LEVEL 5, 50 PITT ST, SYDNEY NSW 2000
SCAPROPERTY.COM.AU

20 November 2019

The Manager
ASX Market Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

2019 ANNUAL GENERAL MEETING | SCA PROPERTY GROUP (ASX: SCP)

Attached are the following presentations which will be presented on Wednesday, 20 November 2019 at the 2019 Annual General Meeting:

- Chairman's address and presentation to the meeting; and
- CEO's address and presentation to the meeting.

SCA Property Group

Encl.

ENDS

Media, Institutional investor and analysts, contact:

Mark Fleming
CFO
SCA Property Group
(02) 8243 4900

Unitholders should contact SCP Information Line on 1300 318 976 (or +61 1300 318 976 from outside Australia) with any queries.

Annual General Meeting

Wednesday 20 November 2019

Chairman's Address

Welcome (Slide 1)

Good afternoon ladies and gentlemen, and welcome to SCA Property Group's 2019 Annual General Meeting.

I would like to remind all AGM participants to turn off their mobile phones and will now take the opportunity to point out the Emergency Exits, which are located outside directly behind and in both far corners to my left (or your right).

My name is Philip Marcus Clark and I am the Chairman of the Group. I have been appointed as Chair of this meeting and I now table my letter of appointment.

This afternoon we are simultaneously holding the meetings of:

- Shopping Centres Australasia Property Management Trust; and
- Shopping Centres Australasia Property Retail Trust,

and for the rest of this meeting I will refer to the business of each Trust conducted as one meeting.

It is now just past 2.00pm, the nominated time for the meeting. I have been informed by our Company Secretary that a quorum is present and I am pleased to declare the meeting open.

Agenda (Slide 2)

There are four components to today's meeting.

First, I will give a brief address. Our CEO Anthony Mellowes will then give a detailed overview of the Group's performance for the 2019 financial year.

Then we will progress to the formal business of the meeting, where the resolutions provided in the Notice of Meeting will be put to the members.

We will allow time for questions and answers relating to each resolution before proceeding to vote on that resolution.

Lastly, I will open the floor to general questions or comments. If you have a question or comment that hasn't been covered somewhere else in the meeting, you may ask it then.

Only unitholders and their duly appointed Proxies are able to participate in questions and discussion. Visitors are not able to ask questions or participate in discussion.

Following the conclusion of the meeting, I invite you to join the Directors and Management for afternoon tea in the guest lounge area towards the back of this room, or out on the balcony to my right.

Introductions (Slide 3)

I would like to start by introducing you to the Independent Directors and Senior Management who are here today:

My fellow Independent Directors are:

1. Belinda Robson: Chair of the Investment Committee and member of the ARMCC, Remuneration Committee and Nomination Committee;
2. Steven Crane: Chair of the Remuneration Committee, member of Nomination Committee and Investment Committee;
3. Dr Kirstin Ferguson, Chair of the Nomination Committee and member of the ARMCC Committee and Remuneration Committee;
4. Philip Redmond, Chair of the ARMCC and member of Nomination Committee and Investment Committee; and
5. Beth Laughton, Member of ARMCC, Remuneration Committee and Nomination Committee.

Our executive Directors are:

- Anthony Mellowes, our Chief Executive Officer; and
- Mark Fleming, our Chief Financial Officer.

Joining us on stage today is our General Counsel/Company Secretary, Mark Lamb.

We also have present, from the Group's auditors Deloitte, Andrew Coleman as well as representatives of the Group's Registry, Link Market Services.

Chairman's Address

My presentation today will cover three areas:

First, I will overview SCA's FY19 financial results and returns to unitholders.

I will then outline how we are responding to a difficult operating environment.

I'll conclude with some brief remarks on governance matters.

1. Financial Performance and Returns to Unitholders (Slide 4)

As I have done at recent AGMs, I will present FY19 highlights and some key performance metrics over the longer term.

Our CEO, Anthony Mellowes will provide more detailed commentary on FY19 results in his presentation, which will follow mine.

Operations (Slide 5)

The highlight of our operations in FY19 was the acquisition, in October 2018, of a portfolio of ten neighbourhood and sub-regional shopping centres from Vicinity for $573 million.

Following that acquisition, SCP became the largest convenience-based retail landlord in Australia.

I am pleased to report that the acquisition is proceeding to plan and is delivering on budget. Anthony will report on progress in more detail.

In FY19, our Funds From Operation (FFO), the measure of underlying earnings, was $141.8 million, an increase of $27.5 million or 24% over the previous year.

FY19 Financial Results - EPU and DPU (Slide 6)

Our commitment to our unitholders, is to deliver secure earnings and distributions which grow over time.

I am pleased to report that in FY19 we again delivered on that commitment.

Our earnings and distributions to unitholders both increased during FY19 and both exceeded our initial market guidance:

- FY19 earnings per unit were 16.33 cents per unit, up 6.7% on the prior year and above our initial market guidance of 15.6 cpu.
- FY19 distributions to unitholders were 14.7 cpu, up 5.8% on the prior year and above our initial guidance of 14.3 cpu.

You can see from this slide, that we have delivered earnings and distributions which have grown over the years.

Unit Price Performance (Slide 7)

Our unit price drifted down towards the end of FY19 but in recent months SCP has been well supported by the market.

On 25 October 2019, SCP units achieved a record price of $2.77 per unit.

I remind you that in December 2012, the time of the in-specie distribution by Woolworths and our Initial Public Offering, the unit price was $1.40.

Total Unitholder Return (Slide 8)

Total unitholder return measures both unit price growth and distributions.

SCP delivered a total unitholder return of just 3.3% during FY19, when our unit price ended on a rather low note. As I just noted, it has since recovered.

SCP's total unitholder return has outperformed the ASX AREIT Index by 16% since listing in 2012.

We have delivered a compound total unitholder return over 150% since we listed and distributions to unitholders have increased every six months since 2014.

Market Capitalisation (Slide 9)

The Group's market capitalisation has grown consistently.

It increased to $2.5 billion at 1 November 2019.

Management Expense Ratio (Slide 10)

Our Management Expense Ratio (MER), which measures corporate costs as a percentage of total assets, reduced from 0.43% to 0.37% in FY19.

That is in part because we have significantly increased the value of our portfolio but also because we maintain tight control over corporate overheads.

We are a low-cost operator, measured against our peers.

Capital Management (Slide 11)

Anthony will explain how we continued to manage debt risk in FY19 by diversifying debt sources, by extending the tenor on our debt and by prudent hedging.

Our debt cost has consistently been amongst the lowest in the sector and the tenor of our debt has consistently been amongst the longest in the sector.

We have our CFO Mark Fleming and his team to thank for those excellent outcomes.

We raised capital during the year to fund the Vicinity acquisition. The Board honoured its commitment to provide retail investors with the opportunity to acquire additional units in SCP, on no less favourable terms to those offered to institutional investors. Our retail investors responded, and we were more than two times oversubscribed.

We will continue to honour that commitment by the Board, whenever it is consistent with our capital management strategy.

2. The Operating Environment and Our Response

We are operating in a challenging environment (Slide 12)

You will be aware, from media reports, of the challenges confronting retailers and retail landlords.

- Amazon and other online operators are actively penetrating the market.
- Low price inflation, which dampens sales growth.
- Low wages growth, which impacts on consumer spending power.
- Record low interest rates.
- Low consumer and business confidence.
- Competition pressure on supermarkets with Kaufland commencing its Australian roll out.

Our response (Slide 13)

I will provide a few insights into our response to these challenges. Anthony will also elaborate on a number of these points in his presentation.

Our responses are aligned to our core strategy of delivering:

“defensive, resilient cashflows to support secure and growing long term distributions to our unitholders”

- We have stuck to our knitting, the convenience retail space which we know very well, and which is less susceptible to online challenges. The Board continues to endorse our strategy of focussing on convenience-based retail centres weighted towards non-discretionary spending. We believe it is the best way for us to meet these challenges.
- We have maintained a relatively low risk appetite. We have continued to keep our long-term hurdle rates under review as interest rates have fallen, but we are taking a very disciplined approach to acquisitions. I would like to acknowledge the great work done by our Investment Committee, Chaired by Belinda Robson, in that regard.
- We have implemented effective, responsive capital management strategies.
- We maintain strong governance oversight and effective risk management.

3. Governance Matters (Slide 14)

Our Management Team (Slide 15)

I want to spend a few minutes talking about our most important asset, the people who make our business tick.

At the opening of the meeting I introduced our Key Management Personnel, Anthony Mellowes our CEO, Mark Fleming our CFO and Mark Lamb our General Counsel and Company Secretary.

Our KMP team has been in place for over seven years. That has provided stability and their collective knowledge and experience has provided us significant competitive advantage.

Our KMP are supported by a relatively small but very capable team. We have a good combination of experienced managers, supported by some very talented young people.

I would like to take the opportunity to introduce our senior managers and acknowledge the great contribution they make:

- Campbell Aitken, Chief Investment Officer,
- Greg Inkson, Head of Corporate Finance and Funds Management,
- Janene Kellaway, HR Manager,
- Erica Rees, Senior Legal Counsel, and
- Michelle Tierney, Chief Operating Officer.

The quality of our team is recognised in the market, so frankly one of our challenges is retaining our team.

Our Remuneration Report, which the Chair of our Remuneration Committee, Steve Crane, will present later in this meeting, sets out our approach to meeting that retention challenge.

The Board (Slide 16)

James Hodgkinson OAM retired as a Non-Executive Director during the year. James made a very significant contribution to SCP and we thank him for his service.

We were pleased to welcome two new Non-Executive Directors, Beth Laughton and Steve Crane. Steve and Beth both have great credentials and are making significant contributions to the work of the Board. You will hear from them later in this meeting.

Board members' collective skills and experience measures up very well against our Skills Matrix.

We have a good Board culture and the Board works well with Management.

Sustainability Strategy (Slide 17)

Anthony will speak to the three elements of our Sustainability Strategy.

I am particularly pleased with the progress we are making in implementing programs to engage with the communities in which we operate. This has become an integral part of our operations. It discharges our social responsibility but also strengthens our business and delivers good outcomes for unitholders.

4. Conclusion and Outlook (Slide 18)

The Board remains committed to our key objective, which is to deliver secure earnings and distributions which grow over time.

The Group's business fundamentals are in good shape. We aim to keep it that way.

Our strategies are working. I believe our portfolio of convenience-based retail centres, which are focussed on non-discretionary spending, position us well to continue to deliver secure and growing earnings and distributions.

The Group's performance has remained robust in the face of considerable uncertainty.

Your Board remains cautiously confident about our prospects, but we also remain vigilant.

In closing, I would like to thank you all for your continuing support and to thank you again for taking the time to join us here today.

I will now hand over to Anthony.

Annual General Meeting

Wednesday 20 November 2019

CEO's Address

CEO's Address (Slide 19)

Good afternoon Ladies and Gentlemen. My name is Anthony Mellowes, and I am the Chief Executive Officer of SCA Property Group (**SCP**).

I am very pleased to be presenting to you at the seventh (7th) Annual General Meeting of SCP.

It has again been an active year for the entire Management team at SCP, and I am very proud of what has been accomplished in our seventh (7^{th}) year of reporting.

Phil Clark has outlined the Group's achievements since listing and this afternoon I will run through some of our key achievements for FY19 and update our outlook for FY20.

High Quality Portfolio (Slide 20 & Slide 21)

For those of you not familiar with the SCP portfolio, as at 30 June 2019, it consisted of:

- 96 managed shopping centres across Australia, being 85 on SCP's balance sheet, plus 11 managed properties in "SURF" SCP's unlisted Funds Management business;
- The average age of the Australian assets is relatively young at 7.9 years;
- Approximately 49% of our income is derived from Coles, Wesfarmers and Woolworths with average lease tenure of 12.8 years; and
- As at 30 June 2019, our portfolio was valued at approximately $3.15 billion, and we now have approximately 1,800 Specialty Tenants, with a total occupancy across the portfolio of in excess of 98%.

FY19 Highlights (Slide 22 & Slide 23)

I will now take you through some of the key highlights for the financial year ended 30 June 2019 and towards the end of my presentation, the outlook for SCP for FY20:

- We delivered Funds from Operations of 16.3 cpu, an increase of 6.7% on the prior financial year.

- This enabled us to pay distributions to unitholders of 14.7 cpu, which was up 5.8% on the prior year. This represented a payout ratio of around 90%.

- Our total Funds from Operations was $141.8 million for the year which was an increase of 24.1% (primarily as a result of our acquisitions during the year).

- Our gearing as at 30 June 2019 was 32.8%, which is at the lower end of our stated policy range of 30-40%.

- Our NTA at 30 June 2019 decreased slightly to $2.27 per unit, down from $2.30 per unit at the same time in the prior year, due to transaction costs, primarily, stamp duty paid on our acquisitions.

- Our portfolio occupancy was 98.2%, which represents a specialty vacancy rate of 5.3% at 30 June 2019. This included all of our acquisitions which have a slightly higher vacancy rate than our core/existing portfolio.

- Due to strong pricing for neighbourhood centres over the past 2 years, SCP remained disciplined however we took advantage of an opportunity to acquire a major portfolio from Vicinity and 2 other vendors. In total we acquired 12 assets for $678 million and divested $60 million of assets to our SURF 3 fund.

Key Achievements (Slide 24)

1. Our key achievements for FY19 have really addressed 2 key themes:

    - The first being optimising our existing centres; and

    - the 2nd being the acquisition of 12 convenience based centres for $678 million, successfully integrating them into our portfolio and commencing the tenancy re-mixing project on those centres.

    With respect to our existing centres, the supermarkets (Coles and Woolworths) continue to perform strongly increasing their sales growth at June 2019 to 2.7% per annum, our specialties also grew their sales by 2.6%, this enabled us to conclude 146 renewals at a 5.3% rental uplift and 66 new lease deals at a 2.4% uplift in a challenging retail market.

    The twelve (12) centres that we acquired during the year are performing in line or slightly better than our expectations when we acquired them nearly 14 months ago. Our re-mixing project is progressing well and is expected to be substantially complete by 30 June 2020. The sales growth from the acquired portfolio continues to improve and we have achieved the cost savings that we forecast. The remixing project may impact NOI on a temporary basis. We remain confident that by the end of June 2021 the portfolio Net Operating Income will be in line with the Net Operating Income at the time of acquisition. However, once the remix is completed the Net Operating Income will be based on more sustainable rentals with a bias towards non-discretionary usages in accordance with our core strategy.

2. With respect to our 3 currently identified growth opportunities being acquisitions, developments and funds management:

Acquisitions: As outlined earlier we completed 12 acquisitions for a purchase price of $678 million.

Developments: With respect to our developments, we completed the Coles anchored Bushland Beach in Townsville in QLD and the Woolworths anchored Shell Cove just south of Wollongong in NSW.

Funds Management: Our Funds Management business continues to be active as we launched SURF 3 in July 2018 and in our capacity as Fund Manager, we have facilitated entry into contracts for sale by SURF 1 to sell all of the original SURF 1 assets. SURF 1 should conclude prior to the 5-year term and return in excess of a 10% annual return.

As a result of our acquisitions during the year we have had a very active period on capital management.

We raised over $1.3 billion of new capital comprising $409 million of new equity, $887 million of new debt, the proceeds were used to fund the new acquisitions and developments as well as pay down existing bank facilities.

We were again strongly supported by our equity investors as we raised $262 million via an institutional placement, $111 million via the Unit Purchase Plan from our retail investors and $36 million from our Distribution Reinvestment Plan.

As a result $425 million of interest rate swaps were cancelled at a cost of $17.7 million and replaced with $300 million of new swaps with a longer average maturity of 7 years.

3. Our balance sheet remains in a strong position with our gearing at 32.8% which is at the lower end of our range, our weighted average cost of debt continues to decrease and is now at 3.6% per annum and we have increased our weighted average term to maturity to 6.1 years with 70% of our debt either fixed or hedged.

4. Finally we again delivered earnings in excess of our guidance, in FY19 we achieved earnings and distribution growth of 6.7% and 5.8% respectively.

Value Creation Opportunities (Slide 25)

SCP has a proven track record of creating value for unitholders through an active management approach. We have delivered compelling returns for unitholders since our listing in December 2012.

We have proven asset management capabilities with solid specialty sales growth and comparable Net Operating Income above our peers. We successfully completed our original IPO leasing project and we are a market leader with respect to leasing spreads achieved. We continue to be successful in re-balancing our tenancy mix towards the non-discretionary sector. We have a clear strategy and focus towards the supermarket anchored convenience centres, we have a stable experienced Management team with specialist backgrounds in supermarkets and convenience-based shopping centres. We have 96 convenience-based centres under management (including 11 SURF assets), post the acquisitions that occurred in FY19.

I believe that there will be an ongoing opportunity to re-balance the mix of tenants, particularly towards our key categories of retail services, healthcare, everyday fresh and “grab and go” food catering. SCP will also utilise our existing Management team and internal management structure to achieve cost efficiencies at both the centre level and corporate level. Accordingly, our MER is forecast to be at or below 40 basis points for FY20.

We are particularly pleased with the Vicinity transaction as it demonstrates Management’s ability to deliver on our core strategy. We believe that there will be further acquisition opportunities for SCP in FY20. We will continue to remain disciplined with respect to acquisitions and only acquire assets that meet our financial and quality hurdles.

Sustainability (Slide 26)

As SCP has matured over the past 7 years, so has the planning and execution of our sustainability practices.

We have 3 pillars to our Sustainability Strategy, which guide the investments and initiatives that we implement each year. Our Sustainability Strategy will continue to deliver positive outcomes for our customers, our retailers and our investors.

The 1st pillar is **Stronger Communities**. **(Slide 27)**

All of our centres sit in the middle of the local communities that they serve. Our goal is to strengthen the relationship between the centres and the local communities. We strive to help improve the well-being and prosperity of those communities by making positive contributions, examples of which I will discuss shortly.

The 2nd pillar is **Environmentally Efficient Centres**.

This is all about the built form of our buildings and how we can reduce the environmental footprint of our shopping centres with a particular focus on reducing greenhouse gas emissions through reducing energy consumption.

The 3rd pillar is **Responsible Investment**.

This includes the managing of our Environmental, Social & Governance (**ESG**) risks that are material to investment value and then be able to communicate our performance on this to our customers, tenants and investors.

I will now go into a little bit of detail on each of our pillars:

1st Pillar - **Strong Communities: (Slide 28)**

All of our stronger communities initiatives are designed to deliver measurable social and environmental benefits to the local communities that our shopping centres serve.

Over the past year, we implemented 10 stronger communities campaigns that were significant to the local communities of 45 of our shopping centres. This year, we will aim to roll out stronger community campaigns to all of our centres.

Key highlights were:

Townsville Floods – during the Townsville floods earlier this year, our Annandale Central centre became a key refuge point for local residents and their pets when they were forced to evacuate their homes.

NAIDOC week - we were celebrating the First Nations community within our Kwinana Centre in Southern Perth, WA. The centre hosted a number of artistic activities and as a result of this campaign, the community created a terrific mural, which was painted by local indigenous artists.

Sock Drive - this was another strong initiative that we conducted in partnership with the SCR Group, which is a clothing drop off partner. The sock drive was conducted in our Queensland centres and was designed to raise awareness of homelessness. Over 11,000 socks were donated.

2nd pillar - **Environmentally Efficient Centres (Slide 29)**

We have a continued focus on reducing the environmental impact of our shopping centres.

I am pleased to announce that we will be creating a specific Sustainability Capital Investment Fund that will be targeting initiatives that achieve the greatest ESG outcomes and returns.

The specific focus areas will initially include:

> Solar electricity generation – we currently generate electricity from our solar installations at 5 of our centres. We have terms agreed to roll out solar at a further 8 centres through calendar year 2020.
>
> LED lights – we believe we can reduce our energy consumption through LED lighting upgrades across at least 18 further centres. We have prioritised and targeted centres that have basement car parks requiring lights to be on for the majority of the day. We have also targeted our South Australian centres where there are higher energy costs and Victorian centres with the largest Greenhouse Gas Emissions.

Building Automation – by utilising technology to improve efficiencies of the Building Management Systems.

Currently, we have 3 centres with Artificial Intelligence which manages our air conditioning, lighting and energy demand to peak efficiency. We are targeting implementation of this Artificial Intelligence into our larger more complex centres, where it will have the greatest benefits.

And lastly,

Waste Management – our major supermarket tenants (Coles and Woolworths) currently have alternative processing methodologies for organic food waste. We are exploring opportunities to expand this facility to allow specialty tenants and common mall area organic waste to be diverted from landfill.

3rd pillar - **Responsible Investment (Slide 30)**

Our priority is data integrity and transparency for our investors and stakeholders. Over the past year, we have enhanced the disclosure of our ESG performance through our revised and updated Sustainability Report. We have participated in GRESB – Global Real Estate Sustainability Benchmark since 2016 This is an international sustainability management review and standard for Real Estate Investment Managers. I will touch on our priorities in this area shortly.

We have re-certified the portfolio under the Green Building Councils rating tool “Green Star Performance”.

We maintained our 5.5 star NABERs energy rating for our head office and we will continue our participation in external investor and advisor benchmarking of our ESG performance.

Finally, I would like to quickly discuss our 37% improvement in our GRESB rating over the last year. When SCP was created 7 years ago, we knew that we could not do everything at once and we had to prioritise our environmental focus. Accordingly, we devised a 3 staged approach to GRESB. **(Slide 31)**

Stage 1 - we prioritised to deliver on the policies, disclosure and our management to create the framework for measurable improvement. These are now both at the upper levels of compliance.

Stage 2 – the next stage, and where we are currently positioned, is to focus on Building Certification, Stakeholder Engagement and Risks and Opportunities. These strong results are a real tribute to the team.

Stage 3 - is for 2020 to 2022 where will be looking to improve on Monitoring and Environmental Management systems and also improving our Performance Indicators.

But, we acknowledge that there is still work to be done and this process will be an ongoing one.

In summary, I am really pleased with our sustainability results to date and believe that our Sustainability Capital Investment Fund will allow us to make some significant and measurable gains toward reducing the environmental footprint of our buildings and meet or exceed our sustainability objectives.

Core Strategy Unchanged (Slide 32)

SCP's strategy has remained unchanged since we listed 7 years ago and a lot has changed in 7 years particularly the challenges facing the Retail Industry.

My senior team and I in conjunction with the Board have spent a lot of time challenging ourselves as to whether we in fact have the right strategy or whether we should vary or change our it. I am pleased to say that we are unified in our belief that our strategy is in fact the correct strategy for these challenging times in the Retail Industry.

We will continue to deliver defensive, resilient cashflows to support secure and growing long term distributions to our unitholders. We will do this by continuing to focus on convenience based retail centres, which are weighted towards the non-discretionary retail segments of Food, Pharmacy & Medical and retail services. These are "necessities" for the everyday spend of households. The benefits of these retail categories are that there is very low volatility and they are required by all demographics, every day of every week of the year.

We have long term leases to Woolworths and Coles, in fact all except one of our properties is anchored by a Coles or Woolworths supermarket.

We will continue to have an appropriate or conservative capital structure and we will continue to seek out growth opportunities which suit our risk profile in a very disciplined way.

Key Priorities and Outlook (Slide 33)

SCP will continue to deliver on its stated strategy in FY20, which assumes a continuation of the current economic environment of low inflation, low interest rates and low unemployment. We will continue to focus on optimising our core business by:

- the completion of our remixing project for the centres that we acquired;
- focusing on sustainable tenants at sustainable rents;
- asset management teams exploring additional new income opportunities across the portfolio;
- all teams (whether at a corporate or centre level) managing our expenses to grow at a level that is no greater in percentage terms than our income growth; and
- commence work on our sustainability project to reduce the environmental footprint of our buildings while continuing to be a central component of the communities that we serve.

We will also focus on our three (3) growth initiatives by:

- continuing to seek value accretive acquisition opportunities consistent with SCP's strategy and investment criteria;
- continuing to progress the identified development pipeline; and
- building our profile as a fund manager. SURF 1 has entered into contracts to sell all 5 properties in the fund, and we anticipate settling on these properties prior to end of December 2019.

SURF 1 has been successful for our investors who have received a yield of 8-8.5% over the 4 years and will receive in excess of 10% capital appreciation as well. We will be assessing in 2020 as to whether market conditions are suitable to launch SURF 4.

We will continue to actively manage our balance sheet to maintain diversified funding sources with long weighted average debt expiry and a low cost of capital consistent with our risk profile.

Of course, if there is any material change to the current macro-economic conditions our strategy will need to adapt to these changes but at this stage of the property cycle I believe that maintaining our gearing at the lower level of our preferred range is the appropriate setting.

Finally, I am pleased to re-affirm the SCP guidance for FY20:

- for Funds from Operations per unit of 16.7 cpu; and
- for Distributions of 15.1 cpu.

Thank you for your time this afternoon.

ANNUAL GENERAL MEETING

20 November 2019

SCA Property Group

AGENDA

CHAIRMAN’S ADDRESS

CEO’S ADDRESS

FORMAL BUSINESS

GENERAL QUESTIONS

CHAIRMAN'S ADDRESS

Philip Marcus Clark AO

1. FINANCIAL PERFORMANCE AND RETURNS TO UNITHOLDERS
2. THE OPERATING ENVIRONMENT AND OUR RESPONSE
3. GOVERNANCE MATTERS

SCA Property Group

FINANCIAL PERFORMANCE AND RETURNS TO UNITHOLDERS

Chairman's Address

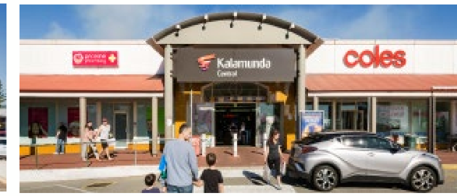
SCA Property Group

OPERATIONS – ACQUISITION OF TEN CENTRES FROM VICINITY


Warnbro, WA

Currambine Central, WA


Stirlings Central, WA



Kalamunda Central, WA


Bentons Square, VIC


The Gateway, VIC

West End Plaza, NSW

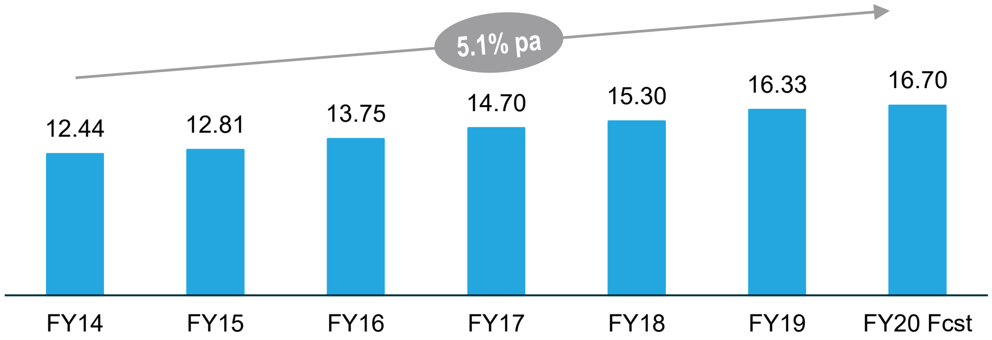
Lavington Square, NSW

North Shore Village, QLD

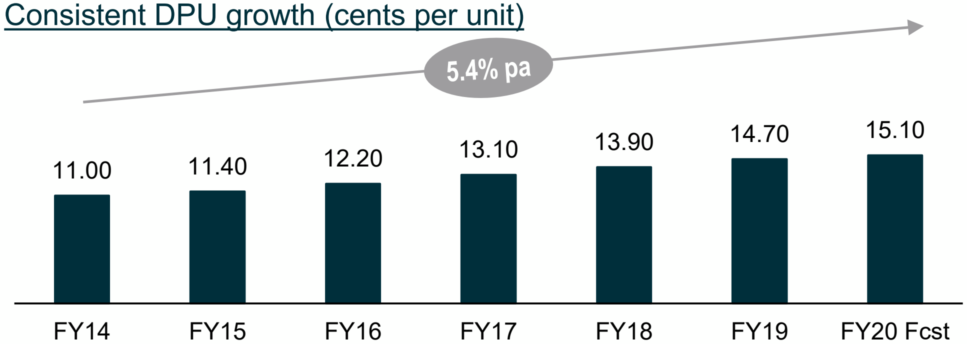
Oxenford Village, QLD

FINANCIAL RESULTS – EPU AND DPU

Consistent EPU growth (cents per unit)



Consistent DPU growth (cents per unit)



SCP has delivered consistent and growing earnings and distributions, with an average annual growth rate of over 5% pa

SCA Property Group

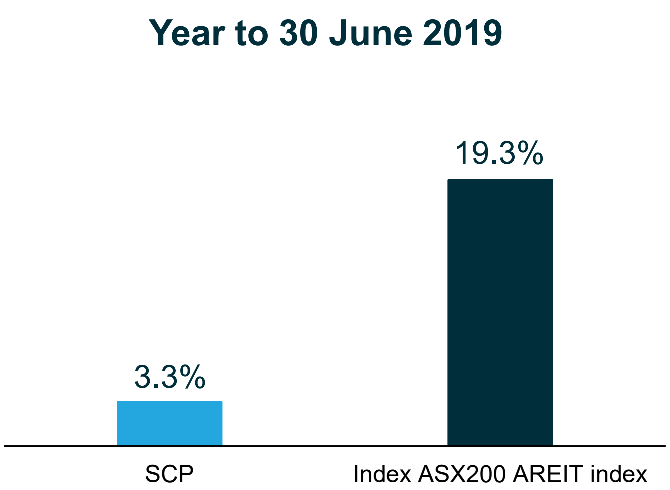
UNIT PRICE PERFORMANCE

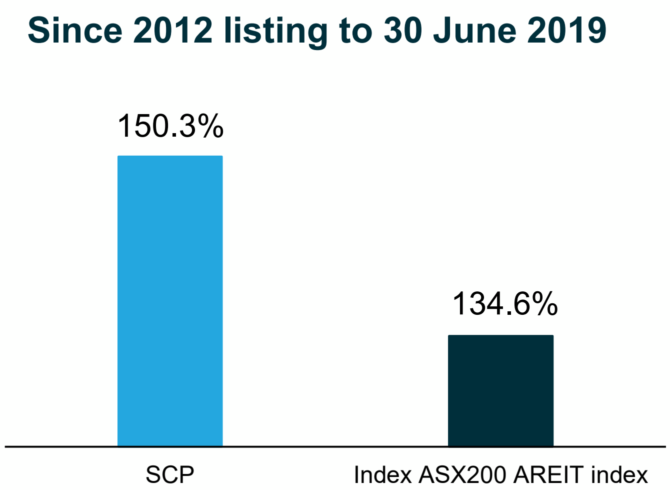
Source: Commsec

SCA Property Group

TOTAL UNITHOLDER RETURN

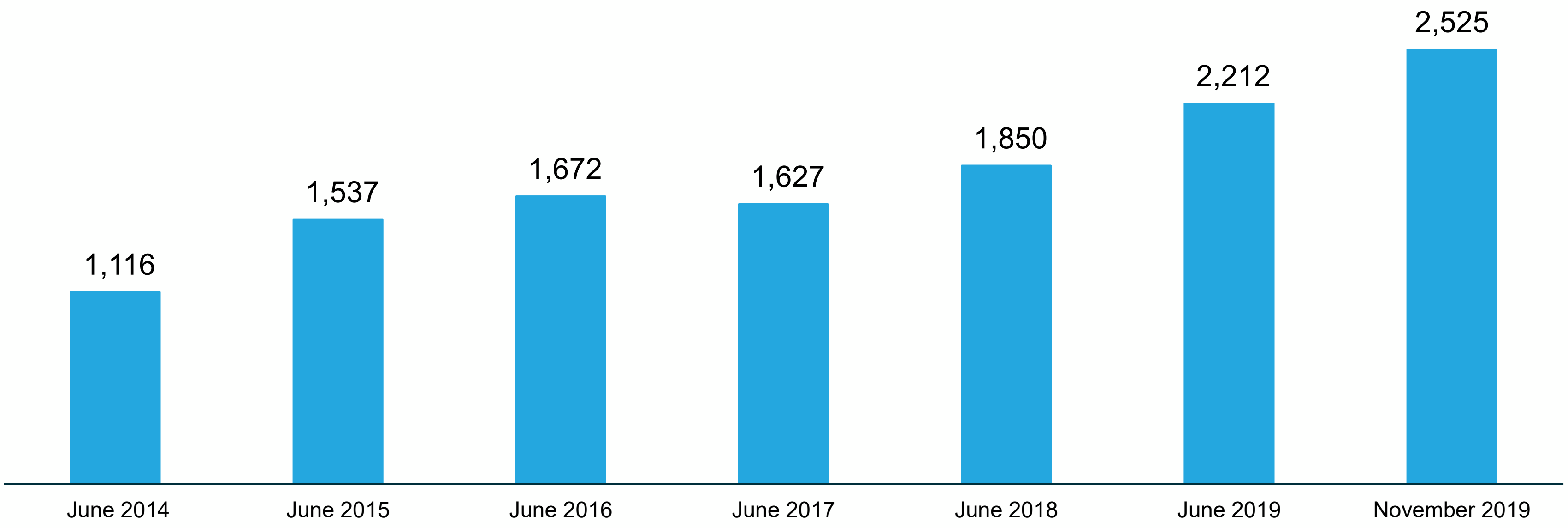
SCP delivered a total return of 3.3% for FY19 and over 150% since listing



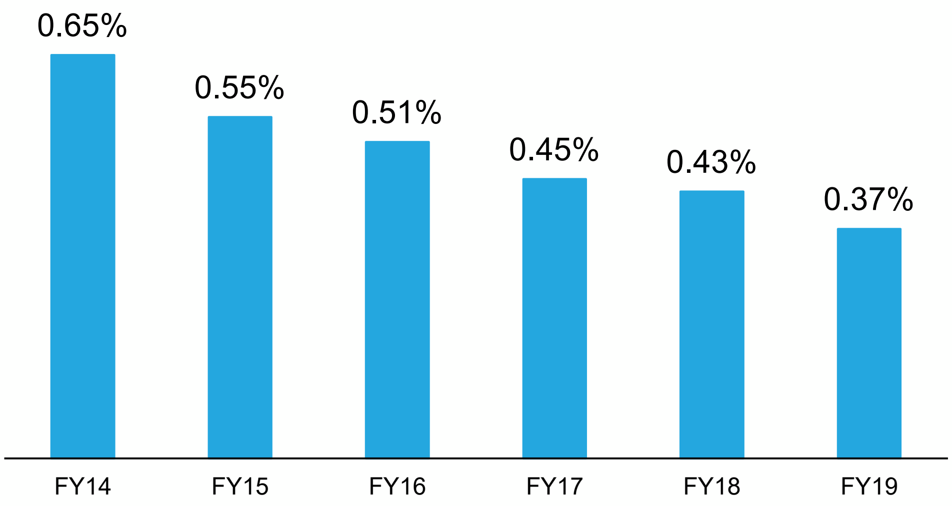


Total unitholder return includes both distributions to unitholders and unit price appreciation.
Source: Orient Capital

MARKET CAPITALISATION ($M)



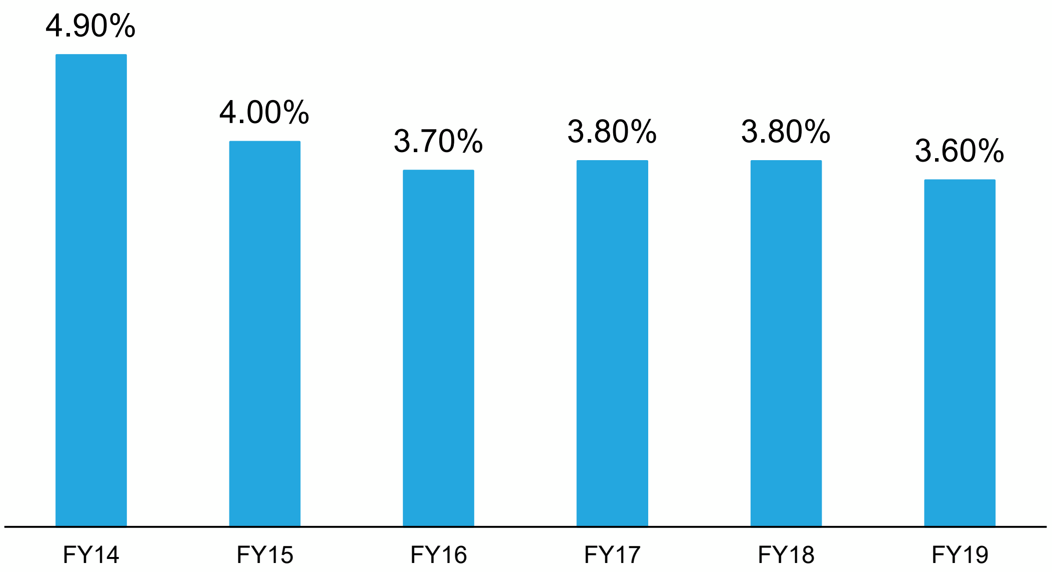
MANAGEMENT EXPENSE RATIO



The Group's management expense ratio (MER), which measures corporate costs as a percentage of total assets, has consistently reduced due to a significant increase in the value of the portfolio and tight control of corporate overheads

CAPITAL MANAGEMENT – COST OF DEBT

Debt costs have been actively managed



Debt costs have been actively managed and now rank amongst the lowest in the sector

THE OPERATING ENVIRONMENT AND OUR RESPONSE

Chairman's Address

SCA Property Group

OUR RESPONSE - CORE STRATEGY UNCHANGED

Defensive, resilient cashflows to support secure and growing long term distributions to our unitholders

FOCUS ON CONVENIENCE-BASED RETAIL CENTRES

WEIGHTED TO NON-DISCRETIONARY RETAIL SEGMENTS

LONG LEASES TO QUALITY ANCHOR TENANTS

APPROPRIATE CAPITAL STRUCTURE

GROWTH OPPORTUNITIES

SCA Property Group

GOVERNANCE MATTERS

Chairman’s Address

SCA Property Group

OUR MANAGEMENT TEAM

THE BOARD

SUSTAINABILITY STRATEGY

We continue to focus on long-term sustainable performance

1	STRONGER COMMUNITIES
2	ENVIRONMENTALLY EFFICIENT CENTRES
3	RESPONSIBLE INVESTMENT

SCA Property Group

CONCLUSION AND OUTLOOK

Chairman's Address

CEO'S ADDRESS

Anthony Mellowes

SCA Property Group

HIGH QUALITY PORTFOLIO

CEO's Address

SCA Property Group

OUR PROPERTY PORTFOLIO

As at 30 June 2019:

- 96 Properties under management
- $3,147m Investment Properties Total Value
- 7.9 yrs Weighted Average Lease Expiry
- 1,797 Specialty Tenants
- ‹9 yrs Average Age of Portfolio
- 98.2% Portfolio Occupancy
- 667,346m² Gross Lettable Area

SCA Property Group

FY19 HIGHLIGHTS

CEO's Address

SCA Property Group

FY19 HIGHLIGHTS

FINANCIAL PERFORMANCE	CAPITAL MANAGEMENT		ACTIVE PORTFOLIO MANAGEMENT	
FFO per unit [1] **16.33 cpu, up by 6.7%**	Gearing [3] **32.8%, up by 1.6%**		Portfolio occupancy [6] **98.2%**	Specialty vacancy [6] **5.3%**
Distribution per unit [1,2] **14.70 cpu, up by 5.8%**	NTA per unit [4] **$2.27, down by 1.3%**		Portfolio weighted average cap rate [7] **6.48%**	
Funds from operations (FFO) [1] **$141.8m, up by 24.1%**	Weighted cost of debt [5] **3.6% pa**	Weighted average debt maturity [5] **6.1 yrs**	Acquisitions [8] **$677.9m**	Divestments [8] **$60.3m**

1. *FY19 vs FY18. "cpu" stands for Cents Per Unit*
2. *Final distribution of 7.45 cpu in respect of the year ended 30 June 2019 is expected to be paid on or about 30 August 2019*
3. *As at 30 June 2019, compared to 30 June 2018. Gearing is calculated as Finance debt, net of cash (with USD denominated debt recorded as the hedged AUD amount) divided by total tangible assets (net of cash and derivatives). Target gearing range is 30% - 40%*
4. *As at 30 June 2019, compared to 30 June 2018*
5. *As at 30 June 2019*
6. *As at 30 June 2019. Excluding FY19 acquisitions, portfolio occupancy is 98.5% and specialty vacancy is 4.7%*
7. *As at 30 June 2019. Weighted average capitalisation rate as at 30 June 2018 was 6.33%*
8. *During the twelve month period we acquired 12 assets for $677.9m (excluding transaction costs of $36.9m). Acquisitions comprised 4 sub regional and 8 neighbourhood shopping centres. The divestment of 4 assets to the "SURF 3" fund for $57.9m was completed in the period (categorised as assets held for sale as at 30 June 2018), and in November 2018 we divested an adjacent lot at Highett shopping centre for $2.4m*

SCA Property Group

KEY ACHIEVEMENTS

Delivering on strategy

OPTIMISING THE CORE BUSINESS	• Existing centres continue to perform well • Centres acquired during FY19 are performing in line with our expectations
GROWTH OPPORTUNITIES	• Acquisitions of $677.9m (excluding transaction costs) during the period • Developments completed in FY19 include Bushland Beach (new Coles centre) and Shell Cove (new Woolworths centre) • SURF 3 launched in July 2018
CAPITAL MANAGEMENT	• $1.3b of new capital raised during the period • Balance sheet remains in a strong position – Gearing of 32.8% (in the lower end of our target range)
EARNINGS GROWTH DELIVERED	• FY19 FFO per unit of 16.33 cpu represents growth of 6.7% on the same period last year • FY19 Distribution of 14.70 cpu represents growth of 5.8% on the same period last year

SCA Property Group

VALUE CREATION OPPORTUNITIES

SCP has a proven track record of creating value for unitholders through an active asset management approach

PROVEN TRACK RECORD	• SCP management has delivered compelling returns for unitholders since listing in December 2012 • Proven asset management capabilities, through the ongoing delivery of strong operational metrics
MANAGEMENT AND STRATEGIC FOCUS	• Clear strategy of focusing the portfolio on supermarket-anchored convenience-based shopping centres • Stable management team • 96 convenience-based shopping centres currently under management
OPPORTUNITIES TO DRIVE INCOME	• Rebalance the mix of tenants in the Acquisition portfolio towards non-discretionary categories • Particular focus on services, healthcare, everyday fresh and 'grab n go' food catering • Reposition to focus on sustainable cash flow generation
REALISING COST EFFICIENCIES	• Utilising existing management team and internal management structure to achieve cost efficiencies • Integration of the Acquisition portfolio into the existing 86 asset portfolio, reducing property expenses

SCA Property Group

SUSTAINABILITY

CEO's Address

SCA Property Group

3 PILLARS

The three pillars of our Sustainability Strategy guide the investments and initiatives we implement each year, and continue to deliver positive outcomes

OUR SUSTAINABILITY OBJECTIVES

1	**STRONGER COMMUNITIES**	Strengthen the relationships between our shopping centres and their local communities. Help to improve the wellbeing and prosperity of those communities
2	**ENVIRONMENTALLY EFFICIENT CENTRES**	Reduce the environmental footprint of our shopping centres, particularly greenhouse gas emissions through reducing energy consumption
3	**RESPONSIBLE INVESTMENT**	Manage Environmental, Social and Governance (ESG) risks that are material to investment value and communicate our performance on this

STRONGER COMMUNITIES

All stronger communities initiatives are designed to deliver measurable social and environmental benefits to the local communities of our shopping centres

Over the past year we implemented over **10** stronger communities campaigns that were significant to the local communities of **45** SCP centres. This year we aim to roll out stronger communities campaigns to 100% of centres

Key Highlights

Townsville Floods

During the Far North Queensland 2019 floods, our centre Annandale Central became a refuge point when local residents were forced to evacuate their homes.

$7,000
Goods & Financial Donations

50+
People Housed

28,180
Social Media Reach

NAIDOC Week

Celebrating the First Nations community within the Kwinana catchment we hosted a series of activations within the centre. From this campaign we created an art mural painted at the centre by local indigenous artists valued at **$7,500** with **over 90** local children participating in Storytime.

Sock Drive

We conducted a sock drive in partnership with SCR Group (clothing drop-off hubs business) to raise awareness of homelessness.

$3,500
Donations

17
Centres in QLD

64,132
Social Media Reach

$2,079
PR value & reach of 18,000

11,000
Socks Donated

ENVIRONMENTALLY EFFICIENT CENTRES

Continued focus on reducing the environmental impact of our shopping centres

CAPITAL INVESTMENT

Creation of a capital investment fund targeting initiatives that achieve the greatest ESG outcomes and returns. Specific focus areas include:

Solar Generation
Currently operational across 5 centres. Terms agreed for a further 8 centres – forecast to be operational throughout 2020

LED Lights
Reducing energy consumption through LED lighting upgrades across 18 centres. Targeted focus for centres with basement carparks, SA centres with high energy costs and VIC centres with largest GHG emissions

Building Automation
Currently have 3 centres with Artificial Intelligence enabled management of Air Conditioning, Lighting and Energy Demand. Targeted implementation at sub-regional centres

Waste Management
Major tenancies currently have alternative processing methodologies for food organics waste. Exploring how we can expand this to allow specialty tenants and common mall area organic waste to also be diverted from landfill

Centre	Number of Panels installed	MWh generated to date	% renewable energy consumed in CY18
Griffin Plaza	1,062	902	33%
Mt Gambier	2,207	372	18%
Murray Bridge	2,888	521	17%
Lismore	532	238	7%
Shell Cove	1,051	317	*

* Acquired in Oct 18

SCA Property Group

RESPONSIBLE INVESTMENT

Our priority with Responsible Investment continues to be on data integrity and transparency for investors and stakeholders

OVER THE PAST YEAR WE HAVE:

Enhanced disclosure of ESG performance through the revised annual Sustainability Report, available under the Sustainability page of the SCA Property Group website

Participated in the Global Real Estate Sustainability Benchmark (GRESB), an international sustainability management review and standard for real estate investment managers run by leading investors. Australian REIT's ranked as world leading performance in ESG management practices

Recertified the portfolio under the Green Building Council's rating tool Green Star Performance

Maintained our 5.5 star NABERS Energy rating (out of six) for SCP's head office

Continued participation in external investor and adviser benchmarking of SCP's ESG performance

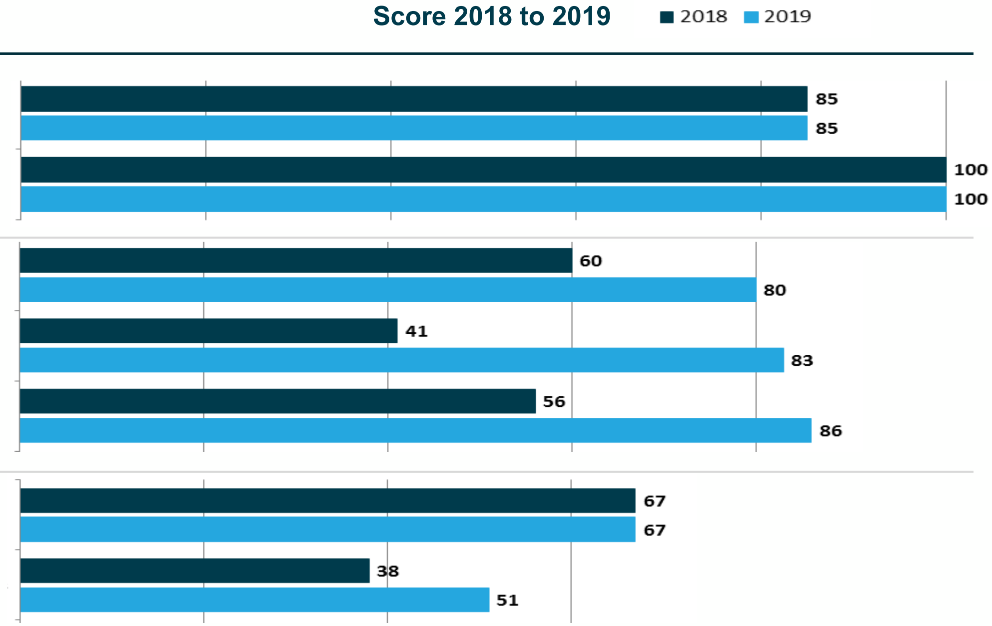
GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK (GRESB)

37% improvement in SCP performance rating from 55 in 2018 to 75 in 2019 (out of 100)

3 STAGED PRIORITY APPROACH

Stage	Years	Categories of Focus
Stage 1	2016 → 2017	Policy & Disclosure
		Management
Stage 2	2018 → 2019	Building Certifications
		Stakeholder Engagement
		Risks & Opportunities
Stage 3	2020 → 2022	Monitoring & Environmental Management Systems
		Performance Indicators

Score 2018 to 2019



SCA Property Group

CORE STRATEGY UNCHANGED

Defensive, resilient cashflows to support secure and growing long term distributions to our unitholders

FOCUS ON CONVENIENCE-BASED RETAIL CENTRES

WEIGHTED TO NON-DISCRETIONARY RETAIL SEGMENTS

LONG LEASES TO QUALITY ANCHOR TENANTS

APPROPRIATE CAPITAL STRUCTURE

GROWTH OPPORTUNITIES

SCA Property Group

KEY PRIORITIES AND OUTLOOK

Continue to deliver on strategy in FY20

OPTIMISING THE CORE BUSINESS	• Completion of remixing project for centres acquired in FY19 • Leasing focused on sustainable tenants at sustainable rents • Sustainability project
GROWTH OPPORTUNITIES	• Continue to explore value-accretive acquisition opportunities • Progress our identified development pipeline • Successfully complete SURF 1 in FY20
CAPITAL MANAGEMENT	• Continue to actively manage our balance sheet • Gearing to remain below 35% at this point in the cycle
EARNINGS GUIDANCE	• FY20 FFO per unit ("EPU") guidance of 16.70 cpu (2.3% above FY19) and DPU guidance of 15.10 cpu (2.7% above FY19)

SCA Property Group