

Scentre Group ¹ : Appendix 4E

For the year ended 31 December 2023

(previous corresponding period being the year ended 31 December 2022)

Results for Announcement to the Market:

			2023	2022
Revenue (\$million)	up	2.1%	2,510.3	2,457.9
Profit after tax (excluding unrealised fair value movements) attributable to members (\$million)	up	16.7%	1,069.0	915.9
Profit after tax (including unrealised fair value movements) attributable to members (\$million)	down	41.8%	174.9	300.6
Net operating income (\$million)	up	8.8%	1,950.7	1,792.9
Funds from Operations (FFO) attributable to members (\$million)	up	5.2%	1,094.2	1,039.9
FFO per security (cents)			21.11	20.06

Dividend/Distributions for Scentre Group

	Cents per stapled security
Dividend/distributions for the year ended 31 December 2023	16.60
Final dividend/distributions in respect of Scentre Group earnings to be paid on 29 February 2024 comprising: ⁽ⁱ⁾	8.35
– dividend in respect of a Scentre Group Limited share	1.211
– distribution in respect of a Scentre Group Trust 1 unit	3.970
– distribution in respect of a Scentre Group Trust 2 unit	3.102
– distribution in respect of a Scentre Group Trust 3 unit	0.067
Interim dividend/distributions in respect of Scentre Group earnings paid on 31 August 2023 comprising: ⁽ⁱⁱ⁾	8.25
– dividend in respect of a Scentre Group Limited share	Nil
– distribution in respect of a Scentre Group Trust 1 unit	4.125
– distribution in respect of a Scentre Group Trust 2 unit	4.125
– distribution in respect of a Scentre Group Trust 3 unit	Nil

⁽ⁱ⁾ The number of securities entitled to distributions on the record date, 16 February 2024 was 5,190,378,339.

⁽ⁱⁱ⁾ The number of securities entitled to distributions on the record date, 18 August 2023 was 5,190,378,339.

The dividend/distributions per security have been determined by reference to the number of securities on issue at the record date. The record date for determining entitlements to the final distribution was 16 February 2024. The distribution will be paid on 29 February 2024.

A distribution reinvestment plan (DRP) is in operation for the distribution payable for the six-month period ended 31 December 2023. An election to participate in the DRP must be received by 5.00pm (AEDT) on 21 February 2024.

The dividend in respect of a Scentre Group Limited share and distribution in respect of a Scentre Group Trust 3 unit are fully franked.

Details of the full year components of distributions in respect of Scentre Group Trust 1 and Scentre Group Trust 2 will be provided in the Annual Tax Statements which will be sent to members in March 2024.

Additional information

Commentary on the results is contained in the announcement and results presentation released to the Australian Securities Exchange. The additional information requiring disclosure to comply with listing rule 4.3A is contained in the attached Annual Financial Report which includes the audited consolidated financial report. The annual general meeting will be held on 4 April 2024.

⁽¹⁾ Scentre Group comprises Scentre Group Limited ABN 66 001 671 496 (SGL); Scentre Group Trust 1 ARSN 090 849 746 (SGT1); Scentre Group Trust 2 ARSN 146 934 536 (SGT2) and Scentre Group Trust 3 ARSN 146 934 652 (SGT3) and their respective controlled entities.



Creating
extraordinary
places and
experiences

We create

extraordinary places and experiences

that connect and enrich
communities.

Disney100 Celebrations

In 2023, we commenced a year-long collaboration with The Walt Disney Company to celebrate its 100th anniversary. The activations included a series of promotions, events, pop-up retail stores and experiences across the Westfield platform to connect customers with the magic of Disney storytelling, characters and films.

Cover image: Kate Ceberano at Westfield Doncaster

This page: Westfield and Disney collaboration announced





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OUR REPORTING SUITE

This document is part of a suite of reporting documents, including:

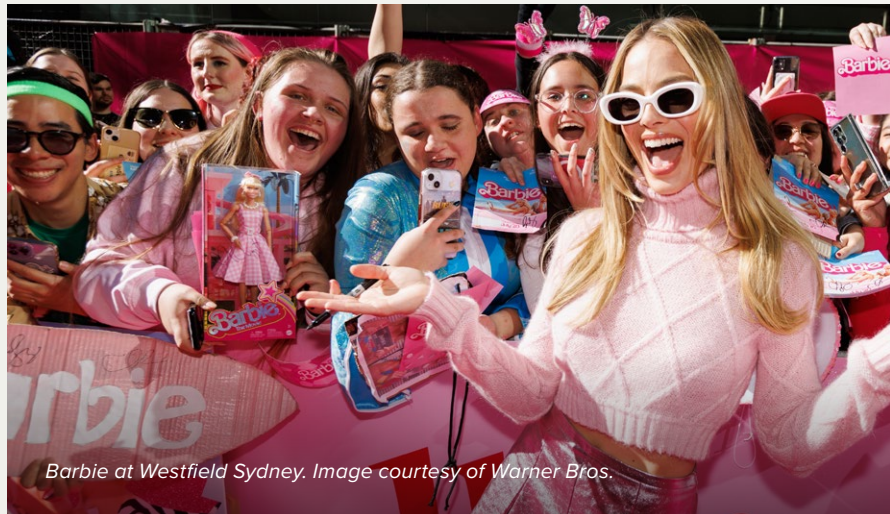
-  Corporate Governance Statement
- Property Compendium

To be released in March 2024

-  Responsible Business Report
- Climate Statement
- Modern Slavery Statement

 **SEE MORE ONLINE**
scentregroup.com/investors/reports

Scentre Group owns
42 Westfield destinations
 in Australia and New Zealand.
 Our destinations are in close proximity to 20 million people.



Barbie at Westfield Sydney. Image courtesy of Warner Bros.



Kidchella at Westfield Chermerside





In 2023 we welcomed 512 million customer visits to our Westfield destinations and our business partners achieved sales of \$28.4 billion.

The Group's total assets under management are \$50.2 billion represented by \$34.3 billion SCG investment, and \$15.9 billion of third-party funds.

The Group employs 2,964 people across Australia and New Zealand.



Jessica Mauboy at Westfield Parramatta



The Wiggles at Westfield Eastgardens

We acknowledge the Traditional Owners and communities of the lands on which our business operates.

We pay our respect to Aboriginal and Torres Strait Islander cultures and to their Elders past and present.

We recognise the unique role of Māori as Tangata Whenua of Aotearoa/New Zealand.

5-YEAR RESULTS OVERVIEW

“Our focus on creating the places and experiences that more people choose to come to, more often and for longer, has delivered strong operating performance.”

Elliott Rusanow
Chief Executive Officer

 **MESSAGE FROM THE CEO**
on page 9

		FY23	FY22	FY21	FY20	FY19
Operating profit ⁽ⁱ⁾	\$m	1,079.9	1,022.0	845.8	763.4	1,274.7
Operating profit per security ⁽ⁱⁱ⁾	cents	20.83	19.71	16.32	14.71	24.10
Funds From Operations (FFO) ⁽ⁱⁱⁱ⁾	\$m	1,094.2	1,039.9	862.5	766.1	1,331.9
FFO per security ⁽ⁱⁱⁱ⁾	cents	21.11	20.06	16.64	14.76	25.18
Statutory profit/(loss) after tax ⁽ⁱⁱⁱ⁾	\$m	174.9	300.6	887.9	(3,731.8)	1,179.5
Distribution per security	cents	16.60	15.75	14.25	7.00	22.60
Security price (at 31 December)	\$	2.99	2.88	3.16	2.78	3.83
Assets under management (AUM)	\$b	50.2	51.2	50.4	49.9	56.0
Group's share of AUM	\$b	34.3	35.0	34.4	34.1	38.2

- (i) Operating profit and FFO are non-IFRS (International Financial Reporting Standards) measures derived from profit/(loss) after tax. All adjustments to profit/(loss) after tax are detailed on page 23.
- (ii) For consistency with FY20-23, FY19 was restated to exclude straightlining of rent.
- (iii) Statutory profit/(loss) after tax is inclusive of unrealised fair value movements.

OUR HIGHLIGHTS



FINANCIAL

The Group delivered strong operating performance during 2023. Net operating income increased by 8.8 per cent and Funds From Operations grew 5.2 per cent. Distributions are above guidance.



CUSTOMER AND COMMUNITIES

We welcomed 512 million customer visits, an increase of 32 million on 2022. Westfield membership grew to more than 3.8 million members.



BUSINESSES

Business partners achieved sales of \$28.4 billion, up \$1.7 billion or 6.4 per cent on 2022. Occupancy increased to 99.2 per cent as a result of strong demand for space in our destinations.



WESTFIELD DESTINATIONS

During 2023 we opened the final stages of the investment in Westfield Knox. We continue to progress works on our >\$4.0 billion pipeline of future retail development opportunities.



Net operating income

\$1,950.7m

↑ 8.8% on FY22

Funds From Operations

\$1,094.2m

↑ 5.2% on FY22

Distribution

\$860.6m

↑ 5.4% on FY22

Cents per security

21.11c

Cents per security

16.60c

Annual customer visits

512m

↑ 32m on FY22

Westfield members

3.8m

↑ 640K on FY22

Customer advocacy (NPS)⁽ⁱ⁾**46pts**

↑ 6 pts on FY22

Occupancy

99.2%

↑ 30bps on FY22

Business partner sales

\$28.4bn

↑ 6.4% on FY22

New brands to portfolio

307

↑ 19 on FY22

Westfield Knox redevelopment completed

\$355m

Development pipeline

>\$4.0bn

(i) NPS excludes Westfield Knox while under development.

A MESSAGE FROM THE CHAIR

A successful year

On behalf of my fellow directors, I am pleased to present our 2023 Annual Financial Report. It has been a successful year for the Group as we remained focused on our customers and generating value for securityholders.

Our Westfield destinations are part of the social fabric of the communities we serve and located in some of the most populous cities of Australia and New Zealand.

It has been very pleasing to see continued strong demand for what we offer in our destinations, given elevated inflation and moderating economic growth. This highlights the relevance of the Group's customer strategy. Our destinations are well-positioned to play a role in the future growth of our communities and local economies.

The Group's strategy has delivered strong financial performance with 5.2 per cent growth in Funds from Operations. Distributions to securityholders are \$860.6 million or 16.60 cents per security, which represents growth of 5.4 per cent and is above guidance.

During 2023 we transitioned our Board leadership with Brian Schwartz AM retiring in late September and my commencement as Chair from 1 October. This followed the Chief Executive Officer and Chief Financial Officer succession in 2022 led by the Board under Brian's stewardship.

On behalf of the Board and securityholders, I wish to acknowledge Brian's contribution to our company from its establishment in 2014 as a Director and then as our Chair from 2016 until 2023. His leadership in establishing our unique culture has played a critical role in shaping our Westfield destinations' strong connection to customers, businesses and communities.

Continuing to build a strong organisational culture and being the place where talent thrives is a key focus of the Board. We have a comprehensive plan in place to listen to, and engage with employees. During the year we were greatly encouraged by our company-wide pulse check where 91 per cent of respondents said they would recommend the Group as a place to work.

I am proud of Scentre Group's commitment to operating as a responsible and sustainable business. We have a strong track record in delivering on the four pillars of community, talent, environment and economic performance. We know we have more to do.

On gender diversity, we are making good progress on our 40:40:20 target with women representing 44 per cent of the Board, 40 per cent of our executive Key Management Personnel and 57 per cent of the total workforce. We have dedicated initiatives to grow and promote our pipeline of female talent across all teams in our business.

To ensure the Board focuses on the various elements of being a responsible and sustainable business and to strengthen the governance of its responsibilities, the Board has decided to establish a separate Risk and Sustainability Committee. The existing Audit and Risk Committee will become the Audit and Finance Committee and continue to be responsible for audit and finance matters.

The Group's Responsible Business Report, Climate Statement and Modern Slavery Report will be released in March, providing a comprehensive update on our performance.

The Board is committed to regular engagement with our teams. Collectively and individually our directors have visited many Westfield destinations throughout the year including in New Zealand and Queensland and hosting our December Board meeting at Westfield Parramatta in Western Sydney. I look forward to visiting many more members of our team in our destinations throughout 2024.

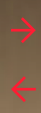
I would like to acknowledge all members of the Scentre Group team for their commitment to serving our customers and communities throughout 2023. I would also like to thank my Board colleagues for their commitment to Scentre Group and its securityholders during another important year.

Thank you to my fellow securityholders for your ongoing support of our company.



Ilana Atlas AO
Chair

21 February 2024



Left: Elliott Rusanow, CEO
Right: Ilana Atlas, Chair



Elliott Rusanow, CEO



A MESSAGE FROM THE CEO

More reasons to visit

Our focus on creating the places and experiences that more people choose to come to, more often and for longer, has continued to drive strong operating performance in 2023. I am very pleased with our results and thank the team for remaining focused on our customers.

Funds from Operations was \$1,094.2 million (21.11 cents per security), up 5.2 per cent on the previous year. Net Operating Income increased by 8.8 per cent to \$1,950.7 million.

Customer visitation to our 42 Westfield destinations was 512 million, up 32 million or 6.7 per cent on 2022. This was underpinned by our activation program which included new strategic partnerships with leading brands Disney, Live Nation and Netball Australia.

As a result our business partners achieved \$28.4 billion in sales, an increase of \$1.7 billion or 6.4 per cent compared to 2022 and representing a record across our Westfield platform.

Demand from business partners continues to be strong with occupancy increasing to 99.2 per cent at 31 December 2023, compared to 98.9 per cent at 31 December 2022. During the year we completed 3,273 leasing deals which included 307 new brands to the portfolio.

On average, specialty rent escalations increased by 7.5 per cent and new lease spreads improved to +3.1 per cent.

We collected \$2,723 million of gross rent during the year, an increase of \$131 million compared to 2022 and equivalent to 103 per cent of the period's gross rental billings.

Our strategic customer initiatives include our Westfield membership program, which now exceeds 3.8 million members, an increase of 640,000 on the prior period.

In November 2023 we successfully opened the final stage of the \$355 million (SCG share: \$178 million) investment in Westfield Knox in Melbourne with visitation 14 per cent higher than the comparable period in 2019.

We are well progressed on our expansion of Westfield Sydney. The Group will introduce 6,000 square metres of luxury retail space over five levels, including the new Chanel boutique. Other brands to join the expanded Westfield Sydney include Moncler, Omega and Canada Goose.

During the year we commenced redevelopments at Westfield Mt Gravatt in Brisbane and Westfield Tea Tree Plaza in Adelaide to introduce new usages and business partners.

We continue to progress works on our >\$4.0 billion pipeline of future retail development opportunities.

The Group's destinations are located on more than 670 hectares of land holdings primarily located in major population and growth regions across Australia and New Zealand. This provides the Group with potential long-term strategic growth opportunities.

We continued to be proactive with respect to capital management including increasing interest-rate hedging at attractive rates and repurchasing US\$300 million of outstanding subordinated notes. The Group has available liquidity of \$3.5 billion, which will cover all debt maturities until the end of 2025. We maintained our 'single A' credit rating.

Progress continues on our pathway to net zero by 2030 (Scope 1 and 2 emissions) with the recent completion of rooftop solar installations at four destinations. Together these installations more than double the Group's solar generation capacity from 5.9MW to 12.2MW. We have entered into a long-term energy agreement in NSW and Victoria, which together with our existing agreements in Queensland and New Zealand, will assist us in achieving net zero by 2030.

During the year Brian Schwartz AM retired from our Board. We were very pleased to establish a scholarship in his name at Western Sydney University in recognition of his leadership and commitment to lifelong learning.

Our strategy to create extraordinary places and experiences where people choose to spend their time, enabling more businesses and brands to connect with more customers, is expected to continue to deliver growth in earnings and distributions.

Our Westfield destinations, strategic land holdings and our unique brand provide significant long-term growth opportunities for the Group.

On behalf of our team, thank you for your support.

Elliott Rusanow
Chief Executive Officer and Managing Director

21 February 2024

OUR STRATEGY

Scentre Group

We create extraordinary places and experiences that connect and enrich communities.

Westfield destinations are strategically located in close proximity to the majority of the population in Australia and New Zealand and form part of the social fabric of the communities we serve.

Our growth is driven by our ability to attract more people to our Westfield destinations. We aspire to be essential and evolve with our communities over time. We continue to grow in a responsible and sustainable way.

OUR PURPOSE

Creating extraordinary places, connecting and enriching communities

OUR PLAN

We create the places more people choose to come, more often, for longer

OUR AMBITION

To grow the business by becoming essential to people, their communities and the businesses that interact with them

OUR DNA

We put our customers first
 We act with integrity
 We strive for excellence
 We succeed together
 We are constantly curious
 We create a positive legacy

OUR EXPERTISE

Our people are the key to our success. Our focus on operational excellence means we have the capabilities and expertise within our team to design, construct, operate, manage and market our platform. Our workforce includes approximately 75 professions reflecting the diversity of our capabilities and talent.

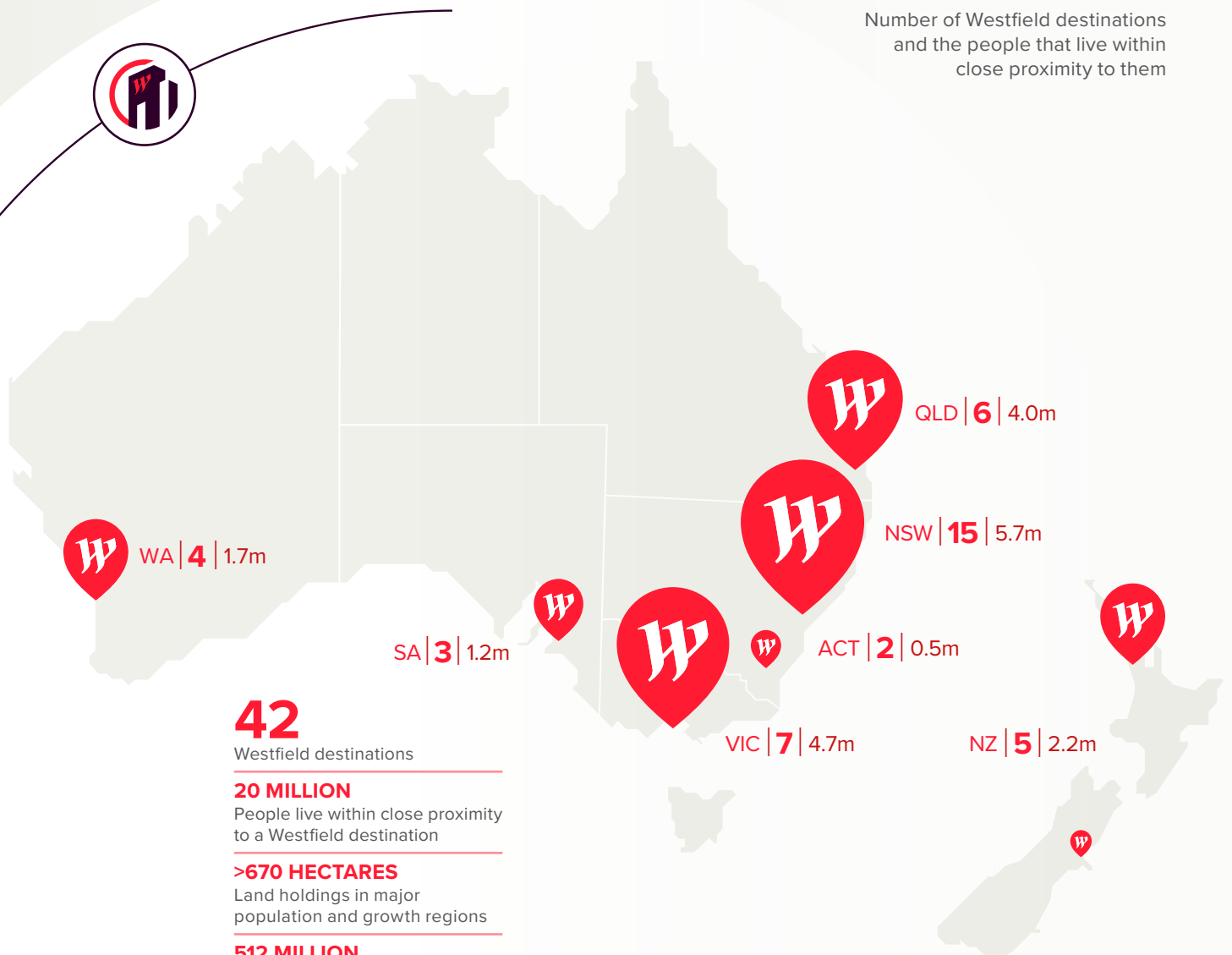
OUR CULTURE

Our Code of Conduct is at the heart of our business integrity framework. It sets out the basis on which our policies and procedures foster and support a strong ethical culture.



State |  destinations | Population

Number of Westfield destinations and the people that live within close proximity to them



42

Westfield destinations

20 MILLION

People live within close proximity to a Westfield destination

>670 HECTARES

Land holdings in major population and growth regions

512 MILLION

Customer visits

\$28.4 BILLION

Business partner sales

3.8 MILLION

Westfield members

OUR STRATEGY

Creating value

HOW WE DELIVER SUSTAINABLE GROWTH

We create the places more people choose to come, more often, for longer

We will enhance our three strategic priorities in pursuit of our growth ambition

Responsible business is core business



CUSTOMER AND COMMUNITIES

We enhance the connection we have with customers so they choose to experience our Westfield destinations, more often and for longer.



FOR MORE DETAILS
See page 14



BUSINESSES

We provide an efficient and productive means for brands and businesses to engage and transact with customers.



FOR MORE DETAILS
See page 16



WESTFIELD DESTINATIONS

We are continually enhancing our platform of Westfield destinations to meet the future needs of our customers and communities.



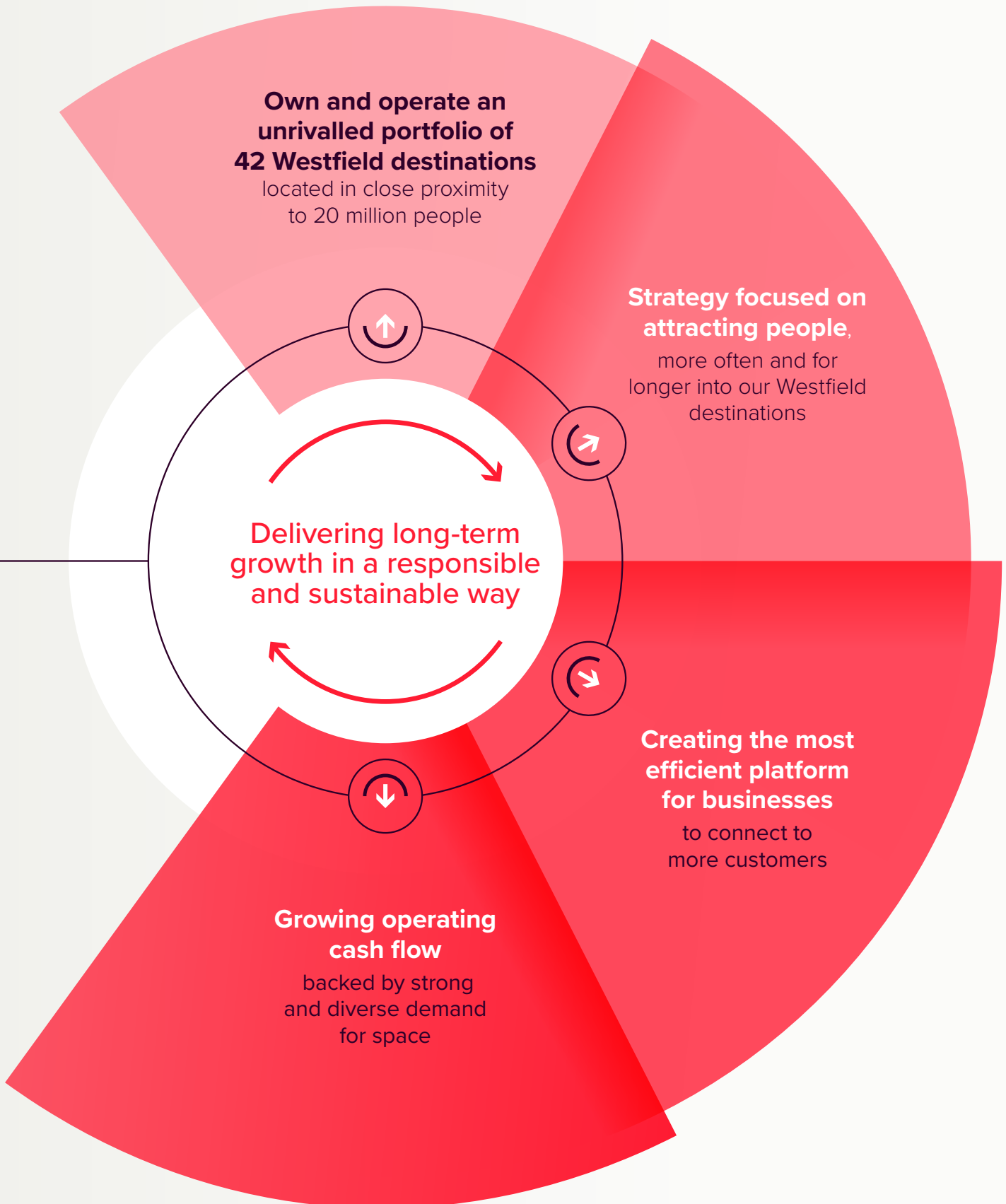
FOR MORE DETAILS
See page 18

Operating as a responsible and sustainable business underpins our strategy and ambition to grow. It's an important part of how we create long-term value for securityholders.

Our Responsible Business Framework aligns to our business priorities and includes four pillars – community, talent, environment and economic performance. It is embedded into our planning and decision-making.



FOR MORE DETAILS
See page 20



OUR STRATEGY

Customer and Communities

We are focused on creating more reasons for customers to visit and spend time in our Westfield destinations.



Our Westfield destinations are places people visit for social connection and to access diverse retail experiences, products and services.

The Westfield brand experience is connected to multi-generations of customers and our engagement plan is designed to create more reasons for them to visit.

Creating more reasons to visit

Our unique capability to activate our destinations enables us to create moments that connect and celebrate our local communities.

In 2023, we welcomed 512 million customer visits, up 32 million on 2022. This was underpinned by our activation program which included new strategic partnerships with leading brands Disney for its 100-year anniversary celebrations as well as Live Nation and Netball Australia.

We hosted more than 16,100 centre events in our destinations throughout the year, compared to 15,400 in 2022. This included national partnership events and local community engagement initiatives, charity donation appeals, youth programs and Westfield Local Heroes events.

Free entertainment

We partnered with Live Nation Entertainment, the world's leading live entertainment company, to bring free live music performances to our Australian and New Zealand Westfield destinations. The *Feel Your Rhythm* series included 20 live performances from eight well-known artists including; Jessica Mauboy, Kate Ceberano, Amy Shark, Thelma Plum and Stan Walker. The events were a driver of visitation throughout September and October 2023.



Westfield Doncaster grand staircase

Community engagement

Our Westfield destinations reflect local communities and their changing needs.

As a responsible and sustainable business we actively connect our Diversity, Equity and Inclusion strategy with our customer experience initiatives. Our objective is to create an environment where everyone feels safe, welcome and respected.

Every Westfield destination has a Community Plan. Each plan outlines the individual characteristics of the local trade area, including broader social challenges and opportunities to foster and promote social wellbeing.

Community Plans map out community engagement initiatives, including cultural days of significance. These include Christmas, Lunar New Year, EID, NAIDOC Week, Diwali and events supporting community services and charity organisations. They also feature activities with our current local Westfield Local Heroes and alumni. Through these plans, we build close relationships with local authorities, including police and emergency services personnel, who play a role in our destinations being safe, welcoming and inclusive environments.



Jessica Mauboy at Westfield Parramatta



Artist: Enoki

NAIDOC Week

All 37 Westfield destinations in Australia celebrated NAIDOC Week. To bring the 2023 NAIDOC Week theme *For our Elders* to life we collaborated with multi-media artist Enoki, a proud Dja Dja Wurrung and Yorta Yorta person, to create original artwork displays. Our centres also hosted various activations from traditional performances to artwork showcases, live mural paintings and children's craft workshops.

Recognising community leaders

Westfield Local Heroes is our community grants and recognition program that identifies and celebrates local individuals and organisations that make a positive impact on their communities and the environment.

Our communities nominate their heroes and we select three finalists for each Westfield centre for community voting. The successful hero for each of our 42 Westfield destinations is awarded a \$20,000 grant and each finalist receives a \$5,000 grant for their organisation or group they represent. Since its inception in 2018, Westfield Local Heroes has contributed \$7.383 million to 740 community organisations.

In 2023, our Westfield destinations invited Local Council representatives to join the Westfield Local Heroes selection panels. Advocacy for the program has continued to increase with 75 per cent of customers agreeing the Westfield Local Heroes program connects and enriches communities.

Listening and responding to customers

Listening to our customers and responding to their feedback is fundamental to our customer strategy. It guides our decision-making.

We capture feedback in real-time across many touch points, such as direct customer engagement in centre, our business partners, community stakeholders, digital and social channels and online reviews.

We also conduct regular customer surveys through our Westfield membership program which now exceeds 3.8 million members. We engage our Westfield customer research community of 24,000 participants to seek feedback on our customer initiatives and plans.

Customer advocacy

A key measure of our business performance and success is customer advocacy, measured by our Net Promoter Score (NPS). It reflects the sentiment of our customers towards our Westfield destinations and experience.

In 2023, our NPS derived from all customer feedback was 46 portfolio-wide, an increase of +6 points on 2022. Customers value the diverse experiences we offer and friendly service from our people and business partners.

OUR STRATEGY

Businesses

Increased visitation enabled business partners to achieve record sales. Demand from business partners continues to be strong with occupancy increasing.



Across our portfolio of Westfield destinations, we have 3,700 diverse businesses representing approximately 12,000 outlets.

We are focused on curating the optimal mix of products, services and experiences that meet the needs of our customers.

In 2023, growth in customer visitation enabled our partners to achieve total annual sales of \$28.4 billion, an increase of \$1.7 billion compared to 2022 and representing a record across our Westfield platform.

Demand for space

As a customer-centric business, we are committed to improving the productivity of our destinations. This includes partnering with businesses to introduce new and diverse uses that capture people's time.

3D capability

During the year, we launched a 3D enabled, large-format network at select Westfield destinations across Australia and New Zealand. The new capability allows businesses and brands to deliver high impact advertising across our Superscreens, enhancing the interaction with customers.

During the year, we completed 3,273 lease deals. This included 307 new brands to the portfolio.

Demand from business partners continues to be strong with occupancy increasing to 99.2 per cent as at 31 December 2023, up from 98.9 per cent at 31 December 2022.

On average, specialty rent escalations increased by 7.5 per cent and new lease spreads improved to +3.1 per cent during 2023.

We collected \$2,723 million in gross rent during the year, an increase of \$131 million compared to 2022 and equivalent to 103 per cent of gross rental billings for the period.

As part of the expansion of Westfield Sydney on the corner of Market and Castlereagh Streets in Sydney's CBD, we will introduce 6,000 square metres of luxury retail space over five levels including the new Chanel boutique. Other brands to join the expanded Westfield Sydney include Moncler, Omega and Canada Goose.



Binge Original Strife
Westfield Bondi Junction



Nude Lucy,
Westfield Chermide

Supporting growth

Everyday apparel brand Nude Lucy has grown its store network across our Westfield portfolio. In 2023, we introduced five new Nude Lucy stores to our Westfield destinations, totalling 13 stores in Australia and New Zealand.

The rise of experiential

'Experiential consumption' is driving growth across our Westfield destinations, through sales and customer visitation. Approximately, 45 per cent of the stores across our portfolio are experience-based offerings. They span multiple categories, including dining, entertainment, health and wellness, fitness, beauty and education, which can only be consumed on-site.

Some of the additions in 2023 included welcoming Hijinx Hotel Challenge Rooms at Westfield Chermide, axe-throwing at Westfield Knox, and Peloton at Westfield Bondi Junction.

Many existing business partners also introduced new services to enhance their instore experiences. Rebel Sport relocated its store at Westfield Chatswood to introduce a new retail concept complete with an augmented reality soccer pitch and basketball court.

Connecting businesses to customers

We have more than 1,800 full motion SuperScreens and SmartScreens and hundreds of retail pop up and promotional touchpoints across our destinations

In 2023, we welcomed 958 new clients with total media and retail pop up sales, increasing 12 per cent on 2022.

We enhanced the services we offer with a new programmatic capability, enabling businesses to buy, sell and deliver advertising across all digital screens.

During the year we continued to upgrade our digital screen network introducing state-of-the-art technology to deliver high-impact creative with more powerful graphics, greater full-motion and 3D capabilities on the large format SuperScreens.

We made improvements to our audience targeting products, SmartScreen planning tools, campaign measurement tools and sales services, to meet the needs of more businesses and brands.

OUR STRATEGY

Westfield destinations

We are continually enhancing our platform of Westfield destinations to meet the future needs of our customers and communities.



Our Westfield destinations are strategically located in close proximity to 20 million people across Australia and New Zealand.

In competing for our customers time and attention, we are evolving our Westfield destinations to be synonymous with how people live and spend their time.

Our investments are informed by the needs of our local customers and communities, as well as the opportunity to optimise the performance of our destinations over time. We plan on both a portfolio-wide and an asset-by-asset basis.

Evolving our destinations

In Victoria, we successfully opened the final stages of the \$355 million (SCG share: \$178 million) investment in Westfield Knox.

This included the opening of two fashion precincts, a mini-majors precinct across Level 2 and a relocated and upgraded food court experience on Level 1.

We also introduced a range of community spaces including a basketball court, swim school featuring a 25-metre heated pool and a nature-inspired outdoor kids play space. Additional retail experiences and the new Knox public library will open in 2024.

Works continue to progress on the expansion of Westfield Sydney, introducing a further five levels of luxury retail space over five levels.

Rebecca Cole and Koorie Academy members at Westfield Knox





Community focus

The Westfield Knox basketball court, has been well received by the community. Approximately 12,500 people accessed the court within the first month of opening.

The development also delivered other community spaces including a swim school featuring a 25-metre heated pool and a nature-inspired outdoor kids play space. Additional retail experiences and the new Knox public library will open in 2024.

We were proactive in increasing the productivity of our existing spaces to meet customer demand.

We commenced the \$50 million redevelopment at Westfield Mt Gravatt in Brisbane introducing Uniqlo, Harris Scarfe and a range of specialty stores. These stores will continue to open throughout 2024.

At Westfield Tea Tree Plaza in Adelaide, we commenced a \$27 million (SCG share: \$13.5 million) redevelopment which introduced JB Hi-Fi, an expanded Timezone and additional dining.

Our 42 Westfield destinations are located on more than 670 hectares of land holdings primarily located in the major population and growth regions across Australia and New Zealand. This provides the Group with potential long-term strategic growth opportunities.

Future growth opportunities

We have long-term growth opportunities to continue to deliver the places more people choose to come, more often and for longer.

Planning has commenced at Westfield Bondi Junction in Sydney to repurpose Level 1 of the current David Jones department store space. Our strategy to optimise this space will introduce new lifestyle and recreation uses as part of the ongoing evolution of the destination.

We continue to progress works on our >\$4.0 billion pipeline of future retail development opportunities.

OUR STRATEGY

Responsible business

Our strategy to operate as a responsible and sustainable business addresses the four pillars of community, talent, environment, and economic performance. It supports our ambition for growth.



Community

Over the past five years, we have invested \$27 million into our local communities.

This includes \$6.2 million in grants to the local community organisations and groups representing our 2019–2023 Westfield Local Heroes.

It also includes foregone income for space in our Westfield destinations to enable local community and charitable organisations to connect directly with our customers, increase awareness and improve access to important services.

To help make our destinations more welcoming and inclusive we expanded our Quiet Time⁽ⁱ⁾ initiative portfolio wide, introduced sensory maps and extended Auslan Santa to every Australian region.

Local community investment

\$27m

Over 5 years



Talent

Delivering an employee experience that motivates our people to deliver our growth ambition is key to our People Vision to be the place where talent thrives.

In 2023 we introduced an anonymous People Pulse Check, which consisted of one yes or no question: *Would you recommend Scentre Group as a place to work?* 91 per cent of the people who responded answered yes. We invited our entire workforce to answer the question and 51 per cent responded.

We are making good progress on our 40:40:20 target with females representing 44 per cent of our Board, 40 per cent of our executive Key Management Personnel and 57 per cent of our total workforce.

As we continue to focus on our People Vision we refreshed our approach to employee benefits to provide an experience aligned to our Westfield customer experience. This included employee competitions, five-year career recognition and updating our Domestic and Family Violence policy to include unlimited paid leave for those affected.

People Pulse Check

91%

Recommend Scentre Group

(i) Quiet Time excludes Westfield Knox which is under development. The initiative will be introduced once the development is complete.



Disney100 activation at Westfield Chatswood

Aligning employee and customer experiences

Daisy Krahay, Senior Finance Analyst, won our staff competition of a trip to visit Disneyland Resort in California as part of our year-long collaboration with Disney.

On finding out she had won Daisy said: "After 14 years with Scentre Group I took a career break to travel Australia for a year. It was an amazing experience and I only recently returned to Scentre Group on a fixed term contract. Scentre Group felt like the natural place to return to work as the culture is a great fit for me. I feel like winning this trip to Disneyland Resort in California has set me up to plan my next travel adventure, but until then I'm enjoying being part of the team again."



Environment

Since 2014 we have achieved a 41 per cent reduction in Scope 1 and 2 emissions across our portfolio of Westfield destinations.

We completed four rooftop solar installations in 2023. This more than doubled our total solar generation capacity from 5.9MW to 12.2MW.

We have entered into a long-term energy agreement in New South Wales and Victoria, which together with our existing agreements in Queensland and New Zealand, will assist us in achieving our plan for net zero by 2030 (Scope 1 and 2 emissions).

To continue progress towards our waste recovery targets and contribute to the three megatrends identified in our Integrated Environmental Plan, we developed a strategic waste management plan. The plan looks to embed strong business partner behaviours, leverage our supply chain, implement technology and focus on circular design.

Reduction in Scope 1 and 2 emissions

41%
Since 2014



Economic performance

We delivered strong operating performance in 2023, driven by our customer strategy to attract more people to our 42 Westfield destinations.

In 2023, Funds From Operations was \$1,094.2 million (21.11 cents per security) up 5.2 per cent. Distributions for the period are \$860.6 million (16.60 cents per security), up 5.4 per cent and above guidance. Net operating income increased by 8.8 per cent to \$1,950.7 million.

Demand for space in our destinations resulted in portfolio occupancy increasing to 99.2 per cent at 31 December 2023, up from 98.9 per cent at the end of 2022.

Our strategy to attract more people to our Westfield destinations enabled our business partners to achieve total annual sales of \$28.4 billion, an increase of \$1.7 billion compared to 2022.

Net operating income

\$1,950.7m ↑8.8% on FY22

Directors' Report

This Directors' Report provides information on the structure of our business, our financial performance for the period 1 January 2023 to 31 December 2023 (Financial Year), our strategies and prospects and the key risks that face Scentre Group (Group or SCG)⁽ⁱ⁾. Other information contained in this Annual Report, as referred to in this Directors' Report, is incorporated into and forms part of this Directors' Report.

Our approach to financial and capital management is to maintain a long-term focus to continually improve our earnings, assets and return on equity through economic cycles within a framework of low tolerance for risk.

2023 economic performance

Scentre Group delivered strong operating performance during the Financial Year. Portfolio occupancy increased to 99.2 per cent at 31 December 2023, compared to 98.9 per cent at 31 December 2022.

During the year we completed 3,273 lease deals, 136 deals less than 2022, which was a record year for deal activity. This year's lease deals included 307 new brands to the portfolio.

Operating profit, which is derived from Funds From Operations (FFO) excluding project income (net of tax), was \$1,079.9 million, up 5.7 per cent from 2022.

FFO is a widely recognised measure of performance of real estate investment trusts. FFO was \$1,094.2 million or 21.11 cents per security, up 5.2 per cent from 2022.

Gross rent collections for the 12-month period were \$2,723 million, an increase of \$131 million compared to 2022. Net operating cash flows (after interest, overheads and tax) were \$1,122 million, \$28 million higher than FFO.

The Group delivered a full year distribution per security of 16.60 cents, equating to a 5.4 per cent increase from 2022 and above guidance.

The statutory result for the full year was \$174.9 million compared to \$300.6 million in 2022. The statutory result excluding unrealised fair value movements is \$1,069.0 million for 2023 and \$915.9 million for 2022, an increase of 16.7 per cent.

2024 guidance and outlook

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

Subject to no material change in conditions, the Group expects FFO to be in the range of 21.75 to 22.25 cents per security in 2024, representing 3.0 per cent to 5.4 per cent growth for the year.

Distributions are expected to be at least 17.20 cents per security in 2024, representing at least 3.6 per cent growth for the year.

(i) The Group is structured as a stapled entity: a combination of a share in Scentre Group Limited (Company) and a unit in each of Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3 which are stapled and trade together as one security on the ASX. For accounting purposes, the Company is the parent entity of the Group. This report covers the Company and its controlled entities for the Financial Year.



	FY23 \$million	FY22 \$million
FFO and distribution ⁽ⁱ⁾⁽ⁱⁱ⁾		
Property revenue ⁽ⁱⁱⁱ⁾	2,528.4	2,373.9
Property expenses	(577.7)	(581.0)
Net operating income	1,950.7	1,792.9
Management income ^(iv)	48.9	46.1
Income	1,999.6	1,839.0
Overheads	(90.1)	(86.8)
EBIT	1,909.5	1,752.2
Net interest (including subordinated notes coupons) ^(v)	(778.2)	(661.9)
Tax	(30.9)	(39.8)
Minority interest ^(vi)	(20.5)	(28.5)
Operating profit	1,079.9	1,022.0
Project income ^(vii)	17.0	25.6
Tax on project income	(2.7)	(7.7)
Project income after tax	14.3	17.9
FFO	1,094.2	1,039.9
Retained earnings	(233.6)	(223.4)
Distribution	860.6	816.5

(i) The Group's income and expenses have been prepared on a proportionate basis. The proportionate basis presents the net income from equity accounted entities on a gross basis.

(ii) The Group's measure of FFO is based upon the National Association of Real Estate Investment Trusts' (NAREIT, a US industry body) definition, adjusted to reflect the Group's profit after tax and non controlling interests reported in accordance with Australian Accounting Standards and International Financial Reporting Standards (IFRS) and excludes straight-lining of rent. FFO is a non-IFRS reporting measure and the table above was not audited by the auditor.

In calculating the Group's FFO, adjustments to profit after tax are presented below.

	Note in Financial Statements	FY23 \$million	FY22 \$million
Profit after tax attributable to members of Scentre Group		174.9	300.6
Adjusted for:			
• Property revaluations	2(v)	1,017.1	(79.2)
• Amortisation of tenant allowances	2(iii)	77.3	74.7
• Straight-lining of rent	2(iii)	(9.2)	(10.1)
• Net fair value loss/(gain) including associated credit risk on currency derivatives that do not qualify for hedge accounting	12	(1.3)	32.1
• Net fair value loss/(gain) on interest rate hedges that do not qualify for hedge accounting	13	(103.1)	676.2
• Net modification loss on refinanced borrowing facilities	13	1.4	7.2
• Net fair value gain on other financial liabilities	13	(18.6)	(13.8)
• Gain on buyback of subordinated notes	13	(51.1)	–
• Capital costs relating to strategic initiatives	2(v)	28.0	47.6
• Deferred tax benefit	2(v)	(11.8)	(7.5)
• FFO adjustments attributable to external non controlling interests		(9.4)	12.1
FFO		1,094.2	1,039.9

(iii) Property revenue of \$2,460.3 million (Note 2(iii)) plus amortisation of tenant allowances of \$77.3 million (Note 2(iii)) less straight-lining of rent of \$9.2 million (Note 2(iii)).

(iv) Property management income of \$61.1 million (Note 2(v)) less property management costs of \$12.2 million (Note 2(v)).

(v) Financing costs of \$633.9 million (Note 2(v)), offset by interest income of \$16.1 million (Note 2(v)), less interest expense on other financial liabilities of \$11.0 million (Note 13), net modification loss on refinanced borrowing facilities of \$1.4 million (Note 13), net fair value gain on other financial liabilities of \$18.6 million (Note 13), net fair value gain on interest rate hedges that do not qualify for hedge accounting of \$103.1 million (Note 13) and gain on buyback of subordinated notes of \$51.1 million (Note 13).

(vi) Profit after tax attributable to external non controlling interests of \$0.1 million (Note 2(v)) add non-FFO adjustments of \$9.4 million and interest expense on other financial liabilities of \$11.0 million (Note 13).

(vii) Property development and construction revenue of \$240.1 million (Note 2(v)) less property development and construction costs of \$223.1 million (Note 2(v)).

DIRECTORS' REPORT

Corporate governance

Our governance framework supports the delivery of Our Purpose, Plan and Ambition. It is fundamental to the way we operate as a responsible and sustainable business.

During 2023, the Group's corporate governance framework was consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition published in February 2019).

In addition to our Board and Committee charters, the key governance policies which support the framework set out in our corporate governance statement are:

- Code of Conduct – Acting with Integrity
- Anti-Discrimination Policy
- Anti-Fraud, Bribery and Corruption Policy
- Continuous Disclosure and Communication Policy
- Diversity, Equity and Inclusion Policy
- Environmental Policy
- Human Rights Policy
- Security Trading Policy
- Supplier Code of Conduct
- Whistleblower Protection Policy

We regularly review our governance policies and practices in light of current and emerging corporate governance practices, regulatory requirements, market practice and community expectations.

Effective 1 April 2024, the Audit and Risk Committee is being restructured to establish a new Board Audit and Finance Committee and a new Board Risk and Sustainability Committee. This reflects the Group's continued focus on being a responsible and sustainable business.

The Audit and Finance Committee will have oversight of the Group's financial reporting, including mandatory climate reporting, and the internal and external audit functions.

The Risk and Sustainability Committee will have oversight of risk management, including the risks associated with climate change, and the Group's sustainability strategy and objectives, specifically in relation to community and environmental impacts.



CORPORATE GOVERNANCE STATEMENT
scentregroup.com/about-us/corporate-governance



DIRECTORS' REPORT

Risk management

The objective of our risk management approach is to build and sustain a strong risk culture.

Risk management framework

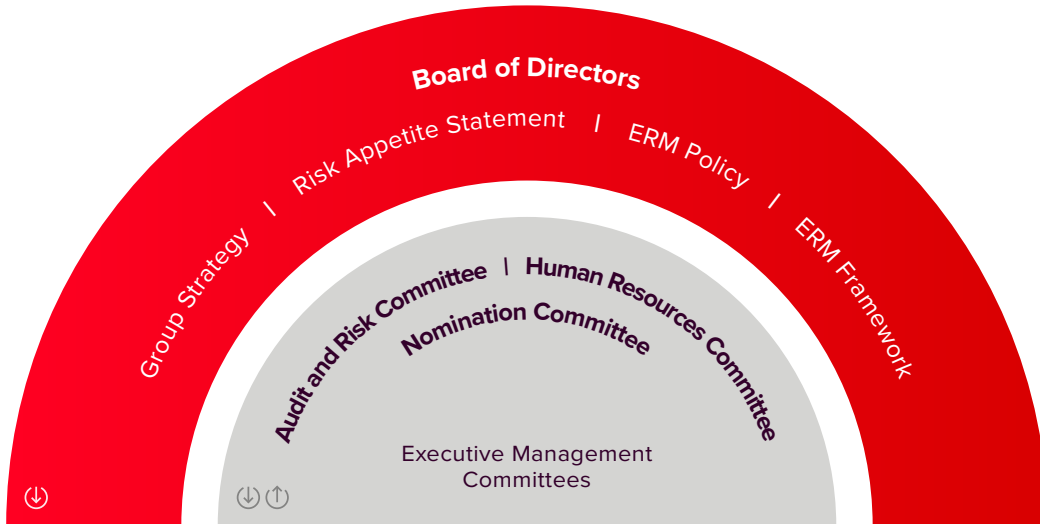
We recognise that effective risk management is fundamental to achieving Our Purpose, Plan and Ambition and operating as a responsible and sustainable business.

Risk awareness and the balancing of risks and opportunities is a core aspect of delivering our strategic objectives. As risk appetite continues to evolve, risk tolerances and our policies and frameworks continue to be refined. Our Enterprise Risk Management (ERM) Policy and ERM Framework integrate with our day-to-day business processes. Risk management accountability is a key requirement for our business managers and leaders. The ERM Policy and Framework define risk oversight responsibilities for the Board and management and are reviewed annually by the risk team and approved by the Audit and Risk Committee (ARC) and Board.

The Board approved Risk Appetite Statement includes guidance for management on our appetite and tolerance for material risks. Key controls for each material risk are documented and the effectiveness of the controls are monitored by the risk owner (a member of the executive leadership team), the risk function, the ERMC and the ARC. Executive working groups, including life safety and security and cyber, privacy and data governance implement additional controls and risk oversight over non-financial risks. Risks and controls related to the delivery of our responsible business strategy are overseen by the executive leadership team.

Risk management continued

Our ERM Framework reflects the three lines model and clear ownership of risk at an operational level as outlined below.



Management		Internal Audit
Accountabilities		Accountabilities
First Line Roles Own and manage risk	Second Line Roles Oversee risks and ongoing control and monitoring	Third Line Roles Provide independent assurance
All teams Operational teams as well as support functions	Support functions Risk Management, Corporate Security, Finance, Legal and Compliance, Human Resources and Corporate Affairs	Business Review and Audit
Responsible for identifying, assessing and managing their risks when delivering key objectives	Responsible for risk and compliance frameworks, oversight and monitoring to support delivery of key objectives	Responsible for independent assurance on governance, risk management and internal control processes that support delivery of key objectives

Our DNA					
We put our customers first	We are constantly curious	We act with integrity	We succeed together	We strive for excellence	We create a positive legacy

⬇ Internal oversight

⬆ External oversight (External auditors, third-party consultants and regulators)



Key risks

Key risks and how we mitigate their impact are outlined below by risk categories.

Financial risk

How we manage and mitigate

Maintaining a strong financial position and ongoing access to capital

- We have treasury risk management policies in place which are regularly reviewed and align to the Group's risk appetite.
- We maintain a robust balance sheet, demonstrated by strong investment grade credit ratings. This facilitates access to capital/debt funding sources.
- We maintain diverse funding sources with staggered debt maturities and use derivative financial instruments to manage value and cash flow fluctuations.
- We monitor liquidity risk through rolling cash flow forecasts.
- The impacts of inflation and interest rate increases are closely monitored given their impact on cost of debt, financial health of consumers and rent escalations. We use hedging to manage fluctuations in interest rates and our long-term leases factor in annual rent increases to offset inflation.

Further information relating to financial risk management is detailed in Note 21 to 26 in the Financial Statements.

Strategic risk

How we manage and mitigate

Managing changes to operating conditions

- We manage our portfolio to maximise short and long-term returns including fostering new business partners and optimising the mix of products, services and experiences.
- Our destinations are in major cities or urban areas supported by population growth and provide essential services to communities.
- Each destination has a strategic asset plan that was reviewed and updated in 2023.
- Our vertically integrated business assists us to adapt to changes in the external environment.
- We continuously assess customer facing digital assets that complement our physical locations, improving customer advocacy and increasing visitation. Our Westfield membership program continues to grow and now has 3.8 million members.
- We use data analytics and research to understand consumer sentiment, customer preferences, industry trends and business performance.
- We proactively engage with industry and government on policy areas and reform to enable us to respond and plan for change.

Redeveloping and growing our property management portfolio

- We use master planning and decision-making processes to take advantage of opportunities to deliver appropriate risk-related returns.
- Our vertically integrated property development capabilities include all elements of development, design, construction, and project leasing.
- We maintain a pipeline of redevelopment and expansion opportunities within our existing portfolio.
- We explore new investment opportunities that complement our portfolio.

Risk management continued

Operational risk	How we manage and mitigate
Operational resilience	<ul style="list-style-type: none"> • Our crisis and emergency management scenarios are exercised regularly so that our people are prepared to respond to unexpected events. • We undertake readiness exercises so we can respond in the event of major incidents. • Our disaster recovery and business continuity plans are reviewed and tested annually.
Workplace health and safety	<ul style="list-style-type: none"> • We focus on high standards of health and safety for our people, customers, business partners and communities. • We have life safety programs overseen by dedicated risk and security personnel. • We have a continuous cycle of upgrading and maintaining our physical assets. • Our hazard and risk identification programs are designed to mitigate or eliminate the risk of injuries. • We have programs and processes to address risks to the mental health and wellbeing of our people, including to prevent unlawful conduct occurring in the workplace and provide psychologically safe, respectful and inclusive workplaces. • We offer physical, emotional, social, financial and career support services for our people, including a range of benefits that include mental health and wellbeing offers.
Security and emergency management	<ul style="list-style-type: none"> • We engage with government agencies and specialists to address known security and operational concerns. • Our dedicated intelligence team monitors incidents and threats in Australia and globally. • We have dedicated risk and security personnel, terrorism threat response plans and emergency response plans in place at each of our destinations. • Our embedded safety by design programs reference the Australian Government's Crowded Places Strategy. • We work with our business partners so that they are aware of emerging security risks and have response strategies in place.
IT systems, data, cybersecurity and business continuity	<ul style="list-style-type: none"> • We have policies and standards in place that align with industry frameworks and government guidance. • We invest in cybersecurity platforms to protect our systems and data from cyber attacks, assess and improve our controls. • We have an established cybersecurity team which monitors and tests for emerging threats and vulnerabilities that may impact our systems. • We monitor to detect active threats targeting our systems and data. • We implement information security and cybersecurity training across our business. • Our cybersecurity program is subject to periodic internal and external audits. • Our Privacy Policy and Framework provides guidance on the collection, retention, use of and deletion of personal information.
Supply chain	<ul style="list-style-type: none"> • We undertake due diligence on our key suppliers considering financial and non-financial risks. We conduct periodic audits of higher risk contractual arrangements to confirm key requirements are being met. • We monitor market conditions, extending delivery lead times and sourcing alternative supply as and when required. • We require our suppliers to abide by our Supplier Code of Conduct, Human Rights Policy, and our Supplier Grievance Management Policy. • Our Whistleblower Protection Policy and platform, and approach to supplier grievance management, provide channels for reporting concerns. • We continue to review and enhance our supplier management and engagement processes.



Sustainability risk

How we manage and mitigate

Attracting and developing our talent and culture

- We have strategies to attract, motivate and retain the best talent, reward fairly and responsibly, and align the interest of employees with the interest of securityholders.
- Succession plans are in place for all key roles.
- We recognise that diversity, equity and inclusion (DEI) in the workplace is a key contributor to people operating to the best of their ability and to the success of our business. We have a DEI strategy supported by targets, policies and working groups to execute against the strategy.
- We have a listening and engagement strategy to understand and address our employees' needs.
- We invest in a range of learning and development programs to develop leadership and technical capability.
- Our Code of Conduct, DNA and associated training programs establish behavioural and ethical standards of working and foster a positive culture.

Community engagement

- Our community engagement strategy provides the framework, tools and programs for our teams to engage with their communities to create places that are inclusive, safe and welcoming, and which our communities consider to be an integral part of their lives.
- All our centres have a community plan which aligns with Our Purpose, Our Plan and Our Ambition. It includes key brand activations, community engagement activities and connections with local authorities.

Climate risk

How we manage and mitigate

Managing the impacts of climate change

- We monitor the regulatory and market changes which may give rise to risk and opportunities for the Group
- Procedures and monitoring are in place to identify and comply with environmental laws and regulations including complying with the conditions of relevant authority consents and approvals and obtaining any necessary licences. Our compliance procedures are regularly reviewed, including external monitoring of high-risk operations.
- Climate risk scenario analysis is used to inform the overall risk assessment.
- Capital is allocated towards upgrades of infrastructure over a five-year horizon. This timeframe is aligned to typical forward capital expenditure and maintenance plans.
- 2030 net zero emissions targets (Scope 1 and 2 emissions) are incorporated into the strategic asset plans for each Westfield destination.

Further detail on Governance, Strategy, Risk Management and Metrics and Targets aligned to the Taskforce for Climate-related Financial Disclosure are summarised on pages 30–31.

DIRECTORS' REPORT

Climate disclosure

We are focused on improving the energy efficiency and climate resilience of our assets. This is aligned to our strategy to operate as a responsible and sustainable business and supports our governance and risk management framework.

We acknowledge the importance of climate resilience. We assess and manage the impact of climate change on our business and acknowledge the contribution we can make to the decarbonisation of the economy.

We continue to monitor developments to sustainability reporting standards and enhance our disclosures in alignment with local standards. This includes the Australian Accounting Standards Board's proposed climate-related financial disclosure requirements for Australian reporting entities and the Australian Government's exposure draft legislation on climate-related financial disclosure for consultation.

Governance

- The Board sets the overall risk appetite and monitors our significant business risks (financial and non-financial) and the adequacy, effectiveness and operation of risk management and compliance policies, controls and frameworks. This includes climate-related risks.
 - Board members have a broad range of skills across various professions and industries and the majority of Directors have been assessed as having advanced skills in terms of risk management. Through the diverse experience and skills of our Directors, and regular information sharing and briefings from management and subject matter experts, the Board is equipped to oversee our response to climate-related risks and opportunities.
 - The Audit and Risk Committee (ARC), attended by our CEO and other members of the executive leadership team, assists the Board in meeting its governance and oversight responsibilities relating to the effectiveness of our risk management framework, risk management systems and reporting. The ARC is responsible for reviewing processes for assessing material exposure to environmental risks and the processes in place to manage those risks.
- The ARC is assisted by the Enterprise Risk Management Committee (ERMC) in its oversight of systems of risk management and internal controls.
- The executive leadership team oversees execution of the responsible business strategy which includes climate risk. They are supported by sustainability focused team members and working groups which assist in delivering on our responsible business strategy. Key environmental objectives and measures are delegated and managed through our enterprise-wide Responsible Business Scorecard which is reviewed on a quarterly basis.
 - The Board includes Environmental Social and Governance (ESG) performance measures as key performance indicators for our executive key management personnel in their annual scorecards. These include the requirement to ensure that the governance and management support is in place to manage the risk of climate-change, including the delivery of our energy and emissions reduction targets and implementation of our net zero emissions strategy.
 - As noted on page 24, effective 1 April 2024 we will establish a new Board Risk and Sustainability Committee which will have oversight of risk management, including the risks associated with climate change, and our sustainability strategy and objectives, specifically in relation to community and environmental impacts.



Strategy

- Our Responsible Business Framework has four pillars – community, talent, environment, and economic performance. The environment pillar is focused on reducing our impact on the environment and leaving a positive legacy for our communities.
- As a vertically integrated business, we have the unique opportunity to design, construct, operate and market our platform with the future requirements of our customers and communities in mind. This assists us to adapt to changes in the external environment and build greater climate resilience into our strategy and destinations.
- There are three principles to our strategic approach to manage and achieve our net zero goals.
 - 1) Optimise centre efficiency
 - 2) Generate and procure renewable energy
 - 3) Reduce residual emissions
- Our Integrated Environmental Plan identifies three global megatrends: decarbonisation, the circular economy and biodiversity. It prioritises initiatives that have the greatest potential to reduce our environmental impact.
- While our net zero target does not include our Scope 3 emissions, we acknowledge the broader upstream and downstream emissions in our activities. We are currently working through defining those that are most relevant and material to our business. We remain focused on our areas of greatest influence and impact and will continue to prioritise achieving the lowest emission outcome.

Risk management

- Each centre has an Environmental Action Plan to manage short-term impacts of climate change and delivery of net zero emissions strategies. These plans are updated quarterly and are incorporated into performance scorecards.
- Climate-related risks including economic, environmental, social and corporate governance risks are all assessed using our Enterprise Risk Management (ERM) Framework and are reflected in team risk profiles across the business. Any material risks are reflected in the overarching corporate risk profile with the economic impact of climate change currently reflected with a residual risk of low.
- Our ERM Framework references globally recognised standards including ISO 31000:2018.

- In 2023 we updated our climate exposure assessments for all 37 Australian centres. Our climate exposure assessments focus on physical climate-related risks only. These assessments and the refreshed scenarios in the Intergovernmental Panel on Climate Change's (IPCC) sixth assessment report (AR6) informed our 2023 climate-related physical risks and opportunities.
- We have completed climate exposure assessments that consider longer-term impacts of climate change, informed by our scenario analysis, for each of our 42 destinations. We are progressively developing Climate Change Adaptation Plans (CCAPs) for each centre informed by these assessments. The CCAPs articulate management and mitigation measures for future consideration.
- We have assessed our climate-related transitional risks using a scenario analysis with a temperature outcome of 1.5°C outlined in the IPCC's AR6.

Metrics and targets

- We are committed to achieving net zero (Scope 1 and 2 emissions) by 2030 across our wholly-owned portfolio⁽ⁱ⁾:
 - We have reduced our total Scope 1 and 2 emissions by 41 per cent since 2014.
 - We have entered into a long-term energy agreement in New South Wales and Victoria, which together with our existing agreements in Queensland and New Zealand, will assist us in achieving net zero by 2030.
- We have a target to increase waste recovery from operations to 90 per cent by 2030:
 - We are on track and have recovered 51 per cent of waste from operations in 2023.
- We have consistently participated in the Global Real Estate Sustainability Benchmark (GRESB) and Carbon Disclosure Project (CDP) since 2015.
 - In 2023, we achieved 85/100 for Standing Assets and maintained recognition as the Global Sector Leader in the 2023 GRESB Real Estate Assessment.
 - We also maintained global leadership status in the CDP Climate Change global benchmark.



SEE MORE ONLINE

scentregroup.com/sustainability/reporting-data

(i) We are using 2014, the year Scentre Group was established, as our emission reduction baseline.

**DIRECTORS'
REPORT**

Directors

Board membership and qualifications

Our Board comprises eight independent non-executive Directors and one executive Director (being the Managing Director/Chief Executive Officer (CEO)). The period of office held by, and the independence status of, each Director and their qualifications, skills and experience, significant directorships held in other companies, and attendance at Board and Committee meetings during the year are set out below.

Name	Position held	Appointed	Last elected/re-elected at an AGM
Ilana Atlas	Non-executive Director and Chair	28 May 2021	7 April 2022
Catherine Brenner	Non-executive Director	1 March 2022	7 April 2022
Michael Ihlein ⁽ⁱ⁾	Non-executive Director	30 June 2014	7 April 2022
Carolyn Kay	Non-executive Director	24 February 2016	8 April 2021
Stephen McCann	Non-executive Director	1 November 2022	5 April 2023
Elliott Rusanow	Managing Director and CEO	1 October 2022	Not required to stand for re-election
Guy Russo	Non-executive Director	1 September 2020	8 April 2021
Margaret Seale	Non-executive Director	24 February 2016	8 April 2021
Michael Wilkins	Non-executive Director	8 April 2020	5 April 2023

Prior Directors	Position held	Appointed	Ceased to be a Director
Brian Schwartz ⁽ⁱ⁾	Non-executive Chair	30 June 2014	30 September 2023
Andrew Harnos ⁽ⁱ⁾	Non-executive Director	30 June 2014	5 April 2023

(i) Scentre Group was established on 30 June 2014. Prior to that date, Scentre Group Limited formed part of the prior Westfield Group and the appointment date of Mr Schwartz (6 May 2009) to the Company (previously Westfield Holdings Limited) pre-dates the establishment of Scentre Group. Mr Schwartz was appointed to the Boards of RE1 Limited and RE2 Limited on 30 June 2014. Mr Harnos and Mr Ihlein were both appointed to Scentre Group Limited and Scentre Management Limited on 30 June 2014 (the appointment date to RE1 Limited and RE2 Limited, which formed part of the prior Westfield Retail Trust, was 21 December 2010).

As noted, effective 1 April 2024, the Audit and Risk Committee is being restructured to establish a new Board Audit and Finance Committee and a new Board Risk and Sustainability Committee. This reflects the Group's continued focus on being a responsible, sustainable business.

On 20 February 2024, Ilana Atlas stepped down as Chair of the Human Resources Committee and Catherine Brenner was appointed Chair. On that date the composition of the Nomination Committee changed to four members. Ilana Atlas continues to Chair the Committee with Catherine Brenner, Stephen McCann and Guy Russo as members of the Committee. Other changes to the membership of the Committees will be implemented on 1 April 2024, and are outlined in our Corporate Governance Statement.

**Ilana Atlas AO****Non-executive Director and Chair**

Chair of the Nomination Committee



Ilana is currently a non-executive director of Origin Energy, and a Member of the Council of the National Gallery of Australia. Ilana is also Chair of Jawun, on the Board of the Paul Ramsay Foundation, is a Panel member of Adara Partners and a former director of ANZ Group Holdings Limited. Ilana's last executive role was Group Executive, People, at Westpac, where she was responsible for human resources, corporate affairs and sustainability. Prior to that role, Ilana was Group Secretary and General Counsel. Before her 10-year career at Westpac, Ilana was a partner at the law firm Mallesons Stephen Jaques (now known as King & Wood Mallesons). In addition to Ilana's practice in corporate law, she held a number of management roles at the firm including Executive Partner, People and Information, and Managing Partner.

Elliott Rusanow**Managing Director and Chief Executive Officer**

Elliott was appointed Chief Executive Officer of Scentre Group on 1 October 2022. Elliott first joined Scentre Group in April 2019 when he was appointed Chief Financial Officer leading the Group's finance, treasury, investor relations and capital transaction functions. Prior to Scentre Group, Elliott was the Chief Financial Officer of Westfield Corporation, based in the United States. Elliott's career with Westfield spans more than two decades. He joined Westfield in 1999 and has held a number of senior executive leadership roles based in Sydney, London and Los Angeles including the roles of Deputy Chief Financial Officer, Head of Corporate Finance, Director Finance United Kingdom & Europe and Director of Investor Relations & Equity Markets. Prior to Westfield, Elliott worked at Bankers Trust Australia Limited. Elliott is Deputy Chair of the Shopping Centre Council of Australia, a Director of the Property Council of Australia and is a Member of The Champions of Change Property Group. He is a Fellow of The Governance Institute of Australia and the Financial Services Institute of Australasia. Elliott holds Bachelor of Laws and Bachelor of Commerce degrees from the University of New South Wales.

Catherine Brenner**Independent Non-Executive**Chair of the Human Resources Committee
Member of the Audit and Risk Committee
Member of the Nomination Committee

Catherine has extensive business experience and has held executive and non-executive roles across many sectors. Catherine is currently Chair of Australian Payments Plus (BPAY, eftpos, NPP, ConnectID) and a non-executive director of the carbon diagnostic and management business, Emmi, The George Institute for Global Health and Schools Plus. Catherine was previously non-executive Chair of AMP Limited and a non-executive director of ASX companies including Boral Limited and Coca-Cola Amatil Limited. She was also a Trustee of the Sydney Opera House Trust and the Art Gallery of NSW and a member of the Takeovers Panel. Catherine was a senior investment banker. Catherine is a Fellow of the Australian Institute of Company Directors, a member of Chief Executive Women and a Panel member of Adara Partners.

Directors continued

Michael Ihlein

Independent Non-Executive

Chair of the Audit and Risk Committee



Mike is a highly experienced corporate and finance executive with a long career with Coca-Cola Amatil Limited (and related companies) where he was Managing Director, Poland (1995–1997) and Chief Financial Officer and Executive Director (1997–2004). Mike joined Brambles as Chief Financial Officer and Executive Director in March 2004 and held the position of Chief Executive Officer from July 2007 until his retirement in November 2009. Mike holds a Bachelor of Business Studies (Accounting) from the University of Technology, Sydney. He is a non-executive Director and Chair of the Finance & Audit Committee of Inghams Group Limited and a non-executive Director and Chair of the Audit Committee of Ampol Limited and is also a Fellow of the Australian Institute of Company Directors, CPA Australia and the Financial Services Institute of Australasia. Mike was formerly a Director of Murray Goulburn Co-operative Co. Limited, from 2012 to 2017, Snowy Hydro Limited, from 2012 to 2019, and of CSR Limited from 2011 to 2021.

Carolyn Kay

Independent Non-Executive

Member of the Audit and Risk Committee



Carolyn has had more than 30 years of experience in the finance sector as an executive and non-executive director. In addition, Carolyn has been and remains a non-executive director of enterprises across a broad range of industries. She is currently a member of the Foreign Investment Review Board, a non-executive director of National Australia Bank Limited, Myer Family Investments, and Chair of Rothschild & Co Australia. Carolyn was formerly a Guardian of the Future Fund. In the not for profit sector, Carolyn is a non-executive director of the General Sir John Monash Foundation and a Trustee of Sydney Grammar School. As an executive Carolyn worked as a banker and lawyer at Morgan Stanley, JP Morgan and Linklaters & Paines in London, New York and Australia. Carolyn holds Bachelor Degrees in Law and Arts (University of Melbourne), a Graduate Diploma in Management (AGSM), is a member of Chief Executive Women and is a Fellow of the Australian Institute of Company Directors. She was awarded a Centenary Medal for services to Australian society in business leadership.

Stephen McCann

Independent Non-Executive

Member of the Nomination Committee



Steve is a highly regarded and experienced business leader with over 25 years of executive experience. Steve was the Group Chief Executive Officer and Managing Director of Lendlease from December 2008 to May 2021. Prior to his appointment as Group Chief Executive Officer at Lendlease, he held the positions of Group Finance Director and Chief Executive Officer of Lendlease's Investment Management business. Following his retirement from Lendlease, Steve took on the role of CEO Crown Resorts in June 2021 to help steer the company through its regulatory challenges and negotiate the privatisation and transition to ownership by Blackstone Group, which he completed in September 2022. Prior to joining Lendlease, he had 15 years' experience in property, funds management, investment banking and capital markets transactions gained through senior leadership roles at ABN AMRO and Bankers Trust. Steve was previously a mergers and acquisitions lawyer at Freehills, now HSF. He holds a Bachelor of Laws and a Bachelor of Economics from Monash University in Melbourne, Australia.



Guy Russo

Independent Non-Executive

Member of the Human Resources Committee
Member of the Nomination Committee



In a corporate career spanning 42 years Guy has served as CEO, Wesfarmers Department Store Division (Kmart & Target); Managing Director, Kmart Australia & NZ; President, McDonald's Greater China; CEO, McDonald's Australia Ltd and Chair of Ronald McDonald House Children's Charities. Guy is most well-known for leading the corporate turn-around of Kmart Australia creating the largest and most profitable retail department store in the country. A member of YPO since 2006, now with Lestari, the first Impact Chapter of YPO, he has consulted to business in China and Asia, served as a member on the Business Council of Australia, and won industry awards for leadership in diversity in employment. Guy is currently the Chair of Australian-owned Guzman Y Gomez, Chair of SomnoMed and Chair of OneSky, an international charity for children living in poverty in Asia.

Margaret Seale

Independent Non-Executive

Member of the Human Resources Committee



Margie has more than 25 years' experience in senior executive roles in Australia and overseas, including in the consumer goods, health and global publishing sectors, in sales and marketing, and in the successful transition of traditional business models to digital environments. Immediately prior to her non-executive career, Margie was Managing Director of Random House Australia and New Zealand and President, Asia Development for Random House globally. She is currently a non-executive director of Westpac Banking Corporation, a member of the Board Nominations and Governance Committee and Board Remuneration Committee, and a director of Westpac Scholars Limited, trustee of the Westpac Scholars Trust. She is also a non-executive director of one of Australia's leading investment advisory firm JANA Investment Advisers Pty Ltd, Seaborn Broughton & Walford Foundation and Pinchgut Opera Ltd. Margie has previously served on the boards of Telstra Corporation Limited, Australian Pacific (Holdings) Pty Limited, Penguin Random House Australia Pty Ltd (as a non-executive director and then Chair), the Australian Publishers' Association, Bank of Queensland Limited, Ramsay Health Care Limited, Chief Executive Women (chairing its Scholarship Committee), the Powerhouse Museum and the Sydney Writers' Festival.

Michael Wilkins AO

Independent Non-Executive

Member of the Audit and Risk Committee



Mike is an experienced non-executive director with more than 30 years' executive experience in financial services in Australia and Asia, including insurance and investment management. He is currently the non-executive Chair of QBE Insurance Group Limited and the non-executive Chair of Medibank Private Limited. Mike has more than 20 years' experience as CEO for ASX 100 companies. He is the former Managing Director and CEO of Insurance Australia Group Limited (IAG), former Managing Director and CEO of Promina Group and former Managing Director of Tyndall Australia Limited. Mike has also served as a director of Maple-Brown Abbott Limited, The Geneva Association, the Australian Business and Community Network and Alinta Limited. Mike was also a Director of AMP Limited (2016–2020) including acting as Interim Executive Chair and Acting CEO for a period in 2018. He was a member of the Australian Government's Financial Sector Advisory Council for five years and a member of the Business Council of Australia for eight years. Mike is a Fellow of Chartered Accountants Australia and New Zealand. He was made an Officer of the Order of Australia in 2017 for distinguished service to the insurance industry, particularly to improved corporate social responsibility standards, to the building of natural disaster resilience and safer communities, and to workplace diversity.

Directors continued

Directors' relevant interests

The relevant interests of each Director in Scentre Group securities as at the date of this report are shown below.

	Number of stapled securities	
	31 Dec 2022	31 Dec 2023
Director		
Ilana Atlas	80,856	130,856
Catherine Brenner	100,000	100,000
Michael Ihlein	48,048	48,048
Carolyn Kay	57,000	57,000
Stephen McCann	0	100,000
Elliott Rusanow ⁽ⁱ⁾	562,183	1,308,119
Guy Russo	145,000	145,000
Margaret Seale	56,750	56,750
Michael Wilkins	100,000	125,000
Prior Directors		
Brian Schwartz (retired 30 September 2023)	165,861	N/A
Andrew Harnos (retired 5 April 2023)	127,897	N/A

(i) On 15 February 2024, Elliott Rusanow received 463,048 securities on vesting of tranche 2 of his 2020 retention awards.

No options were issued by the Company during or since the end of the Financial Year and no Director or officer holds options over issued or unissued Scentre Group stapled securities. Details of the performance rights held by the executive KMP are set out in the Remuneration Report. None of the Directors hold debentures of Scentre Group.

None of the non-executive Directors are party to or entitled to a benefit under a contract which confers a right to call for, or be delivered, interests or securities in the Group.

Details of the performance rights held by executive Key Management Personnel (executive KMP) are set out in the Remuneration Report.



Directors' attendance at meetings

The number of Board and Committee meetings held and attended by each Director during the Financial Year are detailed below.

The Committees are comprised of the following non-executive Directors: Audit and Risk Committee: Michael Ihlein (Chair), Catherine Brenner, Carolyn Kay, and Michael Wilkins; Human Resources Committee: Ilana Atlas (Chair), Margaret Seale and Guy Russo. During 2023, the composition of the Nomination Committee comprised all Directors.

Directors also attend meetings of Committees of which they are not a member. This attendance is not reflected in the table below.

Director	Board		Committees					
	Scheduled meetings		Audit and Risk Committee		Human Resources Committee		Nomination Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Ilana Atlas	10	10			5	5	2	2
Catherine Brenner	10	10	5	5			2	2
Michael Ihlein	10	10	5	5			2	2
Carolyn Kay	10	10	5	5			2	2
Stephen McCann	10	9					2	2
Elliott Rusanow	10	10					2	2
Guy Russo	10	10			5	5	2	2
Margaret Seale	10	10			5	5	2	2
Michael Wilkins	10	10	5	5			2	2
Prior Directors								
Brian Schwartz (retired 30 September 2023)	7	7					1	1
Andrew Harnos (retired 5 April 2023)	3	3			2	2	1	1

Directors continued

Directors' directorships of other listed companies

Details of all directorships of other listed entities held by each Director at any time in the three years immediately before 31 December 2023 are set out below.

Scentre Group comprises the Company, Scentre Group Trust 1 (SGT1), Scentre Group Trust 2 (SGT2) and Scentre Group Trust 3 (SGT3). The responsible entity of SGT1 is Scentre Management Limited, the responsible entity of SGT2 is RE1 Limited and the responsible entity of SGT3 is RE2 Limited. Scentre Management Limited is also the responsible entity of Carindale Property Trust, a listed managed investment scheme (ASX: CDP). Each Director's appointment to these companies is continuing. The date of appointment to these companies is the same as the date of appointment to the Company.

Director	Company	Date appointed	Date resigned
Ilana Atlas	Origin Energy Limited	19 February 2021	Continuing
	Coca-Cola Amatil Limited	23 February 2011	10 May 2021
	Australia and New Zealand Banking Group Limited	24 September 2014	21 December 2023
Catherine Brenner*			
Michael Ihlein	Inghams Group Limited	16 April 2020	Continuing
	Ampol Limited	1 June 2020	Continuing
	CSR Limited	7 July 2011	25 June 2021
Carolyn Kay	National Australia Bank Limited	31 July 2023	Continuing
Stephen McCann	Lendlease Corporation Limited	4 March 2019	31 May 2021
	Crown Resorts Limited	20 October 2021	24 June 2022
Elliott Rusanow*			
Guy Russo	SomnoMed Limited	24 August 2020	Continuing
Margaret Seale	Westpac Banking Corporation	1 March 2019	Continuing
	Telstra Corporation Limited	7 May 2012	12 October 2021
Michael Wilkins	QBE Insurance Group Limited	1 November 2016	Continuing
	Medibank Private Limited	25 May 2017	Continuing

* No relevant directorships held in the prior three years.



Secretaries

As at the date of this report, the Company had the following Secretaries:

Maureen McGrath

Maureen was appointed General Counsel, Compliance and Secretariat of Scentre Group in June 2014. Prior to the establishment of Scentre Group, Maureen was General Counsel, Corporate and Compliance, Westfield Group. She holds a Bachelor of Laws and a Bachelor of Jurisprudence from the University of New South Wales. Maureen is a Fellow of the Governance Institute of Australia and a Member of the Australian Institute of Company Directors.

Paul Giugni

Paul was appointed General Counsel of Scentre Group in June 2014. Prior to the establishment of Scentre Group, Paul was General Counsel, Australia and New Zealand, Westfield Group. He joined Westfield Group in September 1998 and holds a Bachelor of Economics and a Bachelor of Laws (Honours) from the University of Sydney. Prior to joining Westfield Group, Paul was a solicitor at Freehill Hollingdale and Page (now Herbert Smith Freehills). He is a Fellow of the Governance Institute of Australia and a member of the Australian Institute of Company Directors.

Indemnities and insurance premiums

Subject to the following, no indemnity was given, or insurance premium paid during or since the end of the Financial Year for a person who is or has been an officer or auditor of the Group.

The Company's Constitution provides that a person who is or has been a Director or Secretary of the Company may be indemnified by the Company against liabilities incurred by the person in that capacity and for all legal costs incurred in defending or resisting (or otherwise in connection with) proceedings in which the person becomes involved because of that capacity. The indemnity does not apply to the extent that the Company is forbidden by statute to indemnify the person or the indemnity would, if given, be made void by statute.

The Group has paid premiums for directors' and officers' liability insurance in respect of Directors, Secretaries and Executive Officers of the Group as permitted by the *Corporations Act 2001*. The terms of the insurance policy prohibit disclosure of details of the nature of the liabilities covered by, and the amounts of the premiums payable under, that insurance policy.

In addition, each Director has entered into a Deed of Indemnity and Access which provides for indemnity against liability as a Director, except where prohibited by statute. The deed also entitles the Director to access Company documents and records, subject to undertakings as to confidentiality.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young (EY), as part of the standard terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment with respect to such indemnity has been made to EY during or since the Financial Year.

**DIRECTORS'
REPORT**

Audit

Audit and Risk committee

As at the date of this report, the Company had a Board Audit and Risk Committee.

Details of the activities of the Committee are outlined in our Corporate Governance Statement.

Non-audit services and audit independence

During the year Ernst & Young, the Group's auditor, did not provide any non-audit services to the Group.

Details of the amount paid to the auditor are set out in Note 38 to the Financial Statements.

As no non-audit services were provided by the auditor during the Financial Year, the Board is satisfied that the auditor complies with the general standard of independence for auditors imposed by the *Corporations Act 2001*.



Auditor's independence declaration to the Directors of Scentre Group Limited

As lead auditor for the audit of the financial report of Scentre Group Limited for the financial year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b) no contraventions of any applicable code of professional conduct in relation to the audit; and
- c) no non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Scentre Group Limited and the entities it controlled during the Financial Year.

Ernst & Young

Mike Wright
Partner

21 February 2024

**DIRECTORS'
REPORT**

Remuneration Report

Dear Securityholders,

On behalf of the Board, I invite you to consider our remuneration report which will be presented to securityholders at the 2024 Annual General Meeting.

Overview of the year

The Group delivered strong financial and non-financial results in 2023 in a responsible and sustainable way, focusing on both short-term and long-term value for securityholders.

Funds from Operations (FFO) were 21.11 cents per security, up 5.2 per cent (or \$54 million) from 2022. As a result, value was delivered to securityholders through a distribution of 16.60 cents per security, which represented growth of 5.4 per cent on 2022 and exceeded guidance of at least 16.50 cents per security.

Not only has the team delivered improved year on year performance, they have also invested in the future of the business. The Group's customer strategy to capture people's time and attention continued to drive growth with 512 million customer visits in 2023, 32 million more than 2022. This enabled our business partners to achieve record sales of \$28.4 billion. The Group's activation strategy was strengthened in 2023 through new strategic partnerships, including with Disney for its 100-year anniversary milestone, Netball Australia and Live Nation. These partnerships have included free events, entertainment and exclusive promotions.

By focusing on the productivity of Westfield destinations and curating the optimal mix of products, services and experiences that meet customer needs, demand for space continued to strengthen. During the year, occupancy increased to 99.2 per cent, from 98.9 per cent the year prior. Cash collections also increased year on year.

Delivering these results in a responsible and sustainable way remained a priority. The focus on reducing the Group's environmental impact saw the Group's future emissions reduced by more than 15 per cent in line with the plan to be net zero by 2030 (Scope 1 and 2 emissions). The Group's ongoing commitment to fostering a vibrant and supportive employee experience is demonstrated by 91 per cent of employees recommending Scentre Group as a place to work.

2023 remuneration outcomes

Short-term variable remuneration (STVR)

At the beginning of the 2023 performance period, the Board simplified the short-term performance measures for the CEO and other executive KMP to focus on those measures which would drive progress towards the Group's ambition of growing the business by becoming essential to people, their communities and the businesses that interact with them.

The transparency of these objectives and measures in this remuneration report has been enhanced to include threshold, target and maximum values, providing securityholders with more visibility on the level of stretch of the 2023 objectives.

The Board's view is that we appropriately recognised the strong results achieved by the CEO and the other executive KMP in the STVR outcomes. In determining the 2023 STVR outcomes for all executive KMP, the Board assessed performance against both financial and non-financial measures as well as took into consideration the Group's values, behaviours, any identified risks and the overall health of the business.

The 2023 STVR outcome for the CEO was 89.9 per cent of maximum opportunity. This result reflects above target performance and the Board's view that delivering operational excellence is a necessary foundational step for improving total securityholder return, in both price and distributions, into the future.

The 2023 STVR outcome for other executive KMP is 90.8 per cent of their maximum STVR opportunity, reflecting both Group and individual performance. In reaching these results, the Board took particular account of the positive impact on the Group's performance of the other executive KMP working effectively and collectively as a leadership team in their first year.

On behalf of the Board and Committee, I would like to thank all employees for their contribution and commitment to the performance of the Group in 2023.



Long-term variable remuneration (LTVR)

The 2021 LTVR for executive KMP reached the end of its three-year performance period in December 2023. An assessment of performance against the Return on Contributed Equity (ROCE), relative Total Shareholder Return (TSR), and strategic hurdles resulted in an overall vesting outcome of 70.7 per cent of maximum LTVR opportunity.

Non-executive Director fees

There were no increases to non-executive Director fees during 2023.

Changes to remuneration for 2024

During the year, the Board undertook an external benchmarking review to assess the competitiveness of executive KMP remuneration against comparable roles within our primary comparator group, being the ASX50 excluding the 'Big 4' banks, Rio Tinto and BHP. The Board also considered the scope and complexity of their roles, the individual's experience, knowledge and skills and their performance in role.

As a result of the review, the following changes were made, effective from 1 January 2024:

- Elliott Rusanow (CEO) – fixed remuneration increased from \$1,800,000 to \$2,000,000
- Andrew Clarke (Chief Financial Officer (CFO)) – fixed remuneration increased from \$1,000,000 to \$1,100,000
- Maria Stamoulis (Director, Human Resources) – fixed remuneration increased from \$725,000 to \$800,000.

Each of these executive KMP were new to their role in 2022 and recruited into those roles with remuneration which was below benchmark. In each case, the Board was of the view that their performance and the external benchmarking data justified the increase in fixed remuneration. The remuneration increases for the CEO and CFO are positioned between the median and 75th percentile of the comparator group for both fixed remuneration and total maximum remuneration with the remuneration increase for the Director, Human Resources positioned just below the median.

No other executive KMPs received a remuneration increase for 2024.

Following my appointment to the role of Board Chair in October 2023, Catherine Brenner has assumed the role of Chair of the Human Resources Committee effective from 20 February 2024.

We highly value feedback from securityholders and other key stakeholders. We look forward to ongoing engagement with you and sharing in the future success of Scentre Group.

Thank you for your continued support.

Ilana Atlas AO
Chair⁽ⁱ⁾

21 February 2024



(i) Ilana Atlas was Chair of the Human Resources Committee until 20 February 2024

Remuneration Report continued

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Remuneration Report

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This Remuneration Report has been audited by Ernst & Young (EY). Their report on the audit can be found on page 72.



1 Who is covered by this remuneration report?

This remuneration report explains our approach to the remuneration of our Key Management Personnel (KMP). KMP are those individuals having the authority and responsibility for planning, directing and controlling the activities of Scentre Group, either directly or indirectly. They include non-executive Directors and senior executives who fall within those criteria.

For the year ended 31 December 2023, KMP were:

Non-executive Directors

Ilana Atlas (Chair) ⁽ⁱ⁾	
Catherine Brenner	
Michael Ihlein	
Carolyn Kay	All non-executive Directors were members of the Board for the full year
Stephen McCann	
Guy Russo	
Margaret Seale	
Michael Wilkins	

Former non-executive Director

Brian Schwartz (former Chair)	Retired on 30 September 2023
Andrew Harnos	Retired on 5 April 2023

Executive KMP

Elliott Rusanow, Managing Director/Chief Executive Officer	
Andrew Clarke, Chief Financial Officer	
Lillian Fadel, Group Director, Customer, Community and Destination	All executive KMP were in their role for the full year
John Papagiannis, Group Director, Businesses	
Maria Stamoulis, Director, Human Resources	

(i) Ilana Atlas was a member of the Board for all of 2023 and was appointed Chair from 1 October 2023.

Remuneration Report continued

2 2023 Remuneration snapshot

2023 additions to the executive KMP

As a result of the restructure of our executive leadership team, the following executives were determined to be executive KMP effective from 1 January 2023, recognising the materiality of their roles in directing the Group's operations:

- Lillian Fadel, Group Director, Customer, Community and Destination
- John Papagiannis, Group Director, Businesses
- Maria Stamoulis, Director, Human Resources

2023 remuneration outcomes

Short-term variable remuneration (STVR) outcomes

CEO Elliott Rusanow

89.9%

of maximum STVR

Other Executive KMP

90.8%

of maximum STVR

➔ REFER TO SECTION 4.

Long-term variable remuneration (LTVR) outcomes

70.7%

of maximum LTVR vested

The 2021 LTVR reached the end of its three-year performance period in December 2023, vesting in two tranches in December 2023 and December 2024.

➔ REFER TO SECTION 4.

2020 Retention Awards

The first tranche of the 2020 Retention Awards vested in February 2023.

➔ REFER TO SECTION 11.

No retention awards have been granted since 2020.

Changes implemented for 2023

As set out in our 2022 Remuneration Report, we made the following changes to the 2023 LTVR:

- removed the strategic measure (10% weighting) and reweighted the ROCE hurdle from 60% to 70%. The weighting for the relative TSR measure remained unchanged at 30%
- removed the additional 25% potential over-target achievement element of the ROCE hurdle component of the LTVR, setting the maximum opportunity for the ROCE hurdle at 100%, whilst retaining the strong weighting towards performance based remuneration.



3 Remuneration strategy and framework

Remuneration principles



Supporting our strategy and framework is our DNA and our People Vision: to be the place for talent to thrive.

Remuneration framework

Remuneration element	Considerations/ Performance conditions	Alignment with strategy and performance
Fixed remuneration		
<p>Base salary plus superannuation.</p> <p>The primary comparator group used as a reference point to compare fixed remuneration for executive KMP is the ASX 50, excluding the “Big 4” banks, Rio Tinto and BHP.</p>	<p>Considerations in setting fixed remuneration include: the scope and complexity of the role, the individual’s experience, knowledge and skills, individual performance and market benchmarking.</p>	<p>Fixed remuneration is set at market competitive levels to attract and retain key talent.</p>
STVR⁽ⁱ⁾		
<p>Recognises current year performance.</p> <p>70% of achieved STVR is paid in cash following the end of the performance year.</p> <p>30% of achieved STVR is delivered as performance rights which vest at the end of three years after the grant date, creating a longer term and retention focus.</p>	<p>Designed as annual variable remuneration.</p> <p>Executives are assessed against a scorecard containing financial and non-financial measures which are considered stretching but achievable.</p>	<p>Provides differentiation of remuneration based on Group and individual performance outcomes.</p> <p>Performance conditions are designed to support the financial and strategic direction of the Group, with KPIs that are measurable, while also providing for the exercise of Board judgement, and allowing for appropriate differentiation for performance.</p>
LTVR⁽ⁱ⁾		
<p>Recognises long-term performance measured at the end of year 3.</p> <p>Delivered as performance rights which vest in two tranches at the end of years 3 and 4 after the start of the performance period if the performance hurdles measured in year 3 are achieved.</p>	<p>Long-term performance hurdles are set by the Board which are focused on the Group’s ROCE and relative TSR to deliver securityholder value as a sustainable and responsible business.</p>	<p>Provides a strong link to the long-term performance of the Group, the creation of securityholder value and acts as a retention tool.</p>

(i) The value of the rights granted under the STVR and LTVR fluctuates depending on security price.

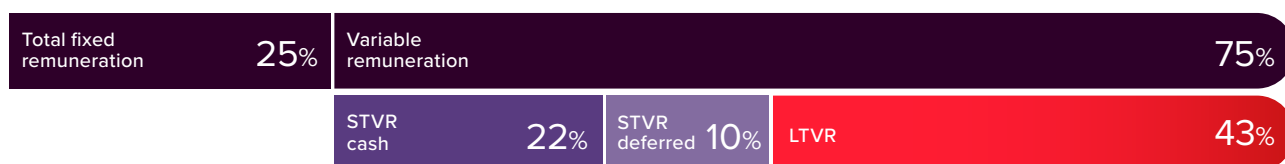
Remuneration Report continued

Maximum remuneration mix

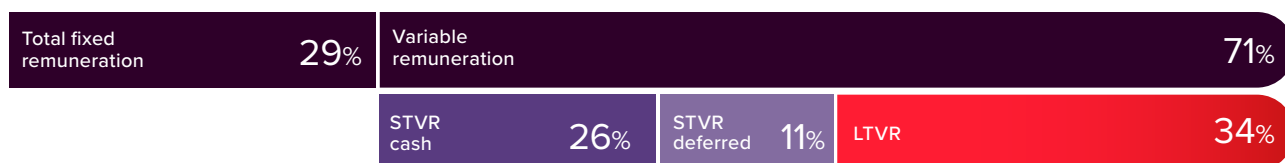
Our executive KMP’s remuneration is heavily weighted towards variable remuneration, with performance-based pay contributing more than 70% of total maximum mix, with 30% of the STVR and 100% of the LTVR reward delivered in deferred equity.

The maximum STVR opportunity (as a percentage of fixed remuneration) for Elliott Rusanow is 130% and for other executive KMP is 125%. The maximum LTVR opportunity (as a percentage of fixed remuneration) for Elliott Rusanow is 175% of fixed remuneration and for other executive KMP is 115%.

CEO: Elliott Rusanow



Other executive KMP



When is remuneration earned and received?

Fixed remuneration

100% of fixed remuneration awarded in cash

Variable remuneration

STVR

Performance period (1 year)
70% awarded in cash

30% of total STVR award deferred in the form of performance rights (subject to 3 year service requirement, measured from commencement of year of grant)

Performance measured at the end of year 3 from the commencement of year of grant

LTVR

50% of LTVR award (subject to performance measures) vests at the end of year 3 from commencement of year of grant

50% of LTVR award (subject to performance measures) vests at the end of year 4 from commencement of year of grant

YEAR 1

YEAR 2

YEAR 3

YEAR 4



4 Performance and remuneration outcomes

Five-year performance

The remuneration outcomes for our executive KMP are aligned to short-term and long-term performance outcomes.

The table below shows the Group's core financial performance outcomes and security prices over the last five years together with executive KMP remuneration outcomes.

The business performance outcomes for 2022, 2021 and 2020 reflect the impacts of the COVID-19 pandemic.

		2023	2022	2021	2020	2019
Operating profit ⁽ⁱ⁾	A\$m	1,079.9	1,022.0	845.8	763.4	1,274.7
Operating profit per security ⁽ⁱ⁾	cents	20.83	19.71	16.32	14.71	24.10
Funds from Operations (FFO) ⁽ⁱ⁾	A\$m	1,094.2	1,039.9	862.5	766.1	1,331.9
FFO per security ⁽ⁱ⁾	cents	21.11	20.06	16.64	14.76	25.18
Distribution per security	cents	16.60	15.75	14.25	7.00	22.60
Security price (at 31 December)	A\$	2.99	2.88	3.16	2.78	3.83
Return on contributed equity (ROCE) ⁽ⁱⁱ⁾	%	9.76	9.41	7.87	7.45	12.84
Assets under management (AUM)	A\$b	50.2	51.2	50.4	49.9	56.0
Group's share of AUM	A\$b	34.3	35.0	34.4	34.1	38.2
Profit/(loss) after tax	A\$m	174.9	300.6	887.9	(3,731.8)	1,179.5
Gearing (at 31 December) ⁽ⁱⁱⁱ⁾	%	30.4	27.3	27.5	27.7	33.0
CEO STVR outcome (% of maximum)	%	89.9	92 ^(iv)	65	55	78.2
CEO LTVR outcome (% vesting of maximum) ^(v)	%	70.7	0	0	0	72

(i) Operating profit and FFO are non-IFRS measures derived from profit/(loss) after tax. All adjustments to profit/(loss) are detailed on page 23.

(ii) The ROCE presented in each of the respective years reflects the composition and resulting methodology for measurement of the LTVR hurdle for that particular year.

(iii) Gearing reduction from 2020 includes the impact of subordinated notes issued in that year which are excluded from Debt Covenants.

(iv) Being the CEO portion of Elliott Rusanow's composite STVR outcome for 2022. The 2022 STVR outcome for the former CEO was 91% of maximum STVR.

(v) No LTVRs were granted in 2020. The 2019 LTVR did not vest in 2021 and the 2018 LTVR did not vest in 2020 as performance hurdles were not met. In 2019, the 2017 LTVR vested at 90% of target opportunity and for consistency has been shown as a percentage of maximum LTVR opportunity.

STVR outcomes

For 2023, the Board set a range of financial and non-financial performance measures for the executive KMP.

These measures reflect the four pillars of our responsible business framework, being: community, people, environment and economic performance, and so align with Our Ambition.

Remuneration Report continued

Group scorecard

Measure and commentary	Reason measure selected	Weight	Threshold (0%)	Target (100%)	Maximum (130%) ⁽ⁱ⁾	Result (% STVR maximum)		
Non Financial		35%						
Customer & Community	Grow visitation to 500 million or more	Key measure for successful delivery of our customer focused strategy of having more people, more often, for longer	7.5%	460m	500m	520m	Achieved 512m	6.8%
	Increase customer Net Promoter Score (NPS) to 41 or above	In the absence of a specific dwell time measure, NPS is the best indicator of dwell time	2.5%	39	41	45	Achieved 46	2.5%
Business partners	Increase portfolio occupancy from 98.9% to 99.2%	Primary revenue generating measure for our business	10%	98.6%	99.2%	99.5%	Achieved 99.2%	7.7%
Responsible & sustainable business	Deliver a reduction in future emissions of at least 10% in line with plan to be net zero by 2030	Transition to net zero is a key focus area for many of our securityholders and supports the environmental impact pillar of our Responsible Business Framework	5%	5%	10%	15%	Achieved >15%	5.0%
	Develop and communicate a plan to achieve the 2030 target of at least 90% of waste from operations to be diverted from landfill	The Integrated Environmental Plan forms a key pillar of our long-term focus of being a responsible and sustainable Business	2.5%				Achieved Plan to reduce waste developed, endorsed and communicated	1.9%
People	Deliver an employee experience that results in >85% of our people recommending SCG as a place to work	Supports attraction, retention and motivation of our people to be able to deliver our Ambition. Employee experience provides a competitive difference as it is difficult for other organisations to copy how we treat our people	7.5%	75%	85%	90%	Achieved 91%	7.5%
Financial		65%						
Funds From Operations (FFO)	Deliver FFO as per target of 20.75 cents per security	Primary measure used by securityholders to determine the Group's value	30%	19.37c	20.25c	21.25c	Achieved 21.11c	28.1%
Distribution	Deliver distribution in line with market guidance (target = 16.5 cents)	Key component of securityholder returns	20%	15.25c	16.5c	16.75c	Achieved 16.6c	15.4% ⁽ⁱⁱ⁾
Capital management	Maintain a single A credit rating across three ratings and achieve liquidity in line with policy	Key to the Group retaining access to debt capital markets Liquidity is key to the strategy of reducing' the cost	15%				Achieved Liquidity above policy and single A credit rating maintained (3 out of 3 ratings)	15.0%
Total			100%					89.9%

(i) CEO's maximum STVR opportunity is 130% of fixed remuneration whereas the maximum STVR opportunity for other executive KMP is 125% of fixed remuneration.

(ii) Although the actual result is above target performance the Board has assumed target performance for the purpose of determining the Group scorecard result.



2023 STVR outcomes

Board assessment of 2023 performance

The CEO has 100% of his performance weighted towards Group performance. In addition to the Group scorecard outcome, the Board also took into consideration how the CEO demonstrated our values, behaviours, as well as any identified risks and the overall health of the business. The Board assessment recognised that in his first year as CEO, the CEO's performance was above expectations across all of these factors. However, on balance, the Board determined that the 2023 STVR outcome for the CEO was appropriately reflected by the 2023 Group scorecard outcome with no further adjustment (upwards or downwards) required.

For other executive KMP, 70% of their 2023 STVR was weighted towards Group performance with the remaining 30% weighted towards individual performance. For 2023, each of these executive KMP had individual KPIs that were specific to their area of accountability, which if achieved collectively would drive Group performance.

Although the balance of Group and individual performance does reduce the differentiation in STVR outcomes for other executive KMP, it encourages an enterprise mindset which was considered key for a new leadership team to continue to drive growth for our business in line with our customer strategy.

In determining the STVR outcomes for the other executive KMP, the Board took into account the above target achievement of their individual KPIs as well as the positive impact on the Group's performance of the other executive KMP working effectively together as a leadership team in their first year.

The achieved STVR outcomes for our executive KMP during the year are as follows:

	Maximum STVR \$	Achieved STVR \$	70% Cash component \$	30% Deferred equity \$	Achieved STVR (as a % of maximum STVR)	STVR not achieved (as a % of maximum STVR)
Executive KMP						
Elliott Rusanow	2,340,000	2,103,660	1,472,562	631,098	89.9%	10.1%
Andrew Clarke	1,250,000	1,135,500	794,850	340,650	90.8%	9.2%
Lillian Fadel	1,250,000	1,135,500	794,850	340,650	90.8%	9.2%
John Papagiannis	1,250,000	1,135,500	794,850	340,650	90.8%	9.2%
Maria Stamoulis	906,250	823,238	576,267	246,971	90.8%	9.2%

Remuneration Report continued

LTVR outcomes

(i) 2021 LTVR

The 2021 LTVR reached the end of its three-year performance period in December 2023, vesting in two tranches in December 2023 and December 2024.

Measures	Year 1 – 2021 outcome	Year 2 – 2022 outcome	Year 3 – 2023 outcome	Final weighted vesting outcome (% maximum opportunity) ⁽ⁱ⁾
<p>ROCE (50% weighting)</p> <p>ROCE is an important long-term measure of how the executive leadership team generates returns on securityholder equity through a combination of improving earnings and capital management.</p> <p>Under the 2021 LTVR, the ROCE hurdle was measured in annual periods for 2021, 2022 and 2023 respectively. The final vesting outcome was subject to a minimum gateway hurdle being met.</p> <p>Maximum opportunity is 125% of target LTVR opportunity (62.5% of weighting)</p>	<p>ROCE gateway of >19% growth since 2020 33.7% ROCE growth since 2020 = Met</p>			
	<p>Target 13.13%</p> <p>Result 7.87%</p> <p>Year 1 of the ROCE hurdle did not vest as it did not meet the 2021 ROCE hurdle.</p>	<p>Target 8.45%</p> <p>Result 9.41%</p> <p>Year 2 of the ROCE hurdle vested at 105% of target opportunity.</p>	<p>Target 9.35% – 9.58%</p> <p>Result 9.76%</p> <p>Year 3 of the ROCE hurdle vested at 112.5% of target opportunity.</p>	31.7%
<p>Relative TSR (30% weighting)</p> <p>The relative TSR measure is based on a customised benchmarking index comprising domestic REITs most closely aligned to the Group's business.</p> <p>Under the 2021 LTVR, the relative TSR measure was assessed in annual periods for 2021, 2022 and 2023.</p> <p>Maximum opportunity is 125% of target LTVR opportunity (37.5% of weighting)</p>	<p>The Group's total return was 19.82% relative to the benchmark index total return of 17.79%. Accordingly, year 1 of the relative TSR hurdle qualified for vesting at 112.5% of target opportunity.</p>	<p>The Group's total return was (4.20%) relative to the benchmark index total return of 5.04%. Accordingly, year 2 of the relative TSR hurdle will not vest.</p>	<p>The Group's total return was 10% relative to the benchmark index total return of 4.8%. Accordingly, year 3 of the relative TSR hurdle qualified for vesting at 125% of target opportunity.</p>	19.0%
<p>Strategic (20% weighting)</p> <p>The strategic measure comprised long-term goals that align with Our Plan and Our Ambition including: our customer, retail and business partner strategies, innovation of our Westfield destinations and being a responsible, sustainable business.</p> <p>Under the 2021 LTVR, the strategic measure was assessed at the end of the three-year performance period.</p> <p>Delivering Our Ambition is a key focus, both in the short term and long term. Whilst there is some overlap between the strategic LTVR measures and the non-financial measures within the STVR, each serves a distinct purpose in supporting our growth.</p> <p>The strategic measure in the LTVR focused on driving long term, sustained performance across the key growth metrics whereas the metrics in the STVR focus on delivering consistent, improved performance on an annual basis.</p> <p>Maximum opportunity is 100% of target LTVR opportunity (20% of weighting)</p>	<p>Over the period from 1 January 2021 to 31 December 2023:</p> <ul style="list-style-type: none"> • <i>Customer engagement</i> – Customer visitation has increased by 14.5% and customer NPS has increased by 25%. This is largely attributed to our activation strategy, delivering more than 44,900 centre events during this period and the success of our customer focused strategy of having more people choose to come, more often, for longer. • <i>Business partner engagement</i> – the number of new business partners has continued to consistently increase during this period, creating a strong and diverse demand for space that is aligned with our customer strategy. • <i>Grow our addressable market and access to customers</i> – Westfield membership numbers have more than tripled and the evolution of our customer focused strategic plans has set us up for Asset Management to become a key growth lever going forward. • <i>Reduce emissions</i> – more than 50% of our net zero target already achieved two years ahead of the target date. <p>Based on the Board's assessment of the above results, the strategic hurdle will vest at 100% of maximum LTVR opportunity.</p>			20.0%
Total				70.7%

(i) The average three-year vesting result for the ROCE hurdle was 79.2% of target opportunity or 39.6% out of 50%. The average three-year vesting result for the relative TSR hurdle was 79.2% of target opportunity or 23.8% out of 30%. The overall 2021 LTVR vesting result was 83.3% of target LTVR opportunity or 70.7% of maximum LTVR opportunity.



(ii) 2023 LTVR

As disclosed in the 2022 Annual Financial Report, the following changes were made to the 2023 LTVR:

- removed the strategic measure (10% weighting) and reweighted the ROCE hurdle from 60% to 70%. The weighting for the relative TSR measure remained unchanged at 30%
- removed the additional 25% potential over-target achievement element of the ROCE hurdle component of the LTVR, setting the maximum opportunity for the ROCE hurdle at 100%, whilst retaining the strong weighting towards performance based remuneration.

The performance period for each measure is three years (to be assessed at the end of 2025).

As noted in section 7, the Group does not publish details of the ROCE measure prior to the year in which it will be tested (year three, being 2025) as this would result in the disclosure of commercially sensitive information in connection with the Group's forecast of growth in Operating profit. The level of achievement against the ROCE measure for the 2023 LTVR will be published in the Group's 2025 Annual Financial Report.

However, for the ROCE measure of the 2023 LTVR to qualify for vesting, ROCE of at least 9.22% will need to be achieved in 2025 to qualify for the minimum vesting percentage of 50%. The ROCE hurdle will fail to qualify for any level of vesting if 2025 ROCE is below that level. The 2023 LTVR ROCE target is considered a significant stretch given that it requires more than the highest level of growth in Operating profit the Group has ever achieved in each year of the LTVR period.

Details of the 2023 LTVR are explained in section 7.

Remuneration Report continued

5 2023 remuneration received

The table below sets out the 2023 remuneration received by our executive KMP and relates to the period in which they were KMP.

The table presents:

- Fixed remuneration for 2023.
- Cash STVR: the 2023 cash amount earned and paid under the STVR and attributable to 2023 performance.
- Deferred rights which vested during the year:
 - Deferred STVR: the market value at vesting of the deferred STVR from prior years that vested in 2023. This was satisfied by the delivery of Group securities.
 - Retention award: the market value of the 2020 retention award (Tranche 1) that vested in February 2023.
 - LTVR: the market value of the 2021 LTVR (Tranche 1) that reached the end of its three-year performance period and vested in December 2023.

Accordingly, this table differs from the tables in section 6 (executive KMP statutory remuneration) and section 11 primarily due to differences in the accounting treatment of security-based (deferred) payments, which are described in sections 6 and 11 below.

	Year	Fixed remuneration ⁽ⁱ⁾ \$	Cash STVR \$	Total cash \$	Deferred rights which vested during the year ^{(ii)(iii)(iv)(v)} \$	Total actual remuneration received \$	Deferred LTVR which failed to vest during the year ^{(iii)(iv)} \$
Current executive KMP							
Elliott Rusanow ^(vi)	2023	1,800,000	1,472,562	3,272,562	2,190,149	5,462,711	102,474
	2022	1,275,000	1,190,921	2,465,921	267,644	2,733,565	–
Andrew Clarke ^(vii)	2023	1,000,000	794,850	1,794,850	843,551	2,638,401	37,264
	2022	250,000	203,219	453,219	25,041	478,260	–
Lillian Fadel	2023	1,000,000	794,850	1,794,850	790,048	2,584,898	13,975
John Papagiannis	2023	1,000,000	794,850	1,794,850	1,623,530	3,418,380	69,868
Maria Stamoulis	2023	725,000	576,266	1,301,266	94,689	1,395,955	9,320

(i) For 2023, fixed remuneration is inclusive of \$27,399 of statutory superannuation for all executive KMP. For 2022, fixed remuneration is inclusive of \$23,568 of statutory superannuation for Elliott Rusanow and \$5,892 for Andrew Clarke.

(ii) The value of the deferred STVR/LTVR which vested is calculated using the volume weighted average price (VWAP) of a stapled security over 10 ASX trading days prior to 15 December in the relevant year in which vesting is assessed (\$2.7888). The value of the 2020 retention award (Tranche 1) which vested is calculated using the VWAP of a stapled security over 10 ASX trading days prior to 15 February 2023 (\$3.0261).

(iii) The deferred STVR which vested during the year was the 2021 STVR. For 2022, the deferred STVR which vested was the 2020 STVR. The market value of grant of the deferred component of the 2021 STVR for Elliott Rusanow: \$283,830 (2022: \$350,941), Andrew Clarke: \$99,290 (2022: \$131,336), Lillian Fadel: \$163,849, John Papagiannis: \$229,127 and Maria Stamoulis: \$49,372.

(iv) The LTVR which vested during the year was the first tranche of the 2021 LTVR. For 2022, as LTVR was not granted in 2020 no LTVR vested in 2022. The market value of grant of the first tranche of the 2021 LTVR for Elliott Rusanow: \$525,595, Andrew Clarke: \$191,126, Lillian Fadel: \$71,673, John Papagiannis: \$358,364 and Maria Stamoulis: \$47,778.

(v) The first tranche of the retention awards vested during the year. The market value of grant of the first tranche of the retention award for Elliott Rusanow: \$1,000,001, Andrew Clarke: \$400,001, Lillian Fadel: \$400,001 and John Papagiannis: \$750,001.

(vi) 2022 fixed remuneration and cash STVR for Elliott Rusanow has been prorated to reflect time in the CFO role from 1 January 2022 to 30 September 2022 and time in the CEO role from 1 October 2022 to 31 December 2022.

(vii) 2022 remuneration for Andrew Clarke relates only to his time as executive KMP (1 October 2022 to 31 December 2022).



6 2023 Statutory remuneration for executive KMP

The table below sets out the 2023 statutory remuneration for our executive KMP and includes (under security-based payments) an apportioned accounting value of all performance rights granted under the STVR and LTVR plans prior to or in 2023 as well as the retention awards granted in 2020. The apportionment represents the proportion of grants that are attributable to the relevant executive's service in 2023. The fair value of the STVR and 2020 retention awards has been calculated using the Black Scholes pricing method. This method has also been used to calculate the fair value of the ROCE and strategic measure components of the LTVR. The fair value of the relative TSR component of the LTVR has been calculated using a Monte Carlo simulation. Further details of the accounting treatment of awards are set out in Note 30 to the financial statements. The STVR, LTVR and 2020 retention awards held by the executive KMP as at 31 December 2023 are set out in section 11.

	Year	Short term benefits				Security based payments ⁽ⁱⁱ⁾			Total remuneration
		Base salary	Cash STVR	Other short term benefits ⁽ⁱ⁾	Super-annuation	Equity	Other long-term benefits	Termination benefits	
		\$	\$	\$	\$	\$	\$	\$	\$
Executive KMP									
Elliott Rusanow ⁽ⁱⁱⁱ⁾	2023	1,772,601	1,472,562	113,192	27,399	2,081,097 ^(vi)	–	–	5,466,851
	2022	1,251,432	1,190,921	12,436	23,568	1,408,340	–	–	3,886,697
Andrew Clarke ^(iv)	2023	972,601	794,850	28,269	27,399	857,472 ^(vi)	–	–	2,680,591
	2022	244,108	203,219	9,038	5,892	135,932	–	–	598,189
Lillian Fadel	2023	972,601	794,850	51,346	27,399	793,118 ^(vi)	–	–	2,639,314
John Papagiannis	2023	972,601	794,850	(75,577)	27,399	1,148,269 ^(vi)	–	–	2,867,542
Maria Stamoulis	2023	697,601	576,266	56,745	27,399	442,352 ^(vi)	–	–	1,800,364
Former executive KMP									
Peter Allen ^(v)	2022	1,482,324	1,439,550	–	17,676	6,553,669	–	2,000,000	11,493,219

(i) Comprising accrued annual leave and long service leave entitlements.

(ii) Refer to the tables at section 11 for details of equity awards held by executive KMP under the STVR and LTVR plans and 2020 retention awards.

(iii) 2022 remuneration for Elliott Rusanow has been prorated to reflect time in the CFO role from 1 January 2022 to 30 September 2022 and time in the CEO role from 1 October 2022 to 31 December 2022.

(iv) Andrew Clarke was appointed to the CFO role on 1 October 2022 and 2022 remuneration reflects time as KMP.

(v) Peter Allen stepped down as CEO on 30 September 2022 and retired from the Group on 30 September 2023. His remuneration reflects his time as executive KMP (1 January 2022 to 30 September 2022). The amortisation of all his performance rights was accelerated for accounting purposes in the 2022 financial year as a result of his retirement. This means that additional accounting expense for each unvested award that would have ordinarily been included in future year disclosures has been reflected in security based payments. Any unvested awards that remain on foot are subject to the original performance conditions and will be tested at the relevant testing date. In accordance with his contractual arrangements, he received a termination benefit, being a payment equivalent to 12 months fixed remuneration of \$2,000,000 on his retirement (severance). The disclosed cash STVR includes nine months remuneration for the period Peter Allen was executive KMP. A further \$350,000 (not included in the above table but was expensed in 2022) was paid to Peter Allen in February 2023 being the cash portion of his 2022 STVR for the period of his employment from 1 October 2022 to 31 December 2022 in which he was not executive KMP. While employed by the Group in a role that was not executive KMP, Peter Allen continued to receive fixed remuneration of \$2,000,000 per annum which is in addition to the amounts disclosed in the above table and has been expensed in 2022.

(vi) Includes: (i) deferred equity under the STVR for all periods up to and including 2023; and (ii) the apportioned value for unvested retention awards granted in 2020 and LTVR granted in 2023, 2022 and 2021, which excludes the ROCE and relative TSR components of LTVR which did not vest.

Remuneration Report continued

7 2023 STVR and LTVR plans

The Group's Performance Rights Plan (PRP) governs the grants of awards of deferred equity under the STVR and LTVR plans, as well as the retention awards granted in 2020.

Having a common set of rules enables the grant of deferred equity under those plans to be administered on a consistent basis across participating executives.

(a) STVR plan

Element	Description
What is the purpose of the STVR plan?	To reward the achievement of Board-approved financial and non-financial measures that align to the Group's strategy and reflect the four pillars of our responsible business framework: community, people, environment and economic performance and so align with Our Ambition.
How is the STVR delivered?	Delivered through a combination of cash and performance rights. 70% of the achieved STVR is paid in cash following the end of the year of grant and 30% of the achieved STVR is delivered as performance rights which (subject to service requirements) vest at the end of year three after the grant date (being two years after the end of the year of grant).
What are the performance measures for the 2023 STVR?	<p>As detailed above in section 4, the Board set a range of financial and non-financial performance measures for the executive KMP which are considered stretching but achievable. These measures reflect the four pillars of our responsible business framework.</p> <p>For the CEO, the percentage allocation to financial measures is 65%, with 35% weighted towards strategically aligned non-financial measures. 100% of the CEOs STVR is weighted towards Group performance.</p> <p>For other executive KMP, 70% of their STVR is weighted towards Group performance and 30% is weighted towards individual performance.</p>
What is the maximum STVR opportunity as a percentage of fixed remuneration?	<ul style="list-style-type: none"> • Elliott Rusanow, CEO: 130% • Other executive KMP: 125%
Are distributions paid on unvested deferred STVR?	No. Distributions are not paid on unvested deferred STVR awards. For any performance rights that vest at the end of the deferral period, a cash payment equivalent to the distributions paid by the Group during the period from the grant of the performance rights and the distribution period in which the rights vest will be made at the time of vesting, subject to applicable taxation.
How is Board discretion applied?	<p>The Board has an overriding discretion to adjust its performance assessments to reflect circumstances, events and outcomes which it considers relevant to performance.</p> <p>Selected performance measures and formulaic calculations may not provide the right remuneration outcome in every situation, leading to occasions where the formulaic outcome does not reflect true performance and overall contributions of the executive or appropriately reflect securityholder outcomes. It is at this point that discretion becomes necessary, such that the Board can adjust outcomes up or down as warranted.</p>

(b) LTVR plan

Element	Description
What is the purpose of the LTVR plan?	To ensure a strong link to the long-term performance of the Group, the creation of securityholder value and to act as a retention tool.
How is the LTVR delivered?	Delivered as performance rights that vest in tranches (50% at the end of year 3 and 50% at the end of year 4 (with year 1 being the end of the year of grant)) if performance hurdles and service requirements are achieved.

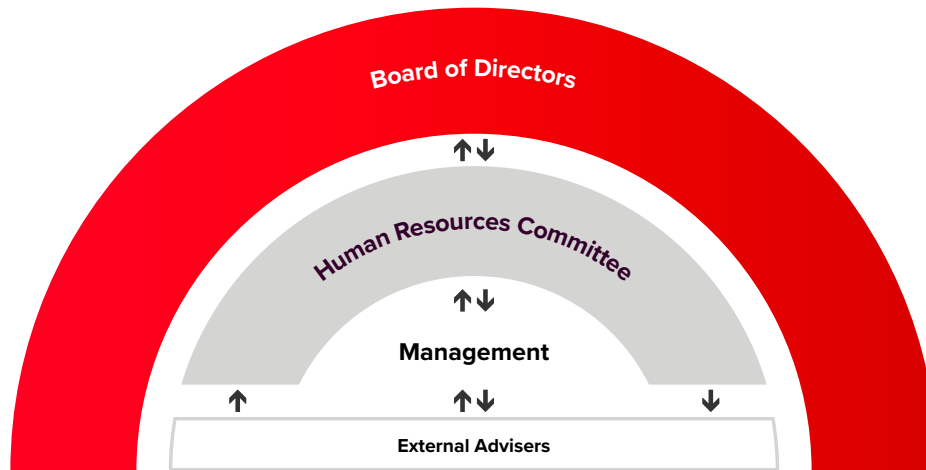


Element	Description										
What is the LTVR opportunity at grant as a percentage of fixed remuneration?	<ul style="list-style-type: none"> • CEO: 175% • Other executive KMP: 115% 										
What are the performance measures for the 2023 LTVR?	<p>For 2023 the hurdles were:</p> <ol style="list-style-type: none"> 1. ROCE (70% weighting) 2. Relative TSR (30% weighting) 										
What is the performance period?	For the 2023 LTVR each of the performance measures will be assessed at the end of a three-year performance period (at the end of 2025).										
Why was ROCE chosen and how is it assessed?,	<p>ROCE is a key metric in measuring returns on securityholder equity.</p> <p>The Group's ROCE is a two-factor measure which combines: (i) the Group's profitability for the relevant financial year; and (ii) the contributed equity base, representing the capital provided by securityholders. As a result, the ROCE hurdle measures both the Group's profitability performance and also capital management of the Group's equity base, both of which are aligned with securityholders' interests.</p> <p>ROCE is calculated by applying Operating profit for the relevant financial year as a percentage of the Group's weighted average contributed equity (including retained Operating profit not distributed to securityholders) during the year.</p> <p>The Group does not publish details of the ROCE hurdle prior to the year in which it is tested (year 3) as this would result in the disclosure of commercially sensitive information in connection with the Group's forecast of growth in Operating profit.</p> <p>However, for the ROCE measure of the 2023 LTVR to qualify for vesting, in 2025 ROCE of at least 9.22% will need to be achieved to qualify for the minimum vesting percentage of 50%. The ROCE hurdle will fail to qualify for any level of vesting if ROCE in 2025 is below that level.</p> <p>The ROCE hurdle will be achieved at 100% if the ROCE target is met or (from 2023) exceeded.</p>										
Why was relative TSR chosen and how is it assessed?	<p>The relative TSR measure is based on a customised benchmarking index (Index) comprising domestic REITs most closely aligned to the Group's business with weightings based on the relative market capitalisation of the retail REIT peer group as at the commencement of the measurement period. The members of the retail REIT peer group are Vicinity, Region Group, Charter Hall Retail REIT and HomeCo Daily Needs REIT. Also included in the Index are GPT and Dexus at weightings of 10% each.</p> <p>The measure will compare the Group's performance relative to the Index. The Board considers this measure as appropriate as LTVR awards will only fully vest where the Group's TSR performance is competitive with those generated by the comparator group over the performance period.</p> <p>A graduated scale of vesting applies in respect of the 2023 LTVR relative to the Group's performance against the Index:</p> <table border="1"> <thead> <tr> <th>Performance vs Benchmarking Index</th> <th>Proportion vesting</th> </tr> </thead> <tbody> <tr> <td>At or more than 6% above Index</td> <td>100%</td> </tr> <tr> <td>>Index and <6% above Index</td> <td>Linear scale up to 99.9%</td> </tr> <tr> <td>Equal to Index</td> <td>50%</td> </tr> <tr> <td>Less than Index</td> <td>0%</td> </tr> </tbody> </table>	Performance vs Benchmarking Index	Proportion vesting	At or more than 6% above Index	100%	>Index and <6% above Index	Linear scale up to 99.9%	Equal to Index	50%	Less than Index	0%
Performance vs Benchmarking Index	Proportion vesting										
At or more than 6% above Index	100%										
>Index and <6% above Index	Linear scale up to 99.9%										
Equal to Index	50%										
Less than Index	0%										
Are distributions paid on unvested LTVR awards?	No. Distributions are not paid on unvested LTVR awards. For any performance rights that ultimately vest at the end of the performance period, a cash payment equivalent to the distributions paid by the Group during the period from the grant of the performance rights and the distribution period in which the rights vest will be made at the time of vesting, subject to applicable taxation.										
Can the LTVR hurdles be adjusted?	Yes. The Board reserves the right to adjust performance hurdles under the LTVR plan to reflect the impact of any capital transaction occurring during the performance period (for example: a significant equity issue, a buy-back of securities, or the sale or joint venture of a material part of the portfolio).										

Remuneration Report continued

8 Remuneration governance framework

Our governance framework is described below.



Board of Directors

Responsible for setting, making decisions and overseeing the implementation of the remuneration policy.

Human Resources Committee

Assists the Board by overseeing human resources policies and remuneration practices to ensure executives are rewarded fairly and responsibly having regard to the performance of Scentre Group.

The Committee is responsible for oversight of, and where appropriate, makes recommendations to the Board on:

- Human resources strategies and practices generally, including executive remuneration policies and practices.
- Remuneration packages for the executive KMP. The Committee also reviews the CEO's recommendations on the remuneration packages for the executive leadership team.
- The Group's equity-linked performance rights plans.
- Succession planning, capability and talent development for the executive leadership team.
- Policies that promote and support equal opportunity, diversity and inclusion within the Group.
- Termination entitlements of executive KMP.
- Fees for non-executive Directors.

As part of the annual assessment of performance, the views of the Chair of the Audit and Risk Committee are taken into account in relation to any risk matters when determining remuneration recommendations for executive KMP.

During the year, membership of the Committee comprised independent non-executive Directors: Ilana Atlas (Chair), Guy Russo and Margaret Seale. Andrew Harnos retired from the Board on 5 April 2023.

Management

Makes recommendations to the Committee regarding the Group's remuneration and human resources policies and framework.

External Advisers

The Committee is authorised to utilise the services of specialist human resources and remuneration consultants to provide advice regarding:

- Senior executive remuneration levels.
- Market trends and benchmarking.
- Human resources policies.
- Succession planning for the Board and senior management.
- Learning and organisational development.

Protocols have also been established for the engagement of remuneration consultants and the provision of remuneration recommendations free of undue influence from management.

During the year, the Committee utilised the services of advisers to obtain information on market trends and benchmarking.

No remuneration recommendations were made during the financial year.



(a) Minimum securityholding

Our executive KMP and non-executive Directors are required to maintain a minimum holding of securities.

Executive KMP are required to maintain a minimum holding of securities that is equal to one year of their fixed remuneration (before tax). New executive KMP have three years to meet the requirement from the date of appointment. Performance rights are not included in the calculation of the minimum holding of securities.

To underpin the alignment of Directors and securityholders, non-executive Directors are required to maintain a minimum holding of securities equal to one year's base board fees. New non-executive Directors have three years from the date of appointment to meet this requirement.

All non-executive Directors and executive KMP are on track to meet or have met the requirement based on the relevant security price at the date of introduction of the policy or subsequent acquisition.

Details of non-executive Director and executive KMP securityholdings are set out below.

2023 Non-executive Director securityholdings

	Securities held at beginning of financial year	Other net changes to securities ⁽ⁱ⁾	Securities held at end of financial year	Minimum security-holding
Non-executive Directors				
Ilana Atlas	80,856	50,000	130,856	On Track 1 Oct 26
Catherine Brenner	100,000	–	100,000	Met
Michael Ihlein	48,048	–	48,048	Met
Carolyn Kay	57,000	–	57,000	Met
Stephen McCann	0	100,000	100,000	Met
Guy Russo	145,000	–	145,000	Met
Margaret Seale	56,750	–	56,750	Met
Michael Wilkins	100,000	25,000	125,000	Met
Former non-executive Directors				
Brian Schwartz (retired 30 September 2023)	165,861		N/A	N/A
Andrew Harnos (retired 5 April 2023)	127,897		N/A	N/A

(i) On-market acquisition of securities.

2023 Executive KMP securityholdings

	Securities held at beginning of financial year	Securities received during the financial year ⁽ⁱ⁾	Other net changes to securities	Securities held at end of financial year	Minimum security-holding
Executive KMP					
Elliott Rusanow	562,183	745,936	–	1,308,119	Met
Andrew Clarke	179,871	286,718	–	466,589	Met
Lillian Fadel	166,132	267,533	–	433,665	Met
John Papagiannis	1,484,176	552,610	–	2,036,786	Met
Maria Stamoulis	74,234	33,953	–	108,187	On Track 1 Jan 26

(i) Securities received on vesting of performance rights.

Remuneration Report continued

(b) Approval of CEO's grant of equity-based performance rights under the STVR and LTVR

The Group is not required to seek securityholder approval to the grant of performance rights to the CEO as the Group does not issue new securities but settles the rights by the transfer of securities that have been acquired on-market. However, the Board has determined to seek securityholder approval to the grant of performance rights to be satisfied by the transfer (not issue) of securities. The proposed grant of the 2024 performance rights to the CEO will be sought at the AGM on 4 April 2024.

(c) Clawback, malus and other governance provisions

The PRP plan contains provisions for the lapsing of unvested rights in several circumstances including if an executive engages in any act or omission constituting serious misconduct or where the Group forms the opinion, based on reasonable grounds, that the executive has committed any fraud, dishonesty or defalcation in relation to the Group or where the executive engages in other conduct which in the reasonable opinion of the Group will prejudice or injure the reputation of the executive or the reputation or business of any Group member.

Performance rights do not vest automatically because of a control transaction or a corporate restructuring. In relation to control transactions, the Board retains the discretion to accelerate the vesting date for rights issued under the plans in such circumstances.

Participants in the plans are prohibited from entering into hedging arrangements in respect of unvested rights (or rights the subject of a holding lock) in any plan.

(d) Consequence management

Our Code of Conduct and our DNA guide the way that our employees are expected to conduct themselves on a day-to-day basis and there are consequences for anyone who fails to meet these standards. Consequences include requirements to undergo further training, adjustments to performance-based remuneration, impact on promotion, formal warnings and termination. In 2023, there were 39 employee-related substantiated incidents that resulted in formal consequences. In summary:

- for 16 matters, termination was the outcome
- for 6 matters, the employees exited the business prior to the breach being identified or during the course of the investigation
- for 14 matters, there were 12 written warnings and two verbal warnings
- two related matters resulted in formal counselling for each of the employees
- one matter resulted in the conclusion of the employee's fixed-term contract.

There were also 16 third-party contractor related matters which were resolved with appropriate outcomes as advised to Scentre Group management.

We also have a Supplier Code of Conduct through which we seek to encourage and, where appropriate, mandate requirements to help us and our suppliers in conducting business in a safe, accountable and equitable manner. How we deal with matters raised with us in connection with our suppliers and their employees will be addressed in our 2023 Modern Slavery Statement to be released in March 2024.



9 Executive KMP service agreements

The key terms of the service agreements for our executive KMP are summarised below. The service agreements are not fixed term, but may be terminated on notice by either the employer or the executive KMP.

	CEO and CFO	Other executive KMP
Termination by Group (other than for cause)	12 months	12 months
Notice by the executive	12 months	6 months

The Group may elect to pay the executive KMP in lieu of working out some or all of their notice period whilst retaining a restriction on working for a competitor for the term of the notice period.

In the event the CEO's service agreement is terminated, the CEO will be subject to non-solicitation and non-compete restraints of:

- 24 months: in the event of retirement
- 12 months: in the event of resignation (other than retirement), and any termination by the Group (other than redundancy) reduced to the extent of any garden leave.

Set out below is a summary of the treatment of the STVR/LTVR awards on an executive KMP leaving the Group's employment. Accrued statutory entitlements will be paid on termination.

Event	Treatment of STVR (cash)	Treatment of STVR and LTVR ⁽ⁱ⁾ (deferred equity)
Resignation and termination for cause	Payment of a pro rata bonus for the relevant year may be considered for resignation	All unvested entitlements under the Group's performance rights plan will lapse
Redundancy or termination by the Group (other than for cause)	Pro rata performance bonus to the date of termination	All unvested performance rights will lapse if redundancy or termination occurs within six months of the grant date. If redundancy or termination occurs within one year prior to the end of the performance period all unvested performance rights will vest. Otherwise, performance rights will vest on a pro rata basis with reference to the period the participant ceases to be an executive and the end of the performance period
Death or permanent disability	Pro rata performance bonus	Full vesting of outstanding performance rights
Retirement⁽ⁱⁱ⁾	Pro rata performance bonus	Participants will continue in the plans until the date of vesting in respect of performance rights granted at least six months prior to the date of retirement If continued participation is not permitted under the terms of the plan, the participant is entitled to a cash payment from the Group equivalent to the amount that would have been received had the participant been permitted to continue in the plan

(i) Excluding any rights or awards that have lapsed because of a failure to meet a performance hurdle.

(ii) Where an executive has reached the age of 55 years or the aggregate of the age of the participant and the number of years in service is equal to or greater than 70 and, in each case, the executive has at least five years continuous service. As permitted by law, the Group imposes a requirement that, following retirement, the executive complies with certain continuing non-compete obligations which, if not satisfied, will result in forfeiture of all unvested rights.

Remuneration Report continued

10 Non-executive Director arrangements

Non-executive Director fees

Non-executive Directors receive a base fee for being a Director of the Board, and additional fees for either chairing or being a member of a Board Committee. The fees are inclusive of superannuation guarantee contributions. No other bonuses or benefits are paid either during the tenure of a non-executive Director or on retirement. Non-executive Directors do not participate in the Group's STVR or LTVR plans.

The remuneration of non-executive Directors is determined by the Board (within a total limit set by securityholders) acting on recommendations made by the Human Resources Committee.

In making recommendations to the Board, the Human Resources Committee considers independent advice on trends in non-executive Director remuneration.

The current maximum aggregate fee pool for non-executive Directors is \$3.5 million. There has been no change to the fee pool since the Group was established. The annual total of non-executive Director fees is within this limit.

Non-executive Director fees were last increased in January 2018 with the exception of the fees for the Human Resources Committee which were last increased in January 2019.

The Chair of the Board is also the Chair of the Nomination Committee and does not receive additional fees for this role.

Board fees	Chair	Non-executive Director
Board	\$717,500	\$210,125
Committee Fees	Chair	Committee member
Audit and Risk Committee	\$60,000	\$40,000
Human Resources Committee	\$60,000	\$40,000
Nomination Committee ⁽ⁱ⁾	\$15,000	\$10,000

(i) For 2023, all Directors were members of the Nomination Committee with no fees payable to members during the year. From 20 February 2024, the Nomination Committee will comprise of Ilana Atlas (Chair), Catherine Brenner, Stephen McCann and Guy Russo and the member fee will be payable from that date.



2023 Statutory remuneration for non-executive Directors

The table below sets out the statutory remuneration of the non-executive Directors for 2023.

	Year	Board fees \$	Committee fees \$	Super- annuation ⁽ⁱⁱⁱ⁾ \$	Total remuneration \$
Non-Executive Directors					
Ilana Atlas ⁽ⁱ⁾	2023	313,866	41,915	26,188	381,969
	2022	191,278	50,705	24,430	266,413
Catherine Brenner (appointed 1 March 2022) ⁽ⁱⁱ⁾	2023	193,201	36,778	20,146	250,125
	2022	159,602	21,146	18,599	199,347
Michael Ihlein	2023	199,469	56,957	13,699	270,125
	2022	205,277	62,464	6,323	274,064
Carolyn Kay	2023	198,616	37,810	13,699	250,125
	2022	199,501	37,978	12,646	250,125
Stephen McCann (appointed 1 November 2022) ⁽ⁱⁱ⁾	2023	189,730	–	20,395	210,125
	2022	31,693	–	3,328	35,021
Guy Russo	2023	189,730	36,118	24,277	250,125
	2022	191,428	21,156	21,783	234,367
Margaret Seale	2023	189,730	36,118	24,277	250,125
	2022	190,553	36,274	23,298	250,125
Michael Wilkins	2023	210,125	40,000	–	250,125
	2022	205,111	39,045	5,969	250,125
Former Non-Executive Directors					
Brian Schwartz (retired 30 September 2023)	2023	518,629	–	19,496	538,125
	2022	693,070	–	24,430	717,500
Andrew Harnos (retired 5 April 2023)	2023	49,917	9,502	6,239	65,658
	2022	191,208	47,773	23,644	262,625

(i) Ilana Atlas was a member of the Board for all of 2023 and was appointed Chair from 1 October 2023.

(ii) The 2022 fees for Catherine Brenner and Stephen McCann have been prorated accordingly.

(iii) Catherine Brenner, Michael Ihlein, Carolyn Kay and Michael Wilkins requested and were issued a Superannuation Guarantee shortfall exemption certificate for all or part of 2023. A cash payment was made in lieu of the superannuation contributions that would have ordinarily been payable.

Remuneration Report continued

11 Equity awards held by executive KMP

The following tables set out the STVR, LTVR and retention awards held by the executive KMP as at 31 December 2023. Calculation of the fair value of the awards is explained in section 7.

(a) STVR plan

	Effective date of grant ⁽ⁱ⁾	No. granted	Fair value at grant \$	Market value of grant ⁽ⁱⁱ⁾ \$	Vesting date	% Vested	Market value as at 31 December 2023 ⁽ⁱⁱⁱ⁾ \$
Executive KMP							
Elliott Rusanow	1 Jan 2021	99,196	246,006	283,830	15 Dec 2023	100%	N/A
	1 Jan 2022	99,672	266,124	306,900	16 Dec 2024	–	298,019
	1 Jan 2023	174,042	438,586	510,396	15 Dec 2025	–	520,386
Total		372,910	950,716	1,101,126			
Andrew Clarke	1 Jan 2021 ^(iv)	34,701	86,058	99,290	15 Dec 2023	100%	N/A
	1 Jan 2022 ^(iv)	32,152	85,846	98,999	16 Dec 2024	–	96,134
	1 Jan 2023	94,913	239,181	278,342	15 Dec 2025	–	283,790
Total		161,766	411,085	476,631			
Lillian Fadel	1 Jan 2021 ^(iv)	57,264	142,015	163,849	15 Dec 2023	100%	N/A
	1 Jan 2022 ^(iv)	56,510	150,882	174,000	16 Dec 2024	–	168,965
	1 Jan 2023	96,237	242,517	282,225	15 Dec 2025	–	287,749
Total		210,011	535,414	620,074			
John Papagiannis	1 Jan 2021 ^(iv)	80,078	198,593	229,127	15 Dec 2023	100%	N/A
	1 Jan 2022 ^(iv)	76,727	204,861	236,250	16 Dec 2024	–	229,414
	1 Jan 2023	104,856	264,237	307,501	15 Dec 2025	–	313,519
Total		261,661	667,691	772,878			
Maria Stamoulis	1 Jan 2021 ^(iv)	17,255	42,792	49,372	15 Dec 2023	100%	N/A
	1 Jan 2023	54,625	137,655	160,193	15 Dec 2025	–	163,329
Total		71,880	180,447	209,565			

(i) The invitation to participate in the STVR plan is issued to KMPs in May / June of the respective year of grant.

(ii) The market value of grant is based on the volume weighted average price of a stapled security over 10 ASX trading days prior to 15 December in the relevant year in which vesting is assessed.

(iii) The market value as at 31 December 2023 is based on the closing price of Scentre Group securities on that day of \$2.99. Values are not included for rights that vested on 15 December 2023 as these were no longer on issue at 31 December.

(iv) These awards were granted to Andrew Clarke, Lillian Fadel, John Papagiannis and Maria Stamoulis in respect of their roles prior to becoming a KMP. The 2022 STVR for Maria Stamoulis was paid as 100% cash in line with the arrangements for General Managers at the time.



(b) LTVR plan

	Effective date of grant ⁽ⁱ⁾	No. granted	Fair value at grant \$	Market value of grant ⁽ⁱⁱ⁾ \$	Vesting date	% Vested (Max opportunity)	Market value as at 31 December 2023 ⁽ⁱⁱⁱ⁾ \$	
Executive KMP								
Elliott Rusanow	1 Jan 2021	220,436	508,325	630,734	15 Dec 2023	70.7%	N/A	
		229,840	512,314	657,641	15 Dec 2024	–	687,222	
	1 Jan 2022	246,501	578,292	759,001	16 Dec 2024	–	737,038	
		246,500	553,886	758,998	15 Dec 2025	–	737,035	
	1 Jan 2023	537,066	1,155,229	1,575,000	15 Dec 2025	–	1,605,827	
		537,066	1,086,484	1,575,000	15 Dec 2026	–	1,605,827	
Total		2,017,409	4,394,530	5,956,374				
Andrew Clarke	1 Jan 2021 ^(iv)	80,159	184,846	229,359	15 Dec 2023	70.7%	N/A	
		83,578	186,296	239,142	15 Dec 2024	–	249,898	
	1 Jan 2022 ^(iv)	97,431	228,573	300,000	16 Dec 2024	–	291,319	
		97,431	218,927	300,000	15 Dec 2025	–	291,319	
	1 Oct 2022 ^(v)	22,328	52,382	68,750	16 Dec 2024	–	66,761	
		22,328	50,170	68,750	15 Dec 2025	–	66,761	
	1 Jan 2023	196,072	421,750	575,001	15 Dec 2025	–	586,255	
		196,071	396,652	574,998	15 Dec 2026	–	586,252	
	Total		795,398	1,739,596	2,356,000			
	Lillian Fadel	1 Jan 2021 ^(iv)	30,060	69,318	86,011	15 Dec 2023	70.7%	N/A
31,342			69,861	89,679	15 Dec 2024	–	93,713	
1 Jan 2022 ^(iv)		97,431	228,573	300,000	16 Dec 2024	–	291,319	
		97,431	218,928	300,000	15 Dec 2025	–	291,319	
1 Jan 2023		196,072	421,750	575,001	15 Dec 2025	–	586,255	
		196,071	396,652	574,998	15 Dec 2026	–	586,252	
Total			648,407	1,405,082	1,925,689			
John Papagiannis		1 Jan 2021 ^(iv)	150,298	346,587	430,048	15 Dec 2023	70.7%	N/A
	156,709		349,305	448,391	15 Dec 2024	–	468,560	
	1 Jan 2022 ^(iv)	138,028	323,814	425,002	16 Dec 2024	–	412,704	
		138,027	310,146	424,999	15 Dec 2025	–	412,701	
	1 Jan 2023	196,072	421,750	575,001	15 Dec 2025	–	586,255	
		196,071	396,652	574,998	15 Dec 2026	–	586,252	
	Total		975,205	2,148,254	2,878,439			
Maria Stamoulis	1 Jan 2021 ^(iv)	20,040	46,212	57,340	15 Dec 2023	70.7%	N/A	
		20,894	46,573	59,784	15 Dec 2024	–	62,473	
	1 Jan 2022 ^(iv)	86,529	202,997	250,000	16 Dec 2024	–	258,722	
		86,529	194,431	250,000	15 Dec 2025	–	258,722	
	1 Jan 2023	142,152	305,770	416,875	15 Dec 2025	–	425,034	
		142,152	287,574	416,875	15 Dec 2026	–	425,034	
Total		498,296	1,083,557	1,450,874				

(i) The invitation to participate in the LTVR plan is issued to KMPs in May / June of the respective year of grant.

(ii) The market value of grant is based on the VWAP of a stapled security over 10 ASX trading days prior to 15 December.

(iii) The market value as at 31 December 2023 is based on the closing price of Scentre Group securities of \$2.99 calculated by reference to the number of rights granted. These have not been adjusted for the 2022 LTVR outcomes for ROCE nor for the 2022 relative TSR outcomes.

(iv) These awards were granted to Andrew Clarke, Lillian Fadel, John Papagiannis and Maria Stamoulis in respect of their roles prior to becoming a KMP.

(v) This award was granted to Andrew Clarke in June 2023 in respect of the three-month period that he was CFO in 2022 (1 October 2022 to 31 December 2022). Consistent with the approach for determining the CEO's 2022 LTVR, a decision was made in 2023 that Andrew Clarke's 2022 LTVR should have been prorated for the nine-month period that he held the Director, Finance and Capital Markets role (market value of \$450,000) and for the three-month period that he held the CFO role (market value of \$287,500). This means that the total 2022 LTVR for Andrew Clarke has a market value of \$737,500, resulting in an additional LTVR grant of 44,656 performance rights with a market value of \$137,500.

Remuneration Report continued

(c) 2020 Retention awards

	Effective date of grant	No. granted	Fair value at grant \$	Market value of grant ⁽ⁱ⁾ \$	Vesting date ⁽ⁱⁱ⁾	% Vested ⁽ⁱⁱⁱ⁾	Market value as at 31 December 2023 ^(iv) \$
Executive KMP							
Elliott Rusanow	1 Sep 2020	463,049	847,380	1,000,001	15 Feb 2023	100%	N/A
		463,048	796,443	999,998	15 Feb 2024	100%	1,384,514
Total		926,097	1,643,823	1,999,999			
Andrew Clarke	1 Sep 2020 ^(v)	185,220	338,953	400,001	15 Feb 2023	100%	N/A
		185,219	318,577	399,999	15 Feb 2024	100%	553,805
Total		370,439	657,530	800,000			
Lillian Fadel	1 Sep 2020 ^(v)	185,220	338,953	400,001	15 Feb 2023	100%	N/A
		185,219	318,577	399,999	15 Feb 2024	100%	553,805
Total		370,439	657,530	800,000			
John Papagiannis	1 Sep 2020 ^(v)	347,287	635,535	750,001	15 Feb 2023	100%	N/A
		347,286	597,332	749,999	15 Feb 2024	100%	1,038,385
Total		694,573	1,232,867	1,500,000			

(i) The market value of grant is based on the volume weighted average price of a stapled security over five ASX trading days ended 1 September 2020.

(ii) The retention period is from 1 September 2020 (grant date) to 15 February 2023 (Tranche 1) and 15 February 2024 (Tranche 2).

(iii) Tranche 2 of the retention awards vested on 15 February 2024. On vesting, 463,048 securities were delivered to the Elliott Rusanow, 185,219 securities to Andrew Clarke, 185,219 securities to Lillian Fadel and 347,286 securities to John Papagiannis.

(iv) The market value as at 31 December 2023 is based on the closing price of Scentre Group securities on that day of \$2.99.

(v) This award was granted to Andrew Clarke, Lillian Fadel and John Papagiannis in respect of their roles prior to becoming a KMP.



DIRECTORS' REPORT

General information

Other information

The following information, contained in other sections of this Annual Report, forms part of this Directors' Report including the Group's operational and financial review:

- 5-Year results overview, page 4
- Our highlights, pages 4–5
- Our strategy, pages 10–21.

The principal activities of the Group are the ownership, management, leasing and development of 42 Westfield destinations in Australia and New Zealand. There have been no significant changes to those activities during the year.

Dividends/distributions

On 28 February 2023 a distribution of 8.25 cents per security was paid to members in respect of the six month period to 31 December 2022. This comprised an aggregate distribution from Scentre Group Trust 1, Scentre Group Trust 2 and a dividend from Scentre Group Limited.

On 31 August 2023 a distribution of 8.25 cents per security was paid to members in respect of the six-month period to 30 June 2023. This comprised an aggregate distribution from Scentre Group Trust 1 and Scentre Group Trust 2.

On 5 December 2023 the Group announced that a distribution reinvestment plan (DRP) will be in operation for the six-month period ended 31 December 2023, which is payable on 29 February 2024. An election to participate in the DRP must be received by 5.00pm (AEDT) on 21 February 2024. Securities issued under the DRP will rank equally with existing securities on issue.

On 29 February 2024 a distribution of 8.35 cents per security will be paid to members in respect of the six-month period to 31 December 2023. This comprises an aggregate distribution from Scentre Group Trust 1, Scentre Group Trust 2, Scentre Group Trust 3 and a dividend from Scentre Group Limited. The breakdown of the component parts of the distribution are set out in Note 9 of the Financial Statements and in summary form on page 131 of this Annual Financial Report.

Matters subsequent to the year end

No event has occurred since the end of the year which would significantly affect the operations of the Group.

Environmental regulation

Environmental laws and regulations in force in the various jurisdictions in which we operate are applicable to areas of our operations and in particular to our development, construction and shopping centre management activities.

We have in place procedures to identify and comply with such requirements including complying with the conditions of relevant authority consents and approvals and obtaining any necessary licences. Our compliance procedures are regularly reviewed and audited and their application closely monitored and our approach to sustainability risks is outlined on page 29.

ASX listing

ASX reserves the right (but without limiting its absolute discretion) to remove Scentre Group Limited, Scentre Group Trust 1, 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.

Synchronisation of financial year

Carindale Property Trust is a consolidated entity of the Company and has a financial year ending on 30 June. By an order dated 27 June 2005 made by the Australian Securities and Investments Commission, the Directors of the Company have been relieved from compliance with the requirement to ensure that the financial year of Carindale Property Trust coincides with the financial year of the Company.

Rounding

The Company 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.

This report is made 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

21 February 2024

Independent Auditor's Report

To the members of Scentre Group Limited



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Report on the audit of the financial report

Opinion

We have audited the financial report of Scentre Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.



1. Shopping centre investment property portfolio – carrying values and revaluations

Why significant

As disclosed in Note 2 of the financial report, the Group holds economic interests in shopping centre investment properties which are carried at a fair value of \$34.3 billion at 31 December 2023. These include shopping centres recorded directly in the consolidated balance sheet as investment properties and indirectly through equity accounted investments. Collectively, they represent 96% of total assets.

Fair values were determined by the Group at the end of the reporting period with reference to the latest external independent property valuations and market conditions existing at the reporting date. Changes in fair value are recognised in the income statement.

We considered this to be a key audit matter as property valuations are based on certain assumptions, such as capitalisation rates, market rent, occupancy levels, re-leasing and capital expenditure, which are judgmental in nature. Minor changes in certain assumptions can lead to significant changes in the valuation.

We draw attention to Notes 4 and 5 of the financial report which discloses the accounting policy for these assets and sensitivities to changes in the key assumptions that may impact these valuations.

How our audit addressed the key audit matter

Our audit procedures included the following for both properties held directly and through equity accounted investments:

- We discussed the following matters with management:
 - Movements in the Group's investment property portfolio;
 - Changes in the condition of each property, including an understanding of key developments and changes to development activities; and
 - Changes in the Group's investment property portfolio including understanding leasing activity and tenant occupancy risk.
- We assessed the effectiveness of the Group's controls over the leasing process and associated schedule of tenancy reports, which are used as source data in the property valuations, by testing a sample of the relevant controls.
- On a sample basis, we performed the following procedures on the assumptions adopted in the valuations:
 - We assessed net income, lease expiry and vacancy assumptions adopted against the schedule of tenancy reports, lease expiry profile and vacancy levels of the underlying asset;
 - We assessed the re-leasing and capital expenditure requirement assumptions in light of the current leasing status of the property;
 - Where available, we corroborated these assumptions to supporting lease documentation or external market data; and
 - Tested the mathematical accuracy of valuations.
- We involved our real estate valuation specialists to assist with:
 - the assessment of capitalisation rates adopted across the portfolio; and
 - the review and assessment of the property valuations for a sample of properties based on size, geographical location and other property valuation specific risk factors.
- We evaluated the suitability of the valuation methodology used across the portfolio. We considered the reports of independent valuers to gain an understanding of the assumptions and estimates used and the valuation methodology applied.
- Where relevant, we assessed the reasonableness of comparable transactions utilised by the Group in the valuation process.
- We assessed the qualifications, competence and objectivity of the external and internal valuers used by the Group.
- We assessed the appropriateness of disclosures included in Notes 4 and 5 of the financial report.

Independent Auditor's Report continued

2. Carrying value of trade debtors

Why significant

As at 31 December 2023, the Group held \$152.4 million in trade debtors, and \$130.3 million allowance for expected credit losses. These balances are recorded directly in the consolidated balance sheet and indirectly through equity accounted investments, as disclosed in Note 2 of the financial report.

Trade debtors primarily comprise amounts due from tenants of the Group's investment properties under lease agreements, less an allowance for expected credit losses.

The Group applies Australian Accounting Standard – AASB 9 *Financial Instruments* in calculating the allowance for expected credit losses, applying a forward-looking expected loss impairment model. This involves significant judgement as the expected credit losses reflect information about past events, current conditions and forecasts of future conditions.

The recoverability of trade debtors is considered a key audit matter due to the value of uncollected rental income at 31 December 2023 and the significant judgement required in determining the allowance for expected credit losses.

Note 3 of the financial report describes the accounting policy for the asset and the related expected credit loss allowance. The note also describes the key judgements exercised by the directors in determining the expected credit loss allowance as well as sensitivities to changes in the key assumptions that may impact the loss allowance in future periods.

How our audit addressed the key audit matter

Our audit procedures included the following:

- We assessed the effectiveness of relevant controls in relation to tenant lease arrangements.
- We tested the existence and appropriate categorisation of trade debtors for a sample of tenant balances.
- We assessed management's risk assessment of tenants across the portfolio and their expectation around future collections with reference to rental assistance arrangements agreed or under negotiation with tenants. We assessed the impact of such arrangements against broader debtor groups and reviewed cash collections after year end in assessing future collectability of trade debtor balances.
- We assessed whether the methodology used in the determination of expected credit losses was consistent with the principles of AASB 9.
- We involved our valuation specialists in testing the mathematical accuracy of the expected credit loss model.
- We evaluated the key assumptions applied in calculating expected credit losses which included assessing forward-looking information as well as tenant related risk profiles.
- We assessed the adequacy of the Group's disclosures in relation to the valuation uncertainty of trade debtors included in the financial report, including the assumptions, estimations and judgements made in calculating the allowance for expected credit losses.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report continued

Report on the audit of the Remuneration Report

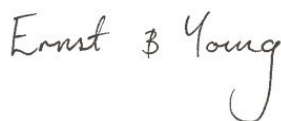
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 42 to 66 of the directors' report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of the Group for the year ended 31 December 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Ernst & Young

21 February 2024



Mike Wright
Partner



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Income Statement

For the year ended 31 December 2023

	Note	31 Dec 23 \$million	31 Dec 22 \$million
Revenue			
Property revenue	2	2,209.1	2,071.8
Property development and construction revenue	2	240.1	328.7
Property management income	2	61.1	57.4
		2,510.3	2,457.9
Expenses			
Property expenses, outgoings and other costs		(519.3)	(517.7)
Property development and construction costs		(223.1)	(303.1)
Property management costs		(12.2)	(11.3)
Overheads		(90.1)	(86.8)
		(844.7)	(918.9)
Share of after tax profits/(loss) of equity accounted entities			
Property revenue		251.2	237.5
Property expenses, outgoings and other costs		(58.4)	(63.3)
Interest income		1.6	0.3
Property revaluations		(35.2)	(171.7)
Tax expense		(10.8)	(16.0)
	6(a)	148.4	(13.2)
Interest income		14.5	6.6
Currency gain/(loss)	12	1.3	(32.1)
Financing costs	13	(633.9)	(1,357.4)
Capital costs relating to strategic initiatives		(28.0)	(47.6)
Property revaluations		(981.9)	250.9
Profit before tax		186.0	346.2
Tax expense	7(a)	(11.0)	(24.0)
Profit after tax for the period		175.0	322.2
Profit after tax for the period attributable to:			
– Members of Scentre Group		174.9	300.6
– External non controlling interests		0.1	21.6
Profit after tax for the period		175.0	322.2
Earnings per stapled security attributable to members of Scentre Group			
	Note	31 Dec 23 cents	31 Dec 22 cents
– Basic earnings per stapled security	11(a)	3.37	5.80
– Diluted earnings per stapled security	11(a)	3.36	5.78



Statement of Comprehensive Income

For the year ended 31 December 2023

	31 Dec 23 \$million	31 Dec 22 \$million
Profit after tax for the period	175.0	322.2
Other comprehensive loss		
<i>Movement in foreign currency translation reserve</i>		
– Currency movement on the translation of investment in foreign operations	(6.3)	(15.2)
Total comprehensive income for the period	168.7	307.0
Total comprehensive income attributable to:		
– Members of Scentre Group ⁽ⁱ⁾	168.6	285.4
– External non controlling interests	0.1	21.6
Total comprehensive income for the period	168.7	307.0

- (i) Total comprehensive income attributable to members of Scentre Group comprises \$24.7 million (31 December 2022: \$31.2 million) attributable to Scentre Group Limited (SGL) members and \$143.9 million (31 December 2022: \$254.2 million) attributable to Scentre Group Trust 1 (SGT1), Scentre Group Trust 2 (SGT2) and Scentre Group Trust 3 (SGT3) members.
Total comprehensive income attributable to members of SGT1, SGT2 and SGT3 consists of profit after tax for the period of \$149.9 million (31 December 2022: \$269.3 million) and currency loss on the translation of investment in foreign operations of \$6.0 million (31 December 2022: \$15.1 million).

Balance Sheet

As at 31 December 2023

	Note	31 Dec 23 \$million	31 Dec 22 \$million
Current assets			
Cash and cash equivalents	14(a)	296.4	679.0
Trade debtors	3	20.6	77.0
Receivables	3	104.0	85.0
Interest receivable		178.1	168.0
Tax receivable		–	9.0
Derivative assets	17(a)	241.5	258.9
Other current assets		73.6	94.1
Total current assets		914.2	1,371.0
Non current assets			
Investment properties	4	31,456.9	32,153.9
Equity accounted investments	6(b)	2,685.0	2,673.3
Derivative assets	17(a)	418.9	602.3
Plant, equipment and intangible assets		62.4	58.9
Right-of-use assets	31(a)	40.8	54.6
Other non current assets		93.3	92.7
Total non current assets		34,757.3	35,635.7
Total assets		35,671.5	37,006.7
Current liabilities			
Trade creditors		310.4	296.8
Payables and other creditors		469.1	559.2
Interest payable		300.6	307.4
Interest bearing liabilities			
– Senior borrowings	15	1,655.2	2,168.9
Other financial liabilities	16	174.0	162.3
Tax payable		4.8	–
Provision for employee benefits		28.1	24.2
Lease liabilities	31(b)	15.8	14.4
Derivative liabilities	17(b)	260.3	241.8
Total current liabilities		3,218.3	3,775.0
Non current liabilities			
Interest bearing liabilities			
– Senior borrowings	15	9,821.4	8,839.9
– Subordinated notes	15	3,963.6	4,403.3
Other financial liabilities	16	–	192.6
Deferred tax liabilities	7(b)	16.7	40.5
Provision for employee benefits		29.5	29.0
Lease liabilities	31(b)	80.6	92.7
Derivative liabilities	17(b)	517.9	913.2
Total non current liabilities		14,429.7	14,511.2
Total liabilities		17,648.0	18,286.2
Net assets		18,023.5	18,720.5
Equity attributable to members of Scentre Group			
Contributed equity	18(b)	9,990.8	9,990.8
Reserves	19(a)	110.8	119.6
Retained profits	20	7,739.7	8,420.2
Total equity attributable to members of Scentre Group		17,841.3	18,530.6
Equity attributable to external non controlling interests			
Contributed equity		74.4	72.7
Retained profits		107.8	117.2
Total equity attributable to external non controlling interests		182.2	189.9
Total equity		18,023.5	18,720.5



Statement of Changes in Equity

For the year ended 31 December 2023

	Note	Contributed Equity \$million	Reserves \$million	Retained Profits \$million	31 Dec 23 Total \$million	Contributed Equity \$million	Reserves \$million	Retained Profits \$million	31 Dec 22 Total \$million
Changes in equity attributable to members of Scentre Group									
Balance at the beginning of the year		9,990.8	119.6	8,420.2	18,530.6	9,990.8	123.9	8,884.2	18,998.9
– Profit after tax for the period ⁽ⁱ⁾		–	–	174.9	174.9	–	–	300.6	300.6
– Other comprehensive loss ⁽ⁱ⁾⁽ⁱⁱ⁾	19(b)	–	(6.3)	–	(6.3)	–	(15.2)	–	(15.2)
Transactions with owners in their capacity as owners									
– Movement in employee share plan benefits reserve	19(c)	–	(2.5)	–	(2.5)	–	10.9	–	10.9
– Dividends/distributions paid or provided for	9(b)	–	–	(855.4)	(855.4)	–	–	(764.6)	(764.6)
Closing balance of equity attributable to members of Scentre Group									
		9,990.8	110.8	7,739.7	17,841.3	9,990.8	119.6	8,420.2	18,530.6
Changes in equity attributable to external non controlling interests									
Balance at the beginning of the year		72.7	–	117.2	189.9	71.4	–	104.3	175.7
– Profit after tax for the period attributable to external non controlling interests ⁽ⁱ⁾		–	–	0.1	0.1	–	–	21.6	21.6
– Distributions paid or provided for		–	–	(7.2)	(7.2)	–	–	(6.8)	(6.8)
– Increase/(decrease) in external non controlling interest		1.7	–	(2.3)	(0.6)	1.3	–	(1.9)	(0.6)
Closing balance of equity attributable to external non controlling interests									
		74.4	–	107.8	182.2	72.7	–	117.2	189.9
Total equity		10,065.2	110.8	7,847.5	18,023.5	10,063.5	119.6	8,537.4	18,720.5

(i) Total comprehensive income for the period amounts to \$168.7 million (31 December 2022: \$307.0 million).

(ii) Movement in reserves attributable to members of SGT1, SGT2 and SGT3 comprises currency loss on the translation of investment in foreign operations of \$6.0 million (31 December 2022: \$15.1 million).

Cash Flow Statement

For the year ended 31 December 2023

	Note	31 Dec 23 \$million	31 Dec 22 \$million
Cash flows from operating activities			
Receipts in the course of operations (including Goods and Services Tax (GST))		2,897.3	2,854.1
Payments in the course of operations (including GST)		(917.8)	(938.5)
Dividends/distributions received from equity accounted entities		85.0	91.2
Net operating cash flows retained by equity accounted entities		51.4	34.3
Income and withholding taxes paid		(20.8)	(46.4)
GST paid		(217.3)	(195.6)
Payments of financing costs (excluding financing costs capitalised)		(770.2)	(624.8)
Interest received		14.5	6.6
Net cash inflow from operating activities – proportionate⁽ⁱ⁾		1,122.1	1,180.9
Less: net operating cash flows retained by equity accounted entities		(51.4)	(34.3)
Net cash inflow from operating activities	14(b)	1,070.7	1,146.6
Cash flows from investing activities			
Capital expenditure		(417.1)	(401.9)
Proceeds from the sale of assets		65.0	–
Payments relating to the sale of assets		(0.2)	(0.6)
Net outflows for investments in equity accounted entities		(21.2)	(41.4)
Payments for plant, equipment and intangible assets		(29.5)	(37.4)
Financing costs capitalised to qualifying development projects and construction in progress		(35.9)	(22.1)
Net cash outflow from investing activities		(438.9)	(503.4)
Cash flows from financing activities			
Repayment of senior borrowings	14(c)	(1,844.5)	(934.9)
Proceeds from senior borrowings	14(c)	2,302.1	1,020.2
Repayment of subordinated notes	14(c)	(404.5)	–
Repayment of other financial liabilities		(162.3)	(243.3)
Payment of lease liabilities		(14.7)	(13.4)
Dividends/distributions paid		(855.4)	(764.6)
Distributions paid by controlled entities to external non controlling interests		(5.3)	(5.3)
Payments for derivatives relating to the buyback of subordinated notes		(29.6)	–
Net cash outflow from financing activities		(1,014.2)	(941.3)
Net decrease in cash and cash equivalents held		(382.4)	(298.1)
Add opening cash and cash equivalents brought forward		679.0	978.7
Effects of exchange rate changes on cash and cash equivalents		(0.2)	(1.6)
Cash and cash equivalents at the end of the period⁽ⁱⁱ⁾	14(a)	296.4	679.0

(i) Proportionate cash flows from operating activities includes operating cash flows from consolidated and equity accounted entities.

(ii) Cash and cash equivalents comprise cash of \$296.4 million (31 December 2022: \$679.0 million) net of bank overdraft of nil (31 December 2022: nil).



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Notes to the Financial Statements

For the year ended 31 December 2023

Note 1 – Basis of preparation of the financial report

(a) Corporate information

This financial report of Scentre Group (Group), comprising Scentre Group Limited (Parent Company) and its controlled entities, for the year ended 31 December 2023 was approved in accordance with a resolution of the Board of Directors of the Parent Company.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

(b) Accounting for the Group

Scentre Group was established on 30 June 2014 by the stapling of securities of each of the Parent Company, Scentre Group Trust 1 (SGT1), Scentre Group Trust 2 (SGT2) and Scentre Group Trust 3 (SGT3). The securities trade as one security on the Australian Securities Exchange (ASX) under the code SCG.

As a result of the securities being stapled and therefore cannot be traded separately, this financial report has been prepared based on a business combination of the Parent Company, SGT1, SGT2 and SGT3. The Parent Company for accounting purposes has control of SGT1, SGT2 and SGT3 and accordingly consolidates SGT1, SGT2 and SGT3 and their respective controlled entities.

(c) Going concern

This financial report has been prepared on a going concern basis. In making this assessment, the Directors have considered the Group's ability to meet its financial obligations over the next 12 months, using cash flow sensitivity analysis and having regard to debt maturities, funding requirements, operating cash earnings and available financing facilities. At 31 December 2023, \$3.5 billion (31 December 2022: \$4.8 billion) of financing resources were available to the Group which are sufficient to cover short term liabilities.

(d) Basis of Accounting

This financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* (Corporations Act), Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. This financial report has also 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.

This financial report is presented in Australian dollars.

(e) Statement of Compliance

This financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. The accounting policies adopted are consistent with those of the previous financial year except that the Group has adopted the following new or amended standards which became applicable on 1 January 2023:

- AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (effective from 1 January 2023)

This amends AASB 112 *Income Taxes* to clarify the accounting for deferred tax on transactions that at the time of the transaction give rise to equal taxable and deductible temporary differences. This amendment did not have a significant impact on the financial statements on application.

- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* (effective from 1 January 2023)

This amends:

- AASB 7 *Financial Instruments: Disclosures*, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
- AASB 101 *Presentation of Financial Statements*, to require entities to disclose their material accounting policy information rather than their significant accounting policies;
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;
- AASB 134 *Interim Financial Reporting*, to identify material accounting policy information as a component of a complete set of financial statements; and
- AASB *Practice Statement 2 Making Materiality Judgements*, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

These amendments did not have a significant impact on the financial statements on application.



Note 1 – Basis of preparation of the financial report (continued)

(e) Statement of Compliance (continued)

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 31 December 2023. The impact of these new standards or amendments to the standards and interpretations (to the extent relevant to the Group) is as follows:

- 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 is not expected to 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 is not expected to 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 is not expected to have a significant impact on the financial statements on application.

- 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.

Sustainability Financial Reporting Standards

In June 2023, the International Sustainability Standards Board (ISSB) issued its first two IFRS Sustainability Disclosure Standards: IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) and IFRS S2 *Climate-related Disclosures* (IFRS S2). IFRS S1 sets out the general requirements for an entity to disclose information about its sustainability-related risks and opportunities. IFRS S2 sets out the requirements for an entity to disclose information about its climate-related risks and opportunities.

In October 2023, the Australian Accounting Standards Board (AASB) released Exposure Draft ED SR1 *Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information* (ED SR1) to propose climate-related financial disclosure requirements. ED SR1 was developed using IFRS S1 and IFRS S2 as the baseline but with a scope limitation to climate-related financial disclosures. ED SR1 is open for comment until 1 March 2024.

In January 2024, the Australian Government's Treasury released its Exposure Draft legislation on Climate-related financial disclosure. The Exposure Draft legislation seeks to amend parts of the Corporations Act and related legislation to introduce mandatory requirements for large businesses and financial institutions to disclose their climate-related risks and opportunities. Application of the legislation by entities subject to mandatory climate-related financial disclosure would be phased in three groups, over a four-year period. Based on the current draft of the legislation, the Group is expected to adopt the climate-related financial disclosures from 1 January 2025. Treasury is currently considering comments it received on the Exposure Draft legislation and accompanying explanatory materials.

The Directors continue to monitor developments in relation to local sustainability reporting standards.

Notes to the Financial Statements continued

Note 1 – Basis of preparation of the financial report (continued)

(e) Statement of Compliance (continued) Sustainability Financial Reporting Standards (continued)

The Group also continues to assess the impact of climate-related risks and opportunities on its operations and financial performance including its impact on the Group's investment property valuations. Independent valuations are generally prepared annually to assess the fair value of each of the Group's shopping centre assets. These valuations are conducted in accordance with the guidelines and valuation principles as set by the International Valuation Standards Council and the Royal Institution of Chartered Surveyors (RICS).

In assessing for the implications of sustainability in property valuations under the RICS Valuation – Global Standards, consideration is given to matters such as (but is not limited to) environment, climate change and corporate responsibility that can or do impact on the valuation of an asset. This may include key environmental risks, such as flooding, energy efficiency, current and historic land use as well as matters of design, configuration, accessibility, legislation, management and fiscal considerations.

Climate disclosure in the Directors' Report discusses how the Group is managing the impact of climate change on its business including governance, strategy, risk management, metrics and targets adopted by the Group.

(f) Significant accounting judgements, estimates and assumptions

The preparation of this financial report requires management to make judgements, estimates and assumptions. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and various other factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Further details of judgements, estimates and assumptions applied may be found in the relevant notes to the financial statements, in particular, Note 2: Segment reporting, Note 3: Trade debtors and receivables, Note 4: Investment properties, Note 5: Details of shopping centre investments and Note 28: Fair value of financial assets and liabilities.

(g) Comparative information

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

(h) Rounding

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts shown in this 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.

Note 2 – Segment reporting

The Group's operational segments comprise the property investment and property management and construction segments.

(a) Property investment

The property investment segment includes net property income from shopping centres. A geographic analysis of net property investment income is also provided.

(b) Property management and construction

The property management and construction segment includes external fee income from third parties, primarily property management and development fees, and associated business expenses.

The Group's operating segment income and expenses as well as the details of segment assets have been prepared on a proportionate format. 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 Group's liabilities are managed on a consolidated basis rather than by operational segments.

The proportionate format is used by management in assessing and understanding the performance and results of operations of the Group 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 income statement 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.



Note 2 – Segment reporting (continued)

(i) Operating segment information

	Property investment \$million	Property management and construction \$million	31 Dec 23 \$million	Property investment \$million	Property management and construction \$million	31 Dec 22 \$million
Revenue						
Property revenue	2,460.3	–	2,460.3	2,309.3	–	2,309.3
Property development and construction revenue	–	240.1	240.1	–	328.7	328.7
Property management income	–	61.1	61.1	–	57.4	57.4
	2,460.3	301.2	2,761.5	2,309.3	386.1	2,695.4
Expenses						
Property expenses, outgoings and other costs	(577.7)	–	(577.7)	(581.0)	–	(581.0)
Property development and construction costs	–	(223.1)	(223.1)	–	(303.1)	(303.1)
Property management costs	–	(12.2)	(12.2)	–	(11.3)	(11.3)
	(577.7)	(235.3)	(813.0)	(581.0)	(314.4)	(895.4)
Segment income and expenses	1,882.6	65.9	1,948.5	1,728.3	71.7	1,800.0
Shopping centre investments	33,558.3	–	33,558.3	34,198.6	–	34,198.6
Development projects and construction in progress	721.0	–	721.0	790.5	–	790.5
Segment assets⁽ⁱ⁾	34,279.3	–	34,279.3	34,989.1	–	34,989.1

(i) Includes equity accounted segment assets of \$2,822.4 million (31 December 2022: \$2,835.2 million).

(ii) Geographic information – Total revenue

	Australia \$million	New Zealand \$million	31 Dec 23 \$million	Australia \$million	New Zealand \$million	31 Dec 22 \$million
Property revenue ⁽ⁱ⁾	2,322.1	138.2	2,460.3	2,178.8	130.5	2,309.3
Property development and construction revenue ⁽ⁱⁱ⁾	220.8	19.3	240.1	292.0	36.7	328.7
Property management income	54.4	6.7	61.1	51.1	6.3	57.4
Total revenue	2,597.3	164.2	2,761.5	2,521.9	173.5	2,695.4

(i) Includes recoveries of outgoings from lessees of \$207.8 million (31 December 2022: \$205.4 million).

(ii) Property development and construction revenue recognised during the year that was included in the contract liability balance (presented in current payables and other creditors on the balance sheet) at the beginning of the year, amounted to \$43.2 million (31 December 2022: \$41.6 million). No amounts were recognised during the current year that relate to performance obligations satisfied or partially satisfied in previous periods (31 December 2022: nil).

Receivables and contract liabilities from contracts with customers

As at 31 December 2023, receivables from contracts with customers amounted to \$18.4 million (31 December 2022: \$19.8 million) and contract liabilities from contracts with customers amounted to \$53.3 million (31 December 2022: \$61.8 million).

Transaction price allocated to the remaining performance obligations

As at 31 December 2023, the aggregate amount of the transaction price allocated to remaining performance obligations is \$233.0 million (31 December 2022: \$309.3 million). The Group will recognise this as revenue as property development and construction projects are completed, which is expected to occur over the next 6–24 months. These amounts do not include contracts that have an expected duration of one year or less and any portion of the transaction price that is variable and constrained.

Notes to the Financial Statements continued

Note 2 – Segment reporting (continued)

(iii) Geographic information – Net property income

	Australia \$million	New Zealand \$million	31 Dec 23 \$million	Australia \$million	New Zealand \$million	31 Dec 22 \$million
Shopping centre base rent and other property income	2,386.1	142.3	2,528.4	2,240.3	133.6	2,373.9
Amortisation of tenant allowances	(73.0)	(4.3)	(77.3)	(70.9)	(3.8)	(74.7)
Straight-lining of rent	9.0	0.2	9.2	9.4	0.7	10.1
Property revenue	2,322.1	138.2	2,460.3	2,178.8	130.5	2,309.3
Property expenses, outgoings and other costs	(546.1)	(31.6)	(577.7)	(545.7)	(35.3)	(581.0)
Net property income	1,776.0	106.6	1,882.6	1,633.1	95.2	1,728.3

(iv) Geographic information – Non current assets

	Australia \$million	New Zealand \$million	31 Dec 23 \$million	Australia \$million	New Zealand \$million	31 Dec 22 \$million
Non current assets	32,917.5	1,339.5	34,257.0	33,596.0	1,337.8	34,933.8
Group non current assets			500.3			701.9
Total non current assets			34,757.3			35,635.7
Additions to segment non current assets during the period ⁽ⁱ⁾	413.3	9.0	422.3	490.1	39.4	529.5

(i) Additions are net of amortisation of tenant allowances of \$77.3 million (31 December 2022: \$74.7 million).



Note 2 – Segment reporting (continued)

(v) Reconciliation of segment information

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

	Consolidated \$million	Equity Accounted \$million	31 Dec 23 \$million	Consolidated \$million	Equity Accounted \$million	31 Dec 22 \$million
Revenue						
Property revenue	2,209.1	251.2	2,460.3	2,071.8	237.5	2,309.3
Property development and construction revenue	240.1	–	240.1	328.7	–	328.7
Property management income	61.1	–	61.1	57.4	–	57.4
	2,510.3	251.2	2,761.5	2,457.9	237.5	2,695.4
Expenses						
Property expenses, outgoings and other costs	(519.3)	(58.4)	(577.7)	(517.7)	(63.3)	(581.0)
Property development and construction costs	(223.1)	–	(223.1)	(303.1)	–	(303.1)
Property management costs	(12.2)	–	(12.2)	(11.3)	–	(11.3)
	(754.6)	(58.4)	(813.0)	(832.1)	(63.3)	(895.4)
Segment income and expenses	1,755.7	192.8	1,948.5	1,625.8	174.2	1,800.0
Overheads			(90.1)			(86.8)
Interest income			16.1			6.9
Currency gain/(loss)			1.3			(32.1)
Financing costs						
– Net fair value movement and modification gain/(loss)			120.3			(669.6)
– Other financial liabilities and lease liabilities			(16.0)			(24.4)
– Senior borrowings			(501.3)			(434.5)
– Gain on buyback of subordinated notes			51.1			–
– Subordinated notes coupons			(323.9)			(251.0)
– Interest capitalised			35.9			22.1
			(633.9)			(1,357.4)
Capital costs relating to strategic initiatives			(28.0)			(47.6)
Property revaluations			(1,017.1)			79.2
Current tax expense – underlying operations			(33.6)			(47.5)
Deferred tax benefit			11.8			7.5
External non controlling interests			(0.1)			(21.6)
Net profit attributable to members of the Group⁽ⁱ⁾			174.9			300.6

(i) Net profit attributable to members of the Group was \$174.9 million (31 December 2022: \$300.6 million). Net profit after tax for the year which includes profit attributable to external non controlling interests of \$0.1 million (31 December 2022: \$21.6 million) was \$175.0 million (31 December 2022: \$322.2 million).

Notes to the Financial Statements continued

Note 2 – Segment reporting (continued)

(v) Reconciliation of segment information (continued)

	Consolidated \$million	Equity Accounted \$million	31 Dec 23 \$million	Consolidated \$million	Equity Accounted \$million	31 Dec 22 \$million
Shopping centre investments	30,816.9	2,741.4	33,558.3	31,448.8	2,749.8	34,198.6
Development projects and construction in progress	640.0	81.0	721.0	705.1	85.4	790.5
Segment assets	31,456.9	2,822.4	34,279.3	32,153.9	2,835.2	34,989.1
Cash and cash equivalents	296.4	28.5	324.9	679.0	14.9	693.9
Trade debtors and receivables						
– Trade debtors	140.1	12.3	152.4	265.2	26.1	291.3
– Receivables	120.5	5.0	125.5	101.4	5.1	106.5
Expected credit loss allowance						
– Trade debtors	(119.5)	(10.8)	(130.3)	(188.2)	(19.2)	(207.4)
– Receivables	(16.5)	(0.7)	(17.2)	(16.4)	(0.7)	(17.1)
Derivative assets						
– Currency derivatives – Senior borrowings currency related ^{(i) (iv)}	449.0	–	449.0	524.5	–	524.5
– Currency derivatives – Senior borrowings interest related ^{(ii) (iv)}	(102.1)	–	(102.1)	(172.0)	–	(172.0)
	346.9	–	346.9	352.5	–	352.5
– Interest rate derivatives	313.5	–	313.5	508.7	–	508.7
Other assets	448.2	1.1	449.3	477.3	0.6	477.9
Total assets	32,986.5	2,857.8	35,844.3	34,333.4	2,862.0	37,195.4
Interest bearing liabilities						
– Senior borrowings ⁽ⁱ⁾	11,476.6	–	11,476.6	11,008.8	–	11,008.8
– Subordinated notes ⁽ⁱⁱⁱ⁾	3,963.6	–	3,963.6	4,403.3	–	4,403.3
Derivative liabilities						
– Currency derivatives – Subordinated notes currency related ^{(iii) (iv)}	(264.8)	–	(264.8)	(293.7)	–	(293.7)
– Currency derivatives – Subordinated notes interest related ^{(ii) (iv)}	490.3	–	490.3	665.5	–	665.5
	225.5	–	225.5	371.8	–	371.8
– Currency derivatives – Senior borrowings currency related ^{(i) (iv)}	65.0	–	65.0	151.5	–	151.5
– Currency derivatives – Senior borrowings interest related ^{(ii) (iv)}	471.6	–	471.6	631.5	–	631.5
	536.6	–	536.6	783.0	–	783.0
– Interest rate derivatives	16.1	–	16.1	0.2	–	0.2
Lease liabilities	96.4	0.3	96.7	107.1	0.3	107.4
Other financial liabilities	174.0	–	174.0	354.9	–	354.9
Other liabilities	1,159.2	172.5	1,331.7	1,257.1	188.4	1,445.5
Total liabilities	17,648.0	172.8	17,820.8	18,286.2	188.7	18,474.9
Net assets	15,338.5	2,685.0	18,023.5	16,047.2	2,673.3	18,720.5



Note 2 – Segment reporting (continued)

(v) Reconciliation of segment information (continued)

- (i) The economically hedged value of senior borrowings was \$11,092.6 million (31 December 2022: \$10,635.8 million) comprising borrowings of \$11,476.6 million (31 December 2022: \$11,008.8 million) translated at period end rates, reduced by the net fair value gain on currency derivatives of \$384.0 million (31 December 2022: \$373.0 million).
- (ii) The cumulative net fair value loss on cross currency derivatives relating to interest rates of \$1,064.0 million (31 December 2022: \$1,469.0 million) has been recognised in the financial statements. This interest component of cross currency derivatives economically hedges the foreign currency interest bearing liabilities by swapping the fixed interest coupon into an Australian dollar floating exposure. Interest bearing liabilities are recognised at amortised cost for accounting and consequently an offsetting gain is not recorded in the financial statements.
- (iii) The economically hedged value of the US\$ subordinated 60-year notes was \$3,698.8 million (31 December 2022: \$4,109.6 million) comprising notes of \$3,963.6 million (31 December 2022: \$4,403.3 million) translated at the period end rate of 0.6812 (31 December 2022: 0.6813) reduced by net currency gains on the hedging of subordinated notes of \$264.8 million (31 December 2022: \$293.7 million).
- (iv) The currency related and interest related components of cross currency derivatives are part of the same contract. The net position has been classified accordingly as a derivative asset or derivative liability on the balance sheet.

Accounting Policies

Revenue recognition

Property revenue

The Group derives property revenue from leasing its investment properties.

Rental income from investment properties is accounted for on a straight-line basis, taking into account fixed rent payments and fixed rent increases over the term of the lease.

Under certain lease agreements, a portion of property expenses and outgoings may be recovered by the Group from lessees. Recoveries of outgoings are recognised as income as services are provided.

Under certain lease agreements, percentage rent may be payable by the lessee to the Group based on turnover in excess of stipulated minimums. Contingent rental income is recognised as income in the period in which it is earned.

Tenant allowances that are classified as lease incentives are recorded as part of investment properties and amortised over the term of the lease. The amortisation is recorded against property revenue.

Property development and construction revenue

The Group derives property development and construction revenue from services provided under its Design and Construction Agreements (D&C Agreements).

Property development and construction revenue comprises Construction, Design and Development fees earned from D&C Agreements with third parties. The Group accounts for all services provided under the D&C Agreements as a single performance obligation and revenue is recognised based on the contract price and percentage of completion for that single performance obligation. Percentage of completion is determined based on the proportion of contract costs incurred to date and the estimated contract costs to complete. Accordingly, significant judgments and estimates are made in determining (i) variable consideration which may be included in the transaction price; (ii) costs incurred to date that reflects the Group's progress in satisfying its performance obligations under the contract; and (iii) the total contract costs.

Differences between amounts recognised as revenue and amounts billed to customers are recognised as contract assets or liabilities on the balance sheet. An impairment loss is recognised if the carrying amount of the contract asset exceeds the remaining amount of consideration the Group expects to receive less costs that have not yet been recognised as expenses. Progress billings to customers include charges for work completed and expenditure incurred. Amounts billed to customers are usually due within 10 days.

Property management income

The Group derives property management revenue from managing investment properties on behalf of its co-owners and other third parties. Property management revenue is recognised as services are provided.

Notes to the Financial Statements continued

Note 3 – Trade debtors and receivables

	31 Dec 23 \$million	31 Dec 22 \$million
Trade debtors	20.6	77.0
Receivables	104.0	85.0
Total trade debtors and receivables	124.6	162.0
(a) Components of trade debtors and receivables		
Trade debtors	140.1	265.2
Other receivables	120.5	101.4
	260.6	366.6
Expected credit loss allowance	(136.0)	(204.6)
Total trade debtors and receivables	124.6	162.0
(b) Movement in expected credit loss allowance		
Balance at the beginning of the year	(204.6)	(290.0)
Decrease/(increase) in expected credit loss allowance recognised in the income statement	6.8	(9.4)
Amounts written-off	61.8	94.8
Balance at the end of the year	(136.0)	(204.6)

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 abated from rent relief arrangements applicable to the COVID-19 pandemic period. The decrease in the expected credit loss allowance is primarily as a result of abatements credited against outstanding receivables.

At 31 December 2023, approximately 78% of trade debtors are aged greater than 90 days and the expected credit loss allowance is 85% of gross trade debtors. An increase or decrease of 5% in the expected credit loss rate (after adjusting for GST and bank guarantees) would result in an increase or decrease in expected credit loss allowance of \$6.4 million respectively. At 31 December 2022, approximately 79% of trade debtors are aged greater than 90 days and the expected credit loss allowance is 71% of gross trade debtors. An increase or decrease of 5% in the expected credit loss rate (after adjusting for GST and bank guarantees) would result in an increase or decrease in expected credit loss allowance of \$10.2 million respectively.

Accounting Policies

Trade debtors and receivables

Trade debtors and receivables are held to collect contractual cash flows and these contractual cash flows are solely payments of principal and interest. At initial recognition, these are measured at fair value.

Trade debtors and receivables are subsequently measured at amortised cost using the effective interest rate method, reduced by impairment losses. Interest income and impairment losses are recognised in the income statement. The receivable is written off when there is no reasonable expectation of recovering the contractual cash flows such as when all legal avenues for debt recovery have been exhausted, and when rent is waived as part of the COVID-19 rent relief negotiations. Any gain or loss on derecognition is also recognised in the income statement.

In assessing for impairment, the Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. For trade debtors and receivables, the Group applies the simplified approach, which requires lifetime expected losses to be recognised from initial recognition of the receivables.

In measuring the expected credit loss, trade debtors and receivables have been grouped based on shared credit risk characteristics (e.g. size and industry) and the days past due. The expected loss rates are determined based on days past the due date and the historical credit losses experienced. Historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of customers to settle their debts.



Note 4 – Investment properties

	31 Dec 23 \$million	31 Dec 22 \$million
Shopping centre investments	30,816.9	31,448.8
Development projects and construction in progress	640.0	705.1
Total investment properties	31,456.9	32,153.9
Movement in total investment properties		
Balance at the beginning of the year	32,153.9	31,490.9
Capital expenditure	410.5	470.5
Disposal of asset ⁽ⁱ⁾	(65.0)	–
Amortisation of tenant allowances	(68.6)	(66.8)
Straight-lining of rent	8.0	8.4
Net revaluation increment/(decrement)	(981.9)	250.9
Balance at the end of the year ⁽ⁱⁱ⁾	31,456.9	32,153.9

(i) During the year, the development rights for the retail element of Central Barangaroo was sold for \$65.0 million.

(ii) The fair value of investment properties at the end of the year includes ground lease assets of \$47.2 million (31 December 2022: \$44.2 million).

Accounting Policies

Investment properties

The Group's investment properties include shopping centre investments, development projects and construction in progress.

Shopping centre investments

The Group's shopping centre investment properties represent completed centres comprising freehold and leasehold land, buildings and leasehold improvements.

Land and buildings are considered as having the function of an investment and therefore are regarded as a composite asset, the overall value of which is influenced by many factors, the most prominent being income yield, rather than by the diminution in value of the building content due to effluxion of time. Accordingly, the buildings and all components thereof, including integral plant and equipment, are not depreciated.

Initially, shopping centre investment properties are measured at cost including transaction costs. Subsequent to initial recognition, the Group's portfolio of shopping centre investment properties are stated at fair value. Gains and losses arising from changes in the fair values of shopping centre investment properties are included in the income statement in the year in which they arise. Any gains or losses on the sale of an investment property are recognised in the income statement in the year of sale.

At each reporting date, the carrying value of the portfolio of shopping centre investment properties is assessed by the Directors and where the carrying value differs materially from the Directors' assessment of fair value, an adjustment to the carrying value is recorded as appropriate.

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.

Notes to the Financial Statements continued

Note 4 – Investment properties (continued)

Development projects and construction in progress

The Group's development projects and construction in progress include costs incurred for the current and future redevelopment and expansion of new and existing shopping centre investments, and are classified as inventories when intended for sale to third parties. Development projects and construction in progress include capitalised construction and development costs, payments and advances to contractors and where applicable, borrowing costs incurred on qualifying developments.

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.

It is the Group's policy to appoint a number of qualified independent valuers and that no individual valuer is appointed to appraise an individual property for greater than three consecutive years. The following qualified independent valuers were appointed by the Group to carry out property appraisals for the current financial year:

Australian shopping centres

- CBRE Valuations Pty Limited
- Colliers International Holdings (Australia) Ltd
- Cushman & Wakefield (Valuations) Pty Ltd
- Jones Lang LaSalle Advisory Services Pty Ltd
- Knight Frank Australia Pty Ltd
- Savills Valuations Pty Ltd

New Zealand shopping centres

- Knight Frank NSW Valuations & Advisory Pty Ltd
- Jones Lang La Salle Limited



Note 5 – Details of shopping centre investments

	Carrying Amount 31 Dec 23 \$million	Retail Capitalisation Rates 31 Dec 23 %	Carrying Amount 31 Dec 22 \$million	Retail Capitalisation Rates 31 Dec 22 %
Consolidated Australian shopping centres	30,816.9	5.24%	31,448.8	4.83%
Wholly-owned: Belconnen, Bondi Junction, Carousel, Chatswood, Chermshire, Fountain Gate, Hornsby, Innaloo, Kotara, Mt Gravatt, Sydney ⁽ⁱ⁾ and Tuggerah				
Jointly-owned (50%): Airport West, Booragoon, Burwood, Carindale ⁽ⁱⁱ⁾ , Coomera, Doncaster, Eastgardens, Geelong, Helensvale, Hurstville, Knox, Liverpool, Marion, Miranda, North Lakes, Parramatta, Penrith, Plenty Valley, Warringah Mall, West Lakes, Whitford City and Woden				
Equity accounted Australian shopping centres	1,369.5	5.81%	1,370.5	5.31%
Jointly-owned (50%): Mt Druitt, Southland and Tea Tree Plaza				
Total Australian portfolio	32,186.4	5.28%⁽ⁱⁱⁱ⁾	32,819.3	4.86% ⁽ⁱⁱⁱ⁾
Equity accounted New Zealand shopping centres	NZ\$1,478.9	6.93%	NZ\$1,479.9	6.61%
Jointly-owned (51%): Albany, Manukau, Newmarket, Riccarton and St Lukes				
Total New Zealand portfolio	NZ\$1,478.9	6.95%⁽ⁱⁱⁱ⁾	NZ\$1,479.9	6.63% ⁽ⁱⁱⁱ⁾
Exchange rate	1.0780		1.0729	
Total New Zealand portfolio in A\$	1,371.9		1,379.3	
Total portfolio	33,558.3	5.35%⁽ⁱⁱⁱ⁾	34,198.6	4.93% ⁽ⁱⁱⁱ⁾

(i) Sydney comprises Sydney Central Plaza and the Sydney City Retail Centre.

(ii) Carindale Property Trust (CDP) has a 50% interest in this shopping centre. As at 31 December 2023, the Group has a 65.17% interest in CDP (31 December 2022: 64.10%).

(iii) Weighted average capitalisation rate including non-retail assets.

Centres that are held through controlled entities or are held directly and jointly as tenants in common and are treated as joint operations are consolidated. For joint operations, the contractual arrangements establish that the parties share all the liabilities, obligations, costs and expenses in their ownership proportion. The allocation of revenue and expenses is based on the ownership interest in the joint arrangement.

Centres that are held through a separate vehicle with joint control and are treated as a joint venture are accounted for under the equity method of accounting.

Notes to the Financial Statements continued

Note 5 – Details of shopping centre investments (continued)

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:

	31 Dec 23	31 Dec 22
Australian portfolio		
Retail capitalisation rate	4.63%–7.00%	4.25%–6.25%
Weighted average capitalisation rate ⁽ⁱ⁾	5.28%	4.86%
Retail discount rate	6.25%–8.00%	5.75%–7.25%
New Zealand portfolio		
Retail capitalisation rate	6.25%–7.75%	6.00%–7.38%
Weighted average capitalisation rate ⁽ⁱ⁾	6.95%	6.63%
Retail discount rate	7.25%–8.63%	7.50%–8.75%

(i) 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 will result in higher fair value (with all other factors held constant). The weighted average capitalisation rates have increased from 4.93% at 31 December 2022 to 5.35% at 31 December 2023. The discount rates have increased in-line with the increase in capitalisation rates compared to 31 December 2022. The capitalisation rate sensitivity analysis is detailed below.

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

	31 Dec 23 \$million	31 Dec 22 \$million
Capitalisation rate movement	Increase/(decrease) in fair value	
-50 bps	3,460.3	3,857.5
-25 bps	1,645.3	1,825.8
+25 bps	(1,498.4)	(1,649.6)
+50 bps	(2,868.7)	(3,147.4)



Note 6 – Details of equity accounted investments

	31 Dec 23 \$million	31 Dec 22 \$million
(a) Share of equity accounted entities' net profit/(loss) and comprehensive income/(loss)		
Share of after tax profit/(loss) of equity accounted entities	148.4	(13.2)
Other comprehensive loss ⁽ⁱ⁾	(6.2)	(14.9)
Share of total comprehensive income/(loss) of equity accounted entities	142.2	(28.1)

(i) Relates to the net exchange difference on translation of equity accounted foreign operations.

(b) Share of equity accounted entities' assets and liabilities

The Group's equity accounted investments of \$2,685.0 million (31 December 2022: \$2,673.3 million) comprise investments in joint ventures in Australia and New Zealand represented by equity of \$1,859.3 million (31 December 2022: \$1,829.9 million) and interest bearing loans of \$825.7 million (31 December 2022: \$843.4 million). Inter-entity facilities within the Group are on commercial arm's length terms. Inter-entity interest charges on the loans amounted to \$58.2 million (31 December 2022: \$39.6 million).

(c) Equity accounted entities economic interest

Name of investments	Type of equity	Balance date	Economic interest	
			31 Dec 23	31 Dec 22
Australian investments ⁽ⁱ⁾				
Mt Druitt ⁽ⁱⁱ⁾	Trust units	30 Jun	50.0%	50.0%
Southland ⁽ⁱⁱ⁾	Trust units	30 Jun	50.0%	50.0%
Tea Tree Plaza ⁽ⁱⁱ⁾	Trust units	30 Jun	50.0%	50.0%
New Zealand investments ^{(i) (iii)}				
Albany	Shares	31 Dec	51.0%	51.0%
Manukau	Shares	31 Dec	51.0%	51.0%
Newmarket	Shares	31 Dec	51.0%	51.0%
Riccarton	Shares	31 Dec	51.0%	51.0%
St Lukes	Shares	31 Dec	51.0%	51.0%

(i) All equity accounted property partnerships, trusts and companies operate solely as retail property investors.

(ii) Notwithstanding that the financial year of these investments ends on 30 June, the consolidated financial statements have been made out so as to include the accounts for a period coinciding with the financial year of the Parent Company being 31 December.

(iii) Under the Shareholders' Agreement, the Group and GIC, Singapore's sovereign wealth fund, each have two representatives in the Shareholders' Committee with voting power in proportion to each shareholder's shareholding. While the Group has a 51% interest in these entities, 75% of the votes is required to pass a resolution. Accordingly, the Group's 51% interest in these investments is accounted for using the equity accounting method.

Notes to the Financial Statements continued

Note 7 – Taxation

	31 Dec 23 \$million	31 Dec 22 \$million
(a) Tax expense		
Current tax expense – underlying operations	(29.8)	(38.9)
Deferred tax benefit	18.8	14.9
	(11.0)	(24.0)
The prima facie tax on profit before tax is reconciled to the income tax expense provided in the financial statements as follows:		
Profit before income tax	186.0	346.2
Less: Trust income not taxable for the Group – tax payable by members	(230.6)	(365.2)
	(44.6)	(19.0)
Prima facie tax benefit at 30%	13.4	5.7
Tax on inter-entity transactions	(27.4)	(29.7)
Other	3.0	–
Tax expense	(11.0)	(24.0)
(b) Deferred tax liabilities		
Investment properties	26.9	27.0
Other timing differences	(10.2)	13.5
	16.7	40.5

Accounting Policies

Taxation

The Group comprises taxable and non taxable entities. Income tax expense is only recognised in respect of taxable entities.

Taxable and non taxable entities of the Group

The Parent Company and its Australian resident wholly-owned subsidiaries have formed a tax consolidated group. The Parent Company has entered into tax funding arrangements with its Australian resident wholly-owned subsidiaries, pursuant to which each subsidiary has agreed to pay or receive a tax equivalent amount based on the net taxable amount or loss of the subsidiary at the current tax rate. The tax consolidated group has applied the modified separate taxpayer approach in determining the appropriate amount of current taxes to allocate to each entity.

SGT1 and SGT2 have elected into the Attribution Managed Investment Trust Regime. Accordingly, the Trusts are not liable for Australian income tax provided that the taxable income of each Trust is attributed to members. The members of each Trust are taxable on their share of the taxable income of each Trust attributed to them.

SGT3 is treated as a company for Australian tax purposes and accordingly is a taxable entity. The Group's New Zealand resident entities are subject to New Zealand tax.

Accounting for income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities, calculated using the tax rates and tax laws enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date. Deferred tax relating to items recognised in other comprehensive income or directly in equity is recognised in other comprehensive income or directly in equity and not the income statement.



Note 8 – Significant items

The following items are relevant in calculating certain financial covenants:

	Note	31 Dec 23 \$million	31 Dec 22 \$million
Property revaluations	2(v)	(1,017.1)	79.2
Net fair value gain/(loss) and associated credit risk on currency derivatives that do not qualify for hedge accounting	12	1.3	(32.1)
Net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting	13	103.1	(676.2)
Net fair value gain on other financial liabilities	13	18.6	13.8
Gain on buyback of subordinated notes	13	51.1	–
Net modification loss on refinanced borrowing facilities	13	(1.4)	(7.2)

Note 9 – Dividends/distributions

	31 Dec 23 \$million	31 Dec 22 \$million
(a) Final dividends/distributions for the year		
Dividends/distributions in respect of the six months to 31 December 2023		
Parent Company: 1.211 cents per share (31 December 2022: 4.82 cents per share) ⁽ⁱ⁾	62.8	249.9
SGT1: 3.970 cents per unit (31 December 2022: 2.00 cents per unit)	205.8	103.7
SGT2: 3.102 cents per unit (31 December 2022: 1.43 cents per unit)	160.8	74.1
SGT3: 0.067 cents per unit (31 December 2022: nil) ⁽ⁱ⁾	3.5	–
Scentre Group: 8.35 cents per stapled security (31 December 2022: 8.25 cents per stapled security)	432.9	427.7

(i) Dividends paid/to be paid by the Parent Company and distributions to be paid by SGT3 are franked at the corporate tax rate of 30%.

Interim dividends/distributions of 8.25 cents per stapled security were paid on 31 August 2023. Final dividends/distributions will be paid on 29 February 2024. The record date for the final dividends/distributions was 16 February 2024.

Distribution Reinvestment Plan

A distribution reinvestment plan (DRP) is in operation for the distribution payable for the six-month period ended 31 December 2023. An election to participate in the DRP must be received by 5.00pm (AEDT) on 21 February 2024.

Notes to the Financial Statements continued

Note 9 – Dividends/distributions (continued)

	31 Dec 23 \$million	31 Dec 22 \$million
(b) Dividends/distributions paid during the year		
Dividends/distributions in respect of the six months to 30 June 2023		
Parent Company: nil (30 June 2022: nil)	–	–
SGT1: 4.125 cents per unit (30 June 2022: 3.75 cents per unit)	213.8	194.4
SGT2: 4.125 cents per unit (30 June 2022: 3.75 cents per unit)	213.8	194.4
SGT3: nil (30 June 2022: nil)	–	–
Dividends/distributions in respect of the six months to 31 December 2022		
Parent Company: 4.82 cents per share (31 December 2021: 2.89 cents per share) ⁽ⁱ⁾	249.9	149.8
SGT1: 2.00 cents per unit (31 December 2021: 2.14 cents per unit)	103.7	110.9
SGT2: 1.43 cents per unit (31 December 2021: 2.14 cents per unit)	74.1	110.9
SGT3: nil (31 December 2021: 0.08 cents per unit) ⁽ⁱ⁾	–	4.1
Scentre Group: 16.50 cents per stapled security (31 December 2022: 14.75 cents per stapled security) ⁽ⁱⁱ⁾	855.4	764.6

(i) Dividends paid by the Parent Company and distributions paid by SGT3 are franked at the corporate tax rate of 30%.

(ii) Total may not add due to rounding.

(c) Franking credit balance of the Group

As at 31 December 2023, franking credits available for use in future dividends/distributions amount to \$6.4 million (31 December 2022: \$9.2 million).

Note 10 – Net tangible asset backing

	31 Dec 23 \$	31 Dec 22 \$
Net tangible asset backing per security	3.44	3.57

Net tangible asset backing per security is calculated by dividing net assets (including the right-of-use assets) attributable to members of the Group of \$17,841.3 million (31 December 2022: \$18,530.6 million) by the number of securities on issue at 31 December 2023 of 5,184,177,688 (31 December 2022: 5,184,177,688) as disclosed in Note 18(a).



Note 11 – Statutory earnings per security

	31 Dec 23 cents	31 Dec 22 cents
(a) Summary of earnings per security attributable to members of Scentre Group		
Basic earnings per stapled security	3.37	5.80
Diluted earnings per stapled security	3.36	5.78

The following reflects the income data used in the calculations of basic and diluted earnings per stapled security:

	31 Dec 23 \$million	31 Dec 22 \$million
Earnings used in calculating basic and diluted earnings per stapled security ^{(i) (ii)}	174.9	300.6

- (i) Refer to the income statement for details of the profit after tax attributable to members of the Group. Adjustments to earnings on employee performance rights which are considered dilutive is nil (31 December 2022: nil).
- (ii) Comprises net profit attributable to SGL of \$25.0 million (31 December 2022: \$31.3 million) and net profit attributable to members of SGT1, SGT2 and SGT3 of \$149.9 million (31 December 2022: \$269.3 million).

The following reflects the security data used in the calculations of basic and diluted earnings per stapled security:

	31 Dec 23 Number of securities	31 Dec 22 Number of securities
Weighted average number of ordinary securities used in calculating basic earnings per stapled security	5,184,177,688	5,184,177,688
Weighted average number of potential employee performance rights which, if securities were issued, would be dilutive ⁽ⁱⁱⁱ⁾	21,374,795	18,570,237
Adjusted weighted average number of ordinary securities used in calculating diluted earnings per stapled security	5,205,552,483	5,202,747,925

- (iii) As at 31 December 2023, 17,972,708 (31 December 2022: 17,499,774) employee performance rights are on issue.

	31 Dec 23 cents	31 Dec 22 cents
(b) Summary of earnings per SGL share		
Basic earnings per SGL share	0.48	0.60
Diluted earnings per SGL share	0.48	0.60

Earnings of \$25.0 million (31 December 2022: \$31.3 million) was used in calculating basic and diluted earnings per SGL share.

The weighted average number of ordinary securities used in calculating basic earnings per SGL share was 5,184,177,688 (31 December 2022: 5,184,177,688).

The adjusted weighted average number of ordinary securities used in calculating diluted earnings per SGL share was 5,205,552,483 (31 December 2022: 5,202,747,925) after adjusting for the weighted average number of potential employee performance rights of 21,374,795 (31 December 2022: 18,570,237) which, if securities were issued, would be dilutive.

Notes to the Financial Statements continued

Note 11 – Statutory earnings per security (continued)

(c) Conversions, calls, subscription, issues or buy-back after 31 December 2023

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

Accounting Policies

Earnings per security

Basic earnings per security is calculated as net profit attributable to members divided by the weighted average number of ordinary securities. Diluted earnings per security is calculated as net profit attributable to members adjusted for any profit recognised in the period in relation to dilutive potential ordinary securities, divided by the weighted average number of ordinary securities and dilutive potential ordinary securities.

Note 12 – Currency gain/(loss)

	31 Dec 23 \$million	31 Dec 22 \$million
Net fair value gain/(loss) and associated credit risk on currency derivatives that do not qualify for hedge accounting	1.3	(32.1)
	1.3	(32.1)

The translation of the Group's foreign currency borrowings to Australian dollars has been economically hedged by currency derivatives with the same principal values. Therefore the income statement is not sensitive to any movements in exchange rates in relation to these net positions. The recognition of a net gain or loss results from the movement in the fair value calculation of the credit risk on the currency derivative positions only.

Accounting Policies

Where hedge accounting requirements have been met, gains or losses arising on the movements in the fair value of currency derivatives which hedge net investments in foreign operations are recognised in the foreign currency translation reserve. Where a currency derivative, or portion thereof, is deemed an ineffective hedge for accounting purposes, gains or losses thereon are recognised in the income statement. On disposal of a net investment in foreign operations, the cumulative gains or losses recognised previously in the foreign currency translation reserve are transferred to the income statement.

Translation of foreign currency transactions

Foreign currency transactions are converted to Australian dollars at exchange rates ruling at the date of those transactions. Amounts payable and receivable in foreign currency at balance date are translated to Australian dollars at exchange rates ruling at that date. Exchange differences arising on the settlement of or on translating amounts payable or receivable in foreign currency at rates different from those at which they were translated on initial recognition, are recognised in the income statement in the period in which they arise, except where hedge accounting is applied.

Refer to Notes 17 and 19 for other items included in currency gain/(loss).



Note 13 – Financing costs

	31 Dec 23 \$million	31 Dec 22 \$million
Gross financing costs on senior borrowings (excluding net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting)	(501.3)	(434.5)
Financing costs capitalised to qualifying development projects and construction in progress	35.9	22.1
Interest expense on other financial liabilities	(11.0)	(19.0)
Lease liabilities interest expense	(5.0)	(5.4)
	(481.4)	(436.8)
Net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting	103.1	(676.2)
Net fair value gain on other financial liabilities	18.6	13.8
Net modification loss on refinanced borrowing facilities	(1.4)	(7.2)
Total financing costs (excluding coupons on subordinated notes)	(361.1)	(1,106.4)
Gain on buyback of subordinated notes ⁽ⁱ⁾	51.1	–
Subordinated notes coupons	(323.9)	(251.0)
Total financing costs	(633.9)	(1,357.4)

(i) In November 2023, 10% of outstanding subordinated notes maturing in September 2080 were repurchased at a discount to their face value of US\$300.0 million. The difference between the carrying amount of the notes repurchased and the consideration paid resulted in a gain of \$51.1 million being recognised in the income statement.

Accounting Policies

Financing costs

Financing costs include interest, amortisation of discounts or premiums relating to borrowings and other costs incurred in connection with the arrangement of borrowings. Financing costs are expensed as incurred unless they relate to a qualifying asset. A qualifying asset is an asset which generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, the financing costs are capitalised to the cost of the asset. Where funds are borrowed by the Group for the acquisition or construction of a qualifying asset, the financing costs are capitalised.

Refer to Notes 16 and 17 for other items included in financing costs.

Notes to the Financial Statements continued

Note 14 – Cash and cash equivalents

	31 Dec 23 \$million	31 Dec 22 \$million
(a) Components of cash and cash equivalents		
Cash	296.4	679.0
Bank overdrafts	–	–
Total cash and cash equivalents	296.4	679.0
(b) Reconciliation of profit after tax to net cash flows from operating activities		
Profit after tax	175.0	322.2
Property revaluations	981.9	(250.9)
Difference between share of equity accounted profit/(loss) and dividends/distributions received	(63.4)	104.4
Deferred tax benefit	(18.8)	(14.9)
Net fair value loss/(gain) and associated credit risk on currency derivatives	(1.3)	32.1
Net fair value loss/(gain) on interest rate hedges that do not qualify for hedge accounting	(103.1)	676.2
Net fair value gain on other financial liabilities	(18.6)	(13.8)
Net modification loss on refinanced borrowing facilities	1.4	7.2
Gain on buyback of subordinated notes	(51.1)	–
Decrease in working capital attributable to operating activities	168.7	284.1
Net cash flows from operating activities	1,070.7	1,146.6
(c) Changes in net debt and subordinated notes arising from financing activities		
Net debt and subordinated notes at the beginning of the year	14,785.3	14,677.1
Repayment of senior borrowings	(1,844.5)	(934.9)
Proceeds from senior borrowings	2,302.1	1,020.2
Repayment of subordinated notes	(404.5)	–
Gain on buyback of subordinated notes	(51.1)	–
Effects of exchange rate changes and fair value movement on currency derivatives and other changes in net debt	4.1	22.9
Net debt and subordinated notes at the end of the year ⁽ⁱ⁾	14,791.4	14,785.3
Less: Subordinated notes at the hedged rate	(3,698.8)	(4,109.6)
Net debt	11,092.6	10,675.7

(i) Net debt and subordinated notes primarily comprises interest bearing liabilities of \$15,440.2 million (31 December 2022: \$15,412.1 million) and net receivables on currency derivatives hedging senior borrowings and subordinated notes in foreign currency of \$648.8 million (31 December 2022: net receivables of \$666.7 million).

Accounting Policies

Cash and cash equivalents

Cash and cash equivalents on the balance sheet comprises cash at bank and on hand and short term deposits on demand with an original maturity of 90 days or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents are measured at amortised cost using the effective interest rate method, reduced by impairment losses. Interest income and impairment losses (if any) are recognised in the income statement.

For purposes of the cash flow statement, cash and cash equivalents includes cash on hand and at bank, short term deposits on demand and bank accepted bills of exchange readily converted to cash net of bank overdrafts. Bank overdrafts are carried at the principal amount.



Note 15 – Interest bearing liabilities

	31 Dec 23 \$million	31 Dec 22 \$million
Current		
Unsecured		
Commercial paper and uncommitted facilities		
– A\$ denominated	682.9	592.2
Notes payable		
– € denominated	972.3	1,576.7
	1,655.2	2,168.9
Non current		
Unsecured		
Bank loans		
– A\$ denominated	2,194.4	743.0
Notes payable		
– US\$ denominated	4,550.8	4,550.1
– € denominated	1,620.5	2,514.2
– £ denominated	747.5	709.3
– A\$ denominated	400.0	–
– HK\$ denominated	75.2	75.3
Secured		
Bank loans and mortgages		
– A\$ denominated	233.0	248.0
	9,821.4	8,839.9
Total senior borrowings	11,476.6	11,008.8
Less: Cash and cash equivalents	(296.4)	(679.0)
Total senior borrowings net of cash and cash equivalents	11,180.2	10,329.8
Non current		
Unsecured		
Subordinated notes		
– US\$ denominated	3,963.6	4,403.3
Total subordinated notes	3,963.6	4,403.3
Interest bearing liabilities		
– Senior borrowings	11,476.6	11,008.8
– Subordinated notes	3,963.6	4,403.3
Total interest bearing liabilities	15,440.2	15,412.1

The Group maintains a range of interest bearing liabilities. The sources of funding are spread over various counterparties to minimise credit risk exposure and the terms of the instruments are negotiated to achieve a balance between capital availability and the cost of debt. Refer to Note 23 for details relating to fixed rate liabilities and derivatives which hedge floating rate liabilities.

Notes to the Financial Statements continued

Note 15 – Interest bearing liabilities (continued)

	31 Dec 23 \$million	31 Dec 22 \$million
(a) Summary of financing facilities		
Committed financing facilities available to the Group:		
Financing facilities	18,739.9	19,538.9
Senior borrowings	(11,476.6)	(11,008.8)
Subordinated notes	(3,963.6)	(4,403.3)
Bank guarantees	(48.3)	(52.6)
Available financing facilities	3,251.4	4,074.2
Cash and cash equivalents	296.4	679.0
Financing resources available	3,547.8	4,753.2

These facilities comprise fixed rate notes and both secured and unsecured interest only floating rate facilities. Certain facilities are also subject to negative pledge arrangements which require the Group to comply with specific minimum financial and non-financial requirements. These facilities exclude the property linked notes liability of \$174.0 million (31 December 2022: \$354.9 million). Amounts which are denominated in foreign currencies are translated at exchange rates ruling at balance date.

	Maturity Date	Committed financing facilities 31 Dec 23 \$million	Interest bearing liabilities 31 Dec 23 \$million	Committed financing facilities 31 Dec 22 \$million	Interest bearing liabilities 31 Dec 22 \$million
(b) Financing facilities and interest bearing liabilities, comprise:					
Unsecured senior notes payable					
– US\$ ⁽ⁱ⁾	Feb 25 to May 30	4,550.8	4,550.8	4,550.1	4,550.1
– € ⁽ⁱ⁾	Jul 24 to Mar 29	2,592.8	2,592.8	4,090.9	4,090.9
– £ ⁽ⁱ⁾	Jul 26	747.5	747.5	709.3	709.3
– HK\$ ⁽ⁱ⁾	Apr 30	75.2	75.2	75.3	75.3
– A\$	May 31	400.0	400.0	–	–
Total unsecured senior notes payable		8,366.3	8,366.3	9,425.6	9,425.6
Unsecured bank loan facilities	Jan 25 to Oct 30	6,110.0	2,194.4	5,410.0	743.0
Unsecured commercial paper and uncommitted facilities ⁽ⁱⁱ⁾		–	682.9	–	592.2
Secured bank loans and mortgages ⁽ⁱⁱⁱ⁾	May 27	300.0	233.0	300.0	248.0
		14,776.3	11,476.6	15,135.6	11,008.8
Unsecured subordinated notes – US\$ ^(iv)	Sep 80	3,963.6	3,963.6	4,403.3	4,403.3
Total financing facilities and interest bearing liabilities		18,739.9	15,440.2	19,538.9	15,412.1

(i) The US\$, €, £ and HK\$ denominated unsecured senior notes payables are economically hedged using cross currency swaps with the same principal values to convert into A\$ payables.

(ii) Drawings on the Group's commercial paper program and uncommitted facilities are in addition to the Group's committed facilities and are classified as current interest bearing liabilities. These drawings may be refinanced by non current unsecured bank loan facilities.

(iii) The Group consolidates Carindale Property Trust. The trust has a \$300.0 million (31 December 2022: \$300.0 million) floating interest rate syndicated facility. Drawings under this facility are secured by a registered mortgage over the trust's interest in Westfield Carindale, and a fixed and floating charge over all assets and undertakings of the trust. The facility is subject to negative pledge arrangements. At 31 December 2023, the recorded fair value of Westfield Carindale is \$765.0 million (31 December 2022: \$785.1 million) compared to borrowings of \$233.0 million (31 December 2022: \$248.0 million).

(iv) The US\$ subordinated notes comprise US\$1.4 billion (31 December 2022: US\$1.5 billion) with a non-call period of 6 years and US\$1.3 billion (31 December 2022: US\$1.5 billion) with a non-call period of 10 years. The notes may be redeemed by the Group at par at the end of their respective non-call periods or any coupon date thereafter. The unsecured subordinated notes are economically hedged up to the end of their respective non-call periods using cross currency swaps with the same principal values to convert into A\$ payables. In November 2023, US\$300.0 million subordinated notes payable maturing in September 2080 were repurchased.



Note 15 – Interest bearing liabilities (continued)

	Maturity Date	31 Dec 23 Local currency million	31 Dec 22 Local currency million
(c) Maturity of unsecured senior notes payable and subordinated notes			
Senior notes payable			
	22 Mar 23	–	€500.0
	11 Sep 23	–	€503.4
	16 Jul 24	€600.0	€600.0
	12 Feb 25	US\$600.0	US\$600.0
	28 Oct 25	US\$500.0	US\$500.0
	28 Jan 26	US\$750.0	US\$750.0
	16 Jul 26	£400.0	£400.0
	23 Mar 27	US\$500.0	US\$500.0
	11 Apr 28	€500.0	€500.0
	28 Mar 29	€500.0	€500.0
	29 Apr 30	HK\$400.0	HK\$400.0
	28 May 30	US\$750.0	US\$750.0
	1 May 31	A\$400.0	–
Total A\$ equivalent of senior unsecured notes payable		8,366.3	9,425.6
Subordinated notes ⁽ⁱ⁾		US\$2,700.0	US\$3,000.0
Total A\$ equivalent of senior unsecured notes payable and subordinated notes		12,329.9	13,828.9

(i) US\$300.0 million subordinated notes payable maturing in September 2080 were repurchased in November 2023.

Accounting Policies

Interest bearing liabilities

Interest bearing liabilities are recognised initially at the fair value of the consideration received less any directly attributable transaction costs. Subsequent to initial recognition, interest bearing liabilities are recorded at amortised cost using the effective interest rate method.

Interest bearing liabilities are classified as current liabilities where the liability has been drawn under a financing facility which expires within one year. Amounts drawn under financing facilities which expire after one year are classified as non current, where the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

Financing costs for interest bearing liabilities are recognised on an accruals basis.

The fair values of the Group's interest bearing liabilities as disclosed in Note 28 are determined as follows:

- Fair values of quoted notes and bonds are based on price quotations at balance date.
- The fair values of unquoted instruments, loans from banks and other non current financial liabilities are estimated by discounting future cash flows using rates that approximate the Group's borrowing rate at the balance date, for debt with similar maturity, credit risk and terms.

Notes to the Financial Statements continued

Note 16 – Other financial liabilities

	31 Dec 23 \$million	31 Dec 22 \$million
Property linked notes		
Current	174.0	162.3
Non current	–	192.6
	174.0	354.9

The Property Linked Notes (Notes) are designed to provide returns based on the economic performance of certain Westfield Australian super regional and regional shopping centres. When the Notes were originally issued, these centres were: Parramatta, Hornsby and Burwood in Sydney, Southland in Melbourne, Tea Tree Plaza in Adelaide and Belconnen in the Australian Capital Territory (collectively the Westfield centres). The return under the Notes is based on a proportional interest, in respect of the relevant Westfield centre, as specified in the Note (Reference Property Interest). Redemption events under the Notes include non performance events by the Issuer, changes in tax laws and sale of the relevant Westfield centre. The Notes may also be redeemed at a Review Date.

The redemption value of a Note is effectively calculated as the market value of the Noteholder's Reference Property Interest at the date of redemption and the final coupon (if applicable). The Notes were initially recorded at fair value and are subsequently remeasured at fair value each reporting period. The fair value of the Notes is determined by reference to the fair value of the relevant Westfield centre with the gains or losses recorded through the income statement. Accordingly, the gains or losses recorded through the income statement are directly related to the revaluation of the relevant Westfield centre. On redemption, the obligation to pay the amount due on the Notes can, in certain circumstances, be satisfied by the transfer of the underlying Reference Property Interest to the Noteholder. The Notes are subordinated to all other secured and unsecured debt of the Group. The Notes are guaranteed (on a subordinated basis) by the Parent Company and RE1 Limited as responsible entity of SGT2.

As at the date of this report, all the Notes have been repaid and terminated totalling \$1,437.4 million since the Notes were originally issued. This includes \$174.0 million of the Notes linked to Hornsby that were repaid and terminated on 2 January 2024. The coupon on the Notes was payable quarterly on 15 March, 15 June, 15 September and 15 December each year for as long as the Notes remain outstanding.

Accounting Policies

Other financial liabilities

Other financial liabilities pertain to property linked notes. Where there is a minimum distribution entitlement and/or the redemption terms include the settlement for cash on redemption, the instrument is classified as a financial liability and is designated as fair value through the income statement.

The fair value of property linked notes is determined by reference to the fair value of the underlying linked property investments.



Note 17 – Derivative assets and liabilities

	Current \$million	Non current \$million	31 Dec 23 Total \$million	Current \$million	Non current \$million	31 Dec 22 Total \$million
(a) Derivative assets						
Currency derivatives ⁽ⁱ⁾						
– Senior borrowings	88.7	258.2	346.9	96.7	255.8	352.5
Interest rate derivatives	152.8	160.7	313.5	162.2	346.5	508.7
	241.5	418.9	660.4	258.9	602.3	861.2
(b) Derivative liabilities						
Currency derivatives ⁽ⁱ⁾						
– Subordinated notes	95.7	129.8	225.5	98.3	273.5	371.8
– Senior borrowings	155.6	381.0	536.6	143.3	639.7	783.0
Interest rate derivatives	9.0	7.1	16.1	0.2	–	0.2
	260.3	517.9	778.2	241.8	913.2	1,155.0

(i) Currency derivatives comprise cross currency swaps and foreign currency swaps. The currency related and interest related components of currency derivatives are part of the same contract (refer to Note 2(v)). The net position has been classified accordingly as a derivative asset or derivative liability on the balance sheet.

The Group's derivatives above do not meet the accounting requirements to qualify for hedge accounting treatment. Changes in fair value have been reflected in the income statement. At 31 December 2023, the aggregate fair value is a net payable of \$117.8 million (31 December 2022: \$293.8 million). The change in fair value for the year ended 31 December 2023 was a net gain of \$176.0 million (31 December 2022: net loss of \$104.3 million). In 2023, the Group settled currency derivatives at fair value following the buyback of US\$300.0 million subordinated notes resulting in a net payment of \$29.6 million (31 December 2022: nil).

The Group presents the fair value mark to market of its derivative assets and derivative liabilities on a gross basis. Certain derivative assets and liabilities are subject to legally enforceable master netting arrangements, however do not meet the criteria for offsetting in the balance sheet. As at 31 December 2023, if these netting arrangements were applied to the derivative portfolio, derivative assets of \$660.4 million would be reduced by \$371.1 million to the net amount of \$289.3 million and derivative liabilities of \$778.2 million would be reduced by \$371.1 million to the net amount of \$407.1 million. As at 31 December 2022, if these netting arrangements were applied to the derivative portfolio, derivative assets of \$861.2 million would be reduced by \$509.5 million to the net amount of \$351.7 million and derivative liabilities of \$1,155.0 million would be reduced by \$509.5 million to the net amount of \$645.5 million.

Accounting Policies

Derivative financial instruments

The Group utilises derivative financial instruments, including forward exchange contracts, interest rate options and currency and interest rate swaps to manage the risks associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are recognised at fair value.

The Group has set defined policies and implemented a comprehensive hedging program to manage interest and exchange rate risks. Derivative instruments are transacted to achieve the economic outcomes in line with the Group's treasury policy and hedging program. Derivative instruments are not transacted for speculative purposes. Accounting standards require detailed compliance with documentation, designation and effectiveness parameters before a derivative financial instrument is deemed to qualify for hedge accounting treatment. Where these requirements are not met, derivative instruments are deemed not to qualify for hedge accounting and changes in fair value are recorded in the income statement.

Notes to the Financial Statements continued

Note 17 – Derivative assets and liabilities (continued)

Gains or losses arising from the movements in the fair value of currency derivatives which hedge net investments in foreign operations are recognised in the foreign currency translation reserve where hedge accounting requirements have been met. Where a currency derivative, or portion thereof, is deemed an ineffective hedge for accounting purposes, gains or losses thereon are recognised in the income statement. On disposal of a net investment in foreign operations, the cumulative gains or losses recognised previously in the foreign currency translation reserve are transferred to the income statement.

The fair value of derivatives has been determined with reference to market observable inputs for contracts with similar maturity profiles. The valuation is a present value calculation which incorporates interest rate curves, foreign exchange spot and forward rates, option volatilities and the credit quality of counterparties.

Note 18 – Contributed equity

	31 Dec 23 Number of securities	31 Dec 22 Number of securities
(a) Securities on issue		
Number of securities on issue ⁽ⁱ⁾	5,184,177,688	5,184,177,688

(i) The number of securities on issue as at 31 December 2023 was 5,190,378,339 (31 December 2022: 5,190,378,339). The Scentre Executive Option Plan Trust holds 6,200,651 (31 December 2022: 6,200,651) securities in the Group, which have been consolidated and eliminated in accordance with accounting standards.

There were no changes to the number of securities on issue during the years ended 31 December 2023 and 2022.

Holders of Scentre Group stapled securities have the right to receive declared dividends from the Parent Company and distributions from SGT1, SGT2 and SGT3 and, in the event of winding up the Parent Company, 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 stapled securities held.

Holders of 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 the Parent Company, SGT1, SGT2 and SGT3 (as the case may be).

	31 Dec 23 \$million	31 Dec 22 \$million
(b) Amount of contributed equity attributable to members of Scentre Group		
Comprise amounts attributable to:		
SGL	661.0	661.0
SGT1, SGT2 and SGT3	9,329.8	9,329.8
Scentre Group	9,990.8	9,990.8

There were no changes to the amount of contributed equity attributable to members of Scentre Group during the years ended 31 December 2023 and 2022.

Accounting Policies

Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising from the issue of ordinary securities are recognised directly in equity as a reduction of the proceeds received.



Note 19 – Reserves

	Note	31 Dec 23 \$million	31 Dec 22 \$million
(a) Reserves attributable to members of Scentre Group			
Comprise amounts attributable to:			
SGL		30.3	33.1
SGT1, SGT2 and SGT3		80.5	86.5
Scentre Group		110.8	119.6
Total reserves attributable to members of Scentre Group comprise:			
Foreign currency translation reserve	19(b)	79.0	85.3
Employee share plan benefits reserve	19(c)	31.8	34.3
Total reserves		110.8	119.6
(b) Movement in foreign currency translation reserve			
Balance at the beginning of the year		85.3	100.5
Foreign exchange movement			
– Currency movement on the translation of investment in foreign operations		(6.3)	(15.2)
Balance at the end of the year		79.0	85.3

The foreign currency translation reserve is used to record net exchange differences arising from the translation of the net investments, including qualifying hedges, in foreign controlled and equity accounted entities. This may be subsequently transferred to the income statement.

Accounting Policies

Translation of accounts of foreign operations

The functional and presentation currency of the Parent Company and its Australian subsidiaries is Australian dollars. The functional currency of the New Zealand entities is New Zealand dollars. The presentation currency of the overseas entities is Australian dollars to enable the consolidated financial statements of the Group to be reported in a common currency.

The balance sheets of foreign subsidiaries and equity accounted investments are translated at exchange rates ruling at balance date and the income statement of foreign subsidiaries and equity accounted investments are translated at average exchange rates for the period. Exchange differences arising on translation of the interests in foreign operations are taken directly to the foreign currency translation reserve.

Refer to Note 17 for other items included in foreign currency translation reserve.

	31 Dec 23 \$million	31 Dec 22 \$million
(c) Movement in employee share plan benefits reserve		
Balance at the beginning of the year	34.3	23.4
Amounts settled during the year	(15.6)	(4.7)
Amortisation during the year	13.1	15.6
Balance at the end of the year	31.8	34.3

The employee share plan benefits reserve is used to record the value of share based payments provided to employees as part of their remuneration.

Notes to the Financial Statements continued

Note 20 – Retained profits

	Note	31 Dec 23 \$million	31 Dec 22 \$million
(a) Retained profits attributable to members of Scentre Group			
Comprise amounts attributable to:			
SGL		(8.2)	216.7
SGT1, SGT2 and SGT3		7,747.9	8,203.5
Scentre Group		7,739.7	8,420.2
(b) Movement in retained profits attributable to members of Scentre Group			
Balance at the beginning of the year		8,420.2	8,884.2
Profit after tax for the year		174.9	300.6
Dividends/distributions paid	9(b)	(855.4)	(764.6)
Balance at the end of the year		7,739.7	8,420.2

Note 21 – Capital risk management

The Group seeks to manage its capital requirements to maximise value to members through the mix of debt and equity funding, while ensuring that Group entities:

- comply with capital and distribution requirements of their constitutions and/or trust deeds;
- comply with capital requirements of relevant regulatory authorities;
- maintain strong investment grade credit ratings; and
- continue to operate as going concerns.

The Group assesses the adequacy of its capital requirements, cost of capital and gearing (i.e. debt/equity mix) as part of its broader strategic plan. The Group continuously reviews its capital structure in order to:

- have sufficient funds and financing facilities, on a cost effective basis, available to implement the Group's property development and business acquisition strategies;
- ensure financing facilities for unforeseen contingencies are maintained; and
- provide distributions to members.

The Group is able to alter its capital mix by issuing new stapled securities and hybrid securities, establishing a distribution reinvestment plan, electing to have the distribution reinvestment underwritten, adjusting the amount of distributions paid to members, activating a security buyback program, divesting assets or adjusting the timing of capital expenditure for its property redevelopment pipeline.

The Group also protects its equity in assets by taking out insurance.



Note 22 – Financial risk management

The Group's principal financial instruments comprise cash, short term deposits at bank, receivables, payables, interest bearing liabilities, other financial liabilities and derivative financial instruments.

The Group manages its exposure to key financial risks in accordance with the Group's treasury risk management policies. These policies have been established to manage the key financial risks such as interest rate, foreign exchange, counterparty credit and liquidity.

The Group's treasury risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group through its training and procedures, has developed a control environment in which relevant treasury and finance personnel understand their roles and obligations in respect of the Group's treasury management objectives.

The Group has an established Board approved risk management framework including policies, procedures, limits and allowed types of derivative financial instruments. The Audit and Risk Committee reviews and oversees management's compliance with these policies, procedures and limits. The Audit and Risk Committee is assisted in its oversight role by the Group's Executive Risk Management Committee.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates, foreign exchange, liquidity and credit risk. The Group enters into derivative financial instruments, principally interest rate swaps, interest rate options, cross currency swaps, forward exchange contracts and currency options. The purpose of these transactions is to manage the interest rate and currency risks arising from the Group's operations, cash flows, interest bearing liabilities and its net investments in foreign operations. The Group seeks to deal only with creditworthy counterparties and these assessments are regularly reviewed. Liquidity risk is monitored through the use of rolling cash flow forecasts.

Note 23 – Interest rate risk management

The Group is exposed to interest rate risk on its interest bearing liabilities and derivative financial instruments. This risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate interest bearing liabilities. Fixed rate liabilities are achieved either through fixed rate funding or through the use of derivative financial instruments in accordance with a Board approved policy. These activities are evaluated regularly to determine that the Group is not exposed to interest rate movements that could adversely impact its ability to meet its financial obligations and to comply with its borrowing covenants.

Notes to the Financial Statements continued

Note 23 – Interest rate risk management (continued)

Summary of interest rate positions at balance date

The Group's interest rate risk exposures at balance date including the relevant financial instruments used to manage these exposures are as follows:

	Note	31 Dec 23 \$million	31 Dec 22 \$million
Principal amounts of interest bearing assets/(liabilities):			
Senior borrowings	15	(11,476.6)	(11,008.8)
Subordinated notes	15	(3,963.6)	(4,403.3)
Cross currency swaps			
– A\$ relating to senior borrowings		(7,566.7)	(9,030.9)
– A\$ relating to subordinated notes		(3,698.8)	(4,109.6)
– US\$3,100.0 million (31 December 2022: US\$3,100.0 million)		4,550.8	4,550.1
– US\$2,700.0 million relating to subordinated notes (31 December 2022: US\$3,000.0 million)		3,963.6	4,403.3
– €1,600.0 million (31 December 2022: €2,600.0 million)		2,592.8	4,085.5
– £400.0 million (31 December 2022: £400.0 million)		747.5	709.3
– HK\$400.0 million (31 December 2022: HK\$400.0 million)		75.2	75.3
Foreign currency swaps			
– A\$		–	104.2
– Nil (31 December 2022: NZ\$110.4 million payable)		–	(102.9)
Cash and cash equivalents	2(v)	324.9	693.9
Principal amounts of net interest bearing liabilities		(14,450.9)	(14,033.9)
Principal amounts of fixed interest rate assets/(liabilities):			
Fixed rate debt and subordinated notes			
– A\$		(400.0)	–
– US\$3,100.0 million (31 December 2022: US\$3,100.0 million)		(4,550.8)	(4,550.1)
– US\$2,700.0 million subordinated notes (31 December 2022: US\$3,000.0 million)		(3,963.6)	(4,403.3)
– €1,600.0 million (31 December 2022: €2,600.0 million)		(2,592.8)	(4,085.5)
– £400.0 million (31 December 2022: £400.0 million)		(747.5)	(709.3)
– HK\$400.0 million (31 December 2022: HK\$400.0 million)		(75.2)	(75.3)
Fixed rate derivatives			
– A\$ payable		(12,070.0)	(10,535.0)
– A\$ receivable		400.0	–
– US\$3,100.0 million (31 December 2022: US\$3,100.0 million)		4,550.8	4,550.1
– US\$2,700.0 million relating to subordinated notes (31 December 2022: US\$3,000.0 million)		3,963.6	4,403.3
– €1,600.0 million (31 December 2022: €2,600.0 million)		2,592.8	4,085.5
– £400.0 million (31 December 2022: £400.0 million)		747.5	709.3
– HK\$400.0 million (31 December 2022: HK\$400.0 million)		75.2	75.3
Other derivatives ⁽ⁱ⁾			
– A\$		(700.0)	–
Principal amounts of net interest bearing liabilities hedged by fixed rate instruments and derivatives		(12,770.0)	(10,535.0)

(i) The Group entered into callable swaps with an aggregate principal value of A\$700.0 million, where floating rate payments are swapped to fixed rate payments from March 2023 until April 2026. The callable swaps may be terminated by the counterparty at no cost on a quarterly basis commencing from March 2024 to April 2026.



Note 23 – Interest rate risk management (continued)

Summary of interest rate positions at balance date (continued)

At 31 December 2023, the Group has hedged 88% of its net interest bearing liabilities by way of fixed rate borrowings, subordinated notes and interest rate derivatives of varying durations. The remaining 12% is exposed to floating rates on a principal payable of \$1,680.9 million, at an interest rate based on an interbank benchmark rate and applicable margins (31 December 2022: 75% hedged with floating exposure on a principal payable of \$3,498.9 million).

Interest rate sensitivity

The sensitivity of interest expense to changes in the floating exposure interest rate is proportional. Assuming the floating interest payable exposure remains unchanged, an increase or decrease in interest rates of 100 basis points would increase or decrease interest expense by \$16.8 million (31 December 2022: \$35.0 million) respectively for the next 12 months.

The fair values of derivatives used by the Group are also sensitive to changes in interest rates and are as follows:

	31 Dec 23 \$million	31 Dec 22 \$million
Interest rate movement		Increase/(decrease) in fair value
-2.0%	97.2	232.1
-1.0%	52.6	114.5
-0.5%	27.1	54.9
0.5%	(26.8)	(51.7)
1.0%	(53.4)	(100.6)
2.0%	(103.6)	(189.5)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the current observable market environment.

All fixed rate interest bearing liabilities are carried at amortised cost, therefore increases or decreases arising from changes in fair value have not been recorded in these financial statements.

Notes to the Financial Statements continued

Note 24 – Exchange rate risk management

The Group is exposed to exchange rate risks primarily on its foreign currency denominated liabilities and its investment in New Zealand. The Group manages the foreign currency denominated liability exposures by entering into currency derivative instruments.

Summary of foreign currency balance sheet positions at balance date

The Group's significant foreign exchange risk exposures at reporting date including the relevant financial instruments used to manage these exposures are as follows:

	31 Dec 23 million	31 Dec 22 million
New Zealand Dollar		
Cash and cash equivalents	–	NZ\$110.4
Investment in New Zealand	NZ\$1,434.8	NZ\$1,432.4
Foreign currency swaps	–	NZ\$(110.4)
NZ\$ denominated net assets	NZ\$1,434.8	NZ\$1,432.4
US Dollar		
Cash and cash equivalents	US\$2.0	US\$1.9
Borrowings	US\$(3,100.0)	US\$(3,100.0)
Cross currency swaps	US\$3,100.0	US\$3,100.0
US\$ denominated net assets	US\$2.0	US\$1.9
US Dollar – Subordinated notes		
Subordinated notes	US\$(2,700.0)	US\$(3,000.0)
Cross currency swaps	US\$2,700.0	US\$3,000.0
US\$ denominated net assets	–	–
British Pound		
Borrowings	£(400.0)	£(400.0)
Cross currency swaps	£400.0	£400.0
£ denominated net assets	–	–
Euro		
Borrowings	€(1,600.0)	€(2,600.0)
Cross currency swaps	€1,600.0	€2,600.0
€ denominated net assets	–	–
Hong Kong Dollar		
Borrowings	HK\$(400.0)	HK\$(400.0)
Cross currency swaps	HK\$400.0	HK\$400.0
HK\$ denominated net assets	–	–

Foreign exchange gains or losses arising from the translation of interests in foreign operations and the fair value gains or losses from currency derivatives where hedge accounting requirements are met, are taken directly to the foreign currency translation reserve. Where the Group does not satisfy the hedge accounting requirements, the changes in fair value are reflected in the income statement.



Note 24 – Exchange rate risk management (continued)

Foreign currency sensitivity

The Group's sensitivity to movements in foreign exchange rates mainly arises from its NZ\$ denominated net assets.

The NZ\$ cash and cash equivalents are economically hedged using foreign currency swaps with the same principal value to convert into A\$ receivables. The US\$, €, £ and HK\$ denominated notes payable exposures and the subordinated notes exposures (up to the end of the respective non-call periods) are economically hedged using cross currency swaps with the same principal values to convert into A\$ payables. Therefore the income statement is not sensitive to any movements in exchange rates in relation to these net positions.

Note 25 – Credit risk management

The Group's credit risk arises from financial assets such as cash and cash equivalents, trade debtors and receivables and favourable derivative financial instruments. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

The Group generally considers a financial asset to be in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

For cash, short term deposits and derivative instruments with banks and other financial institutions, credit limits have been established to ensure that the Group deals only with approved counterparties, counterparty concentration risk is addressed and the risk of loss is mitigated. Counterparty exposure is measured as the aggregate of all obligations of any single legal entity or economic entity to the Group, after allowing for appropriate set offs which are legally enforceable. A maximum credit limit is allocated to each counterparty based on its credit rating. The counterparty credit risk associated with investment instruments is assessed based on its outstanding face value.

In accordance with the Group's policy, credit risk in respect of cash and derivative financial instruments is spread among a number of creditworthy counterparties within specified limits. The Group had 57% (31 December 2022: 53%) of its aggregate credit risk spread over three counterparties each with an S&P long term rating of A+ or higher. The remainder is spread over counterparties each with less than 10% of the aggregate credit risk and with an S&P long term rating of A or higher.

For trade debtors and receivables, there are no significant concentrations of credit risk. The Group also obtains security deposits from tenants in the form of cash or bank guarantees which can be called upon if the tenant is in default under the terms of the lease contract.

The maximum exposure to credit risk at balance date is the aggregate of the carrying amounts of financial assets as disclosed in Note 28.

Notes to the Financial Statements continued

Note 26 – Liquidity risk management

The Group undertakes active liquidity and funding risk management to enable it to have sufficient funds available to meet its financial obligations as and when they fall due, and for working capital and expected committed capital expenditure requirements. The Group prepares and monitors rolling forecasts of liquidity requirements on the basis of expected cash flow.

Refer to Note 15 for details of interest bearing liabilities and financing facilities. The maturity profiles of the principal amounts of interest bearing liabilities including aggregate future estimated nominal interest and the future estimated nominal cashflows of derivative financial instruments are set out below:

	31 Dec 23 \$million	31 Dec 22 \$million
Senior borrowings and interest		
Due within one year	(2,108.4)	(2,521.9)
Due between one year and five years	(7,965.4)	(6,487.2)
Due after five years	(2,979.1)	(3,351.0)
	(13,052.9)	(12,360.1)
Subordinated notes and interest		
Due within one year	(196.0)	(217.4)
Due between one year and five years	(782.5)	(870.3)
Due between five years and ten years	(978.0)	(1,088.3)
Due after ten years	(13,105.8)	(14,788.1)
	(15,062.3)	(16,964.1)
Comprising:		
– principal amounts of current and non current senior borrowings	(11,476.6)	(11,008.8)
– aggregate future estimated nominal interest of senior borrowings	(1,576.3)	(1,351.3)
– principal amounts of non current subordinated notes	(3,963.6)	(4,403.3)
– aggregate future estimated nominal interest of subordinated notes	(11,098.7)	(12,560.8)
	(28,115.2)	(29,324.2)
Derivatives inflows/(outflows)		
Due within one year	(83.2)	(103.5)
Due between one year and five years	(158.4)	(268.1)
Due after five years	(106.9)	(217.7)
	(348.5)	(589.3)

Contingent liabilities are set out in Note 34 and are not included in the amounts shown above.

Note 27 – Financial covenants

The Group is required to comply with certain financial covenants in respect of its unsecured borrowing facilities and bond offerings. The major financial covenants are summarised as follows:

- (a) Leverage ratio (net debt to net assets)
 - shall not exceed 65%
- (b) Secured debt ratio (secured debt to total assets)
 - shall not exceed 40% (and not exceed 45% on certain facilities)
- (c) Interest cover ratio (EBITDA to interest expense excluding gains or losses from mark to market)
 - at least 1.5 times
- (d) Unencumbered leverage ratio (unencumbered assets to unsecured debt)
 - at least 150% (and at least 125% on certain facilities)

At and during the years ended 31 December 2023 and 2022, the Group was in compliance with the financial covenants above.



Note 28 – Fair value of financial assets and liabilities

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

	Fair value Hierarchy	Fair value		Carrying amount	
		31 Dec 23 \$million	31 Dec 22 \$million	31 Dec 23 \$million	31 Dec 22 \$million
Consolidated assets					
Cash and cash equivalents		296.4	679.0	296.4	679.0
Trade debtors and receivables ⁽ⁱ⁾		124.6	162.0	124.6	162.0
Interest receivable ⁽ⁱ⁾		178.1	168.0	178.1	168.0
Derivative assets ⁽ⁱⁱ⁾	Level 2	660.4	861.2	660.4	861.2
Consolidated liabilities					
Trade and other payables ⁽ⁱ⁾		779.5	856.0	779.5	856.0
Interest payable ⁽ⁱ⁾		300.6	307.4	300.6	307.4
Interest bearing liabilities ⁽ⁱⁱ⁾					
– Fixed rate debt	Level 2	8,030.2	8,739.8	8,366.3	9,425.6
– Fixed rate subordinated notes	Level 2	3,623.6	3,830.7	3,963.6	4,403.3
– Floating rate debt	Level 2	3,110.3	1,583.2	3,110.3	1,583.2
Other financial liabilities ⁽ⁱⁱ⁾	Level 3	174.0	354.9	174.0	354.9
Derivative liabilities ⁽ⁱⁱ⁾	Level 2	778.2	1,155.0	778.2	1,155.0

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

(ii) 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 Group 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 Group'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 year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

	Note	31 Dec 23 \$million	31 Dec 22 \$million
Level 3 fair value movement – Property linked notes⁽ⁱ⁾			
Balance at the beginning of the year		354.9	612.0
Repayment of other financial liabilities		(162.3)	(243.3)
Net fair value gain included in financing costs in the income statement	13	(18.6)	(13.8)
Balance at the end of the year		174.0	354.9

(i) The fair value of the property linked notes has been determined by reference to the fair value of the relevant Westfield shopping centres (refer to Note 16).

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.

Notes to the Financial Statements continued

Note 29 – Other material accounting policies

(a) Consolidation and classification

This consolidated financial report comprises the financial statements and notes to the financial statements of the Parent Company, and each of its controlled entities which includes SGT1, SGT2 and SGT3 from the date the Parent Company obtained control and until such time control ceased. The Parent Company and the entities it controls are collectively referred to as the economic entity known as the Group. Where entities adopt accounting policies which differ from those of the Parent Company, adjustments have been made so as to achieve consistency within the Group.

In preparing the consolidated financial statements all inter-entity transactions and balances, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

(i) Synchronisation of Financial Year

By an order dated 27 June 2005, made by the Australian Securities and Investments Commission (ASIC) pursuant to subsection 340(1) of the Corporations Act, the Directors of the Parent Company have been relieved from compliance with subsection 323D(3) of the Corporations Act insofar as that subsection requires them to ensure the financial year of the controlled entity Carindale Property Trust (CDP), coincides with the financial year of the Parent Company.

Notwithstanding that the financial year of CDP ends on 30 June, the consolidated financial statements have been prepared so as to include the accounts for a period coinciding with the financial year of the Parent Company being 31 December.

(ii) Joint arrangements

Joint operations

The Group has significant co-ownership interests in a number of properties through unincorporated joint ventures. These interests are held directly and jointly as tenants in common. The Group has the rights to the individual assets and obligations arising from these interests and recognises its share of the assets, liabilities, revenues and expenses of the operation.

Joint ventures

The Group has significant co-ownership interests in a number of properties through property partnerships, trusts or companies. These joint ventures are accounted for using the equity method of accounting.

The Group and its joint ventures use consistent accounting policies. Investments in joint ventures are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of the net assets of the joint ventures. The consolidated income statement reflects the Group's share of the results of operations of the joint ventures.

(iii) Controlled entities

Where an entity either began or ceased to be a controlled entity during the reporting period, the results are included only from the date control commenced or up to the date control ceased. Non controlling interests are shown as a separate item in the consolidated financial statements.

(b) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on the purchase of goods and services is not recoverable from the tax authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amounts of GST included.

The net amount of GST payable or receivable to government authorities is included as part of receivables or payables on the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flow.

Commitments and contingent liabilities are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(c) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are paid within 30 days.

(d) Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of the impairment exists, the Group makes an estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



Note 30 – Share based payments

(a) Performance rights – Equity settled over Scentre Group stapled securities

	Note	31 Dec 23 Number of rights	31 Dec 22 Number of rights
Performance rights – STVR	30(b)	3,201,516	2,439,780
Performance rights – LTVR	30(c)	11,503,617	8,524,831
Performance rights – Retention awards	30(d)	3,267,575	6,535,163
		17,972,708	17,499,774

(b) Performance rights – STVR

	31 Dec 23 Number of rights	31 Dec 22 Number of rights
Movement in Performance rights – STVR		
Balance at the beginning of the year	2,439,780	3,467,052
Rights issued during the year	2,337,791	863,725
Rights exercised during the year	(1,542,567)	(1,706,748)
Rights forfeited during the year	(33,488)	(184,249)
Balance at the end of the year	3,201,516	2,439,780

Vesting profile	31 Dec 23 Fair value granted \$million	31 Dec 23 Number of rights ⁽ⁱ⁾	31 Dec 22 Fair value granted \$million	31 Dec 22 Number of rights ⁽ⁱ⁾
2023	–	–	3.9	1,576,055
2024	2.3	863,725	2.3	863,725
2025	5.9	2,337,791	–	–
	8.2	3,201,516	6.2	2,439,780

(i) The exercise price for these rights is nil.

Accounting Policies

Performance rights – STVR

The fair value of the rights issued is measured at each grant date using a Black Scholes option pricing model (Black Scholes). The inputs include the Group's 10-day volume weighted average security price prior to the grant date (from \$2.93 to \$3.08) and the following metrics were obtained from Bloomberg: the risk free interest rate (from 3.25% to 3.79%); expected volatility (from 30.81% to 32.23%) and expected dividend yield (from 4.87% to 6.03%) during the vesting period. Expected volatility is based on the historical security price volatility over the past three years. The Performance rights – STVR vest at the end of year three after the grant date (being two years after the end of the year of grant). Executives are not able to call for early exercise of the rights, however there are provisions in the plan to allow for early vesting at the discretion of the Board. Vesting conditions such as the number of employees remaining in service is taken into account in determining the total amortisation for each reporting period.

Notes to the Financial Statements continued

Note 30 – Share based payments (continued)

(c) Performance rights – LTVR

	31 Dec 23 Number of rights	31 Dec 22 Number of rights
Movement in Performance rights – LTVR		
Balance at the beginning of the year	8,524,831	3,796,652
Rights issued during the year	5,569,991	4,728,179
Rights exercised during the year	(1,498,750)	–
Rights forfeited during the year	(480,052)	–
Rights vested at zero during the year	(612,403)	–
Balance at the end of the year	11,503,617	8,524,831

Vesting profile	31 Dec 23 Fair value granted \$million	31 Dec 23 Number of rights ⁽ⁱ⁾	31 Dec 22 Fair value granted \$million	31 Dec 22 Number of rights ⁽ⁱ⁾
2023	–	–	4.3	1,858,682
2024	8.7	3,770,495	9.8	4,302,066
2025	10.9	4,970,459	5.3	2,364,083
2026	5.6	2,762,663	–	–
	25.2	11,503,617	19.4	8,524,831

(i) The exercise price for these rights is nil.

Accounting Policies

Performance rights – LTVR

The fair value of the rights issued is measured at each grant date using the Monte Carlo simulation using the Black Scholes framework (Monte Carlo) for the relative TSR hurdle component with the remaining hurdle components valued using Black Scholes. For Black Scholes, the inputs include the Group's 10-day volume weighted average security price prior to the grant date (from \$2.86 to \$3.08) and the following metrics were obtained from Bloomberg: the risk free interest rate (from 0.22% to 3.79%); expected volatility (from 30.81% to 34.15%); and expected dividend yield (from 4.87% to 6.37%) during the vesting period. For Monte Carlo, the inputs include the Group's security price at grant date, the risk free interest rate, expected volatility and expected dividend yield during the vesting period for the Group and the customised benchmarking index (as detailed in section 7 of the Remuneration Report). For both methods, the expected volatility is based on the historical security price volatility over the past three years. Other vesting conditions include meeting the performance hurdles applicable under the Performance rights – LTVR as determined annually by the Human Resources Committee. The hurdles chosen by the Human Resources Committee for the 2023 qualifying year are set out in section 7 of the Remuneration Report. The Performance rights – LTVR vests in two tranches (subject to the previously mentioned performance hurdles), the first tranche at the end of year three after the grant date (being two years after the end of the year of grant) and the second tranche at the end of year four after the grant date (being three years after the end of the year of grant). Vesting conditions such as number of employees remaining in service is taken into account in determining the total amortisation for each reporting period. In calculating the Black Scholes' value of rights granted, it has been assumed that the performance hurdle conditions are met. Further details on the terms and conditions of the Performance rights – LTVR are described in section 7 of the Remuneration Report.



Note 30 – Share based payments (continued)

(d) Performance rights – Retention awards

	31 Dec 23 Number of rights	31 Dec 22 Number of rights
Movement in Performance rights – Retention awards		
Balance at the beginning of the year	6,535,163	6,535,163
Rights exercised during the year	(3,267,588)	–
Balance at the end of the year	3,267,575	6,535,163

Vesting profile	31 Dec 23 Fair value granted \$million	31 Dec 23 Number of rights ⁽ⁱ⁾	31 Dec 22 Fair value granted \$million	31 Dec 22 Number of rights ⁽ⁱ⁾
2023	–	–	6.0	3,267,588
2024	5.6	3,267,575	5.6	3,267,575
	5.6	3,267,575	11.6	6,535,163

(i) The exercise price for these rights is nil.

Accounting Policies

Performance rights – Retention awards

The fair value of the rights issued is measured at each grant date using Black Scholes. The inputs include the Group's five-day volume weighted average security price prior to the grant date of \$2.16 and the following metrics were obtained from Bloomberg: the risk free interest rate of 0.17%; expected volatility of 41.40%; and expected dividend yield of 6.95% during the vesting period. Expected volatility is based on the historical security price volatility over the past three years. Other vesting conditions include the executive remaining employed with the Group for the retention period and satisfactory individual performance by the executive and contribution by the executive to the Group's annual business plans. In calculating the Black Scholes' value of rights granted, it has been assumed that the performance hurdle conditions are met. The remaining retention awards vested on 15 February 2024.

Accounting for equity settled share based payments

During the year, \$13.1 million (31 December 2022: \$15.6 million) was charged to the income statement as gross amortisation in respect of equity settled share based payments and the corresponding entry is recorded against the employee share plan benefits reserve.

Notes to the Financial Statements continued

Note 31 – Leases

	Note	31 Dec 23 \$million	31 Dec 22 \$million
(a) Right-of-use assets ⁽ⁱ⁾			
Balance at the beginning of the year		54.6	68.3
Amortisation		(13.8)	(13.7)
Balance at the end of the year		40.8	54.6
Ground lease assets are included in investment properties as disclosed in Note 4.			
(b) Lease liabilities			
Current		15.8	14.4
Non current		80.6	92.7
		96.4	107.1
Lease liabilities comprise:			
Right-of-use assets ⁽ⁱ⁾		49.2	62.9
Ground leases		47.2	44.2
Total lease liabilities		96.4	107.1
Total lease payments during the year comprise:			
Principal payments		14.7	13.4
Financing costs	13	5.0	5.4
		19.7	18.8

(i) These relate to lease agreements for the right to use certain office spaces mainly in the Sydney Office Towers which were recognised as lease liabilities and right-of-use assets from the lease commencement date.

The lease agreements for the Sydney Office Towers include the option to renew four times, each for a period of five years after January 2027. The option to extend has not been included in the measurement of lease liabilities as at 31 December 2023 and 2022.

	31 Dec 23 \$million	31 Dec 22 \$million
The maturity profile of lease liabilities including future interest payments is set out below:		
Due within one year	20.3	19.3
Due between one year and five years	48.9	64.9
Due after five years	121.5	113.8
	190.7	198.0



Note 31 – Leases (continued)

Accounting Policies

Leases (lessee accounting)

At the lease commencement date, a right-of-use asset and a corresponding lease liability is recognised.

The liabilities arising from the lease are initially measured on a present value basis. Lease liabilities include the net present value of future lease payments, less any lease incentives receivable. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost.

Right-of-use assets are measured at cost comprising:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- any restoration costs.

Right-of-use assets with respect to the lease of office spaces are amortised on a straight-line basis over the lease term or asset's useful life whichever is shorter.

Note 32 – Lease commitments

Operating lease receivables

Substantially all of the property owned and leased by the Group is leased to third party retailers. Lease terms vary between retailers and some leases include percentage rental payments based on sales revenue.

The following is prepared on a proportionate basis which includes both consolidated and equity accounted lease receivables.

	31 Dec 23 \$million	31 Dec 22 \$million
Future minimum rental revenues under non cancellable operating property leases:		
Due within one year	1,808.5	1,680.3
Due between one and two years	1,463.5	1,376.4
Due between two and three years	1,188.8	1,104.1
Due between three and four years	943.5	870.6
Due between four and five years	676.7	659.7
Due after five years	1,857.1	2,031.2
	7,938.1	7,722.3

These amounts do not include percentage rentals which may become receivable under certain leases on the basis of retailer sales in excess of stipulated minimums and do not include recovery of outgoings.

These amounts include undiscounted future lease payments to be received under non cancellable operating leases calculated based on contracted lease terms as at the end of the year.

Notes to the Financial Statements continued

Note 33 – Capital expenditure commitments

The following is prepared on a proportionate basis which includes both consolidated and equity accounted capital expenditure commitments.

	31 Dec 23 \$million	31 Dec 22 \$million
Estimated capital expenditure committed at balance date but not provided for in relation to development projects:		
Due within one year	149.4	298.4
Due between one and five years	119.9	446.6
	269.3	745.0

Note 34 – Contingent liabilities

The following is prepared on a proportionate basis which includes both consolidated and equity accounted contingent liabilities.

	31 Dec 23 \$million	31 Dec 22 \$million
Performance guarantees	49.8	53.8

Entities of Scentre Group have provided guarantees in respect of certain Westfield Corporation Limited joint venture operations in the United Kingdom. Under the Restructure and Merger Implementation Deed, the entities of Scentre Group and Westfield Corporation have cross indemnified each other for any claims that may be made or payment that may be required under such guarantees. On 7 June 2018, Unibail-Rodamco-Westfield acquired the entities of Westfield Corporation, including Westfield Corporation Limited.

The Group's obligation in respect of performance guarantees may be called on at any time dependent upon the performance or non performance of certain third parties.

From time to time, in the normal course of business, the Group is involved in lawsuits. The Directors believe that the ultimate outcome of such pending litigation will not materially affect the results of operations or the financial position of the Group.



Note 35 – Parent company

The Parent Company financial information is presented in accordance with the amendments to the Corporations Regulations 2001 and the Corporations Amendment Regulations 2010 (No. 6).

Summary data of the Parent Company is presented below:

	31 Dec 23 \$million	31 Dec 22 \$million
(a) Assets		
Current assets	960.8	960.9
Non current assets	4,197.7	4,442.4
Total assets	5,158.5	5,403.3
(b) Liabilities		
Current liabilities	1,717.3	1,515.1
Non current liabilities	55.0	55.0
Total liabilities	1,772.3	1,570.1
(c) Equity		
Contributed equity	353.4	353.4
Employee share plan benefits reserve	3.0	3.0
Asset revaluation reserve	2,973.0	3,217.7
Reserves ⁽ⁱ⁾	107.8	310.1
Accumulated losses	(51.0)	(51.0)
Total equity	3,386.2	3,833.2
(d) Comprehensive income/(loss)		
Profit after tax for the period	47.9	97.4
Other comprehensive income/(loss)	(244.7)	146.6
Total comprehensive income/(loss) for the period	(196.8)	244.0
(e) Contingent liabilities		
Guaranteed borrowings of controlled entities ⁽ⁱⁱ⁾	14,841.2	15,213.6

(i) The Directors of the Parent Company approved the transfer of \$47.9 million (31 December 2022: \$97.4 million) of the Parent Company's current year profit to reserves.

(ii) The Parent Company has entered into guarantee arrangements with SGT1, SGT2, SGT3 and a number of associated finance subsidiaries on a joint and several basis covering the Group's banking facilities and debt issuances. Under the arrangements, the Parent Company is guaranteed by, and is guarantor to SGT1, SGT2, SGT3 and the finance subsidiaries.

Notes to the Financial Statements continued

Note 36 – Subsidiaries

Financial information of SGT1 and SGT2 are provided below as they have material non controlling interests:

Scentre Group Trust 1

As at 31 December 2023, SGT1 held current assets of \$0.3 billion, non current assets of \$16.9 billion, current liabilities of \$4.8 billion and non current liabilities of \$5.4 billion (31 December 2022: current assets of \$0.2 billion, non current assets of \$17.3 billion, current liabilities of \$5.0 billion and non current liabilities of \$5.2 billion).

As at 31 December 2023, the total equity held by SGT1 was \$7.0 billion (31 December 2022: \$7.3 billion).

The profit after tax for the period was \$50.2 million and total comprehensive income was \$47.2 million (31 December 2022: profit after tax was \$390.6 million and total comprehensive income was \$383.3 million). The revenue for the period was \$593.8 million (31 December 2022: \$558.8 million).

Scentre Group Trust 2

As at 31 December 2023, SGT2 held current assets of \$2.6 billion, non current assets of \$17.4 billion, current liabilities of \$1.3 billion and non current liabilities of \$8.4 billion (31 December 2022: current assets of \$3.4 billion, non current assets of \$18.0 billion, current liabilities of \$1.8 billion and non current liabilities of \$9.1 billion).

As at 31 December 2023, the total equity held by SGT2 was \$10.3 billion (31 December 2022: \$10.5 billion).

The profit after tax for the period was \$93.1 million and total comprehensive income was \$90.1 million (31 December 2022: loss after tax for the period was \$109.2 million and total comprehensive loss was \$116.6 million). The revenue for the period was \$628.2 million (31 December 2022: \$591.9 million).

Note 37 – Deed of cross guarantee

On 18 December 2019, Scentre Group Limited and each of the wholly-owned subsidiaries set out below (together the “Closed Group”) are party to a deed of cross guarantee (Deed), as defined in ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (ASIC Instrument). The effect of the Deed is that each entity in the Closed Group guarantees the payment in full of all debts of the other entities in the Closed Group in the event of their winding up. Pursuant to the ASIC Instrument, the wholly-owned subsidiaries within the Closed Group are relieved from the requirement to prepare, audit and lodge separate financial reports.

The following entities are party to the Deed and part of the Closed Group: Scentre Group Limited, Scentre Pty Limited, Scentre Shopping Centre Management Pty Ltd, Scentre Shopping Centre Management (VIC) Pty Ltd, Scentre Capital Assets Pty Limited, Samel Pty Limited, Scentre No 1 Pty Limited and Scentre Alliances Pty Limited.

A consolidated Statement of Comprehensive Income and Accumulated Losses and consolidated Balance Sheet for the Closed Group are presented below:

	31 Dec 23 \$million	31 Dec 22 \$million
Statement of Comprehensive Income and Accumulated Losses		
Revenue	609.7	509.7
Expenses excluding financing costs	(509.5)	(437.6)
Financing costs	(29.6)	(11.4)
Profit before tax	70.6	60.7
Income tax expense	(8.0)	(11.5)
Profit after tax	62.6	49.2
Other comprehensive income/(loss)	(261.3)	199.1
Total comprehensive income/(loss)	(198.7)	248.3
Accumulated losses at the beginning of the year	(63.6)	(63.6)
Profit after tax	62.6	49.2
Transfers to reserves	(62.6)	(49.2)
Accumulated losses at the end of the year	(63.6)	(63.6)



Note 37 – Deed of cross guarantee (continued)

Balance Sheet	31 Dec 23 \$million	31 Dec 22 \$million
Current assets		
Cash and cash equivalents	58.1	34.7
Trade debtors	14.9	15.6
Receivables	1,030.3	998.1
Other current assets	92.1	82.4
Total current assets	1,195.4	1,130.8
Non current assets		
Investment in controlled entities	4,041.6	4,302.8
Right-of-use assets	40.6	54.3
Plant, equipment and intangible assets	74.2	75.4
Other non current assets	15.8	12.7
Total non current assets	4,172.2	4,445.2
Total assets	5,367.6	5,576.0
Current liabilities		
Trade creditors	45.8	46.5
Payables and other creditors	1,273.8	1,259.4
Interest bearing liabilities	540.0	300.0
Lease liabilities	15.0	13.7
Total current liabilities	1,874.6	1,619.6
Non current liabilities		
Payables and other creditors	25.8	24.4
Lease liabilities	34.0	48.8
Deferred tax liabilities	45.3	49.0
Total non current liabilities	105.1	122.2
Total liabilities	1,979.7	1,741.8
Net assets	3,387.9	3,834.2
Equity		
Contributed equity	353.4	353.4
Reserves	3,098.1	3,544.4
Accumulated losses	(63.6)	(63.6)
Total equity	3,387.9	3,834.2

Notes to the Financial Statements continued

Note 38 – Auditor’s remuneration

	31 Dec 23 \$000	31 Dec 22 \$000
Amounts received or due and receivable by the auditor of the Parent Company and any other entity in the Group for:		
– Auditing the statutory financial report of the Parent Company covering the Group ⁽ⁱ⁾	2,945	3,072
– Auditing the statutory financial reports of any controlled entities	136	117
– Fees for assurance services that are required by legislation to be provided by the auditor ⁽ⁱⁱ⁾	109	105
– Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements ⁽ⁱⁱⁱ⁾	937	994
– Fees for other services	–	–
	4,127	4,288
Amounts received or due and receivable by affiliates of the auditor of the Parent Company for:		
– Auditing the statutory financial report of the Parent Company covering the Group	55	53
– Auditing the statutory financial reports of any controlled entities	218	209
– Fees for assurance services that are required by legislation to be provided by the auditor	–	–
– Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements ⁽ⁱⁱⁱ⁾	36	35
– Fees for other services	–	–
	309	297
	4,436	4,585

(i) Includes stapled trusts, SGT1, SGT2 and SGT3.

(ii) Includes Australian Financial Services Licence, Compliance Plan and Comfort Letters issued in respect of corporate note issuances.

(iii) Includes assurance services such as real estate trust audits, outgoing audits, promotional fund audits and other assurance engagements.

Note 39 – Superannuation commitments

The Group sponsors accumulation style superannuation funds to provide retirement benefits to its employees. There are no unfunded liabilities in respect of these superannuation funds and plans. The Group does not sponsor defined benefits style superannuation funds and plans.

Note 40 – Related party disclosures

Information required to be disclosed concerning relationships, transactions and balances with related parties of the Group is set out in this Note unless disclosed elsewhere in this financial report.

Nature of relationship with related parties

Key Management Personnel

Refer to Note 41 and the Remuneration Report in the Directors’ Report for details of Key Management Personnel (KMP).

Transactions with related parties and their terms and conditions

Transactions with KMP

Refer to Note 41 and the Remuneration Report in the Directors’ Report for remuneration of KMP.

The Group has established protocols governing transactions with related parties which are monitored and reviewed by the Audit and Risk Committee.



Note 41 – Details and remuneration of KMP

KMP are those individuals having the authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly. They include non-executive Directors and senior executives who fall within those criteria.

(a) Key Management Personnel

For the year ended 31 December 2023, KMP were:

Non-Executive Directors

Ilana Atlas (Chair)⁽ⁱ⁾

Catherine Brenner

Michael Ihlein

Carolyn Kay

Stephen McCann

Full year

Guy Russo

Margaret Seale

Michael Wilkins

Former Non-Executive Director

Brian Schwartz (Former Chair)

Retired on 30 September 2023

Andrew Harnos

Retired on 5 April 2023

Executive KMP

Elliott Rusanow, Managing Director/Chief Executive Officer

Andrew Clarke, Chief Financial Officer

Lillian Fadel, Group Director, Customer, Community and Destination

Full year

John Papagiannis, Group Director, Businesses

Maria Stamoulis, Director, Human Resources

(i) Ilana Atlas was a member of the Board for all of 2023 and was appointed Chair from 1 October 2023.

Notes to the Financial Statements continued

Note 41 – Details and remuneration of KMP (continued)

(b) Remuneration of KMP

The amounts below represent the total remuneration amounts for KMP. A detailed discussion on KMP remuneration is in the Directors' Report rather than the financial report so as to avoid duplication of information. As such, refer to the Remuneration Report (which has been audited) in the Directors' Report for further details concerning disclosure of KMP remuneration.

The aggregate remuneration for the year for Non-Executive Directors and Executive KMP was:

Key Management Personnel	Short term benefits				Post Employment	Termination Benefits	Share Based	TOTAL	
	Fixed remuneration	Cash STVR	Non-monetary benefits	Other short term employee benefits ⁽ⁱ⁾	Super-annuation	Other post employment benefits	Termination benefits		Amortisation of cash and equity settled share based payments ⁽ⁱⁱ⁾
	\$	\$	\$	\$	\$	\$	\$	\$	
NON-EXECUTIVE DIRECTORS									
31 December 2023	2,548,211	–	–	–	168,416	–	–	–	2,716,627
31 December 2022	2,638,081	–	–	–	170,793	–	–	–	2,808,874
EXECUTIVE KMP									
31 December 2023	5,388,005	4,433,379	–	173,975	136,995	–	–	5,322,308	15,454,662
31 December 2022 ⁽ⁱⁱⁱ⁾	2,977,864	2,833,690	–	21,474	47,136	–	2,000,000	8,097,941	15,978,105
TOTAL KMP									
31 December 2023	7,936,216	4,433,379	–	173,975	305,411	–	–	5,322,308	18,171,289
31 December 2022	5,615,945	2,833,690	–	21,474	217,929	–	2,000,000	8,097,941	18,786,979

(i) Comprising annual leave and long service leave entitlements.

(ii) Refer to the Remuneration Report in the Directors' Report for further details regarding the operation of share based payments.

(iii) Peter Allen stepped down as CEO on 30 September 2022 and retired from the Group on 30 September 2023. His remuneration reflects his time as executive KMP (1 January 2022 to 30 September 2022). The amortisation of all his performance rights was accelerated for accounting purposes in the 2022 financial year as a result of his retirement. This means that additional accounting expense for each unvested award that would have ordinarily been included in future year disclosures has been reflected in security based payments. Any unvested awards that remain on foot are subject to the original performance conditions and will be tested at the relevant testing date. In accordance with his contractual arrangements, he received a termination benefit, being a payment equivalent to 12 months fixed remuneration of \$2,000,000 on his retirement (severance). The disclosed cash STVR includes nine months remuneration for the period Peter Allen was executive KMP. A further \$350,000 (not included in the above table but was expensed in 2022) was paid to Peter Allen in February 2023 being the cash portion of his 2022 STVR for the period of his employment from 1 October 2022 to 31 December 2022 in which he was not executive KMP. While employed by the Group in a role that was not executive KMP, Peter Allen continued to receive fixed remuneration of \$2,000,000 per annum which is in addition to the amounts disclosed in the above table and has been expensed in 2022.

(c) Performance rights held by KMP

Rights held by executive KMP under the Group's equity-linked incentive plans are disclosed in the Remuneration Report.

(d) Other transactions and balances with KMP

During the financial year, transactions occurred between the Group and KMP which were within normal employee/ Non-executive Director relationships being the performance of contracts of employment/services, including the reimbursement of expenses, and the payment of dividends/distributions by the Group in respect of stapled securities held in the Group.



Note 42 – Details of material and significant entities

Name of entity	31 Dec 23 – Interest			31 Dec 22 – Interest		
	Beneficial ⁽ⁱ⁾		Consolidated or Equity accounted %	Beneficial ⁽ⁱ⁾		Consolidated or Equity accounted %
	Parent Company %	Scentre Group %		Parent Company %	Scentre Group %	
ENTITIES INCORPORATED IN AUSTRALIA						
Parent Company						
Scentre Group Limited	100.0	100.0	100.0	100.0	100.0	100.0
Consolidated Controlled Entities						
Scentre Group Trust 1	–	100.0	100.0	–	100.0	100.0
Scentre Group Trust 2	–	100.0	100.0	–	100.0	100.0
Scentre Group Trust 3	–	100.0	100.0	–	100.0	100.0
Carindale Property Trust	–	65.17	100.0	–	64.10	100.0
Scentre Finance (Aust) Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Scentre Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
ENTITIES INCORPORATED IN NEW ZEALAND						
Consolidated Controlled Entities						
RE (NZ) Finance Limited	–	100.0	100.0	–	100.0	100.0
Scentre NZ Holdings Limited	–	100.0	100.0	–	100.0	100.0

(i) Beneficial interest in underlying controlled entities reflects the Parent Company being Scentre Group Limited and its subsidiaries (excluding SGT1, SGT2 and SGT3) and Scentre Group's ownership interest as determined under International Financial Reporting Standards (IFRS).

Directors' Declaration

For the year ended 31 December 2023

The Directors of Scentre Group Limited (Company) declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) in the Directors' opinion, the Financial Statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with accounting standards and regulations in accordance with section 296 of the *Corporations Act 2001*;
 - (ii) giving a true and fair view of the financial position as at 31 December 2023 and the performance of the consolidated entity for the year ended on that date in accordance with section 297 of the *Corporations Act 2001*;
 - (iii) the International Financial Reporting Standards issued by the International Accounting Standards Board;
- (c) they have been provided with the declarations required by section 295A of the *Corporations Act 2001*; and
- (d) in the Directors' opinion, there are reasonable grounds to believe that the Company and the subsidiaries identified in Note 37 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee referred to in Note 37.

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



Ilana Atlas AO
Chair

21 February 2024



Michael Ihlein
Director



Investor Relations

Scentre Group is listed on the Australian Securities Exchange (ASX) under the code "SCG".

Please visit our website - scentregroup.com/investors for a variety of investor information.

Scentre Group securities

A Scentre Group stapled security comprises:

- Scentre Group Limited share
- Scentre Group Trust 1 unit
- Scentre Group Trust 2 unit
- Scentre Group Trust 3 unit

and trade together as one security.

Scentre Group website

- About Us
- Our Customers
- Business Solutions
- Sustainability
- Investors
- News and Media

Electronic information

By becoming an electronic investor and registering your email address, you can receive via email, news, notifications and announcements, dividend/distribution statements, taxation statements and annual reports.

Secure access to your securityholding online

You can go to scentregroup.com/investors to access your securityholding information by clicking on 'My SCG Securities' as well as extensive information on the Group including the latest press releases, results announcements, presentations and more.

To view your securityholding, you will need your Holder Number (SRN/HIN) and will be asked to verify your registered postcode (inside Australia) or your country of residence (outside Australia).

Phone – you can confirm your holding balance, request forms and access distribution and trading information by phoning: 1300 730 458 or call +61 3 9946 4471 (outside Australia) then, pressing 1. You will be asked to enter your Holder Number (SRN/HIN).

Scentre Group distribution details

Your interim distribution will be paid at the end of August and your final distribution paid at the end of February.

Details of the 2023 year distributions are provided in the table below. To ensure timely receipt of your distribution, please consider the following:

Direct credit

You can receive your distribution payment efficiently and safely by having it directly credited to your bank account. If you wish to register for direct credit, please complete the form and return it to the registry. This form can be downloaded from scentregroup.com/investors/securityholder-information/securityholder-forms or by phoning our Registry on 1300 730 458 (please have your Holder Number (SRN/HIN) available to quote). Alternatively, you can update your details directly online at scentregroup.com/investors and by clicking on "My SCG Securities".

	Ordinary Securities (cents per security)
Dividends/distributions for the year ended 31 December 2023	16.60
Dividends/distributions for the six months ended 30 June 2023 paid on 31 August 2023	8.25
Dividend in respect of a Scentre Group Limited share	Nil
Distribution in respect of a Scentre Group Trust 1 unit	4.125
Distribution in respect of a Scentre Group Trust 2 unit	4.125
Distribution in respect of a Scentre Group Trust 3 unit	Nil
Dividends/distributions for the six months ended 31 December 2023 to be paid on 29 February 2024	8.35
Dividend in respect of a Scentre Group Limited share	1.211
Distribution in respect of a Scentre Group Trust 1 unit	3.970
Distribution in respect of a Scentre Group Trust 2 unit	3.102
Distribution in respect of a Scentre Group Trust 3 unit	0.067

Tax File Number (TFN)

You are not required by law to provide your Tax File Number (TFN), Australian Business Number (ABN) or Exemption.

However, if you do not provide your TFN, ABN or Exemption, withholding tax at the highest marginal rate, currently 47 per cent for Australian resident members, may be deducted from distributions paid to you. If you have not supplied this information and wish to do so, please advise our Registry or your sponsoring broker.

Alternatively, you can update your details directly online at scentregroup.com/investors and by clicking on "My SCG Securities".

Investor Relations continued

Annual Tax Statement and Tax Guide

The Annual Tax Statement and Tax Guide are dispatched to securityholders in March.

Unpresented cheques and unclaimed funds

Scentre Group is required to remit to the NSW Office of State Revenue amounts greater than \$100 held in an account that has been inactive for at least six years. If you believe you have unpresented cheques please contact the Registry which will be able to check the records and assist you in recovering any funds. Record checks can be made for the prior seven years. For any enquiries beyond seven years, you will need to contact the NSW Office of State Revenue (revenue.nsw.gov.au) to check for unclaimed money.

Australian Capital Gains Tax considerations

A Scentre Group stapled security comprises four separate assets for capital gains tax purposes. For capital gains tax purposes you need to apportion the cost of each stapled security and the proceeds on sale of each stapled security over the separate assets that make up the stapled security. This apportionment should be done on a reasonable basis. One possible method of apportionment is on the basis of the relative Net Tangible Assets (NTAs) of the individual entities.

These are set out by entity in the table below.

Relative net tangible assets (NTA) of entities in Scentre Group	30 Jun 23	31 Dec 23
Scentre Group Limited	3.78%	3.83%
Scentre Group Trust 1	38.53%	38.14%
Scentre Group Trust 2	57.59%	57.93%
Scentre Group Trust 3	0.10%	0.10%

Contact details

All changes of name, address, tax file number, payment instructions and document requests should be directed to the Registry or alternatively, you can update your details directly online at scentregroup.com/investors and by clicking on "My SCG Securities".

Principal share registry

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000

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
Website: www.computershare.com

All other queries should be directed to Scentre Group Investor Relations:

Level 30, 85 Castlereagh Street
Sydney NSW 2000, Australia

GPO Box 4004
Sydney NSW 2001

Telephone +61 2 9358 7877
Email: investor@scentregroup.com
Website: scentregroup.com/investors



Investor feedback

If you have any complaints or feedback, please direct these in writing to Scentre Group Investor Relations at GPO Box 4004, Sydney NSW 2001.

Scentre Group calendar

February

- 21 Feb 2024: Full-year results released
- 29 Feb 2024: Payment of Distribution for the six months ended December

March

- Annual Financial Reports for Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3 released
- Annual Tax Statements released

April

- 4 Apr 2024: Scentre Group Limited Annual General Meeting

May

- 1st Quarter Update

August

- Half-year results released
- Payment of Distribution for the six months ending June

November

- 3rd Quarter Update

Members' Information

As at 6 February 2024

Twenty largest holders of stapled securities in Scentre Group*		Number of stapled securities
1	HSBC Custody Nominees (Australia) Limited	1,785,872,643
2	J P Morgan Nominees Australia Pty Limited	1,183,985,478
3	BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	648,723,758
4	Citicorp Nominees Pty Limited	647,313,484
5	National Nominees Limited	179,123,139
6	BNP Paribas Noms Pty Ltd	126,839,216
7	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	56,614,952
8	HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	36,490,309
9	BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd	11,068,296
10	Netwealth Investments Limited <Wrap Services A/C>	10,107,924
11	BNP Paribas Noms (NZ) Ltd	8,914,677
12	HSBC Custody Nominees (Australia) Limited-GSCO ECA	7,962,683
13	HSBC Custody Nominees (Australia) Limited – A/C 2	7,867,997
14	Argo Investments Limited	7,526,662
15	Citicorp Nominees Pty Limited <143212 NMMT LTD A/C>	6,324,718
16	HSBC Custody Nominees (Australia) Limited <GSCO Customers A/C>	5,927,160
17	Neweconomy Com AU Nominees Pty Limited <900 Account>	5,597,574
18	Amondi Pty Ltd <WEOPT>	5,388,133
19	Mutual Trust Pty Ltd	5,207,696
20	BNP Paribas Noms Pty Ltd <Global Markets>	5,004,486
		4,751,860,985

* Ordinary shares in Scentre Group Limited are stapled to units in Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3.

Voting rights

Scentre Group Limited – At a meeting of members, on a show of hands, every person present who is a member or representative of a member has one vote, and on a poll every member present in person or by proxy or attorney and every person who is a representative of a member has one vote for each share they hold or represent.

Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3 – At a meeting of members, on a show of hands, every person present who is a member or representative of a member has one vote, and on a poll every member present in person or by proxy or attorney and every person who is a representative of a member has one vote for each dollar value of the total interest they have in the respective trusts.



Distribution schedule

Category	Number of stapled securities*	Number of securityholders	% of securities in each category
1 – 1,000	11,251,836	27,124	0.22
1,001 – 5,000	71,252,423	28,440	1.37
5,001 – 10,000	62,640,513	8,644	1.21
10,001 – 100,000	164,853,532	7,099	3.17
100,001 and over	4,880,380,035	352	94.03
Total	5,190,378,339	71,659	100.00

As at 6 February 2024, 7,014 securityholders hold less than a marketable parcel (being 163 securities at the closing price of \$3.08) of quoted securities in Scentre Group.

* There are 18,585,111 performance rights on issue under the Group's performance rights plan to a total of 82 participants. These rights may be satisfied by either the transfer of Scentre Group securities to employees or settled by way of cash payout which amount is calculated by reference to the market price of Scentre Group securities at the time of vesting. Under the stapling arrangement, in the case of the issue of securities, each of the Company, Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3 is required to issue securities on the vesting of a performance right.

** During FY23, 5,162,096 securities (at an average price of \$2.5185) were acquired on-market by the Scentre Group Performance Rights Plan Trust to satisfy executive entitlements on the vesting of rights under the Group's equity-linked plans.

Substantial securityholders

The names of Scentre Group substantial securityholders and the number of ordinary stapled securities in which each has a relevant interest, as disclosed in the substantial shareholding notices given to the Group, are as follows:

Substantial securityholders	Number of stapled securities
UniSuper Limited as trustee for UniSuper and UniSuper Management Pty Limited	584,575,781
The Vanguard Group	524,857,282
BlackRock Group	496,793,754
State Street	445,042,771

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
Website: scentregroup.com/investors

Principal Share Registry

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000

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
Website: www.computershare.com

Listing

Australian Securities Exchange – SCG

Website

scentregroup.com



