreign exchange contracts (FEC).

The Group's hedge position is monitored on an ongoing basis and the Group will enter into new derivatives (including forward start contracts) and close out or enter into contra derivative contracts to manage the capital hedge position.

As at 30 June 2024, the principal that was used to hedge its exposures using derivatives and the weighted average exchange rates, by currency, are set out below:

Goodman

	2024			2023		
	Amounts payable	Amounts receivable	Weighted average exchange rate	Amounts payable	Amounts receivable	Weighted average exchange rate
	NZD'M	AUD'M	AUD/NZD	NZD'M	AUD'M	AUD/NZD
AUD receivable/NZD payable	(900.0)	838.9	1.0729	(750.0)	696.4	1.0775
	HKD'M	AUD'M	AUD/HKD	HKD'M	AUD'M	AUD/HKD
AUD receivable/HKD payable	(8,840.0)	1,627.2	5.3605	(8,840.0)	1,598.2	5.5324
	EUR'M	AUD'M	AUD/EUR	EUR'M	AUD'M	AUD/EUR
AUD receivable/EUR payable	(925.0)	1,460.8	0.6341	(925.0)	1,460.8	0.6341
	AUD'M	EUR'M	AUD/EUR	AUD'M	EUR'M	AUD/EUR
EUR receivable/AUD payable	(245.8)	150.0	0.6103	-	-	-
	GBP'M	AUD'M	AUD/GBP	GBP'M	AUD'M	AUD/GBP
AUD receivable/GBP payable	(435.0)	796.4	0.5468	(435.0)	796.4	0.5468
	USD'M	AUD'M	AUD/USD	USD'M	AUD'M	AUD/USD
AUD receivable/USD payable	(1,350.0)	1,894.8	0.7137	(1,050.0)	1,455.5	0.7221
	JPY'M	AUD'M	AUD/JPY	JPY'M	AUD'M	AUD/JPY
AUD receivable/JPY payable	(21,000.0)	249.2	85.2731	(14,000.0)	177.7	78.1791
	CNY'M	USD'M	USD/CNY	CNY'M	USD'M	USD/CNY
USD receivable/CNY payable	(4,565.7)	649.3	7.0315	(4,727.6)	642.2	7.3612

Notes to the consolidated financial statements

Capital management (continued)

GIT

	2024			2023		
	Amounts payable	Amounts receivable	Weighted average exchange rate	Amounts payable	Amounts receivable	Weighted average exchange rate
	NZD'M	AUD'M	AUD/NZD	NZD'M	AUD'M	AUD/NZD
AUD receivable/NZD payable	(600.0)	558.9	1.0736	(450.0)	416.3	1.0814
	HKD'M	AUD'M	AUD/HKD	HKD'M	AUD'M	AUD/HKD
AUD receivable/HKD payable	(6,890.0)	1,266.6	5.3405	(7,190.0)	1,297.7	5.5371
	EUR'M	AUD'M	AUD/EUR	EUR'M	AUD'M	AUD/EUR
AUD receivable/EUR payable	(430.0)	657.8	0.6543	(430.0)	657.8	0.6543
	AUD'M	EUR'M	AUD/EUR	AUD'M	EUR'M	AUD/EUR
EUR receivable/AUD payable	(245.8)	150.0	0.6103	-	-	-
	GBP'M	AUD'M	AUD/GBP	GBP'M	AUD'M	AUD/GBP
AUD receivable/GBP payable	(105.0)	194.6	0.5395	(285.0)	516.5	0.5524
	USD'M	AUD'M	AUD/USD	USD'M	AUD'M	AUD/USD
AUD receivable/USD payable	(800.0)	1,120.1	0.7160	(600.0)	820.9	0.7318

In addition to the derivatives detailed in the table above, GIT also has FECs with a controlled entity of GLHK to hedge that entity's USD exposure. On maturity of the contracts, GIT will receive USD 145.8 million from GLHK (2023: USD 206.8 million) and pay GBP 119.6 million to GLHK (2023: GBP 167.8 million).

Sensitivity analysis

Throughout the financial year, if the Australian dollar had been 5% stronger against all other currencies, with all other variables held constant, the profit attributable to Securityholders, excluding derivative mark to market and unrealised foreign exchange movements, would have decreased by A$10.3 million (2023: A$50.0 million decrease) for Goodman and A$34.5 million (2023: A$21.0 million) for GIT. If the Australian dollar had been 5% weaker against all other currencies, with all other variables held constant, the profit attributable to Securityholders, excluding derivative mark to market and unrealised foreign exchange movements, would have increased by A$10.3 million (2023: A$50.0 million increase) for Goodman and A$34.5 million (2023: A$21.0 million) for GIT.

Interest rate risk

Goodman's interest rate payments risk arises from variable rate borrowings and the Group's CCIRS that hedge the overseas investments. Goodman has a policy of hedging between 60% and 100% of its payments exposure to changes in interest rates for a three year period, progressively decreasing from the fourth year . Goodman enters into interest rate derivatives (IRD) to manage cash flow risks associated with the interest rates on payments that are floating. The IRD contracts are for 90-day intervals and involve quarterly payments or receipts of the net amount of interest.

Notes to the consolidated financial statements

Capital management (continued)

As at 30 June 2024, Goodman and GIT's fixed and floating interest rate exposure (by principal) based on existing interest bearing liabilities and derivative financial instruments is set out below:

Goodman

	Interest bearing liabilities A$M	Impact of derivatives CCIRS A$M	IRD A$M	Net interest rate exposure (payable) A$M
30 June 2024				
Fixed rate liabilities	3,360.4	-	3,660.7	7,021.1
Floating rate liabilities	350.1	7,011.0	(3,660.7)	3,700.4
	3,710.5	7,011.0	-	10,721.5
30 June 2023				
Fixed rate liabilities	2,896.3	-	3,886.3	6,782.6
Floating rate liabilities	417.4	6,407.0	(3,886.3)	2,938.1
	3,313.7	6,407.0	-	9,720.7

GIT

	Interest bearing liabilities A$M	Impact of derivatives CCIRS A$M	IRD A$M	Net interest rate exposure (payable) A$M
30 June 2024				
Fixed rate liabilities	3,313.8	-	1,896.9	5,210.7
Floating rate liabilities	139.8	3,921.5	(1,896.9)	2,164.4
	3,453.6	3,921.5	-	7,375.1
30 June 2023				
Fixed rate liabilities	2,844.3	-	2,200.4	5,044.7
Floating rate liabilities	156.0	3,898.2	(2,200.4)	1,853.8
	3,000.3	3,898.2	-	6,898.5

The Consolidated Entity and GIT is also exposed to variable interest rates on cash and cash equivalents and the principal amount of the Australian dollar receiver legs of the CCIRS. To hedge this interest rate exposure, the Consolidated Entity holds IRDs and fixed rate CCIRS as set out below:

Goodman

	Cash and cash equivalents A$M	Impact of derivatives CCIRS A$M	IRD A$M	Net interest rate exposure (receivable) A$M
30 June 2024				
Fixed rate assets	-	-	5,459.0	5,459.0
Floating rate assets	1,785.3	6,867.3	(5,459.0)	3,193.6
	1,785.3	6,867.3	-	8,652.6
30 June 2023				
Fixed rate assets	-	-	3,341.0	3,341.0
Floating rate assets	1,360.1	6,184.9	(3,341.0)	4,204.0
	1,360.1	6,184.9	-	7,545.0

Notes to the consolidated financial statements

Capital management (continued)

GIT

	Cash and cash equivalents A$M	Impact of derivatives CCIRS A$M	IRD A$M	Net interest rate exposure (receivable) A$M
30 June 2024				
Fixed rate assets	-	-	4,684.3	4,684.3
Floating rate assets	1,018.2	3,798.0	(4,684.3)	131.9
	1,018.2	**3,798.0**	**-**	**4,816.2**
30 June 2023				
Fixed rate assets	-	-	3,341.0	3,341.0
Floating rate assets	689.9	3,709.3	(3,341.0)	1,058.2
	689.9	**3,709.3**	**-**	**4,399.2**

As a result of the fixed rate interest bearing liabilities and derivative financial instruments that existed at 30 June 2024, Goodman and GIT would have the following fixed payable interest rate exposure (by principal) at the end of each of the next five financial years. This assumes all interest bearing liabilities and derivative financial instruments mature in accordance with current contractual terms and that no new arrangements are entered into.

Goodman

	2024		2023	
Number of years post balance date	Fixed interest rate (by principal) A$M	Weighted average interest rate % per annum	Fixed interest rate (by principal) A$M	Weighted average interest rate % per annum
1 year	6,986.4	2.75	6,619.0	2.15
2 years	6,584.5	3.00	5,868.2	2.40
3 years	6,215.9	3.28	4,644.8	2.71
4 years	5,455.9	3.47	3,601.6	3.10
5 years	3,780.1	3.74	2,761.5	3.43

GIT

	2024		2023	
Number of years post balance date	Fixed interest rate (by principal) A$M	Weighted average interest rate % per annum	Fixed interest rate (by principal) A$M	Weighted average interest rate % per annum
1 year	5,497.6	3.04	5,001.1	2.56
2 years	5,046.7	3.29	4,981.7	2.57
3 years	4,697.4	3.56	3,913.7	2.91
4 years	4,192.1	3.73	3,003.6	3.37
5 years	3,134.6	3.89	2,242.2	3.76

Sensitivity analysis

Throughout the financial year, if interest rates (based on cash and cash equivalents, interest bearing liabilities and derivative financial instruments in place at the end of the year) had been 100 basis points per annum higher/lower, with all other variables held constant, the loss attributable to Securityholders, excluding derivative mark to market movements, would have decreased/increased by A$1.5 million (2023: profit increased/decreased by A$1.4 million) for Goodman and decreased/increased by A$16.8 million (2023: profit increased/decreased by A$9.3 million) for GIT.

Notes to the consolidated financial statements

Capital management (continued)

(b) Liquidity risk

Liquidity risk is the risk that Goodman will not be able to meet its financial obligations as they fall due. Goodman's objective is to maintain sufficient liquidity to fund short-term working capital, capital expenditure, investment opportunities, debt expiries and distributions. This is achieved through the monthly preparation of a three-year cash flow forecast to understand the uses of funds and to identify potential shortfalls in funding or potential breaches of financial covenants in its loan arrangements. This allows Goodman to plan for renewal of debt facilities, negotiation of new debt facilities, new issues of securities, including the distribution reinvestment plan, and other potential sources of funding.

Details of all debt maturities are reported to the Board at its regular meetings.

Goodman seeks to spread its debt maturities such that the total debt repayable in a single financial year does not exceed Board approved policy levels.

Notes to the consolidated financial statements

Capital management (continued)

The contractual maturities of financial liabilities are set out below:

Goodman	Carrying amount $M	Contractual cash flows $M	Less than 1 year $M	1 - 2 year(s) $M	2 - 3 years $M	3 - 4 years $M	4 - 5 years $M	More than 5 years $M
As at 30 June 2024								
Non-derivative financial liabilities								
Payables (excluding contract liabilities)	1,161.9	1,161.9	828.0	199.3	67.3	44.9	22.4	-
Lease liabilities	36.3	39.6	9.1	6.5	5.5	5.2	4.6	8.7
Bank loans, secured[1]	65.6	65.6	1.7	2.5	2.5	4.8	6.1	48.0
Bank loans, unsecured[1]	331.1	331.1	-	-	191.3	-	-	139.8
USD denominated notes, unsecured	2,024.0	2,695.3	85.7	85.7	85.7	864.3	56.6	1,517.3
EUR denominated notes, unsecured	1,289.8	1,497.4	40.8	522.5	34.1	34.1	34.1	831.8
Total non-derivative financial liabilities	4,908.7	5,790.9	965.3	816.5	386.4	953.3	123.8	2,545.6
Derivative financial (assets)/liabilities - net								
Net settled[2]	(57.8)	(55.7)	(29.3)	(29.2)	(6.4)	(2.0)	0.8	10.4
Gross settled[3]:								
(Inflow)	-	(1,458.0)	(386.1)	(399.6)	(366.6)	(181.6)	(124.1)	-
Outflow	176.4	1,310.7	372.1	362.9	383.3	113.3	79.1	-
Total derivative financial liabilities/(assets) - net	118.6	(203.0)	(43.3)	(65.9)	10.3	(70.3)	(44.2)	10.4
As at 30 June 2023								
Non-derivative financial liabilities								
Payables (excluding contract liabilities)	1,052.4	1,052.4	662.2	330.2	30.0	20.0	10.0	-
Lease liabilities	67.7	119.7	12.3	11.0	7.4	6.4	6.0	76.6
Bank loans, secured[1]	47.9	47.9	-	-	-	-	-	47.9
Bank loans, unsecured[1]	421.5	421.5	-	-	-	265.5	-	156.0
USD denominated notes, unsecured	2,025.8	2,783.6	85.8	85.8	85.8	85.8	77.3	2,363.1
EUR denominated notes, unsecured	818.5	843.8	11.3	11.3	821.2	-	-	-
Total non-derivative financial liabilities	4,433.8	5,268.9	771.6	438.3	944.4	377.7	93.3	2,643.6
Derivative financial (assets)/liabilities - net								
Net settled[2]	(101.5)	(107.1)	(48.4)	(21.9)	(26.3)	(5.6)	(9.8)	4.9
Gross settled[3]:								
(Inflow)	-	(1,530.2)	(453.5)	(314.7)	(311.7)	(216.8)	(142.4)	(91.1)
Outflow	274.3	1,605.6	480.9	306.3	320.7	308.8	108.7	80.2
Total derivative financial liabilities/(assets) - net	172.8	(31.7)	(21.0)	(30.3)	(17.3)	86.4	(43.5)	(6.0)

1. Contractual cash flows relating to bank loans exclude any estimate of interest payments that might arise under Goodman's revolving loan facilities.
2. Net settled includes IRD and FEC.
3. Gross settled includes CCIRS.

Notes to the consolidated financial statements

Capital management (continued)

The contractual maturities of financial liabilities are set out below:

GIT	Carrying amount $M	Contractual cash flows $M	Less than 1 year $M	1 - 2 year(s) $M	2 - 3 years $M	3 - 4 years $M	4 - 5 years $M	More than 5 years $M
As at 30 June 2024								
Non-derivative financial liabilities								
Payables	701.6	701.6	256.2	123.7	134.6	96.7	-	90.4
Bank loans, unsecured[1]	139.8	139.8	-	-	-	-	-	139.8
USD denominated notes, unsecured	2,024.0	2,695.3	85.7	85.7	85.7	864.3	56.6	1,517.3
EUR denominated notes, unsecured	1,289.8	1,497.4	40.8	522.5	34.1	34.1	34.1	831.8
Total non-derivative financial liabilities	**4,155.2**	**5,034.1**	**382.7**	**731.9**	**254.4**	**995.1**	**90.7**	**2,579.3**
Derivative financial (assets)/liabilities - net								
Net settled[2]	(21.3)	(24.3)	(25.0)	(10.6)	6.4	(2.9)	(3.0)	10.8
Gross settled[3]:								
(Inflow)	-	(756.0)	(223.3)	(204.8)	(219.8)	(90.1)	(18.0)	-
Outflow	138.3	833.3	243.9	250.4	235.1	70.7	33.2	-
Total derivative financial liabilities/(assets) - net	**117.0**	**53.0**	**(4.4)**	**35.0**	**21.7**	**(22.3)**	**12.2**	**10.8**
As at 30 June 2023								
Non-derivative financial liabilities								
Payables	948.9	948.9	170.9	328.0	126.2	20.5	46.6	256.7
Bank loans, unsecured	156.0	156.0	-	-	-	-	-	156.0
USD denominated notes, unsecured	2,025.8	2,783.6	85.8	85.8	85.8	85.8	77.3	2,363.1
EUR denominated notes, unsecured	818.5	843.8	11.3	11.3	821.2	-	-	-
Total non-derivative financial liabilities	**3,949.2**	**4,732.3**	**268.0**	**425.1**	**1,033.2**	**106.3**	**123.9**	**2,775.8**
Derivative financial (assets)/liabilities - net								
Net settled[2]	(67.2)	(7.6)	10.8	(1.3)	(16.2)	1.1	(6.0)	4.0
Gross settled[3]:								
(Inflow)	-	(494.1)	(199.1)	(82.9)	(79.1)	(57.7)	(57.6)	(17.7)
Outflow	206.1	1,050.4	322.3	202.1	225.8	180.1	78.5	41.6
Total derivative financial liabilities/(assets) - net	**138.9**	**548.7**	**134.0**	**117.9**	**130.5**	**123.5**	**14.9**	**27.9**

1. Contractual cash flows relating to bank loans exclude any estimate of interest payments that might arise under Goodman's revolving loan facilities.
2. Net settled includes IRD and FEC.
3. Gross settled includes CCIRS.

Notes to the consolidated financial statements

Capital management (continued)

(c) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The maximum exposure to credit risk on financial assets, excluding investments, which have been recognised on the statement of financial position, is equal to the carrying amount.

Goodman has a policy of assessing the creditworthiness of all potential customers and is not materially exposed to any one customer. Goodman evaluates all customers' perceived credit risk and may require the lodgement of rental bonds or bank guarantees, as appropriate, to reduce credit risk. In addition, all rents are payable monthly in advance. Bank guarantees are accepted from financial institutions which have an investment grade credit rating from a major rating agency.

Concentration of credit risk may exist due to receivables in respect of the disposals of investment properties. The credit risk is minimised as legal title to the properties is only transferred upon receipt of proceeds and typically Goodman will have either received a cash deposit or be the beneficiary of a bank guarantee for 10% to 20% of the total proceeds.

In relation to material bank deposits, Goodman minimises credit risk by dealing with major financial institutions. The counterparty must have a long-term investment grade credit rating from a major rating agency. The amounts and other terms associated with bank deposits are formally reviewed monthly.

The credit risks associated with derivative financial instruments are managed by:

- Transacting with multiple derivatives counterparties that have a long-term investment grade credit rating
- Utilising ISDA agreements with derivative counterparties in order to limit exposure to credit risk through netting of amounts receivable and amounts payable to individual counterparties (refer below)
- Formally reviewing the mark to market position of derivative financial instruments by counterparty on a monthly basis.

Master netting off or similar agreements

Goodman enters into derivative transactions under ISDA master netting off agreements. Under these agreements, where certain credit events occur (such as a default), all outstanding transactions under the agreement are terminated and a single net termination value is payable in full and final settlement.

As Goodman does not have any current legally enforceable right to offset, the fair values associated with derivative financial instruments have been presented gross in the statement of financial position. However, if a credit event occurred, the ISDA master netting off agreement would allow A$289.0 million (2023: A$278.0 million) and A$185.4 million (2023: A$227.2 million) of financial assets and financial liabilities in relation to Goodman's and GIT's respective derivative financial instruments to be offset.

Notes to the consolidated financial statements

Capital management (continued)

(d) Fair values of financial instruments

The carrying amounts shown in the statement of financial position and fair values of financial assets and liabilities are as follows:

	Goodman				GIT			
	Carrying amount 2024 $M	Fair value 2024 $M	Carrying amount 2023 $M	Fair value 2023 $M	Carrying amount 2024 $M	Fair value 2024 $M	Carrying amount 2023 $M	Fair value 2023 $M
Financial assets								
Cash and cash equivalents	1,785.3	1,785.3	1,360.1	1,360.1	1,018.2	1,018.2	689.9	689.9
Receivables	399.6	399.6	474.1	474.1	2,536.1	2,536.1	3,364.5	3,364.5
Other financial assets:								
– Interest rate derivatives (IRD)	197.1	197.1	305.4	305.4	130.0	130.0	211.0	211.0
– Cross currency interest rate swaps (CCIRS)	189.8	189.8	136.2	136.2	110.9	110.9	97.5	97.5
– Foreign exchange contracts (FEC)	8.2	8.2	9.6	9.6	-	-	0.2	0.2
– Investments in unlisted securities	20.3	20.3	18.1	18.1	22.5	22.5	19.6	19.6
	2,600.3	2,600.3	2,303.5	2,303.5	3,817.7	3,817.7	4,382.7	4,382.7
Financial liabilities								
Payables (excluding contract liabilities)	1,161.9	1,161.9	1,052.4	1,052.4	701.6	701.6	948.9	948.9
Interest bearing liabilities[1]	3,686.7	3,529.8	3,292.9	3,034.9	3,432.5	3,272.9	2,982.8	2,721.5
Other financial liabilities:								
– IRD	107.0	107.0	142.4	142.4	99.6	99.6	141.2	141.2
– CCIRS	366.2	366.2	410.5	410.5	249.2	249.2	303.6	303.6
– FEC	40.5	40.5	71.1	71.1	9.1	9.1	2.7	2.7
	5,362.3	5,205.4	4,969.3	4,711.3	4,492.0	4,332.4	4,379.2	4,117.9

[1] The fair value of certain fixed rate interest bearing liabilities has been determined by reference to the quoted market prices at 30 June 2024.

Notes to the consolidated financial statements

Capital management (continued)

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method:

	Goodman				GIT			
	Level 1 $M	Level 2 $M	Level 3 $M	Total $M	Level 1 $M	Level 2 $M	Level 3 $M	Total $M
As at 30 June 2024								
Derivative financial assets	-	395.1	-	395.1	-	240.9	-	240.9
Investments in unlisted securities	-	-	20.3	20.3	-	-	22.5	22.5
	-	**395.1**	**20.3**	**415.4**	**-**	**240.9**	**22.5**	**263.4**
Derivative financial liabilities	-	513.7	-	513.7	-	357.9	-	357.9
	-	**513.7**	**-**	**513.7**	**-**	**357.9**	**-**	**357.9**
As at 30 June 2023								
Derivative financial assets	-	451.2	-	451.2	-	308.7	-	308.7
Investments in unlisted securities	-	-	18.1	18.1	-	-	19.6	19.6
	-	**451.2**	**18.1**	**469.3**	**-**	**308.7**	**19.6**	**328.3**
Derivative financial liabilities	-	624.0	-	624.0	-	447.5	-	447.5
	-	**624.0**	**-**	**624.0**	**-**	**447.5**	**-**	**447.5**

There were no transfers between the levels during the year.

Valuation techniques used to derive Level 2 and Level 3 fair values

The Level 2 derivative financial instruments held by Goodman and GIT consist of IRD, CCIRS and FEC.

The fair values of derivative financial instruments are determined using generally accepted pricing models which discount estimated future cash flows based on the terms and maturity of each contract and current market interest rates and/or foreign currency rates, adjusted for specific features of the instruments.

Notes to the consolidated financial statements

Capital management (continued)

18 Dividends and distributions

Dividends and distributions are recognised when they are declared and before deduction of any withholding tax. Any non-recoverable withholding tax is included in income tax.

Goodman

FY24 dividends/distributions

	Dividends/distributions cents per security	Total amount $M	Date of payment
GL	-	-	n/a
GIT			
– 31 December 2023	15.0	284.9	23 Feb 2024
– 30 June 2024	11.0	208.9	26 Aug 2024
GLHK	4.0	76.0	26 Aug 2024
	30.0	569.8	

FY23 dividends/distributions

	Dividends/distributions cents per security	Total amount $M	Date of payment
GL	-	-	n/a
GIT			
– 31 December 2022	15.0	282.1	24 Feb 2023
– 30 June 2023	10.0	188.3	25 Aug 2023
GLHK	5.0	94.2	25 Aug 2023
	30.0	564.6	

GIT

In FY24, GIT's distributions were 26.0 cents per security (2023: 25.0 cents per security) amounting to $493.8 million (2023: $470.5 million).

Movement in provision for dividends/distributions to Securityholders

	Goodman		GIT	
	2024 $M	2023 $M	2024 $M	2023 $M
Balance at the beginning of the year	282.5	280.0	188.4	233.5
Provisions for dividends/distributions	569.8	564.6	493.8	470.5
Dividends/distributions paid	(567.4)	(562.1)	(473.3)	(515.6)
Balance at the end of the year	**284.9**	**282.5**	**208.9**	**188.4**

Notes to the consolidated financial statements

Capital management (continued)

19 Issued capital

(a) Ordinary securities

Ordinary securities are classified as equity. Incremental costs directly attributable to issues of ordinary securities are recognised as a deduction from equity, net of any tax effects.

			Goodman		GIT	
	2024	2023	2024	2023	2024	2023
	Number of securities		$M	$M	$M	$M
Stapled securities:						
– Issued and fully paid	1,899,182,071	1,883,819,883	8,504.9	8,434.5	8,717.7	8,504.3
Less: Accumulated issue costs			(161.3)	(161.2)	(149.0)	(148.9)
Total issued capital	**1,899,182,071**	**1,883,819,883**	**8,343.6**	**8,273.3**	**8,568.7**	**8,355.4**

Terms and conditions

Stapled security means one share in the Company stapled to one unit in the Trust and one CDI over a share in GLHK. Holders of stapled securities are entitled to receive dividends or distributions as declared from time to time and are entitled to one vote per security at Securityholders' meetings. In the event of a winding up, Securityholders rank after creditors and are fully entitled to any net proceeds of liquidation.

Movement in ordinary securities

Date	Details	Number of securities	Goodman $M	GIT $M
30 June 2022	Balance before accumulated issue costs	1,868,222,609	8,367.1	8,303.3
1 September 2022	Securities issued to employees under the LTIP	13,479,812	-	158.5
1 September 2022	Treasury securities allocated to employees under the LTIP	(1,233,333)	-	-
19 May 2023	Issue of securities	3,350,795	67.4	42.5
30 June 2023	Balance before accumulated issue costs	1,883,819,883	8,434.5	8,504.3
28 August 2023	Issue of securities	3,164,056	70.4	43.9
30 August 2023	Securities issued to employees under the LTIP	12,198,132	-	169.5
	Less: Accumulated issue costs		(161.3)	(149.0)
30 June 2024	**Closing balance**	**1,899,182,071**	**8,343.6**	**8,568.7**

(b) Share-based payments

LTIP

The Group's share-based payments primarily relate to performance rights awarded to employees under the LTIP. These performance rights entitle an employee to either acquire Goodman securities for $nil consideration (equity settled performance rights) or, in certain jurisdictions, to receive an amount in cash equal to the value of the securities (cash settled performance rights), subject to the vesting conditions having been satisfied. Further details regarding the vesting conditions are included in the remuneration report section of the Directors' report.

During the year, the movement in the number of performance rights under the LTIP was as follows:

	Number of rights	
	2024	2023
Outstanding at the beginning of the year	76,318,090	71,750,644
Granted	22,131,302	22,431,397
Exercised	(15,363,511)	(16,830,607)
Forfeited	(3,945,137)	(1,033,344)
Outstanding at the end of the year	**79,140,744**	**76,318,090**
Exercisable at the end of the year	-	-

Notes to the consolidated financial statements

Capital management (continued)

Share-based payments transactions

The fair value of equity settled performance rights at the grant date is expensed with a corresponding increase in the employee compensation reserve over the period from the grant date to the vesting dates. The expense is adjusted to reflect the actual number of performance rights for which the related service and non-market vesting conditions are expected to be met. The accumulated share-based payments expense of performance rights which have vested or lapsed is transferred from the employee compensation reserve to retained earnings.

The fair value of cash settled performance rights is also recognised as an expense but with a corresponding increase in liabilities over the vesting period. The expense is adjusted to reflect the actual number of performance rights for which the related service and non-market vesting conditions are expected to be met. The liability is remeasured at each reporting date and at the vesting date based on the fair value of the rights.

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

- Operating EPS tranches: these rights were valued as a granted call option, using the standard Black Scholes model with a continuous dividend/distribution yield
- Relative TSR tranches: these rights were valued using a Monte Carlo model which simulated total returns for each of the ASX 100 stocks and discounted the future value of any potential future vesting performance rights to arrive at a present value. The model uses statistical analysis to forecast total returns, based on expected parameters of variance and co-variance.

The model inputs for performance rights, both equity and cash settled, awarded during the current financial year included the following:

	10-year rights issued on 14 Nov 2023	10-year rights issued on 29 Sep 2023	5-year rights issued on 29 Sep 2023
Fair value at measurement date ($)	18.93	17.44	18.09
Security price ($)	22.77	21.45	21.45
Exercise price ($)	-	-	-
Expected volatility (%)	28.06	27.88	29.89
Rights' expected weighted average life (years)	6.8	6.9	3.9
Dividend/distribution yield per annum (%)	1.32	1.40	1.40
Average risk free rate of interest per annum (%)	4.47	4.27	4.10

The model inputs for the remeasurement of the cash settled performance rights at 30 June 2024 included the following:

	10-year rights issued in FY24	10-year rights issued in FY23	10-year rights issued in FY22	5-year rights issued In FY24	5-year rights issued In FY23	5-year rights issued In FY22	5-year rights issued In FY21	5-year rights issued In FY20
Fair value at measurement date ($)	21.85	29.48	29.86	26.47	30.74	34.40	34.55	34.70
Security price ($)	34.75	34.75	34.75	34.75	34.75	34.75	34.75	34.75
Exercise price ($)	-	-	-	-	-	-	-	-
Expected volatility (%)	63.81	27.69	27.36	27.07	26.35	25.21	23.65	23.27
Rights' expected weighted average life (years)	6.2	5.2	4.2	3.2	2.2	1.2	0.7	0.2
Dividend/distribution yield per annum (%)	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86
Average risk free rate of interest per annum (%)	4.17	4.15	4.18	4.12	4.25	4.34	4.43	4.38

The amounts recognised as a share-based payments expense in the consolidated income statement are set out in note 1. At 30 June 2024, a liability of $294.8 million (2023: $146.1 million) was recognised in relation to cash settled performance rights.

Notes to the consolidated financial statements

Capital management (continued)

OTHER ITEMS

The notes in this section set out other information that is required to be disclosed to comply with the Australian Accounting Standards, *Corporations Act 2001* or Corporations Regulations.

20 Notes to the cash flow statements

(a) Reconciliation of cash

For the purpose of the cash flow statements, cash and cash equivalents include cash on hand at the bank and short-term deposits at call. Cash at the end of the year as shown in the cash flow statements is reconciled to the related items in the statements of financial position as follows:

	Goodman		GIT	
	2024 $M	2023 $M	2024 $M	2023 $M
Bank balances	1,474.8	1,360.1	707.7	689.9
Call deposits	310.5	-	310.5	-
	1,785.3	1,360.1	1,018.2	689.9

(b) Reconciliation of profit for the year to net cash provided by operating activities

	Goodman		GIT	
	2024 $M	2023 $M	2024 $M	2023 $M
(Loss)/profit for the year	(98.9)	1,559.9	(417.1)	1,138.0
Items classified as investing activities				
Net (gain)/loss on disposal of investment properties	(5.0)	(3.6)	(5.0)	0.6
Net gain on disposal of controlled entities and assets held for sale	(208.0)	(4.3)	-	(4.3)
Non-cash items				
Amortisation and depreciation	17.5	16.7	-	-
Share based payments expense	501.4	286.0	-	-
Net gain from fair value adjustments on investment properties	(6.0)	(278.9)	(44.4)	(229.0)
Share of net results of equity accounted investments	796.7	(1,022.4)	545.1	(1,079.1)
Net finance expense	22.5	234.8	(8.5)	57.1
Income tax expense/(credit)	41.9	182.2	(106.2)	99.1
	1,062.1	970.4	(36.1)	(17.6)
Changes in assets and liabilities during the year:				
– Decrease /(increase) in receivables	12.6	10.2	(1.4)	0.2
– (Increase)/decrease in inventories	(230.0)	(27.5)	-	5.9
– Decrease in other assets	8.1	1.5	0.9	0.3
– (Decrease)/increase in payables	(109.6)	(47.5)	7.6	1.9
– Increase/(decrease) in provisions	2.0	(2.6)	-	-
	745.2	904.5	(29.0)	(9.3)
Distributions/dividends received from Partnerships	609.3	583.5	332.2	301.3
Net finance costs paid	(41.3)	(39.7)	(111.2)	(82.8)
Net income taxes paid	(124.6)	(164.1)	(1.6)	(2.1)
Net cash provided by operating activities	1,188.6	1,284.2	190.4	207.1

(c) Non-cash transactions

On 28 March 2024, GMT completed the internalisation of its management and acquired Goodman Property Services (NZ) Limited (GPSNZ) from the Group. The total consideration received by the Group, which related to the disposal of GPSNZ, the termination of the management rights agreement, other performance and advisory fees and the disposal of two investment properties, amounted to $286.4 million. This was immediately used by the Group to subscribe for new units in GMT, with no cash flows occurring.

Other than disclosed elsewhere in the consolidated financial statements, there were no other significant non-cash transactions during the current and prior year.

Notes to the consolidated financial statements

Other items (continued)

(d) Reconciliation of liabilities arising from financing activities

Goodman	Interest bearing liabilities $M	Derivative financial instruments $M	Provision for distributions $M	Lease liabilities $M	Total $M
Balance at 30 June 2022	**2,832.2**	**34.5**	**280.0**	**70.6**	**3,217.3**
Changes from financing cash flows					
Proceeds from borrowings and derivative financial instruments	1,029.3	-	-	-	**1,029.3**
Payments on borrowings and derivative financial instruments	(687.5)	(84.5)	-	-	**(772.0)**
Payment of lease liabilities	-	-	-	(13.2)	**(13.2)**
Distributions paid	-	-	(562.1)	-	**(562.1)**
Total changes from financing cash flows	**341.8**	**(84.5)**	**(562.1)**	**(13.2)**	**(318.0)**
Effect of changes in foreign exchange rates	115.6	1.5	-	2.5	**119.6**
Changes in fair value	-	221.3	-	-	**221.3**
Other changes					
New leases	-	-	-	10.9	**10.9**
Other borrowing costs	3.3	-	-	-	**3.3**
Interest expense on lease liabilities	-	-	-	1.0	**1.0**
Disposal of right of use assets	-	-	-	(4.1)	**(4.1)**
Distributions declared	-	-	564.6	-	**564.6**
Total other changes	**3.3**	**-**	**564.6**	**7.8**	**575.7**
Balance at 30 June 2023	**3,292.9**	**172.8**	**282.5**	**67.7**	**3,815.9**
Proceeds from borrowings and derivative financial instruments	849.8	-	-	-	**849.8**
Payments on borrowings and derivative financial instruments	(385.3)	(70.7)	-	-	**(456.0)**
Payment of lease liabilities	-	-	-	(11.9)	**(11.9)**
Distributions paid	-	-	(567.4)	-	**(567.4)**
Total changes from financing cash flows	**464.5**	**(70.7)**	**(567.4)**	**(11.9)**	**(185.5)**
Effect of changes in foreign exchange rates	(70.1)	6.2	-	-	**(63.9)**
Changes in fair value	-	10.3	-	-	**10.3**
Other changes					
New leases	-	-	-	3.6	**3.6**
Other borrowing costs	(0.6)	-	-	-	**(0.6)**
Disposal of right of use assets	-	-	-	(23.1)	**(23.1)**
Distributions declared	-	-	569.8	-	**569.8**
Total other changes	**(0.6)**	**-**	**569.8**	**(19.5)**	**549.7**
Balance at 30 June 2024	**3,686.7**	**118.6**	**284.9**	**36.3**	**4,126.5**

Notes to the consolidated financial statements

Other items (continued)

GIT	Interest bearing liabilities $M	Derivatives used for hedging $M	Provision for distributions $M	Loans with related parties, net $M	Total $M
Balance at 30 June 2022	2,825.4	8.3	233.5	(2,540.7)	526.5
Changes from financing cash flows					
Net cash flows from loans to related parties	-	11.9	-	179.8	191.7
Proceeds from borrowings and derivative financial instruments	712.3	-	-	-	712.3
Payments on borrowings and derivative financial instruments	(687.4)	(35.5)	-	-	(722.9)
Distributions paid	-	-	(515.6)	-	(515.6)
Total changes from financing cash flows	24.9	(23.6)	(515.6)	179.8	(334.5)
Effect of changes in foreign exchange rates	127.9	(2.5)	-	(163.4)	(38.0)
Changes in fair value	-	156.6	-	-	156.6
Other changes					
Issue of units under the LTIP	-	-	-	(158.5)	(158.5)
Equity settled share based payments transactions	-	-	-	(32.9)	(32.9)
Interest income	-	-	-	(93.8)	(93.8)
Interest expense	-	-	-	20.1	20.1
Interest paid	-	-	-	12.8	12.8
Other borrowing costs	4.6	-	-	-	4.6
Derivative financial instrument settlement	-	-	-	11.9	11.9
Distributions declared	-	-	470.5	-	470.5
Total other changes	4.6	-	470.5	(240.4)	234.7
Balance at 30 June 2023	2,982.8	138.8	188.4	(2,764.7)	545.3
Changes from financing cash flows					
Net cash flows from loans to related parties	-	-	-	956.2	956.2
Proceeds from borrowings and derivative financial instruments	824.8	-	-	-	824.8
Payments on borrowings and derivative financial instruments	(326.5)	(37.0)	-	-	(363.5)
Distributions paid	-	-	(473.3)	-	(473.3)
Total changes from financing cash flows	498.3	(37.0)	(473.3)	956.2	944.2
Effect of changes in foreign exchange rates	(46.3)	(0.9)	-	(169.8)	(217.0)
Changes in fair value	-	16.1	-	-	16.1
Other changes					
Issue of units under the LTIP	-	-	-	-	-
Equity settled share based payments transactions	-	-	-	(46.1)	(46.1)
Interest income	-	-	-	(161.6)	(161.6)
Interest expense	-	-	-	29.6	29.6
Interest paid	-	-	-	19.9	19.9
Other borrowing costs	4.9	-	-	-	4.9
Debt modification costs	(7.2)	-	-	-	(7.2)
Distributions declared	-	-	493.8	-	493.8
Total other changes	(2.3)	-	493.8	(158.2)	333.3
Balance at 30 June 2024	3,432.5	117.0	208.9	(2,136.5)	1,621.9

Notes to the consolidated financial statements

Other items (continued)

21 Equity attributable to Goodman Limited and non-controlling interests

Under Australian Accounting Standards, stapled entities are required to separately identify equity attributable to the parent entity from equity attributable to other entities stapled to the parent. The equity attributable to other entities stapled to the parent is presented as non-controlling interests in the statement of financial position of the Group. The tables below in notes 21(a) and 21(b) provide an analysis of equity, profit for the year and total comprehensive income for the year attributable to each of Goodman Limited and the other entities stapled to Goodman Limited (non-controlling interests).

(a) Equity attributable to Goodman Limited

	Attributable to Goodman Limited						
	Issued capital $M	Foreign currency translation reserve $M	Employee compensation reserve $M	Defined benefit retirement schemes reserve $M	Total reserves $M	Retained earnings $M	Total $M
Balance at 1 July 2022	**514.3**	**(76.4)**	**52.4**	**(22.3)**	**(46.3)**	**1,824.9**	**2,292.9**
Total comprehensive income/(loss) for the year							
Profit for the year	-	-	-	-	-	288.2	**288.2**
Other comprehensive income/(loss)							
Effect of foreign currency translation	-	8.9	-	(2.2)	6.7	-	**6.7**
Actuarial losses on defined benefit superannuation funds	-	-	-	-	-	-	**-**
Total comprehensive income/(loss) for the year, net of income tax	**-**	**8.9**	**-**	**(2.2)**	**6.7**	**288.2**	**294.9**
Transfers	-	-	(115.6)	-	(115.6)	115.6	**-**
Contributions by and distributions to owners							
Issue of securities	13.0	-	-	-	-	-	**13.0**
Issue costs	(0.1)	-	-	-	-	-	**(0.1)**
Equity settled share based payments transactions	-	-	129.1	-	129.1	-	**129.1**
Deferred tax associated with the LTIP	-	-	1.6	-	1.6	-	**1.6**
Balance at 30 June 2023	**527.2**	**(67.5)**	**67.5**	**(24.5)**	**(24.5)**	**2,228.7**	**2,731.4**

Notes to the consolidated financial statements

Other items (continued)

	Attributable to Goodman Limited						
	Issued capital $M	Foreign currency translation reserve $M	Employee compensation reserve $M	Defined benefit retirement schemes reserve $M	Total reserves $M	Retained earnings $M	Total $M
Balance at 1 July 2023	527.2	(67.5)	67.5	(24.5)	(24.5)	2,228.7	2,731.4
Total comprehensive income/(loss) for the year							
Profit for the year	-	-	-	-	-	401.1	401.1
Other comprehensive income/(loss)							
Effect of foreign currency translation	-	(45.7)	-	0.1	(45.6)	-	(45.6)
Total comprehensive income/(loss) for the year, net of income tax	-	(45.7)	-	0.1	(45.6)	401.1	355.5
Transfers	-	-	(148.6)	-	(148.6)	148.6	-
Contributions by and distributions to owners							
Issue of securities	13.5	-	-	-	-	-	13.5
Equity settled share based payments transactions	-	-	156.5	-	156.5	-	156.5
Deferred tax associated with the LTIP	-	-	10.3	-	10.3	-	10.3
Balance at 30 June 2024	540.7	(113.2)	85.7	(24.4)	(51.9)	2,778.4	3,267.2

Notes to the consolidated financial statements

Other items (continued)

(b) Equity attributable to other entities stapled to Goodman Limited (non-controlling interests)

	Attributable to other entities stapled to Goodman Limited (non-controlling interests)								
	Issued capital $M	Asset revaluation reserve $M	Cash flow hedge reserve $M	Foreign currency translation reserve $M	Employee compensation reserve $M	Defined benefit retirement schemes reserve $M	Total reserves $M	Retained earnings $M	Total $M
Balance at 1 July 2022	7,691.8	(6.4)	11.1	129.8	273.1	(8.6)	399.0	6,041.1	14,131.9
Total comprehensive income/(loss) for the year									
Profit for the year	-	-	-	-	-	-	-	1,271.7	**1,271.7**
income/(loss)									
Effect of foreign currency translation	-	(0.5)	0.5	354.3	-	(0.4)	353.9	-	**353.9**
Actuarial losses on defined benefit superannuation funds	-	-	-	-	-	0.5	0.5	-	**0.5**
Other changes	-	(0.2)	2.4	-	-	-	2.2	-	**2.2**
Total comprehensive income/(loss) for the year, net of income tax	**-**	**(0.7)**	**2.9**	**354.3**	**-**	**0.1**	**356.6**	**1,271.7**	**1,628.3**
Contributions by and distributions to owners									
Dividends/distributions on stapled securities	-	-	-	-	-	-	-	(564.6)	**(564.6)**
Issue of stapled securities	54.4	-	-	-	-	-	-	-	**54.4**
Issue costs	(0.1)	-	-	-	-	-	-	-	**(0.1)**
Equity settled share based payments transactions	-	-	-	-	43.5	-	43.5	-	**43.5**
Balance at 30 June 2023	7,746.1	(7.1)	14.0	484.1	316.6	(8.5)	799.1	6,748.2	15,293.4

Notes to the consolidated financial statements

Other items (continued)

	Attributable to other entities stapled to Goodman Limited (non-controlling interests)								
	Issued capital $M	Asset revaluation reserve $M	Cash flow hedge reserve $M	Foreign currency translation reserve $M	Employee compensation reserve $M	Defined benefit retirement schemes reserve $M	Total reserves $M	Retained earnings $M	Total $M
Balance at 1 July 2023	7,746.1	(7.1)	14.0	484.1	316.6	(8.5)	799.1	6,748.2	15,293.4
Total comprehensive (loss)/income for the year									
Loss for the year	-	-	-	-	-	-	-	(500.0)	**(500.0)**
Other comprehensive (loss)/income									
Effect of foreign currency translation	-	0.1	-	(70.4)	-	0.1	(70.2)	-	**(70.2)**
Actuarial losses on defined benefit superannuation funds	-	-	-	-	-	(3.5)	(3.5)	-	**(3.5)**
Other changes	-	0.1	(6.8)	-	-	-	(6.7)	-	**(6.7)**
Total comprehensive (loss)/income for the year, net of income tax	-	0.2	(6.8)	(70.4)	-	(3.4)	(80.4)	(500.0)	(580.4)
Contributions by and distributions to owners									
Dividends/distributions on stapled securities	-	-	-	-	-	-	-	(569.8)	**(569.8)**
Issue of stapled securities	56.9	-	-	-	-	-	-	-	**56.9**
Issue costs	(0.1)	-	-	-	-	-	-	-	**(0.1)**
Equity settled share based payments transactions	-	-	-	-	70.7	-	70.7	-	**70.7**
Balance at 30 June 2024	7,802.9	(6.9)	7.2	413.7	387.3	(11.9)	789.4	5,678.4	14,270.7

Notes to the consolidated financial statements

Other items (continued)

22 Controlled entities

Controlled entities are entities controlled by the Company. Under Australian Accounting Standards, the Company is identified as having acquired control over the assets of the Trust and GLHK. The consolidated financial statements incorporate the assets and liabilities of all controlled entities as at 30 June 2024 and the results of all such entities for the year ended 30 June 2024.

Where an entity either began or ceased to be controlled during the financial year, the results of that entity are included only from or to the date control commenced or ceased. The assets and liabilities of an entity that ceased to be controlled are derecognised on the date control ceased. Any resulting gain or loss is recognised in the income statement.

Unrealised gains and losses and inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

Refer to the Consolidated entity disclosure statement for a listing of controlled entities of the Company.

23 Related parties

The names of KMP of Goodman at any time during the financial year are as follows:

Non-executive Directors - GL and GFML
Stephen Johns
Christopher Green
Mark Johnson
Vanessa Liu
Phillip Pryke (retired on 10 April 2024)
Belinda Robson
Hilary Spann
George Zoghbi

Non-Executive Directors - GLHK
Kitty Chung
David Collins

Executive KMP
Gregory Goodman
Danny Peeters
Anthony Rozic
Nick Kurtis
Nick Vrondas

Notes to the consolidated financial statements

Other items (continued)

Remuneration of KMP

The KMP remuneration totals are as follows:

	Goodman		Goodman Limited[1]	
	2024 $000	2023 $000	2024 $000	2023 $000
Short-term employee benefits	8,230.9	8,654.0	-	-
Post-employment benefits	240.6	209.9	-	-
Equity compensation benefits	39,479.4	37,769.7	-	-
Long-term employee benefits	4,986.2	4,536.4	-	-
	52,937.1	51,170.0	-	-

1. The remuneration is paid by wholly owned controlled entities of Goodman Limited.

GIT does not employ personnel in its own right. However, it is required to have an incorporated responsible entity to manage its activities and GFML is considered to be the key management personnel of GIT.

Individual Directors' and executives' compensation disclosures

Information regarding individual Directors' and executives' compensation and some equity instruments disclosures as required by Corporations Regulations 2M.3.03 is provided in the remuneration report section of the Directors' report.

GreenPoint Real Estate Innovation and Technology Venture, LP (GreenPoint)

In order to enhance understanding of and access to technologies that may influence the property sector and the business, GIT committed to investing USD15.0 million in GreenPoint, a property technology fund that is a Delaware limited partnership, managed by GreenPoint Partners. GreenPoint Partners is beneficially owned and controlled by Christopher Green, a director of GL. Total investment in GreenPoint at 30 June 2024 was USD9.5 million (2023: USD7.2 million). No distributions were received from GreenPoint in the current year and prior year.

Wyuna Regenerative Ag Investment Fund (Wyuna)

As part of its sustainability strategy, Goodman has committed to investing up to $30.0 million in an integrated carbon credit and regenerative platform in Australia – Wyuna. Investing alongside Australia's Clean Energy Finance Corporation, this project assists land regeneration, sustainable food production and land-based solutions to climate change. Wyuna is managed by Wyuna Regenerative Ag Pty Limited, which is 50% owned by Christopher Green, a director of GL.

Total investment in Wyuna at 30 June 2024 was $14.9 million (2023: $11.9 million). No distributions were received from Wyuna in the current and prior year.

Notes to the consolidated financial statements

Other items (continued)

Transactions with associates and JVs

The transactions with Partnerships during the year were as follows:

	Revenue from management and development activities		Interest charged on loans to associates and JVs	
	2024	2023	2024	2023
Goodman	$000	$000	$000	$000
Associates	866,519.6	683,993.9	-	-
JVs	524,507.0	495,718.3	-	2,117.3
GIT				
Associates	-	-	-	(19.1)
JVs	-	-	20,861.8	1,688.6

In addition to the transactions included in the table above:

- On 28 March 2024, GMT completed the internalisation of its management and acquired Goodman Property Services (NZ) Limited from the Group. The total consideration of $286.4 million, which also included amounts for performance and advisory fees and the acquisition of two investment properties was immediately used by the Group to subscribe for new units in GMT.
- Goodman disposed of a 49% interest in five controlled entities to GAIP, creating a new South Sydney Partnership (SSP) with GAIP. The transactions were accounted for as a disposal of controlled entities for gross proceeds of $992.0 million. Goodman's investment in SSP on conclusion of the transaction was $505.9 million. Four of the controlled entities disposed to GAIP were by GIT for gross proceeds of $839.2 million.
- Goodman incurred $3.7 million (2023: $3.6 million) of costs on transactions with Partnerships, primarily for the leasing of office premises.
- In the prior year, Goodman disposed of a 40% interest in a JV to GAIP for proceeds of $353.7 million.

Amounts due from Partnerships at 30 June 2024 were as follows:

	Goodman				GIT			
	Amounts due from related parties		Loans provided by Goodman[1]		Amounts due from related parties		Loans provided by GIT[1]	
	2024	2023	2024	2023	2024	2023	2024	2023
	$000	$000	$000	$000	$000	$000	$000	$000
Associates								
GAIP	16,047.3	16,074.7	-	-	-	-	-	-
GAP	5,956.9	5,982.5	-	-	-	-	-	-
GMT	-	3,905.5	-	-	-	-	-	-
GHKLP	17,544.7	16,637.9	-	-	-	-	-	-
GJCP	3,483.5	5,457.5	-	-	-	-	-	-
GEP	8,968.7	10,782.8	-	-	-	-	-	-
	52,001.1	58,840.9	-	-	-	-	-	-
JVs								
GCLP	9,589.2	6,455.2	-	-	-	-	-	-
GUKP	2,365.7	2,442.5	-	-	-	-	-	-
GNAP	9,922.4	10,864.8	-	-	-	-	-	-
Other JVs	13,947.0	21,577.5	169,993.2	228,184.2	6,710.7	8,984.7	186,028.5	221,188.1
	35,824.3	41,340.0	169,993.2	228,184.2	6,710.7	8,984.7	186,028.5	221,188.1

1. Loans provided by Goodman and GIT to associates and JVs have been provided on an arm's length basis.

Notes to the consolidated financial statements

Other items (continued)

Transactions between GIT and other Goodman entities

The transactions with other Goodman entities during the year were as follows:

	GIT	
	2024 $000	2023 $000
Management fees	296.9	1,045.5
Reimbursement of expenses	43,598.3	71,192.7
Acquisition of investment properties	472,932.0	-

Interest bearing loans exist between GIT and other Goodman entities. At 30 June 2024, interest bearing loans of $2,341.5 million (2023: $3,114.4 million) were receivable by GIT from other Goodman entities and $391.0 million (2023: $572.7 million) was payable by GIT to other Goodman entities. Loans to related Goodman entities bear interest at rates referenced to GIT's external funding arrangements.

24 Commitments

Development activities

At 30 June 2024, Goodman was committed to expenditure in respect of $189.0 million (2023: $641.5 million) on inventories and other development activities. GIT had no such commitments (2023: $nil).

Investment properties

At 30 June 2024, Goodman had capital commitments of $5.8 million (2023: $90.1 million) in respect of investment properties. GIT had $nil (2023: $86.7 million) of such commitments.

Partnerships

At 30 June 2024, Goodman had remaining equity commitments of $600.0 million (2023: $nil) into GAIP and $143.0 million (2023: $145.8 million) into GEP. In addition, Goodman has undertaken to acquire up to 82.1 million units in GAIP if their holder elects to sell them. The price Goodman will pay will be determined by the prevailing unit price at the time of the sale. As at 30 June 2024, this equates to a total value of $131.3 million (2023: $173.8 million) (cum distribution value). Goodman's commitment to this sale process ends in May 2026. These commitments also apply to GIT.

In relation to GEP, Goodman offers two liquidity facilities which allow certain of the partners to sell to the Group some or all of their investments in GEP, but only when Goodman's ownership interest in GEP is below 40.0%. At 30 June 2024, Goodman's ownership interest in GEP was 19.8% and therefore the facilities are available to the partners. The first facility, which applies to 1.3% of the issued and committed units, would require Goodman to purchase up to €37.6 million of units (at a 1% discount to current unit value), subject to a maximum in each quarter of 2.5% of units. The second facility, which applies to 32.0% of the issued and committed units, would require Goodman to purchase up to €150.0 million of units (at a 5% discount to current unit value), subject to a maximum in each calendar year of €50.0 million.

Furthermore, in respect of certain Partnerships, Goodman and its investment partners have committed to invest further capital, subject to the approval by the partners (including Goodman) of the expenditures for which the funding is required. Goodman's commitment in respect of these Partnerships is set out below:

+ $15.2 million (2023: $18.1 million) into Wyuna
+ $126.0 million (2023: $135.0 million) into KWASA Goodman Germany
+ $115.2 million (2023: $201.3 million) into Goodman Japan Development Partnership
+ $455.7 million (2023: $705.3 million) into GCLP
+ $486.1 million (2023: $501.1 million) into GUKP
+ $1,633.6 million (2023: $1,791.1 million) into GNAP
+ $67.6 million (2023: $80.9 million) into Goodman Brazil Logistics Partnership (GBLP).

The Commitments in GNAP and GBLP also apply to GIT.

Notes to the consolidated financial statements

Other items (continued)

25 Auditors' remuneration

	Goodman		GIT	
	2024 $000	2023 $000	2024 $000	2023 $000
Audit services				
Auditor of the Company:				
– Audit and review of financial reports (KPMG Australia)	1,422.3	1,302.0	852.9	808.3
– Audit and review of financial reports (overseas KPMG firms)	1,504.9	1,469.2	105.8	101.1
	2,927.2	**2,771.2**	**958.7**	**909.4**
Other services				
– Other regulatory services (KPMG Australia)	83.4	61.5	48.6	46.3
– Other assurance services (KPMG Australia)	275.0	-	275.0	-
– Other advisory services (overseas KPMG firms)	-	5.6	-	-
– Taxation compliance services (overseas KPMG firms)	425.8	304.2	67.8	-
– Taxation advice (KPMG Australia)	37.2	102.8	7.2	68.4
– Taxation advice (overseas KPMG firms)	407.8	453.2	4.6	-
	1,229.2	**927.3**	**403.2**	**114.7**
Total paid/payable to KPMG	**4,156.4**	**3,698.5**	**1,361.9**	**1,024.1**
Other auditors				
– Audit and review of financial reports (non-KPMG firms)	213.3	190.5	-	-

26 Parent entity disclosures

As at, and throughout the financial year ended, 30 June 2024, the parent entities of Goodman and GIT were Goodman Limited and Goodman Industrial Trust respectively. The financial information for the parent entities is disclosed as follows:

	Goodman		GIT	
	2024 $M	2023 $M	2024 $M	2023 $M
Result of the parent entity				
Profit for the year	296.9	224.9	519.9	214.2
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	**296.9**	**224.9**	**519.9**	**214.2**
Financial position of the parent entity at year end				
Current assets	398.5	411.9	3,034.6	3,492.8
Total assets	2,404.8	2,390.5	9,903.7	9,913.6
Current liabilities	168.2	117.1	2,190.0	2,018.9
Total liabilities	1,027.0	1,390.2	4,581.1	4,876.9
Total equity of the parent entity comprising:				
Issued capital	1,061.8	996.5	8,568.7	8,355.4
Profits reserve	90.7	90.7	-	-
Employee compensation reserve	81.1	65.8	295.8	249.8
Accumulated profit/(losses)	144.2	(152.7)	(3,541.9)	(3,568.5)
Total equity	**1,377.8**	**1,000.3**	**5,322.6**	**5,036.7**

Notes to the consolidated financial statements

Other items (continued)

The financial information for the parent entities of Goodman and GIT has been prepared on the same basis as the consolidated financial statements, except as set out below:

Investments in controlled entities and Partnerships

Investments in controlled entities and Partnerships are accounted for at cost in the financial statements of GL and GIT. Distributions/dividends received from Partnerships are recognised in the income statement, rather than being deducted from the carrying amount of these investments.

Tax consolidation

GL is the head entity in a tax consolidated group comprising all Australian wholly owned subsidiaries (this excludes GIT). The head entity recognises all of the current tax assets and liabilities of the tax consolidated group (after elimination of intra-group transactions).

Financial guarantees

Where the parent entities have provided financial guarantees in relation to loans and payables of controlled entities for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

Parent entity capital commitments

At 30 June 2024, the parent entities had no capital commitments (2023: $nil).

Parent entity contingencies

Capitalisation Deed Poll

The Company, GFML, as responsible entity of the Trust, GLHK and certain of their wholly owned controlled entities are ‘investors’ under a Capitalisation Deed Poll (CDP) dated 23 May 2007. Under the CDP, each investor undertakes to pay to the relevant controlled entity borrower (borrower) any amounts owing under finance documents for the purpose of the CDP when the borrower fails to make a payment. Any payments by an investor to a borrower will be by way of loan to, or proceeds for the subscription of equity in, the borrower by the investor.

US144A/Regulation S senior notes

Under the issue of notes in the US144A/Regulation S bond market (refer to notes 15(b) and 15(c)), controlled entities of GIT had on issue USD and EUR notes amounting to US$1,350.0 million and €803.0 million respectively. GL, GFML, as responsible entity of the Trust, and GLHK have unconditionally and irrevocably guaranteed on a joint and several basis the payment of principal and interest in respect of each of the notes.

27 Events subsequent to balance date

Goodman and GIT

Other than as disclosed elsewhere in the consolidated financial report, there has not arisen in the interval between the end of the financial year and the date of this consolidated financial report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of Goodman and GIT, the results of those operations, or the state of affairs of Goodman and GIT, in future financial years.

Consolidated entity disclosure statement

Set out below is relevant information relating to entities that are consolidated in the consolidated financial statements at the end of the financial year as required by the *Corporations Act 2001* (s. 295(3A)(a)).

Entity name	Body corporate, partnership or trust	Place incorporated/ formed	% Share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign tax resident
01 Pty Limited[1]	Body corporate	Australia	100	Australian	N/A
A.C.N. 123 738 705 Pty Limited	Body corporate	Australia	100	Australian	N/A
A.C.N. 151 944 204 Pty Limited	Body corporate	Australia	100	Australian	N/A
Binary Centre Pty Limited	Body corporate	Australia	100	Australian	N/A
Clayton Business Park Pty Limited	Body corporate	Australia	100	Australian	N/A
Euston Road No.2 Pty Limited[1]	Body corporate	Australia	100	Australian	N/A
GADF Manager Pty Limited	Body corporate	Australia	100	Australian	N/A
GGGAIF JV No.2 Pty Limited	Body corporate	Australia	100	Australian	N/A
GGGAIF JV No.3 Pty Limited	Body corporate	Australia	100	Australian	N/A
GGGAIF JV No.4 Pty Limited	Body corporate	Australia	100	Australian	N/A
GGGAIF JV No.5 Pty Limited	Body corporate	Australia	100	Australian	N/A
GGGAIF JV No.6 Pty Limited	Body corporate	Australia	100	Australian	N/A
GGGAIF JV No.8 Pty Limited	Body corporate	Australia	100	Australian	N/A
GGGAIF JV No.9 Pty Limited	Body corporate	Australia	100	Australian	N/A
GIL Developments (Aust) Pty Limited	Body corporate	Australia	100	Australian	N/A
GIL Holdings (Aust) Pty Limited[1]	Body corporate	Australia	100	Australian	N/A
GIL Industrial Pty Ltd	Body corporate	Australia	100	Australian	N/A
Goodman Acquisitions (Aust) Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Australia Finance Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Australia Investments No.2 Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Australia Investments Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Building Services (Aust) Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Corish Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Corporate Services (Aust) Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Custodian Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Development Management (Aust) Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Europe (Aust) Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Europe Development Pty Limited[1]	Body corporate	Australia	100	Australian	N/A
Goodman European Investments Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Foundation Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Funding Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Funds Management Australia Limited[1]	Body corporate	Australia	100	Australian	N/A
Goodman Funds Management Limited[1]	Body corporate	Australia	100	Australian	N/A
Goodman GSTA Investment Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Head Treasury Pty Limited[1]	Body corporate	Australia	100	Australian	N/A
Goodman Hong Kong Investment (Aust) Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Industrial Finance (Aust) Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Industrial Funds Management Limited	Body corporate	Australia	100	Australian	N/A
Goodman Investments (Brazil) Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Japan Fund Lux Management Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Jersey Holdings Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Kingsford Smith Pty Limited[1]	Body corporate	Australia	100	Australian	N/A
Goodman Laverton Finance Pty Limited	Body corporate	Australia	100	Australian	N/A

Consolidated entity disclosure statement

(continued)

Entity name	Body corporate, partnership or trust	Place incorporated/ formed	% Share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign tax resident
Goodman Limited	Body corporate	Australia	100	Australian	N/A
Goodman Lion Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Palmers Pty Limited[1]	Body corporate	Australia	100	Australian	N/A
Goodman Property Development (Aust) Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Property Services (Aust) Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Singapore Holdings (Aust) Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman South Sydney Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Treasury Pty Limited[1]	Body corporate	Australia	100	Australian	N/A
Goodman UAE Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Vineyard No.2 Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Vineyard Pty Limited	Body corporate	Australia	100	Australian	N/A
Goodman Wholesale Funds Management Pty	Body corporate	Australia	100	Australian	N/A
GTA Industrial Custodian Pty Limited	Body corporate	Australia	100	Australian	N/A
GTA Real Estate Interchange Park Pty Limited	Body corporate	Australia	100	Australian	N/A
Mintbail Pty Limited	Body corporate	Australia	100	Australian	N/A
Moorabbin Airport Corporation Pty Limited	Body corporate	Australia	100	Australian	N/A
Riding Boundary Pty Limited	Body corporate	Australia	100	Australian	N/A
Tallina Pty Limited[1]	Body corporate	Australia	100	Australian	N/A
Tidecard Pty Limited	Body corporate	Australia	100	Australian	N/A
Tranway No.1 Pty Limited[1]	Body corporate	Australia	100	Australian	N/A
GAI 1 Capicure Pty Limited	Body corporate	Australia	100	Foreign	N/A
GAI 1 Heritage Pty Limited	Body corporate	Australia	100	Foreign	N/A
Goodman JV Holdings (Aust) Pty Limited	Body corporate	Australia	100	Foreign	N/A
Goodman Belgium NV	Body corporate	Belgium	100	Foreign	Belgium
Goodman Logisinsure (Belgium) NV	Body corporate	Belgium	100	Foreign	Belgium
Goodman Management Services (Belgium) NV	Body corporate	Belgium	100	Foreign	Belgium
Goodman Vilvoorde Logistics (Belgium) NV	Body corporate	Belgium	100	Foreign	Belgium
Willebroek Platform Project NV	Body corporate	Belgium	100	Foreign	Belgium
Associação de Proprietários do International Business Park 3	Body corporate	Brazil	100	Foreign	Brazil
Goodman Avenida Dos Estados I Empreendimentos Imobiliarios Ltda	Body corporate	Brazil	100	Foreign	Brazil
Goodman Brasil Logística S.A.	Body corporate	Brazil	100	Foreign	Brazil
Goodman Caxias Empreendimentos Imobiliários	Body corporate	Brazil	100	Foreign	Brazil
Goodman Consultoria, Participações e Administração de Valores Mobiliários Ltda.	Body corporate	Brazil	100	Foreign	Brazil
Goodman Gerenciamento e Administração de Propriedades Ltda.	Body corporate	Brazil	100	Foreign	Brazil
Goodman Investimentos e Participações S.A.	Body corporate	Brazil	100	Foreign	Brazil
Goodman Jaguaré I Empreendimentos Imobiliários Ltda	Body corporate	Brazil	100	Foreign	Brazil
Goodman Interlagos I Empreendimentos Imobiliarios Ltda	Body corporate	Brazil	100	Foreign	Brazil
Goodman XI Empreendimentos Imobiliários Ltda.	Body corporate	Brazil	100	Foreign	Brazil
Goodman XII Empreendimentos Imobiliários Ltda.	Body corporate	Brazil	100	Foreign	Brazil

Consolidated entity disclosure statement

(continued)

Entity name	Body corporate, partnership or trust	Place incorporated/ formed	% Share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign tax resident
GCL Asset Management Limited	Body corporate	Cayman Islands	100	Foreign	Cayman Islands
GHK Investment Management Limited	Body corporate	Cayman Islands	100	Foreign	Cayman Islands
GMG CO2 Zero	Body corporate	Cayman Islands	100	Foreign	Cayman Islands
Goodman Asia Developments Limited	Body corporate	Cayman Islands	100	Foreign	Cayman Islands
Goodman China Asset Management Limited	Body corporate	Cayman Islands	100	Foreign	Cayman Islands
Goodman China Developments	Body corporate	Cayman Islands	100	Foreign	Cayman Islands
Goodman Developments Asia	Body corporate	Cayman Islands	100	Foreign	Cayman Islands
Hoi Bun Holdings No.1 Limited	Body corporate	Cayman Islands	100	Foreign	Cayman Islands
Hoi Bun Holdings No.2 Limited	Body corporate	Cayman Islands	100	Foreign	Cayman Islands
Hoi Bun Investment Holding No.1 Limited	Body corporate	Cayman Islands	100	Foreign	Cayman Islands
Tai Yip Holdings No.8 Limited	Body corporate	Cayman Islands	100	Foreign	Cayman Islands
Tai Yip Holdings No.9 Limited	Body corporate	Cayman Islands	100	Foreign	Cayman Islands
Tai Yip Holdings No.7 Limited	Body corporate	Cayman Islands	100	Foreign	Cayman Islands
KT HoldCo Limited	Body corporate	Cayman Islands	100	Foreign	Cayman Islands
MGI HK Finance	Body corporate	Cayman Islands	100	Foreign	Cayman Islands
Tai Yip Holdings No.1 Limited	Body corporate	Cayman Islands	100	Foreign	Cayman Islands
Tai Yip Holdings No.2 Limited	Body corporate	Cayman Islands	100	Foreign	Cayman Islands
Tai Yip Holdings No.3 Limited	Body corporate	Cayman Islands	100	Foreign	Cayman Islands
Tai Yip Holdings No.4 Limited	Body corporate	Cayman Islands	100	Foreign	Cayman Islands
Tai Yip Holdings No.5 Limited	Body corporate	Cayman Islands	100	Foreign	Cayman Islands
Tai Yip Holdings No.6 Limited	Body corporate	Cayman Islands	100	Foreign	Cayman Islands
Goodman Investments (Suzhou) Co., Ltd.	Body corporate	China	100	Foreign	China
Goodman Management Consulting (Beijing) Co., Ltd.	Body corporate	China	100	Foreign	China
Goodman Management Consulting (Shanghai) Co., Ltd	Body corporate	China	100	Foreign	China
Goodman PE Funds Management (Shanghai) Co., Ltd	Body corporate	China	100	Foreign	China
Jiaqun (Suzhou) Equipment Manufacture Co., Ltd.	Body corporate	China	100	Foreign	China
Jiatian (Chongqing) Warehouse Co., Ltd.	Body corporate	China	100	Foreign	China
Jiayue (Changxing) Supply Chain Co., Ltd	Body corporate	China	95	Foreign	China
Kunmax Supply Chain (Changshu) Co., Ltd	Body corporate	China	95	Foreign	China
Shanghai Goodman Yiyi Enterprise Management Consulting Co., Ltd	Body corporate	China	100	Foreign	China
Goodman France SARL	Body corporate	France	100	Foreign	France
Goodman Paray Logistics (France) SNC	Body corporate	France	100	Foreign	France
Pôle Villa Nova I SNC	Body corporate	France	100	Foreign	France
Alsdorf Verwaltungs GmbH	Body corporate	Germany	100	Foreign	Germany
Goodman Germany GmbH	Body corporate	Germany	100	Foreign	Germany
Advance Tank International Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Basic Surplus Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
GCLAM Holdings Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
GCLAM Services (HK) Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
GFM Hong Kong Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
GJSP Investment Holdings Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
GJSP Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
GL Japan Finance (HK) Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
GMJ Developments No.15 Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Goodman Asia Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Goodman China (GBA) Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong

Consolidated entity disclosure statement

(continued)

Entity name	Body corporate, partnership or trust	Place incorporated/ formed	% Share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign tax resident
Goodman China Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Goodman Greater China Developments Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Goodman Hong Kong (Chongqing) Developments No.1 Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Goodman Hong Kong (Jiangsu) Developments No.11 Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Goodman Hong Kong (Zhejiang) Developments No.1 Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Goodman Logistics (HK) Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Goodman SEA Holdings Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Goodman SEA Investments No.1 Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Goodman Secretarial Asia Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Goodman UK BP Investment (HK) Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Goodman UK Holdings (HK) Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Goodman UK Investment (HK) Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
GPS Hong Kong Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Hoi Bun Investments No.1 Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Hoi Bun Investments No.3 Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Hopfull Hong Kong Development Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Tai Yip Investments No.1 Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Tai Yip Investments No.2 Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Tai Yip Investments No.4 Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Zimbery Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Tai Yip Investments No.7 Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Tai Yip Investments No.8 Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Tai Yip Investments No.9 Limited	Body corporate	Hong Kong	100	Foreign	Hong Kong
Goodman Fortuna Logistics (Italy) S.R.L.	Body corporate	Italy	100	Foreign	Italy
Goodman Italy S.R.L.	Body corporate	Italy	100	Foreign	Italy
Goodman Mediolanum Logistics (Italy) S.R.L.	Body corporate	Italy	100	Foreign	Italy
Goodman Olimpia Logistics (Italy) S.r.l.	Body corporate	Italy	100	Foreign	Italy
GJSP LPS	Body corporate	Japan	100	Foreign	Japan
GK GJDP LPS	Body corporate	Japan	100	Foreign	Japan
GK GJSP GP	Body corporate	Japan	100	Foreign	Japan
GK GJSP LP	Body corporate	Japan	100	Foreign	Japan
GK GJSP	Body corporate	Japan	100	Foreign	Japan
GK Goodman Japan Narita Takomachi	Body corporate	Japan	100	Foreign	Japan
Goodman Japan Funds Limited	Body corporate	Japan	100	Foreign	Japan
Goodman Japan Limited	Body corporate	Japan	100	Foreign	Japan
MGJ GK Zero	Body corporate	Japan	100	Foreign	Japan
Moegi TMK	Body corporate	Japan	100	Foreign	Japan
SH GJSP	Body corporate	Japan	100	Foreign	Japan
Yamaai TMK	Body corporate	Japan	100	Foreign	Japan
ABPP Investment Jersey Limited	Body corporate	Jersey	100	Foreign	UK
Goodman Colnbrook (Jersey) Limited	Body corporate	Jersey	100	Foreign	Jersey
Goodman Eastside Locks 1 (Jersey) Limited	Body corporate	Jersey	100	Foreign	Jersey
Goodman Finance (Jersey) Limited	Body corporate	Jersey	100	Foreign	Jersey
Goodman Logistics Andover 1 (Jersey) Limited	Body corporate	Jersey	100	Foreign	UK

Consolidated entity disclosure statement

(continued)

Entity name	Body corporate, partnership or trust	Place incorporated/ formed	% Share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign tax resident
Goodman Logistics London Medway (Jersey) Limited	Body corporate	Jersey	100	Foreign	UK
Goodman Maltby (Jersey) Limited	Body corporate	Jersey	100	Foreign	Jersey
Goodman Thurrock (Jersey) Limited	Body corporate	Jersey	100	Foreign	Jersey
Cedar Logistics S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Funds Management (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
GJL Management (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Alana Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Ari Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Bright Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Carnation Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Daffodil Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Dakota Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Denim Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Finance (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Finance Four (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Finance Two (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Gerbera Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Heliotrope Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Hematite Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Hibiscus Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Ionic Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Jasper Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Leucite Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Magnetic Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Magnetite Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Management Holdings (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Mauve Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Meadow Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Midnight Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Mimosa Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Peridot Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Petunia Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Property Opportunities (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Raspberry Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Turquoise Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Ultramarine Logistics (Lux) S.à r.l.	Body corporate	Luxembourg	100	Foreign	Luxembourg
Goodman Capricorn Logistics (Netherlands) B.V.	Body corporate	Netherlands	100	Foreign	Netherlands
Goodman Galaxy Holding B.V.	Body corporate	Netherlands	100	Foreign	Netherlands
Goodman Netherlands B.V.	Body corporate	Netherlands	100	Foreign	Netherlands
Goodman (NZ) Limited	Body corporate	New Zealand	100	Foreign	New Zealand
Goodman (Paihia) Limited	Body corporate	New Zealand	100	Foreign	New Zealand
Goodman (Wynyard Precinct) Limited	Body corporate	New Zealand	100	Foreign	New Zealand
Goodman Finance NZ Limited	Body corporate	New Zealand	100	Foreign	New Zealand
Goodman Holdings (NZ) Limited	Body corporate	New Zealand	100	Foreign	New Zealand
Goodman Investment Holdings (NZ) Limited	Body corporate	New Zealand	100	Foreign	New Zealand
Goodman SG Services Pte. Limited	Body corporate	Singapore	100	Foreign	Singapore

Consolidated entity disclosure statement

(continued)

Entity name	Body corporate, partnership or trust	Place incorporated/ formed	% Share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign tax resident
Goodman Carolina Logistics (Spain), S.L.	Body corporate	Spain	100	Foreign	Spain
Goodman Ebro Logistics (Spain), S.L.	Body corporate	Spain	100	Foreign	Spain
Goodman Garona Logistics (Spain), S.L.	Body corporate	Spain	100	Foreign	Spain
Goodman Industrial Logistics (Spain), S.L.	Body corporate	Spain	100	Foreign	Spain
Goodman Maeva Logistics (Spain) S.L.	Body corporate	Spain	100	Foreign	Spain
Goodman Real Estate (Spain) S.L.	Body corporate	Spain	100	Foreign	Spain
Goodman Segura Logistics (Spain), S.L.	Body corporate	Spain	100	Foreign	Spain
Goodman Triton Logistics (Spain), S.L.	Body corporate	Spain	100	Foreign	Spain
Ancosec Limited	Body corporate	UK	100	Foreign	UK
Eastside Locks Property Company LLP	Body corporate	UK	100	Foreign	UK
Goodman BidCo 1 (UK) Limited	Body corporate	UK	100	Foreign	UK
Goodman BidCo 3 (UK) Limited	Body corporate	UK	100	Foreign	UK
Goodman Derby (UK) Limited	Body corporate	UK	100	Foreign	UK
Goodman Eastside Locks (UK) Limited	Body corporate	UK	100	Foreign	UK
Goodman EMIP (UK) Limited	Body corporate	UK	100	Foreign	UK
Goodman Hinckley (UK) Limited	Body corporate	UK	100	Foreign	UK
Goodman Logistics Lyons Park 3 (GP) LLP	Body corporate	UK	100	Foreign	UK
Goodman Logistics Lyons Park 3 (UK) LP	Body corporate	UK	100	Foreign	UK
Goodman Logistics Lyons Park 3 Nominee (UK) Limited	Body corporate	UK	100	Foreign	UK
Goodman Logistics Developments (UK) Limited	Body corporate	UK	100	Foreign	UK
Goodman Logistics Management (UK) Limited	Body corporate	UK	100	Foreign	UK
Goodman Logistics UK Holdings Limited	Body corporate	UK	100	Foreign	UK
Goodman NCP (UK) Limited	Body corporate	UK	100	Foreign	UK
Goodman Operator (UK) Limited	Body corporate	UK	100	Foreign	UK
Goodman Peterborough (UK) Limited	Body corporate	UK	100	Foreign	UK
Goodman Real Estate (UK) Limited	Body corporate	UK	100	Foreign	UK
Goodman Real Estate Developments (2003)	Body corporate	UK	100	Foreign	UK
Goodman Real Estate Holdings (UK) Limited	Body corporate	UK	100	Foreign	UK
Goodman Real Estate Services (UK) Limited	Body corporate	UK	100	Foreign	UK
Goodman UK Limited	Body corporate	UK	100	Foreign	UK
Goodman UK Pension Plan Trustees Limited	Body corporate	UK	100	Foreign	UK
Goodman UK Partnership II (GP) LLP	Body corporate	UK	100	Foreign	UK
Goodman UK Partnership III (GP) LLP	Body corporate	UK	100	Foreign	UK
Soto DC LLC	Body corporate	USA	100	Foreign	USA
GIC Vernon LLC	Body corporate	USA	100	Foreign	USA
GLC Hazleton East LLC	Body corporate	USA	100	Foreign	USA
GLC Jersey City LLC	Body corporate	USA	100	Foreign	USA
GLC Lehigh Valley West LLC	Body corporate	USA	100	Foreign	USA
GNAM Development LLC	Body corporate	USA	100	Foreign	USA
Goodman Brazil Logistics GP, LLC	Body corporate	USA	100	Foreign	USA
Goodman Development Management LLC	Body corporate	USA	100	Foreign	USA
Goodman Investments GP LLC	Body corporate	USA	100	Foreign	USA
Goodman Management USA Inc.	Body corporate	USA	100	Foreign	USA
Goodman North America LLC	Body corporate	USA	100	Foreign	USA
Goodman North America Management LLC	Body corporate	USA	100	Foreign	USA
Goodman Property Management LP	Body corporate	USA	100	Foreign	USA
Goodman Property Management USA GP, Inc.	Body corporate	USA	100	Foreign	USA

Consolidated entity disclosure statement

(continued)

Entity name	Body corporate, partnership or trust	Place incorporated/ formed	% Share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign tax resident
Goodman US Finance Five, LLC	Body corporate	USA	100	Foreign	USA
Goodman US Finance Four, LLC	Body corporate	USA	100	Foreign	USA
Goodman US Finance Seven, LLC	Body corporate	USA	100	Australian	N/A
Goodman US Finance Six, LLC	Body corporate	USA	100	Australian	N/A
Goodman US Finance Three, LLC	Body corporate	USA	100	Foreign	USA
Tarpon Holdings I LLC	Body corporate	USA	100	Foreign	USA
Tarpon Holdings II LLC	Body corporate	USA	100	Foreign	USA
Tarpon Logistics Holdings LLC	Body corporate	USA	100	Foreign	USA
Tarpon Properties REIT, Inc.	Body corporate	USA	100	Foreign	USA
Favour Gains Global Limited	Body corporate	Virgin Islands, British	100	Foreign	Virgin Islands, British
GHKJD11 (BVI) Limited	Body corporate	Virgin Islands, British	100	Foreign	Virgin Islands, British
GMJD15 (BVI) Limited	Body corporate	Virgin Islands, British	100	Foreign	Virgin Islands, British
Hoi Bun Investment Holding No.2 Limited	Body corporate	Virgin Islands, British	100	Foreign	Virgin Islands, British
Tai Yip Investment Holding No.1 Limited	Body corporate	Virgin Islands, British	100	Foreign	Virgin Islands, British
Tai Yip Investment Holding No.2 Limited	Body corporate	Virgin Islands, British	100	Foreign	Virgin Islands, British
Tai Yip Investment Holding No.3 Limited	Body corporate	Virgin Islands, British	100	Foreign	Virgin Islands, British
Tai Yip Investment Holding No.4 Limited	Body corporate	Virgin Islands, British	100	Foreign	Virgin Islands, British
Tai Yip Investment Holding No.5 Limited	Body corporate	Virgin Islands, British	100	Foreign	Virgin Islands, British
Tai Yip Investment Holding No.7 Limited	Body corporate	Virgin Islands, British	100	Foreign	Virgin Islands, British
Amaroo Estate Trust	Trust	Australia	N/A	Australian	N/A
BDE Unit Trust	Trust	Australia	N/A	Australian	N/A
Biloela Street Unit Trust	Trust	Australia	N/A	Australian	N/A
Binary No.1 Trust	Trust	Australia	N/A	Australian	N/A
Binary No.2 Trust	Trust	Australia	N/A	Australian	N/A
Bradford Trust	Trust	Australia	N/A	Australian	N/A
Clayton 1 Trust	Trust	Australia	N/A	Australian	N/A
Clayton 2 Trust	Trust	Australia	N/A	Australian	N/A
Clayton 3 Trust	Trust	Australia	N/A	Australian	N/A
Edinburgh 2 Trust	Trust	Australia	N/A	Australian	N/A
Euston Road Subtrust	Trust	Australia	N/A	Australian	N/A
Euston Road Trust	Trust	Australia	N/A	Australian	N/A
Forestridge Trust	Trust	Australia	N/A	Australian	N/A
GA Industrial Portfolio Trust	Trust	Australia	N/A	Australian	N/A
GAI1 Vic 3 Chifley Holding Trust	Trust	Australia	N/A	Foreign	N/A
GIL Holdings (Aust) Trust	Trust	Australia	N/A	Australian	N/A
GIL Kalamunda Trust	Trust	Australia	N/A	Australian	N/A
GIT Investments Holding Trust	Trust	Australia	N/A	Australian	N/A
GIT Investments Holding Trust No.3	Trust	Australia	N/A	Australian	N/A
GIT Investments Holding Trust No.4	Trust	Australia	N/A	Australian	N/A
GIT Investments Holding Trust No.5	Trust	Australia	N/A	Foreign	N/A
GL Investments Holding Trust	Trust	Australia	N/A	Foreign	N/A
Goodman Build Trust	Trust	Australia	N/A	Australian	N/A
Goodman Capital Trust	Trust	Australia	N/A	Australian	N/A
Goodman Dandenong Trust	Trust	Australia	N/A	Australian	N/A
Goodman Europe Development Trust	Trust	Australia	N/A	Australian	N/A
Goodman Finance Australia Trust	Trust	Australia	N/A	Australian	N/A
Goodman Hong Kong Investment Trust	Trust	Australia	N/A	Australian	N/A
Goodman Industrial Europe Finance Trust	Trust	Australia	N/A	Australian	N/A

Consolidated entity disclosure statement

(continued)

Entity name	Body corporate, partnership or trust	Place incorporated/ formed	% Share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign tax resident
Goodman Industrial Trust	Trust	Australia	N/A	Australian	N/A
Goodman Kent Road Trust	Trust	Australia	N/A	Australian	N/A
Goodman Palmers Trust	Trust	Australia	N/A	Australian	N/A
Goodman Perth Airport No.1 Trust	Trust	Australia	N/A	Australian	N/A
Goodman Perth Airport No.3 Trust	Trust	Australia	N/A	Australian	N/A
Goodman Stockyard Trust	Trust	Australia	N/A	Australian	N/A
Goodman Treasury Trust	Trust	Australia	N/A	Australian	N/A
Goodman Ultimo Trust	Trust	Australia	N/A	Australian	N/A
Homebush Subtrust	Trust	Australia	N/A	Australian	N/A
Macquarie Goodman Commercial Property Trust	Trust	Australia	N/A	Australian	N/A
MFive Industry Park Trust	Trust	Australia	N/A	Australian	N/A
MIP Trust	Trust	Australia	N/A	Australian	N/A
The Moorabbin Airport Unit Trust	Trust	Australia	N/A	Australian	N/A
O'Riordan Street Unit Trust	Trust	Australia	N/A	Australian	N/A
Orion Road Trust	Trust	Australia	N/A	Australian	N/A
Penrose Trust	Trust	Australia	N/A	Australian	N/A
Port Central Park Trust	Trust	Australia	N/A	Australian	N/A
Port Plus Business Park A Trust	Trust	Australia	N/A	Australian	N/A
Port Plus Business Park B Trust	Trust	Australia	N/A	Australian	N/A
Southern Avenue Trust	Trust	Australia	N/A	Australian	N/A
Thomas Trust	Trust	Australia	N/A	Australian	N/A
Goodman Logistics Lyons Park 3 Unit Trust	Trust	Jersey	N/A	Foreign	Jersey

1. Is a trustee of a trust within the consolidated group

Determination of Tax Residency

Section 295 (3A) of the *Corporation Acts 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency may involve judgment as the determination of tax residency is fact dependent.

In determining tax residency, the consolidated entity has applied the following interpretations:

+ Australian tax residency
  The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in *Tax Ruling TR 2018/5*.
+ Foreign tax residency
  The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency.

Trusts

Australian tax law does not contain specific residency tests for trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. In the CEDS Australian Trusts have been disclosed as "Australian resident".

Directors' declaration

In the opinion of the directors of Goodman Limited and the directors of Goodman Funds Management Limited, the responsible entity for Goodman Industrial Trust:

a. the consolidated financial statements and the notes of Goodman Limited and its controlled entities and Goodman Industrial Trust and its controlled entities set out on pages 108 to 183 and the remuneration report that is contained on pages 60 to 104 in the Directors' report, are in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of Goodman's and GIT's financial position as at 30 June 2024 and of their performance for the financial year ended on that date
   (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*
b. there are reasonable grounds to believe that the Company and the Trust will be able to pay their debts as and when they become due and payable
c . the consolidated entity disclosure statement required by subsection 295(3A) is true and correct.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Group Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2024.

The Directors draw attention to the basis of preparation note to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.

Stephen Johns
Independent Chairman

Gregory Goodman
Group Chief Executive Officer

Sydney, 15 August 2024

Independent Auditor's Report

To the stapled security holders of Goodman Group and the unitholders of Goodman Industrial Trust

Report on the audit of the Financial Reports

Opinion

We have audited the ***Financial Report*** of Goodman Limited (the Company) as the deemed parent presenting the stapled security arrangement of the ***Goodman Group*** (the Goodman Group Financial Report).

We have also audited the Financial Statements and Directors' Declaration of Goodman Industrial Trust (the Trust Financial Report).

In our opinion, each of the accompanying Goodman Group Financial Report and Trust Financial Report gives a true and fair view, including of ***Goodman Group's*** and of Goodman Industrial Trust's financial position as at 30 June 2024 and of their financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated Statements of financial position as at 30 June 2024;
- Consolidated income statements, Consolidated statements of comprehensive income, Consolidated statements of changes in equity and Consolidated statements of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024;
- Notes, including material accounting policies; and

  (collectively referred to as ***Financial Statements***)
- Directors' Declaration.

The ***Goodman Group*** consists of Goodman Limited and the entities it controlled at the year end or from time to time during the financial year, Goodman Industrial Trust (the ***Trust***) and the entities it controlled at the year-end or from time to time during the financial year, and Goodman Logistics (HK) Limited and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Goodman Group, Goodman Limited, Goodman Funds Management Limited (the Responsible Entity of the Trust) and the Trust in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of Financial Reports in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

The ***Key Audit Matters*** we identified for Goodman Group are:

- Valuation of investment properties, investments accounted for using the equity method and inventories; and
- Recognition of development income.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report for the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties ($1,778.3m), investments accounted for using the equity method ($16,098.0m) and inventories ($2,358.9m)

Refer to Note 5 to the Financial Report

The key audit matter	**How the matter was addressed in our audit**
Goodman Group's investments in property assets include investment properties and inventories, which are held either directly or through its investments accounted for using the equity method. Goodman Group's policy is investment properties are held at fair value and inventories are held at the lower of cost and net realisable value, determined using internal methodologies or through the use of external valuation experts. The valuation of property assets is a key audit matter as they are significant in value (being 85% of total assets) and contain assumptions with estimation uncertainty. This leads to additional audit effort due to differing assumptions used by Goodman Group based on asset classes, geographies and characteristics of individual property assets. We considered significant assumptions in the valuation of property assets including:	Our procedures included: • Obtaining an understanding of Goodman Group's process regarding the valuation of property assets; • Assessing the methodologies used in the valuations of property assets, for consistency with accounting standards, industry practice and Goodman Group's policies; • Working with real estate valuation specialists to read published reports and industry commentary to gain an understanding of prevailing property market conditions; • For a sample of investment properties, taking into account asset classes, geographies and characteristics of individual investment properties: ○ Assessing the scope, competence and objectivity of external valuation experts and Goodman Group's internal valuers; ○ Challenging significant assumptions, with

• Investment properties: – capitalisation rates; – discount rates; – market rental income; – weighted average lease expiry and vacancy levels; – projections of capital expenditure; and – lease incentive costs. • Inventories – forecast capitalisation rates and market rental income; – land value per square metre; – letting up periods and lease incentive costs; and – development costs. In assessing this Key Audit Matter, we involved real estate valuation specialists, who understand the Group's investment profile, business and the economic environment it operates in.	reference to published industry reports and commentary of prevailing property market conditions; ○ With the assistance of our real estate valuation specialists, assessing a sample of significant assumptions including capitalisation rates, discount rates, customer covenant strength, market rental income, weighted average lease expiry and vacancy levels, projections of capital expenditure and lease incentive costs. We did this by comparing to market analysis published by industry experts, recent market transactions, inquiries with the Goodman Group, historical performance of the assets and using our industry experience; and ○ Assessing the disclosures in the financial report using our understanding obtained from our testing, against accounting standard requirements; and • For a sample of inventories, challenging the key assumptions included in Goodman Group's internal recoverability assessments by comparing to commentary published by industry experts, recent market transactions, and our knowledge of historical performance of the assets.

Recognition of development income ($1,196.5m)	
Refer to Note 1 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
Development income was a key audit matter due to: • its significant value (60% of revenue); • the unique nature of contracts; and • the judgements applied by us to assess Goodman Group's determination of revenue recognised during the period in relation to contracts which remain in progress at period end. Income from development management	Our procedures included: • Evaluating Goodman Group's recognition of development income against the criteria in the accounting standards; • Selecting specific contracts from development income recognised based on quantitative and qualitative information (such as the size and complexity of the arrangement) and performing the following: ○ Understanding the underlying contractual arrangements, in particular

services is recognised progressively, requiring judgment by us when considering Goodman Group’s determination of the amount and extent of the services provided within the period based on contract deliverables. Goodman Group’s policy is for income from inventory disposals to be recognised at a point in time when control is transferred to the customer and fixed price development contracts to be recognised in proportion to the stage of completion of the relevant contracts. We focused on the stage of completion estimation which is based on costs incurred as a percentage of estimated total costs for each contract.	their unique terms, for their impact to recognition of development income; ○ Where recognition of development income was conditional upon certain events occurring, checking conditions within the contract to evidence of achievement of conditions, such as correspondence with external parties; ○ Assessing Goodman Group’s determination of revenue recognised during the period in accordance with the provision of services stipulated in the underlying contract or the stage of completion; and ○ For revenue recognised based on the stage of completion, assess the cost assumptions used by the Group in determining the stage of completion estimate as follows: – Costs incurred – assessing a sample of costs incurred to date against relevant underlying external sources, such as invoices; and – Estimated total costs – assessing a sample of total forecast costs to secured contracts for construction activities, other relevant underlying sources, and our understanding of the industry and economic conditions.

Other Information

Other Information is financial and non-financial information in Goodman Group's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of the Company and the Directors of the Responsible Entity are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report, we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors of the Company and Responsible Entity are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Goodman Group and the Trust, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Goodman Group and the Trust, and that is free from material misstatement, whether due to fraud or error; and
- assessing the Goodman Group's and the Trust's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee, that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Goodman Limited for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included on pages 60 – 104 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Nigel Virgo

Partner

Sydney

15 August 2024

Goodman Logistics (HK) Limited and its subsidiaries

Consolidated financial statements for the year ended 30 June 2024

CONTENTS

Report of the Directors

The Directors have pleasure in submitting their annual financial report together with the audited financial statements of Goodman Logistics (HK) Limited (Company) and its subsidiaries (collectively referred to as the Consolidated Entity) for the year ended 30 June 2024 (FY24).

Incorporation and principal place of business

Goodman Logistics (HK) Limited was incorporated in Hong Kong on 18 January 2012 and has its principal place of business at Suite 901, Three Pacific Place, 1 Queen's Road East, Hong Kong.

On 22 August 2012, the Company became a party to the stapling deed with Goodman Limited (GL) and Goodman Industrial Trust (GIT), and together the three entities and their subsidiaries are known as Goodman Group. Goodman Group is listed on the Australian Securities Exchange (ASX).

Principal activities

The principal activities of the Consolidated Entity are investment in industrial property (either directly or in partnerships with other investors) and management services provided to the partnerships (including investment management, property management and development management). The principal activities and other particulars of the subsidiaries are set out in note 19 to the consolidated financial statements.

Financial statements

The financial performance of the Consolidated Entity for the year ended 30 June 2024 and the Consolidated Entity's financial position at that date are set out in the consolidated financial report on pages A19 to A66.

During the financial year, the Company declared a final dividend of 4.0 cents per share amounting to $76.0 million. This dividend will be paid on 26 August 2024. In the prior year, the Company declared a final dividend of 5.0 cents per share amounting to $94.2 million, which was paid on 25 August 2023.

Share capital

Details of the movements in share capital of the Company during FY24 are set out in note 15 to the consolidated financial statements.

Directors

The Directors during the year and up to the date of this report were:

Stephen Johns
David Collins
Kitty Chung
Gregory Goodman (alternate Director to Stephen Johns)
Danny Peeters

Report of the Directors

(continued)

Directors of subsidiaries

The names of Directors who have served on the Boards of the subsidiaries of the Company during the year and up to the date of this report are set out below:

Andrew McGregor
Aurelien Noel
Bing Chuen Lam
Chandran S/ O Urath Sankaran Nair
Charles Crossland
Chen Binghua
Chen Zhiming
Cheng Chi Ming Brian
Chi Wing Lin
Christof Prange
Chun Kit Fung
Clare Gow
Danny Peeters
David Heslop
David Hinchey
Dirk Mölter
Dominique Prince
Edwin Chong
Gareth Owen
Godfrey Abel
Gregory Goodman
Hans Ongena
Henry Kelly
Ho Gilbert Chi Hang
Hugh Baggie
Ignacio Garcia
Izak ten Hove
James Benge
James Cornell
Jason Harris
Jesse Verbist
John Conway
John Dakin
Jorn Bruyninckx
Joseph Salvaggio
Kelly Moore
Koichiro Ito
Kristoffer Harvey
Lien Standaert
Luke Caffey
Marwan Bustani
Matthew Macdonald
Michael Woodford
Michael O'Sullivan
Nicholas Kurtis
Nigel Allsop
Palacio Francisco
Paul Adams
Paul Heslop
Peter Ralston
Philip Turpin
Philippe Arfi
Philippe Van der Beken
Qiu Yuhong
Robert Reed
Shiling Li
Simone Weyermanns
Sin Yee Iris Mak
Song Yun
Stephen Young
Sun Chao
Tim Cruypelans
Tsui Victor Kenneth
Victoria Gardner
Wai Ho Stephen Lee
Xiaoyin Zhang

Report of the Directors
(continued)

BUSINESS REVIEW

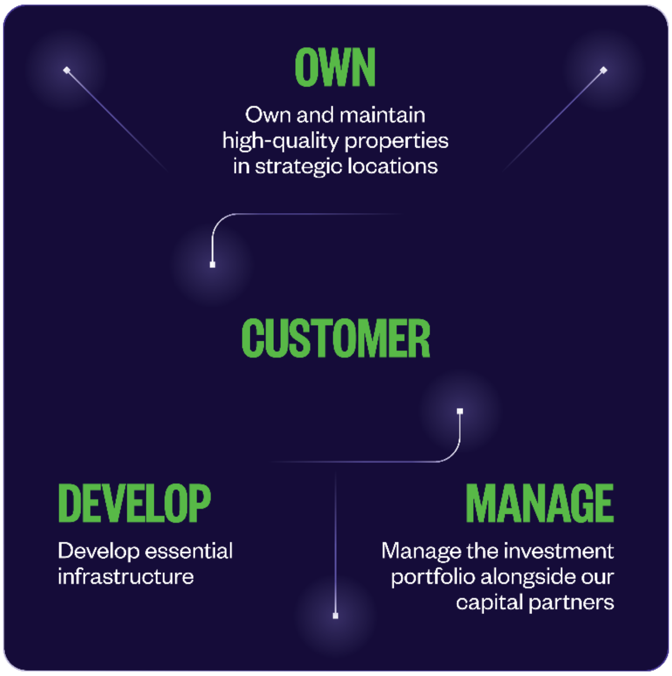
State of affairs

There were no significant changes in the Consolidated Entity's state of affairs during the year.

About Goodman Group

Goodman Group is a global industrial property specialist group whose strategy is to maximise returns by providing essential infrastructure for the digital economy by owning, developing and managing high-quality properties that are close to consumers in key cities around the world.

Goodman Group's integrated business model



Goodman Group's Own Develop Manage model focuses the business on its customers' current and future needs.

The Consolidated Entity owns and maintains high-quality properties close to consumers, develops sustainable properties, and manages its global investment portfolio to a high standard. The Consolidated Entity works alongside its capital partners, which include sovereign wealth, pension and large multi-manager funds.

In each market, the Consolidated Entity has dedicated local teams which take care of property asset and investment management, delivering a high level of customer service.

Report of the Directors

Business review (continued)

Performance review

The Consolidated Entity has operations in Asia, Continental Europe and the United Kingdom, and its earnings are derived from property investment, development and management activities.

The Consolidated Entity has delivered a strong operating performance, despite the more difficult trading conditions in its markets, with operating profit having decreased by 2.7% to $504.3 million (2023: $518.4 million). The impact of rising interest rates and the trading conditions, especially in China, resulted in the Consolidated Entity reporting negative property valuations for both directly held assets and those held in Partnerships. Consequently, for FY24, there was a statutory loss of $78.8 million, which compared to a statutory profit of $200.2 million in FY23.

The Consolidated Entity's active asset management optimises returns for its investors as the Consolidated Entity continues to focus on the delivery of essential infrastructure for the expanding digital economy. The Consolidated Entity remains focussed on major metropolitan markets that are characterised by higher than average depth of demand and relatively high supply constraints. The location and quality of the Consolidated Entity's properties can enable increased productivity, underpinning demand as its customers are seeking to improve their supply chain efficiency using automation and offering faster transit times. The growth in e-commerce has been an extension of these trends and an important consideration in the formulation of the Consolidated Entity's strategy and composition of the portfolio.

Supplementing the portfolio performance is the growing activity in data centres. The Consolidated Entity continues to experience strong demand from these customers. The Consolidated Entity is responding by developing large-scale, high value, data centres, and expanding its global power bank to address the expansion of artificial intelligence usage and cloud computing. To date, the Consolidated Entity has not taken an operational control position in any of the data centres.

The slow rates of GDP growth in most economies have, however, had a short-term cyclical impact on general demand from occupiers of logistics and warehouse property. Nevertheless, the relative scarcity of space in the Consolidated Entity's locations, and customers' need for more productive and sustainable solutions has supported the Consolidated Entity's underlying property fundamentals, and outside of China, the Consolidated Entity's portfolios have minimal vacancy. Even including China, the occupancy across the Consolidated Entity's portfolio at 30 June 2024 was at 95% (2023: 97%) and markets in Hong Kong, Continental Europe and the United Kingdom have experienced good rental income growth on lease reversions. The lower property investment earnings during FY24 were a consequence of property disposals, with completed inventories that had been earning investment income for the Consolidated Entity having been sold in FY23 and the early part of FY24.

Development earnings were lower in FY24 compared to the prior year, decreasing by 6.1% to $463.9 million. In Greater China and Europe, logistics customers have been more inclined to renew existing leases rather than seeking new premises, and therefore the appetite for growth and new investment in logistics assets has been curtailed in these markets. Overall though, development activities have again provided a significant contribution to the Consolidated Entity's operating earnings.

The higher longer-term government bond yields compared to 12 months ago in most markets and the weakness in the Chinese economy have adversely impacted property valuations during the year. The Consolidated Entity, including its share of Partnerships, reported a net property valuation loss of $368.3 million (2023: loss of $160.5 million). The main driver of the valuation losses has been the expansion of property capitalisation rates, with the weighted average capitalisation rate across the portfolio increasing to 5.9% at 30 June 2024 (2023: 5.0%), but a further driver is the assumption for lower rental income that has been adopted in the external valuations of the investment properties in China.

Consistent with the property valuation decrements, the Consolidated Entity's external assets under management (AUM) decreased during FY24 to $26.4 billion (2023: $28.7 billion). The average stabilised AUM in FY24 was in line with the prior year but with lower leasing and transactional activity, revenues from management services, which includes base management fees and property services income, decreased to $179.9 million (2023: $189.2 million). Performance related income from management services was higher in FY24 at $77.8 million (2023: $0.3 million), with more performance fee assessment dates having occurred during FY24.

Report of the Directors

Business review (continued)

In assessing the Consolidated Entity's underlying performance, the Directors consider operating profit as well as statutory profit. Operating profit is a proxy for cash earnings and is not an income measure under Hong Kong Financial Reporting Standards. It is defined as profit attributable to Shareholders adjusted for property valuations related movements, fair value adjustments related to hedging activities and other non-cash adjustments or non-recurring items.

	2024 $M	2023 $M
Analysis of operating profit		
Property investment earnings	86.1	111.9
Management earnings	195.4	187.9
Development earnings	463.9	494.0
	745.4	793.8
Operating expenses	(190.7)	(193.4)
	554.7	600.4
Net finance income/(expense) (operating)[1]	14.8	(2.7)
Income tax expense (operating)[2]	(65.2)	(79.3)
Operating profit	504.3	518.4

1. Net finance expense (operating) excludes derivative mark to market and unrealised foreign exchange movements.
2. Income tax expense (operating) excludes the deferred tax movements relating to investment property valuations and other non-operating items, such as the Goodman Group Long Term Incentive Plan (LTIP).

Report of the Directors

Business review (continued)

Property investment activities

Property investment earnings in FY24 of $86.1 million were lower than the prior year and comprised 12% of the total earnings (2023: 14%).

	2024 $M	2023 $M
Net property income	35.5	42.4
Partnerships	50.6	69.5
Property investment earnings	**86.1**	**111.9**

Key metrics	2024	2023
Weighted average capitalisation rate (%)	5.9	5.0
Weighted average lease expiry (years)	4.2	4.6
Occupancy (%)	94.8	96.6

Property investment earnings comprise gross property income (excluding straight-lining of rental income), less property expenses, plus the Consolidated Entity's share of the results of property investment joint ventures (JV) (referred to as Partnerships). The key drivers for maintaining or growing the Consolidated Entity's property investment earnings are increasing the level of property assets (subject also to the Consolidated Entity's direct and indirect interest), maintaining or increasing occupancy and rental levels within the portfolio, and controlling operating and financing costs within Partnerships.

In markets other than China, the Consolidated Entity has experienced rental growth and occupancy has remained high. In China, the weaker economy has impacted demand and leases have been renewed at lower rates and occupancy has decreased. However, overall cash flows in the Consolidated Entity's portfolio have remained strong.

The net income from the Consolidated Entity's directly held properties decreased by 16% to $35.5 million compared to the prior year due to the lower contribution to rental income in FY24 from completed inventories in Continental Europe, prior to their disposal.

The Consolidated Entity's share of investment earnings from its cornerstone holdings in the Partnerships decreased by 27% to $50.6 million compared to the prior year mainly due to asset disposals in the prior year and the impact of higher interest expense in the Partnerships, as interest rates have increased.

During FY24, the Consolidated Entity's share of property valuations from the stabilised portfolios was a loss of $344.9 million. Valuation decrements primarily arose in China, due to both the expansion of capitalisation rates and lower rental income assumptions. At 30 June 2024, the weighted average capitalisation rate for the Consolidated Entity's portfolios was 5.9%, compared to 5.0% at the start of FY24.

Management activities

Management earnings in FY24 of $195.4 million increased by 4% compared to the prior year and comprised 26% of total operating earnings (2023: 24%).

	2024 $M	2023 $M
Management earnings	195.4	187.9

Key metrics	2024	2023
Number of Partnerships	8	8
External AUM ($B)	26.4	28.7

Report of the Directors

Business review (continued)

Management earnings relate to the revenues from managing both the property portfolios and the capital invested in the Partnerships. This includes performance related revenues but excludes earnings from managing development activities in the Partnerships, which are included in development earnings. The key drivers for maintaining or growing management earnings are activity levels, asset performance, and increasing the level of stabilised AUM, which can be impacted by property valuations and asset disposals and is also dependent on liquidity including the continued availability of third party capital to fund both development activity and acquisitions across the Consolidated Entity's Partnerships.

The main driver of the increased management earnings was primarily due to performance related income from Continental Europe recognised in FY24, partly offset by lower property services income due to lower leasing and transactional income. Base fee income was consistent with the prior year, in line with the average stabilised AUM in the portfolio.

Development activities

Development earnings in FY24 were $463.9 million, a decrease of 6% on the prior year, but still comprised 62% of total operating earnings (2023: 62%).

	2024 $M	2023 $M
Net development income	316.0	485.2
Partnerships	147.9	8.8
Development earnings	**463.9**	**494.0**

Key metrics	2024	2023
Work in progress ($B)	5.9	5.8
Work in progress (number of developments)	36	32

Development earnings consist of development income, plus the Consolidated Entity's share of the operating results of Partnerships that is allocable to development activities, plus net gains or losses from disposals of investment properties and equity investments that are allocable to development activities, plus interest income on loans to development JVs, less development expenses. Development income includes development management fees and performance related revenues associated with managing individual development projects in Partnerships. The key drivers for the Consolidated Entity's development earnings are the level of development activity, land and construction prices, property valuations and the continued availability of capital to fund development activity.

Most of the inventory disposals and fixed price contract income arose in Continental Europe, as Goodman Group's Partnerships in Continental Europe generally acquire completed developments from the Consolidated Entity. In the Consolidated Entity's other operating segments, development earnings are a mix of development management income, including performance related income, and transactional activity, including the Consolidated Entity's share of development profits reported by the Partnerships themselves.

In FY24, the more difficult economic conditions have seen some moderation of development activity in Greater China and Continental Europe. There has also been a reduction in the proportion of the works being initiated on the Consolidated Entity's balance sheet in order to conserve capital and reduce risk; this had the effect of reducing the amount of development income derived from the sale of projects in those markets. However, this has been partly offset by additional development earnings from the Consolidated Entity's development partnership in Japan and a growing level of activity associated with data centres which have recently commenced and are expected to generate earnings in future periods. At 30 June 2024, the Consolidated Entity's work in progress (measured by reference to expected end value of the projects) was $5.9 billion (2023: $ 5.8 billion) across 36 projects.

Other items

Operating expenses, including employee and administrative and other expenses, have decreased slightly. The net finance income has increased because of increased interest income from derivatives and positive fair value adjustments on derivative financial instruments. The decrease in tax expense is primarily a function of changes to the origin and nature of revenue arising from management and development activities.

Report of the Directors

Business review (continued)

Statement of financial position

	2024 $M	2023 $M
Stabilised investment properties	526.8	451.7
Cornerstone investments in Partnerships	1,668.6	1,850.6
Development holdings	1,480.1	1,532.2
Cash	478.1	391.9
Other assets	774.0	1,076.9
Total assets	**4,927.6**	**5,303.3**
Loans from related parties	1,416.9	1,676.1
Other liabilities	820.8	817.8
Total liabilities	**2,237.7**	**2,493.9**
Non-controlling interests	43.1	42.6
Net assets attributable to Shareholders	**2,646.8**	**2,766.8**

The stabilised investment properties are in Asia and increased by $75.1 million to $526.8 million due to the transfer of one property from development holdings and further acquisitions during the current year.

The carrying value of cornerstone investments in Partnerships has decreased by $182.0 million to $1,668.6 million, principally due to the valuation decrements. A reconciliation of the current year movement in cornerstone investments in Partnerships is detailed in note 5(f) to the consolidated financial statements.

The decrease in development holdings by $52.1 million to $1,480.1 million was primarily due to the disposal of inventories in Continental Europe and the transfer of one property to stabilised investment properties during the year.

Other assets included receivables, fair values of derivative financial instruments that are in an asset position, contract assets, property, plant and equipment and tax assets (including deferred tax). Other liabilities included trade and other payables, the liability for the proposed dividend to Shareholders, fair values of derivative financial instruments that are in a liability position, employee benefits and tax liabilities (including deferred tax).

Cash flows

	2024 $M	2023 $M
Operating cash flows	433.7	682.3
Investing cash flows	(142.7)	(293.0)
Financing cash flows	(195.8)	(360.7)
Net increase in cash held	**95.2**	**28.6**
Effect of exchange rate fluctuations on cash held	(9.0)	5.8
Cash and cash equivalents at the beginning of the year	391.9	357.5
Cash and cash equivalents at the end of the year	**478.1**	**391.9**

The decrease in the net operating cash flows compared to the prior year is primarily due to lower cash receipts from development inventory disposals.

The net investing cash outflow was primarily due to the net investment in the Consolidated Entity's Partnerships, to fund acquisitions and new developments, plus the acquisitions of investment properties in Asia.

Financing cash flows principally relate to the net repayment of loans with related parties and payment of the dividend in August 2023.

Report of the Directors

Business review (continued)

Outlook

As part of Goodman Group, the Consolidated Entity is positioned as a major provider of essential infrastructure in those markets in which it operates. This is the result of many years of focus and has produced significant embedded value in the Consolidated Entity's assets.

The outlook for the Consolidated Entity remains positive with the active rotation of capital a key factor in both funding sustained earnings growth over the long term and maintaining a prudent level of financial leverage.

While the logistics offering remains core to the business, with strong underlying fundamentals expected to be maintained, data centres are anticipated to be a major area of growth going forward.

We continue to assess the Consolidated Entity's capital allocation, to both existing and potential opportunities, to provide the best risk-adjusted returns. We are well positioned heading into FY25, with a strong development workbook underway, a strong capital position and attractive opportunities before us.

Risks

Goodman Group identifies strategic and operational risks for each of its regions as part of its strategy process. The key risks, an assessment of their likelihood of occurrence and consequences and controls that are in place to mitigate the risks are reported to the Goodman Group Board regularly.

Goodman Group has established formal systems and processes to manage the risks at each stage of its decision-making process. This is facilitated by a Goodman Group Investment Committee comprising senior executives, chaired by the Group Chief Executive Officer, which considers all major operational decisions and transactions. The Goodman Group Investment Committee meets on a weekly basis.

The Goodman Group Audit, Risk and Compliance Committee reviews and monitors a range of material risks in Goodman Group's risk management systems including, among other risks, market risks, operational risks, financial risk management, sustainability, regulation and compliance, tax policies and information technology.

Report of the Directors

(continued)

The key risks faced by Goodman Group and the controls that have been established to manage those risks are set out in the following table:

	Risk area	Mitigation
Capital management (debt, equity and cash flow)	Goodman Group could suffer an inability to deliver its strategy, or an acute liquidity or solvency crisis, financial loss or financial distress as a result of a failure in the design or execution of its capital management and financing strategy.	+ Monthly preparation of a consolidated Capital Management Plan, which is reported to the Goodman Group Investment Committee and the Finance and Treasury management committee + Financial reporting to the Goodman Group Board + Weekly cash flow monitoring and reporting + Goodman Group Board approved Financial Risk Management (FRM) policy + Capital partnering transfers risks into Partnerships + Low gearing, ample liquidity and appropriate hedging and duration to absorb market shocks + Diversity and tenor of debt funding sources and cash on deposit + Appropriate hedging quantities and duration in accordance with FRM policy + Distribution pay-out ratio consistent with contribution of development earnings + Long lease terms with prime customers + Strong assets that can generate better rental outcomes and growth + Key urban market strategy – urban, infill locations support re-usability of property + Insurance program (both Goodman Group's and key counterparties) including project specific insurance.
Economic and geopolitical environment	Economic conditions and government policies present both risks and opportunities in the property and financial markets and the business of our customers, which can impact the delivery of Goodman's strategy and its financial performance.	+ Global diversification of Goodman Group's property portfolios + Focus on core property portfolios in key urban market locations and adaptable assets + Focus on cost management + Annual risk assessment and profile + Annual budget + Regular independent property valuations + Asset planning program + Prudent capital management with low gearing and significant available liquidity to allow for potential market shocks + Adherence to FRM policy as it relates to hedging of interest rates and currencies + Co-investment with local capital partners.
Geopolitical	A continued increase in geopolitical tension between countries could have consequences on our people, operations, and capital partners.	+ Global diversification of Goodman Group's property portfolios + Focus on core property portfolios in key urban market locations and adaptable assets + Annual five year business strategy + Focus on cost management + Annual risk assessment and profile + Co-investment with local capital partners.

Report of the Directors
(continued)

	Risk area	Mitigation
Governance, regulation and compliance	Non-compliance with legislation, regulators, or internal policies, or an inability to understand and respond to changes in the political and regulatory environment (including taxation) could result in legal action, financial consequences and damage our standing and reputation with stakeholders.	+ Independent governance structures + Core values and attitudes, with an embedded compliance culture focused on best practice + Resourcing in Legal, Compliance and Risk + Review of transactions by the Goodman Group Investment Committee + Annual compliance plan audits + Partnership investment committees independent of the manager + Global tax risk management framework + Regional and Goodman Group Executive declarations and sign-offs + Verification process and sign-off of public documents + Comprehensive insurance program, covering property, liability, Directors and Officers and Professional Indemnity + Continuous disclosure regime – regular Goodman Group management meetings.
People and culture	Failure to recruit, develop, support and retain staff with the right skills and experience may result in significant underperformance or impact the effectiveness of operations and decision making, in turn impacting business performance.	+ Competitive remuneration structures, in particular performance rights under the LTIP, with ALL staff having ownership + Succession planning for senior executives and key roles + Performance management and staff review + Overall performance review ratings to assess culture and engagement + Learning and development programs to enhance skills sets + Goodman Values program + Staff engagement through team strategy days, town halls and the (good) life program + Creative incentive schemes or remuneration packages to retain high performing Data Centre employees.
Development	Development risks may arise from location, site complexity, planning and permitting, infrastructure, size, duration along with general contractor capability.	+ Review and approval of development projects by the Goodman Group Investment Committee and relevant Partnership Investment Committee + Targeted returns are higher for the size and complexity of the project + Engaging general contractors that are appropriately capitalised + Senior oversight and responsibility by Executive Directors + Capital partnering transfers risks into partnerships + Specialised staff who understand the development process, including dedicated development staff within each region + Goodman Group defined design specifications, which cover environmental, technological and safety requirements, protecting against short-term obsolescence + Fixed price, design and construct contracts with appropriately capitalised contractors + Redevelopment of older assets to intensify use + Insurance program (both Goodman Group's and key contractors), including project specific insurance + Spread and diversification of projects across markets + Ongoing monitoring and reporting of WIP and levels of speculative development, with Board oversight including limits with respect to speculative development + Implementation of Goodman Group policies and procedures (e.g. reporting, Safety framework and delegation of authority) + Leasing prior to reaching development completion.

Report of the Directors

(continued)

	Risk area	Mitigation
Disruption, changes in demand and obsolescence	The longer-term risk that an inability to understand and respond effectively to changes in our competitive landscape and customer value chain could result in business model disruption and asset obsolescence, including the perception of obsolescence in the short term.	+ Key urban market strategy – urban, infill locations support re-usability of property + Adaptable and reusable building design – ease to reconfigure for another customer + Geographic diversification – capital allocation across regions and location of properties + Capital partnering transfers risks into Partnerships + Insurance program (both Goodman Group's and key contractors), including project specific insurance covering design and defects + Long lease terms with prime customers + Innovation and technology strategy – visibility and insight into technology trends along with direct investment into technology start-ups + Competition analysis and behaviour.
Environmental sustainability and climate change	Failure to deliver on Goodman Group's sustainability leadership strategy and ambitions may lead to a negative impact on Goodman Group's reputation, ability to raise capital and a disruption to operations and stranded assets.	+ Corporate Responsibility and Sustainability policy + 2030 Sustainability Strategy and reporting against those targets + Assessment of individual assets to improve resilience and implementation of sustainability initiatives + Sustainability guidelines for development projects including embodied carbon measurement and offset + Review and approval of acquisitions and development projects by the Goodman Group Investment Committee and relevant Partnership Investment Committee, including consideration of climate risks in the due diligence process and minimum property specifications + Adoption of the Taskforce on Climate-related Financial Disclosure recommendations as a framework for the assessment, management and disclosure of climate risks + Investor, customer and regulatory requirements + Verification process and sign-off of public sustainability documents + Adherence to Goodman Group Procurement Policy for selection and purchase of Carbon Credits + LTIP performance directly linked to meeting Goodman Group's sustainability initiatives + Working directly with industry bodies to help promote industry engagement and understand disclosure obligations + Working with supply chain to promote carbon reduction through choice of materials etc.
Asset and portfolio	Inability to execute asset planning and management strategies, including leasing risk exposures, can reduce returns from Goodman Group's portfolios.	+ Key urban market strategy – urban, infill locations where customer demand is strongest + In-house property management team + Diversification of customer base and lease expiries + Review and approval of significant leasing transactions and development projects by the Goodman Group Investment Committee and relevant Partnership Investment Committee + Capital expenditure programs keeping pace with property lifecycle + Implementation of Goodman Group policies and procedures (e.g. reporting, Safety framework, sustainability measures and minimum design specifications) + Insurance program including public liability policies, including property risk assessment reports + Customer risk assessments + Asset plans – in particular categorisation of assets, maintenance program, customer engagement + Portfolio strategy – locations, type of building.

Report of the Directors
(continued)

	Risk area	Mitigation
Concentration of counterparties and markets	Over-exposure to specific areas, such as capital partners, supply chain, customers and markets, may limit growth and sustainability opportunities.	+ Standardised governance structures around Partnerships, which includes: - Relationship deeds articulating service arrangements - Pre-emptive rights + Independent governance structures of Partnerships + Diversification of capital partners and fund expiries, including local investors. Analysis of alternate capital sources + Goodman Group's cornerstone investment in each Partnership and the underlying strength of the Manager + Appropriate management contracts across all Partnerships + Contractor pre-selection and tendering + Diversification of customer base and lease expiry + Investment metrics established for Goodman Group and Partnerships, setting limits including: - Speculative development - Geographic and customer exposure + FRM policies of Goodman Group and Partnerships (where appropriate) establishing criteria for financial institution counterparties.
Information, data and cyber security	Maintaining security (including cyber security) of Information Technology (IT) environment and data, ensuring continuity of IT infrastructure and applications to support sustainability and growth and prevent operational, regulatory, financial and reputational impacts.	+ Strategic roadmap for delivery of secured IT systems, benchmarked against the Australian Signal Directorate's Essential maturity model and United States National Institute of Standards and Technology Cyber Security framework + Proactive monitoring, review and testing of infrastructure and system behaviour + Incident response, disaster recovery and business continuity planning + Penetration testing, vulnerability scanning and network review to identify and remediate + IT Dashboard Reporting to the Audit, Risk and Compliance Committee + Phishing awareness program implemented to educate and test employees' awareness and vigilance in avoiding threats + Cyber security awareness/training + Decommissioning legacy systems + Transition from employee password reliance + Speed of threat/vulnerability detection + Data system back-up/restore testing + Phishing simulation testing/reporting + Reporting and compliance with Essential Eight, baseline strategies to mitigate cyber security incidents, developed by the Australian Cyber Security Centre.

Report of the Directors

(continued)

Environmental regulations

The Consolidated Entity has policies and procedures to identify and appropriately address environmental obligations that might arise in respect of the Consolidated Entity's operations that are subject to significant environmental regulation under the laws of the countries the Consolidated Entity operates in. The Directors have determined that the Consolidated Entity has complied with those obligations during the financial year and that there has not been any material breach.

Disclosure in respect of any indemnification of Directors

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the Directors of the Company is currently in force and was in force throughout this year.

Directors' interests in contracts

No contract of significance in relation to the Consolidated Entity's business to which the Company, its subsidiaries or any of its fellow subsidiaries was a party and in which the Directors of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' interests in shares

At the end of the year, the Directors (including alternate Directors) held the following interests in the stapled securities of Goodman Group, which are listed on the ASX:

Directors	Total
Stephen Johns	41,143
David Collins	5,000
Kitty Chung	5,800
Gregory Goodman	37,930,495
Danny Peeters	2,085,267

In addition, Gregory Goodman and Danny Peeters participate in the LTIP under which they hold performance rights. Performance rights entitle participants to receive Goodman Group stapled securities without the payment of consideration, subject to Goodman Group satisfying performance criteria and the participants remaining employees of Goodman Group.

Details of the awards of performance rights under the LTIP granted as compensation to the Directors (including alternate Directors) at 30 June 2024 are as follows:

	Number of performance rights at the start of the year	Number of performance rights granted during the year	Number of performance rights vested during the year	Number of performance rights forfeited during the year	Number of performance rights at the end of the year	Date performance rights granted	Financial years in which rights vest/vested
Gregory Goodman	–	900,000	–	–	900,000	14 Nov 2023	2028 – 2034
	1,000,000	–	–	–	1,000,000	17 Nov 2022	2027 – 2033
	1,560,000	–	–	–	1,560,000	18 Nov 2021	2026 – 2032
	950,000	–	(278,667)	(114,000)	557,333	19 Nov 2020	2024 – 2026
	576,000	–	(288,000)	–	288,000	20 Nov 2019	2024 – 2025
	533,334	–	(533,334)	–	–	15 Nov 2018	2024
Danny Peeters	–	455,000	–	–	455,000	14 Nov 2023	2028 – 2034
	500,000	–	–	–	500,000	17 Nov 2022	2027 – 2033
	625,000	–	–	–	625,000	18 Nov 2021	2026 – 2032
	380,000	–	(111,467)	(45,600)	222,933	19 Nov 2020	2024 – 2026
	224,001	–	(112,001)	–	112,000	20 Nov 2019	2024 – 2025
	183,334	–	(183,334)	–	–	15 Nov 2018	2024

Apart from the above, at no time during the year was the Company, its subsidiaries or any of its fellow subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other related body corporate.

Report of the Directors

(continued)

Auditors

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity, in future financial years.

Declaration by the Group Chief Executive Officer and Chief Financial Officer

The Directors have been given declarations equivalent to those required of listed Australian companies by section 295A of the Corporations Act 2001 from the Group Chief Executive Officer and Group Chief Financial Officer for the year ended 30 June 2024.

By order of the Board of Directors

Stephen Johns
Independent Chairman

David Collins
Director

15 August 2024

Independent Auditor's Report

To the members of Goodman Logistics (HK) Limited (Incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of Goodman Logistics (HK) Limited (the Company) and its subsidiaries (the Group) set out on pages A19 to A66, which comprise the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (HKFRSs) issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (HKSAs) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the consolidated financial statements and auditor's report thereon

The Directors are responsible for the other information which comprises all the information included in the Company's Report of the Directors.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the consolidated financial statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report (continued)

To the members of Goodman Logistics (HK) Limited (Incorporated in Hong Kong with limited liability)

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

15 August 2024

Consolidated statement of financial position

as at 30 June 2024

(expressed in Australian dollars)

	Note	2024 $M	2023 $M
Current assets			
Cash and cash equivalents	16(a)	478.1	391.9
Inventories	5(b)	–	121.6
Receivables	6	206.6	173.8
Contract assets	7	12.9	70.7
Current tax receivables	3(c)	12.3	0.3
Other assets		3.3	3.4
Other financial assets	12	11.5	11.3
Total current assets		**724.7**	**773.0**
Non-current assets			
Inventories	5(b)	1,480.1	1,410.6
Investment properties	5(b)	526.8	451.7
Investments accounted for using the equity method	5(b)	1,668.6	1,850.6
Receivables	6	293.2	612.0
Other financial assets	12	183.6	161.1
Deferred tax assets	3(d)	20.6	20.2
Property, plant and equipment		23.6	23.3
Other assets		6.4	0.8
Total non-current assets		**4,202.9**	**4,530.3**
Total assets		**4,927.6**	**5,303.3**
Current liabilities			
Payables	8	277.7	285.2
Interest bearing liabilities		1.7	–
Loans from related parties	20(c)	80.4	86.6
Current tax payables	3(c)	31.6	52.1
Employee benefits		48.1	46.0
Dividend payable	14	76.0	94.2
Other financial liabilities	12	26.7	79.9
Total current liabilities		**542.2**	**644.0**
Non-current liabilities			
Payables	8	138.7	93.3
Interest bearing liabilities	11	63.1	46.7
Loans from related parties	20(c)	1,336.5	1,589.5
Deferred tax liabilities	3(d)	5.7	9.5
Employee benefits		14.6	12.8
Other financial liabilities	12	136.9	98.1
Total non-current liabilities		**1,695.5**	**1,849.9**
Total liabilities		**2,237.7**	**2,493.9**
Net assets		**2,689.9**	**2,809.4**
Equity attributable to Shareholders			
Share capital	15(a)	994.2	930.9
Reserves	17	(568.6)	(547.3)
Retained earnings	18	2,221.2	2,383.2
Total equity attributable to Shareholders		**2,646.8**	**2,766.8**
Non-controlling interests		43.1	42.6
Total equity		**2,689.9**	**2,809.4**

The notes on pages A23 to A66 form part of these consolidated financial statements.

Approved and authorised for issue by the Board of Directors on 15 August 2024.

Stephen Johns
Director

David Collins
Director

Consolidated statement of comprehensive income

for the year ended 30 June 2024

(expressed in Australian dollars)

	Note	2024 $M	2023 $M
Revenue			
Gross property income		46.0	52.8
Management income	1	257.7	189.5
Development income	1	583.3	934.7
Dividends from investments		0.3	0.8
		887.3	**1,177.8**
Property and development expenses			
Property expenses		(7.9)	(10.4)
Development expenses	1	(267.6)	(454.4)
		(275.5)	**(464.8)**
Other net losses			
Net loss from fair value adjustments on investment properties	5(e)	(23.4)	(0.4)
Net gain on disposal of investment properties		–	4.1
Share of net results of equity accounted investments	5(f)	(153.5)	(91.8)
		(176.9)	**(88.1)**
Other expenses			
Employee expenses	1	(151.2)	(152.3)
Share based payments expense	15(b)	(216.2)	(111.8)
Administrative and other expenses		(39.5)	(41.1)
Transaction management fees		(62.3)	(1.6)
		(469.2)	**(306.8)**
(Loss)/profit before interest and income tax		**(34.3)**	**318.1**
Net finance income/(expense)			
Finance income	10	93.9	38.1
Finance expense	10	(75.7)	(129.1)
Net finance income/(expense)		**18.2**	**(91.0)**
(Loss)/profit before income tax		**(16.1)**	**227.1**
Income tax expense	3(a)	(62.7)	(26.9)
(Loss)/profit for the year		**(78.8)**	**200.2**
(Loss)/profit for the year attributable to:			
Shareholders	18	(86.0)	187.4
Non-controlling interests		7.2	12.8
(Loss)/profit for the year		**(78.8)**	**200.2**
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Increase due to revaluation of other financial assets		9.7	10.7
Actuarial (losses)/gains on defined benefit retirement schemes (net of tax)		(3.5)	0.5
		6.2	**11.2**
Item that may be reclassified subsequently to profit or loss			
Effect of foreign currency translation		(52.2)	37.0
		(52.2)	**37.0**
Other comprehensive (loss)/income for the year, net of tax		**(46.0)**	**48.2**
Total comprehensive (loss)/income for the year		**(124.8)**	**248.4**
Total comprehensive (loss)/income for the year attributable to:			
Shareholders		(131.9)	234.6
Non-controlling interests		7.1	13.8
Total comprehensive (loss)/income for the year		**(124.8)**	**248.4**

The notes on pages A23 to A66 form part of these consolidated financial statements.

Consolidated statement of changes in equity

for the year ended 30 June 2024

Year ended 30 June 2023

(expressed in Australian dollars)

		Attributable to Shareholders					
	Note	Share capital $M	Reserves $M	Retained earnings $M	Total $M	Non-controlling interests $M	Total equity $M
Balance at 1 July 2022		873.0	(605.1)	2,290.0	2,557.9	28.2	2,586.1
Total comprehensive income for the year							
Profit for the year	18	–	–	187.4	187.4	12.8	200.2
Other comprehensive income for the year		–	47.2	–	47.2	1.0	48.2
Total comprehensive income for the year, net of income tax		–	47.2	187.4	234.6	13.8	248.4
Contributions by and distributions to owners							
Dividends declared/paid	14	–	–	(94.2)	(94.2)	(29.3)	(123.5)
Issue of shares to employees of Goodman Group	15(a)	46.1	–	–	46.1	–	46.1
Issue of ordinary shares	15(a)	11.9	–	–	11.9	–	11.9
Issue costs	15(a)	(0.1)	–	–	(0.1)	–	(0.1)
Equity settled share based payments transactions	17(c)	–	11.6	–	11.6	–	11.6
Deferred tax associated with the LTIP	17(c)	–	(1.0)	–	(1.0)	–	(1.0)
Acquisition of special purpose development entity with non-controlling interests		–	–	–	–	1.3	1.3
Issue of preference shares to non-controlling interest	20(b)	–	–	–	–	28.6	28.6
Balance at 30 June 2023		930.9	(547.3)	2,383.2	2,766.8	42.6	2,809.4

Year ended 30 June 2024

(expressed in Australian dollars)

		Attributable to Shareholders					
	Note	Share capital $M	Reserves $M	Retained earnings $M	Total $M	Non-controlling interests $M	Total equity $M
Balance at 1 July 2023		930.9	(547.3)	2,383.2	2,766.8	42.6	2,809.4
Total comprehensive (loss)/income for the year							
(Loss)/profit for the year	18	–	–	(86.0)	(86.0)	7.2	(78.8)
Other comprehensive loss for the year		–	(45.9)	–	(45.9)	(0.1)	(46.0)
Total comprehensive (loss)/income for the year, net of income tax		–	(45.9)	(86.0)	(131.9)	7.1	(124.8)
Contributions by and distributions to owners							
Dividends declared/paid	14	–	–	(76.0)	(76.0)	(8.2)	(84.2)
Issue of ordinary shares	15(a)	13.0	–	–	13.0	–	13.0
Issue of shares to employees of Goodman Group	15(a)	50.3	–	–	50.3	–	50.3
Equity settled share based payments transactions	17(c)	–	17.3	–	17.3	–	17.3
Deferred tax associated with the LTIP	17(c)	–	7.3	–	7.3	–	7.3
Acquisition of special purpose development entity with non-controlling interests		–	–	–	–	1.6	1.6
Balance at 30 June 2024		994.2	(568.6)	2,221.2	2,646.8	43.1	2,689.9

The notes on pages A23 to A66 form part of these consolidated financial statements.

Consolidated cash flow statement

for the year ended 30 June 2024

(expressed in Australian dollars)

	Note	2024 $M	2023 $M
Cash flows from operating activities			
Property income received		36.0	50.4
Cash receipts from development activities		602.5	896.4
Cash receipts from management and other activities		262.0	218.0
Property expenses paid		(4.7)	(8.7)
Payments for development activities		(315.1)	(329.8)
Other cash payments in the course of operations		(251.6)	(242.4)
Dividends/distributions received		109.1	102.9
Interest received		88.6	65.0
Finance costs paid		(0.4)	(0.7)
Net income taxes paid		(92.7)	(68.8)
Net cash provided by operating activities	16(b)	**433.7**	**682.3**
Cash flows from investing activities			
Net proceeds from disposal of investment properties		–	(0.1)
Payments for investment properties		(16.9)	(100.2)
Return of capital from equity accounted investments		107.9	141.7
Payments for equity investments		(227.4)	(330.9)
Payments for plant and equipment		(6.3)	(3.5)
Net cash used in investing activities		**(142.7)**	**(293.0)**
Cash flows from financing activities			
Net proceeds from issue of ordinary shares		13.0	11.9
Transaction costs from issue of ordinary securities		–	(0.1)
Drawdown of borrowings		25.0	40.6
Net repayments of loans with related parties		(85.9)	(281.8)
Repayments of borrowings and payments under derivative financial instruments		(40.5)	(49.0)
Dividends paid to Shareholders		(94.2)	(46.7)
Dividends paid to non-controlling interests		(8.2)	(29.3)
Payments of lease liabilities		(6.6)	(7.6)
Capital contributed by non-controlling interests		1.6	1.3
Net cash used in financing activities		**(195.8)**	**(360.7)**
Net increase in cash held		95.2	28.6
Cash and cash equivalents at the beginning of the year		391.9	357.5
Effect of exchange rate fluctuations on cash held		(9.0)	5.8
Cash and cash equivalents at the end of the year	16(a)	**478.1**	**391.9**

The notes on pages A23 to A66 form part of these consolidated financial statements.

Notes to the consolidated financial statements

(expressed in Australian dollars)

BASIS OF PREPARATION

Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance.

Basis of preparation of the consolidated financial statements

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except for investment properties, derivative financial instruments, investment in unlisted securities and liabilities for cash settled share based payment arrangements which are stated at fair value.

Accounting for acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no gain or loss and no goodwill is recognised as a result of such transactions.

Foreign currency translation

Functional and presentation currency

Items included in the consolidated financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Transactions

Foreign currency transactions are translated to each entity's functional currency at rates approximating the foreign exchange rates ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at the reporting date are translated at the rates of exchange ruling on that date. Resulting exchange differences are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost are translated at rates of exchange applicable at the date of the initial transaction. Non-monetary items which are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation of controlled foreign operations

The assets and liabilities of controlled foreign operations are translated into Australian dollars at foreign exchange rates applicable at the reporting date.

Revenue and expenses are translated at weighted average rates for the financial year. Exchange differences arising on translation are taken directly to the foreign currency translation reserve until the disposal or partial disposal of the operations.

Exchange differences arising on monetary items that form part of the net investment in a controlled foreign operation are recognised in the foreign currency translation reserve on consolidation.

Exchange rates used

The following exchange rates are the main exchange rates used in translating foreign currency transactions, balances and financial statements to Australian dollars.

	Weighted average		As at 30 June	
Australian dollar (AUD) to	2024	2023	2024	2023
Hong Kong dollar (HKD)	5.1273	5.2751	5.2081	5.2235
Chinese yuan (CNY)	4.7371	4.6804	4.8469	4.8339
Japanese yen (JPY)	97.7982	92.3936	107.3010	96.1530
Euros (EUR)	0.6062	0.6433	0.6226	0.6109
British pounds sterling (GBP)	0.5206	0.5592	0.5274	0.5249
United States dollar (USD)	0.6557	0.6731	0.6670	0.6664

Notes to the consolidated financial statements

Basis of preparation (continued)

Changes in accounting policies

The AASB has issued amendments to standards that were first effective from 1 July 2023 but none of these had a material impact on the Consolidated Entity's financial statements.

Accounting standards issued but not yet effective

The Consolidated Entity has not applied any new standard or interpretation that is not yet effective for the current accounting period. None of the new accounting standards or interpretations is expected to have a significant impact on the future results of the Consolidated Entity.

Critical accounting estimates used in the preparation of the consolidated financial statements

The preparation of consolidated financial statements requires estimates and assumptions concerning the application of accounting policies and the future to be made by the Consolidated Entity. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year can be found in the following notes:

- Note 5 – Property assets
- Note 13 – Financial risk management.

The accounting impacts of revisions to estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Measurement of fair values

A number of the Consolidated Entity's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Consolidated Entity uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy and have been defined as follows:

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

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 5 – Property assets
- Note 13 – Financial risk management.

Notes to the consolidated financial statements

(continued)

RESULTS FOR THE YEAR

1 (Loss)/profit before interest and income tax

Gross property income

Gross property income comprises rental income under operating leases (net of incentives provided) and amounts billed to customers for outgoings (e.g. rates, levies, cleaning, security, etc). Amounts billed to customers for outgoings are a cost recovery for the Consolidated Entity and are recognised once the expense has been incurred. The expense is included in property expenses.

Rental income under operating leases is recognised on a straight-line basis over the term of the lease contract. Where operating lease rental income is recognised relating to fixed increases in rentals in future years, an asset is recognised. This asset is a component of the relevant investment property carrying amount. The cost of lease incentives provided to customers is amortised on a straight-line basis over the life of the lease as a reduction of gross property income.

Management and development income

The revenue from management and development activities is measured based on the consideration specified in a contract with a customer. The Consolidated Entity recognises revenue when it transfers control over a product or service to a customer.

Management income

Fee income derived from management services relates to investment management base fees and property services fees and is recognised and invoiced progressively as the services are provided. Customers make payments usually either monthly or quarterly in arrears.

Performance related management income generally relates to portfolio performance fee income, which is recognised progressively as the services are provided but only when the income can be reliably measured and is highly probable of not being reversed. These portfolio performance fees are typically dependent on the overall returns of a Partnership relative to an agreed benchmark return, assessed over the life of the Partnership, which can vary from one year to seven years. The returns are impacted by operational factors such as the quality and location of the portfolio, active property management, rental income rates and development activity but can also be significantly affected by changes in global and local economic conditions. Accordingly, portfolio performance fee revenue is only recognised towards the end of the relevant assessment period, as prior to this revenue recognition is not considered to be sufficiently certain.

In determining the amount of revenue that can be reliably measured, management prepares a sensitivity analysis to understand the impact of changes in asset valuations on the potential performance fee at the assessment date. The assessment of revenue will depend on the prevailing market conditions at the reporting date relative to long-term averages and also the length of time until the assessment date e.g. the longer the time period to assessment date, the greater the impact of the sensitivity analysis. The potential portfolio performance fee revenue is then recognised based on the length of time from the start of the assessment period to the reporting date as a proportion of the total assessment period. Where the income is attributable to development activities or it relates to a combination of inextricable management and development activities that have occurred over the performance fee period, then it is reported as development income; otherwise the income is reported as management income. The Partnerships make payments in respect of portfolio performances fees at the end of the performance periods, when the attainment of the conditions has been verified and the amount of the fee has been agreed by all parties.

Notes to the consolidated financial statements

Results for the year (continued)

Development income – disposal of inventories

The disposal of inventories is recognised at the point in time when control over the property asset is transferred to the customer. This will generally occur on transfer of legal title and payment in full by the customer. The gain or loss on disposal of inventories is calculated as the difference between the carrying amount of the asset at the time of disposal and the proceeds on disposal (less transaction costs) and is included in profit or loss in the period of disposal.

Development income – development management services

Fee income from development management services (including master-planning, development management and overall project management) is recognised progressively as the services are provided in proportion to the stage of completion by reference to costs. Payments are received in accordance with the achievement of agreed milestones over the development period. The development period can exceed 24 months for larger and more complex developments.

Performance related development income includes income associated with the returns from individual developments under the Consolidated Entity's management and performance fee income that relates to development activity. Income in respect of individual developments is recognised by the Consolidated Entity on attainment of the performance related conditions, which is when the income can be reliably measured and is highly probable of not being reversed. These amounts are paid by the Partnership when the amounts have been measured and agreed. Income associated with development activities as part of a portfolio assessment is recognised on the same basis as outlined above in the management income section.

Development income – fixed price development contracts

Certain development activities are assessed as being fixed price development contracts. This occurs when a signed contract exists, either prior to the commencement of or during the development phase, to acquire a development asset from the Consolidated Entity on completion. Revenue and expenses relating to these development contracts are recognised in profit or loss in proportion to the stage of completion of the relevant contracts by reference to costs. The payments by the purchaser usually occur on completion of the development once legal title has been transferred but payments may be made during the development period on achievement of agreed milestones. The development period can exceed 24 months for larger and more complex developments.

Net gain on disposal of investment properties

The disposal of an investment property is recognised at the point in time when control over the property has been transferred to the purchaser.

Employee benefits

Wages, salaries and annual leave

Wages and salaries, including non-monetary benefits, and annual leave, represent present obligations resulting from employees' services provided to the reporting date. These are calculated at undiscounted amounts based on rates that are expected to be paid as at the reporting date including related on-costs, such as workers' compensation insurance and payroll tax.

Bonuses

A liability is recognised in other payables and accruals for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation. Liabilities for bonuses that are expected to be settled within 12 months are measured at the amounts expected to be paid, including related on-costs, when they are settled.

Superannuation

Defined contribution retirement plans

Obligations for contributions to defined contribution retirement plans are recognised as an expense as incurred.

Defined benefit retirement schemes

The net obligation in respect of defined benefit retirement schemes is recognised in the statement of financial position and is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest), are recognised immediately in other comprehensive income. Net interest expense and other expenses related to defined benefit retirement schemes are recognised in profit or loss.

Notes to the consolidated financial statements

Results for the year (continued)

Profit before interest and income tax has been arrived at after crediting/(charging) the following items:

	2024 $M	2023 $M
Management services	179.9	189.2
Performance related income	77.8	0.3
Management income	**257.7**	**189.5**
Income from disposal of inventories	371.2	530.7
Income from fixed price development contracts	125.5	215.6
Other development income, including development management	68.9	164.6
Net gain on disposal of special purpose development entities, including JVs	17.7	23.8
Development income	**583.3**	**934.7**
Inventory cost of sales	(176.6)	(296.0)
Other development expenses	(91.0)	(158.4)
Development expenses	**(267.6)**	**(454.4)**
Included in employee expenses are the following items:		
Salaries, wages and other benefits	(150.6)	(151.4)
Contributions to defined contribution retirement plans	(0.6)	(0.9)
Employee expenses	**(151.2)**	**(152.3)**
Depreciation of plant and equipment	(8.2)	(8.5)
Auditor's remuneration	(2.0)	(1.9)

Notes to the consolidated financial statements

Results for the year (continued)

2 Segment reporting

An operating segment is a component of the Consolidated Entity that engages in business activities from which it may earn revenues and incur expenses. The Consolidated Entity reports the results and financial position of its operating segments based on the internal reports regularly reviewed by the Group Chief Executive Officer in order to assess each segment's performance and to allocate resources to them.

Operating segment information is reported on a geographic basis and the Consolidated Entity has determined that its operating segments are Asia (Greater China (including the Hong Kong SAR) and Japan), Continental Europe (with the majority of assets located in Germany, France, Spain and the Netherlands) and the United Kingdom.

The activities and services undertaken by the operating segments include:

- Property investment, both through direct ownership and cornerstone investments in Partnerships
- Management activities, both investment and property management
- Development activities, including development of directly owned assets (predominantly disclosed as inventories) and management of development activities for the Consolidated Entity's Partnerships.

The segment results that are reported to the Group Chief Executive Officer are based on profit before net finance expense and income tax expense, and also exclude non-cash items such as fair value adjustments and impairments, corporate expenses and share based remuneration. The assets allocated to each operating segment relate to the properties, which also include the investments in Partnerships, and the trade and other receivables associated with the operating activities, but exclude receivables from GL, GIT and their controlled entities, income tax receivables and corporate assets. The liabilities allocated to each operating segment primarily relate to trade and other payables associated with the operating activities, but exclude payables to GL, GIT and their controlled entities, provision for dividends to Shareholders, income tax payables and corporate liabilities.

The accounting policies used to report segment information are the same as those used to prepare the consolidated financial statements for the Consolidated Entity.

For the purpose of operating segment reporting, there are no material intersegment revenues and costs.

Information regarding the operations of each reportable segment is included on the following pages.

Notes to the consolidated financial statements

Results for the year (continued)

Information about reportable segments

	Asia		Continental Europe		United Kingdom		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Statement of comprehensive income	$M	$M	$M	$M	$M	$M	$M	$M
External revenues								
Gross property income	41.8	29.3	3.9	22.8	0.3	0.7	46.0	52.8
Management income	115.8	124.4	133.0	57.4	8.9	7.7	257.7	189.5
Development income	69.6	100.2	507.4	740.7	6.3	93.8	583.3	934.7
Dividends from investments	0.3	0.8	–	–	–	–	0.3	0.8
Total external revenues	**227.5**	**254.7**	**644.3**	**820.9**	**15.5**	**102.2**	**887.3**	**1,177.8**
Analysis of external revenues:								
Revenues from contracts with customers								
Assets and services transferred at a point in time	28.6	28.0	387.2	534.4	0.1	33.8	415.9	596.2
Assets and services transferred over time	160.2	198.9	253.2	265.7	15.2	67.8	428.6	532.4
Other revenue								
Rental income (excludes outgoings recoveries)	38.4	27.0	3.9	20.8	0.2	0.6	42.5	48.4
Dividends from investments	0.3	0.8	–	–	–	–	0.3	0.8
Total external revenues	**227.5**	**254.7**	**644.3**	**820.9**	**15.5**	**102.2**	**887.3**	**1,177.8**
Reportable segment profit before income tax	**333.3**	**209.1**	**306.3**	**336.7**	**22.5**	**96.2**	**662.1**	**642.0**
Other key components of financial performance included in reportable segment profit before income tax								
Share of net results of equity accounted investments in Partnerships (before fair value adjustments)	172.9	29.2	(4.1)	14.2	20.6	34.9	189.4	78.3
Material non-cash items not included in reportable segment profit before income tax								
Share of fair value adjustments attributable to investment properties in Partnerships	(349.2)	16.5	(13.1)	(24.1)	17.4	(152.5)	(344.9)	(160.1)

	Asia		Continental Europe		United Kingdom		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Statement of financial position	$M	$M	$M	$M	$M	$M	$M	$M
Reportable segment assets	**2,234.4**	**2,346.0**	**1,078.3**	**1,177.5**	**990.5**	**958.6**	**4,303.2**	**4,482.1**
Included in reportable segment assets are:								
Equity accounted investments in Partnerships	898.8	1,094.9	156.1	169.0	613.7	586.7	1,668.6	1,850.6
Non-current assets	**1,928.4**	**2,073.9**	**962.0**	**893.7**	**877.3**	**835.9**	**3,767.7**	**3,803.5**
Additions to non-current assets								
– Investment properties	16.9	101.4	–	–	–	–	16.9	101.4
– Equity accounted investments in Partnerships	198.1	176.9	17.3	15.5	13.1	138.0	228.5	330.4
Reportable segment liabilities	**227.7**	**201.2**	**71.4**	**147.7**	**33.7**	**49.8**	**332.8**	**398.7**

Notes to the consolidated financial statements

Results for the year (continued)

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	Note	2024 $M	2023 $M
Revenue			
Total revenue for reportable segments		887.3	1,177.8
Consolidated revenues		**887.3**	**1,177.8**
Profit or loss			
Total profit before income tax for reportable segments		662.1	642.0
Corporate expenses not allocated to reportable segments		(107.4)	(41.6)
		554.7	**600.4**
Valuation and other adjustments not included in reportable segment profit before income tax:			
– Net loss from fair value adjustments on investment properties	5(e)	(23.4)	(0.4)
– Share of fair value adjustments attributable to investment properties in Partnerships	5(f)(ii)	(344.9)	(160.1)
– Share of fair value adjustments on derivative financial instruments in Partnerships	5(f)(ii)	2.0	(10.0)
– Share based payments expense		(216.2)	(111.8)
– Straight-lining of rental income and tax deferred adjustments		(6.5)	–
Net finance income/(expense)	10	18.2	(91.0)
Consolidated loss before income tax		**(16.1)**	**227.1**
Assets			
Total assets for reportable segments		4,303.2	4,482.1
Other unallocated amounts[1]		624.4	821.2
Consolidated total assets		**4,927.6**	**5,303.3**
Liabilities			
Total liabilities for reportable segments		332.8	398.7
Other unallocated amounts[1]		1,904.9	2,095.2
Consolidated total liabilities		**2,237.7**	**2,493.9**

1. Other unallocated amounts comprise principally receivables from and payables to GL, GIT and their controlled entities.

Notes to the consolidated financial statements

Results for the year (continued)

3 Taxation

Income tax for the period comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits. Apart from differences which arise on initial recognition of assets and liabilities, all deferred tax liabilities and all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

In the current and prior year, the Consolidated Entity has applied the temporary mandatory exception from deferred tax accounting for any top-up tax arising from the legislation to adopt the Organisation of Economic Co-operation and Development's (OECD) Pillar Two minimum tax regime – refer section 3(e).

(a) Taxation in the consolidated statement of comprehensive income

	2024 $M	2023 $M
Current tax (expense)/credit – Hong Kong profits tax		
Current period	(8.0)	(13.2)
Changes in estimates related to prior periods	2.1	2.3
	(5.9)	**(10.9)**
Current tax (expense)/credit – overseas		
Current period	(56.3)	(57.0)
Changes in estimates related to prior periods	2.3	(3.1)
	(54.0)	**(60.1)**
Deferred tax (expense)/credit		
Origination and reversal of temporary differences	(3.4)	44.1
Other	0.6	–
	(2.8)	**44.1**
Total income tax expense	**(62.7)**	**(26.9)**

The provision for Hong Kong profits tax for the year ended 30 June 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

Notes to the consolidated financial statements

Results for the year (continued)

(b) Reconciliation between accounting profit and income tax expense at applicable tax rates

	2024 $M	2023 $M
(Loss)/profit before income tax	(16.1)	227.1
Notional tax on (loss)/profit before income tax, calculated at the rates applicable to profits in the countries concerned	0.4	(70.5)
(Increase)/decrease in income tax due to:		
– Current year losses for which no deferred tax asset was recognised	(17.0)	(13.7)
– Non-assessable income	21.6	60.9
– Non-deductible expense	(87.6)	(27.4)
– Utilisation of previously unrecognised tax losses	15.5	24.6
– Changes in estimates related to prior years	4.4	(0.8)
Income tax expense	**(62.7)**	**(26.9)**

(c) Current tax receivables/payables

	2024 $M	2023 $M
Net income tax payable at the beginning of the year	(51.8)	(31.9)
Decrease/(increase) in current net tax payable due to:		
– Net income taxes paid	92.7	68.8
– Net income tax expense on current year's profit	(64.3)	(70.2)
– Changes in estimates related to prior years	4.4	(0.8)
– Other	(0.3)	(17.7)
Net income tax payable at the end of the year	**(19.3)**	**(51.8)**
Current tax receivables	12.3	0.3
Current tax payables	(31.6)	(52.1)
	(19.3)	**(51.8)**

(d) Deferred tax assets and liabilities

Deferred tax assets of $20.6 million (2023: $20.2 million) arising from performance rights awarded under the LTIP and deferred tax liabilities of $5.7 million (2023: $9.5 million) arising from investment properties were recognised in the consolidated statement of financial position.

Notes to the consolidated financial statements

Results for the year (continued)

Movements in deferred taxes recognised in expenses and equity are attributable to the following:

	2024 $M	2023 $M
Deferred tax (expense)/credit recognised in expenses		
Investment properties – fair value adjustments	8.6	50.9
LTIP	(6.1)	1.5
Other items	(5.3)	(8.3)
Total deferred tax (expense)/credit recognised in expenses	**(2.8)**	**44.1**
Deferred tax credit/(expense) recognised in equity		
LTIP	7.3	(1.1)
Total deferred tax credit/(expense) recognised in equity	**7.3**	**(1.1)**
Total deferred tax movements recognised in expenses and equity	**4.5**	**43.0**

Deferred tax assets of $189.6 million (2023: $205.2 million) arising primarily from tax losses have not been recognised by the Consolidated Entity.

(e) Pillar Two minimum tax regime

On 21 December 2023, the Hong Kong government released a consultation paper for the implementation of the OECD's Pillar Two minimum tax regime, confirming that a global and domestic minimum tax rate of 15% will apply in Hong Kong with effect from 1 January 2025. The consultation period closed on 20 March 2024 and the government is expected to develop the legislative proposal in the second half of 2024.

Whilst at 30 June 2024 the measure has not yet been enacted in Hong Kong, similar legislation has been enacted in Japan, parts of Continental Europe and the United Kingdom, which are countries in which the Consolidated Entity has operations.

This new (enacted or intended) legislation has been incorporated in the assessment of income tax as at 30 June 2024, but there have been no material impacts arising from this. The Consolidated Entity will continue to review the impacts of any proposed changes but does not anticipate that this will have a material impact on the Consolidated Entity's results.

4 Profit attributable to equity shareholders of the Company

The consolidated profit attributable to equity shareholders of the Company includes a profit of $306.1 million (2023: $603.8 million) which has been dealt with in the financial statements of the Company.

Notes to the consolidated financial statements
(continued)

OPERATING ASSETS AND LIABILITIES

5 Property assets

(a) Types of property assets

Investment in property assets includes both inventories and investment properties (including those under development), which may be held either directly or through investments in Partnerships.

Inventories
Inventories relate to land and property developments that are held for sale or development and sale in the normal course of business. Inventories are carried at the lower of cost or net realisable value. The calculation of net realisable value requires estimates and assumptions which are regularly evaluated and are based on historical experience and expectations of future events that are believed to be reasonable under the circumstances.

Inventories are classified as non-current assets unless they are contracted to be sold within 12 months of the end of the reporting period, in which case they are classified as current assets.

Investment properties
Investment properties comprise investment interests in land and buildings held for the purpose of leasing to produce rental income and/or for capital appreciation. Investment properties are carried at fair value. The calculation of fair value requires estimates and assumptions which are continually evaluated and are based on historical experience and expectations of future events that are believed to be reasonable under the circumstances. Investment properties are not depreciated as they are subject to continual maintenance and regularly revalued on the basis described below. Changes in the fair value of investment properties are recognised directly in profit or loss.

Components of investment properties
Land and buildings (including integral plant and equipment) comprising investment properties are regarded as composite assets and are disclosed as such in the consolidated financial statements.

Investment property carrying values include the costs of acquiring the assets and subsequent costs of development, including costs of all labour and materials used in construction, costs of managing the projects, holding costs and borrowing costs incurred during the development periods.

Amounts provided to customers as lease incentives and assets relating to fixed rental income increases in operating lease contracts are included within investment property values. Lease incentives are amortised over the term of the lease on a straight-line basis. Direct expenditure associated with leasing a property is also capitalised within investment property values and amortised over the term of the lease.

Classification of investment properties
Investment properties are classified as either properties under development or stabilised properties. Investment properties under development include land, new investment properties in the course of construction and investment properties that are being redeveloped. Stabilised investment properties are all investment properties not classified as being under development and would be completed properties that are leased or are available for lease to customers.

For investment properties under development, the carrying values are reviewed by management at each reporting date to consider whether they reflect their fair values and at completion external valuations are obtained to determine the fair values.

For stabilised investment properties, independent valuations are obtained at least every two years to determine the fair values. At each reporting date between obtaining independent valuations, the carrying values are reviewed by management to ensure they reflect the fair values.

Deposits for investment properties
Deposits and other costs associated with acquiring investment properties that are incurred prior to obtaining legal title are recorded at cost and disclosed as other assets in the consolidated statement of financial position.

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

(b) Summary of the Consolidated Entity's investment in property assets

	Note	2024 $M	2023 $M
Inventories			
Current	5(d)	–	121.6
Non-current	5(d)	1,480.1	1,410.6
		1,480.1	1,532.2
Investment properties			
Stabilised investment properties	5(e)	526.8	451.7
		526.8	451.7
Property held by Partnerships			
Investments accounted for using the equity method	5(f)	1,668.6	1,850.6
		1,668.6	1,850.6

(c) Estimates and assumptions in determining property carrying values

Inventories

For both inventories held directly and inventories held in Partnerships, external valuations are not performed but instead valuations are determined using the feasibility studies supporting the land and property developments. The end values of the developments in the feasibility studies are based on assumptions such as capitalisation rates, letting up periods, rental income and incentives that are consistent with those observed in the relevant market. If the feasibility study calculations indicate that the forecast cost of a completed development will exceed the net realisable value, then the inventories are impaired.

Investment properties

Stabilised investment properties

The fair value of stabilised investment properties is based on current prices in an active market for similar properties in the same location and condition and subject to similar lease and other contracts. The current price is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgably, prudently and without compulsion.

Approach to determination of fair value

The approach to determination of fair value of investment properties is applied to both investment properties held directly and investment properties held in Partnerships.

Valuations are determined based on assessments and estimates of uncertain future events, including upturns and downturns in property markets and availability of similar properties, vacancy rates, market rents and capitalisation and discount rates. Recent and relevant sales evidence and other market data are taken into account. Valuations are either based on an external, independent valuation or on an internal valuation.

External valuations are undertaken only where market segments were observed to be active. In making the determination of whether a market segment is active, the following characteristics are considered:

- Function of the asset (distribution/warehouse or suburban office)
- Location of the asset (city, suburb or regional area)
- Carrying value of the asset (categorised by likely appeal to private (including syndicates), national and/or institutional investors)
- Categorisation as primary or secondary based on a combination of location, weighted average lease expiry, quality of tenant covenant (internal assessment based on available market evidence) and age of construction.

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

Each property asset is assessed and grouped with assets in the same or similar market segments. Information on all relevant recent sales is also analysed using the same criteria to provide a comparative set. The number of sales and the circumstances of each sale are assessed to determine whether a market segment is active or inactive.

Where a market segment is observed to be active, then external independent valuations are instructed for stabilised investment properties where there has been a combination of factors that are likely to have resulted in a material movement in valuation. The considerations include a greater than 10% movement in market rents, more than a 25 basis point movement in capitalisation rates, a material change in tenancy profile (including changes in the creditworthiness of a significant customer that may have a material impact on the property valuation), significant capital expenditure, a change in use (or zoning), a development has reached completion/stabilisation of the asset or it has been two years since the previous external independent valuation. For all other stabilised investment properties in an active market segment, an internal valuation is performed based on observable capitalisation rates and referenced to independent market data.

Where a market segment is observed to be inactive, then no external independent valuations are performed and internal valuations are undertaken based on discounted cash flow (DCF) calculations. The DCF calculations are prepared over a 10-year period. The key inputs considered for each individual calculation are:

- Current contractual lease terms
- Current market rents
- Projected growth in market rents
- Expected and likely capital expenditures
- Projected letting up incentives provided to customers and vacant time on expiry of leases
- Discount rates – computed using the 10-year bond rate or equivalent in each jurisdiction plus increments to reflect country risk, tenant credit risk and industry risk. Where possible, the components of the discount rate are benchmarked to available market data.

Market assessment

With the more volatile economic conditions in FY24 compared to prior years, there have been fewer transactions of industrial, logistics and warehousing properties during the year. Nevertheless, at 30 June 2024, the Board has been able to assess that all markets in which the Consolidated Entity operates are active and as a consequence, no adjustments have been made to the carrying values of the Consolidated Entity's stabilised investment property portfolios on the basis of internally prepared discounted cash flow valuations.

The overall weighted average capitalisation rates for the divisional portfolios (including Partnerships) are set out in the table below:

	Total portfolio weighted average capitalisation rate	
	2024	2023
Segment	%	%
Asia	6.1	5.2
Continental Europe	5.4	4.4
United Kingdom	5.3	4.9

Sensitivity analysis

The fair value measurement approach for directly held investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation method used. The usual valuation methods are either based on income capitalisation or market comparison. Where the income capitalisation method is adopted then the stabilised investment property valuations at 30 June 2024 are most sensitive to the following inputs:

- Capitalisation rates
- Market rents
- Incentives provided to customers and/or re-leasing time on expiry of leases.

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

The directly held stabilised investment properties are in Asia. The average net market rents, average capitalisation rate and range of prices is summarised in the table below:

Valuation technique	Significant unobservable inputs	2024	2023
Income capitalisation	Average net market rent (per square metre per annum)	$308	$302
	Average capitalisation rate	4.6%	4.2%
Market comparison	Price per square metre	n/a	$9,885 - $21,218

The impacts on the Consolidated Entity's financial position that would arise from the changes in capitalisation rates, market rents and incentives/re-leasing time are set out in the table below. This illustrates the impacts on the Consolidated Entity in respect of both the directly held stabilised investment properties and its share of those stabilised investment properties held by Partnerships.

	Directly held properties $M	Partnerships[1] $M
Book value at 30 June 2024	526.8	1,908.4
Changes in capitalisation rates		
Increase in capitalisation rates +50 basis points (bps)	(54.1)	(155.9)
Increase in capitalisation rates +25 bps	(28.6)	(81.4)
Decrease in capitalisation rates -25 bps	32.1	89.3
Decrease in capitalisation rates -50 bps	68.6	187.8
Changes in market rents		
Decrease in rents -5%	(25.4)	(72.2)
Decrease in rents -2.5%	(12.7)	(36.1)
Increase in rents +2.5%	12.7	36.1
Increase in rents +5%	25.4	72.2
Changes in incentives/re-leasing time[2]		
Increase in incentives/re-leasing times +3 months	(4.0)	(7.3)
Increase in incentives/re-leasing times +6 months	(7.9)	(14.6)

1. Reflects the Consolidated Entity's share in Partnerships.
2. On assumed lease expiries over the next 12 months.

Investment properties under development

For the directly held investment properties under development, external independent valuations are generally not performed, but instead valuations are determined at each reporting date using the feasibility assessments supporting the developments. The end values of the developments in the feasibility studies are based on assumptions such as capitalisation rates, market rents, incentives provided to customers and vacant time that are consistent with those observed in the relevant market, adjusted for a profit and risk factor. The profit and risk factors are dependent on the function, location, size and current status of the developments and are generally in a market range of 10% to 15%; although for larger more complex projects that are at an early stage of the development, the profit and risk factor could be higher. This adjusted end value is then compared to the forecast cost of a completed development to determine whether there is an increase or decrease in value.

In respect of the Partnerships, certain Partnerships obtain external independent valuations of investment properties under development at reporting dates. However, the majority determine the fair values at reporting dates by reference to the feasibility assessments, with external independent valuations obtained when the properties have been stabilised.

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

(d) Inventories

	2024 $M	2023 $M
Current		
Freehold land and development properties	–	29.3
Leasehold land and development properties	–	92.3
	–	121.6
Non-current		
Freehold land and development properties	1,076.3	969.6
Leasehold land and development properties	403.8	441.0
	1,480.1	1,410.6

During the current and prior financial year, no impairment losses were recognised on land and development properties.

As at 30 June 2024, the ownership interests in leasehold land and development properties, that are carried at the lower of cost or net realisable value, are held in China and Continental Europe, with remaining lease terms of between 39 and 47 years.

(e) Investment properties

Reconciliation of carrying amount of directly held investment properties

	2024 $M	2023 $M
Leasehold investment properties		
Carrying amount at the beginning of the year	451.7	336.8
Acquisitions	16.9	100.2
Transfers in from inventories	81.9	–
Capital expenditure	–	1.2
Net loss from fair value adjustments	(23.4)	(0.4)
Effect of foreign currency translation	(0.3)	13.9
Carrying amount at the end of the year	526.8	451.7
Analysed by segment:		
Asia	526.8	451.7
	526.8	451.7

As at 30 June 2024, the ownership interests in leasehold investment properties, carried at fair value, are held in Greater China with remaining lease terms of between 23 years and 42 years.

Non-cancellable operating lease commitments receivable from investment property customers

The analysis in the table below reflects the gross property income, excluding recoverable outgoings, based on existing lease agreements. It assumes that leases will not extend beyond the next review date, where the customer has an option to end the lease.

	2024 $M	2023 $M
Non-cancellable operating lease commitments receivable:		
Less than one year	17.7	14.5
One to two years	12.7	12.2
Two to three years	4.9	9.9
Three to four years	0.3	4.3
Four to five years	–	0.2
	35.6	41.1

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

(f) Investments accounted for using the equity method

Investments accounted for using the equity method comprise associates and JVs, which are collectively referred to as Partnerships.

Associates

An associate is an entity in which the Consolidated Entity exercises significant influence but not control over its financial and operating policies.

JVs

A JV is an arrangement in which the Consolidated Entity is considered to have joint control for accounting purposes, whereby the Consolidated Entity has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

In the consolidated financial statements, investments in Partnerships are accounted for using the equity method. Under this method, the Consolidated Entity's investment is initially recognised at cost. Subsequent to initial recognition, the consolidated financial statements include the Consolidated Entity's share of the gains or losses and other comprehensive income of Partnerships until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Unrealised gains arising from asset disposals with JVs, including those relating to contributions of non-monetary assets on establishment, are eliminated to the extent of the Consolidated Entity's interest. Unrealised gains relating to JVs are eliminated against the carrying amount of the investment. Unrealised losses are eliminated in the same way as unrealised gains unless they evidence an impairment of an asset.

Impairment

Non-financial assets

The carrying amounts of the Consolidated Entity's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset is written down to the recoverable amount. The impairment is recognised in profit or loss in the reporting period in which it occurs.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation, with any excess recognised through profit or loss.

(i) Investments in associates

The Consolidated Entity owns a 39.9% interest in certain development entities in Continental Europe with a carrying value of $0.1 million.

The consolidated share of the results recognised during the year was a loss of $0.2 million.

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

(ii) Investments in JVs

The Consolidated Entity's principal Partnerships are set out below:

		Consolidated share of net results recognised		Consolidated ownership interest		Consolidated investment carrying amount	
Name	**Country of establishment**	**2024 $M**	**2023 $M**	**2024 %**	**2023 %**	**2024 $M**	**2023 $M**
Property investment and development							
Goodman China Logistics Partnership (GCLP)	Cayman Islands	(335.2)	26.8	20.0	20.0	605.0	923.3
Goodman UK Partnerships (GUKP)[1]	United Kingdom	39.6	(125.4)	35.2	35.0	604.4	573.7
Goodman Japan Development Partnership (GJDP)	Cayman Islands	158.2	8.8	50.0	50.0	218.4	170.6
Other JVs		(15.9)	(1.6)			240.7	182.8
		(153.3)	(91.4)			1,668.5	1,850.4

[1] The consolidated ownership interest in GUKP reflected the weighted average ownership in GUKP, GUKP II and GUKP III.

The Consolidated Entity's property investment Partnerships have a long-term remit to hold investment properties to earn rental income and for capital appreciation, although they will undertake developments when an appropriate opportunity arises.

The reconciliation of the carrying amount of investments in JVs is set out as follows:

Movements in carrying amount of investments in JVs	2024 $M	2023 $M
Carrying amount at the beginning of the year	1,850.4	1,845.6
Share of net results after tax (before fair value adjustments)	189.6	78.7
Share of fair value adjustments attributable to investment properties, after tax	(344.9)	(160.1)
Share of fair value adjustments on derivative financial instruments	2.0	(10.0)
Share of net results	(153.3)	(91.4)
Share of movements in reserves	(5.3)	(0.1)
Acquisitions	228.4	329.8
Disposals	(2.0)	(0.1)
Capital return	(107.9)	(141.7)
Dividends/distributions received and receivable	(108.8)	(102.1)
Effect of foreign currency translation	(33.0)	10.4
Carrying amount at the end of the year	**1,668.5**	**1,850.4**

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

Summary financial information of JVs

The following table summarises the financial information of the material Partnerships as included in their own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Consolidated Entity's interest in the JVs.

	GJDP		GCLP		GUKP	
	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M
Summarised statement of financial position						
Current assets						
Cash and cash equivalents	337.6	94.0	409.8	398.2	54.7	44.2
Other current assets	11.5	38.1	180.8	198.2	13.6	15.8
Total current assets	**349.1**	**132.1**	**590.6**	**596.4**	**68.3**	**60.0**
Total non-current assets	**302.1**	**653.6**	**4,531.3**	**6,660.0**	**2,287.8**	**2,216.0**
Current liabilities						
Financial liabilities (excluding trade payables and other provisions)	–	–	81.5	77.2	–	–
Other current liabilities	73.9	10.5	3,092.3	2,989.8	59.6	55.1
Total current liabilities	**73.9**	**10.5**	**3,173.8**	**3,067.0**	**59.6**	**55.1**
Non-current liabilities						
Financial liabilities (excluding trade payables and other provisions)	140.3	432.4	1,363.1	1,354.2	581.5	583.1
Other non-current liabilities	–	1.6	195.1	733.4	–	–
Total non-current liabilities	**140.3**	**434.0**	**1,558.2**	**2,087.6**	**581.5**	**583.1**
Net assets (100%)	**437.0**	**341.2**	**389.9**	**2,101.8**	**1,715.0**	**1,637.8**
Consolidated ownership interest (%)	50.0	50.0	20.0	20.0	35.2	35.0
Consolidated share of net assets	218.4	170.6	78.0	420.4	603.9	573.2
Shareholder loans[1]	–	–	523.7	499.6	–	–
Other items, including acquisition costs	–	–	3.3	3.3	0.5	0.5
Carrying amount of interest in JV	**218.4**	**170.6**	**605.0**	**923.3**	**604.4**	**573.7**
Summarised statement of comprehensive income						
Revenue	1,200.9	88.4	236.7	210.0	80.3	93.2
Net finance (expense)/income	(0.2)	–	(47.9)	(32.7)	1.3	(11.3)
Income tax expense	(0.9)	(0.8)	(45.9)	(44.1)	(0.2)	(0.2)
Profit/(loss) and total comprehensive income (100%)	316.3	17.6	(1,703.1)	134.1	56.1	(337.0)
Consolidated share of profit/(loss) and total comprehensive income	**158.2**	**8.8**	**(335.2)**	**26.8**	**39.6**	**(125.4)**
Dividends/distributions received and receivable by the Consolidated Entity	**74.6**	**6.2**	**8.4**	**8.5**	**17.7**	**–**

[1] Shareholder loans have been provided by investors of GCLP in proportion to their ownership interest. The shareholder loans are interest-free, unsecured and have no fixed terms of repayment. The shareholder loans are not expected to be repaid within 12 months from the end of the reporting period and the Directors consider the loans to form part of the Consolidated Entity's investment in GCLP.

With respect to the Consolidated Entity's other JVs, the total loss after tax and revaluations was $69.9 million (2023: $59.9 million profit) and total other comprehensive income was $nil (2023: $nil).

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

6 Receivables

Non-derivative financial assets

The Consolidated Entity initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Consolidated Entity becomes a party to the contractual provisions of the instrument.

The Consolidated Entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the right to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Consolidated Entity is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Consolidated Entity has a legal right to offset the amounts and intends to either settle on a net basis or to realise the asset and settle the liability simultaneously.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables comprise trade and other receivables, amounts due from related parties and loans to related parties. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less allowance for impairment of doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

Amounts recoverable on development contracts

Amounts recoverable on development contracts arise when the Consolidated Entity contracts to sell a completed development asset either prior to or during the development phase. The receivables are stated at cost plus profit recognised to date less an allowance for foreseeable losses and less amounts already billed.

Impairment

Financial assets and contract assets

The Consolidated Entity recognises an impairment loss allowance for expected credit losses (ECLs) on financial assets measured at amortised cost and contract assets. Financial assets measured at amortised cost include cash and cash equivalents, trade and other receivables, amounts due from related parties and loans to related parties.

Other financial assets measured at fair value are not subject to the ECL assessment.

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls. In measuring ECLs, the Consolidated Entity takes into account information about past events, current conditions and forecasts of future economic conditions.

Impairment loss allowances for trade and other receivables, amounts due from related parties and contract assets are measured at an amount equal to a lifetime ECL. Lifetime ECLs are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

The Consolidated Entity recognises an impairment loss allowance equal to the expected losses within 12 months after the reporting date on loans to related parties, unless there has been a significant increase in credit risk of the loans since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

	Note	2024 $M	2023 $M
Current			
Trade receivables		7.4	19.6
Other receivables		49.6	56.6
Amounts due from related parties		42.5	46.3
Loans to related parties	20(c)	107.1	51.3
		206.6	**173.8**
Non-current			
Loans to related parties	20(c)	293.2	612.0
		293.2	**612.0**

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. All non-current receivables of the Consolidated Entity are due within five years from the reporting date. There is no material difference between the carrying values and the fair values of receivables.

Trade receivables

No trade receivables were impaired at 30 June 2024 and 2023. There are no significant overdue trade receivables at 30 June 2024.

Other receivables

At 30 June 2024, none of the other receivables were overdue or impaired (2023: $nil).

Amounts due from related parties

At 30 June 2024, none of the amounts due from related parties was overdue or impaired (2023: $nil). Amounts due from related parties are typically repayable within 30 days. The amounts due from related parties are unsecured.

Loans to related parties

Loans to related parties principally relate to loans to fellow subsidiaries of GL and GIT and loans to JVs. Refer to note 20(c) for details of loans to related parties. During the year, no impairment losses were recognised on loans to related parties (2023: $nil). The loans to related parties are unsecured.

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

7 Contract assets and liabilities

Contract assets primarily comprise amounts recoverable from fixed price development contracts (disclosed net of any payments received on account) and accrued performance fee income where the Consolidated Entity assesses that the income can be reliably measured.

Contract liabilities primarily comprise deposits and other amounts received in advance for development contracts and rental guarantees.

The following table provides an analysis of receivables from contracts with customers (excluding rental income receivables), contract assets and contract liabilities at the reporting dates:

	2024 $M	2023 $M
Current		
Receivables from contracts with customers, which are included in trade receivables, other receivables and amounts due from related parties	56.0	65.7
Contract assets	12.9	70.7
Contract liabilities	8.1	9.8

Significant changes in the contract assets and the contract liabilities balances during the year are set out below:

	2024		2023	
	Contract assets $M	Contract liabilities $M	Contract assets $M	Contract liabilities $M
Balance at the beginning of the year	70.7	9.8	60.5	4.6
Revenue recognised that was included in the contract liability balance at the beginning of the year	–	(10.0)	–	–
Increases due to cash received, excluding amounts recognised as revenue during the year	–	8.9	–	5.2
Transfers from contract assets to receivables	(55.1)	–	(371.6)	–
(Decrease)/increase due to changes in the measure of progress during the year	(3.1)	–	379.8	–
Effect of foreign currency translation	0.4	(0.6)	2.0	–
Balance at the end of the year	**12.9**	**8.1**	**70.7**	**9.8**
Current contract assets and liabilities	12.9	8.1	70.7	9.8
	12.9	**8.1**	**70.7**	**9.8**

Transaction price allocated to the remaining contract obligations

The amount of the transaction price allocated to the remaining performance obligations under the Consolidated Entity's existing contracts is $nil (2023: $nil).

The Consolidated Entity's future rental income from existing lease agreements is included in note 5.

In addition, the Consolidated Entity receives investment management, development management and property services fees under various contracts that it has with its Partnerships. These contracts are for varying lengths of time and are typically transacted on terms that are consistent with market practice. The revenues under these contracts are linked to the AUM, total development project costs or gross property income of the Partnerships and are invoiced as the services are provided.

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

8 Payables

Non-derivative financial liabilities

The Consolidated Entity initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the Consolidated Entity becomes a party to the contractual provisions of the instrument.

The Consolidated Entity derecognises a financial liability when the contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Consolidated Entity has a legal right to offset the amounts and intends to either settle on a net basis or to realise the asset and settle the liability simultaneously.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise trade payables, other payables and accruals, contract liabilities and lease liabilities.

	Note	2024 $M	2023 $M
Current			
Trade payables		44.4	47.5
Other payables and accruals		220.8	220.2
Contract liabilities	7	8.1	9.8
Lease liabilities	9	4.4	7.7
		277.7	285.2
Non-current			
Other payables and accruals		131.8	62.9
Lease liabilities	9	6.9	30.4
		138.7	93.3

Notes to the consolidated financial statements

Operating assets and liabilities (continued)

9 Leases

The Consolidated Entity leases office buildings, motor vehicles and office equipment. Certain investment properties and developments classified as inventories are also built on land held under leasehold interests.

The Consolidated Entity recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost plus any direct costs incurred and an estimate of costs to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the lessee's incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest rate method. The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change arising from the reassessment of whether the Consolidated Entity will be reasonably certain to exercise an extension or termination option.

The right of use assets in respect of office buildings, motor vehicles and office equipment are depreciated using the straight-line method over the period of the lease. Right of use assets that meet the definition of investment property are carried at fair value in accordance with note 5(a). Ground leases of development land that are classified as inventories are not depreciated but are assessed at each reporting date for impairments to ensure they are recorded at the lower of cost and net realisable value.

Information about leases for which the Consolidated Entity is a lessee is detailed below:

	2024 $M	2023 $M
Right of use assets		
Inventories	403.8	533.3
Investment properties	526.8	451.7
Property, plant and equipment	11.0	15.5
	941.6	1,000.5

During the year, the additions to the Consolidated Entity's right of use assets were $86.1 million (2023: $229.5 million) and the depreciation expense was $6.3 million (2023: $6.9 million).

	2024 $M	2023 $M
Lease liabilities		
Current	4.4	7.7
Non-current	6.9	30.4
	11.3	38.1

During the year, the interest expense associated with the Consolidated Entity's lease liabilities was $0.2 million (2023: $0.4 million) and the cash repayments under the Consolidated Entity's leases were $6.6 million (2023: $7.6 million).

Notes to the consolidated financial statements

(continued)

CAPITAL MANAGEMENT

10 Net finance income/(expense)

Finance income

Interest is recognised on an accruals basis using the effective interest rate method, and, if not received at the reporting date, is reflected in the consolidated statement of financial position as a receivable.

Finance expense

Expenditure incurred in obtaining debt finance is offset against the principal amount of the interest bearing liability to which it relates and is recognised as a finance cost on an effective interest rate basis over the life of the facility or until the facility is significantly modified. Where a facility is significantly modified, any unamortised expenditure in relation to that facility and incremental expenditure incurred in modifying the facility are recognised as a finance cost in the financial year in which the significant modification occurs.

Finance costs relating to a qualifying asset are capitalised as part of the cost of that asset using a weighted average cost of debt. Qualifying assets are assets which take a substantial time to get ready for their intended use or sale. All other finance costs are expensed using the effective interest rate method.

	Note	2024 $M	2023 $M
Finance income			
Interest income on loans to:			
– Related parties	20	34.3	23.1
– Other parties		6.0	4.3
Interest income from derivatives		50.2	10.7
Fair value adjustments on derivative financial instruments		1.1	–
Foreign exchange gains		2.3	–
		93.9	38.1
Finance expense			
Interest expense from related party loans	20	(73.0)	(47.5)
Other borrowing costs		(12.9)	(2.5)
Fair value adjustments on derivative financial instruments		–	(69.5)
Foreign exchange losses		–	(18.8)
Capitalised borrowing costs		10.2	9.2
		(75.7)	(129.1)
Net finance income/(expense)		18.2	(91.0)

Borrowing costs were capitalised to inventories and investment properties under development during the financial year at rates between 2.7% and 4.2% per annum (2023: 1.9% and 8.9% per annum).

Notes to the consolidated financial statements

Capital management (continued)

11 Interest bearing liabilities

Interest bearing liabilities comprise bank loans. Interest bearing liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, interest bearing liabilities are measured at amortised cost using the effective interest rate method.

	Note	2024 $M	2023 $M
Current			
Bank loans, secured	11(b)	1.7	–
		1.7	–
Non-current			
Bank loans, secured	11(b)	63.9	47.9
Borrowing costs		(0.8)	(1.2)
		63.1	46.7

(a) Finance facilities

	Facilities available $M	Facilities utilised $M
30 June 2024		
Bank loans, secured	197.3	65.6
Bank loans, unsecured	40.2	–
Bank guarantees	–	21.2
	237.5	86.8
30 June 2023		
Bank loans, secured	220.4	47.9
	220.4	47.9

(b) Bank loans, secured

As at 30 June 2024, the Consolidated Entity had the following secured bank facilities.

	Facility maturity date	Facility limit $M	Amounts drawn $M
	9 January 2028	79.7	–
	5 January 2033	51.4	23.9
	18 March 2034	17.4	17.4
	20 April 2038	48.8	24.3
Total facilities at 30 June 2024		197.3	65.6
Total facilities at 30 June 2023		220.4	47.9

(c) Bank loans, unsecured

As at 30 June 2024, the Consolidated Entity had the following unsecured bank facilities.

	Facility maturity date	Facility limit $M	Amounts drawn $M
	7 December 2025	40.2	–
Total facilities at 30 June 2024		40.2	–
Total facilities at 30 June 2023		40.9	–

Notes to the consolidated financial statements

Capital management (continued)

12 Other financial assets and liabilities

Other financial assets and liabilities are recognised initially on the trade date at which the Consolidated Entity become a party to the contractual provisions of the instrument.

Derivative financial instruments and hedging

The Consolidated Entity uses derivative financial instruments to hedge its economic exposure to foreign exchange and interest rate risks arising from operating, investing and financing activities. In accordance with Goodman Group's treasury policy, the Consolidated Entity does not hold or issue derivative financial instruments for speculative trading purposes.

The Consolidated Entity's derivative financial instruments are not designated as hedges for accounting purposes, and accordingly movements in the fair value of derivative financial instruments are recognised in profit or loss.

Investments in unlisted securities

Subsequent to initial recognition, investments in unlisted securities are measured at fair value and changes therein are recognised as other comprehensive income and presented in the asset revaluation reserve in equity. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss. When such an asset is derecognised, the cumulative gain or loss in equity is transferred to retained earnings.

Other financial assets

	2024 $M	2023 $M
Current		
Derivative financial instruments	11.5	11.3
	11.5	**11.3**
Non-current		
Derivative financial instruments	126.4	106.6
Investments in unlisted securities, at fair value[1]	57.2	54.5
	183.6	**161.1**

[1] Principally relates to the Consolidated Entity's 10.0% (2023: 10.0%) interest in Goodman Japan Limited. During the year, a revaluation gain of $9.7 million was recognised in other comprehensive income (2023: $10.7 million gain). Refer to note 13(d) for assumptions made in measuring fair value of the unlisted securities.

Other financial liabilities

	2024 $M	2023 $M
Current		
Derivative financial instruments	26.7	79.9
	26.7	**79.9**
Non-current		
Derivative financial instruments	136.9	98.1
	136.9	**98.1**

Notes to the consolidated financial statements

Capital management (continued)

13 Financial risk management

The Goodman Group Board has overall responsibility for approving Goodman Group's risk management framework. The Goodman Group Board has established the Goodman Group Audit, Risk and Compliance committee, which is responsible for reviewing, approving and subsequently monitoring Goodman Group's risk management policies, including the FRM policy. The FRM policy is established to identify and analyse the financial risks faced by Goodman Group, to set appropriate risk limits and controls for managing the financial affairs of Goodman Group.

Goodman Group's treasury function is responsible for the day to day compliance with Goodman Group's FRM policy and prepares reports for consideration by management committees and the Goodman Group Board including:

- Cash flow projections over a period of at least 12 months to assess the level of cash and undrawn facilities, and headline gearing at each month end
- Debt maturity profile, to allow Goodman Group to plan well in advance of maturing facilities
- Interest rate hedge profile over the next 10 years, to allow Goodman Group to manage the proportion of fixed and floating rate debt in accordance with its FRM policy
- Capital hedge position (by currency) and profile of expiring currency derivatives, to allow Goodman Group to manage its net investment hedging in accordance with its FRM policy.

Any significant investments or material changes to the finance facilities or FRM policy require approval by both the Goodman Group Board and the Board of the Consolidated Entity.

The Consolidated Entity's key financial risks are market risk (including foreign exchange and interest rate risk), liquidity risk and credit risk.

(a) Market risk

Foreign exchange risk
The Consolidated Entity is exposed to transactional foreign currency risk and net investment foreign currency risk through its investments in Hong Kong, China, Japan, Continental Europe and the United Kingdom and also loans to related parties in North America. Foreign exchange risk represents the loss that would be recognised from adverse fluctuations in currency prices as a result of future commercial transactions, recognised assets and liabilities and, principally, net investments in foreign operations.

Goodman Group manages foreign currency exposure on a consolidated basis. In managing foreign currency risks, Goodman Group aims to reduce the impact of short-term fluctuations on earnings and net assets. However, over the long term, permanent changes in foreign exchange will have an impact on both earnings and net assets.

Goodman Group's capital hedge policy for each overseas region is to hedge between 65% and 90% of foreign currency denominated assets with foreign currency denominated liabilities. This is achieved by borrowing in the same functional currency as the investments to form a natural economic hedge against any foreign currency fluctuations and/or using derivatives such as cross currency interest rate swaps (CCIRS) and forward exchange contracts (FEC).

Notes to the consolidated financial statements

Capital management (continued)

As at 30 June 2024, a summary of the derivative financial instruments used to hedge the Consolidated Entity's exposures arising from its investments in foreign operations is set out below:

	2024			2023		
	Amounts payable	Amounts receivable	Weighted average exchange rate	Amounts payable	Amounts receivable	Weighted average exchange rate
	HKD'M	AUD'M	AUD/HKD	HKD'M	AUD'M	AUD/HKD
AUD receivable/HKD payable	(1,950.0)	360.7	5.4310	(1,650.0)	300.5	5.5118
	EUR'M	AUD'M	AUD/EUR	EUR'M	AUD'M	AUD/EUR
AUD receivable/EUR payable	(495.0)	803.0	0.6165	(495.0)	803.0	0.6165
	GBP'M	AUD'M	AUD/GBP	GBP'M	AUD'M	AUD/GBP
AUD receivable/GBP payable	(330.0)	601.7	0.5491	(150.0)	279.8	0.5361
	USD'M	AUD'M	AUD/USD	USD'M	AUD'M	AUD/USD
AUD receivable/USD payable	(550.0)	774.7	0.7105	(450.0)	634.6	0.7092
	JPY'M	AUD'M	AUD/JPY	JPY'M	AUD'M	AUD/JPY
AUD receivable/JPY payable	(21,000.0)	249.2	85.2731	(14,000.0)	177.7	78.9821
	CNY'M	USD'M	USD/CNY	CNY'M	USD'M	USD/CNY
USD receivable/CNY payable	(4,565.7)	649.3	7.0315	(4,727.6)	642.2	7.3612

Sensitivity analysis

Throughout the financial year, if the Australian dollar had been 5% (2023: 5%) stronger against all other currencies, with all other variables held constant, the Consolidated Entity's loss attributable to Shareholders, excluding derivative mark to market and unrealised foreign exchange movements, would have increased by $7.7 million (2023: profit decreased by $21.9 million). If the Australian dollar had been 5% (2023: 5%) weaker against all other currencies, with all other variables held constant, the Consolidated Entity's loss attributable to Shareholders, excluding derivative mark to market and unrealised foreign exchange movements, would have decreased by $7.7 million (2023: profit increased by $21.9 million).

Interest rate risk

The Consolidated Entity's interest rate payments risk arises from variable rate borrowings and Consolidated Entity's CCIRS that hedge the overseas investments. Goodman Group has a policy of hedging between 60% and 100% of its payments exposure to changes in interest rates for a three year period, progressively decreasing from the fourth year. The Consolidated Entity has entered into interest rate derivatives (IRD) to manage cash flow risks associated with the interest rates on payments that are floating. The IRD contracts are for 90-day intervals and involve quarterly payments or receipts of the net amount of interest.

As at 30 June 2024, the Consolidated Entity's fixed and floating rate exposure (by principal) based on existing interest bearing liabilities and derivative financial instruments is set out below:

	Interest bearing liabilities $M	Impact of derivatives CCIRS $M	Impact of derivatives IRD $M	Net interest rate exposure (payable) $M
30 June 2024				
Fixed rate interest payable	–	–	1,506.6	1,506.6
Floating rate interest payable	65.6	2,815.5	(1,506.6)	1,374.5
	65.6	2,815.5	–	2,881.1
30 June 2023				
Fixed rate interest payable	–	–	1,418.7	1,418.7
Floating rate interest payable	47.9	2,232.8	(1,418.7)	862.0
	47.9	2,232.8	–	2,280.7

Notes to the consolidated financial statements

Capital management (continued)

The Consolidated Entity is also exposed to variable interest rates on cash at bank and the principal amount of the Australian dollar receiver legs of the CCIRS. To hedge this interest rate exposure, the Consolidated Entity hold IRDs and fixed rate CCIRS. As at 30 June 2024, the Consolidated Entity's fixed and floating rate exposure (by principal) based on existing cash at bank, interest bearing liabilities and derivative financial instruments is set out below:

		Impact of derivatives		Net interest rate exposure
	Cash at bank $M	CCIRS $M	IRD $M	(receivable) $M
30 June 2024				
Fixed rate interest income	–	–	774.7	774.7
Floating rate interest income	478.1	2,789.2	(774.7)	2,492.6
	478.1	**2,789.2**	**–**	**3,267.3**
30 June 2023				
Floating rate interest income	391.9	2,195.5	–	2,587.4
	391.9	**2,195.5**	**–**	**2,587.4**

As a result of the fixed rate interest bearing liabilities and derivative financial instruments that existed at 30 June 2024, the Consolidated Entity would have the following fixed payable interest rate exposure (by principal) at the end of each of the next five financial years. This assumes all interest bearing liabilities and derivative financial instruments mature in accordance with current contractual terms and that no new arrangements are entered into.

	2024		2023	
Number of years post balance date	Fixed interest rate (by principal) $M	Weighted average interest rate % per annum	Fixed interest rate (by principal) $M	Weighted average interest rate % per annum
1 year	1,231.5	1.85%	1,350.7	0.88
2 years	1,289.9	2.22%	619.3	1.69
3 years	1,320.8	2.44%	491.1	1.98
4 years	1,112.1	2.56%	491.1	1.98
5 years	555.9	2.93%	458.4	2.14

Sensitivity analysis

Throughout the financial year, if interest rates (based on cash and cash equivalents, interest bearing liabilities and derivative financial instruments in place at the end of the year) had been 100 bps per annum (2023: 100 bps per annum) higher/lower, with all other variables held constant, the Consolidated Entity's profit or loss attributable to Shareholders, excluding derivative mark to market movements, would have been $11.2 million lower/higher (2023: $10.2 million lower/higher).

Notes to the consolidated financial statements

Capital management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity will not be able to meet its financial obligations as they fall due. The Consolidated Entity's objective is to maintain sufficient liquidity to fund short-term working capital, capital expenditure, investment opportunities and dividends. Management seeks to achieve these objectives through the preparation of regular forecast cash flows to understand the application and use of funds and through the identification of future funding, primarily through loans from related parties in Goodman Group.

The contractual maturities of financial liabilities are set out below:

	Carrying amount $M	Contractual cash flows $M	Up to 12 months $M	1 to 2 year(s) $M	2 to 3 years $M	3 to 4 years $M	4 to 5 years $M	More than 5 years $M
As at 30 June 2024								
Non-derivative financial liabilities								
Trade and other payables (excluding contract liabilities)	397.0	397.0	265.2	131.8	–	–	–	–
Lease liabilities	11.3	11.6	4.5	2.3	1.8	1.6	1.0	0.4
Bank loans, secured[1]	65.6	65.6	1.7	2.5	2.5	4.8	6.1	48.0
Loans from related parties	1,416.9	1,427.8	82.4	266.6	60.3	816.7	81.2	120.6
Total non-derivative financial liabilities	**1,890.8**	**1,902.0**	**353.8**	**403.2**	**64.6**	**823.1**	**88.3**	**169.0**
Derivative financial liabilities								
Net settled[2]:	(16.9)	(10.3)	3.3	(12.5)	(7.4)	2.7	4.0	(0.4)
Gross settled[3]:								
(Inflow)	–	(666.5)	(151.5)	(184.3)	(135.0)	(89.5)	(106.2)	–
Outflow	42.6	440.8	113.6	100.1	140.8	40.4	45.9	–
Total derivative financial liabilities	**25.7**	**(236.0)**	**(34.6)**	**(96.7)**	**(1.6)**	**(46.4)**	**(56.3)**	**(0.4)**
As at 30 June 2023								
Non-derivative financial liabilities								
Trade and other payables (excluding contract liabilities)	330.6	330.6	267.7	62.9	–	–	–	–
Lease liabilities	38.1	87.1	8.0	5.5	2.8	2.4	2.1	66.3
Bank loans, secured[1]	47.9	47.9	–	–	–	–	–	47.9
Loans from related parties	1,676.1	1,683.5	89.1	538.9	415.9	93.3	474.4	71.9
Total non-derivative financial liabilities	**2,092.7**	**2,149.1**	**364.8**	**607.3**	**418.7**	**95.7**	**476.5**	**186.1**
Derivative financial liabilities								
Net settled[2]:	(10.4)	(10.8)	(11.7)	12.4	(4.5)	(4.5)	(4.0)	1.5
Gross settled[3]:								
(Inflow)	–	(512.7)	(104.3)	(88.4)	(106.2)	(85.0)	(57.7)	(71.1)
Outflow	70.5	504.8	142.7	90.0	83.3	122.7	27.5	38.6
Total derivative financial liabilities	**60.1**	**(18.7)**	**26.7**	**14.0**	**(27.4)**	**33.2**	**(34.2)**	**(31.0)**

1. Contractual cash flows relating to bank loans exclude any estimate of interest payments that might arise under the Consolidated Entity's bank facilities.
2. Net settled includes IRD and FEC.
3. Gross settled includes CCIRS.

Notes to the consolidated financial statements

Capital management (continued)

(c) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The maximum exposure to credit risk on financial assets, excluding investments, of the Consolidated Entity which have been recognised in the consolidated statement of financial position, is the carrying amount (refer to note 6).

The Consolidated Entity has a policy of assessing the creditworthiness of all potential customers and is not materially exposed to any one customer. The Consolidated Entity evaluates all customers' perceived credit risk.

In relation to material bank deposits, the Consolidated Entity minimises credit risk by dealing with major financial institutions. The counterparty must have a long-term investment grade credit rating from a major rating agency. The amounts and other terms associated with bank deposits are formally reviewed monthly.

From time to time, the Consolidated Entity also makes loans to JVs, typically to fund development projects. In making its investment decisions, the Consolidated Entity will undertake a detailed assessment of the development feasibility and credit risks associated with the relevant counterparties.

During the current and prior year, credit risk arising from cash and cash equivalents, trade receivables, amounts and loans due from related parties and other receivables was not determined to be significant and no impairment losses were recognised.

The credit risks associated with derivative financial instruments are managed by:

- Transacting with multiple derivatives counterparties that have a long-term investment grade credit rating
- Utilising ISDA agreements with derivative counterparties in order to limit exposure to credit risk through netting of amounts receivable and amounts payable to individual counterparties (refer below)
- Formal review of the mark to market position of derivative financial instruments by counterparty on a monthly basis.

Master netting off or similar agreements

The Consolidated Entity enters into derivative transactions with external parties (outside of Goodman Group) under ISDA master netting off agreements. Under these agreements, where certain credit events occur (such as a default), all outstanding transactions under the agreement are terminated and a single net termination value is payable in full and final settlement.

As the Consolidated Entity does not have any current legally enforceable right to offset, the fair values associated with derivative financial instruments have been presented gross in the statement of financial position. However, if a credit event occurred, the ISDA master netting off agreement would allow A$66.8 million (2023: A$43.0 million) of financial assets and financial liabilities in relation to the Consolidated Entity's respective derivative financial instruments to be offset.

(d) Fair values of financial instruments

Except for derivative financial instruments and investments in unlisted securities which are carried at fair value, the Consolidated Entity's financial instruments are carried at cost or amortised cost. The carrying amounts of the Consolidated Entity's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2024 and 30 June 2023.

Notes to the consolidated financial statements

Capital management (continued)

(i) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method (see Basis of preparation):

	Level 1 $M	Level 2 $M	Level 3 $M	Total $M
As at 30 June 2024				
Derivative financial assets	–	137.9	–	137.9
Investments in unlisted securities	–	–	57.2	57.2
	–	137.9	57.2	195.1
Derivative financial liabilities	–	163.6	–	163.6
	–	163.6	–	163.6
As at 30 June 2023				
Derivative financial assets	–	117.9	–	117.9
Investments in unlisted securities	–	–	54.5	54.5
	–	117.9	54.5	172.4
Derivative financial liabilities	–	178.0	–	178.0
	–	178.0	–	178.0

There were no transfers between the levels during the year.

(ii) Valuation techniques used to derive Level 2 and Level 3 fair values

The Level 2 derivative financial instruments held by the Consolidated Entity consist of IRD, CCIRS and FEC.

The fair values of derivatives are determined using generally accepted pricing models which discount estimated future cash flows based on the terms and maturity of each contract and current market interest rates and/or foreign currency rates, adjusted for specific features of the instruments.

The fair value measurement for investment in unlisted securities has been categorised as a Level 3 fair value. The following table shows the valuation technique used in measuring fair value as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Equity securities + Goodman Japan Limited	DCF: The valuation model was determined by discounting the future cash flows expected to be generated from continuing operations. The future cash flows were based on Partnership and development forecasts and then estimating a year five terminal value using a terminal growth rate and an appropriate discount rate.	+ Assets under management of $6.9 billion in year five + Average annual development of 75,075 square metres + Five-year terminal value growth rate of 1.06% + Risk adjusted post tax discount rate of 7.78% per annum.	The estimated fair value would increase/(decrease) if: + The level of AUM, development activity and terminal value growth rate were higher/(lower); or + The risk adjusted discount rate was lower/(higher).

(iii) Reconciliation of Level 3 fair values

	2024 $M	2023 $M
Carrying amount at the beginning of the year	54.5	43.5
Acquisitions	0.1	1.2
Return of capital	(1.8)	–
Net change in fair value – included in other comprehensive income	9.7	10.7
Effect of foreign currency translation	(5.3)	(0.9)
Carrying amount at the end of the year	**57.2**	**54.5**

Notes to the consolidated financial statements

Capital management (continued)

14 Dividends

During the financial year, the Company declared a final dividend of 4.0 cents per share amounting to $76.0 million. This dividend will be paid on 26 August 2024. In the prior year, the Company declared a final dividend of 5.0 cents per share amounting to $94.2 million. This was paid on 25 August 2023.

15 Share capital

(a) Ordinary shares

Ordinary shares of the Company are classified as equity. Incremental costs directly attributable to issues of ordinary shares are recognised as a deduction from equity, net of any tax effects.

	2024	2023	2024	2023
	Number of shares		$M	$M
Share capital	1,899,182,071	1,883,819,883	994.9	931.6
Less: Accumulated issue costs			(0.7)	(0.7)
Total issued capital	**1,899,182,071**	**1,883,819,883**	**994.2**	**930.9**

Date	Details	Number of shares	Share capital $M
	Ordinary shares, issued and fully paid		
	Balance at 30 June 2022	1,868,222,609	873.6
1 Sep 2022	Shares issued to employees of Goodman Group[1]	12,246,479	46.1
19 May 2023	Ordinary shares issued	3,350,795	11.9
	Balance at 30 June 2023	**1,883,819,883**	**931.6**
28 Aug 2023	Ordinary shares issued	3,164,056	13.0
30 Aug 2023	Shares issued to employees of Goodman Group[1]	12,198,132	50.3
	Balance at 30 June 2024	**1,899,182,071**	**994.9**

[1] During the year, the Company issued 12,198,132 (2023: 12,246,479) shares to employees of Goodman Group under the LTIP.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Notes to the consolidated financial statements

Capital management (continued)

(b) Equity settled share based payment transactions

LTIP

Goodman Group's share based payments relate to performance rights awarded to employees under the LTIP. These performance rights entitle an employee to either acquire Goodman Group securities for $nil consideration (equity settled performance rights) or, in certain jurisdictions, to receive an amount in cash equal to the value of the securities (cash settled performance rights), subject to the vesting conditions having been satisfied.

During the year, the movement in the number of performance rights under the LTIP was as follows:

	Number of rights	
	2024	2023
Outstanding at the beginning of the year	26,758,409	24,616,181
Issued	7,907,295	8,149,820
Vested	(5,153,819)	(5,568,204)
Forfeited	(1,661,139)	(439,388)
Outstanding at the end of the year	**27,850,746**	**26,758,409**
Exercisable at the end of the year	–	–

Share based payments transactions

The fair value of equity settled performance rights at the grant date is expensed with a corresponding increase in the employee compensation reserve over the period from the grant date to the vesting dates. The expense is adjusted to reflect the actual number of performance rights for which the related service and non-market vesting conditions are expected to be met. The accumulated share based payments expense of performance rights which have vested or lapsed is transferred from the employee compensation reserve to retained earnings.

The fair value of cash settled performance rights is also recognised as an expense but with a corresponding increase in liabilities over the vesting period. The expense is adjusted to reflect the actual number of performance rights for which the related service and non-market vesting conditions are expected to be met. The liability is remeasured at each reporting date and at the vesting date based on the fair value of the rights.

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

+ Operating earnings per security tranches: these rights were valued as a granted call option, using the standard Black-Scholes model with a continuous dividend yield
+ Relative total shareholder return tranches: these rights were valued using a Monte Carlo model which simulated total returns for each of the ASX 100 stocks and discounted the future value of any potential future vesting performance rights to arrive at a present value. The model uses statistical analysis to forecast total returns, based on expected parameters of variance and co-variance.

Notes to the consolidated financial statements

Capital management (continued)

The model inputs for performance rights, both equity and cash settled, awarded during the current financial year included the following:

	10-year rights issued on 14 Nov 2023	10-year rights issued on 29 Sep 2023	5-year rights issued on 29 Sep 2023
Fair value at measurement date ($)	18.93	17.44	18.09
Security price ($)	22.77	21.45	21.45
Exercise price ($)	–	–	–
Expected volatility (%)	28.06	27.88	29.89
Rights' expected weighted average life (years)	6.8	6.9	3.9
Dividend/distribution yield per annum (%)	1.32	1.40	1.40
Average risk free rate of interest per annum (%)	4.47	4.27	4.10

The model inputs for the remeasurement of the cash settled performance rights at 30 June 2024 included the following:

	10-year rights issued in FY24	10-year rights issued in FY23	10-year rights issued in FY22	5-year rights issued In FY24	5-year rights issued In FY23	5-year rights issued In FY22	5-year rights issued In FY21	5-year rights issued In FY20
Fair value at measurement date	21.85	29.48	29.86	26.47	30.74	34.40	34.55	34.70
Security price ($)	34.75	34.75	34.75	34.75	34.75	34.75	34.75	34.75
Exercise price ($)	–	–	–	–	–	–	–	–
Expected volatility (%)	63.81	27.69	27.36	27.07	26.35	25.21	23.65	23.27
Rights' expected weighted average life (years)	6.2	5.2	4.2	3.2	2.2	1.2	0.7	0.2
Dividend/distribution yield per annum (%)	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86
Average risk free rate of interest per annum (%)	4.17	4.15	4.18	4.12	4.25	4.34	4.43	4.38

Share based payment expense included in profit or loss was as follows:

	2024 $M	2023 $M
Share based payment expense:		
– Equity settled	59.2	47.6
– Cash settled	157.0	64.2
	216.2	**111.8**

At 30 June 2024, a liability of $197.7 million (2023: $103.6 million) was recognised in relation to cash settled performance rights.

Notes to the consolidated financial statements

(continued)

OTHER ITEMS

16 Notes to the consolidated cash flow statement

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

(a) Reconciliation of cash

Cash as at the end of the year as shown in the consolidated cash flow statement is reconciled to the related items in the consolidated statement of financial position as follows:

	2024 $M	2023 $M
Cash assets	478.1	391.9
	478.1	391.9

(b) Reconciliation of profit for the year to net cash provided by operating activities

	2024 $M	2023 $M
(Loss)/profit for the year	(78.8)	200.2
Items classified as investing activities		
Net gain on disposal of investment properties	–	(4.1)
Non-cash items		
Depreciation of plant and equipment	8.2	8.5
Share based payments expense	216.2	111.8
Net loss from fair value adjustments on investment properties	23.4	0.4
Share of net results of equity accounted investments	153.5	91.8
Net finance (income)/expense	(18.2)	91.0
Income tax expense	62.7	26.9
	367.0	526.5
Changes in assets and liabilities during the year:		
– Decrease/(increase) in receivables	75.9	(15.9)
– (Increase)/decrease in inventories	(56.7)	95.1
– (Increase)/decrease in other assets	(5.6)	2.5
– Decrease in payables	(53.2)	(21.1)
– Increase/(decrease) in provisions (including employee benefits)	2.0	(2.4)
	329.4	584.7
Dividends/distributions received from equity accounted investments	108.8	102.1
Net finance income received	88.2	64.3
Net income taxes paid	(92.7)	(68.8)
Net cash provided by operating activities	433.7	682.3

Notes to the consolidated financial statements

Other items (continued)

(c) Reconciliation of liabilities arising from financing activities

	Interest bearing liabilities $M	Derivatives used for hedging $M	Dividends payable $M	Loans (to)/from related parties $M	Lease liabilities $M
Balance at 1 July 2022	**9.0**	**55.5**	**46.7**	**1,148.1**	**45.3**
Changes from financing cash flows					
Drawdown of borrowings	40.6	–	–	–	–
Repayments of borrowings and payments under derivative financial instruments	–	(49.0)	–	–	–
Net repayments of loans with related parties	–	(11.9)	–	(269.9)	–
Payments of lease liabilities	–	–	–	–	(7.6)
Dividends paid	–	–	(46.7)	–	–
Total changes from financing cash flows	**40.6**	**(60.9)**	**(46.7)**	**(269.9)**	**(7.6)**
Effect of foreign exchange movements	(1.7)	(4.0)	–	180.4	2.6
Changes in fair value	–	69.5	–	–	–
Other changes					
Issue of shares under the LTIP	–	–	–	(46.1)	–
Equity settled share based payments transactions	–	–	–	(36.0)	–
New leases	–	–	–	-	1.6
Interest income	–	–	–	(23.1)	–
Interest expense	–	–	–	47.5	0.4
Other borrowing costs	(1.2)	–	–	–	–
Disposal of right of use assets	–	–	–	–	(4.2)
Derivative financial instrument settlement through loans with related parties	–	–	–	11.9	–
Dividends declared	–	–	94.2	–	–
Total other changes	**(1.2)**	**-**	**94.2**	**(45.8)**	**(2.2)**
Balance at 30 June 2023	**46.7**	**60.1**	**94.2**	**1,012.8**	**38.1**
Balance at 1 July 2023	**46.7**	**60.1**	**94.2**	**1,012.8**	**38.1**
Changes from financing cash flows					
Drawdown of borrowings	25.0	–	–	–	–
Repayments of borrowings and payments under derivative financial instruments	(6.8)	(33.7)	–	–	–
Net repayments of loans with related parties	–	–	–	(85.9)	–
Payments of lease liabilities	–	–	–	–	(6.6)
Dividends paid	–	–	(94.2)	–	–
Total changes from financing cash flows	**18.2**	**(33.7)**	**(94.2)**	**(85.9)**	**(6.6)**
Effect of foreign exchange movements	(0.5)	0.4	–	105.9	0.1
Changes in fair value	–	(1.1)	–	–	–
Other changes					
Issue of shares under the LTIP	–	–	–	(13.0)	–
Equity settled share based payments transactions	–	–	–	(41.9)	–
Interest income	–	–	–	(34.3)	–
Interest expense	–	–	–	73.0	–
Other borrowing costs	0.4	–	–	–	–
Disposal of right of use assets	–	–	–	–	(20.3)
Dividends declared	–	–	76.0	–	–
Total other changes	**0.4**	**–**	**76.0**	**(16.2)**	**(20.3)**
Balance at 30 June 2024	**64.8**	**25.7**	**76.0**	**1,016.6**	**11.3**

Notes to the consolidated financial statements

Other items (continued)

17 Reserves

		Consolidated		Company	
		2024	2023	2024	2023
	Note	$M	$M	$M	$M
Asset revaluation reserve	17(a)	57.1	47.4	56.8	47.1
Foreign currency translation reserve	17(b)	(2.5)	49.6	–	–
Employee compensation reserve	17(c)	91.5	66.9	81.3	64.0
Defined benefit retirement schemes reserve	17(d)	(11.8)	(8.3)	–	–
Common control reserve[1]	17(e)	(702.9)	(702.9)	–	–
Total reserves		**(568.6)**	**(547.3)**	**138.1**	**111.1**

[1] The common control reserve arises from the acquisition of entities from other members of Goodman Group under the pooling of interest method. The amount in the common control reserve reflects the difference between the consideration paid and the carrying values of the assets and liabilities of the acquired entity at the date of acquisition.

The movements in reserves of the Consolidated Entity and the Company are analysed below:

	Consolidated		Company	
	2024	2023	2024	2023
	$M	$M	$M	$M
(a) Asset revaluation reserve				
Balance at the beginning of the year	47.4	36.7	47.1	36.2
Increase due to revaluation of other financial assets	9.7	10.7	9.7	10.9
Balance at the end of the year	**57.1**	**47.4**	**56.8**	**47.1**
(b) Foreign currency translation reserve				
Balance at the beginning of the year	49.6	13.6	–	–
Net exchange differences on conversion of foreign operations	(52.1)	36.0	–	–
Balance at the end of the year	**(2.5)**	**49.6**	**–**	**–**
(c) Employee compensation reserve				
Balance at the beginning of the year	66.9	56.3	64.0	52.4
Equity settled share based payment transactions	17.3	11.6	17.3	11.6
Deferred tax associated with the LTIP	7.3	(1.0)	–	–
Balance at the end of the year	**91.5**	**66.9**	**81.3**	**64.0**
(d) Defined benefit retirement schemes reserve				
Balance at the beginning of the year	(8.3)	(8.8)	–	–
Actuarial (losses)/gains on defined benefit retirement schemes (net of tax)	(3.5)	0.5	–	–
Balance at the end of the year	**(11.8)**	**(8.3)**	**–**	**–**
(e) Common control reserve				
Balance at the beginning of the year	(702.9)	(702.9)	–	–
Balance at the end of the year	**(702.9)**	**(702.9)**	**–**	**–**

18 Retained earnings

		Consolidated		Company	
		2024	2023	2024	2023
	Note	$M	$M	$M	$M
Balance at the beginning of the year		2,383.2	2,290.0	1,522.9	1,013.3
(Loss)/profit for the year		(86.0)	187.4	306.1	603.8
Dividends declared	14	(76.0)	(94.2)	(76.0)	(94.2)
Balance at the end of the year		**2,221.2**	**2,383.2**	**1,753.0**	**1,522.9**

Notes to the consolidated financial statements

Other items (continued)

19 Investments in subsidiaries

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Company has power, only substantive rights (held by the Company and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. When an entity ceases to be controlled by the Company, it is accounted for as a disposal of the entire interest in the entity, with a resulting gain or loss being recognised in profit or loss.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses.

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Consolidated Entity. The class of shares held is ordinary unless otherwise stated.

			Interest held	
		Country of	2024	2023
Significant controlled companies	Principal activities	incorporation	%	%
Goodman Asia Limited	Investment and property management services	Hong Kong	100.0	100.0
Goodman China Limited	Property management and development management consultancy services	Hong Kong	100.0	100.0
Goodman UK Holdings (HK) Limited	Intermediate holding company	Hong Kong	100.0	100.0
Goodman China Asset Management Limited	Investment management	Cayman Islands	100.0	100.0
Goodman Developments Asia	Investment and property development	Cayman Islands	100.0	100.0
GJSP Limited	Investment management	Japan	100.0	100.0
Goodman Funds Management (Lux) Sàrl	Investment management	Luxembourg	100.0	100.0
Goodman Management Holdings (Lux) Sàrl	Intermediate holding company	Luxembourg	100.0	100.0
Goodman Midnight Logistics (Lux) Sàrl	Investment holding company	Luxembourg	100.0	100.0
Goodman Property Opportunities (Lux) Sàrl	Property investment and development	Luxembourg	94.0	94.0
Goodman Logistics Developments (UK) Limited	Investment and property management services	United Kingdom	100.0	100.0
Goodman Real Estate (UK) Limited	Investment and property development	United Kingdom	100.0	100.0

Combination of entities or businesses under common control

Where the Consolidated Entity acquires entities or businesses from other members of Goodman Group such that all of the combining entities (businesses) are ultimately controlled by Goodman Group Securityholders both before and after the combination, the Consolidated Entity applies the pooling of interests method.

At the date of the combination of entities under common control, the assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments are made to reflect fair values or recognise any new assets or liabilities that would otherwise be done under the acquisition method. The only goodwill that is recognised is any existing goodwill relating to either of the combining entities. Any difference between the consideration transferred and the equity "acquired" by the Consolidated Entity is reflected within equity (common control reserve).

Similar to the acquisition method, the results of the 'acquired' entity are included only from the date control commenced. Comparatives are not restated to present the consolidated financial statements as if the entities had always been combined.

Notes to the consolidated financial statements

Other items (continued)

20 Related party transactions

Related parties

(i) A person, or a close member of that person's family, is related to the Company if that person:
  (1) Has control or joint control over the Company
  (2) Has significant influence over the Company, or
  (3) Is a member of the key management personnel of the Company or the Company's parent.

(ii) An entity is related to the Company if any of the following conditions applies:
  (1) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others)
  (2) One entity is an associate or JV of the other entity (or an associate or JV of a member of a group of which the other entity is a member)
  (3) Both entities are JVs of the same third party
  (4) One entity is a JV of a third entity and the other entity is an associate of the third entity
  (5) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company
  (6) The entity is controlled or jointly controlled by a person identified in (i)
  (7) A person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity) or
  (8) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(a) Directors' remuneration

Directors' remuneration (including alternate Directors) disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

	2024 $M	2023 $M
Directors' fees	0.6	0.6
Salaries, allowances and benefits in kind	4.0	3.5
Share based payments	19.6	18.0
	24.2	22.1

Notes to the consolidated financial statements

Other items (continued)

(b) Transactions and amounts due from related parties

	Management and development activities		Amounts due from related parties[1]	
	2024 $M	2023 $M	2024 $M	2023 $M
JVs				
GCLP	93.8	96.3	9.6	13.6
GUKP	14.0	67.2	2.4	2.6
KWASA Goodman Germany	56.7	8.4	–	–
GJDP	–	–	–	0.2
	164.5	171.9	12.0	16.4
Related parties of GL and GIT				
Goodman Hong Kong Logistics Partnership	81.8	118.8	17.5	16.6
Goodman European Partnership	154.6	348.2	25.9	61.5
Other related parties	5.2	5.1	–	–
	241.6	472.1	43.4	78.1

1. Includes contract assets arising from transactions with related parties.

Transactions with GL

During the year, the Consolidated Entity recognised expenses of $62.3 million (2023: $1.5 million) for services provided by a controlled entity of GL.

(c) Financing arrangements with related parties

	Loans to related parties[1]		Loans from related parties[1]		Interest income/(expense) charged on loans to/from related parties	
	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M
JVs	–	7.0	–	–	–	0.4
GL, GIT and their controlled entities	400.3	656.3	(1,416.9)	(1,676.1)	(38.7)	(24.8)
	400.3	663.3	(1,416.9)	(1,676.1)	(38.7)	(24.4)

1. Loans by the Consolidated Entity to/from JVs and other related parties have generally been provided on an arm's length basis. At 30 June 2024, details in respect of the principal loan balances are set out below:
   - Loans to GL, GIT and their controlled entities amounting to $400.3 million (2023: $656.3 million) are interest bearing and repayable on demand. The interest bearing loans incur interest at rates ranging from 0.8% to 6.7% per annum (2023: 0.8% to 6.4% per annum).
   - Loans from GL, GIT and their controlled entities are interest bearing and amount to $1,416.9 million (2023: $1,676.1 million). $80.4 million of the loans is repayable on demand and $1,336.5 million is repayable greater than one year from the reporting date. The interest bearing loans incur floating interest at rates ranging from 0% to 10.3% per annum (2023: 0.8% to 10.5%per annum).

Notes to the consolidated financial statements

Other items (continued)

21 Commitments

Development activities
At 30 June 2024, the Consolidated Entity was committed to $116.9 million (2023: $172.8 million) expenditure in respect of inventories and other development activities.

Investment properties
At 30 June 2024, the Consolidated Entity had capital expenditure commitments of $0.4 million (2023: $0.1 million) in respect of its stabilised investment property portfolio.

22 Contingencies

Capitalisation Deed Poll
GLHK, GL, GIT and certain of their wholly owned controlled entities are 'investors' under a Capitalisation Deed Poll (CDP) dated 23 May 2007. Under the CDP, each investor undertakes to pay to the relevant controlled entity borrower (borrower) any amounts owing under finance documents for the purpose of the CDP when the borrower fails to make a payment. Any payments by an investor to a borrower will be by way of loan to, or proceeds for the subscription of equity in, the borrower by the investor.

US144A/Regulation S senior notes
Under the issue of notes in the US144A/Regulation S bond market, controlled entities of GIT had on issue USD and EUR notes amounting to US$1,350.0 million and €803.0 million respectively. GL, Goodman Funds Management Limited, as responsible entity of GIT, and GLHK have unconditionally and irrevocably guaranteed on a joint and several basis the payment of principal and interest in respect of each of the notes.

Stapling agreement
In accordance with the stapling agreement between the Company (GLHK), GL and Goodman Funds Management Limited as responsible entity for GIT, on request, each party (and its subsidiaries) must provide financial support to the other party (and its subsidiaries). The financial support to the other party (and its subsidiaries) may include:

- Lending money or providing financial accommodation
- Guaranteeing any loan or other financing facility including providing any security
- Entering into any covenant, undertaking, restraint, negative pledge on the obtaining of any financial accommodation or the provision of any guarantee or security in connection with any financial accommodation
- Entering into any joint borrowing or joint financial accommodation and providing any guarantee, security, indemnities and undertakings in connection with the relevant joint borrowing or joint financial accommodation.

A party need not do anything under the above arrangements to the extent that the party considers that it is not in the interests of Goodman Group Securityholders as a whole, or would cause a member of the party's group to contravene or breach applicable laws or particular finance arrangements.

Notes to the consolidated financial statements

Other items (continued)

23 Company level statement of financial position

	Note	2024 $M	2023 $M
Current assets			
Cash		162.4	74.7
Receivables		20.9	20.8
Other financial assets		6.6	11.3
Total current assets		**189.9**	**106.8**
Non-current assets			
Investments in subsidiaries		2,716.1	2,631.3
Other financial assets		439.5	340.7
Total non-current assets		**3,155.6**	**2,972.0**
Total assets		**3,345.5**	**3,078.8**
Current liabilities			
Payables		103.8	0.5
Dividend payable		76.0	94.2
Other financial liabilities		26.7	79.9
Total current liabilities		**206.5**	**174.6**
Non-current liabilities			
Payables		116.8	241.2
Other financial liabilities		136.9	98.1
Total non-current liabilities		**253.7**	**339.3**
Total liabilities		**460.2**	**513.9**
Net assets		**2,885.3**	**2,564.9**
Equity attributable to Shareholders			
Share capital		994.2	930.9
Reserves	17	138.1	111.1
Retained earnings	18	1,753.0	1,522.9
Total equity attributable to Shareholders		**2,885.3**	**2,564.9**

The Company level statement of financial position was approved and authorised for issue by the Board of Directors on 15 August 2024.

Stephen Johns
Director

David Collins
Director

24 Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this financial report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity, in future financial years.

Securities information

Top 20 Securityholders as at 31 July 2024		Number of securities	Percentage of al issued securities
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	688,736,309	36.26
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	573,441,031	30.19
3	CITICORP NOMINEES PTY LIMITED	232,933,055	12.26
4	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	56,311,020	2.97
5	NATIONAL NOMINEES LIMITED	37,423,559	1.97
6	BNP PARIBAS NOMS PTY LTD	37,266,865	1.96
7	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	33,898,260	1.78
8	TRISON INVESTMENTS PTY LTD	15,963,803	0.84
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	12,506,580	0.66
10	BEESIDE PTY LTD ATF THE BEESIDE TRUST	10,442,040	0.55
11	AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED	10,155,000	0.53
12	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	6,779,535	0.36
13	BNP PARIBAS NOMINEES PTY LTD BARCLAYS	5,446,345	0.29
14	CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	4,821,933	0.25
15	UBS NOMINEES PTY LTD	4,752,922	0.25
16	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	4,369,814	0.23
17	UBS NOMINEES PTY LTD	4,036,197	0.21
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,424,554	0.18
19	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	3,325,748	0.18
20	BNP PARIBAS NOMS (NZ) LTD	3,023,845	0.16
Securities held by to 20 Securityholders		1,749,058,415	92.10
Balance of securities held		150,123,656	7.90
Total issued securities		**1,899,182,071**	**100.00**

Range	Total holders	Units	% Units
1 - 1,000	38,112	12,959,271	0.68
1,001 - 5,000	18,549	41,563,068	2.19
5,001 - 10,000	2,923	20,601,988	1.08
10,001 - 100,000	1,671	35,589,311	1.87
100,001 Over	101	1,788,468,433	94.17
Total	61,356	1,899,182,071	100.00

There were 715 Securityholders with less than a marketable parcel in relation to 2,853 securities as at 31 July 2024.

Substantial Securityholders[1]	Number of securities
Vanguard Group	167,546,666
Blackrock Group	162,980,356
Leader Investment Corporation, China Investment Corporation	149,918,913
State Street Corporation	139,135,367

1. In accordance with latest Substantial Securityholder Notices as at 31 July 2024.

Goodman Logistics (HK) Limited CHESS Depository Interests. ASX reserves the right (but without limiting its absolute discretion) to remove Goodman Logistics (HK) Limited, Goodman Limited and Goodman Industrial Trust from the official list of the ASX if a CHESS Depository Interest (CDI) referencing an ordinary share in Goodman Logistics (HK) Limited, a share in Goodman Limited or a unit in Goodman Industrial Trust cease to be stapled, or any new securities are issued by Goodman Logistics (HK) Limited, Goodman Limited or Goodman Industrial Trust and are not (or CDIs in respect of them are not) stapled to equivalent securities in the Goodman Group.

Voting rights. On a show of hands at a general meeting of Goodman Limited or Goodman Industrial Trust, every person present who is an eligible Securityholder shall have one vote and on a poll, every person present who is an eligible Securityholder shall have one vote for each Goodman Limited share and one vote for each dollar value of Goodman Industrial Trust units that the eligible Securityholder holds or represents (as the case may be). At a general meeting of Goodman Logistics (HK) Limited, all resolutions will be determined by poll, and eligible Securityholders will be able to direct Chess Depositary Nominees Pty Limited to cast one vote for each Chess Depositary Instrument (referencing a Goodman Logistics (HK) Limited share) that the eligible Securityholder holds or represents (as the case may be).

Securityholder approval of securities. During the financial year 16,886,507 performance rights were issued under the Long Term Incentive Plan, of which 1,855,000 performance rights were issued to Executive Directors with Securityholder approval under ASX Listing Rule 10.14.

On-market buy-back. There is no current on-market buy-back.

Corporate Directory

GOODMAN GROUP

Goodman Limited

ABN 69 000 123 071
Company Secretary – Carl Bicego

Goodman Industrial Trust

ASRN 091 213 839

Goodman Funds Management Limited

(Responsible Entity for Goodman Industrial Trust)
ABN 48 067 796 641
AFSL Number 223621
Company Secretary – Carl Bicego

Goodman Logistics (HK) Limited

BRN 59357133
ARBN 155 911 149
Company Secretary – Goodman Secretarial Asia Limited

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Guangzhou
Hamburg
Hong Kong
London
Los Angeles
Luxembourg
Madrid
Melbourne
Milan
Munich
New Jersey
Osaka
Paris
Pennsylvania
San Francisco
São Paulo
Shanghai
Shenzhen
Sydney
Tokyo

DIRECTORS

Goodman Limited and Goodman Funds Management Limited

Stephen Johns
Independent Chairman

Gregory Goodman
Group Chief Executive Officer

Chris Green
Independent Director

Mark G. Johnson
Independent Director

Vanessa Liu
Independent Director

Danny Peeters
Executive Director

Belinda Robson
Independent Director

Anthony Rozic
Executive Director

Hilary Spann
Independent Director

George Zoghbi
Independent Director

Company Secretary
Carl Bicego

Goodman Logistics (HK) Limited

Stephen Johns
Independent Chairman

Kitty Chung
Independent Director

David Collins
Independent Director

Danny Peeters
Executive Director

Company Secretary
Goodman Secretarial Asia Limited

SECURITY REGISTRAR

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AUDITOR

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Disclaimer: This document has been prepared by Goodman Group (Goodman Limited (ABN 69 000 123 071), Goodman Funds Management Limited (ABN 48 067 796 641; AFSL Number 223621) as the Responsible Entity for Goodman Industrial Trust (ARSN 091 213 839) and Goodman Logistics (HK) Limited (BRN 59357133; ARBN 155 911 149 - a Hong Kong company with limited liability)). It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with professional advice, when deciding if an investment is appropriate. This document uses operating profit and operating earnings per security (EPS) to present a clear view of the underlying profit from operations. Operating profit comprises profit attributable to Securityholders adjusted for net property valuations gains, non-property impairment losses, net gains/losses from the fair value movements on derivative financial instruments and unrealised fair value and foreign exchange movements on interest bearing liabilities and other non-cash adjustments or non-recurring items e.g. the share based payments expense associated with Goodman's Long Term Incentive Plan (LTIP). A reconciliation to statutory profit is provided on page 17 of the Directors' Report. This document contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance as well as expectations, objectives and assumptions in our climate change and sustainability related statements are also forward-looking statements. Due care and attention have been used in the preparation of forecast information. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Goodman Group, that may cause actual results to differ materially from those expressed or implied in such statements. Past performance of any product described in this document is not a reliable indication of future performance. Neither the Goodman Group, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. Due to the inherent uncertainty and limitations in measuring greenhouse gas (GHG) emissions and operational energy consumption under the calculation methodologies used in the preparation of such data, GHG emissions and operational energy consumption data or references to GHG emissions and operational energy consumption volumes (including ratios or percentages) in the sustainability content published in this document may include estimates. There can be no assurance that actual outcomes will not differ materially from these statements. All values are expressed in Australian currency unless otherwise stated. This document does not constitute an offer, invitation, solicitation, recommendation or advice with respect to the issue, purchase or sale of any stapled securities or other financial products in the Goodman Group. It does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any "US person" (as defined in Regulation S under the US Securities Act of 1933, as amended (Securities Act) (US Person). Securities may not be offered or sold in the United States or to US Persons unless they are registered under the Securities Act or an exemption from registration is available. The stapled securities of Goodman Group have not been, and will not be, registered under the Securities Act or the securities laws of any state or jurisdiction of the US. August 2024.

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