

ASX Announcement

20 August 2024

Vicinity Centres bolsters its premium retail asset portfolio with acquisition of a 50% interest in Lakeside Joondalup

Vicinity Centres (**'Vicinity'**, ASX:VCX) announced it has simultaneously exchanged contracts and settled on the acquisition of a 50% interest in Lakeside Joondalup (**'Joondalup'**) in Western Australia, for \$420 million (**'the Acquisition'**).

The exchange of contracts and settlement occurred on 19 August 2024, with the transaction being funded by a mix of existing debt facilities and asset divestment proceeds.

Vicinity's CEO and Managing Director, Mr Peter Huddle said, "Lakeside Joondalup is a fortress-style retail asset located in one of Perth's principal activity centres and has been on our target list for some time. Geographically, the suburb of Joondalup has been earmarked to become Perth's second Central Business District and enjoys a captive and growing population, which is expected to drive above average retail sales growth over the next decade.

"The acquisition of Joondalup, together with the forthcoming redevelopment of Galleria and sale of four¹ non-strategic assets in Western Australia, reflects our deliberate strategy to recycle and redeploy capital in order to right-size our investment and strengthen our asset portfolio in Western Australia."

"Importantly, Vicinity has also secured the property and retail development management rights for Joondalup, which provides the opportunity to utilise our retail management platform to drive asset performance, whilst earning additional fee income.

"With Lakeside Joondalup already achieving annual retail sales of almost \$800 million, and with Vicinity's scalable retailer partnerships, we are confident there is growth and value to be unlocked. In this context, we look forward to curating an even stronger, flagship asset for Vicinity's securityholders and on behalf of the asset's co-owner, the Australian Prime Property Fund – Retail, managed by Lendlease."

Increasing the quality of its retail asset portfolio, by investing in premium assets, is a key pillar of Vicinity's strategy. Premium assets are more resilient through cycles and, with the right retail mix and asset management, have the potential to deliver superior income growth. The acquisition is accretive to Vicinity's earnings in year one.

¹ Dianella Plaza, Halls Head Central (50%), Karratha City (50%) and Maddington Central.

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Vicinity's pro-forma gearing² of 28.3% remains towards the lower end of the Group's target range of 25% to 35%. While Vicinity continues to actively reposition its asset portfolio via selective acquisitions, premium developments, and asset disposals, maintaining a strong balance sheet and credit ratings will remain a key priority. In this context, in addition to the \$550 million of divestments announced to date, Vicinity is targeting an additional \$250 million of asset sales in FY25.

Mr Huddle concluded, "With a clear strategy, strong balance sheet and disciplined approach to capital allocation, Vicinity is at the forefront of retail property investment and portfolio curation. In an environment of strong population growth and limited supply of new retail, the investments we are making today are positioning Vicinity and its securityholders for long-term, sustained growth."

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Authorisation

Vicinity's Board has authorised that this document be given to ASX.

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**About Vicinity Centres**

Vicinity Centres (Vicinity or the Group) is one of Australia's leading retail property groups with a fully integrated asset management platform, and \$24 billion in retail assets under management across 56 shopping centres, making it the second largest listed manager of Australian retail property. The Group has a Direct Portfolio with interests in 55 shopping centres (including the DFO Brisbane business) and manages 29 assets on behalf of Strategic Partners. Vicinity is listed on the Australian Securities Exchange (ASX) under the code 'VCX' and has 22,000 securityholders. Vicinity also has European medium term notes listed on the ASX under the code 'VCD'. For more information visit vicinity.com.au or scan the QR code.

² As at 30 June 2024, adjusting for the divestment of four assets settling post period end, totalling \$235m, and the acquisition of Lakeside Joondalup for \$420m.