Vicinity Centres [1]

Appendix 4D – Results for announcement to the market

Financial reporting for the six months ended 31 December 2024

	31-Dec-24	31-Dec-23	Increase/(Decrease)	
	$m	$m	$m	%
Revenue from ordinary activities	664.9	660.0	4.9	0.7
Net profit from ordinary activities after tax attributable to securityholders	492.6	223.5	269.1	120.4
Funds from operations (**FFO**) [2]	344.1	345.6	(1.5)	(0.4)

	31-Dec-24	30-Jun-24	Increase/(Decrease)	
	$	$	$ [3]	% [3]
Net tangible assets per security (**NTA**) [4]	2.35	2.30	0.05	2.1
Net assets per security (**NA**)	2.39	2.34	0.05	2.1

Distribution per stapled security [5]

	Cents [6]	Record date	Payment date
Interim distribution (unfranked)	5.95	25-Feb-25	13-Mar-25

Review of results

For further commentary on these results, refer to the following documents released to ASX today: FY25 Interim Results Announcement, FY25 Interim Results Presentation and Half Year Financial Report.

Details of associates and joint venture entities (equity accounted investments)

Refer to Note 4 of the Half Year Financial Report.

The information presented above is based upon the Half Year Financial Report which has been reviewed. The independent auditor's report is included within the Half Year Financial Report.

Rohan Abeyewardene
Group Company Secretary
19 February 2025

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[1] Vicinity Centres is a stapled group comprising Vicinity Limited ABN 90 114 757 783 and Vicinity Centres Trust ARSN 104 931 928 (the **Trust**). The Responsible Entity of the Trust is Vicinity Centres RE Ltd ABN 88 149 781 322.

[2] A reconciliation between FFO and net profit from ordinary activities attributable to securityholders is provided in Note 1(b) of the Half Year Financial Report.

[3] Calculated based on NTA and NA rounded to four decimal points.

[4] 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.

[5] The Vicinity Centres Distribution Reinvestment Plan (**DRP**) will apply to the interim distribution for the six-month period to 31 December 2024. Election to participate in the DRP must be received by 26 February 2025. Refer to Note 10 of the Half Year Financial Report and Appendix 3A.1 Notification of Distribution for further information.

[6] Details of the full year tax components of distributions per stapled security will be sent to securityholders in September 2025.

Vicinity Centres

Financial Report for the half year ended 31 December 2024

Vicinity Centres comprising:
Vicinity Limited – ABN 90 114 757 783
Vicinity Centres Trust – ARSN 104 931 928
and their controlled entities

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Directors' Report

The Directors of Vicinity Limited present the Financial Report of Vicinity Centres (**Vicinity** or **the Group**) for the half year ended 31 December 2024 (**1H FY25**). 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 2024 and up to the date of this report unless otherwise stated:

(i) Chairman

Trevor Gerber (Independent)

(ii) Non-executive Directors

Angus McNaughton (appointed 29 October 2024)

Clive Appleton (retired 29 October 2024)

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)

Company Secretaries

Carolyn Reynolds

Rohan Abeyewardene

Principal activities

The principal activities of the Group during the period continued to be property investment, management, 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.

Distributions

On 19 February 2025, the Directors declared a distribution in respect of the Group's earnings for the half year ended 31 December 2024 of 5.95 cents per VCX stapled security, which equates to total interim distributions of $270.9 million. The interim distribution will be paid on 13 March 2025.

On 16 September 2024, the Group paid a distribution in respect of earnings for the six-months to 30 June 2024 of 5.90 cents per VCX stapled security or $268.6 million in total.

Review of results and operations

This report should be read in conjunction with the 30 June 2024 Annual Report which provides further information on Vicinity's strategy, operations, and risks.

(a) Operational update

Financial results

Vicinity's key measures of financial performance are Funds From Operations (**FFO**) and Adjusted FFO (**AFFO**)[1]. Statutory net profit after tax (**NPAT**) 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. FFO is further adjusted for maintenance capital and leasing costs to calculate AFFO. Vicinity's distribution policy is to pay out between 95% and 100% of AFFO.

	31-Dec-24 $m	**31-Dec-23 $m**
Net property income (**NPI**)	463.5	451.6
External management fees	27.5	32.5
Net corporate overheads	(42.8)	(44.0)
Net interest expense	(104.1)	(94.5)
FFO	**344.1**	**345.6**
Property revaluation increment/(decrement) for directly owned properties	188.4	(76.0)
Net movement on mark-to-market of derivative financial instruments	130.5	(17.8)
Net foreign exchange movement on interest bearing liabilities	(127.1)	39.8
Non-distributable gain/(loss) relating to equity accounted investments	19.3	(29.6)
Landholder duty and transaction costs	(22.5)	-
Other items	(40.1)	(38.5)
Statutory NPAT [2]	**492.6**	**223.5**
FFO	**344.1**	**345.6**
Maintenance capital expenditure and static tenant leasing costs	(26.4)	(27.4)
AFFO	**317.7**	**318.2**
Weighted average number of securities (number)	**4,552.3**	**4,552.3**
FFO per security (cents)	7.56	7.59
AFFO per security (cents)	6.98	6.99
Distribution per security (cents)	5.95	5.85

[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. FFO and AFFO are non-IFRS measures and not audited.

[2] A full reconciliation between statutory NPAT and FFO is included in Note 1(b) of the half year financial report.

Review of results and operations (continued)

(a) Operational update (continued)

Financial results (continued)

For the six months ended 31 December 2024, statutory NPAT was $492.6 million, comprising FFO of $344.1 million and $148.5 million of statutory, non-cash and other adjustments[2]. While FFO was broadly in line with the prior period, adjusted for one-off items[3] and higher lost rent from developments at Chadstone and Chatswood Chase, FFO was up 3.0%.

NPI increased 2.6% to $463.5 million, largely driven by comparable[4] income growth, up 4.2%, and increased net income from transactions, partially offset by elevated lost rent from development. Comparable income growth benefited from strong operating metrics, as well as upside from the Cartology media partnership, which support stronger ancillary income growth.

Lower external management fee income reflected a reduction in external development fees arising from the 49% acquisition of Chatswood Chase in March 2024, which is now 100% owned by the Group.

At $42.8 million, net corporate overheads were 2.7% below the prior period, driven by higher capitalisation of development personnel costs (due to the aforementioned Chatswood Chase acquisition), partially offset by annual salary adjustments.

Increased net interest expense reflected higher market interest rates and the impact of transactions.

The $26.4 million spend on maintenance and leasing capital reflected continued investment in Vicinity's retail assets as well as attracting key retail tenants to improve customer visitation, sales productivity and income growth across the portfolio.

Portfolio performance

Portfolio operating metrics remained positive in 1H FY25, continuing to support current and future year income growth. Occupancy remains strong at 99.4% (June 2024: 99.3%) as Vicinity continues to execute high quality leases and reducing vacancies.

Leasing spreads remained positive, at +3.5% (FY24: +1.1%), the average tenure of new leases was 4.3 years (FY24: 4.4 years), the average annual escalators on new leases remained healthy at 4.8% (FY24: 4.8%) and the proportion of income on holdover remained low at 3%[5].

Having anticipated a relatively flat retail sales environment, Vicinity has been pleased with the continued resilience of its retail centres, especially in the context of a more challenged consumer environment more broadly. The portfolio delivered positive sales growth in 1H FY25, up 2.0% (relative to 1H FY24), underpinned by a more robust 2Q FY25 where sales increased 2.7% relative to the corresponding period (2Q FY24).

While Luxury retailers enjoyed strong growth post pandemic, Luxury sales have continued to trend lower in 1H FY25. However, the rate of sales decline eased over 1H FY25. Nonetheless, Luxury remains a highly productive category for the Group, with average sales per square metre at c.$60,000.

Excluding the impact of Luxury, specialty and mini majors in the portfolio delivered positive sales growth of 4.6% in 1H FY25 (relative to 1H FY24). This highlights even greater resilience despite the ongoing cost of living pressures faced by Australian households. In addition, the momentum behind the Black Friday, or increasingly 'Black November' sales event accelerated with specialty and mini major sales in November, up by 5.5% on the prior corresponding period (November 2023) (or in excess of 7.0% excluding Luxury). Furthermore, the month of December was up 4.4% on the prior corresponding period (December 2023) (or almost 5.0% excluding Luxury), indicating a solid and extended Christmas trading period.

Lastly, the Outlet portfolio has proven resilient through economic cycles, recording retail sales growth for each consecutive quarter since the conclusion of the pandemic (i.e., 3Q FY22). Over the same period, annual sales achieved by the Outlet portfolio have grown from almost $1.9 billion to in excess of $2.7 billion.

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[3] One-off items include the impact of transactions (-$1.8 million) and reversal of prior year waivers and provisions (1H FY25: $3.0 million, 1H FY24: $6.0 million).

[4] Comparable NPI excludes reversals of prior year waivers and provisions, transactions and development impacts.

[5] Excludes leases on holdover that are strategically held for development.

Review of results and operations (continued)

(a) Operational update (continued)

Developments and mixed use update

- Vicinity continued to invest in the presentation, tenant mix and ambience of its retail asset portfolio in 1H FY25. The majority of the capital spend in FY25 relates to key projects at Chadstone and Chatswood Chase, two of Vicinity's premium assets with significant growth potential. Since June 2024, the Group has also completed a number of smaller ambience and mall upgrade projects at Bankstown Central 'Zone A', Harbour Town Gold Coast and Box Hill Central South.
- The redevelopment of Chadstone's fresh food and Asian laneway dining precinct is undergoing its finishing touches ahead of the opening in March 2025, and Kmart and Adairs are close to commencing the fit-out of their corporate headquarters at Chadstone's new, 20,000 square metre office tower, One Middle Road.
- Major redevelopment at Chatswood Chase has progressed in line with expectations with c.85% of the income now secured via Agreements for Lease. Upon completion, Chatswood Chase will house a significant luxury retail precinct, as well as athleisure, technology, and exciting new-to-market concepts. The opening of the redeveloped asset is expected to commence in 2Q FY26, in time for Christmas.

In November 2024, the NSW State Government approved the Bankstown Rezoning Proposal as part of the Transport Oriented Development program to create housing supply near major transport hubs. This approval supports Vicinity's plans for residential development surrounding Bankstown Central, which lies adjacent to the new Bankstown Metro train station under development.

Vicinity now has development and/or masterplan approvals for more than 6,000 residential apartments across four key assets, including Buranda Village in Queensland, Box Hill Central and Victorian Gardens Shopping Centre in Victoria and Bankstown Central in New South Wales. While these approvals create the potential to unlock significant value at these assets, Vicinity continues to retain complete optionality in terms of how and when that value is unlocked. This is dependent on, amongst others, market conditions, the capacity of top tier construction partners and/or regulatory changes.

(b) Financial position

The following is extracted from the statutory balance sheet included in the half year financial report:

	31-Dec-24 $m	30-Jun-24 $m
Cash and cash equivalents	109.4	49.6
Investment properties (including investment properties classified as held for sale)	15,108.3	14,958.0
Equity accounted investments	532.8	91.8
Net derivative financial instruments	198.4	94.8
Intangible assets	171.2	164.2
Other assets	221.8	209.6
Interest bearing liabilities	(4,764.6)	(4,230.2)
Other liabilities	(716.1)	(698.9)
Net assets	**10,861.2**	**10,638.9**
Net tangible assets per security (**NTA**) [6] ($)	2.35	2.30
Drawn debt [7] ($m)	4,525.1	4,089.0
Gearing [7] (%)	28.5	27.2

[6] Calculated as net assets (including right of use assets) less intangible assets, divided by the number of stapled securities on issue at period end.

[7] Refer to Note 5 of the half year financial report for the calculation of drawn debt and gearing ratio.

Review of results and operations (continued)

(b) Financial position (continued)

Key items which impacted the balance sheet during the period included:

- **Investment properties and equity accounted investments** up $591.3 million, or 3.9% mainly due to acquisition of Lakeside Joondalup for $441.3 million (inclusive of transaction costs), investment in development and AFFO maintenance capital expenditure of $202.7 million, property revaluation increments on directly owned and equity accounted investment properties of $188.4 million and $22.0 million respectively, partially offset by the asset disposals of $230.3 million completed during the period. The net revaluation increment was largely driven by the income growth underpinned by positive portfolio metrics. Further information can be found in Note 3 of the half year financial report.
- **Interest bearing liabilities** up $534.4 million, or 12.6% primarily due to drawdowns to fund the Lakeside Joondalup acquisition, development activities at Chatswood Chase and Chadstone, and other capital expenditure. The drawdowns were offset by net proceeds from asset sales completed during the period.

  In addition, the weakening of Australian dollars in the period has resulted in a non-cash foreign exchange translation loss of $127.1 million on foreign currency denominated debt. However, this exposure is managed through the use of cross currency swaps.
- **Derivative financial instruments (net)** up $103.6 million, predominately due to fair value gain on the aforementioned weakened Australian dollar, partially offset by movement in the interest rate yield curve.

The movement in interest bearing liabilities and revaluation of investment properties resulted in the gearing ratio increasing by 130 bps to 28.5% as at 31 December 2024. This remains within the Group's long-term target range of 25%-35%.

(c) Capital management [8]

During the period, the following capital management activities have been completed:

- Net drawdowns in the period of $495.0 million to fund the Lakeside Joondalup acquisition, development activities at Chatswood Chase and Chadstone, and other capital expenditure, partially offset by repayments from asset sales.
- Repaid US$58.0 million US Private Placement notes with US$ proceeds received under the related cross currency swap in July 2024.
- Established $600.0 million of new and extended bank debt facilities, including a $200.0 million forward starting facility effective from 31 January 2025, for a 5 to 6-year tenor.
- Executed $200.0 million of new interest rate swaps for a 5-year tenor.

The table below contains a summary of key capital management metrics for the Group:

	31-Dec-24	30-Jun-24
Weighted average cost of debt [9]	5.0%	4.9%
Proportion of debt hedged	84.5%	78.9%
Weighted average debt duration (based on drawn debt)	3.6 years	4.1 years
Interest cover ratio [10]	3.9 times	4.2 times
Credit ratings		
Moody's Investors Service	A2/stable	A2/stable
Standard & Poor's (**S&P**) Global Ratings	A/stable	A/stable

Vicinity's balance sheet remains strong with gearing at 28.5%, $1.2 billion of available liquidity and 84.5% of the drawn debt hedged as at 31 December 2024. The weighted average cost of debt for the period was 5.0%.

The Group continues to hold strong investment grade credit ratings (Moody's Investors Service A2/stable, S&P's Global Ratings A/Stable). This means the Group is well positioned to continue investing in growth priorities, such as the development pipeline and other accretive investment opportunities.

[8] Refer to Note 5 of the half year financial report for the Group's capital management policy and the interest cover ratio calculation.

[9] Inclusive of margins, line fees and establishment fees.

[10] These exclude lease liabilities and adjustments for fair value items and foreign exchange translation.

Review of results and operations (continued)

(d) Guidance

Vicinity expects FY25 FFO and AFFO per security to be in the ranges of 14.5 to 14.8 cents and 12.3 to 12.6 cents, respectively[11].

Vicinity expects its full year distribution payout to be at the lower end of its target range of 95-100% of AFFO.

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.

Events occurring after the end of the reporting period

Capital management activities

On 15 January 2025, $500.0 million 7-year fixed rate bonds were issued under the Australian Medium Term Note (**AMTN**) program. The Group simultaneously entered into new interest rate swaps to fully swap the fixed rate exposure to floating rate. These transactions were settled on 22 January 2025 and the proceeds from the AMTN issuance were used to repay drawn bank debt and fund development activities.

Property transaction

The divestment of investment property held for sale at 31 December 2024, Roselands, was settled on 18 February 2025.

Distribution Reinvestment Plan

In January 2025, Vicinity established a Distribution Reinvestment Plan (**DRP**) under which eligible securityholders are able to reinvest all or part of their distribution payments into additional stapled securities. The DRP will apply to the interim distribution for the six-month period to 31 December 2024.

Election to participate in the DRP must be received by 26 February 2025. In accordance with the DRP rules, the acquisition price will be equal to the arithmetic average of the daily volume weighted average market price for stapled securities traded from 27 February to 5 March 2025. The DRP will operate at nil discount. Stapled securities acquired under the DRP will rank equally with existing stapled securities.

Other than the matters described above, no matters have arisen since the end of the 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 (**ASIC**), 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.

Signed in accordance with a resolution of Directors.

Trevor Gerber
Chairman
19 February 2025

[11] Guidance assumes no material deterioration in economic conditions.

Shape the future
with confidence

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Auditor's Independence Declaration to the Directors of Vicinity Limited

As lead auditor for the review of the half-year financial report of Vicinity Limited for the half-year ended 31 December 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 review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

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

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

Ernst & Young

Kylie Bodenham
Partner
19 February 2025

Statement of Comprehensive Income

for the half year ended 31 December 2024

	Note	31-Dec-24 $m	31-Dec-23 $m
Revenue and income			
Property ownership revenue and income		636.3	623.3
Management fee revenue from strategic partnerships		28.6	36.7
Interest and other income		4.8	3.5
Total revenue and income	**2**	**669.7**	**663.5**
Share of net profit/(loss) of equity accounted investments		32.6	(21.3)
Property revaluation increment/(decrement) for directly owned properties	3(b)	188.4	(76.0)
Direct property expenses		(186.1)	(180.9)
Borrowing costs	5(c)	(117.3)	(107.7)
Employee benefits expense		(53.6)	(57.0)
Net foreign exchange movement on interest bearing liabilities		(127.1)	39.8
Net mark-to-market movement on derivatives		130.5	(17.8)
Depreciation of right of use assets		(2.2)	(2.3)
Landholder duty and transaction costs written off on acquisition of Lakeside Joondalup	4(b)	(22.5)	-
Other expenses		(18.9)	(16.1)
Net profit before tax for the half year		**493.5**	**224.2**
Income tax expense		(0.9)	(0.7)
Net income for the half year		**492.6**	**223.5**
Other comprehensive income		-	-
Total comprehensive income for the half year		**492.6**	**223.5**
Total income and total comprehensive income for the half year attributable to stapled securityholders as:			
Securityholders of Vicinity Limited		3.7	0.6
Securityholders of other stapled entities of the Group		488.9	222.9
Total comprehensive income for the half year		**492.6**	**223.5**
Earnings per security attributable to securityholders of the Group:			
Basic earnings per security (cents)		10.82	4.91
Diluted earnings per security (cents)		10.79	4.90

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

Balance Sheet

as at 31 December 2024

	Note	31-Dec-24 $m	30-Jun-24 $m
Current assets			
Cash and cash equivalents		109.4	49.6
Trade receivables and other assets		108.3	94.4
Investment properties classified as held for sale	3(a)	455.9	186.6
Derivative financial instruments		76.3	68.0
Total current assets		**749.9**	**398.6**
Non-current assets			
Investment properties	3(a)	14,652.4	14,771.4
Equity accounted investments	4(a)	532.8	91.8
Intangible assets		171.2	164.2
Plant and equipment		2.9	3.0
Derivative financial instruments		199.7	184.6
Right of use assets		24.6	26.2
Deferred tax assets		76.7	77.6
Other assets		9.3	8.4
Total non-current assets		**15,669.6**	**15,327.2**
Total assets		**16,419.5**	**15,725.8**
Current liabilities			
Interest bearing liabilities	5(a)	821.0	487.5
Payables and other financial liabilities		217.0	226.4
Lease liabilities		6.8	6.0
Provisions		94.3	76.2
Derivative financial instruments		34.3	60.6
Total current liabilities		**1,173.4**	**856.7**
Non-current liabilities			
Interest bearing liabilities	5(a)	3,943.6	3,742.7
Lease liabilities		393.6	386.2
Provisions		4.4	4.1
Derivative financial instruments		43.3	97.2
Total non-current liabilities		**4,384.9**	**4,230.2**
Total liabilities		**5,558.3**	**5,086.9**
Net assets		**10,861.2**	**10,638.9**
Equity			
Contributed equity	6	9,102.2	9,102.2
Share based payment reserve		11.6	13.3
Retained profits		1,747.4	1,523.4
Total equity		**10,861.2**	**10,638.9**

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

Statement of Changes in Equity

for the half year ended 31 December 2024

		Attributable to securityholders of Vicinity Limited				Attributable to securityholders of other stapled entities of the Group				VCX Group
	Note	Contributed equity $m	Reserves $m	Accumulated losses $m	Total $m	Contributed equity $m	Reserves $m	Retained profits $m	Total $m	Total equity $m
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 profit for the half year		-	-	0.6	0.6	-	-	222.9	222.9	223.5
Total comprehensive income for the half year		**-**	**-**	**0.6**	**0.6**	**-**	**-**	**222.9**	**222.9**	**223.5**
Transactions with securityholders in their capacity as securityholders:										
Net movements in share based payment reserve		-	2.7	-	2.7	-	-	-	-	2.7
Distributions declared and paid during the half year	7(b)	-	-	-	-	-	-	(284.5)	(284.5)	(284.5)
Total equity as at 31 December 2023		**541.4**	**11.5**	**(209.9)**	**343.0**	**8,560.8**	**-**	**1,676.0**	**10,236.8**	**10,579.8**
As at 1 July 2024		**541.4**	**13.3**	**(220.7)**	**334.0**	**8,560.8**	**-**	**1,744.1**	**10,304.9**	**10,638.9**
Net profit for the half year		-	-	3.7	3.7	-		488.9	488.9	492.6
Total comprehensive income for the half year		**-**	**-**	**3.7**	**3.7**	**-**	**-**	**488.9**	**488.9**	**492.6**
Transactions with securityholders in their capacity as securityholders:										
Net movements in share based payment reserve		-	(1.7)	-	(1.7)	-	-	-	-	(1.7)
Distributions declared and paid during the half year	7(b)	-	-	-	-	-	-	(268.6)	(268.6)	(268.6)
Total equity as at 31 December 2024		**541.4**	**11.6**	**(217.0)**	**336.0**	**8,560.8**	**-**	**1,964.4**	**10,525.2**	**10,861.2**

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

Cash Flow Statement

for the half year ended 31 December 2024

	Note	31-Dec-24 $m	31-Dec-23 $m
Cash flows from operating activities			
Receipts in the course of operations		777.1	770.3
Payments in the course of operations		(352.6)	(339.6)
Distributions and dividends received from equity accounted entities		3.0	0.9
Interest received		2.0	2.4
Interest paid		(114.2)	(101.9)
Net cash inflows from operating activities	**8**	**315.3**	**332.1**
Cash flows from investing activities			
Payments for capital expenditure on investment properties		(214.3)	(131.0)
Deposit paid for acquisition of remaining interest in Chatswood Chase		-	(15.4)
Payment for acquisition of interest in Lakeside Joondalup including transaction costs		(419.2)	-
Payments for acquisition of other investments		(1.0)	(1.0)
Payments for intangible assets		(5.0)	-
Advances to equity accounted entities		-	(28.7)
Proceeds from disposal of investment properties		230.3	37.5
Payments for plant and equipment		(0.1)	(0.2)
Net cash outflows from investing activities		**(409.3)**	**(138.8)**
Cash flows from financing activities			
Proceeds from borrowings		815.0	713.0
Repayment of borrowings		(378.9)	(711.0)
Payment of lease liabilities		(1.7)	(1.3)
Distributions paid to external securityholders		(268.6)	(284.5)
Debt establishment costs paid		(3.8)	(3.6)
Acquisition of shares on-market for settlement of share-based payments		(8.2)	(3.2)
Net cash inflows/(outflows) from financing activities		**153.8**	**(290.6)**
Net increase/(decrease) in cash and cash equivalents held		**59.8**	**(97.3)**
Cash and cash equivalents at the beginning of the half year		49.6	192.9
Cash and cash equivalents at the end of the half year		**109.4**	**95.6**

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

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

The condensed consolidated financial report for the half year ended 31 December 2024 (**the Financial Report**):

- Has been prepared in accordance with the *Corporations Act 2001* (Cth), Accounting Standard AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements. The accounting policies adopted are consistent with those of the previous financial year except for the impact of the new and amended accounting standards described below;
- Does not include all the notes of the type normally included in an annual financial report unless otherwise stated. Accordingly, this report is to be read in conjunction with the 30 June 2024 Annual Report and any public announcements issued during the half year in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (Cth) and the Listing Rules of the ASX;
- Is presented in Australian dollars ($) and rounded to the nearest tenth of a million dollars ($m) in accordance with Australian Securities and Investments Commission (**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 19 February 2025.

Going concern

While the Group has a net current asset deficiency of $423.5 million (current liabilities exceed current assets) at reporting date (30 June 2024: net deficiency $458.1 million), the Group has available liquidity including undrawn facilities of $1,187.0 million (30 June 2024: $1,332.0 million), cash and cash equivalents of $109.4 million (30 June 2024: $49.6 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.

Impact of new and amended accounting standards

New and amended standards that became effective as of 1 July 2024 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.

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 updates to the following significant judgements and estimates are included in the relevant notes to this half year financial report:

Area of judgement or estimation	Note
Valuation of investment properties	3
Recoverability of intangible assets	9(a)
Recognition of deferred tax assets	9(b)

In respect of valuation of derivative financial instruments, there was no significant change to the judgements and estimates at 31 December 2024.

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, 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 incurred during the half 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

	31-Dec-24 $m	31-Dec-23 $m
Property Investment segment		
Net property income	463.5	451.6
Strategic Partnerships segment		
External management fees	27.5	32.5
Total segment income	**491.0**	**484.1**
Net corporate overheads	(42.8)	(44.0)
Net interest expense	(104.1)	(94.5)
FFO	**344.1**	**345.6**
Adjusted for:		
Maintenance capital and static tenant leasing costs	(26.4)	(27.4)
AFFO	**317.7**	**318.2**

1. Segment information (continued)

(a) Segment results (continued)

Key metrics

	Note	31-Dec-24	31-Dec-23
FFO per security [1] (cents per security)		7.56	7.59
AFFO per security [1] (cents per security)		6.98	6.99
Distribution per security (cents per security)	7(a)	5.95	5.85
Total distributions declared [2] ($m)	7(a)	270.9	266.3
AFFO payout ratio (total distributions declared $m/AFFO $m) (%)		85.3%	83.7%
FFO payout ratio (total distributions declared $m/FFO $m) (%)		78.7%	77.1%

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. Total distributions declared is calculated based on the estimated number of securities outstanding at the time of the distribution record date.

(b) Reconciliation of net profit after tax to FFO

	31-Dec-24 $m	31-Dec-23 $m
Net profit after tax	**492.6**	**223.5**
Property revaluation (increment)/decrement for directly owned properties	(188.4)	76.0
Non-distributable (gain)/loss relating to equity accounted investments [1]	(19.3)	29.6
Amortisation of incentives and leasing costs [2]	37.4	35.9
Straight-lining of rent adjustment [3]	(9.4)	(1.8)
Net mark-to-market movement on derivatives [3]	(130.5)	17.8
Net foreign exchange movement on interest bearing liabilities [3]	127.1	(39.8)
Income tax expense [3]	0.9	0.7
Development-related preliminary planning, marketing and tenant compensation costs [4]	7.1	1.0
Landholder duty and transaction costs	22.5	-
Implementation costs [5]	5.1	-
Other non-distributable items	(1.0)	2.7
FFO	**344.1**	**345.6**

The material adjustments to net profit 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 period 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 costs which are development-related and excluded from FFO.
5. Represents non-recurring implementation costs of a Software as a Service arrangement.

(c) Reconciliation of segment income to total revenue

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

1. Segment information (continued)

(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	31-Dec-24 $m	30-Jun-24 $m
Investment properties [1]	3(a)	14,696.1	14,552.1
Investment properties included in equity accounted investments [2,3]		601.5	160.0
Total interests in directly owned investment properties		**15,297.6**	**14,712.1**

1. Includes properties held for sale less investment property leaseholds and planning and holding costs.
2. Excludes planning and holding costs of $7.0 million (30 June 2024: $6.4 million) relating to investment properties included in equity accounted investments.
3. The Group acquired a 50% interest in Lakeside Joondalup during the half year. The interest is accounted for under the equity method. Further information on the transaction is disclosed in Note 4.

2. Revenue and income

(a) 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.

	31-Dec-24 $m			31-Dec-23 $m		
	Property Investment	Strategic Partnerships	Total	Property Investment	Strategic Partnerships	Total
Recovery of property outgoings [1,3]	92.5	-	92.5	91.9	-	91.9
Other property related revenue [1]	58.4	-	58.4	61.5	-	61.5
Property management and development fees [2]	-	28.5	28.5	-	36.1	36.1
Funds management fees [2]	-	0.1	0.1	-	0.6	0.6
Total revenue from contracts with customers	**150.9**	**28.6**	**179.5**	**153.4**	**36.7**	**190.1**
Lease rental income [1,3,4]	485.4	-	485.4	469.9	-	469.9
Interest and other income	4.8	-	4.8	3.5	-	3.5
Total income	**490.2**	**-**	**490.2**	**473.4**	**-**	**473.4**
Total revenue and income	**641.1**	**28.6**	**669.7**	**626.8**	**36.7**	**663.5**
Reconciliation to segment income						
Property-related expenses included in segment income			(224.2)			(218.2)
Net property income from equity accounted investments included in segment income			14.7			11.8
Straight-lining of rent adjustment			(9.4)			(1.8)
Amortisation of static lease incentives and other project items			37.4			35.9
Interest and other revenue not included in segment income			2.8			(7.1)
Total segment income			**491.0**			**484.1**

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 half yearly based on recoveries of property outgoings of net deals in the period.
4. Lease rental income includes percentage rent income of $13.3 million (31 December 2023: $13.4 million).

3. 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. As at 31 December 2024, 31 assets were independently valued and 20 assets were valued internally (30 June 2024: 24 independent valuations and 31 internal valuations).

(a) Portfolio summary

	31-Dec-24				30-Jun-24			
Shopping centre type	**Number of properties**	**Value $m [1]**	**Weighted average discount rate, % [1,2]**	**Weighted average capitalisation rate, % [1,2]**	**Number of properties**	**Value $m [1]**	**Weighted average discount rate, % [1,2]**	**Weighted average capitalisation rate, % [1,2]**
Super Regional	1	3,463.0	6.75	4.25	1	3,362.5	6.50	4.13
Major Regional	7	2,383.0	7.00	5.85	7	2,270.2	7.02	5.91
Central Business Districts	7	2,008.8	6.74	5.28	7	1,968.2	6.75	5.36
Regional [6]	9	2,068.0	7.60	6.81	9	2,052.9	7.44	6.77
Outlet Centre	8	2,456.3	7.04	5.95	8	2,405.1	7.12	5.96
Sub Regional [3]	17	2,192.0	7.31	6.46	21	2,377.8	7.30	6.54
Neighbourhood	2	125.0	6.40	5.47	2	115.4	6.69	5.75
Planning and holding costs [4]	-	42.1	n/a	n/a	-	45.1	n/a	n/a
Sub-total	**51**	**14,738.2**	**7.04**	**5.63**	**55**	**14,597.2**	**6.98**	**5.65**
Add: Investment property leaseholds	-	370.1			-	360.8		
Less: Properties held for sale [5,6]	(2)	(455.9)			(3)	(186.6)		
Total investment properties	**49**	**14,652.4**			**52**	**14,771.4**		

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. 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 3(c).
4. 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.
5. Represents the carrying amount of Carlingford Court, Roselands and 50% interest of Elizabeth City Centre, which are classified as investment properties held for sale (current asset), as the Group has entered into unconditional sale contracts as at 31 December 2024. These properties have been recorded at their fair value at balance date, which approximated the selling price net of estimated purchase price adjustments.

   (30 June 2024: Maddington Central, Halls Head Central and Karratha City were classified as investment properties held for sale).
6. The Group retains the remaining 50% ownership of Elizabeth City Centre, as a result it continues to be recognised as investment property.

3. Investment properties (continued)

(b) Movements for the period

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

- Maddington Central in July 2024 for $101.4 million;
- Mornington Central in September 2024 for $46.1 million;
- Halls Head Central in July 2024 for $33.7 million; and
- Karratha City in August 2024 for $49.1 million.

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

	31-Dec-24 $m	31-Dec-23 $m
Opening balance at 1 July	**14,597.2**	**13,929.4**
Capital expenditure [1]	202.7	127.0
Capitalised borrowing costs [2]	8.3	2.2
Disposals	(230.3)	(22.7)
Property revaluation increment/(decrement) for directly owned properties [3]	188.3	(76.5)
Amortisation of incentives and leasing costs [4]	(37.4)	(35.9)
Straight-lining of rent adjustment [4]	9.4	1.8
Closing balance at 31 December	**14,738.2**	**13,925.3**

1. Includes development and maintenance capital expenditure, lease incentives, fit-out, and other capital costs.
2. Borrowing costs incurred in the construction of qualifying assets have been capitalised at a weighted average rate of 5.0% (31 December 2023: 4.9%).
3. Excludes the property revaluation increment of $0.1 million (31 December 2023: $0.5 million increment) of investment property leaseholds held at fair value.
4. For lease arrangements where Vicinity is the lessor.

(c) Portfolio valuation

Valuation process

The Group's valuation process has not changed significantly since 30 June 2024.

As outlined in Note 4(c) of the 30 June 2024 Annual Report, the Group's pre-approved panel of independent valuers was updated in June 2024. Independent valuations undertaken at 31 December 2024 have been completed under new appointments from the updated panel of independent valuers.

Further details of the Group's valuation process are provided within Note 4(c) of the 30 June 2024 Annual Report.

Significant Judgement and Estimate

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), estimating the future impact of events such as subsequent movements in inflation, interest rates, market rents and regulatory changes, and estimating the cost to complete for properties under development. This means the valuation of an investment property requires significant judgement and estimation.

Key assumptions and inputs

As the capitalisation of income and discounted cash flow (**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 in the 30 June 2024 Annual Report for further details on the fair value hierarchy).

3. Investment properties (continued)

(c) Portfolio valuation (continued)

Key assumptions and inputs (continued)

Key unobservable inputs used by the Group in determining the fair value of its investment properties are summarised below. These are consistent with key inputs assessed at 30 June 2024.

	31-Dec-24		30-Jun-24		
Unobservable inputs	**Range of inputs**	**Weighted average inputs**	**Range of inputs**	**Weighted average inputs**	**Sensitivity**
Capitalisation rate [1]	4.25% – 9.00%	5.63%	4.13% – 9.00%	5.65%	The higher the capitalisation rate, discount rate, terminal yield, and expected downtime due to tenants vacating, the lower the fair value.
Discount rate [2]	5.50% – 9.00%	7.04%	6.25% – 9.00%	6.98%	
Terminal yield [3]	4.50% – 7.75%	5.89%	4.38% – 7.75%	5.87%	
Expected downtime (for tenants vacating)	3 to 12 months	6 months	3 to 12 months	6 months	
Market rental growth rate	2.55% - 3.75%	3.31%	2.17% – 3.59%	3.06%	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 31 December 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 31 December 2024. Specific key unobservable inputs may impact only the capitalisation of net income method, the DCF method or both methods.

DCF method

31-Dec-24 $m	**Carrying value**	**Discount rate -0.25%**	**Discount rate +0.25%**	**10-year rental growth rate -0.25%**	**10-year rental growth rate +0.25%**
Actual valuation [1]	14,240.2				
Impact on actual valuation		275.8	(266.8)	(164.0)	166.7
Resulting valuation		14,516.0	13,973.4	14,076.2	14,406.9

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

Capitalisation of net income method

31-Dec-24 $m	**Carrying value**	**Capitalisation rate -0.25%**	**Capitalisation rate +0.25%**
Actual valuation [1]	14,240.2		
Impact on actual valuation		588.7	(556.0)
Resulting valuation		14,828.9	13,684.2

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

4. 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

The Group holds the following investments that are equity accounted:

	Ownership		Carrying value	
	31-Dec-24 %	30-Jun-24 %	31-Dec-24 $m	30-Jun-24 $m
Joondalup Trust (Joint Venture) [1,2]	50	-	437.9	-
Victoria Gardens Retail Trust (Joint Venture) [2]	50	50	94.2	91.4
			532.1	**91.4**
Other associates			0.7	0.4
Closing balance			**532.8**	**91.8**

1. During the period, the Group completed the acquisition of 50% interest in Joondalup Trust for $441.3 million. The acquisition cost includes estimated landholder duty (subject to final determination by the Department of Finance Western Australia) and other transaction costs of $22.5 million.

   The Group's share of the net assets of Joondalup Trust were predominantly made up of the fair value of Lakeside Joondalup of $420.0 million. In accordance with the accounting standards, the transaction is accounted for as an asset acquisition.

2. The primary asset of the joint ventures is investment property held at fair value. As such the carrying value of equity accounted investments are subject to the same significant judgement and estimate as disclosed in Note 3(c).

(b) Movements for the period

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

	31-Dec-24 $m	31-Dec-23 $m
Opening balance	**91.4**	**436.5**
Acquisition of interest in Lakeside Joondalup	441.3	-
Landholder duty and transaction costs written off on acquisition of Lakeside Joondalup	(22.5)	-
Additional investments made during the period	-	0.3
Share of net profit/(loss) of equity accounted investments	32.0	(21.9)
Distributions of net income declared by equity accounted investments	(10.1)	-
Closing balance [1,2]	**532.1**	**414.9**

1. The closing balance at 31 December 2023 was made up of Chatswood Chase Joint Venture held through CC Commercial Trust (**CCCT**) of $326.2 million and Victoria Gardens Retail Trust Joint Venture of $88.7 million.
2. On 15 March 2024, the Group completed the acquisition of the remaining 49% interest in CCCT, of which CCCT ceased to be a joint venture and the use of the equity method was discontinued. Further details of the transaction are provided within Note 5(a) of the 30 June 2024 Annual Report.

Capital structure and financial risk management

5. 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.

During the period, the following capital management activities have occurred:

- Net drawdowns in the period of $495.0 million to fund the Lakeside Joondalup acquisition, development activities at Chatswood Chase and Chadstone, and other capital expenditure, partially offset by repayments from asset sales;
- Repaid US$58.0 million US Private Placement (**USPP**) notes with US$ proceeds received under the related cross currency swap in July 2024;
- Established $600.0 million of new and extended bank debt facilities, including a $200.0 million forward starting facility effective from 31 January 2025, for a 5 to 6-year tenor; and
- Executed $200.0 million of new interest rate swaps for a 5-year tenor.

(a) Summary of facilities

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

	31-Dec-24 $m	30-Jun-24 $m
Current liabilities		
Unsecured		
AUD Medium Term Notes (**AMTN**) [1]	460.0	400.0
USPP	361.0	87.5
Total current liabilities	**821.0**	**487.5**
Non-current liabilities		
Unsecured		
Bank debt	813.0	318.0
AMTN [2]	999.6	1,059.4
GBP European Medium Term Notes (**GBMTN**)	706.6	666.5
HKD European Medium Term Notes (**HKMTN**)	133.1	122.9
USPP	469.6	783.6
EUR European Medium Term Notes (**EMTN**)	835.0	803.9
Deferred debt costs [3]	(13.3)	(11.6)
Total non-current liabilities	**3,943.6**	**3,742.7**
Total interest bearing liabilities	**4,764.6**	**4,230.2**

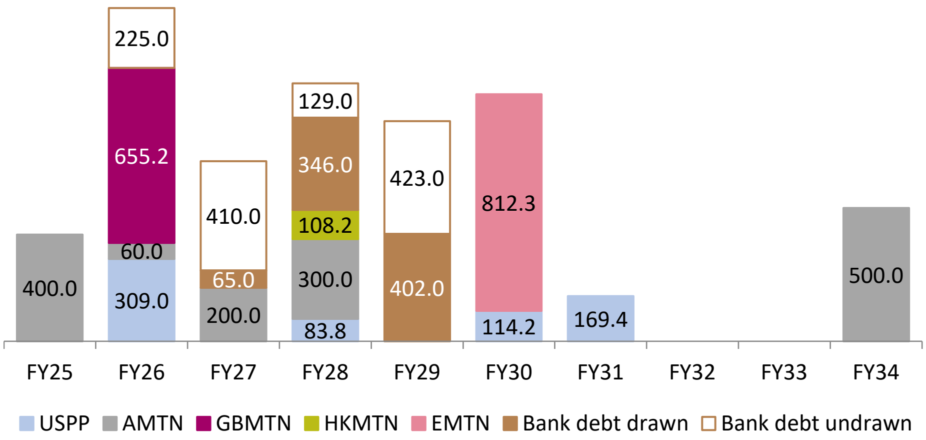
1. Current unsecured AMTN includes $60.0 million of AUD notes issued under the Group's EMTN program.
2. Non-current unsecured AMTN includes $300.0 million of Green Bonds. The proceeds of Green Bonds were utilised to fund eligible green projects and assets with high sustainability rating (e.g. National Australian Built Environment Rating system energy rating of 5 stars or higher).
3. Deferred debt costs comprise the unamortised value of borrowing costs paid on establishment or refinance 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.

5. Interest bearing liabilities and derivatives (continued)

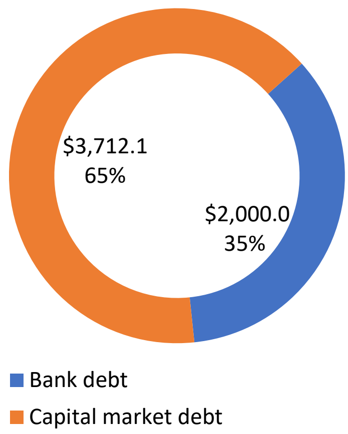
(b) Facility maturity and availability

The charts below outline the maturity of the Group's total available facilities at 31 December 2024 by type, and the bank to capital markets debt ratio. Of the $5,712.1 million total available facilities (30 June 2024: $5,421.0 million), $1,187.0 million remains undrawn as at 31 December 2024 (30 June 2024: $1,332.0 million).

Available facilities expiry profile ($m) [1, 2]



Bank to capital market debt ratio ($m, %) [2]



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 $252.8 million (30 June 2024: losses of $152.8 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 $13.3 million (30 June 2024: $11.6 million) are not reflected in the amount drawn.
2. Available facilities expiry profile does not include the 6-year $200.0 million forward starting facilities commencing January 2025.

(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.

	31-Dec-24 $m	31-Dec-23 $m
Interest and other costs on interest bearing liabilities and derivatives	108.8	93.3
Amortisation of deferred debt costs	2.1	2.3
Amortisation of face value discounts	0.6	0.8
Amortisation of fair value adjustments relating to discontinuation of hedge accounting	(0.8)	(0.8)
Interest charge on lease liabilities	14.9	14.6
Capitalised borrowing costs	(8.3)	(2.5)
Total borrowing costs	**117.3**	**107.7**

5. Interest bearing liabilities and derivatives (continued)

(d) 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 long-term credit ratings of 'A2/stable' from Moody's Investors Service and 'A/stable' from Standard & Poor's 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, investment property leaseholds and derivative financial assets.

	31-Dec-24 $m	30-Jun-24 $m
Total interest bearing liabilities	**4,764.6**	**4,230.2**
Reconciliation to drawn debt		
Deferred debt costs	13.3	11.6
Fair value and foreign exchange adjustments to EMTN	(22.7)	8.4
Fair value and foreign exchange adjustments to GBMTN	(51.5)	(11.2)
Fair value and foreign exchange adjustments to USPP	(154.2)	(135.9)
Fair value adjustments to AMTN	0.5	0.6
Foreign exchange adjustments to HKMTN	(24.9)	(14.7)
Total drawn debt	**4,525.1**	**4,089.0**
Drawn debt net of cash	4,415.7	4,039.4
Total tangible assets excluding cash, right of use assets, investment property leaseholds and derivative financial assets	15,468.2	14,872.4
Gearing ratio (target range of 25.0% to 35.0%)	**28.5%**	**27.2%**

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.

At 31 December 2024 the interest cover ratio was 3.9 times (30 June 2024: 4.2 times).

5. Interest bearing liabilities and derivatives (continued)

(e) Fair value of interest bearing liabilities

As at 31 December 2024, the Group's interest bearing liabilities had a fair value of $4,644.3 million (30 June 2024: $4,050.0 million).

The carrying amount of these interest bearing liabilities was $4,764.6 million (30 June 2024: $4,230.2 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 amount 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 amount (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.

(f) Defaults and covenants

The Group had no defaults on debt obligations or breaches of lending covenants at 31 December 2024 (30 June 2024: nil).

6. 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.

	31-Dec-24 Number (m)	31-Dec-23 Number (m)	31-Dec-24 $m	31-Dec-23 $m
Total stapled securities on issue at the beginning of the half year	4,552.3	4,552.3	9,102.2	9,102.2
Total stapled securities on issue at the end of the half year	**4,552.3**	**4,552.3**	**9,102.2**	**9,102.2**

Treasury securities are on-market securities purchased by the Group to settle employee share based payment plans. The Group held 0.4 million or $0.7 million of treasury securities at 31 December 2024 (31 December 2023: 0.3 million shares or $0.5 million).

The following weighted average number of securities are used in the denominator in calculating earnings per security for the Group:

	31-Dec-24 Number (m)	31-Dec-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	11.3	8.9
Weighted average number of securities used as the denominator in calculating diluted earnings per security	**4,563.6**	**4,561.2**

7. Distributions

(a) Interim distributions for the period

	31-Dec-24 Cents[1]	31-Dec-23 Cents[1]	31-Dec-24 $m	31-Dec-23 $m
Distributions in respect of earnings:				
For six-months to 31 December 2024 (31 December 2023)	5.95	5.85	270.9	266.3
Total interim distributions for the period	**5.95**	**5.85**	**270.9**	**266.3**

1. Cents per VCX stapled security.

On 19 February 2025, the Directors declared a distribution in respect of the Group's earnings for the half year ended 31 December 2024 of 5.95 cents per VCX stapled security, which equates to total interim distributions of $270.9 million. The interim distribution will be paid on 13 March 2025.

(b) Distributions paid during the period

	31-Dec-24 Cents[1]	31-Dec-23 Cents[1]	31-Dec-24 $m	31-Dec-23 $m
Distributions paid in respect of the earnings:				
For six-months to 30 June 2024 (30 June 2023)	5.90	6.25	268.6	284.5
Total distribution paid during the period	**5.90**	**6.25**	**268.6**	**284.5**

1. Cents per VCX stapled security.

Other disclosures

8. Operating cash flow reconciliation

The reconciliation of net profit after tax for the half year to net cash provided by operating activities is provided below.

	31-Dec-24 $m	31-Dec-23 $m
Net profit after tax for the half year	**492.6**	**223.5**
Exclude non-cash items and cash flows under investing and financing activities:		
Amortisation of incentives and leasing costs	37.4	35.9
Straight-lining of rent adjustment	(9.4)	(1.8)
Property revaluation (increment)/decrement for directly owned properties	(188.4)	76.0
Share of net (profit)/loss of equity accounted investments	(32.6)	21.3
Amortisation of non-cash items included in interest expense	1.9	2.3
Net foreign exchange movement on interest bearing liabilities	127.1	(39.8)
Net mark-to-market movement on derivatives	(130.5)	17.8
Landholder duty and transaction costs written off	22.5	-
Depreciation of right of use assets	2.2	2.3
Income tax expense	0.9	0.7
Other non-cash items	3.7	2.9
Movements in working capital:		
Decrease in payables and other financial liabilities, and provisions	(8.8)	(17.1)
(Increase)/decrease in receivables including distributions receivable and other assets	(3.3)	8.1
Net cash inflows from operating activities	**315.3**	**332.1**

9. Other Group accounting matters

(a) Intangible assets

Intangible assets at 31 December 2024 relate to the value of external management contracts which reflect the right to provide asset management services to strategic partners who co-own investment property assets with the Group. During the period, the Group acquired the management rights of Lakeside Joondalup. These 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 carrying value of intangible asset is shown in the table below:

	31-Dec-24 $m	30-Jun-24 $m
External management contracts	171.2	164.2
Carrying value	**171.2**	**164.2**

Impairment testing

The Group performs impairment testing for indefinite life intangible assets at least annually, or when there are other indicators of impairment.

At 31 December 2024, the market capitalisation of the Group continued to be below the value of net assets recorded on the consolidated balance sheet, providing a continued indicator of impairment. In considering this indicator of impairment the Group identified that:

- In relation to the Property Investment Cash Generating Unit (**PI CGU**):
  - Greater than 99% of the assets of the PI CGU are investment properties which are carried at their fair values as disclosed in Note 3; and
  - Other remaining assets within the PI CGU were carried at their recoverable amounts.
- In relation to the SP CGU, the key inputs and assumptions within the SP CGU's discounted cash flow model have been updated to reflect reasonably possible scenarios when assessing headroom. The recoverable amount of the SP CGU, which includes the $171.2 million of intangible assets recognised on the Group's consolidated balance sheet, continues to exceed its carrying amount.

Accordingly, no impairment was required at 31 December 2024.

(b) Deferred tax assets

The Group continues to recognise a deferred tax asset, primarily relating to historical tax losses. The recoverability of this deferred tax asset is dependent on the generation of sufficient future taxable income by the Company to utilise those tax losses. Estimation is required in forecasting future taxable income and judgement is applied in assessing an appropriate forecast period.

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, and the timing and execution of the Group's property development activities. Changes to the assumptions may result in additional recognition or reversal of deferred tax assets in future financial periods.

(c) Capital commitments

Estimated maintenance, development, and leasing capital of the Group committed at reporting date, but not recognised on the Balance Sheet amounted to $321.9 million (30 June 2024: $401.7 million).

10. Events occurring after the end of the reporting period

Capital management activities

On 15 January 2025, $500.0 million 7-year fixed rate bonds were issued under the AMTN program. The Group simultaneously entered into new interest rate swaps to fully swap the fixed rate exposure to floating rate. These transactions were settled on 22 January 2025 and the proceeds from the AMTN issuance were used to repay drawn bank debt and fund development activities.

Property transaction

The divestment of investment property held for sale at 31 December 2024, Roselands, was settled on 18 February 2025.

Distribution Reinvestment Plan

In January 2025, Vicinity established a Distribution Reinvestment Plan (**DRP**) under which eligible securityholders are able to reinvest all or part of their distribution payments into additional stapled securities. The DRP will apply to the interim distribution for the six-month period to 31 December 2024.

Election to participate in the DRP must be received by 26 February 2025. In accordance with the DRP rules, the acquisition price will be equal to the arithmetic average of the daily volume weighted average market price for stapled securities traded from 27 February to 5 March 2025. The DRP will operate at nil discount. Stapled securities acquired under the DRP will rank equally with existing stapled securities.

Other than the matters described above, no matters have arisen since the end of the 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.

Directors' Declaration

In the Directors' opinion:

(a) the half year financial statements and notes of Vicinity Centres (**the Group**) set out on pages 10 to 31 are in accordance with the *Corporations Act 2001* (Cth), including:

i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* (Cth) and other mandatory professional reporting requirements; and

ii. giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half year ended on that date; and

(b) there are reasonable grounds to believe that the Group will be able to pay their debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of Vicinity Limited.

Trevor Gerber
Chairman
19 February 2025

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Independent Auditor's Review Report to the Members of Vicinity Limited

Conclusion

We have reviewed the accompanying half-year financial report of Vicinity Limited (the "Company") and the entities it controlled (collectively the "Group"), which comprises the consolidated balance sheet as at 31 December 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the half-year ended on that date, explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Kylie Bodenham
Partner
Melbourne
19 February 2025