2024 Annual Report

Explore, Connect & Discover

VICINITY CENTRES

Chadstone, VIC

Contents

Acknowledgement of Country

Vicinity Centres acknowledges the Traditional Custodians of the land and pays respect to Elders past and present.

As a business that operates in many locations across the nation, we recognise and respect the cultural heritage, beliefs, and relationship with the land, which continue to be important to the Traditional Custodians living today.

About this report

This Annual Report is a summary of Vicinity Centres' operations, activities and financial position as at 30 June 2024. In this report, references to 'Vicinity', 'Group', 'Company', 'we', 'us' and 'our' refer to Vicinity Centres unless otherwise stated. References in this report to a 'year' and 'FY24' refer to the financial year ended 30 June 2024 unless otherwise stated. All dollar amounts are expressed in Australian dollars (**AUD**) unless otherwise stated. Sustainability-related information in this report has been prepared in accordance with the Global Reporting Initiative (**GRI**) Standard at a core level. More information, particularly latest Company announcements, can be found on Vicinity's website.

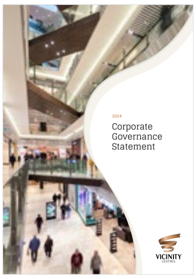
The following symbols are used in this report to cross-refer to more information on a topic:

Additional information available on vicinity.com.au

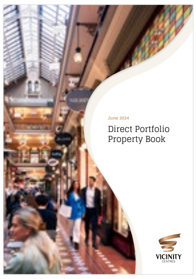
Additional information within this Annual Report

Reporting suite

The 2024 Annual Report forms part of Vicinity's broader reporting suite in relation to Vicinity's financial and non-financial performance for FY24 including:



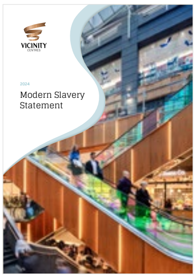
2024 Corporate Governance Statement



2024 Annual Results Direct Portfolio Property Book

2024 Annual Results Investor Presentation

2024 Annual Report Sustainability Supplement



2024 Modern Slavery Statement (to be released December 2024)

Disclaimer: This Report contains forward-looking statements, including statements, indications, and guidance regarding future performance. The forward-looking statements are based on information available to Vicinity Centres as at the date of this Report (20 August 2024). These forward-looking statements are not guarantees or predictions of future results or performance expressed or implied by the forward-looking statements and involve known and unknown risks, uncertainties, assumptions and other factors, many of which are beyond the control of Vicinity Centres. The actual results of Vicinity Centres may differ materially from those expressed or implied by these forward-looking statements, and you should not place undue reliance on such forward-looking statements. Except as required by law or regulation (including the ASX Listing Rules), we do not undertake to update these forward-looking statements.

FY24

Highlights

11.75¢
Distribution per security
(FY23: 12.0 cents)

4.1 years
Weighted average drawn debt maturity
(June 2023: 4.0 years)

99.3%
Portfolio occupancy
(June 2023: 98.8%)

27.2%
Gearing
(June 2023: 25.6%)

+4.1%
Comparable NPI growth[1]

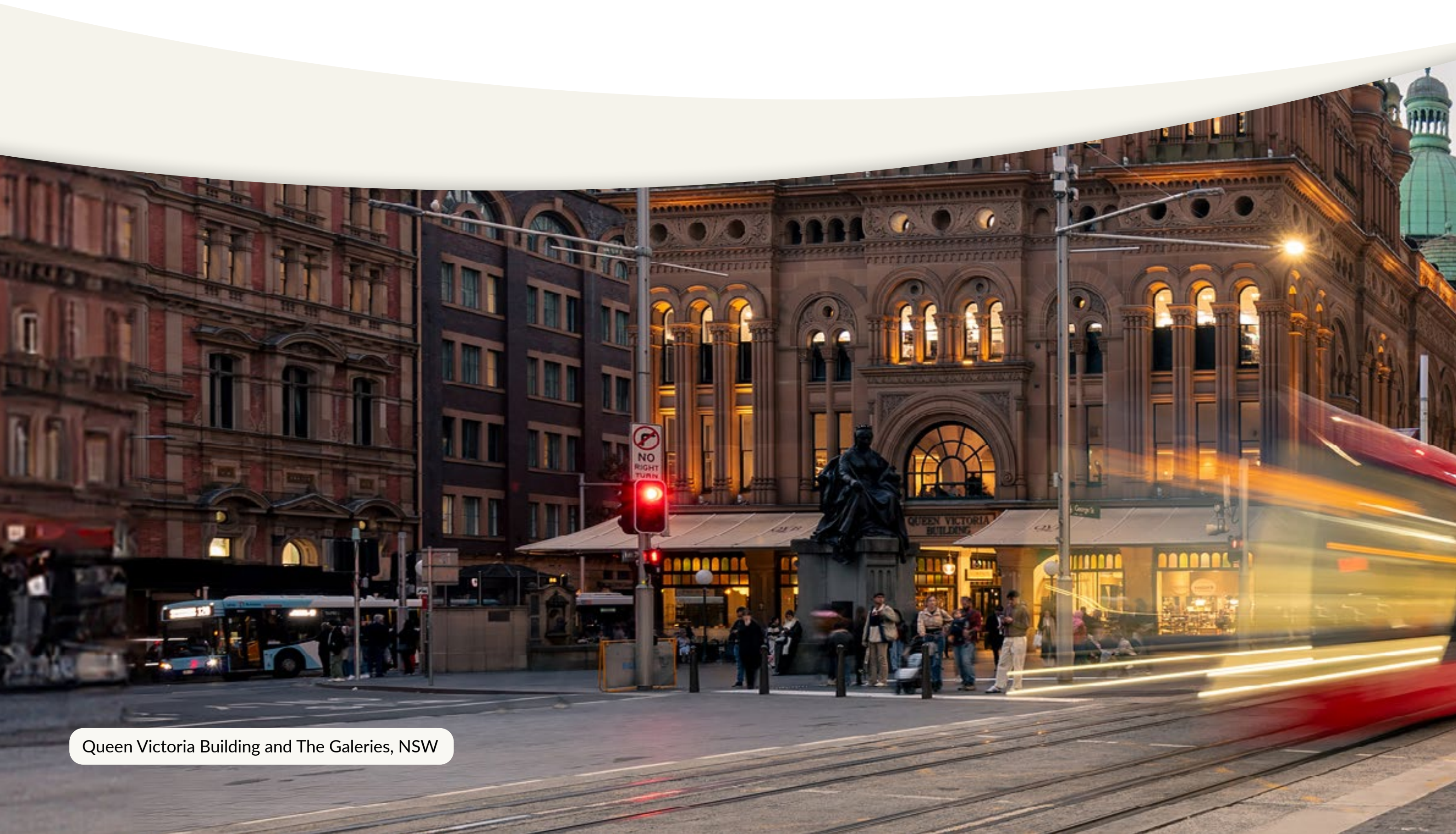
+4.8%
Average annual growth rate on leases written in FY24
(FY23: +4.6%)

+1.1%
Leasing spread
(FY23: +0.3%)

13.7%
Specialty occupancy cost
(Pre-COVID: 15.0%)

$12,749
Specialty MAT[2]**/sqm**
(Pre-COVID: $11,403)

1. Comparable Net Property Income (**NPI**) excludes reversals of prior year waivers and provisions, the impact of acquisitions and divestments, and development impacts.
2. Moving Annual Turnover (**MAT**).



Queen Victoria Building and The Galeries, NSW

403m
Customer visits
(FY23: 402m)

+23
Tenant satisfaction
(FY23: +20)

+35
Net promoter score
(FY23: +38)

70%
Employee engagement score
(June 2023: 66%)

52%
Women in leadership
(FY23: 52%)

$8.3m
Indigenous and social procurement spend
(FY23: $6m)

4.5 Star
NABERS[1] Energy rating

#2 GRESB[2]
Ranking in Australia and New Zealand for Listed Retail category

-38%
Emissions intensity reduction of Net Zero portfolio vs FY16[3]

1. National Australian Built Environment Rating System (NABERS) Sustainable Portfolio Index 2024, based on Vicinity's ownership interest and ratings as at 31 December 2023, with 96% portfolio coverage.
2. Global Real Estate Sustainability Benchmark (GRESB).
3. Net Zero portfolio comprises wholly-owned retail assets.

Letter from our

Chairman, and our Chief Executive Officer

Strong financial stewardship and disciplined capital management underpin our approach to managing Vicinity's balance sheet and credit metrics

Trevor Gerber
Chairman

We made meaningful progress against our growth priorities and invested in our organisational culture and ways of working

Peter Huddle
CEO and Managing Director

Dear Securityholders,

We are pleased to present Vicinity Centres' (**Vicinity, 'the Company'**) 2024 Annual Report for the 12 months ended 30 June 2024 (**FY24**).

FY24 was a very productive year at Vicinity. We made meaningful progress against our growth priorities and invested in our organisational culture and ways of working.

Our operating and financial results in FY24 highlight resilient earnings growth, our focus on maintaining strong credit metrics and our active curation of an increasingly premium retail asset portfolio.

With our strong balance sheet and disciplined approach to capital deployment, Vicinity's competitive advantage continues to be our ability and willingness to invest in the quality and vibrancy of our retail assets, both large and small.

During the year, we were very focused on repositioning our portfolio, which we believe will enhance earnings resilience and drive long-term value growth for securityholders. As part of our strategy, we acquired premium, fortress-style assets with significant growth potential and value upside, while we concurrently divested seven non-strategic assets at, or above book value.

70%
Employee engagement score
(FY23: 66%)

Our operational and financial performance

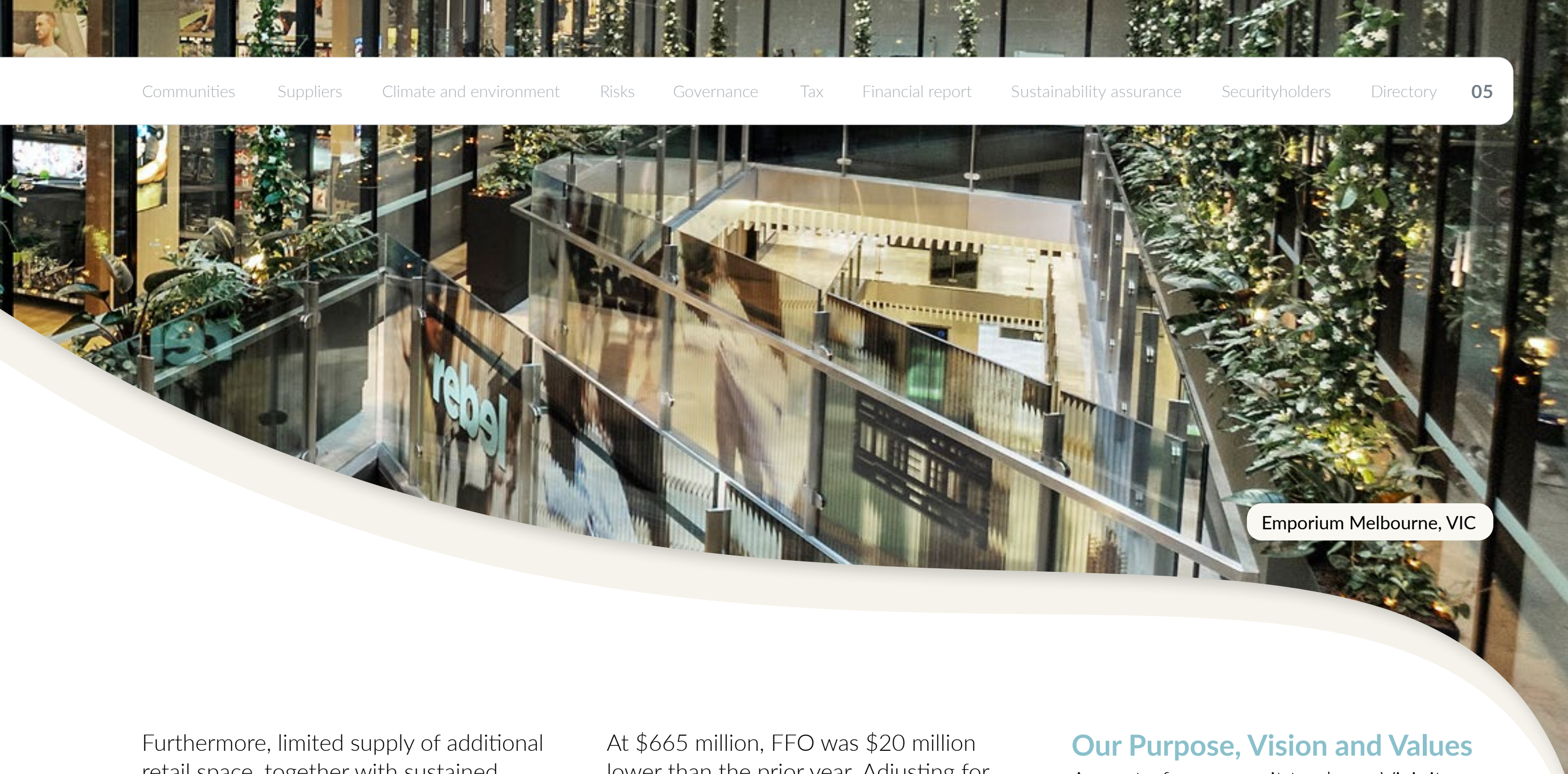
It is clear that elevated living costs for Australian households are impacting consumption, particularly across the discretionary goods categories. Consistent with our expectations for FY24, after a resilient first half, we observed a more challenging retail sales environment in the second half of FY24 (**2H FY24**), where sales growth was broadly flat on the prior year, with specialty and mini majors up 0.8%.

There is no doubt that shoppers are more discerning and value-conscious, as highlighted by the strong patronage at our Outlet Centres and across the portfolio during the Black Friday, Boxing Day, and Easter sales events.

Pleasingly, our CBD assets have returned to their former vibrancy, with retail sales up 5.4% in FY24. Our CBD assets across Melbourne, Sydney and Brisbane have enjoyed the benefits of outstanding leasing outcomes as well as the steady return of international tourism, international students and office workers.

Looking ahead, while the immediate macroeconomic outlook remains uncertain, our medium to long-term outlook for the retail property sector is positive. Our outlook is supported by the recent Stage 3 tax cuts, the likelihood of interest rate reductions[1], migration numbers remaining high and a relatively tight employment market.

1. Commonwealth Bank of Australia, Global Economic & Market Research, 2 August 2024.



Emporium Melbourne, VIC

Furthermore, limited supply of additional retail space, together with sustained tenant demand for the best centres, underpins strong, long-term fundamentals for the Australian retail sector, particularly for Vicinity's premium assets: Chadstone, Chatswood Chase, Outlet Centres and CBDs.

Despite the relatively flat retail sales environment and reflecting the quality of our retail asset portfolio, retailer confidence to lock in high quality, long-term leasing deals remained robust. Our leasing team wrote 2,053 deals this year at positive spreads and importantly, increased occupancy to 99.3% at 30 June 2024.

With occupancy having fallen to 98.0% at the height of the pandemic, we have since delivered 14 consecutive quarters of stable or improving occupancy and reduced income at risk (leases on holdover) from 7.4% of income at June 2022 to 3.8% at June 2024.

Vicinity delivered a Net Profit After Tax of $547 million, primarily comprising Funds From Operations (**FFO**) of $665 million, offset by a full year net property valuation decrease, and other statutory and non-cash items.

+4.1%

Comparable NPI growth[1]

99.3%

Portfolio occupancy

(June 2023: 98.8%)

At $665 million, FFO was $20 million lower than the prior year. Adjusting for one-off items including reversals of prior year waivers and provisions and the net impact of transactions; and higher loss of rent from development, FFO was up 3.2%. This was driven by strong comparable NPI growth[1] and lower net corporate overhead costs, offset by higher net interest expense.

Comparable NPI growth of 4.1% comprised strong rental growth, increased portfolio occupancy and recovery of CBDs.

We are pleased to report the portfolio showed positive net property valuation[2] growth in 2H FY24 (1H: $143 million valuation loss; 2H: $8 million valuation gain), with continued strong income growth more than offsetting the minor softening in valuation metrics.

The Board declared a full year distribution of 11.75 cents per security, representing a payout ratio of 95.2% of Adjusted FFO (**AFFO**) (FY23: 94.9%).

Strong financial stewardship and disciplined capital management underpin our approach to managing Vicinity's balance sheet and credit metrics. At 27.2%, our gearing remains at the lower end of our 25% to 35% target range, and 79% of Vicinity's drawn debt is hedged.

Vicinity maintained its investment grade credit ratings of A/stable (S&P) and A2/stable (Moody's) and consequently, the Company enters FY25 in a strong position to invest in its long-term growth priorities.

Our Purpose, Vision and Values

As part of our pursuit to shape Vicinity as a high performing and thriving workplace for everyone, we know that how we deliver our results is as important as the results themselves.

We are delighted to present the outcome of our enterprise-wide collaboration that has successfully redefined our shared Purpose, Vision and Values.

Our redefined Purpose, Vision and Values strongly complement our existing strategic pillars and when brought to life in unison, we are confident Vicinity will deliver on its strategic and financial ambitions and at the same time, be a workplace where high performance, diversity, inclusion, and wellbeing are ubiquitous.

Our purpose

We shape meaningful places where communities connect.

Our vision

To prosper with our people and communities by creating Australia's most compelling portfolio of retail-led destinations.

Our strategic pillars

Enhance the Investment Portfolio.
Deliver Property Excellence.
Maintain Strong Financial Stewardship.
Enable Good Business.

Our values

Respect. Integrity. Collaboration.
Customer Focus. Excellence.

1. Comparable NPI excludes reversals of prior year waivers and provisions, the impact of acquisitions and divestments, and development impacts.
2. Excludes statutory accounting adjustments.

Letter from our Chairman, and our Chief Executive Officer

Our strategic priorities

We continued to execute against our strategic pillars and at the same time we have maintained our disciplined approach to capital allocation and long-term, property-led value creation.

Executing on strategy – page 16

Enhance the investment portfolio

Our portfolio strategy remains focused on owning and investing in the right assets where Vicinity has a clear, strategic advantage, or the ability to generate superior value over time. In this context, we believe that premium retail assets deliver more resilient income growth and sustained value accretion through cycles.

In August 2024, we announced the acquisition of a 50% interest in Lakeside Joondalup, in Western Australia for $420 million. Located in the northern suburbs of Perth, Lakeside Joondalup is a fortress-style, premium retail asset and already achieves almost $800 million in annual retail sales (#2 in Perth).

As part of the transaction, Vicinity also secured property and retail development management rights, and we are pleased to have entered a new partnership with the joint owner, Australian Prime Property Fund – Retail.

With our shared focus on property excellence and value growth, together with Vicinity's property management expertise and scalable retailer partnerships, we believe the centre has significant growth potential. The acquisition is expected to be earnings accretive in year one.

As planned, our major capital redeployment in Western Australia stemmed from our portfolio strategy of owning the right assets in the best locations.

To enable our investment in Lakeside Joondalup and redevelopment of Galleria, we sold four other Western Australian centres: Karratha City, Dianella Plaza, Halls Head Central, and Maddington Central at a premium to book value.

Nationally, we divested seven[1] non-strategic assets in FY24 along with sundry land parcels, which released more than $550 million in funds for redeployment into our growth priorities, including acquisitions and developments. Importantly, these disposals were executed at a blended 9% premium to book values.

We believe that Vicinity's ability and willingness to invest in the vibrancy and quality of our asset portfolio continues to be a competitive advantage and sets us apart from our sector peers. That said, we remain acutely aware of the elevated costs of capital and the industry-wide challenges in the construction sector, nationally.

At our 1H FY24 results in February 2024, we communicated an elongation of our development pipeline and prioritisation of higher value retail developments, and as we enter FY25, there is no change to that approach. Today, the majority of committed capital spend relates to two major projects Chadstone and Chatswood Chase, two of our premium assets, both with significant growth potential.

Having announced the acquisition of the residual 49% interest in Chatswood Chase in October 2023, we took full control of the asset in March 2024. This paved the way for the commencement in March 2024 of the major redevelopment of the centre. Our redevelopment plans for Chatswood Chase represent the most exciting and transformational retail development project today, and into the foreseeable future.

While the redevelopment is not expected to begin opening until late 2025, demand for store space from both national and international retailers has been strong, with more than c.80% of the project's income secured[2]. Chatswood Chase will be a fashion capital, housing a significant luxury retail component, a compelling line up of Australian and international designers, as well as athleisure, technology, and exciting new to market concepts.

Acquired Lakeside Joondalup, WA

Premium Perth asset acquired and property and retail development management rights secured

While Chadstone has not been immune to the challenged construction sector, we are also well progressed on the major retail and mixed-use development at Chadstone, our flagship asset and one of the top retail assets globally.

The redevelopment will see the introduction of a revitalised fresh food precinct, featuring retailers ranging from everyday essentials to artisan produce, as well as an Asian-style alfresco dining laneway.

Accompanying the new fresh food and dining precincts is a 20,000 sqm office tower 'One Middle Road', the lower floors of which will be fully integrated into the retail centre.

Despite a challenging office market, the new office tower is more than 95% leased[2], and we are delighted to be welcoming the headquarters of major Australian retailers, Kmart and Adairs to One Middle Road in 2025. Our agreement with Kmart represents the largest office leasing deal[3] in the Australian metro markets in 2024.

Having welcomed Officeworks' head office to Chadstone Place in 2023, bringing Kmart and Adairs to the growing precinct reinforces the asset's position as an attractive location for top tier Australian retail corporate offices while further strengthening Chadstone as a major activity centre in metropolitan Melbourne.

In June 2024, we were delighted to receive development approval for the major mixed-use developments at Box Hill Central North, in Melbourne. We now have approval for major retail and mixed-use developments at Victoria Gardens Shopping Centre, Box Hill Central North, and Buranda Village in Brisbane.

Importantly, the development approvals are long-dated, and we will continue to work on the operating and funding structure which best suits Vicinity and its securityholders. Furthermore, we will maintain full optionality on these sites, especially in the context of today's elevated cost of debt and a challenged construction sector.

1. Completed or unconditional.
2. Via executed Heads of Agreement or Agreements for Lease.
3. By Net Lettable Area.

Deliver property excellence

Delivery of property excellence positions Vicinity's retail and mixed-use precincts as destinations of choice for our retail partners, shoppers, suburban office workers and surrounding communities.

During FY24, our Customer & Asset Management teams delivered property management services that ensure our centres present as destinations of choice for shoppers, operate efficiently, are well maintained, and attract the best retailers, to bring more shoppers to our centres each year and grow retail sales.

On customer experience, our latest Net Promoter Score was very healthy at +35 (down slightly from +38 in FY23). Importantly, our 2024 Tenant Satisfaction score[1] improved, from +20 to +23, which reflects the increased focus we have placed on improving retailer partnerships across our portfolio. Not only did we improve on last year, but Vicinity outperformed the industry average of +18.

FY24 was another year where our leasing executives worked at pace to lock in leasing deals amid a resilient, but moderating retail environment. Once again, the structure, tenure, and value of rents on new leases written reflects our focus on locking in long-term specialty leases with fixed annual escalators that support current and future income growth.

During the year, 84% of new leases had fixed 5% increases and 96% of these new leases had increases of 4% or greater. The weighted average lease expiry (**WALE**) profile increased from 3.3 years at June 2023 to 3.6 years at June 2024.

FY24 leasing highlights included a new Bunnings at Colonnades in Adelaide, 15cenchi at The Galeries in Sydney, Tiffany & Co. at QueensPlaza in Brisbane, and a new flagship Rebel store at Emporium Melbourne including an immersive basketball court on the rooftop.

3.6 years

Weighted average lease expiry
(June 2023: 3.3 years)

1. Measured by the Australian Consumer and Retail Studies unit at Monash University.

The Galeries, NSW

Letter from our Chairman, and our Chief Executive Officer

Maintain strong financial stewardship

Our financial stewardship continues to be governed by the preservation of our strong balance sheet and investment-grade credit ratings, together with our disciplined approach to capital allocation and driving efficiencies.

In an environment of elevated costs and ongoing dislocation in construction markets nationally, we tightened our focus on capital deployment across our retail and mixed-use development projects, which resulted in an elongation of our large scale mixed-use development pipeline. Where we are deploying capital, delivering returns above our cost of capital remains a key priority and is enabled by intense de-risking of projects from both an income and cost perspective.

From a capital management perspective, we issued $500 million of 10-year fixed rate, Australian Dollar denominated medium-term notes (**AMTNs**), increasing our weighted average drawn debt maturity to 4.1 years at 30 June 2024. The transaction further strengthened our capital structure, which continues to be a source of competitive advantage for Vicinity and importantly, is a key enabler of our active investment strategy.

Enable good business

Enabling good business is focused on ensuring Vicinity continues to be a responsible, safe, and sustainable business. It is also about creating a workplace and culture, where our people can thrive. In this context, we were pleased to see our employee engagement increase by four percentage points to 70%, with more than 80% of our employees participating in the survey.

We attribute the increase in engagement to the myriad of initiatives we have rolled out during the year to drive performance and team engagement. These initiatives include a number of leadership programs targeted at both senior and aspiring leaders and ongoing execution of our Diversity, Inclusion and Belonging (**DIBs**) strategy, which is anchored by our volunteer-led Employee Advocacy Groups (**EAGs**) of Pride & Allies, Disability & Access, Cultural Diversity and Gender Balance.

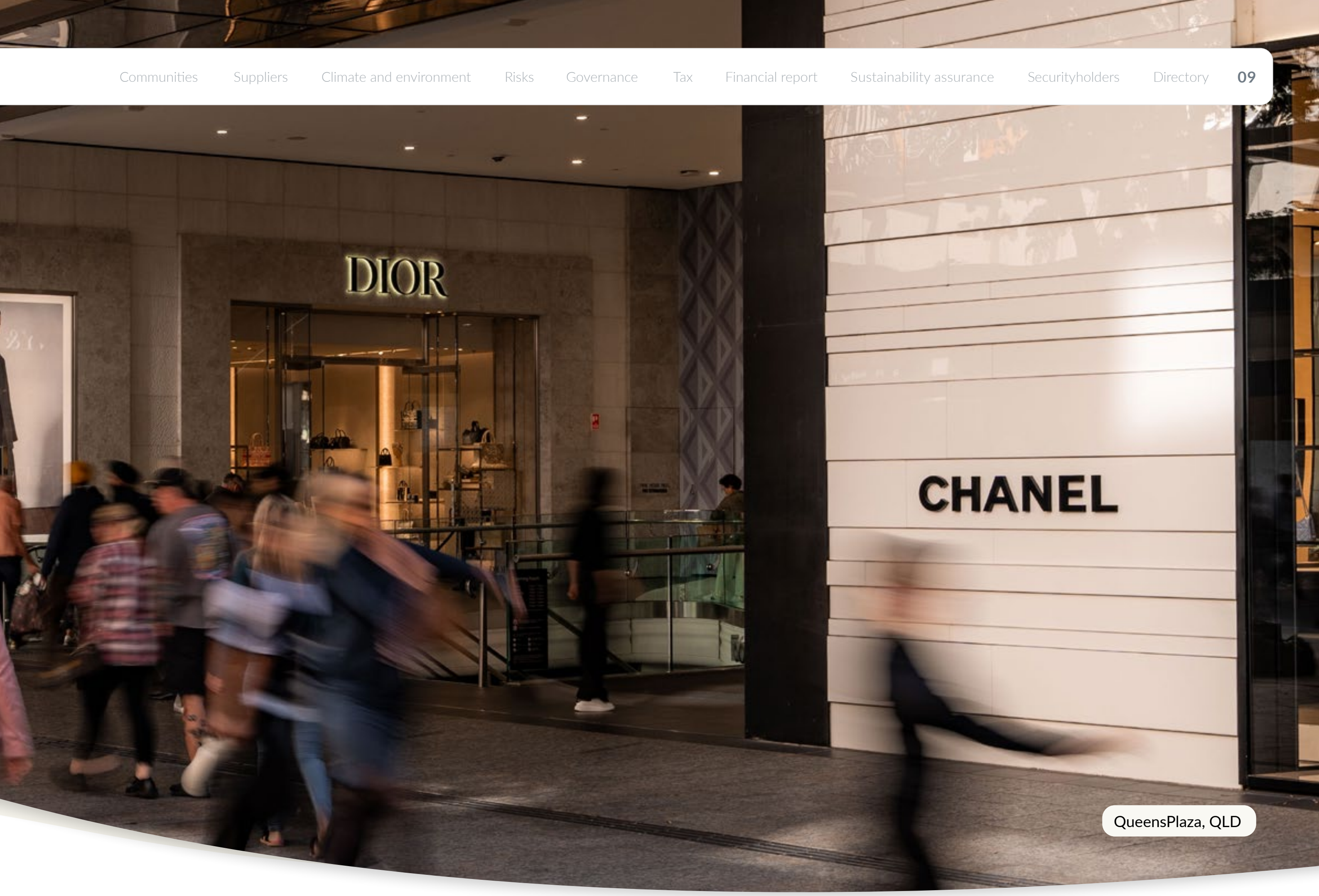
Furthermore, the mental health and wellbeing of our teams is of paramount importance and during FY24, we invested in our systems, policies and strategies that enable our people to work 'Safer, Healthier Together'. We established an expanded wellbeing platform, and augmented this with a new Employee Assistance Provider, Assure. Our new platform provides employees with a diverse range of tools, topics, and support forums to guide work, health, and life priorities.

4.1 years

Weighted average drawn debt maturity

NEW

Purpose, Vision and Values launched driven by enterprise wide collaboration



QueensPlaza, QLD

Our sustainability journey

At Vicinity, we recognise the importance of sustainability in our business and more so than ever before, we are approaching our Environmental, Social, and Governance (**ESG**) priorities and commitments with a high degree of focus.

Our ESG program continues to be well recognised by our equity and debt investors and we have maintained our high ratings across important industry benchmarks, notably GRESB[1]. Our portfolio average NABERS[2] ratings for energy and water are a source of pride for us, but as always there is more work to do. We remain on track to deliver on our Net Zero 2030 Target for Scope 1 and Scope 2 emissions across the common mall areas of our wholly-owned retail assets.

We have also made significant progress in our social priorities. Our commitment to local communities is evident through our Innovate – Reconciliation Action Plan, our Community Action Plans, expanded Community Grants program, and our Vicinity Cares platform, which facilitates donations, fundraising, and volunteering opportunities.

Our outlook for FY25 and beyond

FY24 was a successful year at Vicinity, showcased by the achievement of our operating and financial objectives and the momentum of strategic execution. It was also an important year for our organisation, culturally. We enter FY25 with a clear strategy and with a set of company values that will shape Vicinity as a place where people feel safe, respected and where everyone has the opportunity to thrive.

Our portfolio repositioning, combined with developments underway, and our expectations for improving retail sales growth over FY25, will see our earnings profile strengthen into future years, despite some near-term dilution from asset sales and development impacts.

We will maintain our disciplined approach to deploying capital and importantly, our balance sheet will continue to be managed for the long-term, where low gearing, high near-term interest rate hedging and our strong credit metrics remain guiding principles for our capital management.

Our thanks

In closing, together with our Board colleagues and the Executive Leadership Team, we would like to acknowledge and thank everyone who is affiliated with Vicinity for their ongoing support, most especially our securityholders, retail partners, joint venture and capital partners, customers and of course, the Vicinity team.

Yours sincerely,

Trevor Gerber
Chairman

Peter Huddle
CEO and Managing Director

1. Vicinity was ranked #2 in Australia and New Zealand for the Listed Retail category by GRESB.
2. Vicinity has a 4.5 Star NABERS Energy rating and a 3.7 Star NABERS Water rating.

Operating and financial review

This section outlines the key drivers of Vicinity's operational and financial performance for the 12 months to 30 June 2024.

Our strategy

At Vicinity, how we work together to deliver results is as important as the results themselves. In this context, FY24 was an important year for Vicinity, where we explored, workshopped, and ultimately redefined our organisational Purpose, Vision and Values.

This year-long exercise incorporated an enterprise-wide collaboration, involving a series of listening and feedback sessions and workshops where everyone at Vicinity, from our centre teams to our corporate office functions, had the opportunity to contribute.

With the broad reaching co-creation of our values with team members across the country, we launched a refreshed Purpose, Vision and Values that we all contributed to and are accountable for.

When brought to life in unison with our strategic pillars, we are confident Vicinity will deliver on its strategic and financial ambitions and at the same time, be a workplace where high performance, diversity, inclusion, and wellbeing are ubiquitous.

Purpose	We shape meaningful places where communities connect			
Vision	To prosper with our people and communities by creating Australia's most compelling portfolio of retail-led destinations			
Strategic Pillars	**Enhance the investment portfolio**	**Deliver property excellence**	**Maintain strong financial stewardship**	**Enable good business**
	Owning and investing in the right assets where Vicinity has a clear strategic advantage or the ability to generate superior value over time.	Intensive operational management of Vicinity's portfolio to provide exceptional service to our tenants and our customers, growing ancillary income streams, and enhancing the operational efficiency of our assets.	Prudent capital management to preserve balance sheet flexibility and investment-grade credit ratings to enable Vicinity to invest in growth opportunities while prudently delivering securityholder returns.	The Company is governed by principles and frameworks that enable Vicinity to deliver its growth objectives in a responsible, safe, and sustainable way.

Values	Integrity	Respect	Customer Focus	Collaboration	Excellence

Our risks and risk management – page 46

Remuneration report – page 68

2024 Corporate Governance Statement

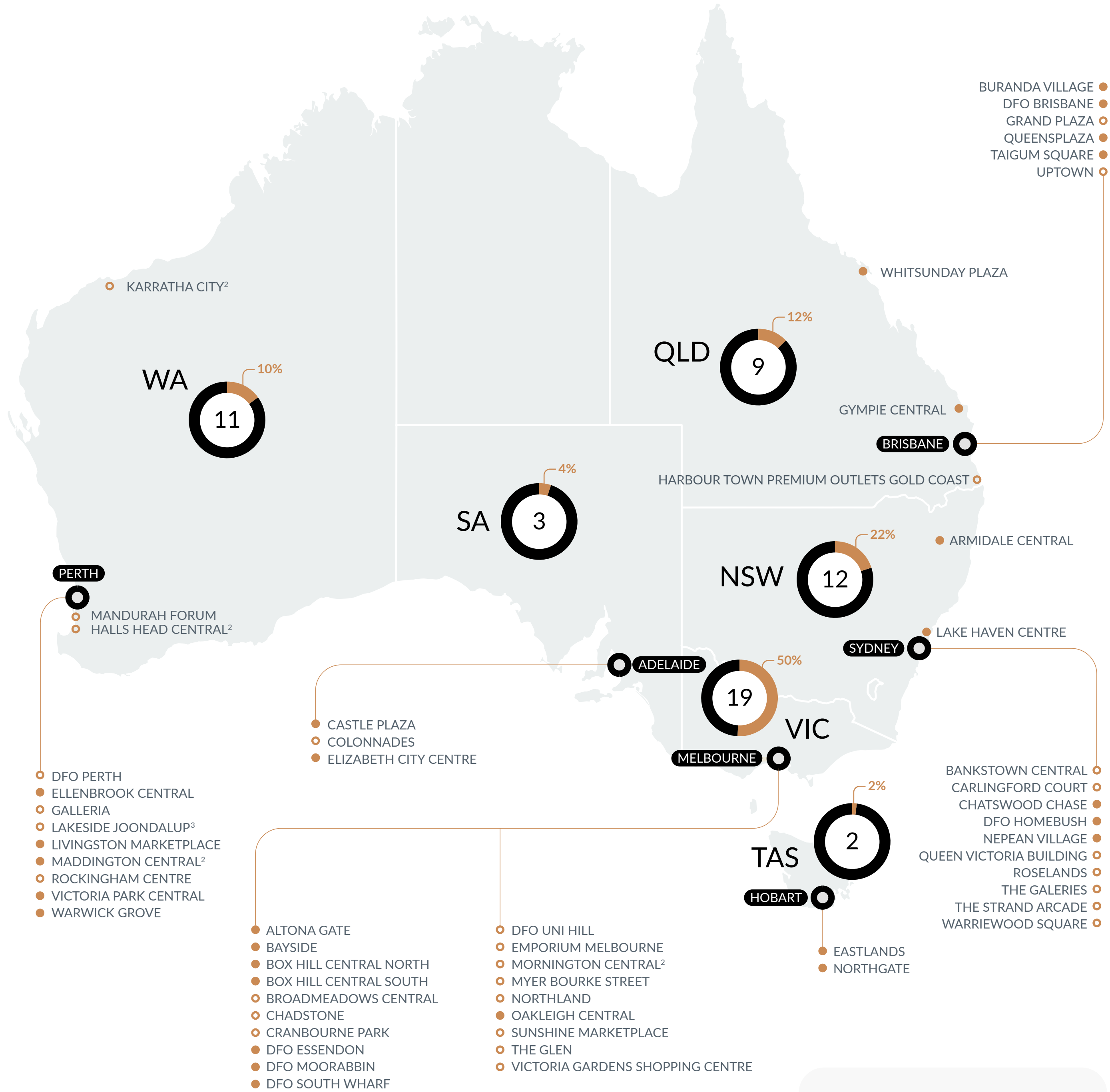
DFO Homebush, NSW

The Strand Arcade, NSW

Operating and financial review

Our operations

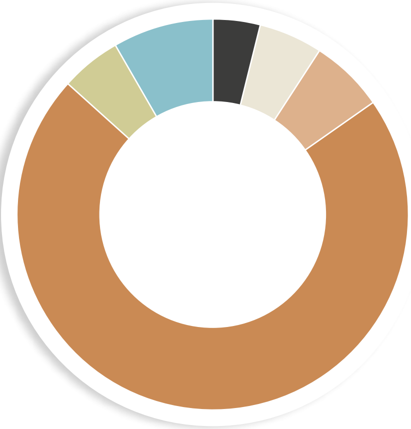
Vicinity has a large, unique, and diversified asset portfolio across Australia, comprising 56[1] shopping centres, which are located within 30 minutes' drive for around two thirds of the Australian population.



Note:
Totals may not sum due to rounding
● Wholly-owned
○ Jointly-owned
○ Number of shopping centres
% Portfolio value

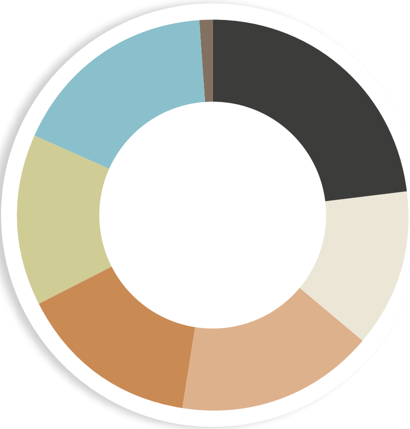
1. Vicinity's directly-owned portfolio (Direct Portfolio).
2. Asset divested post 30 June 2024.
3. Asset acquired post 30 June 2024 and not included in portfolio data.

Income by store type[1]



Department Store	4%
Discount Department Stores	5%
Supermarkets	7%
Specialties and Mini Majors	70%
Other retail	5%
Non retail	9%

Value by centre type[1]



Super Regional	23%
City Centre	13%
Outlet Centre	16%
Major Regional	15%
Regional	14%
Sub Regional	17%
Neighbourhood	1%

56[1]
Shopping centres

$14.7b
Direct Portfolio value[2]

2.4m sqm
Gross lettable area (GLA)

5.1 m sqm
Total land area

18
Joint Venture partners

$8.4b
Partner assets

Note: Totals may not sum due to rounding.
1. Vicinity's directly-owned portfolio (Direct Portfolio).
2. Reflects Vicinity's ownership share.

Emporium Melbourne, VIC

Operating and financial review

How we create value

Vicinity's business model operates in, and impacts, a broader value chain, and is informed by our Purpose, Vision and Values, strategy, governance structure, risks and opportunities, and consideration of material stakeholder issues.

Our strategy – page 10 Our risks and risk management – page 46 Remuneration report – page 68

Value creation outcomes	Value drivers	More information
Sustained value growth Delivering resilient earnings growth and returns for equity, debt and Joint Venture partners through cycles.	— Total return — Funds from operations — Distribution per security — Strong balance sheet — Expanding Joint Venture partnerships	Year in review – page 18
Enhanced portfolio Retail and mixed-use precincts are destinations of choice for shoppers, retailers, suburban office workers and surrounding communities.	— Owning the right assets in strategically important locations — Active curation of asset portfolio — Pipeline of value enhancing retail and mixed-use development projects — Investment in ambience, retail mix and mall finishes	Operational performance – page 18 Our portfolio repositioning – page 22
Winning with our customers Retailers and shoppers choose Vicinity destinations every time.	— Customer experience (**NPS**) — Tenant satisfaction — Visitation and retail sales growth — High levels of occupancy — Appropriate occupancy cost ratio	Our customers – page 30 Operational performance – page 18 Our portfolio repositioning – page 22
Thriving workplace for everyone A high performance culture where organisational values and ways of working are an enabler of strong performance and promote a thriving, safe work environment for everyone.	— Employee engagement — Continued improvement in diversity, inclusion and belonging — High standards of health, safety and wellbeing — Strong alignment between performance, recognition, opportunity and reward	Our people – page 26
Prospering partnerships Partnerships with suppliers and communities are underpinned by long-term, mutual value creation.	— Supply chain governance — Community engagement and contribution — Considered stakeholder engagement	Our suppliers – page 36 Our communities – page 34
Resilient portfolio and purposeful ESG Delivering positive environmental outcomes enabled by resource efficiency and operational effectiveness.	— Pathway to Net Zero 2030 Target — Energy, waste and water efficiency — Highly ranked by Australian and global benchmarking — Pragmatic deployment of capital to sustainability initiatives	Our climate and environmental initiatives – page 38

2024 Corporate Governance Statement

2024 Sustainability Supplement

Operating and financial review

Executing on strategy

Strategic pillar	FY24 achievements	FY25 focus area
Enhance the investment portfolio	— Acquired remaining 49% of Chatswood Chase — Major capital redeployment to two premium assets, Chatswood Chase and Lakeside Joondalup — Secured management rights at Lakeside Joondalup, providing opportunity to drive asset performance — Divested $550 million of non-strategic assets at 9% premium to book values — Progressed major developments at Chadstone, including One Middle Road office tower; now more than 95% leased[1] — Completed fresh food and dining development at Chatswood Chase, and commenced major retail development securing c.80% of income[1] — Secured development masterplan approvals for major mixed-use developments at Victoria Gardens Shopping Centre and Box Hill Central North	— Increase exposure to premium malls and Outlet Centres through selective acquisition activity — Divest full or partial interests in selected assets to release capital for more attractive investment opportunities — Complete major redevelopment projects including Chadstone fresh food and One Middle Road, and materially advance Chatswood Chase major retail redevelopment
Deliver property excellence	— Improved occupancy to 99.3% — Active portfolio remixing, completing over 2,000 leases and extending WALE, with an average leasing spread of +1.1% on comparable leasing deals[2] — Optimised Vicinity's Media operating model through partnership with Cartology, delivering greater certainty of income and enhanced commercial value — Net promoter score of +35 (FY23: +38) — Tenant satisfaction of +23 (FY23: +20)	— Continue to increase occupancy levels, reduce holdovers, and extend WALE — Increase ancillary income revenue — Implement initiatives to drive further centre efficiencies — Improve consumer and retailer satisfaction scores
Maintain strong financial stewardship	— Issued $500 million 10-year AMTNs extending duration at favourable pricing — Negotiated $675 million of new or extended bank debt — Prudent gearing maintained at 27.2%, while successfully funding acquisition and development activity	— Optimise the cost of debt, while appropriately managing diversity of funding sources, debt expiry profile and hedging activity — Continue to strengthen investor relationships to harness equity from new and existing capital partners
Enable good business	— Launched new Purpose, Vision and Values framework — Improvement in employee engagement to 70% (FY23: 66%) — Installed 2.4MW of solar at Grand Plaza (portfolio total of 35.9MW) — Commenced transformation project to enhance Vicinity's end-to-end leasing process (Project Optimus) — Achieved ISO 27001 certification for information security	— Continue to increase employee engagement, year on year — Embed Vicinity's refreshed Values and Behaviours to uplift culture — Targeting 40:40:20 gender diversity — Refresh the Group's sustainability strategy, including review of environmental targets — Materially advance leasing optimisation project — Apply new data, digital and technology solutions to optimise business performance

1. Via executed Heads of Agreement or Agreements for Lease.
2. Comparable leasing deals exclude development deals, reconfigurations and third party assets.

Key performance indicators

	FY19	FY20	FY21	FY22	FY23	FY24	Page
Financial							
Net profit after tax ($m)	346.1	(1,801.0)	(258.0)	1,215.2	271.5	**547.1**	19
FFO per security (cents)	18.0	13.7	12.3	13.1	15.0	**14.6**	19
Distribution per security (cents)	15.9	7.7	10.0	10.4	12.0	**11.75**	19
Comparable net property income growth (%)	1.5	NR	NR	NR	NR	**4.1**	18
Total return (%)	3.7	(18.9)	(2.6)	12.5	2.6	**5.3**	80
Total securityholder return (%)	0.6	(39.9)	15.0	21.8	6.4	**6.9**	80
Portfolio							
Number of retail assets	62	60	59	59	59	**56**	18
Occupancy rate (%)	99.5	98.6	98.2	98.3	98.8	**99.3**	18
Total MAT ($b)	16.5	15.0	14.2	NR	18.6	**18.4**	18
Specialty MAT/sqm ($)	11,083	9,770	NR	NR	12,644	**12,749**	18
Leasing spreads (%)	(2.0)	(4.0)	(12.7)	(4.8)	0.3	**1.1**	18
Specialty occupancy cost (%)	15.0	NR	NR	NR	13.5	**13.7**	18
Weighted average capitalisation rate (%)	5.30	5.47	5.49	5.30	5.47	**5.65**	106
Net promoter score	33	31	45	42	38	**35**	32
Customer visits (m)	NR	413	344	333	402	**403**	30
Capital							
Total assets ($b)	17.0	15.2	14.3	15.6	15.6	**15.7**	20
Net tangible assets per security ($)	2.92	2.29	2.13	2.36	2.30	**2.30**	20
Gearing (%)	27.1	25.5	23.8	25.1	25.6	**27.2**	21
Weighted average cost of drawn debt (%)	4.5	3.6	3.6	4.3	4.6	**4.9**	21
Weighted average drawn debt duration (years)	NR	7.8	5.8	4.8	4.0	**4.1**	21
Proportion of debt hedged (%)	89	89	96	85	90	**79**	21
Interest cover ratio (times)	4.4	3.9	5.1	4.7	4.6	**4.2**	21
People							
Engagement score	68	64	61	68	66	**70/7.4**[1]	26
Women in leadership	37	45	46	49	52	**52**	26
Women in senior leadership	NR	NR	NR	26	35	**37**	26
Sustainability							
Community investment ($m)	3.1	5.6	3.2	2.9	4.5	**7.3**	34
Green Star performance – portfolio rating (Star)	4	4	4	4	4	**4**	38
NABERS Energy rating (Star)	3.5	3.9	4.4	4.6	4.6	**4.5**	38
NABERS Water rating (Star)	3.1	3.4	3.4	4.0	3.9	**3.7**	38
Energy intensity (MJ/sqm)	294	268	254	265	286	**281**	38
Managed portfolio emissions[2] intensity (kg CO2-e/sqm)	67	58	54	55	51	**50**	38
Net Zero portfolio[3] emissions[2] intensity (kg CO2-e/sqm)	61	49	47	47	44	**44**	38
Waste diversion rate (%)	45	49	52	53	51	**52**	38
Solar energy generation (MWh)	4,939	28,260	37,967	41,823	42,904	**43,487**	38

Note: Not reported (**NR**).

1. The employee engagement methodology was changed during FY24 and will be a score out of 10 going forward.
2. Scope 1 and 2 emissions.
3. Net Zero portfolio comprises wholly-owned retail assets.

Operating and financial review

Year in review

Operational performance

Vicinity delivered strong portfolio metrics in FY24 which support current and future year income growth.

As expected however, the significantly elevated household living costs impacted retail sales growth rates, and to a lesser extent, leasing momentum in 2H FY24.

Vicinity's portfolio reported total MAT of $18.4 billion, with comparable sales growth of 1.9% relative to FY23.

Strong retail sales growth across our CBD portfolio, up 5.5% in 2H FY24, was supported by the steady return of international tourism, international students, and office workers. Notably, occupancy of our CBD portfolio of 99.6%, now exceeds pre-COVID levels, reflecting retailer confidence in the future of CBDs, as well as a number of outstanding flagship stores and new concepts being introduced.

Across the retail categories, fresh food, dining, and supermarket sales growth as well as sporting goods, cosmetics, and retail services remained positive, while softer Apparel & Footwear and Homewares sales reflected the cycling of exceptional growth rates in recent years and cost of living pressures.

There was an observable shift to value conscious shopping, highlighted by Outlet Centre sales growth at 5.2% in 2H FY24, and with grocery and discount department stores delivering comparatively stronger sales growth than the total portfolio.

As the leading luxury landlord in Australia, we have been delighted with the growth of this category since we started with nine stores at Chadstone in 2009. Not surprisingly in today's environment, luxury sales growth has been relatively volatile. Importantly however, relative to 2019, same store retail luxury sales per metre have increased by 45% and together with our luxury retail partners, we have plans to grow their network of stores across a number of our premium assets.

Despite the relatively flat retail sales environment overall, retailer confidence to look through the cycle and lock in high quality, long-term leasing deals remained robust. The leasing team negotiated over 2,000 leases during the year and of note, the retention rate remained elevated at 74%.

234 vacant stores were leased in the period which supported an increase in portfolio occupancy, up 50 bps to 99.3% at 30 June 2024. Fixed annual rent increases, positive leasing spreads, and higher occupancy all contributed to strong comparable NPI growth of 4.1% during FY24.

Demonstrating the high quality leasing activity and retailer confidence more broadly, average lease duration for all leases across the portfolio increased from 3.3 years at 30 June 2023, to 3.6 years at 30 June 2024. Furthermore, leases written in FY24 have an average fixed annual escalator of 4.8%, which is expected to support Vicinity's resilient underlying earnings growth profile and asset valuations in FY25.

Having increased marginally to 13.7% at 30 June 2024, Vicinity's specialty occupancy cost ratio remains at healthy levels amid an uncertain near-term retail environment (June 2023: 13.5%). Importantly however, productivity of our retailers remains a key highlight, with specialty MAT per sqm of $12,749, representing 12% growth on pre-COVID levels.

Chadstone, VIC

Income statement

Vicinity's key measures of financial performance are FFO and AFFO[1]. Statutory Net Profit After Tax is adjusted for fair value movements, certain unrealised and non-cash items, amounts which are capital in nature and other items that are not considered to be in the ordinary course of business, to calculate FFO (refer to Note 1(b) of the Financial Report). FFO is further adjusted for continued investment of capital by Vicinity in its assets via maintenance capital expenditure, plus leasing incentives and other capital items to calculate AFFO. Vicinity's distribution policy is to pay out between 95% and 100% of AFFO.

	FY24 ($m)	FY23 ($m)
NPI	888.4	900.2
External management fees	59.7	60.5
Net corporate overheads	(93.9)	(96.7)
Net interest expense	(189.6)	(179.2)
FFO[1,2]	**664.6**	**684.8**
Maintenance capex and lease incentives	(102.7)	(101.9)
Termination of interest rate swaps	–	(6.9)
AFFO[1]	**561.9**	**576.0**
Distribution declared	**534.9**	**546.3**
Statutory net profit after tax[2]	**547.1**	**271.5**
Weighted average number of securities	**4,552.3**	**4,552.3**
FFO per security (cents)	14.60	15.04
AFFO per security (cents)	12.34	12.65
Distribution per security (cents)	11.75	12.0
Distribution payout ratio (%)	95.2	94.9

Vicinity delivered FFO of $664.6 million which decreased by $20.2 million, or 2.9%, compared to FY23 driven by:

- **Net property income decreased $11.8 million or 1.3%,** with strong comparable NPI growth of 4.1% – benefitting from strong rental growth, higher occupancy and continued recovery of CBD assets – offset by one-off items[3], higher loss of rent from developments and increased operating expenses.
- **External fees reduced slightly by $0.8 million or 1.3%**, with higher fees from development and leasing, offset by the impact of lower funds management fees.
- **Net corporate overheads reduced $2.8 million or 2.9%,** due to higher capitalisation of development personnel costs and lower corporate insurance costs, offset by salary growth.
- **Net interest expense increased $10.4 million or 5.8%,** driven by higher market interest rates and completed developments, partly offset by asset divestments.

Adjusting for one-off items[3] and higher loss of rent from developments, FFO increased 3.2%.

AFFO decreased $14.1 million or 2.4%, driven by the reduction in FFO, partly offset by the impact of the $6.9 million settlement to terminate interest rate swaps in FY23. Maintenance capex and leasing incentives were marginally higher than FY23.

Statutory net profit after tax increased $275.6 million, principally the modest reduction in FFO was more than offset by a material improvement in net property valuation movement year on year, as Vicinity's property valuations recorded positive growth in 2H FY24, and net unrealised impact of foreign exchange on debt instruments movement year on year.

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Segment information – page 100

1. FFO and AFFO are widely accepted measures of real estate operating performance. They are determined with reference to the guidelines published by the Property Council of Australia and are non-IFRS measures.
2. A full reconciliation between statutory net profit after tax and FFO is included in Note 1(b) of the Financial Report.
3. Includes reversal of waivers and provisions, and the impact of transactions.

Operating and financial review

Financial position

The following table shows a summarised balance sheet.

	30 June 2024 ($m)	30 June 2023 ($m)
Cash and cash equivalents	49.6	192.9
Investment properties	14,771.4	14,288.4
Investment properties held for sale[1]	186.6	–
Equity accounted investments	91.8	437.5
Intangible assets	164.2	164.2
Other assets	462.2	501.6
Total assets	**15,725.8**	**15,584.6**
Borrowings	4,230.2	4,073.5
Other liabilities	856.7	873.0
Total liabilities	**5,086.9**	**4,946.5**
Net assets	**10,638.9**	**10,638.1**

1. Represents the unconditional divestments of Halls Head Central, Maddington Central and Karratha City. Further information is included in Note 4(a) of the Financial Report.

Key items impacting the balance sheet movement in FY24 include:

- **Investment properties (including held for sale) and equity accounted investments increased $323.9 million or 2.2%.** This was impacted by the investment spend across a number of assets principally for development and refurbishments, net enhancements to the portfolio composition completed during the year, and partially offset by modest net valuation decline over FY24.

  In addition, the Group completed the acquisition of the residual 49% interest in Chatswood Chase in March 2024 for $331.6 million (including purchase price adjustments, landholder duty and transaction costs). On completion, it ceased to be a joint venture and the use of equity method was discontinued. Since then, Chatswood Chase has been consolidated and classified within Investment Properties. More information is available in Notes 4 and 5 to the Financial Report.
- **Increase in borrowings of $156.7 million or 3.8%.** Borrowings (net of movement in cash and cash equivalents) were higher due to capital expenditure spend during the year.

Balance sheet – page 95

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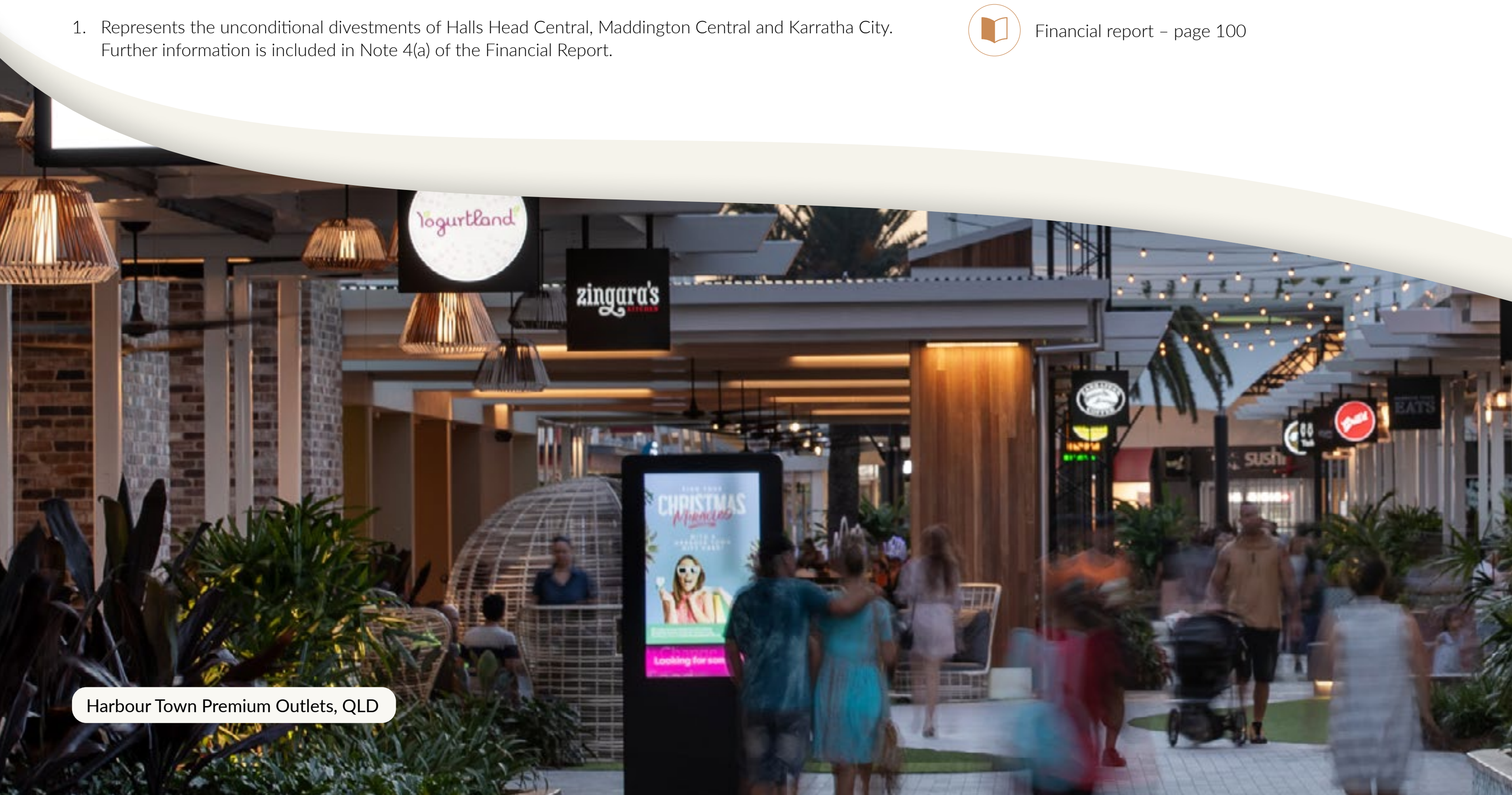


Harbour Town Premium Outlets, QLD

Capital management

Vicinity's strategy is underpinned by our steadfast commitment to active debt capital management to ensure the balance sheet remains strong and to enable Vicinity to invest in its growth priorities. Capital management priorities this year focused on extending the duration of the debt profile and managing the gearing level, investing in growth and undertaking increased development activity. This was enabled by:

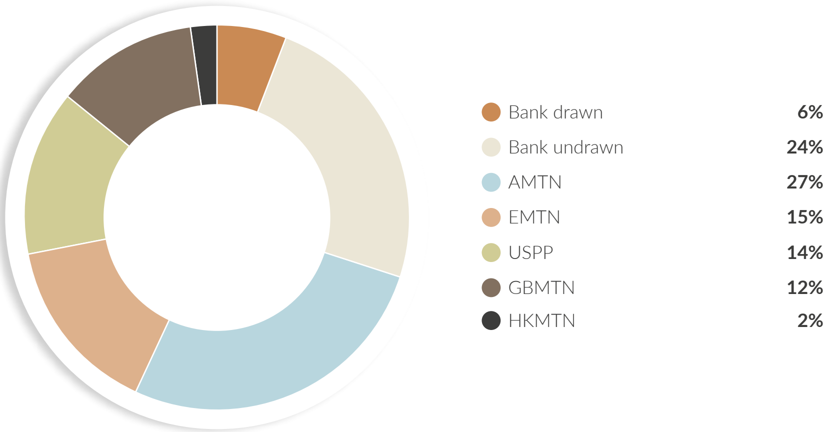
— Issuing $500 million of 10-year AMTNs

— Negotiating $675 million of new and extended bank debt facilities

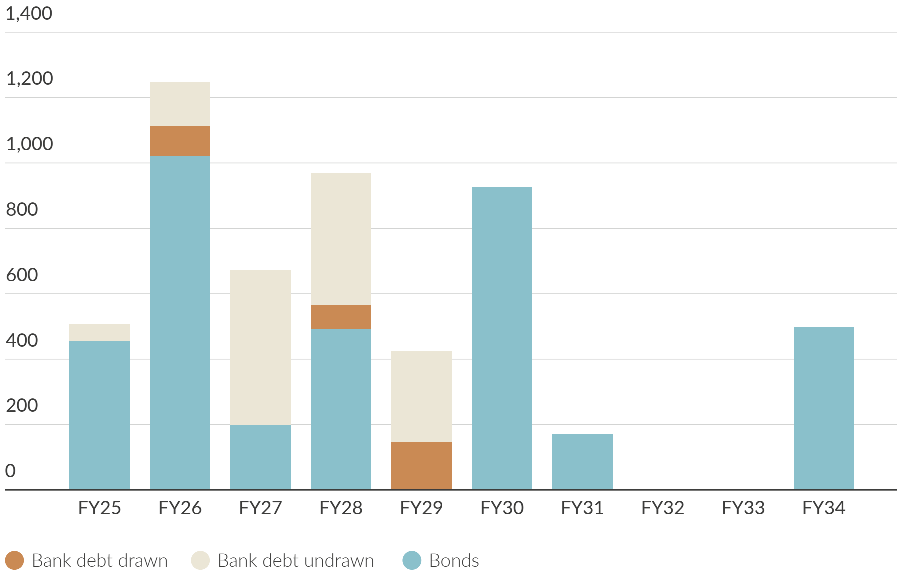
— Divesting $550 million of non-strategic assets

Gearing remains at the lower end of Vicinity's target range of 25% to 35% at 27.2% and the debt book remains well diversified by instrument type, lender, and expiry date. Over the year, the weighted average cost of debt rose 30 bps to average 4.9% over FY24, the weighted average duration of drawn debt extended from 4.0 years to 4.1 years, and on average 85% of Vicinity's interest rate exposure was hedged. Continued robust debt capital management sees Vicinity maintain its high investment-grade credit ratings of A/stable by Standard & Poor's and A2/stable by Moody's Ratings.

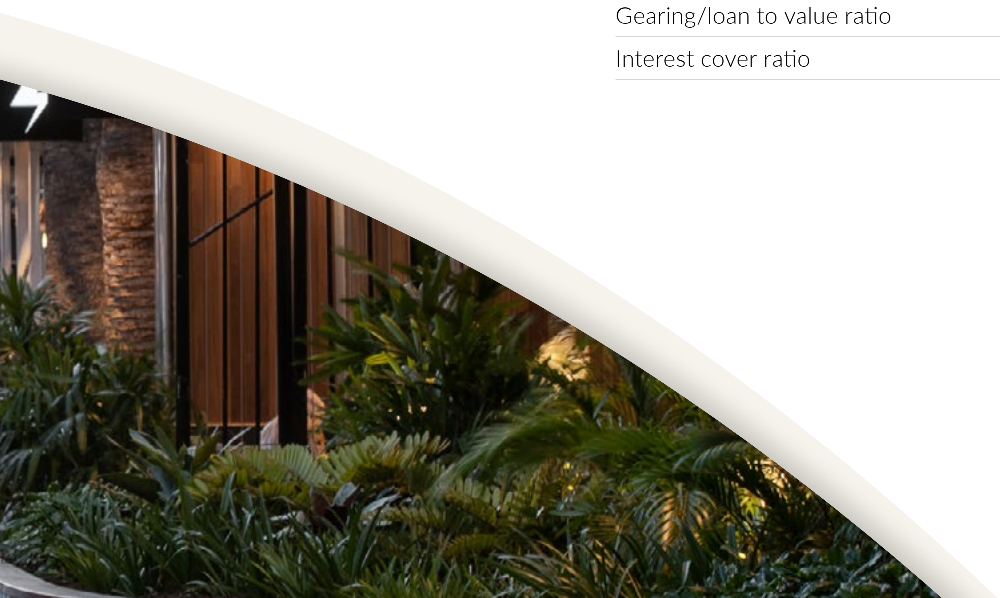
Debt sources (%)



Debt maturity profile ($m)



Covenant	Limit	Current
Gearing/loan to value ratio	50%	27.2%
Interest cover ratio	>1.8 times	4.2 times



Operating and financial review

Our portfolio repositioning

Vicinity actively progressed with its *Enhance the Investment Portfolio* strategic pillar, acquiring interests in two fortress-style, premium assets and substantially funding the acquisitions through the divestment of seven non-strategic assets, with more planned for FY25, while also progressing major development projects at two premium assets.

Premium acquisitions

Chatswood Chase, NSW

In October 2023, Vicinity announced the acquisition of the remaining 49% interest in Chatswood Chase in Sydney for $307 million[1], at a 6.5% discount to book value.

The acquisition paved the way for the commencement in March 2024 of the major luxury-anchored redevelopment of the centre. It has also provided Vicinity with greater flexibility around development execution while providing full exposure to future growth opportunities for this premium asset.

Lakeside Joondalup, WA

In August 2024, Vicinity acquired a 50% interest in Lakeside Joondalup, the dominant Major Regional centre in the northern corridor of Perth, WA for $420 million.

The centre is at the heart of Joondalup's CBD and is easily accessed by major arterial roads and the adjacent train station which services over 13 million passengers annually. Joondalup itself is a popular location with local and international visitors and the city is recognised as a vibrant commercial, retail, educational, health and entertainment precinct.

The acquisition further strengthens and complements Vicinity's premium retail portfolio. Vicinity also secured property and retail development management rights. Combining Vicinity's asset management expertise and scalable retailer partnerships, we believe the centre has strong growth potential. Highlighting the attractiveness of Lakeside Joondalup, the transaction is earnings accretive in year one.

Capital recycling

In addition to actively curating a higher quality asset portfolio and to maintain balance sheet strength, Vicinity is well progressed on divesting non-strategic assets to fund the two acquisitions. To date, Vicinity has divested seven centres for a total of $550 million at an average of 9% premium to book values.

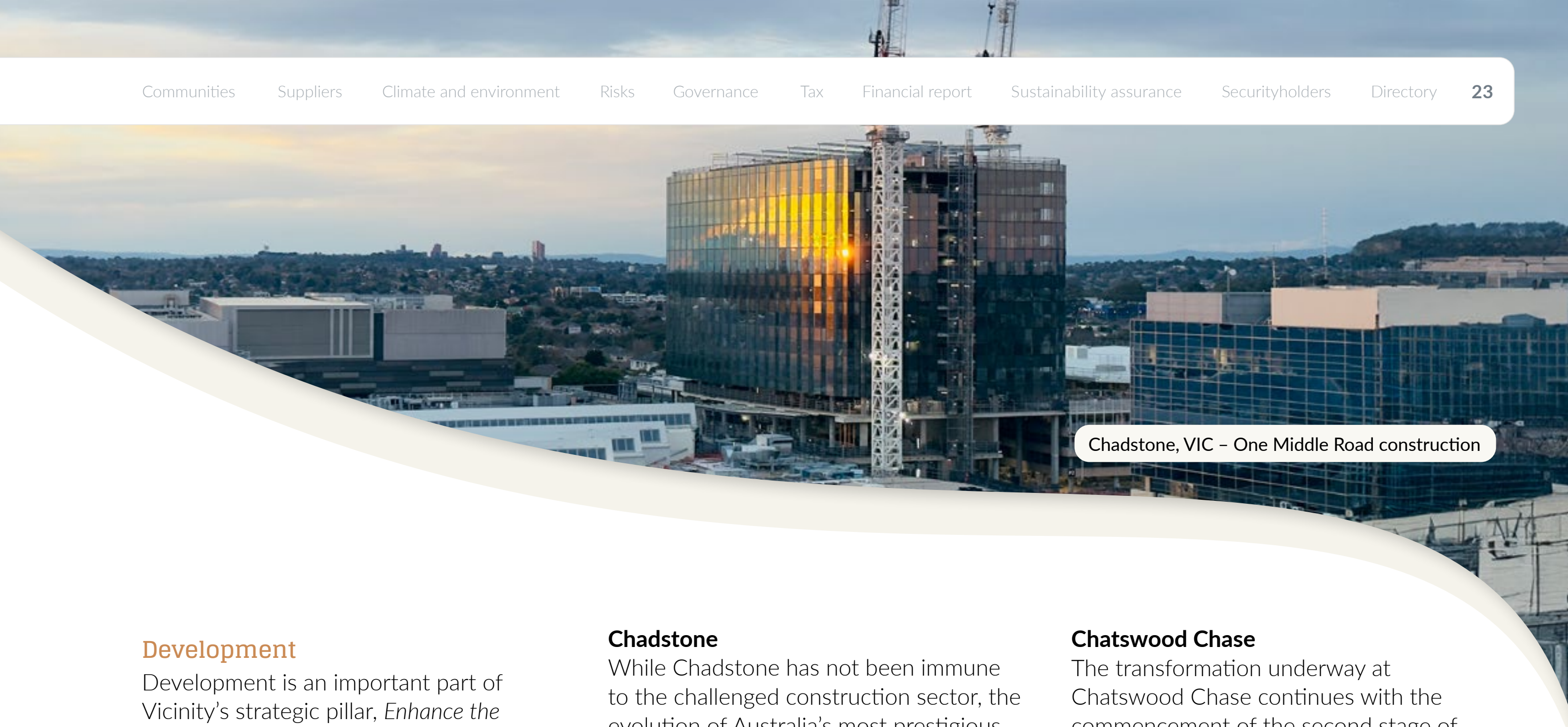
While this active capital recycling ensures Vicinity's gearing remains at the lower end of Vicinity's 25% to 35% target range, it is also driving an increase in the weighting of Vicinity's portfolio towards premium assets. Premium retail assets deliver resilient income growth and sustained value accretion through cycles.

$550m
Divested

9%
Premium to book values

1. Plus settlement adjustments.

Chatswood Chase, NSW



Chadstone, VIC – One Middle Road construction

Development

Development is an important part of Vicinity's strategic pillar, *Enhance the Investment Portfolio*. Vicinity's development activity spans the full spectrum, ranging from small strategic remixing, ambience upgrades, and repurposing unproductive department store sites, right through to significant retail and mixed-use projects.

This ensures that retailers choose to partner with Vicinity and that we continue to deliver the best retail experience for our shoppers, thereby enhancing the value of our assets over time.

While Vicinity's development projects in FY24 have concentrated on two premium sites, Chadstone and Chatswood Chase, a number of smaller enhancement projects were also undertaken, including four smaller redevelopments at Bayside and Emporium Melbourne in Victoria, Castle Plaza in South Australia, and Nepean Village in New South Wales.

In the context of developments, Vicinity remains acutely aware of the elevated costs of capital and the industry-wide challenges in the construction sector, nationally. At our 1H FY24 results in February, we communicated an elongation of our development pipeline and prioritisation of higher value retail developments, and as Vicinity enters FY25, there is no change to that approach.

Chadstone

While Chadstone has not been immune to the challenged construction sector, the evolution of Australia's most prestigious retail asset continued through FY24, with the advancement of the major fresh food and dining retail project that is fully integrated into a new 10-level office tower.

Vicinity is progressing the development of a food hall 'The Market Pavilion' with a product range spanning everyday essentials through to market-leading artisan and specialty food offerings as well as a full-line Asian grocer. Also part of the development, is a revitalised Asian-style alfresco dining laneway, which has been an underserviced segment of the centre.

Construction of the new 20,000 sqm office tower 'One Middle Road' is progressing, having 'topped out' during the year. The tower is now more than 95% leased to the headquarters of leading Australian retailers Kmart and Adairs who will relocate more than 1,000 employees to the Chadstone precinct in 2025.

Following completion, the retail project will target a 5 Star Green Star v1.3 Design and As-Built rating, and the office tower will target a 5.5 Star NABERS Energy rating, 5 Star Green Star Buildings v1.0 and 4 Star Green Star Water rating.

Artist's impression

Chatswood Chase

The transformation underway at Chatswood Chase continues with the commencement of the second stage of the major redevelopment in March 2024. This next stage will fulfil Vicinity's vision to reinvent Chatswood Chase as Sydney's fashion capital, featuring luxury retailing, experiential dining and a new fresh food precinct.

The major redevelopment across three levels incorporates 60,000 sqm of new retail spaces, with over 9,000 sqm dedicated to luxury brands. Leasing is progressing well with c.80% of income already secured[1], well ahead of the planned opening in late 2025.

Complementing the premium experience the redevelopment will deliver is the new fresh food and dining precinct on the centre's lower ground level, home to c.65 new fresh food, dining and daily essential retailers already open, with more to come.

The redevelopment is being designed and constructed in line with a future whole of building 4 Star Green Star rating.

Artist's impression

1. Via executed Heads of Agreement or Agreements for Lease.

Our approach to
sustainability

At Vicinity, we recognise that sustainability is a key component of our strategic pillar *Enable Good Business*, and we are approaching our sustainability priorities and commitments with a high degree of focus. We believe managing our material environmental, social and governance priorities is critical to delivering long-term, sustained value for all stakeholders.

Our purposeful ESG program is anchored by continuous improvement in our environmental performance and strives to create retail-led community precincts that are well designed, environmentally conscious, inclusive, and importantly, provide opportunities for people to connect and belong.

Specifically, from an environmental performance perspective, our focus continues to be on climate-related risk identification and mitigation, while also reducing our climate impacts.

Benchmarking

We communicate our sustainability approach and performance through direct engagement with our investors and strategic partners, and more broadly through participation in global investor surveys. In FY24, we continued to participate in the DJSI and GRESB surveys.

- Member of the Dow Jones Sustainability Indices (**DJSI**)
  - Ranked in the 95th percentile in the 2023 Corporate Sustainability Assessment
  - Included in the S&P Global Sustainability Yearbook 2024[1]
- Ranked 2nd in GRESB (Australia and New Zealand Listed Retail category)

Materiality

Our business operates in an environment that changes constantly and it is important that we anticipate and adapt to these changes, managing our risks and leveraging opportunities.

Our Sustainability and Risk teams work together to monitor all identified material issues through the Enterprise Risk Register and regular stakeholder materiality assessments and assist the broader business to implement measures and strategies to mitigate risks and realise opportunities.

Vicinity undertakes an external stakeholder materiality assessment every two years to identify our most material environmental, social and governance topics and to update our understanding of our stakeholders' evolving expectations of Vicinity.

The assessment undertaken in FY22 identified that the following ESG topics are of most concern or interest to Vicinity's stakeholders:

- Vicinity's response to risks and opportunities arising from climate change adaptation and mitigation
- Diversity and inclusion, and
- Responding to changing retail market conditions, trends, and consumer preferences.

In June 2024, Vicinity undertook a double materiality assessment which identified those ESG topics of most interest to our internal and external stakeholders and assessed both the ESG impact and financial materiality of these topics. The results of this assessment will inform our ESG disclosures in FY25, as well as the refresh of our Sustainability Strategy.

Additional sustainability-related disclosures are made in the following reports:

Sustainability Assurance Statement – page 145

2024 Corporate Governance Statement

2024 Sustainability Supplement

FY24 Sustainability Performance Pack

FY24 Sustainability Reporting Criteria

2024 Modern Slavery Statement
(to be released in December 2024)

Sustainable Finance Framework

1. Yearbook members are top 15% of industry and within 30% of industry's top-performing company.

The Galeries, NSW

Our people

We believe our success is underpinned by exceptional people and their ability to thrive in our organisation. With this principle in mind, we continue to invest in building and sustaining a culture of high-performance, wellbeing and inclusivity, where diversity is a celebrated strength at all levels.

Our focus in FY24 has been on executing against our strategic priorities whilst concurrently investing in our organisational culture and ways of working to ensure Vicinity is a place where our teams have challenging and rewarding work, and where inclusion, belonging, safety and wellbeing are ubiquitous.

Collectively driving towards a common purpose

Our 2024 Employee Experience Survey saw a four percentage point increase in engagement score, with an 80% participation rate. In addition, our people took the time to share written feedback, which gives us very valuable insight into what is working well, and the opportunities we have to improve our employee experience.

During the year, the Executive Leadership Team (**ELT**) has been working with our people to embed our refreshed strategy whilst working on a new organisational Purpose, Vision and Values. After showing a clear desire for, and interest in, a strategy that better engaged our people at all levels of the organisation, feedback from our FY24 survey demonstrated that our refreshed strategy is well understood, and our teams are confident in how they can influence its execution and drive performance.

As an important follow on from our refreshed strategy, in mid FY24, we launched our refreshed company Purpose: *We shape meaningful places where communities connect*.

As part of our strategic pillar *Enable Good Business*, we also launched our new organisational values in order to provide a common understanding of what is important to us in terms of not only the results we deliver, but also how we work together to deliver them.

Our new Values and Behaviours are the product of an enterprise-wide collaboration, where we had over 500 team members provide input into the design and fundamentals required to bring our Vision and Purpose to life. The ELT considered all the input and decided on the five Values and associated Behaviours that our teams can connect with, regardless of their level in our organisation.

Chadstone, VIC – National Office

Our employee experience survey also told us that direct leader support, health, safety and wellbeing, and goal setting were our key areas of strength.

As we move into FY25, our key focus areas will include:

- Embedding our refreshed Purpose, Vision and Values, ensuring our ways of working enable our strategic priorities,
- Developing and growing our people through stretch opportunities on priority projects and broader transformation agendas,
- Reviewing and optimising our ways of working, our processes, and our systems, to enhance how we collaborate and accelerate delivery of our priorities, and
- Scaling the impact of our DIBs strategy via our EAG action plan, to further shape our culture.

Queen Victoria Building, NSW

Our people

Building meaningful leadership

We continued to focus on building future leadership capability, by building capability in relation to mental health and wellbeing, creating inclusive environments and leading high-performing teams.

We introduced an extensive, nine-month leadership program for our most senior leaders on our Business Leadership Team (**BLT**). Our business leaders are key to driving our strategy by cultivating and leading high-performing teams, and investing in their leadership capability was a key priority in FY24.

In addition to the BLT leadership program, a further 117 employees participated in other important leadership programs, Vicinity Essentials and Vicinity Evolve. Both programs are tailored to employees who are building their leadership pathways at Vicinity. These programs focus on equipping our employees with requisite leadership skills and capabilities to become future business leaders, whilst empowering them to lead authentically.

A key component of leading high-performing teams is ensuring alignment with Vicinity's strategic direction and goals.

Our leaders conduct both informal and formal performance discussions throughout the year, focused on achieving goals, providing development opportunities and driving the right behaviours.

We are also focused on promoting people from within the business. This supports employee engagement, inspires future leaders, supports retention and often, promotes higher levels of discretionary effort. In FY24, we were able to fill 44% of available roles with internal candidates from across all levels of our business.

In FY25, we will roll out workshops on mental health and wellbeing, inclusion and allyship for our broader teams, as part of a program to raise awareness, education, and skills to manage these important areas.

We remain committed to targeting Gender Balance of 40% female, 40% male and 20% any gender (40:40:20) across each level of our organisation by the end of FY25. Our gender composition across our whole company was 62% female representation, with 52% of leadership roles being filled by women.

Our efforts to drive greater gender balance in FY25 are anchored by initiatives to increase our senior leadership female talent, which increased from 35% in FY23 to 37% in FY24.

In FY24, more than 76% of internal promotions were female and importantly, a number of these promotions were in the BLT cohort.

Furthermore, while being focused on driving our 40:40:20 initiative, it is important that we maintain our strong gender pay equity ratio[1], which is just over 1%[2]. On a comparable basis, Vicinity's average gender pay gap narrowed slightly from 35.8% in FY23 to 35.3% in FY24 for all roles excluding the CEO. The average pay gap in FY24 including the CEO is 38.2% (FY23: 38.7%).

44%

of available roles were filled with internal candidates

37%

of our senior leadership are female

(FY23: 35%)

1. The difference in remuneration between males and females as measured by comparison to external market benchmarks.
2. Vicinity's pay equity ratio is not adjusted for FY25 remuneration adjustments made effective on 1 July 2024.

Creating a workplace where our teams thrive

Core to building and sustaining an inclusive and high-performance culture is having a strong foundation for DIBs that is ubiquitously applied to all team members.

Central to our DIBs strategy are our volunteer-led and ELT-sponsored EAGs: Pride & Allies, Disability & Access, Cultural Diversity and Gender Balance. These advocacy groups have a meaningful impact on Vicinity's workplace culture and sense of inclusivity evidenced by our employee experience survey commentary.

This year, our EAGs helped Vicinity celebrate important events, including Pride Month, Harmony Week, Disability Pride Month, and International Women's Day.

Importantly, our DIBs principles are integrated into other people-led programs spanning Mental Health and Wellbeing, Respect@Work, refreshed Values and Behaviours, governance reporting, and leadership capability programs. We also partnered with Wonnil Partners, who advised us on how to continuously improve our HR policies and recruitment processes to ensure an equitable experience for Aboriginal and Torres Strait Islander people.

In FY24, we continued to improve our disability recruitment experience with our disability employment provider enabling more diverse talent across our business.

We consider flexibility to be an important driver of employee engagement and a key focus of our DIBs and workplace priorities. At Vicinity, flexibility is more than just working from home, it is also about flexible working hours, compressed working weeks, working from other Vicinity locations, as well as the more traditional part-time and job share arrangements.

This year, we embedded our hybrid working approach of 60:40, which comprises three days in the office to support collaboration, innovation, and development within teams and cross-functionally. Vicinity had an absentee rate of 2.02%, which compares favourably to 2.12% in FY23.

Working safer, healthier together

Our Health, Safety, Environment and Wellbeing Management System (**HSEWMS**), together with our Health, Safety, Environment, and Wellbeing (**HSEW**) Policy and Strategy, empowers our people to work 'Safer, Healthier Together'.

In partnership with the business, the HSEW team is focused on improving health, safety, environmental and wellbeing performance. The HSEWMS is aligned to ISO 45001 and ISO 14001, and its scope includes all of Vicinity's operations, assets, and team members spanning all work activities.

In FY24, we implemented the first year of a three-year HSEW strategy of which the key deliverables were:

- Establishing Vicinity's HSEW risk profile,
- Completing a review of training needs and capabilities required,
- Enhancing our safety contractor management system, and
- Establishing an elevated and broadened Employee Assistance Program, with a new provider, together with an enhanced wellbeing platform.

As part of our HSEW assurance program, 45 of our centres conducted a HSEW safety assessment with the key opportunities being improved record keeping, consistent communications, application of risk management framework and consistent application of education and induction programs. Each opportunity has a series of actions, which were identified and implemented across all centres.

Over the past 12 months, we have also reviewed, refreshed, and enhanced our risk management approach to development safety. Some of the initiatives arising from the review included the elevation of development safety risk management to the senior levels of development governance reporting, commencement of independently co-chaired monthly development project safety reviews, and oversight of processes and enhanced independent site audits to monitor project safety.

Safety incidents are taken seriously within Vicinity, and incidents are recorded in an incident reporting system. Significant incidents are investigated, and corrective actions may include the issue of a safety alert to the broader business. Where required by legislation, Vicinity notifies relevant work, health and safety regulators of incidents. Where appropriate, safety learnings are shared with our team members and relevant stakeholders.

In FY24, we undertook a review to ensure our incident and injury data that was captured, measured, and reported, aligned with Safe Work Australia and industry standards. While some data is not able to be compared to prior year performance, we are confident that each incident was reviewed in accordance with Vicinity's procedures and safety management practice.

Vicinity's lost time injury frequency rate[1] increased from 5.64 in FY23 with 11 injuries recorded, to 6.72 in FY24 with 13 injuries recorded. Vicinity's total recorded injury frequency rate[2] was 9.31, and zero fatalities were recorded. Driving the increase across both measures was a more rigorous focus on reporting incidents in FY24.

Central to our strategy and commitment to operate 'Safer, Healthier Together' are our consultations through our HSEWMS procedures, including site health and safety team member meetings and HSEW team talks which are open, honest, and forthright with all stakeholders.

We take mental health and wellbeing as seriously as physical safety. In addition to leadership training, our new wellbeing platform, Assure, was launched in FY24. This platform provides access to a diverse range of topics and content to guide employees' work, health, and life journey. Assure provides expert resources and access to professional support including confidential conversations with employee assistance program specialists, using in-app messaging or phone.

1. Lost Time Injury frequency rate measures the number of lost time injuries per million hours worked during a year.
2. Total Recordable Injury frequency rate measures the number of fatalities, lost time injuries, substitute work, and injuries requiring treatment by a medical professional per million hours worked during a year.

Our customers

Our customers – being our shoppers and our retailers – are the lifeblood of our business. Our customer strategy is focused to *Deliver Property Excellence* to ensure that we create great experiences for our customers and in doing so, ensure our customers choose Vicinity's assets every time.

For our shoppers, we believe it is the interplay between **Precinct, Product, Place and Programs** that provides the ultimate experience.

Precincts – creating compelling precincts to meet the retail, services, cultural and recreational needs of our communities

Product – tailoring the mix of essential and discretionary offers within our precincts to our shopper wants and needs

Place – making the overall shopping experience enjoyable, efficient and safe

Programs – delivering broad or targeted marketing programs to drive visitation and enhance retailer performance

For our **retailers**, we adopt a 'retailer first' approach. We work closely with our retail partners at all phases of their relationship with us – whether it be identifying the right site or network of sites, helping them with tenancy designs, providing customer data and insights, or collaborating on marketing.

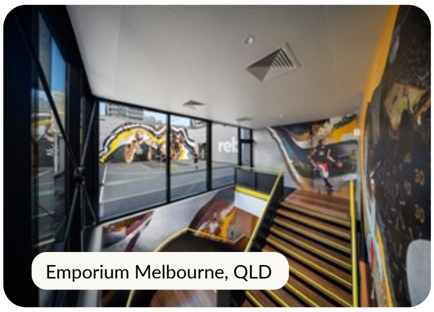
With an unrivalled portfolio offer – Chadstone, premium CBD assets, a leading Outlet Centre portfolio and a range of metropolitan assets – retailers see Vicinity as the first port of call when opening new stores across Australia.

Chadstone, VIC – July luggage pop-up

This year we have opened a number of outstanding new and in-demand stores across the portfolio, including Tiffany & Co. at QueensPlaza, July at The Galeries, Rebel at Emporium Melbourne, lululemon at Chadstone, and Bunnings Warehouse at Colonnades.

QueensPlaza, QLD


The Galeries, NSW


Emporium Melbourne, QLD

Chadstone, VIC

Colonnades, SA

+400m
Shopper visits this year

Our customers

How we measure our customer satisfaction

Vicinity takes feedback from shoppers and retailers very seriously, and we conduct various surveys throughout the year, to determine levels of satisfaction and opportunities for improvement.

Net promoter score
Vicinity Voice – our inhouse-developed shopper research platform – continued to deliver actionable insights this year for our marketing, centre management and leasing teams, and also generated our Net Promoter Score (**NPS**). Our latest shopper NPS (October 2023) was very healthy at +35. This is particularly encouraging in the context of significantly increased cost of living pressures.

Tenant satisfaction
Tenant Satisfaction (**TenSAT**) measures how satisfied our national brands/national retailers are with Vicinity. Our 2024 TenSAT score[1] improved from +20 to +23. Not only is the improvement pleasing, particularly given the softer sales environment this year, but Vicinity also beat the industry average of +18. We attribute the improvement to a number of customer-centric initiatives intended to further strengthen retailer partnerships.

Centre satisfaction
Centre Satisfaction (**CentreSAT**) measures how satisfied our small to medium enterprise, centre-based retailers are with Vicinity. Our 2024 CentreSAT score[1] improved from +35 to +47. This improvement can also be attributed to our approach to, and focus on, customer centricity.

+35
Net promoter score
(FY23: +38)

+23
Tenant satisfaction
(FY23: +20)

+47
Centre satisfaction
(FY23: +35)

1. Measured by the Australian Consumer and Retail Studies unit of Monash University.

Chadstone, VIC

Data and insights

At Vicinity, we use data and analytics to inform our understanding of the evolving needs and wants of our shoppers and retailers.

Vicinity has an internal Data and Insights team, that utilises data to inform decision making across our business. This data-led decision making spans our approach to developments, how we assess retailer mix within our centres and how we identify our target customers and attract them to our centres. The team is critical to the delivery of our shopper and retailer experiences and provides data and insight-led guidance to our Precinct, Product, Place and Program strategies and initiatives.

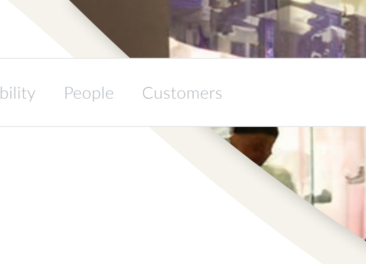
We also use data to help identify opportunities to drive operational efficiencies across the business. Our leasing optimisation project, 'Project Optimus', is an example of an insight and process-led project that is using data metrics, improvements in process and supporting systems, to drive better and more effective outcomes for our retail partners during the leasing process.

Case Study: LEASING OPTIMISATION PROJECT

Vicinity commenced Project Optimus in late 2023, to streamline and optimise the end-to-end leasing process — from when a retailer enquires about a space, to opening their store for trade.

Delivering a retailer into a retail space requires multiple steps, inputs and review points from many stakeholders. This project has already delivered early efficiency wins and has identified further opportunities to deliver consistent quality every time, add value to every touchpoint, and enhance the retailer experience. This will be done through investment in our process capability, supported by quality systems.

Upon completion, the project will deliver a material reduction in downtime for stores when retailers vacate, ensuring they generate revenue earlier, and will also create capacity for our people, through process improvements and efficiencies. Project Optimus has planned go-live phases in FY25 and beyond.



Our communities

Vicinity's purpose is to shape meaningful places where communities connect and naturally, our shopping centres across Australia play a key role in building strong connections within their local communities.

As a community-minded and responsible organisation, we take pride in our initiatives that help shape better communities, enhance our local connections, and deliver positive social outcomes.

Incorporating youth engagement opportunities and supporting other localised community initiatives, our community investment program is focused on our role in building stronger and more resilient communities, as well as safe, inclusive and accessible spaces within our precincts.

We achieve this by delivering on three key objectives:

- Establishing a long-term community investment program that focuses on local priorities and delivers measurable value to our communities,
- Creating capacity and resilience for our communities to thrive, and
- Curating community experiences that shape meaningful places.

Spanning our entire portfolio, our approach comprises a multitude of both national and community specific initiatives that we undertake each year which, when combined, amount to significant community contribution, reach and impact.

We benchmark our community investment activities using the Business for Societal Impact (**B4SI**) Group framework. The B4SI Verification Statement can be accessed through the Sustainability Reporting page on our website. In FY24, our contributions increased to $7.3 million (FY23: $4.5 million).

Alongside B4SI's verification of our community investment, for the first year Vicinity will also disclose its total community investment contributions.

This includes measuring marketing initiatives that generate a community benefit at 100% of revenue foregone (instead of the 50% used in B4SI's calculations), together with direct contributions made to government agencies and/or relevant authorities that fund community-based facilities, services and programs, as part of the developments Vicinity completes in our centres. In FY24, our total community investment contributions are $9.2 million.

Sustainability Reporting

Creating meaningful places

Creating safe, accessible, and inclusive precincts is an important component of our strategy to build on our connections with, and within, our local communities.

We are proud to provide access to spaces for local fundraising and community programs that connect our centres and customers to important local community initiatives.

As an organisation, we strive to create inclusive and accessible places for centre teams, retailers and shoppers. We pride ourselves on our investment in disabled parking, parents' rooms, changing places, high care facilities, wheelchair access ramps, high tables in food courts for wheelchair access, and wheelchairs for use within centres.

Vicinity staff volunteering

Elizabeth City Centre, SA – Hidden Disabilities Sunflower

Vicinity Community Grants – Peel Community Men's Shed, Mandurah Forum, WA

Community partnerships

SEDA Group

In February 2024, Vicinity commenced a three-year partnership with SEDA Group, who operate independent secondary colleges across Australia offering industry-based pathways to higher education and employment. This followed an 18-month collaboration, which raised funds for eight new Indigenous scholarships. The partnership supports educational outcomes and facilitates employment pathways for Aboriginal and Torres Strait Islander students, with participation to date from SEDA Colleges in WA, SA and NT.

Follow the Dream Student Camp

For the second year running, Vicinity sponsored the annual Follow the Dream Student Camp in April 2024, where a group of young Aboriginal students attended a four-day cultural development program. Learning from well-respected Whadjuk Noongar Elder, Dr Noel Nannup, the students connected themselves to Country and further developed their cultural identity. Students had an opportunity to learn language, dance, and Dreamtime stories.

Under the direction of local Aboriginal artist Tahlia-Rae Willcocks, students also completed an artwork depicting Yarrogun Rock and the significance it plays in local lore, culture, storytelling, and healing.

Community grants

Expanding on the 2023 pilot program, the 2024 Vicinity Community Grants program accepted applications for community-based programs, focusing on Vicinity's priority areas of Youth Engagement, Community Wellbeing, Environment and Education. A large number of applications were received across a number of Vicinity's locations, with 16 grants successfully distributed to the value of $110,000.

These include individual grants to:

- **Biyani House Revesby Women's Shelter in conjunction with Bankstown Central in NSW:** To create a functional and safe outdoor space for resident women and children
- **John's Vision in conjunction with Rockingham Centre in WA:** To provide free eyecare and spectacles to people experiencing homelessness and financial hardship
- **Hope Street in conjunction with Elizabeth City Centre in SA:** To facilitate employment and skills workshops, mentoring and support for at-risk youth
- **Big Group Hug in conjunction with Northland in VIC:** For an environmental refurbishment program of pre-owned baby goods for vulnerable families.

Vicinity Cares

Vicinity Cares is our workplace social impact platform that enables our employees to make effective use of their two days of paid volunteer leave and donation-matching to the value of $500.

In FY24, 70% of team members participated in the Vicinity Cares program, including 19% donating to over 104 charitable organisations. Substantial increases in our staff volunteering rate to 22% in FY24, from 9.3% in FY23, shows an increased desire for our employees to give back and appreciate the social, mental health, and skills building opportunities that volunteering provides. In FY24, the Vicinity Lifeblood Lifesavers program was introduced with 119 team members signing up as blood donors, which the Australian Red Cross Lifeblood estimates will save 324 lives.

70%

of team members participated in the Vicinity Cares program

Action towards reconciliation

Our vision for reconciliation is for a future where we are actively contributing to the creation of positive change, respect, acknowledgement, and opportunities with Aboriginal and Torres Strait Islander people.

We understand our role as asset creators and owners is to build strong relationships with Aboriginal and Torres Strait Islander people and create places that acknowledge and recognise their link to Country. This was particularly evident during National Reconciliation Week with the 2024 theme 'Now More Than Ever' promoted in nine languages across our centres.

In FY24, we continued our reconciliation journey under our third (and second Innovate) Reconciliation Action Plan (**RAP**). In our third RAP, we have further committed to deepening relationships, increasing cultural awareness, and connecting Aboriginal and Torres Strait Islander peoples with employment and business opportunities across our organisation. Of particular note, Vicinity's Indigenous procurement spend in FY24 was $7.5 million, an increase of $2.1 million from FY23 spend. See the Our Suppliers section of this report for a case study about Vicinity's engagement with an Aboriginal electrical and construction business in WA.

Our suppliers – page 36

Follow the Dream – artwork depicting Yarrogun Rock

Our suppliers

As one of the largest shopping centre landlords in Australia, and with a wide range of offers within our centres, we have partnerships with a large number of suppliers that range from larger national or state-level providers through to smaller more localised suppliers.

We acknowledge our role as a large customer of service providers across Australia, and the significant economic activity generated through the operation of our centres. As such, we take a responsible approach to procurement and understanding our suppliers.

We take a proactive approach to managing sustainability risks that are inherent in our supply chain. We also recognise that there are unique opportunities to create value through our relationships with suppliers. We seek to build long-term and sustainable relationships with our strategic suppliers, with the aim of creating mutually beneficial outcomes.

During FY24, we engaged 2,542 direct suppliers to provide goods and services for our business, with an annual spend of $890,500,638 distributed across our operations, developments and refurbishments activity, and our corporate offices.

In FY24, Vicinity continued to implement initiatives to assess and address modern slavery risk in our operations and supply chain. Our 2024 Modern Slavery Statement will be published in late 2024 and will detail the actions undertaken by our business in FY24 to assess and address modern slavery risks in our operations and supply chain.

Indigenous procurement

In line with our Innovate RAP commitments, Vicinity seeks to create opportunities for Aboriginal and Torres Strait Islander businesses within our supply chain, thereby fostering ongoing and genuine relationships with the communities within which our centres are located.

In FY24, we spent $7.5 million with Indigenous businesses, primarily to provide Vicinity with fire services, electrical services and office equipment. Since FY22, our cumulative spend with Indigenous businesses is $13.5 million.

We also consider reconciliation in our procurement processes by requesting reconciliation disclosures in our tender pre-qualification questionnaire to provide our suppliers with the opportunity to share details about their reconciliation actions, including employment initiatives, their own procurement strategies and other relevant activities.

Social procurement

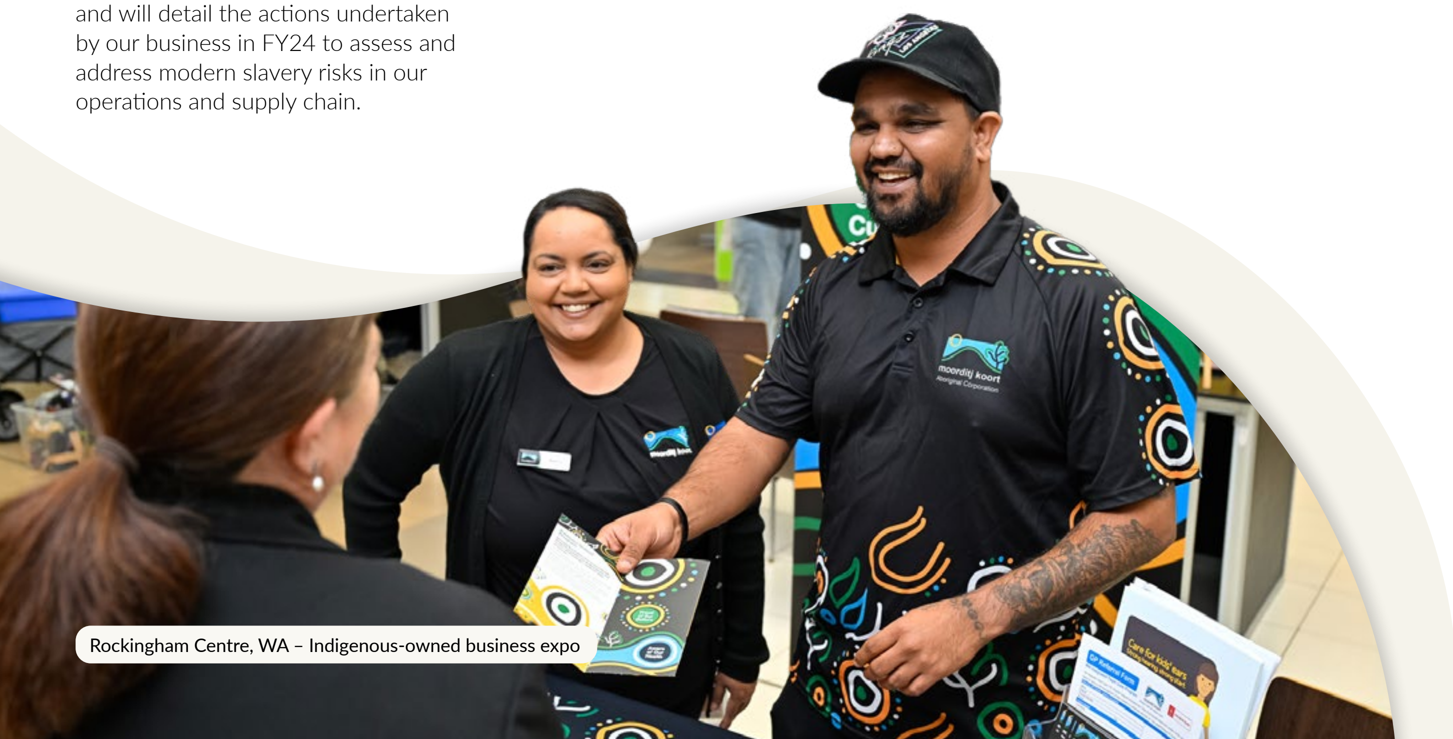
Vicinity procures goods and services from social enterprises to support our broader community engagement strategy and contribute to positive social and economic change for marginalised or disadvantaged people in our communities. We also encourage our suppliers to engage social enterprises, disadvantaged youth and Indigenous businesses in their operations and supply chains.

In FY24, we spent $830,000 with social enterprises across our managed portfolio and continued our membership with Social Traders, a social enterprise procurement platform.

In FY24, we spent

$8.3m

with Indigenous and Social enterprises across our managed portfolio



Rockingham Centre, WA – Indigenous-owned business expo

Case Study: WILCO ELECTRICAL AND KARDAN CONSTRUCTION IN WA

Wilco Electrical and Kardan Construction are large Aboriginal electrical and construction businesses in Boorloo, WA. These businesses prioritise Aboriginal peoples in their employment processes, demonstrate cultural safety in their workplace, and provide flexibility where needed to ensure the best chance of success in long-term upskilling and employment.

Where they can, both businesses have used their platform to support other Aboriginal businesses to grow by providing subcontractor opportunities, demonstrating their role in supporting social justice, employment and broadly empowering the Indigenous economy.

As a result of the ongoing support and engagement from Vicinity across our WA assets, Wilco Electrical and Kardan have increased their business confidence to generate seven new Aboriginal employment positions, hiring men and women into apprentice and assistant positions.

Our climate and environmental initiatives

Our focus

We acknowledge that climate change is one of the most significant global challenges, presenting risks and opportunities across our business, our communities, and the broader economy, now and into the future.

To address this challenge, we have committed to taking action to reduce our environmental footprint and contribute positively to our communities. Our approach has three key objectives:

- Deliver our Net Zero 2030 Target[1]
- Strengthen agility, resilience and capacity to adapt to a changing climate
- Deliver sustainable operations and developments

–38%
Emissions intensity reduction of Net Zero portfolio vs FY16

43,487MWh
Solar energy generated

52%
Waste diverted

1. Target is across Vicinity's wholly-owned retail assets for Scope 1 and Scope 2 emissions (in common mall areas).

Northland, VIC

Our approach to managing climate change

Our approach to managing the impact of climate change is informed by the recommendations of the Taskforce for Climate-related Financial Disclosures (**TCFD**).

TCFD recommendation	Disclosure and progress
Governance	Vicinity's Board has oversight over sustainability-related risks, including climate-related risks and opportunities. The Board is supported by the: — Risk, Compliance and ESG Committee which oversees Vicinity's climate-related and other ESG risks and opportunities. — Audit Committee which oversees financial governance and risks and the integrity of financial reporting and internal control processes. — ELT which is responsible for Vicinity's operations and delivering strategic objectives.
Strategy	A key focus of Vicinity's Sustainability Strategy is enhancing our climate resilience, reducing our environmental impact and supporting the transition to a low-carbon economy. Vicinity reviews its climate-related risks and opportunities and scenario analysis regularly, with the latest review undertaken in FY23. Vicinity considers three Network for Greening the Financial System scenarios to assess our exposure to transition risks – one considered orderly and two considered disorderly. Physical climate risks are assessed over two different emissions scenarios, being moderate (SSP2-4.5/RCP4.5) and high (SSP5-8.5/RCP8.5) and considered over medium and long-term time horizons.
Risk management	Climate change has been identified as a material risk in our Enterprise Risk Register. To support Vicinity in responding to this risk, an adaptation roadmap identifying key actions and timeframes was developed in FY23.
Metrics and targets	In 2019, Vicinity set a Net Zero 2030 Target, aligned to Australia's commitments under the Paris Agreement (United Nations Framework Convention on Climate Change). The target covers Scope 1 and Scope 2 carbon emissions from the common mall areas of Vicinity's wholly-owned retail assets.

Further information on our approach to managing climate change can be found in our Sustainability Supplement, available on Vicinity's website.

Sustainability Reporting

Our climate and environmental initiatives

Sustainable operations and developments

To mitigate the impacts of climate change, we are committed to decarbonising our operations and developments and reducing our use of natural resources to support sustainable operations and developments.

Remove Emissions though electrification	We are exploring opportunities to electrify building systems currently operating on fossil fuels.
Reduce Emissions through energy efficiency and embodied carbon	We continue to reduce energy use across the portfolio.
	Energy reduction initiatives include a lifecycle replacement program focusing on lighting, vertical transport, heating, and cooling, along with optimising building operations and performance through building management systems.
Eliminate Emissions through onsite and offsite renewables	Since the first solar panels were installed at Castle Plaza, SA, in December 2018, we have installed 35.89 MW worth of solar capacity across 23 centres[1].
	We consider onsite generation for all new developments.
	We also provide our retailers the opportunity to purchase renewable electricity for their tenancies via our embedded networks. To date we have provided 1,953 MWH[2] of renewable energy to 14 tenants across 25 assets.
Substitute Emissions from low Global Warming Potential refrigerants	We are exploring opportunities to move to lower Global Warming Potential refrigerants as part of our heating, ventilation and air conditioning systems replacement program.
Offset Residual emissions with credible carbon offsets	We acknowledge that in the short to medium-term, we will not be able to achieve net zero operational emissions without the support of carbon offsets for direct emissions we cannot eliminate, reduce, or otherwise substitute.
	Vicinity has developed a Carbon Offsets Framework, with support from CarbonAbility, to guide us in sourcing credible offsets[3] that also support local communities and biodiversity.
Net Zero Operational emissions	All our commercial office developments aim to achieve a 5 Star NABERS Energy rating, be gas free and aim to reduce embodied carbon through smart material selections.

1. This includes Karratha City, Kurralta Central and Roxburgh Village that were divested in FY24.
2. Total renewables across CY2021, CY2022, and CY2023.
3. Using carbon credits from a legitimate offset project to undo an actual or planned emission of an equivalent amount of CO2-e.

Gympie Central, QLD

FY24 performance

Water

Water is a scarce resource that must be managed responsibly.

To achieve this, we are progressively installing water submetering across the portfolio for water intensive tenants such as car washes and food retailers, to increase awareness around efficient use of water and drive behaviour change. To date, we have installed smart water meters across 1,300 tenancies at 31 centres, with nine more projects to be delivered in FY25. These meters allow for continuous monitoring of water use.

In addition, we will be reviewing existing water meter infrastructure at 12 further centres, with a plan to upgrade these and connect the centre Building Management Systems over the coming years.

Smart water meters installed across

1,300

tenancies at 31 centres,
with nine more projects to be delivered in FY25

Circular economy

Our centres are significant users of materials through our developments, refurbishment, tenant fit outs and de-fits, and the day to day operations of our retailers. As a result, disposal of materials is one of our largest indirect environmental impacts. To ensure that as many of these materials as possible are recycled, we provide infrastructure, guidance and support to our teams, retailers, and consumers across our centres.

In FY24, we launched our first Circular Economy Strategy to help us leverage circular design and collaboration, that will enable us to create low impact, long-lasting, fit outs and precincts, and maximise the value retained from materials through best-practice operational waste management.

Biodiversity

In FY24, Vicinity commenced work to understand our interface with nature and the material dependencies of our operations and value chain, as well as establish a biodiversity baseline and measurement methodology.

Over the next three years we will adopt an urban corporate natural capital accounting approach to develop natural capital accounts across all our centres. This work will inform initiatives across our operations and developments to enhance biodiversity, improve asset resilience, enhance community experiences, and inform disclosures in line with the Taskforce on Nature-related Financial Disclosures.

Chadstone, VIC

Our climate and environmental initiatives

Performance

Metrics	Unit of measure	FY24	vs FY23 (prior year)	vs FY16 (base year)
Net Zero 2030 Target portfolio				
Energy				
Total energy consumption	GJ	220,055	+2%	(18%)
Energy intensity	MJ/sqm	248	+3%	(18%)
Emissions				
Total Scope 1 GHG emissions[1]	tCO2-e	1,547	+58%	(36%)
Total Scope 2 GHG emissions	tCO2-e	37,670	(3%)	(38%)
Total Scope 1 and Scope 2 GHG emissions	tCO2-e	39,217	(1%)	(38%)
Carbon intensity: Scope 1 and Scope 2 GHG	kg CO2-e/sqm	44	(0.3%)	(38%)
Managed portfolio				
Energy				
Total energy consumption	GJ	665,711	(3%)	(4%)
Energy intensity – managed portfolio	MJ/sqm	281	(2%)	(12%)
Renewable energy				
Renewable energy consumption	MWh	40,429	+3%	NA
Renewable energy generation	MWh	43,487	+1%	NA
Emissions				
Total Scope 1 GHG emissions	tCO2-e	5,294	(22%)	(8%)
Total Scope 2 GHG emissions	tCO2-e	112,906	(2%)	(30%)
Total Scope 1 and Scope 2 GHG emissions	tCO2-e	118,200	(3%)	(29%)
Total Scope 3 GHG emissions[2]	tCO2-e	217,014	(4%)	NA
Carbon intensity: Scope 1 and Scope 2 GHG	kg CO2-e/sqm	50	(2%)	(35%)
Water				
Total water consumption	KL	2,217,175	0.5%	(2%)
Materials				
Waste diversion rate	(% recycled)	52%	+1pp	+17pp
Total of waste (landfill and recycled)	tonnes	45,306	(2%)	+8%
Portfolio benchmarks				
Green Star Performance	Portfolio	4 Star	–	NA
NABERS[3] Energy rating	(portfolio average)	4.5 Star	(0.1 Star)	NA
NABERS[3] Water rating	(portfolio average)	3.7 Star	(0.2 Star)	NA

We restate our historical data annually to reflect changes in the portfolio, i.e. divestments and acquisitions, with assets divested in the reporting period reported as part of the managed portfolio. Any assets in the wholly-owned portfolio that are acquired or divested in the reporting period are added and removed respectively from historical and current reportable data.

1. Increase is due to a higher than usual number of heating, ventilation and air conditioning systems requiring regassing as part of routine maintenance in FY24.
2. Includes Vicinity's tenants on our embedded network only.
3. NABERS Sustainable Portfolio Index 2024, based on Vicinity's ownership interest and ratings as at 31 December 2023, with 96% portfolio coverage.

Net Zero 2030 Target

During FY24, we continued our efforts against our Net Zero 2030 Target set during 2019, with both energy intensity increasing 3% and emissions (Scope 1 and Scope 2) intensity falling marginally.

Our Net Zero 2030 Target covers the Scope 1 and Scope 2 carbon emissions from the common mall areas of Vicinity's 28 wholly-owned centres – that is, the emissions within our operational control at these assets. This target aligns to Australia's commitments under the Paris Agreement (United Nations Framework Convention on Climate Change) and is supported through the $73 million investment in onsite solar generation committed to in FY18.

Managed portfolio

Energy use

Electricity use remained stable across the managed portfolio in FY24, increasing 3% on FY23; and natural gas use recorded decreased significantly (by 31%). As a result, total energy consumption and energy intensity decreased by 3% and 2% from FY23. Both total energy use and energy intensity also maintained a downward trajectory on the 2016 baseline, reducing by 4% and 12% respectively.

As a business we measure and report on Scope 1, Scope 2, and Scope 3 emissions from energy, waste, water and tenants[1]. During the year we saw a decrease of 3% in Scope 1 and Scope 2 emissions, driven by a significant reduction in the carbon intensity of the national grid, specifically in Victoria and New South Wales, where a large portion of our portfolio is located.

Water use

Water use intensity increased by 1% in FY24 from FY23.

However, proactive water use management has resulted in water use intensity reducing by 10% since the FY16 baseline, and absolute water use also remains 2% below the baseline year.

Materials

Total waste generation has decreased by 2% from FY23 to FY24, as a result of improved waste management across our centres.

Our proportion of materials diverted from landfill increased by 1 percentage point from 51% in FY23 to 52% in FY24.

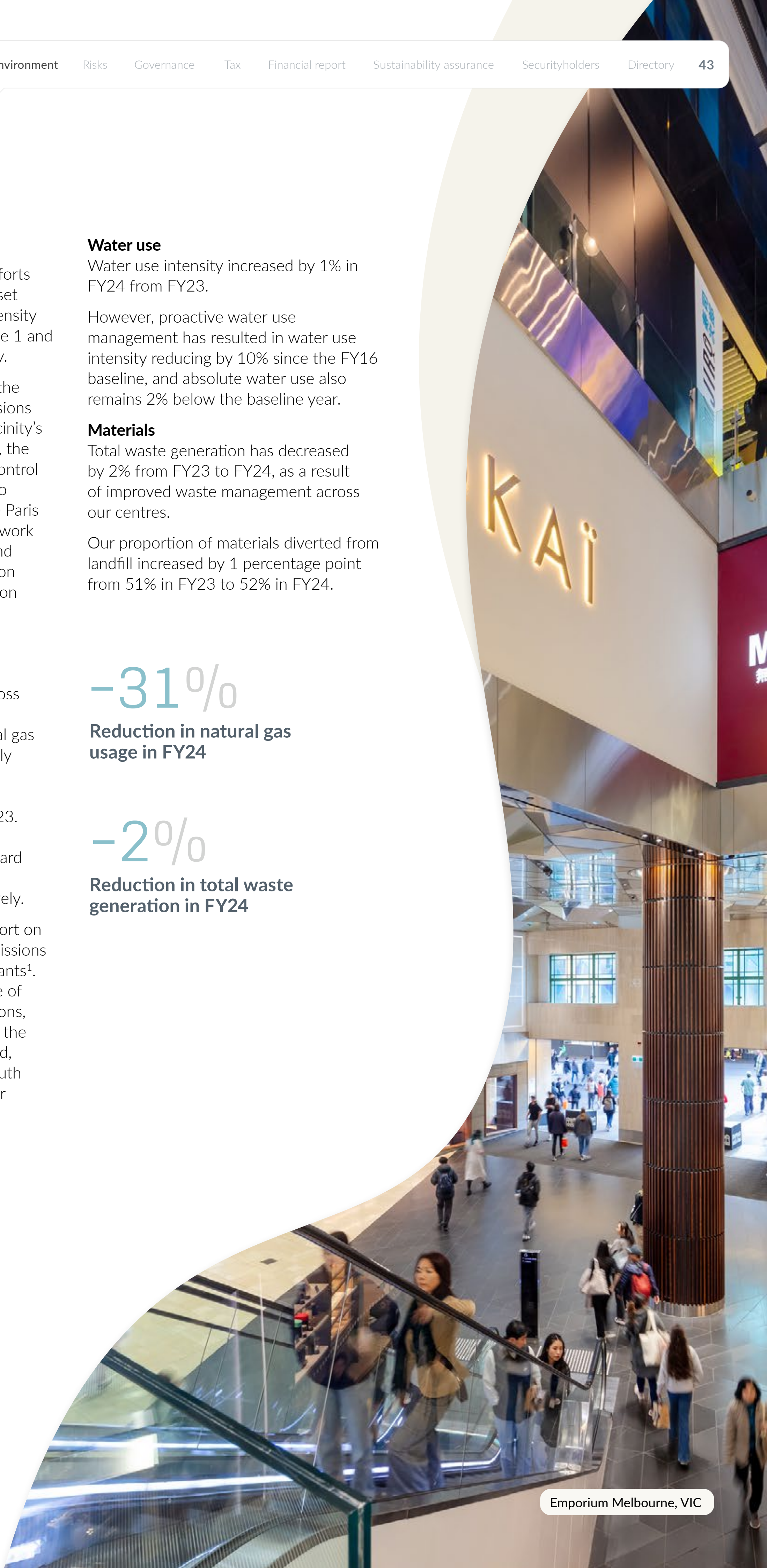
–31%

Reduction in natural gas usage in FY24

–2%

Reduction in total waste generation in FY24

1. Includes Vicinity's tenants on our embedded network only.



Emporium Melbourne, VIC

Our climate and environmental initiatives

Case Study: ENERGY EFFICIENCY IN HERITAGE SETTINGS

It is a complex task to find ways to drive cost effective energy efficiency in old buildings, especially when they are heritage listed. Queen Victoria Building (**QVB**), the heritage listed gem in the heart of the Sydney CBD, is one such case.

The QVB has some old and inefficient heating and cooling equipment and it was determined that the Synchronous Reluctance Motor (**SynRM**) would be an ideal replacement.

The QVB project performed better than anticipated, reducing electricity use by 10.5 MWh, maximum demand by 9%, and emission by 8.3 tonnes CO2-e over 12 months. In addition, the project electricity costs will be reduced leading to a two year payback for the project instead of the originally expected four years.

With these results, the National Capital Planning and Delivery team will identify other centres where SynRM can be installed.

Queen Victoria Building, NSW

Case Study: DRIVING DIVERSION

Optimisation, education, and collaboration are key in improving and maintaining sustainable practice. The Bankstown Central team has embraced this to drive improvements in diversion at the centre over the last 24 months.

The team reviewed how each of its loading docks was being used and realigned with the tenant mix to increase retailer convenience, without compromising service (i.e. same number of waste compactors but at different locations).

- March 2023: Ranked 34/57 with a diversion rate of 49%
- March 2024: Ranked 21/57 with a diversion rate of 53%

For example, the general waste (**GW**) compactor was removed from Dock 2 and replaced with a cardboard compactor to match the waste produced by surrounding fashion shops, which generate a significant amount of cardboard.

Additionally, the GW capacity was increased at Dock 1 with two GW smart compactors installed, replacing the single GW packer. This change saved almost 70% of the permanent dock cleaner's time, allowing for better monitoring and helping retailers use the correct waste stream, thereby improving overall diversion rates in the centre.

This has resulted in a significant uplift in diversion from 46% in FY23 to 54% in FY24.

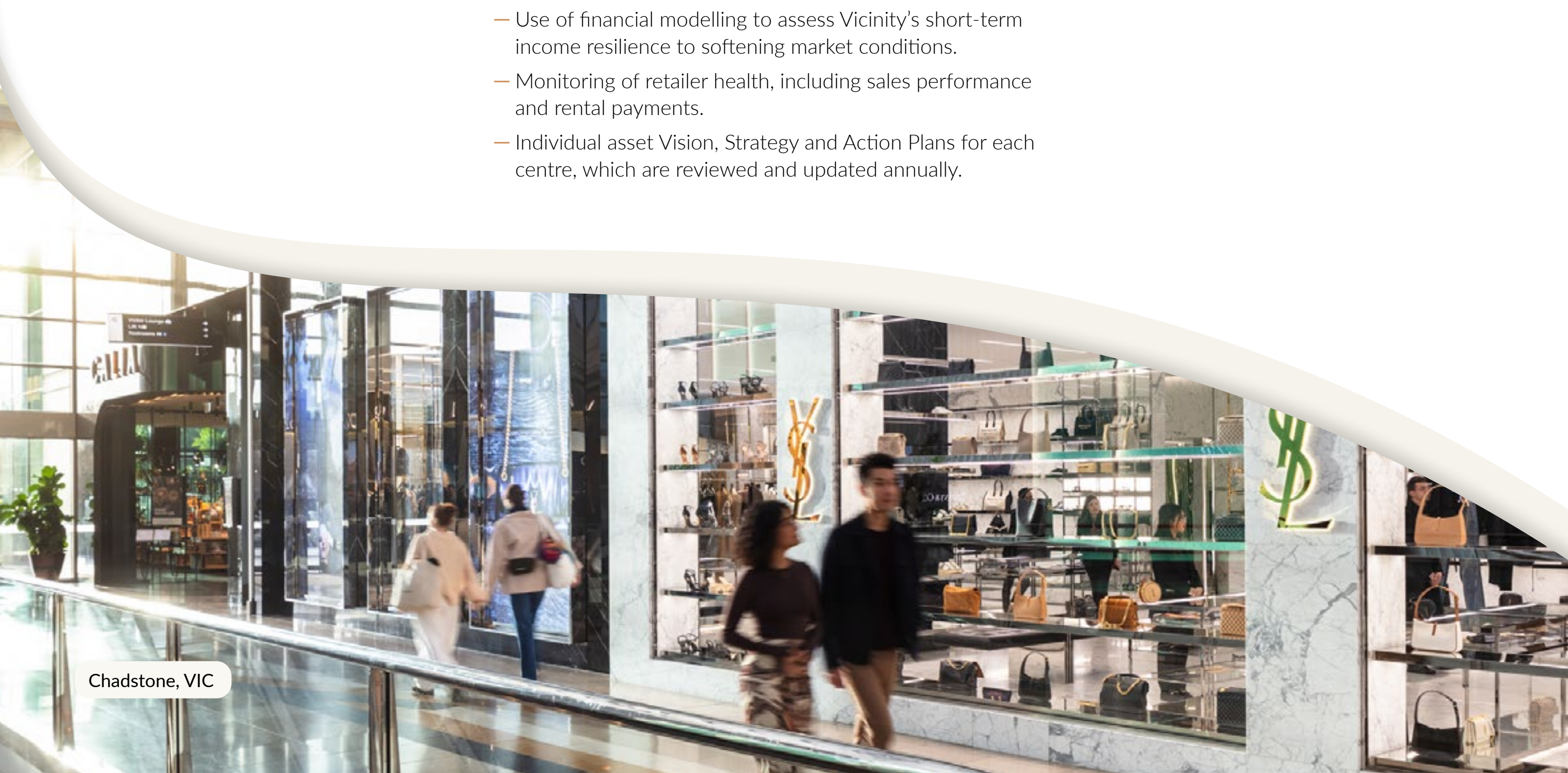
Our risks and risk management

Identifying and managing risks is essential in supporting the achievement of Vicinity's strategy and objectives.

- Vicinity adopts a structured approach to managing risk to help provide benefits to its stakeholders, including securityholders, employees, consumers, retailers and the communities in which Vicinity operates.
- Vicinity's risk management approach facilitates the identification, assessment and management of risks to its operations and strategy, ensuring a clear understanding of risks and enabling informed decision-making in line with the business strategy and risk appetite.
- The table below outlines the key risks that may affect Vicinity's ability to create value over the short, medium and long-term; their potential impacts and how Vicinity is managing them.

How we create value – page 14
Our strategy – page 10
Sustainability Supplement

Risks	How Vicinity manages the risks	Our associated resources
Economic conditions and rapidly evolving markets		
Adverse economic conditions, a subdued retail market, structural changes in the industry including online retail penetration, changing customer preferences and disruptive innovations may restrict growth opportunities and impact Vicinity's ability to compete appropriately without changes to its strategy and/or business model.	— Execution of its long-term strategy, which is focused on enhancing its investment portfolio through selective acquisition activity and disposal of less strategic assets, third party capital business and advancing its retail and mixed-use development pipeline to enhance and diversify portfolio composition. — Strong asset management approach, focusing on optimising leasing outcomes and tenant relationships, enhancing consumer experience and improving asset efficiency. — Proactive engagement with strongly performing retailers to expand their presence across the portfolio and introduction of new retail concepts and non-retail uses to drive greater consumer visitation. — 'Retailer First' approach to support retailers with tools and information to enable their channel strategies. — Driving growth in ancillary income streams through the commercialisation of both retailer and consumer demand for value adding products and services. — Use of financial modelling to assess Vicinity's short-term income resilience to softening market conditions. — Monitoring of retailer health, including sales performance and rental payments. — Individual asset Vision, Strategy and Action Plans for each centre, which are reviewed and updated annually.	INVESTOR CAPITAL OUR REAL ESTATE ASSETS OUR CUSTOMERS



Chadstone, VIC

Risks	How Vicinity manages the risks	Our associated resources
Protecting and enhancing our investment portfolio		
Failure to identify or successfully execute on acquisition, divestment or development opportunities in line with Vicinity's portfolio strategy and investment objectives.	— Clear investment criteria are utilised to evaluate the prospective performance of existing portfolio assets. — Actively monitor, identify and pursue selective acquisition opportunities, underpinned by a disciplined process, including comprehensive due diligence requirements. — Development opportunities are assessed and prioritised against set criteria, including meeting minimum risk-adjusted financial return hurdles and sensitivity testing of key assumptions. — The Investment and Capital Committee and Board provide strong governance over and approval processes for capital allocation decisions.	INVESTOR CAPITAL OUR REAL ESTATE ASSETS
Funding		
Failure to execute Vicinity's funding and capital management strategy could result in the inability to access funding or capital at the appropriate price and in the required timeframes.	— Maintaining strong investment grade credit ratings and a robust capital structure with low gearing and significant liquidity to manage upcoming debt expiries and capital movements, and to facilitate access to markets. — Monitoring asset valuations, rent collection, drawn debt, cost of capital and compliance with financial covenants. — Diversified funding sources. — Maintenance of an appropriate weighted average drawn debt maturity, with well-staggered expiries. — Treasury risk management policies are in place and are regularly reviewed. — Management of interest rate movements and foreign exchange exposures by the use of hedging. — Strong oversight of balance sheet management and investment decisions through the Investment and Capital Committee.	INVESTOR CAPITAL
Development delivery		
Inflationary pressures, supply chain disruption, industrial relations issues, contractor capability and regulatory complexities could impact Vicinity's ability to deliver approved development projects.	— Early market engagement to understand capacity and capability of external resources. — Pre-project asset due diligence to identify existing asset conditions and performance of existing structures and services. — Specialised and experienced team members dedicated to the delivery of development projects. — Oversight of live and new development projects via the Development Steering Committee. — Procurement strategy for each development project. — Health, Safety and Wellbeing Management System supported by levels of awareness, competency, capability, culture, system, processes and audit programs.	OUR REAL ESTATE ASSETS

Our risks and risk management

Risks	How Vicinity manages the risks	Our associated resources
Adoption of data analytics and technological advancements		
The inability to adapt and adopt technological advancements and adequately utilise data analytics and 'big data' to achieve market intelligence may significantly affect Vicinity's ability to unlock its strategic and operational potential or impact Vicinity's competitiveness.	— Dedicated in-house Data and Insights team who actively explore, invest in and manage new products, services and data assets that are complementary to and leverage Vicinity's retail portfolio. — Leveraging data and digital assets to enable data-driven analysis and decision making. This includes optimising leasing decisions, providing retailer insights, informing development decisions and improving operational performance.	INVESTOR CAPITAL OUR REAL ESTATE ASSETS OUR CUSTOMERS
Information/data security		
A cyber attack, theft or other malicious or accidental act (from internal or external sources) could result in a data breach, reputational damage and impact to operations.	— Robust Information Security and Data Governance and Management Systems including tools, training, systems and processes to address data collection, use and management (Data Governance) and protection (Information Security). — Oversight of the development and implementation of information security policies, systems, processes and training within the Management System by the Cyber and Data Governance Committee. — Dedicated in-house Cyber and Data Governance team. — ISO 27001 Certification and alignment to the National Institute of Standards and Technology framework. — Data breach, cyber security incident and disaster recovery plans are in place and tested annually.	INVESTOR CAPITAL OUR REAL ESTATE ASSETS OUR CUSTOMERS OUR COMMUNITY RELATIONSHIPS
People		
Failure to support, develop, attract and retain top talent may impact business performance and Vicinity's ability to achieve strategic objectives.	— People strategy focused on driving performance through optimising the operating model and ways of working, driving cultural change and building the future capability of our leaders and team members to deliver increased commercial performance. — Succession planning for key roles including Executive and Senior Leader roles. — A range of leadership, and learning and development programs are in place to build capability, create succession and retain talent. — Fit for purpose remuneration, benefits, reward and recognition frameworks.	OUR PEOPLE
Conduct and culture		
A failure to promote a healthy culture, including where employees feel able to speak up, could adversely impact business performance and reputation.	— Code of Conduct and supporting policies set clear behavioural standards and ethical expectations. — Encouraging an inclusive workplace where diversity is valued and leveraged as a driver of a performance culture. — Team members are assessed against the values and behavioural standards outlined in the Code of Conduct as part of the annual performance review process. — Revitalising Vicinity's Purpose, Vision and Values. — Employee Experience and Workplace Psychological Safety Index surveys and focus groups to assess culture, engagement, and identify areas of opportunity.	OUR PEOPLE

Risks	How Vicinity manages the risks	Our associated resources
Climate change		
Failure to identify, evaluate and respond to climate-related risks may impact Vicinity's ability to meet regulatory obligations and stakeholder expectations, ensure the ongoing resilience of our centres and may result in increased costs.	— Implementation of a climate change management framework aligned to the guidelines of the Taskforce for Climate-related Financial Disclosures. This framework outlines Vicinity's approach to identifying and managing climate-related risks and opportunities across a number of climate scenarios and time horizons. — Development of mitigation and adaptation strategies to manage its climate-related risks, including energy efficiency and renewable energy initiatives, infrastructure upgrades and business continuity planning. — Net Zero 2030 Target for the common mall areas of our wholly-owned centres. — Refreshed climate risk review assessments at an asset level, including a detailed centre by centre review of climate exposures, risk levels and potential mitigation strategies, based on 2030 and 2050 climate change scenario assessments.	INVESTOR CAPITAL OUR REAL ESTATE ASSETS OUR COMMUNITY RELATIONSHIPS OUR ENVIRONMENT
Health and safety		
Vicinity's operations expose team members, contractors, retailers and consumers to the risk of injury or illness.	— Health, Safety, Environment and Wellness System supported by levels of awareness, competency, capability, culture, system, processes and audit programs. — Provision of proactive mental health and wellbeing support and resources. — Training and education to equip team members with skills to identify and appropriately respond to mental health and wellbeing issues.	OUR PEOPLE OUR CUSTOMERS OUR COMMUNITY RELATIONSHIPS
Security and intelligence		
An act of high impact civil disturbance, terror, active armed offender or other hostile aggressor activity would have significant consequences on shopping centre safety impacting retailer, customer and team member welfare, sales, rental and brand.	— Maintaining strong relationships with police, agencies and peers to build intelligence and response capability. — Adherence to the recommendations from the Australian Government's Crowded Places Strategy across all centres. — Emergency response plans are in place for all assets. — Ongoing review of asset hardening measures are incorporated in all centres, future developments and refurbishments. — Crisis and Emergency Management System, which provides the framework for Vicinity to respond to a major incident or crisis. — Regular training and exercises to equip team members with the skills and tools, guidelines and procedures to manage an actual or potential crisis irrespective of the type of incident.	OUR REAL ESTATE ASSETS OUR CUSTOMERS OUR COMMUNITY RELATIONSHIPS
Regulatory changes and Government relations		
Failure to comply with and respond to changes in the regulatory environment could result in restricting business opportunities, financial penalties, legal liabilities and damage to Vicinity's reputation. Potential changes to government regulations, coupled with ineffective government engagement, could lead to adverse impacts on Vicinity's ability to meet its strategic objectives and maintain financial stability.	— Active engagement with Government on policy areas and reform to gain insights into policy changes under consideration. — Direct consultation with all levels of Government, and input provided to regulatory consultation processes via law firms and peak industry bodies. — Application of a consistent, centralised approach for identifying, assessing and managing regulatory changes through legislative and regulatory monitoring tools and engagement with industry associations.	INVESTOR CAPITAL OUR COMMUNITY RELATIONSHIPS

Governance

Our Board

Our Board is committed to high standards of corporate governance. Our corporate governance platform is integral to supporting our strategy, protecting the rights of our securityholders and creating sustainable growth.

Corporate Governance

During FY24, our corporate governance framework was consistent with the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. Our 2024 Corporate Governance Statement is available in the Corporate Governance section of our website.

Company Secretaries

Vicinity has two Company Secretaries:

Carolyn Reynolds

Refer to page 56 for biographical details.

Rohan Abeyewardene

Rohan Abeyewardene was appointed Group Company Secretary in October 2018 following his appointment as Company Secretary in February 2018. Prior to this, Mr Abeyewardene held a range of company secretarial and governance roles. Mr Abeyewardene is a Fellow of the Governance Institute of Australia and a Chartered Accountant.

Further information

You can find more disclosure on the following topics:

- 2024 Corporate Governance Statement
- Our strategy – page 10
- Our risks and risk management – page 46
- Tax transparency – page 58
- Corporate directory – page 151

Trevor Gerber

BACC, CA, SA

Independent Non-executive Chairman
Appointed June 2015

Mr Gerber worked for 14 years at Westfield, initially as Group Treasurer and subsequently as Director of Funds Management responsible for Westfield Trust and Westfield America Trust. He has been a professional Director since 2000, and has experience in property, funds management, hotels and tourism, infrastructure and aquaculture.

Mr Gerber is the Chairman of the Nominations Committee.

Mr Gerber was elected as Vicinity's Chairman effective from the conclusion of the 2019 Annual General Meeting.

Current Listed Directorships

Nil.

Past Listed Directorships (last three years)

Sydney Airport (Chairman from 2015 to 2021 and Director from 2002).

Peter Huddle

BSC ECON

Chief Executive Officer and Managing Director
Appointed February 2023

Mr Huddle joined Vicinity Centres in March 2019 as Chief Operating Officer (**COO**) before being appointed as Chief Executive Officer and Managing Director in February 2023.

Prior to joining Vicinity, Peter has had extensive experience in multiple global markets through a number of senior roles within the Westfield Group. Peter was most recently COO of Unibail-Rodamco-Westfield, USA post-acquisition of Westfield. Before the acquisition, Peter was Senior Executive Vice President and Co-Country Head of the USA, where he led the US Development teams through a prolific period of expansion. Before the US, he was COO of a Westfield Joint Venture in Brazil. Previous to Brazil, Peter had extensive Asset Management and Development experience within the Australian market.

Peter has over 25 years' experience in Real Estate Development and Asset Management and is a graduate of the Stanford Executive Program.

Peter is Deputy Chair of the Shopping Centre Council of Australia and a member of Champions of Change Property.

Current Listed Directorships

Nil.

Past Listed Directorships (last three years)

Nil.

Chadstone, VIC

Clive Appleton

BEC, MBA, AMP (HARVARD), GRADDIP (MKTG), FAICD

Non-executive Director
Appointed September 2018

Mr Appleton has extensive experience in property and funds management and property development, having worked for several of Australia's leading retail property investment, management and development groups.

Mr Appleton's executive experience includes Chief Executive Officer of Gandel Retail Trust and various senior executive positions with Jennings Group, where he was responsible for managing and developing its retail assets before a subsidiary was restructured to become Centro Properties Limited, of which he became Managing Director. Mr Appleton also held roles as Managing Director of The Gandel Group Pty Limited where he was involved in the development of $1 billion worth of property and Managing Director of APN Property Group, including being instrumental in its float and responsible for managing its Private Funds division.

Mr Appleton was also previously a Non-executive Director of Federation Centres and the RE from December 2011 to the time of the merger with Novion Property Group in June 2015.

Mr Appleton is currently Chairman of Aspen Group and Pancare Foundation, Deputy Chairman of The Gandel Group Pty Limited, and a Director of Perth Airport Pty Ltd and Perth Airport Development Group Pty Ltd.

Current Listed Directorships

Aspen Group (Chairman since 2012).

Past Listed Directorships (last three years)

APN Property Group Limited (from 2004 to 2021).

Tiffany Fuller

BCOM, GAICD, ACA

Independent Non-executive Director
Appointed November 2022

Ms Fuller is an experienced public company Non-executive Director with broad experience in chartered accounting, corporate finance, investment banking, private equity, funds management and management consulting in Australia and globally.

Ms Fuller is Chairman of the Audit Committee and a member of the Risk, Compliance and ESG Committee.

Ms Fuller currently serves on the Boards of Computershare Limited, Washington H. Soul Pattinson Limited, Australian Venue Co and Royal Children's Hospital Foundation.

Ms Fuller's skills include finance and accounting, strategy, M&A, risk management and governance. Her career includes roles at Arthur Andersen and Rothschild and spans multiple industry sectors including retail, financial services, technology, resources and infrastructure.

Current Listed Directorships

Computershare Limited (since 2014) and Washington H. Soul Pattinson Limited (since 2017).

Past Listed Directorships (last three years)

Nil.

Tim Hammon

BCOM, LLB, MAICD

Independent Non-executive Director
Appointed December 2011

Mr Hammon has extensive wealth management, property services and legal experience.

Mr Hammon was previously Chief Executive Officer of Mutual Trust Pty Limited and worked for Coles Myer Ltd reporting to the Chief Executive Officer in a range of senior executive roles including Chief Officer, Corporate and Property Services with responsibility for property and corporate strategy. He was also Managing Partner of various offices of the law firm previously known as Mallesons Stephen Jaques.

Mr Hammon is the Chairman of the Risk, Compliance and ESG Committee and a member of the Remuneration and Human Resources Committee and the Nominations Committee.

Mr Hammon is also the Chairman and a member, respectively, of the advisory boards of the Pacific Group of Companies and of Liuzzi Property Group, a Director of EQT Holdings Limited and an advisor to EMT Partners Pty Ltd.

Current Listed Directorships

EQT Holdings Limited (since 2018).

Past Listed Directorships (last three years)

Nil.

Governance

Michael Hawker AM

BSC, FAICD, SF FIN, FLOD

Independent Non-executive Director
Appointed November 2022

Mr Hawker has substantial corporate experience, with over 35 years in the financial services industry, including as CEO and Managing Director of Insurance Australia Group from 2001 to 2008. Prior to this, he held senior positions at Westpac Banking Corporation, and with Citibank in Australia and Europe. Mr Hawker also brings a deep understanding of risk management and a global perspective gained through his overseas experience.

Mr Hawker is a member of the Audit Committee and the Risk, Compliance and ESG Committee.

Mr Hawker currently serves on the Boards of Washington H. Soul Pattinson Limited, Allianz Australia, BUPA Global, BUPA Australia, and the Museum of Contemporary Art.

Mr Hawker was previously a Director of Westpac Banking Corporation, Macquarie Group Limited and Macquarie Bank Limited, and Aviva plc.

Mr Hawker was also President of the Insurance Council of Australia, Chairman of the Australian Financial Markets Association, a Board member of the Geneva Association and a member of the Financial Sector Advisory Council.

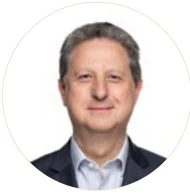
Mr Hawker was made a Member of the Order of Australia for services to the community in 2010.

Current Listed Directorships

Washington H. Soul Pattinson Limited (since 2012).

Past Listed Directorships (last three years)

Westpac Banking Corporation (from 2020 to 2023) and Altium Limited (from 2023 to 2024).



Peter Kahan

BCOM, BACC, CA, MAICD

Independent Non-executive Director
Appointed June 2015

Mr Kahan has had a long career in property funds management, with prior roles including Executive Deputy Chairman, Chief Executive Officer and Finance Director of The Gandel Group. Mr Kahan was the Finance Director of The Gandel Group at the time of the merger between Gandel Retail Trust and Colonial First State Retail Property Trust in 2002.

Prior to joining The Gandel Group, Mr Kahan worked as a Chartered Accountant and held several senior financial roles across a variety of industry sectors.

Mr Kahan is Chairman of the Remuneration and Human Resources Committee and a member of the Audit Committee and the Nominations Committee.

Mr Kahan's skills include strategy, property funds management, finance, mergers and acquisitions, investment, leadership and governance.

Mr Kahan has previously been a Director of Charter Hall Group and Dexus Wholesale Property Limited and the Chairman of the Advisory Board of Quintessential Equity.

Current Listed Directorships

Nil.

Past Listed Directorships (last three years)

Nil.

Janette Kendall

BBUS MARKETING, FAICD

Independent Non-executive Director
Appointed December 2017

Ms Kendall has significant expertise in strategic planning, digital innovation, marketing, operations and leadership across a number of industry sectors including digital and technology, marketing and communications, media, retail, fast-moving consumer goods, hospitality, gaming, property and manufacturing.

Ms Kendall's executive experience, both in Australia and China, includes Senior Vice President of Marketing at Galaxy Entertainment Group, China, Executive General Manager of Marketing at Crown Resorts, General Manager and Divisional Manager roles at Pacific Brands, Executive Director at Singleton Ogilvy & Mather, CEO of emitch Limited, and Executive Director of Clemenger BBDO.

Ms Kendall is a member of the Remuneration and Human Resources Committee and the Risk, Compliance and ESG Committee.

Ms Kendall is also a Director of Tabcorp Holdings Limited, Melbourne Football Club, KM Property Funds, and Visit Victoria and Melbourne Convention Bureau (a subsidiary of Visit Victoria).

Current Listed Directorships

Tabcorp Holdings Limited (since 2021).

Past Listed Directorships (last three years)

Costa Group (from 2016 to 2024).

Georgina Lynch
BA, LLB

Independent Non-executive Director
Appointed November 2022

Ms Lynch has 30 years combined executive and board experience in the property and financial services sectors, including significant experience across all classes of property and in corporate transactions, capital raisings, initial public offerings, funds management, corporate strategy, and acquisitions and divestments.

Ms Lynch is currently the Chair of Cbus Property, the wholly-owned subsidiary of Cbus. Cbus Property has a significant portfolio of investments and developments in the commercial, retail and residential property sectors.

Ms Lynch is a member of the Audit Committee and the Remuneration and Human Resources Committee.

Ms Lynch is Chair of Waypoint REIT, and Chair of the Waypoint REIT Nominations Committee, and Non-executive Director of Evolve Housing and member of the Evolve Housing Audit and Risk Committee.

Current Listed Directorships

Waypoint REIT (Chair since 2024 and Director since 2016).

Past Listed Directorships (last three years)

Tassal Group (from 2018 to 2022) and Irongate Group (from 2019 to 2022).

Dion Werbeloff
BCOM (HONS), MBA (DISTINCTION), MAICD

Non-executive Director
Appointed November 2022

Mr Werbeloff has more than 30 years' experience in property and investment banking, including funds management, property development, corporate strategy, corporate finance and mergers and acquisitions.

Mr Werbeloff has been CEO and a Director of The Gandel Group for the past five years, having previously held the role of Chief Operating Officer for five years. Prior to joining The Gandel Group, Mr Werbeloff had an extensive career in investment banking, most recently as a Managing Director at Goldman Sachs and Chief Operating Officer of Goldman Sachs' investment banking business in Australia and New Zealand.

Mr Werbeloff is a member of the Risk, Compliance and ESG Committee.

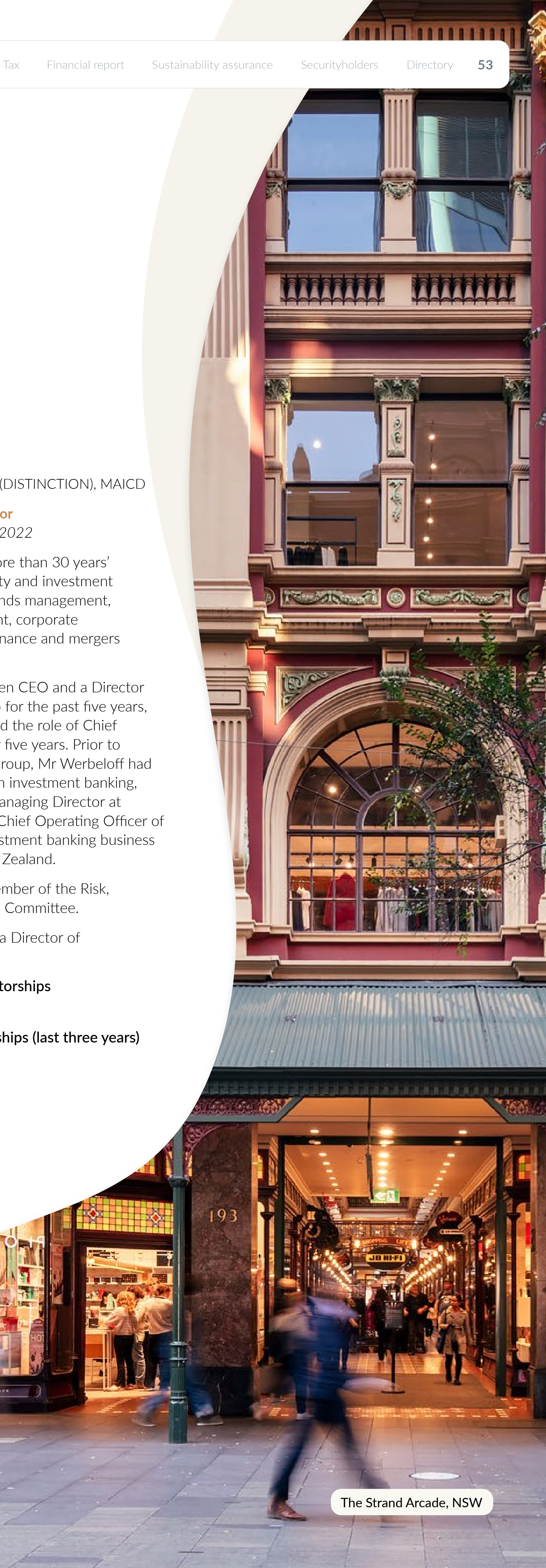
Mr Werbeloff is also a Director of JDRF Australia.

Current Listed Directorships

Nil.

Past Listed Directorships (last three years)

Nil.



The Strand Arcade, NSW

Governance

Executive Leadership Team

Our Chief Executive Officer and Managing Director (**CEO**), together with the members of our Executive Leadership Team (**ELT**) and senior leaders, are responsible for implementing Vicinity's strategy, achieving Vicinity's business objectives and carrying out the day to day management of Vicinity.

Management is also responsible for providing our Board with accurate, timely and transparent information to enable the Board to perform its responsibilities.

Management committees

Our CEO has established management committees to facilitate decision making by management as outlined below:

- **Executive Leadership Team** – comprises eight members outlined on the current page and overleaf
- **Capital Management Committee** – comprises the CEO, Chief Financial Officer (**CFO**), and General Manager Treasury, with the CEO or CFO to act as a Committee Chairman
- **Investment and Capital Committee** – comprises the CFO (Committee Chairman), CEO, Chief Legal, Risk & ESG Officer, and Director Funds Management

Peter Huddle

Chief Executive Officer and Managing Director

Mr Huddle joined Vicinity Centres in March 2019 as Chief Operating Officer (**COO**) before being appointed as Chief Executive Officer and Managing Director in February 2023.

Prior to joining Vicinity, Peter has had extensive experience in multiple global markets through a number of senior roles within the Westfield Group. Peter was most recently COO of Unibail-Rodamco-Westfield, USA post-acquisition of Westfield. Before the acquisition, Peter was Senior Executive Vice President and Co-Country Head of the USA, where he led the US Development teams through a prolific period of expansion. Before the US, he was COO of a Westfield Joint Venture in Brazil. Previous to Brazil, Peter had extensive Asset Management and Development experience within the Australian market.

Peter has over 25 years' experience in Real Estate Development and Asset Management and is a graduate of the Stanford Executive Program.

Peter is Deputy Chair of the Shopping Centre Council of Australia and a member of Champions of Change Property.

Adrian Chye

Chief Financial Officer

Adrian Chye joined Vicinity Centres in June 2015 following the merger of Federation Centres and Novion Property Group (Novion), before being appointed as CFO in September 2021.

In Adrian's role as CFO, he is responsible for the finance, technology and strategy functions. Adrian's responsibilities include financial planning and analysis, reporting, tax, treasury, group strategy, investor relations, mergers and acquisitions, core technology and cyber and information security.

Prior to his current appointment, Adrian was Director, Strategy and Corporate Finance. Previous to this, Adrian was Head of Strategy at Novion (formerly CFSGAM Property) and Head of Strategy and Corporate Transactions at CFSGAM Property.

Adrian is an experienced finance executive with over 20 years' experience in strategy, corporate finance and accounting roles and is a Member of Chartered Accountants Australia and New Zealand.

Kirrily Lord

Group Director, Customer & Asset Management

Kirrily Lord joined Vicinity Centres in July 2021.

Kirrily has overall accountability for the customer experience of Vicinity's consumers, retailers and Joint Venture partners, as well as the Asset Manager functions of our portfolio. This includes the performance of the centres' management teams who govern all areas of the consumer experience, centre operations as well as the allocation of capital and operational expenditure across the portfolio. She also has carriage of several business enablement functions, including Vicinity's Brand and Marketing teams, the Data, Digital and Innovation teams, the enterprise Procurement function, and our Stakeholder Communications team.

Prior to this appointment, Kirrily was the Director of Property Management at Vicinity. Before joining Vicinity, she was General Manager of Retirement Living and Head of Asset Management within Stockland. Kirrily has also held Senior Development Management as well as Asset and Centre Management roles with a specialist focus on retail and mixed-use.

Kirrily has over 25 years' experience in the property industry and has held senior roles across all functions of the sector, including at Stockland, Westfield, AMP and Myer.

David McNamara

Director Funds Management

David McNamara joined Vicinity Centres in February 2022.

In David's role as Director Funds Management, he is responsible for Funds Management initiatives for Vicinity. This includes working alongside Joint Venture partners to ensure alignment at a partnership level.

Prior to joining Vicinity, David held senior roles with Lendlease including, Head of Asset Management – Retail, as well as Fund Manager of the Australian Prime Property Fund Retail. Previous to this he worked for The GPT Group, with roles including Capital Transactions and Head of Asset Management – USA.

Before joining GPT, David gained extensive Asset Management, Leasing and Development experience working on major retail assets around Australia. David has over 30 years' experience in the retail sector in Funds and Asset Management.

Matt Parker

Group Director, Leasing

Matt Parker joined Vicinity Centres in November 2017 as General Manager of Leasing (VIC/WA/SA/TAS) before being appointed as the Director of Leasing in October 2021.

In Matt's current role, he is responsible for the management of the Leasing, Mall Leasing, Vacant Shop Income, and Design and Delivery teams.

Matt has had extensive experience over the last 25 years working for multiple retailers and landlords within various management and property functions. Prior to joining Vicinity, Matt was the Joint General Manager at Uniqlo Australia where he worked for five years. Previous to this, he held senior positions within the Leasing Team at Queensland Investment Corporation for over 10 years, including General Manager of Leasing, Regional Leasing Manager and Project Leasing Manager.

Chatswood Chase, NSW

Governance

Carolyn Reynolds

Chief Legal, Risk & ESG Officer

Carolyn Reynolds joined Vicinity Centres in May 2014 and has more than 25 years' experience as a commercial litigation and corporate lawyer.

In her current role, Carolyn has oversight of the Health, Safety, Environment & Wellbeing, Risk & Compliance, Company Secretarial, Leasing Legal, Sustainability, and Legal functions for Vicinity. Carolyn is also a Director of the Vicinity subsidiary Boards.

Carolyn was previously a partner at law firm Minter Ellison. She is a graduate and a member of the Australian Institute of Company Directors, and a member of Chief Executive Women and ACC Australia.

Jeheon Son

Group Director, Development & Government Relations

Jeheon Son joined Vicinity in July 2023 as Group Director, Development & Government Relations. Jeheon is responsible for leading Vicinity's development business and government relations function.

Prior to joining Vicinity, Jeheon has had extensive experience in the development and delivery of large scale global mixed-use urban renewal and retail developments, including the urban renewal of the Liverpool UK city centre, the development of the London 2012 Athletes Village, and the construction of the Scottish Parliament Building. Locally, Jeheon was previously the Head of Development NSW at Lendlease, led commercial development new business at Mirvac and most recently led Stockland's newly formed mixed-use and urban renewal business unit.

Jeheon has over 20 years' experience in development, construction delivery, acquisitions, capital partnering, government relations, design management, project management and business unit leadership.

Tanya Southey

Chief People & Organisational Development Officer

Tanya Southey joined Vicinity Centres in October 2019.

Prior to joining Vicinity, Tanya held Executive Human Resources roles at General Electric, Jetstar and Carlton and United Breweries (**CUB**). In addition, Tanya has consulted within the Human Resources strategy space.

During her career, Tanya has been involved in major cultural transformations, including due diligences, acquisitions, building employee value propositions and creating high performance cultures. In her time at CUB, Tanya was involved in the global transaction to sell SABMiller to AB Inbev, a US$106 billion deal which was the largest in the history of the London Stock Exchange at that time. Tanya has worked in the United States, South Africa and Australia and has been accountable for Human Resources teams across the Asia-Pacific in multiple roles.

Tanya has more than 25 years' experience in Human Resources and has been on the Victorian Board for The Hunger Project, a global organisation which aims to end world hunger through the empowerment of people in developing countries.

QueensPlaza, NSW

The Strand Arcade, NSW

Tax transparency

Vicinity drives sustainable growth from our portfolio of assets with a focus on enhancing the communities in which we operate.

Underpinning our strategy is robust corporate governance that upholds integrity, accountability and transparency across all of our business practices, including our tax responsibilities.

Vicinity voluntarily publishes this statement to our stakeholders as part of our commitment to provide transparent and useful information on our tax affairs.

Australian tax transparency

To improve the transparency of business tax affairs in Australia, the Board of Taxation designed the Tax Transparency Code (**TTC**) to outline a set of principles and minimum standards to guide the disclosure of tax information. Vicinity adopts the TTC recommendations in this statement.

Our approach to tax

Vicinity has a Tax Risk Management Framework (**the Framework**) that is endorsed by the Audit Committee and approved by the Board of Directors. Vicinity adheres to the principles of the Framework which affirms our low risk approach to taxation and a philosophy centred around integrity and transparency. Under the Framework, Vicinity:

- Has a low risk appetite and does not engage in aggressive tax planning and strategies;
- Complies with its statutory obligations in a timely and transparent manner and further enhancing Vicinity's reputation as a responsible taxpayer;
- Has robust tax governance, with ongoing oversight and escalation points for managing tax risk from Vicinity's key executives to the Audit Committee and Board of Directors;
- Has a commitment to engage with, and maintain transparent and professional relationships with, tax authorities including the Australian Taxation Office (**ATO**); and
- Has the Framework reviewed and endorsed annually by the Audit Committee to ensure it remains effective and relevant.

Vicinity applies the Framework across its business to integrate the assessment of the tax implications of transactions, projects and business initiatives, into day-to-day business. This enables us to assess the tax implications of all transactions before committing to them and mitigate any tax risks that might arise.

A robust set of internal controls and policies exists to support the operational effectiveness of the Framework within Vicinity. Furthermore, the Audit Committee and assurance functions such as internal and external audits provide periodic independent and objective assurance on the effectiveness of tax risk management, control and governance processes. In addition, our Whistleblower Policy enables and encourages all employees to report any potential concerns regarding unlawful, unethical, irresponsible or undesirable conduct involving Vicinity.

Vicinity values having cooperative and transparent relationships with all stakeholders. We collaborate with the ATO and other relevant external regulatory bodies regarding our tax compliance and proactively engage on significant tax issues. In addition, we contribute to several associations including the Property Council of Australia and Corporate Tax Association regarding tax policy, tax reform and tax law design on matters relevant to our business and our securityholders.

Vicinity also regularly connects with and encourages feedback from its securityholders. We provide a number of channels for securityholders to provide feedback directly via phone, email, the Annual General Meeting and the management team regularly meets with its largest investors.

Further information on Vicinity's corporate governance (including details on Vicinity's Whistleblower Policy) is available in its 2024 Corporate Governance Statement.

2024 Corporate Governance Statement

Vicinity's group structure

Vicinity securities consist of one share in the company (Vicinity Limited) and one unit in the trust (Vicinity Centres Trust). The shares and units are stapled together as Vicinity Centres securities listed on the ASX (**ASX: VCX**). However, Vicinity Limited and Vicinity Centres Trust remain separate legal entities in accordance with the *Corporations Act 2001* (Cth) and under the tax law.

Vicinity Limited, and its controlled entities, undertakes the business of managing Vicinity's shopping centre portfolio including property management, development management and responsible entity and trustee services for Vicinity Centres Trust, its sub-trusts and external wholesale fund. Vicinity Limited also provides property and development management services for joint owners of Vicinity's assets and other third parties.

Vicinity Centres Trust is a managed investment scheme operating in accordance with the *Corporations Act 2001* (Cth), and is regulated by the Australian Securities and Investments Commission. Vicinity Centres Trust and its controlled trusts (Vicinity Centres Trust Group) hold the majority of the Australian real estate investments for Vicinity.

All of Vicinity's real estate investments are situated in Australia. Vicinity does not have any offshore-domiciled related parties and therefore this report does not describe any international related party dealings.

Taxation of Vicinity

For the purposes of financial reporting, Vicinity Limited and Vicinity Centres Trust prepare a consolidated financial report. However, under tax law, Vicinity Limited and Vicinity Centres Trust are treated differently and require separate consideration.

Vicinity Limited

Vicinity Limited and its controlled entities are consolidated for income tax purposes, resulting in all members of the consolidated group being treated as a single corporate taxpayer under Vicinity Limited. Under Australian tax law, companies are subject to income tax at the applicable corporate tax rate (30% for FY24) on their taxable income.

Vicinity Centres Trust Group

The Vicinity Centres Trust has elected into the Attribution Managed Investment Trust (**AMIT**) regime and is not liable to pay income tax when it attributes all its taxable income to securityholders.

When the taxable income is attributed as income to its securityholders, Australian resident securityholders pay tax on this income at their marginal tax rates and non-resident securityholders are taxed under the Managed Investment Trust withholding tax rules.

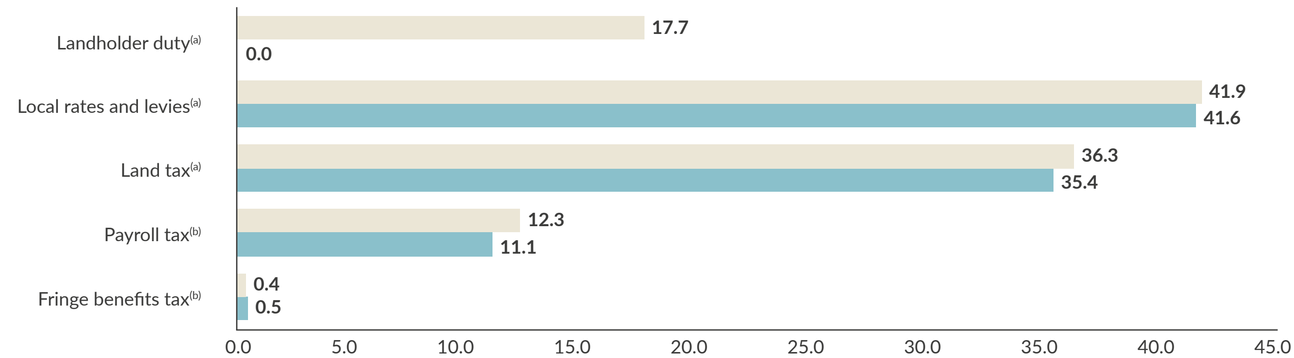
Contributions to the Australian tax system

As a business that operates in the Australian property industry, Vicinity is subject to taxes at the federal, state and local government levels. In FY24, these taxes amounted to approximately $246.7 million and are either borne by Vicinity as a cost of doing business or are remitted by Vicinity as part of our contribution to the administration of the Australian tax system[1].

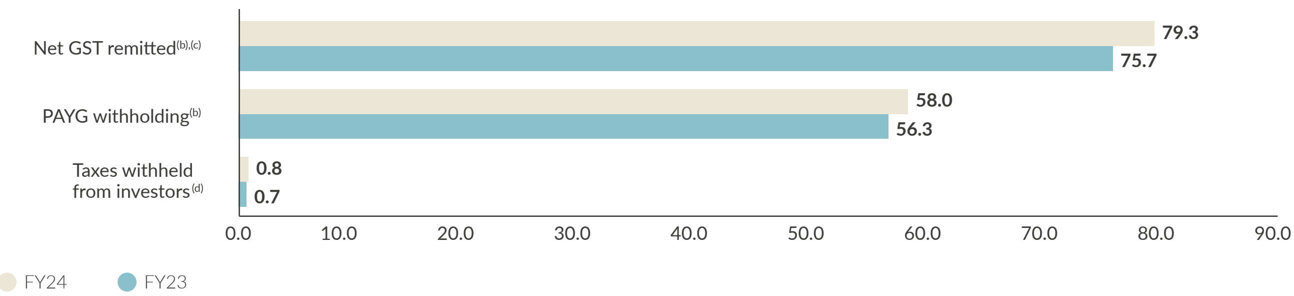
The taxes remitted by Vicinity include pay as you go (**PAYG**) withholding taxes paid by our employees and goods and services tax (**GST**) collected from our retailers who rent space in our centres and other ancillary income, net of GST claimed by Vicinity on its own purchases.

The information provided below summarises Vicinity's Australian tax contribution for FY24.

Total taxes borne by Vicinity ($m)
$108.6 million (FY23: $88.6 million)



Total taxes remitted by Vicinity ($m)
$138.1 million (FY23: $132.7 million)



Notes to charts

The notes below outline the basis of preparation of each of the taxes borne and taxes remitted. Vicinity's Australian tax contributions have been verified by Vicinity's Finance and Internal Audit functions.

a. Landholder duty, land tax, local rates and levies data have been reported on an accrual basis and therefore may vary from the actual taxes paid in FY24 and FY23. The increase in landholder duty in FY24 is due to the acquisition of the remaining 49% interest in Chatswood Chase and no acquisition in FY23.
b. Payroll tax, FBT, GST and PAYG withholding data has been reported based on the amounts paid in respect of tax returns or notices of assessment issued to Vicinity for FY24 from the respective revenue authorities.
c. Net GST remitted for FY24 is comprised of $174.1 million of GST collected (FY23: $166.4 million) and $94.8 million of GST claimed (FY23: $90.7 million).
d. This represents taxes withheld from Vicinity's securityholders, which has been prepared based on information maintained by Vicinity's external security registry provider. As the majority of our securityholders either supply their tax file number or in the case of non-residents, hold their interests indirectly, this figure is not representative of the taxes actually paid by our securityholders.

1. In this regard, Vicinity includes entities which have been equity accounted in the Financial Report.

Tax transparency

Reconciliation of accounting profit to income tax paid and payable

A full reconciliation of Vicinity's accounting net profit to income tax benefit is included in Note 3 to the Financial Report. Accounting net profit is determined in accordance with the Australian Accounting Standards. Taxable income, in contrast, is an income tax concept, which is calculated by subtracting allowable deductions from assessable income. A taxpayer's income tax liability is calculated by multiplying its taxable income by its applicable tax rate.

Vicinity Limited
The FY24 reconciliation from income tax benefit to income tax paid or payable is outlined below:

	($m)
Income tax benefit (refer to Note 3 to the Financial Report)	**2.9**
Adjust for:	
Movement in deferred tax assets including the utilisation of Vicinity Limited Group tax losses	(2.8)
Adjustment of current tax for prior periods and other	(0.1)
Income tax payable	**–**

In FY24, the Vicinity Limited consolidated group generated taxable income of approximately $14.4 million prior to the utilisation of tax losses. After utilisation of carry-forward losses and imputation credits no income tax is payable.

The effective tax rate[1] (**ETR**) based on current year income tax benefit for Vicinity Limited is 22.13%. The ETR is lower than the corporate tax rate (currently 30%) predominately due to net adjustments relating to permanent differences. For further explanation, Note 3(b) to the Financial Report provides a reconciliation of prima facie income tax expense at 30% to the income tax benefit recognised.

Vicinity Centres Trust Group
The accounting net profit attributable to the securityholders of Vicinity Centres Trust Group was $557.3 million for FY24. Vicinity Centres Trust has derived taxable income which will be attributed to the securityholders under the AMIT rules and taxed in the hands of securityholders, as described above. As a result, it has no income tax expense and therefore a zero ETR.

1. The ETR has been calculated as income tax benefit ($2.9 million) divided by net loss before tax attributable to Vicinity Limited ($13.1 million) (in accordance with AASB *112 Income Taxes*). The ETR should not be compared to the corporate tax rate without appreciating the differences between accounting profit and taxable income (as explained above). Further information is available on the ATO's tax transparency webpage.

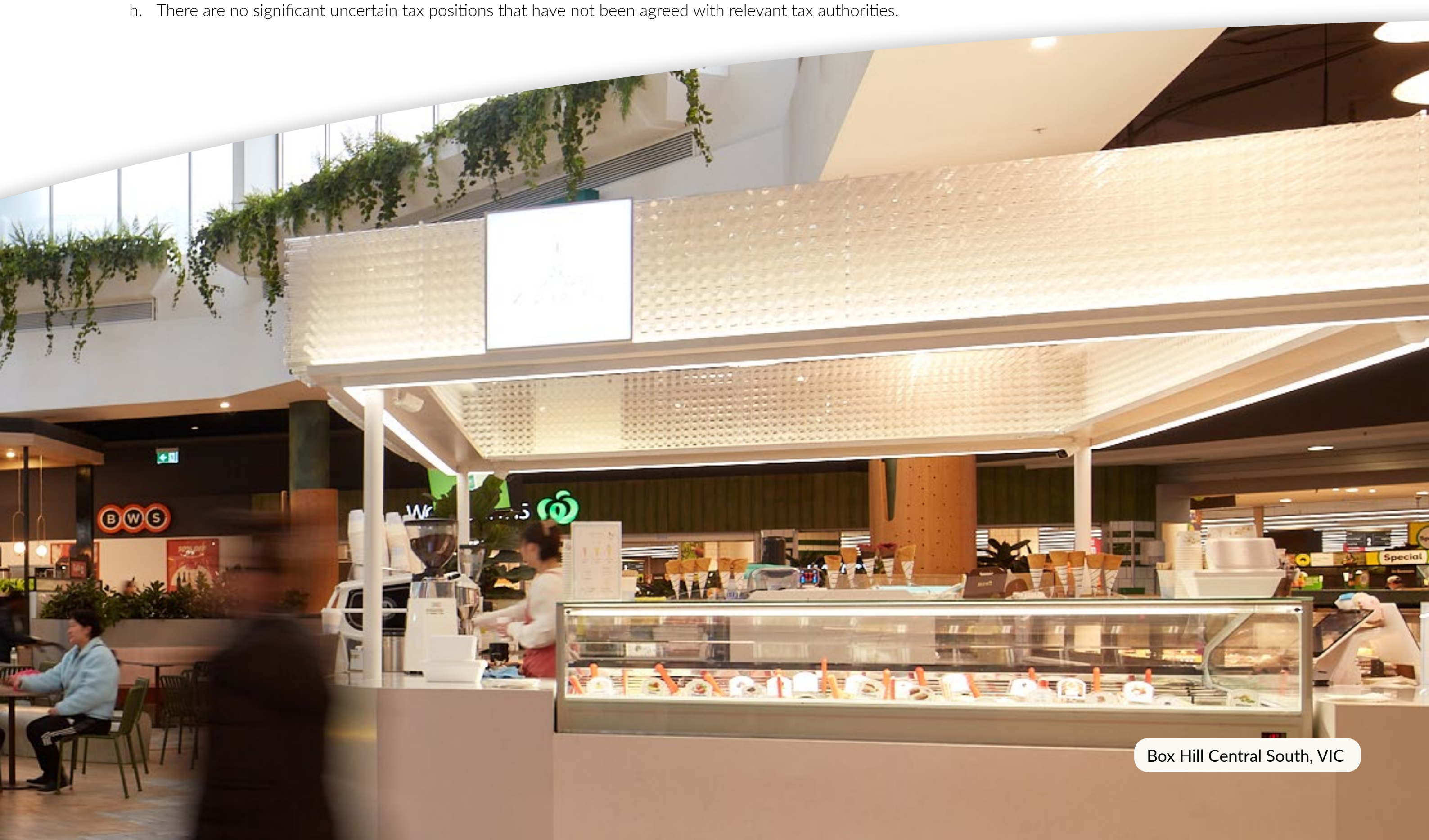
Country-by-country reporting

The table below discloses our country-by-country reporting data for FY24. As Vicinity operates solely within Australia, the information below relates to the Australian tax jurisdiction.

Item	
Entity name [a]	Vicinity Centres
Tax jurisdiction	Australia
Primary activity	Property investment, property management, property development, leasing and funds management
Number of employees [b]	1,257
Revenue [c]	$1,326.3 million
Profit before tax	$544.2 million
Tangible assets [d]	$15,512.0 million
Income tax paid and accrued [e]	Nil
Employee benefits expense [f]	$115.9 million
Taxes borne [g]	$108.6 million
Taxes remitted [g]	$138.1 million
Significant uncertain tax positions [h]	None

Notes to table

a. Further information on the controlled entities in the Vicinity Centres Group can be found in the Consolidated Entity Disclosure Statement within the Financial Report.
b. Further information can be found in the FY24 Sustainability Reporting Criteria.
c. Relates to third-party revenue. Further information can be found in Note 2(b) of the Financial Report.
d. Excludes cash and cash equivalents.
e. Further information can be found under the 'Reconciliation of accounting profit to income tax paid and payable' section above.
f. Further information can be found in Note 15 of the Financial Report.
g. Further information can be found under the 'Contributions to the Australian tax system' section above.
h. There are no significant uncertain tax positions that have not been agreed with relevant tax authorities.



Box Hill Central South, VIC

Tax transparency

Reconciliation to ATO tax transparency disclosure

The Vicinity Limited income tax consolidated group has a total income in excess of $100.0 million and is subject to public disclosure in the ATO's *Report of Entity Tax Information* that is released annually.

For FY23, this report will be published on the ATO website[1] and it is anticipated to disclose the following information:

	($m)
Total income	**256.2**
Taxable income	**–**
Tax payable	**–**

The summary below provides a reconciliation of these disclosures:

	($m)
Total income	256.2
Total expenses	(253.1)
Profit before income tax	**3.1**
Net adjustments for:	
Permanent differences	11.3
Temporary differences[2]	(1.5)
Tax losses utilised	(12.9)
Total taxable income	**–**
Tax payable	**–**

Further information

- Vicinity Limited taxes paid information as published by the ATO in the *Report of Entity Tax Information:* data.gov.au/dataset/corporate-transparency
- ATO's webpage on tax transparency for corporate tax entities, including background information and explanations: ato.gov.au/businesses-and-organisations/corporate-tax-measures-and-assurance/large-business/corporate-tax-transparency/report-of-entity-tax-information
- A breakdown of the taxable components that securityholders receive via their annual taxation statements will be available in September 2024 on Vicinity's website.

Tax Information

1. Expected to be available in November 2024.
2. Adjustments that arise due to differences between when income or expenses are recognised for accounting and tax purposes.

The Glen, VIC

Financial Report

Contents

Notes to the Financial Statement

Directors' Report

The Directors of Vicinity Limited present the Financial Report of Vicinity Centres (**Vicinity** or **the Group**) for the year ended 30 June 2024. Vicinity Centres is a stapled group comprising Vicinity Limited (**the Company**) and Vicinity Centres Trust (**the Trust**). Although separate entities, the Stapling Deed entered into by the Company and the Trust ensures that shares in the Company and units in the Trust are 'stapled' together and are traded collectively on the Australian Securities Exchange (**ASX**), under the code 'VCX'.

Directors

The Boards of Directors of the Company and Vicinity Centres RE Ltd, as Responsible Entity (**RE**) of the Trust, (together, **the Vicinity Board**) consist of the same Directors. The following persons were members of the Vicinity Board from 1 July 2023 and up to the date of this report unless otherwise stated:

i) Chairman

Trevor Gerber (Independent)

ii) Non-executive Directors

Clive Appleton

Dion Werbeloff

Georgina Lynch (Independent)

Janette Kendall (Independent)

Michael Hawker AM (Independent)

Peter Kahan (Independent)

Tiffany Fuller (Independent)

Tim Hammon (Independent)

iii) Executive Director

Peter Huddle (CEO and Managing Director)

Further information on the background and experience of the Directors can be found in the Governance section of this Report.

Company Secretaries

Carolyn Reynolds

Rohan Abeyewardene

Further information on the background and experience of the Company Secretaries can be found in the Governance section of this Report.

Governance – page 50

Principal activities

The principal activities of the Group during the year continued to be property investment, property management, property development, leasing, and funds management.

The Group has its principal place of business at:

Level 4, Chadstone Tower One,
1341 Dandenong Road,
Chadstone, Victoria 3148.

Review of results and operations

The results and operations are contained in the Operating and Financial Review section of this Report.

Operating and financial review – page 10

Significant matters

The Directors are not aware of any matter or circumstance not otherwise dealt with in the Directors' Report or the financial statements that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of the Group's affairs in future financial years.

Directors' Report

Distributions

Total distributions for the Group relating to the year ended 30 June 2024 were as follows:

$m	Total	Cents per VCX stapled security
Interim, for the six-month period ended 31 December 2023	266.3	5.85
Final, for the six-month period ended 30 June 2024	268.6	5.90
Total distributions, for the year ended 30 June 2024	**534.9**	**11.75**

An interim distribution of 5.85 cents per VCX stapled security, which equates to $266.3 million, was paid on 7 March 2024.

On 20 August 2024, the Directors declared a distribution in respect of the Group's earnings for the six-month period ended 30 June 2024 of 5.90 cents per VCX stapled security, which equates to final distribution of $268.6 million. The final distribution will be paid on 16 September 2024.

Director-related information

Meetings of Directors held during the year[1]

	Board		Audit Committee		Remuneration and Human Resources Committee		Risk, Compliance and ESG Committee		Nominations Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Trevor Gerber	8	8	–	–	–	–	–	–	1	1
Clive Appleton	8	8	–	–	–	–	–	–	–	–
Tiffany Fuller	8	8	4	4	–	–	4	4	–	–
Tim Hammon	8	6	–	–	6	5	4	4	1	1
Michael Hawker AM[2]	8	8	4	4	6	5	–	–	–	–
Peter Huddle	8	8	–	–	–	–	–	–	–	–
Peter Kahan	8	8	4	4	6	6	–	–	1	1
Janette Kendall	8	7	–	–	6	6	4	4	–	–
Georgina Lynch[3]	8	8	4	4	–	–	4	4	–	–
Dion Werbeloff	8	8	–	–	–	–	4	4	–	–

1. All Directors have a standing invitation to attend Committee meetings and regularly attend meetings of Committees of which they are not members. The Board Chairman typically attends all Committee meetings. Such attendance is not reflected in the above table.
2. Michael Hawker AM ceased as a member of the Remuneration and Human Resources Committee and was appointed as a member of the Risk, Compliance and ESG Committee with effect from 1 July 2024.
3. Georgina Lynch ceased as a member of the Risk, Compliance and ESG Committee and was appointed as a member of the Remuneration and Human Resources Committee with effect from 1 July 2024.

Director security holdings

Director security holdings are detailed within the Remuneration Report.

Remuneration report – page 68

Indemnification and insurance of Directors and Officers

The Company must indemnify the Directors, on a full indemnity basis and to the full extent permitted by law, against all losses or liabilities incurred by the Directors as officers of the Company or of a related body corporate provided that the loss or liability does not arise out of misconduct, including lack of good faith.

During the financial year, the Company insured its Directors, Secretaries and Officers against liability to third parties and for costs incurred in defending any civil or criminal proceedings that may be brought against them in their capacity as Directors, Secretaries or Officers of Vicinity. This excludes a liability that arises out of wilful breach of duty or improper use of inside information. The policy also insures the Company for any indemnity payments it may make to its Officers in respect of costs and liabilities incurred. Disclosure of the premium payable is prohibited under the conditions of the policy.

Directors' Report

Auditor-related information

Ernst & Young (**EY**) is the auditor of the Group and is located at 8 Exhibition Street, Melbourne, Victoria 3000.

Indemnification of the auditor

To the extent permitted by law, the Company has agreed to indemnify EY, as part of the terms of its audit engagement agreement, against claims by third parties arising from the audit (for an unspecified amount). The indemnity does not apply to any loss arising out of any breach of the audit engagement agreement or from EY's negligent, wrongful or wilful acts or omissions. No payment has been made under this indemnity to EY during or since the end of the financial year.

Non-audit services

The Group may decide to employ the auditor on assignments additional to statutory audit duties where the auditor's expertise and experience with the Group is essential and will not compromise auditor independence.

Details of the amounts paid or payable to EY for statutory audit, assurance and non-audit services provided during the year are set out in Note 20 to the financial statements.

The Board has considered the non-audit services provided during the year and is satisfied these services are compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth) for the following reasons:

- The non-audit services and the ratio of non-audit to audit services provided by EY are reviewed by the Audit Committee in accordance with the External Audit Policy to ensure that, in the Audit Committee's opinion, they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing economic risks and rewards.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* (Cth) is included immediately following the Directors' Report.

Environmental regulation

The Group is subject to the reporting obligations under the *National Greenhouse and Energy Reporting (NGER) Act* 2007 (Cth). This requires the Group to report annual greenhouse gas emissions, energy use and production for all assets under management for year ending 30 June. The Group met this obligation by submitting its NGER report to the Department of the Environment and Energy for the year ended 30 June 2023 by 31 October 2023. The 2024 NGER report will be submitted by the 31 October 2024 submission date.

Corporate governance

In recognition of the need for high standards of corporate behaviour and accountability, the Directors of the Company have adopted and report against the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. The 2024 Corporate Governance Statement is available on Vicinity's website.

Corporate Governance

Options over unissued securities

There were 11,264,030 unissued ordinary securities under option in the form of performance and restricted rights as at 30 June 2024 and at the date of this report. Refer to the Remuneration Report for further details of the options outstanding for Key Management Personnel.

Option holders do not have any rights, by virtue of the option, to participate in any security issue of the Group.

Events occurring after the end of the reporting period

Acquisition of 50% interest in Lakeside Joondalup

On 19 August 2024, the Group has simultaneously exchanged contracts and settled on the acquisition of a 50% interest in Lakeside Joondalup, for $420.0 million. In addition, the Group also secured the property and retail development management rights.

Other property transactions

The divestment of investment properties held for sale at 30 June 2024, Maddington Central and Halls Head Central, were settled in July 2024.

In addition, the Group has executed a contract of sale, subject to certain conditions precedent customary to such transaction, to dispose of Mornington Central for $46.3 million on 29 July 2024. The transaction is expected to be settled by September 2024.

Other than the matters described above, no other matters have arisen since the end of the reporting period which have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Rounding of amounts

The Company is an entity of a kind referred to in Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Accordingly, amounts in the Directors' Report have been rounded off to the nearest tenth of a million dollars ($m) in accordance with that Legislative Instrument, unless stated otherwise.

Remuneration Report

Message from the remuneration and human resources committee

The Remuneration and Human Resources Committee of the Board **(the Committee)** is pleased to present Vicinity's FY24 Remuneration Report.

Year in review

FY24 was a productive year at Vicinity. The team delivered another set of strong operating and financial results and made meaningful progress with its strategic priorities.

The operating and financial results in FY24 highlight the team's focus on embedding earnings resilience via strong leasing activity, maintaining strong credit metrics and active curation of an increasingly premium retail asset portfolio.

As expected, elevated costs of living tempered retail sales growth, notably in the second half of the year, however retailer confidence to lock in leasing deals remained robust. Continuing the momentum set in FY23, the team worked at pace to lock in high quality leasing deals that support current and future income growth, increased occupancy to 99.3% and minimised income at risk, measured by leases on holdover. Consequently, funds from operations (**FFO**) and net property income (**NPI**) exceeded targets.

During the year, the team also progressed Vicinity's investment strategy, with the active curation of a more premium asset portfolio, which we believe will enhance earnings resilience and drive long-term growth for securityholders.

In FY24, reshaping Vicinity's asset portfolio was enabled by the team's disciplined approach to capital allocation across acquisitions, major developments, and strategic asset sales.

FY24 remuneration outcomes

The remuneration outcomes for FY24 reflect the intended operation of the remuneration framework and align with business performance and securityholder experience.

The FY24 Short Term Incentive (**STI**) outcomes and the FY21 (FY21-24) Long Term Incentive (**LTI**) vesting outcomes for the Executive Key Management Personnel (**Executive KMP**) are summarised in the table below.

Executive KMP	FY24 STI % of maximum	FY21 LTI Plan vesting
Chief Executive Officer and Managing Director, Peter Huddle	74.7	100%
Chief Financial Officer, Adrian Chye	76.7	100%

The FY21 Total Securityholder Return (**TSR**) performance rights were tested at 30 June 2024 and the Board determined that the TSR rights vested in full. Vicinity's TSR performance was at the 87th percentile of the TSR comparator group which was above the 75th percentile performance required for full vesting. This is the first vesting of performance rights under the LTI Plan in four years as the FY18-FY20 LTI were materially impacted by the pandemic, and all lapsed in full.

The Board also determined that the third and final tranche of the FY21 discounted restricted rights vested. This represents 50% of the total one-off FY21 restricted rights granted in lieu of Total Return (**TR**) performance rights, and these rights will be released to participants in September 2024.

Our people

Investing in our culture and ways of working remained a priority in FY24 as we create a workplace where everyone has challenging and rewarding work and where inclusion, belonging, safety and wellbeing are universal.

Our 2024 Employee Experience Survey saw a four percentage point increase in engagement to 70%, with 80% of our team members having their say. In addition, and more importantly, our people took time to share with us written feedback which provides valuable insight into what is working well, and the opportunities we have to improve our employee experience.

We remain committed to targeting gender balance of 40:40:20 across each level of our organisation by the end of FY25. Our gender composition across our whole company was 62% female representation, with 52% of all leadership roles being filled by women. Our senior leadership female talent increased from 35% in FY23 to 37% in FY24.

Our four volunteer-led and Executive Leadership Team (**ELT**) sponsored Employee Advocacy Groups (**EAGs**), continued to have a meaningful impact on Vicinity's workplace culture and sense of inclusivity, evidenced by our employee experience survey commentary.

In December 2023, 951 team members were gifted $1,000 worth of securities under the Tax Exempt Restricted Securities Plan.

More on our people strategy and how this supports Vicinity's performance can be found in the Our People section of the Annual Report.

Conclusion

Your Board recommends the FY24 Remuneration Report to you, and as always, we welcome securityholder feedback.

Peter Kahan
Chairman – Remuneration and Human Resources Committee

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Our people – page 26

Remuneration Report

Contents

1. Who is covered by this report?

This report covers Vicinity's KMP including all Non-executive Directors and those executives who are deemed to have authority and responsibility for planning, directing, and controlling the activities of Vicinity. A KMP assessment is completed annually to determine which members of the ELT should be disclosed as Executive KMP for the financial year. For FY24, the KMP are included in Table 1.1.

Table 1.1: KMP

Name	Position as at 30 June 2024	Board appointment date
Non-Executive Directors		
Trevor Gerber	Chairman	28 October 2015
Clive Appleton	Non-executive Director	1 September 2018
Tiffany Fuller	Non-executive Director	16 November 2022
Tim Hammon	Non-executive Director	15 December 2011
Michael Hawker AM	Non-executive Director	16 November 2022
Peter Kahan	Non-executive Director	11 June 2015
Janette Kendall	Non-executive Director	1 December 2017
Georgina Lynch	Non-executive Director	16 November 2022
Dion Werbeloff	Non-executive Director	16 November 2022
Executive KMP		
Peter Huddle	Chief Executive Officer and Managing Director (**CEO**)	1 February 2023
Adrian Chye	Chief Financial Officer (**CFO**)	–

2. Remuneration report overview

This Remuneration Report outlines:

- Vicinity's reward principles and framework;
- Vicinity's performance for FY24 and the link between Vicinity's strategy execution, performance and the remuneration outcomes for our Executive KMP; and
- Remuneration received by Non-executive Directors and Executive KMP.

The contents of this Remuneration Report are governed by s300A of the *Corporations Act 2001* (Cth) and the Corporations Legislation. Unless otherwise noted, figures contained within this report are prepared on a basis consistent with the requirements of Australian Accounting Standards and have been audited.

Remuneration Report

3. Key questions

Key questions	Vicinity approach	Further information
Remuneration in FY24		
What changes were made to Executive KMP remuneration in FY24?	Peter Huddle's remuneration package remained unchanged effective 1 July 2023. Adrian Chye's Total Fixed Remuneration (**TFR**) was increased by 8.3% from $738,500 to $800,000 effective 1 July 2023, to align more closely with the market and to reflect his expanded remit, which now includes IT Operations. This adjustment was made following a detailed review of relevant Australian external benchmarks, including applicable ASX100 A-REITs.	Section 5.1 Page 78
Were any changes made to Non-executive Director fees in FY24?	There were no changes to the Chairman's and Non-executive Director fees in FY24.	Section 7.1 Page 90
How is Vicinity's performance reflected in the FY24 remuneration outcomes?	Vicinity delivered strong performance, with FFO, Adjusted FFO (**AFFO**) and NPI all exceeding targets. Performance against the strategy measures was close to target overall, nothwithstanding a very challenging construction market. The executive remuneration outcomes for FY24 are aligned with our business performance and with securityholder experience.	Section 5.1 Page 78
Remuneration framework		
What changes have been made to the remuneration framework in FY24?	**STI:** The FFO gateway was reinstated for FY24 and access to the FY24 STI was contingent on the achievement of a FFO gateway of 95% of target. This ensures that a minimum financial hurdle must be met before any incentive is paid. The weighting to the financial measures for the CEO and CFO were increased from 40% to 55% and 60% respectively, with a subsequent reduction to other measures. Most strategy measures continue to have financial milestones and budgets that significantly impact financial performance. The combined financial and strategy measures account for 80% of the total FY24 STI measures for each Executive KMP.	Section 4.3 Page 74
	LTI: Following a detailed review of the LTI TR hurdles, the FY24 TR hurdles were increased from 5.0%-7.5% to 5.5%-7.5%. The TR hurdles were once again determined through detailed internal modelling over the performance period, including cost of equity using the Capital Asset Pricing Model, distribution yield on, and growth in, Net Tangible Assets, and asset capitalisation and discount rates. The Board retains discretion to adjust the number of TSR performance rights which vest where the TSR is negative. An absolute TSR gate applied for the FY20-FY21 LTI grants but due to market uncertainty, was removed for the FY22-FY23 LTI grants. Following a review of market practice, the Board determined that the absolute TSR gate would not be reinstated for Vicinity's relative TSR measure in future LTI grants. The CEO's FY24 LTI grant of performance rights was approved by securityholders with a vote of 99.5% in favour of the resolution at the 2023 Annual General Meeting.	Section 4.4 Page 75
Are any changes planned to the remuneration framework in FY25?	**STI:** The weighting to the financial measures for the Executive KMP will be 55% for FY25. **LTI:** The TR hurdles are under review for the FY25 LTI grant. There are currently no other changes planned to the STI or to the LTI frameworks for Executive KMP in FY25.	
Where does Vicinity position remuneration relative to the market?	Fixed and variable remuneration is typically set at the market median, while the maximum remuneration opportunity can exceed market median when performance has significantly exceeded target measures.	Section 4.2 Page 74
What proportion of remuneration is 'at risk'?	Most executive remuneration is based on short and long-term Company performance and is therefore 'at risk'. The total target 'at risk' remuneration package (based on face value of the LTI and target STI opportunity) for the CEO and CFO is 70% and 59% respectively.	Section 4.5 Page 77

Remuneration Report

3. Key questions (continued)

Key questions	Vicinity approach	Further information
Remuneration framework (continued)		
How and when does the Board determine if it uses discretion?	As a general principle, where a formulaic application of a remuneration metric or formula may lead to a material or perverse remuneration outcome, or when it is in the best interests of securityholders for the Board to do so, the Board will consider and may exercise discretion in determining remuneration outcomes.	
Are there any malus and clawback provisions for incentives?	Yes, the Board has the right to reduce future award payments or adjust unvested amounts to 'clawback' from participants if there has been a material misstatement in Vicinity's financial results or where a participant has acted fraudulently or dishonestly, engaged in gross misconduct, breached his or her duties or obligations to the Group or acted in a manner which brings the Group into disrepute.	Section 6.2 Page 87
What is Vicinity's minimum securityholding requirement?	The minimum securityholding requirement is: — 100% of TFR for the CEO; — 60% of TFR for the CFO and other members of the ELT; and — 100% of base fees (net of income tax and superannuation) for Non-executive Directors. Executives have five years to achieve the minimum holding of securities from the end of the first full financial year following an executive's commencement date. Non-executive Directors have five years to acquire the minimum holding of securities from the Director's commencement date.	Section 6.3 Page 87 Section 7.3 Page 92
Short-term incentives		
Are any STI payments deferred?	Yes, 50% of any STI award for executives is deferred into equity, vesting equally after 12 and 24 months following the date of deferral. In the event of resignation or termination for cause prior to the vesting date, the rights do not vest and are forfeited.	Section 4.3 Page 74
Are STI payments capped?	Yes, the maximum STI opportunity as a percentage of the target opportunity is 1.5 times for the CEO and CFO. The maximum amount of STI is payable only when performance has significantly exceeded target measures.	Section 4.3 Page 74
Long-term incentives		
What are the performance measures for the LTI?	Performance is measured over four years and allocations of performance rights are tested against two performance hurdles at the relevant vesting date: — 50% are subject to the achievement of relative TSR; and — 50% are subject to the achievement of TR. For the purposes of the LTI plan assessment, each performance hurdle operates independently of the other.	Section 4.4 Page 75
Does the LTI have re-testing?	No, there is no-retesting of performance conditions following the end of the performance period.	Section 4.4 Page 75
Are dividends or distributions paid on unvested LTI awards?	No, until the performance rights vest, an Executive KMP has no entitlement to receive dividends or distributions from, nor legal or beneficial interest in, and no voting rights associated with, the underlying stapled securities. For the one-off discounted restricted rights granted for FY21, Executive KMP who were granted restricted rights, will receive distribution equivalent securities at the time of vesting equal to the distributions that would have been paid had they received distributions on the restricted rights up until the vesting date.	Section 4.4 Page 75
Is the LTI grant quantum based on 'fair value' or 'face value'?	The number of performance rights granted is allocated using a 'face value' methodology. The security price used to calculate the number of performance rights granted is the volume weighted average price (**VWAP**) of Vicinity's securities 10 trading days immediately following the Annual General Meeting in the year securities are issued.	Section 5.3 Page 84

Remuneration Report

3. Key questions (continued)

Key questions	Vicinity approach	Further information
Long-term incentives (continued)		
Can LTI participants hedge their unvested LTI?	No, Vicinity's Securities Trading Policy prohibits Executive KMP and other participants in the LTI and STI deferred restricted securities from hedging or otherwise limiting their exposure to risk in relation to unvested Vicinity securities issued or acquired under any applicable equity arrangements.	Section 6.4 Page 87
Does Vicinity buy securities or issue new securities for equity-based awards?	The Board has the discretion to issue new securities or buy securities on-market to satisfy the allocation of equity-based awards, subject to the requirements of the ASX Listing Rules. It has been Vicinity's practice to purchase securities on-market.	
Does Vicinity issues share options?	No, Vicinity uses performance rights for the LTI and restricted rights for the STI deferred restricted securities.	Section 4.4 Page 75
Other		
Were there any changes to the ELT in FY24?	Jeheon Son joined Vicinity on 31 July 2023 in the role of Group Director, Development & Government Relations.	

4. Remuneration framework

4.1 Reward principles and framework

The objective of Vicinity's remuneration framework is to build capability by attracting, retaining, and engaging a talented executive team capable of managing and enhancing the business, while aligning their actions and outcomes with securityholder interests. We recognise that remuneration represents just one of the factors that enables the attraction and retention of talent. We also seek to engage our executives over the long-term and to provide challenging work and personal development opportunities. This is assisted through linking executive remuneration to both short and long-term Company performance. Our framework encourages executives to focus on creating long term-value and growth and complements our purpose of shaping meaningful places where communities connect while ensuring that short-term actions do not have a detrimental effect in the longer-term.

Remuneration Report

4. Remuneration framework (continued)

4.1 Reward principles and framework (continued)

The diagram below provides an overview of how our reward principles are linked to the components of our remuneration framework and how these components are measured to ensure that executive and securityholder interests are aligned.

Reward Principles

Attract, retain and engage high-performing executives	Demonstrate the link between strategy execution, performance and reward	Encourage executives to manage from the perspective of securityholders

Remuneration Framework

Components	**Considerations/performance measures**	**Alignment with strategy and performance**
TFR Refer to Section 4.2	Considerations in setting TFR include: — external Australian benchmarking, including applicable ASX100 A-REITs, and internal relativities — the size, scope, and complexity of the role — the individual's experience, skills, capability, and performance	Remuneration set at competitive levels, to attract, retain and engage key talent
STI Refer to Section 4.3	Executives are assessed against a scorecard of financial and non-financial measures: — **Financial:** measures include FFO, AFFO, NPI and linked to our strategy pillar: *Maintain strong financial stewardship* — **Strategy:** measures linked to our strategy pillars: *Enhance the investment portfolio; Deliver property excellence; Enable good business* — **Culture, leadership and governance:** measures relate to corporate reputation and sustainability, people, organisational capability, diversity, inclusion and belonging, risk, and governance	— Financial measures relate to Vicinity's capacity to pay distributions and generate securityholder returns — Strategy measures focus on asset and business performance, development projects and their financial returns, and the long-term strategic direction of Vicinity — Culture, leadership and governance measures aim to promote a culture and behaviours that drive Company performance and reflect our long-term objectives
LTI Refer to Section 4.4	The performance rights vest following the four-year performance period subject to achievement of an: — Internal hurdle based on TR (not applicable for the FY21 LTI) — External hurdle based on relative TSR For FY21, a one-off grant of discounted restricted rights was granted in lieu of TR performance rights.	— The LTI aligns a significant portion of overall remuneration to securityholder value over the longer-term — Encourages sustainable high performance over the medium to long-term and securityholder value creation — Provides a retention element — TR measures the extent to which Vicinity efficiently manages and extracts value from Vicinity's assets and alignment with underlying growth in securityholder value — The relative TSR hurdle aligns remuneration with Vicinity's long-term return relative to the nominated comparator groups — The current TSR comparator group achieves a suitable balance between retail and appropriate non-retail group exposure — The restricted rights supported retention, engagement and the competitiveness of the remuneration package and provided alignment with securityholder experience

Remuneration Report

4. Remuneration framework (continued)

4.2 Fixed remuneration

Fixed remuneration comprises base salary and leave entitlements, superannuation contributions and any salary sacrifice amounts (for example, motor vehicle leases). Vicinity reviews the fixed remuneration component of Executive KMP packages annually to ensure they remain competitive to attract, retain, and engage key talent. Fixed and variable remuneration is typically set at the market median, while the maximum remuneration opportunity can exceed market median when performance has significantly exceeded target measures. External benchmarking is undertaken periodically that incorporates the size, scope and complexity of each role, which is overlaid with an individual's experience, capability and performance to determine their fixed remuneration.

4.3 How the STI works

The STI provides Executive KMP and other members of the ELT with the opportunity to be rewarded for achieving a combination of Vicinity's financial, strategy, and culture, leadership and governance performance objectives through an annual performance-based reward. Many of these objectives contribute towards medium to long-term performance outcomes aligned to Vicinity's strategy.

Opportunity		**FY24 STI opportunity at a target level of performance (% of TFR)**	**FY24 STI maximum opportunity (% of TFR)**	**Maximum STI as a multiple of the target opportunity for exceptional individual and Vicinity performance**
	Peter Huddle (CEO)	95	142.5	1.5 times
	Adrian Chye (CFO)	65	97.5	1.5 times
Performance measurement period	The STI performance measurement period is the full financial year. Where an Executive KMP commences employment or is appointed during the year, their STI is evaluated and calculated on a pro-rata basis. Where an Executive KMP ceases employment during the year, if the STI is not forfeited, it is evaluated and paid on a pro-rata basis. Payment is made at the normal payment date applicable to other employees.			
Grant date, payment and deferral	STI is provided as a combination of cash and deferred equity. For Executive KMP, 50% of the STI is deferred into equity vesting equally after 12 and 24 months following the date of deferral. Dividends are paid on the deferred equity component during the deferral period. Outcomes are calculated following the Board's review of Vicinity's audited financial results and any cash component is typically paid in September following the end of the financial year.			
Performance targets and measurement	Section 5.2 provides a detailed summary of the performance objectives and measures and the subsequent results for Executive KMP for FY24. Performance objectives for FY24 were finalised by the Board in the case of the CEO, and by the CEO and the Committee in the case of the CFO. The Committee, with input from the Chairman of the Board, assesses the CEO's performance against his objectives and makes the recommendation to the Board for final determination. The CEO assesses the performance of the CFO and other ELT members relative to their individual objectives and makes recommendations to the Committee for final determination.			

Refer to Section 5.2 for a summary of the STI outcomes for FY24.

Remuneration Report

4. Remuneration framework (continued)

4.4 How the LTI works

<table>
<tr><td>Type of equity awarded</td><td>Performance rights
Rights to Vicinity stapled securities at a future time for nil consideration, are subject to the achievement of agreed performance hurdles at the end of the performance period.
Until the performance rights vest, an Executive KMP has no entitlement to receive dividends or distributions from, nor legal or beneficial interest in, and no voting rights associated with, the underlying stapled securities.
FY21 one-off restricted rights
As a one-off change for FY21 only, Executive KMP were granted restricted rights, in lieu of the TR performance rights. The face value of the restricted rights was equal to 50% of the face value of the TR performance rights that they replaced. The Board considered the 50% discount to the face value of the TR performance rights typically granted to be appropriate given the more certain vesting outcome for the restricted rights.
Executive KMP who were granted restricted rights, will receive distribution equivalent securities at the time of vesting equal to the distributions that would have been paid, had they received distributions on the restricted rights up until the vesting date. The number of distribution equivalent securities will be calculated based on the distributions that would have been paid on the vested securities up until the vesting date, divided by the VWAP over the five trading days commencing on the first trading day immediately following the annual results announcement for the financial year ended prior to each respective vesting date. Stapled securities allocated on vesting of restricted rights will carry the same dividend, distribution and voting rights as other stapled securities issued by Vicinity.</td></tr>
<tr><td>Performance period</td><td>Performance rights: four years
The FY21 one-off restricted rights granted to Executive KMP, had a performance period as follows:
<table>
<tr><th>Percentage of restricted rights vesting</th><th>Performance period</th><th>Anticipated or actual time of release</th></tr>
<tr><td>Tranche 1 (25%)</td><td>1 July 2020 – 30 June 2022</td><td>Released early September 2022</td></tr>
<tr><td>Tranche 2 (25%)</td><td>1 July 2020 – 30 June 2023</td><td>Released early September 2023</td></tr>
<tr><td>Tranche 3 (50%)</td><td>1 July 2020 – 30 June 2024</td><td>Early September 2024</td></tr>
</table></td></tr>
<tr><td>Performance hurdles</td><td>Performance rights
Allocations of performance rights are tested against two performance hurdles at the relevant vesting date:
— 50% are subject to the achievement of relative TSR[1]
— 50% are subject to the achievement of TR (no TR performance rights were granted for FY21)[2]
For the purposes of the assessment against the LTI hurdles, each performance hurdle operates independently of the other.
FY21 one-off restricted rights
The restricted rights granted for FY21 vested in accordance with the schedule set out above, based on ongoing employment and effective performance as assessed by the Board, taking into consideration the financial, strategy, portfolio, leadership, risk, governance, and other applicable objectives over the respective performance periods.</td></tr>
<tr><td>Opportunity</td><td>The face value of the CEO and CFO's LTI opportunity are 140% and 80% of TFR respectively (unchanged from FY23).
For the FY24 LTI awards, the number of performance rights allocated was determined based on the 10-day VWAP of Vicinity securities immediately following the 2023 Annual General Meeting.</td></tr>
</table>

1. Relative TSR combines the security price movement and dividends (which are assumed to be reinvested) to show total return to securityholders, relative to that of other companies in the comparator group. The FY24 and FY23 comparator group is: Scentre Group (20% weighting); Charter Hall Retail REIT (20% weighting); Region Group (20% weighting); HomeCo Daily Needs REIT (20% weighting); GPT Group (10% weighting) and Dexus (10% weighting). The FY22 comparator group is: Scentre Group (25% weighting); Charter Hall Retail REIT (25% weighting); Region Group (25% weighting); GPT Group (12.5% weighting) and Dexus (12.5% weighting). Prior to FY22, the comparator group was the S&P/ASX 200 A-REIT Index at grant date, excluding Unibail-Rodamco-Westfield (ASX:URW). Where appropriate, the Board has discretion to adjust the comparator group for events, including but not limited to takeovers and mergers or de-mergers, that might occur with respect to the entities in the comparator group.
2. TR is calculated each year as the change in Vicinity's net tangible assets per security (**NTA**) during the year plus distributions per security made divided by the NTA at the beginning of the year. The annual TR result for each year during the performance period is then used to calculate the compound annual TR for the performance period. TR may be adjusted for one-off items such as transaction costs, unrealised foreign exchange movements, unrealised fair value adjustments to derivatives or other items at the Board's discretion. This ensures that the outcomes are appropriate and that there is no undue advantage, penalty, or disincentive for undertaking certain activities.

Remuneration Report

4. Remuneration framework (continued)

4.4 How the LTI works (continued)

Vesting schedule

The following vesting schedules apply from FY22:

TSR		TR	
Vicinity's TSR relative to the weighted TSR of the comparator group	**Percentage vesting**	**Compound annual TR target per annum**	**Percentage vesting**
Exceeds the comparator group by 2.7% per annum (or 11.2% cumulatively over four years)	100% vesting	— For FY24 and FY23: At or above 7.50% — For FY22: At or above 7.25%	100% vesting
Between the comparator group and 2.7% per annum above the comparator group	Pro-rata straight-line vesting between 50% and 100%	— For FY24: Between 5.50% to 7.50% — For FY23: Between 5.00% to 7.50% — For FY22: Between 4.50% to 7.25%	Pro-rata straight-line vesting between 10% and 100%
Below the comparator group	Nil vesting	— For FY24: Below 5.50% — For FY23: Below 5.00% — For FY22: Below 4.50%	Nil vesting

The following vesting schedules applied for FY21 (no TR performance rights were granted for FY21):

TSR	
Percentile ranking	**Percentage vesting**
Greater than or equal to 75th percentile	100% vesting
Between 51st and 75th percentile	Pro-rata straight-line vesting between 51% and 100%
Less than 51st percentile	Nil vesting

Following testing, any rights that do not vest, lapse.

The FY21 plan included an absolute TSR 'gate' ensuring benefit would only be derived from the TSR performance rights when positive TSR performance is delivered over the four-year performance period. The absolute TSR 'gate' does not apply to TSR performance rights granted after FY21.The Board retains discretion to adjust the number of TSR performance rights which vest where the TSR is negative.

Refer to Section 5.3 for a summary of the LTI outcomes for FY24.

Remuneration Report

4. Remuneration framework (continued)

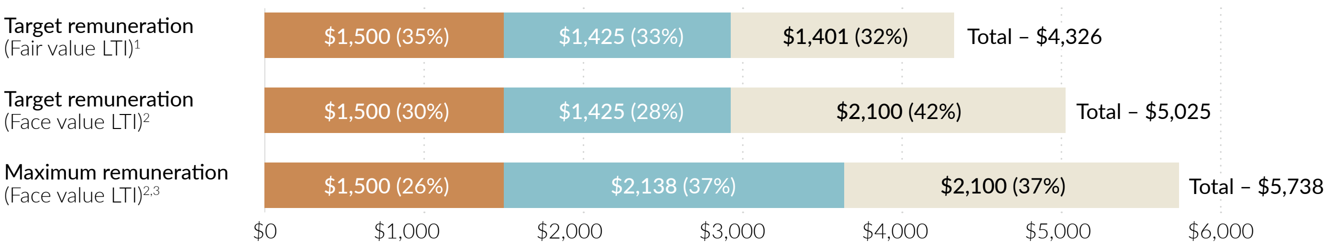
4.5 Pay mix

The majority of executive remuneration is linked to short and long-term Company performance to assist with aligning executive interests with those of securityholders. The components of total remuneration and the relative weightings of the fixed and at-risk components of total target remuneration (using the fair value and face value of the FY24 LTI) and total maximum remuneration (using the face value of the FY24 LTI) for the Executive KMP are detailed in Table 4.1 below.

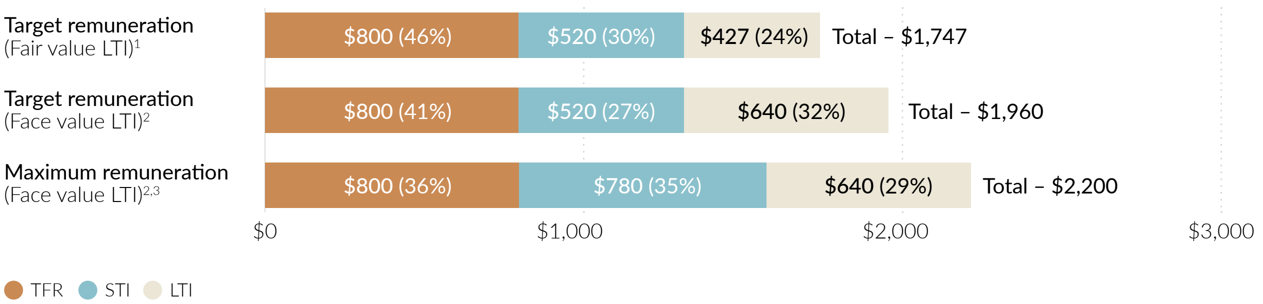
The LTI fair value is the value of the LTI calculated in accordance with AASB 2 *Share Based Payments* and takes into account the probability of performance hurdles being achieved for the TSR rights and the time value of the four-year vesting period for the TR performance rights. The LTI face value has not been adjusted for the probability of performance targets being achieved or potential changes in security price.

Table 4.1: Pay mix

Chief Executive Officer (000s)



Chief Financial Officer (000s)

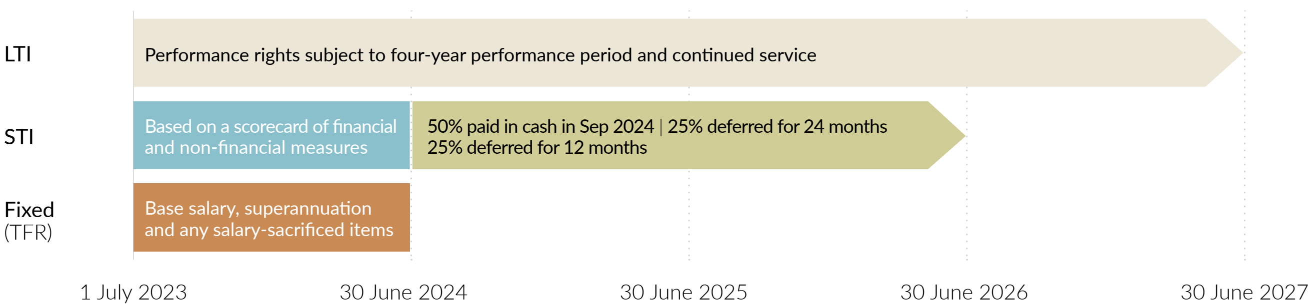


1. Includes the FY24 LTI based on the fair value of the performance rights awarded on 8 December 2023, valued in accordance with AASB 2 *Share Based Payments*, and the FY24 STI at target.
2. Includes the FY24 LTI based on the face value of the performance rights awarded at the time of grant, which differs from the fair values, which are valued in accordance with AASB 2 *Share Based Payments*, and the FY24 STI at target.
3. Includes the FY24 STI at maximum.

4.6 When remuneration is delivered

The diagram below provides a timeline of when remuneration is delivered, using FY24 as an example.

Table 4.2: When remuneration is delivered



Remuneration Report

5. Company performance and executive remuneration outcomes

5.1 Overview of company performance

Vicinity delivered a statutory net profit after tax of $547 million, primarily comprising FFO of $665 million, offset by a full year net property valuation decrease, and other statutory and non-cash items.

At $665 million, FFO was $20 million lower than the prior year. For comparability purposes, adjusting for one-off items including reversals of prior year waivers and provisions and the net impact of transactions; and higher loss of rent from development, FFO was up 3.2%. This was driven by strong comparable NPI growth[1] and lower net corporate overhead costs, offset by higher net interest expense.

Comparable NPI growth of 4.1% comprised strong rental growth, increased portfolio occupancy and recovery of CBDs.

Pleasingly, the portfolio delivered positive net property valuation[2] growth in the second half of FY24 (1H: $143 million valuation loss; 2H: $8 million valuation gain), with continued strong income growth more than offsetting the minor softening in valuation metrics.

The Board declared a full year distribution of 11.75 cents per security FY24 distribution for our securityholders, representing a payout ratio of 95.2% of AFFO (FY23: 94.9%).

Strong financial stewardship and disciplined capital management underpin our approach to managing Vicinity's balance sheet and credit metrics.

At 27.2%, our gearing remains at the lower end of our 25% to 35% target range, and 79% of Vicinity's drawn debt is hedged. Vicinity maintained its investment grade credit ratings of A/stable (S&P) and A2/stable (Moody's) and consequently, the Company enters FY25 in a strong position to invest in its long-term growth priorities.

Our portfolio strategy remains focused on owning and investing in the right assets where Vicinity has a clear, strategic advantage, or the ability to generate superior value over time. In this context, we believe that premium, retail assets will deliver more resilient income growth and sustained value accretion through cycles.

In August 2024, we announced the acquisition of a 50% interest in Lakeside Joondalup, in Western Australia for $420 million. Located in the northern suburbs of Perth, Lakeside Joondalup is a fortress-style, premium retail asset and already achieves almost $800 million in annual retail sales (#2 in Perth).

As part of the transaction, Vicinity also secured property and retail development management rights, which provides the opportunity to utilise Vicinity's retail management capability to drive asset performance, whilst earning additional fee income.

Nationally, we divested seven[3] non-strategic assets in FY24 along with sundry land parcels, which released more than $550 million in funds for redeployment into our growth priorities, including acquisitions and developments. Importantly, these disposals were executed at a blended 9% premium to book values.

In October 2023, we announced the acquisition of the residual 49% interest in Chatswood Chase in Sydney. The acquisition paved the way for the commencement in March 2024 of the major redevelopment of the centre.

Additionally, we are well progressed on the major retail and mixed-use development at Chadstone, comprising the One Middle Road (**OMR**) office tower and fresh food precinct and Asian-style alfresco dining laneway. We are delighted to be welcoming the headquarters of major Australian retailers, Kmart and Adairs to OMR in 2025. Our agreement with Kmart represents the largest office leasing deal[4] in the Australian metro markets in 2024.

1. Comparable NPI excludes reversals of prior year waivers and provisions, the impact of acquisitions and divestments and development impacts.
2. Excludes statutory accounting adjustments.
3. Completed or unconditional.
4. By Net Lettable Area.

Remuneration Report

5. Company performance and executive remuneration outcomes (continued)

5.1 Overview of company performance (continued)

Table 5.1 provides an overview of Company performance and executive remuneration outcomes. Further detail on these metrics and achievements is contained in Table 5.3.

Table 5.1: Overview of Company performance and executive remuneration outcomes

What Vicinity achieved	What executives received
FY24 performance	
— FFO, AFFO and NPI earnings guidance targets were exceeded — At $665 million, FFO was $20 million lower than the prior year. For comparability purposes, adjusting for one-off items including reversals of prior year waivers and provisions and the net impact of transactions; and higher loss of rent from development, FFO was up 3.2% — FFO per security was 14.6 cents (FY23: 15.0 cents), which was above the FY24 guidance range of 14.1 to 14.5 cents — Comparable NPI growth of 4.1%[1] comprised strong rental growth, increased portfolio occupancy and recovery of CBDs — Issued $500 million 10-year AMTNs extending duration at favourable pricing — Negotiated $675 million of new bank debt facilities — Maintained gearing level at 27.2%, while successfully funding acquisition and development activity — Maintained investment grade credit ratings of A/stable (S&P) and A2/stable (Moody's) — Distribution per security was 11.75 cents (FY23: 12.0 cents) — Progressed strategy and culture, leadership and governance objectives, as detailed in Table 5.3	**FY24 TFR** — The CEO's TFR remained unchanged effective 1 July 2023 — The CFO's TFR was increased by 8.3% from $738,500 to $800,000 effective 1 July 2023 to align more closely with the market and to reflect his expanded remit, which now includes IT Operations. This adjustment was made following a detailed review of relevant Australian external benchmarks, including applicable ASX100 A-REITs **FY24 STI outcomes** — The FY24 STI outcomes for Executive KMP, presented as a percentage of the maximum STI opportunity, are summarised below — Additional information is provided in Section 5.2 | | FY24 STI outcome % of maximum | |---|---| | CEO | 74.7 | | CFO | 76.7 |
Performance period ending 30 June 2024	
FY21 performance rights (Performance period: 1 July 2020 – 30 June 2024) — TSR for the four-year period to 30 June 2024 was 56.4% (or 11.8% per annum compound)	**FY21 (FY21-24) LTI vesting outcome** — The FY21 TSR performance rights were tested at 30 June 2024 and the Board determined that the TSR rights vested in full. Vicinity TSR performance was at the 87th percentile of the TSR comparator group which was above the 75th percentile performance required for full vesting — This is the first vesting of performance rights under the LTI Plan in four years, as the FY18-FY20 LTI were materially impacted by the pandemic and all lapsed in full — Additional information is provided in Section 5.3 and Table 6.3
FY21 discounted restricted rights (Performance period: 1 July 2020 – 30 June 2024) — The third and final tranche of the FY21 discounted restricted rights, which represents 50% of the total one-off restricted rights granted for FY21, had a three-year performance period which ended on 30 June 2024 — The vesting of the restricted rights is subject to ongoing employment through to the vesting date and effective performance as assessed by the Board, taking into consideration the financial, strategy, portfolio, leadership, risk, governance, and other applicable objectives over the respective performance periods — The Board reviewed the performance conditions for the vesting of these restricted rights in August 2024	**FY21 discounted restricted rights vesting outcome** — The Board determined that the third and final tranche of the FY21 discounted restricted rights vested. These rights will be released to participants in September 2024 — The restricted rights that vested for Executive KMP are as follows: CEO: 82,841 and CFO: 12,455. This excludes distribution equivalent securities which will be calculated based on the distributions that would have been paid on the vested securities up until the date the securities are released in September 2024 — Additional information is provided in Section 5.3 and Table 6.4

1. Comparable NPI growth excludes reversals of prior year waivers and provisions, the net impact of divestments and development impacts.

Remuneration Report

5. Company performance and executive remuneration outcomes (continued)

5.1 Overview of company performance (continued)

Table 5.2 provides details of Vicinity's financial performance for the current and past four financial years.

Table 5.2: Five-year securityholder performance metrics

Securityholder performance metrics	FY20	FY21	FY22	FY23	FY24
Security price as at 30 June ($)[1]	1.430	1.540	1.835	1.845	1.850
Net tangible assets per security ($)[2]	2.29	2.13	2.36	2.30	2.30
Distributions relating to financial year earnings (cents)[3]	7.70	10.00[4]	10.40	12.00	11.75
TR (unadjusted) (%)[5]	(18.7)	(2.6)	12.5	2.6	5.3
TSR of VCX for the year ended 30 June (%)[6]	(39.9)	15.0	21.8	6.4	6.9
TSR of the S&P/ASX 200 A-REIT Index (%)[6]	(21.3)	33.2	(12.3)	8.1	24.6
TSR of the FY22 LTI comparator group (%)[7]	–	–	2.3	(0.4)	2.9
TSR of the FY23 LTI comparator group (%)[7]	–	–	–	(1.4)	3.5
TSR of the FY24 LTI comparator group (%)[7]	–	–	–	–	4.6

1. Security price as at the last trading day of the financial year.
2. Calculated as Balance Sheet net assets less intangible assets, divided by the number of stapled securities on issue at period end. Includes right of use assets and net investments in leases.
3. From FY22, the distributions declared during the financial year differs from the distributions relating to financial year earnings, as the final distribution declaration date was moved to after the end of the financial year.
4. Included 2.5 cents attributable to a number of one-off items.
5. Calculated at period end as: (change in NTA during the year + distributions declared)/opening NTA. As explained in Section 4.4, certain adjustments may be made to the TR amounts included in this table for the purposes of determining the vesting of LTI awards.
6. TSR is calculated as the combination of security price movement from the opening security price, plus distributions (assumed to be reinvested) over the period, expressed as a percentage. Source: UBS.
7. The TSR comparator groups are set out in Section 4.4.

5.2 FY24 STI outcomes

Summary

The STI outcome for Executive KMP was weighted against the three performance categories as outlined in Table 5.3. Specific measures are set within these performance categories and are approved by the Board.

Access to the FY24 STI was contingent on the achievement of a FFO gateway of 95% of target. This ensured that a minimum financial hurdle was met before any incentive is determined. Performance for each measure was then assessed on a range from 'threshold' to 'maximum'. Maximum was set at a level that ensured that the maximum amount of STI is payable only when performance significantly exceeds target measures.

Outcomes

Tables 5.3 and 5.4 outline performance against the FY24 STI measures. Details of the FY24 STI outcomes for Executive KMP are included in Table 5.5. Most strategy measures have financial milestones and budgets that significantly impact financial performance. The combined financial and strategy measures account for 80% of the total FY24 STI measures for each Executive KMP.

Remuneration Report

5. Company performance and executive remuneration outcomes (continued)

5.2 FY24 STI outcomes (continued)

Table 5.3: Group STI outcomes

Measures		Reason measure selected	Weight (%)	Threshold (0%)	Target (100%)	Maximum (150%)	Outcome (% of target)	Weighted result (% of maximum)
Financial			55.0				122.7	45.0
FFO	Deliver FFO as per target of $654m (as adjusted for asset transactions)	FFO is a key measure of financial performance used by securityholders to determine the Group's value	50.0	638	654		125.0	41.7
				Achieved $665m				
AFFO	Deliver AFFO as per target of $553m (as adjusted for asset transactions)			539	553			
				Achieved $562m				
NPI	Deliver NPI as per target of $878m (as adjusted for asset transactions)			856	878			
				Achieved $888m				
Maintain strong financial stewardship	Prudent capital management, including proactive management of weighted average maturity and hedging profile, including execution of new/extended bank debt facilities and Debt Capital Markets issuance at suitable pricing	A disciplined approach to evaluating and deploying capital is essential to ensure the Group's strong balance sheet and credit are preserved	5.0	— Issued $500 million of 10-year AMTNs extending duration at favourable pricing — Negotiated $675 million of new bank debt facilities — Maintained gearing level at 27.2%, while successfully funding acquisition and development activity — Maintained investment grade credit ratings of A/stable (S&P) and A2/stable (Moody's)			100.0	3.3
Strategy			25.0				98.0	16.3
Enhance the investment portfolio	— Disciplined pursuit of priority Premium Mall and Outlet acquisition opportunities — Execute on Board-approved asset disposals — Execute on key development projects in delivery in line with Board approved feasibilities/programs — Obtain conditional Board approvals for and/or commence key pipeline opportunities	Enhancing the investment portfolio underpins future value creation opportunities and growth, and impacts future financial returns	15.0	— Acquired the remaining 49% of Chatswood Chase — Divested more than $550 million of non-strategic assets at 9% premium to book values — Progressed major developments at Chadstone, including an elevated fresh food and laneway dining precinct, and One Middle Road office tower more than 95% leased via executed Heads of Agreement or Agreements for Lease — Completed fresh food and dining development at Chatswood Chase, and commenced major retail development whilst securing c.80% of income, via executed Heads of Agreement or Agreements for Lease — In addition to major developments at Chadstone and Chatswood Chase, four smaller redevelopments also completed at Bayside and Emporium Melbourne in Victoria, Castle Plaza in South Australia, and Nepean Village in New South Wales — Secured development approvals for major mixed-use developments at Victoria Gardens Shopping Centre and Box Hill Central North			100.0	10.0

Remuneration Report

5. Company performance and executive remuneration outcomes (continued)

5.2 FY24 STI outcomes (continued)

Table 5.3: Group STI outcomes (continued)

Measures		Reason measure selected	Weight (%)	Threshold (0%)	Target (100%)	Maximum (150%)	Outcome (% of target)	Weighted result (% of maximum)
Deliver property excellence and enable good business	— Redesign the commercial model for the media business and implement changes — Develop a comprehensive consumer experience plan and business cases for key elements — Commence transformation project to enhance the Group's end-to-end leasing process (Project Optimus) — Execute on the FY24 elements of the Culture roadmap to support transformation required	Property excellence and enabling good business drives operational and financial performance of our business and underpins sustainable performance	10.0	— Improved occupancy to 99.3% — Active portfolio remixing, completing over 2,000 lease deals, and extending the weighted average lease expiry, with an average leasing spread of 1.1% on comparable leasing deals[1] — Optimised Vicinity's Media operating model through partnership with Cartology, delivering greater certainty of income and enhanced commercial value — Finalised the consumer experience plan and defined elements of value (carparks, wayfinding amenities, presentation standards, guest services and safety/security). Wayfinding business case and carparking pilot projects approved — Completed a review of the Marketing and Procurement strategies and operating models — Commenced phase 1 technology build aspects of Project Optimus — Completed a comprehensive refresh of the Group's Purpose, Vision and Values to further improve strategic alignment and high-performance focus — Installed 2.4MW of solar at Grand Plaza — Achieved ISO 27001 certification for information security			95.0	6.3
Culture, leadership and governance			**20.0**				**100.0**	**13.3**
Culture, leadership and governance	— Fit for purpose Diversity, Inclusion & Belonging program aligned to strategy — Materially increase the gender diversity of senior leadership in FY24 — Increase employee experience survey outcomes — Achieve improvement in the tenant and customer satisfaction and net promoter scores (**TenSAT, CentreSAT** and **NPS** respectively) and ensure Vicinity's reputation is not diminished — Continue to drive best practice relationship management with other stakeholders (securityholders, Joint Venture partners and financiers)	Non-financial measures aim to promote a culture and behaviours that drive Company performance and reflect our long-term objectives	20.0	— Four EAGs continued to have a meaningful impact on Vicinity's workplace culture and sense of inclusivity — Increased the 2024 engagement score in the Employee Experience Survey by 4 percentage points to 70%, with 80% of team members having their say — Increased the Group's senior leadership female talent from 35% in FY23 to 37% in FY24 — Improved the TenSAT score from +20 in FY23 to +23 in FY24 — Improved CentreSAT score from +35 in FY23 to +47 in FY24 — Achieved a NPS of +35 (FY23: +38)			100.0	13.3
Total			**100.0**				**112.0**	**74.7**

1. Comparable leasing deals exclude development deals, reconfigurations and third party assets.

Remuneration Report

5. Company performance and executive remuneration outcomes (continued)

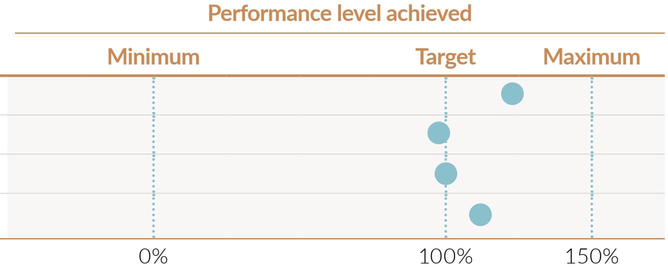
5.2 FY24 STI outcomes (continued)

Table 5.4 provides an overview of the FY24 Executive KMP performance level achieved for each performance category.

Table 5.4: FY24 Executive KMP performance level achieved

CEO

Performance category	Weighting at target
Financial	55%
Strategy	25%
Culture, leadership and governance	20%
Overall	**100%**



CFO

Performance category	Weighting at target
Financial	60%
Strategy	20%
Culture, leadership and governance	20%
Overall	**100%**

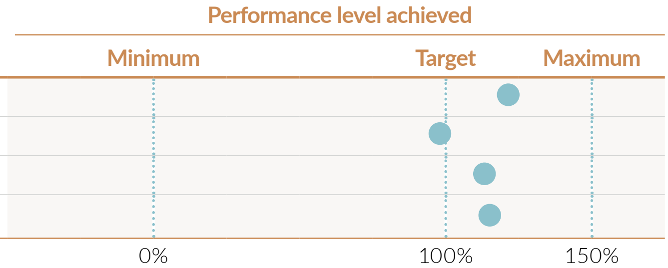


Table 5.5 summarises the FY24 STI outcomes for each Executive KMP.

Table 5.5: FY24 STI outcomes for Executive KMP

Executive KMP	Target STI as % of TFR	Maximum STI opportunity as % of TFR [1]	Actual STI awarded $	% of target STI opportunity awarded	% of maximum STI opportunity awarded	% of maximum STI opportunity forfeited
Peter Huddle	95	142.5	1,596,000	112.0	74.7	25.3
Adrian Chye	65	97.5	598,000	115.0	76.7	23.3

1. The maximum STI opportunity as % of TFR is the theoretical maximum the Executive KMP can receive. The maximum STI opportunity as a percentage of the target opportunity is 1.5 times.

Remuneration Report

5. Company performance and executive remuneration outcomes (continued)

5.3 FY24 LTI outcomes and FY24 LTI grant

Summary

The four-year performance period for the FY21 (FY21-24) LTI Plan commenced on 1 July 2020 and ended on 30 June 2024. The FY21 LTI provided an opportunity for Executive KMP, other members of the ELT and other eligible participants to receive a grant of performance rights, subject to the achievement of TSR and a one-off grant of discounted restricted rights. Refer to Section 4.4 for further details of the LTI Plan.

LTI outcomes for the period ended 30 June 2024

The FY21 TSR performance rights were tested at 30 June 2024 and the Board determined that the TSR rights vested in full. Vicinity's TSR performance was at the 87th percentile of the TSR comparator group, which was above the 75th percentile performance required for full vesting.

The Board also determined that the third and final tranche of the FY21 discounted restricted rights vested. These rights, which represented 50% of the total one-off restricted rights granted for FY21, had a performance period that ended on 30 June 2024, and will be released to participants in September 2024. The restricted rights that vested for Executive KMP, excluding any distribution equivalent securities, are as follows: CEO: 82,841 and CFO: 12,455.

Details of all current LTI holdings for Executive KMP are included in Section 6.5.

FY24 LTI grant

The FY24 LTI grant (FY24 LTI) was made to the Executive KMP, other members of the ELT and other eligible participants with effect from 1 July 2023, with a four-year performance period that ends on 30 June 2027. Approval for the grant of Peter Huddle's FY24 performance rights was obtained under ASX Listing Rule 10.14. Table 5.6 shows the number of performance rights granted to the Executive KMP under the FY24 LTI. The number of performance rights granted was allocated using the face value methodology. The fair value of the performance rights at grant date is also included in Table 5.6. Fair values are calculated in accordance with AASB 2 *Share Based Payments*.

The performance rights may vest after four years provided the TSR and TR hurdles are met. Further details on the LTI performance hurdles are included in Section 4.4.

Table 5.6: FY24 LTI grants

Executive KMP	Grant date	Face value of rights on grant date $ [1]	Number of performance rights	LTI face value as a percentage of TFR at grant date %	Fair value of rights on grant date[2] $	LTI fair value as a percentage of TFR at grant date %
Peter Huddle	8 December 2023	2,100,000	1,167,250	140.0	1,400,700	93.4
Adrian Chye	8 December 2023	640,000	355,733	80.0	426,880	53.4
Total		**2,740,000**	**1,522,983**		**1,827,580**	

1. The grants made to Executive KMP represent the face value LTI opportunity with effect from 1 July 2023. The security price used in the calculation is the VWAP of Vicinity's securities 10 trading days immediately following the 2023 Annual General Meeting of $1.7991.
2. Calculated based on a fair value per right as summarised in the table below.

Grant date	TR rights $	TSR rights $	Overall fair value of LTI grants $	Overall fair value of LTI grants as a % of face value
8 December 2023	1.52	0.88	1.20	66.7

The fair value of the performance rights as at the grant date was valued by independent consultants. The valuation of the TSR performance rights incorporates the probability of achieving market conditions whereas the valuation of the TR performance rights does not. This results in a lower fair value for TSR performance rights than for TR performance rights. Further details on the assumptions used to determine the fair value of the performance rights and the accounting for expenses relating to performance rights are included in Note 16 to the Financial Report. The minimum total value of the grant to the Executive KMP is nil should none of the applicable performance conditions be met.

Remuneration Report

5. Company performance and executive remuneration outcomes (continued)

5.4 Statutory remuneration

Table 5.7 sets out the statutory remuneration received by each Executive KMP during the current and prior year. This table has been prepared in accordance with the requirements of the *Corporations Act 2001* (Cth) and relevant Australian Accounting Standards. The figures provided under the performance rights and STI deferred columns are accounting values and do not reflect actual payments received or the full value of future deferred entitlements awarded during the year.

Table 5.7: Executive KMP statutory remuneration for FY24

		Short-term benefits			Other benefits	Share based payments		Post-employment			
Executive KMP	Period	Base salary[1] $	STI cash[2] $	Non-monetary[3] $	Leave entitlements[4] $	Performance and restricted rights[5] $	STI deferred[6] $	Superannuation contributions $	Termination benefits[7] $	Total $	Performance related[8] %
Peter Huddle	FY24	1,472,601	798,000	96,232	18,621	829,500	732,149	27,399	–	3,974,502	59
	FY23	1,318,605	737,485	4,409	129,590	540,156	601,543	25,292	–	3,357,080	56
Adrian Chye	FY24	772,601	299,000	1,509	55,670	289,635	283,769	27,399	–	1,729,583	50
	FY23	713,208	287,991	1,410	39,651	193,109	224,758	25,292	–	1,485,419	48
Total current Executive KMP	**FY24**	**2,245,202**	**1,097,000**	**97,741**	**74,291**	**1,119,135**	**1,015,918**	**54,798**	**–**	**5,704,085**	**57**
	FY23	**2,031,813**	**1,025,476**	**5,819**	**169,241**	**733,265**	**826,301**	**50,584**	**–**	**4,842,499**	**53**
Grant Kelley[9]	FY24	–	–	–	–	–	–	–	–	–	–
	FY23	556,585	–	4,637	(101,616)	899,169	507,586	12,646	750,000	2,629,007	54
Total current and former Executive KMP	**FY24**	**2,245,202**	**1,097,000**	**97,741**	**74,291**	**1,119,135**	**1,015,918**	**54,798**	**–**	**5,704,085**	**57**
	FY23	**2,588,398**	**1,025,476**	**10,456**	**67,625**	**1,632,434**	**1,333,887**	**63,230**	**750,000**	**7,471,506**	**53**

1. Base salary excludes the annual leave expense recognised in the financial statements for the period in accordance with AASB 119 *Employee Benefits*.
2. The cash component is 50% of the STI awarded for Executive KMP, and where applicable, is paid in September following the end of the financial year.
3. Non-monetary benefits comprise death and total permanent disability and salary continuance insurance premiums paid by Vicinity on behalf of the Executive KMP. For the CEO, the FY24 amount includes business related travel costs between Sydney and Melbourne and associated Fringe Benefits Tax of $91,412.
4. Leave entitlements reflect the long service leave and annual leave expense recognised in the financial statements for the period in accordance with AASB 119 *Employee Benefits*.
5. Under Australian Accounting Standards the remuneration expense for performance rights and restricted rights is based on their fair value at grant date calculated in accordance with AASB 2 *Share Based Payments*. For the TSR performance rights and restricted rights, the fair value determined is progressively expensed over the vesting period of four years, regardless of the ultimate vesting outcome. For TR performance rights, the fair value is also progressively expensed over the vesting period; however, is reassessed and adjusted to reflect the amount ultimately expected to vest. The amount included as remuneration is not related to or indicative of the benefit (if any) that Executive KMP may ultimately realise should the performance rights or restricted rights vest. For the former CEO, the FY23 expense represents the acceleration of the residual expense for the FY20-FY22 performance rights and the FY21 restricted rights to the date of leaving. Following the subsequent forfeiture of these awards, no actual remuneration was received by Grant Kelley (former CEO) in relation to these awards.
6. 50% of the STI is deferred into restricted securities. For the CEO and CFO, deferred securities vest equally 12 and 24 months following the date of deferral. The value of STI deferred into securities (and as reported in this table) has been expensed over the relevant vesting period. For the former CEO, the FY23 expense represents the acceleration of the residual expense for the FY22 and FY21 STI deferred to the date of leaving. Following the subsequent forfeiture of these awards, no actual remuneration was received by the former CEO in relation to these awards.
7. The termination benefits for the former CEO for FY23 represents a payment of six months' TFR in lieu of notice.
8. Represents the sum of STI cash, Performance and restricted rights, and STI deferred divided by the Total, reflecting the actual percentage of remuneration at risk for the year.
9. For FY23, represents remuneration for the period as KMP from 1 July 2022 – 16 November 2022.

Remuneration Report

5. Company performance and executive remuneration outcomes (continued)

5.5 Non-statutory remuneration

Table 5.8 sets out the 'actual' remuneration or 'take home pay' received by each Executive KMP during the current and prior year. Actual remuneration differs from statutory remuneration (Table 5.7), which is prepared in accordance with the requirements of the *Corporations Act 2001* (Cth) and Australian Accounting Standards, because the statutory table spreads the value of all equity grants (including STI deferred restricted securities) across the relevant performance/vesting periods and includes the leave entitlements expense recognised for the period. The 'actual' remuneration table includes any remuneration that was previously deferred while the individual was KMP, that has become unrestricted. These amounts therefore represent 'actual' remuneration for FY24, even though they were awarded in prior financial years.

Peter Huddle's fixed remuneration and STI cash were higher in FY24 than in FY23, due mainly to FY24 being his first full year as CEO. The release of STI deferred was also higher, with the FY24 amount including the release of 25% of the FY23 STI deferred which included five months as CEO. Adrian Chye's total remuneration was higher in FY24 than in FY23, due mainly to higher fixed remuneration in FY24 and the higher value of STI deferred. Further details of the STI deferred restricted securities are provided in Table 6.2.

Table 5.8: Executive KMP actual remuneration for FY24

		Base salary and other benefits			Share based payments				
Executive KMP	Period	Base salary[1] $	Superannuation contributions[1] $	Non-monetary benefits[1] $	STI cash[1] $	Release of STI deferred[2] $	Release of FY21 restricted rights[3,4] $	Termination benefits[5] $	Total $
Peter Huddle	FY24	1,472,601	27,399	96,232	798,000	647,887	87,863	–	3,129,982
	FY23	1,318,605	25,292	4,409	737,485	479,152	87,174	–	2,652,117
Adrian Chye	FY24	772,601	27,399	1,509	299,000	276,593	13,208	–	1,390,310
	FY23	713,208	25,292	1,410	287,991	126,836	13,106	–	1,167,843
Total current Executive KMP	**FY24**	**2,245,202**	**54,798**	**97,741**	**1,097,000**	**924,480**	**101,071**	**–**	**4,520,292**
	FY23	**2,031,813**	**50,584**	**5,819**	**1,025,476**	**605,988**	**100,280**	**–**	**3,819,960**
Grant Kelley	FY24	–	–	–	–	–	–	–	–
	FY23	556,585	12,646	4,637	–	–	160,482	900,501	1,634,851
Total current and former Executive KMP	**FY24**	**2,245,202**	**54,798**	**97,741**	**1,097,000**	**924,480**	**101,071**	**–**	**4,520,292**
	FY23	**2,588,398**	**63,230**	**10,456**	**1,025,476**	**605,988**	**260,762**	**900,501**	**5,454,811**

1. As per Table 5.7.
2. Refer Table 6.2 for further details of the STI deferred restricted securities released.
3. Amounts for FY24 represent the release of securities on 11 September 2023, following the vesting of the second tranche of the FY21 discounted restricted rights. The total securities released, inclusive of distribution equivalent securities, were as follows: Peter Huddle (48,813 securities) and Adrian Chye (7,338 securities). The values have been calculated based on the security price as at close of business on 11 September 2023 of $1.80.
4. Amounts for FY23 represent the release of securities on 14 September 2022, following the vesting of the first tranche of the FY21 discounted restricted rights. The total securities released, inclusive of distribution equivalent securities, were as follows: Peter Huddle (45,881 securities), Adrian Chye (6,898 securities) and Grant Kelley (84,464 securities). The values were calculated based on the security price as at close of business on 14 September 2022 of $1.90.
5. The termination benefits for the former CEO for FY23 represented a payment of six months' TFR in lieu of notice of $750,000 plus a payment for accrued statutory annual leave of $150,501.

Remuneration Report

6. Executive remuneration – further information

6.1 STI and LTI — cessation of employment or change of control

The Board retains discretion to determine the treatment of the STI and LTI awards on the cessation of employment; however, generally:

- In the event of resignation or termination for cause, any eligibility for STI, STI deferred restricted securities and LTI entitlements will be forfeited.
- In the event of cessation of employment for such reasons as redundancy, death, total and permanent disablement or retirement:
  - A pro-rata amount of unvested performance rights and restricted rights which have not yet conditionally vested will remain on foot, with the balance forfeited. Performance rights may then conditionally vest at the end of the performance period subject to meeting the performance measures under the associated plan. In these circumstances, the continuous service condition will be deemed to have been waived.
  - STI for the year will be pro-rated over the employment period and paid fully in cash at the same time as all others (no amounts are deferred into equity).
  - STI deferred restricted securities will remain on foot and will vest at the normal vesting date.

In the event of a change in control, the Board has absolute discretion to determine the treatment for STI and LTI entitlements.

6.2 Malus and clawback

The Board has the right to reduce future award payments or adjust unvested amounts to 'clawback' from participants if there has been a material misstatement in Vicinity's financial results or where a participant has acted fraudulently or dishonestly, engaged in gross misconduct, breached his or her duties or obligations to the Group or acted in a manner which brings the Group into disrepute.

6.3 Minimum securityholding requirement — Executive KMP

Vicinity operates a minimum securityholding requirement (**MSR**) for Executive KMP and other members of the ELT. This requires the CEO and members of the ELT to achieve a minimum holding of securities equal to 100% and 60% of TFR respectively within five years from the end of the first full financial year following an executive's commencement date. STI deferred restricted securities count towards the MSR and Executive KMP may sell securities to cover tax obligations arising from awards that vest.

If, at any time during the five-year accumulation period, the MSR is achieved, the KMP is deemed to have met the MSR, notwithstanding that the holding value at the end of the five-year accumulation period or at the end of a financial year during the five-year period may be less than the MSR.

6.4 Security trading restrictions

Vicinity's Securities Trading Policy prohibits Executive KMP and other participants in the LTI and STI deferred restricted securities from hedging or otherwise limiting their exposure to risk in relation to unvested Vicinity securities issued or acquired under any applicable equity arrangements.

6.5 Equity holdings — Executive KMP

Table 6.1 details the number of securities in Vicinity held by Executive KMP, including their personally related parties, as at 30 June 2024. Given their mandatory nature and the absence of performance conditions, STI deferred restricted securities also count towards the MSR.

Table 6.1: Vicinity securities

	Opening securities as at 1 July 2023	Granted as remuneration[1]	Additions/ disposals during the year[2]	Closing securities as at 30 June 2024[3]	Value as at 30 June 2024[4] $	Minimum securityholding guideline $	Date securityholding to be attained
Peter Huddle	617,365	413,644	48,813	1,079,822	1,997,671	1,500,000	June 2025
Adrian Chye	213,876	161,529	(58,759)	316,646	585,795	480,000	June 2027

1. Reflects the allocation of the FY23 STI deferred restricted securities.
2. Reflects the release of securities on 11 September 2023, following the vesting of the second tranche of the FY21 discounted restricted rights and includes distribution equivalent securities. For Adrian Chye, this includes the addition of 7,388 securities and the disposal of 66,097 securities to cover tax obligations relating to the vesting of STI deferred restricted securities.
3. Closing securities as at the end of the financial year.
4. Closing securities as at 30 June 2024 multiplied by the VCX closing security price on 30 June 2024 of $1.85 to derive a dollar value.

There were no other related party transactions or balances with KMP or their controlled entities, in relation to securities held.

Remuneration Report

6. Executive remuneration – further information (continued)

6.5 Equity holdings — Executive KMP (continued)

Table 6.2 details the number of STI deferred restricted securities granted to Executive KMP and the market value of securities released following the end of their restriction period(s). This aligns with the values included in the 'Release of STI deferred' column in Table 5.8.

Table 6.2: STI deferred restricted securities

Executive KMP	Date of grant	STI deferred award year	Value of STI deferred equity at time of grant $	Security price used to calculate the restricted securities allocated[1]	Number of restricted securities allocated	Restriction period end date	Security price at restriction period end date	Market value of securities released $
Peter Huddle	1 July 2023	FY23	368,743	$1.7829	206,822	30 June 2024	$1.850	382,621
			368,743	$1.7829	206,822	30 June 2025	–	–
	1 July 2022	FY22	273,612	$1.9082	143,387	30 June 2023	$1.845	264,549
			273,612	$1.9082	143,387	30 June 2024	$1.850	265,226
	1 July 2021	FY21	200,087	$1.7202	116,316	30 June 2023	$1.845	214,603
Adrian Chye	1 July 2023	FY23	143,996	$1.7829	80,765	30 June 2024	$1.850	149,415
			143,995	$1.7829	80,764	30 June 2025	–	–
	1 July 2022	FY22	131,181	$1.9082	68,746	30 June 2023	$1.845	126,836
			131,181	$1.9082	68,745	30 June 2024	$1.850	127,178

1. VWAP of VCX securities traded on the ASX over the 10 trading days immediately preceding the respective STI cash payment dates.

Table 6.3 details the number of performance rights held by Executive KMP, as at 30 June 2024.

Table 6.3: Performance rights

Executive KMP	Grant date	End of performance period	Opening performance rights[1]	Granted as remuneration in FY24	Performance rights vested	Performance rights lapsed	Closing unvested performance rights
Peter Huddle							
FY24	8 Dec 2023	30 Jun 2027	–	1,167,250	–	–	1,167,250
FY23 top-up	20 Feb 2023	30 Jun 2026	201,415	–	–	–	201,415
FY23	8 Dec 2022	30 Jun 2026	561,467	–	–	–	561,467
FY22	10 Dec 2021	30 Jun 2025	632,875	–	–	–	632,875
FY21	11 Dec 2020	30 Jun 2024	331,365	–	331,365	–	–
Total			**1,727,122**	**1,167,250**	**331,365**	**–**	**2,563,007**
Adrian Chye							
FY24	8 Dec 2023	30 Jun 2027	–	355,733	–	–	355,733
FY23	8 Dec 2022	30 Jun 2026	295,843	–	–	–	295,843
FY22	10 Dec 2021	30 Jun 2025	322,190	–	–	–	322,190
FY21	11 Dec 2020	30 Jun 2024	49,818	–	49,818	–	–
Total			**667,851**	**355,733**	**49,818**	**–**	**973,766**
Total number of performance rights			**2,394,973**	**1,522,983**	**381,183**	**–**	**3,536,773**

1. The FY21 performance rights for Adrian Chye were awarded prior to his appointment as CFO.
2. Represents the vesting of the FY21 TSR performance rights which will be released in September 2024, subject to the cessation of employment rules.

Remuneration Report

6. Executive remuneration – further information (continued)

6.5 Equity holdings — Executive KMP (continued)

Table 6.4 details the number of FY21 one-off restricted rights held by Executive KMP, as at 30 June 2024.

Table 6.4: FY21 one-off restricted rights

Executive KMP	Grant date	End of performance period	Opening restricted rights[1]	Restricted rights vested[2]	Closing unvested restricted rights
Peter Huddle	11 Dec 2020	30 Jun 2024	82,841	82,841	–
Adrian Chye	11 Dec 2020	30 Jun 2024	12,455	12,455	–
Total number of restricted rights	**–**	**–**	**95,296**	**95,296**	**–**

1. The restricted rights for Adrian Chye were awarded prior to his appointment as CFO.
2. Represents the vesting of the third tranche of the FY21 restricted rights which will be released in September 2024, subject to the cessation of employment rules. This excludes distribution equivalent securities which will be calculated based on the distributions that would have been paid on the vested securities up until the date the securities are released, divided by the VWAP over the five trading days commencing on the first trading day that VCX trades without the value of the final FY24 distribution.

6.6 Service agreements

Remuneration and other terms of employment for Executive KMP are formalised in Executive Services Agreements (**ESAs**). The terms and conditions of employment of the Executive KMP reflect market conditions at the time of entering into their contract.

Key features of the Executive KMP ESAs include the following:

- Eligibility to participate in short and long-term incentive plans.
- Ongoing employment until terminated by either the Executive KMP or Vicinity.
- Vicinity may make payments in lieu of all or part of the applicable notice period.

Notice period provisions are detailed below.

Executive KMP	Termination by Vicinity		Termination by Executive KMP	Termination payment[1]
	For cause	Other		
Peter Huddle	Immediately	6 months	6 months	6 months' TFR
Adrian Chye	Immediately	6 months	6 months	6 months' TFR

1. Paid, subject to law, if Vicinity terminated the Executive KMP's employment agreement on notice and without cause, and makes payment in lieu of notice. Termination payments are generally not paid on resignation or termination with cause, although the Board may determine exceptions to this. No termination payment will exceed the limit under the *Corporations Act 2001* (Cth).

6.7 Governance and how remuneration decisions are made

The Board of Directors has responsibility to ensure that appropriate governance is in place in relation to all human resource matters including remuneration. To ensure that the Board acts independently of management and is fully informed when making remuneration decisions, the Board has established the following protocols:

- The Board has established the Remuneration and Human Resources Committee comprised of Non-executive Directors, which is responsible for reviewing and making recommendations on remuneration policies for Vicinity, including policies governing the remuneration of Executive KMP and other members of the ELT. Further information regarding the respective roles and responsibilities of the Board and the Committee are contained in their respective charters, available in the Corporate Governance section of Vicinity's website and in Vicinity's 2024 Corporate Governance Statement.
- When considering the recommendations of the Committee, the Board applies a policy of excluding any executives from being present and participating in discussions impacting their own remuneration.
- The Committee can seek advice from both management and external advisors in developing its remuneration recommendations for the Board.

To assist in performing its duties, and making recommendations to the Board, the Committee directly engages external advisors to provide input to the process of reviewing Executive KMP and Non-executive Director remuneration, and to provide advice on various aspects of the remuneration framework. This advice is sought when required and no advice was sought during FY24.

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Remuneration Report

7. Non-executive director remuneration

7.1 Remuneration philosophy

Non-executive Director fee levels are set with regard to time commitment and workload, the risk and responsibility attached to the role and external market benchmarking. Non-executive Director base fees were increased effective 1 July 2022 and the current maximum fee pool of $2.70 million was approved by Vicinity securityholders on 16 November 2022. No element of Non-executive Director remuneration is 'at risk', that is, no element is based on the performance of Vicinity.

Board and Committee fees

Table 7.1 details the FY24 Board and Committee fees.

Table 7.1: FY24 Board and Committee fees

Board/Committee	Role	FY24 fees per annum[1] $
Board	Chairman	486,500
	Non-executive Director	175,000
Audit Committee	Chairman	41,200
	Member	20,600
Risk, Compliance and ESG Committee	Chairman	41,200
	Member	20,600
Remuneration and Human Resources Committee	Chairman	41,200
	Member	20,600
Nominations Committee	Chairman	No additional fee
	Member	No additional fee

1. Fees are inclusive of superannuation.

The Chairman of the Board receives no further remuneration for Committee membership, although he may attend Committee meetings.

Non-executive Directors are entitled to be reimbursed for all reasonable business-related expenses, including travel on Company business, that may be incurred in the discharge of their duties.

Remuneration Report

7. Non-executive director remuneration (continued)

7.2 Fees and benefits paid

Table 7.2 details the fees and benefits paid to Non-executive Directors for FY24.

Table 7.2: Non-executive Directors' fees for FY24

		Short-term benefits		Post-employment benefits[2]	
Non-executive Director	Period	Fees[1] $	Committee fees $	Superannuation contributions $	Total fees $
Trevor Gerber, Chairman	FY24	459,101	–	27,399	486,500
	FY23	461,208	–	25,292	486,500
Clive Appleton[3]	FY24	175,000	–	–	175,000
	FY23	175,000	–	–	175,000
Tiffany Fuller[4]	FY24	170,664	60,269	5,867	236,800
	FY23	107,348	28,642	2,568	138,558
Tim Hammon	FY24	157,658	55,675	23,467	236,800
	FY23	158,371	55,928	22,501	236,800
Michael Hawker AM[4]	FY24	175,000	41,200	–	216,200
	FY23	107,296	25,261	2,568	135,125
Peter Kahan	FY24	157,658	55,675	23,467	236,800
	FY23	158,371	55,928	22,501	236,800
Janette Kendall	FY24	157,658	37,117	21,425	216,200
	FY23	158,371	37,285	20,544	216,200
Georgina Lynch[4]	FY24	157,658	37,117	21,425	216,200
	FY23	98,982	23,303	12,840	135,125
Dion Werbeloff[3,4]	FY24	175,000	20,600	–	195,600
	FY23	109,375	12,875	–	122,250
Total current Non-executive Directors	**FY24**	**1,785,397**	**307,653**	**123,050**	**2,216,100**
	FY23	**1,534,322**	**239,222**	**108,814**	**1,882,358**
Karen Penrose[5]	FY24	–	–	–	–
	FY23	32,993	11,652	4,688	49,333
Dr David Thurin AM[5]	FY24	–	–	–	–
	FY23	59,485	–	6,246	65,731
Total former Non-executive Directors	**FY24**	**–**	**–**	**–**	**–**
	FY23	**92,478**	**11,652**	**10,934**	**115,064**
Total current and former Non-executive Directors	**FY24**	**1,785,397**	**307,653**	**123,050**	**2,216,100**
	FY23	**1,626,800**	**250,874**	**119,748**	**1,997,422**

1. Unless otherwise stated, fees represent fees paid to Non-executive Directors in their capacity as Directors of Vicinity Limited (the Company) and Vicinity Centres RE Ltd as Responsible Entity for Vicinity Centres Trust (the RE) whose Boards and Committees meet concurrently.
2. Non-executive Directors receive no post-employment benefits other than statutory superannuation. Where a Non-executive Director applies to the ATO for an exemption to the superannuation guarantee, no superannuation contributions are made.
3. Fees for Clive Appleton and Dion Werbeloff are paid to The Gandel Group Pty Limited and therefore no superannuation contributions were made by Vicinity on their behalf.
4. Appointed to the Board on 16 November 2022.
5. Karen Penrose and Dr David Thurin AM retired from the Board effective 15 September 2022 and 15 November 2022 respectively.

Remuneration Report

7. Non-executive director remuneration (continued)

7.3 Minimum securityholding requirement – Non-executive Directors

Vicinity operates a MSR for Non-executive Directors. This encourages independent Directors to acquire a holding of securities with a minimum cost equal in value to one year of Non-executive Director base fees (net of income tax and superannuation) within five years from the Director's commencement date.

If, at any time during the five-year accumulation period, the MSR is achieved, the Non-executive Director is deemed to have met the MSR, notwithstanding that the holding value at the end of the five-year accumulation period or at the end of a financial year during the five-year period may be less than the MSR.

All required Non-executive Directors, including the Chairman, have met the MSR, having acquired securities with a total cost exceeding the policy value required.

7.4 Non-executive Director securityholdings

Table 7.3 details the number of securities in Vicinity held by Non-executive Directors, including their personally related parties, as at 30 June 2024.

Table 7.3: Non-executive Director securityholdings

	Opening securities as at 1 July 2023	Additions during the year	Closing securities as at 30 June 2024[1]	Minimum security holding guideline[2] $	MSR satisfied	Date security holding to be attained
Non-executive Directors						
Trevor Gerber	220,834	–	220,834	243,324	✓	
Clive Appleton[3]	32,295	50,000	82,295	83,559	✓	NA
Tiffany Fuller	–	55,000	55,000	83,559	✓	
Tim Hammon	63,889	–	63,889	83,559	✓	
Michael Hawker AM	94,715	–	94,715	83,559	✓	
Peter Kahan	43,417	–	43,417	83,559	✓	
Janette Kendall	63,110	–	63,110	83,559	✓	
Georgina Lynch	–	–	–	83,559		Nov 2027
Dion Werbeloff[3]	–	–	–	83,559		NA

1. Closing securities as at the end of the financial year. There were no changes to the balance of securities between the end of the financial year and the date of the Directors report.
2. The guideline amount for the directors that have satisfied the MSR is slightly lower than the guideline amounts in the table which have been calculated based on the current Non-executive Director base fees, effective 1 July 2023 and using the 2023-2024 superannuation guarantee rate.
3. Included for completeness but not covered by the MSR as non-independent Non-executive Directors.

There were no other related party transactions or balances with KMP or their controlled entities, in relation to securities held.

End of Remuneration Report.

Signed in accordance with a resolution of Directors.

Trevor Gerber
Chairman

20 August 2024

Auditor’s Independence Declaration

Building a better working world

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Auditor’s Independence Declaration to the Directors of Vicinity Limited

As lead auditor for the audit of the financial report of Vicinity Limited for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b) No contraventions of any applicable code of professional conduct in relation to the audit; and

c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Vicinity Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Michael Collins
Partner
20 August 2024

Statement of Comprehensive Income

for the year ended 30 June 2024

	Note	30 Jun 24 $m	30 Jun 23 $m
Revenue and income			
Property ownership revenue and income		1,249.4	1,209.8
Management fee revenue from strategic partnerships		67.8	64.8
Interest and other income		9.1	6.8
Total revenue and income	**2(b)**	**1,326.3**	**1,281.4**
Share of net loss of equity accounted investments	5(b)	(14.3)	(50.9)
Property revaluation decrement for directly owned properties	4(b)	(38.9)	(195.9)
Direct property expenses		(377.8)	(349.7)
Allowance for expected credit losses	11(b)	0.2	21.5
Borrowing costs	7(c)	(216.5)	(204.7)
Employee benefits expense	15	(115.9)	(110.6)
Net foreign exchange movement on interest bearing liabilities		6.9	(139.9)
Net mark-to-market movement on derivatives		36.3	66.4
Depreciation of right of use assets	18(a)	(4.5)	(4.9)
Landholder duty written off on acquisition of investment property	4(b)	(17.7)	—
Other expenses		(39.9)	(46.6)
Net profit before tax for the year		**544.2**	**266.1**
Income tax benefit	3(a)	2.9	5.4
Net income for the year		**547.1**	**271.5**
Other comprehensive income		—	—
Total comprehensive income for the year		**547.1**	**271.5**
Total (loss)/income and total comprehensive (loss)/income for the year attributable to stapled securityholders as:			
Securityholders of Vicinity Limited		(10.2)	(0.8)
Securityholders of other stapled entities of the Group		557.3	272.3
Total comprehensive income for the year		**547.1**	**271.5**
Earnings per security attributable to securityholders of the Group:			
Basic earnings per security (cents)	6	12.02	5.96
Diluted earnings per security (cents)	6	11.99	5.95

The above consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Balance Sheet

as at 30 June 2024

	Note	30 Jun 24 $m	30 Jun 23 $m
Current assets			
Cash and cash equivalents		49.6	192.9
Trade receivables and other assets	11(a)	94.4	124.5
Investment properties classified as held for sale	4(a)	186.6	–
Derivative financial instruments	7(e)	68.0	39.1
Total current assets		**398.6**	**356.5**
Non-current assets			
Investment properties	4(a)	14,771.4	14,288.4
Equity accounted investments	5(a)	91.8	437.5
Intangible assets	17	164.2	164.2
Plant and equipment		3.0	3.4
Derivative financial instruments	7(e)	184.6	227.6
Right of use assets	18(a)	26.2	24.6
Deferred tax assets	3(c)	77.6	74.7
Other assets	11(a)	8.4	7.7
Total non-current assets		**15,327.2**	**15,228.1**
Total assets		**15,725.8**	**15,584.6**
Current liabilities			
Interest bearing liabilities	7(a)	487.5	323.0
Payables and other financial liabilities	12	226.4	195.4
Lease liabilities	18(a)	6.0	5.4
Provisions	13	76.2	77.6
Derivative financial instruments	7(e)	60.6	59.3
Total current liabilities		**856.7**	**660.7**
Non-current liabilities			
Interest bearing liabilities	7(a)	3,742.7	3,750.5
Lease liabilities	18(a)	386.2	382.5
Provisions	13	4.1	3.9
Derivative financial instruments	7(e)	97.2	148.9
Total non-current liabilities		**4,230.2**	**4,285.8**
Total liabilities		**5,086.9**	**4,946.5**
Net assets		**10,638.9**	**10,638.1**
Equity			
Contributed equity	9	9,102.2	9,102.2
Share based payment reserve		13.3	8.8
Retained profits		1,523.4	1,527.1
Total equity		**10,638.9**	**10,638.1**

The above consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
for the year ended 30 June 2024

		Attributable to securityholders of Vicinity Limited				Attributable to securityholders of other stapled entities of the Group				VCX Group
	Note	Contri-buted equity $m	Reserves $m	Accum-ulated losses $m	Total $m	Contri-buted equity $m	Reserves $m	Retained profits $m	Total $m	Total equity $m
As at 1 July 2022		**541.4**	**6.0**	**(209.7)**	**337.7**	**8,560.8**	**–**	**1,986.6**	**10,547.4**	**10,885.1**
Net (loss)/profit for the year		–	–	(0.8)	(0.8)	–	–	272.3	272.3	271.5
Total comprehensive (loss)/income for the year		**–**	**–**	**(0.8)**	**(0.8)**	**–**	**–**	**272.3**	**272.3**	**271.5**
Transactions with securityholders in their capacity as securityholders:										
Net movements in share based payment reserve		–	2.8	–	2.8	–	–	–	–	2.8
Distributions paid	10(b)	–	–	–	–	–	–	(521.3)	(521.3)	(521.3)
Total equity as at 30 June 2023		**541.4**	**8.8**	**(210.5)**	**339.7**	**8,560.8**	**–**	**1,737.6**	**10,298.4**	**10,638.1**
As at 1 July 2023		**541.4**	**8.8**	**(210.5)**	**339.7**	**8,560.8**	**–**	**1,737.6**	**10,298.4**	**10,638.1**
Net (loss)/profit for the year		–	–	(10.2)	(10.2)	–	–	557.3	557.3	547.1
Total comprehensive (loss)/income for the year		**–**	**–**	**(10.2)**	**(10.2)**	**–**	**–**	**557.3**	**557.3**	**547.1**
Transactions with securityholders in their capacity as securityholders:										
Net movements in share based payment reserve		–	4.5	–	4.5	–	–	–	–	4.5
Distributions paid	10(b)	–	–	–	–	–	–	(550.8)	(550.8)	(550.8)
Total equity as at 30 June 2024		**541.4**	**13.3**	**(220.7)**	**334.0**	**8,560.8**	**–**	**1,744.1**	**10,304.9**	**10,638.9**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Cash Flow Statement
for the year ended 30 June 2024

	Note	30 Jun 24 $m	30 Jun 23 $m
Cash flows from operating activities			
Receipts in the course of operations		1,523.1	1,512.8
Payments in the course of operations		(641.5)	(628.7)
Distributions and dividends received from equity accounted entities		8.3	12.7
Interest received		5.0	2.4
Interest paid		(204.8)	(193.5)
Net cash inflows from operating activities	19	**690.1**	**705.7**
Cash flows from investing activities			
Payments for capital expenditure on investment properties		(336.4)	(333.8)
Proceeds from disposal of investment properties		309.3	134.5
Payment for acquisition of remaining interest in Chatswood Chase including landholder duty and transaction costs[1]		(325.2)	–
Advances to equity accounted entities		(81.8)	(3.5)
Payments for acquisition of other investments		(1.0)	(3.0)
Payments for plant and equipment		(0.6)	(0.9)
Net cash outflows from investing activities		**(435.7)**	**(206.7)**
Cash flows from financing activities			
Proceeds from borrowings		1,538.0	840.0
Repayment of borrowings		(1,373.0)	(660.0)
Payment of lease liabilities	18(a)	(2.7)	(5.0)
Distributions paid to external securityholders	10(b)	(550.8)	(521.3)
Debt establishment costs paid		(6.0)	(3.5)
Termination of interest rate swaps		–	(6.9)
Acquisition of shares on-market for settlement of share-based payments		(3.2)	(5.0)
Net cash outflows from financing activities		**(397.7)**	**(361.7)**
Net (decrease)/increase in cash and cash equivalents held		**(143.3)**	**137.3**
Cash and cash equivalents at the beginning of the year		192.9	55.6
Cash and cash equivalents at the end of the year		**49.6**	**192.9**

1. Cash consideration of $331.6 million as disclosed in Note 5(a) is net against cash acquired of $6.4 million.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

The index of notes to the financial statements is shown below. Similar notes have been grouped into sections with relevant accounting policies and judgements and estimates disclosures incorporated within the notes to which they relate. The 'About this Report' section which precedes the notes to the financial statements contains information on the basis of preparation of the financial report, adoption of new accounting standards and significant accounting judgements, estimates and assumptions.

Contents

About this Report

Reporting entity

The financial statements are those of the stapled Group comprising Vicinity Limited (**the Company**) and Vicinity Centres Trust (**the Trust**) (collectively **the Group**). The Stapling Deed entered into by the Company and the Trust ensures that shares in the Company and units in the Trust are 'stapled' together and are traded collectively on the Australian Securities Exchange (**ASX**) under the code 'VCX'. For financial reporting purposes, the Company has been identified as the parent entity of the Group.

The Company and the Trust are for-profit entities that are domiciled and operate wholly in Australia.

Basis of preparation

This general purpose Financial Report:

— Has been prepared in accordance with the *Corporations Act 2001* (Cth) and Australian Accounting Standards (**AASBs**) issued by the Australian Accounting Standards Board. Compliance with AASBs ensures compliance with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**);

— Is presented in Australian dollars ($) and rounded to the nearest tenth of a million dollars ($m) in accordance with ASIC Legislative Instrument 2016/191 (unless otherwise stated);

— Has been prepared in accordance with the historical cost convention, except for certain financial assets and liabilities, and investment properties which have been recognised at fair value; and

— Was authorised for issue by the Board of Directors on 20 August 2024.

The presentation of certain items has been adjusted as necessary to provide more meaningful information in the context of the Group. Where the presentation or classification of items in the Financial Report is amended, comparative amounts are also reclassified unless it is impractical. The adjustments made to the presentation of items had no impact on the net assets or net profit/loss of the Group.

Going concern

While the Group has a net current asset deficiency of $458.1 million (current liabilities exceed current assets) at reporting date (30 June 2023: net current deficit $304.2 million), the Group has available liquidity including undrawn facilities of $1,332.0 million (30 June 2023: $1,222.0 million), cash and cash equivalents of $49.6 million (30 June 2023: $192.9 million) and generates sufficient operating cash flows to pay its debts as and when they fall due for a period of 12 months from the date of these financial statements. Accordingly, the Financial Report has been prepared on a going concern basis.

Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires the Group to make judgements in the application of accounting policies and estimates when developing assumptions that affect the reported amounts of certain revenues, expenses, assets and liabilities. These judgements and estimates are made considering historical experience and other reasonable and relevant factors but are inherently uncertain. Due to this inherent uncertainty, actual results may differ from these judgements and estimates.

The table below summarises the areas of the Financial Report subject to significant judgement and estimation:

Area of judgement or estimation	Note
Valuation of investment properties	4
Recognition of deferred tax assets	3
Recoverability of intangible assets	17
Valuation of derivative financial instruments	7

Operations

1. Segment information

The Group's operating segments identified for internal reporting purposes are:

- **Property Investment:** performance is assessed based on net property income which comprises revenue less expenses derived from investment in retail property; and
- **Strategic Partnerships:** performance is assessed based on fee income from property management, development and leasing of assets wholly or jointly owned by capital partners and includes fees from the management of wholesale property funds.

Information on these segments is presented on a proportionate basis. This presents net property income and investment property assets relating to equity accounted properties as if they were consolidated investment properties within the Group's segment results. This allows for consistent internal reporting on all investment property assets and segment activities to enable the Chief Operating Decision Makers (**CODM**) to make strategic decisions, regardless of ownership structure arrangements. During the period, the CODM were the Chief Executive Officer and Managing Director (**CEO**) and the Chief Financial Officer (**CFO**).

Group performance is assessed based on funds from operations (**FFO**), which is calculated as statutory net profit after tax, adjusted for fair value movements, certain unrealised and non-cash items, amounts which are capital in nature and other items that are not considered to be in the ordinary course of business. In addition to FFO, adjusted funds from operations (**AFFO**) is considered when assessing the performance of the Group. AFFO represents the Group's FFO adjusted for investment property maintenance capital and static tenant leasing costs and other capital items incurred during the year. FFO and AFFO are determined with reference to guidelines published by the Property Council of Australia (**PCA**) and are non-IFRS measures.

a) Segment results

The segment financial information and metrics provided to the CODM are set out below.

Financial performance

	30 Jun 24 $m	30 Jun 23 $m
Property Investment segment		
Net property income	888.4	900.2
Strategic Partnerships segment		
External management fees	59.7	60.5
Total segment income	**948.1**	**960.7**
Corporate overheads	(93.9)	(96.7)
Net interest expense	(189.6)	(179.2)
FFO	**664.6**	**684.8**
Adjusted for:		
Maintenance capital and static tenant leasing costs	(102.7)	(101.9)
Termination of interest rate swaps	–	(6.9)
AFFO	**561.9**	**576.0**

Key metrics

	Note	30 Jun 24 $m	30 Jun 23 $m
FFO per security[1] (cents per security)		14.60	15.04
AFFO per security[1] (cents per security)		12.34	12.65
Distribution per security[2] (**DPS**) (cents per security)	10(a)	11.75	12.00
Total distributions declared[2] ($m)	10(a)	534.9	546.3
AFFO payout ratio (total distributions declared $m/AFFO $m) (%)		95.2%	94.9%
FFO payout ratio (total distributions declared $m/FFO $m) (%)		80.5%	79.8%

1. The calculation of FFO and AFFO per security for the period uses the basic weighted average number of securities on issue as calculated in Note 6.
2. Distribution per security and the total distributions declared are calculated based on the estimated number of securities outstanding at the time of the distribution record date.

1. Segment information (continued)

b) Reconciliation of net profit after tax to FFO

	30 Jun 24 $m	30 Jun 23 $m
Net profit after tax	**547.1**	**271.5**
Property revaluation decrement for directly owned properties	38.9	195.9
Non-distributable loss relating to equity accounted investments[1]	28.4	73.4
Amortisation of lease incentives[2]	72.6	68.8
Straight-lining of rent adjustment[3]	(6.5)	(2.8)
Net mark-to-market movement on derivatives[3]	(36.3)	(66.4)
Net unrealised foreign exchange movement on interest bearing liabilities[3]	(6.9)	139.9
Income tax benefit[3]	(2.9)	(5.4)
Development-related preliminary planning, marketing and tenant compensation costs[4]	6.7	1.7
Landholder duty	17.7	–
Other non-distributable items	5.8	8.2
FFO	**664.6**	**684.8**

The material adjustments to net loss after tax to arrive at FFO and reasons for their exclusion are described below:

1. FFO excludes property revaluation and other non-cash accounting adjustments relating to equity accounted investments.
2. Lease incentives are capitalised to investment properties. Amortisation of these items is then recognised as an expense in accordance with Australian Accounting Standards. In accordance with the PCA Guidelines, amortisation of these items are excluded from FFO as:
   - Static (non-development) lease incentives committed during the year relating to static centres are reflected within maintenance capital and static tenant leasing costs within the AFFO calculation at Note 1(a); and
   - Development lease incentives are included within the capital cost of the relevant development project.
3. Represents non-cash accounting adjustments as required by Australian Accounting Standards and are excluded from FFO.
4. Represents preliminary planning, marketing and tenant compensation which are development-related and therefore excluded from FFO.

c) Reconciliation of segment income to total revenue

Refer to Note 2(b) for a reconciliation of total segment income to total revenue and income in the Statement of Comprehensive Income.

d) Segment assets and liabilities

The property investment segment reported to the CODM includes investment properties held directly and those that are held through equity accounted entities. A breakdown of the total investment properties in the property investment segment is shown below. All other assets and liabilities are not allocated by segment for reporting to the CODM.

	Note	30 Jun 24 $m	30 Jun 23 $m
Investment properties[1,3]	4(a)	14,552.1	13,880.5
Investment properties included in equity accounted investments[2,3]		160.0	501.7
Total interests in directly owned investment properties		**14,712.1**	**14,382.2**

1. Includes properties held for sale less investment property leaseholds and planning and holding costs.
2. Excludes planning and holding costs of $6.4 million (30 June 2023: $16.8 million) relating to investment properties included in equity accounted investments.
3. The residual interest in Chatswood Chase was acquired by the Group during the year. Consequently, the previously equity accounted investment, has been classified as investment properties on transaction date and as at 30 June 2024. Further information on the transaction is disclosed in Notes 4(b) and 5(a).

Operations

2. Revenue and income

a) Accounting policies

Property ownership revenue and income

The Group derives revenue and income in connection with the leasing and operation of its portfolio of investment properties. These comprise:

- **Lease rental income**

  The Group derives lease rental income as a lessor from leasing retail space within these investment properties. Lease rental income is recognised on a straight-line basis over the lease term except for non-lease components, predominantly the recovery of certain operation and maintenance costs, which is measured and recognised as revenue from contracts with customers. Items included in the straight-lining calculation are fixed rental payments, in-substance fixed payments, lease incentives given to tenants and fixed rental increases that form part of lease agreements. Variable rental income is recognised as income in the period in which it is earned. Lease rental income due over the remaining lease term, which incorporates any future changes that vary the original fixed lease payments, is accounted for as a lease modification and recognised on a straight-line basis over the remaining lease term.

- **Revenue from recovery of property outgoings**

  Under certain tenant lease agreements, the Group recovers from tenants a portion of costs incurred by the Group in the operation and maintenance of its investment properties. The Group, acting as principal, incurs these costs with third party suppliers and includes them within direct property expenses in the Statement of Comprehensive Income. Recovery amounts are invoiced to tenants over time at the start of each month for the provision of that month's services based on an annual estimate. Accordingly, where recovery amounts are received in advance, no adjustment is made for the effects of a financing component. Adjustments to reflect recoveries based on actual costs incurred are recorded within revenue in the Statement of Comprehensive Income and billed annually.

- **Other property related revenue**

  Other property related revenue includes fees earned from advertising, carparking and the on selling of other services at the Group's shopping centres. The material components of this revenue are recognised over time as the relevant services are provided and relevant performance obligations satisfied.

Management fee revenue from strategic partnerships

These comprise:

- **Property management fees**

  The Group manages retail investment properties on behalf of its co-owners and other external parties. In connection with the provision of these management services, the Group derives fee revenue from:

  - Ongoing retail investment property management. This is recognised monthly (over time) as property management services are provided. In accordance with the relevant property management agreements, fee revenue is calculated as a percentage of a property's gross revenue and income. Fees are invoiced and paid in the month the service is provided.
  - Tenant leasing management services. Fees are recognised and invoiced at either the date of lease instruction or lease execution (point in time) depending on the specific property management agreement. Revenue is generally calculated as a percentage of year one rental income achieved.

- **Property development fees**

  The Group provides development management and development leasing services to its co-owners and other external parties. The Group accounts for all property development services provided under these agreements as a single performance obligation as all activities involved in property development management are highly interrelated. Property development fees are therefore calculated in accordance with the relevant development agreement and recognised over time on a time elapsed input method over the life of the relevant development project.

- **Funds management fees**

  The Group provides fund management services to wholesale property funds and property mandates. Services are provided on an ongoing basis and revenue is calculated and recognised monthly (over time) as fund management services are provided in accordance with the relevant fund constitutions.

Operations

2. Revenue and income (continued)

b) Summary of revenue and income

A summary of the Group's total revenue and income included within the Statement of Comprehensive Income by segment and reconciliation to total segment income is shown below.

	30 Jun 24 $m			30 Jun 23 $m		
	Property investment segment	Strategic partnerships segment	Total	Property investment segment	Strategic partnerships segment	Total
Recovery of property outgoings[1,3]	184.4	–	184.4	169.7	–	169.7
Other property related revenue[1]	113.6	–	113.6	112.2	–	112.2
Property management and development fees[2]	–	67.1	67.1	–	61.9	61.9
Funds management fees[2]	–	0.7	0.7	–	2.9	2.9
Total revenue from contracts with customers	**298.0**	**67.8**	**365.8**	**281.9**	**64.8**	**346.7**
Lease rental income[1,3,4]	951.4	–	951.4	927.9	–	927.9
Interest and other income	9.1	–	9.1	6.8	–	6.8
Total income	**960.5**	**–**	**960.5**	**934.7**	**–**	**934.7**
Total revenue and income	**1,258.5**	**67.8**	**1,326.3**	**1,216.6**	**64.8**	**1,281.4**
Reconciliation to segment income						
Property-related expenses included in segment income			(452.4)			(422.7)
Allowance for expected credit losses			0.2			21.5
Net property income from equity accounted investments included in segment income			17.0			25.1
Straight-lining of rent adjustment			(6.5)			(2.8)
Amortisation of static lease incentives and other project items			72.6			68.8
Interest and other revenue not included in segment income			(9.1)			(10.6)
Total segment income			**948.1**			**960.7**

1. Included within 'Property ownership revenue and income' in the Statement of Comprehensive Income.
2. Included within 'Management fee revenue from strategic partnerships' in the Statement of Comprehensive Income.
3. Recovery of property outgoings includes estimated recoveries of property outgoings of gross and semi-gross deals, accounted for as revenue from contracts with customers as the income is earned. The estimate is updated annually based on recoveries of property outgoings of net deals in the financial year.
4. Lease rental income includes percentage rent income of $27.4 million (30 June 2023: $32.8 million).

Operations

3. Taxes

a) Group taxation summary

Income tax

Vicinity Centres Trust (flow through trust structure)

The Trust and its controlled entities are not liable to pay income tax (including capital gains tax) on the basis that the taxable income from the Trust's property investments is taxed on a flow through basis in the hands of the Trust's securityholders in accordance with the Attribution Managed Investment Trust Regime. The Trust's securityholders pay tax at their marginal tax rates, in the case of Australian resident securityholders, or through the withholding rules that apply to non-resident securityholders investing in Managed Investment Trusts. As a result, the Group has zero income tax expense recognised in respect of the Trust's profit.

Vicinity Limited (corporate tax group)

The Company and its subsidiaries have formed a tax consolidated group (**TCG**). Under this arrangement, the Company, the head entity of the TCG, accounts for its own current and deferred tax amounts and assumes those from subsidiaries in the TCG. Members of the TCG have entered into a tax funding arrangement (**TFA**) which sets out the funding obligations of members of the TCG in respect of tax amounts. The TFA requires payments to/from the head entity to be recognised via an inter-entity receivable/payable which is at call.

Income tax expense for the year is calculated at the Australian corporate tax rate of 30% and comprises current and deferred tax expense, any adjustments relating to current tax of prior periods and movements in unrecognised tax losses. These amounts are recognised in the income statement, except to the extent they relate to items recognised directly in other comprehensive income or equity. Current tax expense represents the expense relating to the expected taxable income at the applicable rate for the current financial year.

Deferred tax assets and liabilities are measured based on the expected manner of recovery of the carrying value of an asset or liability. Deferred tax charges represent the future tax consequences of recovering or settling the carrying amount of an asset or liability. These future tax consequences are recorded as deferred tax assets, to the extent it is probable that future taxable profits will be available to utilise them, or deferred tax liabilities. Where appropriate, deferred tax assets and liabilities are offset as required by Australian Accounting Standards.

A summary of the components of Vicinity Limited's income tax expense is shown below:

	30 Jun 24 $m	30 Jun 23 $m
Current income tax expense	(3.9)	(4.3)
Deferred income tax benefit/(expense)	6.7	(0.4)
Adjustment for current year tax of prior periods	0.1	0.7
Increase in deferred tax assets	–	9.4
Income tax benefit	**2.9**	**5.4**

Statutory taxes and levies

The Group also incurs federal, state based and local authority taxes including land tax, council rates and levies. These are included within direct property expenses in the Statement of Comprehensive Income. Additionally, employee benefits expense within the Statement of Comprehensive Income includes employment-related taxes such as fringe benefits tax, payroll tax and Workcover contributions.

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (**GST**) except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included within the Balance Sheet. Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities that is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Voluntary tax transparency code

The Group is a signatory to the Tax Transparency Code. Further information on the Group's statutory taxes, levies and GST are disclosed in the Tax Transparency section of the Annual Report.

Operations

3. Taxes (continued)

b) Reconciliation between net profit and income tax benefit

	30 Jun 24 $m	30 Jun 23 $m
Profit before tax for the year	544.2	266.1
Less: Profit attributed to the Trust and not subject to tax	(557.3)	(262.9)
Net (loss)/profit before tax attributable to securityholders of Vicinity Limited	**(13.1)**	**3.2**
Prima facie income tax benefit/(expense) at 30%	3.9	(1.0)
Tax effect of amounts not taxable in calculating income tax expense:		
Net adjustment relating to permanent differences	(1.4)	(3.7)
Imputation credit on franked dividends	0.3	–
Prior period adjustments	0.1	0.7
Increase in deferred tax assets of previously unrecognised tax losses	–	9.4
Income tax benefit	**2.9**	**5.4**

c) Movement in temporary differences

Significant judgement and estimate

The forecasts of future taxable income are based on the Group's budgeting and planning process and tax related adjustments for the Company. This process requires estimates to be made in developing assumptions about income and expenses in future periods and significant judgement is applied in determining the length of the future time period to use in the assessment.

Key assumptions subject to uncertainty include future fund, property, and development management fee revenues, which are linked to the underlying performance and valuation of the investment properties under management by the Company. Changes to the assumptions, may result in reversal of deferred tax assets in future financial periods.

A summary of the movements in deferred tax balances is as follows:

	Provisions $m	Other $m	Tax losses [1] $m	Total $m
At 30 June 2022	**24.4**	**0.4**	**44.5**	**69.3**
Current tax expense	–	–	(4.3)	(4.3)
Adjustment for current year tax of prior periods	–	–	0.7	0.7
Deferred income tax movements	(2.9)	2.5	9.4	9.0
Transfers	0.1	–	(0.1)	–
At 30 June 2023	**21.6**	**2.9**	**50.2**	**74.7**
Current tax expense	–	–	(3.9)	(3.9)
Adjustment for current year tax of prior periods	–	(0.3)	0.4	0.1
Deferred income tax movements	(0.3)	7.0	–	6.7
At 30 June 2024	**21.3**	**9.6**	**46.7**	**77.6**

1. Unused tax losses do not expire. There were no unrecognised deferred tax assets of unused tax losses at 30 June 2024 (30 June 2023: nil).

Operations

4. Investment properties

The Group's investment properties represent freehold and leasehold interests in land and buildings held either to derive rental income or for capital appreciation, or both. They are initially measured at cost, including related transaction costs. Subsequently, at each reporting period, they are carried at their fair values based on the market value, being the price that would be received to sell an investment property in an orderly, arm's length transaction between market participants at the reporting date.

Fair values for investment properties are determined by independent (external valuers) or internal valuations. These valuations include the cost of capital works in progress on development projects.

a) Portfolio summary

	30 Jun 24				30 Jun 23			
Shopping centre type	Number of properties	Value [1] $m	Weighted average discount rate [1,2] %	Weighted average capital-isation rate [1,2] %	Number of properties	Value [1] $m	Weighted average discount rate [1,2] %	Weighted average capital-isation rate [1,2] %
Super Regional	1	3,362.5	6.50	4.13	1	3,325.0	6.25	3.88
Major Regional[3]	7	2,270.2	7.02	5.91	7	1,945.3	6.94	6.16
Central Business Districts	7	1,968.2	6.75	5.36	7	1,965.7	6.52	5.14
Regional[3]	9	2,052.9	7.44	6.77	8	1,588.7	7.41	6.59
Outlet Centre	8	2,405.1	7.12	5.96	8	2,337.5	6.88	5.71
Sub Regional[4]	21	2,377.8	7.30	6.54	23	2,529.3	7.07	6.36
Neighbourhood	2	115.4	6.69	5.75	3	189.0	6.91	6.01
Planning and holding costs[5]	—	45.1	n/a	n/a	—	48.9	n/a	n/a
Total	**55**	**14,597.2**	**6.98**	**5.65**	**57**	**13,929.4**	**6.78**	**5.47**
Add: Investment property leaseholds[6]	—	360.8			—	359.0		
Less: Properties held for sale[7]	(3)	(186.6)			—	—		
Total investment properties	**52**	**14,771.4**			**57**	**14,288.4**		

1. The discount and capitalisation rates are used in the 'discounted cash flow' and 'capitalisation of net income' valuation methods respectively. The adopted fair value is within the range calculated with reference to the two methods.
2. The discount and capitalisation rates relate to the core retail component excluding non-retail or ancillary properties.
3. As at 30 June 2024 Bayside was reassessed as meeting the requirements of a Regional centre and so has been reclassified from Major Regional to Regional.
4. Box Hill Central North is not included in the weighted average discount and capitalisation rates given the valuation for the property was based on the 'project related site assessment' method as disclosed in Note 4(c).
5. Planning and holding costs relating to planned major development projects are capitalised and carried within the overall investment property balance. The status of each project is reviewed at each period end to determine if continued capitalisation of these costs remains appropriate.
6. Refer to Note 18(a) for further details of investment property leasehold balances.
7. Represents the carrying amount of Maddington Central, Halls Head Central and Karratha City which are classified as investment properties held for sale (current asset), as the Group has entered into unconditional sale contracts as at 30 June 2024. These properties have been recorded at their fair value at balance date, which approximated the selling price net of estimated purchase price adjustments.

b) Movements for the year

As part of the Group's continuing focus on enhancing the investment portfolio, the following investment property transactions have occurred during the year:

Acquisition of the remaining 49% interest in Chatswood Chase

The Group completed the acquisition of the remaining 49% interest of Chatswood Chase on 15 March 2024, upon which the investment property is consolidated. Further information of the transaction is disclosed in Note 5(a).

Asset divestments

The Group completed the following divestments (including transaction costs):

- Roxburgh Village in March 2024 for $120.6 million;
- Dianella Plaza in March 2024 for $74.8 million;
- Kurralta Central in February 2024 for $73.4 million; and
- Other ancillary property disposals at Broadmeadows Central, Ellenbrook Central, Whitsunday Plaza and Altona Gate totalling $25.8 million.

Operations

4. Investment properties (continued)

b) Movements for the year (continued)

A reconciliation of the movements in investment properties is shown in the table below.

	30 Jun 24 $m	30 Jun 23 $m
Opening balance at 1 July	**13,929.4**	**14,009.0**
Acquisition (including landholder duty and transaction costs)[1]	376.6	–
Transfer from equity accounted investment[1]	373.3	–
Capital expenditure[2]	330.5	327.4
Capitalised borrowing costs[3]	7.7	3.4
Disposals	(294.6)	(148.4)
Property revaluation decrement for directly owned properties[4]	(41.9)	(196.0)
Landholder duty written off on acquisition of investment property	(17.7)	–
Amortisation of incentives and leasing costs[5]	(72.6)	(68.8)
Straight-lining of rent adjustment[5]	6.5	2.8
Closing balance at 30 June	**14,597.2**	**13,929.4**

1. The fair value of Chatswood Chase of $731.9 million on 15 March 2024, is reflected in the reconciliation as $376.6 million (including landholder duty and transaction costs of $18.0 million) of residual interest acquired and $373.3 million of existing interest transferred from equity accounted investments (refer to Note 5).
2. Includes development and maintenance capital expenditure, lease incentives, fit-out, and other capital costs.
3. Borrowing costs incurred in the construction of qualifying assets have been capitalised at a weighted average rate of 4.9% (30 June 2023: 4.5%).
4. Excludes the property revaluation increment of $0.9 million (30 June 2023: increment of $0.1 million) of investment property leaseholds held at fair value, and $2.1 million difference (gain) between transaction price and net fair value of Chatswood Chase.
5. For lease arrangements where Vicinity is the lessor.

c) Portfolio valuation

Significant judgement and estimate

The Group's valuation process is governed by the Board and the internal management Investment and Capital Committee. The process is reviewed periodically to consider changes in regulatory and market conditions, and other requirements. The determination of an investment property valuation requires assumptions to be made which may not be based on observable market data in all instances (i.e. discount and capitalisation rates) and estimating the future impact of events such as subsequent movements in inflation, interest rates, market rents and regulatory changes. This means the valuation of an investment property requires significant judgement and estimation.

Valuation process

The valuation process requires:

- Each property to be independently valued at least once per year;
- Independent valuations prepared to assess the fair value of each of the Group's investment properties are conducted in accordance with the guidelines and valuation principles as set by the Australian Property Institute (**API**) and the International Valuation Standards Council (**IVSC**). As part of the valuation process, the Group has discussed the impact of environmental, social and governance factors with the independent valuers. In assessing the implications of sustainability in property valuations under applicable API guidelines and IVSC valuation standards, consideration is given to environmental factors that can or do impact on the valuation of an asset;
- Independent valuers (who are selected from a pre-approved panel) that are appropriately qualified. Qualified independent valuers must be authorised by law to carry out such valuations and have at least five years' valuation experience (including at least two years in Australia) and have been rotated across all properties at a minimum every three years. The pre-approved panel was last approved in FY24;
- Internal valuations to be undertaken at the end of the reporting period (half-year and year-end) if a property is not due for an independent valuation;
- Where an internal valuation shows a variance greater than 10% from the last independent valuation, a new independent valuation is undertaken (even if this results in a property being independently valued twice in one year); and
- Internal valuations to be reviewed by a director of an independent valuation firm to assess the reasonableness of key assumptions and/or inputs adopted.

Variation to the valuation process, if approved by the Board, could be made in certain circumstances such as imminent sale of a property where a sale price has been agreed.

As at 30 June 2024, 24 assets were independently valued (external) and 31 assets were valued internally (30 June 2023: 25 independent valuations and 32 internal valuations). Each property in the portfolio however has been independently valued at least once in the financial year, in-line with the Group's valuation process.

Operations

4. Investment properties (continued)

c) Portfolio valuation (continued)

Valuation methodology

To determine the fair value of investment properties as at 30 June 2024:

— Independent valuations commonly adopt a fair value within the range calculated with reference to the 'capitalisation of net income' and 'discounted cash flow' (**DCF**) methods;

— Internal valuations utilise the latest available property financial information in the 'capitalisation of net income' method and the 'discounted cash flow' method to arrive at a properties fair value;

— Both independent and internal valuations employ the 'residual value' method when valuing properties under development; and

— Where the fair value for a site is unlikely to be determined by the current usage at the site (i.e. not based on the cashflows generated from the current usage such as retail), the valuer may employ a number of different methods to derive this valuation, including a direct comparison of land value approach or a project related site assessment valuation (based on the highest and best use for the site at any given time).

The table below details each valuation methodology:

Valuation method	Description
Capitalisation of net income	The fully leased annual net income of the property is capitalised in perpetuity from the valuation date. Except for leasehold properties where in most instances, depending on the term remaining on the ground lease, the fully leased annual net income of the property is capitalised for the remaining ground lease term. Various adjustments are then made to the calculated result, including estimated future incentives, capital expenditure, vacancy allowances and reversions to market rent. The capitalisation rate reflects the nature, location and tenancy profile of the property together with current market investment criteria, as evidenced by current market transactions.
DCF	Projected cash flows for a selected investment period (usually 10 years) are derived from contracted or future estimates of market rents, operating costs, lease incentives and capital expenditure. The cash flows assume the property is sold at the end of the investment period (10 years) for a terminal value. Terminal value is calculated by capitalising in perpetuity assumed market rent income at the end of the investment period by an appropriate terminal yield, except for leasehold properties where it may be calculated by other methodology to account for the finite term remaining on the ground lease at that time. Fair value is determined to be the present value of these projected cash flows, calculated by applying a market-derived discount rate to the cash flows.
Residual value (for properties under development)	The value of the asset on completion is calculated using the capitalisation of net income and discounted cash flow methods as described above, based on the forecast income profile at development completion. The estimated cost to complete the development, including construction costs and associated expenditures, finance costs, and an allowance for developer's risk and profit, and post development stabilisation is deducted from the value of the asset on completion to derive the current value.
Project related site assessment	Where the fair (and highest) value of the asset is unlikely to be derived from the cashflows of its current usage (e.g. retail), the valuation may have regard to a likely redevelopment of the site and the residual value a purchaser may pay for the site today given a market accepted profit margin (determined by the level of risk associated with developing the site).

Operations

4. Investment properties (continued)

c) Portfolio valuation (continued)

Key assumptions and inputs

As the capitalisation of income and DCF valuation methods include key inputs that are not based on observable market data (namely derived capitalisation and discount rates), investment property valuations are considered 'Level 3' on the fair value hierarchy (refer to Note 24 for further details on the fair value hierarchy).

Key unobservable inputs used by the Group in determining the fair value of its investment properties are summarised below.

	30 Jun 24		30 Jun 23		
Unobservable inputs	Range of inputs	Weighted average inputs	Range of inputs	Weighted average inputs	Sensitivity
Capitalisation rate[1]	4.13% – 9.00%	5.65%	3.88% – 8.50%	5.47%	The higher the capitalisation rate, discount rate, terminal yield, and expected downtime due to tenants vacating, the lower the fair value.
Discount rate[2]	6.25% – 9.00%	6.98%	6.25% – 8.75%	6.78%	
Terminal yield[3]	4.38% – 7.75%	5.87%	4.13% – 8.00%	5.67%	
Expected downtime (for tenants vacating)	3 to 12 months	6 months	4 to 15 months	7 months	
Market rental growth rate	2.17% – 3.59%	3.06%	2.00% – 3.69%	3.03%	The higher the assumed market rental growth rate, the higher the fair value.

1. The capitalisation rate is the required annual yield of net market income used to determine the value of the property. The rate is determined with regards to comparable market transactions.
2. The discount rate is a required annual total rate of return used to convert the forecast cash flow of an asset into present value terms. It should reflect the required rate of return of the property given its risk profile relative to competing uses of capital. The rate is determined with regards to comparable market transactions.
3. The terminal yield is the capitalisation rate used to convert forecast annual income into a forecast asset value at the end of the holding period when carrying out a DCF calculation. The rate is determined with regards to comparable market transactions and the expected risk inherent in the cash flows at the end of the cash flow period. Leasehold properties with tenure less than 20 years (at the end of the 10-year investment horizon) have been excluded from this sensitivity for comparative reasons given the terminal value calculation can differ to take into account the finite term remaining on the leasehold at that time.

All of the above key assumptions have been taken from the 30 June 2024 external valuation reports and internal valuation assessments (where applicable).

For all investment properties except for Box Hill Central North, the current use is considered the highest and best use. For Box Hill Central North, the highest and best use is a mixed-use development site.

Sensitivity analysis

The following sensitivities illustrate the impact of changes in key unobservable inputs (in isolation) on the fair value of the Group's investment properties as at 30 June 2024. Specific key unobservable inputs may impact only the capitalisation of net income method, the DCF method or both methods.

DCF method

30 Jun 24	Carrying value $m	Discount rate -0.25% $m	Discount rate +0.25% $m	10-year rental growth rate -0.25% $m	10-year rental growth rate +0.25% $m
Actual valuation[1]	14,365.5				
Impact on actual valuation		+307.9	(293.3)	(217.3)	+220.8
Resulting valuation		14,673.4	14,072.2	14,148.2	14,586.3

1. Excludes planning and holding costs, investment property leaseholds and properties held for sale.

Capitalisation of net income method

30 Jun 24	Carrying value $m	Capitalisation rate -0.25% $m	Capitalisation rate +0.25% $m
Actual valuation[1]	14,365.5		
Impact on actual valuation		+698.7	(638.0)
Resulting valuation		15,064.2	13,727.5

1. Excludes planning and holding costs, investment property leaseholds and properties held for sale.

Operations

4. Investment properties (continued)

d) Future undiscounted lease payments to be received from operating leases

The Group's investment properties are leased to tenants under operating leases with rentals payable monthly. Future minimum undiscounted fixed lease payments to be received for the non-cancellable period of operating leases of investment properties are shown in the table below. These include amounts to be received for recovery of property outgoings for tenants on gross leases which will be accounted for as revenue from contracts with customers when earned[1]. Rentals which may be received when tenant sales exceed set thresholds and separately invoiced amounts for recovery of property outgoings are excluded[1].

	30 Jun 24 $m	30 Jun 23 $m
Not later than one year	913.6	882.4
Two years	851.2	736.2
Three years	744.8	612.0
Four years	618.9	494.6
Five years	470.3	363.0
Later than five years	983.7	790.3
Total undiscounted lease payments to be received from operating leases	**4,582.5**	**3,878.5**

1. Refer to Note 2 for the proportion of revenue earned relating to the recovery of property outgoings.

5. Equity accounted investments

Equity accounted investments primarily consists of investment property joint ventures with strategic partners where the property ownership interest is held through a jointly owned trust rather than direct ownership into the property title. The Group has contractual arrangements that establish joint control over the economic activities of these trusts, based on standard market terms.

These investments are accounted for using the equity method.

a) Summary of equity accounted investments

	Ownership		Carrying value	
	30 Jun 24 %	30 Jun 23 %	30 Jun 24 $m	30 Jun 23 $m
Chatswood Chase (Joint Venture)[1]	–	51	–	342.8
Victoria Gardens Retail Trust (Joint Venture)[2]	50	50	91.4	93.7
			91.4	**436.5**
Other associates			0.4	1.0
Closing balance			**91.8**	**437.5**

1. Investment in the Chatswood Chase joint venture is held through CC Commercial Trust (**CCCT**). In October 2023, the Group entered into agreements to acquire the remaining 49% interest in CCCT. The transaction settled on 15 March 2024, for cash consideration of $331.6 million (including purchase price adjustments, landholder duty and transaction costs). In the period up to settlement date, the contractual arrangements that established joint control over the economic activities of CCCT remained substantively unchanged. As a result, the Group and its joint venture partner continued to have joint control over the relevant activities of CCCT until 15 March 2024. On settlement completion, CCCT ceased to be a joint venture and the use of the equity method was discontinued.
   The carrying value of the assets and liabilities of CCCT approximated its fair value on transaction date. The net assets of CCCT on transaction date were predominantly made up of the fair value of Chatswood Chase of $731.9 million (reconciliation of the Chatswood Chase investment property is as disclosed in Note 4(b)). In accordance with the accounting standards, the transaction is accounted for as an asset acquisition.
2. The primary asset of the joint venture is investment property held at fair value. As such the carrying value of equity accounted investment is subject to the same significant judgement and estimate as disclosed in Note 4(c).

Operations

5. Equity accounted investments (continued)

b) Movements for the year

A reconciliation of the movements in significant equity accounted investments is shown in the table below.

	Note	30 Jun 24 $m	30 Jun 23 $m
Opening balance		**436.5**	**503.9**
Additional investments made during the year		9.1	3.0
Share of net loss of equity accounted investments[1]		(14.6)	(50.5)
Distributions of net income declared by equity accounted investments		(11.2)	(19.9)
Discontinuation of equity method of CCCT		(328.4)	-
Closing balance	**5(a)**	**91.4**	**436.5**

1. Excludes share of net gain from other associates of $0.3 million (30 June 2023: share of loss of $0.4 million).

c) Summarised financial information of joint ventures

Chatswood Chase

Summarised financial information represents 51% of the underlying financial information for Chatswood Chase joint venture for the period up to 15 March 2024 when the remaining 49% interest in CCCT was acquired.

	30 Jun 24 $m	30 Jun 23 $m
Investment property (non-current)	–	353.5
Other net working capital balances	–	(10.7)
Net assets	**–**	**342.8**
Total revenue and income	14.6	23.5
Aggregate net loss after income tax	(15.0)	(57.1)

Victoria Gardens Retail Trust

Summarised financial information represents 50% of the underlying financial information of the Victoria Gardens Retail Trust joint venture.

	30 Jun 24 $m	30 Jun 23 $m
Investment property (non-current)	166.4	165.0
Interest bearing liability (non-current)	(68.9)	(68.6)
Other net working capital balances	(6.1)	(2.7)
Net assets	**91.4**	**93.7**
Total revenue and income	11.0	10.4
Interest expense	(3.2)	(2.7)
Aggregate net profit after income tax	0.4	6.5

d) Related party transactions with equity accounted investments during the year

Chatswood Chase

Asset management fees earned by the Group for management services provided to Chatswood Chase for the period to 15 March 2024 totalled $13,145,000 (30 June 2023: $5,728,000). At 30 June 2024, no amounts remain payable to the Group (30 June 2023: nil). Distribution income from the Group's investment in Chatswood Chase for the period to 15 March 2024 was $8,451,000 (30 June 2023: $16,583,000) with nil remaining receivable to the Group at 30 June 2024 (30 June 2023: $8,749,000).

Victoria Gardens Retail Trust

Asset management fees earned by the Group for management services provided to Victoria Gardens Retail Trust totalled $2,226,000 (30 June 2023: $2,343,000). At 30 June 2024, no amounts remain payable to the Group (30 June 2023: nil). Distribution income from the Group's investment in Victoria Gardens Retail Trust was $2,754,000 (30 June 2023: $3,310,000) with $8,242,000 remaining receivable at 30 June 2024 (30 June 2023: $5,488,000).

Operations

6. Earnings per security

The basic and diluted earnings per security for the Group are calculated below in accordance with the requirements of AASB 133 *Earnings per Share*.

Basic earnings per security is determined by dividing the net profit or loss after income tax by the weighted average number of securities outstanding during the year.

Diluted earnings per security adjusts the weighted average number of securities outstanding by the weighted average number of additional securities that would have been outstanding assuming the conversion of all dilutive potential securities.

Basic and diluted earnings per security are as follows:

	30 Jun 24	30 Jun 23
Earnings per security attributable to securityholders of the Group:		
Basic earnings per security (cents)	12.02	5.96
Diluted earnings per security (cents)	11.99	5.95
Earnings per security attributable to securityholders of Vicinity Limited:		
Earnings per security (cents)	(0.22)	(0.02)
Diluted earnings per security (cents)	(0.22)	(0.02)

The following net profit after income tax amounts are used as the numerator in calculating earnings per stapled security of the Group and Vicinity Limited:

	30 Jun 24 $m	30 Jun 23 $m
Earnings used in calculating basic and diluted earnings per security of the Group	547.1	271.5
Earnings used in calculating basic and diluted earnings per security of Vicinity Limited	(10.2)	(0.8)

The following weighted average number of securities are used as the denominator in calculating earnings per stapled security of the Group and Vicinity Limited:

	30 Jun 24 Number (m)	30 Jun 23 Number (m)
Weighted average number of securities used as the denominator in calculating basic earnings per security	4,552.3	4.552.3
Adjustment for potential dilution from performance and restricted rights	10.2	8.3
Weighted average number of securities used as the denominator in calculating diluted earnings per security	**4,562.5**	**4,560.6**

Capital structure and financial risk management

7. Interest bearing liabilities and derivatives

Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred and subsequently measured at amortised cost using the effective interest rate method. Foreign currency denominated notes are translated to AUD at the applicable exchange rate at each reporting period with the gain or loss attributable to exchange rate movements recognised in the Statement of Comprehensive Income.

a) Summary of facilities

The following table outlines the Group's interest bearing liabilities at balance date:

	30 Jun 24 $m	30 Jun 23 $m
Current liabilities		
Unsecured		
Bank debt	–	123.0
AUD Medium Term Notes (**AMTN**)	400.0	200.0
US Private Placement Notes (**USPP**)	87.5	–
Total current liabilities	**487.5**	**323.0**
Non-current liabilities		
Unsecured		
Bank debt	318.0	330.0
AMTN[1]	1,059.4	958.8
GBP European Medium Term Notes (**GBMTN**)	666.5	665.6
HKD European Medium Term Notes (**HKMTN**)	122.9	122.5
USPP	783.6	868.4
EUR European Medium Term Notes (**EMTN**)	803.9	815.3
Deferred debt costs[2]	(11.6)	(10.1)
Total non-current liabilities	**3,742.7**	**3,750.5**
Total interest bearing liabilities	**4,230.2**	**4,073.5**

1. Non-current unsecured AMTN includes $60.0 million of AUD notes issued under the Group's EMTN program, $300.0 million of Green Bond and $500.0 million 10 year AUD Bond issued in April 2024. The proceeds of Green Bonds were utilised to fund eligible green projects and assets with high sustainability rating (e.g. National Australian Built Environment Rating system energy rating of 5 stars or higher).
2. Deferred debt costs comprise the unamortised value of borrowing costs paid on establishment or refinancing of debt facilities. These costs are deferred on the Balance Sheet and amortised at the effective interest rate to borrowing costs in the Statement of Comprehensive Income.

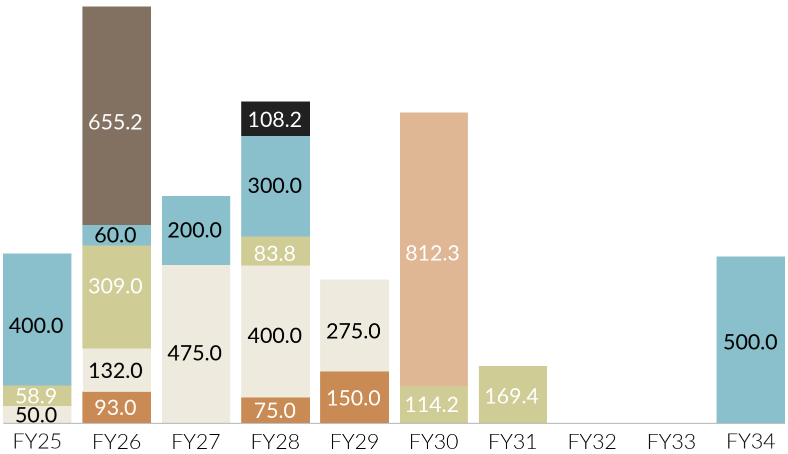
Capital structure and financial risk management

7. Interest bearing liabilities and derivatives (continued)

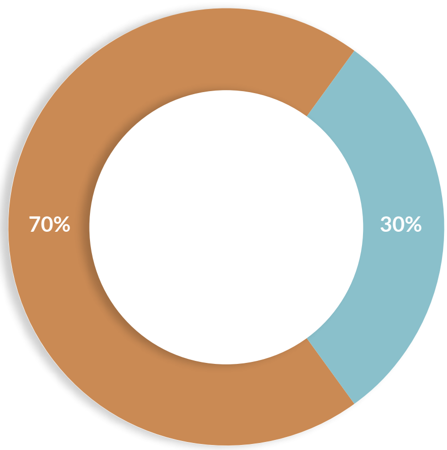
b) Facility maturity and availability

The charts below outline the maturity of the Group's total available facilities at 30 June 2024 by type, and the bank to capital markets debt ratio. Of the $5,421.0 million total available facilities (30 June 2023: $5,146.0 million), $1,332.0 million remains undrawn at 30 June 2024 (30 June 2023: $1,222.0 million).

Available facilities expiry profile ($m)[1]



Bank to capital market debt ratio ($m,%)



1. The carrying amount of the USPP, GBMTN, HKMTN, EMTN and AMTN on the Balance Sheet is net of adjustments for fair value items and foreign exchange translation losses of $152.8 million (30 June 2023: losses of $159.6 million). These adjustments are excluded from the calculation of total facilities available and amounts drawn as shown in the charts. Additionally, deferred debt costs of $11.6 million (30 June 2023: $10.1 million) are not reflected in the amount drawn.

c) Borrowing costs

Borrowing costs consist of interest and other costs incurred in connection with borrowing funds (such as establishment fees, legal and other fees). Borrowing costs are expensed to the Statement of Comprehensive Income using the effective interest rate method, except for borrowing costs incurred for the development of qualifying investment properties which are capitalised to the cost of the investment property during the period of development. Borrowing costs also include finance charges on lease liabilities.

	30 Jun 24 $m	30 Jun 23 $m
Interest and other costs on interest bearing liabilities and derivatives	191.1	174.6
Amortisation of deferred debt costs	4.5	4.3
Amortisation of face value discounts	1.6	1.6
Amortisation of fair value adjustments relating to discontinuation of hedge accounting	(1.5)	(1.3)
Interest charge on lease liabilities	29.2	28.9
Capitalised borrowing costs	(8.4)	(3.4)
Total borrowing costs	**216.5**	**204.7**

Capital structure and financial risk management

7. Interest bearing liabilities and derivatives (continued)

d) Defaults and covenants

At 30 June 2024, the Group had no defaults on debt obligations or breaches of lending covenants (30 June 2023: nil).

e) Derivatives

As detailed further in Note 8, derivative instruments are held to hedge against the interest rate and foreign currency risks of the Group's borrowings. These are not accounted for under hedge accounting. Derivatives are initially recognised at fair value and subsequently remeasured to their fair value at each reporting period. The fair value of these derivatives is estimated using valuation techniques, including referencing to the current fair value of other instruments that are substantially the same or calculation of discounted cash flows. These valuation techniques use observable Level 2 inputs, mainly interest rates and interest rate curves as well as foreign currency rates and foreign currency curves. The Group does not currently have a legally enforceable right to set-off the derivative assets and liabilities. As such, the derivatives are presented on a gross basis.

The following are recorded within the Statement of Comprehensive Income in respect of derivative financial instruments:

— Movements in fair value are recognised within net mark-to-market movement on derivatives; and

— The net interest received or paid is included within borrowing costs.

The classification of derivatives is presented based on the net cash outflows expected to be settled (or net cash inflows expected to be realised) within 12 months in determining the current liability (or current asset). A derivative contract is considered a single unit of account, therefore when the overall derivative's fair value is a liability (asset), any net cash inflows (outflows) within 12 months are not separately presented.

The carrying amount and notional principal amounts of these instruments are shown in the table below:

		Carrying amount			
30 Jun 24	Notional principal amount $m	Current asset $m	Non-current asset $m	Current liability $m	Non-current liability $m
Cross currency swaps (pay AUD floating receive USD fixed)	660.3	28.5	67.5	(2.0)	(2.8)
Cross currency swaps (pay AUD floating receive GBP fixed)	655.2	—	—	(19.8)	(9.5)
Cross currency swaps (pay AUD floating receive HKD fixed)	108.2	—	9.8	—	—
Cross currency swaps (pay AUD floating receive EUR fixed)	812.3	—	—	(38.8)	(84.5)
Interest rate swaps (fixed to floating)[1]	2,425.0	39.5	102.9	—	(0.4)
Interest rate swaps (floating to fixed)	500.0	—	4.4	—	—
Total carrying amount of derivative financial instruments	**n/a**	**68.0**	**184.6**	**(60.6)**	**(97.2)**

		Carrying amount			
30 Jun 23	Notional principal amount $m	Current asset $m	Non-current asset $m	Current liability $m	Non-current liability $m
Cross currency swaps (pay AUD floating receive USD fixed)	660.3	—	87.5	(2.2)	(5.2)
Cross currency swaps (pay AUD floating receive GBP fixed)	655.2	—	—	(18.8)	(47.8)
Cross currency swaps (pay AUD floating receive HKD fixed)	108.2	—	7.9	—	—
Cross currency swaps (pay AUD floating receive EUR fixed)	812.3	—	—	(38.3)	(95.9)
Interest rate swaps (fixed to floating)[1]	2,425.0	39.1	132.2	—	—
Total carrying amount of derivative financial instruments	**n/a**	**39.1**	**227.6**	**(59.3)**	**(148.9)**

1. Notional value excludes the $1,200.0 million swaps with forward start dates between August 2024 and September 2025 (30 June 2023: $300.0 million). The fair value of these forward start contracts has been included in the carrying amount of interest rate swaps at 30 June 2024.

Capital structure and financial risk management

7. Interest bearing liabilities and derivatives (continued)

f) Changes in interest bearing liabilities arising from financing activities

The table below details changes in the Group's interest bearing liabilities arising from financing activities, including both cash and non-cash changes:

	30 Jun 24 $m	30 Jun 23 $m
Opening balance	**4,073.5**	**3,752.5**
New AMTN issue	500.0	–
Repayment of AMTN	(200.0)	–
Net (repayment)/drawdowns of bank debt	(135.0)	180.0
Foreign exchange rate adjustments recognised in profit and loss	(6.9)	139.9
Payment of deferred debt costs	(6.0)	(3.5)
Amortisation of face value discount	1.6	1.6
Amortisation of deferred debt costs	4.5	4.3
Fair value movements, non-cash	(1.5)	(1.3)
Closing balance	**4,230.2**	**4,073.5**

g) Fair value of interest bearing liabilities

As at 30 June 2024 the Group's interest bearing liabilities had a fair value of $4,050.0 million (30 June 2023: $3,759.3 million).

The carrying amount of these interest bearing liabilities was $4,230.2 million (30 June 2023: $4,073.5 million). The difference between the carrying amount and the fair value of interest bearing liabilities is due to:

- Deferred debt costs included in the carrying value which are not included in the fair value; and
- Movements in market discount rates on interest bearing liabilities since initial recognition. As fair value is calculated by discounting the contractual cash flows using prevailing market discount rates (with similar terms, maturity and credit quality) any movements in these discount rates since initial recognition will give rise to differences between fair value and the carrying value (which is at amortised cost).

Had the interest bearing liabilities been recognised at fair value, these would have been classified as Level 2 under the fair value hierarchy as the market discount rates used are indirectly observable.

8. Capital and financial risk management

In the course of its operations the Group is exposed to certain financial risks that could affect the Group's financial position and performance. This note explains the sources of the risks below, how they are managed by the Group and exposure at reporting date:

- Interest rate risk, Note 8(a);
- Foreign exchange risk, Note 8(b);
- Liquidity risk, Note 8(c); and
- Credit risk, Note 8(d).

Information about the Group's objectives for managing capital is contained in Note 8(e).

Risk management approach

The Group's treasury team is responsible for the day to day management of the Group's capital requirements and the financial risks identified above. These activities are overseen by the internal management Capital Management Committee (**CMC**), operating under the CMC Charter and the treasury policy. This policy is endorsed by the Audit Committee and approved by the Board. The overall objectives of the CMC are to:

- Ensure that the Group has funds available to meet all financial obligations, working capital and committed capital expenditure requirements;
- Monitor and ensure compliance with all relevant financial covenants and other undertakings under the Group's debt facilities;
- Reduce the impact of adverse interest rate or foreign exchange movements on the Group's financial performance and position using approved financial instruments;
- Diversify banking counterparties to mitigate counterparty credit risk; and
- Ensure the Group treasury team operates in an appropriate control environment, with effective systems and procedures.

Capital structure and financial risk management

8. Capital and financial risk management (continued)

a) Interest rate risk

Nature and sources of risk

Interest rate risk represents the potential for changes in market interest rates to impact the total interest expense on floating rate borrowings (cash flow interest rate risk) or the fair value of derivatives (fair value interest rate risk) held by the Group.

Risk management

Interest rate swaps are used to manage cash flow interest rate risk by targeting a hedge ratio on the Group's interest-bearing liabilities. Under the terms of the interest rate swaps, the Group agrees to exchange, at specified intervals, amounts based on the difference between fixed interest rates and the floating market interest rate calculated by reference to an agreed notional principal amount. None of these derivatives are currently in designated hedge relationships. They are also not permitted to be entered into for speculative purposes.

Exposure

As at the balance date, the Group had the following exposure to cash flow interest rate risk:

	Note	30 Jun 24 $m	30 Jun 23 $m
Total interest bearing liabilities	**7(a)**	**4,230.2**	**4,073.5**
Reconciliation to drawn debt			
Deferred debt costs		11.6	10.1
Fair value and foreign exchange adjustments to EMTN		8.4	(3.0)
Fair value and foreign exchange adjustments to GBMTN		(11.2)	(10.4)
Fair value and foreign exchange adjustments to USPP		(135.9)	(133.1)
Fair value adjustments to AMTN		0.6	1.2
Foreign exchange adjustments to HKMTN		(14.7)	(14.3)
Total drawn debt		**4,089.0**	**3,924.0**
Less: Fixed rate borrowings		(1,300.0)	(1,000.0)
Variable rate borrowings exposed to cash flow interest rate risk		**2,789.0**	**2,924.0**
Less: Notional principal of outstanding interest rate swap contracts		(1,925.0)	(2,425.0)
Net variable rate borrowings exposed to cash flow interest rate risk		**864.0**	**499.0**
Hedge ratio[1]		**78.9%**	**87.3%**

1. Calculated as net variable rate borrowings exposed to cash flow interest rate risk divided by total drawn debt.

Sensitivity

A shift in the floating interest rate of +/- 50 bps, assuming the net exposure to cash flow interest rate risk as at 30 June 2024 remains unchanged for the next 12 months, would impact the Group's cash interest cost for the next 12 months by $4.3 million (30 June 2023 +/- 50 bps: $2.5 million).

A shift in the forward interest rate curve of +/- 50 bps, assuming the net exposure to fair value interest rate risk as at 30 June 2024 remains unchanged for the next 12 months, would impact net profit and equity for the next 12 months by $7.8 million (30 June 2023 +/- 50 bps: $10.4 million).

This sensitivity analysis should not be considered a projection.

Capital structure and financial risk management

8. Capital and financial risk management (continued)

b) Foreign exchange rate risk

Nature and sources of risk

Foreign exchange risk represents the potential for changes in market foreign exchange rates to impact the cash flows arising from the Group's foreign denominated interest bearing liabilities (cash flow foreign exchange rate risk) or the fair value of derivatives and the carrying value of interest bearing liabilities (fair value foreign exchange rate risk) held by the Group.

Risk management

Cash flow foreign exchange rate risk is managed through the use of cross currency swaps, which swap the foreign currency interest payments on foreign denominated interest bearing liabilities into Australian dollars and fix the exchange rate for the conversion of the principal repayment. None of these derivatives are currently in designated hedge relationships. They are also not permitted to be entered into for speculative purposes.

Exposure

As at the balance date, the Group had entered into cross currency swaps with terms offsetting those of all foreign denominated interest bearing liabilities and therefore had no significant net exposure to cash flow foreign exchange rate risk (30 June 2023: nil net exposure). The Group has exposure to fair value foreign exchange risk on the valuation of the derivative financial instruments. The table below summarises the foreign denominated interest bearing liabilities held by the Group. Details of cross currency swaps held are shown in Note 7(e).

Foreign denominated interest bearing liabilities	Foreign currency	30 Jun 24 $m	30 Jun 23 $m
GBMTN	GBP £	350.0	350.0
HKMTN	HKD $	640.0	640.0
USPP	USD $	523.0	523.0
EMTN	EUR €	500.0	500.0

Sensitivity

A shift in the forward GBP, HKD, EUR and USD exchange rate curves of +/- 5.0 cents, assuming the net exposure to fair value foreign exchange rate risk as at 30 June 2024 remains unchanged for the next 12 months, would impact net profit and equity for the next 12 months by $5.3 million (30 June 2023 +/- 5.0 cents: $10.6 million).

This sensitivity analysis should not be considered a projection.

Capital structure and financial risk management

8. Capital and financial risk management (continued)

c) Liquidity risk

Nature and sources of risk

Liquidity risk represents the risk that the Group will be unable to meet financial obligations as they fall due.

Risk management

To manage this risk, sufficient capacity under the Group's financing facilities is maintained to meet the funding needs identified in the Group's latest forecasts. This is achieved through obtaining and maintaining funding from a range of sources (e.g. banks and Australian and foreign debt capital markets), maintaining sufficient undrawn debt capacity and cash balances, and managing the amount of borrowings that mature, or facilities that expire, in any one year.

Exposure

The contractual maturity of cash on term deposit, interest bearing liabilities and the interest payment profile on interest bearing liabilities and derivatives are shown below. Estimated interest and principal payments are calculated based on the forward interest and foreign exchange rates prevailing at year end and are undiscounted. Timing of payments is based on current contractual obligations. Refer to Note 12 for details on trade payables and other financial liabilities and Note 18(b) for lease liabilities that are not included in the table below.

30 Jun 24	Less than 1 year $m	1 to 3 years $m	Greater than 3 years $m	Total $m
Bank debt	–	93.0	225.0	318.0
AMTN	400.0	200.0	800.0	1,400
GBMTN	–	665.7	–	665.7
HKMTN	–	–	126.8	126.8
USPP	87.5	336.0	442.7	866.2
EMTN	–	60.0	882.6	942.6
Estimated interest payments and line fees on borrowings	166.4	236.0	332.2	734.6
Estimated net interest rate swap cash (inflows)	(42.2)	(61.0)	(64.0)	(167.2)
Estimated gross cross currency swap cash outflows	199.5	1,156.8	1,374.8	2,731.1
Estimated gross cross currency swap cash (inflows)	(152.1)	(1,086.7)	(1,442.1)	(2,680.9)
Total contractual outflows	**659.1**	**1,599.8**	**2,678.0**	**4,936.9**

30 Jun 23	Less than 1 year $m	1 to 3 years $m	Greater than 3 years $m	Total $m
Bank debt[1]	123.0	105.0	225.0	453.0
AMTN	200.0	460.0	500.0	1,160.0
GBMTN	–	648.1	–	648.1
HKMTN	–	–	127.3	127.3
USPP	–	423.6	450.3	873.9
EMTN	–	–	910.0	910.0
Estimated interest payments and line fees on borrowings	144.5	228.4	162.6	535.5
Estimated net interest rate swap cash (inflows)	(43.1)	(67.8)	(88.1)	(199.0)
Estimated gross cross currency swap cash outflows	143.3	1,283.7	1,443.2	2,870.2
Estimated gross cross currency swap cash (inflows)	(66.2)	(1,192.7)	(1,507.6)	(2,766.5)
Total contractual outflows	**501.5**	**1,888.3**	**2,222.7**	**4,612.5**

1. Repayment of $123.0 million of bank debt made in July 2023, following the sale of 50% interest in Broadmeadows Central.

Capital structure and financial risk management

8. Capital and financial risk management (continued)

d) Credit risk

Nature and sources of risk

Credit risk is the risk that a tenant or counterparty to a financial asset held by the Group fails to meet their financial obligations. The Group's financial assets that are subject to credit risk are bank deposits, tenant receivables and derivative financial assets.

Risk management

To mitigate credit risk in relation to derivative counterparties and bank deposits the Group has policies to limit exposure to any one financial institution and only deal with those parties with high credit quality. To mitigate tenant credit risk, an assessment is performed taking into consideration the financial background of the tenant and the amount of any security deposit or bank guarantee provided as collateral under the lease, as is usual in leasing agreements. On an ongoing basis, trade receivable balances from tenants are monitored with the Group considering receivables that have not been paid for 30 days after the invoice date as past due. Note 11 discusses the assessment of credit risk on tenant receivables at 30 June 2024.

Exposure

The maximum exposure to credit risk at the balance date is the carrying amount of the Group's financial assets which are recognised within the Balance Sheet net of allowance for losses. As at balance date, there are no significant concentrations of credit risk with any tenant or tenant group.

e) Capital management

The Group seeks to maintain a strong and conservative capital structure with appropriate liquidity, low gearing and a diversified debt profile (by source and tenor). The Group has credit ratings of 'A2/stable' from Moody's Investors Service and 'A/stable' from Standard & Poor's (S&P) Global Ratings.

Key metrics monitored are gearing ratio and interest cover ratio. These metrics are shown below.

Gearing ratio

The gearing ratio is calculated in the table below as:

- Total drawn debt net of cash; divided by
- Total tangible assets excluding cash, right of use assets, net investments in lease, investment property leaseholds and derivative financial assets.

	Note	30 Jun 24 $m	30 Jun 23 $m
Total drawn debt	8(a)	**4,089.0**	**3,924.0**
Drawn debt net of cash		4,039.4	3,731.1
Total tangible assets excluding cash, right of use assets, net investments in lease, investment property leaseholds and derivative financial assets		14,872.4	14,577.2
Gearing ratio (target range of 25.0% to 35.0%)		**27.2%**	**25.6%**

Interest cover ratio

The interest cover ratio is calculated in accordance with the definitions within the Group's bank debt facility agreements as follows:

- EBITDA which generally means the Group's earnings before interest, tax, depreciation, amortisation, fair value adjustments and other items; divided by
- Total interest expense.

The interest cover ratio was 4.2 times at 30 June 2024 (30 June 2023: 4.6 times).

Capital structure and financial risk management

9. Contributed equity

An ordinary stapled security comprises one share in the Company and one unit in the Trust. Ordinary stapled securities entitle the holder to participate in distributions and the proceeds on winding up of the Group (if enacted) in proportion to the number of securities held. Ordinary stapled securities are classified as equity. All ordinary securities are fully paid.

Incremental costs directly attributable to the issue of new stapled securities are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new stapled securities for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

	30 Jun 24 Number (m)	30 Jun 23 Number (m)	30 Jun 24 $m	30 Jun 23 $m
Total stapled securities on issue at the beginning of the year	4,552.3	4,552.3	9,102.2	9,102.2
Total stapled securities on issue at the end of the year	**4,552.3**	**4,552.3**	**9,102.2**	**9,102.2**

The Group held 0.3 million or $0.5 million of treasury securities at 30 June 2024 (30 June 2023: 1.0 million shares or $1.8 million). These will be used to settle employee share based payment plans.

10. Distributions

A provision is recognised for distributions to securityholders that have been declared by 30 June 2024 but remain unpaid by that date.

a) Distributions for the year

	30 Jun 24 Cents [1]	30 Jun 23 Cents [1]	30 Jun 24 $m	30 Jun 23 $m
Distributions paid/payable in respect of the earnings:				
For six-months to 30 June 2024 (30 June 2023)	5.90	6.25	268.6	284.5
For six-months to 31 December 2023 (31 December 2022)	5.85	5.75	266.3	261.8
Total distributions for the year	**11.75**	**12.00**	**534.9**	**546.3**

1. Cents per VCX stapled security.

An interim distribution of 5.85 cents per VCX stapled security, which equates to $266.3 million, was paid on 7 March 2024.

On 20 August 2024, the Directors declared a distribution in respect of the Group's earnings for the six-months to 30 June 2024 of 5.90 cents per VCX stapled security, which equates to final distribution of $268.6 million. The final distribution will be paid on 16 September 2024.

b) Distributions paid during the year

	30 Jun 24 Cents [1]	30 Jun 23 Cents [1]	30 Jun 24 $m	30 Jun 23 $m
Distributions paid in respect of the earnings:				
For six-months to 31 December 2023 (31 December 2022)	5.85	5.75	266.3	261.8
For six-months to 30 June 2023 (30 June 2022)	6.25	5.70	284.5	259.5
Total distributions paid during the year	**12.10**	**11.45**	**550.8**	**521.3**

1. Cents per VCX stapled security.

Working capital

11. Trade receivables and other assets

a) Summary

Trade receivables comprise amounts due from tenants of the Group's investment properties under lease agreements and amounts receivable from strategic partners under property management agreements.

Trade receivables and other assets are held to collect contractual cash flows. Trade receivables and other assets are initially recognised at the transaction price or fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for expected credit losses (**ECL**). Trade receivables and other assets with maturities greater than 12 months after the reporting date are classified as non-current assets.

At 30 June 2024, the carrying value of trade receivables and other assets approximated their fair value.

	Note	30 Jun 24 $m	30 Jun 23 $m
Current trade receivables			
Trade debtors		8.8	21.1
Deferred rent[1]		1.1	2.3
Accrued income		27.9	29.8
Receivables from strategic partners		0.5	2.6
Less: allowance for ECL	11(b)	(6.2)	(7.5)
Total current trade receivables[2]		**32.1**	**48.3**
Current other assets			
Distributions receivable from joint ventures and associates		8.2	14.2
Prepayments		20.5	18.4
Land tax levies		15.8	17.7
Tenant security deposits held		0.6	1.2
Other		17.2	24.7
Total current other assets		**62.3**	**76.2**
Total current trade receivables and other assets		**94.4**	**124.5**
Non-current other assets			
Deferred rent[1]		–	1.0
Less: allowance for ECL	11(b)	–	(0.1)
Other		8.4	6.8
Total non-current other assets		**8.4**	**7.7**

1. Under certain rent assistance agreements, rents are deferred to be repaid at a later date.
2. Include receivables relating to lease rental income, recovery of property outgoings and other property-related revenues. Refer to Note 2 for an analysis of the Group's revenue and income.

Working capital

11. Trade receivables and other assets (continued)

b) Allowance for expected credit losses

The ECL allowance represents the difference between cash flows contractually receivable by the Group and the cash flows the Group expects to receive. For trade receivables, contract assets and lease receivables, the Group applies the simplified approach in calculating ECL. Therefore, the Group does not track the changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date.

Tenant debt is segmented according to the risk profiles and age of the outstanding debt. ECL of these segments are then assessed with reference to the tenants' financial position, historical credit losses, and other macroeconomic factors.

The recognition of an ECL, however, does not mean that the Group has ceased collection activities in relation to the amounts owed. Tenant debt is considered to be in default if contractual payments have not been made when they fall due and is written off when collections are unlikely.

As at 30 June 2024, $3.5 million, which represents approximately 35.5% of total trade receivables, is considered past due but not impaired (30 June 2023: $9.9 million which represents 40.6% of total trade receivables).

Movements in the allowance for ECL

The movement in the allowance for ECL in respect of trade receivables during the year was as follows:

	30 Jun 24 $m	30 Jun 23 $m
Opening balance at 1 July	**(7.6)**	**(76.8)**
Amounts written off as uncollectible	3.6	31.7
Rental waivers granted	1.8	18.4
Net remeasurement of prior period allowance[1,2]	4.4	27.1
Loss allowance on receivables originated during the current period[2]	(7.1)	(8.0)
Transferred from equity accounted investment	(1.3)	–
Closing balance at 30 June	**(6.2)**	**(7.6)**

1. The opening balance of allowance for ECL at 1 July was remeasured due to changes to key assumptions adopted previously.
2. Included within 'allowance for ECL' in the Statement of Comprehensive Income. A further $2.9 million (30 June 2023: 2.4 million) recovery of previously written off trade receivables, was recognised directly in allowance for ECL in the Statement of Comprehensive Income.

12. Payables and other financial liabilities

Payables and other financial liabilities represent liabilities for goods and services provided to the Group prior to the end of the financial year and that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are carried at amortised cost and are not discounted due to their short-term nature.

At 30 June 2024, the carrying value of payables and other financial liabilities approximated their fair value.

	30 Jun 24 $m	30 Jun 23 $m
Trade payables and accrued expenses	127.1	109.9
Lease rental income and property outgoings recovery revenue received in advance[1]	20.2	29.2
Accrued interest expense	29.0	21.7
Accrued capital expenditure	42.6	27.4
Security deposits	1.1	1.6
Other	6.4	5.6
Total payables and other financial liabilities	**226.4**	**195.4**

1. Largely represents amounts received in advance relating to the following month's lease rental income and recovery of property outgoings revenue.

Working capital

13. Provisions

Provisions comprise liabilities arising from employee benefits, such as annual leave, long service leave and related on-costs, land tax levies and other items for which the amount or timing of the settlement is uncertain as it is outside the control of the Group.

Where the provisions are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the obligation arises, the liability is discounted to present value based on management's best estimate of the timing of settlement and the expenditure required to settle the liability at the reporting date.

The discount rates used to calculate the present value of employee-related provisions are determined with reference to market yields at the end of the reporting period attaching to high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows of the related liability.

	30 Jun 24 $m	30 Jun 23 $m
Current		
Current employee entitlements	60.1	59.7
Other current provisions	16.1	17.9
Total current provisions	**76.2**	**77.6**
Non-current		
Non-current employee entitlements	4.1	3.9
Total non-current provisions	**4.1**	**3.9**

The movements for the year in other provisions are as follows:

	30 Jun 24		30 Jun 23	
	Land tax levies $m	Other $m	Land tax levies $m	Other $m
Opening balance at 1 July	**17.7**	**0.2**	**21.2**	**0.9**
Arising during the year	15.8	0.1	17.7	–
Paid during the year	(17.7)	–	(21.2)	(0.7)
Closing balance 30 June	**15.8**	**0.3**	**17.7**	**0.2**

Remuneration

14. Key Management Personnel

The remuneration of the Key Management Personnel (**KMP**) of the Group is disclosed in the Remuneration Report. The compensation of KMP included in the Group's financial statements comprises:

	30 Jun 24 $'000	30 Jun 23 $'000
Short-term employee benefits – Executive KMP	3,440	3,624
Short-term employee benefits – Non-executive Directors	2,093	1,878
Termination benefits	–	750
Share based payments	2,135	2,966
Post-employment benefits	178	183
Other long-term employee benefits	74	68
Total remuneration of KMP of the Group	**7,920**	**9,469**

15. Employee benefits expense

Employee benefits expense consists of:

	Note	30 Jun 24 $m	30 Jun 23 $m
Salaries and wages		103.9	99.2
Share based payments expense	16(a)	7.6	7.3
Other employee benefits expense		4.4	4.1
Total employee benefits expense		**115.9**	**110.6**

16. Share based payments

The Group remunerates eligible employees through three equity settled compensation plans. These plans are designed to align executives', senior management's and team members' interests with those of securityholders by incentivising participants to deliver long-term shareholder returns. A summary of each plan is described below:

Plan	Description
Long-term incentive (LTI)	Executive KMP, other members of the Executive Leadership Team (**ELT**) and other senior executives are granted a combination of performance and restricted rights to acquire Vicinity securities for nil consideration. Performance rights granted are subject to Total Shareholder Return (**TSR**) and Total Return (**TR**) hurdles. The performance rights and restricted rights vest after completion of a three to four-year service period and when certain hurdle requirements, which are set when the rights are granted, are met. These hurdle requirements are set out in Note 16(c).
Short-term incentive (STI)	The STI provides the opportunity for eligible employees to receive an annual, performance-based incentive award, when a combination of short-term Group financial, strategy and portfolio enhancement, and individual performance objectives are achieved. For executive KMP, other members of the ELT and other senior executives, a portion of the annual STI award is deferred into equity for a period of 12 to 24 months. The amounts deferred become available to the employee at the end of the deferral period, provided they remain employed by the Group.
Tax exempt restricted securities plan (TERSO)	Subject to the Board's approval each year, $1,000 worth of Vicinity securities are granted annually to eligible employees for nil consideration. Securities granted are subject to a three-year trading restriction unless the employee ceases to be employed by the Group. Participants in the LTI do not participate in the TERSO.

Further details relating to the LTI and STI plans are included in Note 16(c).

Remuneration

16. Share based payments (continued)

a) Share based payment expenses

The following expenses were recognised within employee benefits expense and share based payment reserves in relation to the share based payment compensation plans:

	30 Jun 24 $m	30 Jun 23 $m
LTI	3.7	3.4
STI	3.0	3.0
TERSO	0.9	0.9
Total share based payments	**7.6**	**7.3**

b) Movements during the year

The movement in the number of LTI performance and restricted rights during the year was as follows:

	30 Jun 24 Number	30 Jun 23 Number
Opening balance at the beginning of the year	**8,641,473**	**11,220,194**
Granted	4,744,792	3,770,648
Forfeited[1]	(437,734)	(4,335,939)
Lapsed[2]	–	(1,822,704)
Vested[3]	(1,684,501)	(190,726)
Outstanding at the end of the year	**11,264,030**	**8,641,473**
Exercisable at the end of the year	Nil	Nil
Weighted average remaining contractual life (years)	2.13	2.15

1. Rights forfeited under the FY21-FY24 LTI plans during the year (30 June 2023: rights forfeited under the FY21-FY23 LTI Plans).
2. Rights lapsed under the FY20 LTI plan.
3. The performance hurdles of the FY21 LTI TSR plan were tested as at reporting date with 1,336,991 performance rights vested. The FY21 LTI Tranche 3 restricted rights also vested (30 June 2023: FY21 LTI Tranche 2 vested). The vested performance and restricted rights will be released to participants in September 2024 subject to cessation of employment rules.

Remuneration

16. Share based payments (continued)

c) Plan details

LTI plan conditions

Features of the LTI grants on issue at 30 June 2024:

	Performance Rights (PRs) and Restricted Rights (RRs)
Grant years	**FY24 and FY23:** Executive KMP and other members of the ELT granted PRs subject to TSR (50% weighting) and TR (50% weighting) hurdles. Other senior executives granted PRs subject to TSR (50% weighting) and RR (50% weighting) hurdles. **FY22:** All participants granted PRs subject to TSR (50% weighting) and TR (50% weighting) hurdles. **FY21:** All participants granted PRs subject to TSR (50% weighting) and RR (50% weighting) hurdles.
Performance period	**TSR and TR:** Four years, for each grant commencing from 1 July of the grant year. **RR:** For each grant commencing from 1 July of the grant year: – FY24 and FY23: Between three and four years. – FY21: Four years[1].
Service period	**TSR and TR:** Four years. **RR:** Between three and four years.
Performance hurdles[2]	**TSR:** Relative TSR combines the security price movement and distributions (which are assumed to be re-invested) to show the total return to securityholders, relative to that of other companies in the TSR Comparator Group. **TR:** Calculated as the change in Vicinity's net tangible assets (**NTA**) value during the year plus total distributions paid divided by the NTA value at the beginning of the year. The annual TR result for each year during the performance period is then used to calculate the compound annual TR for the performance period[3]. **RR:** The FY21 awards granted to Executive KMP and other members of the ELT are subject to effective performance as assessed by the Board, taking into consideration the financial, strategy, portfolio, leadership, risk, governance and other applicable objectives over the respective performance periods. The FY24, FY23 and FY21 awards granted to other executives are subject to individual performance.
TSR Comparator Group	**FY24, FY23 and FY22:** Domestic REITs most closely aligned to the Group's business which included Scentre Group, Charter Hall Retail REIT, Region Group, The GPT Group and Dexus Property Group. The FY23 and FY24 plans also included HomeCo Daily Needs REIT. **FY21:** S&P/ASX 200 A-REIT Index at grant date, excluding Westfield Corporation and Unibail-Rodamco-Westfield[4].

1. The FY21 LTI Tranche 1 and Tranche 2 RRs with two and three year performance periods respectively, vested in prior periods.
2. For the purposes of the LTI plan assessment, each performance hurdle operates independently of the other.
3. To ensure that the TR performance rights vesting reflects the value created from the efficient management of the Group's assets and there is no undue advantage, penalty or disincentive for undertaking certain activities, TR outcomes may be adjusted. Both upwards and downwards adjustments can be made, with reference to principles agreed by the Remuneration and Human Resources Committee.
4. Westfield Corporation (**ASX: WDC**) merged with Unibail-Rodamco to form Unibail-Rodamco-Westfield (**URW**) in May 2018. WDC was de-listed from the ASX and a CHESS depository interest for URW (**ASX: URW**) was listed on the ASX. The TSR Comparator Group excludes WDC and URW.

Remuneration

16. Share based payments (continued)

c) Plan details (continued)

Valuation of LTI plans

The fair value of performance rights granted under the LTI is estimated at the date of grant using a Monte Carlo Simulation Model taking into account the terms and conditions upon which the rights were granted. For grants with non-market vesting conditions (TR and RR), the grant date fair value is expensed over the vesting period and adjusted to reflect the actual number of rights for which the related service and non-market vesting conditions are expected to be met. The grant date fair value of awards with market performance conditions (TSR) reflects the probability of these conditions being met and hence the expense recognised over the vesting period is only adjusted for changes in expectations as to whether service criteria will be met.

The weighted average fair value assumptions at the grant date used in valuing performance and restricted rights granted in the period are shown in the table below:

Assumption	Basis	FY24 awards	FY23 awards
Security price at measurement date	Closing Vicinity securities price at grant date.	$1.92	$1.99
Distribution yield (p.a.)	Historical distributions paid over the last three years.	6.0%	4.9%
Risk-free interest rate	Four-year government bond yields as at grant date.	4.0%	3.1%
Volatility correlation between Vicinity and other comparator companies	Analysis of historical total security return volatility (i.e. standard deviation) and the implied volatilities of exchange traded options.	68.0%	68.0%
Volatility of Vicinity securities		20.0%	40.6%
TSR of Vicinity securities	Performance between the start date of the testing period and the valuation date.	6.7%	11.8%
Fair value per performance right – TSR		**$0.88**	**$1.06**
Fair value per performance right – TR		**$1.52**	**$1.64**
Fair value per restricted right – tranche 1		**$1.64**	**$1.75**
Fair value per restricted right – tranche 2		**$1.54**	**$1.66**

Other plans

STI Plan

1,651,160 securities were allocated on 1 October 2023 under the FY23 Deferred STI plan (30 June 2023: 1,885,265). These are held in escrow and released to employees upon completion of the relevant service condition. The fair value of these securities was $1.78 per security (30 June 2023: $1.91) being the volume weighted average security price of VCX in the 10 trading days prior to the grant date.

TERSO

A total of 527,805 securities were granted under TERSO during the year (30 June 2023: 455,500).

Other disclosures

17. Intangible assets

Intangible asset balances at 30 June 2024 relate to the value of external management contracts. The external management contracts were recognised upon business combinations at their fair value at both the date of Novion Property Group's acquisition of the Commonwealth Bank of Australia's property management business (on 24 March 2014) and the merger of Novion Property Group and Federation Centres (on 11 June 2015). They reflect the right to provide asset management services to strategic partners who co-own investment property assets with the Group and accordingly are allocated to the Strategic Partnerships cash-generating unit (**SP CGU**), which is also an operating and reportable segment. As the management contracts do not have termination dates, they are considered to have indefinite lives and are not amortised. The Group performs impairment testing for indefinite life intangible assets at least annually, or when there are other indicators of impairment.

The carrying value of the intangible asset is shown in the table below:

	30 Jun 24 $m	30 Jun 23 $m
External management contracts	164.2	164.2
Carrying value	**164.2**	**164.2**

Impairment testing

The recoverable amount of the SP CGU is determined using a fair value less cost of disposal (fair value) approach. This is performed using a collective DCF valuation of the cash flows generated from external asset and funds management contracts which is based on the following key assumptions:

Key assumption	30 Jun 24	30 Jun 23
Post-tax external management contract cash flows	5 years	5 years
Terminal value growth rate	2.30%	2.30%
Post-tax discount rate range	7.22% – 7.72%	6.75% – 7.25%

The impairment test at 30 June 2024 determined that the recoverable amount of the SP CGU exceeded its carrying value and no impairment was required.

Process for determination of key assumptions

The key inputs, which are considered Level 3 in the fair value hierarchy, used in determining the recoverable amounts were determined as follows:

- The discount rates were calculated based on the Group's estimated weighted average cost of capital, with reference to the Group's long-term average cost of debt and estimated cost of equity which is derived with reference to external sources of information and the Group's target gearing ratio, adjusted for specific risk factors to the relevant CGU.
- Terminal value growth rates were estimated with reference to long-term expectations of macro-economic conditions (including consideration of equity analyst estimates) and the Group's expected long-term earnings growth.
- Five year forecast of operating, asset and funds management cash flows based on the values determined by the Group's budgeting and planning process.

Significant judgement and estimate

The determination of the key assumptions and inputs to the impairment testing process as outlined above requires a significant level of estimation. As a result, the recoverable amount of the SP CGU (as determined by the impairment testing process outlined above) is subject to variability in these key assumptions or inputs. A change in one or more of the key assumptions or inputs could result in a change in assessed recoverable amount.

Sensitivity to changes in assumptions

Sensitivities to the key assumptions within the external management contracts DCF were tested and the Group has determined that due to the long-term nature of the asset management contracts and associated cashflows, no reasonably possible changes would give rise to impairment at 30 June 2024. A disposal of a large portion of directly owned or equity accounted investment property assets, where the Group also gives up any future management rights under existing indefinite life contracts, may lead to the full or partial derecognition of the intangible asset balance, as external asset management fees earned by the Group may no longer be sufficient to support the current carrying value of these intangible assets. There are no significant disposals contemplated as at the date of this report.

Other disclosures

18. Leases

All leases (lessee accounting) are accounted for by recognising a right of use asset and a lease liability except for leases of low value assets and short-term leases which are expensed in the period when incurred.

Lease liabilities

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term (which includes any extension option periods assessed as reasonably certain to be exercised). The discount rate applied is determined by reference to the interest rate implicit in the lease unless (as is typically the case) this is not readily determinable, in which case the lessee's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate, initially measured using the index or rate as at the commencement date. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Group if it is reasonably certain to exercise that option; and
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Lease liabilities are remeasured when there is a change in future lease payments arising from modification, a change in an index or rate, when there is a change in the assessment of the term of any lease or a change in the assessment of purchasing the underlying asset.

Lease liabilities are presented based on the net cash outflows expected to be settled within 12 months in determining the current liability. A lease agreement is considered a single unit of account, therefore any net cash inflows within 12 months are not separately presented as an asset.

Right of use assets

Right of use assets are initially measured at the amount of the lease liability recognised, adjusted for any prepaid lease payments, initial direct costs incurred and an estimate of costs to be incurred by the lessee in restoring the site on which it is located.

Subsequent to initial measurement, right of use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term. Right of use assets are also subject to assessment for impairment, and are tested for impairment where there is an indicator that an asset may be impaired. Right of use assets are adjusted for any remeasurement of the associated lease liability.

Right of use assets and net investments in leases and lease liabilities are presented separately in the Balance Sheet. Right of use assets relating to investment properties are included within the investment property balance and are measured at fair value in accordance with AASB 140 *Investment Property*.

Other disclosures

18. Leases (continued)

a) Movements for the year

The table below shows the movements in the Group's lease related balances for the year:

	30 Jun 24			30 Jun 23		
	Assets	Lease liabilities		Assets	Lease liabilities	
	Right of use assets $m	Investment property leaseholds[3] $m	Other leases $m	Right of use assets $m	Investment property leaseholds[3] $m	Other leases $m
Opening balance – 1 July	**24.6**	**(359.0)**	**(28.9)**	**27.2**	**(357.4)**	**(31.7)**
Interest charge on lease liabilities	–	(27.5)	(1.7)	–	(27.3)	(1.6)
Lease payments/(receipts)[1]	–	26.6	5.3	(0.3)	27.1	7.0
New leases during the period	6.1	–	(6.1)	2.6	–	(2.6)
Market rent reassessment	–	(0.9)	–	–	(1.4)	–
Depreciation	(4.5)	–	–	(4.9)	–	–
Closing balance – 30 June	**26.2**	**(360.8)[2]**	**(31.4)[2]**	**24.6**	**(359.0)[2]**	**(28.9)[2]**

1. Lease payments include $2.7 million (30 June 2023: $4.9 million (net of sub lease receipts)) in principal repayments and $29.2 million (30 June 2023: $28.9 million) in interest charges on lease liabilities.
2. Total lease liabilities of $392.2 million (30 June 2023: $387.9 million) represents $6.0 million of current lease liabilities (30 June 2023: $5.4 million) and $386.2 million of non-current lease liabilities (30 June 2023: $382.5 million).
3. A number of the Group's investment properties are held under long-term leasehold arrangements. The right of use assets in relation to these investment property leaseholds meet the definition of investment property and are presented within investment property in Note 4(a).

b) Lease liabilities maturity profile

The table below shows the undiscounted maturity profile of the Group's lease liabilities due as follows:

	30 Jun 24 $m	30 Jun 23 $m
Lease liabilities		
Not later than one year	32.2	30.7
Later than one but not more than five years	133.7	126.1
More than five years	761.1	793.7
Total	**927.0**	**950.5**

The Group also recognised variable lease payments of $21.9 million during the year (30 June 2023: $18.3 million). These related primarily to investment property leaseholds where a component of lease payments is based on profitability achieved by the relevant property. As these lease payments are variable in nature, they are not included within the investment property leaseholds lease liability balance.

Other disclosures

19. Operating cash flow reconciliation

The reconciliation of net profit after tax for the year to net cash provided by operating activities is provided below.

	30 Jun 24 $m	30 Jun 23 $m
Net profit after tax	**547.1**	**271.5**
Exclude non-cash items and cash flows under investing and financing activities:		
Amortisation of incentives and leasing costs	72.6	68.8
Straight-lining of rent adjustment	(6.5)	(2.8)
Property revaluation decrement for directly owned properties	38.9	195.9
Share of net loss of equity accounted investments	14.3	50.9
Amortisation of non-cash items included in interest expense	4.6	4.5
Net foreign exchange movement on interest bearing liabilities	(6.9)	139.9
Net mark-to-market movement on derivatives	(36.3)	(66.4)
Landholder duty paid	17.7	–
Depreciation of right of use assets	4.5	4.9
Income tax benefit	(2.9)	(5.4)
Other non-cash items	5.3	13.6
Movements in working capital:		
Increase in payables and other financial liabilities, and provisions	13.1	0.6
Decrease in receivables including distributions receivable and other assets	24.6	29.7
Net cash inflow from operating activities	**690.1**	**705.7**

20. Auditor's remuneration

During the year, the following fees were paid or payable for services provided by the auditor of the Group, EY or its related practices.

	30 Jun 24 $'000	30 Jun 23 $'000
Audit and review of statutory financial statements of the Group and its controlled entities	**1,345**	**1,297**
Assurance services required by legislation to be provided by the auditor	**22**	**21**
Other assurance and agreed-upon procedures services under other legislation or contractual arrangements		
Property related audits[1]	279	274
Sustainability assurance services	52	50
Other assurance services	54	51
Total other assurance services under other legislation or contractual arrangements	**385**	**375**
Other services		
Taxation compliance services	321	277
Sustainability assurance services	156	140
Other services	12	44
Total other services	**489**	**461**
Total auditor's remuneration	**2,241**	**2,154**

1. Comprises audits of outgoing statements, promotional funds, real estate trust account and joint venture audits required under legislation or contractual arrangements.

Other disclosures

21. Parent entity financial information

a) Summary financials

The financial information presented below represents that of the legal parent entity, and deemed parent entity of the stapled Group, Vicinity Limited. Vicinity Limited recognises investments in subsidiary entities at cost, less any impairment since acquisition. Other accounting policies applied by Vicinity Limited are consistent with those used for the preparation of the consolidated Financial Report.

	30 Jun 24 $m	30 Jun 23 $m
Current assets	18.6	141.1
Total assets	**758.3**	**771.5**
Current liabilities	86.3	64.4
Total liabilities	**562.9**	**557.2**
Net assets	**195.4**	**214.3**
Equity		
Contributed equity	515.6	515.6
Share based payment reserve	5.0	1.9
Accumulated losses	(325.2)	(303.2)
Total equity	**195.4**	**214.3**
Net (loss)/profit for the financial year	**(22.0)**	**11.3**
Total comprehensive (loss)/income for the financial year	**(22.0)**	**11.3**

Vicinity Limited has access to undrawn financing facilities of $183.4 million (30 June 2023: $167.2 million), in order to pay its current obligations as and when they fall due.

The parent entity has no capital expenditure commitments (30 June 2023: nil) which have been contracted but not provided for, or contingencies (30 June 2023: nil) as at reporting date. Guarantees provided to subsidiary entities are disclosed at Note 23(b) and predominantly relate to fulfilling capital requirements under Australian Financial Services Licences held by these subsidiaries.

b) Stapled entity allocation of net profit

In accordance with AASB 3 *Business Combinations*, the Company is the parent of the Vicinity Centres stapled group for accounting purposes. As the Company has no legal ownership over Vicinity Centres Trust and its controlled entities, the allocation of net profit and net assets is shown separately for the Company and the Trust in the Statement of Comprehensive Income and Statement of Changes in Equity.

Other disclosures

22. Related parties

a) Background

The deemed parent entity of the Group is Vicinity Limited, which is domiciled and incorporated in Australia. All subsidiaries and sub-trusts of the Group are wholly-owned subsidiaries of Vicinity Limited or sub-trusts of Vicinity Centres Trust as at 30 June 2024.

b) Information on related party transactions and balances

Vicinity Funds RE Ltd, a wholly-owned subsidiary of the Group, is the Responsible Entity of Direct Property Investment Fund A and Direct Property Investment Fund B (collectively known as the **Wholesale funds** managed by the Group).

Vicinity Asset Operations Ptd Ltd, an associate of the Group, is a tenant of the Group's centres where it is the carpark operator.

The transactions with related parties are made on normal commercial terms, and the balances outstanding at 30 June 2024 are outlined in the tables below.

Related party balances with Wholesale funds

	Funds management fee receivable		Alignment fee payable	
	30 Jun 24 $'000	30 Jun 23 $'000	30 Jun 24 $'000	30 Jun 23 $'000
Wholesale funds managed by the Group	9	300	2	72

Outstanding related party trade receivables balances at year end are unsecured and settlement occurs in cash. The Group does not hold any collateral in relation to related party receivables.

Related party transactions with Wholesale funds

	30 Jun 24 $'000	30 Jun 23 $'000
Asset and funds management fee income	1,001	2,634
Reimbursement of expenses to the property manager	354	712
Alignment fee expense	(101)	(299)
Rent and outgoings expenses	(36)	(105)

Related party balances and transactions with other associates

Vicinity Asset Operations Pty Ltd

	30 Jun 24 $'000	30 Jun 23 $'000
Rent and outgoings income	5,494	5,037
Distribution income	912	–
Receivables	1,651	1,680

23. Commitments and contingencies

a) Capital commitments

Estimated maintenance, development and leasing capital of the Group committed at reporting date, but not recognised on the Balance Sheet:

	30 Jun 24 $m	30 Jun 23 $m
Not later than one year	313.4	189.2
Later than one but not more than five years	88.3	0.1
Total capital commitments	**401.7**	**189.3**

b) Contingent assets and liabilities

Bank guarantees totalling $39.4 million (30 June 2023: $39.3 million) have been arranged by the Group, primarily to guarantee obligations for two of the Group's Responsible Entities to meet their financial obligations under their Australian Financial Services Licences, and for other capital commitments of the Group.

As at reporting date, there were no other material contingent assets or liabilities.

Other disclosures

24. Other Group accounting matters

This section contains other accounting policies that relate to the financial statements, detail of any changes in accounting policies and the impact of new or amended accounting standards.

Principles of consolidation

These consolidated financial statements comprise the assets and liabilities of all controlled entities at 30 June 2024 and the results of all controlled entities for the financial year unless otherwise stated. Controlled entities are:

- All entities over which the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity; and
- Fully consolidated from the date on which control is transferred to the Group, and, where applicable, deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for the acquisition of controlled entities, and the balances and effects of transactions between all controlled entities are eliminated in full.

Vicinity Limited is the parent of the stapled Group for accounting purposes. The results and equity attributable to securityholders of other stapled entities of the Group including Vicinity Centres Trust are shown net of the elimination of transactions between Vicinity Limited and Vicinity Centres Trust.

Investments in joint operations

Included in investment properties are shopping centres that are accounted for as joint operations – in the form of direct ownership of a partial freehold or leasehold interest in a shopping centre with a strategic partner, based on standard market joint operation agreements. The Group accounts for joint operations by recognising its share of the shopping centre, classified as investment property, and its share of other assets, liabilities, income and expenses from the use and output of the joint operation.

Fair value measurement

The Group has classified fair value measurements into the following hierarchy as required by AASB 13 *Fair Value Measurement*:

- 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 or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Impact of new and amended accounting standards

New and amended standards that became effective as of 1 July 2023 did not have a material impact on the financial statements of the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's accounting policies.

Future impact of Accounting Standards and Interpretations issued but not yet effective

The Group has not adopted any standard, interpretation or amendment that has been issued but is not yet effective and these are not expected to have a material impact on the Group's financial position or performance.

The AASB issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024, which will be effective for the Group in the financial year ending 30 June 2028. While not expected to have a material impact on the Group's financial position or performance, AASB 18 is expected to change the presentation of certain items in the financial statements in future periods.

25. Events occurring after the end of the reporting period

Acquisition of 50% interest in Lakeside Joondalup

On 19 August 2024, the Group has simultaneously exchanged contracts and settled on the acquisition of a 50% interest in Lakeside Joondalup, for $420.0 million. In addition, the Group also secured the property and retail development management rights.

Other property transactions

The divestment of investment properties held for sale at 30 June 2024, Maddington Central and Halls Head Central, were settled in July 2024.

In addition, the Group has executed a contract of sale, subject to certain conditions precedent customary to such transaction, to dispose of Mornington Central for $46.3 million on 29 July 2024. The transaction is expected to be settled by September 2024.

Other than the matters described above, no other matters have arisen since the end of the reporting period which have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Consolidated Entity Disclosure Statement

The Consolidated Entity Disclosure Statement (**CEDS**) for Vicinity Limited has been prepared as at 30 June 2024 based on the requirements of the *Corporations Act 2001* (Cth). It is that of the stapled group comprising Vicinity Limited (**the Company**) and Vicinity Centres Trust (**the Trust**) (collectively **the Group**). The Stapling Deed entered into by the Company and the Trust ensures that shares in the Company and units in the Trust are 'stapled' together and are traded collectively on the Australian Securities Exchange (**ASX**) under the code 'VCX'. For financial reporting purposes, the Company has been identified as the parent entity of the Group.

Consolidated Entity Disclosure Statement

Name of entity[1]	Type of entity[2]	Trustee, partner or participant[3]	Effective ownership interest %[4]
Vicinity Limited	Body corporate		100
CC Holdings No. 1 Pty Ltd	Body corporate	Trustee	100
CC Holdings No. 2 Pty Ltd	Body corporate	Trustee	100
CC No. 1 Pty Ltd	Body corporate	Trustee	100
CC No. 2 Pty Ltd	Body corporate	Trustee	100
CCC Commercial Pty Ltd	Body corporate	Trustee	100
CS Subcust 1 Pty Ltd	Body corporate		100
Elizabeth City Centre Pty. Ltd.	Body corporate		100
Glen Centre Pty Ltd	Body corporate	Trustee	100
Karratha Pty Ltd (trading name – Pleach Pty Ltd)	Body corporate		100
Mornington Pty Ltd	Body corporate	Trustee	100
RDP 26 Custodian No. 1 Pty Ltd	Body corporate	Trustee	100
RDP 5 Custodian Pty Ltd	Body corporate		100
Tweed Mall Pty Ltd	Body corporate		100
Vicinity (VIC) Pty Ltd	Body corporate		100
Vicinity (WA) Pty Ltd	Body corporate		100
Vicinity Bankstown Pty Ltd	Body corporate	Trustee	100
Vicinity Box Hill North Pty Ltd	Body corporate		100
Vicinity Centres Development Pty Ltd	Body corporate	Trustee	100
Vicinity Centres PM Pty Ltd	Body corporate	Trustee	100
Vicinity Centres RE Ltd	Body corporate	Trustee	100
Vicinity Corporate Services Pty Ltd	Body corporate		100
Vicinity Custodian Pty Ltd	Body corporate	Trustee	100
Vicinity Energy Services Pty Ltd	Body corporate		100
Vicinity ESP Pty Ltd	Body corporate		100
Vicinity FIF IT Pty Ltd	Body corporate	Trustee	100
Vicinity Finance Pty Ltd	Body corporate		100
Vicinity Funds Management Pty Ltd	Body corporate	Trustee	100
Vicinity Funds RE Ltd	Body corporate	Trustee	100
Vicinity Holdings Limited	Body corporate		100
Vicinity Hotel Pty Ltd	Body corporate		100
Vicinity IP Pty Ltd	Body corporate		100
Vicinity Manager Pty Ltd	Body corporate	Trustee	100
Vicinity PM Holdings Pty Ltd	Body corporate		100
Vicinity RDP Pty Ltd	Body corporate		100
Vicinity Real Estate Licence Pty Ltd	Body corporate		100
Vicinity Victoria Gardens Pty Ltd	Body corporate		100
Vicinity Centres Trust	Trust		n/a
Armidale Trust	Trust		n/a
Bankstown Holding Trust	Trust		n/a
Box Hill South Holding Trust	Trust		n/a
Box Hill South Trust	Trust		n/a
Buranda Holding Trust	Trust		n/a
Carlingford Court Trust	Trust		n/a
CC Commercial Trust	Trust		n/a
CC Holdings No. 1 Trust	Trust		n/a

Consolidated Entity Disclosure Statement

Consolidated Entity Disclosure Statement (continued)

Name of entity[1]	Type of entity[2]	Trustee, partner or participant[3]	Effective ownership interest %[4]
CC Holdings No. 2 Trust	Trust		n/a
CC No. 1 Trust	Trust		n/a
CC No. 2 Trust	Trust		n/a
Colonnades Head Trust	Trust		n/a
Colonnades Holding Trust	Trust		n/a
Colonnades Trust	Trust		n/a
Cranbourne Holding Trust	Trust		n/a
Cranbourne Trust	Trust		n/a
DFO Brisbane Trust	Trust		n/a
DFO Perth Trust	Trust		n/a
DFO Uni Hill Trust	Trust		n/a
Dianella Trust	Trust		n/a
Ellenbrook Trust	Trust		n/a
Employee Share Plan Trust	Trust		n/a
FIF Buranda Trust	Trust		n/a
FIF Investment Trust	Trust		n/a
FIF Whitsunday Holding Trust	Trust		n/a
Flinders Trust	Trust		n/a
Galleria Holding Trust	Trust		n/a
Galleria Trust	Trust		n/a
Glen Holding Trust	Trust		n/a
Goulburn Holding Trust	Trust		n/a
Gympie Holding Trust	Trust		n/a
Gympie Trust No. 1	Trust		n/a
Gympie Trust No. 2	Trust		n/a
Halls Head Trust	Trust		n/a
Karratha Head Trust	Trust		n/a
Karratha Holding Trust	Trust		n/a
Karratha Sub Trust	Trust		n/a
Karratha Trust	Trust		n/a
Livingston Trust	Trust		n/a
Maddington Holding Trust	Trust		n/a
Maddington Trust No.1	Trust		n/a
Maddington Trust No.2	Trust		n/a
Mandurah Freehold Trust	Trust		n/a
Mandurah Holding Trust	Trust		n/a
Mandurah Trust	Trust		n/a
Milton Holding Trust	Trust		n/a
Mornington Holding Trust	Trust		n/a
Mornington Sub Trust	Trust		n/a
Mornington Trust	Trust		n/a
Nepean Holding Trust	Trust		n/a
Nepean Sub Trust	Trust		n/a
Nepean Trust	Trust		n/a
Oakleigh Trust	Trust		n/a
Property Head Trust No. 2	Trust		n/a
Property Head Trust No.1	Trust		n/a
RDP Investment Trust	Trust		n/a
Retail Direct Property 26	Trust		n/a
Retail Direct Property 5	Trust		n/a
SH Sub Trust 1	Trust		n/a

Consolidated Entity Disclosure Statement

Consolidated Entity Disclosure Statement (continued)

Name of entity[1]	Type of entity[2]	Trustee, partner or participant[3]	Effective ownership interest %[4]
SH Sub Trust 2	Trust		n/a
Taigum Head Trust	Trust		n/a
Taigum Holding Trust	Trust		n/a
Taigum Trust	Trust		n/a
The Bourke and Lonsdale Trust	Trust		n/a
The Glen Trust	Trust		n/a
VCX Property Management Trust	Trust		n/a
Vicinity 26 Holding Trust	Trust		n/a
Vicinity 26 Sub Trust	Trust		n/a
Vicinity Bankstown Trust	Trust		n/a
Vicinity Centres Trust No. 2	Trust		n/a
Vicinity Centres Trust No.3	Trust		n/a
Vicinity Development Trust	Trust		n/a
Vicinity Fund Holding Trust	Trust		n/a
Vicinity Fund Sub Trust	Trust		n/a
Vicinity Fund Trust	Trust		n/a
Vicinity Galeries Trust	Trust		n/a
Vicinity HTGC Trust	Trust		n/a
Vicinity Investment Fund	Trust		n/a
Vicinity NVN Trust	Trust		n/a
Vicinity Pooled Property Trust	Trust		n/a
Vicinity PPF Head Trust	Trust		n/a
Vicinity PPF Holding Trust	Trust		n/a
Vicinity PPF Trust	Trust		n/a
Vicinity Property Fund No.2	Trust		n/a
Vicinity Property Investment Trust	Trust		n/a
Vicinity Property Management Trust	Trust		n/a
Vicinity QVB Trust	Trust		n/a
Vicinity RDP Holding Trust No.3	Trust		n/a
Vicinity RDP Sub Trust No. 3	Trust		n/a
Vicinity RDP Sub Trust No.1	Trust		n/a
Vicinity Retail Sub Trust	Trust		n/a
Vicinity Roselands Trust	Trust		n/a
Vicinity Strand Trust	Trust		n/a
Vicinity Sunshine Trust	Trust		n/a
Vicinity Trading Trust	Trust		n/a
Victoria Park Trust	Trust		n/a
Warriewood Holding Trust	Trust		n/a
Warriewood Sub Trust	Trust		n/a
Warriewood Trust	Trust		n/a
Warwick Cinemas Trust	Trust		n/a
Warwick Grove Trust	Trust		n/a
Whitsunday Holding Trust	Trust		n/a
Whitsunday Trust	Trust		n/a

1. The consolidated entities within the Group are Australian tax residents.
2. The consolidated body corporates within the Group are incorporated in Australia.
3. Represents the entity's role over another consolidated entity within the Group (where applicable).
4. Represents the direct and indirect ownership interest of the relevant body corporate held by Vicinity Limited.

Directors’ Declaration

In accordance with a resolution of the Directors of Vicinity Limited, we declare that:

a) in the opinion of the Directors, the financial statements and notes set out on pages 94 to 135 are in accordance with the *Corporations Act 2001* (Cth), including:

  i. giving a true and fair view of the Group and its controlled entities’ financial position as at 30 June 2024 and of the performance for the financial year ended on that date; and

  ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001* (Cth); and

  iii. complying with International Financial Reporting Standards as issued by the International Accounting Standards Board as disclosed in the About this Report section of the financial statements; and

  iv. the consolidated entity disclosure statement set out on pages 136 to 138 is true and correct; and

b) in the opinion of the Directors, there are reasonable grounds to believe that the Group and its controlled entities will be able to pay their debts as and when they become due and payable; and

c) the Directors have been given the Declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* (Cth) for the financial year ended 30 June 2024.

Signed in accordance with a resolution of the Directors of Vicinity Limited.

Trevor Gerber
Chairman

20 August 2024

Independent Auditor's Report

Building a better working world

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Independent Auditor's Report

To the Members of Vicinity Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Vicinity Limited (the "Company"), and the entities it controlled (collectively "Vicinity Centres" or the "Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, notes to the financial statements, including a summary of material accounting policies, the consolidated entity disclosure statement and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) Giving a true and fair view of the consolidated balance sheet of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and

b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 Group in accordance with the auditor independence requirements of 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 also 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Independent Auditor's Report

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1. Shopping Centre Investment Property Portfolio – Carrying Values and Revaluations

Why significant	How our audit addressed the key audit matter

The Group owns a portfolio of retail property assets valued at $14,771.4 million at 30 June 2024, which represents 93.9% of total assets of the Group. In addition, there are retail property assets valued at $166.4 million held through interests in joint ventures and $186.6 million classified as held for sale.
 	
These assets are carried at fair value, which is assessed by the directors with reference to external and internal property valuations and are based on market conditions existing at the reporting date.
 	
The valuation of investment properties is inherently subjective. A small difference in any one of the key market input assumptions, when aggregated across all the properties, could result in a material change to the valuation of investment properties.
 	
We consider this a key audit matter due to the number of judgements required in determining fair value.
 	
Note 4 of the financial report describes the key assumptions, inputs, judgements and estimations, in the determination of fair value of investment properties and how this has been considered by the directors in the preparation of the financial report at 30 June 2024.
	Our audit procedures included the following for properties held both directly and through interests in joint ventures:
	▶ We discussed the following matters with management:
	  ▶ movements in the Group's investment property portfolio;
	  ▶ changes in the condition of each property, including an understanding of key developments and changes to development activities;
	  ▶ changes in the Group's investment property portfolio including understanding leasing activity and tenant occupancy risk; and
	  ▶ controls in place relevant to the valuation and development processes.
	▶ In conjunction with our real estate valuation specialists, on a sample basis, we performed the following procedures:
	  ▶ Evaluated the net income assumptions adopted against the tenancy schedules. We also tested the effectiveness of relevant controls over the leasing process and associated tenancy schedules which are used as source data in the property valuations.
	  ▶ Tested the mathematical accuracy of valuations.
	  ▶ Evaluated the suitability of the valuation methodology across the portfolio based on the type of asset.
	  ▶ We considered the reports of the external and internal valuers, to assess the reasonableness of the key assumptions and estimates used. This included assumptions such as the capitalisation, discount and growth rate and future forecast rentals. We also obtained an understanding of how the valuers consider environmental factors.
	  ▶ For properties under development, we considered key assumptions such as estimated cost to complete the development, allowances for developer's risk and profit and post development stabilisation allowances.
	  ▶ Where relevant we compared the valuation against market data and comparable transactions utilised in the valuation process.
	  ▶ Assessed the qualifications, competence and objectivity of the valuers.
	  ▶ Assessed capitalised planning and holding costs relating to planned major development projects.
	▶ We assessed the adequacy of the Group's disclosures in the financial report against the requirements of Australian Accounting Standards.

Independent Auditor's Report

Building a better working world

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in Vicinity Centres' 2024 Annual Report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express 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 and, in doing so, 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.

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 Financial Report

The directors of the Company are responsible for the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

(b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

(i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

(ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are 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 the Australian Auditing Standards 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 this financial report.

Independent Auditor's Report

Building a better working world

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents 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 financial report. 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report

Building a better working world

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Vicinity Limited for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Michael Collins
Partner
Melbourne
20 August 2024

Sustainability Assurance

EY
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Independent Limited Assurance Report to the Management and Directors of Vicinity Centres

Our Conclusion:

Ernst & Young ('EY', 'we') were engaged by Vicinity Limited and Vicinity Centres RE Ltd as Responsible Entity of Vicinity Centres Trust ('Vicinity') to undertake a limited assurance engagement as defined by Australian Auditing Standards, hereafter referred to as a 'review', over the Subject Matter defined below for the year ended 30 June 2024. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe the Subject Matter has not been prepared, in all material respects, in accordance with the Criteria defined below.

What our review covered

We reviewed the following Subject Matter in Vicinity's Annual Report and accompanying Sustainability Performance Pack (the 'Reports'):

We reviewed a selection of performance metrics, as shown in the table below:

Subject Matter	Result
Total Scope 1 GHG emissions (tCO2-e)	5,294
Total Scope 2 GHG emissions (tCO2-e)	112,906
Total Scope 3 GHG emissions (tCO2-e)	217,014
Renewable energy consumption (MWh)	40,429
Renewable energy generation (MWh)	43,487
Total energy consumption (GJ)	665,711
Energy intensity – Managed portfolio (MJ/sqm)	281
Carbon intensity: scope 1 and 2 GHG emissions – Managed portfolio (kg CO2-e/sqm)	50
Progress against net zero targets – wholly owned assets (% movement in carbon intensity)	38
Progress against net zero targets – wholly owned assets (% movement in energy intensity)	18
NABERS energy rating (portfolio average)	4.5
NABERS water rating (portfolio average)	3.7
Women in leadership (%)	52

Subject Matter	Result
Gender 40:40:20 target	62:38:0
Gender pay gap - Average total remuneration (%)	38.2
Total Water consumption (KL)	2,217,175
Total of waste – landfill and recycled (tonnes)	45,306
Waste diversion rate (% recycled)	52
Total indigenous procurement spend ($m)	7.5
Total spent with social & indigenous businesses ($m)	8.3
Total Supplier Annual Spend ($m)	890.5
Number of Direct (Tier 1) Suppliers	2,542
Community Investment ($m) - Total	9.2
Community Investment ($m) – B4SI	7.3
Loss time injury frequency rate (LTIFR)	6.72
Employee absentee rate (%)	2.02
Sqm of gross lettable area (million)	2.4

Other than as described in the preceding paragraphs, which set out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Reports, and accordingly, we do not express an opinion or conclusion on this information.

Sustainability Assurance

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Criteria applied by Vicinity Centres

In preparing the subject matter, Vicinity applied the following Criteria:

- Vicinity Centres' Sustainability Reporting Criteria FY24 which sets out the principles, scope, and methodologies applied in the preparation and reporting of Vicinity Centres' Sustainability Performance Data.
- Definitions as per the Global Reporting Initiative's (GRI) Sustainability Reporting Standards
- Greenhouse Gas (GHG) Protocol
- The National Greenhouse Accounts Factors for Australia
- Workplace Gender Equality Agency (WGEA)
- National Australian Built Environment Rating System (NABERS)
- Business for Societal Impact (B4SI) framework

Use of Proceeds Report

We have also performed limited assurance procedures in relation to Vicinity's Sustainable Finance Framework ('the Framework') and the associated FY24 performance data for the Vicinity Centres RE Limited as responsible entity for Vicinity Centres Trust's ('Vicinity RE') Green Bond issuance. The procedures performed were in order to conclude that nothing has come to our attention that the Use of Proceeds Report as at 30 June 2024 does not meet the reporting requirements of Vicinity's Sustainable Finance Framework and the Green Bond Principles (June 2021) published by the International Capital Market Association ('ICMA').

Key responsibilities

Vicinity's responsibility

Vicinity's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with the Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibility and independence

Our responsibility is to express a conclusion on the Subject Matter based on our review.

We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our approach to conducting the review

We conducted this review in accordance with the Australian Auditing and Assurance Standards Board's *Australian Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE3000') and the terms of reference for this engagement as agreed with Vicinity signed on 26 April 2024 and the addendum letter signed on 13 August 2024. That standard requires that we plan and perform our engagement to express a conclusion on whether anything has come to our attention that causes us to believe that the Subject Matter is not prepared, in all material respects, in accordance with the Criteria, and to issue a report.

Summary of review procedures performed

A review consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other review procedures.

The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error. The procedures we performed included, but were not limited to:

- Conducting interviews with personnel to understand the business and reporting process
- Conducting interviews with key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period
- Assessing that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria
- Undertaking analytical review procedures to support the reasonableness of the data
- Identifying and testing assumptions supporting calculations
- Testing, on a sample basis, underlying source information to assess the accuracy of the data.

Sustainability Assurance

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Page 3

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our review conclusion.

Inherent limitations

Procedures performed in a review engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a review engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to assessing aggregation or calculation of data within IT systems.

The greenhouse gas quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of greenhouse gases. Additionally, greenhouse gas procedures are subject to estimation and measurement uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Use of our Assurance Report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of Vicinity, or for any purpose other than that for which it was prepared.

Our review included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of this web-based information after the date of this assurance statement.

Ernst & Young

Ernst & Young
Melbourne, Australia
20 August 2024

Summary of Securityholders

SPREAD OF SECURITYHOLDERS

As at 31 July 2024

Range	Number of securityholders	Number of securities	% of issued securities
100,001 and over	224	4,379,216,217	96.20
10,001 to 100,000	5,244	121,989,040	2.68
5,001 to 10,000	3,995	29,448,043	0.65
1,001 to 5,000	6,915	19,016,568	0.42
1 to 1,000	5,805	2,605,490	0.05
Total	**22,183**	**4,552,275,358**	**100.00**

The number of securityholders holding less than a marketable parcel of 237 securities (based on a security price of $2.110 on 31 July 2024) is 1,461 and they hold 114,199 securities.

SUBSTANTIAL SECURITYHOLDERS[1]

As at 9 August 2024

Company name	Date last notice received	Number of securities[2]
The Gandel Group Pty Limited and its associates	9 June 2020	691,238,665
BlackRock Inc. and its subsidiaries	4 December 2023	420,805,220
The Vanguard Group, Inc. and its controlled entities	29 June 2021	389,569,636
UniSuper Limited as trustee for UniSuper and UniSuper Management Pty Limited	11 October 2021	368,551,567
State Street Corporation and its subsidiaries	9 August 2024	345,945,391
AustralianSuper Pty Ltd	1 August 2024	228,656,188

1. As notified to Vicinity in accordance with section 671B of the *Corporations Act 2001* (Cth).
2. As disclosed in the last substantial holding notice lodged by the substantial securityholder with the ASX.

VOTING RIGHTS

In the case of a resolution of the Company, at a general meeting, each securityholder present has one vote on a show of hands, or one vote for each security held on a poll.

In the case of a resolution of the Trust, at a general meeting, each securityholder present has one vote for each dollar of the value of the total interests they have in the Trust.

UNQUOTED EQUITY SECURITIES

The number of performance rights on issue under Vicinity's Long-Term Incentive Plan and Equity Incentive Plans was 11,059,025 and the number of holders of those performance rights was 57.

The number of restricted rights on issue under Vicinity's Equity Incentive Plans was 1,912,101 and the number of holders of those restricted rights was 57.

ON-MARKET PURCHASE OF SECURITIES

During FY24, 1,766,000 Vicinity securities were purchased on-market at an average price per security of $1.82 by the trustee to satisfy entitlements under Vicinity's Equity Incentive Plans.

Summary of Securityholders

TOP 20 LARGEST SECURITYHOLDERS

As at 31 July 2024

Rank	Name	Number of securities held	% of issued securities
1	HSBC Custody Nominees (Australia) Limited	1,362,785,155	29.94
2	J P Morgan Nominees Australia Pty Limited	983,563,170	21.61
3	Citicorp Nominees Pty Limited	459,687,625	10.10
4	BNP Paribas Nominees Pty Ltd	428,872,629	9.42
5	Netwealth Investments Limited	401,080,006	8.81
6	Rosslynbridge Pty Ltd	92,069,814	2.02
7	Buttonwood Nominees Pty Ltd	82,990,000	1.82
8	BNP Paribas Noms Pty Ltd	77,024,223	1.69
9	Allowater Pty Ltd	63,624,571	1.40
10	National Nominees Limited	54,376,077	1.19
11	Citicorp Nominees Pty Limited	42,810,501	0.94
12	Ledburn Proprietary Limited	37,195,552	0.82
13	Broadgan Proprietary Limited	36,474,902	0.80
14	HSBC Custody Nominees (Australia) Limited	31,899,188	0.70
15	Cenarth Pty Ltd	31,605,848	0.69
16	Applebrook Pty Ltd	13,219,491	0.29
16	Jadecliff Pty Ltd	13,219,491	0.29
16	Moondale Pty Ltd	13,219,491	0.29
16	Rosecreek Pty Ltd	13,219,491	0.29
17	Ledburn Proprietary Limited	10,206,076	0.22
18	BNP Paribas Nominees Pty Ltd	9,959,076	0.22
19	Artmax Investments Limited	9,262,865	0.20
20	Pacific Custodians Pty Limited	7,262,599	0.16
Top 20 largest securityholders		**4,275,627,841**	**93.92**
Balance of register		**276,647,517**	**6.08**
Total issued capital		**4,552,275,358**	**100.00**

Corporate Directory

Vicinity Centres

comprising:

Vicinity Limited
ABN 90 114 757 783
and

Vicinity Centres Trust
ARSN 104 931 928

ASX listing

Vicinity Centres is listed on the ASX under the listing code VCX

Board of Directors

Trevor Gerber (Chairman)
Peter Huddle (CEO)
Clive Appleton
Tiffany Fuller
Tim Hammon
Michael Hawker AM
Peter Kahan
Janette Kendall
Georgina Lynch
Dion Werbeloff

Company Secretaries

Carolyn Reynolds
Rohan Abeyewardene

Registered office

Chadstone Tower One
Level 4, 1341 Dandenong Road
Chadstone VIC 3148 Australia

Telephone: +61 3 7001 4000
Facsimile: +61 3 7001 4001
Website: vicinity.com.au

Auditors

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia

Security Registrar

If you have queries relating to your securityholding or wish to update your personal or payment details, please contact the Security Registrar.

Link Market Services Limited[1]
Tower 4, 727 Collins Street
Melbourne VIC 3008 Australia

General securityholder enquiries:
Toll Free: +61 1300 887 890
Facsimile: +61 2 9287 0303
Facsimile: +61 2 9287 0309
(for proxy voting)
Email: vicinity@linkmarketservices.com.au
Post: Locked Bag A14
Sydney South NSW 1235 Australia

Access your securityholding online

You can update your personal details and access information about your securityholding online by clicking 'Securityholder login' on our home page at vicinity.com.au, or via the 'Investor Login' section of the Security Registrar's website at linkmarketservices.com.au, or scan the QR Code (below) to take you to the investor centre.

Securityholders can use the online system to:

- View your holding balances, distribution payments and transaction history;
- Change your securityholder communications preferences;
- Confirm whether you have lodged your Tax File Number (TFN) or Australian Business Number (ABN);
- Update your contact details;
- Update your bank account details;
- Check Vicinity Centres' security price; and
- Download various securityholder instruction forms.

Contact Vicinity Centres

We are committed to delivering a high level of service to all securityholders.

Should there be some way you feel that we can improve our service, we would like to know. Whether you are making a suggestion or a complaint, your feedback is always appreciated.

Investor relations

Email: investor.relations@vicinity.com.au

The Responsible Entity is a member (member no. 28912) of the Australian Financial Complaints Authority (AFCA), an external dispute resolution scheme to handle complaints from consumers in the financial system. If you are not satisfied with the resolution of your complaint by the Responsible Entity, you may refer your complaint to AFCA:

Telephone: 1800 931 678
Email: info@afca.org.au
Website: afca.org.au
Post: GPO Box 3
Melbourne VIC 3001 Australia

1. Link Group is now known as MUFG Pension & Market Services. Over the coming months, Link Market Services will progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services.

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