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

28 September 2022

ASX ANNOUNCEMENT

ANNUAL REPORT

SCA Property Group (ASX:SCP) ("SCP") announces that its Annual Report for 2022 is attached and is being dispatched to those members who have elected to receive it.

This document has been authorised for release by the Company Secretary.

ENDS

Media, Institutional investor and analysts, contact:

Greg Inkson
CFO
SCA Property Group
(02) 8243 4900

Unitholders should contact SCP Information Line on 1300 318 976 with any queries.

SCA Property Group

Macksville, NSW

Annual Report 2022

Annandale Central, QLD

CONTENTS

Meeting of Unitholders

This year's AGM will be starting at 2pm (AEDT) on Wednesday, 23 November 2022. For further information, visit www.scaproperty.com.au/agm/

Corporate Calendar

23 November 2022	Meeting of Unitholders
December 2022	Estimated interim distribution announcement and units trade ex-distribution
January 2023	Interim distribution payment
February 2023	Interim results announcement
June 2023	Estimated final distribution announcement and units trade ex-distribution
August 2023	Full-year results announcement
August 2023	Final distribution payment
August 2023	Annual tax statement

Unitholder Register Details

You can view your holdings, access information and make changes by visiting investorcentre.linkgroup.com/Login/Login

Responsible Entity

Shopping Centres Australasia Property Group RE Limited ABN 47 158 809 851 AFSL 426603
Shopping Centres Australasia Property Group comprises Shopping Centres Australasia Property Management Trust (ARSN 160 612 626) and Shopping Centres Australasia Property Retail Trust (ARSN 160 612 788), together, SCA Property Group or SCP.

Sustainability

Our Sustainability Report is located on our website scaproperty.com.au/sustainability

OUR FY22 PERFORMANCE HIGHLIGHTS

Mackay, QLD

STATUTORY PROFIT AFTER TAX

$487.1 million

Up by 5.2%

NET TANGIBLE ASSETS (PER UNIT)

$2.81 per unit

Increase by $0.29 (per unit)

FUNDS FROM OPERATIONS (PER UNIT)

17.40¢ Cents per unit

Up by 17.9%

SOLID PORTFOLIO PERFORMANCE

98.1%
PORTFOLIO OCCUPANCY

5.43%
PORTFOLIO WEIGHTED AVERAGE CAP RATE

Tightening by 47 bps

$460.9m
INCREASE IN PORTFOLIO VALUE

Including acquisitions and revaluation gains

REFINING OUR PORTFOLIO

$347.5m
ACQUISITIONS

Seven convenience-based shopping centres acquired

$36.6m
DEVELOPMENTS

Investment in developments including sustainability projects

$284.9m
FUNDS UNDER MANAGEMENT

Seven metropolitan neighbourhood centres in the SCA Metro Fund

PRUDENT CAPITAL AND COST MANAGEMENT

2.5%P.A.
COST OF DEBT

28.3%
GEARING BELOW OUR TARGET RANGE OF 30-40%

$452.7m
CASH AND UNDRAWN FACILITIES

0.38%
MANAGEMENT EXPENSE RATIO

MESSAGE FROM THE CHAIR

Philip Marcus Clark, AO
Chair, SCA Property Group

Ten years of significant achievements

This is my tenth and final year as Chair of SCA. I was appointed as the inaugural Chair prior to the Group's IPO in December 2012.

Looking back over the last ten years, I am proud of the significant progress SCA has made and of what we have achieved:

- We have acquired over 60 shopping centres for more than $2.5 billion and grown NTA per security from $1.58 per unit at IPO to $2.81 per unit at 30 June 2022
- We now manage more than 100 convenience-based shopping centres across Australia
- We have effectively managed our overheads and decreased our management expense ratio from 0.65% in FY14 to 0.38% in FY22
- We have grown distributions from 11.0 cents per unit in the Group's first full financial year (FY14) to 15.2 cents per unit in FY22
- Our unit price has increased from the initial offer price of $1.40 per unit to $2.75 at 30 June 2022

We have delivered a total unitholder return since the IPO to 30 June 2022 of over 234% as compared to the ASX200 A-REIT index return of 116% over the same period.

FY22 Financial results

Our FY22 financial results were pleasing:

- Funds from Operations (FFO) was $192.7 million – an increase of 21.2% on the prior year
- FFO per unit was 17.4 cents – an increase of 17.9% on the prior year and the highest since our IPO
- Distributions of 15.2 cents per unit – an increase of 22.6% on the prior year and the highest since our IPO.

FY23 Outlook

A priority for FY23 is to ensure we continue to build a platform that can deliver sustainable and growing earnings. In the near to medium term it is likely we will be dealing with higher inflation and interest rates. Our centres are positioned to benefit from inflation over time through turnover rent from anchor tenants and increased affordability of rent for specialty tenants as their sales increase. However, rising interest rates may dampen growth in distributions in the short term. These considerations are reflected in the guidance we issued in August.

Growth initiatives – funds management, acquisitions, and developments

During FY22 we successfully wound up our final SCA Unlisted Retail Fund, SURF 3. Each of the three SURF funds generated returns for their unitholders in excess of 11% per annum and earned performance fees for the Group.

We also launched a significant new fund, SCA Metro Fund, in partnership with an affiliate of Singapore based GIC ('GIC'). The GIC partnership is a strong endorsement of SCA's expertise in the convenience shopping centre space.

In FY22 we completed the acquisition of seven centres for $347.5 million plus another five centres for $180.0 million in July 2022. The fragmented ownership of the neighbourhood shopping centre sector continues to provide us with good growth opportunities.

Our future development pipeline is focused on projects that deliver value and exceed our investment hurdle rates. The

pipeline includes centre expansions and improvements, and sustainability projects such as installing solar panels.

Capital management

During the year we issued an eight-year A$ Medium Term note raising $250.0 million with a coupon of 2.45%. In July 2022 we settled on a portfolio acquisition of five convenience properties for $180.0 million and in August we underwrote our Distribution Reinvestment Plan, raising $44.7 million.

Our balance sheet is strong. Gearing is now around 30.1%; we have over $300.0 million of cash and undrawn facilities available; and we are hedged around 81% to protect against future interest rate volatility.

Sustainability

One year into our new sustainability strategy, we have made significant progress towards meeting our commitments and targets, including our commitment to Net Zero Scope 1 and Scope 2 emissions by FY30.

More detail in relation to the six pillars of our sustainability framework is set out in our FY22 Sustainability Report, including our progress to align our climate-related disclosures to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

Senior management changes

We also continue to develop our management and staff to facilitate further succession planning. Mark Fleming, who has been our CFO since 2013 and who is also a Director, has been appointed to the role of Chief Operating Officer and Head of Funds Management and Strategy. Greg Inkson, who has also been with us since 2013, has been appointed as Interim CFO, while we undertake an executive search for a new CFO.

Board renewal

At our Annual General Meeting in 2021, I foreshadowed that I intended to retire from the SCA Board in November 2022. We have now announced that Steve Crane, our Deputy Chair, will succeed me. Steve joined the SCA Board in 2018. He has exceptional leadership credentials at executive and board level, and a wide range of experience in property, funds management, investment banking and infrastructure.

We have continued our Board renewal. Angus James was appointed to the Board in December 2021. Angus was formerly CEO of ABN AMRO Australia, and we are certainly benefiting from his financial expertise and experience as a senior executive.

On 18 August 2022 we also appointed Michael Herring to the Board. Michael brings over 30 years of experience in the legal and financial services industries, was most recently General Counsel of Macquarie Group and prior to that was Managing Partner of Mallesons Stephen Jaques.

I would like to take this opportunity to thank our management team and my Board colleagues, past and present, for their contributions and for the support they have given me. It has been great working with them.

No doubt there are challenges ahead for SCA, but I am leaving the Group in good hands.

It has indeed been an honour and a privilege to Chair SCA, and to serve our unitholders for the last ten years. I am grateful to our unitholders for the support they have shown me.

Philip Marcus Clark, AO
Chair, SCA Property Group

MESSAGE FROM THE CEO

Anthony Mellowes

Chief Executive Officer, Executive Director, SCA Property Group

FY22 continued the trend of a focus on local shopping. Our strategy of "Love Local, Shop Local, Act Local" is the right one for now and into the future. We emerged from COVID-19 trading restrictions but were then impacted by extreme weather events, which included significant rain and flooding on the east coast of Australia. These events impacted, in particular, our centre at Lismore.

Operational review

The performance of convenience-based shopping centres is strengthening as the pandemic impacts start to recede. Whilst we are starting to see inflation and debt costs impacting consumer confidence, we are also seeing this mitigated by the high employment and household savings levels. Our centres are positioned to benefit from inflation through turnover rent from anchor tenants and increased affordability of rent for specialty tenants as their sales increase.

Indeed, in FY22 our centres demonstrated their resilience with their overall comparable store moving annual turnover growth being 10.0% up on pre-COVID or December 2019 levels. The location of our centres away from mainland capital central business districts means our tenants continue to benefit from customers staying and shopping local.

This trend has helped us achieve positive leasing spreads, a return to pre-COVID cash collection rates, and comparable property net operating income growth of 3.3% for FY22 versus FY21.

Performance of our anchor tenants

Approximately half of our rent is derived from supermarkets and major tenants, primarily Woolworths, Coles and Wesfarmers and to a lesser but growing extent, Aldi.

Our supermarkets are performing well. We recorded 2.4% sales growth compared to FY21 and 9.7% sales growth compared to pre-COVID levels.

We now have 41 of our 92 supermarkets in turnover rent. In FY22 we collected $5.5m in turnover rent, an increase of 5.8% on FY21.

Performance of our specialty tenants

Our specialty tenants showed remarkable resilience this year.

Their sales are up 10.0% compared to pre-COVID levels and as a result, our rent collections have also improved. Despite lockdowns in New South Wales and Victoria during the first half of the year, we collected 98% of rent invoiced over the entire year and 102% during the second half of the year due to tenants paying outstanding rent relating to prior periods which had in many instances been mandatorily deferred pursuant to the National Code of Conduct.

Online retail trends

Another feature of the past year was the continued growth of online retailing. Our centres are ideally located within local communities and are well suited for last mile logistics.

We believe the store-based fulfilment model will remain the predominant model for online grocery fulfilment in Australia due to relatively low population densities, large distances, established existing supply chains, and high temperatures.

Woolworths and Coles are using our centres for last mile fulfilment, both pick up and home delivery. 91 of our 92 Coles and Woolworths supermarkets offer online collection. Of these 92 supermarkets, 86 include 100% of online sales in lease turnover, and 4 include 50% of online sales in lease turnover. As these supermarkets sales grow, we will be well positioned for future growth.

The market for convenience-based centres

The competition for convenience-based shopping centres remains strong with heightened levels of both private and institutional demand. This is a consequence of investors becoming increasingly aware of the defensive attributes of convenience-based shopping centres.

There are approximately 1,200 Coles and Woolworths anchored convenience centres in Australia. With over 100 owned and managed centres, we are the largest owner (by number) of convenience-based shopping centres in Australia. We have an opportunity to continue to consolidate this fragmented segment by utilising our management capability, industry knowledge and funding ability to source and execute acquisition opportunities from private and corporate owners.

We have a strong track record of acquisitions and portfolio management. Since listing we have completed the acquisition of more than 60 centres for over $2.5 billion and have divested 42 centres for over $800 million. We will continue to take a disciplined approach to acquisitions and divestments.

Sustainability

During the year we made significant progress against our sustainability initiatives. We invested $11.0 million in solar panels at all WA centres which will generate 6.22 MW of electricity and $5.4 million towards eliminating ozone depleting R22 gases. We also completed the conversion of all our centres to LED lighting. We have also maintained our 40:40:20 gender split, continued our partnership with the Smith Family, achieved a 6 star NABERS rating for our head office and improved our GRESB rating. We have also committed to net zero carbon emissions by 2030 for scope 1 and 2 emissions. More details can be found in our Sustainability Report.

The next 12 months

Our core strategy continues to be the delivery of defensive, resilient cashflows to support secure and growing long term distributions to our security holders. To achieve this, our focus in FY23 will continue to be on:

- Serving our local communities for their everyday needs
- Partnering with our supermarket anchors to improve their online offer
- Actively managing our centres to ensure that we have successful specialty tenants paying sustainable rents
- Executing on our sustainability initiatives.

Love Local, Shop Local, Act Local is the cornerstone of our strategy to produce reliable, and growing distributions to securityholders. Our centres and our people have weathered the test of the pandemic and we believe our centres will grow increasingly relevant for consumers across Australia well into the future.

I would like to thank our investors, tenants and other stakeholders for their support and continued confidence in SCA.

Finally, I would also like to draw attention to our inaugural Chair, Phil Clark, who will be retiring on 30 November 2022. Phil has been our Chair since 2012 and I would like to thank him for his leadership and significant contribution to SCA over the last ten years. He will be missed by his colleagues on the Board, and by management. I am also excited and confident that our next ten years will be as positive and constructive as our first ten years.

A. Mellowes

Anthony Mellowes
Chief Executive Officer,
Executive Director,
SCA Property Group

ABOUT US

At 30 June 2022, our portfolio consisted of 91 convenience-based shopping centres valued at $4,460.9 million. Convenience retailing has proven to be a resilient asset class due to its exposure to non-discretionary retail tenants. Many of the Group's convenience-based retail centres have a strong weighting to food sales, due to grocery-based anchors such as supermarkets.

SCP's portfolio benefits from long-term leases to Woolworths Group Limited and Coles Group Limited, which act as an anchor tenant at each property. Woolworths and Coles are Australia's largest retailers by sales revenue and number of stores.

SCA Property Group is listed on the Australian Securities Exchange (ASX) under the code "SCP".

SHORT HISTORY

SCP was created by Woolworths Group Limited (Woolworths) in late 2012 to act as a landlord for a number of its shopping centres. Woolworths transferred its ownership in those shopping centres to SCP, which was then listed on the ASX as a separate-independent real estate investment trust in December 2012. Woolworths does not have any ownership interest in SCP.

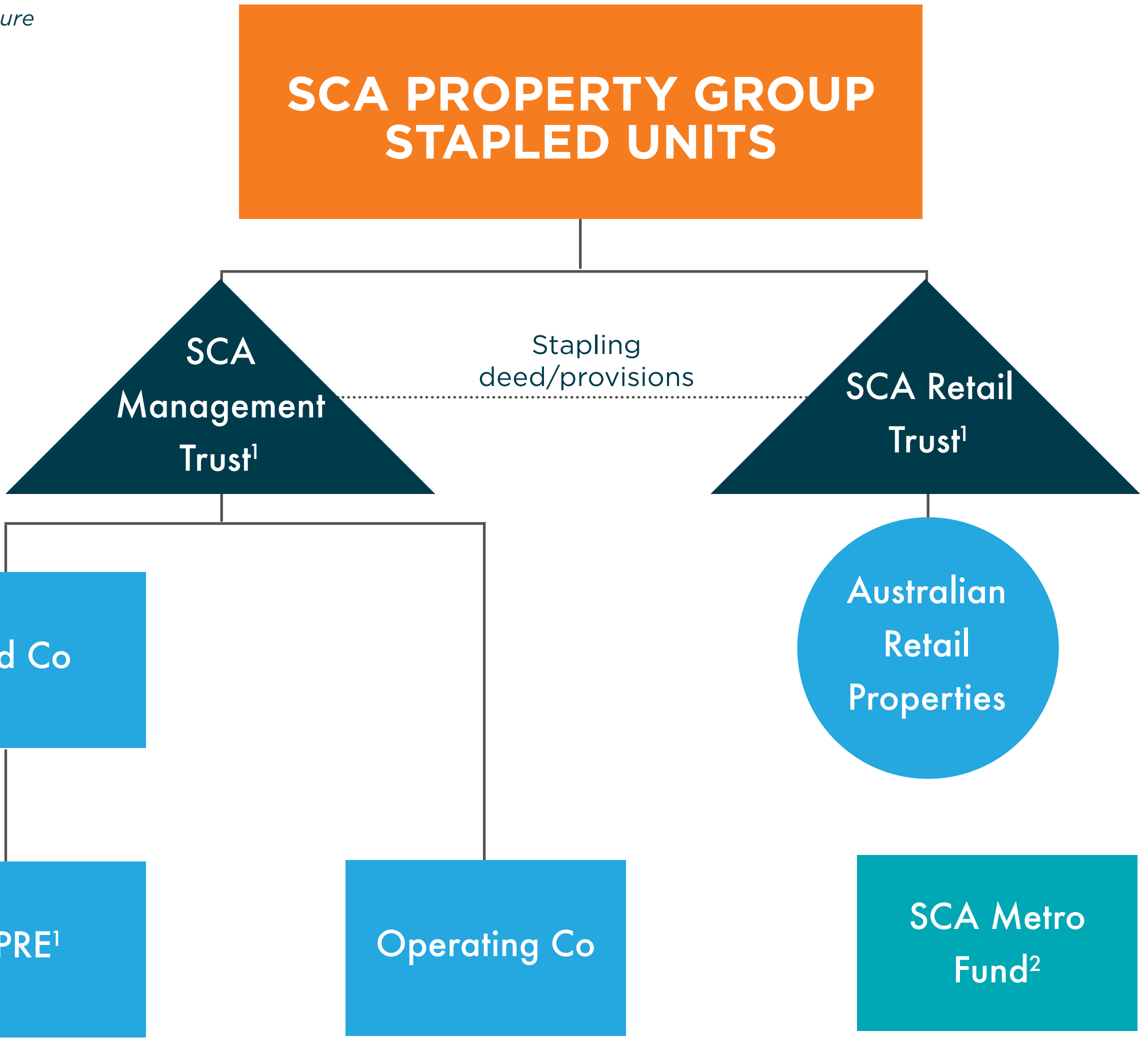
Since its creation, SCP has completed a number of acquisitions and disposals. At 30 June 2022, 72 of its convenience-based shopping centres are anchored by Woolworths and 30 by Coles Group Limited retailers (noting that some centres are anchored by both respective retailers).

GROUP STRUCTURE

SCP comprises two registered managed investment schemes: Shopping Centres Australasia Property Management Trust (SCA Management Trust) (ARSN 160 612 626) and Shopping Centres Australasia Property Retail Trust (SCA Retail Trust) (ARSN 160 612 788). The units in each are stapled to form the stapled listed vehicle, SCA Property Group.

SCP is internally managed, which allows us to align management interests with the interests of our Unitholders. Shopping Centres Australasia Property Group RE Limited (SCPRE) (ACN 158 809 851) is the Responsible Entity (AFSL 426603) of SCA Management Trust and SCA Retail Trust. The Responsible Entity is a wholly owned subsidiary of the SCA Management Trust.

Simplified ownership structure



1. *Shopping Centres Australasia Property Group RE Limited is the Responsible Entity of*
    - *Shopping Centres Australasia Property Management Trust; and*
    - *Shopping Centres Australasia Property Retail Trust*
2. *Shopping Centres Australasia Property Group RE Limited as Responsible Entity of Shopping Centres Australasia Property Retail Trust owns 20% of SCA Metro Convenience Shopping Centre Fund (SCA Metro Fund).*

OUR PROPERTY PORTFOLIO

AT 30 JUNE 2022

SCA Property Group's portfolio comprises 77 neighbourhood, 13 sub-regional and 1 freestanding shopping centre located across Australia.

During the year ended 30 June 2022, the Group acquired seven new convenience-based shopping centres.

$4,460.9 MILLION
OF VALUE IN INVESTMENT PROPERTIES

91
INVESTMENT PROPERTIES

6.7YRS
WEIGHTED AVERAGE LEASE EXPIRY

2,058
SPECIALTY TENANTS

770,387SQM
GROSS LETTABLE AREA


KEY
Sub-regional
Neighbourhood
Freestanding
SCA Metro Managed Assets
Bakewell
Mt Isa
Central Highlands (Emerald)
Sugarworld
Mission Beach
Bushland Beach
Annandale
Ayr
Whitsunday
Mackay
Marian
Gladstone
Chancellor Park
Cooloola Cove
Pacific Paradise
BRISBANE
Brookwater
Collingwood Park
Coorparoo
Lillybrook
Moggill
Mt Warren Park
Oxenford
Soda Factory (West End)
Warner
Woodford
Drayton Central
Moggill Village
Greenbank
Jimboomba
Cabarita
Carrara
Miami
Mudgeeraba
Worongary
Goonellabah
Lismore
Tamworth
Macksville
Muswellbrook
West Dubbo
North Orange
Katoomba
Leura
Marketown East (Newcastle)
Marketown West (Newcastle)
Raymond Terrace
Belmont
Cardiff
Morisset
SYDNEY
Auburn
Berala
Clemton Park
Greystanes
Lane Cove
ADELAIDE
Blakes Crossing
Walkerville
Murray Bridge
Griffith
Wagga Wagga
Moama
Shell Cove
Ulladulla
Wodonga
Merimbula
Delacombe Town Centre
Mt Gambier
Delacombe (Smythes Creek)
Warrnambool
Drouin
Ocean Grove
Wonthaggi
Albury
Lavington
MELBOURNE
Epping North
Highett
Langwarrin
Lilydale
Mornington
Pakenham
Wyndham Vale
Burnie
Meadow Mews
Prospect Vale
Riverside
Claremont
New Town
Glenorchy
Shoreline
Greenpoint
Sorell
Kingston

OUR PROPERTY PORTFOLIO

CONTINUED

The total value of the investment properties owned at 30 June 2022 was $4,460.9 million (up from $4,000.0 million at 30 June 2021). The increase in value of the properties during the year was principally due to:

- Acquisition of seven centres, one vacant lot and one childcare centre for $347.5 million (excluding transaction costs)
- Like-for-like valuation increase of $421.0 million being fair value increase of $354.0 million plus transaction costs of $17.3 million, net capital expenditure and straight lining net of amortisation of $13.1 million and development spend of $36.6 million
- Divestments of eight centres for $307.6 million ($284.5 million to the SCA Metro Fund and $23.1 million on the sale of Ballarat)

The weighted average capitalisation rate for the portfolio is now 5.43%, compared to 5.90% at 30 June 2021.

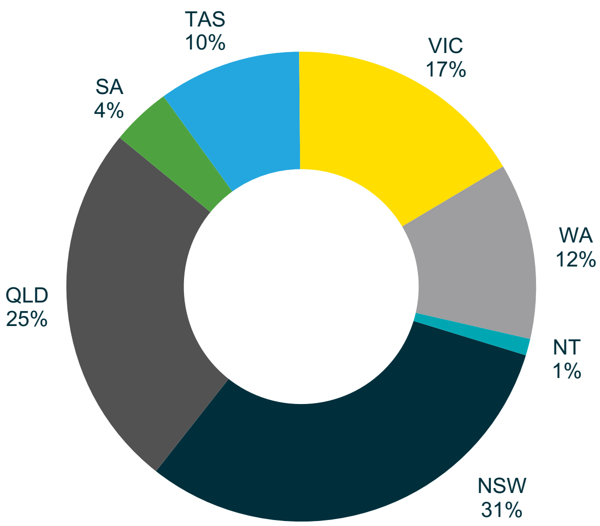
PORTFOLIO OVERVIEW

Weighting towards food, health and retail services (non-discretionary)

At 30 June 2022	Number of centres	Number of specialties	GLA (sqm)	Site Area (sqm)	Occupancy (% GLA)	Value ($m)	WALE (yrs)[1]	Weighted average cap rate (%)
Neighbourhood	77	1,426	501,342	1,718,730	98.1%	3,158.5	6.5	5.28%
Sub-regional	13	632	259,326	692,972	98.0%	1,237.4	6.9	5.87%
Freestanding	1	-	9,719	11,990	100.0%	65.0	13.3	4.63%
	91	**2,058**	**770,387**	**2,423,692**	**98.1%**	**4,460.9**	**6.7**	**5.43%**

1. *WALE (years) by GLA*

Geographic diversification (by value)

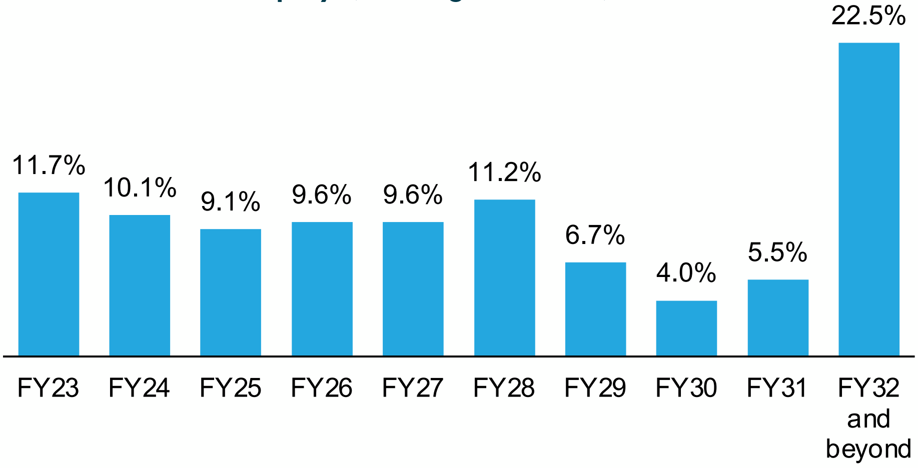


OUR TENANTS

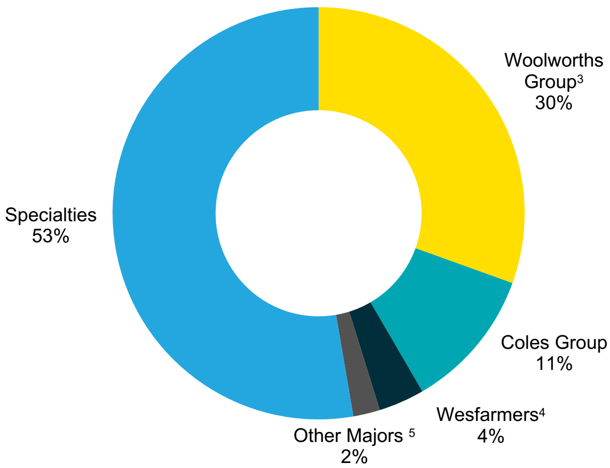
The Group's shopping centres are anchored by long-term leases to high-quality tenants with a weighted average lease expiry of 6.7 years.

Nearly half the portfolio is located in new growth corridors and regions, and comprises convenience-based neighbourhood centres with a strong weighting to the non-discretionary retail segment. Anchor tenants represent 47% of gross rent. The remaining 53% of gross rent comes from specialty tenants skewed toward non-discretionary categories.

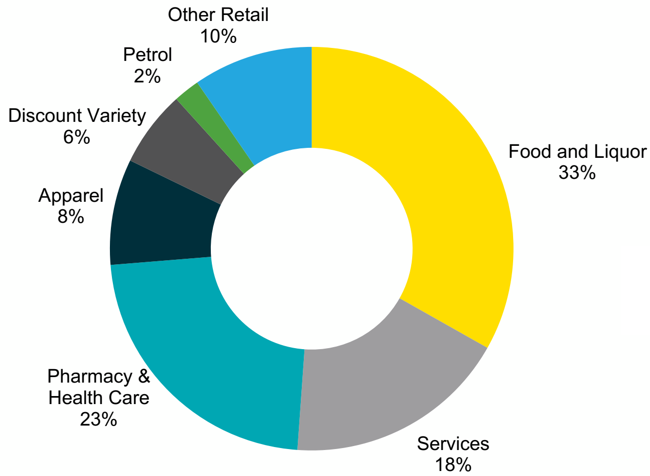
Overall lease expiry (% of gross rent)



Tenants by category (by gross rent)[1,3]



Specialty / mini-major tenants by category (by gross rent)[1, 2]



1. *Annualised gross rent excluding vacancy and percentage rent*
2. *Mini Majors represent 12.3% of annualised specialty gross rent. Mini major tenants have been split across the relevant categories*
3. *Woolworths Group includes Woolworths 24.3% and Big W 4.8%*
4. *Wesfarmers includes Kmart 2.7%, Bunnings 0.5%, Target 0.3% and Officeworks 0.2%*
5. *Other majors includes Aldi, Dan Murphy's, Farmer Jacks and Grand Cinemas*

OUR STRATEGY

SCP aims to ensure defensive, resilient cash flows to support secure and growing long term distributions to Unitholders.

SCP's core strategy is to invest in a geographically diverse portfolio of convenience-based retail centres. Our portfolio focuses on the non-discretionary retail sector (primarily convenience retailers and grocery outlets) and is anchored by long-term leases to quality tenants.

FOCUS ON CONVENIENCE-BASED RETAIL CENTRES

WEIGHTED TO NON-DISCRETIONARY RETAIL SEGMENTS

LONG LEASES TO QUALITY ANCHOR TENANTS

APPROPRIATE CAPITAL STRUCTURE

GROWTH OPPORTUNITIES

SCP's portfolio is relatively young, with an average age of less than fourteen years (weighted by value). This presents both opportunities and challenges. Our strategy for the immediate future is to generate incremental growth by positioning the portfolio to maximise its long-term value. We are doing this by:

- Optimising the existing portfolio
- Growing the portfolio
- Capital management
- Sustainability

OPTIMISING THE EXISTING PORTFOLIO

Our focus continues to be serving our local communities for their everyday needs, partnering with our supermarket anchors to improve their online offer, actively managing our centres to ensure that we have successful specialty tenants paying appropriate rents and executing on our sustainability initiatives.

This will support our strategy of generating defensive, resilient cash flows to support secure and growing long term distributions to our Unitholders.

GROWING THE PORTFOLIO

The market for convenience-based retail centre ownership is fragmented and provides acquisition opportunities from time to time. SCP will continue to explore value and earnings accretive acquisition opportunities consistent with our strategy and investment criteria.

During the year we successfully launched the SCA Metro Convenience Shopping Centre Fund (SCA Metro Fund) which is 80% owned by GIC and 20% owned by SCP. The initial target size of the Fund is $750 million.

In addition we will progress our identified development pipeline, including sustainability investments over the coming years.

CAPITAL MANAGEMENT

SCP will continue to actively manage our balance sheet to maintain diversified funding sources with a preference for longer term funding and an appropriate level of gearing to maintain a low cost of capital consistent with our risk profile.

SUSTAINABILITY

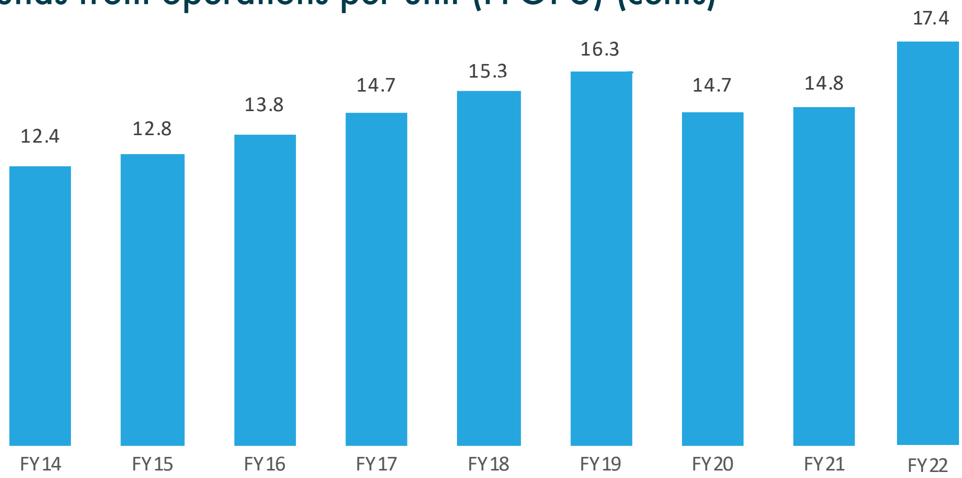
In the year since the launch of the sustainability strategy, we have amended our strategy and approach to focus on six key material issues: Energy & Carbon, Climate Risk, Water & Waste, Leading Local, Health & Wellbeing, Diversity & inclusion.

OUR PERFORMANCE

RETURNS TO UNITHOLDERS

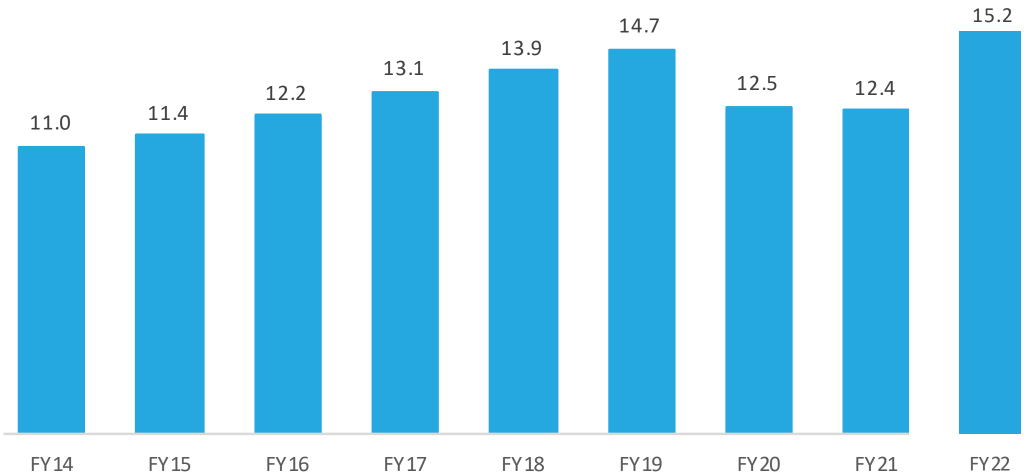
SCP has provided stable and secure earnings and distributions that have been supplemented by strong unit price performance.

Funds from operations per unit (FFOPU) (cents)



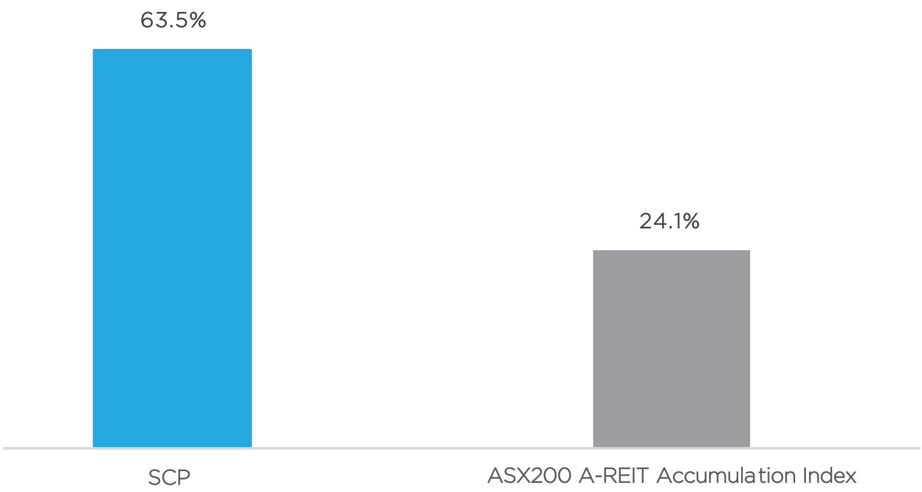
FFOPU has grown by 4.3% per annum since FY14 and now exceeds pre-COVID levels.

Distribution (cpu)



Distributions have grown by 4.1% per annum since FY14 and now exceed pre-COVID levels.

Total Unitholder return (%)



In the last five years to 30 June 2022 SCP has delivered total Unitholder return (unit price appreciation plus distributions) which has outperformed its listed retail peers and the ASX200 A-REIT Accumulation Index.

Brookwater, QLD

OUR PERFORMANCE
CONTINUED

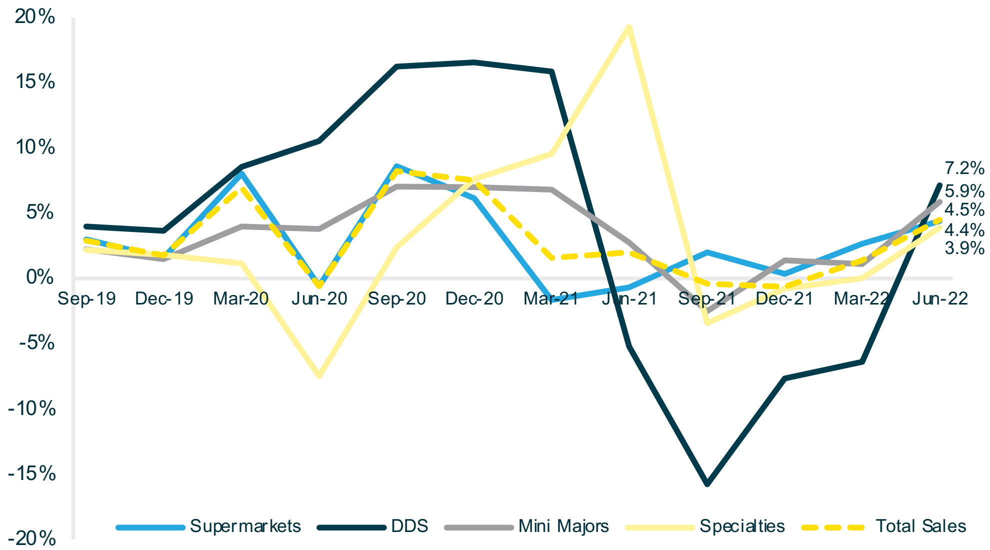
IMPACT OF COVID-19

The events relating to COVID-19 have had an adverse impact on the financial performance of the Group during the year due to government-imposed lockdowns and other restrictions. However we have seen strong rebounds during the second half of the year, including strong tenant sales growth, improved cash collection rates, and positive leasing spreads.

Sales growth trends

Sales growth has been volatile throughout the COVID-19 period. Tenant sales in New South Wales and Victoria were impacted by lockdowns during the first half of the year. There has been strong moving annual turnover ("MAT") sales growth across the full financial year with total sales across the categories at above historical levels.

Quarter-on-quarter retail sales growth (%)[1]

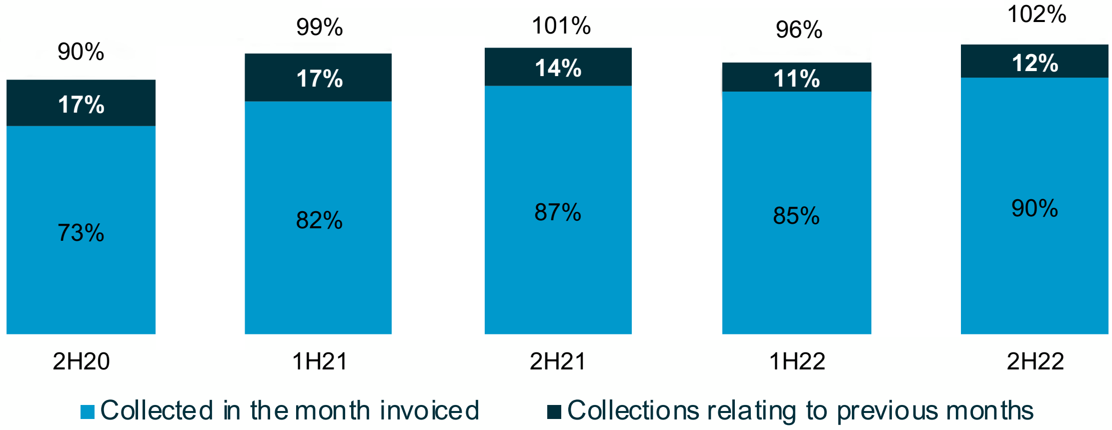


1. Moving annual turnover growth compares like-for-like stores for the 12-month period ending in the relevant month compared to the same period in the prior year.

Cash collection trends

The total cash collection rates increased to over 100% during the second half of the year as we begin to recover COVID-period debts. Rental receivable at 30 June 2022 was $14.3 million compared to $18.1 million at 31 December 2021. Some of the rent collected during FY22 related to FY21 invoices.

Cash collection as a % of gross invoiced rent[1]



1. Cash collection is calculated as total rental receipts as a percentage of total rental invoiced (excludes waivers and deferrals)

Cabarita, NSW

OUR PERFORMANCE

CONTINUED

STRONG SALES GROWTH CONTINUING

In FY22, comparable MAT growth in our centres averaged 1.3%, down from 4.6% in FY21 as we saw panic buying from the prior year not being repeated in the current year. However, compared to pre-COVID MAT at 31 December 2019, total MAT has increased by 10.0% with all categories recording strong growth.

Comparable store MAT sales growth by category (%)

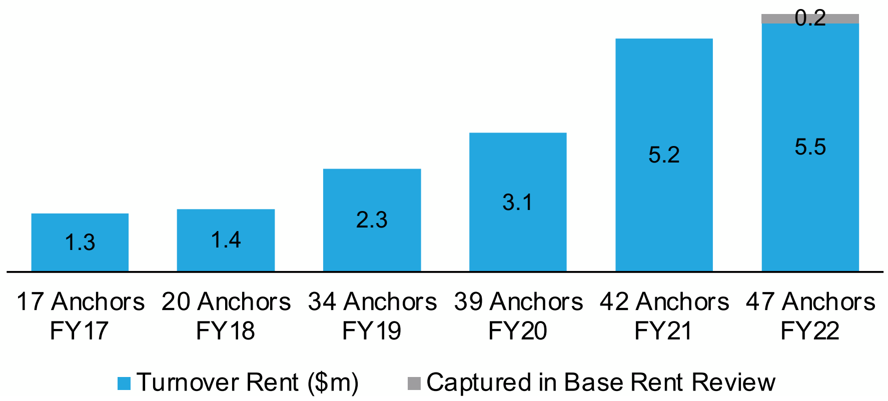
Total Portfolio	As at 30 June 2022[1]	As at 30 June 2021[1]	Compared to pre-COVID[2]
Supermarkets	2.4%	3.2%	9.7%
DDS	(6.1%)	9.2%	11.6%
Mini Majors	1.5%	6.4%	9.3%
Specialties	0.4%	9.7%	10.0%
Total	**1.3%**	**4.6%**	**10.0%**

1. Moving annual turnover growth measures the growth in sales over the last 12 months (FY22) compared to the previous 12 month period (FY21)
2. Comparable tenant MAT at 30 June 2022 compared to MAT at 31 December 2019

TURNOVER RENT THRESHOLDS BEING ACHIEVED

Many of our anchor tenants are achieving turnover rent thresholds. Once turnover rent thresholds are achieved, rental income increases with store sales growth. At 30 June 2022, 47 anchors were generating turnover rent, and for the 12 months to 30 June 2022, turnover rent was $5.5 million. We expect these numbers to increase in coming years as another 14 anchors are within 10% of their turnover thresholds.

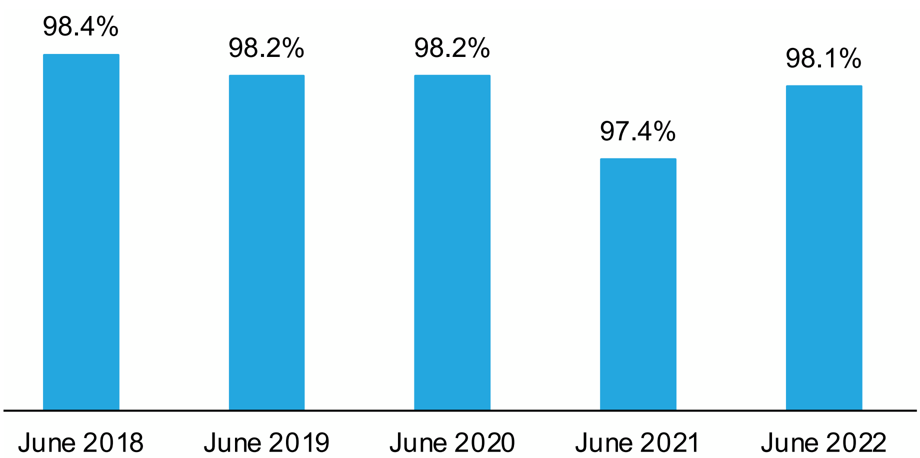
Turnover rent ($m)



OCCUPANCY RATE

SCP occupancy increased from 97.4% of GLA in FY21 to 98.1% of GLA in FY22. We will continue to focus on remixing towards non-discretionary categories and reducing long term vacancies where deals are accretive.

Portfolio occupancy (% of GLA)



OUR PERFORMANCE

CONTINUED

SPECIALTY TENANT KEY METRICS

Specialty tenant MAT growth was 0.4% in June 2022 from 9.7% in June 2021 partly due to the panic buying in 2021 not being repeated in 2022. During 2022, a total of 252 leasing deals were done with leasing spreads increasing to 2.0% from negative (0.4%) in 2021. In the second half of the year total leasing spreads were 3.3% (an improvement from negative (0.2%) during the first half of the year). We are continuing to achieve 3%-5% annual fixed increase across 88% of our specialty tenant leases.

Total Portfolio	30 June 2022	30 June 2021
Comparable sales MAT Growth (%)[1]	0.4%	9.7%
Average specialty occupancy cost (%)[1]	8.7%	8.6%
Average specialty gross rent per square metre	$793	$793
Specialty sales productivity ($ per sqm)[1]	$9,865	$9,954

Renewals	30 June 2022	30 June 2021
Number	133	198
Retention (%)	86%	73%
GLA (sqm)	20,391	24,864
Average uplift (%)	3.5%	(1.5%)
Incentive (months)	0.2	0.2

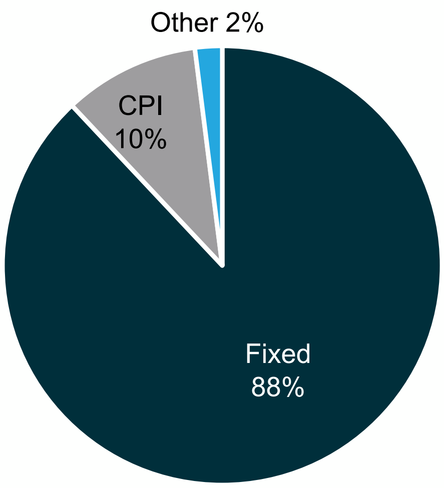
New Leases	30 June 2022	30 June 2021
Number	119	127
GLA (sqm)	18,466	13,844
Average uplift (%)	(0.2%)	1.9%
Incentive (months)	10.4	10.8

Total Lease Deals	30 June 2022	30 June 2021
Number	252	325
GLA (sqm)	38,857	38,708
Average uplift (%)	2.0%	(0.4%)

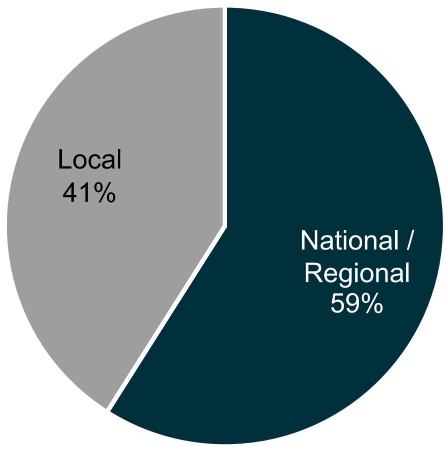
1. Sales growth, occupancy cost and sales productivity metrics only include sales reporting tenants trading over 24 months and excludes development impacted centres and Moggill Village which was acquired in December 2021.

Specialty lease composition (at 30 June 2022)

Annual increase mechanism



Tenant type



Mission Beach, QLD

OUR PERFORMANCE

CONTINUED

ACTIVE PORTFOLIO MANAGEMENT

During FY22 we acquired seven convenience-based shopping centres for $347.5 million (excluding transaction costs).

RAYMOND TERRACE (RAYMOND TERRACE, NSW)

- Acquired Jul 21 for $87.5 million (5.9% implied fully let yield)
- % of income from Anchors: 34%
- Overall WALE (by income): 4.5 years
- Occupancy at acquisition: 98%
- Built in 1998

DRAYTON CENTRAL (TOOWOOMBA, QLD)

- Acquired Jul 21 for $34.3 million (5.5% implied fully let yield)
- % of income from Anchors: 56%
- Overall WALE (by income): 8.4 years
- Occupancy at acquisition: 100%
- Built in 2014

DELACOMBE TOWN CENTRE (SMYTHES CREEK, VIC)

- Acquired Nov 21 for $112.0 million (5.3% implied fully let yield)
- % of income from Anchors: 50%
- Overall WALE (by income): 7.4 years
- Occupancy at acquisition: 97%
- Built in 2017

WOODFORD (WOODFORD, QLD)

- Acquired Nov 21 for $17.4 million (5.1% implied fully let yield)
- % of income from Anchors: 64%
- Overall WALE (by income): 5.1 years
- Occupancy at acquisition: 100%
- Built in 2010

MOAMA MARKETPLACE (MOAMA, NSW)

- Acquired Nov 21 for $23.4 million (4.9% implied fully let yield)
- % of income from Anchor: 77%
- Overall WALE (by income): 11.0 years
- Occupancy at acquisition: 100%
- Built in 2007

WARRNAMBOOL TARGET (WARRNAMBOOL, VIC)

- Acquired Nov 21 for $12.8 million (11.3% implied fully let yield)
- % of income from Anchors: 57%
- Overall WALE (by income): 2.4 years
- Occupancy at acquisition: 98%
- Built in 1990; Refurbished / Expanded in 2009

MOGGILL VILLAGE (MOGGILL, QLD)

- Acquired Dec 21 for $54.5 million (5.0% implied fully let yield)
- % of income from Anchors: 43%
- Overall WALE (by income): 10.0 years
- Occupancy at acquisition: 98%
- Built in 2021

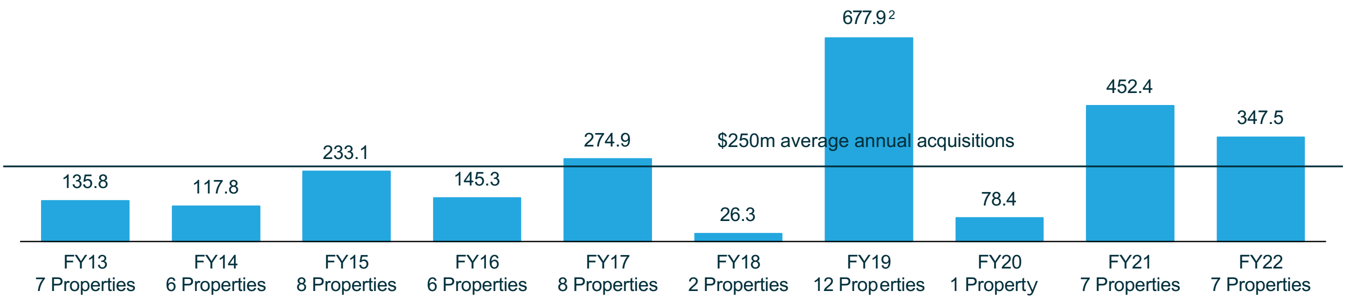
OTHER ACQUISITIONS: During FY22 we also acquired two additions to existing Marian Shopping Centre (QLD) being vacant land of $0.8 million and a childcare centre for $4.8 million (yield of 5.66%).

SUBSEQUENT ACQUISITIONS: In July 2022 we settled the purchase of five convenience-based shopping centres from Primewest for a combined purchase price of $180.0 million (excluding transaction costs), an implied fully let yield of 6%. The five shopping centres are Dernancourt (SA), Fairview Green (SA), Brassall (QLD), Port Village (QLD) and Tyne Square (WA).

Track record of acquisitions

On average we have acquired six properties for $250 million each financial year.

Acquisitions by financial year ($m)[1]



1. *Excludes transactions costs*
2. *Includes VCX acquisition of 10 properties for $573.0 million*

OUR PERFORMANCE

CONTINUED

INDICATIVE DEVELOPMENT PIPELINE

Over $300 million of development opportunities identified at more than 30 of our centres over the next 5 years.

		Estimated Capital Investment (A$m)					
Development type	**Centre(s)**	**FY22 Actual**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27**
Centre expansions	Greenbank, Warner, North Orange, Belmont, Whitsundays, Collingwood Park, Currambine, Marian, Northgate, Gladstone, Central Highlands, Raymond Terrace, Delacombe, Goonellabah.	3.5	19.7	24.9	34.5	40.9	42.9
Centre improvements	Soda Factory, Belmont, West End Plaza, Griffin Plaza, Meadow Mews, Warnbro, Sturt Mall, Sugarworld, The Gateway, Whitsundays, Mudgeeraba, Bentons Square, Kwinana, Lavington, Mt Isa, Fairview, Dernancourt, Port Village, Brassall.	15.5	9.7	1.5	1.5	1.5	1.5
Centre rebuild	Lismore (flood damage in 2022 – will be mostly covered by insurance).	-	20.6	-	-	-	-
Sustainability	Solar, building energy efficiency and air-conditioning R22 gas replacements.	17.5	21.7	25.7	23.2	19.2	21.5
Preliminary & Defensive	Various	0.1	0.3	0.3	0.3	0.3	0.3
	Total	**36.6**	**72.0**	**52.4**	**59.5**	**61.9**	**66.2**

Currambine, WA

OUR PERFORMANCE

CONTINUED

FUNDS MANAGEMENT BUSINESS

The funds management business allows SCP to utilise its expertise and platform to earn management fees. During FY22 SCP successfully wound up the final SCA unlisted retail fund following the successful wind up of SURF 1 and SURF 2 during FY21. SURF 3 sold its remaining properties to SCP for $53.6 million in November 2021. The properties are Woodford (QLD), Moama Marketplace (NSW) and Warrnambool Target (VIC).

During the year SCP established a new fund with GIC which will invest in established metropolitan convenience retail shopping centres across Australia. In April 2022, SCP sold seven properties to the SCA Metro Fund for $284.5 million. The SCA Metro Fund acquired an additional property in metropolitan Sydney (Beecroft) in July 2022 for $65.0 million. The GIC partnership is a strong endorsement of our expertise in the neighbourhood shopping centre segment and positions us to access relatively lower return metropolitan neighbourhood centres in partnership with a high quality and globally recognised partner while growing asset-light management fee income.

Wyndham Vale Square, VIC (SCA Metro Fund)

Epping North Shopping Centre, VIC (SCA Metro Fund)

Berala Shopping Centre, NSW (SCA Metro Fund)

Coorparoo Shopping Centre, QLD (SCA Metro Fund)

Walkerville Terrace Shopping Centre, SA (SCA Metro Fund)

Clemton Park Village, NSW (SCA Metro Fund)

Highett Shopping Centre, VIC (SCA Metro Fund)

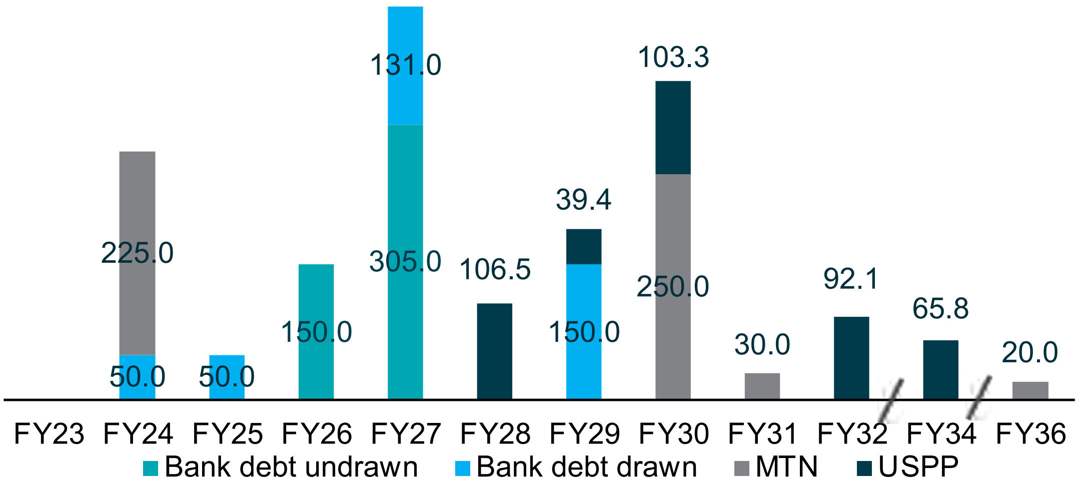
Beecroft Place, NSW (SCA Metro Fund)

PRUDENT CAPITAL MANAGEMENT

SCP maintains a prudent approach to managing the balance sheet, with gearing at 30 June 2022 of 28.3% which is below our target range of 30-40%. Following the acquisition of five properties in July 2022 and the August 2022 DRP, gearing has increased to 30.1%. Our preference is for gearing to remain below 35% at this point in the cycle.

At 30 June 2022, the cost of debt was 2.5% p.a. and 69.6% of SCP's debt was fixed or hedged.

Debt facilities expiry profile ($m)



At 30 June 2022, SCP had cash and undrawn facilities of $452.7 million and we are well within debt covenant limits of less than 50% gearing and interest cover ratio greater than 2.0x (currently 6.1x). Following the acquisition of the five properties in July 2022 and the August 2022 DRP, we have cash and undrawn facilities of over $300.0m and our hedge percentage has increased to 81%.

SCP will maintain its judicious approach to capital management and will continually monitor and assess opportunities to ensure an appropriate, efficient and sustainable funding structure.

Interest rate hedging

SCP's interest rate hedging policy is designed to reduce the volatility of future distributable earnings as a result of changing interest rates. We manage this exposure by:

- Targeting a range for fixed or hedged interest rate exposure of 50–100% of drawn borrowings
- Using derivative contracts and/or other agreements to fix interest payment obligations

SCP monitors this policy to ensure it meets SCP's ongoing objectives and is in the best interests of Unitholders. In August 2022, we amended a $150 million interest rate swap expiring in February 2032 at zero cost to a $250 million interest rate swap expiring in July 2024. As a result of this, at 15 August 2022 approximately 81% of SCP's debt is fixed or hedged.

OUR PERFORMANCE
CONTINUED

ONLINE RETAIL TRENDS

Convenience based centres are becoming last mile logistics hubs

- Our centres are located within local communities, well suited for last mile logistics hubs
- We believe the store-based fulfilment model will remain the predominant model for online grocery fulfilment in Australia due to relatively low population densities, large distances, established existing supply chains and high temperatures
- Woolworths and Coles are using our centres for last mile fulfilment, both pick up and home delivery
  - » 91 of our 92 supermarkets offer online collection
  - » 49 supermarkets offer Direct to Boot service via drive thru or drive up facilities
  - » 35 stores have in store collection
  - » 4 stores are used as home delivery hubs with an additional 3 planned
- Online sales are generally included in supermarket turnover rent calculations
  - » Of our 92 Coles & Woolworths stores, 86 include 100% of online sales and 4 include 50% of online sales
- We expect to continue to support our major tenants in their convenience offerings to our customers as their concepts continue to evolve
- Many specialty tenants are also using their stores in our centres to fulfil online orders in the local area

Kingston, TAS

Lilydale, VIC

HISTORICAL KEY METRICS

SCP Group Metrics at 30 June	2018	2019	2020	2021	2022
Earnings/Profit and Loss					
Gross property income ($m)	208.9	263.8	289.0	290.6	347.4
Net Profit after Tax ($m)	175.2	109.6	85.5	462.9	487.1
Funds from Operations ($m)	114.3	141.8	140.8	159.0	192.7
FFO per unit (cents per unit)	15.30	16.33	14.65	14.76	17.40
Distribution ($m)	103.9	135.4	123.5	133.8	169.2
Distribution (cents per unit)	13.9	14.7	12.5	12.4	15.2
Payout Ratio (%)	91%	90%	85%	84%	88%
Adjusted Funds from Operations ($m)	105.7	127.4	124.3	135.8	169.5
Distribution/AFFO (%)	98%	106%	99%	99%	100%
Management Expense Ratio (%)	0.43%	0.37%	0.38%	0.41%	0.38%
Balance Sheet					
Net Tangible Assets ($ per unit)	$2.30	$2.27	$2.22	$2.52	$2.81
Net Tangible Assets ($m)	1,721.0	2,103.9	2,374.0	2,724.8	3,133.9
Share Price at 30 June ($ per unit)	$2.45	$2.39	$2.18	$2.52	$2.75
Closing Units on Issue (million)	749.1	925.6	1,071.4	1,080.0	1,116.3
Market Capitalisation ($m)	$1,850	$2,212	$2,336	$2,722	$3,070
Acquisitions ($m)	38.3	677.9	78.4	452.4	347.5
Disposals ($m)	-	60.3	21.5	-	307.6
Debt Metrics					
Gearing (%)	31.2%	32.8%	25.6%	31.3%	28.3%
Cost of Debt (%)	3.8%	3.6%	3.5%	2.4%	2.5%
Interest Bearing Liabilities ($m)	867.5	1,137.5	1,083.6	1,331.5	1,376.4
Average Debt Maturity (years)	4.9	6.1	5.1	5.3	5.3
% of Debt Fixed/Hedged	81.6%	70.4%	91.1%	50.8%	69.6%
Average Hedge Maturity (years)	3.6	4.8	3.8	3.0	4.9

HISTORICAL KEY METRICS

SCP Group Metrics at 30 June	2018	2019	2020	2021	2022
Portfolio Metrics					
Number of Properties	77	85	85	92	91
Weighted Average Cap Rate (%)	6.33%	6.48%	6.51%	5.90%	5.43%
Portfolio Occupancy (%)	98.4%	98.2%	98.2%	97.4%	98.1%
Specialty Vacancy (%)	4.8%	5.3%	5.1%	5.1%	5.0%
Portfolio WALE (by GLA) Years	9.1	7.9	7.4	7.2	6.7
Anchor WALE (by GLA) Years	12.0	10.3	9.6	9.3	8.2
Comparable NOI Growth (%)	2.8%	2.5%	ND	ND	3.3%
Supermarket MAT Growth (%)	1.9%	2.0%	5.1%	3.2%	2.4%
Anchors in Turnover Rent	20	34	39	42	47
Specialty MAT Growth (%)	3.3%	1.8%	(1.1)%	9.7%	0.4%
Specialty Occupancy Cost (%)	9.8%	10.1%	10.0%	8.6%	8.7%
Specialty Rent psm ($)	$716	$772	$778	$793	$793
Specialty Productivity ($)	$7,758	$8,010	$8,229	$9,954	$9,865
Number of Specialty Renewals	123	215	232	198	133
- Retention (%)	82%	77%	76%	73%	86%
- Specialty Renewals GLA	14,969	26,455	31,817	24,864	20,391
- Specialty Re-leasing Spreads (renewals) (%)	6.1%	(1.7)%	(1.1)%	(1.5)%	3.5%
- Average Incentives on Renewals (months)	-	-	0.5	0.2	0.2
Number of Specialty New Leases	71	87	146	127	119
- Specialty New Leases GLA	7,677	12,200	18,656	13,844	18,466
- Average Uplift on New Leases (%)	3.6%	4.9%	(7.7)%	1.9%	(0.2)%
- Average Incentives on New Leases (months)	10.9	11.0	13.8	10.8	10.4

ND means not disclosed

SUSTAINABILITY

SCP is an internally managed real estate investment trust (REIT), with 98 assets under management, of which 91 are directly owned and seven are owned by the SCA Metro Convenience Shopping Centre Fund. This report covers all of the owned and managed properties.

Our shopping centres are in urban and regional neighbourhoods across all states and the Northern Territory and are visited by millions of people every year.

At SCP, we believe in owning assets that are both economically and environmentally sustainable. Our centres, directly and indirectly, provide employment for thousands of people and help to support the economic resilience of their local communities.

In addition, we work hard to ensure our centres play an integral role in their communities: working together with local people focusing on local issues, supporting community initiatives and volunteering in community projects.

GRESB results: Our GRESB score for 2020 was 75 (up from 72 in 2019). We continue to increase our score year on year and are looking forward to our 2021 results due to be released in November 2022.

Kalamunda Central, WA

FY22 SUSTAINABILITY HIGHLIGHTS

$11.0M investment in solar generation, representing 6.22MW of new solar capacity

$1.1M investment in LED lighting upgrades, completing the 100% LED lighting project across all centres in the portfolio

$5.4M investment towards eliminating ozone-depleting R22 gases

6 asset climate change impact assessments completed

40:40:20 gender balance maintained (Non Executive Directors and senior leadership)

TCFD alignment program commenced

6 STAR NABERS rating maintained for our corporate office premise

128 children supported and **879** lives directly impacted through our partnership with The Smith Family

337 stronger communities initiatives held

FY22 PROGRESS UPDATE

This table details our progress against the sustainability commitments made by SCP in the FY21 Sustainability Report.

Targets	Commitment	Status	Comment
Energy & Carbon	**Net zero by FY30 (scope 1 and 2)**	On program	On program to meet our commitment, including the installation of 12,962 solar panels in FY22
	100% LED lighting by FY23	Complete	Completed ahead of schedule at all assets owned in FY22
	20% less energy consumption by the end of FY25	On program	LED project complete and have commenced an energy efficiency pilot at Marketown using data-driven insights for decision making
	Increase solar generation capacity to 25MW by 2025, including 10MW by 2023	On program	6.22MW installed in Western Australia in FY22, and another 5MW currently in design for completion in FY23
	Energy Efficiency Strategy created, and implementation started by FY23	On program	An energy and building management system site audit program has commenced with implementation on program to commence in FY23
	Environmentally friendly refrigerants only by 2025	On program	The removal of R22 and other harmful refrigerants remains on program
	Establish renewable energy partnerships by 2025	On program	Encouraging discussions with our tenants
	Portfolio-wide climate exposure analysis for all centres in 2021	Complete	We reviewed and updated our portfolio-wide climate exposure analysis to include new acquisitions
	Community Resilience Action Plans Completed for eleven high-risk centres by FY23	On program	A draft Community Resilience Action Plan is in the final draft for Annandale Central which will be a precedent for the remaining 10 high-risk centres
	Community Resilience Disaster Relief Action Plans embedded with local authorities	On program	A scan of community groups and emergency services for contacts and social media is complete. This information will be embedded into the Community Resilience Action Plan
Waste	**Divert 60% of operational waste by FY30, including 30% by end of FY25**	On program	On program to meet our commitment
	Waste audits conducted by FY23	On program	On program to understand our waste streams from our operations and to identify local councils that do not divert waste from landfill
	Contractor recycling plans created by FY23	On program	Commenced in July 2022 and on program to be completed by FY23
	Waste reduction plans created by FY24	On program	Commenced in July 2022 and on program to be completed by FY24
	Continue to build retailer and council support for waste initiatives	On program	Our local teams continue to build awareness and support to divert waste away from landfill
	Encourage tenants to use environmentally friendly materials and phase out single-use plastics by FY25	On program	On program with momentum building particularly through our tenancy delivery team
	Eliminate single-use plastics at head office by FY25	On program	Single-use plastics have been largely eliminated from our head office and we are ahead of program
Water	**25% water use reduction at our 10 largest consumption sites by FY25**	On program	On program to meet our commitment.
	Investigate water user metering to high-volume tenants by FY23	On program	Commenced in July 2022 and on program to be completed by FY23
	Investigate low-flow toilets and taps by FY23	On program	Commenced in July 2022 and on program to be completed by FY23
	Continue moving high water usage tenants onto metering-friendly leases	On program	All new leases include sustainability clauses such as the ability to install meters and invoice directly

Complete On program COVID-19 impacted

Currambine Central, WA

Targets	Commitment	Status	Comment
Leading Local	**Working together with The Smith Family (TSF) to build strong, sustainable communities**		A successful partnership that continues to grow
	Run two TSF "Work Inspiration" programs in FY22		COVID-19 delayed. In lieu we commenced 2x summer internships from The Smith Family program. Both interns commenced in December 2021 and both remain employed with SCP
	Support TSF "Success at school" for 128 young Australians		An ongoing commitment that we are proud to continue
	Participate in the TSF 2021 iTrack Online Mentoring Program		Completed in FY22, participation to continue in FY23
	100% workplace volunteers by January 2023		On program with a selection of initiatives including the Skills Capsule that is a new opportunity where SCA staff and corporate partners can support The Smith Family by sharing their professional skills
Diversity & Inclusion	**40:40:20 gender diversity target (leadership roles, non-executive directors and total employees)**		A commitment maintained and reported this year beyond the executive levels
	Place at least one indigenous intern from CareerTrackers at Head Office in FY22		CareerTrackers placed this program on hold due to COVID-19 in FY22
	Leadership team member to participate in young Indigenous mentoring in FY22		Completed through the CareerTrackers mentoring program in FY22
	100% of employees engaged in cultural awareness training in FY22		Awareness training completed by COO at the SCP FY22 Annual Conference
	Ensure diversity in recruitment; people from all backgrounds and all stages of their career lifecycles		An ongoing commitment to improve our inclusivity, ensuring we benefit from diverse ideas and thinking
	Ensure our diversity is represented in recruitment panels		An ongoing commitment
	Develop career pathways to support people at all stages of their careers, including parents on their return to work		Additional annual leave on return from work and additional parental leave
	A member of the leadership team to continue participation in the NSW Domestic and Family Violence and Sexual Assault Corporate Leadership Group		Completed by our COO in FY22
Health & Wellbeing	**Continued Improvement in the health and wellbeing of employees**		Continues through FY23
	Continue employee gym access, including flexibility to ensure they can participate		ClassPass membership for all staff commenced in February 2022 and continues in FY23
	Continue providing ergonomically designed workspaces in the corporate office, and provide guidance on ergonomic and healthy work environments for home		An ongoing program
	Encourage active commuting with end-of-trip facilities		Our new end-of-trip facilities in our corporate head office were completed in FY22
	Encourage physical activity in team sports and challenges		An ongoing commitment
	Continue providing daily healthy eating options for employees, and healthy event catering		When catering is required for meetings, healthy choices are prioritised and healthy snacks are available daily
	Flu vaccinations for employees		Ongoing
	Investigate viability to provide COVID-19 vaccinations for all employees FY22		100% of all staff are COVID-19 vaccinated
	All employees to have mental health awareness training in FY22		Complete. Our online course module issued to all staff for completion November 2021. Training program completed in February 2022 with Risk Factors
	All employees to have free access to mental health support in FY22 (in addition to the mental health assistance program)		An important and ongoing program
	Improve the indoor environment of our head office with reference to the NABERS IEQ ratings		We are committed to providing a comfortable and productive office environment in line with NABERS IEQ ratings
	Develop one or more strategic alliances or partnerships to boost community health and wellbeing, to start in FY22		COVID-19 delayed many partner programs as they navigated the pandemic. Efforts and commitments have been focused on The Smith Family during the pandemic and Lismore floods
	Ensure all centres maintain and follow COVID-19 Safe Plans		This program continues, and we are prepared to pivot as needed during this uncertain period

OUR SUSTAINABILITY STRATEGY AND APPROACH

ENERGY & CARBON

Achieve net zero in our operations by FY30
(scope 1 and 2 emissions)

WATER & WASTE

We believe in using and reusing all resources responsibly and efficiently

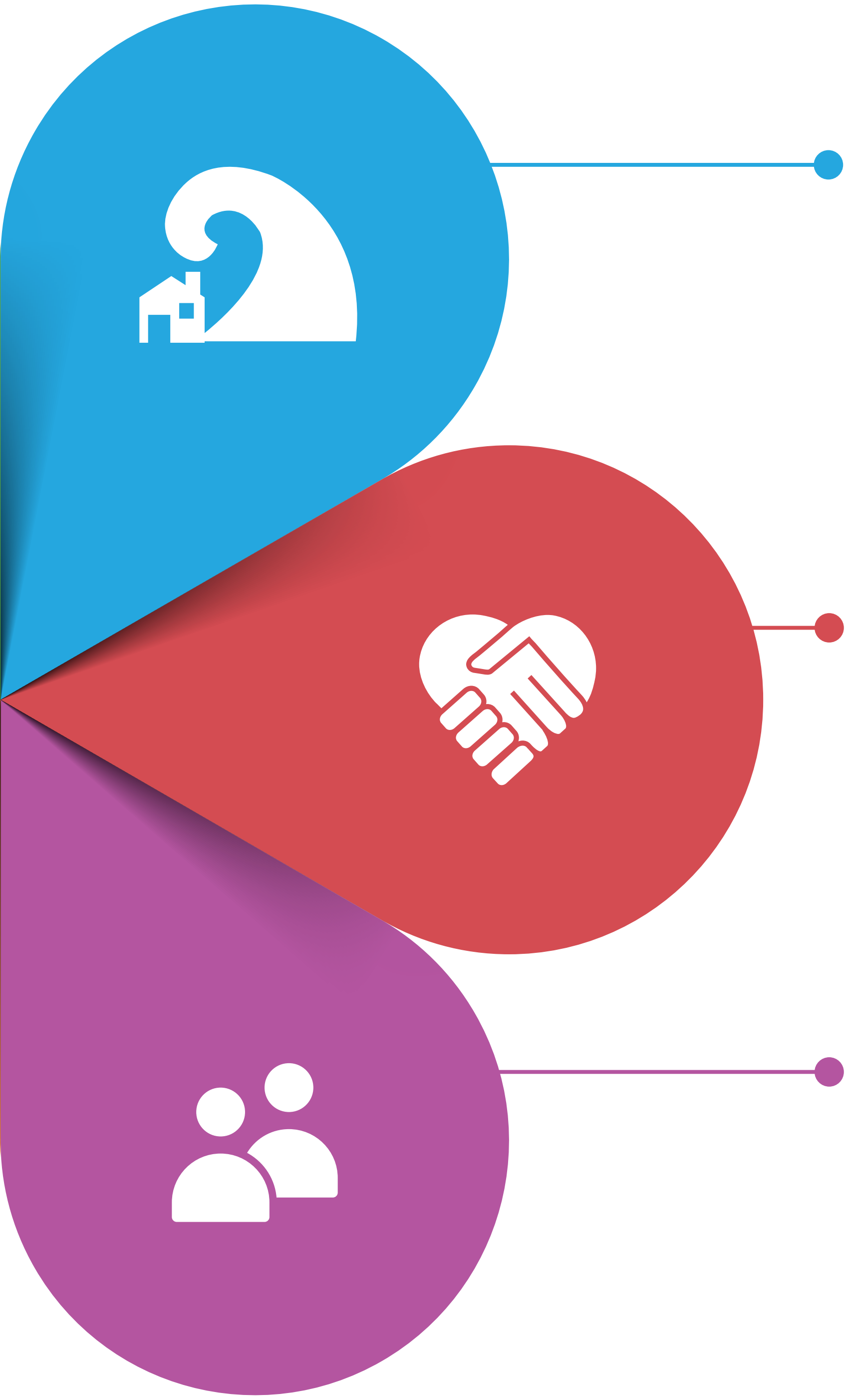
HEALTH & WELLBEING

Continually improve health and wellbeing of employees

In the year since the launch of our Sustainability Strategy, we have taken positive steps towards meeting our commitments. Most of our FY21 commitments are either on or ahead of schedule, with a number already achieved.

In FY22 we made the decision to make climate risk a key pillar of our sustainability strategy moving forward, recognising the increased role that risk management and mitigation will play in the medium to long-term future.

We are working to enhance our climate-related disclosures to align with the recommendations of the TCFD by FY25 and we remain committed to achieving net zero (scope 1 and 2) by FY30. More information can be found in our FY22 Sustainability Report.



CLIMATE RISK

We believe in being transparent and climate prepared

LEADING LOCAL

Work together with The Smith Family to build strong, sustainable communities

DIVERSITY & INCLUSION

40:40:20 Gender Diversity Target

PATHWAY TO NET ZERO

FY16—FY20

First SCP Sustainability Strategy launched with 3 pillars

-

First solar project commenced at Griffin Plaza

-

2.4MW solar added to the portfolio

-

Commenced our first energy-efficient building management system project

FY21

Launched our Sustainability Strategy with 6 pillars

-

Committed to net zero by FY30

-

LED lighting project commenced

FY22

6.2MW solar generation capacity installed across 6 Western Australian centres

-

100% LED lighting installed in all centres

FY23

Install at least 5MW solar generation capacity

-

Commence new embedded network rollouts

-

Investigate the feasibility of large-scale onsite energy storage by FY24

Reaching net zero carbon emissions, scope 1 and 2, by FY30 is a major target that requires planning and commitment which includes being more energy efficient and increasing onsite renewable energy generation.

These goals are the next steps on our carbon reduction journey, which started back in FY16. The timeline below details our biggest positive actions so far, and the major steps developed as part of our new Sustainability Strategy to reach net zero by FY30.

FY24	FY25	FY26	FY30
Install at least 6MW solar generation capacity - Continue embedded network rollouts where solar is installed - LED lighting to new property acquisitions	Install at least 5.4MW solar generation capacity - Continue replacing HVAC and other systems, to eliminate ozone-depleting R22 refrigerant at our centres by FY25 - Reduce consumption across our centres through energy efficiency by 20% by FY26 - Continue embedded network rollouts where solar is installed	25MW total onsite solar generation installed	Reach net zero carbon emissions (scope 1 and 2)

FY23 TARGET SUMMARY

The following table summarises our commitments for FY23. This includes our continuing commitments from FY22, plus our new commitments in relation to climate risk.

CLIMATE RISK	• Identify climate-related risks and opportunities in the short, medium and long term and their subsequent impacts on the business, strategy and financial planning by FY23 • Complete six additional asset climate change impact assessments with scenario analysis of impacts from temperature increases (from 1.5°C up to 2°C) by FY24 • Complete climate risk assessments for all acquisitions • Integration of climate-related risks into our overall Risk Management Framework by FY23 • Implement 11 Community Resilience Action Plans (disaster emergency actions with integration into community services) at high-risk centres by FY24 • Commence reporting scope 3 emissions where available in FY23 • Be fully aligned to the recommendations of the TCFD by FY25
ENERGY & CARBON	• Reach net zero by FY30 (scope 1 and 2) • Continue our solar program targeting 25MW by FY26 (including 10MW by FY24) • 20% less energy consumption by FY26 • Completion of a portfolio energy efficiency strategy by FY24 • Environmentally friendly refrigerants only by FY25 • Investigate the feasibility of large-scale onsite energy storage by FY24 • Continue to work with our tenants to establish energy partnerships by FY25
WATER & WASTE	• Divert 60% of operational waste by FY30, including 30% by FY26 • Waste audits conducted at all sites by FY24 • Contractor recycling plans created by FY24 • Encourage tenants to use environmentally friendly materials and phase out single-use plastics by FY26 • Eliminate single-use plastics at our head office by FY25 • Complete a feasibility study of installing water-efficient flow taps across the portfolio by FY24 • Complete a feasibility study of installing water metering to high-volume tenants by FY24

LEADING LOCAL

- Create a program that supports local community groups through increased engagement in FY23
- Continue to work together with The Smith Family to increase our efforts to build strong, sustainable communities
- Continue supporting success at school for 128 young Australians with The Smith Family
- Encourage 100% employee participation in workplace volunteering by FY24

DIVERSITY & INCLUSION

- Maintain 40:40:20 gender diversity for roles through the organisation
- Develop a strategy to improve our Aboriginal and Torres Strait Islander People engagement and impact by FY24
- Ensure diversity in the recruitment process in FY23
- Provide diversity and inclusion training to anyone responsible for recruitment in FY23
- Continue to develop career pathways to support people at all stages of their careers, including parents on their return to work

HEALTH & WELLBEING

- Access to wellbeing programs for staff to continue with the SCP ClassPass membership program
- Introduce a bonus leave program in FY23
- Increase paid parental leave to 16 weeks for the primary caregiver in FY23
- Introduce paid domestic violence leave in FY23
- Encourage more team-based activities in FY23
- Continue providing ergonomically designed workspaces in the corporate office, and provide guidance on ergonomic and healthy work environments for the home
- Continue to encourage active commuting with end-of-trip facilities
- Continue free flu vaccinations for employees
- Continue providing a COVID-19 safe working environment including appropriate flexibility
- All employees to have mental health awareness training

REPORTING—
ALIGNMENT TO TCFD

CLIMATE RISK AND OPPORTUNITIES

The physical and transition impacts of climate change are increasingly being realised around the world. Management of the risks and maximisation of opportunities climate change will present are therefore critical to the ongoing sustainability of SCP and our stakeholders.

We recognise the importance of these disclosures in supporting our stakeholders' understanding of SCP's responses to the physical and transition risks which may impact our operations, supply chain, customers and other stakeholders.

In FY22, we undertook an assessment of our current alignment with the recommendations of the TCFD, and developed a roadmap for full implementation of these recommentations. In FY23, we will progress implementation. While the views, findings and recommendations in this report are those of SCP, we would like to acknowledge KPMG's assistance and support.

GOVERNANCE

SCP's Board, and the Audit, Risk, Management, Compliance Committee (ARMCC) have primary oversight of our approach to managing climate-related risks. The ARMCC review reports on our risks at least twice per year, including climate-related risks and opportunities.

Our management Sustainability Steering Committee, which is chaired by the COO, reports to the ARMCC. Among the Steering Committee's responsibilities is to identify and respond to climate-related issues based on research, evaluation or community resilience actions and any other scenario analysis, ensure good governance over climate-related risks, and review TCFD disclosures.

In FY23, SCP will take important steps to align our disclosures to the recommendations of the TCFD. Our transition will take time and we have identified a pathway to align with the recommendations of the TCFD reporting framework. We are closely watching the developments of the International Sustainability Standards Board (ISSB), which was formed in 2001 at COP26 by the trustees of the IFRS Foundation.

STRATEGY

SCP recognises the importance of managing our climate-related risks to ensure long-term business resilience. in FY22, we updated our Sustainability Strategy to include climate risk as a core pillar. We have already begun the process of identifying and understanding the impact of physical climate risks on our strategy.

We will undertake a detailed scenario analysis process in FY23 to understand and quantify broader physical and transition climate impacts to our strategy, operations, supply chain and customers under a range of climate scenarios.

RISK MANAGEMENT

Climate-related risks and opportunities at SCP are now considered in our risk management processes. We will monitor and update these processes and continue to develop climate-related risk and opportunity management strategies as our understanding of climate-related risks and opportunities for our business evolves.

In FY22, SCP's focus began on climate risk management related to the exposure of our assets to physical climate change. In FY22, we began the process of developing Community Resilience Action Plans for 11 of our high-risk assets, and will complete this process in FY23.

METRICS AND TARGETS

SCP continues to collect and disclose its scope 1 and 2 greenhouse gas (GHG) emissions and our progress towards our net zero FY30 target. In our FY22 Sustainability Report, we are expanding our emissions reporting to include select scope 3 emissions where data is available.

As we continue to understand our climate risk and opportunities, we will identify additional metrics that support our understanding of risk management and opportunity maximisation. In future reporting periods, we will disclose the metrics through which SCP monitors its exposure to climate change.

DIRECTORS' REPORT

Shoreline Plaza, TAS

Directors' Report

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

Shopping Centres Australasia Property Group RE Limited (Responsible Entity) is the Responsible Entity for the Trusts, which presents its report together with the Trusts' Financial Reports for the year ended 30 June 2022 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 Consolidated Financial Reports and notes.

1. Directors

The Directors of the Responsible Entity at any time during or since the end of the financial year are:

Mr Philip Marcus Clark AO

Chair and Non-Executive Director (appointed 19 September 2012; retiring 30 November 2022)

Independent: Yes.

Other listed Directorships held in last 3 years: None.

Special responsibilities and other positions held: Member and Chair of Nomination Committee (until 1 July 2022) and Member of the Audit Risk Management and Compliance Committee (until 9 December 2021).

Other positions currently held, unrelated to the Group, include member of the JP Morgan Australia Advisory Council and Council of Charles Sturt University. Chair of a number of government and private boards including: Australian Antarctic Science Council, Trustees of the Royal Botanic Gardens & Domain Trust and Trustees of the NSW Public Purpose Fund. Director of Food Agility Cooperative Research Centre.

Other experience: Mr Clark was the Managing Partner of the law firm Minter Ellison from 1995 to 2005. Prior to joining Minter Ellison, Mr Clark was a Director and Head of Corporate with ABN AMRO Australia, and prior to that he was the Managing Partner of the law firm Mallesons Stephen Jaques for 16 years. Mr Clark has been a Director of several listed AREITs (including most recently Ingenia until December 2017) and Chair and Non-Executive Director of Hunter Hall Global Value Limited (July 2013 to December 2015).

Mr Clark brings specific skills in the following areas:

- M & A and capital markets
- Audit, risk management and compliance
- Corporate governance
- Real estate, including property management, portfolio and investment management, asset management and funds management
- Remuneration
- Workplace health and safety
- Stakeholder engagement

Qualifications: BA, LLB, and MBA (Columbia University).

Mr Steven Crane

Non-Executive Director and Deputy Chair (appointed 13 December 2018; Chair from 1 December 2022)

Independent: Yes.

Other listed Directorships held in last 3 years: Non-Executive Director of APA Group (comprising Australian Pipeline Trust and APT Investment Trust) (January 2011 to current) and Chair and Non-Executive Director of nib holdings limited (Non-Executive Director from September 2010 and Chair from October 2011 to July 2021).

Special responsibilities and other positions held: Chair of Remuneration Committee, and Member of Nomination Committee and Investment Committee.

Other positions currently held unrelated to the Group includes Chair of Global Value Technology Limited.

Other experience: Mr Crane has held a number of other positions unrelated to the Group including Chair of the Taronga Conservation Society (2010-2021), Non-Executive Director of Bank of Queensland (2008-2015), Non-Executive Director of Transfield Services (2008-2015), Non-Executive Director of APA Ethane Limited (2008-2011), Trustee of Australian Reward Investment Alliance (2007-2009), Chair of Adelaide Managed Funds Limited (2006-2008), Chair of Investa Property Group (2006-2007), Non-Executive Director of Adelaide Bank (2005-2007), Non-Executive Director of Foodland Associated (2003-2005), Deputy Chair of Australian Chamber Orchestra and Director of Sunnyfield Association.

Mr Crane brings specific skills in the following areas:

- Funds management
- Investment banking including M & A and capital markets
- Finance and accounting including audit
- Remuneration
- Stakeholder engagement

Qualifications: BComm, FAICD.

Mr Angus James

Non-Executive Director (appointed 9 December 2021)

Independent: Yes.

Other listed Directorships held in last 3 years: None.

Special responsibilities and other positions held: Member of Audit, Risk Management and Compliance Committee, Nomination Committee and Investment Committee.

Other experience: Mr James has over 30 years of finance experience and is currently CEO of Aquasia Pty Limited, an independent corporate advisory and funds management business based in Sydney. Prior to establishing Aquasia in 2009, Mr James was the Chief Executive of ABN AMRO Australia and New Zealand and a member of its Asian management team which oversaw all of ABN AMRO's retail, wholesale, investment banking and asset management businesses in 17 countries throughout Asia Pacific. Mr James was also previously a Director of the Business Council of Australia, the Australian Curriculum, Assessment and Reporting Authority and Deputy Chair of the Australian Chamber Orchestra.

Mr James brings specific skills in the following areas:

- Investment banking, M&A, capital markets, strategy and corporate finance
- Capital management, including debt, derivatives and equity raising
- Funds management
- Stakeholder engagement

Qualifications: BEcon.

Ms Beth Laughton

Non-Executive Director (appointed 13 December 2018)

Independent: Yes.

Other listed Directorships held in last 3 years: Director of JB Hi-Fi Limited (May 2011 to current).

Special responsibilities and other positions held: Chair of the Audit, Risk Management and Compliance Committee (from 1 October 2020) and Member of the Remuneration Committee and Nomination Committee.

Other positions currently held unrelated to the Group include Non-Executive Director of GPT Funds Management Limited.

Other experience:	Ms Laughton began her career with Peat, Marwick, Mitchell (now KPMG) in audit and then spent 25 years advising companies in mergers and acquisitions, valuations and equity capital markets. She has worked at senior levels with Ord Minnett Corporate Finance (now JP Morgan), TMT Partners and Wilson HTM, advising companies in a range of industries including, property, retail and the information, communication and media sectors. She has held a number of other positions unrelated to the Group including a Member of Defence SA's Advisory Board (2007-2016), Non-Executive Director of the Co-operative Research Centre for Contamination, Assessment, Remediation of the Environment (2012-2014), Non-Executive Director of Australand Property Group (2012-2014), and Director of Sydney Ferries (2004-2010). Ms Laughton brings specific skills in the following areas: • Property investment and funds management • M & A and equity capital markets • Finance and accounting/audit • Corporate governance • Retail • Remuneration • Risk management and sustainability
Qualifications:	BEcon, FCA and FAICD.

Ms Belinda Robson

Non-Executive Director (appointed 27 September 2012)

Independent:	Yes.
Other listed Directorships held in last 3 years:	None.
Special responsibilities and other positions held:	Chair of the Investment Committee and Nomination Committee (from 1 July 2022) and Member of the Remuneration Committee, Nomination Committee (until 30 June 2022), and Audit, Risk Management and Compliance Committee. Other positions currently held unrelated to the Group include Non-Executive Director of GPT Funds Management Limited and Non-Executive Director of several Lendlease Asian Retail Investment Funds.
Other experience:	Ms Robson is an experienced real estate executive and people leader, having previously worked with Lendlease Group for nearly 30 years in a range of roles including as Fund Manager of Australian Prime Property Retail Fund (APPF Retail) (APPF Retail is managed by the Lendlease Group). Ms Robson brings specific skills in the following areas: • Real estate, in particular retail assets, spanning all aspects of real estate including property and development management, portfolio and investment management, asset management and funds management • Retail industry, investor and consumer sentiment experience and the way in which retail formats should and can evolve to capitalise on sector opportunities • M & A and capital markets • Corporate governance • Remuneration • International experience
Qualifications:	BComm (Honours).

Dr Kirstin Ferguson

Non-Executive Director (appointed 1 January 2015; resigned 17 August 2021)

Independent:	Yes.
Other listed Directorships held in last 3 years:	Non-Executive Director of PEXA Group (June 2021 to date) and Non-Executive Director of EML Payments Limited (February 2018 to July 2021).
Special responsibilities and other positions held:	Chair of Nomination Committee until 14 July 2021 and up until the date of resignation, Member of Audit, Risk Management and Compliance Committee, and Member of Remuneration Committee.
Other experience:	Dr Ferguson is an experienced Non-Executive Director on ASX100, ASX200, government, not-for-profit and significant private company boards.

Dr Ferguson did bring specific skills in the following areas:

- Remuneration
- Organisational culture
- Diversity
- Risk and compliance
- Workplace health and safety
- Stakeholder engagement
- Social media

Qualifications: PhD, LLB (Honours), BA (Honours), FAICD

Mr Anthony Mellowes

Executive Director and CEO (appointed Executive Director 2 October 2012)

Independent: No.

Other listed Directorships held in last 3 years: None.

Special responsibilities and other positions held: In addition to be being an Executive Director and Chief Executive Officer (CEO), Mr Mellowes is a Member of the Investment Committee and is a member of the SCA Metro Convenience Shopping Centre Fund (SCA Metro Fund) Investment Committee.

Other positions currently held unrelated to the Group include Director of Shopping Centre Council of Australia.

Other experience: Mr Mellowes is an experienced property executive. Prior to joining SCA Property Group as an Executive Director, Mr Mellowes worked at Woolworths Limited from 2002 to 2012 and held a number of senior property related roles including Head of Asset Management and Group Property Operations Manager. Prior to Woolworths Limited, Mr Mellowes worked for Lendlease Group and Westfield Limited.

Mr Mellowes was appointed Chief Executive Officer of SCA Property Group on 16 May 2013 after previously acting as interim Chief Executive Officer. Mr Mellowes was a key member of the Woolworths Limited team which created SCA Property Group.

Mr Mellowes brings specific skills in the following areas:

- Real estate, in particular retail assets, spanning all aspects of real estate including property and development management, portfolio and investment management and funds management
- Retail experience spanning all retail asset classes
- M&A and capital markets
- Equity placements

Qualifications: Bachelor of Financial Administration and completion of Macquarie Graduate School of Management's Strategic Management Program.

Mr Mark Fleming

Executive Director and CFO (appointed CFO 20 August 2013 until 31 August 2022, appointed Executive Director 26 May 2015; COO, Head of Funds Management and Strategy from 1 September 2022)

Independent: No.

Other listed Directorships held in last 3 years: None.

Special responsibilities and other positions held: In addition to being an Executive Director and CFO, Mr Fleming is a Member of the Investment Committee and is a member of the SCA Metro Fund Investment Committee.

Other positions currently held unrelated to the Group include Trustee of the Royal Botanical Gardens & Domain Trust.

Other experience: Mr Fleming was CFO of Treasury Wine Estates from 2011 to 2013. Mr Fleming worked at Woolworths Limited from 2003 to 2011, firstly as General Manager Corporate Finance, and then as General Manager Supermarket Finance. Prior to Woolworths Limited, Mr Fleming worked in investment banking at UBS, Goldman Sachs and Bankers Trust.

Mr Fleming brings specific skills in the following areas:

- Investment banking, M&A, capital markets, strategy, and corporate finance
- Capital management, including debt, derivatives and equity raising
- Retail industry expertise across a range of retail categories including supermarkets and experience in fast moving consumer goods
- Real estate expertise, particularly in retail asset classes, including valuations and funds management
- Sustainability expertise including strategy, reporting, operational implementation and investment analysis
- Listed company CFO experience, including treasury, tax, accounting/financial control/audit, corporate governance/risk management/compliance, systems, stakeholder engagement/investor relations

Qualifications: LLB, BEcon (First Class Honours), CPA.

Company secretary

Ms Erica Rees

General Counsel and Company Secretary (appointed 5 February 2020)

Experience: Ms Rees is an experienced funds and property lawyer with over 15 years' experience in legal practice including property transactions, property developments, leasing, funds management, corporate and debt. Ms Rees joined SCP in late 2012 and was previously a Senior Associate in a national law firm.

Qualifications: BA, LLB (Hons), AGIA, ACIS.

Directors' relevant interests

The relevant interest of each Director in ordinary stapled securities in the Group at the date of signing of this report are shown below.

Director	Number of stapled securities at 30 June 2021	Net movement increase / (decrease)	Number of stapled securities at date of this report	Number of unvested performance rights at date of this report
P Clark	201,094	(21,094)	180,000	-
S Crane	120,888	79,112	200,000	-
K Ferguson [1]	36,710	(36,710)	-	-
A James	-	61,500	61,500	-
B Laughton	23,674	8,263	31,937	-
B Robson	62,495	-	62,495	-
A Mellowes	1,001,177	(1,177)	1,000,000	1,333,901
M Fleming	308,779	30,000	338,779	633,422

[1] K Ferguson resigned on 17 August 2021 and therefore the number of stapled securities is shown as nil at the date of this report.

Directors' attendance at meetings

The number of Directors' meetings, including meetings of committees of the Board of Directors, held during the year and the number of those meetings attended by each of the Directors at the time they held office are shown below.

Number of meetings held	Number
Board of Directors (Board)	18
Audit, Risk Management and Compliance Committee (ARMCC)	7
Remuneration Committee (Remuneration)	4
Nomination Committee (Nomination)	5
Investment Committee (Investment)	7

	Board		ARMCC			Remuneration			Nomination			Investment		
Director	**A**	**B**	**A**	**B**	**C**	**A**	**B**	**C**	**A**	**B**	**C**	**A**	**B**	**C**
P Clark	18	18	5	5	2	-	-	4	5	5	-	-	-	4
S Crane	18	18	-	-	6	4	4	-	5	5	-	7	7	-
K Ferguson	3	3	3	2	-	1	1	-	2	2	-	-	-	1
A James	7	7	3	3	-	-	-	-	2	2	-	3	3	-
B Laughton	18	18	7	7	-	4	4	-	5	5	-	-	-	4
B Robson	18	18	4	4	3	4	4	-	5	5	-	7	7	-
A Mellowes	18	18	-	-	7	-	-	3	-	-	5	7	7	-
M Fleming	18	18	-	-	7	-	-	3	-	-	5	7	7	-

A: Number of meetings held while a member of the Board or a member of the committee during the year.

B: Number of meetings attended while a member of the Board or a member of the committee during the year.

C: Number of meetings attended as a guest.

2. Principal activities

The principal activity of the Group during the year was investment in, and management of, shopping centres in Australia. The materials in this Directors' Report deal with the operational and financial review. Additional material on the operational and financial review is in the other announcements to the ASX related to the results of the Group for the year ended 30 June 2022.

3. Impact of COVID-19

The Group has considered the impact that the COVID-19 pandemic has had on both the operations and financial performance on the Group during the current 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). Additional impacts to the Group included increased expenses (for example, extra cleaning and security), increased vacancies, increased rental arrears and/or rental relief or increased holdovers for some tenants, increased incentives and reduced other income.

The primary implication of the above on the Consolidated Financial Statements was the recording and collection of rental income. The accounting treatments, key estimates and significant judgements in these areas are set out in note D1.

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, regular reporting to the Board, training programs for employees, training programs for contractors, continuous challenge and improvement on safety, outsourced property and facilities management with safety key performance indicators (KPIs), and appropriate insurance (covering workers' compensation, public liability and property).

4. Weather events

During the year several centres were impacted by adverse weather events, particularly flooding on the east coast of Australia. The Lismore centre was most heavily impacted. We are in ongoing discussions with the insurers on the recovery of losses and during the year $2.2 million has been received from insurers of which $1.0 million relates to loss of income in FY22.

5. Property portfolio

The investment portfolio at 30 June 2022 consisted of 91 shopping centres (30 June 2021: 92 shopping centres) valued at $4,460.9 million (30 June 2021: $4,000.0 million). The investment portfolio consists of convenience-based neighbourhood, sub-regional and freestanding shopping centres with a strong weighting towards non-discretionary retail segments.

Acquisitions

During the year, the Group completed the following property acquisitions for $347.5 million (excluding transaction costs). Details of these properties include:

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
				347.5

Disposals

During the year, the Group completed the following property sales for $307.6 million. Apart from Ballarat, these properties were sold to the SCA Metro Fund. As at 31 December 2021 these properties were classified as held for sale for financial reporting purposes. Details of these properties include:

Property	Property type	State	Book Value June 2021 ($m)	Sale Price ($m)	Premium to Book Value (%)	Cap Rate (%)
Ballarat	Neighbourhood	VIC	20.6	23.1	12.1%	5.60%
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%
Highett	Neighbourhood	VIC	32.9	36.5	10.9%	4.75%
Wyndham Vale	Neighbourhood	VIC	24.5	27.5	12.2%	5.00%
			280.9	**307.6**	**9.5%**	**4.90%**

Revaluations

The total value of investment properties at 30 June 2022 was $4,460.9 million (30 June 2021: $4,000.0 million). During the year independent valuations were obtained for over 80% of the investment properties and all of the investment properties were internally valued. The weighted average capitalisation rate (cap rate) of the portfolio at 30 June 2022 was 5.43% (30 June 2021: 5.90%).

The change in value of the investment properties during the year was primarily due to acquisitions and the compression of capitalisation rates by 47bps.

6. Funds management

During the 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 SCP 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).

During the year the Group established 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) and is 80% owned by GIC and 20% by the Group. The Group entered into a contract to sell seven properties to the SCA Metro Fund which settled in April 2022. As at 30 June 2022 the Group managed these seven properties valued at $284.9 million for the SCA Metro Fund.

7. Financial review

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

		SCA Property Group		Retail Trust	
		30 June 2022	30 June 2021	**30 June 2022**	30 June 2021
Net profit after tax	($m)	**487.1**	462.9	**487.0**	461.9
Basic earnings per security (weighted for securities on issue during the year)	(cents per security)	**44.0**	43.0	**44.0**	42.9
Diluted earnings per security (weighted for securities on issue during the year)	(cents per security)	**43.8**	42.8	**43.8**	42.7
Funds from operations	($m)	**192.7**	159.0	**192.6**	158.0
Funds from operations per security (weighted for securities on issue during the year)	(cents per security)	**17.4**	14.8	**17.4**	14.7
Adjusted funds from operations	($m)	**169.5**	135.8	**169.4**	134.8
Adjusted funds from operations per security (weighted for securities on issue during the year)	(cents per security)	**15.3**	12.6	**15.3**	12.5
Distributions paid and payable to security holders	($m)	**169.2**	133.8	**169.2**	133.8
Distributions	(cents per security)	**15.2**	12.4	**15.2**	12.4
Net tangible assets	($ per security)	**2.81**	2.52	**2.80**	2.51
Weighted average number of securities used as the denominator in calculating basic earnings per security	(millions of securities)	**1,107.7**	1,077.3	**1,107.7**	1,077.3
Weighted average number of securities used as the denominator in calculating diluted earnings per security	(millions of securities)	**1,112.9**	1,081.6	**1,112.9**	1,081.6

Funds from Operations and Adjusted Funds from Operations

The Group reports net profit after tax (statutory) attributable to security holders in accordance with International Financial Reporting Standards (IFRS). The Responsible Entity considers the non-IFRS measure, Funds from Operations (FFO), an important indicator of the underlying cash earnings of the Group. Regard is also given to Adjusted Funds from Operations (AFFO).

	SCA Property Group		Retail Trust	
	30 June 2022 $m	30 June 2021 $m	**30 June 2022 $m**	30 June 2021 $m
Net profit after tax (statutory)	**487.1**	462.9	**487.0**	461.9
Adjustments for non cash items included in statutory profit				
Reverse: Straight-lining of rental income and amortisation of incentives	**13.6**	12.6	**13.6**	12.6
Reverse: Fair value or unrealised adjustments				
- Investment properties	**(354.0)**	(354.2)	**(354.0)**	(345.2)
- Derivatives	**(0.5)**	65.9	**(0.5)**	65.9
- Foreign exchange	**36.3**	(35.3)	**36.3**	(35.3)
- Net insurance proceeds	**(1.2)**	-	**(1.2)**	-
Other adjustments				
Reverse: Other items	**2.2**	1.5	**2.2**	1.5
Reverse: Net unrealised (profit)/loss from associates	**1.1**	(4.3)	**1.1**	(4.3)
Reverse: Swap termination costs	**-**	9.1	**-**	9.1
Reverse: IT project costs	**1.1**		**1.1**	
Reverse: Transaction costs	**7.0**	0.8	**7.0**	0.8
Funds from Operations	**192.7**	159.0	**192.6**	158.0
Less: Maintenance capital expenditure	**(12.9)**	(9.7)	**(12.9)**	(9.7)
Less: Capital leasing incentives and leasing costs	**(10.3)**	(13.5)	**(10.3)**	(13.5)
Adjusted Funds from Operations	**169.5**	135.8	**169.4**	134.8

8. Contributed equity

Distribution Reinvestment Plan (DRP)

The Group has a DRP under which security holders 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 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 $72.4 million included $59.6 million pursuant to an underwriting agreement.

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. This distribution was not underwritten.

The distribution declared in June 2022 (expected to be paid on or about 31 August 2022) will result in $44.7 million being raised by the DRP though the issue of 15.9 million securities at $2.80 per security. The $44.7 million includes $23.4 million pursuant to an underwriting agreement.

Other equity issues

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

9. Significant changes and developments during the year

Investment properties – acquisitions and disposals

Details of the acquisitions and disposals during the year are above.

Funds management

Details of the funds management changes and developments during the 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 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. The available cash and undrawn debt facilities are in excess of these amounts therefore it is expected the $50.0 million bilateral facility will either be extended or cancelled and the A$MTN will be repaid from the cash and undrawn debt facilities.

The average debt facility maturity of the Group at 30 June 2022 was 5.3 years (30 June 2021: 5.3 years). At 30 June 2022, 69.6% of the Group's debt was fixed or hedged (30 June 2021: 50.8%). On 10 February 2022 the Group also entered into an interest rate swap with a face value of $150.0 million where the Group pays fixed at 2.61% and receives floating starting in July 2023 and expires in February 2032. This swap was amended on 3 August 2022 to a face value of $250.0 million where the Group pays 1.44% starting in August 2022 and expires in July 2024.

At 30 June 2022, the Group had cash and undrawn debt facilities (or financing capacity) of $452.7 million (30 June 2021: $290.6 million).

Gearing

The Group maintains a prudent approach to managing the balance sheet with gearing of 28.3% at 30 June 2022 (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.

Proforma financing capacity and gearing

Considering the completion of the acquisitions in July 2022, the DRP for the distribution expected to be paid in August 2022, and the amended swap that now starts in August 2022, the Group's proforma gearing would be 30.1%, the Group's cash and undrawn facilities would be over $315.0 million and the Group's pro forma hedging would be 81%.

10. Major business risk profile

The Board is ultimately responsible for the risk management process and the systems of internal control. Senior management is responsible for identifying risks and implementing appropriate mitigation processes and controls. The Audit, Risk Management and Compliance Committee, is responsible for establishing, reviewing and monitoring the process of risk management, and presents this to the Board for the Board's annual approval.

The table below summarises the key business risks as set out in the Group's risk register.

Key risks	Cause(s)	Effect	Mitigation
STRATEGIC			
Online retailing reduces foot traffic through SCP centres including anchor tenants	Increased online sales result in reduced in store sales	Reduced rental income and reduced investment property valuations	Encourage tenancy mix towards online-resilient specialty categories
Anchor tenant closes stores	Reduced productivity in large format stores	Reduced rental income and reduced investment property valuations	Reduce exposure to poorer performing discount department stores over time, long term leases with anchor tenants
Changes to anchor tenant lease structures to provide shorter term leases	Anchor tenants seeking shorter term leases with lower rent	Reduced rental income and reduced investment property valuations	Anchor tenant leases typically have multiple 5 or 10 year options to renew.
Changes to anchor tenant lease structures to exclude online sales	Anchor tenants seeking to exclude online sales from turnover rent	Reduced rental income and reduced investment property valuations	Majority of anchor tenant leases do not have these clauses; increase diversification to a variety of non-discretionary specialty tenants
Supermarket anchor tenant becomes insolvent	Major structural change to the supermarket sector or capital structure failure	Reduced rental income and reduced investment property valuations	Increase diversification of supermarket and other non-discretionary anchors over time
Acquisition volume is below expectations	Investment hurdles cannot be achieved	Lack of earnings growth	Closely monitor all potential acquisitions, and regularly review investment hurdles
Climate risk	Weather events cause damage to property	Financial loss	Geographically dispersed portfolio, insurance, climate risk assessments including for acquisitions
FINANCIAL			
Cost of equity increases	Market disruption or demand for SCP equity declines	Inability to acquire assets may decrease earnings and may reduce distributions which may result in lower security price	Management monitor equity markets continuously and the Group has raised equity every year. Maintain strong and diversified equity capital market relationships
Cost of debt increases	Increase in interest rates	Lack of availability of capital or debt to fund acquisitions, inability to refinance debt and/or material increase in costs associated with debt funding may negatively impact financial performance	Management ensure diversification of funding sources and actively managing debt maturities. Interest rate exposures are managed via the Group's hedging policy and strategy.
Value of assets declines	Increase in market capitalisation / discount rates, decrease in net operating income or expected future cash flows	Decrease in net tangible assets and increase in Loan to Value (LVR) ratio	Conservative level of gearing, geographic diversification, long dated lease agreements, credit quality of anchor tenants

OPERATIONAL			
Key outsourced service providers do not perform to satisfaction	Inadequate supervision of SCP's outsourced functions and/or unsatisfactory quality control	Unsatisfactory quality control resulting in loss to security holders, breach of financial services law, or loss of reputation	Appropriate policies, procedures and operational practices adopted, reviewed and maintained, training, insurance
Information technology (IT), cyber data security	Inadequate controls over systems including SCP's outsourced services	Business interruption, financial loss and/or loss of confidential information including breach of legislation or loss of reputation	Use of IT security measures including outsourced expert service provider who ensures that the Group's IT systems have adequate security, use of 2 factor authentication where possible, other key service providers provide annual assurance of IT security measures, training, disaster recovery and backup
Death or permanent disability – foreseeable and within SCP's control	An incident that is as a result of an act, or failure to act, by SCP or where SCP can reasonably influence the outcome	Death, serious injury or adverse health outcomes for SCP employees, contractors, tenants or customers	Conservative safety strategy, safety reporting to the Board, ongoing safety training for employees and contractors, encouragement of continuous challenge and improvement on safety achievements, outsourced property and facilities management with safety KPI's, appropriate workers' compensation, public liability and property insurance
PEOPLE & CULTURE			
Poor organisational culture and employee engagement	Inadequate development of culture strategy, failure of leadership, training or engagement	Loss of knowledge, experience, engagement and productivity	Develop and continuously improve culture strategy alignment, cultural reviews, staff training and coaching

11. Business strategies and prospects for future financial years

The Group's core strategy is to invest in, manage and develop a geographically diverse portfolio of quality neighbourhood and sub-regional retail assets, anchored by long-term leases to quality tenants with a bias towards the non-discretionary retail sector. This is to achieve growing and resilient cash flows and growing distributions to the Group's security holders. The Group achieves this by actions such as:

- Maximising the net operating income from its existing properties. This may include increasing the average rent per square metre from specialty tenants over time and controlling the growth in expenses
- Pursuing selected property refurbishment, development and acquisition opportunities, consistent with its core strategy
- Diversifying and developing other sustainable income streams including funds management
- Maintaining an appropriate capital structure to balance cost of capital and risk profile

It is also noted that property valuations, movements in the fair value of derivative financial instruments and in foreign exchange, availability of funding and changes in interest rates may have a material impact on the Group's results in future years, however, these cannot be reliably measured at the date of this report.

12. Environmental regulations

The Directors of the Responsible Entity are satisfied that adequate systems are in place for the management of the Group's environmental responsibility and compliance with various licence requirements and regulations. Further, the Directors of the Responsible Entity are not aware of any material breaches of these requirements and, to the best of their knowledge, all activities have been undertaken in compliance with environmental requirements.

13. Sustainability

The Group understands that its impact on communities means acting on climate, social and environmental risks that could impact them. The Group has been measuring electrical energy use, waste disposal and water usage since 2015 and has participated in industry benchmarking since 2016. As Australia's largest owner (by number of centres) of neighbourhood and convenience based shopping centres, the Group has made significant progress to reduce our impact. During FY22 the Group invested $17.5 million in sustainability initiatives such as the installation of solar panels, building management systems, and LED lighting at some of our centres, achieving a 40:40:20 gender split, continuing our partnership with The Smith Family, achieving a 6 star NABERS rating for our head office and continuing to increase our GRESB rating. The Group has also set itself a range of sustainability targets including to achieve net zero for scope 1 and 2 emissions by FY30, to divert 60% of operational waste from landfill by FY30 and to reduce water use by 25% at our largest consumption sites by FY25. More information is provided in the Group's FY22 Sustainability Report which has been lodged with ASX and can be found on the Group's website at https://www.scaproperty.com.au/sustainability/.

14. Indemnification and insurance of directors, officers and auditor

The Group has Directors' and Officers' liability insurance. The insurance contract prohibits disclosure of details relating to the nature of the liabilities covered by the insurance, the limit of indemnity and the amount of the premiums paid under the policy.

The Directors' have been provided with a Deed of Indemnity by Shopping Centres Australasia Property Group RE Limited in its capacity as the responsible entity of the Management Trust and Retail Trust, which is intended, to the extent allowed by law, to indemnify the Directors against all losses or liabilities incurred by the person acting in their capacity as a Director. The Trusts' constitutions provide that, subject to the Corporations Act 2001, the Shopping Centres Australasia Property Group RE Limited has a right of indemnity out of the assets of the Trusts in respect of any liability incurred by the Responsible Entity in properly performing any of its powers or duties in relation to the Trusts.

The auditor of the Group is not indemnified by the Group.

15. Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out on page 86.

16. Audit and non-audit fees

Details of the amounts paid or payable to the auditor (Deloitte Touche Tohmatsu) for audit and non-audit services provided are detailed in note D6 of the Financial Statements.

There were no non-audit services during the year. The Directors are satisfied that the general standard of independence for auditors imposed by the Corporations Act 2001 has been satisfied.

As there were no non-audit services provided, the Directors are of the opinion that the services disclosed in note D6 of the Financial Report do not compromise the external auditor's independence. In forming this view the fundamental principles relating to auditor independence as set out in APES 110 'Code of Ethics for Professional Accountants' issued by the Accounting Professional & Ethics Standards Board have been considered.

17. Subsequent events

In July 2022, the Group acquired the following properties for $180.0 million (excluding transaction costs).

Asset	Location	Purchase Price $m
Dernancourt Shopping Centre	SA	**46.0**
Fairview Green Shopping Centre	SA	**39.5**
Brassall Shopping Centre	QLD	**46.5**
Port Village Shopping Centre	QLD	**36.0**
Tyne Square Shopping Centre	WA	**12.0**
		180.0

On 10 February 2022 the Group also entered into an interest rate swap with a face value of $150.0 million where the Group pays fixed at 2.61% and receives floating starting in July 2023 and expires in February 2032. This swap was amended on 3 August 2022 to a face value of $250.0 million where the Group pays 1.44% starting in August 2022 and expires in July 2024.

Since the end of the 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 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.

18. 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.

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

Steven Crane
Deputy Chair
Sydney
15 August 2022


WARNBRO
Centre

REMUNERATION REPORT

Warnbro Centre, WA

SCA Property Group

Remuneration Report for the Financial Year ending 30 June 2022

Dear Unitholders

I am pleased to present the SCP FY22 Remuneration Report.

Despite the ongoing impacts of the COVID-19 pandemic, SCP has performed well this year, building on the green shoots that had started to appear in the second half of FY21. SCP's sound, defensive strategy of focusing on convenience-based retail centres weighted towards non-discretionary retail segments, with long leases to anchor tenants, has continued to serve SCP well throughout the period.

The hurdles and metrics set for the FY22 STI and LTI were modified from those used in FY21 to reflect the change in SCP's strategic priorities occasioned by the improving COVID-19 environment. The Board directed Management to continue to focus on growing AFFOPU and improving rental collection levels, both of which had been negatively impacted during FY20 and FY21 by the COVID-19 pandemic. The Board also directed Management to focus on acquisitions and leasing spreads in line with an improving business outlook.

The results for FY22 have been that the metrics of AFFOPU and asset acquisition has well exceeded stretch targets set by the Board, with performance assessed at maximum for both of these components. On review, the Board was satisfied that these targets were appropriate, and that Executive achievement against these targets is a valid reflection of their performance.

Rental collection performance was assessed at above target, but below maximum. Performance in the leasing spreads component was above threshold, but below the target set by the Board. These components achieved 96% and 70% respectively of maximum.

The non-financial STI requirements set for Executives were also assessed at maximum. This was due to the Executives' achievements against targets set by the Board, and also due to the funds management transaction entered into with an affiliate of Singapore-based GIC in December 2021. The Board had set Executives a target of developing a plan to expand SCP's funds management business in FY22, however Executives' execution on that plan in December 2021 was 'outperformance'. On this basis, the Board is satisfied that Executive achievement in this non-financial component of the STI plan is reflective of performance.

The FY19 LTI grant has been tested, with the performance conditions being relative TSR, FFOPU growth, and return on equity. Whilst relative TSR performance exceeded median TSR performance against the constituents of the ASX 200 A-REIT Index, performance with respect to the FFOPU and ROE tranches was below threshold. This will result in a payout of 9.74% of the LTI maximum opportunity, with the award to vest following the date of this Report. The Board was satisfied that performance to the test date, and during the additional one-year deferral period, warrants this vesting and so no discretion was required.

Overall, the Board has been very pleased with Executives' performance this year, and is confident that the remuneration outcomes for Executives detailed in this Report reflect our remuneration framework's alignment with SCP's performance and total Unitholder returns for FY22.

The following Remuneration Report sets out the rationale underpinning our remuneration philosophy, how this is applied in practice, and its results.

On behalf of the Board, we recommend this Report to you.

Steven Crane
Chair, Remuneration Committee

The Remuneration Report has been audited by Deloitte Touche Tohmatsu.

Key points to note in relation to this Report are:

- *The disclosures in this Report have been prepared in accordance with the provisions of section 300A of the Corporations Act 2001, even though, as stapled trusts, there is no obligation for SCP to comply with section 300A of the Corporations Act.*
- *The term "remuneration" has been used in this Report as having the same meaning as "compensation" as defined by AASB 124 "Related Party Disclosures".*
- *For the purposes of this Report, the term "Executives" means Key Management Personnel (KMP) who are Executives and therefore excludes Non-Executive Directors (NEDs).*
- *Definitions to abbreviations in this Report appear on page 85.*

1. REMUNERATION SNAPSHOT

1.1 Remuneration Overview

Key questions	Our approach	Further information
1. Were there any pay increases in FY22?	As advised in November 2021, TFR increases of between 9.3% and 9.5% were awarded to Executives on 1 October 2021 following a benchmarking exercise undertaken during the period. The increases awarded to Executives reflect the very competitive market for executive talent in the property sector. Prior to these increases, fixed remuneration for all Executives had remained at the levels set on 1 October 2019.	
2. Were any changes made to the remuneration structure in FY22?	During the period the Short-Term Incentive (STI) and Long-Term Incentive (LTI) opportunities for each Executive were increased as set out below, resulting in a stronger weighting towards "at-risk" remuneration for all Executives as part of their total remuneration opportunity (TRO). Refer to key question 10 for further details.	Sections 3.2 and 3.3

Executive	FY21 STI % of TFR	FY22 STI % of TFR	FY21 LTI % of TFR	FY22 LTI % of TFR
Anthony Mellowes	100%	110%	100%	120%
Mark Fleming	70%	80%	70%	90%

Key questions	Our approach	Further information
3. Were there any changes to performance measures?	The hurdles and metrics set for FY22 were modified from those used in FY21 to reflect the improving COVID-19 environment, and to align them with the FY22 strategic objectives set by the Board. As such, two new STI metrics were added for FY22 being leasing spreads and acquisitions. The FY22 STI hurdles were set as: AFFO per unit – 50%; Rent collection – 10%; Acquisitions – 10%; Leasing spreads – 10%; and Personal – 20%. These hurdles were chosen in order to focus Executives on growing AFFOPU including acquisitions, improving leasing spreads and rental collection following the impact of COVID-19 on SCP. The FY22 LTI hurdles were substantially the same as for FY21, being relative TSR and AFFOPU growth, with the only changes being in relation to the vesting schedule for the relative TSR tranche.	
4. What is the FY22 STI payout to Executives and why?	The STI performance pool awarded to Executives for FY22 was $1,679,968, representing a 96.5% payout of the total STI maximum opportunity for each Executive. In respect of the CEO and CFO, 50% of the STI award will be granted by way of deferred equity (subject to Unitholder approval), and 50% in cash to be paid in September 2022. The payout ratio is a direct function of SCP's performance in FY22, which saw Executives deliver the following: • AFFOPU of 15.3 cents per unit; • Leasing spreads of 1.6%; • Acquisitions of $498.0m; and • Rent collection of 97.8%.	Section 3.2

5. Did any LTI awards vest in FY22?	FY18 LTI awards vested in August 2021. Details of the performance period and metrics were set out in sections 3.3 and 3.5 of the FY18 Remuneration Report, and details of actual performance against metrics were set out in sections 1.1 and 1.3 of the FY21 Remuneration Report. The FY19 LTI grant was tested in October 2021. The FY19 LTI performance period for the funds from operations per unit (FFOPU) and return on equity (ROE) performance conditions ended on 30 June 2021, and the performance period for the relative total securityholder return (TSR) performance condition ended on 30 September 2021. Performance was severely impacted by the COVID-19 pandemic, and consequently performance was assessed as slightly above Threshold for the Relative TSR tranche only. The remaining two tranches had a 0% payout. This will result in a 9.74% payout of the total FY19 LTI maximum opportunity for each Executive, with the award to vest following the date of this Report.	
6. Did the Board exercise discretion when considering Executive awards in FY22?	The Board did not exercise discretion in determining the FY22 awards to Executives.	
7. Were any changes made to NED fees in FY22?	NED base and committee fees were increased by 2.5% from 1 January 2022, with no increase in NED fees having been applied in the prior year. Total NED remuneration payable in FY22 was $998,128 down from $1,074,884 in FY21 due to the timing of the retirement of Philip Redmond in September 2020, and Dr Kirstin Ferguson in August 2021, and the appointment of Angus James in December 2021.	
Remuneration Framework		
8. How does the Board set remuneration hurdles?	The Board focuses the STI and LTI performance conditions and hurdles on areas where it believes the Executives can create the best value for Unitholders, build on prior-year performance, properly consider market conditions and opportunities, and provide Executives with meaningful and robust stretch targets within SCP's stated risk parameters. The hurdles and metrics set for the FY22 STI awards were modified from those used in FY21 to focus in on the influenceable key performance drivers important in the improving COVID-19 environment. These strategic priorities included: • Recovering and growing AFFOPU including acquisitions and improving leasing spreads following the impacts of COVID-19; and • Improving rent collection levels following conclusion of the various state and territory legislation mandating the waiver and deferral of rent for eligible small to medium enterprises.	Section 2.1
9. How and when does the Board determine if it uses discretion?	As a general principle, where a formulaic application of the relevant remuneration metrics could produce a material and perverse remuneration outcome, or where it is in the best interests of Unitholders for the Board to do so, the Board will consider and may exercise its discretion in determining the awards. The Board determined that it was not necessary to exercise discretion in FY22.	
10. What portion of remuneration is at-risk?	STI and LTI awards are variable with performance and are therefore considered at-risk. • 70.16% of the CEO's TRO is at-risk; and • 63.46% of the CFO's TRO is at-risk.	Section 3.1
11. Are there any clawback provisions for incentives?	All incentives contain "malus" provisions allowing for the forfeiture of unvested rights in certain circumstances including in the event of termination for cause or for failing to meet prescribed minimum business and individual performance standards.	

12. Do all Board members, including Executive Directors, hold units in SCP?	Yes, all members of the SCP Board, including both Executive Directors, hold units in SCP; however, there is no mandated minimum holding requirement, as it is considered that this may be a deterrent to achieving Board or KMP Executive diversity.	
13. How is risk managed at the various points in the Remuneration Framework?	Risk is managed at various points in the Remuneration Framework through: • Part deferral of STI awards for the CEO and CFO, with the vesting of STI rights deferred for one year; • LTI performance hurdles that reflect the long-term performance of SCP, measured over a three-year performance period with a further one-year deferral; • SCP's incentive plan contains broadly framed malus provisions that allow the Board in its sole discretion to determine that all, or part, of any unvested incentive awards be forfeited in certain circumstances; and • Board discretion on performance outcomes where a formulaic application of the relevant remuneration metrics is likely to produce a material and perverse remuneration outcome, or where it is in the best interests of Unitholders for the Board to do so.	
Short-Term Incentives (STIs)		
14. What are the STI performance measures that determine if the STI vests?	The FY22 performance measures are: • AFFO per unit – 50%; • Rent collection – 10%; • Acquisitions – 10%; • Leasing spreads – 10%; and • Personal – 20%. These performance measures were chosen as they are directly linked to SCP's strategic objectives.	Sections 3.2 and 3.3
15. Are any STI payments deferred?	Yes, 50% of STIs for the CEO and CFO are in the form of deferred rights, with a one-year deferral period. The number of deferred rights granted to Executives is calculated by dividing the intended grant value by the volume weighted average price of SCP securities for the 5 trading days following the release of SCP's 2022 full year results.	Section 3.3
16. Are STI payments capped?	Yes, the total maximum STI opportunity as a percentage of TFR is as follows: • CEO – 110% of TFR; and • CFO – 80% of TFR.	Section 3.3
17. Are distributions paid on unvested STI awards?	On vesting, each deferred STI right awarded entitles the relevant Executive to receive one stapled unit in SCP plus an additional number of stapled units calculated on the basis of the distributions that would have been paid in respect of those stapled units over the one-year STI deferral period.	Section 3.3
18. Have any adjustments, positive or negative, been made to the STI payments?	No adjustments were made to the FY22 STI payments.	Section 3.2

Long-Term Incentives (LTIs)			
19.	What are the performance measures that determine if the LTI awards vest?	FY22 LTI rights will be tested against two performance hurdles over a three-year performance period followed by a one-year deferral (total vesting period is four years). The performance hurdles are weighted as follows: • Relative TSR against the ASX 200 A-REIT Accumulation Index (60% of grant); and • AFFOPU growth for the year to 30 June 2024 (40% of grant). These performance conditions were chosen as they are directly linked to SCP's strategic objectives.	Sections 3.3 and 3.5
20.	Does the LTI have re-testing?	No, there is no re-testing.	
21.	Are distributions paid on unvested LTI awards?	No distributions are paid on unvested LTI awards throughout the performance period. On vesting and exercise, however, each LTI right awarded entitles the relevant Executive to receive one stapled unit in SCP plus an additional number of stapled units calculated on the basis of the distributions that would have been paid in respect of those stapled units since the grant date.	Section 3.3
22.	Is LTI grant quantum based on "fair value" or "face value"?	In the year of issue, LTI grant quantum is determined based on the face value of SCP units, calculated by dividing the intended LTI grant value by the volume-weighted average price of SCP securities for the five trading days following the release of the prior period's full year results.	
23.	Can LTI participants hedge their unvested rights?	No. LTI participants must not use any hedging strategy that has the effect of reducing or eliminating the impact of market movements on any unvested rights that are still subject to disposal restrictions.	Section 3.3
24.	Does SCP buy securities or issue new securities to satisfy unit-based awards?	SCP has issued new units to satisfy unit-based awards to date; however, SCP may elect to buy units in certain circumstances.	
Executive Agreements			
25.	What is the maximum an Executive can receive on termination?	Termination payments will be managed differently in various termination scenarios, depending upon whether the Executive ceases employment with or without cause.	Section 3.7

1.2 SCP's Key Management Personnel

Key Management Personnel (KMP), as defined by AASB 124, refers to those people having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, including any Director of an entity (whether Executive or otherwise) of the consolidated entity. KMP includes Directors of SCPRE and may include other Executives of SCP.

Name	Position as at 30 June 2022	Board appointment date
Non-Executive Directors (NEDs)		
Philip Marcus Clark AO	Chair – Board** Chair - Nomination Committee*	19 September 2012
Belinda Robson	Member - Remuneration Committee Chair - Investment Committee Member - Audit, Risk Management and Compliance Committee Member - Nomination Committee*	27 September 2012
Beth Laughton	Chair - Audit, Risk Management and Compliance Committee Member - Remuneration Committee Member - Nomination Committee	13 December 2018
Steven Crane	Deputy Chair – Board*** Chair - Remuneration Committee Member - Nomination Committee Member - Investment Committee	13 December 2018
Angus James	Member - Investment Committee Member - Nomination Committee Member - Audit, Risk Management and Compliance Committee	9 December 2021
Executive Directors		
Anthony Mellowes	Chief Executive Officer Member - Investment Committee	Appointed as Director: 2 October 2012 Appointed as Chief Executive Officer from 1 July 2013
Mark Fleming	Chief Financial Officer Member - Investment Committee	Appointed as Chief Financial Officer from 20 August 2013 Appointed as Director: 26 May 2015

Dr Kirstin Ferguson, appointed 1 January 2015 as a Non-Executive Director, retired and ceased to be a Director on 17 August 2021.

*Belinda Robson was appointed Chair of the Nomination Committee effective 1 July 2022, replacing Philip Marcus Clark AO.

**Philip Marcus Clark AO will be retiring on 30 November 2022

***Steven Crane will be Chair of the Board from 1 December 2022

1.3 Actual remuneration earned in respect of FY22

The table below sets out the actual value of remuneration earned by each Executive during FY22. The reason the figures in this table are different to those shown in the statutory remuneration table in section 3.6 is because the latter table includes an apportioned accounting value for all STI and LTI equity grants (some of which remain subject to satisfaction of performance and service conditions and so may not ultimately vest).

The table below represents:

- Fixed remuneration including superannuation;
- Cash STI – the non-deferred portion of STI to be paid in September 2022 in recognition of performance during FY22; and
- Equity that vested during the year that relates to prior years' awards. The value ascribed to this equity is based on the closing value on the day the equity vested. This value is not the same as the value used for financial reporting. The remaining 50% of the STI awarded for FY22 is not included in the table below, but will be issued as deferred rights in accordance with section 3.3, subject to Unitholder approval at the AGM to be held in November 2022.

Actual Remuneration Earned in FY22

Executive KMP	Financial Year	Fixed remuneration including Superannuation $[1]	Cash STI[2] $	Deferred STI equity number units[3]	Deferred STI vested equity value $[4]	LTI vested equity number units[5]	LTI vested equity value $[6]	Other remuneration $	Total remuneration $[7]
Anthony Mellowes	**2022**	**1,032,500**	**559,941**	**140,122**	**364,317**	**26,454**	**68,780**	**-**	**2,025,538**
	2021	965,000	472,850	94,026	205,917	330,320	723,401	-	2,367,168
Mark Fleming	**2022**	**709,750**	**280,043**	**67,931**	**176,621**	**12,109**	**31,483**	**-**	**1,197,897**
	2021	662,500	227,238	43,052	94,284	151,001	330,692	-	1,314,714
Total	**2022**	**1,742,250**	**839,984**	**208,053**	**540,938**	**38,563**	**100,263**	**-**	**3,223,435**
	2021	1,627,500	700,088	137,078	300,201	481,321	1,054,093	-	3,681,882

1. *Fixed remuneration comprises fixed remuneration including superannuation contributions.*
2. *Cash STI payments are paid shortly after the end of the financial year to which they are attributed.*
3. *Deferred STI vested equity units were issued on 26 August 2021 in respect of the financial year ending two years previously.*
4. *Value of STI is calculated by reference to the closing price on the day of issue, which was 26 August 2021 $2.60. For FY21 the closing price on the day of issue, which was 22 July 2020 $2.19. This price does not represent the value for financial reporting.*
5. *LTI vested units were issued on 26 August 2021 in respect of the plans covering the preceding period. For the prior period, LTI vested units were issued on 22 July 2020 in respect of plans covering the preceding period.*
6. *The LTI vested value is calculated by reference to the closing price on the day of issue, which was 26 August 2021 $2.60. For FY21 the closing price on the day of issue, was 22 July 2020 $2.19.*
7. *Total remuneration is made up of fixed remuneration $ (including Superannuation $) plus cash STI $ plus Deferred STI vested equity value $ plus LTI vested equity value $.*

2. REMUNERATION POLICY

2.1 SCP's remuneration principles, policy and philosophy

The Board believes that the structure, design and mix of remuneration should, through the alignment of Unitholder interests with those of a motivated and talented Executive, provide Unitholders with optimal value. At the same time, the Board recognises that it is important to have programs and policies that may be adjusted, as appropriate, to address:

- Industry trends and developments, as well as evolving Executive remuneration and good governance practices; and
- Feedback from engagement with Unitholders and other stakeholders.

In support of this philosophy, SCP's remuneration policies are framed around two key remuneration principles:

1. ***Fairly reward and motivate Executives having regard to the external market, individual contributions to SCP and overall performance of SCP.***
    - TRO (including fixed component) is regularly independently benchmarked against a peer group of comparable entities (reflecting size, complexity and structure) to ensure that Executive remuneration is aligned over time to market levels.
    - The quantum and mix of each Executive's TRO take into account a range of factors including that Executive's position and responsibilities, ability to impact achievement of SCP's strategic objectives, SCP's overall performance, and the desire to secure tenure of Executive talent.
    - Fixed remuneration rewards Executives for performing their key responsibilities that are aligned to the Board-endorsed strategy to a high standard. This high standard includes stretch above core business performance.
2. ***Appropriately align the interests of Executives and Unitholders.***
    - A meaningful portion of an Executive's TRO is at-risk through performance-contingent incentive awards.
    - The structure and metrics of incentive awards are tied directly to the achievement of an appropriate balance of short and long-term goals and objectives agreed in advance that provide Executives with appropriate stretch. Actual performance drives what Executives are paid.
    - The Threshold, Target and Maximum hurdles within each key performance indicator (KPI) are set each financial year and are designed to encourage strong to exceptional performance within SCP's stated risk parameters.
    - For the CEO and the CFO, the majority of their at-risk pay is delivered through conditional and deferred rights to SCP securities.
    - To encourage Executives to secure the long-term future of SCP, unvested incentive opportunities are retained by the Executive upon resignation or retirement unless the Board determines they should be forfeited.
    - Performance-based remuneration opportunities are designed to ensure they do not encourage excessive risk taking or breaches of workplace health and safety, environmental or other regulations that may compromise SCP's value and/or reputation. SCP considers key risk parameters to include maintaining levels of gearing within the preferred range of 30–40% and remaining focused on owning and operating neighbourhood shopping centres predominantly tenanted by non-discretionary retail.
    - All incentives contain "malus" provisions permitting the Board to exercise its discretion to forfeit some or all of an Executive's unvested rights in certain circumstances.

This philosophy is the same as prior years. The Committee continues to benefit from discussions with key stakeholders and where appropriate will take these views into consideration in formulating SCP's remuneration strategy.

2.2 Remuneration governance

Role of the Remuneration Committee

The Board of SCP (Board) has adopted a Board Charter which sets out the objectives, responsibilities and framework for the operation of the Board. A copy of the Board Charter is available at www.scaproperty.com.au/about/governance.

The Board Charter underlines that the Board is accountable to Unitholders for SCP's performance and for the proper management of SCP's business and affairs.

To assist the Board in carrying out its responsibilities, the Board established the Remuneration Committee, which has responsibility for reviewing, making recommendations to the Board and, where relevant, making recommendations to the Board in respect of the remuneration arrangements in place for the Non-Executive Directors, the CEO and other Executives. The Board, however, is ultimately responsible for recommendations and decisions made by the Remuneration Committee.

The charter for the Remuneration Committee is reviewed by the Board annually and can be found at www.scaproperty.com.au/about/governance.

How remuneration decisions are made

Remuneration of all KMP is determined by the Board, acting on recommendations made by the Remuneration Committee.

The Board and the Remuneration Committee have absolute discretion when considering the awarding and vesting of STI and LTI opportunities to Executives. The purpose of preserving this discretion is to allow the Board to ensure remuneration amounts and structure are at all times appropriate and to prevent any unintended vesting of awards that would arise from a purely formulaic application of the metrics included as part of the STI and LTI opportunities. Where a formulaic application of the metrics is likely to produce a material and perverse remuneration outcome, or where it is in the best interests of Unitholders for the Board to do so, the Board may exercise its discretion in determining awards. The Board, Remuneration Committee and Executives progressively monitor SCP's activities throughout the year that may produce a material and perverse remuneration outcome.

When assessing awards for Executives, the Committee seeks to acknowledge material performance improvement in the period it was achieved where the Committee believes that Executives' interests are aligned with Unitholders. The Committee will make appropriate adjustments to hurdles set for subsequent periods to reflect the award given, to ensure the same performance is not rewarded twice. Individual Executives do not participate in meetings where their own remuneration is being discussed by the Committee or Board. The CEO provided the Committee with his perspectives on fixed remuneration and STI and LTI performance outcomes for his direct and functional reports.

External advisers and independence

The Committee may seek external professional advice on any matter within its terms of reference.

During the year, the Committee engaged the services of Guerdon Associates and BDO to advise on various aspects of remuneration including:

- Remuneration Framework;
- Market trends;
- Compliance and disclosure; and
- Stakeholder engagement.

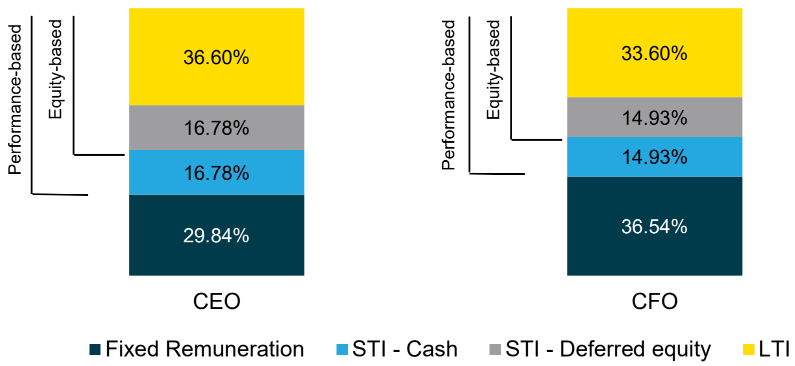
Guerdon Associates and BDO did not make any 'remuneration recommendations' (as defined in the Corporations Act) in relation to any KMP during FY22.

3. EXECUTIVE REMUNERATION

3.1 Executive remuneration at SCP

The Board believes that SCP's remuneration structure, design and mix should align and motivate a talented Executive team with Unitholder interests, providing Unitholders with the best value.

SCP's Executive remuneration is performance based, equity based and multi-year focused. The graph below sets out the FY22 remuneration structure and mix for each Executive.



3.2 FY22 STI outcomes

SCP's financial performance directly affects STI award outcomes, as 80% of the maximum STI opportunity for each Executive is based on the achievement of financial performance conditions: AFFOPU, rent collection, leasing spreads and acquisitions.

STI is awarded annually based on the achievement of the relevant performance conditions. The weighting of these performance conditions reflects SCP's FY22 strategic drivers of recovering and growing AFFOPU following the impacts of COVID-19 on SCP, and improving rent collection levels to pre-pandemic levels following the conclusion of the various state and territory legislation mandating the waiver and deferral of rent for eligible small-to-medium enterprises. In limited circumstances where it made strategic sense to do so to ensure the long-term viability of the tenant, SCP also waived or deferred rent for certain other enterprises that were not eligible for relief under the relevant state legislation. Each performance condition comprises stretch for Executives to ensure that "at-risk" reward is genuinely "at-risk". The degree of stretch is carefully balanced with SCP's risk appetite.

As noted in section 1.1, the hurdles for the FY22 STI were modified from those used in FY21 to reflect the improving COVID-19 environment. Details are set out below:

FY21 performance conditions	**FY22 performance conditions**
AFFOPU – 40%	AFFOPU – 50%
Rent collection – 40%	Rent collection – 10%
Non-financial (personal component) – 20%	Acquisitions – 10%
	Leasing spreads – 10%
	Non-financial (personal component) – 20%

The Remuneration Committee has assessed performance against each performance condition to determine STI vesting outcomes for FY22. The following table sets out SCP's performance highlights, and the resulting STI outcomes:

Weighting of total STI award	Measure	FY22 performance highlights
50%	**AFFOPU** This condition rewards performance where AFFOPU as shown in SCP's FY22 results released to the ASX exceeds specified levels. The KPI was selected to focus Executives on growing AFFOPU following the impact of COVID-19 on SCP, as well as active and operational management in the context of SCP's adopted risk profile. This is an operating cash flow measure that drives distributions per unit.	AFFOPU was 15.3 cents, representing a 21.3% increase on FY21. Performance was assessed at Maximum (as detailed in section 3.3).
10%	**Rent collection** This condition rewards performance where SCP's cash collection exceeds specified levels. This KPI was selected to focus Executives on improving rent collection levels to pre-pandemic levels.	Rent collection for the purpose of this performance condition was 97.8%, up from 96.0% in FY21. Performance was assessed at above Target, but slightly below Maximum (as detailed in section 3.3).
10%	**Acquisitions** This condition rewards performance where the total value of assets acquired over the period exceeds specified levels. This metric has not previously been used for STI.	The value of assets acquired for the purpose of this performance condition was $498.0m, compared to SCP's annual average acquisition volume of $250.0m. Performance was assessed at above Target, but slightly below Maximum (as detailed in section 3.3).
10%	**Leasing Spreads** This condition rewards performance where the weighted average (by rent) of both renewal and new lease spreads for both speciality and mini-major tenancies exceeds specified levels. This metric has not previously been used for STI.	For the purpose of this performance condition, the weighted average new lease spread for the period was 1.7%, and the weighted average renewal lease spread for the period was 1.6% and overall, 1.6%. This result consolidated on the improvement we saw in spreads in the second half of FY21. Performance was assessed at above Threshold, but below Target (as detailed in section 3.3).

20%

Personal component

The personal performance component assesses individual contributions based on factors judged as important for adding value for each individual Executive. While the factors assessed are common to Executives, the expectations of each person will vary depending on the focus and accountabilities of their position. Therefore, the weighting of these factors may vary for each Executive.

These factors include:

- (People) Maintain an effective team of people through recruitment, performance management and retention, and promote the development and engagement of SCP's staff through a positive collaborative culture, with good communication and high levels of employee engagement.
- (Advocacy/Governance) Maintain strong stakeholder relations measured by receiving positive feedback from investors and analysts, promoting strong and positive relationships with major tenants balancing commercial parameters and potential future opportunities, and ensuring positive and productive relationships with external contractors, service providers and regulatory bodies (property management companies, auditors, lawyers, banks etc.).
- (Operational Performance) including optimising the performance of SCP's centres, successfully completing Board-approved development projects, identifying and commencing other development opportunities and preparing a strategy for alternative revenue sources including funds management income streams. Ensure appropriate policies are in place and followed and a sound and effective system of risk management and internal controls are in place.

Performance was assessed at Maximum. This was on account of the Executives' achievements against targets set by the Board, and also on account of the funds management transaction entered into with an affiliate of Singapore-based GIC in December 2021 which was 'outperformance' against the funds management target set by the Board.

Six-monthly reviews are held with each Executive to evaluate and monitor performance against personal objectives.

The following table shows the actual STI outcomes for each of the Executive KMP for FY22 which is expected to be paid in September 2022.

STI Outcomes (as at 30 June 2022)

	STI target (% of Fixed Remuneration)	STI max (% of Fixed Remuneration)	Actual STI (% max)	STI forfeited (% max)	Actual STI Cash (total) ($)
Anthony Mellowes	82.5%	110.0%	96.5%	3.5%	559,941
Mark Fleming	60.0%	80.0%	96.5%	3.5%	280,043

The remaining 50% of the STI awarded for FY22 will be issued as deferred rights in accordance with section 3.3, subject to Unitholder approval at the 2022 AGM.

3.3 How remuneration was structured in FY22

The SCP Executive remuneration structure comprised a combination of fixed remuneration plus performance or "at-risk" remuneration.

TFR – how does it work?

TFR provides a fixed level of income to recognise Executives for their level of responsibility, relative expertise and experience. It includes salary, superannuation, motor vehicle and other short-term benefits including Fringe Benefits Tax (FBT). The TFR package is paid in cash, superannuation contributions as well as motor vehicle and other employee benefits provided on salary sacrifice.

The opportunity value for the at-risk components of remuneration is determined by reference to TFR, so SCP is conscious that any adjustments to TFR have flow-on impacts on potential STI and LTI awards. TFR is reviewed annually on 1 October, with no obligation to adjust.

Increases of between 9.3% and 9.5% were made to TFR during the period following a benchmarking exercise. Prior to these increases, fixed remuneration had remained at the levels set on 1 October 2019.

The Board believes that the FY22 remuneration structure is aligned with business strategy, and appropriate to ensure Executive retention.

STIs – how does it work?

Purpose	The STI is designed to motivate and reward Executives for achieving or exceeding annual strategic objectives set for SCP over the short term and is aligned with value creation. STI recognises individual contributions to SCP's performance.
Eligibility	The eligible Executives for FY22 are the CEO, Anthony Mellowes, and the CFO, Mark Fleming.
Instrument	50% of the actual STI award is delivered in cash, and 50% in the form of deferred rights to units in SCP. The number of deferred rights granted to Executives is calculated by dividing the intended grant value by the volume weighted average price of SCP securities for the 5 trading days following the release of SCP's 2022 full year results. On vesting, each deferred STI right entitles the relevant Executive to receive one stapled unit in SCP plus an additional number of stapled units calculated on the basis of the distributions that would have been paid in respect of those stapled units had they been on issue over the period to exercise. The additional units are calculated as the number of units that would have been acquired if distributions as announced to the Australian Securities Exchange (ASX) during the exercise period had been paid and reinvested in units, applying the formula set out in clause 3.3 of SCA Property Group's Distribution Reinvestment Plan (DRP) (whether or not that plan is operative at the relevant time) assuming no discount. Fractions of stapled units will be rounded down to the nearest whole number and no residual positive balance carried forward. No distributions accrue in respect of STI rights that lapse.
Awards	Specific quantifiable performance measures have been determined by the Board, based upon recommendations made by the Remuneration Committee. These performance criteria, and their weighting, reflect the FY22 strategic priorities for SCP as detailed in this Report. Award payout levels have been calibrated between Threshold (minimum expected performance), Target and Maximum (exceptional performance, which is significantly above agreed targets and guidance). Target is set at 75% of Maximum for all STI financial and operational management performance conditions. Maximum STI opportunities for each Executive are as follows: CEO – 110% of TFR; and CFO – 80% of TFR. Awards can range from zero up to the maximum percentage stated above, based upon the level of performance against STI performance measures.
Performance measures	For each performance measure, a Threshold, Target and Maximum performance level is set. Awards reflect the level of performance achieved during the relevant financial year.

	Category	Measure	Weighting of total STI award	Rationale for using measure
	Financial	AFFOPU	50%	Focuses Executives on growing AFFOPU following the impact of COVID-19 on SCP, as well as active and operational management in the context of SCP's adopted risk profile
	Financial	Rent collection	10%	Focuses Executives on improving rent collection levels to pre-pandemic levels
	Financial	Acquisitions	10%	Focuses Executives on continuing to grow SCP's portfolio and in turn AFFOPU within Board established investment hurdles
	Financial	Leasing Spreads	10%	Focuses Executives on improving leasing spreads to optimise growth from SCP's core portfolio
	Non-financial	Personal (factors include people management, strategy, advocacy, governance and operational performance)	20%	Executives are assessed on factors judged as important for Unitholder value

Performance schedule – AFFOPU (All Executives)		**% of relevant STI award that vests**
	Threshold	0%
	50% of max	50%
	Target	75%
	Maximum	100%
Performance schedule – Rent collection (All Executives)		**% of relevant STI award that vests**
	Threshold	0%
	50% of max	50%
	Target	75%
	Maximum	100%
Performance schedule – Acquisitions (All Executives)		**% of relevant STI award that vests**
	Threshold	0%
	50% of max	50%
	Target	75%
	Maximum	100%
Performance schedule – Leasing Spreads (All Executives)		**% of relevant STI award that vests**
	Threshold	0%
	50% of max	50%
	Target	75%
	Maximum	100%

Discretion	Where a formulaic application of the metrics is likely to produce a material and perverse remuneration outcome, or where it is in the best interests of Unitholders for the Board to do so, the Board may exercise its discretion in determining awards. The purpose of preserving this discretion is to allow the Board to ensure remuneration amounts and structure are at all times appropriate and to prevent any unintended vesting of awards that would arise from a purely formulaic application of the STI metrics. The Board chose not to exercise discretion to vary the FY22 STI payments.
Deferral	STI rights are subject to a one-year deferral. Refer to section 1.1 for further information on

	the one-year deferral.
Termination/Forfeiture	If an Executive ceases employment by way of termination by SCP without cause, redundancy, diminution of responsibility, retirement, death or disability or other circumstances approved by the Board, the Executive retains unvested incentive opportunities to encourage the Executive to secure the long-term future of SCP. In the event of the Executive's termination by SCP for cause prior to the end of the performance period, all STI unpaid and unvested incentive opportunities are forfeited.
Clawback	Consistent with good governance and to reinforce the importance of integrity and risk management in SCP's Remuneration Framework, SCP's incentive plan contains broadly framed malus provisions that allow the Board in its sole discretion to determine that all, or part, of any unvested incentive awards be forfeited in certain circumstances. These circumstances include, but are not limited to: • A material misstatement or omission in the Financial Statements of SCP; • If actions or inactions seriously damage SCP's reputation or put SCP at significant risk; • If AFFO is not maintained in the deferral period; and/or • A material abnormal occurrence results in an unintended increase in the award.
Hedging	Participants are prohibited from hedging their unvested deferred rights.

LTIs – how does it work?

Purpose	The LTI is aimed at aligning Executive and Unitholder value while also providing a retention tool, as the LTI is intended to vest over time.	
Eligibility	The eligible Executives for FY22 are the CEO, Anthony Mellowes and the CFO Mark Fleming.	
Instrument	Each vested LTI right entitles the relevant Executive (or participant) to receive one stapled unit in SCP plus an additional number of stapled units calculated on the basis of the distributions that would have been paid in respect of those stapled units over the period to exercise. The additional units are calculated as the number of units that would have been acquired if distributions as announced to the ASX during the exercise period had been paid and reinvested in units, applying the formula set out in clause 3.3 of SCA Property Group's DRP (whether or not that plan is operative at the relevant time) assuming no discount. Fractions of stapled units will be rounded down to the nearest whole number and no residual positive balance carried forward. No distributions accrue in respect of LTI rights that lapse.	
LTI performance rights granted in FY22	The number of performance rights granted to Executives in FY22 is as follows: • Anthony Mellowes – 474,744 LTI rights; and • Mark Fleming – 244,853 LTI rights.	
Grant price	The grant price has been calculated by dividing the relevant award opportunity by the volume-weighted average price of SCP units on the ASX for the five trading days following the release of SCP's 2021 full year results, being $2.6667.	
Performance hurdles	**Relative TSR (Tranche 1 – 60%)** Measures SCP's TSR performance over the Tranche 1 performance period (being from 1 October 2021 to 30 September 2024) relative to the TSR for the constituents of the ASX 200 A-REIT Accumulation Index over that same period.	**AFFOPU (Tranche 2 – 40%)** This condition requires SCP's AFFOPU growth for the year to 30 June 2024 to exceed a certain level as detailed below.

Vesting schedule – Relative TSR		**Position of SCP relative to ASX 200 A-REIT Accumulation Index**	**% of Tranche 1 LTI rights that vest**
	At or below Threshold	Less than or equal to 50th percentile	0%
	Between Threshold and Maximum	Between 50th percentile and 75th percentile	Vest on a straight-line basis between 50% at Threshold and 100% at Maximum
	Maximum	At or above 75th percentile	100%
Vesting Schedule – AFFOPU		**AFFOPU growth for the year to 30 June 2024**	**% of Tranche 2 LTI rights that vest**
	At or below Threshold	Less than or equal to 2.0% p.a.	0%
	Between Threshold and Maximum	Between 2.0% and 5.0% p.a.	Vest on a straight-line basis between 0% at Threshold and 100% at Maximum
	Maximum	At or above 5.0% p.a.	100%
Vesting/delivery	The performance rights can only be exercised if and when the performance conditions are achieved and vesting has occurred. The performance period is a three-year period, ending on the dates specified above. Any rights awarded then vest at the end of a further one-year deferral period ending on 30 June 2025, unless the Board exercises its discretion to forfeit the awarded rights under the malus provisions of the SCA Property Group Executive Incentive Plan Rules. Any rights which do not vest following testing of the performance conditions are forfeited.		

Discretion	Where a formulaic application of the metrics is likely to produce a material and perverse remuneration outcome, or where it is in the best interests of Unitholders for the Board to do so, the Board may exercise its discretion in determining awards. The purpose of preserving this discretion is to allow the Board to ensure remuneration amounts and structure are appropriate and to prevent any unintended vesting of awards that would arise from a purely formulaic application of the LTI metrics.
Termination/forfeiture	If an Executive ceases employment by way of termination by SCP without cause, redundancy, diminution of responsibility, retirement, death or disability or other circumstances approved by the Board, the Executive retains unvested incentive opportunities to encourage Management to secure the long-term future of SCP. All unvested LTI rights will lapse if the Executive is terminated by SCP for cause.
Clawback	Consistent with good governance and to reinforce the importance of integrity and risk management in SCP's reward framework, each of SCP's incentive plans contains broadly framed malus provisions that allow the Board in its sole discretion to determine that all, or part, of any unvested incentive awards be forfeited in certain circumstances. These circumstances include, but are not limited to: • A material misstatement or omission in the Financial Statements of SCP; • If actions or inactions seriously damage SCP's reputation or put SCP at significant risk; • If AFFO is not maintained; and/or • A material abnormal occurrence results in an unintended increase in the award.
Hedging	Participants are prohibited from hedging their unvested performance rights.

3.4 Past financial performance

The tables below set out summary information about the Group's earnings and AFFO, stapled security ("unit") net tangible assets (NTA) and ASX price for the last five complete financial years.

Past Financial performance

	FY22 Results	FY21 Results	FY20 Results	FY19 Results	FY18 Results
Statutory profit (after tax)	$487.1m	$462.9m	$85.5m	$109.6m	$175.2m
Statutory profit (after tax) cents per unit	44.0	43.0	8.9	12.6	23.5
FFO	$192.7m	$159.0m	$140.8m	$141.8m	$114.3m
FFO cents per unit	17.40	14.76	14.65	16.33	15.30
AFFO	$169.5m	$135.8m	$124.3m	$127.4m	$105.7m
AFFO cents per unit	15.30	12.61	12.94	14.67	14.15
Distributions paid and payable (cents per unit)	15.20	12.40	12.50	14.70	13.90
Net tangible assets per unit	$2.81	$2.52	$2.22	$2.27	$2.30
Unit price (as at 30 June)	$2.75	$2.52	$2.18	$2.39	$2.45
Management Expense Ratio (MER) %	0.38%	0.41%	0.38%	0.37%	0.43%

3.5 LTI grants in FY22

The following table presents the LTI grants to Executives made during FY22 that are due to vest on 1 July 2025, subject to performance conditions. The maximum total value of the LTI grants is based on the estimated fair value calculated at the time of the grant and amortised in accordance with the accounting standard requirements.

LTI Grants in FY22

2022	LTI max as % of fixed remuneration	Performance measure	Number of performance rights granted	Fair value per performance right ($)	Maximum total value of grant ($)
Anthony Mellowes	120%	Relative TSR	284,846	1.67	475,693
		AFFOPU	189,898	2.83	537,411
Total			**474,744**		**1,013,104**
Mark Fleming	90%	Relative TSR	146,912	1.67	245,343
		AFFOPU	97,941	2.83	277,173
Total			**244,853**		**522,516**

Performance right movements during the year

Type and eligibility	Vesting conditions[1]	Security price at grant date	Grant date	Testing date	Vesting date	Maximum number of stapled securities or maximum value of securities to be issued	Fair value at grant date
STI (FY22) (Mr Mellowes)	Non-market	$2.83	Sep-21	Jul-22	Jul-23	$580,250	$0.97 per $1.00
STI (FY22) (Mr Fleming)	Non-market	$2.83	Sep-21	Jul-22	Jul-23	$290,200	$0.97 per $1.00
LTI (FY22 - FY24) (Tranche 1) (Messrs Mellowes, Fleming)	Relative TSR[2]	$2.83	Sep-21	Sep-24	Jul-25	431,758	$1.67 per security
LTI (FY22 - FY24) (Tranche 2) (Messrs Mellowes, Fleming)	Non-market	$2.83	Sep-21	Jun-24	Jul-25	287,839	$2.83 per security

1. *Service and non-market conditions include financial and non-financial targets along with a deferred vesting period.*
2. *Relative TSR is Relative Total Securityholder Return measured against the ASX 200 A-REIT Accumulation Index.*

The Group recognises the fair value at the grant date of equity-settled securities above as an employee benefit expense proportionally over the vesting period with a corresponding increase in equity. Fair value is measured at grant date using Monte-Carlo simulation and Binomial option pricing models where applicable, performed by an independent valuer, and models the future unit price of the Group's stapled units.

Non-market vesting conditions are determined with reference to the underlying financial or non-financial performance measures to which they relate.

Key inputs to the pricing models include:

	30 June 2022
Volatility	26%
Dividend yield	5.4%
Risk-free interest rate	0.2%

3.6 Total remuneration earned in FY22

Potential remuneration granted at 30 June 2022

	Maximum potential cash STI			Maximum potential equity STI			Maximum potential equity LTI		
Executive	% of TFR	$[1]	% of total potential rem	% of TFR	$[1]	% of total potential rem	% of TFR	$[3]	% of total potential rem
Anthony Mellowes, CEO	55.0%[2]	580,250	18%	55.0%[2]	562,843	18%	120%	1,013,104	32%
Mark Fleming, CFO	40.0%[2]	290,200	16%	40.0%[2]	281,494	16%	90%	522,516	29%

1. *STI incentives for Mr Mellowes and Mr Fleming are payable 50% in cash and 50% in equity. The difference between the cash and equity components is due to the fair valuation of the equity granted under AASB 2 Share based payments (AASB2).*
2. *In FY22, Mr Mellowes' STI opportunity was 110% of his TFR and Mr Fleming's STI opportunity was 80% of his TFR. STI incentives for Mr Mellowes and Mr Fleming are payable 50% in cash and 50% in equity and the percentage maximum has been equally allocated between cash and equity.*
3. *For Mr Mellowes, the LTI maximum incentive is $1,266,000 and for Mr Fleming is $652,950. All of the LTI awarded in equity and the dollar values shown here represent the fair value under AASB2 of equity instruments granted.*

The following is the actual remuneration paid or accrued during the financial year to 30 June 2022:

Table of Executive remuneration paid or accrued

Executive		Salary & fees[1]	Cash bonus[2]	Total	Super	Long service leave	Share-based payments[3]	Total
		$	$	$	$	$	$	$
Anthony Mellowes, CEO	**2022**	**1,005,000**	**559,941**	**1,564,941**	**27,500**	**28,795**	**850,742**	**2,471,978**
	2021	940,000	472,850	1,412,850	25,000	15,670	516,468	1,969,988
Mark Fleming, CFO	**2022**	**682,250**	**280,043**	**962,293**	**27,500**	**19,531**	**416,920**	**1,426,244**
	2021	637,500	227,238	864,738	25,000	10,627	247,196	1,147,561
Total	**2022**	**1,687,250**	**839,984**	**2,527,234**	**55,000**	**48,326**	**1,267,662**	**3,898,222**
	2021	1,577,500	700,088	2,277,588	50,000	26,297	763,664	3,117,549

1. *Salary reviews take effect from 1 October.*
2. *The amount shown under "Cash bonus" refers to the amount which will be paid to Executives in September 2022 under the STI Plan for performance over the 2022 financial year.*
3. *The values for equity-based remuneration have been determined in accordance with AASB 2 and represent the current year amortisation of the fair value of rights over the vesting period adjusted for service and non-market vesting conditions. The share-based payments are made up of STI equity and LTI equity. Please refer to the following table for additional details of the share-based payments.*

The break-up of the amounts recognised for performance-based compensation relevant for the financial year ended 30 June 2022, including details of the share-based payments accrued in respect of the current year and prior-year plans using the valuation of equity in accordance with AASB 2, are presented below:

Performance based component of actual remuneration in 2022

	Actual cash STI		Actual equity STI		Actual equity LTI		Total equity STI and LTI
Executives	$	% of total rem	$	% of total rem	$	% of total rem	$
Anthony Mellowes, CEO	559,941	23%	546,577	22%	304,165	12%	850,742
Mark Fleming, CFO	280,043	20%	268,464	19%	148,456	10%	416,920

Equity holdings of Executives

Executives	Held at 1 July 2021	Vested during year	Changes during the period	Held at 30 June 2022	Number of unvested rights as at 30 June 2022	Total interest in SCP units
Anthony Mellowes, CEO	1,001,177	166,576	(167,753)	1,000,000	1,333,901	2,333,901
Mark Fleming, CFO	308,779	80,040	(50,040)	338,779	633,422	972,201

3.7 Service agreements for Executive KMP

There were no changes to the service agreements for Executives in FY22.

Each Executive has a formal contract, known as a "service agreement". These agreements are of a continuing nature and have no set term of service (subject to the termination provisions).

The key terms of the service agreements for the Executives are summarised as follows:

Executive Director, Chief Executive Officer: Anthony Mellowes

Contract duration	Commenced 1 July 2013, open ended
TFR as at 30 June 2022	$1,055,000. Includes salary, superannuation, motor vehicle and other salary sacrifice employee benefits.
Review of TFR	Reviewed annually, effective from 1 October with no obligation to adjust.
Variable remuneration eligibility	The CEO is eligible to participate in SCP's plans for performance-based remuneration, and in FY22 that included: **FY22 STI: Maximum opportunity:** 110% of TFR **FY22 LTI: Maximum opportunity:** 120% of TFR
Non-compete period	Up to 12 months
Non-solicitation period	Up to 12 months
Notice by SCP	9 months
Notice by Executive	9 months
Termination payments to compensate for non-solicitation/non-compete clause in certain circumstances	Maximum benefit from termination payment and payment in lieu of notice is 12 months based on prior-year fixed and variable remuneration.

Executive Director, Chief Financial Officer: Mark Fleming*

Contract duration	Commenced 20 August 2013, open ended
TFR as at 30 June 2022	$725,500. Includes salary, superannuation, motor vehicle and other salary sacrifice employee benefits and other short-term benefits.
Review of TFR	Reviewed annually, effective from 1 October with no obligation to adjust.
Variable remuneration eligibility	The CFO is eligible to participate in SCP's plans for performance-based remuneration, and in FY22 that included: **FY22 STI: Maximum opportunity:** 80% of TFR **FY22 LTI: Maximum opportunity:** 90% of TFR
Non-compete period	6 months
Non-solicitation period	6 months
Notice by SCP	6 months
Notice by Executive	3 months
Termination payments to compensate for non-solicitation/non-compete clause in certain circumstances	Maximum benefit from termination payment and payment in lieu of notice is 6 months based on prior-year fixed and variable remuneration.

*Note that on 19 July 2022, it was announced that Mark Fleming would be moving into the role of Chief Operating Officer and Head of Fund Management and Strategy effective 1 September 2022.

Termination provisions

The following illustrates how termination payments will be managed in various termination scenarios.

Notice period, non-compete/ non-solicitation	SCP can elect to make a payment of TFR in lieu of the notice period by SCP or the Executive, as applicable. At the Board's discretion, an additional termination benefit may be made to acknowledge any post-termination non-compete/non-solicitation agreements made with the Executive. The combined total cash benefit arising from these termination payments (excluding statutory entitlements) is capped at 12 months based on prior-year fixed and variable remuneration, subject to the provisions of sections 200B–200E of the *Corporations Act 2001* (Cth) to the extent those provisions apply in the relevant circumstances.
STI and LTI awards	If an Executive ceases employment by way of termination by SCP without cause, redundancy, diminution of responsibility, retirement, death or disability or other circumstances approved by the Board, the Executive retains unvested or unpaid incentive opportunities to encourage Management to secure the long-term future of SCP. All unvested or unpaid incentive opportunities will lapse if the Executive is terminated by SCP for cause.
Board discretion	The Board has full discretion to amend any of the above termination arrangements to acknowledge exceptional circumstances and determine appropriate alternative vesting outcomes that are consistent, fair and reasonable, and balance multiple stakeholder interests. The Board acknowledges that, consistent with its approach to voluntarily adopt certain corporate governance obligations not otherwise applicable to SCP given its structure, Unitholder approval will be sought where termination payments exceed the limits prescribed by the Corporations Act.

Change of control	In the event of a change of control in SCP before the vesting date of any equity, the Board reserves the right to exercise its discretion for early vesting of the equity. In exercising its discretion, the Board may take account of the extent to which performance conditions have or have not been met and the portion of the vesting period that has elapsed at the relevant date.

4. NON-EXECUTIVE DIRECTOR REMUNERATION

4.1 Board remuneration strategy

SCP aims to attract and retain a high calibre of Non-Executive Directors (NEDs) who are equipped with diverse skills to govern the organisation and oversee Management so as to achieve value for SCP Unitholders. SCP aims to fairly remunerate Directors for their responsibilities relative to organisations of similar size and complexity.

The maximum aggregate fee pool available to NEDs has not been increased from the level set when SCP listed in 2012, being $1,300,000 p.a.

NED base and committee fees were increased by 2.5% from 1 January 2022, with no increase in NED fees having been applied in the prior year.

Total NED remuneration payable in FY22 was $998,128, down from $1,074,884 in FY21 due to the timing of the retirement of Philip Redmond in September 2020, and Dr Kirstin Ferguson in August 2021, and the appointment of Angus James in December 2021.

4.2 Total remuneration for Non-Executive Directors

The schedule of fees for NEDs for financial years is set out in the table below.

Non-Executive Director Board and Committee Fees

	Board		ARMCC		Remuneration		Investment		Nomination	
	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**
Chair	$342,200	**$346,478**	$25,000	**$25,313**	$25,000	**$25,313**	$25,000	**$25,313**	$15,000	**$15,188**
Member	$131,808	**$133,456**	$15,000	**$15,188**	$15,000	**$15,188**	$15,000	**$15,188**	-	**-**

Total remuneration for Non-Executive Directors

Non-Executive Director	Financial Year	Director fees $	Superannuation $	Committee fees $	Total $
Philip Clark AO	**2022**	**322,910**	**23,568**	**-**	**346,478**
	2021	320,506	21,694	-	342,200
Steven Crane	**2022**	**117,642**	**15,814**	**40,500**	**173,956**
	2021	116,902	14,906	40,000	171,808
Dr Kirstin Ferguson	**2022**	**14,987**	**2,081**	**5,827**	**22,895**
	2021	116,468	15,340	45,000	176,808
Angus James	**2022**	**67,669**	**8,501**	**17,337**	**93,507**
	2021	-	-	-	-
Beth Laughton	**2022**	**117,642**	**15,814**	**40,500**	**173,956**
	2021	117,119	14,689	37,500	169,308
Philip Redmond	**2022**	**-**	**-**	**-**	**-**
	2021	32,976	3,726	6,250	42,952
Belinda Robson	**2022**	**116,425**	**17,031**	**53,880**	**187,336**
	2021	116,902	14,906	40,000	171,808
Total	**2022**	**757,275**	**82,809**	**158,044**	**998,128**
	2021	820,873	85,261	168,750	1,074,884

4.3 Non-Executive Director unitholding

Non-Executive Director	Held as at 30 June 2021	Changes during the year	Held as at 30 June 2022
Philip Clark AO	201,094	(21,094)	180,000
Steven Crane	120,888	79,112	200,000
Dr Kirstin Ferguson[1]	36,710	(36,710)	-
Angus James	-	61,500	61,500
Beth Laughton	23,674	8,263	31,937
Belinda Robson	62,495	-	62,495

1. Dr Kristin Ferguson retired and ceased to be a Director on 17 August 2021 and therefore the number of stapled securities are shown as nil.

5. ADDITIONAL INFORMATION

5.1 Events subsequent

FY23 STI

The Board has reviewed the STI metrics in line with the current economic environment as it relates to SCP's portfolio. Consistent with SCP's FY23 strategic objectives, the FY23 STI performance conditions are as follows:

- AFFO per unit: 40%;
- Comparable NOI growth: 30%;
- Carbon emissions reduction (scope 1 & 2): 10%; and
- Personal: 20%.

The introduction of a new STI hurdle in FY23 in relation to reducing carbon emissions (scope 1 & 2) is to support the 2030 net zero target commitment that SCP has made.

As Directors of SCPRE, units may only be acquired under the incentive plan by Mr Mellowes and Mr Fleming (instead of their equivalent cash value at the time of vesting) if Unitholders approve the issue. Any units granted to Mr Mellowes and Mr Fleming will be deferred for one year consistent with FY22.

FY23 LTI

The ranges below are designed as stretch targets for strong to exceptional performance. They do not represent the Executives' or the Board's forecasts, and nor should they be taken as guidance as to likely or potential future outcomes.

The LTI rights are subject to a four-year vesting period comprising a three-year forward-looking performance period and a one-year deferral period (together the "vesting period"). Any rights that do not vest following testing of the performance conditions are forfeited.

The LTI rights that meet the performance hurdles will vest in one instalment on or about 1 July 2026, being four years from the commencement of the performance period.

The performance conditions for the FY23 LTI are as follows:

Relative TSR performance condition – weighting 60% (Relative TSR Tranche)

Subject to satisfaction of the performance conditions, the Relative TSR Tranche will vest on the following basis:

	Position of SCA Property Group relative to constituents of the ASX 200 A-REIT Accumulation Index	% of Tranche 1 LTI rights that vest	% of total LTI rights that vest
At or below Threshold	Less than or equal to 50^{th} percentile	0%	0%
Between Threshold and Maximum	Between 50th percentile and 75th percentile	Vest on a straight-line basis between 50% at Threshold and 100% at Maximum	Vest on a straight-line basis between 0% vesting at Threshold and 60% at Maximum
Maximum	At or above 75^{th} percentile	100%	60%

AFFOPU performance condition – weighting 40% (AFFOPU Tranche)

The FY23 “base point” for measuring the rate of AFFOPU growth is 15.2 cents per unit. The Board may at its absolute discretion adjust the AFFOPU achieved (for the purpose of measurement) to remove abnormal items not affected by Management.

Subject to satisfaction of the performance conditions, the AFFOPU Tranche will vest on the following basis:

	Growth in AFFOPU over LTI performance period above base point	**% of Tranche 2 LTI rights that vest**	**% of total LTI rights that vest**
At or below Threshold	Less than or equal to 2% p.a.	0%	0%
Between Threshold and Maximum	Between 2.0% and 4.0% p.a.	Vest on a straight-line basis between 0% at Threshold and 100% at Maximum	Vest on a straight-line basis between 0% at Threshold and 40% at Maximum
Maximum	At or above 4.0% p.a.	100%	40%

Signed pursuant to a resolution of Directors.

Steven Crane
Deputy Chair, SCA Property Group

5.2 Definitions

AFFO means Adjusted Funds from Operations

AFFOPU means Adjusted Funds from Operations Per Unit

ARMCC means Audit, Risk Management and Compliance Committee

Cash NOI means cash property net operating income

CEO means Chief Executive Officer

CFO means Chief Financial Officer

CPU means cents per unit

DRP means Distribution Reinvestment Plan

FBT means Fringe Benefits Tax

FFO means Funds from Operations

FFOPU means Funds from Operations per Unit

KMP means Key Management Personnel

KPI means key performance indicator

LTI means Long-Term Incentive

MER means Management Expense Ratio

NEDs means Non-Executive Directors

NOI means net operating income

NTA means net tangible assets

STI means Short-Term Incentive

TFR means total fixed remuneration

TRO means total remuneration opportunity

TSR means total securityholder return

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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

15 August 2022

Dear Directors,

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 as Responsible Entity for Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust.

As lead audit partner for the audit of the financial statements of Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust for the year ended 30 June 2022, 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu.

DELOITTE TOUCHE TOHMATSU

A. Coleman.

Andrew J Coleman
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

CONSOLIDATED FINANCIAL STATEMENTS

West Dubbo, NSW

	Notes	SCA Property Group		Retail Trust	
		30 June 2022 $m	30 June 2021 $m	**30 June 2022 $m**	30 June 2021 $m
Revenue					
Rental income		**304.4**	253.7	**304.4**	253.7
Recoveries and recharge revenue		**40.8**	36.9	**40.8**	36.9
Fund management income	A1	**1.2**	2.2	**-**	-
Distribution income CQR		**1.7**	1.6	**1.7**	1.6
Insurance income		**2.2**	-	**2.2**	-
		350.3	294.4	**349.1**	292.2
Expenses					
Property expenses		**(117.4)**	(100.1)	**(117.4)**	(100.1)
Corporate costs		**(18.7)**	(17.5)	**(18.0)**	(17.0)
IT project costs		**(1.1)**	-	**(1.1)**	-
		213.1	176.8	**212.6**	175.1
Unrealised gain/(loss) including change in fair value through profit or loss					
- Investment properties	B1	**354.0**	354.2	**354.0**	354.2
- Derivatives		**0.5**	(65.9)	**0.5**	(65.9)
- Foreign exchange	C2	**(36.3)**	35.3	**(36.3)**	35.3
- Share of net profit from associates	B2	**(0.9)**	5.6	**(0.9)**	5.6
Transaction costs		**(7.0)**	(0.8)	**(7.0)**	(0.8)
Interest income		**-**	0.2	**-**	0.2
Finance costs	C3	**(35.9)**	(41.8)	**(35.9)**	(41.8)
Net profit before tax		**487.5**	463.6	**487.0**	461.9
Taxation	D1	**(0.4)**	(0.7)	**-**	-
Net profit after tax		**487.1**	462.9	**487.0**	461.9
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Movement on revaluation of Investment - fair value through other comprehensive income		**(0.2)**	3.1	**(0.2)**	3.1
Total comprehensive income		**486.9**	466.0	**486.8**	465.0
Net profit after tax attributable to security holders of:					
SCA Property Management Trust		**0.1**	1.0		
SCA Property Retail Trust (non-controlling interest)		**487.0**	461.9		
Net profit after tax		**487.1**	462.9		
Total comprehensive income for the period attributable to security holders of:					
SCA Property Management Trust		**0.1**	1.0		
SCA Property Retail Trust (non-controlling interest)		**486.8**	465.0		
Total comprehensive income		**486.9**	466.0		
Distributions per stapled security (cents)	A2	**15.2**	12.4	**15.2**	12.4
Weighted average number of securities used as the denominator in calculating basic earnings per security below (millions)		**1,107.7**	1,077.3	**1,107.7**	1,077.3
Basic earnings per stapled security (cents)	A3	**44.0**	43.0	**44.0**	42.9
Weighted average number of securities used as the denominator in calculating diluted earnings per stapled security below (millions)		**1,112.9**	1,081.6	**1,112.9**	1,081.6
Diluted earnings per stapled security (cents)	A3	**43.8**	42.8	**43.8**	42.7
Basic earnings per security (cents) SCA Property Management Trust	A3	**-**	0.1		
Diluted earnings per security (cents) SCA Property Management Trust	A3	**-**	0.1		

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

	Notes	SCA Property Group		Retail Trust	
		30 June 2022 $m	30 June 2021 $m	**30 June 2022 $m**	30 June 2021 $m
Current assets					
Cash and cash equivalents		**8.7**	11.6	**6.7**	10.3
Receivables	D1	**43.3**	35.1	**39.2**	32.4
Derivative financial instruments	C4	**9.1**	6.2	**9.1**	6.2
Investment in CQR	B3	**25.6**	25.8	**25.6**	25.8
Other assets	D1	**14.0**	10.9	**13.2**	9.7
Total current assets		**100.7**	89.6	**93.8**	84.4
Non-current assets					
Investment properties	B1	**4,460.9**	4,000.0	**4,460.9**	4,000.0
Derivative financial instruments	C4	**102.3**	101.7	**102.3**	101.7
Investment in associates	B2	**24.6**	10.1	**24.6**	10.1
Other assets	D1	**6.5**	7.5	**5.7**	5.8
Total non-current assets		**4,594.3**	4,119.3	**4,593.5**	4,117.6
Total assets		**4,695.0**	4,208.9	**4,687.3**	4,202.0
Current liabilities					
Trade and other payables	D1	**78.9**	67.5	**89.1**	77.7
Distribution payable	A2	**89.3**	72.4	**89.3**	72.4
Derivative financial instruments	C4	**3.2**	0.2	**3.2**	0.2
Provisions		**5.4**	4.5	**0.5**	0.5
Total current liabilities		**176.8**	144.6	**182.1**	150.8
Non-current liabilities					
Interest bearing liabilities	C2	**1,376.4**	1,331.5	**1,376.4**	1,331.5
Provisions		**0.7**	0.3	**-**	-
Other liabilities		**7.2**	7.7	**6.5**	6.4
Total non-current liabilities		**1,384.3**	1,339.5	**1,382.9**	1,337.9
Total liabilities		**1,561.1**	1,484.1	**1,565.0**	1,488.7
Net assets		**3,133.9**	2,724.8	**3,122.3**	2,713.3
Equity					
Contributed equity	C5	**10.2**	10.2	**2,070.1**	1,980.3
Reserves	C5	**-**	-	**8.4**	7.0
Accumulated profit	C5	**1.4**	1.3	**1,043.8**	726.0
Non-controlling interest		**3,122.3**	2,713.3	**-**	-
Total equity		**3,133.9**	2,724.8	**3,122.3**	2,713.3

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

	Notes	SCA Property Group Contributed equity $m	Accumulated profit/(loss) $m	Attributable to owners of parent $m	Non-controlling interest $m	Total $m
Balance at 1 July 2021		**10.2**	**1.3**	**11.5**	**2,713.3**	**2,724.8**
Net profit after tax for the period		**-**	**0.1**	**0.1**	**487.0**	**487.1**
Other comprehensive income for the period, net of tax	C5	**-**	**-**	**-**	**(0.2)**	**(0.2)**
Total comprehensive income for the period		**-**	**0.1**	**0.1**	**486.8**	**486.9**
Transactions with security holders in their capacity as equity holders:						
Equity issued	C5	**-**	**-**	**-**	**89.9**	**89.9**
Costs associated with equity raising	C5	**-**	**-**	**-**	**(0.1)**	**(0.1)**
Employee share based payments	C5	**-**	**-**	**-**	**1.6**	**1.6**
Distributions paid and payable	A2	**-**	**-**	**-**	**(169.2)**	**(169.2)**
		-	**-**	**-**	**(77.8)**	**(77.8)**
Balance at 30 June 2022		**10.2**	**1.4**	**11.6**	**3,122.3**	**3,133.9**
Balance at 1 July 2020		10.2	0.3	10.5	2,363.5	2,374.0
Net profit after tax for the period		-	1.0	1.0	461.9	462.9
Other comprehensive income for the period, net of tax	C5	-	-	-	3.1	3.1
Total comprehensive income for the period		-	1.0	1.0	465.0	466.0
Transactions with security holders in their capacity as equity holders:						
Equity issued	C5	-	-	-	17.8	17.8
Costs associated with equity raising	C5	-	-	-	(0.1)	(0.1)
Employee share based payments	C5	-	-	-	0.9	0.9
Distributions paid and payable	A2	-	-	-	(133.8)	(133.8)
		-	-	-	(115.2)	(115.2)
Balance at 30 June 2021		10.2	1.3	11.5	2,713.3	2,724.8

		Retail Trust				
			Reserves			
	Notes	Contributed equity $m	Investment in CQR $m	Share based payments $m	Accumulated profit $m	Total $m
Balance at 1 July 2021		**1,980.3**	**(0.2)**	**7.2**	**726.0**	**2,713.3**
Net profit after tax for the period		**-**	**-**	**-**	**487.0**	**487.0**
Other comprehensive income for the period, net of tax	C5	**-**	**(0.2)**	**-**	**-**	**(0.2)**
Total comprehensive income for the period		**-**	**(0.2)**	**-**	**487.0**	**486.8**
Transactions with security holders in their capacity as equity holders:						
Equity issued	C5	**89.9**	**-**	**-**	**-**	**89.9**
Costs associated with equity raising	C5	**(0.1)**	**-**	**-**	**-**	**(0.1)**
Employee share based payments	C5	**-**	**-**	**1.6**	**-**	**1.6**
Distributions paid and payable	A2	**-**	**-**	-	**(169.2)**	**(169.2)**
		89.8	**-**	**1.6**	**(169.2)**	**(77.8)**
Balance at 30 June 2022		**2,070.1**	**(0.4)**	**8.8**	**1,043.8**	**3,122.3**
Balance at 1 July 2020		1,962.6	(3.3)	6.3	397.9	2,363.5
Net profit after tax for the period		-	-	-	461.9	461.9
Other comprehensive income for the period, net of tax	C5	-	3.1	-	-	3.1
Total comprehensive income/ (loss) for the period		-	3.1	-	461.9	465.0
Transactions with security holders in their capacity as equity holders:						
Equity issued	C5	17.8	-	-	-	17.8
Costs associated with equity raising	C5	(0.1)	-	-	-	(0.1)
Employee share based payments	C5	-	-	0.9	-	0.9
Distributions paid and payable	A2	-	-	-	(133.8)	(133.8)
		17.7	-	0.9	(133.8)	(115.2)
Balance at 30 June 2021		1,980.3	(0.2)	7.2	726.0	2,713.3

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

	Note	SCA Property Group		Retail Trust	
		30 June 2022 $m	30 June 2021 $m	**30 June 2022 $m**	30 June 2021 $m
Cash flows from operating activities					
Property and other income received		**385.4**	341.8	**384.6**	339.2
Insurance proceeds		**2.2**	-	**2.2**	
Property expenses paid		**(131.9)**	(111.7)	**(131.9)**	(111.7)
Distribution received from associates	B2	**0.4**	1.7	**0.4**	1.7
Distribution received from investment in CQR		**1.7**	1.4	**1.7**	1.4
Corporate costs paid		**(15.2)**	(13.7)	**(13.5)**	(13.1)
Interest received		**-**	0.4	**-**	0.4
Finance costs paid		**(35.0)**	(45.5)	**(35.0)**	(45.5)
Transaction costs paid		**(2.8)**	(0.4)	**(2.8)**	(0.4)
Taxes and GST paid		**(25.4)**	(29.0)	**(27.0)**	(27.2)
Net cash flow from operating activities	D2	**179.4**	145.0	**178.7**	144.8
Cash flows from investing activities					
Payments for investment properties purchased and capital expenditure	B1	**(421.8)**	(515.0)	**(421.8)**	(515.0)
Proceeds from investment properties sold	B1	**307.6**	-	**307.6**	-
Repayment of term deposits		**-**	180.0	**-**	180.0
Investments in associates	B2	**(26.2)**	-	**(26.2)**	-
Return of capital from investment in associates	B2	**10.6**	10.1	**10.6**	10.1
Net cash flow from investing activities		**(129.8)**	(324.9)	**(129.8)**	(324.9)
Cash flow from financing activities					
Proceeds from equity raising	C5	**89.9**	17.8	**89.9**	17.8
Costs associated with equity raising	C5	**(0.1)**	(0.1)	**(0.1)**	(0.1)
Proceeds from borrowings	C2	**654.0**	645.0	**654.0**	645.0
Repayment of borrowings	C2	**(644.0)**	(360.0)	**(644.0)**	(360.0)
Distributions paid	D1	**(152.3)**	(115.0)	**(152.3)**	(115.0)
Net cash flow from financing activities		**(52.5)**	187.7	**(52.5)**	187.7
Net change in cash held		**(2.9)**	7.8	**(3.6)**	7.6
Cash at the beginning of the year		**11.6**	3.8	**10.3**	2.7
Cash at the end of the year		**8.7**	11.6	**6.7**	10.3

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

About this report

The Financial Statements of the Shopping Centres Australasia Property Group (the Group) comprise the Consolidated Financial Statements of the Shopping Centres Australasia Property Management Trust (Management Trust) (ARSN 160 612 626) and its controlled entities including the Shopping Centres Australasia Property Retail Trust (Retail Trust) (ARSN 160 612 788) (collectively the Trusts). The Financial Statements of the Retail Trust comprise the Financial Statements of the Retail Trust.

The notes to these Consolidated Financial Statements include additional information which is required to understand the operations, performance and financial position of the Group. They are organised in four key sections:

- Group performance — provides key metrics used to define financial performance
- Investment assets — explains the structure of the investment asset portfolio
- Capital structure — outlines how the Group manages its capital structure and various financial risks
- Other disclosure items — provides other information that is relevant in understanding the financial statements and that must be disclosed to comply with Australian Accounting Standards and other regulatory pronouncements

Group performance	**Investment assets**
A1 Revenue A2 Distributions paid and payable A3 Earnings per security	B1 Investment properties B2 Investment in associates B3 Investment in CQR
Capital structure	**Other disclosure items**
C1 Capital management C2 Interest bearing liabilities and liquidity C3 Finance costs C4 Derivatives and other financial instruments C5 Contributed equity and reserves	D1 Working capital and other D2 Cash flow information D3 Related party information D4 Parent entity D5 Subsidiaries D6 Auditor's remuneration D7 Contingent assets D8 Subsequent events D9 Corporate information D10 Other significant accounting policies

Critical Accounting Estimates

The preparation of the Consolidated Financial Statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. Management may also be required 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 Consolidated Financial Statements are:

- Fair value estimation — note B1 valuation of investment properties and note C4 valuation of financial instruments
- Provision for expected credit losses (ECL) — note D1 expected credit loss

Group Performance

This section provides additional information on the key financial metrics used to define the results and performance of the Group including revenue, distributions paid and payable and earnings per security.

Impact of COVID-19 pandemic

In preparing its Consolidated Financial Statements the Group has considered the impact the COVID-19 pandemic has had on both the operations and financial performance on the Group during the current 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). Additional impacts to the Group included increased expenses (for example, extra cleaning and security), increased vacancies, increased rental arrears and/or rental relief or increased holdovers for some tenants, increased incentives and reduced other income.

The primary implication of the above on the Consolidated Financial Statements was the recording and collection of rental income. The accounting treatments, key estimates and significant judgements in these areas are set out in note D1.

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, regular reporting to the Board, training programs for employees, training programs for contractors, continuous challenge and improvement on safety, outsourced property and facilities management with safety key performance indicators (KPIs), and appropriate insurance (covering workers' compensation, public liability and property).

A1 Revenue

Rental income

Rental income from investment properties is accounted for on a straight-line basis over the lease term. If not received at the balance sheet date, revenue is reflected in the balance sheet as receivable less ECL.

Lease incentives provided by the Group are included in the measurement of fair value of investment property and are amortised against property income on a straight-line basis.

The undiscounted minimum lease payments to be received includes future amounts to be received on non-cancellable operating leases, not recognised in the Consolidated Financial Statements at balance sheet date. This will be accounted for as property rental income as it is earned. Minimum lease payments under non-cancellable operating leases not recognised in the Consolidated Financial Statements as receivable are as follows.

	SCA Property Group & Retail Trust	
	30 June 2022	30 June 2021
	$m	$m
Within one year	**279.6**	262.4
1 - 2 years	**251.8**	234.3
2 - 3 years	**223.2**	206.8
3 - 4 years	**197.4**	182.1
4 - 5 years	**167.5**	159.1
After five years	**669.7**	791.3
Total undiscounted lease payments receivable	**1,789.2**	1,836.0

Recoveries, recharge revenue and other revenue

The Group and Retail Trust recover costs associated with general building and tenancy operation from lessees in accordance with lease agreements as well as for any additional specific services requested by the lessee under the lease agreement. Recoveries and recharges from tenants are recognised as revenue over time in the year the applicable costs are accrued as the customer simultaneously receives and consumes the benefit. These are invoiced periodically (typically monthly) based on an annual estimate. Payment is due shortly after invoice date (typically 30 days).

All other revenues are recognised when control of the underlying goods or services are transferred to the customer over time or at a point in time. Revenue is recognised over time if:

- The customer simultaneously receives and consumes the benefits;
- The customer controls the assets as the entity creates or enhances it; or
- The Group's performance does not create an asset for which the Group has an alternative use and there is a right to payment for performance to date.

Where the above criteria are not met, revenue is recognised at a point in time.

Funds management income

The Group provides funds management services in accordance with the respective fund's Constitution and Investment Management Agreement. These services are provided on an ongoing basis and revenue is calculated and billed periodically over time.

In the current year, SCA Unlisted Retail Fund 3 (SURF 3) was wound up. During the year ended 30 June 2021, SCA Unlisted Retail Fund 1 (SURF 1) and SCA Unlisted Retail Fund 2 (SURF 2) were wound up. SURF 1, SURF 2 and SURF 3 were retail funds that were established in prior years. Also, in the current year the SCA Metro Convenience Shopping Centre Fund (SCA Metro Fund) was established. The SCA Metro Fund is a wholesale fund that invests in retail properties. The Retail Trust has a 20.0% interest in the SCA Metro Fund and a subsidiary of the Management Trust is the Manager of the SCA Metro Fund. Income earned on funds managed during the year is as follows.

	SCA Property Group	
	30 June 2022 $m	30 June 2021 $m
SURF 1	**-**	0.5
SURF 2	**-**	1.4
SURF 3	**1.0**	0.3
SCA Metro Fund	**0.2**	-
	1.2	2.2

Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes. The segment is reported in a manner that is consistent with internal reporting provided to the chief operating decision maker. The Group and Retail Trust operate within one segment: shopping centres located in Australia.

For the purposes of segment reporting, $104.7 million in rental income (30 June 2021: $97.2 million) was from Woolworths Limited and its affiliates. Further, $37.6 million in rental income (30 June 2021: $34.9 million) was from Coles Limited and its affiliates.

A2 Distributions paid and payable

Distributions are recognised in the reporting period in which they are declared, determined or publicly recommended by the Directors. Where such distributions have not been paid at reporting date they are recognised as a distribution payable.

	Cents per security	**Total amount $m**	**Date of payment or expected date of payment**
2022 SCA Property Group & Retail Trust			
Interim distribution	**7.20**	**79.9**	31 January 2022
Final distribution	**8.00**	**89.3**	31 August 2022
	15.20	**169.2**	
2021 SCA Property Group & Retail Trust			
Interim distribution	5.70	61.4	29 January 2021
Final distribution	6.70	72.4	31 August 2021
	12.40	133.8	

A3 Earnings per security

Basic earnings per security is calculated as profit after tax attributable to security holders divided by the weighted average number of ordinary securities issued.

Diluted earnings per security is calculated as profit after tax attributable to security holders divided by the weighted average number of ordinary securities and dilutive potential ordinary securities.

	SCA Property Group		Retail Trust		Management Trust	
	30 June 2022	30 June 2021	**30 June 2022**	30 June 2021	**30 June 2022**	30 June 2021
Per stapled security						
Net profit after tax for the period ($ million)	**487.1**	462.9	**487.0**	461.9	**0.1**	1.0
Weighted average number of securities used as the denominator in calculating basic earnings per security below	**1,107,676,733**	1,077,257,048	**1,107,676,733**	1,077,257,048	**1,107,676,733**	1,077,257,048
Basic earnings per security for net profit after tax (cents)	**44.0**	43.0	**44.0**	42.9	**-**	0.1
Weighted average number of securities used as the denominator in calculating diluted earnings per security below	**1,112,850,512**	1,081,620,726	**1,112,850,512**	1,081,620,726	**1,112,850,512**	1,081,620,726
Diluted earnings per security for net profit after tax (cents)	**43.8**	42.8	**43.8**	42.7	**-**	0.1

Investment assets

B1 Investment properties

Investment properties comprise investment interests in land and buildings held for long term rental yields, including properties that are under development for future use as investment properties. At each reporting date, the carrying values of the investment properties are assessed by the Directors. Where the carrying value differs from the Directors' assessment of fair value, an adjustment to the carrying value is recorded as appropriate.

Investment properties under development are classified as investment property and stated at fair value at each reporting date. Fair value is assessed with reference to reliable estimates of future cash flows, status of the development and the associated risk profile.

Incentives such as cash, rent-free periods, lessee or lessor owned fit outs may be provided to lessees to enter into an operating lease. Leasing fees may also be paid for the negotiation of leases. These incentives and lease fees are capitalised to the investment property and are amortised on a straight-line basis over the lesser of the term of the lease and the useful life of the fit out, as a reduction of rental income. The carrying amounts of the lease incentives and leasing fees are reflected in the fair value of investment properties.

a) Reconciliation of carrying amount of the investment properties

	SCA Property Group & Retail Trust	
	30 June 2022 $m	30 June 2021 $m
Movement in total investment properties		
Opening balance	**4,000.0**	3,138.2
Acquisitions at cost (including transaction costs)	**364.8**	478.3
Disposals	**(307.6)**	-
Development expenditure	**36.6**	17.9
Capital expenditure, straight lining and amortisation	**13.1**	11.4
Unrealised movement recognised in Total Comprehensive Income on property valuations	**354.0**	354.2
Closing balance	**4,460.9**	4,000.0

Investment properties

Property	State	Property Type	Cap rate[1] 30 June 2022	Discount rate 30 June 2022	Fair value 30 June 2022 $m	Fair value 30 June 2021 $m
Sub-Regional						
Lavington Square	NSW	Sub-Regional	6.00%	6.75%	**78.7**	73.0
Marketown East	NSW	Sub-Regional	5.50%	6.25%	**85.3**	82.0
Raymond Terrace[2]	NSW	Sub-Regional	5.75%	6.75%	**87.5**	-
Sturt Mall	NSW	Sub-Regional	5.75%	6.50%	**85.0**	73.2
West End Plaza	NSW	Sub-Regional	5.75%	6.50%	**84.4**	78.7

Delacombe Town Centre[2]	VIC	Sub-Regional	5.13%	6.25%	**112.2**	-
Lilydale	VIC	Sub-Regional	5.75%	6.00%	**119.9**	115.4
Pakenham	VIC	Sub-Regional	5.75%	6.25%	**98.3**	95.0
Central Highlands	QLD	Sub-Regional	6.50%	7.00%	**71.5**	65.5
Mt Gambier	SA	Sub-Regional	5.76%	6.00%	**81.1**	74.1
Murray Bridge	SA	Sub-Regional	6.25%	7.25%	**69.0**	62.3
Kwinana Marketplace	WA	Sub-Regional	6.25%	7.00%	**154.5**	137.3
Warnbro	WA	Sub-Regional	6.22%	6.75%	**110.0**	98.6
Total Sub-Regional					**1,237.4**	955.1
Neighbourhood						
Auburn	NSW	Neighbourhood	5.25%	6.50%	**137.5**	129.5
Belmont	NSW	Neighbourhood	5.75%	6.50%	**29.3**	30.0
Berala[3]	NSW	Neighbourhood	-	-	**-**	33.3
Cabarita	NSW	Neighbourhood	5.00%	5.50%	**28.0**	24.3
Cardiff	NSW	Neighbourhood	5.00%	6.00%	**32.5**	29.5
Clemton Park[3]	NSW	Neighbourhood	-	-	**-**	63.1
Goonellabah	NSW	Neighbourhood	5.25%	5.50%	**24.0**	21.2
Greystanes	NSW	Neighbourhood	4.75%	5.75%	**79.5**	71.3
Griffin Plaza	NSW	Neighbourhood	5.50%	6.00%	**34.6**	31.2
Lane Cove[4]	NSW	Neighbourhood	4.75%	5.50%	**66.5**	60.0
Leura	NSW	Neighbourhood	4.75%	5.50%	**23.5**	21.3
Lismore	NSW	Neighbourhood	5.50%	6.00%	**29.8**	32.7
Macksville	NSW	Neighbourhood	4.50%	5.25%	**20.7**	17.7
Marketown West	NSW	Neighbourhood	5.00%	5.75%	**71.7**	68.5
Merimbula	NSW	Neighbourhood	5.00%	5.75%	**24.6**	23.0
Moama Marketplace[2]	NSW	Neighbourhood	5.00%	5.75%	**22.7**	-
Morisset	NSW	Neighbourhood	5.25%	5.75%	**24.1**	21.3
Muswellbrook Fair	NSW	Neighbourhood	5.25%	6.00%	**41.2**	34.9
Northgate	NSW	Neighbourhood	5.50%	6.00%	**21.1**	19.4
North Orange	NSW	Neighbourhood	4.25%	5.00%	**56.0**	44.7
Shell Cove	NSW	Neighbourhood	4.00%	5.00%	**65.0**	50.0
Ulladulla	NSW	Neighbourhood	4.50%	5.25%	**36.8**	30.0
West Dubbo	NSW	Neighbourhood	5.25%	6.00%	**23.0**	20.5
Albury	VIC	Neighbourhood	5.00%	6.00%	**29.4**	25.4
Ballarat[3]	VIC	Neighbourhood	-	-	**-**	20.6
Bentons Square	VIC	Neighbourhood	4.75%	5.75%	**118.0**	101.5
Drouin	VIC	Neighbourhood	4.50%	6.00%	**23.7**	20.1
Epping North[3]	VIC	Neighbourhood	-	-	**-**	34.5
Highett[3]	VIC	Neighbourhood	-	-	**-**	32.9
Langwarrin	VIC	Neighbourhood	4.75%	5.50%	**31.0**	27.4
Ocean Grove	VIC	Neighbourhood	5.25%	5.75%	**44.0**	39.9
The Gateway	VIC	Neighbourhood	5.25%	6.25%	**69.5**	59.5
Warrnambool East	VIC	Neighbourhood	4.75%	5.50%	**20.8**	18.2
Warrnambool Target[2]	VIC	Neighbourhood	9.00%	8.00%	**12.8**	-
Wonthaggi	VIC	Neighbourhood	5.00%	5.50%	**60.7**	54.9
Wyndham Vale[3]	VIC	Neighbourhood	-	-	**-**	24.5
Annandale	QLD	Neighbourhood	6.00%	6.75%	**32.0**	26.6
Ayr	QLD	Neighbourhood	5.75%	6.50%	**25.4**	23.5
Brookwater Village	QLD	Neighbourhood	5.25%	5.75%	**42.0**	40.7
Bushland Beach	QLD	Neighbourhood	5.50%	6.00%	**26.5**	23.5
Carrara	QLD	Neighbourhood	4.75%	5.00%	**23.0**	20.7
Chancellor Park Marketplace	QLD	Neighbourhood	4.75%	5.25%	**57.5**	49.8
Collingwood Park	QLD	Neighbourhood	4.75%	5.00%	**15.9**	15.3
Cooloola Cove	QLD	Neighbourhood	5.25%	5.75%	**18.5**	18.6
Coorparoo[3]	QLD	Neighbourhood	-	-	**-**	42.7
Drayton Central[2]	QLD	Neighbourhood	5.50%	6.25%	**32.9**	-
Gladstone	QLD	Neighbourhood	5.75%	6.50%	**29.0**	27.0
Greenbank	QLD	Neighbourhood	5.25%	6.00%	**36.8**	36.5
Jimboomba	QLD	Neighbourhood	5.75%	6.25%	**32.7**	31.5
Lillybrook	QLD	Neighbourhood	5.75%	6.25%	**30.6**	29.8
Mackay	QLD	Neighbourhood	5.50%	6.25%	**31.2**	28.6
Marian[2]	QLD	Neighbourhood	5.75%	6.50%	**44.0**	34.4
Miami One	QLD	Neighbourhood	5.50%	6.00%	**34.2**	31.8

Mission Beach	QLD	Neighbourhood	5.50%	6.00%	**15.1**	12.5
Moggill Village[2]	QLD	Neighbourhood	5.00%	6.50%	**53.4**	-
Mt Isa	QLD	Neighbourhood	6.75%	7.50%	**47.4**	44.2
Mt Warren Park	QLD	Neighbourhood	5.50%	6.00%	**20.4**	21.3
Mudgeeraba	QLD	Neighbourhood	5.00%	5.50%	**46.0**	40.2
North Shore Village	QLD	Neighbourhood	5.00%	5.75%	**35.5**	34.0
Oxenford	QLD	Neighbourhood	4.75%	5.25%	**48.5**	41.4
Soda Factory	QLD	Neighbourhood	5.50%	6.00%	**47.0**	34.0
Sugarworld	QLD	Neighbourhood	5.75%	6.75%	**27.3**	28.3
Warner Marketplace	QLD	Neighbourhood	5.00%	6.00%	**90.6**	82.5
Whitsunday	QLD	Neighbourhood	6.25%	6.75%	**41.0**	36.0
Woodford[2]	QLD	Neighbourhood	5.00%	6.00%	**17.9**	-
Worongary	QLD	Neighbourhood	5.25%	5.75%	**55.8**	52.0
Blakes Crossing	SA	Neighbourhood	5.00%	5.50%	**32.4**	24.5
Walkerville[3]	SA	Neighbourhood	-	-	**-**	29.3
Busselton	WA	Neighbourhood	5.00%	5.50%	**31.9**	27.9
Currambine Central[4]	WA	Neighbourhood	6.25%	7.00%	**106.2**	96.2
Kalamunda Central	WA	Neighbourhood	5.25%	6.50%	**52.8**	48.0
Stirlings Central	WA	Neighbourhood	6.00%	6.75%	**47.0**	42.9
Treendale	WA	Neighbourhood	5.25%	6.00%	**38.7**	34.7
Burnie	TAS	Neighbourhood	6.00%	6.50%	**30.0**	25.6
Claremont Plaza	TAS	Neighbourhood	5.50%	6.50%	**51.5**	45.8
Glenorchy Central	TAS	Neighbourhood	5.75%	6.00%	**30.9**	30.5
Greenpoint	TAS	Neighbourhood	5.75%	6.25%	**24.0**	21.2
Kingston	TAS	Neighbourhood	5.50%	6.50%	**35.0**	32.8
Meadow Mews	TAS	Neighbourhood	5.50%	6.25%	**78.5**	70.1
New Town Plaza	TAS	Neighbourhood	5.50%	6.25%	**55.3**	49.7
Prospect Vale	TAS	Neighbourhood	5.75%	6.75%	**36.0**	32.3
Riverside	TAS	Neighbourhood	5.00%	6.25%	**13.7**	13.5
Shoreline	TAS	Neighbourhood	5.50%	6.25%	**46.5**	44.7
Sorell	TAS	Neighbourhood	5.50%	5.75%	**37.2**	34.0
Bakewell	NT	Neighbourhood	5.75%	6.75%	**50.8**	41.9
Total Neighbourhood					**3,158.5**	2,989.8
Freestanding						
Katoomba Marketplace	NSW	Freestanding	4.63%	5.25%	**65.0**	55.1
Total Freestanding					**65.0**	55.1
Total Investment properties					**4,460.9**	4,000.0

[1] Cap rate: the approximate return represented by income produced by an investment property, expressed as a percentage

[2] Properties acquired during the year. 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. The following properties were acquired from a related party, SURF 3: Moama Marketplace, Warrnambool Target, Woodford

[3] Properties disposed of during the year. The following properties were sold to a related party, the SCA Metro Fund: Berala, Clemton Park, Epping North, Highett, Wyndham Vale, Coorparoo, Walkerville

[4] The titles to Lane Cove and Currambine are leasehold. The expiries of the respective leaseholds are in 2059 (with a 49 year option) and in 2094

b) Valuation process

In accordance with the Group's Valuation Policy, all properties are internally valued every June and December and a number are selected for external independent valuation (ensuring a representative sample) at each balance sheet date. Under the Policy, each property is externally valued at least every three years by a new, independent valuer. The properties selected for external valuation are chosen based on consideration of properties with a significant change such as a:

- Significant variation between the last book value and internal valuation
- Major development project
- Significant market movement
- Significant change in circumstances at the property including a significant change in trading

The internal valuations are performed on a basis consistent with the methodology of the most recent external valuations. This includes using appropriate capitalisation rates, discount rates including terminal yields, comparable market evidence and recent external valuation parameters to produce a capitalisation based valuation and a discounted cash flow (DCF) valuation. The internal valuations are reviewed by management who recommends each property's valuation to the Audit, Risk Management and Compliance Committee and the Board in accordance with the Group's Valuation Policy.

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 are reviewed regularly by management with reference to independent property valuations, recent transactions and market conditions existing at reporting date, using generally accepted market practices
- The major critical assumptions underlying estimates of fair values are those relating to the cap rate and discount rate which are used in the valuation methods. Other assumptions that are typically of lesser importance include consideration of the property type, location and tenancy profile together with tenant sales and other matters such market rents, current rents including possible rent reversion, 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

c) Fair value measurement, valuation technique and inputs

The key terms used in fair value measurement, valuation technique and inputs have been defined here.

Term	Definition
Income capitalisation method	A valuation approach that provides an indication of value by converting future cash flows to a single current capital value
DCF method	A method in which a discount rate is applied to future expected income streams to estimate the present value
Capitalisation rate or cap rate	The approximate return represented by income produced by an investment, expressed as a percentage
Discount rate	A rate of return used to convert a future monetary sum or cash flow into present value
Net operating income	Rental earnings from contractual cash flows net of property operating expenses

The key inputs used to measure fair values of investment properties are disclosed below.

	Fair value hierarchy	Book value 30 June $m	Valuation method	Key inputs used to measure fair value	Range of unobservable key inputs
2022	Level 3	4,460.9	Income capitalisation and DCF	Cap rate Discount rate	4.00% - 9.00% 5.00% - 8.00%
2021	Level 3	4,000.0	Income capitalisation and DCF	Cap rate Discount rate	4.75% - 7.50% 5.25% - 8.25%

All property investments are categorised as level 3 in the fair value hierarchy (refer note C4 for additional information in relation to the fair value hierarchy). There were no transfers between hierarchies.

Sensitivity information

A sensitivity analysis of the impact on the investment property valuations of movements in the cap rate is disclosed below as the cap rate method is the primary method for conducting the valuation. While other factors do also impact a valuation, at the current time, the Group considers that the valuations are most sensitive to movements in the cap rate and net operating income.

Input	Fair value measurement sensitivity to significant increase in input	Fair value measurement sensitivity to significant decrease in input
Cap rate	Decrease	Increase
Net operating income	Increase	Decrease

The following sensitivity analysis shows the effect on profit/loss after tax and on equity of a 25 basis points (bps) increase/decrease in cap rates and a 5% increase/decrease in property net operating income respectively at balance sheet date with all other variables held constant.

Sensitivity analysis – Valuation cap rate	**Profit/(loss) after tax and Equity**	
	25 bps increase	**25 bps decrease**
SCA Property Group & Retail Trust	**$m**	**$m**
30 June 2022		
Investment properties	**(196.3)**	**215.2**
30 June 2021		
Investment properties	(162.6)	177.0

Sensitivity analysis – Valuation net operating income	**Profit/(loss) after tax and Equity**	
	5% increase	**5% decrease**
SCA Property Group & Retail Trust	**$m**	**$m**
30 June 2022		
Investment properties	**223.0**	**(223.0)**
30 June 2021		
Investment properties	200.0	(200.0)

B2 Investment in associates

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for in the Consolidated Balance Sheet by using the equity method of accounting after initially being recognised at cost. Under the equity accounting method, the Group's share of the associates' post acquisition net profit after income tax expense is recognised in the Consolidated Statements of Comprehensive Income. Distributions received or receivable from associates are recognised in the Consolidated Financial Report as a reduction of the carrying amount of the investment.

Classification and carrying value of investments

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.

The Group's investment in associates at 30 June 2022 relates to a 20.0% interest in the SCA Metro Fund. At 30 June 2021 investment in associates related to the Group's 26.2% interest in SURF 3 which was wound up in December 2021.

	SCA Property Group & Retail Trust	
	30 June 2022	30 June 2021
	$m	$m
Movement in investment in associates		
Opening balance	**10.1**	15.9
Acquisitions to equity accounted investment	**26.2**	-
Share of profit/(loss) after income tax	**(0.9)**	5.6
Return of capital	**(10.6)**	(10.1)
Distributions received or receivable	**(0.2)**	(1.3)
Closing balance	**24.6**	10.1

B3 Investment in CQR

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%).

	SCA Property Group & Retail Trust	
	30 June 2022	30 June 2021
Number of units held (million)	**6.8**	6.8
ASX closing price on last trading day ($)	**3.77**	3.80
Investment in CQR ($m)	**25.6**	25.8

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. Unrealised gains and losses arising from changes in fair value are recognised in Other Comprehensive Income. Refer also to the fair value hierarchy at note C4.

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 twelve months.

Capital structure

The Group's activities expose it to numerous financial risks such as market risk, credit risk and liquidity risk. This section explains how the Group utilises its risk management framework to reduce volatility from these external factors.

C1 Capital management

The Group's objective when managing capital is to safeguard the ability to continue as a going concern, while providing returns for security holders and benefits for other stakeholders and maintaining a capital structure that will support a competitive overall cost of capital. The capital structure of the Group consists of cash and cash equivalents, interest bearing liabilities (including bilateral debt facilities with multiple banks and notes issued in the debt capital markets) and equity (comprising contributed equity, reserves and accumulated profit/loss). The Group assesses the adequacy of its capital requirements, cost of capital and gearing (i.e. debt/equity mix) as part of its broader strategic plan. The Group regularly reviews its capital structure to ensure:

- Sufficient funds and financing facilities, on a cost effective basis, are available to assist the Group's property investment and funds management business
- Sufficient liquidity buffer is maintained
- Sufficient capital is available to enable distributions to security holders

The Group can alter its capital structure by issuing new securities, adjusting the amount of distributions paid to security holders, returning capital to security holders, buying back securities, selling assets to reduce debt, adjusting the timing of capital expenditure and through the operation of a distribution reinvestment plan. Additionally, the Group can issue debt and use its debt facilities including drawing down or repaying debt and entering into derivative financial instruments.

The Group's debt financial covenants are at note C2.

C2 Interest bearing liabilities and liquidity

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit and loss over the period of the borrowing using the effective interest method. Upfront borrowing fees paid on the establishment of loan facilities are capitalised and expensed over the period of the borrowing.

	SCA Property Group & Retail Trust	
	30 June 2022 $m	30 June 2021 $m
Bank and syndicated facilities - unsecured		
- AU$ denominated	**370.0**	610.0
AU$ Medium term note (AU$ MTN) - unsecured		
- AU$ denominated	**525.0**	275.0
US Notes - unsecured		
- US$ denominated (converted to AU$)	**436.3**	400.0
- AU$ denominated	**50.0**	50.0
Total unsecured debt outstanding	**1,381.3**	1,335.0
- Less: unamortised establishment fees and unamortised MTN discount and premium	**(4.9)**	(3.5)
Interest bearing liabilities	**1,376.4**	1,331.5

Bank and syndicated facilities – unsecured

To reduce liquidity risk, the Group has in place debt sourced from several sources including bank and syndicated facilities with multiple banks. 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 that are available to be drawn. All bank and syndicated facilities are unsecured.

At 30 June 2022, in addition to the unsecured bank facilities drawn above, $11.0 million of a bilateral bank facility available was used to support bank guarantees (30 June 2021: $11.0 million). The bank guarantees assist with the Group's obligations under the Australian Financial Services Licence granted to the Group.

The financing capacity available to the Group under the bank and syndicated financing facilities, including cash and cash equivalents, is in the following table.

	SCA Property Group	
	30 June 2022	30 June 2021
	$m	$m
Financing facilities and financing resources		
Bilateral bank and syndicated facilities		
Committed bank and syndicated financing facilities available	**825.0**	900.0
Less: amounts drawn	**(370.0)**	(610.0)
Less: amounts utilised for bank guarantee	**(11.0)**	(11.0)
Net financing facilities available	**444.0**	279.0
Add: cash and cash equivalents	**8.7**	11.6
Financing resources available	**452.7**	290.6

AU$ medium term notes (AU$ MTN) – unsecured

The Group has issued AU$ MTN with a face value of $525.0 million. The AU$ MTN are unsecured. Details of these notes are below.

AU$ MTN	Tranche	Issue date	Maturity	Tenor at issue (years)	Coupon	Face value $m	Issue consideration $m	Discount / (premium) on issue $m
Series 2	Tranche 1	Jun-17	Jun-24	7.0	3.90%	175.0	174.5	0.5
	Tranche 2	Apr-19	Jun-24	5.2	3.90%	50.0	51.3	(1.3)
Series 3	Tranche 1	Sep-20	Sep-30	10.0	3.25%	30.0	29.8	0.2
Series 4	Tranche 1	Sep-20	Sep-35	15.0	3.50%	20.0	19.8	0.2
Series 5	Tranche 1	Sept 21	Sep 29	8.0	2.45%	250.0	249.2	0.8
						525.0		0.4

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

US Notes – unsecured

The Group has issued US Notes with a face value of US$300.0 million and AU$50.0 million. The US Notes are unsecured. The principal and coupon obligations of the US dollar denominated notes have been fully economically swapped back to Australian dollars such that the Group has no exposure to any currency risk. Details of these notes and their economically swapped values at 30 June 2022 are below.

Issue date	Maturity	US$ value	Economic hedged FX rate	AU$ economically hedged value	30 June 2022 FX rate	30 June 2022 Book value
US$ denominated notes						
Aug-14	Aug-27	100.0	0.9387	106.5	0.68765	**145.4**
Sep-18	Sep-28	30.0	0.7604	39.4	0.68765	**43.7**
Aug-14	Aug-29	50.0	0.9387	53.3	0.68765	**72.7**
Sep-18	Sep-31	70.0	0.7604	92.1	0.68765	**101.8**
Sep-18	Sep-33	50.0	0.7604	65.8	0.68765	**72.7**
Total US$ denominated notes		300.0		357.1		**436.3**
AU$ denominated notes						
Aug-14	Aug-29			50.0		**50.0**
Total AU$ denominated notes				50.0		**50.0**
Total US Notes				407.1		**486.3**

Net debt reconciliation

Reconciliation of net debt movements for the Group during the financial years is below.

	SCA Property Group			
	Cash at bank $m	**Due within 1 year $m**	**Due after 1 year $m**	**Total $m**
Net debt at 30 June 2021	**11.6**	**-**	**(1,335.0)**	**(1,323.4)**
Net proceeds from borrowings	**-**	**-**	**(654.0)**	**(654.0)**
Repayment of borrowings	**(2.9)**	**-**	**644.0**	**641.1**
Foreign exchange adjustments	**-**	**-**	**(36.3)**	**(36.3)**
Net debt at 30 June 2022	**8.7**	**-**	**(1,381.3)**	**(1,372.6)**

	SCA Property Group			
	Cash at bank $m	**Due within 1 year $m**	**Due after 1 year $m**	**Total $m**
Net debt at 30 June 2020	3.8	-	(1,085.3)	(1,081.5)
Net proceeds from borrowings	7.8	-	(645.0)	(637.2)
Repayment of borrowings	-	-	360.0	360.0
Foreign exchange adjustments	-	-	35.3	35.3
Net debt at 30 June 2021	11.6	-	(1,335.0)	(1,323.4)

The reconciliation of net debt movements during the financial year is identical for the Retail Trust with the exception of cash at bank which is $6.7 million (30 June 2021: $10.3 million) resulting in a net debt of $1,374.6 million (30 June 2021: $1,324.7 million).

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:

(a) Interest cover ratio (EBITDA to net interest expense) is more than 2.00 times;
(b) Gearing ratio (finance debt net of cash and cash equivalents and cross currency interest rate swaps divided by total tangible assets net of cash and cash equivalents and derivatives) does not exceed 50%;
(c) Priority indebtedness ratio (priority debt to total tangible assets) does not exceed 10%; and
(d) Aggregate of the total tangible assets held by the Obligors (Retail Trust) 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 period ended and at 30 June 2022.

Gearing (management)

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 AU$ amount received and economically hedged in AU$, net of cash and cash equivalents, divided by
- Net total assets, being total assets net of cash and cash equivalents 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 results in Management gearing being based on a constant currency basis.

Management gearing was 28.3% at 30 June 2022 (30 June 2021: 31.3%). The Group's target gearing range is 30% to 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.

Gearing (management)	**30 June 2022 $m**	30 June 2021 $m
Bilateral, Syndicated and AU$ MTN notes – unsecured		
Bank and syndicated facilities drawn	**370.0**	610.0
Unsecured AU$ MTN	**525.0**	275.0
	895.0	885.0
US Notes – unsecured		
US$ denominated notes – US$ face value	**300.0**	300.0
Economically hedged exchange rate	**0.8402**	0.8402
US$ denominated notes – AU$ equivalent at hedged rate	**357.1**	357.1
US AU$ denominated notes	**50.0**	50.0
Total US Notes	**407.1**	407.1
Total debt used and drawn AU$ equivalent	**1,302.1**	1,292.1
Less: cash and cash equivalents	**(8.7)**	(11.6)
Net finance debt for gearing	**1,293.4**	1,280.5
Total assets	**4,695.0**	4,208.9
Less: cash and cash equivalents	**(8.7)**	(11.6)
Less: derivative value included in total assets	**(111.4)**	(107.9)
Net total assets for gearing	**4,574.9**	4,089.4
Gearing (management)	**28.3%**	31.3%

C3 Finance costs

Finance costs include interest payable on bank overdrafts and short-term and long-term borrowings, payments on derivatives and amortisation of ancillary costs incurred in connection with arrangement of borrowings. Finance costs are expensed as incurred except to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset.

	SCA Property Group & Retail Trust	
	30 June 2022 $m	30 June 2021 $m
Interest expense – borrowings (including amortisation of borrowing costs)	**27.4**	21.3
Interest expense – derivatives (including cross currency interest rate swaps)	**8.5**	11.4
Swap termination costs	**-**	9.1
	35.9	41.8

C4 Derivative and other financial instruments

The Group holds derivative financial instruments to hedge foreign currency and interest rate risk exposures arising from operational, financing and investing activities.

The Group has a hedging program to manage interest and exchange rate risk. Derivative financial instruments are transacted to achieve the economic outcomes in line with the Group's treasury policy. Derivative instruments are not transacted for speculative purposes. Derivative financial instruments are recognised initially at cost and remeasured at fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group does not designate any derivative financial instrument as hedging instruments.

Where applicable, the fair value of currency and interest rate options and cross currency interest rate swaps are calculated by reference to relevant market rates for contracts with similar maturity profiles. The fair value of interest rate swaps is determined by reference to applicable market yield curves and includes counterparty risk.

Changes in fair value of derivatives is recognised in the Consolidated Statements of Comprehensive Income.

Distributions from these investments are recognised in profit or loss when the Group's right to receive payments is established.

(a) Financial risk management

The Group's activities expose it to a variety of financial risk included in the table below.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge or economically hedge certain risk exposures. The use of financial derivatives is governed by the Group's policies as approved by the Board. The Group does not enter or trade financial instruments including derivative financial instruments for speculative purposes.

Risk	Definition	Exposure	Exposure management
Credit risk	The risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has exposure to credit risk on its financial assets included in its Consolidated Balance Sheets. This includes cash and cash equivalents, derivative financial instruments (hedging) as well as credit receivables due from tenants and managing agents.	All financial assets including cash and cash equivalents, receivables, and derivative financial instruments	The Group manages this risk by investing and transacting derivatives with multiple counterparties to minimise the Group's exposure to any one counterparty. Wherever possible, for financial investments and economic hedging the Group only deals with investment grade counterparties.
Liquidity risk	The risk that the Group will not be able to meet its financial obligations as they fall due	Payables, borrowings and other liabilities	The Group manages liquidity risk by having flexibility in funding including by keeping sufficient cash and/or committed credit lines available while maintaining a low cost of holding these facilities. Management also: • prepares and monitors rolling forecasts of liquidity requirements on the basis of expected cash flow, including the maturity of its debt portfolio • maintains a liquidity buffer of cash and undrawn debt facilities • refinances borrowings in advance of the maturity of the borrowing and by securing longer term facilities
Market Risk – foreign exchange risk	The risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's financial performance or the value of its holdings of financial instruments	US$ denominated debt from US Notes	As a result of issuing the US$ denominated debt the Group has entered into cross currency interest rate swaps which have fully economically hedged the US$ principal and interest to a fixed amount of AU$ and floating AU$ interest respectively.
Market Risk – interest rate risk	The risk that the fair value or cash flows of financial instruments will fluctuate due to changes in market interest rates	Cash and borrowings as fixed and floating rates.	The Group maintains an appropriate mix of fixed and floating rate borrowings and through the use of interest rate swap contracts

(b) Financial risk management – credit

The Group and Retail Trust's exposure to credit risk is in the table below.

	SCA Property Group		**Retail Trust**	
	30 June 2022 $m	30 June 2021 $m	**30 June 2022 $m**	30 June 2021 $m
Cash and cash equivalents	**8.7**	11.6	**6.7**	10.3
Receivables	**43.3**	35.1	**39.2**	32.4
Derivative financial instruments	**111.4**	107.9	**111.4**	107.9
	163.4	154.6	**157.3**	150.6

The maximum exposure of the Group to credit risk at 30 June 2022 is the carrying amount of the financial assets in the Consolidated Balance Sheets.

A significant share of the Group's revenue for the current and prior year is from Woolworths Limited and Coles Limited (and its affiliates) which have a credit rating of BBB or above by Standard and Poor's. The Group reviews the aggregate exposure of tenancies across its portfolio on a regular basis.

Receivables relate to tenant and managing agent receivables. Receivables are reviewed regularly throughout the year. An ECL allowance is applied using a provision matrix determined using observable data to estimate future loss at an amount equal to the lifetime ECL. Part of the Group's policy is to hold collateral as security for tenants via bank guarantees or other collateral such as security deposits and personal guarantees. The bank guarantees or other collateral such as security deposits are negotiated individually and are typically the equivalent of 3-6 months rent.

(c) Financial risk management – liquidity

Non-derivative financial instruments

The contractual maturities of the Group's and Retail Trust's non-derivative financial liabilities at reporting date are reflected in the following table. It shows the undiscounted contractual cash flows required to discharge the liabilities including principal, interest, margin, line fees and foreign exchange rates at the reporting date. Foreign currencies have been converted at exchange rates at the reporting date. Interest rates are based on the interest rates at the reporting date.

	1 year or less $m	2 - 3 years $m	4 - 5 years $m	More than 5 years $m	Total $m
30 June 2022					
SCA Property Group					
Trade and other payables	**78.9**	-	-	-	**78.9**
Distribution payable	**89.3**	-	-	-	**89.3**
Interest bearing liabilities	**52.9**	**419.4**	**196.5**	**1,024.2**	**1,693.0**
	221.1	**419.4**	**196.5**	**1,024.2**	**1,861.2**

The Retail Trust is identical to the Group with the exception of trade and other payables which are $89.1 million and have a maturity of 1 year or less.

	1 year or less $m	2 - 3 years $m	4 - 5 years $m	More than 5 years $m	Total $m
30 June 2021					
SCA Property Group					
Trade and other payables	67.5	-	-	-	67.5
Distribution payable	72.4	-	-	-	72.4
Interest bearing liabilities	40.4	523.1	257.3	774.2	1,595.0
	180.3	523.1	257.3	774.2	1,734.9

The Retail Trust is identical to the Group with the exception of trade and other payables which are $77.7 million and have a maturity of 1 year or less.

Derivative financial instruments

The following tables show the undiscounted cash flows required to discharge the Group's and Retail Trust's derivative financial instruments in place at 30 June 2022 at the rates at the reporting date. Foreign currencies have been converted at exchange rates at the reporting date.

	1 year or less $m	2 - 3 years $m	4 - 5 years $m	More than 5 years $m	Total $m
30 June 2022					
SCA Property Group & Retail Trust					
Interest rate swaps – net	**10.4**	**4.6**	**4.0**	**12.4**	**31.4**
Cross currency interest rate swaps – net	**2.4**	**(2.7)**	**(2.3)**	**72.6**	**70.0**
	12.8	**1.9**	**1.7**	**85.0**	**101.4**
30 June 2021					
SCA Property Group & Retail Trust					
Interest rate swaps – net	1.7	4.8	2.9	4.3	13.6
Cross currency interest rate swaps – net	15.5	17.4	11.4	50.9	95.2
	17.2	22.2	14.3	55.2	108.8

(d) Foreign exchange risk

Cross currency interest rate swap contracts

As a result of issuing the US$ denominated debt the Group has entered into cross currency interest rate swaps that have fully economically hedged the US$ principal and interest to a fixed amount of AU$ and floating AU$ interest respectively. The following table details the swap contracts principal and interest payments over various durations at balance sheet date.

	SCA Property Group & Retail Trust				
	1 year or less $m	2 - 3 years $m	4 - 5 years $m	More than 5 years $m	Total $m
30 June 2022					
Buy US dollar – interest					
Amount (AU$)	**15.8**	**31.5**	**31.5**	**44.5**	**123.3**
Exchange rate	**0.8354**	**0.8381**	**0.8381**	**0.7820**	**0.8175**
Amount (US$)	**13.2**	**26.4**	**26.4**	**34.8**	**100.8**
Buy US dollar – Principal					
Amount (AU$)	**-**	**-**	**-**	**357.1**	**357.1**
Exchange Rate	**-**	**-**	**-**	**0.8401**	**0.8401**
Amount (US$)	**-**	**-**	**-**	**300.0**	**300.0**
30 June 2021					
Buy US dollar – interest					
Amount (AU$)	15.8	31.5	31.5	60.3	139.1
Exchange rate	0.8354	0.8381	0.8381	0.7960	0.8196
Amount (US$)	13.2	26.4	26.4	48.0	114.0
Buy US dollar – Principal					
Amount (AU$)	-	-	-	357.1	357.1
Exchange Rate	-	-	-	0.8401	0.8401
Amount (US$)	-	-	-	300.0	300.0

Sensitivity analysis – foreign exchange risk

The following sensitivity analysis shows the effect on profit/(loss) after tax and on equity if the Australian dollar had increased (strengthened) by 10% or decreased (weakened) by 10% at the balance sheet date with all other variables held constant.

	Profit/(loss) after tax and Equity	
	Effect of 10% strengthening in AU$ exchange rate $m	Effect of 10% depreciation in AU$ exchange rate $m
30 June 2022		
SCA Property Group & Retail Trust		
AU$ equivalent of foreign exchange balances denominated in US$	**(4.2)**	**5.1**
30 June 2021		
SCA Property Group & Retail Trust		
AU$ equivalent of foreign exchange balances denominated in US$	(9.1)	11.1

(e) Interest rate risk

Interest rate swap contracts

The Group's bilateral borrowings are generally at floating rates. Borrowings with floating rates expose the Group to cash flow interest rate risk. The Group's preference is to be protected from interest rate movements predominantly in the two to five year term through appropriate risk management techniques. These techniques include using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

Additionally the Group has fixed rate borrowings in the form of AU$ and US$ US Notes and the AU$ MTN.

The requirements under Australian Accounting Standards in respect of documentation, designation and effectiveness for hedge accounting cannot be met in all circumstances. As a result the Group does not apply hedge accounting for any derivatives at 30 June 2022 (30 June 2021: not applied).

The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the forward market interest rate curve at the reporting date.

The Group's exposure to interest rate risk and the effective interest rates on financial assets and liabilities at reporting date follow. Total financial assets exposed to interest rate risk, being cash at bank for SCA Property Group were $8.7 million and for Retail Trust $6.7 million at 30 June 2022.

	SCA Property Group					
			Fixed interest rate			
	Interest rate	Floating interest rate	Less than 1 year	1 - 5 years	More than 5 years	Total
	(%p.a.)	$m	$m	$m	$m	$m
30 June 2022						
Financial liabilities						
Interest bearing liabilities						
Denominated in AU$ - floating	**2.6%**	**(370.0)**	**-**	**-**	**-**	**(370.0)**
Denominated in AU$ - fixed (MTN)	**3.2%**	**-**	**-**	**(225.0)**	**(300.0)**	**(525.0)**
Denominated in AU$ - fixed (US Notes)	**6.0%**	**-**	**-**	**-**	**(50.0)**	**(50.0)**
Denominated in US$ - fixed (US Notes)	**4.4%**	**-**	**-**	**-**	**(436.3)**	**(436.3)**
Total financial liabilities		**(370.0)**	**-**	**(225.0)**	**(786.3)**	**(1,381.3)**

The maturity profile and the weighted average interest rate of the fixed and floating derivatives (notional principal) held at reporting date by both the Group and the Retail Trust are summarised below.

	June 2022 $m	June 2023 $m	June 2024 $m	June 2025 $m	June 2026 $m
Denominated in AU$					
Interest rate swaps (fixed)	**375.0**	**350.0**	**150.0**	**150.0**	**150.0**
Average fixed rate	**0.20%**	**0.20%**	**2.61%**	**2.61%**	**2.61%**
Interest rate swaps (floating)	**50.0**	**50.0**	**50.0**	**50.0**	**50.0**

The Group's exposure to interest rate risk and the effective interest rates on financial assets and liabilities at 30 June 2021 follow. Total financial assets exposed to interest rate risk, being cash at bank, for SCA Property Group were $11.6 million and for Retail Trust $10.3 million at 30 June 2021.

	SCA Property Group					
			Fixed interest rate			
	Interest rate	Floating interest rate	Less than 1 year	1 - 5 years	More than 5 years	Total
	(%p.a.)	$m	$m	$m	$m	$m
30 June 2021						
Financial liabilities						
Interest bearing liabilities						
Denominated in AU$ - floating	1.6%	(610.0)	-	-	-	(610.0)
Denominated in AU$ - fixed (MTN)	3.8%	-	-	(225.0)	(50.0)	(275.0)
Denominated in AU$ - fixed (US Notes)	6.0%	-	-	-	(50.0)	(50.0)
Denominated in US$ - fixed (US Notes)	4.4%	-	-	-	(400.0)	(400.0)
Total financial liabilities		(610.0)	-	(225.0)	(500.0)	(1,335.0)

The maturity profile and the weighted average interest rate of the fixed and floating derivatives (notional principal) held at 30 June 2021 by both the Group and the Retail Trust can be summarised below.

	June 2021 $m	June 2022 $m	June 2023 $m	June 2024 $m	June 2025 $m
Denominated in AU$					
Interest rate swaps (fixed)	375.0	375.0	350.0	-	-
Weighted average fixed rate	0.20%	0.20%	0.20%	-	-
Interest rate swaps (floating)	50.0	50.0	50.0	50.0	50.0

Sensitivity analysis – interest rate risk

The following sensitivity analysis shows the effect on profit/(loss) after tax and equity if market interest rates at balance sheet date had been 100 basis points (bps) higher/lower with all other variables held constant.

	Profit/loss after tax[1] and equity	
	100bps higher $m	100bps lower $m
30 June 2022		
SCA Property Group & Retail Trust		
Effect of market interest rate movement	**(14.5)**	**14.6**
30 June 2021		
SCA Property Group & Retail Trust		
Effect of market interest rate movement	(22.2)	22.4

[1] The aim of the Group's interest rate hedging strategy is to reduce the impact on Funds from Operations of movements in interest rates. Changes in interest rates include changes to the non-cash mark-to-market valuations of the swaps which flow through the Group's AASB profit and loss but which are excluded from Funds from Operations.

(f) Accounting classifications and fair values

The fair value of interest rate derivatives is determined using a generally accepted pricing model based on a discounted cash flow analysis using assumptions supported by observing market rates.

Except as disclosed below, the carrying amounts of other financial assets and financial liabilities, which are recognised at amortised cost in the Consolidated Balance Sheets, approximate their fair values.

The fair value of the US Notes and AU$ MTN can be different to the carrying value.

The fair value, additionally, takes into account movements in the underlying base interest rates and credit spreads for similar financial instruments including extrapolated yield curves over the tenor of the notes.

Estimate – Valuation of financial instruments

The fair value of derivatives assets and liabilities is based on assumptions of future events and involve 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.

	SCA Property Group	
	30 June 2022	30 June 2021
	$m	$m
Amortised cost		
US Notes	**486.3**	450.0
AU$ MTN	**525.0**	275.0
Fair Value		
US Notes	**465.5**	505.7
AU$ MTN	**438.1**	294.2

The change in amortised cost and fair 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.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between levels during the year.

	SCA Property Group & Retail Trust			
	Level 1	**Level 2**	**Level 3**	**Total**
	$m	**$m**	**$m**	**$m**
30 June 2022				
Financial assets carried at fair value				
Investment in CQR	**25.6**	**-**	**-**	**25.6**
Interest rate swaps	**-**	**26.0**	**-**	**26.0**
Cross currency interest rate swaps	**-**	**85.4**	**-**	**85.4**
	25.6	**111.4**	**-**	**137.0**
Financial liabilities carried at fair value				
Interest rate swaps	**-**	**3.2**	**-**	**3.2**
30 June 2021				
Financial assets carried at fair value				
Investment in CQR	25.8	-	-	25.8
Interest rate swaps	-	12.4	-	12.4
Cross currency interest rate swaps	-	95.5	-	95.5
	25.8	107.9	-	133.7
Financial liabilities carried at fair value				
Interest rate swaps	-	0.2	-	0.2

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 included in Level 2 above.

C5 Contributed equity and reserves

a) Contributed equity

	SCA Property Group		Retail Trust	
	30 June 2022 $m	30 June 2021 $m	**30 June 2022 $m**	30 June 2021 $m
Equity	**2,121.2**	2,031.3	**2,110.9**	2,021.0
Issue costs	**(40.9)**	(40.8)	**(40.8)**	(40.7)
	2,080.3	1,990.5	**2,070.1**	1,980.3

	Management Trust		Retail Trust	
	30 June 2022 $m	30 June 2021 $m	**30 June 2022 $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 raised through Distribution Reinvestment Plan – January 2022	**-**	-	**17.5**	-
Equity raising costs	**-**	-	**(0.1)**	(0.1)
Closing balance	**10.2**	10.2	**2,070.1**	1,980.3
Balance at the end of the period is attributable to security holders of:				
Shopping Centres Australasia Property Management Trust	**10.2**	10.2		
Shopping Centres Australasia Property Retail Trust	**2,070.1**	1,980.3		
	2,080.3	1,990.5		

Securities on Issue	SCA Property Group & Retail Trust	
	30 June 2022 No. of securities	30 June 2021 No. of securities
Opening balance	**1,080,021,404**	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	**270,327**	-
Equity raised through Distribution Reinvestment Plan – 31 August 2021	**29,901,419**	-
Equity issued for staff security-based compensation arrangements – 23 December 2021	**14,696**	-
Equity raised through Distribution Reinvestment Plan – 31 January 2022	**6,078,414**	-
Closing balance	**1,116,286,260**	1,080,021,404

As long as the Group remains jointly quoted, the number of securities in each of the Trusts are equal and the security holders identical. Holders of stapled securities are entitled to receive distributions as declared from time to time. SCA Property Group holds concurrent meetings of the Retail Trust and Management Trust. Subject to any voting restrictions imposed on a security holder under the *Corporations Act 2001* (Cth) and/or the Australian Securities Exchange at a meeting of members, on a show of hands, each member has one vote; and on a poll, each member has one vote for each dollar of the value of the total interest that they have in the relevant underlying Retail Trust or Management Trust respectively.

A total of 270,327 securities were issued during the year in respect of executive compensation plans and 14,696 securities were issued in respect of staff compensation and incentive plans for nil consideration.

Issue of securities from Distribution Reinvestment Plan (DRP)

The Group has a DRP under which security holders 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 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 $72.4 million included $59.6 million pursuant to an underwriting agreement.

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. This distribution was not underwritten.

The distribution declared in June 2022 (expected to be paid on or about 31 August 2022) will result in $44.7 million being raised by the DRP though the issue of 15.9 million securities at $2.80 per security. The $44.7 million includes $23.4 million pursuant to an underwriting agreement.

b) Reserves (net of income tax)
Share based payment reserve: Refer note D3.

	Retail Trust	
	30 June 2022 $m	30 June 2021 $m
Share based payment reserve	**8.8**	7.2
Investment fair value through other comprehensive income (FVTOCI)	**(0.4)**	(0.2)
	8.4	7.0
Movements in reserves		
Share based payment reserve		
Balance at the beginning of the year	**7.2**	6.3
Employee share based payments	**1.6**	0.9
Closing balance	**8.8**	7.2
FVTOCI reserve		
Opening balance	**(0.2)**	(3.3)
Revaluation of investment FVTOCI	**(0.2)**	3.1
Closing balance	**(0.4)**	(0.2)

c) Accumulated profit and loss

	SCA Property Group		Retail Trust	
	30 June 2022 $m	30 June 2021 $m	**30 June 2022 $m**	30 June 2021 $m
Opening balance	**727.3**	398.2	**726.0**	397.9
Net profit for the year	**487.1**	462.9	**487.0**	461.9
Distributions paid and payable (note A2)	**(169.2)**	(133.8)	**(169.2)**	(133.8)
Closing balance	**1,045.2**	727.3	**1,043.8**	726.0
Balance at the end of the year is attributable to security holders of:				
Shopping Centres Australasia Property Management Trust	**1.4**	1.3		
Shopping Centres Australasia Property Retail Trust	**1,043.8**	726.0		
	1,045.2	727.3		

Other disclosure items

D1 Working capital and other

a) Receivables

Trade and other receivables are carried at original invoice amount, less ECL, and are usually due within 30 days. There is no interest charged on any receivables. All receivables are current other than the rental receivables included in ageing below.

Under the Code of Conduct, the Group was obliged to grant rent waivers of $1.9 million (30 June 2021: $6.9 million) and deferrals of $1.8 million (30 June 2021: $3.6 million) to qualifying tenants. Rent that was waived was not recognised as rental income and no receivable was raised. However, rent that was deferred was recognised as rental income and a corresponding receivable was also raised. Any balance of unpaid rent was recognised as rental income and a corresponding receivable was raised.

Collectability of trade and other receivables is reviewed on an ongoing basis. Individual debts that are determined to be uncollectable are written off when identified.

The Group uses the simplified approach for determining expected credit losses whereby the outstanding balance is analysed, and the provision is determined by applying default percentages adjusted for other current observable data. Under the simplified approach, the loss allowance for trade receivables is measured at an amount equal to lifetime ECL. In some instances, specific loss provisions are raised against individual receivables where additional information has come to the Group's attention impacting the assessment of recoverability of that debtor. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

The ECL is based on management estimates of probability of recoverability rent invoiced. Should the actual results differ the actual credit loss will change and the difference will be included in the following year.

	SCA Property Group		**Retail Trust**	
	30 June 2022 $m	30 June 2021 $m	**30 June 2022 $m**	30 June 2021 $m
Rental receivables	**9.5**	7.5	**9.5**	7.5
Other rental receivables	**1.2**	0.7	**1.0**	0.7
Gross rental receivables	**10.7**	8.2	**10.5**	8.2
Rental deferrals[1]	**4.8**	6.0	**4.8**	6.0
Rental receivables and deferrals	**15.5**	14.2	**15.3**	14.2
Allowance for ECL	**(8.0)**	(9.8)	**(8.0)**	(9.8)
Net rental receivables and rental deferrals	**7.5**	4.4	**7.3**	4.4
Accrued rental receivables[2]	**7.5**	3.2	**7.5**	3.2
Other receivables[3]	**28.3**	27.5	**24.4**	24.8
Total receivables	**43.3**	35.1	**39.2**	32.4

[1] Rental deferrals granted as part of COVID have not been invoiced and therefore, have been specifically provided for.

[2] The majority of accrued income represents turnover rent which has not yet been invoiced. Given the nature of these items and history of collectability, no expected credit loss has been provided.

[3] The majority of the balance of other receivables relates to rent received by property managers prior to being remitted to SCA Property Group and Retail Trust respectively. Given the nature of these items and history of collectability, no expected credit loss has been provided.

Rental and other receivables past due[1]

	SCA Property Group					
	30 June 2022			30 June 2021		
Days from invoice date	**ECL %**	**Carrying amount of receivables $m**	**Allowance for ECL $m**	ECL %	Carrying amount of receivables $m	Allowance for ECL $m
Current	**26.8%**	**3.3**	**0.9**	26.3%	3.0	0.8
31-60 days	**44.0%**	**1.2**	**0.5**	30.0%	1.2	0.4
61-90 days	**68.5%**	**0.7**	**0.5**	30.0%	0.7	0.2
91-120 days	**65.5%**	**0.5**	**0.3**	46.7%	0.6	0.3
>120 days	**54.4%**	**5.0**	**2.7**	77.4%	2.7	2.1
Rental and other receivables – simplified ECL		**10.7**	**4.9**		8.2	3.8
Rental deferrals – specific ECL	**64.6%**	**4.8**	**3.1**	100.0%	6.0	6.0
Total		**15.5**	**8.0**		14.2	9.8

[1] Rental and other amounts due are receivable within 30 days.

ECL

	SCA Property Group					
	Collectively assessed $m	**Individually assessed $m**	**Total – 30 June 2022 $m**	Collectively assessed $m	Individually assessed $m	Total – 30 June 2021 $m
Opening balance	**3.8**	**6.0**	**9.8**	11.0	4.3	15.3
Remeasurement of loss allowance	**4.1**	**(1.3)**	**2.8**	2.9	1.7	4.6
Amounts written off	**(0.7)**	**-**	**(0.7)**	(1.6)	-	(1.6)
Amounts recovered	**(2.3)**	**(1.6)**	**(3.9)**	(8.5)	-	(8.5)
Closing balance	**4.9**	**3.1**	**8.0**	3.8	6.0	9.8

b) Trade and other payables

Trade and current liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group. The amounts are unsecured and are usually paid within 30 days of recognition.

	SCA Property Group		**Retail Trust**	
	30 June 2022	30 June 2021	**30 June 2022**	30 June 2021
	$m	$m	**$m**	$m
Current				
Trade payables and other creditors	**78.8**	67.0	**78.9**	67.5
Income tax payable	**0.1**	0.5	**-**	-
Payables to related parties (note D3)	**-**	-	**10.2**	10.2
	78.9	67.5	**89.1**	77.7

Trade payables and other creditors are generally payable within 30 days and relate to trade payables $24.7 million (30 June 2021: $26.9 million), property payables $27.2 million (30 June 2021: $16.5 million), rent received in advance $16.4 million (30 June 2021: $16.8 million), interest payables $4.8 million (30 June 2021: $2.4 million) and other payables $5.7 million (30 June 2021: $4.4 million).

c) Taxation

The Group comprises of taxable and non-taxable entities. A liability for current and deferred taxation is only recognised in respect of taxable entities that are subject to income tax and potential capital gains tax as detailed below.

The Retail Trust is the property owning trust and is treated as a trust for Australian tax purposes. Under current Australian income tax legislation, the Retail Trust is not subject to Australian income tax, including capital gains tax, provided that members are presently entitled to the income of the Trust as determined in accordance with the Trust's constitution. Management Trust is treated as a company for Australian tax purposes which means it is subject to income tax.

Deferred tax is provided on all temporary differences on the difference between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

	SCA Property Group		**Retail Trust**	
	30 June 2022	30 June 2021	**30 June 2022**	30 June 2021
	$m	$m	**$m**	$m
Profit before income tax	**487.5**	463.6	**487.0**	461.9
Prima facie tax (expense) at 30%	**(146.3)**	(139.1)	**(146.1)**	(138.6)
Tax effect of income that is not assessable/deductible in determining taxable profit	**145.9**	138.4	**146.1**	138.6
	(0.4)	(0.7)	**-**	-

d) Capital and lease commitments

Estimated capital expenditure committed at balance sheet date but not provided for:

	SCA Property Group & Retail Trust	
	30 June 2022	30 June 2021
	$m	$m
Capital commitments	**171.0**	116.4

The 30 June 2022 balance relates to a conditional agreement which the Group entered into in June 2022 to acquire five neighbourhood shopping centres. This transaction settled in July 2022. Included in the Balance Sheet as current other assets is $9.0 million which represents a deposit in relation to this acquisition. Portfolio details are included below.

Asset	Location	Purchase Price $m	Deposit $m	Capital Commitments $m
Dernancourt Shopping Centre	SA	**46.0**	**2.3**	**43.7**
Fairview Green Shopping Centre	SA	**39.5**	**2.0**	**37.5**
Brassall Shopping Centre	QLD	**46.5**	**2.3**	**44.2**
Port Village Shopping Centre	QLD	**36.0**	**1.8**	**34.2**
Tyne Square Shopping Centre	WA	**12.0**	**0.6**	**11.4**
		180.0	**9.0**	**171.0**

The 30 June 2021 balance relates to:

- **Drayton Central (QLD) ($34.3 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. Included in the Balance Sheet is $1.7 million which represents a deposit in relation to this acquisition.
- **Raymond Terrace (NSW) ($87.5 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. Included in the Balance Sheet is $4.4 million which represents a deposit in relation to this acquisition.
- **Marian Town Centre (QLD) ($0.8 million):** In July 2020, the Group entered into a conditional agreement to acquire vacant land at Marian Town Centre shopping centre for $0.8 million (excluding transaction costs). This transaction settled in July 2021. Included in the Balance Sheet is $0.1 million which represents a deposit and prepaid expenses in relation to this acquisition.

Additionally, the Group leases its office space for $0.7 million per annum. This lease expires in August 2023.

e) Other assets

For leases where the Group is the lessee, a separate right-of-use asset and lease liability is recognised in the Consolidated Balance Sheets. Measurement of the lease liability is the present value of the lease payments that are not paid at the date of transition, discounted using an appropriate discount rate. The right of use asset is presented within the Consolidated Balance Sheets within other assets and the lease liability within other liabilities respectively.

The right of use asset is amortised over the remaining lease term (including the period covered by the extension option), and the lease liability is measured on an effective interest basis.

	SCA Property Group		Retail Trust	
	30 June 2022 $m	30 June 2021 $m	**30 June 2022 $m**	30 June 2021 $m
Current other assets	**14.0**	10.9	**13.2**	9.7
Non-current other assets	**6.5**	7.5	**5.7**	5.8
	20.5	18.4	**18.9**	15.5

Current other assets relate to prepayments $4.0 million (30 June 2021: $3.9 million), deposits paid for the purchase of investment properties $9.0 million (30 June 2021: $6.1 million) and other assets $1.0 million (30 June 2021: $0.9m).

Non-current other assets includes right of use assets for the investment property at Lane Cove $5.7 million (30 June 2021: $5.8 million) and lease of office space $0.6 million (30 June 2021: $1.2 million) and other assets $0.2 million (30 June 2021: $0.5 million). The corresponding leasing liability of $7.2 million (30 June 2021: $7.7 million) is presented in non-current liabilities.

D2 Cash flow information

a) Notes to statements of cash flows

Reconciliation of net profit after tax to net cash flow from operating activities is below.

	SCA Property Group		Retail Trust	
	30 June 2022 $m	30 June 2021 $m	**30 June 2022 $m**	30 June 2021 $m
Net profit after tax	**487.1**	462.9	**487.0**	461.9
Net unrealised (gain) / loss on change in fair value of investment properties	**(354.0)**	(354.2)	**(354.0)**	(354.2)
Net unrealised (gain) / loss on change in fair value of derivatives	**(0.5)**	65.9	**(0.5)**	65.9
Net unrealised (gain) / loss on change in foreign exchange	**36.3**	(35.3)	**36.3**	(35.3)
Straight-lining of rental income and amortisation of incentives	**13.6**	12.6	**13.6**	12.6
(Decrease) / increase in payables	**0.9**	0.4	**(3.3)**	(0.9)
Non-cash and capitalised financing expenses	**3.7**	(1.8)	**3.7**	(1.8)
Other non-cash items and movements in other assets	**(0.8)**	(7.8)	**0.7**	(5.4)
(Increase) / decrease in receivables	**(6.9)**	2.3	**(4.8)**	2.0
Net cash flow from operating activities	**179.4**	145.0	**178.7**	144.8

D3 Related party information

a) Key management personnel compensation

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest and adjusts for non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity settled employee benefits reserve.

The aggregate compensation made to the Directors and other key management personnel of the Group is set out below.

	30 June 2022 $	30 June 2021 $
Short term benefits	**3,442,555**	3,555,961
Post-employment benefits	**137,809**	147,761
Share-based payment	**1,267,662**	784,098
Long term benefits	**48,326**	31,110
	4,896,352	4,518,930

b) Share based payments

The Group has a Group Executive Incentive Plan that entitles key management personnel, subject to criteria, to become entitled to acquire securities at nil cost to the employee.

Rights pursuant to the Group Executive Incentive Plan have been issued for:

- Short Term Incentive Plan Rights (STIP)
- Long Term Incentive Plan Rights (LTIP)

Under the Group Executive Incentive Plan grants of rights have been made to the following key management personnel:

- Mr Mellowes (Director and Chief Executive Officer)
- Mr Fleming (Director and Chief Financial Officer)

In addition, certain non-key management personnel were also granted 38,407 rights during the year (30 June 2021: 328,563).

The table below summarises the rights issued to key management personnel. These rights have a nil exercise price and awards are subject to meeting performance criteria. Where the performance criteria are met, details of the stapled securities that may be issued are below. Under the Group Executive Incentive Plan, 166,576 securities were issued and vested to Mr Mellowes (30 June 2021: 424,346) and to Mr Fleming 80,040 (number of securities) (30 June 2021: 194,053).

Type and eligibility	Vesting conditions[1]	Security price at grant date	Grant date	Testing date	Vesting date	Maximum number of stapled securities or maximum value of securities to be issued	Fair value at grant date
STIP (FY22) (Mr Mellowes)	Non-market	$2.83	Sep-21	Jul-22	Jul-23	$580,250	$0.97 per $1.00
STIP (FY22) (Mr Fleming)	Non-market	$2.83	Sep-21	Jul-22	Jul-23	$290,200	$0.97 per $1.00
LTIP (FY22 - FY24) (tranche 1) (Messrs Mellowes, Fleming)	Relative TSR[2]	$2.83	Sep-21	Sep-24	Jul-25	431,758	$1.67 per security
LTIP (FY22 - FY24) (tranche 2) (Messrs Mellowes, Fleming)	Non-market	$2.83	Sep-21	Jun-24	Jul-25	287,839	$2.83 per security
STIP (FY21) (Mr Mellowes)	Non-market	$2.23	Sep-20	Jan-21 Jul-21	Jul-22	$241,250 $241,250	$0.96 per $1.00
STIP (FY21) (Mr Fleming)	Non-market	$2.23	Sep-20	Jan-21 Jul-21	Jul-22	$115,938 $115,938	$0.96 per $1.00
LTIP (FY21 - FY23) (tranche 1) (Messrs Mellowes, Fleming, Lamb)	Relative TSR[2]	$2.23	Sep-20	Sep-23	Jul-24	452,393	$1.18 per security
LTIP (FY21 - FY23) (tranche 2) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.23	Sep-20	Jun-23	Jul-24	301,595	$2.23 per security
STIP (FY20) (Mr Mellowes)	Non-market	$2.61	Aug-19	Jul-20	Jul-22	$482,500	$0.96 per $1.00
STIP (FY20) (Mr Fleming)	Non-market	$2.61	Aug-19	Jul-20	Jul-22	$231,875	$0.96 per $1.00
LTIP (FY20 - FY22) (tranche 1) (Messrs Mellowes, Fleming, Lamb)	Relative TSR[2]	$2.61	Aug-19	Sep-22	Jul-23	213,818	$1.28 per security
LTIP (FY20 - FY22) (tranche 2) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.61	Aug-19	Jun-22	Jul-23	213,818	$2.59 per security
LTIP (FY20 - FY22) (tranche 3) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.61	Aug-19	Jun-22	Jul-23	213,818	$2.59 per security
STIP (FY19) (Mr Mellowes)	Non-market	$2.40	Aug-18	Jul-19	Jul-21	$386,750	$0.97 per $1.00
STIP (FY19) (Mr Fleming)	Non-market	$2.40	Aug-18	Jul-19	Jul-21	$187,500	$0.97 per $1.00
LTIP (FY19 - FY21) (tranche 1) (Messrs Mellowes, Fleming, Lamb)	Relative TSR[2]	$2.40	Aug-18	Sep-21	Jul-22	182,455	$1.22 per security
LTIP (FY19 - FY21) (tranche 2) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.40	Aug-18	Jun-21	Jul-22	182,455	$2.40 per security
LTIP (FY19 - FY21) (tranche 3) (Messrs Mellowes, Fleming, Lamb)	Non-market	$2.40	Aug-18	Jun-21	Jul-22	182,455	$2.40 per security

[1] Service and non-market conditions include financial and non-financial targets along with a deferred vesting period.
[2] TSR is Total Shareholder Return measured against a comparator group.

The Group recognises the fair value at the grant date of equity settled securities below as an employee benefit expense proportionally over the vesting period with a corresponding increase in equity. Fair value is measured at grant date using Monte-Carlo simulation and Black Scholes option pricing models where applicable, performed by an independent valuer, and models the future security price of the Group's securities.

Non-market vesting conditions are determined with reference to the underlying financial or non-financial performance measures to which they relate.

The total expense recognised during the year in relation to those eligible for equity settled share-based payments was $1.6 million (30 June 2021: $0.9 million). Key inputs to the pricing models include:

	30 June 2022	30 June 2021	30 June 2020	30 June 2019
Volatility	**26%**	25%	16%	17%
Dividend yield	**5.4%**	5.5%	5.8%	6.1%
Risk-free interest rate	**0.2%**	0.2%	0.7%	1.99%

c) Other related party disclosures

The Retail Trust has a current payable of $10.2 million to the Management Trust (30 June 2021: $10.2 million). This is non-interest bearing and repayable at call. Additionally, Shopping Centres Australasia Property Group RE Limited (the Company), the Responsible Entity of the Retail Trust and a wholly owned subsidiary of Management Trust, makes payments on behalf of the Retail Trust from time to time. These payments are incurred by the Company in properly performing or exercising its powers or duties in relation to the Retail Trust. The Company has a right of indemnity from the Retail Trust, for any liability incurred by the Company in properly performing or exercising any of its powers or duties in relation to the Retail Trust. The amount reimbursed or reimbursable during the year under this agreement was $18.0 million (30 June 2021: $17.0 million).

The Management Trust received $1.0 million (30 June 2021: $2.2 million) of funds management revenue from SURF 1, SURF 2 and SURF 3 (Retail Trust: $nil) and the Retail Trust received distributions of $0.2 million (30 June 2021: $1.3 million). SURF 1 and SURF 2 were wound up during the year ended 30 June 2021 and SURF 3 during the year ended 30 June 2022.

In November 2021, the Retail Trust acquired Moama Marketplace, Warrnambool Target and Woodford for $53.6 million from SURF 3. The Group had a 26.2% interest in SURF 3. This transaction was conducted on an arms length basis. The Management Trust was also entitled to a 1% disposal fee of $0.5 million (before tax) on settlement and a performance fee of $0.4 million (before tax) which was included in funds management revenue during the year (note A1).

At 30 June 2022, the Group and Retail Trust has an investment in SCA Metro Fund of 20% or $24.6 million. SCA Metro Fund was formed during the year ended 30 June 2022. The Group is the manager of the SCA Metro Fund. In April 2022 the SCA Metro Fund acquired seven properties from the Retail Trust for $284.5 million. This transaction was conducted on an arms length basis. The Management Trust received $0.2 million of funds management revenue from SCA Metro Fund during the year (note A1).

D4 Parent entity

Selection of parent entity

In determining the parent entity of the Shopping Centres Australasia Property Group, the Directors considered various factors including asset ownership, debt obligation, management and day to day responsibilities. 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 Shopping Centres Australasia Property Group.

	Management Trust[1]		Retail Trust[1, 2]	
	30 June 2022	30 June 2021	**30 June 2022**	30 June 2021
	$m	$m	**$m**	$m
Current assets	**-**	-	**93.8**	84.4
Non-current assets	**-**	-	**4,593.5**	4,117.6
Total assets	**-**	-	**4,687.3**	4,202.0
Current liabilities	**-**	-	**182.1**	150.8
Non-current liabilities	**-**	-	**1,382.9**	1,337.9
Total liabilities	**-**	-	**1,565.0**	1,488.7
Contributed equity	**10.2**	10.2	**2,070.1**	1,980.3
Reserves	**-**	-	**8.4**	7.0
Accumulated profit	**-**	-	**1,043.8**	726.0
Total equity	**10.2**	10.2	**3,122.3**	2,713.3
Net profit after tax	**-**	-	**487.0**	461.9
Other comprehensive income / (loss)	**-**	-	**(0.2)**	3.1
Total comprehensive income	**-**	-	**486.8**	465.0
Commitments for the acquisition of property by the parent	**-**	-	**171.0**	116.4

1 *Head Trusts only.*
2 *The Retail Trust financial statements have been prepared on a going concern basis. In preparing the Retail Trust financial statements the Directors note that the Retail Trust has a net current asset deficiency position as it is the policy of the Group and Retail Trust to use surplus cash to repay revolving debt. At 30 June 2022 the Group and Retail Trust have the ability to drawdown funds to pay the distribution on or about 31 August 2022, having sufficient excess cash and cash equivalents and undrawn financing facilities (refer note C2).*

D5 Subsidiaries

Name of subsidiaries	Place of incorporation and operation	Ownership interest	
		30 June 2022	30 June 2021
Subsidiaries of Shopping Centres Australasia Property Management Trust			
Shopping Centres Australasia Property Operations Pty Ltd	Australia	**100.0%**	100.0%
Shopping Centres Australasia Property Holdings Pty Ltd	Australia	**100.0%**	100.0%
Shopping Centres Australasia Property Group RE Ltd	Australia	**100.0%**	100.0%
SCA Unlisted Retail Fund RE Ltd	Australia	**100.0%**	100.0%
Shopping Centres Australasia Property Agent Pty Ltd	Australia	**100.0%**	100.0%
Shopping Centres Australasia Property Agent (VIC) Pty Ltd	Australia	**100.0%**	-
SCA Fund Management Ltd	Australia	**100.0%**	-

Additionally, Shopping Centres Australasia Property Retail Trust is considered for financial reporting purposes a subsidiary of Shopping Centres Australasia Property Management Trust due to stapling even though there is no ownership or shareholding interest.

D6 Auditor's remuneration

	SCA Property Group & Retail Trust	
	30 June 2022 $'000	30 June 2021 $'000
Audit of the Financial Statements	**303.5**	304.2
Statutory assurance services required by legislation to be provided by the auditor	**53.0**	52.9
	356.5	357.1

The auditor of the Group is Deloitte Touche Tohmatsu. The auditor's remuneration includes audit of the Financial Reports, subsidiary Financial Reports, the Group's Australian Financial Service License and the Group's Compliance Plans.

D7 Contingent assets

During the year a number of insurance claims were made with respect to damage to investment properties as a result of events such as rain and floods. The Group has been working with tenants and insurers to review options for the restatement of damaged areas. To date $2.2 million has been recovered from insurers. Discussions are ongoing regarding claims by the Group for additional amounts.

D8 Subsequent events

In July 2022, the Group acquired the following properties for $180.0 million (excluding transaction costs).

Asset	Location	Purchase Price $m
Dernancourt Shopping Centre	SA	**46.0**
Fairview Green Shopping Centre	SA	**39.5**
Brassall Shopping Centre	QLD	**46.5**
Port Village Shopping Centre	QLD	**36.0**
Tyne Square Shopping Centre	WA	**12.0**
		180.0

On 10 February 2022 the Group also entered into an interest rate swap with a face value of $150.0 million where the Group pays fixed at 2.61% and receives floating starting in July 2023 and expires in February 2032. This swap was amended on 3 August 2022 to a face value of $250.0 million where the Group pays 1.44% starting in August 2022 and expires in July 2024.

Since the end of the 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 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.

D9 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 registered office of Shopping Centres Australasia Property Group RE Limited is Level 5, 50 Pitt Street, Sydney, New South Wales.

The Directors of the Responsible Entity have authorised the Financial Report for issue on 15 August 2022.

D10 Other 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 Property Management Trust has been identified as the Parent for preparing Consolidated Financial Statements.

These 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 Financial Statements have been presented in Australian dollars, the Groups' functional currency unless otherwise stated.

Historical cost convention

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

Going concern

These Consolidated Financial Statements are prepared on a going concern basis. In reaching this position, it has considered that the Group and Retail Trust are in a net current asset deficiency position of $76.1 million. At 30 June 2022 the Group and Retail Trust have the ability to drawdown sufficient funds to pay the current liabilities and the capital commitments (refer to note D1), having available, cash and cash equivalents and undrawn debt facilities of $452.7 million.

b) Statement of compliance

The Financial Report is a General Purpose Financial Report that has been prepared in accordance with Australian Accounting Standards, Australian Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (the Board or AASB) and the *Corporations Act 2001* (Cth).

The Financial Report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

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

c) 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) which are mandatorily effective for an accounting period that begins on or after 1 July 2021, and therefore relevant for the current year end. The application of these amendments does not have any material impact on the disclosures, or the amounts recognised in the Group's Financial Statements.

The accounting policies adopted by the Group are consistent with those of the previous financial year.

d) Basis of consolidation

The Consolidated Financial Statements of the Group incorporate the assets and liabilities of Shopping Centres Australasia Property Management Trust (the Parent) and all of its subsidiaries, including Shopping Centres Australasia Property Retail Trust. Shopping Centres Australasia Property Management Trust has been identified as the parent entity in relation to the stapling. The results and equity of Shopping Centres Australasia Property Retail Trust (which is not directly owned by Shopping Centres Australasia Property Management Trust) have been treated and disclosed as a non-controlling interest. While the results and equity of Shopping Centres Australasia Property Retail Trust are disclosed as a non-controlling interest, the security holders of Shopping Centres Australasia Management Trust are the same as the security holders of Shopping Centres Australasia Property Retail Trust.

These Financial Statements also include a separate column representing the Financial Statements of Shopping Centres Australasia Property Retail Trust, incorporating the Consolidated Statements of Comprehensive Income, Consolidated Balance Sheets, Consolidated Statements of Changes in Equity and Consolidated Statements of Cash Flows of the Group and Shopping Centres Australasia Property Retail Trust.

Subsidiaries are all entities over which the Group has control. Control is defined as having rights to variable returns from involvement in the investee and having the ability to affect those returns through its power over the investee.

Where an entity began or ceased to be a controlled entity during the reporting year, the assets, liabilities and results are consolidated only from the date control commenced or up to the date control ceased. In preparing the Consolidated Financial Statements, all intra-group transactions and balances, including unrealised profits arising thereon, have been eliminated in full.

e) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST (or equivalent tax in overseas locations) except where the GST incurred on purchases of goods and services is not recoverable from the tax authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated with the amounts of GST included. The net amount of GST receivable from, or payable to, the taxation authority is included as part of receivables or payables.

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

f) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank to meet short term commitments.

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 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 88 to 119 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 at 30 June 2022 and of their performance, for the year ended 30 June 2022; 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.

Note D10 confirms that the Financial Statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declaration required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the year ended 30 June 2022.

Signed in accordance with a resolution of the Directors.

Steven Crane
Deputy Chair
Sydney
15 August 2022

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000

Tel: +61 (0) 2 9322 7000
www.deloitte.com.au

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of:

- Shopping Centres Australasia Property Management Trust ("SCA Property Management Trust") and its controlled entities ("SCA Property Group" or "the Group") which comprises the consolidated balance sheets as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration; and

- Shopping Centres Australasia Property Retail Trust and its controlled entities ("SCA Property Retail Trust") which comprises the consolidated balance sheets as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

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

- Giving a true and fair view of the SCA Property Group's and SCA Property Retail Trust's financial position as at 30 June 2022 and of their financial performance for the year then ended; and

- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter

As at 30 June 2022, SCA Property Group recognised investment properties valued at $4.46b as disclosed in Note B1.
 	
The fair value of investment property is calculated in accordance with the valuation policy set out in Note B1.
 	
Note B1 discloses the significant judgements and estimates made by SCA Property Group in estimating the fair values. These include the following assumptions:
• Capitalisation rates: are subjective and fluctuate with the prevailing market transactions.
• Discount rates: are subjective due to the specific nature and characteristics of individual investment properties.
• Other assumptions: property type, location, tenancy profile, tenant sales, current market rents, market rental growth, capital expenditure, lease expiry profile.
	Our procedures included, but were not limited to:
	o Assessing management's process for valuing investment property, and the review and approval of the valuations by the directors
	o Assessing the independence, competence and objectivity of the internal and external valuers
	o Holding discussions with management and the external valuers to obtain an understanding of portfolio movements and their assessment of the impact of current market trends on property valuations
	o Performing a risk assessment of the portfolio, including comparing the key valuation model inputs and assumptions to independent property market reports to identify properties which were assessed as displaying a greater risk of material misstatements.
	o For the properties that were assessed as displaying a greater risk of material misstatement performing the following:
	    o testing the integrity of the information used in the valuation models by agreeing key inputs such as net operating income to underlying records and source documents
	    o Benchmarking the capitalisation rates and discount rates with reference to external market trends and transactions and challenging whether those assumptions where appropriate
	    o evaluating the forecasts used in the valuation models with reference to current financial results such as revenues and expenses, capital expenditure requirements, vacancy rates and lease renewals
	    Performing procedures over the specific assumptions adopted for properties impacted by the 2022 floods in New South Wales and Queensland
	
	We also assessed the adequacy of the disclosures included in Note B1 to the financial statements.

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Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report and Sustainability Report which we obtained prior to the date of this auditor's report, and also includes the following information which will be included in the SCA Property Group and SCA Property Retail Trust's annual report (but does not include the financial report and our auditor's report thereon): Message from the Chairman, Message from the CEO, and Security Analysis, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Message from the Chairman, Message from the CEO, and Security Analysis, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the SCA Property Group and SCA Property Retail Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the SCA Property Group and/or SCA Property Retail Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SCA Property Group's and/or SCA Property Retail Trust's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SCA Property Group's and/or SCA Property Retail Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the SCA Property Group and/or SCA Property Retail Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the SCA Property Group and SCA Property Retail Trust to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the SCA Property Group and SCA Property Retail Trust's audit. We remain solely responsible for our audit opinion.

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

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

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

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Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 63 to 85 of the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of SCA Shopping Centres Australasia Property Management Trust, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

DELOITTE TOUCHE TOHMATSU.

DELOITTE TOUCHE TOHMATSU

A. COLEMAN.

Andrew J Coleman
Partner
Chartered Accountants
Sydney, 15 August 2022

SECURITY ANALYSIS

DISTRIBUTION OF EQUITY SECURITIES AS AT 25 AUGUST 2022

Ranges	Investors	Securities	% Issued Capital
1 to 1,000	35,824	14,394,535	1.29%
1,001 to 5,000	9,232	23,705,672	2.12%
5,001 to 10,000	5,469	39,951,557	3.58%
10,001 to 100,000	5,374	117,555,176	10.53%
100,001 and Over	120	921,044,675	82.48%
Total	56,019	1,116,651,615	100.00%

SCP only has ordinary stapled securities on issue and at 25 August 2022 there were a total of 56,019 holders.

The total number of securityholders with less than a marketable parcel of (using the closing price for SCP securities on 25 August 2022) securities is 4,381 and they hold 330,391 securities.

SUBSTANTIAL SECURITYHOLDER NOTICES AS AT 25 AUGUST 2022

Ordinary securities	Date of change	Securities held	%
The Vanguard Group, Inc	9/12/2019	93,195,570	10.00%
Blackrock Group	16/12/2020	76,019,093	7.06%
Franklin Resources, Inc	3/11/2021	66,481,188	5.99%
State Street Corporation and subsidiaries	20/07/2022	83,697,016	7.50%

VOTING RIGHTS AS AT 25 AUGUST 2022

The voting rights attaching to ordinary stapled securities (being the only class of equity securities SCP has on issue) are:

- On a show of hands, each member of a registered scheme has one vote; and
- On a poll, each member of the scheme has one vote for each dollar of the value of the total interests they have in the scheme.

ON MARKET BUY-BACK

There is no current on-market buy-back.

TOP 20 REGISTERED EQUITY SECURITYHOLDERS AS AT 25 AUGUST 2022

Name	Units	% of units
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	358,944,729	32.14
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	218,885,000	19.60
CITICORP NOMINEES PTY LIMITED	150,822,546	13.51
NATIONAL NOMINEES LIMITED	60,413,740	5.41
BNP PARIBAS NOMS PTY LTD	52,734,618	4.72
BNP PARIBAS NOMINEES PTY LTD	14,626,576	1.31
CITICORP NOMINEES PTY LIMITED	10,925,720	0.98
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,448,716	0.58
DJERRIWARRH INVESTMENTS LIMITED	4,770,000	0.43
NETWEALTH INVESTMENTS LIMITED	4,345,352	0.39
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	2,693,328	0.24
NAVIGATOR AUSTRALIA LTD	2,611,402	0.23
NULIS NOMINEES (AUSTRALIA) LIMITED	1,881,125	0.17
SANDHURST TRUSTEES LTD	1,509,860	0.14
NAVIGATOR AUSTRALIA LTD	1,259,622	0.11
MR ANTHONY MICHAEL GRAINGER MELLOWES	1,227,077	0.11
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,209,863	0.11
AKAT INVESTMENTS PTY LIMITED	1,100,000	0.10
BNP PARIBAS NOMS (NZ) LTD	988,014	0.09
GARMARAL PTY LTD	918,537	0.08
Total	**898,315,825**	**80.45**
Balance of register	218,335,790	19.55
Grand total	**1,116,651,615**	**100.00**

DIRECTORY

Shopping Centres Australasia Property Management Trust ARSN 160 612 626

Shopping Centres Australasia Property Retail Trust ARSN 160 612 788

RESPONSIBLE ENTITY

Shopping Centres Australasia Property Group RE Limited ABN 47 158 809 851
AFSL 426603

REGISTERED OFFICE/PRINCIPAL OFFICE

SCA Property Group Level 5, 50 Pitt Street
Sydney NSW 2000 Australia
Phone + 61 2 8243 4900

SECURITIES EXCHANGE LISTING

SCA Property Group (SCP or the Group) is listed on the ASX.
ASX code: SCP

DIRECTORS

Philip Marcus Clark AO (Chair) (retiring 30 November 2022)

Steven Crane (Deputy Chair) (Chair from 1 December 2022)

Angus James (appointed 9 December 2021)

Beth Laughton

Belinda Robson

Anthony Mellowes

Mark Fleming

Michael Herring (appointed 18 August 2022)

Dr Kirstin Ferguson (resigned 17 August 2021)

COMPANY SECRETARY

Erica Rees

AUDITOR

Deloitte Touche Tohmatsu Level 9, Grosvenor Place
225 George Street, Sydney NSW 2000 Australia

CORPORATE GOVERNANCE

SCP's 2022 Corporate Governance Statement outlines the governance systems in effect in the Reporting Period by reference to the ASX Corporate Governance Principles and Recommendations and it can be found on SCP's website at:
www.scaproperty.com.au/about/governance.

COMPANY WEBSITE

All Unitholders can access important information on the Group's website at www.scaproperty.com.au. It includes all presentations, webcasts, market updates and ASX announcements and links to the online registry, as well as this Annual Report.

SCP only sends printed copies of the Annual Report to Unitholders that have elected to receive a hard copy. In the interests of sustainability and reducing paper consumption, we strongly encourage Unitholders to download the electronic version of this report.

ANNUAL TAXATION STATEMENT

SCP sends an annual taxation statement to Unitholders at the end of August each year. This statement provides a breakdown of the tax components of the Group's distribution of the preceding financial year. It also contains important information for completing Unitholder taxation returns, and Unitholders should retain this as part of their taxation records.

CONTACT THE REGISTRY

Unitholders seeking information about their holding or distribution payments can contact the registry.
1300 318 976 (toll free within Australia)
+ 61 1300 318 976 (outside of Australia)

The Registrar
Link Market Services Locked Bag A14
Sydney South NSW 1235 Australia

COMPLAINTS

In accordance with SCP's complaints handling procedure, if you wish to make a complaint, please forward your correspondence to:

Compliance Officer
SCA Property Group
Level 5, 50 Pitt Street
Sydney NSW 2000 Australia
Or by email to: admin@scaproperty.com.au

UNITHOLDER REGISTER DETAILS

You can visit the register at investorcentre.linkgroup.com/Login/Login to view your holdings, access information and make changes. Log on using your SRN or HIN and the postcode of your registered address.

SCP encourages Unitholders to update their personal details on the register, including providing a tax file number (TFN) or Australian business number (ABN), and an email address to receive electronic communication. We will make all future distribution payments by direct credit, so we also ask that Unitholders provide their banking details.

On the online register, you can:

- Check your current balance
- Choose your preferred annual report options
- Update your address details
- Provide your email address
- Provide or update your banking instructions
- Register your TFN or ABN
- Check transaction and distribution history
- Download a variety of instruction forms
- Subscribe to email announcements

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