

# SCENTRE GROUP

## ASX Announcement

21 August 2024

### SCENTRE GROUP (ASX: SCG/SCA/SCW)

#### Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3 2024 Half Year Financial Reports

Attached are the Half Year Financial Reports for each of Scentre Group Trust 1, Scentre Group Trust 2, and Scentre Group Trust 3.

Authorised for release by the Company Secretary.

Further information:

#### Company Secretary

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#### Investor Relations

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#### Corporate Affairs / Media

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#### Scentre Group Limited

ABN 66 001 671 496

#### Scentre Management Limited

ABN 41 001 670 579

AFS Licence No: 230329 as responsible  
entity of Scentre Group Trust 1

ABN 55 191 750 378 ARSN 090 849 746

#### RE1 Limited

ABN 80 145 743 862

AFS Licence No: 380202 as responsible  
entity of Scentre Group Trust 2

ABN 66 744 282 872 ARSN 146 934 536

#### RE2 Limited

ABN 41 145 744 065

AFS Licence No: 380203 as responsible  
entity of Scentre Group Trust 3

ABN 11 517 229 138 ARSN 146 934 652

# **Scentre Group Trust 1**

## **Half-Year Financial Report**

For the half-year ended 30 June 2024

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**SCENTRE GROUP TRUST 1**  
**STATEMENT OF COMPREHENSIVE INCOME**

For the half-year ended 30 June 2024

	Note	30 Jun 24 \$million	30 Jun 23 \$million
<b>Revenue</b>			
Property revenue		306.9	291.2
		<b>306.9</b>	291.2
<b>Expenses</b>			
Property expenses, outgoing and other costs		(85.6)	(77.0)
Overheads		(5.9)	(6.1)
		<b>(91.5)</b>	(83.1)
<b>Share of after tax profits of equity accounted entities</b>			
Property revenue		303.6	287.1
Property expenses, outgoing and other costs		(82.8)	(74.4)
Net interest income		0.5	0.2
Property revaluations		(95.4)	(118.4)
Tax expense		(2.1)	(3.3)
		<b>123.8</b>	91.2
Interest income		1.1	1.0
Currency loss		(0.5)	(4.3)
Financing costs	2(b)	(157.4)	(167.7)
Property revaluations		31.4	(66.3)
<b>Profit before tax</b>		<b>213.8</b>	62.0
Tax expense		(1.5)	(1.3)
<b>Profit after tax for the period</b>		<b>212.3</b>	60.7
<b>Other comprehensive loss</b>			
<i>Movement in foreign currency translation reserve <sup>(i)</sup></i>			
– Currency movement on the translation of investment in foreign operations		(9.7)	(9.7)
<b>Total comprehensive income for the period</b>		<b>202.6</b>	51.0

<sup>(i)</sup> This may be subsequently transferred to the profit and loss.

**Profit after tax for the period attributable to:**

– Members of Scentre Group Trust 1	209.0	59.8
– External non controlling interests	3.3	0.9
<b>Profit after tax for the period</b>	<b>212.3</b>	60.7

**Total comprehensive income attributable to:**

– Members of Scentre Group Trust 1	199.3	50.1
– External non controlling interests	3.3	0.9
<b>Total comprehensive income for the period</b>	<b>202.6</b>	51.0

	Note	30 Jun 24 cents	30 Jun 23 cents
<b>Basic and diluted earnings per unit attributable to members of Scentre Group Trust 1</b>	7(a)	<b>4.02</b>	1.15

# SCENTRE GROUP TRUST 1

## BALANCE SHEET

As at 30 June 2024

	Note	30 Jun 24 \$million	31 Dec 23 \$million
<b>Current assets</b>			
Cash and cash equivalents		37.2	39.4
Trade debtors	3	3.0	2.9
Receivables	3	18.0	17.1
Interest receivable		90.7	64.4
Derivative assets		385.4	176.6
Other current assets		5.8	11.7
<b>Total current assets</b>		<b>540.1</b>	<b>312.1</b>
<b>Non current assets</b>			
Investment properties	4	8,498.9	8,443.1
Equity accounted investments		8,047.8	8,096.9
Derivative assets		188.9	325.0
Other non current assets		23.8	24.2
<b>Total non current assets</b>		<b>16,759.4</b>	<b>16,889.2</b>
<b>Total assets</b>		<b>17,299.5</b>	<b>17,201.3</b>
<b>Current liabilities</b>			
Trade creditors		67.9	76.2
Payables and other creditors	8	1,034.0	1,030.4
Interest payable		126.3	99.8
Interest bearing liabilities	9	4,095.7	3,358.7
Other financial liabilities		-	174.0
Lease liabilities		0.2	0.2
Derivative liabilities		50.1	61.1
<b>Total current liabilities</b>		<b>5,374.2</b>	<b>4,800.4</b>
<b>Non current liabilities</b>			
Interest bearing liabilities	9	4,674.3	5,132.9
Lease liabilities		8.6	8.2
Derivative liabilities		201.6	216.8
<b>Total non current liabilities</b>		<b>4,884.5</b>	<b>5,357.9</b>
<b>Total liabilities</b>		<b>10,258.7</b>	<b>10,158.3</b>
<b>Net assets</b>		<b>7,040.8</b>	<b>7,043.0</b>
<b>Equity attributable to members of Scentre Group Trust 1</b>			
Contributed equity	10(b)	1,464.4	1,459.0
Reserves		4.6	14.3
Retained profits		5,390.4	5,387.5
<b>Total equity attributable to members of Scentre Group Trust 1</b>		<b>6,859.4</b>	<b>6,860.8</b>
<b>Equity attributable to external non controlling interests</b>			
Contributed equity		75.1	74.4
Retained profits		106.3	107.8
<b>Total equity attributable to external non controlling interests</b>		<b>181.4</b>	<b>182.2</b>
<b>Total equity</b>		<b>7,040.8</b>	<b>7,043.0</b>

**SCENTRE GROUP TRUST 1**  
**STATEMENT OF CHANGES IN EQUITY**

For the half-year ended 30 June 2024

	Contributed Equity \$million	Reserves \$million	Retained Profits \$million	30 Jun 24 Total \$million	Contributed Equity \$million	Reserves \$million	Retained Profits \$million	30 Jun 23 Total \$million
<b>Changes in equity attributable to members of Scentre Group Trust 1</b>								
Balance at the beginning of the period	1,459.0	14.3	5,387.5	6,860.8	1,459.0	17.3	5,655.3	7,131.6
– Profit after tax for the period <sup>(i)</sup>	-	-	209.0	209.0	-	-	59.8	59.8
– Other comprehensive loss <sup>(i) (ii)</sup>	-	(9.7)	-	(9.7)	-	(9.7)	-	(9.7)
Transactions with owners in their capacity as owners								
– Movement in contributed equity <sup>(iii)</sup>	5.4	-	-	5.4	-	-	-	-
– Distributions paid or provided for	-	-	(206.1)	(206.1)	-	-	(103.8)	(103.8)
<b>Closing balance of equity attributable to members of Scentre Group Trust 1</b>	<b>1,464.4</b>	<b>4.6</b>	<b>5,390.4</b>	<b>6,859.4</b>	<b>1,459.0</b>	<b>7.6</b>	<b>5,611.3</b>	<b>7,077.9</b>
<b>Changes in equity attributable to external non controlling interests</b>								
Balance at the beginning of the period	74.4	-	107.8	182.2	72.7	-	117.2	189.9
– Profit after tax for the period attributable to external non controlling interests <sup>(i)</sup>	-	-	3.3	3.3	-	-	0.9	0.9
– Distributions paid or provided for	-	-	(3.7)	(3.7)	-	-	(3.5)	(3.5)
– Increase/(decrease) in external non controlling interest	0.7	-	(1.1)	(0.4)	0.7	-	(1.1)	(0.4)
<b>Closing balance of equity attributable to external non controlling interests</b>	<b>75.1</b>	<b>-</b>	<b>106.3</b>	<b>181.4</b>	<b>73.4</b>	<b>-</b>	<b>113.5</b>	<b>186.9</b>
<b>Total equity</b>	<b>1,539.5</b>	<b>4.6</b>	<b>5,496.7</b>	<b>7,040.8</b>	<b>1,532.4</b>	<b>7.6</b>	<b>5,724.8</b>	<b>7,264.8</b>

<sup>(i)</sup> Total comprehensive income for the period amounts to \$202.6 million (30 June 2023: \$51.0 million).

<sup>(ii)</sup> Movement in reserves attributable to members of Scentre Group Trust 1 comprises currency loss on the translation of investment in foreign operations of \$9.7 million (30 June 2023: \$9.7 million).

<sup>(iii)</sup> The movement in contributed equity pertains to the issue of units under the Distribution Reinvestment Plan (DRP) as disclosed in Note 10(b).

**SCENTRE GROUP TRUST 1****CASH FLOW STATEMENT**

For the half-year ended 30 June 2024

	30 Jun 24 \$million	30 Jun 23 \$million
<b>Cash flows from operating activities</b>		
Receipts in the course of operations (including Goods and Services Tax (GST))	343.6	332.5
Payments in the course of operations (including GST)	(105.7)	(91.2)
Dividends/distributions received from equity accounted entities	173.1	174.7
Withholding taxes paid	(1.5)	(1.3)
GST paid	(22.6)	(20.8)
Payments of financing costs (excluding financing costs capitalised)	(169.5)	(186.4)
Interest received	1.1	1.0
<b>Net cash inflow from operating activities</b>	<b>218.5</b>	<b>208.5</b>
<b>Cash flows from investing activities</b>		
Capital expenditure	(33.7)	(35.3)
Net outflows for investments in equity accounted entities	(21.8)	(40.1)
Financing costs capitalised to qualifying development projects and construction in progress	(3.9)	(4.4)
<b>Net cash outflow from investing activities</b>	<b>(59.4)</b>	<b>(79.8)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(8.3)	(752.8)
Proceeds from borrowings	378.6	371.0
Funds paid to related entities	(153.9)	-
Funds received from related entities	-	452.8
Repayment of other financial liabilities	(174.0)	(162.3)
Distributions paid	(200.7)	(103.8)
Distributions paid by controlled entities to external non controlling interests	(3.0)	(2.8)
<b>Net cash outflow from financing activities</b>	<b>(161.3)</b>	<b>(197.9)</b>
Net decrease in cash and cash equivalents held	(2.2)	(69.2)
Add opening cash and cash equivalents brought forward	39.4	108.2
<b>Cash and cash equivalents at the end of the period <sup>(i)</sup></b>	<b>37.2</b>	<b>39.0</b>

<sup>(i)</sup> Cash and cash equivalents comprise cash of \$37.2 million (30 June 2023: \$39.0 million) net of bank overdraft of nil (30 June 2023: nil).

# SCENTRE GROUP TRUST 1

## NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2024

### 1 Basis of preparation of the Financial Report

#### (a) Corporate information

This financial report of Scentre Group Trust 1 (SGT1) and its controlled entities (collectively the Trust) for the half-year ended 30 June 2024 was approved in accordance with a resolution of the Board of Directors of Scentre Management Limited as Responsible Entity of SGT1.

The Trust is part of Scentre Group which is a stapled entity comprising Scentre Group Limited (SGL), SGT1, Scentre Group Trust 2 (SGT2), Scentre Group Trust 3 (SGT3) and their respective controlled entities. Scentre Group operates as a single coordinated economic entity, with a common Board of Directors and management team.

The nature of the operations and principal activity of the Trust are described in the Directors' Report.

#### (b) Basis of preparation

This half-year financial report does not include all notes of the type normally included in the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Trust as the annual financial report.

This half-year financial report should be read in conjunction with the annual financial report of the Trust as at 31 December 2023.

It is also recommended that this half-year financial report be considered together with any public announcements made by Scentre Group during the half-year ended 30 June 2024 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001* (Corporations Act).

#### (c) Going concern

This half-year financial report has been prepared on a going concern basis. In making this assessment, the Directors have considered:

- The Trust forms part of Scentre Group and is party to Scentre Group's cross-guarantee arrangements in respect of Scentre Group's debt facilities and bonds; and
- Scentre Group's ability to meet its financial obligations over the next 12 months, using cash flow sensitivity analysis and having regard to maturity of interest bearing liabilities, funding requirements, operating cash earnings and available financing facilities. At 30 June 2024, \$3.0 billion (31 December 2023: \$3.3 billion) of external financing resources and intragroup facilities within Scentre Group were available to the Trust which are sufficient to cover net short term liabilities.

#### (d) Basis of accounting

This half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act and AASB 134 Interim Financial Reporting.

This half-year financial report has been prepared on a historical cost basis, except for investment properties, investment properties within equity accounted investments, derivative financial instruments, financial assets at fair value through profit and loss and other financial liabilities.

For the purpose of preparing this half-year financial report, the half-year has been treated as a discrete reporting period.

This half-year financial report has been prepared using the same accounting policies as used in the annual financial report for the year ended 31 December 2023 except for the changes required due to the adoption of accounting standards as disclosed in Note 1(e).

This half-year financial report is presented in Australian dollars.

# SCENTRE GROUP TRUST 1

## NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2024

### 1 Basis of preparation of the Financial Report (continued)

#### (e) New accounting standards and interpretations

The Trust has adopted the following new or amended standards which became applicable on 1 January 2024:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current (effective from 1 January 2024)

This amends AASB 101 Presentation of Financial Statements to clarify the requirements for classifying liabilities as current or non current. This amendment did not have a significant impact on the financial statements on application.

- AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback (effective from 1 January 2024)

This amends AASB 16 Leases to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 Revenue from Contracts with Customers to be accounted for as a sale. This amendment did not have a significant impact on the financial statements on application.

- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants (effective from 1 January 2024)

This amends AASB 101 Presentation of Financial Statements to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. This amendment did not have a significant impact on the financial statements on application.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Trust for the half-year ended 30 June 2024. The impact of these new standards or amendments to the standards and interpretations (to the extent relevant to the Trust) is as follows:

- AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective from 1 January 2025)

This amends AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures to address an inconsistency between the requirements of AASB 10 and AASB 128 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. This amendment is not expected to have a significant impact on the financial statements on application.

- AASB 18 Presentation and Disclosure in Financial Statements (effective from 1 January 2027)

This replaces AASB 101 Presentation of Financial Statements. The key presentation and disclosure requirements established under the new standard are the presentation of newly defined subtotals in the income statement, the disclosure of management-defined performance measures and enhanced requirements for grouping information. The Trust is evaluating the impact of this standard on the financial statements on application.

#### (f) Comparative information

Where applicable, certain comparative figures are restated in order to comply with the current period's presentation of the financial statements.

#### (g) Rounding

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts shown in this half-year financial report have been rounded to the nearest tenth of a million dollars, unless otherwise indicated. Amounts shown as 0.0 represent amounts less than \$50,000 that have been rounded down.



# SCENTRE GROUP TRUST 1

## NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2024

### 2 Segment reporting

#### Geographic segments

The Trust has investments in a portfolio of shopping centres across Australia and New Zealand.

The Trust's segment income and expenses as well as the details of segment assets have been prepared on a proportionate format on a geographic basis. The proportionate format presents the net income from and net assets in equity accounted properties on a gross format whereby the underlying components of net income and net assets are disclosed separately as revenues and expenses, assets and liabilities.

The proportionate format is used by management in assessing and understanding the performance and results of operations of the Trust as it allows management to observe and analyse revenue and expense results and trends on a portfolio-wide basis. The assets underlying both the consolidated and the equity accounted components of the statutory statement of comprehensive income are similar (that is, Australian and New Zealand shopping centres), all centres are under common management and therefore the drivers of their results are similar. Accordingly, management considers that the proportionate format provides a more useful way to understand the performance of the portfolio as a whole than the statutory format.

#### (a) Geographic segment information

The following segment information comprises the earnings and assets of the Trust's Australian and New Zealand operations.

	Australia \$million	New Zealand \$million	30 Jun 24 \$million	Australia \$million	New Zealand \$million	30 Jun 23 \$million
<b>Revenue</b>						
Shopping centre base rent and other property income <sup>(i)</sup>	591.8	36.6	628.4	562.3	34.4	596.7
Amortisation of tenant allowances	(18.5)	(1.1)	(19.6)	(18.7)	(1.0)	(19.7)
Straight-lining of rent	1.8	(0.1)	1.7	1.2	0.1	1.3
	<b>575.1</b>	<b>35.4</b>	<b>610.5</b>	<b>544.8</b>	<b>33.5</b>	<b>578.3</b>
<b>Expenses</b>						
Property expenses, outgoings and other costs	(157.5)	(10.9)	(168.4)	(141.6)	(9.8)	(151.4)
<b>Segment income and expenses</b>	<b>417.6</b>	<b>24.5</b>	<b>442.1</b>	<b>403.2</b>	<b>23.7</b>	<b>426.9</b>
	Australia \$million	New Zealand \$million	30 Jun 24 \$million	Australia \$million	New Zealand \$million	31 Dec 23 \$million
Shopping centre investments	15,881.2	656.7	16,537.9	15,871.2	685.9	16,557.1
Development projects and construction in progress	118.8	24.5	143.3	117.5	26.7	144.2
<b>Segment assets <sup>(ii)</sup></b>	<b>16,000.0</b>	<b>681.2</b>	<b>16,681.2</b>	<b>15,988.7</b>	<b>712.6</b>	<b>16,701.3</b>
Additions to segment non current assets during the period <sup>(iii)</sup>	57.2	3.6	60.8	153.1	4.8	157.9

<sup>(i)</sup> Includes recoveries of outgoings from lessees of \$56.8 million (30 June 2023: \$50.8 million).

<sup>(ii)</sup> Includes equity accounted segment assets of \$8,182.3 million (31 December 2023: \$8,258.2 million).

<sup>(iii)</sup> Additions are net of amortisation of tenant allowances of \$19.6 million (31 December 2023: \$38.9 million).

# SCENTRE GROUP TRUST 1

## NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2024

### 2 Segment reporting (continued)

#### (b) Reconciliation of segment information

The Trust's segment income and expenses as well as the details of segment assets have been prepared on a proportionate format. The composition of the Trust's consolidated and equity accounted details are provided below:

	Consolidated \$million	Equity accounted \$million	30 Jun 24 \$million	Consolidated \$million	Equity accounted \$million	30 Jun 23 \$million
Property revenue	306.9	303.6	610.5	291.2	287.1	578.3
Property expenses, outgoings and other costs	(85.6)	(82.8)	(168.4)	(77.0)	(74.4)	(151.4)
<b>Segment income and expenses</b>	<b>221.3</b>	<b>220.8</b>	<b>442.1</b>	<b>214.2</b>	<b>212.7</b>	<b>426.9</b>
Overheads			(5.9)			(6.1)
Interest income			1.1			1.0
Currency loss			(0.5)			(4.3)
Financing costs						
– Interest bearing liabilities			(197.6)			(191.2)
– Interest capitalised			3.9			4.4
– Other financial liabilities and lease liabilities			(0.3)			(5.2)
– Net fair value movement and modification loss			36.6			24.3
			(157.4)			(167.7)
Equity accounted net interest income			0.5			0.2
Property revaluations			(64.0)			(184.7)
Tax expense			(3.6)			(4.6)
External non controlling interests			(3.3)			(0.9)
<b>Net profit attributable to members of SGT1 <sup>(i)</sup></b>			<b>209.0</b>			<b>59.8</b>

<sup>(i)</sup> Net profit attributable to members of SGT1 was \$209.0 million (30 June 2023: \$59.8 million). Net profit after tax for the period which includes profit attributable to external non controlling interests of \$3.3 million (30 June 2023: \$0.9 million) was \$212.3 million (30 June 2023: \$60.7 million).

	Consolidated \$million	Equity accounted \$million	30 Jun 24 \$million	Consolidated \$million	Equity accounted \$million	31 Dec 23 \$million
Shopping centre investments	8,418.3	8,119.6	16,537.9	8,364.0	8,193.1	16,557.1
Development projects and construction in progress	80.6	62.7	143.3	79.1	65.1	144.2
<b>Segment assets</b>	<b>8,498.9</b>	<b>8,182.3</b>	<b>16,681.2</b>	<b>8,443.1</b>	<b>8,258.2</b>	<b>16,701.3</b>
Cash and cash equivalents	37.2	35.2	72.4	39.4	30.0	69.4
Trade debtors and receivables	49.6	43.7	93.3	52.1	51.8	103.9
Expected credit loss allowance	(28.6)	(26.7)	(55.3)	(32.1)	(33.0)	(65.1)
Other assets	694.6	4.3	698.9	601.9	3.2	605.1
<b>Total assets</b>	<b>9,251.7</b>	<b>8,238.8</b>	<b>17,490.5</b>	<b>9,104.4</b>	<b>8,310.2</b>	<b>17,414.6</b>
Interest bearing liabilities	8,770.0	-	8,770.0	8,491.6	-	8,491.6
Other financial liabilities	-	-	-	174.0	-	174.0
Deferred tax liabilities	-	63.2	63.2	-	63.1	63.1
Other liabilities	1,488.7	127.8	1,616.5	1,492.7	150.2	1,642.9
<b>Total liabilities</b>	<b>10,258.7</b>	<b>191.0</b>	<b>10,449.7</b>	<b>10,158.3</b>	<b>213.3</b>	<b>10,371.6</b>
<b>Net assets</b>	<b>(1,007.0)</b>	<b>8,047.8</b>	<b>7,040.8</b>	<b>(1,053.9)</b>	<b>8,096.9</b>	<b>7,043.0</b>

# SCENTRE GROUP TRUST 1

## NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2024

### 3 Trade debtors and receivables

	30 Jun 24	31 Dec 23
	\$million	\$million
Trade debtors	3.0	2.9
Receivables	18.0	17.1
<b>Total trade debtors and receivables</b>	<b>21.0</b>	<b>20.0</b>
<b>(a) Components of trade debtors and receivables</b>		
Trade debtors and receivables	49.6	52.1
Expected credit loss allowance	(28.6)	(32.1)
<b>Total trade debtors and receivables</b>	<b>21.0</b>	<b>20.0</b>
<b>(b) Movement in expected credit loss allowance</b>		
Balance at the beginning of the period	(32.1)	(45.8)
Decrease in expected credit loss allowance recognised in the statement of comprehensive income	0.8	0.8
Amounts written-off	2.7	12.9
Balance at the end of the period	(28.6)	(32.1)

#### Expected credit loss allowance

In determining the expected credit loss allowance, management has considered security deposits received from tenants generally in the form of bank guarantees, which can be called upon if the tenant is in default under the terms of the lease contract. Trade debtors also include GST which is fully recoverable from the relevant tax authorities where the debt is not collected and therefore the GST amount is excluded from the loss allowance.

Trade debtors and receivables written-off includes rent abatements processed. The decrease in the expected credit loss allowance is primarily as a result of abatements credited against outstanding receivables.

At 30 June 2024, approximately 69% of trade debtors were aged greater than 90 days and the expected credit loss allowance was 90% of gross trade debtors. An increase or decrease of 5% in the expected credit loss rate would result in an increase or decrease in expected credit loss allowance of \$0.3 million and \$1.3 million respectively. At 31 December 2023, approximately 78% of trade debtors were aged greater than 90 days and the expected credit loss allowance was 91% of gross trade debtors. An increase or decrease of 5% in the expected credit loss rate would result in an increase or decrease in expected credit loss allowance of nil or \$1.4 million respectively.

### 4 Investment properties

	30 Jun 24	31 Dec 23
	\$million	\$million
Shopping centre investments	8,418.3	8,364.0
Development projects and construction in progress	80.6	79.1
<b>Total investment properties <sup>(i)</sup></b>	<b>8,498.9</b>	<b>8,443.1</b>

<sup>(i)</sup> The fair value of investment properties at the end of the period includes ground lease assets of \$8.8 million (31 December 2023: \$8.4 million).

Investment properties are carried at the Directors' assessment of fair value. Investment properties include both shopping centre investments and development projects and construction in progress.

The Directors' assessment of fair value of each shopping centre takes into account the latest independent valuations generally prepared annually, with updates taking into account any changes in capitalisation rate, underlying income and valuations of comparable centres. In determining the fair value, the capitalisation of net income method and the discounting of future cash flows to their present value have been used, which are based upon assumptions and judgements in relation to future rental income, capitalisation rate and make reference to market evidence of transaction prices for similar properties. The key assumptions and estimates used in determining fair value are disclosed in Note 5.

# SCENTRE GROUP TRUST 1

## NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2024

### 4 Investment properties (continued)

The Directors' assessment of fair value of each development project and construction in progress that meets the definition of an investment property, takes into account the expected costs to complete, the stage of completion, expected underlying income and yield of the developments. From time to time, during a development, the Directors may commission an independent valuation of the development project. On completion, the development projects are reclassified to shopping centre investments and an independent valuation is obtained.

Independent valuations are conducted in accordance with guidelines and valuation principles as set by the International Valuation Standards Council.

### 5 Details of shopping centre investments

	30 Jun 24 \$million	31 Dec 23 \$million
Consolidated Australian shopping centres	8,418.3	8,364.0
<b>Total consolidated shopping centres</b>	<b>8,418.3</b>	<b>8,364.0</b>
Equity accounted Australian shopping centres	7,462.9	7,507.2
Equity accounted New Zealand shopping centres	656.7	685.9
<b>Total equity accounted shopping centres</b>	<b>8,119.6</b>	<b>8,193.1</b>
	<b>16,537.9</b>	<b>16,557.1</b>

#### Valuation inputs

The Income Capitalisation approach and the Discounted Cash Flow approach are used to arrive at a range of valuation outcomes, from which a best estimate of fair value is derived at a point in time.

The key assumptions and estimates used in these valuation approaches include:

- forecast future income, based on the location, type and quality of the property, which are supported by the terms of any existing leases, other contracts or external evidence such as current market rents for similar properties;
- lease assumptions based on current and expected future market conditions after expiry of any current lease; and
- the capitalisation rate and discount rate derived from recent comparable market transactions.

The table below summarises some of the key inputs used in determining investment property valuations:

	30 Jun 24	31 Dec 23
<b>Australian portfolio</b>		
Retail capitalisation rate	4.63%-7.25%	4.63%-7.00%
Weighted average capitalisation rate <sup>(i)</sup>	5.37%	5.29%
Retail discount rate	6.50%-8.00%	6.25%-8.00%
<b>New Zealand portfolio</b>		
Retail capitalisation rate	6.38%-7.75%	6.25%-7.75%
Weighted average capitalisation rate <sup>(i)</sup>	7.07%	6.95%
Retail discount rate	8.00%-8.75%	7.25%-8.63%

<sup>(i)</sup> Weighted average capitalisation rate including non-retail assets.

Changes to key inputs would result in changes to the fair value of investment properties. An increase in capitalisation rate and/or discount rate would result in lower fair value, while a decrease in capitalisation rate and/or discount rate would result in higher fair value (with all other factors held constant). The discount rates have increased in-line with the increase in capitalisation rates compared to 31 December 2023. The capitalisation rate sensitivity analysis is detailed below.

The sensitivity of shopping centre valuations to changes in capitalisation rates is as follows:

	30 Jun 24 \$million	31 Dec 23 \$million
Capitalisation rate movement		Increase/(decrease) in fair value
-50 bps	1,672.2	1,701.5
-25 bps	795.8	809.2
+25 bps	(726.0)	(737.1)
+50 bps	(1,390.9)	(1,411.4)

# SCENTRE GROUP TRUST 1

## NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2024

### 6 Distributions

	30 Jun 24 \$million	30 Jun 23 \$million
<b>(a) Interim distribution</b>		
4.47 cents per unit (30 June 2023: 4.125 cents per unit)	<b>232.2</b>	214.1

Details of the full year components of distributions will be provided in the Annual Tax Statement which will be sent to members in March 2025.

The interim distribution will be paid on 30 August 2024. The record date for determining entitlement to this distribution was 16 August 2024. A DRP is in operation for the distribution payable on 30 August 2024.

	30 Jun 24 \$million	30 Jun 23 \$million
<b>(b) Distributions paid</b>		
Distribution in respect of the six months to 31 December 2023	<b>206.1</b>	-
Distribution in respect of the six months to 31 December 2022	-	103.8
	<b>206.1</b>	103.8

### 7 Statutory earnings per unit

	30 Jun 24 cents	30 Jun 23 cents
<b>(a) Earnings per unit attributable to members of Scentre Group Trust 1</b>		
Basic and diluted earnings per unit	<b>4.02</b>	1.15

There are no potential ordinary units which are dilutive.

In calculating basic and diluted earnings per unit attributable to Scentre Group Trust 1, net profit attributable to members of Scentre Group Trust 1 of \$209.0 million (30 June 2023: \$59.8 million) was divided by the weighted average number of ordinary units of 5,193,544,460 (30 June 2023: 5,190,378,339).

### (b) Conversions, calls, subscriptions, issues or buy-back after 30 June 2024

There have been no conversions to, calls of, subscriptions for, issuance of new or potential ordinary units or buy-back of units since the reporting date and before the completion of this report.

### 8 Payables and other creditors

	30 Jun 24 \$million	31 Dec 23 \$million
Payables and other creditors	<b>73.2</b>	69.6
Non interest bearing loans payable to related entities	<b>960.8</b>	960.8
	<b>1,034.0</b>	1,030.4

**SCENTRE GROUP TRUST 1**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the half-year ended 30 June 2024

**9 Interest bearing liabilities**

	<b>30 Jun 24</b>	<b>31 Dec 23</b>
	<b>\$million</b>	<b>\$million</b>
<b>Current</b>		
Interest bearing liabilities	<b>1,863.3</b>	972.3
Interest bearing loans payable to related entities	<b>2,232.4</b>	2,386.4
	<b>4,095.7</b>	3,358.7
<b>Non current</b>		
Interest bearing liabilities	<b>4,674.3</b>	5,132.9
	<b>4,674.3</b>	5,132.9
<b>Total interest bearing liabilities</b>	<b>8,770.0</b>	8,491.6

**10 Contributed equity**

	<b>30 Jun 24</b>	<b>31 Dec 23</b>
	<b>Number of</b>	<b>Number of</b>
	<b>units</b>	<b>units</b>
<b>(a) Units on issue</b>		
Balance at the beginning of the period	<b>5,190,378,339</b>	5,190,378,339
Units issued under the DRP	<b>4,684,829</b>	-
Balance at the end of the period	<b>5,195,063,168</b>	5,190,378,339

Holders of Scentre Group stapled securities have the right to receive declared dividends from SGL and distributions from SGT1, SGT2 and SGT3 and, in the event of winding up SGL, SGT1, SGT2 and SGT3, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on Scentre Group stapled securities held.

Holders of Scentre Group stapled securities can vote their shares and units in accordance with the Corporations Act, either in person or by proxy, at a meeting of any of SGL, SGT1, SGT2 and SGT3 (as the case may be).

	<b>30 Jun 24</b>	<b>31 Dec 23</b>
	<b>\$million</b>	<b>\$million</b>
<b>(b) Amount of contributed equity</b>		
Balance at the beginning of the period	<b>1,459.0</b>	1,459.0
DRP	<b>5.4</b>	-
Balance at the end of the period	<b>1,464.4</b>	1,459.0

# SCENTRE GROUP TRUST 1

## NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2024

### 11 Fair value of financial assets and liabilities

Set out below is a comparison by category of carrying amounts and fair values of the Trust's financial instruments.

		Fair value		Carrying amount	
	Fair value hierarchy	30 Jun 24 \$million	31 Dec 23 \$million	30 Jun 24 \$million	31 Dec 23 \$million
<b>Consolidated assets</b>					
Cash and cash equivalents		37.2	39.4	37.2	39.4
Trade debtors and receivables <sup>(i)</sup>		21.0	20.0	21.0	20.0
Interest receivable <sup>(i)</sup>		90.7	64.4	90.7	64.4
Derivative assets <sup>(ii)</sup>	Level 2	574.3	501.6	574.3	501.6
<b>Consolidated liabilities</b>					
Trade and other payables <sup>(i)</sup>		1,101.9	1,106.6	1,101.9	1,106.6
Interest payable <sup>(i)</sup>		126.3	99.8	126.3	99.8
Interest bearing liabilities <sup>(ii)</sup>					
– Fixed rate borrowings	Level 2	4,877.5	4,798.8	4,972.5	4,910.8
– Floating rate borrowings	Level 2	3,797.5	3,580.8	3,797.5	3,580.8
Other financial liabilities <sup>(ii)</sup>	Level 3	-	174.0	-	174.0
Derivative liabilities <sup>(ii)</sup>	Level 2	251.7	277.9	251.7	277.9

<sup>(i)</sup> These financial assets and liabilities are not subject to interest rate risk and the fair value approximates carrying amount.

<sup>(ii)</sup> These financial assets and liabilities are subject to interest rate and market risks, the basis of determining the fair value is set out in the fair value hierarchy below.

### Determination of fair value

The Responsible Entity uses the following hierarchy for determining and disclosing the fair value of a financial instrument. The valuation techniques comprise:

Level 1: the fair value is calculated using quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: the fair value is estimated using inputs other than quoted prices that are observable, either directly (as prices) or indirectly (derived from prices).

Level 3: the fair value is estimated using inputs that are not based on observable market data.

In assessing the fair value of the Trust's financial instruments, consideration is given to available market data and if the market for a financial instrument changes then the valuation technique applied will change accordingly.

During the half-year ended 30 June 2024, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

	30 Jun 24 \$million	31 Dec 23 \$million
<b>Level 3 fair value movement - Property linked notes <sup>(i)</sup></b>		
Balance at the beginning of the period	174.0	354.9
Repayment of other financial liabilities	(174.0)	(162.3)
Net fair value gain included in financing costs in the statement of comprehensive income	-	(18.6)
Balance at the end of the period	-	174.0

<sup>(i)</sup> The fair value of the property linked notes has been determined by reference to the fair value of the relevant Westfield shopping centres.

Investment properties are considered Level 3, refer to Note 4 Investment properties and Note 5 Details of shopping centre investments for relevant fair value disclosures.

## **SCENTRE GROUP TRUST 1 DIRECTORS' DECLARATION**

The Directors of Scentre Management Limited, the Responsible Entity of Scentre Group Trust 1 (Trust) declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the Financial Statements and notes thereto are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
  - (ii) giving a true and fair view of the financial position as at 30 June 2024 and the performance of the consolidated entity for the half-year ended on that date in accordance with section 305 of the Corporations Act 2001.

Made on 21 August 2024 in accordance with a resolution of the Board of Directors.



**Ilana Atlas AO**  
Chair



**Michael Ihlein**  
Director



## Independent Auditor's Review Report to the Members of Scentre Group Trust 1

### Conclusion

We have reviewed the accompanying half-year financial report of Scentre Group Trust 1 and its controlled entities (the Trust), which comprises the balance sheet as at 30 June 2024, statement of comprehensive income, statement of changes in equity and 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 Trust does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the consolidated financial position of the Trust as at 30 June 2024 and of its consolidated financial performance for the half-year ended on that date; and
- 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 Trust 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.

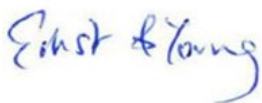
### Directors' Responsibilities for the Half-year Financial Report

The directors of Scentre Management Limited, the Responsible Entity of the Trust, 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 Trust's financial position as at 30 June 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**

Sydney, 21 August 2024



**Mike Wright**  
Partner

# SCENTRE GROUP TRUST 1

## DIRECTORS' REPORT

The Directors of Scentre Management Limited (**Responsible Entity**), the responsible entity of Scentre Group Trust 1 (**Trust**) submit the following report for the half-year ended 30 June 2024 (**Financial Period**).

The Trust is part of Scentre Group (**Group**) which is a stapled entity comprising Scentre Group Limited, the Trust, Scentre Group Trust 2, Scentre Group Trust 3 and their respective controlled entities. Scentre Group operates as a single coordinated economic entity, with a common Board of Directors and management team.

### 1. Operating and financial review

#### 1.1 Scentre Group strategy

Scentre Group owns and operates a leading portfolio of 42 Westfield destinations with 37 located in Australia and five in New Zealand. Westfield destinations are strategically located in close proximity to 20 million people across Australia and New Zealand.

The Trust has a joint interest in 39 Westfield destinations.

Scentre Group's growth is driven by our ability to attract more people to our Westfield destinations.

Scentre Group's unique capability to activate our destinations enables us to create moments that connect and celebrate our local communities. We create the places and experiences more people choose to come, more often, for longer.

#### 1.2 Review of results

##### *Economic performance*

The Trust's statutory profit for the Financial Period was \$209.0 million (30 June 2023: \$59.8 million) and includes an unrealised property valuation decrease of \$64.0 million (30 June 2023: \$184.7 million). Net property income (property revenue less property expenses, outgoings and other costs) for the Financial Period was \$442.1 million (30 June 2023: \$426.9 million). The Trust's portfolio is valued at \$16.7 billion at 30 June 2024. Basic earnings per unit attributable to members of the Trust for the Financial Period is 4.02 cents per unit.

As at 30 June 2024, the Trust had available financing resources of \$3.0 billion (31 December 2023: \$3.3 billion) after deducting facilities utilised by its borrowings.

The distribution attributable to members of the Trust for the Financial Period is \$232.2 million (being 4.47 cents per unit) and this formed part of the distribution of 8.60 cents per Scentre Group stapled security which will be paid to the Group's securityholders on 30 August 2024. Scentre Group's Distribution Reinvestment Plan (DRP) is in operation for the distribution payable for the Financial Period. An election to participate in the DRP must be received by 5.00pm (Sydney time) on 21 August 2024. Scentre Group stapled securities issued under the DRP will rank equally with existing securities on issue and will be issued on 30 August 2024.

##### *Westfield Bondi*

On 13 April 2024, Westfield Bondi was the location of a devastating attack that saw six innocent people lose their lives and many others impacted. The Group continues to provide support, both financial and non-financial, to the victims' families as well as the victims injured during this attack.

Scentre Group continues to operate its 42 Westfield destinations with increased levels of security and is working closely with police, authorities, government and industry on community safety initiatives.

##### *Westfield destinations*

Scentre Group continues to progress its \$4 billion pipeline of future retail development opportunities. During the Financial Period the Group commenced the reconfiguration of previous department store space at Westfield Bondi and Westfield Southland in Melbourne.

The Trust has a joint interest in Westfield Bondi (50 per cent) and Westfield Southland (25 per cent).

Scentre Group's portfolio includes 670 hectares of land holdings. These substantial land holdings, combined with the destinations' strategic locations, has the potential to provide significant future long term growth opportunities for the Group.

##### *2024 guidance and outlook*

Scentre Group is well positioned to deliver long-term growth for securityholders.

Subject to no material change in conditions, Scentre Group reconfirms that it expects Funds From Operations (FFO) to be in the range of 21.75 to 22.25 cents per security for 2024, representing 3.0 per cent to 5.4 per cent growth for the year.

Scentre Group's distributions are expected to be at least 17.20 cents per security for 2024, representing at least 3.6 per cent growth for the year.

# SCENTRE GROUP TRUST 1

## DIRECTORS' REPORT (continued)

### 2. Risk management

The Group assesses risk from a number of perspectives and these risks are subject to continuous assessment and review.

A number of important strategic risks and how such risks are managed and monitored are outlined in the Directors' Report in each of the Scentre Group 2023 Annual Financial Report and 2024 Half-Year Financial Report, which are available at [scentregroup.com](https://www.scentregroup.com).

### 3. Directors

The Board of the Responsible Entity of the Trust comprises seven independent non-executive Directors and one executive Director (being the Managing Director/Chief Executive Officer (CEO)).

Name	Position
Ilana Atlas AO	Non-executive Chair
Elliott Rusanow	Managing Director and CEO
Catherine Brenner	Non-executive Director
Michael Ihlein	Non-executive Director
Carolyn Kay	Non-executive Director
Guy Russo	Non-executive Director
Margaret Seale	Non-executive Director
Michael Wilkins AO	Non-executive Director

Stephen McCann retired from the Board on 26 June 2024.

All other Directors held office for the entire Financial Period.

The Board of Scentre Group Limited and the Boards of Scentre Management Limited, RE1 Limited and RE2 Limited (as Responsible Entities of Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3, respectively) are identical. If a Director ceases to be a Director of Scentre Group Limited for any reason, they must also retire as a Director of each Responsible Entity.

### 4. Principal activity

The principal activity of the Trust during the Financial Period was the long term ownership of shopping centres.

There was no significant change in the nature of the principal activity during the Financial Period.

### 5. Matters subsequent to the reporting period

No event has occurred since the end of the Financial Period which would significantly affect the operations of the Trust.

### 6. General information

#### Rounding

The Trust is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Accordingly, the amounts shown in the Directors' Report, the Financial Statements and Notes to the Financial Statements have been rounded to the nearest tenth of a million dollars, unless otherwise indicated. Amounts shown as 0.0 represent amounts less than \$50,000 that have been rounded down.

#### Synchronisation of financial year

By an order dated 5 November 2001 made by the Australian Securities and Investments Commission, the Directors have been relieved from compliance with the requirement to ensure that the financial year of Carindale Property Trust is synchronised with the financial year of the Trust. Although the financial year of Carindale Property Trust ends on 30 June, the financial statements of the Trust have been prepared to include accounts for Carindale Property Trust for a period coinciding with the financial year of the Trust.

#### ASX listing

ASX reserves the right (but without limiting its absolute discretion) to remove Scentre Group Limited, the Trust, Scentre Group Trust 2 and Scentre Group Trust 3 from the official list of the ASX if any of the shares or units comprising those stapled securities cease to be stapled together, or any equity securities are issued by a Scentre Group entity which are not stapled to the equivalent securities in the other entities.

## SCENTRE GROUP TRUST 1 DIRECTORS' REPORT (continued)

### 7. Auditor's independence declaration

The Directors have obtained the following independence declaration from the auditor, Ernst & Young.



Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com/au

#### **Auditor's Independence Declaration to the Directors of Scentre Management Limited, the Responsible Entity of Scentre Group Trust 1**

As lead auditor for the review of the half-year financial report of Scentre Group Trust 1 for the half-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 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 Scentre Group Trust 1 and the entities it controlled during the financial period.

**Ernst & Young**

**Mike Wright**  
Partner

21 August 2024

A member firm of Ernst & Young Global Limited  
Liability limited by a scheme approved under Professional Standards Legislation

This report is made on 21 August 2024 in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.

**Ilana Atlas AO**  
Chair

**Michael Ihlein**  
Director

## DIRECTORY

### **Scentre Group**

Scentre Group Limited  
ABN 66 001 671 496

### **Scentre Group Trust 1**

ARSN 090 849 746  
(responsible entity Scentre Management Limited  
ABN 41 001 670 579, AFS Licence No 230329)

### **Scentre Group Trust 2**

ARSN 146 934 536  
(responsible entity RE1 Limited  
ABN 80 145 743 862, AFS Licence No 380202)

### **Scentre Group Trust 3**

ARSN 146 934 652  
(responsible entity RE2 Limited  
ABN 41 145 744 065, AFS Licence No 380203)

### **Registered Office**

Level 30  
85 Castlereagh Street  
Sydney NSW 2000

### **New Zealand Office**

Level 5, Office Tower  
277 Broadway  
Newmarket, Auckland 1023

### **Secretaries**

Maureen T McGrath  
Paul F Giugni

### **Auditor**

Ernst & Young  
200 George Street  
Sydney NSW 2000

### **Investor Information**

Scentre Group  
Level 30  
85 Castlereagh Street  
Sydney NSW 2000  
Telephone: +61 2 9358 7877  
Facsimile: +61 2 9358 7881  
E-mail: [investor@scentregroup.com](mailto:investor@scentregroup.com)  
Website: [www.scentregroup.com/investors](http://www.scentregroup.com/investors)

### **Share Registry**

Computershare Investor Services Pty Limited  
6 Hope St, Ermington  
Sydney NSW 2115  
GPO Box 2975  
Melbourne VIC 3001  
Telephone: +61 3 9946 4471  
Toll Free: 1300 730 458 (Australia Only)  
Facsimile: +61 3 9473 2500  
Contact: [www.investorcentre.com/contact](http://www.investorcentre.com/contact)  
Website: [www.computershare.com](http://www.computershare.com)

### **Listing**

Australian Securities Exchange – SCG

### **Website**

[scentregroup.com](http://scentregroup.com)

# **Scentre Group Trust 2**

## **Half-Year Financial Report**

For the half-year ended 30 June 2024

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**SCENTRE GROUP TRUST 2**  
**STATEMENT OF COMPREHENSIVE INCOME**

For the half-year ended 30 June 2024

	Note	30 Jun 24 \$million	30 Jun 23 \$million
<b>Revenue</b>			
Property revenue		323.1	308.6
		<b>323.1</b>	308.6
<b>Expenses</b>			
Property expenses, outgoings and other costs		(87.0)	(81.8)
Overheads		(3.3)	(3.6)
		<b>(90.3)</b>	(85.4)
<b>Share of after tax profits of equity accounted entities</b>			
Property revenue		299.4	283.2
Property expenses, outgoings and other costs		(81.1)	(72.9)
Net interest income		0.5	0.2
Property revaluations		(90.1)	(118.1)
Tax expense		(2.1)	(3.3)
		<b>126.6</b>	89.1
Interest income		67.0	78.6
Currency loss		(14.5)	(13.2)
Financing costs	2(b)	(279.5)	(240.5)
Property revaluations		21.9	(88.5)
<b>Profit before tax</b>		<b>154.3</b>	48.7
Tax expense		(1.5)	(1.3)
<b>Profit after tax for the period</b>		<b>152.8</b>	47.4
<b>Other comprehensive loss</b>			
<i>Movement in foreign currency translation reserve <sup>(i)</sup></i>			
- Currency movement on the translation of investment in foreign operations		(9.7)	(9.7)
<b>Total comprehensive income for the period</b>		<b>143.1</b>	37.7

<sup>(i)</sup> This may be subsequently transferred to the profit and loss.

	Note	30 Jun 24 cents	30 Jun 23 cents
<b>Basic and diluted earnings per unit</b>	7(a)	<b>2.94</b>	0.91

# SCENTRE GROUP TRUST 2

## BALANCE SHEET

As at 30 June 2024

	Note	30 Jun 24 \$million	31 Dec 23 \$million
<b>Current assets</b>			
Cash and cash equivalents		35.5	37.7
Trade debtors	3	5.2	3.2
Receivables	3	2,261.8	2,407.6
Interest receivable		99.8	114.9
Derivative assets		65.3	64.9
Other current assets		8.6	13.7
<b>Total current assets</b>		<b>2,476.2</b>	<b>2,642.0</b>
<b>Non current assets</b>			
Investment properties	4	9,363.1	9,276.3
Equity accounted investments		7,962.2	8,007.7
Derivative assets		117.5	94.0
Other non current assets		18.4	20.7
<b>Total non current assets</b>		<b>17,461.2</b>	<b>17,398.7</b>
<b>Total assets</b>		<b>19,937.4</b>	<b>20,040.7</b>
<b>Current liabilities</b>			
Trade creditors		71.3	80.0
Payables and other creditors	8	84.9	79.2
Interest payable		184.2	198.1
Interest bearing liabilities			
– Senior borrowings	9	797.3	715.1
Lease liabilities		0.2	0.2
Derivative liabilities		166.4	199.2
<b>Total current liabilities</b>		<b>1,304.3</b>	<b>1,271.8</b>
<b>Non current liabilities</b>			
Interest bearing liabilities			
– Senior borrowings	9	3,963.2	4,148.5
– Subordinated notes	9	4,048.0	3,963.6
Lease liabilities		8.6	8.3
Derivative liabilities		275.7	301.2
<b>Total non current liabilities</b>		<b>8,295.5</b>	<b>8,421.6</b>
<b>Total liabilities</b>		<b>9,599.8</b>	<b>9,693.4</b>
<b>Net assets</b>		<b>10,337.6</b>	<b>10,347.3</b>
<b>Equity</b>			
Contributed equity	10(b)	7,876.6	7,868.4
Reserves		2.1	11.8
Retained profits		2,458.9	2,467.1
<b>Total equity</b>		<b>10,337.6</b>	<b>10,347.3</b>



**SCENTRE GROUP TRUST 2**  
**STATEMENT OF CHANGES IN EQUITY**

For the half-year ended 30 June 2024

	Contributed Equity \$million	Reserves \$million	Retained Profits \$million	30 Jun 24 Total \$million	Contributed Equity \$million	Reserves \$million	Retained Profits \$million	30 Jun 23 Total \$million
<b>Changes in equity</b>								
Balance at the beginning of the period	<b>7,868.4</b>	<b>11.8</b>	<b>2,467.1</b>	<b>10,347.3</b>	7,868.4	14.8	2,662.3	10,545.5
– Profit after tax for the period <sup>(i)</sup>	-	-	<b>152.8</b>	<b>152.8</b>	-	-	47.4	47.4
– Other comprehensive loss <sup>(i) (ii)</sup>	-	<b>(9.7)</b>	-	<b>(9.7)</b>	-	(9.7)	-	(9.7)
Transactions with owners in their capacity as owners								
– Movement in contributed equity <sup>(iii)</sup>	<b>8.2</b>	-	-	<b>8.2</b>	-	-	-	-
– Distributions paid or provided for	-	-	<b>(161.0)</b>	<b>(161.0)</b>	-	-	(74.2)	(74.2)
<b>Total equity</b>	<b>7,876.6</b>	<b>2.1</b>	<b>2,458.9</b>	<b>10,337.6</b>	7,868.4	5.1	2,635.5	10,509.0

<sup>(i)</sup> Total comprehensive income for the period amounts to \$143.1 million (30 June 2023: \$37.7 million).

<sup>(ii)</sup> Movement in reserves comprises currency loss on the translation of investment in foreign operations of \$9.7 million (30 June 2023: \$9.7 million).

<sup>(iii)</sup> The movement in contributed equity pertains to the issue of units under the Distribution Reinvestment Plan (DRP) as disclosed in Note 10(b).

## SCENTRE GROUP TRUST 2

### CASH FLOW STATEMENT

For the half-year ended 30 June 2024

	30 Jun 24 \$million	30 Jun 23 \$million
<b>Cash flows from operating activities</b>		
Receipts in the course of operations (including Goods and Services Tax (GST))	361.1	352.1
Payments in the course of operations (including GST)	(104.8)	(91.2)
Dividends/distributions received from equity accounted entities	171.1	173.2
Withholding taxes paid	(1.5)	(1.3)
GST paid	(23.6)	(22.4)
Payments of financing costs (excluding financing costs capitalised)	(245.7)	(255.1)
Interest received	67.0	78.6
<b>Net cash inflow from operating activities</b>	<b>223.6</b>	<b>233.9</b>
<b>Cash flows from investing activities</b>		
Capital expenditure	(59.8)	(54.1)
Net outflows for investments in equity accounted entities	(20.7)	(37.0)
Financing costs capitalised to qualifying development projects and construction in progress	(13.3)	(13.8)
<b>Net cash outflow from investing activities</b>	<b>(93.8)</b>	<b>(104.9)</b>
<b>Cash flows from financing activities</b>		
Repayment of senior borrowings and lease liabilities	(212.5)	(49.9)
Proceeds from senior borrowings	88.1	74.5
Funds paid to related entities	(8.7)	(451.8)
Funds received from related entities	153.9	47.0
Distributions paid	(152.8)	(74.2)
<b>Net cash outflow from financing activities</b>	<b>(132.0)</b>	<b>(454.4)</b>
Net decrease in cash and cash equivalents held	(2.2)	(325.4)
Add opening cash and cash equivalents brought forward	37.7	360.9
Effects of exchange rate changes on cash and cash equivalents	-	1.4
<b>Cash and cash equivalents at the end of the period <sup>(i)</sup></b>	<b>35.5</b>	<b>36.9</b>

<sup>(i)</sup> Cash and cash equivalents comprise cash of \$35.5 million (30 June 2023: \$36.9 million) net of bank overdraft of nil (30 June 2023: nil).

## **SCENTRE GROUP TRUST 2**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the half-year ended 30 June 2024

#### **1 Basis of preparation of the Financial Report**

##### **(a) Corporate information**

This financial report of Scentre Group Trust 2 (SGT2) and its controlled entities (collectively the Trust) for the half-year ended 30 June 2024 was approved in accordance with a resolution of the Board of Directors of RE1 Limited as Responsible Entity of SGT2.

The Trust is part of Scentre Group which is a stapled entity comprising Scentre Group Limited (SGL), Scentre Group Trust 1 (SGT1), SGT2, Scentre Group Trust 3 (SGT3) and their respective controlled entities. Scentre Group operates as a single coordinated economic entity, with a common Board of Directors and management team.

The nature of the operations and principal activity of the Trust are described in the Directors' Report.

##### **(b) Basis of preparation**

This half-year financial report does not include all notes of the type normally included in the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Trust as the annual financial report.

This half-year financial report should be read in conjunction with the annual financial report of the Trust as at 31 December 2023.

It is also recommended that this half-year financial report be considered together with any public announcements made by Scentre Group during the half-year ended 30 June 2024 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001* (Corporations Act).

##### **(c) Going concern**

This half-year financial report has been prepared on a going concern basis. In making this assessment, the Directors have considered:

- The Trust forms part of Scentre Group and is party to Scentre Group's cross guarantee arrangements in respect of Scentre Group's debt facilities and bonds; and
- Scentre Group's ability to meet its financial obligations over the next 12 months, using cash flow sensitivity analysis and having regard to maturity of interest bearing liabilities, funding requirements, operating cash earnings and available financing facilities.

##### **(d) Basis of accounting**

This half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act and AASB 134 Interim Financial Reporting.

This half-year financial report has been prepared on a historical cost basis, except for investment properties, investment properties within equity accounted investments, derivative financial instruments and financial assets at fair value through profit and loss.

For the purpose of preparing this half-year financial report, the half-year has been treated as a discrete reporting period.

This half-year financial report has been prepared using the same accounting policies as used in the annual financial report for the year ended 31 December 2023 except for the changes required due to the adoption of accounting standards as disclosed in Note 1(e).

This half-year financial report is presented in Australian dollars.

##### **(e) New accounting standards and interpretations**

The Trust has adopted the following new or amended standards which became applicable on 1 January 2024:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current (effective from 1 January 2024)

This amends AASB 101 Presentation of Financial Statements to clarify the requirements for classifying liabilities as current or non current. This amendment did not have a significant impact on the financial statements on application.

## **SCENTRE GROUP TRUST 2**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the half-year ended 30 June 2024

#### **1 Basis of preparation of the Financial Report (continued)**

##### **(e) New accounting standards and interpretations (continued)**

- AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback (effective from 1 January 2024)

This amends AASB 16 Leases to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 Revenue from Contracts with Customers to be accounted for as a sale. This amendment did not have a significant impact on the financial statements on application.

- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants (effective from 1 January 2024)

This amends AASB 101 Presentation of Financial Statements to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. This amendment did not have a significant impact on the financial statements on application.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Trust for the half-year ended 30 June 2024. The impact of these new standards or amendments to the standards and interpretations (to the extent relevant to the Trust) is as follows:

- AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective from 1 January 2025)

This amends AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures to address an inconsistency between the requirements of AASB 10 and AASB 128 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. This amendment is not expected to have a significant impact on the financial statements on application.

- AASB 18 Presentation and Disclosure in Financial Statements (effective from 1 January 2027)

This replaces AASB 101 Presentation of Financial Statements. The key presentation and disclosure requirements established under the new standard are the presentation of newly defined subtotals in the income statement, the disclosure of management-defined performance measures and enhanced requirements for grouping information. The Trust is evaluating the impact of this standard on the financial statements on application.

##### **(f) Comparative information**

Where applicable, certain comparative figures are restated in order to comply with the current period's presentation of the financial statements.

##### **(g) Rounding**

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts shown in this half-year financial report have been rounded to the nearest tenth of a million dollars, unless otherwise indicated. Amounts shown as 0.0 represent amounts less than \$50,000 that have been rounded down.

## SCENTRE GROUP TRUST 2

### NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2024

## 2 Segment reporting

### Geographic segments

The Trust has investments in a portfolio of shopping centres across Australia and New Zealand.

The Trust's segment income and expenses as well as the details of segment assets have been prepared on a proportionate format on a geographic basis. The proportionate format presents the net income from and net assets in equity accounted properties on a gross format whereby the underlying components of net income and net assets are disclosed separately as revenues and expenses, assets and liabilities.

The proportionate format is used by management in assessing and understanding the performance and results of operations of the Trust as it allows management to observe and analyse revenue and expense results and trends on a portfolio-wide basis. The assets underlying both the consolidated and the equity accounted components of the statutory statement of comprehensive income are similar (that is, Australian and New Zealand shopping centres), all centres are under common management and therefore the drivers of their results are similar. Accordingly, management considers that the proportionate format provides a more useful way to understand the performance of the portfolio as a whole than the statutory format.

### (a) Geographic segment information

The following segment information comprises the earnings and assets of the Trust's Australian and New Zealand operations.

	Australia \$million	New Zealand \$million	30 Jun 24 \$million	Australia \$million	New Zealand \$million	30 Jun 23 \$million
<b>Revenue</b>						
Shopping centre base rent and other property income <sup>(i)</sup>	603.8	36.6	640.4	575.5	34.4	609.9
Amortisation of tenant allowances	(18.5)	(1.1)	(19.6)	(18.4)	(1.0)	(19.4)
Straight-lining of rent	1.8	(0.1)	1.7	1.2	0.1	1.3
	<b>587.1</b>	<b>35.4</b>	<b>622.5</b>	<b>558.3</b>	<b>33.5</b>	<b>591.8</b>
<b>Expenses</b>						
Property expenses, outgoings and other costs	(157.2)	(10.9)	(168.1)	(144.9)	(9.8)	(154.7)
<b>Segment income and expenses</b>	<b>429.9</b>	<b>24.5</b>	<b>454.4</b>	<b>413.4</b>	<b>23.7</b>	<b>437.1</b>
	Australia \$million	New Zealand \$million	30 Jun 24 \$million	Australia \$million	New Zealand \$million	31 Dec 23 \$million
Shopping centre investments	16,316.7	656.7	16,973.4	16,315.1	685.9	17,001.0
Development projects and construction in progress	461.3	24.5	485.8	417.0	26.7	443.7
<b>Segment assets <sup>(ii)</sup></b>	<b>16,778.0</b>	<b>681.2</b>	<b>17,459.2</b>	<b>16,732.1</b>	<b>712.6</b>	<b>17,444.7</b>
Additions to segment non current assets during the period <sup>(iii)</sup>	94.0	3.6	97.6	206.0	4.8	210.8

<sup>(i)</sup> Includes recoveries of outgoings from lessees of \$57.3 million (30 June 2023: \$51.5 million).

<sup>(ii)</sup> Includes equity accounted segment assets of \$8,096.1 million (31 December 2023: \$8,168.4 million).

<sup>(iii)</sup> Additions are net of amortisation of tenant allowances of \$19.6 million (31 December 2023: \$38.4 million).

## SCENTRE GROUP TRUST 2

### NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2024

#### 2 Segment reporting (continued)

##### (b) Reconciliation of segment information

The Trust's segment income and expenses as well as the details of segment assets have been prepared on a proportionate format. The composition of the Trust's consolidated and equity accounted details are provided below:

	Equity			Equity		
	Consolidated	accounted	30 Jun 24	Consolidated	accounted	30 Jun 23
	\$million	\$million	\$million	\$million	\$million	\$million
Property revenue	323.1	299.4	622.5	308.6	283.2	591.8
Property expenses, outgoings and other costs	(87.0)	(81.1)	(168.1)	(81.8)	(72.9)	(154.7)
<b>Segment income and expenses</b>	<b>236.1</b>	<b>218.3</b>	<b>454.4</b>	<b>226.8</b>	<b>210.3</b>	<b>437.1</b>
Overheads			(3.3)			(3.6)
Interest income			67.0			78.6
Currency loss			(14.5)			(13.2)
Financing costs						
– Senior borrowings			(120.0)			(122.1)
– Subordinated notes coupon			(152.9)			(158.1)
– Interest capitalised			13.3			13.8
– Lease liabilities			(0.2)			(0.2)
– Net fair value movement and modification loss			(19.7)			26.1
			(279.5)			(240.5)
Equity accounted net interest income			0.5			0.2
Property revaluations			(68.2)			(206.6)
Tax expense			(3.6)			(4.6)
<b>Net profit</b>			<b>152.8</b>			<b>47.4</b>

	Equity			Equity		
	Consolidated	accounted	30 Jun 24	Consolidated	accounted	31 Dec 23
	\$million	\$million	\$million	\$million	\$million	\$million
Shopping centre investments	8,939.3	8,034.1	16,973.4	8,895.3	8,105.7	17,001.0
Development projects and construction in progress	423.8	62.0	485.8	381.0	62.7	443.7
<b>Segment assets</b>	<b>9,363.1</b>	<b>8,096.1</b>	<b>17,459.2</b>	<b>9,276.3</b>	<b>8,168.4</b>	<b>17,444.7</b>
Cash and cash equivalents	35.5	34.6	70.1	37.7	29.9	67.6
Trade debtors and receivables	2,296.3	43.1	2,339.4	2,445.2	51.3	2,496.5
Expected credit loss allowance	(29.3)	(26.5)	(55.8)	(34.4)	(32.8)	(67.2)
Other assets	309.6	4.3	313.9	308.2	3.1	311.3
<b>Total assets</b>	<b>11,975.2</b>	<b>8,151.6</b>	<b>20,126.8</b>	<b>12,033.0</b>	<b>8,219.9</b>	<b>20,252.9</b>
Interest bearing liabilities						
– Senior borrowings	4,760.5	-	4,760.5	4,863.6	-	4,863.6
– Subordinated notes <sup>(i)</sup>	4,048.0	-	4,048.0	3,963.6	-	3,963.6
Deferred tax liabilities	-	63.2	63.2	-	63.1	63.1
Other liabilities	791.3	126.2	917.5	866.2	149.1	1,015.3
<b>Total liabilities</b>	<b>9,599.8</b>	<b>189.4</b>	<b>9,789.2</b>	<b>9,693.4</b>	<b>212.2</b>	<b>9,905.6</b>
<b>Net assets</b>	<b>2,375.4</b>	<b>7,962.2</b>	<b>10,337.6</b>	<b>2,339.6</b>	<b>8,007.7</b>	<b>10,347.3</b>

<sup>(i)</sup> The economically hedged value of the US\$ subordinated 60-year notes was \$3,698.8 million (31 December 2023: \$3,698.8 million) comprising notes of \$4,048.0 million (31 December 2023: \$3,963.6 million) translated at the period end rate of 0.6670 (31 December 2023: 0.6812) reduced by net currency gains on the hedging of subordinated notes of \$349.2 million (31 December 2023: \$264.8 million).

## SCENTRE GROUP TRUST 2

### NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2024

#### 3 Trade debtors and receivables

	30 Jun 24 \$million	31 Dec 23 \$million
Trade debtors	5.2	3.2
Receivables		
– Other receivables	29.4	21.2
– Interest bearing loans receivable from related entities	2,232.4	2,386.4
<b>Total trade debtors and receivables</b>	<b>2,267.0</b>	<b>2,410.8</b>
<b>(a) Components of trade debtors and receivables</b>		
Trade debtors and receivables	2,296.3	2,445.2
Expected credit loss allowance	(29.3)	(34.4)
<b>Total trade debtors and receivables</b>	<b>2,267.0</b>	<b>2,410.8</b>
<b>(b) Movement in expected credit loss allowance</b>		
Balance at the beginning of the period	(34.4)	(51.5)
Decrease in expected credit loss allowance recognised in the statement of comprehensive income	1.4	1.8
Amounts written-off	3.7	15.3
Balance at the end of the period	(29.3)	(34.4)

#### Expected credit loss allowance

In determining the expected credit loss allowance, management has considered security deposits received from tenants generally in the form of bank guarantees, which can be called upon if the tenant is in default under the terms of the lease contract. Trade debtors also include GST which is fully recoverable from the relevant tax authorities where the debt is not collected and therefore the GST amount is excluded from the loss allowance.

Trade debtors and receivables written-off includes rent abatements processed. The decrease in the expected credit loss allowance is primarily as a result of abatements credited against outstanding receivables.

At 30 June 2024, approximately 69% of trade debtors were aged greater than 90 days and the expected credit loss allowance was 84% of gross trade debtors. An increase or decrease of 5% in the expected credit loss rate would result in an increase or decrease in expected credit loss allowance of \$1.5 million respectively. At 31 December 2023, approximately 78% of trade debtors were aged greater than 90 days and the expected credit loss allowance was 91% of gross trade debtors. An increase or decrease of 5% in the expected credit loss rate would result in an increase or decrease in expected credit loss allowance of nil or \$1.6 million respectively.

#### 4 Investment properties

	30 Jun 24 \$million	31 Dec 23 \$million
Shopping centre investments	8,939.3	8,895.3
Development projects and construction in progress	423.8	381.0
<b>Total investment properties <sup>(i)</sup></b>	<b>9,363.1</b>	<b>9,276.3</b>

<sup>(i)</sup> The fair value of investment properties at the end of the period includes ground lease assets of \$8.8 million (31 December 2023: \$8.5 million).

Investment properties are carried at the Directors' assessment of fair value. Investment properties include both shopping centre investments and development projects and construction in progress.

The Directors' assessment of fair value of each shopping centre takes into account the latest independent valuations generally prepared annually, with updates taking into account any changes in capitalisation rate, underlying income and valuations of comparable centres. In determining the fair value, the capitalisation of net income method and the discounting of future cash flows to their present value have been used, which are based upon assumptions and judgements in relation to future rental income, capitalisation rate and make reference to market evidence of transaction prices for similar properties. The key assumptions and estimates used in determining fair value are disclosed in Note 5.

## SCENTRE GROUP TRUST 2

### NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2024

#### 4 Investment properties (continued)

The Directors' assessment of fair value of each development project and construction in progress that meets the definition of an investment property, takes into account the expected costs to complete, the stage of completion, expected underlying income and yield of the developments. From time to time, during a development, the Directors may commission an independent valuation of the development project. On completion, the development projects are reclassified to shopping centre investments and an independent valuation is obtained.

Independent valuations are conducted in accordance with guidelines and valuation principles as set by the International Valuation Standards Council.

#### 5 Details of shopping centre investments

	30 Jun 24 \$million	31 Dec 23 \$million
Consolidated Australian shopping centres	8,939.3	8,895.3
<b>Total consolidated shopping centres</b>	<b>8,939.3</b>	<b>8,895.3</b>
Equity accounted Australian shopping centres	7,377.4	7,419.8
Equity accounted New Zealand shopping centres	656.7	685.9
<b>Total equity accounted shopping centres</b>	<b>8,034.1</b>	<b>8,105.7</b>
	<b>16,973.4</b>	<b>17,001.0</b>

##### Valuation inputs

The Income Capitalisation approach and the Discounted Cash Flow approach are used to arrive at a range of valuation outcomes, from which a best estimate of fair value is derived at a point in time.

The key assumptions and estimates used in these valuation approaches include:

- forecast future income, based on the location, type and quality of the property, which are supported by the terms of any existing leases, other contracts or external evidence such as current market rents for similar properties;
- lease assumptions based on current and expected future market conditions after expiry of any current lease; and
- the capitalisation rate and discount rate derived from recent comparable market transactions.

The table below summarises some of the key inputs used in determining investment property valuations:

	30 Jun 24	31 Dec 23
<b>Australian portfolio</b>		
Retail capitalisation rate	4.63% - 7.25%	4.63%-7.00%
Weighted average capitalisation rate <sup>(i)</sup>	5.34%	5.27%
Retail discount rate	6.50% - 8.00%	6.25%-8.00%
<b>New Zealand portfolio</b>		
Retail capitalisation rate	6.38% - 7.75%	6.25%-7.75%
Weighted average capitalisation rate <sup>(i)</sup>	7.07%	6.95%
Retail discount rate	8.00% - 8.75%	7.25%-8.63%

<sup>(i)</sup> The weighted average capitalisation rate including non-retail assets.

Changes to key inputs would result in changes to the fair value of investment properties. An increase in capitalisation rate and/or discount rate would result in lower fair value, while a decrease in capitalisation rate and/or discount rate would result in higher fair value (with all other factors held constant). The discount rates have increased in-line with the increase in capitalisation rates compared to 31 December 2023. The capitalisation rate sensitivity analysis is detailed below.

The sensitivity of shopping centre valuations to changes in capitalisation rates is as follows:

	30 Jun 24 \$million	31 Dec 23 \$million
Capitalisation rate movement	Increase/(decrease) in fair value	
-50 bps	1,726.0	1,755.3
-25 bps	821.2	834.5
+25 bps	(748.8)	(759.9)
+50 bps	(1,434.3)	(1,454.9)



# SCENTRE GROUP TRUST 2

## NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2024

### 6 Distributions

	30 Jun 24 \$million	30 Jun 23 \$million
<b>(a) Interim distribution</b>		
4.13 cents per unit (30 June 2023: 4.125 cents per unit)	214.6	214.1

Details of the full year components of distributions will be provided in the Annual Tax Statement which will be sent to members in March 2025.

The interim distribution will be paid on 30 August 2024. The record date for determining entitlement to this distribution was 16 August 2024. A DRP is in operation for the distribution payable on 30 August 2024.

	30 Jun 24 \$million	30 Jun 23 \$million
<b>(b) Distributions paid</b>		
Distribution in respect of the six months to 31 December 2023	161.0	-
Distribution in respect of the six months to 31 December 2022	-	74.2
	161.0	74.2

### 7 Statutory earnings per unit

	30 Jun 24 cents	30 Jun 23 cents
<b>(a) Earnings per unit</b>		
Basic and diluted earnings per unit	2.94	0.91

There are no potential ordinary units which are dilutive.

In calculating basic and diluted earnings per unit, net profit of \$152.8 million (30 June 2023: \$47.4 million) was divided by the weighted average number of ordinary units of 5,193,544,460 (30 June 2023: 5,190,378,339).

### (b) Conversions, calls, subscriptions, issues or buy-back after 30 June 2024

There have been no conversions to, calls of, subscriptions for, issuance of new or potential ordinary units or buy-back of units since the reporting date and before the completion of this report.

### 8 Payables and other creditors

	30 Jun 24 \$million	31 Dec 23 \$million
Payables and other creditors	73.7	65.2
Non interest bearing loans payable to related entities	11.2	14.0
	84.9	79.2

## SCENTRE GROUP TRUST 2

### NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2024

#### 9 Interest bearing liabilities

	30 Jun 24 \$million	31 Dec 23 \$million
<b>Current</b>		
Senior borrowings	771.0	682.9
Senior borrowings payable to related entities	26.3	32.2
	<b>797.3</b>	715.1
<b>Non Current</b>		
Senior borrowings	3,963.2	4,148.5
	<b>3,963.2</b>	4,148.5
<b>Total senior borrowings</b>	<b>4,760.5</b>	4,863.6
<b>Non Current</b>		
Subordinated notes	4,048.0	3,963.6
<b>Total subordinated notes</b>	<b>4,048.0</b>	3,963.6
<b>Total interest bearing liabilities</b>	<b>8,808.5</b>	8,827.2

#### 10 Contributed equity

	30 Jun 24 Number of units	31 Dec 23 Number of units
<b>(a) Units on issue</b>		
Balance at the beginning of the period	5,190,378,339	5,190,378,339
Units issued under the DRP	4,684,829	-
Balance at the end of the period	<b>5,195,063,168</b>	5,190,378,339

Holders of Scentre Group stapled securities have the right to receive declared dividends from SGL and distributions from SGT1, SGT2 and SGT3 and, in the event of winding up SGL, SGT1, SGT2 and SGT3, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on Scentre Group stapled securities held.

Holders of Scentre Group stapled securities can vote their shares and units in accordance with the Corporations Act, either in person or by proxy, at a meeting of any of SGL, SGT1, SGT2 and SGT3 (as the case may be).

	30 Jun 24 \$million	31 Dec 23 \$million
<b>(b) Amount of contributed equity</b>		
Balance at the beginning of the period	7,868.4	7,868.4
DRP	8.2	-
Balance at the end of the period	<b>7,876.6</b>	7,868.4

## SCENTRE GROUP TRUST 2

### NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 30 June 2024

#### 11 Fair value of financial assets and liabilities

Set out below is a comparison by category of carrying amounts and fair values of the Trust's financial instruments.

		Fair value		Carrying amount	
	Fair value hierarchy	30 Jun 24 \$million	31 Dec 23 \$million	30 Jun 24 \$million	31 Dec 23 \$million
<b>Consolidated assets</b>					
Cash and cash equivalents		35.5	37.7	35.5	37.7
Trade debtors and receivables					
– Trade debtors and receivables <sup>(i)</sup>		34.6	24.4	34.6	24.4
– Interest bearing loan receivables <sup>(ii)</sup>	Level 2	2,232.4	2,386.4	2,232.4	2,386.4
Interest receivable <sup>(i)</sup>		99.8	114.9	99.8	114.9
Derivative assets <sup>(ii)</sup>	Level 2	182.8	158.9	182.8	158.9
<b>Consolidated liabilities</b>					
Trade and other payables <sup>(i)</sup>		156.2	159.2	156.2	159.2
Interest payable <sup>(i)</sup>		184.2	198.1	184.2	198.1
Interest bearing liabilities <sup>(ii)</sup>					
– Fixed rate senior borrowings	Level 2	3,289.3	3,231.4	3,480.2	3,455.5
– Fixed rate subordinated notes	Level 2	3,844.7	3,623.6	4,048.0	3,963.6
– Floating rate senior borrowings	Level 2	1,280.3	1,408.1	1,280.3	1,408.1
Derivative liabilities <sup>(ii)</sup>	Level 2	442.1	500.4	442.1	500.4

<sup>(i)</sup> These financial assets and liabilities are not subject to interest rate risk and the fair value approximates carrying amount.

<sup>(ii)</sup> These financial assets and liabilities are subject to interest rate and market risks, the basis of determining the fair value is set out in the fair value hierarchy below.

#### Determination of fair value

The Responsible Entity uses the following hierarchy for determining and disclosing the fair value of a financial instrument. The valuation techniques comprise:

Level 1: the fair value is calculated using quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: the fair value is estimated using inputs other than quoted prices that are observable, either directly (as prices) or indirectly (derived from prices).

Level 3: the fair value is estimated using inputs that are not based on observable market data.

In assessing the fair value of the Trust's financial instruments, consideration is given to the available market data and if the market for a financial instrument changes then the valuation technique applied will change accordingly.

During the half-year ended 30 June 2024, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

Investment properties are considered Level 3, refer to Note 4 Investment properties and Note 5 Details of shopping centre investments for relevant fair value disclosures.

## **SCENTRE GROUP TRUST 2 DIRECTORS' DECLARATION**

The Directors of RE1 Limited, the Responsible Entity of Scentre Group Trust 2 (Trust) declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the Financial Statements and notes thereto are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
  - (ii) giving a true and fair view of the financial position as at 30 June 2024 and the performance of the consolidated entity for the half-year ended on that date in accordance with section 305 of the Corporations Act 2001.

Made on 21 August 2024 in accordance with a resolution of the Board of Directors.



**Ilana Atlas AO**  
Chair



**Michael Ihlein**  
Director

## Independent Auditor's Review Report to the Members of Scentre Group Trust 2

### Conclusion

We have reviewed the accompanying half-year financial report of Scentre Group Trust 2 and its controlled entities (the Trust), which comprises the balance sheet as at 30 June 2024, statement of comprehensive income, statement of changes in equity and 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 Trust does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the consolidated financial position of the Trust as at 30 June 2024 and of its consolidated financial performance for the half-year ended on that date; and
- 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 Trust 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 RE1 Limited, the Responsible Entity of the Trust, 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 Trust's financial position as at 30 June 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**

Sydney, 21 August 2024



**Mike Wright**

Partner

## SCENTRE GROUP TRUST 2 DIRECTORS' REPORT

The Directors of RE1 Limited (**Responsible Entity**), the responsible entity of Scentre Group Trust 2 (**Trust**) submit the following report for the half-year ended 30 June 2024 (**Financial Period**).

The Trust is part of Scentre Group (**Group**) which is a stapled entity comprising Scentre Group Limited, Scentre Group Trust 1, the Trust, Scentre Group Trust 3 and their respective controlled entities. Scentre Group operates as a single coordinated economic entity, with a common Board of Directors and management team.

### 1. Operating and financial review

#### 1.1 Scentre Group strategy

Scentre Group owns and operates 42 Westfield destinations with 37 located in Australia and five in New Zealand. Westfield destinations are strategically located in close proximity to 20 million people across Australia and New Zealand.

The Trust has joint interest in 40 Westfield destinations.

Scentre Group's growth is driven by our ability to attract more people to our Westfield destinations.

Scentre Group's unique capability to activate our destinations enables us to create moments that connect and celebrate our local communities. We create the places and experiences more people choose to come, more often, for longer.

#### 1.2 Review of results

##### *Economic performance*

The Trust's statutory profit for the Financial Period was \$152.8 million (30 June 2023: \$47.4 million), and includes an unrealised property valuation decrease of \$68.2 million (30 June 2023: \$206.6 million). Net property income (property revenue less property expenses, outgoings and other costs) for the Financial Period was \$454.4 million (30 June 2023: \$437.1 million). The Trust's portfolio is valued at \$17.5 billion at 30 June 2024. Basic earnings per unit for the Financial Period is 2.94 cents per unit.

As at 30 June 2024, the Trust had available financing resources of \$2.9 billion (31 December 2023: \$3.2 billion) after deducting facilities utilised by its borrowings.

The distribution attributable to members of the Trust for the Financial Period is \$214.6 million (being 4.13 cents per unit) and this formed part of the distribution of 8.60 cents per Scentre Group stapled security which will be paid to the Group's securityholders on 30 August 2024. Scentre Group's Distribution Reinvestment Plan (DRP) is in operation for the distribution payable for the Financial Period. An election to participate in the DRP must be received by 5.00pm (Sydney time) on 21 August 2024. Scentre Group stapled securities issued under the DRP will rank equally with existing securities on issue and will be issued on 30 August 2024.

##### *Westfield Bondi*

On 13 April 2024, Westfield Bondi was the location of a devastating attack that saw six innocent people lose their lives and many others impacted. The Group continues to provide support, both financial and non-financial, to the victims' families as well as the victims injured during this attack.

Scentre Group continues to operate its 42 Westfield destinations with increased levels of security and is working closely with police, authorities, government and industry on community safety initiatives.

##### *Westfield destinations*

Scentre Group continues to progress its \$4 billion pipeline of future retail development opportunities. During the Financial Period the Group commenced the reconfiguration of previous department store space at Westfield Bondi and Westfield Burwood in Sydney and Westfield Southland in Melbourne.

Works progress on the Group's expansion of Westfield Sydney on the corner of Market and Castlereagh Streets in Sydney's CBD.

The Trust has a joint interest in Westfield Bondi (50 per cent), Westfield Burwood (50 per cent), Westfield Southland (25 per cent) and 100 per cent interest in Westfield Sydney's development on the corner of Market and Castlereagh Streets.

Scentre Group's portfolio includes 670 hectares of land holdings. These substantial land holdings, combined with the destinations' strategic locations, has the potential to provide significant future long term growth opportunities for the Group.

## SCENTRE GROUP TRUST 2

### DIRECTORS' REPORT (continued)

#### 1. Operating and financial review (continued)

##### 1.2 Review of results (continued)

###### *2024 guidance and outlook*

Scentre Group is well positioned to deliver long-term growth for securityholders.

Subject to no material change in conditions, Scentre Group reconfirms that it expects Funds From Operations (FFO) to be in the range of 21.75 to 22.25 cents per security for 2024, representing 3.0 per cent to 5.4 per cent growth for the year.

Scentre Group's distributions are expected to be at least 17.20 cents per security for 2024, representing at least 3.6 per cent growth for the year.

#### 2. Risk management

The Group assesses risk from a number of perspectives and these risks are subject to continuous assessment and review.

A number of important strategic risks and how such risks are managed and monitored are outlined in the Directors' Report in each of the Scentre Group 2023 Annual Financial Report and 2024 Half-Year Financial Report, which are available at [scentregroup.com](https://www.scentregroup.com).

#### 3. Directors

The Board of the Responsible Entity of the Trust comprises seven independent non-executive Directors and one executive Director (being the Managing Director/ Chief Executive Officer (CEO)).

Name	Position
Ilana Atlas AO	Non-executive Chair
Elliott Rusanow	Managing Director and CEO
Catherine Brenner	Non-executive Director
Michael Ihlein	Non-executive Director
Carolyn Kay	Non-executive Director
Guy Russo	Non-executive Director
Margaret Seale	Non-executive Director
Michael Wilkins AO	Non-executive Director

Stephen McCann retired from the Board on 26 June 2024.

All other Directors held office for the entire Financial Period.

Scentre Group was established on 30 June 2014. RE1 Limited formed part of the prior Westfield Retail Trust.

The Board of Scentre Group Limited and the Boards of Scentre Management Limited, RE1 Limited and RE2 Limited (as Responsible Entities of Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3, respectively) are identical. If a Director ceases to be a Director of Scentre Group Limited for any reason, they must also retire as a Director of each Responsible Entity.

#### 4. Principal activity

The principal activity of the Trust during the Financial Period was the long term ownership of shopping centres.

There was no significant change in the nature of the principal activity during the Financial Period.

#### 5. Matters subsequent to the reporting period

No event has occurred since the end of the Financial Period which would significantly affect the operations of the Trust.

#### 6. General information

##### **Rounding**

The Trust is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Accordingly, the amounts shown in the Directors' Report, the Financial Statements and Notes to the Financial Statements have been rounded to the nearest tenth of a million dollars, unless otherwise indicated. Amounts shown as 0.0 represent amounts less than \$50,000 that have been rounded down.

##### **ASX listing**

ASX reserves the right (but without limiting its absolute discretion) to remove Scentre Group Limited, Scentre Group Trust 1, the Trust and Scentre Group Trust 3 from the official list of the ASX if any of the shares or units comprising those stapled securities cease to be stapled together, or any equity securities are issued by a Scentre Group entity which are not stapled to the equivalent securities in the other entities.

## SCENTRE GROUP TRUST 2 DIRECTORS' REPORT (continued)

### 7. Auditor's independence declaration

The Directors have obtained the following independence declaration from the auditor, Ernst & Young.



Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com/au

#### **Auditor's Independence Declaration to the Directors of RE1 Limited, the Responsible Entity of Scentre Group Trust 2**

As lead auditor for the review of the half-year financial report of Scentre Group Trust 2 for the half 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 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 Scentre Group Trust 2 and the entities it controlled during the Financial Period.

**Ernst & Young**

**Mike Wright**

Partner

21 August 2024

A member firm of Ernst & Young Global Limited

Liability limited by a scheme approved under Professional Standards Legislation

This report is made on 21 August 2024 in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.

**Ilana Atlas AO**

Chair

**Michael Ihlein**

Director



## DIRECTORY

### **Scentre Group**

Scentre Group Limited  
ABN 66 001 671 496

### **Scentre Group Trust 1**

ARSN 090 849 746  
(responsible entity Scentre Management Limited  
ABN 41 001 670 579, AFS Licence No 230329)

### **Scentre Group Trust 2**

ARSN 146 934 536  
(responsible entity RE1 Limited  
ABN 80 145 743 862, AFS Licence No 380202)

### **Scentre Group Trust 3**

ARSN 146 934 652  
(responsible entity RE2 Limited  
ABN 41 145 744 065, AFS Licence No 380203)

### **Registered Office**

Level 30  
85 Castlereagh Street  
Sydney NSW 2000

### **New Zealand Office**

Level 5, Office Tower  
277 Broadway  
Newmarket, Auckland 1023

### **Secretaries**

Maureen T McGrath  
Paul F Giugni

### **Auditor**

Ernst & Young  
200 George Street  
Sydney NSW 2000

### **Investor Information**

Scentre Group  
Level 30  
85 Castlereagh Street  
Sydney NSW 2000  
Telephone: +61 2 9358 7877  
Facsimile: +61 2 9358 7881  
E-mail: [investor@scentregroup.com](mailto:investor@scentregroup.com)  
Website: [www.scentregroup.com/investors](http://www.scentregroup.com/investors)

### **Share Registry**

Computershare Investor Services Pty Limited  
6 Hope Street  
Ermington NSW 2115  
GPO Box 2975  
Melbourne VIC 3001  
Telephone: +61 3 9946 4471  
Toll Free: 1300 730 458 (Australia Only)  
Facsimile: +61 3 9473 2500  
Contact: [www.investorcentre.com/contact](http://www.investorcentre.com/contact)  
Website: [www.computershare.com](http://www.computershare.com)

### **Listing**

Australian Securities Exchange – SCG

### **Website**

[scentregroup.com](http://scentregroup.com)

Scentre Group Trust 3  
Half-Year Financial Report  
For the half-year ended 30 June 2024

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SCENTRE GROUP TRUST 3  
STATEMENT OF COMPREHENSIVE INCOME  
For the half-year ended 30 June 2024

	Note	30 Jun 24 \$000	30 Jun 23 \$000
Revenue and other income			
Property related revenue		1,009	1,345
		1,009	1,345
Expenses			
Property related expenses		(447)	(522)
Overheads		(138)	(152)
		(585)	(674)
Interest income	3	94	76
Financing costs		(0)	(1)
Profit before tax		518	746
Tax expense		(152)	(218)
Profit after tax for the period		366	528
Other comprehensive loss			
<i>Movement in foreign currency translation reserve <sup>(i)</sup></i>			
- Currency movement on the translation of foreign operations		(57)	(53)
Total comprehensive income for the period		309	475

<sup>(i)</sup> This item may be subsequently transferred to the profit and loss.

	Note	cents	cents
Basic and diluted earnings per unit	5(a)	0.01	0.01

SCENTRE GROUP TRUST 3  
BALANCE SHEET  
As at 30 June 2024

	Note	30 Jun 24 \$000	31 Dec 23 \$000
Current assets			
Cash and cash equivalents		3,690	3,709
Receivables	6	11,143	14,789
Total current assets		14,833	18,498
Non current assets			
Plant and equipment	11	461	-
Total non current assets		461	-
Total assets		15,294	18,498
Current liabilities			
Payables and other creditors	7	40	41
Tax payable		62	111
Total current liabilities		102	152
Total liabilities		102	152
Net assets		15,192	18,346
Equity			
Contributed equity	8(b)	11,147	11,133
Reserves		(70)	(13)
Retained profits		4,115	7,226
Total equity		15,192	18,346

SCENTRE GROUP TRUST 3  
STATEMENT OF CHANGES IN EQUITY  
For the half-year ended 30 June 2024

	Contributed Equity \$000	Reserves \$000	Retained Profits \$000	30 Jun 24 Total \$000	Contributed Equity \$000	Reserves \$000	Retained Profits \$000	30 Jun 23 Total \$000
Changes in equity								
Balance at the beginning of the period	11,133	(13)	7,226	18,346	11,133	3	6,031	17,167
- Profit after tax for the period	-	-	366	366	-	-	528	528
- Other comprehensive loss	-	(57)	-	(57)	-	(53)	-	(53)
Transactions with owners in their capacity as owners								
- Movement in contributed equity <sup>(i)</sup>	14	-	-	14	-	-	-	-
- Distributions paid or provided for	-	-	(3,477)	(3,477)	-	-	-	-
<b>Total Equity</b>	<b>11,147</b>	<b>(70)</b>	<b>4,115</b>	<b>15,192</b>	<b>11,133</b>	<b>(50)</b>	<b>6,559</b>	<b>17,642</b>

<sup>(i)</sup> The movement in contributed equity pertains to the issue of units under the Distribution Reinvestment Plan (DRP) as disclosed in Note 8(b).

SCENTRE GROUP TRUST 3  
CASH FLOW STATEMENT  
For the half-year ended 30 June 2024

	30 Jun 24 \$000	30 Jun 23 \$000
Cash flows from operating activities		
Receipts in the course of operations (including Goods and Services Tax (GST))	1,102	1,486
Payments in the course of operations (including GST)	(605)	(703)
Income and withholding taxes paid	(200)	(446)
GST paid	(82)	(140)
Payments of financing costs	(0)	(1)
Interest received	94	76
Net cash inflow from operating activities	309	272
Cash flows from financing activities		
Funds received from related entities	3,192	-
Funds paid to related entities	-	(197)
Distributions paid	(3,463)	-
Net cash outflow from financing activities	(271)	(197)
Net increase in cash and cash equivalents held	38	75
Add: opening cash and cash equivalents brought forward	3,709	3,600
Effects of exchange rate changes on cash and cash equivalents	(57)	(53)
Cash and cash equivalents at the end of the period <sup>(i)</sup>	3,690	3,622

<sup>(i)</sup> Cash and cash equivalents comprise cash of \$3,690,000 (30 June 2023: \$3,622,000) net of bank overdraft of nil (30 June 2023: nil).

# SCENTRE GROUP TRUST 3

## NOTES TO THE FINANCIAL STATEMENTS

### For the half-year ended 30 June 2024

#### 1 Corporate information

This half-year financial report of Scentre Group Trust 3 (SGT3) and its controlled entities (collectively the Trust), for the half-year ended 30 June 2024, was approved in accordance with a resolution of the Board of Directors of RE2 Limited as Responsible Entity of SGT3.

The Trust is part of Scentre Group which is a stapled entity comprising Scentre Group Limited (SGL), Scentre Group Trust 1 (SGT1), Scentre Group Trust 2 (SGT2), SGT3 and their respective controlled entities. Scentre Group operates as a single coordinated economic entity, with a common Board of Directors and management team.

The nature of the operations and principal activity of the Trust are described in the Directors' Report.

#### 2 Basis of preparation

This half-year financial report does not include all notes of the type normally included in the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Trust as the annual financial report.

This half-year financial report should be read in conjunction with the annual financial report of the Trust as at 31 December 2023.

It is also recommended that this half-year financial report be considered together with any public announcements made by Scentre Group during the half-year ended 30 June 2024 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001* (Corporations Act).

##### (a) Going concern

This half-year financial report has been prepared on a going concern basis. In making this assessment, the Directors have considered Scentre Group's ability to meet its financial obligations over the next 12 months, using cash flow sensitivity analysis and having regard to maturity of interest bearing liabilities, funding requirements, operating cash earnings and available financing facilities.

##### (b) Basis of accounting

This half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act and AASB 134 *Interim Financial Reporting*.

This half-year financial report has been prepared on a historical cost basis.

For the purpose of preparing this half-year financial report, the half-year has been treated as a discrete reporting period.

This half-year financial report has been prepared using the same accounting policies as used in the annual financial report for the year ended 31 December 2023 except for the changes required due to amendments to the accounting standards as disclosed in Note 2(c).

This half-year financial report is presented in Australian dollars.

SCENTRE GROUP TRUST 3  
NOTES TO THE FINANCIAL STATEMENTS  
For the half-year ended 30 June 2024

2 Basis of preparation (continued)

(c) New accounting standards and interpretations

The Trust has adopted the following new or amended standards which became applicable on 1 January 2024:

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non current* (effective from 1 January 2024)

This amends AASB 101 *Presentation of Financial Statements* to clarify the requirements for classifying liabilities as current or non current. This amendment did not have a significant impact on the financial statements on application.

- AASB 2022-6 *Amendments to Australian Accounting Standards - Non current Liabilities with Covenants* (effective from 1 January 2024)

This amends AASB 101 *Presentation of Financial Statements* to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. This amendment did not have a significant impact on the financial statements on application.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Trust for the half-year ended 30 June 2024. The impact of these new standards or amendments to the standards and interpretations (to the extent relevant to the Trust) is as follows:

- AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective from 1 January 2025)

This amends AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* to address an inconsistency between the requirements of AASB 10 and AASB 128 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. This amendment is not expected to have a significant impact on the financial statements on application.

- AASB 18 *Presentation and Disclosure in Financial Statements* (effective from 1 January 2027)

This replaces AASB 101 *Presentation of Financial Statements*. The key presentation and disclosure requirements established under the new standard are the presentation of newly defined subtotals in the income statement, the disclosure of management-defined performance measures and enhanced requirements for grouping information. The Trust is evaluating the impact of this standard on the financial statements on application.

(d) Comparative information

Where applicable, certain comparative figures are restated in order to comply with the current period's presentation of the financial statements.

(e) Rounding

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts shown in this half-year financial report have, unless otherwise indicated, been rounded to the nearest thousand dollars. Amounts shown as 0 represent amounts less than \$500 that have been rounded down.

(f) Global Anti-Base Erosion Rules (Pillar Two)

Pillar Two legislation is not yet substantively enacted in Australia but is intended to apply from the Trust's financial year beginning 1 January 2024. Pillar Two legislation has been enacted in New Zealand (to apply from the Trust's financial year beginning 1 January 2025). As the headline company tax rates in these jurisdictions where the Trust operates are well above 15%, the Trust does not expect a material potential exposure to Pillar Two top-up tax.



SCENTRE GROUP TRUST 3  
NOTES TO THE FINANCIAL STATEMENTS  
For the half-year ended 30 June 2024

3 Interest income

	30 Jun 24 \$000	30 Jun 23 \$000
Interest income	94	76

4 Distributions

	30 Jun 24 \$000	30 Jun 23 \$000
(a) Interim distribution		
Nil (30 June 2023: nil)	-	-

The Trust will not pay an interim distribution for the half year ended 30 June 2024.

	30 Jun 24 \$000	30 Jun 23 \$000
(b) Distributions paid		
Distribution in respect of the six months to 31 December 2023 <sup>(i)</sup>	3,477	-
Distribution in respect of the six months to 31 December 2022	-	-
	3,477	-

<sup>(i)</sup> Distribution paid by SGT3 are franked at the corporate tax rate of 30%.

5 Statutory earnings per unit

	30 Jun 24 cents	30 Jun 23 cents
(a) Summary of earnings per unit		
Basic and diluted earnings per unit	0.01	0.01

There are no potential ordinary units which are dilutive.

In calculating basic and diluted earnings per unit, net profit of \$366,000 (30 June 2023: \$528,000) was divided by the weighted average number of ordinary units of 5,193,544,460 (30 June 2023: 5,190,378,339).

(b) Conversions, calls, subscriptions, issues or buy-back after 30 June 2024

There have been no conversions to, calls of, subscriptions for, issuance of new or potential ordinary units or buy-back of units since the reporting date and before the completion of this report.

SCENTRE GROUP TRUST 3  
NOTES TO THE FINANCIAL STATEMENTS  
For the half-year ended 30 June 2024

6 Receivables

	30 Jun 24	31 Dec 23
	\$000	\$000
Current		
Non interest bearing loans receivable from related entities	11,143	14,789

Loans receivable from related entities have been assessed for impairment at 30 June 2024. The related entities are members of Scentre Group which is a stapled group operating as a single economic entity with a common Board of Directors and management team. As the related entities are also members of Scentre Group's cross guarantee arrangements, it is highly unlikely that the related entities will default on its contractual obligations to the Trust. Therefore, the expected credit losses on these loans receivable are immaterial.

7 Payables and other creditors

	30 Jun 24	31 Dec 23
	\$000	\$000
Payables and other creditors	40	41

8 Contributed equity

	30 Jun 24	31 Dec 23
	Number of units	Number of units
(a) Number of units on issue		
Balance at the beginning of the period	5,190,378,339	5,190,378,339
Units issued under the DRP	4,684,829	-
Balance at the end of the period	5,195,063,168	5,190,378,339

Holders of Scentre Group stapled securities have the right to receive declared dividends from SGL and distributions from SGT1, SGT2 and SGT3 and, in the event of winding up of SGL, SGT1, SGT2 and SGT3, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on Scentre Group stapled securities held.

Holders of Scentre Group stapled securities can vote their shares and units in accordance with the Corporations Act, either in person or by proxy, at a meeting of any of SGL, SGT1, SGT2 and SGT3 (as the case may be).

	30 Jun 24	31 Dec 23
	\$000	\$000
(b) Amount of contributed equity		
Balance at the beginning of the period	11,133	11,133
DRP	14	-
Balance at the end of the period	11,147	11,133

SCENTRE GROUP TRUST 3  
NOTES TO THE FINANCIAL STATEMENTS  
For the half-year ended 30 June 2024

9 Segment information

The Trust operates in one operating segment predominantly in Australia and earns property advertising and promotional income.

10 Fair value of financial assets and liabilities

Set out below is a comparison by category of carrying amounts and fair values of the Trust's financial instruments:

	Fair value		Carrying amount	
	30 Jun 24	31 Dec 23	30 Jun 24	31 Dec 23
	\$000	\$000	\$000	\$000
Consolidated assets				
Cash and cash equivalents	3,690	3,709	3,690	3,709
Receivables <sup>(i)</sup>	11,143	14,789	11,143	14,789
Consolidated liabilities				
Payables and other creditors <sup>(i)</sup>	40	41	40	41

<sup>(i)</sup> These financial assets and liabilities are not subject to interest rate risk and the fair value approximates carrying amount.

11 Plant and Equipment

During the six months ended 30 June 2024, the Trust acquired plant and equipment with a cost of \$461,000 (31 December 2023: nil).

## SCENTRE GROUP TRUST 3 DIRECTORS' DECLARATION

The Directors of RE2 Limited, the Responsible Entity of Scentre Group Trust 3 (Trust), declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the Financial Statements and notes thereto are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
  - (ii) giving a true and fair view of the financial position as at 30 June 2024 and the performance of the consolidated entity for the half-year ended on that date in accordance with section 305 of the Corporations Act 2001.

Made on 21 August 2024 in accordance with a resolution of the Board of Directors.



Ilana Atlas AO  
Chair



Michael Ihlein  
Director

## Independent Auditor's Review Report to the Members of Scentre Group Trust 3

### Conclusion

We have reviewed the accompanying half-year financial report of Scentre Group Trust 3 and its controlled entities (the Trust), which comprises the balance sheet as at 30 June 2024, statement of comprehensive income, statement of changes in equity and 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 Trust does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the consolidated financial position of the Trust as at 30 June 2024 and of its consolidated financial performance for the half-year ended on that date; and
- 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 Trust 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 RE2 Limited, the Responsible Entity of the Trust, 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 Trust's financial position as at 30 June 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



Mike Wright  
Partner

Sydney, 21 August 2024

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Liability limited by a scheme approved under Professional Standards Legislation

## SCENTRE GROUP TRUST 3 DIRECTORS' REPORT

The Directors of RE2 Limited (the Responsible Entity), the responsible entity of Scentre Group Trust 3 (the Trust) submit the following report for the half-year ended 30 June 2024 (Financial Period).

The Trust is part of Scentre Group which is a stapled entity comprising Scentre Group Limited (SGL), Scentre Group Trust 1 (SGT1), Scentre Group Trust 2 (SGT2), the Trust and their respective controlled entities. Scentre Group operates as a single coordinated economic entity, with a common Board of Directors and management team.

### 1. Operating and financial review

#### 1.1 Economic performance

Profit after tax for the Financial Period was \$366,000 (30 June 2023: \$528,000). The decrease in profit after tax is primarily due to the reduction in the number of Superscreen assets held by the Trust. As at 30 June 2024, the Trust had net assets of \$15,192,000 (31 December 2023: \$18,346,000) comprising total assets of \$15,294,000 (31 December 2023: \$18,498,000) and total liabilities of \$102,000 (31 December 2023: \$152,000).

On 30 August 2024, a distribution of 8.60 cents per Scentre Group stapled security in respect of the Financial Period will be paid to securityholders of Scentre Group. This comprises an aggregate distribution from SGT1 and SGT2. SGL has determined not to pay a dividend for the Financial Period. The Trust has determined not to pay a distribution for the Financial Period. Scentre Group's Distribution Reinvestment Plan (DRP) is in operation for the distribution payable for the Financial Period. An election to participate in the DRP must be received by 5.00pm (Sydney time) on 21 August 2024. Scentre Group stapled securities issued under the DRP will rank equally with existing securities on issue and will be issued on 30 August 2024.

#### 1.2 2024 guidance and outlook

Scentre Group is well positioned to deliver long-term growth for securityholders.

Subject to no material change in conditions, Scentre Group reconfirms that it expects Funds From Operations (FFO) to be in the range of 21.75 to 22.25 cents per security for 2024, representing 3.0 per cent to 5.4 per cent growth for the year.

Scentre Group's distributions are expected to be at least 17.20 cents per security for 2024, representing at least 3.6 per cent growth for the year.

### 2. Risk management

Scentre Group assesses risk from a number of perspectives and these risks are subject to continuous assessment and review.

A number of important strategic risks and how such risks are managed and monitored are outlined in the Directors' Report in each of the Scentre Group 2023 Annual Financial Report and 2024 Half-Year Financial Report, which are available at [scentregroup.com](https://www.scentregroup.com).

### 3. Directors

The Board of the Responsible Entity of the Trust comprises seven independent non-executive Directors and one executive Director (being the Managing Director/ Chief Executive Officer (CEO)).

Name	Position
Ilana Atlas AO	Non-executive Chair
Elliott Rusanow	Managing Director and CEO
Catherine Brenner	Non-executive Director
Michael Ihlein	Non-executive Director
Carolyn Kay	Non-executive Director
Guy Russo	Non-executive Director
Margaret Seale	Non-executive Director
Michael Wilkins AO	Non-executive Director

Stephen McCann retired from the Board on 26 June 2024.

All other Directors held office for the entire Financial Period.

Scentre Group was established on 30 June 2014. RE2 Limited formed part of the prior Westfield Retail Trust.

The Board of Scentre Group Limited and the Boards of Scentre Management Limited, RE1 Limited and RE2 Limited (as Responsible Entities of SGT1, SGT2 and the Trust, respectively) are identical. If a Director ceases to be a Director of Scentre Group Limited for any reason, they must also retire as a Director of each Responsible Entity.

## SCENTRE GROUP TRUST 3

### DIRECTORS' REPORT (continued)

#### 4. Principal activity

The principal activity of the Trust during the Financial Period was the holding of interests in long term brand alliance agreements with various third parties in respect of a number of properties. These agreements provide for the licensing of space in the relevant properties for the display of advertising in consideration for the payment of licence fees. There was no significant change in the nature of this activity during the Financial Period.

#### 5. Matters subsequent to the reporting period

No event has occurred since the end of the Financial Period which would significantly affect the operations of the Trust.

#### 6. General information

##### Rounding

The Trust is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Accordingly, the amounts shown in the Directors' Report, the Financial Statements and Notes to the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise indicated. Amounts shown as 0 represent amounts less than \$500 that have been rounded down.

##### ASX listing

ASX reserves the right (but without limiting its absolute discretion) to remove SGL, SGT1, SGT2 and the Trust from the official list of ASX if any of the shares or units comprising those stapled securities cease to be stapled together, or any equity securities are issued by a Scentre Group entity which are not stapled to the equivalent securities in the other entities.

SCENTRE GROUP TRUST 3  
DIRECTORS' REPORT (continued)

7. Auditor's independence declaration

The Directors have obtained the following independence declaration from the auditor, Ernst & Young.



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200 George Street  
Sydney NSW 2000 Australia  
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Auditor's Independence Declaration to the Directors of RE2 Limited, the Responsible Entity of Scentre Group Trust 3

As lead auditor for the review of the half-year financial report of Scentre Group Trust 3 for the half-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 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 Scentre Group Trust 3 and the entities it controlled during the Financial Period.

Ernst & Young

21 August 2024

Mike Wright  
Partner

A member firm of Ernst & Young Global Limited  
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This report is made on 21 August 2024 in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.

Ilana Atlas AO  
Chair

Michael Ihlein  
Director



## DIRECTORY

Scentre Group  
Scentre Group Limited  
ABN 66 001 671 496

Scentre Group Trust 1  
ARSN 090 849 746  
(responsible entity Scentre Management Limited  
ABN 41 001 670 579, AFS Licence No 230329)

Scentre Group Trust 2  
ARSN 146 934 536  
(responsible entity RE1 Limited  
ABN 80 145 743 862, AFS Licence No 380202)

Scentre Group Trust 3  
ARSN 146 934 652  
(responsible entity RE2 Limited  
ABN 41 145 744 065, AFS Licence No 380203)

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Secretaries  
Maureen T McGrath  
Paul F Giugni

Auditor  
Ernst & Young  
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Listing  
Australian Securities Exchange – SCG

Website  
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