

7 April 2020

ASX ANNOUNCEMENT

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\$250 Million Institutional Placement to Strengthen the Balance Sheet and Provide Funding Flexibility to Pursue Acquisition Opportunities

SCA Property Group (ASX: SCP) ("SCP") today announces that it is undertaking:

- A fully-underwritten institutional placement to raise \$250 million (the "Placement"); and
- A non-underwritten Unit Purchase Plan to eligible unitholders in Australia and New Zealand to raise \$50 million (the "UPP"); (together, the "Equity Raising")

Rationale for Equity Raising

The proceeds from the Equity Raising will be used to strengthen SCP's balance sheet and provide funding flexibility to continue to deliver on our strategy of investing in convenience-based supermarket-anchored centres as opportunities arise.

We acknowledge that there is uncertainty in relation to the duration and economic impact of the COVID-19 pandemic:

- Our supermarket-anchored centres are resilient, with the supermarkets and many of the specialty tenants trading strongly
- We expect the numerous Government stimulus packages should benefit our small business tenants and their customers
- With pro-forma gearing of 24.0% post the Equity Raising, our balance sheet should withstand any unexpected downside scenarios

We believe that the COVID-19 pandemic may provide a unique opportunity to secure quality assets at competitive prices over the next 6-12 months:

- With over \$550 million in cash and undrawn facilities following the Equity Raising, we will be in a position to act quickly as earnings accretive opportunities arise
- We have a proven track record of securing and successfully integrating acquisitions in this market segment, where ownership remains fragmented

Capital Management Update

Since 31 December 2019, SCP has entered into \$100 million of new bilateral debt facilities (two \$50 million facilities, which expire in April 2022 and March 2025 respectively). The total revolving bilateral facilities are now \$400 million. Adjusting for these new facilities and other post 31 December 2019 events (including the sale of Cowes and proceeds from the underwritten distribution paid in January 2020), SCP has cash and undrawn debt facilities of \$277 million prior to the Equity Raise. Following completion of the Equity Raising, SCP will have cash and undrawn debt facilities of over \$550 million.

The next debt expiry is the A\$MTN \$225 million in April 2021, with no subsequent expiries until a \$50 million facility in April 2022. Under the terms of the A\$MTN, it can be repaid at SCP's

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election from October 2020, with no make whole obligation. The current intention is that the A\$MTN will be repaid in October 2020.

Post the two new bilateral debt facilities and repayment of debt using \$132 million from the proceeds of the Equity Raise, it is anticipated that SCP's weighted average debt maturity will be 5.2 years and weighted average cost of debt will increase to 3.6% due to line fees on undrawn debt facilities.

Update on COVID-19

On 25 March 2020, SCP announced that due to recent government announcements and the uncertainty in relation to the effect and duration of the COVID-19 pandemic, it was appropriate to withdraw its FY20 earnings and distribution guidance.

Whilst the impact of COVID-19 is ongoing, our centres remain resilient and a vital part of the supply chain for food, pharmaceutical, medical and other essential items for Australians in the current crisis:

- All but one of our 85 shopping centres are anchored by either a Coles or Woolworths supermarket, and as such our centres are benefitting from the elevated foot-traffic being generated by these anchor tenants over recent weeks
- Our anchor tenants represent 48% of our gross rental income
- Our specialty tenants account for the other 52% of our gross rental income and are heavily weighted toward non-discretionary categories. Many of these specialty tenants are trading strongly, including pharmacies, medical centres, discounters, liquor and fresh food retailers

As previously disclosed, a number of our tenants have been required to close for an indefinite period including gyms, cinemas, massage, beauty, tanning salons and nail bars. These tenants represent approximately \$1.0 million per month of our gross rental income. In addition, cafes and restaurants (which are still able to offer takeaway services) represent approximately \$0.7 million per month of our gross rental income. As our total annual gross property income is currently around \$300 million, the gross rental income from all tenants in the affected categories is approximately 0.6% of our annual gross property income, per month.

Whilst no abatements have been agreed as yet, we will consider requests on a case-by-case basis once March sales figures are made available, with adjustments able to take several forms including rental deferrals or abatements. The impact on our FY20 earnings from any rent lost from these tenants is expected to be partially offset by increases in percentage rent from our anchor tenants, interest expense savings and cost savings.

Institutional Placement

SCP is undertaking the Placement to institutional and professional investors at an underwritten price (the "Placement Price") of \$2.16 per unit ("New Units"). The Placement price represents an 8.5% discount to the closing price of \$2.36 on 6 April 2020. New Units will rank equally with existing SCP units and will be entitled to the full distribution for the six months ending 30 June 2020.

UPP

Following completion of the Placement, SCP will also undertake a non-underwritten UPP to provide eligible unitholders in Australia and New Zealand with the opportunity to participate in the Equity Raising. Eligible unitholders (who were registered as SCP unitholders as at 7:00pm on Monday 6 April 2020) will be invited to subscribe for up to \$30,000 of additional units, free of brokerage and transaction costs. The UPP will not be underwritten and the total amount expected to be raised is \$50 million.

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The UPP issue price will be the same as the Placement Price. New units issued under the UPP will rank equally with existing SCP units (including those issued under the Placement) and will be entitled to the full distribution for the six months ending 30 June 2020.

If demand exceeds \$50 million, SCP may need to scale back the maximum UPP investment amount available to unitholders. However, in a situation where total demand exceeds \$50 million, SCP may (at its absolute discretion) decide to increase the cap to reduce or eliminate the need for scaleback.

Key Dates

The Placement is to be conducted on Tuesday, 7 April 2020.

Participation in the UPP is optional and is open to eligible unitholders, being holders of SCP units at 7:00pm on Monday, 6 April 2020 and whose registered address is in Australia and New Zealand.

The UPP will open on Monday, 20 April 2020 and close on Friday, 8 May 2020.

Further information will be distributed to unitholders shortly and available via the ASX platform.

Other

Citigroup Global Markets Australia Pty Limited and its affiliates is acting as sole lead manager, bookrunner and underwriter of the Placement.

Moelis Australia is acting as financial adviser to SCP in relation to the Placement.

Additional information regarding the transaction is contained in the investor presentation released on ASX today.

This document has been authorised to be given to ASX by the Board of SCP.

ENDS

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

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This ASX announcement includes "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may," "will," "expect," "intend," "plan," "estimate," "anticipate," "believe," "continue," "objectives," "outlook," "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management, expected financial performance, earnings, distribution and distribution guidance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of SCP, and its officers, employees, agents or associates. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and SCP assumes no obligation to update such information.

An investment in SCP stapled units is subject to investment and other known and unknown risks, some of which are beyond the control of SCP, including possible loss of income and capital invested. SCP does not guarantee any particular rate of return or the performance of SCP nor does it guarantee the repayment of capital from SCP or any particular tax treatment. This announcement should be read in conjunction with the Investor Presentation released to the ASX on the same date as this announcement, including the risks set out in the Investor Presentation and the important notices contained in that document. Any past performance information given in this announcement is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

This announcement is not financial advice or a recommendation to acquire SCP stapled units and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek such legal, financial and/or taxation advice as they deem necessary or appropriate to their jurisdiction. SCP is not licensed to provide financial product advice in respect of SCP stapled units.

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described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

A reference in this announcement to a "unit" or "New Unit" is a reference to a stapled security comprising a unit in Shopping Centres Australasia Property Retail Trust stapled to a unit in Shopping Centres Australasia Management Trust.

All dollar values are in Australian dollars (A\$).