

## APPENDIX 4D

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

Half Year Report  
For the period ended 31 December 2021

**Name of Entity:** Shopping Centres Australasia Property Group (**SCA Property Group**).

The SCA Property Group comprises Shopping Centres Australasia Property Management Trust ARSN 160 612 626 and Shopping Centres Australasia Property Retail Trust ARSN 160 612 788. The Responsible Entity of Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust is Shopping Centres Australasia Property Group RE Limited (ABN 47 158 809 851; AFSL 426603).

	<b>6 months to 31 Dec 2021</b>	<b>6 months to 31 Dec 2020</b>	<b>Variance</b>	<b>Variance</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>%</b>
Revenue from ordinary activities (\$m)	172.8	138.0	34.8	25.2%
Net profit from ordinary activities after tax attributable to members (\$m)	432.4	102.9	329.5	320.2%
Net profit for the period attributable to members (\$m)	432.4	102.9	329.5	320.2%
Funds from Operations (FFO) <sup>1</sup> (\$m)	94.3	72.3	22.0	30.4%

<b>Earnings and Distribution per security</b>	<b>6 months to 31 Dec 2021</b>	<b>6 months to 31 Dec 2020</b>	<b>Variance</b>	<b>Variance</b>
Basic earnings per security (cents per security)	39.30	9.57	29.73	310.7%
Weighted average FFO per security (cents per security) <sup>1</sup>	8.57	6.72	1.85	27.5%
Interim distribution (cents per security)	7.20	5.70	1.50	26.3%
Record Date for determining entitlement to distribution	31 Dec 2021	31 Dec 2020	NA	NA
Date on which distribution was paid	31 Jan 2022	29 Jan 2021	NA	NA
Amount per security of interim distribution franked (cents per security)	-	-	No change	No change

**Notes:**

1. The Group reports net profit attributable to members in accordance with International Financial Reporting Standards (IFRS). Funds from Operations (FFO) is a non-IFRS measure that represents the Directors' view of underlying earnings for the period, being statutory net profit/loss after tax adjusted to exclude certain items including unrealised gains and losses and non-recurring items.

**Net Tangible Assets**

	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>	<b>Variance</b>	<b>Variance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
Net tangible asset per security (\$ per stapled unit)	2.84	2.25	0.59	26.2%

**Details of entities over which control has been gained or lost during the period:**

During the period SCA Fund Management Limited was formed. SCA Property Group owns 100% of this entity.

**Details of any associates and Joint Venture entities required to be disclosed:**

During the period SCA Unlisted Retail Fund 3 was wound up. SCA Property Group had a 26.2% interest in this entity.

**Audit**

The accounts have been subject to a review report with an unqualified review report conclusion. Refer attached Interim Financial Report.

**Distribution Reinvestment Plan (DRP)**

The Group has a Distribution Reinvestment Plan (DRP) under which unitholders may elect to have all or part of their distribution entitlements satisfied by the issue of new units rather than being paid in cash. The DRP was activated for the distribution in respect of the half year ended 31 December 2021. The cut-off for electing to participate or change an existing election to participate in the DRP was 5.00pm on 4 January 2022.

In accordance with the DRP Rules, the issue price is calculated as the arithmetic average of the daily volume weighted average price of all sales of Stapled Units sold through a Normal Trade recorded on ASX for the first 10 ASX Trading Days following the business day after the record date, less 1.0% (1.0% being the Board approved DRP discount for this distribution) and rounded to the nearest whole cent. On this basis the issue price of the DRP applying to the distribution in respect of the half year ended 31 December 2021 was \$2.88.

**Other significant information and commentary on results**

See attached ASX announcement and materials referred to below.

**For all other information required by Appendix 4D, please refer to the following attached documents:**

- Directors' report
- Interim Financial Report
- Results presentation

Erica Rees  
Company Secretary  
7 February 2022



## **Shopping Centres Australasia Property Group**

Interim Financial Report for the half year ended 31 December 2021

Shopping Centres Australasia Property Group has been formed by the stapling of the securities in two Australian managed investment schemes, Shopping Centres Australasia Property Management Trust (ARSN 160 612 626) and Shopping Centres Australasia Property Retail Trust (ARSN 160 612 788). Shopping Centres Australasia Property Group RE Limited (ABN 47 158 809 851, AFSL 426603) is the Responsible Entity of both schemes and is incorporated and domiciled in Australia. The registered office of Shopping Centres Australasia Property Group RE Limited is Level 5, 50 Pitt Street, Sydney, New South Wales.

# Shopping Centres Australasia Property Group Directors' Report

For the half year ended 31 December 2021

## Directors' Report

Shopping Centres Australasia Property Group (SCA Property Group (SCA) or the Group) comprises the stapled securities in two Trusts: Shopping Centres Australasia Property Management Trust (Management Trust) and its controlled entities and Shopping Centres Australasia Property Retail Trust (Retail Trust) (collectively the Trusts).

The Responsible Entity for the Trusts is Shopping Centres Australasia Property Group RE Limited, which presents its report together with the Trusts' Interim Financial Reports for the half year ended 31 December 2021 and the auditor's report thereon.

The Directors' Report is a combined Directors' Report that covers the Trusts. The financial information for the Group is taken from the Interim Consolidated Financial Reports and notes.

### 1. Directors

The Directors of the Responsible Entity at any time during the half year and up to the date of this report are:

Mr Philip Marcus Clark AO	Non-Executive Director and Chairman
Mr Steven Crane	Non-Executive Director and Deputy Chairman
Dr Kirstin Ferguson	Non-Executive Director (resigned 17 August 2021)
Mr Angus James	Non-Executive Director (appointed 9 December 2021)
Ms Beth Laughton	Non-Executive Director
Ms Belinda Robson	Non-Executive Director
Mr Anthony Mellowes	Executive Director and CEO
Mr Mark Fleming	Executive Director and CFO

The Company Secretary at any time during the half year and up to the date of this report was Ms Erica Rees.

### 2. Principal activities

The principal activity of the Group during the half year was investment in, and management of, shopping centres in Australia. The materials in this Interim Financial Report include materials that deal with the operational and financial review. Additional materials on these matters is available in the other announcement materials that deal with the results of the Group for the half year.

### 3. Impact of COVID-19

The events relating to COVID-19 have had an adverse impact on both the operations and financial performance of the Group during the half year and prior years. These impacts have included, volatility in the retail sales performance of our tenants, government-imposed trading restrictions on some of our tenants, state and territory legislation implementing the National Cabinet Mandatory Code of Conduct ("Code of Conduct") mandating rent relief and a moratorium on evictions for certain tenants (this ended for most of Australia in March 2021, although for Victoria and New South Wales similar regulations were reinstated from July 2021 until March 2022), higher than normal rental arrears by our speciality tenants, increased expenses (for example, extra cleaning and security), rent freezes, increased vacancies, reduced leasing spreads, increased incentives and reduced other income.

The main implication of the above on the Interim Consolidated Financial Statements is the recording and collection of rental income. The accounting treatments and key estimates and significant judgements in these areas are set out in note 3 of the Interim Consolidated Financial Statements.

The Group remains committed to providing safe, clean and compliant convenience-based shopping centres for our employees, shoppers, retailers and service providers through continued focus on safety and wellbeing. This includes applying an appropriate safety strategy, structured regular reporting to the Board, training programs for employees, training programs for contractors, continuous challenge and improvement on safety achievements, outsourced property and facilities management with safety key performance indicators (KPIs), and appropriate insurance (covering workers' compensation, public liability and property).

### 4. Property portfolio

The investment portfolio at 31 December 2021 consisted of 99 shopping centres (30 June 2021: 92 shopping centres) valued at \$4,734.0 million which includes held for sale properties of \$307.6 million (30 June 2021: \$4,000.0 million and \$nil respectively). The investment portfolio consists of convenience-based neighbourhood, sub-regional and freestanding shopping centres with a strong weighting towards non-discretionary retail tenants.

# Shopping Centres Australasia Property Group Directors' Report

For the half year ended 31 December 2021

## Acquisitions

During the half year, the Group completed the following property acquisitions (excluding transaction costs):

Property	Property type	State	Settlement date	Cost \$m
Drayton Central	Neighbourhood	QLD	July 2021	34.3
Marian Vacant Lot	Classified as part of Marian Shopping Centre	QLD	July 2021	0.8
Raymond Terrace	Sub-Regional	NSW	July 2021	87.5
Delacombe Town Centre	Sub-Regional	VIC	Nov 2021	112.0
Marian Childcare Centre	Classified as part of Marian Shopping Centre	QLD	Nov 2021	4.8
Moama Marketplace	Neighbourhood	NSW	Nov 2021	23.4
Warrnambool Target	Neighbourhood	VIC	Nov 2021	12.8
Woodford	Neighbourhood	QLD	Nov 2021	17.4
Moggill Village	Neighbourhood	QLD	Dec 2021	54.5
				<b>347.5</b>

## Disposals

The Group agreed to sell the investment property Ballarat (Victoria) prior to 31 December 2021. Therefore this property is classified as held for sale for financial reporting purposes at 31 December 2021. The sale of this property completed in January 2022 and it was sold for \$23.1 million. The book value is equal to its sale value.

On 2 December 2021, the Group announced the establishment of a new Fund with an affiliate of Singapore-based GIC (GIC) which will invest in established metropolitan convenience retail shopping centres across Australia. The Fund is called SCA Metro Convenience Shopping Centre Fund (SCA Metro Fund). The Group has agreed to sell seven properties to the SCA Metro Fund. The acquisition of the interest in these properties by GIC has been approved by the Foreign Investment Review Board and the remaining conditions, including the availability of the appropriate debt for the SCA Metro Fund are progressing well. When this completes the SCA Metro Fund will be owned 80% by GIC and 20% by the Group. These properties are classified as held for sale for financial reporting purposes at 31 December 2021. It is expected that this sale will be completed in the second half of this financial year. The seven properties the Group has agreed to sell are:

Property	Property type	State	Book Value June 2021 (\$m)	Sale Price (\$m)	Premium to Book Value (%)	Cap Rate (%)
Berala	Neighbourhood	NSW	33.3	37.0	11.1%	4.25%
Clemton Park	Neighbourhood	NSW	63.1	69.0	9.4%	5.00%
Coorparoo	Neighbourhood	QLD	42.7	45.8	7.3%	5.00%
Walkerville	Neighbourhood	SA	29.3	33.7	15.0%	4.75%
Epping North	Neighbourhood	VIC	34.5	35.0	1.4%	5.00%
Highbett	Neighbourhood	VIC	32.9	36.5	10.9%	4.75%
Wyndham Vale	Neighbourhood	VIC	24.5	27.5	12.2%	5.00%
			<b>260.3</b>	<b>284.5</b>	<b>9.3%</b>	<b>4.84%</b>

## Revaluations

The total value of investment properties at 31 December 2021 was \$4,734.0 million which includes held for sale properties of \$307.6 million (30 June 2021: \$4,000.0 million and \$nil respectively). During the half year ended 31 December 2021, independent valuations were obtained for 30 investment properties and all of the investment properties were internally valued. The weighted average capitalisation rate (cap rate) of the portfolio at 31 December 2021 was 5.45% excluding held for sale properties (30 June 2021: 5.90%).

The change in value of the investment properties from \$4,000.0 million at 30 June 2021 to \$4,426.4 million at 31 December 2021 was due primarily to the acquisitions and the compression of capitalisation rates. Property valuations increased by \$349.4 million or 8.7% during the half year.

## 5. Funds management

The SCA Metro Fund, including the sale of the seven properties by the Group to the SCA Metro Fund, is expected to commence operations in the second half of this financial year.

In addition to the SCA Metro Fund, the Group will continue to explore wholesale and institutional funds management opportunities in the future.

# Shopping Centres Australasia Property Group Directors' Report

For the half year ended 31 December 2021

During the half year the last SCA Unlisted Retail Fund, SCA Unlisted Retail Fund 3 (SURF 3), was wound up. The wind up of SURF 3 followed an on-market campaign to dispose of SURF 3's remaining three neighbourhood properties. The independent Board of SCA Unlisted Retail Fund Limited (which is the Responsible Entity of SURF 3) sold the remaining properties to SCA, for \$53.6 million. These properties are Woodford (QLD), Moama Marketplace (NSW) and Warrnambool Target (VIC). This sale completed in November 2021. The Group received a 1% disposal fee (\$0.5 million) on settlement and received a performance fee (\$0.4 million) in accordance with the investment management agreement for SURF 3. SURF 3 was wound up on 14 December 2021 and achieved an internal rate of return to unitholders of 11% per annum (after fees).

## 6. Financial review

### Financial review

A summary of the Group's and Retail Trust's results for the half year is set out below:

		SCA Property Group		Retail Trust	
		31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Net profit after tax	(\$m)	432.4	102.9	431.7	102.3
Basic earnings per security (weighted for securities on issue)	(cents per security)	39.30	9.57	39.24	9.52
Diluted earnings per security (weighted for securities on issue)	(cents per security)	39.12	9.53	39.05	9.48
Funds from Operations	(\$m)	94.3	72.3	93.6	71.7
Funds from Operations per security (weighted for securities on issue)	(cents per security)	8.57	6.72	8.51	6.67
Adjusted Funds from Operations	(\$m)	80.9	62.4	80.2	61.8
Adjusted Funds from Operations per security (weighted for securities on issue)	(cents per security)	7.35	5.80	7.29	5.75
Distributions paid and payable to securityholders	(\$m)	79.9	61.4	79.9	61.4
Distributions	(cents per security)	7.20	5.70	7.20	5.70
Net tangible assets	(\$ per security)	2.84	2.25	2.83	2.24
Weighted average number of securities used as the denominator in calculating basic earnings per security	(millions of securities)	1,100.2	1,075.1	1,100.2	1,075.1
Weighted average number of securities used as the denominator in calculating diluted earnings per stapled security	(millions of securities)	1,105.4	1,079.5	1,105.4	1,079.5

### Funds from Operations and Adjusted Funds from Operations

The Group reports net profit after tax (statutory) attributable to securityholders in accordance with International Financial Reporting Standards (IFRS). The Responsible Entity considers that the non-IFRS measures, Funds from Operations (FFO) and Adjusted Funds from Operations (AFFO) are important indicators of the underlying cash earnings of the Group available for distribution.

	SCA Property Group		Retail Trust	
	31 Dec 2021 \$m	31 Dec 2020 \$m	31 Dec 2021 \$m	31 Dec 2020 \$m
<b>Net profit after tax (statutory)</b>	<b>432.4</b>	102.9	<b>431.7</b>	102.3
<b>Adjustments for non-cash items included in statutory profit</b>				
Reverse: Straight-lining of rental income and amortisation of incentives	6.2	6.3	6.2	6.3
Reverse: Fair value or unrealised adjustments				
- Investment properties	(349.4)	(63.0)	(349.4)	(63.0)
- Derivatives	(8.4)	74.7	(8.4)	74.7
- Foreign exchange	12.6	(46.5)	12.6	(46.5)
<b>Other adjustments</b>				
Reverse: Other items	1.4	0.6	1.4	0.6
Reverse: Net profit from associates (SURF funds)	(0.5)	(2.7)	(0.5)	(2.7)
<b>Funds from Operations</b>	<b>94.3</b>	72.3	<b>93.6</b>	71.7
Less: Maintenance capital expenditure	(7.6)	(3.9)	(7.6)	(3.9)
Less: Capital leasing incentives and leasing costs	(5.8)	(6.0)	(5.8)	(6.0)
<b>Adjusted Funds from Operations</b>	<b>80.9</b>	62.4	<b>80.2</b>	61.8

## 7. Contributed equity

### ***Distribution Reinvestment Plan (DRP)***

The Group has a DRP under which securityholders may elect to have their distribution entitlements satisfied by the issue of new securities at the time of the distribution payment rather than being paid in cash. The DRP was in place for the distribution declared in June 2021 (paid in August 2021) and the distribution declared in December 2021 (paid in January 2022).

The Group's securityholders holding 17.6% of the securities on issue elected to participate in the DRP for the distribution declared in June 2021. The Group entered into an underwriting agreement with MA Moelis Australia Advisory Pty Ltd to underwrite the remaining 82.4% of the distribution. The distribution declared in June 2021 resulted in \$72.4 million being raised by the DRP through the issue of 29.9 million securities at \$2.42 per security in August 2021.

The DRP was in place for the distribution declared in December 2021 (paid in January 2022). The Group's securityholders holding 21.9% of securities on issue have elected to participate in the DRP. This distribution was not underwritten. The distribution declared in December 2021 resulted in \$17.5 million being raised by the DRP through the issue of 6.1 million securities at \$2.88 per security in January 2022.

### ***Other equity issues***

During the half year 270,327 securities were issued in respect of executive compensation plans and 14,696 for staff compensation plans for nil consideration.

## 8. Significant changes and developments during the half year

### ***Investment properties – acquisitions and disposals***

Details of the acquisitions and disposal during the half year are above.

### ***Funds management***

Details of the funds management changes and developments during the half year are above.

### ***Capital management – debt***

In September 2021, the Group issued an 8 year A\$ Medium term note (A\$ MTN) with a face value of \$250.0 million and a coupon of 2.45%.

During the half year, the Group repaid and cancelled a \$200.0 million facility that was due to expire in November 2022 and increased the facility limits and extended the maturity of several other facilities. The issue of the A\$ MTN noted above assisted with the repayment of the \$200.0 million facility.

The Group's next debt expiries are in June 2024 and are made up of a \$50.0 million bilateral facility and an A\$ MTN with a face value of \$225.0 million.

At 31 December 2021, the Group had cash and undrawn debt facilities of \$177.4 million (30 June 2021: \$290.6 million).

The average debt facility maturity of the Group at 31 December 2021 was 5.8 years (30 June 2021: 5.3 years). At 31 December 2021, 57.4% of the Group's debt was fixed or hedged (30 June 2021: 50.8%).

Considering the sale of Ballarat (completed in January 2022), the DRP for the distribution paid in January 2022, and the commencement of the SCA Metro Fund, the Group's proforma gearing would be less than 29% and the Group's cash and undrawn facilities would increase to over \$450 million.

### ***Gearing***

The Group maintains a prudent approach to managing the balance sheet with gearing of 32.5% at 31 December 2021 (30 June 2021: 31.3%). The Group's target gearing range is 30-40%, however, the Group has a preference for gearing to remain below 35% at this point in the cycle.

## 9. Subsequent events

The sale of Ballarat (Victoria) this property completed in January 2022 and it was sold for \$23.1 million which is equal to its book value at 31 December 2021.

The continued uncertainty in relation to COVID-19 may have an adverse impact on both the operations and financial performance of the Group during FY22. The full consequences of COVID-19 for the Group's future financial performance and the value of the Group's investment properties continue to be uncertain. In January 2022, Victoria and New South Wales extended to March 2022 the mandating rent relief and a moratorium on evictions for certain tenants which was expected to end January 2022.

Since the end of the half year, the Directors of the Responsible Entity are not aware of any other matter or circumstance not otherwise dealt with in this report or the Interim Consolidated Financial Statements that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

**10. Rounding of amounts**

In accordance with Legislative Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to the rounding off of amounts in the Financial Statements, amounts in the Financial Statements have been rounded to the nearest hundred thousand dollars in accordance with that Legislative Instrument, unless otherwise indicated.

**11. Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

This report is made in accordance with a resolution of the Directors.



Philip Marcus Clark AO  
Chair  
Sydney

7 February 2022



The Board of Directors  
Shopping Centres Australasia Property Group RE Limited as Responsible Entity for  
Shopping Centres Australasia Property Management Trust and  
Shopping Centres Australasia Property Retail Trust  
Level 5, 50 Pitt Street  
Sydney NSW 2000

7 February 2022

Dear Directors

**Auditor's Independence Declaration to Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Shopping Centres Australasia Property Group RE Limited in its capacity as Responsible Entity for Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust.

As lead audit partner for the review of the half year financial statements of Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

*DELOITTE TOUCHE TOHMATSU.*

DELOITTE TOUCHE TOHMATSU

*A. COLEMAN.*

Andrew J Coleman  
Partner  
Chartered Accountants

# Shopping Centres Australasia Property Group

## Consolidated Statements of Comprehensive Income

For the half year ended 31 December 2021

	Notes	SCA Property Group		Retail Trust	
		31 Dec 2021 \$m	31 Dec 2020 \$m	31 Dec 2021 \$m	31 Dec 2020 \$m
<b>Revenue</b>					
Rental income		151.7	118.9	151.7	118.9
Recoveries and recharge revenue		19.3	17.5	19.3	17.5
Funds management revenue		1.0	0.9	-	-
Distribution income	6	0.8	0.7	0.8	0.7
		<b>172.8</b>	<b>138.0</b>	<b>171.8</b>	<b>137.1</b>
<b>Expenses</b>					
Property expenses		(58.6)	(48.1)	(58.6)	(48.1)
Corporate costs		(9.8)	(7.9)	(9.8)	(7.9)
		<b>104.4</b>	<b>82.0</b>	<b>103.4</b>	<b>81.1</b>
Unrealised gain/(loss) including change in fair value through profit or loss					
- Investment properties	7	349.4	63.0	349.4	63.0
- Derivatives		8.4	(74.7)	8.4	(74.7)
- Foreign exchange		(12.6)	46.5	(12.6)	46.5
- Share of net profit from associates (SURF funds)	8	0.7	3.3	0.7	3.3
		<b>450.3</b>	<b>120.1</b>	<b>449.3</b>	<b>119.2</b>
<b>Earnings before interest and tax (EBIT)</b>					
Interest income		-	0.2	-	0.2
Finance cost		(17.6)	(17.1)	(17.6)	(17.1)
		<b>432.7</b>	<b>103.2</b>	<b>431.7</b>	<b>102.3</b>
<b>Net profit before tax</b>					
Taxation		(0.3)	(0.3)	-	-
		<b>432.4</b>	<b>102.9</b>	<b>431.7</b>	<b>102.3</b>
<b>Net profit after tax</b>					
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Movement on revaluation of investment - fair value through other comprehensive income	6	3.1	2.2	3.1	2.2
		<b>435.5</b>	<b>105.1</b>	<b>434.8</b>	<b>104.5</b>
<b>Total comprehensive income</b>					
<b>Total comprehensive income for the period attributable to securityholders of:</b>					
SCA Property Management Trust		0.7	0.6		
SCA Property Retail Trust (non-controlling interest)		434.8	104.5		
		<b>435.5</b>	<b>105.1</b>		
<b>Distributions per stapled security (cents)</b>					
	4	7.20	5.70	7.20	5.70
Weighted average number of securities used as the denominator in calculating basic earnings per security below					
		1,100.2	1,075.1	1,100.2	1,075.1
<b>Basic earnings per stapled security (cents)</b>					
		39.30	9.57	39.24	9.52
Weighted average number of securities used as the denominator in calculating diluted earnings per stapled security below					
		1,105.4	1,079.5	1,105.4	1,079.5
<b>Diluted earnings per stapled security (cents)</b>					
		39.12	9.53	39.05	9.48
<b>Basic earnings per security (cents)</b>					
SCA Property Management Trust		0.06	0.05		
<b>Diluted earnings per security of (cents)</b>					
SCA Property Management Trust		0.06	0.05		

The above Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

# Shopping Centres Australasia Property Group

## Consolidated Balance Sheets

As at 31 December 2021

Notes	SCA Property Group		Retail Trust	
	31 Dec 2021 \$m	30 June 2021 \$m	31 Dec 2021 \$m	30 June 2021 \$m
<b>Current assets</b>				
Cash and cash equivalents	12.4	11.6	9.6	10.3
Receivables	48.7	35.1	47.1	32.4
Derivative financial instruments	10 6.3	6.2	6.3	6.2
Investment in CQR <sup>1</sup>	6 28.9	25.8	28.9	25.8
Other assets	5.3	10.9	4.5	9.7
<b>Total current assets</b>	<b>101.6</b>	<b>89.6</b>	<b>96.4</b>	<b>84.4</b>
Assets classified as held for sale	5 307.6	-	307.6	-
	<b>409.2</b>	<b>89.6</b>	<b>404.0</b>	<b>84.4</b>
<b>Non-current assets</b>				
Investment properties	7 4,426.4	4,000.0	4,426.4	4,000.0
Derivative financial instruments	10 109.8	101.7	109.8	101.7
Investment in associates (SURF funds)	8 -	10.1	-	10.1
Other assets	7.1	7.5	5.8	5.8
<b>Total non-current assets</b>	<b>4,543.3</b>	<b>4,119.3</b>	<b>4,542.0</b>	<b>4,117.6</b>
<b>Total assets</b>	<b>4,952.5</b>	<b>4,208.9</b>	<b>4,946.0</b>	<b>4,202.0</b>
<b>Current liabilities</b>				
Trade and other payables	75.8	67.5	86.0	77.7
Distribution payable	4 79.9	72.4	79.9	72.4
Derivative financial instruments	10 -	0.2	-	0.2
Provisions	3.6	4.5	0.5	0.5
<b>Total current liabilities</b>	<b>159.3</b>	<b>144.6</b>	<b>166.4</b>	<b>150.8</b>
<b>Non-current liabilities</b>				
Interest bearing liabilities	9 1,631.4	1,331.5	1,631.4	1,331.5
Provisions	0.3	0.3	-	-
Other liabilities	7.5	7.7	6.4	6.4
<b>Total non-current liabilities</b>	<b>1,639.2</b>	<b>1,339.5</b>	<b>1,637.8</b>	<b>1,337.9</b>
<b>Total liabilities</b>	<b>1,798.5</b>	<b>1,484.1</b>	<b>1,804.2</b>	<b>1,488.7</b>
<b>Net assets</b>	<b>3,154.0</b>	<b>2,724.8</b>	<b>3,141.8</b>	<b>2,713.3</b>
<b>Equity</b>				
Contributed equity	11 10.2	10.2	2,052.6	1,980.3
Reserves	-	-	11.4	7.0
Accumulated profit/(loss)	2.0	1.3	1,077.8	726.0
Non-controlling interest	3,141.8	2,713.3	-	-
<b>Total equity</b>	<b>3,154.0</b>	<b>2,724.8</b>	<b>3,141.8</b>	<b>2,713.3</b>

The above Consolidated Balance Sheets should be read in conjunction with the accompanying notes.

<sup>1</sup>CQR being Charter Hall Retail Trust, ASX:CQR

# Shopping Centres Australasia Property Group Consolidated Statements of Changes in Equity

For the half year ended 31 December 2021

SCA Property Group					
Notes	Contributed equity \$m	Accumulated profit/(loss) \$m	Attributable to owners of parent \$m	Non-controlling interests \$m	Total \$m
<b>Balance at 1 July 2021</b>	10.2	1.3	11.5	2,713.3	2,724.8
Net profit after tax for the period	-	0.7	0.7	431.7	432.4
Other comprehensive income for the period, net of tax	-	-	-	3.1	3.1
Total comprehensive income for the period	-	0.7	0.7	434.8	435.5
Transactions with securityholders in their capacity as equity holders:					
Equity issued	-	-	-	72.4	72.4
Costs associated with equity raising	-	-	-	(0.1)	(0.1)
Employee share based payments	-	-	-	1.3	1.3
Distributions paid and payable	-	-	-	(79.9)	(79.9)
<b>Balance at 31 December 2021</b>	<b>10.2</b>	<b>2.0</b>	<b>12.2</b>	<b>3,141.8</b>	<b>3,154.0</b>
<b>Balance at 1 July 2020</b>					
	10.2	0.3	10.5	2,363.5	2,374.0
Net profit after tax for the period	-	0.6	0.6	102.3	102.9
Other comprehensive income for the period, net of tax	-	-	-	2.2	2.2
Total comprehensive income for the period	-	0.6	0.6	104.5	105.1
Transactions with securityholders in their capacity as equity holders:					
Equity issued	-	-	-	9.5	9.5
Costs associated with equity raising	-	-	-	(0.1)	(0.1)
Employee share based payments	-	-	-	0.5	0.5
Distributions paid and payable	-	-	-	(61.4)	(61.4)
<b>Balance at 31 December 2020</b>	<b>10.2</b>	<b>0.9</b>	<b>11.1</b>	<b>2,416.5</b>	<b>2,427.6</b>
Retail Trust					
Notes	Contributed equity \$m	Reserves		Accumulated profit/(loss) \$m	Total \$m
		Investment in CQR \$m	Share based payments \$m		
<b>Balance at 1 July 2021</b>	1,980.3	(0.2)	7.2	726.0	2,713.3
Net profit after tax for the period	-	-	-	431.7	431.7
Other comprehensive income for the period, net of tax	-	3.1	-	-	3.1
Total comprehensive income for the period	-	3.1	-	431.7	434.8
Transactions with securityholders in their capacity as equity holders:					
Equity issued	72.4	-	-	-	72.4
Costs associated with equity raising	(0.1)	-	-	-	(0.1)
Employee share based payments	-	-	1.3	-	1.3
Distributions paid and payable	-	-	-	(79.9)	(79.9)
<b>Balance at 31 December 2021</b>	<b>2,052.6</b>	<b>2.9</b>	<b>8.5</b>	<b>1,077.8</b>	<b>3,141.8</b>
<b>Balance at 1 July 2020</b>					
	1,962.6	(3.3)	6.3	397.9	2,363.5
Net profit after tax for the period	-	-	-	102.3	102.3
Other comprehensive income for the period, net of tax	-	2.2	-	-	2.2
Total comprehensive income for the period	-	2.2	-	102.3	104.5
Transactions with securityholders in their capacity as equity holders:					
Equity issued	9.5	-	-	-	9.5
Costs associated with equity raising	(0.1)	-	-	-	(0.1)
Employee share based payments	-	-	0.5	-	0.5
Distributions paid and payable	-	-	-	(61.4)	(61.4)
<b>Balance at 31 December 2020</b>	<b>1,972.0</b>	<b>(1.1)</b>	<b>6.8</b>	<b>438.8</b>	<b>2,416.5</b>

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

# Shopping Centres Australasia Property Group Consolidated Statements of Cash Flows

For the half year ended 31 December 2021

	SCA Property Group		Retail Trust	
	31 Dec 2021 \$m	31 Dec 2020 \$m	31 Dec 2021 \$m	31 Dec 2020 \$m
<b>Cash flows from operating activities</b>				
Property and other income received (inclusive of GST)	178.5	154.4	177.3	153.4
Property expenses paid (inclusive of GST)	(59.9)	(52.0)	(59.9)	(52.0)
Distribution received from associate (SURF funds)	0.4	0.9	0.4	0.9
Distribution received from investment in CQR	0.9	0.7	0.9	0.7
Corporate costs paid (inclusive of GST)	(9.0)	(9.7)	(7.0)	(9.7)
Interest received	-	0.4	-	0.4
Finance costs paid	(15.9)	(18.8)	(15.9)	(18.8)
Taxes paid including GST	(11.3)	(19.3)	(13.6)	(18.6)
<b>Net cash flow from operating activities</b>	<b>83.7</b>	56.6	<b>82.2</b>	56.3
<b>Cash flows from investing activities</b>				
Payments for investment properties purchased and capital expenditure	(381.6)	(208.3)	(381.6)	(208.3)
Repayment for term deposits	-	180.0	-	180.0
Return of capital from investment in associates (SURF funds)	10.6	-	10.6	-
<b>Net cash flow from investing activities</b>	<b>(371.0)</b>	(28.3)	<b>(371.0)</b>	(28.3)
<b>Cash flow from financing activities</b>				
Proceeds from equity raising	72.4	9.5	72.4	9.5
Costs associated with equity raising	(0.1)	(0.1)	(0.1)	(0.1)
Net proceeds from borrowings	618.2	300.0	618.2	300.0
Repayment of borrowings	(330.0)	(285.0)	(330.0)	(285.0)
Distributions paid	(72.4)	(53.6)	(72.4)	(53.6)
<b>Net cash flow from financing activities</b>	<b>288.1</b>	(29.2)	<b>288.1</b>	(29.2)
Net change in cash held	0.8	(0.9)	(0.7)	(1.2)
Cash at the beginning of the period	11.6	3.8	10.3	2.7
<b>Cash at the end of the period</b>	<b>12.4</b>	2.9	<b>9.6</b>	1.5

The above Consolidated Statements of Cash Flows should be read in conjunction with the accompanying notes.

# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2021

### 1. Corporate information

Shopping Centres Australasia Property Group (the Group) comprises the stapling of the securities in two Australian managed investment schemes: Shopping Centres Australasia Property Management Trust (Management Trust) (ARSN 160 612 626) and Shopping Centres Australasia Property Retail Trust (Retail Trust) (ARSN 160 612 788) (collectively the Trusts).

The Responsible Entity of both Trusts is Shopping Centres Australasia Property Group RE Limited (ABN 47 158 809 851, AFSL 426603) (Responsible Entity).

The Interim Consolidated Financial Statements of the Group comprise the Interim Consolidated Financial Statements of the Management Trust and its controlled entities including the Retail Trust. The Interim Financial Statements of the Retail Trust comprise the Interim Financial Statements of the Retail Trust only. The Directors of the Responsible Entity have authorised the Interim Financial Report for issue on 7 February 2022.

### 2. Significant accounting policies

#### (a) Basis of preparation

In accordance with AASB 3 *Business Combinations*, the stapling arrangement discussed above is regarded as a business combination and Shopping Centres Australasia Management Trust has been identified as the parent for preparing Interim Consolidated Financial Statements.

These Interim Consolidated Financial Statements are combined Financial Statements and accompanying notes of both Shopping Centres Australasia Property Group and the Shopping Centres Australasia Property Retail Trust. The Interim Consolidated Financial Statements have been presented in Australian dollars unless otherwise stated.

#### *Historical cost convention*

The Interim Consolidated Financial Statements have been prepared on the basis of historical cost, except for certain assets and financial instruments that are measured at fair value.

#### *Going concern*

These Interim Consolidated Financial Statements are prepared on the going concern basis. The Group remains confident that it will be able to continue as a going concern. This has included consideration of the funding needed to pay the current liabilities. At 31 December 2021, the Group and Retail Trust have the ability to draw down sufficient funds to pay the current liabilities having available cash and cash equivalents and undrawn debt facilities of \$177.4 million.

Additionally, the Group has considered other matters such as the impact of the COVID-19 pandemic which has resulted in those tenants that operated in apparel, cafes/restaurants and services experiencing challenging trading conditions which has impacted on the Group's cash collections. While the COVID-19 situation is evolving, the Group remains confident that it will be able to continue as a going concern. This assumes the Group will be able to continue trading, realise assets and discharge liabilities in the ordinary course of business for at least 12 months from the date of the Interim Consolidated Financial Statements. In reaching this position, the following factors have been considered:

- The Group has cash and undrawn facilities totalling \$177.4 million
- The Group's major tenants continue to trade strongly and pay rent in a timely manner
- The Group has no debt facility expiries until June 2024
- The Group is well within its gearing and interest cover ratio for the purposes of its debt covenants
- The Group has completed the sale of the Ballarat property in January 2022 and expects to complete the sale of seven properties to the SCA Metro Fund in second half FY22
- Stress testing of the covenants results in adequate levels of headroom from both a gearing and interest cover ratio perspective.

On the basis of these factors, the Directors of the Responsible Entity believe that the going concern basis of preparation is appropriate and that the Group will be able to pay its debts as and when they fall due. In the event that the Group cannot continue as a going concern, it may not realise its assets and settle its liabilities in the normal course of operations for the amounts stated in its Interim Consolidated Financial Statements. No allowance for such circumstances has been made in the Interim Consolidated Financial Statements.

#### (b) Statement of compliance

The half year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and *AASB 134 Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard *IAS 34 Interim Financial Reporting*. The half year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

For the purposes of preparing the Interim Consolidated Financial Statements, the Group is a for-profit entity.

# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2021

### Application of new and revised Accounting Standards

The Group and the Retail Trust have applied amendments to AASBs issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2021, and therefore relevant for the current period. The application of these amendments does not have any material impact on the disclosures or the amounts recognised in the Interim Financial Report.

The accounting policies adopted by the Group and the Retail Trust for the Interim Financial Report are consistent with those adopted and disclosed in the Group's annual financial report for the year ended 30 June 2021.

### (c) Basis of consolidation

#### *Critical accounting estimates and judgements*

The preparation of Interim Financial Reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The significant judgements and estimates used in the preparation of these Interim Consolidated Financial Statements are outlined below.

#### *Judgement – Selection of parent entity*

In determining the parent entity of the SCA Property Group, the Directors considered various factors, including management and day-to-day responsibilities, asset ownership and debt obligation. The Directors concluded that management activities were more relevant in determining the parent.

Shopping Centres Australasia Property Management Trust has been determined as the parent of the SCA Property Group.

#### *Judgement – Classification and carrying value of investments in associate*

The SCA Property Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Critical judgements are made in assessing whether an investee entity is controlled or subject to significant influence or joint control. These judgements include an assessment of the nature, extent and financial effects of the Group's interest in joint arrangements and associates, including the nature and effects of its contractual relationship with the entity or with other investors. Associates are entities over which the Group has significant influence but not control.

#### *Judgement – Investment in CQR – fair value through other comprehensive income*

This investment is classified as current as it is the intention of the Group and the Retail Trust to sell the remaining interest within the next 12 months.

#### *Estimate – Valuation of investment properties*

Critical judgements are made by the Directors in respect of the fair value of investment properties, including properties under construction and those that are classified as assets held for sale. The fair value of these investments is reviewed regularly by management with reference to independent property valuations, recent open market transactions and market conditions existing at the reporting date, using generally accepted market practices.

The critical assumptions underlying estimates of fair values are those relating to the capitalisation of income and the discount rate. Other assumptions of lesser importance include consideration of the property type, location and tenancy profile together with market sales and other matters such as market rents, current rents including possible rent reversion, capital expenditure, lease expiry profile including vacancy, type of tenants, capital expenditure and sales growth of the centre. If there is any change in these assumptions or economic conditions, the fair value of the investment properties may differ.

#### *Estimate – Valuation of derivative financial instruments*

The fair value of derivative assets and liabilities is based on assumptions of future events and involves significant estimates.

The value of derivatives may differ in future reporting periods due to the passing of time and/or changes in market rates including interest rates, foreign exchange rates and market volatility.

#### *Estimate – Expected credit loss (ECL)*

The ECL is based on management's estimates of probability of recoverability of rent invoiced. The basis of these estimates is set out in note 3. Should the actual results differ, the actual credit loss will change and the difference will be included in a future financial period(s).

# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2021

### 3. Impact of COVID-19 pandemic

The events relating to COVID-19 have had an adverse impact on both the operations and financial performance of the Group during the half year and prior years. These impacts have included, volatility in the retail sales performance of our tenants, government-imposed trading restrictions on some of our tenants, state and territory legislation implementing the National Cabinet Mandatory Code of Conduct ("Code of Conduct") mandating rent relief and a moratorium on evictions for certain tenants (this ended for most of Australia in March 2021, although for Victoria and New South Wales similar regulations were reinstated from July 2021 until March 2022), higher than normal rental arrears by our speciality tenants, increased expenses (for example, extra cleaning and security), rent freezes, increased vacancies, reduced leasing spreads, increased incentives and reduced other income.

The Group remains committed to providing safe, clean and compliant convenience-based shopping centres for our employees shoppers, retailers and service providers through continued focus on safety and wellbeing. This includes applying an appropriate safety strategy, structured regular reporting to the Board, training programs for employees and contractors, continuous challenge and improvement on safety achievements, outsourced property and facilities management with safety KPIs, and appropriate insurance (covering workers' compensation, public liability and property).

The main implication of the above on the Interim Consolidated Financial Statements is the recording and collection of rental income. The accounting treatments and key estimates and significant judgements in these areas are set out below.

#### Recording and collecting of rental income

Under the Code of Conduct or regulations mandating rent relief, the Group is obliged to grant rent waivers and deferrals to qualifying tenants. Rent that is waived is not recognised as rental income and no receivable has been raised. However, rent that is deferred is recognised as rental income and a corresponding receivable has also been raised. Any balance of unpaid rent is also recognised as rental income and a corresponding receivable has also been raised.

At 31 December 2021, the Group had a rental receivable of \$18.1 million (30 June 2021: \$13.4 million), against which an expected credit loss ("ECL") provision of \$10.4 million (30 June 2021: \$9.8 million) has been raised. In determining the size of the ECL provision, the following estimates have been made:

- Deferred rent of \$5.4 million (30 June 2021: \$6.0 million): An ECL provision has been raised for 70% (30 June 2021: 100%) of the rent that has been, or is expected to be, deferred to future periods, or **\$3.8 million** (30 June 2021: \$6.0 million)
- Other unpaid rent: A detailed assessment has been made of the remaining \$12.7 million (30 June 2021: \$7.4 million) in unpaid rent taking into account the age of the debt, location of the tenant and the retail segment of the tenant. Based on this assessment, an ECL provision has been raised for 50% (30 June 2021: 49%) of the remaining unpaid rent amount, or **\$6.3 million** (30 June 2021: \$3.6 million)
- Further loss allowances: In addition to the above, an assessment has been made about the risk of default and ECL for all other receivables, resulting in an ECL provision of **\$0.9 million** (30 June 2021: \$0.6 million), and
- Bank guarantees: It is assumed that the Group will draw on bank guarantees for tenants with remaining lease terms of 12 months or less, resulting in a reduction in the ECL provision of **(\$0.6) million** (30 June 2021: (\$0.4) million).

### 4. Distributions paid and payable

	Cents per security	Total amount \$m	Date of payment
<b>6 months to 31 December 2021</b>			
<b>SCA Property Group &amp; Retail Trust</b>			
Interim distribution <sup>1</sup>	<b>7.20</b>	<b>79.9</b>	31 January 2022
<b>2021 SCA Property Group &amp; Retail Trust</b>			
Interim distribution	5.70	61.4	29 January 2021
Final distribution	6.70	72.4	31 August 2021
	<b>12.40</b>	<b>133.8</b>	

<sup>1</sup> The interim distribution of 7.20 cents per security was declared on 9 December 2021 and was paid on 31 January 2022.

The Management Trust has not declared or paid any distributions. The Group has a Distribution Reinvestment Plan (DRP) in place.

The DRP was in place for the distribution declared in December 2021 (paid in January 2022). The Group's securityholders holding 21.9% of securities on issue have elected to participate in the DRP. This distribution was not underwritten. The distribution declared in December 2021 resulted in \$17.5 million being raised by the DRP through the issue of 6.1 million securities at \$2.88 per security in January 2022.

The DRP was in place for the distribution declared in June 2021 (paid in August 2021). The Group's securityholders holding 17.6% of the securities on issue had elected to participate in the DRP. The Group entered into an underwriting agreement with MA Moelis



# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2021

Australia Advisory Pty Ltd to underwrite the remaining 82.4% of the distribution. The distribution declared in June 2021 resulted in \$72.4 million being raised by the DRP through the issue of 29.9 million securities at \$2.42 per security in August 2021.

Under the DRP Plan Rules, the DRP issue price was determined at a discount of 1.0% to the arithmetic average of the daily volume weighted average market price of securities traded on the ASX during the 10 business days commencing on the business day after the record date.

### 5. Assets classified as held for sale

	SCA Property Group & Retail Trust	
	31 Dec 2021	30 June 2021
	\$m	\$m
Total assets classified as held for sale	307.6	-

A total of eight properties were classified as held for sale at 31 December 2021.

The Group agreed to sell the investment property Ballarat (Victoria) prior to 31 December 2021. Therefore, this property is classified as held for sale for financial reporting purposes at 31 December 2021. The sale of this property completed in January 2022 and it was sold for \$23.1 million. The book value is equal to its sale value.

On 2 December 2021, the Group announced the establishment of a new Fund called SCA Metro Convenience Shopping Centre Fund (SCA Metro Fund). The Group has agreed to sell seven properties to the SCA Metro Fund for \$284.5 million. These properties are classified as held for sale for financial reporting purposes at 31 December 2021. The book value of these seven assets is equal to their agreed sales value.

### 6. Investment in CQR

This investment is classified as an investment – fair value through other comprehensive income.

Investment in CQR relates to the Group and the Retail Trust's 1.2% interest in Charter Hall Retail Trust (ASX: CQR) (30 June 2021: 1.2%). This interest is made up of 6.78 million units (30 June 2021: 6.78 million units), which cost an average of \$4.21 per unit. No units were sold during the half year ended 31 December 2021 (30 June 2021: nil units were sold).

At 31 December 2021, this interest was valued at \$4.26 per unit (30 June 2021: \$3.80 per unit). The value was based on the ASX closing price on the last trading day of the respective period.

The difference between the valuation of the units at 31 December 2021 and 30 June 2021 of \$3.1 million revaluation gain (31 December 2020: \$2.2 million revaluation gain) is recorded in other comprehensive income.

The investment in CQR is classified as current as it is the intention of the Group and the Retail Trust to sell the remaining interest within the next 12 months.

The investment in CQR is classified as a Level 1 fair value measurement financial asset being derived from inputs based on quoted prices that are observable. Refer also to the fair value hierarchy at note 10.

On 15 December 2021, the Responsible Entity of CQR declared a distribution of 11.70 cents per unit with a payment date of 28 February 2022. As the Group and the Retail Trust hold 6.78 million units in CQR at the record date for this distribution, this is equivalent to \$0.8 million and has been included in the Group's and Retail Trust's Consolidated Statements of Comprehensive Income as distribution income (31 December 2020: 10.70 cents per unit and \$0.7 million respectively).

### 7. Investment properties

	SCA Property Group & Retail Trust	
	31 Dec 2021	30 June 2021
	\$m	\$m
<b>Movement in total investment properties</b>		
Opening balance	4,000.0	3,138.2
Assets classified as held for sale	(307.6)	-
Acquisitions (including transaction costs)	364.8	478.3
Development expenditure	12.5	17.9
Net other capital expenditure and straight-lining	7.3	11.4
Unrealised movement recognised in total comprehensive income on investment properties' valuations	349.4	354.2
<b>Total investment properties</b>	<b>4,426.4</b>	<b>4,000.0</b>

# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2021

### Investment properties

Property	State	Property type	Book value cap rate <sup>1</sup> 31 Dec 2021	Book value discount rate 31 Dec 2021	Book value 31 Dec 2021 \$m	Book value 30 June 2021 \$m
<b>Sub-Regional</b>						
Lavington Square	NSW	Sub-Regional	6.00%	6.75%	76.5	73.0
Marketown East	NSW	Sub-Regional	5.50%	6.25%	85.3	82.0
Raymond Terrace <sup>2</sup>	NSW	Sub-Regional	5.75%	6.75%	87.5	-
Sturt Mall	NSW	Sub-Regional	5.75%	6.50%	82.3	73.2
West End Plaza	NSW	Sub-Regional	5.75%	6.50%	81.5	78.7
Delacombe Town Centre <sup>2</sup>	VIC	Sub-Regional	5.13%	6.25%	112.0	-
Lilydale	VIC	Sub-Regional	5.75%	6.00%	119.5	115.4
Pakenham	VIC	Sub-Regional	5.75%	6.25%	97.3	95.0
Central Highlands	QLD	Sub-Regional	6.50%	7.00%	71.4	65.5
Mt Gambier	SA	Sub-Regional	5.76%	6.00%	80.0	74.1
Murray Bridge	SA	Sub-Regional	6.50%	7.25%	64.7	62.3
Kwinana Marketplace	WA	Sub-Regional	6.25%	7.00%	153.0	137.3
Warnbro	WA	Sub-Regional	6.21%	6.71%	109.0	98.6
<b>Total Sub-Regional</b>					<b>1,220.0</b>	<b>955.1</b>
<b>Neighbourhood</b>						
Auburn	NSW	Neighbourhood	5.25%	6.50%	141.0	129.5
Belmont Central	NSW	Neighbourhood	5.50%	6.00%	34.1	30.0
Berala <sup>4</sup>	NSW	Neighbourhood	-	-	-	33.3
Cabarita	NSW	Neighbourhood	5.00%	5.50%	27.3	24.3
Cardiff	NSW	Neighbourhood	5.00%	6.00%	32.5	29.5
Clemton Park <sup>4</sup>	NSW	Neighbourhood	-	-	-	63.1
Goonellabah	NSW	Neighbourhood	5.25%	5.75%	24.1	21.2
Greystanes	NSW	Neighbourhood	4.75%	5.75%	78.9	71.3
Griffin Plaza	NSW	Neighbourhood	5.50%	6.00%	34.0	31.2
Lane Cove <sup>3</sup>	NSW	Neighbourhood	4.75%	5.50%	66.3	60.0
Leura	NSW	Neighbourhood	4.75%	5.50%	23.5	21.3
Lismore	NSW	Neighbourhood	5.50%	6.00%	39.5	32.7
Macksville	NSW	Neighbourhood	4.50%	5.25%	20.8	17.7
Marketown West	NSW	Neighbourhood	5.00%	5.75%	68.7	68.5
Merimbula	NSW	Neighbourhood	5.00%	5.75%	24.6	23.0
Moama Marketplace <sup>2</sup>	NSW	Neighbourhood	5.00%	5.75%	23.4	-
Morisset	NSW	Neighbourhood	5.25%	5.75%	24.5	21.3
Muswellbrook Fair	NSW	Neighbourhood	5.25%	6.25%	41.1	34.9
North Orange	NSW	Neighbourhood	4.25%	4.50%	54.1	44.7
Northgate	NSW	Neighbourhood	5.50%	6.00%	21.2	19.4
Shell Cove	NSW	Neighbourhood	4.00%	4.50%	65.9	50.0
Ulladulla	NSW	Neighbourhood	4.50%	5.50%	38.1	30.0
West Dubbo	NSW	Neighbourhood	5.25%	6.00%	22.2	20.5
White Box Rise	VIC	Neighbourhood	5.00%	6.00%	29.5	25.4
Ballarat <sup>4</sup>	VIC	Neighbourhood	-	-	-	20.6
Bentons Square	VIC	Neighbourhood	4.75%	5.75%	115.7	101.5
Drouin	VIC	Neighbourhood	4.50%	5.25%	23.6	20.1
Epping North <sup>4</sup>	VIC	Neighbourhood	-	-	-	34.5
Highett <sup>4</sup>	VIC	Neighbourhood	-	-	-	32.9
Langwarrin	VIC	Neighbourhood	4.75%	5.50%	30.3	27.4
Ocean Grove	VIC	Neighbourhood	5.25%	5.50%	43.7	39.9
The Gateway	VIC	Neighbourhood	5.25%	6.25%	69.3	59.5
Warrnambool East	VIC	Neighbourhood	4.75%	5.50%	20.9	18.2
Warrnambool Target <sup>2</sup>	VIC	Neighbourhood	9.00%	8.00%	12.8	-
Wonthaggi	VIC	Neighbourhood	5.00%	5.50%	60.7	54.9
Wyndham Vale <sup>4</sup>	VIC	Neighbourhood	-	-	-	24.5
Annandale	QLD	Neighbourhood	6.25%	6.50%	30.0	26.6
Ayr	QLD	Neighbourhood	5.75%	6.50%	25.5	23.5
Brookwater	QLD	Neighbourhood	5.25%	6.00%	43.1	40.7
Bushland Beach	QLD	Neighbourhood	5.50%	6.00%	26.5	23.5

# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2021

### Investment properties (continued)

Property	State	Property type	Book value cap rate <sup>1</sup> 31 Dec 2021	Book value discount rate 31 Dec 2021	Book value 31 Dec 2021 \$m	Book value 30 June 2021 \$m
<b>Neighbourhood</b>						
Carrara	QLD	Neighbourhood	4.75%	5.00%	21.5	20.7
Chancellor Park	QLD	Neighbourhood	4.75%	5.50%	57.3	49.8
Collingwood Park	QLD	Neighbourhood	4.75%	5.00%	16.2	15.3
Cooloola Cove	QLD	Neighbourhood	5.25%	5.75%	19.1	18.6
Coorparoo <sup>4</sup>	QLD	Neighbourhood	-	-	-	42.7
Drayton Central <sup>2</sup>	QLD	Neighbourhood	5.50%	6.25%	34.3	-
Gladstone	QLD	Neighbourhood	5.75%	6.50%	30.0	27.0
Greenbank	QLD	Neighbourhood	5.25%	6.00%	36.5	36.5
Jimboomba	QLD	Neighbourhood	5.75%	6.25%	32.3	31.5
Lillybrook	QLD	Neighbourhood	5.75%	6.25%	30.5	29.8
Mackay	QLD	Neighbourhood	5.50%	6.25%	31.0	28.6
Marian <sup>2</sup>	QLD	Neighbourhood	5.75%	6.50%	44.8	34.4
Miami One	QLD	Neighbourhood	5.50%	6.25%	35.5	31.8
Mission Beach	QLD	Neighbourhood	5.50%	6.00%	15.1	12.5
Moggill Village <sup>2</sup>	QLD	Neighbourhood	5.00%	6.50%	54.5	-
Mt Isa	QLD	Neighbourhood	6.75%	7.50%	48.1	44.2
Mt Warren Park	QLD	Neighbourhood	5.50%	6.00%	20.4	21.3
Mudgeeraba	QLD	Neighbourhood	5.00%	6.00%	44.2	40.2
North Shore	QLD	Neighbourhood	5.00%	5.75%	33.6	34.0
Oxenford Village	QLD	Neighbourhood	4.75%	5.75%	47.9	41.4
Soda Factory	QLD	Neighbourhood	6.50%	6.75%	37.5	34.0
Sugarworld	QLD	Neighbourhood	5.75%	6.75%	29.0	28.3
Warner	QLD	Neighbourhood	5.00%	6.00%	87.4	82.5
Whitsunday	QLD	Neighbourhood	6.25%	6.75%	41.3	36.0
Woodford <sup>2</sup>	QLD	Neighbourhood	5.00%	6.00%	17.4	-
Worongary	QLD	Neighbourhood	5.25%	6.25%	55.8	52.0
Blakes Crossing	SA	Neighbourhood	5.00%	5.50%	31.1	24.5
Walkerville <sup>4</sup>	SA	Neighbourhood	-	-	-	29.3
Busselton	WA	Neighbourhood	5.00%	5.25%	31.9	27.9
Currambine <sup>3</sup>	WA	Neighbourhood	6.25%	7.00%	102.6	96.2
Kalamunda	WA	Neighbourhood	5.25%	6.50%	52.8	48.0
Stirlings Central	WA	Neighbourhood	6.00%	6.75%	44.9	42.9
Treendale	WA	Neighbourhood	5.25%	6.00%	38.7	34.7
Burnie	TAS	Neighbourhood	6.00%	6.50%	28.8	25.6
Claremont Plaza	TAS	Neighbourhood	5.75%	7.00%	48.7	45.8
Glenorchy Central	TAS	Neighbourhood	5.75%	6.00%	30.9	30.5
Greenpoint	TAS	Neighbourhood	5.75%	6.25%	23.1	21.2
Kingston	TAS	Neighbourhood	5.50%	6.50%	36.0	32.8
Meadow Mews	TAS	Neighbourhood	5.50%	6.25%	78.1	70.1
New Town Plaza	TAS	Neighbourhood	5.50%	6.50%	57.9	49.7
Prospect Vale	TAS	Neighbourhood	5.75%	6.75%	35.6	32.3
Riverside	TAS	Neighbourhood	5.00%	6.50%	13.7	13.5
Shoreline	TAS	Neighbourhood	5.50%	6.25%	46.3	44.7
Sorell	TAS	Neighbourhood	5.50%	5.75%	36.4	34.0
Bakewell	NT	Neighbourhood	5.88%	6.84%	48.1	41.9
<b>Total neighbourhood</b>					<b>3,144.2</b>	<b>2,989.8</b>
<b>Freestanding</b>						
Katoomba Marketplace	NSW	Freestanding	4.75%	5.50%	62.2	55.1
<b>Total freestanding</b>					<b>62.2</b>	<b>55.1</b>
<b>Total investment properties</b>					<b>4,426.4</b>	<b>4,000.0</b>

<sup>1</sup> Cap rate is an approximation of the ratio between the net operating income produced by a property and its book value.

<sup>2</sup> Properties acquired during the half year ended 31 December 2021. The Marian book value includes the acquisition of adjacent vacant land (\$0.8 million) and a childcare centre (\$4.8 million) during the period. These are in addition to the existing centre held at 30 June 2021.

<sup>3</sup> The titles to Lane Cove and Currambine are leasehold. The expiries of the leaseholds are in 2059 (with a 49-year option) and in 2094 respectively.

<sup>4</sup> Assets classified as held for sale at 31 December 2021. See note 5 for further details.

# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2021

### Investment property commitments

Estimated investment property commitments at the balance sheet date but not provided for:

	SCA Property Group & Retail Trust	
	31 Dec 2021	30 June 2021
	\$m	\$m
Investment property commitments	-	116.4

The 30 June 2021 balance relates to:

- **Drayton Central (QLD) (\$32.6 million):** In June 2021, the Group entered into a conditional agreement to acquire Drayton Central shopping centre for \$34.3 million (excluding transaction costs). This transaction settled in July 2021. At 30 June 2021, the Group had paid a deposit which was included in the balance sheet.
- **Raymond Terrace (NSW) (\$83.1 million):** In June 2021, the Group entered into a conditional agreement to acquire Raymond Terrace shopping centre for \$87.5 million (excluding transaction costs). This transaction settled in July 2021. At 30 June 2021, the Group had paid a deposit which was included in the balance sheet.
- **Marian (QLD) (\$0.7 million):** In July 2020, the Group entered into a conditional agreement to acquire vacant land at Marian shopping centre for \$0.8 million (excluding transaction costs). This transaction settled in July 2021. At 30 June 2021, the Group had paid a deposit which was included in the balance sheet.

### 8. Investment in associates (SCA Unlisted Retail Fund (SURF))

The Group and Retail Trust's investment in associates is comprised of its interest in SCA Unlisted Retail Funds. During the half year the last SCA Unlisted Retail Fund (SCA Unlisted Retail Fund 3) was wound up. As such the Group's interests in SCA Unlisted Retail Funds is nil.

	SCA Property Group & Retail Trust	
	31 Dec 2021	30 June 2021
	\$m	\$m
<b>Movement in investment in associates</b>		
Opening balance	10.1	15.9
Share of profits after income tax	0.7	5.6
Distributions received	(0.2)	(1.3)
Return of capital received	(10.6)	(10.1)
Closing balance	-	10.1

The Group was not a guarantor to the debt facility or other liabilities of any of the SCA Unlisted Retail Funds.

### 9. Interest bearing liabilities

	SCA Property Group & Retail Trust	
	31 Dec 2021	30 June 2021
	\$m	\$m
<b>Unsecured bank and syndicated facilities</b>		
- A\$ denominated	649.0	610.0
<b>Unsecured A\$ Medium term notes (MTNs)</b>		
- A\$ denominated	525.0	275.0
<b>Unsecured US Notes</b>		
- US\$ denominated (converted to A\$)	412.6	400.0
- A\$ denominated	50.0	50.0
<b>Total unsecured debt outstanding</b>	<b>1,636.6</b>	<b>1,335.0</b>
- Less: unamortised establishment fees and unamortised MTN discount and premium	(5.2)	(3.5)
<b>Interest bearing liabilities</b>	<b>1,631.4</b>	<b>1,331.5</b>

# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2021

### Financing facilities and financing resources

The revolving financing capacity available to the Group is under the bank and syndicated facilities. The other financing facilities, being the A\$ MTNs and US Notes, are fully drawn and non-revolving. Financing facilities are carried at amortised cost. Additional details of the financing facilities are below.

#### Bank and syndicated facilities – unsecured

To reduce liquidity risk, the Group has in place financial facilities with multiple banks and other sources such as A\$ MTN and US Notes. The terms have been negotiated to achieve a balance between capital availability and the cost of debt including unused debt. The facilities include revolving facilities (that can be used interchangeably) and other bilateral facilities which are available to be drawn. All bank and syndicated facilities are unsecured.

One of the bilateral facilities is partially used to support bank guarantees. At 31 December 2021, in addition to the bilateral facilities used above, \$11.0 million of an available bilateral facility was used to support bank guarantees (30 June 2021: \$11.0 million). The bank guarantees assist with the Group's obligations under its Australian Financial Services Licences.

During the half year, the facility limits were increased by \$175.0 million from \$1,582.1 million at 30 June 2021 to \$1,757.1 million. This was a result of:

- Issuing A\$ MTN \$250.0 million expiring September 2029, and
- Increasing, repaying and amending a number of bilateral debt facilities during the year, including benefiting from pricing at lower margins and additional overall facility maturity.

#### Interest bearing liabilities – next expiries

The Group's next debt expiries are in June 2024 and are made up of a \$50.0 million bilateral facility and an A\$ MTN with a face value of \$225.0 million. Under the terms of this MTN, it can be repaid with appropriate notice from March 2024 with no make whole obligation.

#### Financing capacity

The A\$ MTN and US Notes are fully drawn. The financing capacity available to the Group under the bank and syndicated facilities, including cash, is as follows:

	SCA Property Group & Retail Trust	
	31 Dec 2021	30 June 2021
	\$m	\$m
<b>Financing facilities and financing resources</b>		
<b>Unsecured bank and syndicated facilities</b>		
Committed bank and syndicated facility limit	825.0	900.0
Less: bank and syndicated facilities drawn	(649.0)	(610.0)
Less: amounts utilised for bank guarantee	(11.0)	(11.0)
Net bank and syndicated facilities available	165.0	279.0
Add: cash and cash equivalents	12.4	11.6
<b>Financing resources available</b>	<b>177.4</b>	<b>290.6</b>

At 31 December 2021, the Group had cash and undrawn debt facilities of \$177.4 million (30 June 2021: \$290.6 million).

The financing facilities of the Group include A\$200.0 million of non-revolving bank and syndicated facilities. These non-revolving facilities are fully drawn and are unsecured and may incur additional financial costs if repaid prior to expiry. The earliest of these facilities expires in June 2024.

#### A\$ Medium term notes – unsecured

In September 2021, the Group issued an 8 year A\$ MTN with a face value of \$250.0 million. The \$250.0 million A\$ MTN had a fixed coupon rate of 2.45%.

Details of the notes on issue at 31 December 2021 are below.

A\$ MTN	Tranche	Issue date	Maturity	Coupon	Face value	Issue consideration	Discount / (premium) on issue
					\$m	\$m	\$m
Series 2	Tranche 1	Jun-17	Jun-24	3.90%	175.0	174.5	0.5
	Tranche 2	Apr-19	Jun-24	3.90%	50.0	51.3	(1.3)
Series 3	Tranche 1	Sep-20	Sep-30	3.25%	30.0	29.8	0.2
Series 4	Tranche 1	Sep-20	Sep-35	3.50%	20.0	19.8	0.2
Series 5	Tranche 1	Sep-21	Sep-29	2.45%	250.0	249.2	0.8
					525.0		0.4

# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2021

The discount or premium with respect to each tranche is amortised from the issue date to maturity.

### US Notes – unsecured

The Group has issued US Notes with a face value of US\$300.0 million and A\$50.0 million. The principal and coupon obligations of the US dollar denominated notes have been fully economically swapped back to Australian dollars (floating interest rates) such that the Group has minimal exposure to any currency risk. Details of these notes and their economically swapped values are below.

#### US Notes

Issue date – US\$ denominated notes	Maturity	US\$ value	Economic hedged AUD:USD FX rate	Economically hedged value A\$m	31 Dec 2021 AUD:USD FX rate	31 Dec 2021 Book value A\$m
August 2014	August 2027	100.0	0.9387	106.5	0.7271	137.5
September 2018	September 2028	30.0	0.7604	39.4	0.7271	41.3
August 2014	August 2029	50.0	0.9387	53.3	0.7271	68.8
September 2018	September 2031	70.0	0.7604	92.1	0.7271	96.3
September 2018	September 2033	50.0	0.7604	65.8	0.7271	68.7
		<u>300.0</u>		<u>357.1</u>		<u>412.6</u>
AUD notes				<u>50.0</u>		<u>50.0</u>
				<u>407.1</u>		<u>462.6</u>

### Debt covenants

The Group is required to comply with certain financial covenants or obligations in respect of the interest bearing liabilities. The major financial covenants or obligations that are common across all types of interest bearing liabilities are summarised as follows:

- Interest cover ratio (EBITDA to net interest expense) is more than 2.00 times
- Gearing ratio (finance debt net of cash and cross currency swaps divided by total tangible assets net of cash and derivatives) does not exceed 50%
- Priority indebtedness ratio (priority debt to total tangible assets) does not exceed 10%
- Aggregate of the total tangible assets held by the Obligors represents not less than 90% of the total tangible assets of the Group

The Group was in compliance with all of the financial covenants and obligations for the respective year ended or at 31 December 2021.

### Capital management – management gearing

The Group manages its capital, including its debt, by having regard to a number of factors including the gearing of the Group. The Group's definition of gearing for management purposes is:

- Net finance debt, where the US Notes US\$ denominated debt is recorded as the A\$ amount received and economically hedged in A\$, net of cash, divided by
- Net total assets, being total assets net of cash and derivatives

As the US Notes US\$ denominated debt has been fully economically hedged, for the purpose of the management determination of gearing, US\$ denominated debt is recorded at its economically hedged value. This also results in management gearing being based on a constant currency basis.

The Group maintains a prudent approach to managing the balance sheet with gearing of 32.5% at 31 December 2021 (30 June 2021: 31.3%). The Group's target gearing range is 30-40%, however, the Group has a preference for gearing to remain below 35% at this point in the cycle. The Group's gearing calculation is below.

# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2021

Gearing (management)	31 Dec 2021 \$m	30 June 2021 \$m
<b>Bilateral, syndicated and A\$ notes – unsecured</b>		
Bank bilateral and syndicated facilities drawn	649.0	610.0
Unsecured A\$ MTN	525.0	275.0
	1,174.0	885.0
<b>US Notes – unsecured</b>		
US\$ denominated notes – USD face value	300.0	300.0
Economically hedged exchange rate	0.8402	0.8402
US\$ denominated notes – AUD equivalent	357.1	357.1
US A\$ denominated notes	50.0	50.0
Total US Notes	407.1	407.1
Total debt drawn and drawn A\$ equivalent	1,581.1	1,292.1
Less: cash and cash equivalents	(12.4)	(11.6)
<b>Net finance debt for gearing</b>	1,568.7	1,280.5
Total assets	4,952.5	4,208.9
Less: cash and cash equivalents	(12.4)	(11.6)
Less: derivative value included in total assets	(116.1)	(107.9)
<b>Net total assets for gearing</b>	4,824.0	4,089.4
<b>Gearing (management)<sup>1</sup></b>	32.5%	31.3%

<sup>1</sup> As noted under Bank and syndicated facilities, the Group has \$11.0 million (30 June 2021: \$11.0 million) used to support bank guarantees. The bank guarantees assist with the Group's obligations under its Australian Financial Services Licences. The value of these guarantees has been excluded from management's net finance debt used for gearing, which is consistent with the approach taken by the Group's credit rating agency to determine net debt.

### 10. Derivative financial instruments

The fair values of interest rate and cross currency derivatives are determined using a generally accepted pricing model based on discounted cash flow analysis using assumptions supported by observable market rates. The following table represents financial assets and liabilities that were measured and recognised at fair value:

	SCA Property Group & Retail Trust	
	31 Dec 2021 \$m	30 June 2021 \$m
<b>Current assets</b>		
Interest rate swap contracts	1.5	0.9
Cross currency interest rate swap contracts	4.8	5.3
	6.3	6.2
<b>Non-current assets</b>		
Interest rate swap contracts	10.0	11.5
Cross currency interest rate swap contracts	99.8	90.2
	109.8	101.7
<b>Current liabilities</b>		
Interest rate swap contracts	-	0.2
	-	0.2

### Interest rate swaps and cross currency interest rate swaps

The cross currency interest rate swaps are taken out to economically hedge the foreign currency exposure of US dollar denominated Notes issued by the Group (refer note 9). The cross currency interest rate swaps are fair valued separately to the US Notes.

The interest rate swaps are to hedge Australian dollar denominated financing facilities.

Movements in the market value of the interest rate and cross currency interest rate swaps are included in the Group's Consolidated Statement of Comprehensive Income through changes in fair value.



# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2021

The Directors consider that the carrying amounts of other financial assets and financial liabilities, which are recognised at amortised value in the Interim Financial Report, approximate their fair values apart from the US Notes and the A\$ MTNs.

The amortised value of the US Notes, converted to AUD for the USD denominated Notes at the prevailing foreign exchange rate at 31 December 2021 (which was AUD 1.00 = USD 0.7271) (30 June 2021: AUD 1.00 = USD 0.7500), is \$462.6 million (30 June 2021: \$450.0 million) (refer note 9). The amortised value of the A\$ MTNs is \$525.0 million (30 June 2021: \$275.0 million). The change in value of the A\$ MTNs from June 2021 to December 2021 is due to the Group issuing 8 year A\$ MTNs with a face value of \$250.0 million in September 2021.

The fair value of the US Notes and A\$ MTNs can be different to their carrying value. The fair value takes into account movements in the underlying base interest rates and credit spreads for similar instruments, including extrapolated yield curves over the tenor of the notes. On this basis, the estimated fair value of the US Notes and the A\$ MTNs is \$510.6 million and \$520.5 million respectively (30 June 2021: \$505.7 million and \$294.2 million respectively). The change in value of the A\$ MTNs includes consideration of the estimated fair value of the Group issuing 8 year A\$ MTNs with a face value of \$250.0 million in September 2021.

The foreign currency principal and interest amounts payable on the USD denominated US Notes have been fully hedged economically to floating Australian interest rates by the use of cross currency interest rate swaps.

### Fair value hierarchy

The table below analyses the cross currency interest rate and interest rate swaps carried at fair value by the valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices),
- Level 3: inputs from the asset or liability that are not based on observable market data (unobservable inputs).

For financial instruments not quoted in active markets, the Group uses valuation techniques such as present value, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

Interest rate derivatives are financial instruments that use valuation techniques with only observable market inputs and are classified as Level 2 instruments.

The Group's investment in CQR is a Level 1 fair value measurement financial asset being derived from inputs based on quoted prices that are observable. Refer also note 6.

There were no transfers between hierarchy levels during the half year.

## 11. Contributed equity

	SCA Property Group		Retail Trust	
	31 Dec 2021 \$m	30 June 2021 \$m	31 Dec 2021 \$m	30 June 2021 \$m
Equity	2,103.7	2,031.3	2,093.4	2,021.0
Issue costs	(40.9)	(40.8)	(40.8)	(40.7)
	<b>2,062.8</b>	1,990.5	<b>2,052.6</b>	1,980.3

  

	Management Trust		Retail Trust	
	31 Dec 2021 \$m	30 June 2021 \$m	31 Dec 2021 \$m	30 June 2021 \$m
Opening balance	10.2	10.2	1,980.3	1,962.6
Equity raised through Distribution Reinvestment Plan – August 2020	-	-	-	9.5
Equity raised through Distribution Reinvestment Plan – January 2021	-	-	-	8.3
Equity raised through Distribution Reinvestment Plan – August 2021	-	-	72.4	-
Equity raising costs	-	-	(0.1)	(0.1)
Closing balance	<b>10.2</b>	10.2	<b>2,052.6</b>	1,980.3

  

Balance at the end of the period is attributable to securityholders of:			
Shopping Centres Australasia Property Management Trust		10.2	10.2
Shopping Centres Australasia Property Retail Trust		2,052.6	1,980.3
		<b>2,062.8</b>	1,990.5



# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2021

<b>Securities on issue</b>	<b>SCA Property Group &amp; Retail Trust</b>	
	<b>31 Dec 2021</b>	30 June 2021
	<b>No. of securities</b>	No. of securities
Opening balance	<b>1,080,021,404</b>	1,071,416,350
Equity issued for executive security-based compensation arrangements – 22 July 2020	-	902,330
Equity raised through Distribution Reinvestment Plan – 31 August 2020	-	4,253,334
Equity issued for staff security-based compensation arrangements – 16 December 2020	-	15,520
Equity raised through Distribution Reinvestment Plan – 29 January 2021	-	3,433,870
Equity issued for executive security-based compensation arrangements – 26 August 2021	<b>270,327</b>	-
Equity raised through Distribution Reinvestment Plan – 31 August 2021	<b>29,901,419</b>	-
Equity issued for staff security-based compensation arrangements – 23 December 2021	<b>14,696</b>	-
Closing balance	<b>1,110,207,846</b>	1,080,021,404

There were 270,327 securities issued during the half year ended 31 December 2021 in respect of executive compensation plans and 14,696 securities in respect of staff compensation plans for nil consideration.

As long as Shopping Centres Australasia Property Group remains jointly quoted, the number of units in each of the Trusts are equal and the securityholders identical.

### 12. Segment reporting

The Group and Retail Trust invest in shopping centres located in Australia and operate only within the one segment.

For the purposes of segment reporting, \$52.4 million in rental income (31 December 2020: \$48.2 million) was from Woolworths Limited and its affiliates. Further, \$18.4 million in rental income (31 December 2020: \$16.5 million) was from Coles Limited and its affiliates.

### 13. Subsequent events

The sale of Ballarat (Victoria) completed in January 2022 and it was sold for \$23.1 million which is equal to its book value at 31 December 2021.

The continued uncertainty in relation to COVID-19 may have an adverse impact on both the operations and financial performance of the Group during FY22. The full consequences of COVID-19 for the Group's future financial performance and the value of the Group's investment properties continue to be uncertain. In January 2022, Victoria and New South Wales extended to March 2022 the mandating of rent relief and a moratorium on evictions for certain tenants which was expected to end in January 2022.

Since the end of the half year, the Directors of the Responsible Entity are not aware of any other matter or circumstance not otherwise dealt with in this report or the Interim Consolidated Financial Statements that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

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# Shopping Centres Australasia Property Group Directors Declaration

For the half year ended 31 December 2021

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In the opinion of the Directors of Shopping Centres Australasia Property Group RE Limited, the Responsible Entity of Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust (the "Retail Trust"):

- (a) The Interim Consolidated Financial Statements and Notes of Shopping Centres Australasia Property Management Trust and its controlled entities, including Shopping Centres Australasia Property Retail Trust and its controlled entities (the "Group"), set out on pages 7 to 22 are in accordance with the *Corporations Act 2001*, including:
  - (i) Giving a true and fair view of the Group's and the Retail Trust's financial position as at 31 December 2021 and of their performance, for the half year ended 31 December 2021, and
  - (ii) Complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001,
- (b) There are reasonable grounds to believe that both the Group and the Retail Trust will be able to pay their debts as and when they become due and payable.

The Directors have been given the declaration in a form similar to that referred to by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the half year ended 31 December 2021.

Signed in accordance with a resolution of the Directors.



Philip Marcus Clark AO  
Chair  
Sydney

7 February 2022

## Independent Auditor's Review Report to the Stapled Security Holders of Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust

### *Conclusion*

We have reviewed the half-year financial report of:

- Shopping Centres Australasia Property Management Trust ("SCA Property Management Trust") and its controlled entities ("SCA Property Group"), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.
- Shopping Centres Australasia Property Retail Trust and its controlled entities ("SCA Property Retail Trust"), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of SCA Property Group and SCA Property Retail Trust is not in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of SCA Property Group and SCA Property Retail Trust's financial positions as at 31 December 2021 and of their performance for the half-year ended on that date; and
- (b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of SCA Property Group and SCA Property Retail Trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of SCA Property Group RE Limited, the Responsible Entity of SCA Property Management Trust, and SCA Property Retail Trust, (the "directors") would be in the same terms if given to the directors as at the time of this auditor's review report.

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

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

## *Auditor's Responsibilities for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of SCA Property Group and SCA Property Retail Trust's financial positions as at 31 December 2021 and their performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

*DELOITTE TOUCHE TOHMATSU.*

DELOITTE TOUCHE TOHMATSU

*A. COLEMAN.*

Andrew J Coleman  
Partner  
Chartered Accountants  
Sydney, 7 February 2022