

Goodman Australia Finance Pty Limited
(ACN 127 959 951)



Announcement to Singapore Exchange

20 October 2023

EURO500,000,000 1.375% NOTES DUE SEPTEMBER 2025

ANNOUNCEMENT OF 2023 ACCOUNTS FOR GOODMAN AUSTRALIA FINANCE PTY LIMITED

We attach the 2023 Annual Accounts for Goodman Australia Finance Pty Limited, the Notes issuer.

Yours sincerely,

For Goodman Australia Finance Pty Limited

Carl Bicego
Company Secretary

Goodman Limited | ABN 69 000 123 071
Goodman Funds Management Limited | ABN 48 067 796 641 | AFSL Number 223621
as responsible entity of Goodman Industrial Trust | ARSN 091213 839
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Goodman Australia Finance Pty Limited
ABN 79 127 959 951
Financial report for the year ended 30 June 2023

Contents	Page
Directors' report	2
Lead auditor's independence declaration	4
Statement of financial position	5
Statement of comprehensive income	6
Statement of changes in equity	7
Cash flow statement	8
Notes to the financial statements	
1 Statement of significant accounting policies	9
2 Loans to parent entity	11
3 Interest bearing liabilities	11
4 Issued capital	11
5 Auditor's remuneration	11
6 Note to the cash flow statement	12
7 Financial risk management	12
8 Key management personnel	13
9 Capitalisation Deed Poll	13
10 Events subsequent to balance date	13
Directors' declaration	14
Independent auditor's report	15

Goodman Australia Finance Pty Limited
Directors' report

The directors (Directors) of Goodman Australia Finance Pty Limited (the Company) present their Directors' Report together with the financial statements of the Company for the year ended 30 June 2023.

The Company is a controlled entity of Goodman Industrial Trust and is part of Goodman Group.

Directors

The Directors and Company Secretary at any time during or since the end of the year were:

Director	Appointment date
Mr Gregory Goodman	11 October 2007
Mr Nick Vrontas	21 October 2016
Company Secretary	Appointment date
Mr Carl Bicego	11 October 2007

Principal activities

The principal activity of the Company is to source and provide funding for entities in the Goodman Group. There were no significant changes in the nature of the activities during the year.

Dividends

No dividends were paid or declared in the current year.

Review of operations and state of affairs

The performance of the Company as represented by the results from its operations during the year was as follows:

	2023	2022
	€'000	€'000
Revenue	9,090	10,015
Profit/(loss) for the year	-	-

During the year, the Company repaid ¥12.5 billion of unsecured private notes (JPY notes) that matured on 3 April 2023. As at 30 June 2023, the Company's external debt relates to €500 million of Reg S senior unsecured notes (EUR Notes) that mature on 27 September 2025.

Goodman Australia Finance Pty Limited Directors' report

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 the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Strategy and outlook

The Company will continue to source funds from debt capital markets and lend the proceeds to other members of Goodman Group.

Indemnification and insurance of officers

Pursuant to the Constitution of the Company, current and former Directors and Officers are entitled to be indemnified, to the extent permitted by law.

Goodman Property Services (Aust) Pty Ltd, a related company, has insured to the extent permitted by law, current and former Directors and Officers of the Company 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.

Environmental regulations

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

Rounding

The Company is an entity of a kind referred to in Australian Securities & Investments Commission (ASIC) Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191, dated 24 March 2016. In accordance with that Instrument, amounts in this Directors' report and the financial report have been rounded to the nearest thousand euros, unless otherwise stated.

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

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Gregory Goodman
Director

Sydney, 19 October 2023

DocuSigned by:

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Nick Vrontas
Director



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

To the Directors of Goodman Australia Finance Pty Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Goodman Australia Finance Pty Limited for the financial year ended 30 June 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

A handwritten signature in black ink, appearing to read 'Samuel Grose'.

Samuel Grose

Partner

Sydney

19 October 2023

Goodman Australia Finance Pty Limited
Statement of financial position
as at 30 June 2023

	Note	2023 €'000	2022 €'000
Current assets			
Loans to parent entity	2	5,271	93,871
Total current assets		5,271	93,871
Non-current assets			
Loans to parent entity	2	500,000	500,000
Total non-current assets		500,000	500,000
Total assets		505,271	593,871
Current liabilities			
Interest bearing liabilities	3	-	87,895
Accrued interest payable		5,271	5,976
Total current liabilities		5,271	93,871
Non-current liabilities			
Interest bearing liabilities	3	500,000	500,000
Total non-current liabilities		500,000	500,000
Total liabilities		505,271	593,871
Net assets		-	-
Equity attributable to shareholder			
Shares on issue	4	-	-
Retained earnings		-	-
Total equity		-	-

The statement of financial position is to be read in conjunction with the accompanying notes.

Goodman Australia Finance Pty Limited
Statement of comprehensive income
for the year ended 30 June 2023

	2023	2022
	€'000	€'000
Revenue		
Interest income from parent entity	9,090	10,015
	9,090	10,015
Expenses		
Interest expense	(9,090)	(10,015)
	(9,090)	(10,015)
Profit/(loss) before income tax	-	-
Income tax expense	-	-
Profit/(loss) for the year	-	-
Total comprehensive income for the year attributable to shareholders	-	-

The statement of comprehensive income is to be read in conjunction with the accompanying notes.

Goodman Australia Finance Pty Limited
Statement of changes in equity
for the year ended 30 June 2023

	2023	2022
	€'000	€'000
Total equity at the beginning of the year	-	-
Profit/(loss) for the year	-	-
Total comprehensive income for the year	-	-
Total equity at the end of the year	-	-

The statement of changes in equity is to be read in conjunction with the accompanying notes.

Goodman Australia Finance Pty Limited
Cash flow statement
for the year ended 30 June 2023

	Note	2023 €'000	2022 €'000
Cash flows from operating activities			
Interest income received		-	-
Interest expense paid		-	-
Net cash provided by operating activities	6	-	-
Cash flows from investing activities			
Loans to parent entity		-	-
Net cash used in investing activities		-	-
Cash flows from financing activities			
Proceeds from borrowings		-	-
Net cash provided by financing activities		-	-
Net increase/(decrease) in cash		-	-
Cash at the beginning of the year		-	-
Cash at the end of the year		-	-

The cash flow statement is to be read in conjunction with the accompanying notes.

Goodman Australia Finance Pty Limited
Notes to the financial statements
for the year ended 30 June 2023

1 Statement of significant accounting policies

Goodman Australia Finance Pty Limited is a company domiciled in Australia. The parent entity of the Company is Goodman Finance Australia Trust (GFAT) and the ultimate parent entity is Goodman Industrial Trust (GIT).

Statement of compliance

The financial report is a general purpose financial report which has 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 financial report also complies with IFRS.

The financial report is presented in Euro and was authorised for issue by the Directors on 19 October 2023.

The significant accounting policies which have been adopted in the preparation of the financial report are set out below.

(a) Basis of preparation of the financial report

The financial report is prepared on the historical cost basis.

(b) Financial assets

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. 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.

(c) Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency), which has been determined to be the Euro.

Transactions

Foreign currency transactions are translated to Euro at rates approximating to the foreign exchange rates ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at reporting date are translated at the rates of exchange ruling on that date. Resulting exchange differences are recognised in profit/(loss) for the year.

Non-monetary assets and liabilities that are measured in terms of historical cost are translated at rates of exchange ruling 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.

(d) Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised in the statement of comprehensive income using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Goodman Australia Finance Pty Limited
Notes to the financial statements
for the year ended 30 June 2023

1 Statement of significant accounting policies (cont)

(e) Interest bearing liabilities

Interest bearing liabilities are recognised on inception at their fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing liabilities are stated at amortised cost with any difference being recognised in profit or loss over the period of the borrowings on an effective yield basis, subject to set-off arrangements. Interest expense is accrued at the contracted rate and included in the statement of financial position under current payables.

(f) Income Tax

Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities.

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.

(g) Australian Accounting Standards issued but not yet effective

The Company 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 Company.

(h) Rounding

The Company is an entity of a kind referred to in Australian Securities & Investments Commission (ASIC) Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191, dated 24 March 2016. In accordance with that Instrument, amounts in this Directors' report and the financial report have been rounded to the nearest thousand euros, unless otherwise stated.

Goodman Australia Finance Pty Limited
Notes to the financial statements
for the year ended 30 June 2023

2 Loans to parent entity

	2023 €'000	2022 €'000
Maturity date:		
On demand ¹	5,271	93,871
27 September 2025	500,000	500,000
Total loans to parent entity	505,271	593,871

1. Includes accrued interest of €5,270,833 (2022: €5,976,041).

The loans to parent entity are denominated in the same currency and bear the same interest rates as the JPY notes and the EUR notes – refer note 3.

3 Interest bearing liabilities

	2023 €'000	2022 €'000
JPY Notes ¹	-	87,895
EUR Notes	500,000	500,000
	500,000	587,895

1. During the year, the Company repaid ¥12.5 billion of JPY notes that matured on 3 April 2023. In the prior year, the JPY notes were classified as a current liability.

Details of the notes on issue are as follows:

	Maturity date	Carrying amount		Coupon (fixed) per annum
		€'000	Source currency '000	
EUR Notes	27 September 2025	500,000	€ 500,000	1.375%

4 Issued capital

	Ordinary Shares Number	€'000
Ordinary shares on issue at 30 June 2023 and 30 June 2022	2	-

Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

5 Auditor's remuneration

Auditor's remuneration of €9,233 (A\$14,352) (2022: €8,600 (A\$13,350)) is payable by a related entity.

Goodman Australia Finance Pty Limited
Notes to the financial statements
for the year ended 30 June 2023

6 Note to the cash flow statement

Reconciliation of the profit/(loss) for the year to net cash flow from operating activities

	2023	2022
	€'000	€'000
Profit/(loss) for the year	-	-
Non cash items:		
Interest income	(9,090)	(10,015)
Interest expense	9,090	10,015
Changes in assets and liabilities during the year:		
Decrease in accrued interest payable	(705)	(66)
Decrease in loan to parent entity	705	66
Net cash flow provided by operating activities	-	-

The Company does not have a bank account and accordingly any cash receipts or payments are funded by GFAT.

Non-cash transactions

Interest

Interest of €9,090,269 (2022: €10,014,617) on the Company's external debt was funded by GFAT on behalf of the Company and offset against interest of €9,090,269 (2022: €10,014,617) on the loans provided by the Company to GFAT.

7 Financial risk management

Goodman Group's financial risk management (including liquidity, credit, interest rate and foreign exchange risks) is monitored by Goodman Group's treasury function.

Liquidity risk

The Company sources external debt and lends the proceeds to its parent entity in order to fund activities within the Goodman Group. The terms of the Company's loans to GFAT are agreed such that the Company has sufficient funds to meet the capital and interest payments on its external debt.

The following are the remaining contractual maturities of interest bearing liabilities at reporting date. The amounts are gross, undiscounted and include contractual interest payments.

	Carrying amount €'000	Contractual cash flows €'000	Less than 1 year €'000	1 - 2 year(s) €'000	2 - 5 years €'000
As at 30 June 2023					
Non-derivative financial liabilities					
EUR Notes	500,000	520,625	6,875	6,875	506,875
Total non-derivative financial liabilities	500,000	520,625	6,875	6,875	506,875
As at 30 June 2022					
Non-derivative financial liabilities					
JPY Notes	87,895	90,805	90,805	-	-
EUR Notes	500,000	527,500	12,089	6,875	508,536
Total non-derivative financial liabilities	587,895	618,305	102,894	6,875	508,536

Credit risk

The only significant asset of the Company is the loan to the parent entity and therefore the Company has a significant concentration of credit risk in Goodman Group. The loan is not overdue and there is no impairment at 30 June 2023.

The Company does not have any collateral in respect of this loan but as a "borrower" under a Capitalisation Deed Poll (CDP) dated 23 May 2007, the Company benefits from the undertaking provided by certain other members of Goodman Group. Under the CDP, certain entities in Goodman Group are "investors" and each investor undertakes to pay to the relevant borrower any amounts owing under finance documents for the purpose of the CDP when the borrower fails to make a payment.

Interest rate risk

The loan to GFAT and interest bearing liability is not exposed to variability in interest rates as it has a fixed coupon (refer notes 2 and 3).

Goodman Australia Finance Pty Limited
Notes to the financial statements
for the year ended 30 June 2023

7 Financial risk management (cont)

Foreign exchange risk

The loans to GFAT is matched with the currencies of the external debt and therefore the Company has no net foreign exchange risk. The Company did not use derivative financial instruments during the period.

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:

	Carrying amount 2023 €'000	Fair value 2023 €'000	Carrying amount 2022 €'000	Fair value 2022 €'000
Financial assets				
Loans to parent entity	505,271	467,001	593,871	523,986
	505,271	467,001	593,871	523,986
Financial liabilities				
Payables	5,271	5,271	5,976	5,976
Interest bearing liabilities	500,000	461,730	587,895	518,010
	505,271	467,001	593,871	523,986

8 Key management personnel

The names of key management personnel of the Company at any time during the financial year are as follows:

Gregory Goodman
Nick Vrondas

Key management personnel compensation

The key management personnel are employed and remunerated by Goodman Property Services (Aust) Pty Limited, a related entity, for the services they provide to Goodman Group. The key management personnel are not separately remunerated for their services rendered to the Company.

Amounts paid or payable to key management personnel during the year in respect of services provided to Goodman Group and its controlled entities are presented in Australian dollars (AUD) as follows:

	2023 AUD	2022 AUD
Short-term employee benefits	2,130,042	2,159,452
Post-employment benefits	50,584	47,136
Equity compensation benefits	18,019,401	20,000,325
Long-term employee benefits	713,671	918,358
	20,913,698	23,125,271

9 Capitalisation Deed Poll

The Company is a borrower under a Capitalisation Deed Poll (CDP) dated 23 May 2007. Investors under the CDP comprise Goodman Limited, Goodman Logistics (HK) Limited and Goodman Industrial Trust and certain of their wholly-owned controlled entities. Under the CDP each investor undertakes to pay to the relevant controlled entity borrower any amounts owing under the CDP when the borrower fails to make a payment. Any payments by an investor to a borrower will be by way of loan or proceeds for the subscription of equity in the borrower by the investor.

10 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 the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

**Goodman Australia Finance Pty Limited
Directors' declaration**

In the opinion of the directors of Goodman Australia Finance Pty Limited:

- (a) the financial statements and notes set out on pages 5 to 13 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors draw attention to note 1 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.

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Gregory Goodman
Director

Sydney, 19 October 2023

DocuSigned by:

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Nick Vrontas
Director



Independent Auditor's Report

To the shareholders of Goodman Australia Finance Pty Limited

Opinion

We have audited the **Financial Report** of Goodman Australia Finance Pty Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2023;
- Statement of comprehensive income, Statement of changes in equity and Cash flow statement for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

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 Company 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 the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

The **Key Audit Matter** we identified is:

- Recoverability of Loans to parent entity



Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was 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 this matter.

Recoverability of Loans to parent entity (€505.3m)	
Refer to Note 2 to the Financial Report	
The key audit matter	How the matter was addressed in our audit
The recoverability of the loans to the parent entity is a key audit matter as it is significant in value (100% of total assets). The loans are made to Goodman Australia Finance Trust, the parent entity and a controlled entity of Goodman Industrial Trust. The loan is guaranteed by the Goodman Group.	Our procedures included: - Assessing the appropriateness of the accounting policies applied by the Company against the requirements of the accounting standards; - Evaluating the Goodman Australia Finance Trust and the Goodman Group's financial performance and ability to repay the loan balances based on the audited financial report of Goodman Group; - Inspecting terms of the loan agreement with the parent entity and guarantee from the Goodman Group; and - Assessing the disclosures in the financial report, including presentation of the loans as current and non-current, using our understanding obtained from our testing against accounting standard requirements.

Other Information

Other Information is financial and non-financial information in Goodman Australia Finance Pty Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors 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.

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 are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Company'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 Company 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/ar2_2020.pdf. This description forms part of our Auditor's Report.

KPMG

Samuel Grose

Partner

Sydney

19 October 2023