1H FY24 Results Presentation

5 February 2024

Essentially Local

Morisset Shopping Centre, NSW

Agenda

1. Overview and Strategy

Anthony Mellowes

Chief Executive Officer

1H FY24 Interim Results

FY24 AFFO guidance maintained at 13.7cps

Financial Performance

FFO per security	AFFO per security	Distribution per security	Statutory net loss after tax
7.6 cps	6.7 cps	6.7 cps	($35.0m)
vs 8.4 cps[1]	vs 7.6 cps[1]	100% payout of AFFO	vs ($95.1m)[1]

Operational Performance

Portfolio occupancy	Completed leasing deals	Tenant retention	Comparable MAT growth
98.0%	207	87%	4.1%
vs 97.8%[2]	vs 195 in 2H FY23	vs 82%[2]	vs 4.5%[2]

Capital Management

Properties divested[3]	NTA per security	Pro forma gearing	Hedged Debt
$77.2m	$2.45	31.6%	97.7%
as part of capital recycling program	vs $2.55[2]	at lower end of target 30-40% range	vs 79.7%[2]

1. Compared to 1H FY23
2. Compared to 30 June 2023
3. Includes Carrara Shopping Centre divested in 2H FY23 and Drouin Central divested in January 2024

Our Strategy

Defensive, resilient cash flows to support secure and growing long term distributions to our security holders

- Focus on convenience-based shopping centres
- Weighted to non-discretionary retail segments
- Long leases to quality anchor tenants
- Growth and value creation opportunities
- Appropriate capital structure

Region GROUP

1H FY24 Key Achievements

Core strategy delivers consistent portfolio performance

Focus on convenience-based shopping centres

Portfolio performance underpinned by resilience of our non-discretionary tenants

- 2.2% comparable NOI growth with full year FY24 expected to be stronger
- 4.1% MAT growth driven by 4.2% supermarket and 4.6% non-discretionary specialty sales growth
- Low arrears of 1.1% of billings
- Low specialty occupancy cost of 9.0%

207 specialty leasing deals secures future revenue growth

- 2.6% leasing spreads with 4.4% spreads on renewals
- 4.3% average annual fixed rent increases for completed deals
- Specialty vacancy reduced to 4.9%
- 87% retention rate
- There was a conscious focus on new leasing with 81 deals completed. 2H FY24 is expected to be skewed to renewal deals

Growth and value creation opportunities

Target $200m capital recycling program well progressed

- $53.7m of properties sold / contracted to sell during the half year at an average implied cap rate of 5.44% ($77.2m including Carrara Shopping Centre which was divested in May 2023)

Redeploying into accretive opportunities

- Reduced debt balance from divestment proceeds provides capacity for future value add opportunities
- Commenced construction on the $31.5m[1] expansion of Delacombe Town Centre with estimated completion date of December 2024

Appropriate capital structure

Navigating beyond the peak cost of debt

- Completed zero cost hedge restructure which mitigates WACD headwinds from FY25
- Protected against market interest rate volatility with 97.7% of current drawn debt hedged in FY24 and 78.2% in FY25

Conservative and secure balance sheet

- Gearing of 32.0%, at lower end of our target range of 30-40%
- Pro forma gearing of 31.6% following the settlement of Drouin Central

1. Excludes the $15m land value

2. Operational Performance

Anthony Mellowes

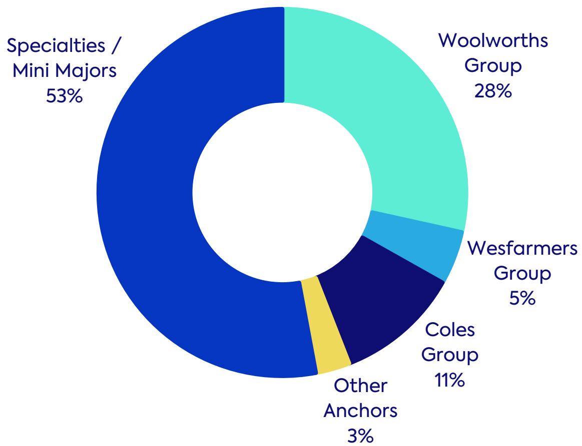
Chief Executive Officer

Portfolio Overview

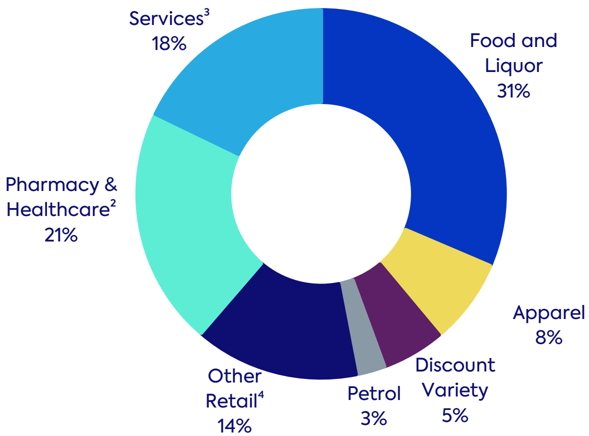
Strong weighting towards non-discretionary tenants

93	2,091	$4,303.6m	790,894	2,491,974	5.3 years
Owned retail properties	No. specialty tenants	Total owned portfolio value	Gross lettable area sqm	Land sqm	Weighted average lease expiry[1]

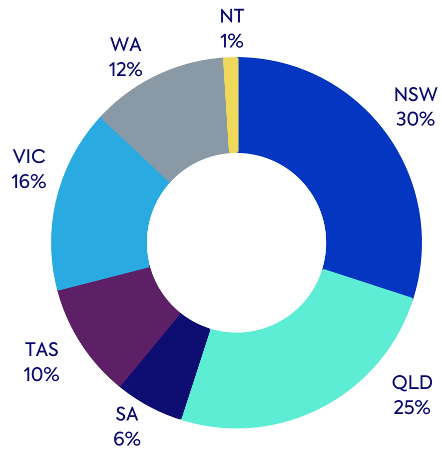
Tenants by Category (by gross rent)



Specialty / Mini Major Tenants (by gross rent)



Geographic Diversification (by value)



1. Weighted average lease expiry (WALE) years by gross rent
2. Pharmacy & Healthcare includes pharmacies, medical centres/doctors, dentists, optometrists, audiologists and other healthcare service tenancies
3. Services includes hairdressing, dry cleaners, gyms/fitness centres, banks, post office and other services tenancies
4. Other retail includes jewellery, leisure, homewares, gifts/florists/newsagents, communications, travel and other retail tenancies

NOI resilience driven by non-discretionary focus

Consistent FFO growth reflects quality portfolio

83.6%

Gross rent from anchors and non-discretionary tenants

1.1%

Low tenant arrears (vs 1.3% at 30 June 23)

2.2%

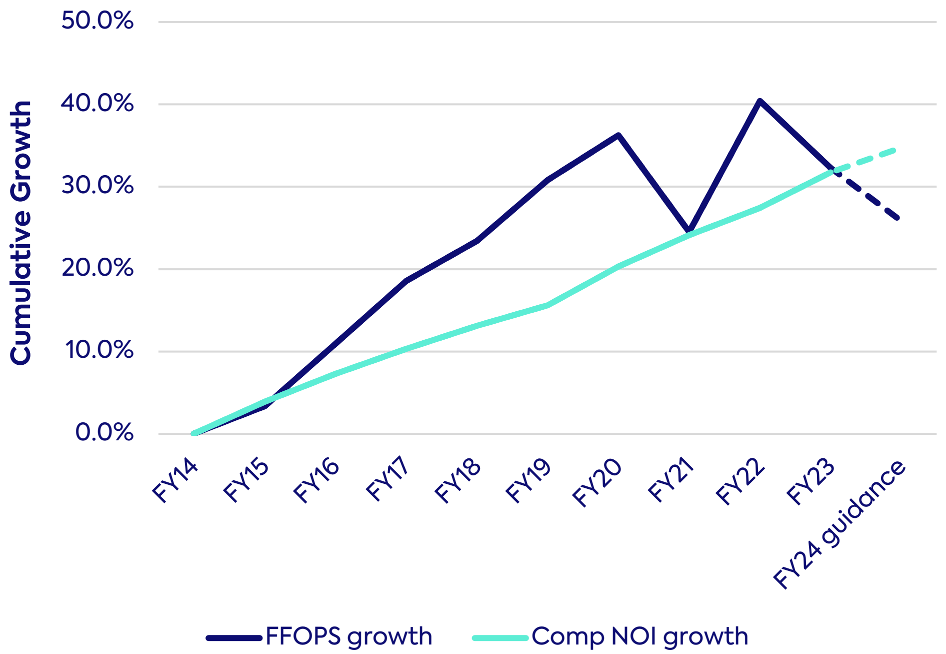
1H FY24 comparable NOI growth[1]

3.0%

Target FY24 Comparable NOI growth[2]

Consistent comparable NOI growth drives FFO growth

3.5% average Comparable NOI growth vs 2.5% average FFO per security growth



Graph illustrates RGN growth and excludes COVID related one-offs (government mandated rental incentives and changes in expected credit loss balances). FY24 Comp NOI growth figure is a target.

1. 6 months ended 31 December 2023 compared to 6 months ended 31 December 2022
2. 12 months ended 30 June 2024 compared to 12 months ended 30 June 2023

Rental income security

Improving occupancy with manageable lease expiry profile and predictable specialty income

98.0%

Portfolio occupancy

- Occupancy improved from 97.8%[1]
- Specialty vacancy reduced from 5.0% to 4.9%[1]
- 87% of expiring tenants retained
- Holdovers of 3.2% by gross rent reduced from 3.7%[1]

5.3 yrs

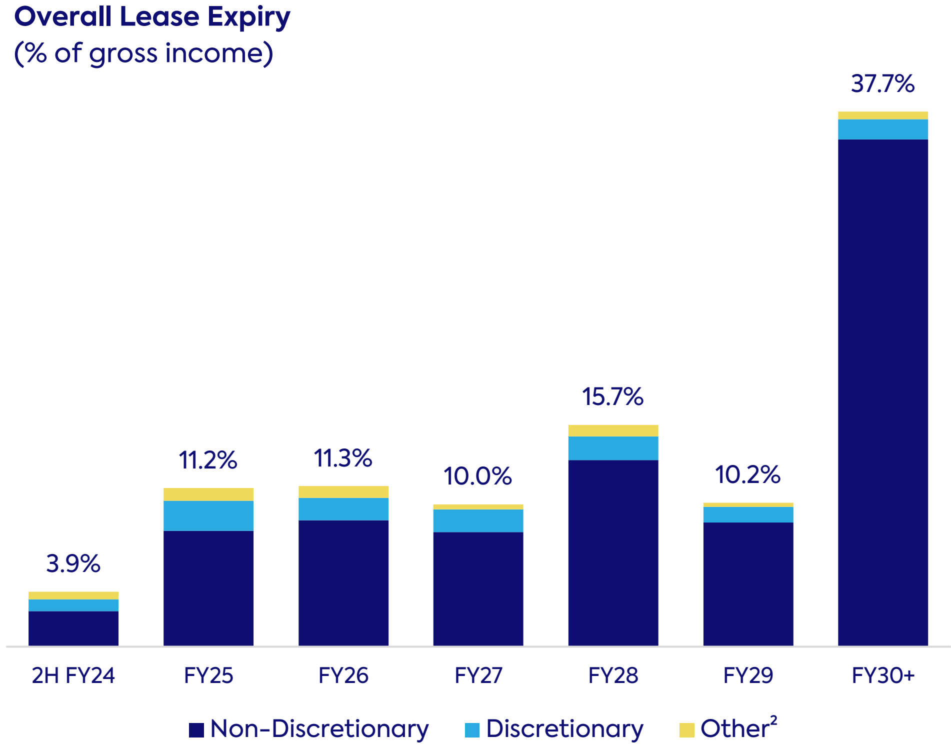
Total portfolio WALE (by gross rent)

- Portfolio WALE decreased by 0.2 years[1] with increased leasing activity mitigating the natural expiry of leases
- 3.9% of leases expire in the remainder of FY24 with no anchors and 2.5% being non-discretionary specialty tenants

3.9%

Average annual fixed rent reviews

- An increase from 3.8% to 3.9% driven by 1H FY24 completed deals with an average 4.3% fixed rent reviews achieved
- Average annual fixed rent reviews are applied across 90% of our specialty and mini major tenants
- Average specialty gross rent increased from $818 per sqm to $856 per sqm[1]



1. Compared to 30 June 2023
2. Other includes ATM's, offices and other non-retail tenancies.

Portfolio sales performance

Consistent and resilient growth

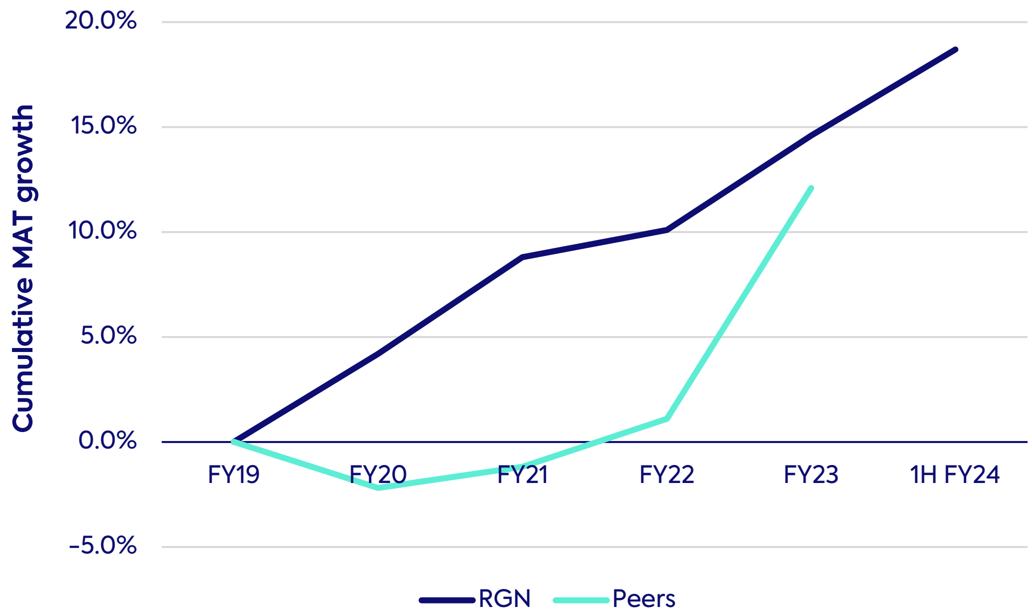
4.1%
Comparable MAT growth

3.6%
Average comparable MAT growth since FY19

Comparable MAT Growth by Category

Total portfolio	31 Dec 2023	30 Jun 2023
Supermarkets	4.2%	3.4%
Discount Department Stores	2.1%	9.4%
Mini Majors	1.3%	2.2%
Specialties	2.5%	7.5%
Total	**4.1%**	**4.5%**

Superior MAT growth vs our peers since FY19



Peer information includes data available to date for all ASX listed owners of retail portfolios that disclose sales information. FY19 reflects sales in a pre-COVID environment.

Continuing to grow our anchor tenant partnerships

Partnering with our anchor tenants to drive sales turnover and value to all stakeholders

127

Anchor tenants

- 47% of total gross rent provides income stability
- 61 Woolworths and 31 Coles stores being their largest and second largest landlord respectively[2]
- Supermarkets turnover is significant ~$5bn annual sales

77

direct to boot and e-commerce facilities

- 6 facilities completed in 1H FY24 and 3 expected to complete in 2H FY24
- 96% of stores have online sales included in turnover rent
- MAT growth is 0.5% higher for centres where an e-commerce facility has been installed

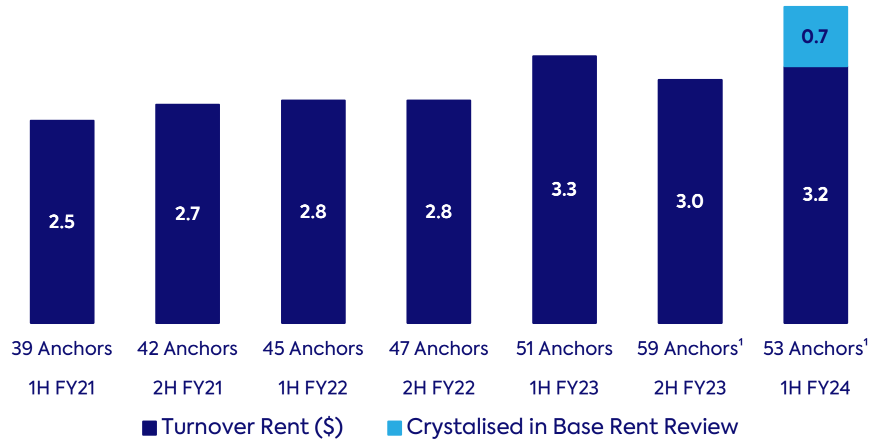
4.2%

Supermarket comparable MAT growth

- Supermarket MAT growth performance exceeds average 3.6% growth since FY19
- $3.2m turnover rent generated from 53 anchor tenants[1]. A further 21 are within 10% of threshold
- MAT growth from supermarkets generating turnover rent is 0.4% higher than the total portfolio

Moggill Village, QLD

Anchor turnover rent ($m)



1. There are 7 anchors no longer generating turnover rent due to base rent crystalisation and disposals
2. Of supermarket stores

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Specialty sales performance

Sustainable growth in non-discretionary tenant sales[1]

4.6%

Non-discretionary specialty MAT growth

2.5%

Total specialty MAT growth

9.0%

Occupancy cost (vs 8.7%)[2]

$10,446 sqm

Total specialty sales productivity (vs $10,342 sqm)[2]

Non-discretionary specialty tenants

	% of specialty gross rent	Comparable MAT growth
Food & Liquor	42.7%	2.9%
Pharmacy & Healthcare	11.6%	(1.7%)
Medical & Beauty Services	16.4%	6.5%
Discount Variety	2.6%	9.1%
Communications	3.2%	52.7%
Total Non-Discretionary	**76.5%**	**4.6%**

Discretionary specialty tenants

	% of specialty gross rent	Comparable MAT growth
Apparel	9.4%	(4.7%)
Gifts / Florists	5.3%	(1.6%)
Leisure	4.8%	2.9%
Other	4.0%	0.1%
Total Discretionary	**23.5%**	**(1.5%)**

1. For the period ending 31 December 2023
2. Compared to 30 June 2023

1H FY24 speciality leasing activity

Leasing capability drives record number of deals, growing leasing spreads

Strategy

Proactively remixing to secure quality everyday essentials tenants within targeted growth categories to drive asset productivity and meet community demands

207
Total deals completed in 1H24

81
A conscious focus on new deals

2.6%
Average leasing spreads

4.4%
Average uplift on completed renewal deals

4.9%
Speciality vacancy reduced by 0.1%

4.3%
Average annual fixed rent reviews on all deals

Renewals	6 months to 31 Dec 2023	6 months to 30 Jun 2023
Number	126	131
GLA (sqm)	14,464	14,476
Average uplift (%)	4.4%	4.1%
Incentive (months)	0.3	0.2

New Leases	6 months to 31 Dec 2023	6 months to 30 Jun 2023
Number	81	64
GLA (sqm)	8,207	6,496
Average uplift (%)	(0.3%)	0.2%
Incentive (months)	10.1	9.8

Pakenham Central Marketplace, VIC

FY24 sustainability program update

On track to deliver full year commitments and targets

Energy & Carbon

Commenced the construction of a 1.2MW Solar PV project across 5 locations. When combined with the anticipated commencement of 7.2MW at 8 sites by the end of FY24, the total rollout for FY24 is 8.4MW across 13 sites

Greater than 2,500 tonnes CO_2 equivalent reduction in electricity emissions for 1H FY24

$0.8m savings in 1H24 in electricity expenses resulting from solar PV

Climate Risk

Climate change impact assessments at 6 sites commenced with scenario analysis of impacts from temperature increases (from 1.5°C up to 2°C)

Australian Sustainability Reporting Standards gap assessment underway for FY27 mandatory requirement

Water & Waste

Consolidating available data to inform waste management strategy

Eliminating single-use plastics has been significantly progressed at our corporate office

Essentially Local

Fourth year supporting The Smith Family sponsoring 128 students in the Learning for Life and Cadet to Careers program

Local Community Engagement program launched supporting initiatives that positively impact local communities or the environment

Diversity & Inclusion

43% female directors with equal gender representation across non-executive directors

60% female representation across senior leadership team and overall business

Delivery of a multi-faith amenity space through the expansion of our corporate office

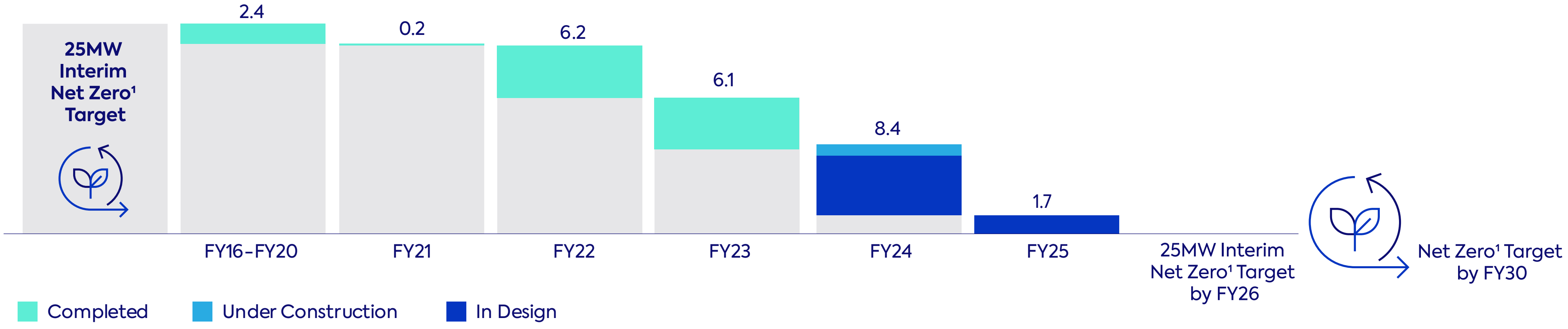
Health & Wellbeing

Engaged and motivated team, achieving 85% in our staff engagement survey

Around 50% engagement and participation across Health & Wellbeing staff initiatives

Progress to Net Zero

On track to reach net zero target (scope 1 and 2) by FY30



$31.3m

Net Zero investment to date

23.3 MW

of solar PV installed or under construction by the end of FY24

100%

of energy savings needed to achieve the interim Net Zero Target is generated from our portfolio

FY30 target

In 2024 we will reassess our Net Zero target for current portfolio[1] and investigate scope 3 requirements

1. Interim Net Zero target against FY20 portfolio

3. Financial Performance

Evan Walsh

Chief Financial Officer

Financial Results

Increased cost of debt and property expenses detract from underlying growth

FFO of 7.6cps with comparable NOI growth of 2.2% partially mitigating a 0.7 cps impact from the WACD increasing by 1.0% to 4.4%

AFFO of 6.7cps was impacted by higher leasing incentives which aligns to the increased deal activity and should reflect stronger future income growth

77% recovery rate for specialty tenant expenses

48% of total recoverable expenses are recovered. This is skewed by the 27% recovery for anchor tenants that typically only contribute to any increase in statutory expenses

MER: 0.32% vs 0.70% average of externally managed peers

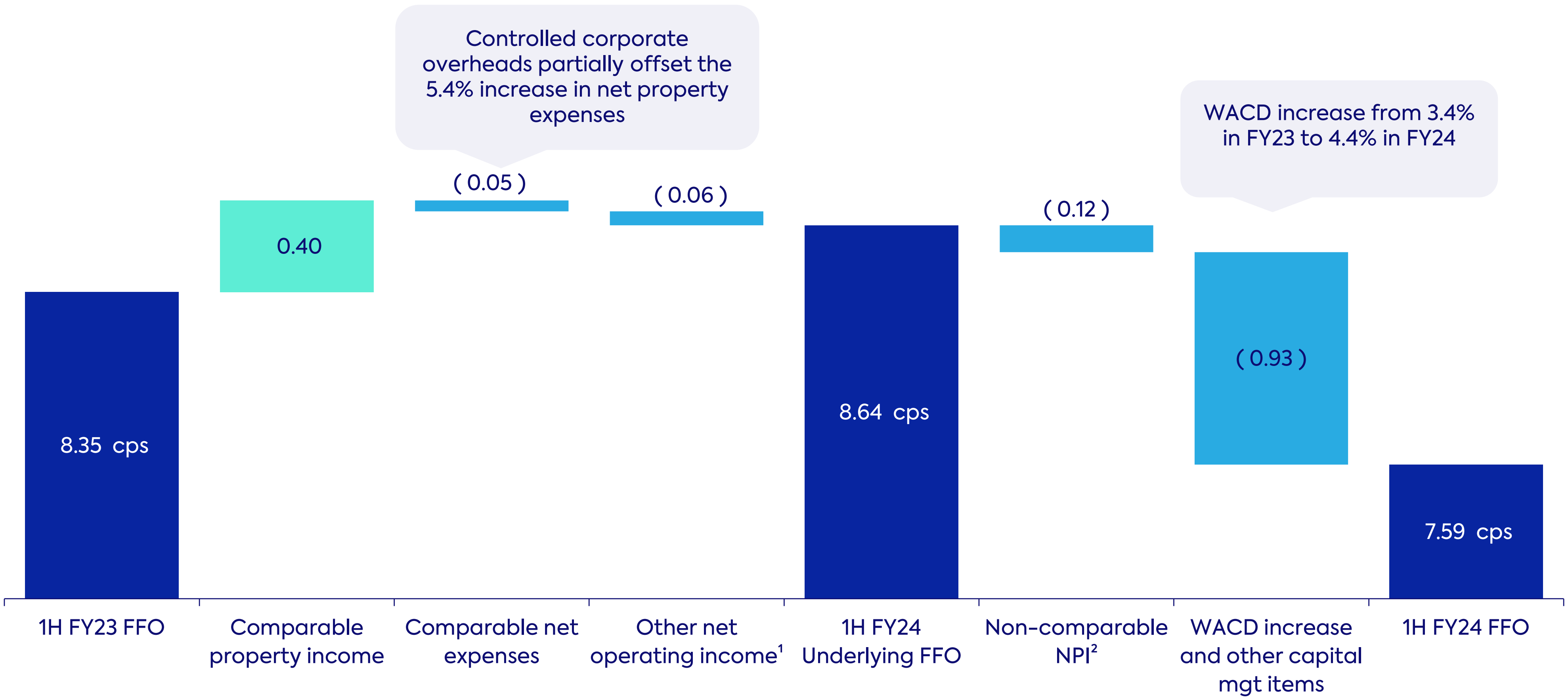
$m	31 Dec 23	31 Dec 22	% change
Property income	191.5	184.9	3.6%
Property expenses	(67.2)	(63.1)	6.5%
Net operating income	**124.3**	**121.8**	**2.1%**
Insurance income	0.4	1.8	(77.8%)
Other operating income	1.6	2.4	(33.3%)
Corporate expenses	(6.4)	(8.0)	(20.0%)
Net interest expense	(31.9)	(23.7)	34.6%
Tax expense	(0.1)	(0.2)	(50.0%)
Funds From Operations (FFO)	**87.9**	**94.1**	**(6.6%)**
Maintenance capital expenditure	(4.2)	(4.1)	2.4%
Leasing incentives and costs	(6.2)	(4.3)	44.2%
Adjusted Funds From Operations (AFFO)	**77.5**	**85.7**	**(9.6%)**
Statutory profit/(loss) after tax[1]	**(35.0)**	**(95.1)**	**63.2%**

FFO per security (cents)	7.59	8.35	(9.1%)
AFFO per security (cents)	6.70	7.60	(11.8%)
Distribution per security (cents)	6.70	7.50	(10.7%)
Distribution payout ratio (% of AFFO)	100.4%	99.1%	-

1. Refer to page 37 for reconciliation of statutory net loss after tax to AFFO

3.5% underlying FFO per security growth

1H FY24 underlying FFO growth driven by comparable NOI and a focus on minimising corporate expenses



1. Other net operating income: CQR distribution income, funds management and fund through development income
2. Non-comparable NPI: Insurance income and net property disposals

Balance Sheet

Provides capacity for future investment opportunities

$4.8bn AUM (down $123.6m) with $33.3m[1] of properties sold at book value (as part of our capital recycling program) and a $105.4m reduction on the fair value of properties

Conservative balance sheet with pro forma gearing of 31.6%

Tenant arrears down 0.2% to 1.1% of billings with net tenant receivables reduced by $1.4m to $5.6m (0.1% of total assets)

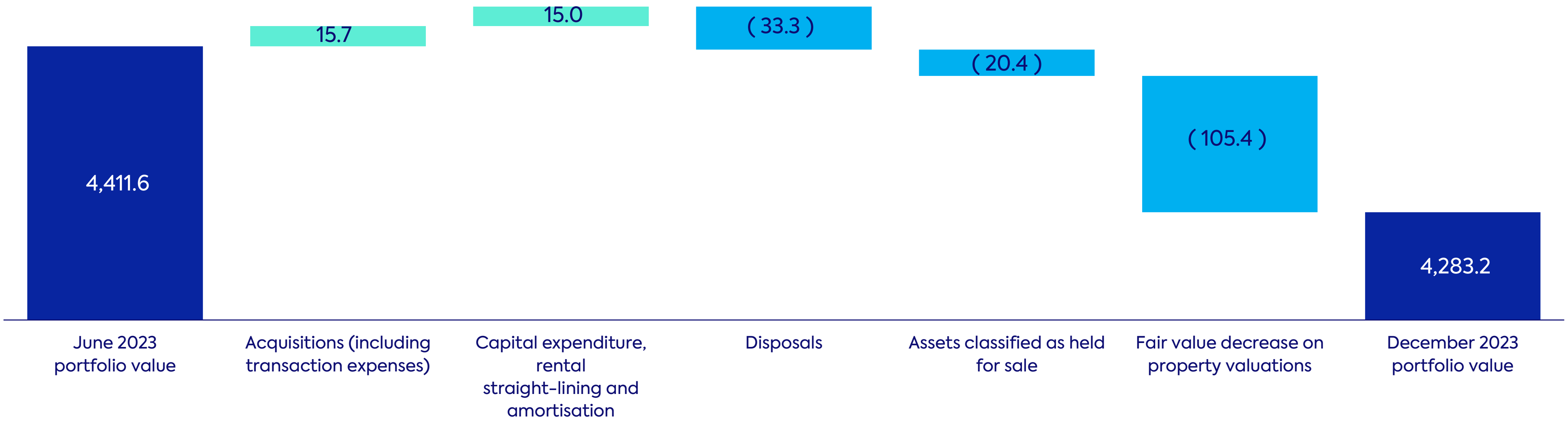
$m	31 Dec 23	30 Jun 23	% change
Cash and cash equivalents	10.3	23.8	(56.7%)
Investment properties	4,283.2	4,411.6	(2.9%)
Investment property held for sale	20.4	–	–
Investment in associates	26.7	28.5	(6.3%)
Other assets	166.1	158.1	5.1%
Total assets	**4,506.7**	**4,622.0**	**(2.5%)**
Interest bearing liabilities	1,496.3	1,523.4	(1.8%)
Distribution payable	77.8	88.5	(12.1%)
Other liabilities	90.6	82.1	10.4%
Total liabilities	**1,664.7**	**1,694.0**	**(1.7%)**
Net tangible assets (NTA)	**2,842.0**	**2,928.0**	**(2.9%)**
Securities on issue (m)	1,161.8	1,148.9	1.1%
NTA per security ($)	**2.45**	**2.55**	**(3.9%)**
Assets under management (AUM) (including Metro Fund)	**4,811.5**	**4,935.1**	**(2.5%)**

1. Collingwood Park ($15.3m) and Mt Warren Park ($18.0m)

Property Valuations

61 bps cap rate expansion since the commencement of the current market revaluation cycle[2]

Portfolio Value
($m)



2.0% valuation reduction[1]

1.4% income increase offsets a 3.4% impact from cap rates

6.04% cap rate

Increase of 18bps[1] since June 2023

Cap rate movement[2]

30 June 2022	5.43%	
31 December 2022	5.67%	24 bps
30 June 2023	5.86%[1]	19 bps
31 December 2023	6.04%[1]	18 bps
Total		**61 bps**

1. On a like for like basis excluding Collingwood Park, Mt Warren Park and Drouin Central
2. From 30 June 2022

Capital Management

Gearing expected to remain at the lower end of our target range of 30-40%

Key debt metrics

	31 Dec 2023	30 Jun 2023
Credit rating (Moody's)	Baa1 (stable)	Baa1 (stable)
Facility limit ($m)	1,807.1	1,807.1
Drawn debt (net of cash $m)	1,406.8	1,411.3
Cash and undrawn facilities ($m)	390.2	385.7
Average debt maturity (yrs)	4.0	4.4
% debt fixed / hedged	97.7%	79.7%
Fixed / hedged debt maturity (yrs)	2.4	2.3

Financial ratios

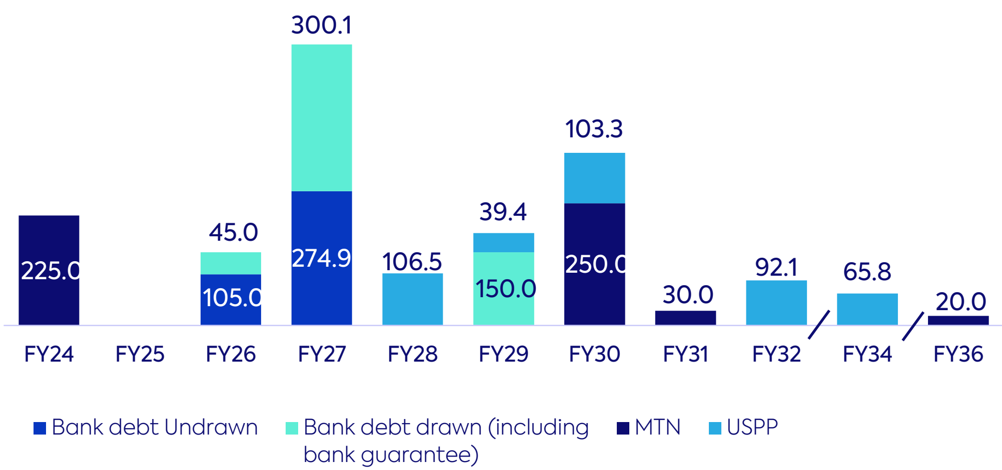
	31 Dec 2023	Covenant
Gearing	32.0%	50.0%
Pro forma Gearing	31.6%	50.0%
Interest Cover Ratio	4.1x	2.0x
Net debt / FFO (before interest and tax)	5.9x	

A$225m medium term notes expires June 2024

- Excess bank debt lines held to cover expiry
- We will continue to monitor market conditions and are likely to replace with another medium term note should we view conditions as favourable

No further expiries until FY26

Debt Facilities Expiry Profile
($m)



Interest rate exposure

Zero cost hedge restructure brings forward unrealised value in the existing debt book

Near term hedging increased to reduce interest rate volatility

- FY24 debt remains 98% hedged
- Additional interest rate swaps of $300m increased the hedging rate to 78% for FY25 and 64% for FY26

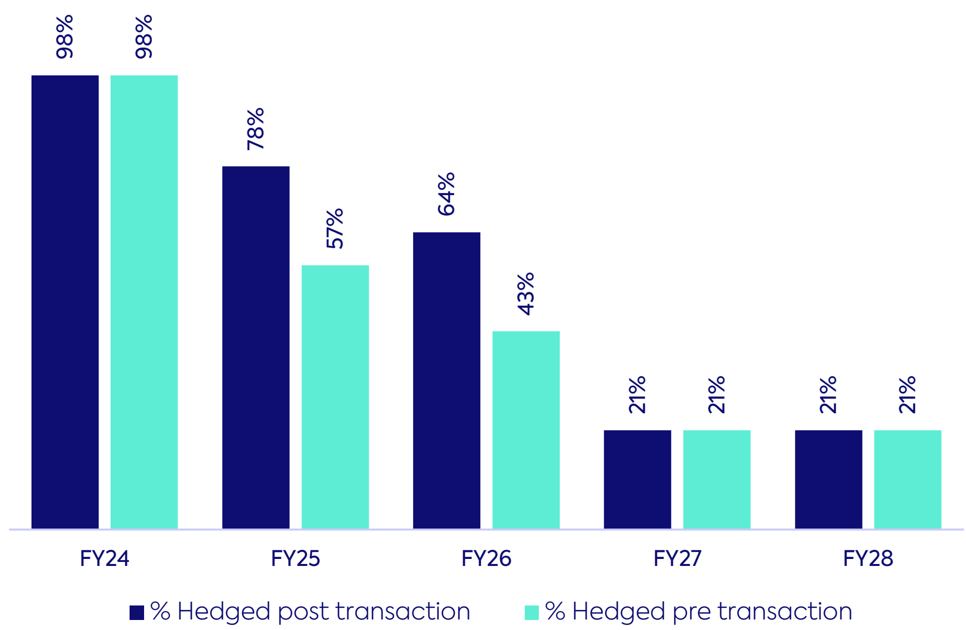
WACD headwinds reduce from FY25

- FY24 forecast WACD of 4.4% remains in line with guidance
- The average cost of interest rate hedges in FY25 is 2.30% (reduced by 35bps) and 2.49% in FY26
- **Zero cost hedging restructure results in WACD reducing by approximately[2]:**

FY25: 0.6%

FY26: 0.3%

Hedge Expiry Profile Based on Debt Drawn ($m)[1]



1. Assumes $400m callable swap is called by the banks in August 2024
2. Assuming the current debt balance and a BBSW rate of 4.35% and if we had not done this transaction

4. Value Creation Opportunities

Anthony Mellowes

Chief Executive Officer

Recycling capital to drive earnings growth

Divesting lower yielding properties and deploying into accretive opportunities

Capital sources

~$200m

properties (with a cap rate between 5.0% and 5.5%) identified for potential divestment

$77.2m[1]

properties transacted over 2023 at an average 5.23% cap rate

Potential use of proceeds

Debt reduction

- Proceeds initially applied to reduce gearing

and /or

Portfolio reinvestment & acquisitions

- Sustainability initiatives
- Investing with our anchor tenants
- Centre repositioning and developments
- Accretive acquisitions

and /or

Capital management

- Security buyback

1. Collingwood Park ($15.3m), Drouin Central ($20.4m), Mt Warren Park ($18.0m) and Carrara Shopping Centre ($23.5m)

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$65m targeted reinvestment to drive portfolio performance

Unlocking value within our portfolio through a targeted strategy

	Sustainability initiatives	Investing with our anchor tenants	Centre repositioning and developments	Acquisitions
FY24 forecast spend	~ $20m	~ $10m	~ $35m	-
Program	• Roll out of total 7.2MW solar PV over 8 sites • 5 Solar PV sites producing 1.2 MW are currently under construction	• 6 Direct to Boot / e-comm facilities completed and another 3 expected in 2H FY24 • 25+ opportunities identified with Woolworths and Coles across a 3-year horizon	• Targeted repositioning program with 3 centres underway and an additional 20 in pipeline • Incremental developments focused on complementing existing sites	• Well positioned to acquire when opportunities are accretive
Target 10-year IRR	7 - 10%			
Target yield	6 - 10%			

Centre repositioning and developments

Targeted investment to support better communities whilst increasing productivity and value

Centre repositioning

Supporting better communities through life's essentials by focusing on the right tenant mix, category curation, and space and customer experience optimisation to drive asset value

- Over $30m current investment commitment across 3 assets
- A further 20 properties with investment opportunity are currently being assessed

Committed developments

Delacombe Town Centre – Stage 2

- $31.5m[1] investment in 11,000 sqm expansion next to existing centre
- Construction commenced Nov 2023 with tenant occupation expected Dec 2024

Uncommitted opportunities

Greenbank Shopping Centre (QLD)
22,000sqm extension to existing centre introducing a discount department store and another supermarket

North Orange Shopping Centre (NSW)
Expansion of existing supermarket & delivery of a mixed-use development

Pad sites
10 pad sites identified as potential redevelopment opportunities

Marketown Shopping Centre (NSW)
Possible mixed use transformational redevelopment

1. Excludes the $15m land value

Positioned to acquire in a fragmented market

Ownership of the leading everyday essential retail portfolio provides us with this competitive advantage

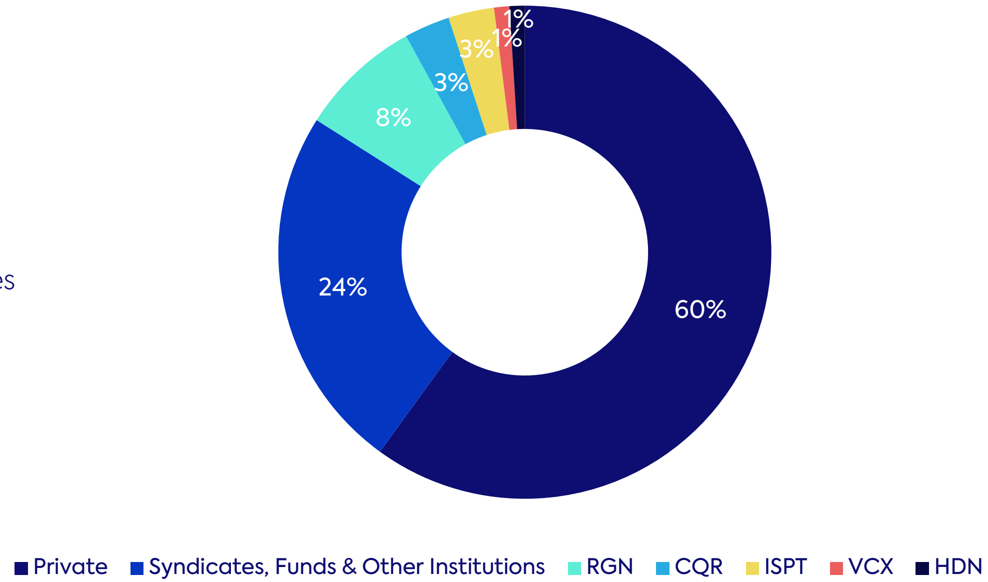
Largest owner of convenience based centres

- 8% share of the market which is dominated by private owners
- Strong relationship with Woolworths and Coles with us being their largest and second largest landlord respectively

Proven transactional track record

- We have been an active consolidator with an average of 6 properties at a value of >$200m acquired annually over the past 10 years
- Currently selectively disposing of non-core assets in the <$25m market
- Funding capacity exists to quickly execute on accretive buying opportunities

Ownership of Convenience Based Centres



Funds Management

Metro Fund offers a platform for funds management growth in the medium to longer term

$750m target
Initial fund size

JV with GIC
Growth will resume when acquisition opportunities align with return hurdles

Invests
in metropolitan neighbourhood centres

Platform
for future funds management opportunities

Beecroft Place, NSW

5. Outlook

Anthony Mellowes and Evan Walsh

Chief Executive Officer and Chief Financial Officer

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AFFO Growth Target

Indicative AFFO target growth rate in the medium to longer term is 3-4%+ pa

		Description and Assumptions	Indicative contribution to AFFO growth rate (% pa) Medium to longer term
Comparable NOI Growth	Anchors rents	47% of rental income with 53 anchor tenants in turnover rent Sales are expected to grow at 2-4% pa	~1%
	Specialty rents	90% of rental income with annual fixed rent reviews for any new/renewed leases expected to be 4%+ pa Leasing spreads are expected to be greater than 2% pa	~2%
	Expenses	Assumed to grow at the same rate as rental income	0%
		Indicative comparable NOI growth (%)	**3%+**
Value creation	Portfolio Reinvestment	Investment in sustainability, centre repositioning and targeted developments	**1%+**
	Capital Transactions	Selective acquisitions and non-core disposals across convenience based retail sector	
	Other	Funds management business to grow when market conditions are favourable	
		Indicative NOI growth (%)	**3-4%+**
Corporate	Corporate expenses	Target to increase no more than the NOI growth rate	0%
	Interest expense	Elevated but stabilised in the short term based on current market pricing	Market dependent
		Indicative FFO growth (%)[1]	**3-4%+[1]**
Capex	Capital expenditure	Constant % of property value for maintenance capital and leasing costs	0%
		Indicative AFFO growth (%)[1]	**3-4%+[1]**

1. Market dependent

Key Priorities and Outlook

Key priorities / outlook

- Target full year FY24 comparable NOI growth of 3%
- 2H FY24 leasing activity expected to be weighted towards renewals
- $200m capital recycling program to continue subject to market conditions
- Continue to diversify funding sources with the upcoming MTN expiry

Earnings guidance reaffirmed

Assuming no significant change in market conditions, FY24 earnings guidance is reaffirmed at:

- FFO of 15.6 cps
- AFFO of 13.7 cps with a target distribution payout ratio of 100%

6. Questions

7. Appendices

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Portfolio Overview

Weighting towards non-discretionary food, health and retail services

At 31 Dec 2023	Sub-regional	Neighbour-hood	Drouin Central[1]	Total portfolio
Number of properties	13	79	1	93
Number of specialties	624	1,462	5	2,091
GLA (sqm)	258,639	528,478	3,777	790,894
Site area (sqm)	723,012	1,764,640	4,322	2,491,974
Occupancy (% GLA)	98.5%	97.8%	100.0%	98.0%
Value ($m)	1,161.8	3,121.4	20.4	4,303.6
Portfolio WALE	5.1	5.4	4.4	5.3
Anchor tenant WALE	7.3	7.6	4.9	7.5
WACR (%)	6.58%	5.84%	5.30%	6.04%

1. Drouin Central is classified as Held for Sale at 31 December 2023

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Anchor Tenants

47% of gross rent generated by anchor tenants

- Anchor tenants generate 47.1% of gross rent on a fully leased basis
  - Woolworths Group 28.5%, includes Woolworths 23.7% and Big W 4.8%
  - Coles Group 10.9%
  - Wesfarmers Group[2] 4.7%, includes Kmart 2.7%, Bunnings 0.5%, Target 0.3%, Officeworks 0.2% and Health business 1.0%
  - Other anchor tenants 3.0%, includes Aldi, Dan Murphy's, Hoyts, Farmer Jack's and IGA
- Anchor tenant WALE is 7.5 years (by gross rent)
  - Of the 6 anchor tenants expiring in FY24, all have exercised their options for an extended term
  - Negotiations are in progress for all FY25 anchor tenant expiries, of which there are 5 expiries

	30 Jun 2020	30 Jun 2021	30 Jun 2022	30 Jun 2023	31 Dec 2023
Woolworths Group					
Woolworths	58	64	62	62	61
Big W	9	11	10	11	11
Total	**67**	**75**	**72**	**73**	**72**
Coles Group[1]					
Coles	28	30	30	32	31
Total	**28**	**30**	**30**	**32**	**31**
Wesfarmers Group[2]					
Target	2	–	1	1	1
Kmart	4	6	7	8	8
Bunnings	1	1	1	1	1
Officeworks	–	1	1	1	1
Total	**7**	**8**	**10**	**11**	**11**
Other anchor tenants					
Aldi	2	3	3	4	4
Dan Murphy's	4	5	5	5	5
Farmer Jack's	1	1	1	1	1
Supa IGA	–	–	–	1	1
Romeo's Foodland	–	–	–	1	1
Hoyts	–	–	–	1	1
Total	**7**	**9**	**9**	**13**	**13**
Total anchor tenants	**109**	**122**	**121**	**129**	**127**

1. Gross rent includes liquor business tenants, store count excludes liquor business tenants
2. Gross rent includes Wesfarmers Health business tenants, store count excludes Wesfarmers Health business tenants

Region GROUP

Income Statement: Statutory Loss to AFFO Reconciliation

For the six months ended 31 December 2023

$m	Statutory loss 6 months to 31 Dec 2023	FFO adjustments	AFFO 6 months to 31 Dec 2023	AFFO 6 months to 31 Dec 2022	% change
Anchor rental income	76.8	–	76.8	75.1	2.3%
Specialty rental income	81.4	0.3	81.7	80.9	1.0%
Recoveries and recharge revenue	25.4	–	25.4	22.7	11.9%
Other income	7.6	–	7.6	6.2	22.6%
Rental straight-lining and amortisation of incentives	(6.8)	6.8	–	–	–
Gross property income	**184.4**	**7.1**	**191.5**	**184.9**	**3.6%**
Property expenses	(67.3)	0.1	(67.2)	(63.1)	6.5%
Property expenses / Gross property income (%)			35.1%	34.1%	1.0%
Net operating income	**117.1**	**7.2**	**124.3**	**121.8**	**2.1%**
Insurance income	4.5	(4.1)	0.4	1.8	(77.8%)
Distribution income from CQR	–	–	–	0.9	(100.0%)
Funds management income	0.7	–	0.7	1.5	(53.3%)
Share of net gain/ (loss) from associates relating to non-cash items	(1.8)	2.2	0.4	–	–
Fund-through development income	0.5		0.5	–	–
Corporate expenses	(6.9)	0.5	(6.4)	(8.0)	(20.0%)
Technology project expenses	(3.4)	3.4	–	–	–
Fair value of investment properties	(105.4)	105.4	–	–	–
Fair value of derivatives	(13.2)	13.2	–	–	–
Unrealised foreign exchange movement	9.5	(9.5)	–	–	–
Other expenses	(4.6)	4.6	–	–	–
EBIT	**(3.0)**	**122.9**	**119.9**	**118.0**	**1.6%**
Net interest expense	(31.9)	–	(31.9)	(23.7)	34.6%
Tax expense	(0.1)	–	(0.1)	(0.2)	(50.0%)
Statutory loss / FFO	**(35.0)**	**122.9**	**87.9**	**94.1**	**(6.6%)**
Maintenance capital expenditure			(4.2)	(4.1)	2.4%
Leasing incentives and costs			(6.2)	(4.3)	44.2%
AFFO			**77.5**	**85.7**	**(9.6%)**

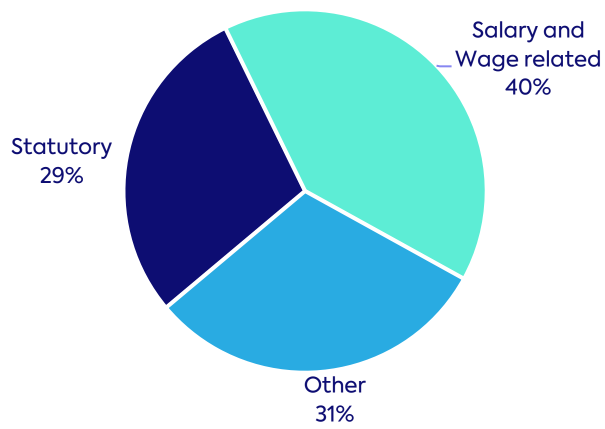
Outgoings Recoveries

77% recovery rate of recoverable specialty expenses

- Total property expenses of $67.3m include:
  - $53.2m of property expenses can be recovered from our tenants with a recovery rate of 48%
  - $14.1m of property expenses are not able to be recovered due to being either owners related expenses or from government legislation prohibiting any recovery
- Recoverable property expenses are allocated on a GLA basis with 59% allocated to anchor tenants and 41% to specialty tenants
- The low recovery rate (27%) for anchor tenants reflects a typical lease where only the incremental increase in statutory expenses over the base is recovered
- Specialty tenant leases typically allow for either partial or full recovery of allocated property expenses, reflecting the 77% recovery rate

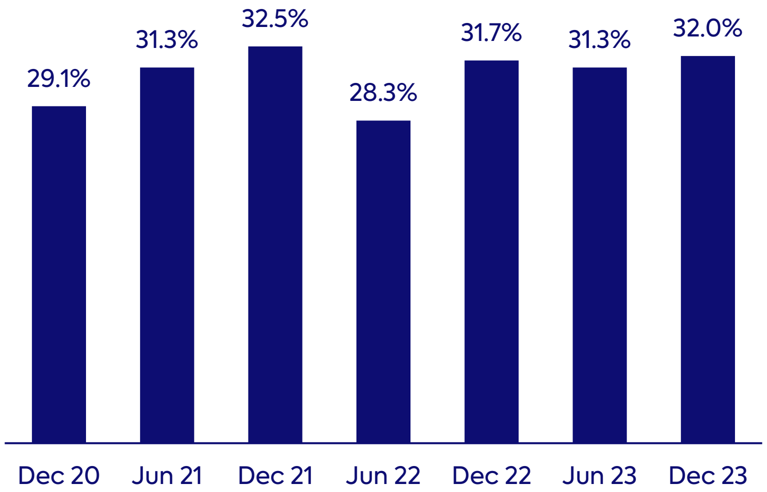
$m	Total property expenses	Recoverable income	Net property expenses	Recovery rate (%)
Statutory expenses	(21.3)			
Salary and wages related expenses	(28.1)			
Other expenses	(17.9)			
Total property expenses	(67.3)	25.4	(41.9)	
Add back non recoverable expenses:				
Government legislation	6.9			
Owners expenses	7.2			
Total recoverable property expenses	(53.2)	25.4	(27.8)	48%
Recoverable property expense allocation				
Anchor tenants	(31.4)	8.6	(22.8)	27%
Specialty tenants	(21.8)	16.8	(5.0)	77%

Recoverable property expenses (split by type)



Gearing Calculation

Gearing (%)



$m	31 Dec 2023	30 Jun 2023
Bilateral and syndicated facilities – unsecured		
Bank and syndicated facilities drawn	485.0	503.0
	485.0	503.0
AU$ MTN – unsecured		
Unsecured AU$ Medium term notes	525.0	525.0
	525.0	525.0
US Notes – unsecured		
US$ denominated notes – USD face value	300.0	300.0
Economically hedged exchange rate	0.8402	0.8402
US$ denominated notes – AUD equivalent	357.1	357.1
US AU$ denominated notes	50.0	50.0
	407.1	407.1
Total interest bearing liabilities	1,417.1	1,435.1
Less: cash	(10.3)	(23.8)
Net finance debt for gearing	**1,406.8**	**1,411.3**
Total assets	4,506.7	4,622.0
Less: cash	(10.3)	(23.8)
Less: derivative values included in total assets	(94.1)	(92.8)
Net total assets for gearing	**4,402.3**	**4,505.4**
Gearing (management)	**32.0%**	**31.3%**
Gearing (pro forma)	**31.6%**	
Look-through gearing (management)	**32.3%**	**31.9%**

Debt facilities & interest rate hedging

Debt facilities
At 31 Dec 2023

	Facility limit	Drawn debt	Financing capacity	Maturity / Notes
	A$m	A$m	A$m	
Bank and syndicated facilities				
Bank bilateral	150.0	45.0	105.0	FY26: $50m Dec 2025 and $100m Mar 2026
Bank bilateral (including bank guarantee)	575.0	290.0	285.0	FY27: $200m Jul 2026 (2 separate facilities), $225m Oct 2026, $100m Mar 2027 and $50m May 2027
Bank syndicated facilities	150.0	150.0	-	FY29: $150m Nov 2028
	875.0	**485.0**	**390.0**	
Medium term notes (fixed rate AU$ MTN)				
Medium Term Note	225.0	225.0	-	FY24: Jun 2024; Coupon of 3.90%
Medium Term Note	250.0	250.0	-	FY30: Sep 2029; Coupon of 2.45%
Medium Term Note	30.0	30.0	-	FY31: Sep 2030; Coupon of 3.25%
Medium Term Note	20.0	20.0	-	FY36: Sep 2035; Coupon of 3.50%
	525.0	**525.0**	**-**	
US private placement				
US$ denominated[1]	106.5	106.5	-	FY28: Aug 2027
US$ denominated[2]	39.4	39.4	-	FY29: Sep 2028
US$ denominated[1]	53.3	53.3	-	FY30: Aug 2029
AU$ denominated	50.0	50.0	-	FY30: Aug 2029
US$ denominated[2]	92.1	92.1	-	FY32: Sep 2031
US$ denominated[2]	65.8	65.8	-	FY34: Sep 2033
	407.1	**407.1**	**-**	
Total unsecured financing facilities	**1,807.1**	**1,417.1**	**390.0**	
(Less)/add: cash		**(10.3)**	**10.3**	
Net debt[3]		**1,406.8**	**400.3**	
Less: debt facilities used for bank guarantees			(10.1)	Jul 2026; facility used for bank guarantees
Total cash and undrawn facilities			**390.2**	

Other hedges
At 31 Dec 2023

Hedging	**Weighted Notional face value**	**Average fixed rate swap**
Interest rate swap – 2H FY24	850.0	2.83%
Interest rate swap – FY25[4]	812.5	2.74%
Interest rate swap – FY26[4]	616.7	3.16%
Interest rate swap – FY27	75.0	3.04%

1. USPP issued in 2014 USD$ denominated repayment obligations have been fully hedged at A$/US$ rate of 0.9387
2. USPP issued in 2018 USD$ denominated repayment obligations have been fully hedged at A$/US$ rate of 0.7604
3. Net debt of $1,406.8m is made up of statutory debt of $1,496.3m less $83.4m being the revaluation of the USPP US$ denominated debt from statutory value of $440.5m (using the prevailing Dec 2023 spot exchange rate) to restate the USPP to its hedged value of $357.1m plus unamortised debt fees and MTN discount / premium of $4.2m less $10.3m cash and cash equivalents and excludes bank guarantees of $10.1m
4. Assumes $400m callable swap called by bank in August 2024

Glossary

AUM: Assets under management

Comparable MAT: Moving annual turnover measures the growth in sales over the last 12 months compared to the previous 12 months. Includes comparable sales reporting tenants trading over 24 months. Exclude properties under development, disposals, refurbishment impacted properties and temporarily competition-impacted anchors.

GLA: Gross Lettable Area

Gross income: includes all contracted rental charges to tenants, including turnover rent

Gross rent: includes all contracted rental charges to tenants, excluding vacancy and turnover rent

ICR: Interest Coverage Ratio

Leasing spread: Achieved gross rent on leasing deal compared to prior expiry rent

Look-through gearing: includes our 20% interest in the Metro Fund

MER: Management Expense Ratio (corporate expenses as a percentage of AUM)

Net Zero: Net Zero target is for scope 1 and scope 2 emissions only

NOI: Net operating income

NPI: Net property income

NTA: Net tangible assets

Pro forma gearing: includes the sale of Drouin Central which settled in early 2024

WACD: Weighted Average Cost of Debt

WALE: Weighted average lease expiry calculated based on gross rent

Portfolio List

Our Portfolio List is available at regiongroup.au/investor-centre/reports-presentations/

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