

23 June 2020

## ASX ANNOUNCEMENT

### Trading Update and Final FY20 Distribution

#### Trading Update

The sales performance of SCA Property Group (ASX: SCP) ("SCP") tenants during the current half year period has been quite volatile. Some tenants have experienced stronger trading performance since the commencement of the COVID-19 restrictions, while others have been negatively impacted. The comparable store sales growth for each of our tenant categories is set out in the table below (includes stores that were closed).

	% of Gross Rent (1)	MAT as at 31	This month compared to same month last year					MAT as at 31
		Dec 2019	Jan-20	Feb-20	Mar-20	Apr-20	May-20	May 2020
Supermarkets	39%	2.6%	0.3%	1.5%	24.3%	3.9%	8.3%	4.4%
DDS	8%	3.4%	3.6%	3.9%	17.1%	6.4%	34.2%	6.6%
Mini-Majors	7%	-1.0%	0.7%	4.1%	11.9%	-4.2%	11.6%	2.7%
Specialties	45%	2.3%	3.4%	3.0%	-3.5%	-27.5%	-9.8%	-1.1%
<b>Total</b>		<b>2.6%</b>	<b>1.2%</b>	<b>1.9%</b>	<b>19.0%</b>	<b>-0.7%</b>	<b>7.0%</b>	<b>3.7%</b>

(1) Other anchor tenants represent approximately 1% of gross rent

Our anchor tenants have performed well, with supermarket moving annual turnover ("MAT") as at 31 May 2020 up to 4.4% (compared to 2.6% as at 31 December 2019) and discount department stores MAT was up to 6.6% (compared to 3.4% as at 31 December 2019).

The performance of our mini-major and specialty tenants has been mixed. Mini-majors MAT as at 31 May 2020 is 2.7% (compared to -1.0% as at 31 December 2019).

Many specialty tenants have experienced a significant decline in sales due to COVID-19 related trading restrictions and forced (or voluntary) store closures, including gyms, nails, beauty, massage, cafes, restaurants, apparel and some services. Specialty MAT is down to -1.1% (compared to 2.3% as at 31 December 2019).

We saw a rebound in May 2020 sales, with supermarkets, discount department stores and mini-majors all recording increases compared to the same month last year. Specialty store sales continued to be impacted by store closures, albeit a reduced number. Excluding stores that were closed, specialty comparable store month-on-month sales growth in May was +3.8% (rather than -9.8%).

While June 2020 sales data will not be available until mid-July, anecdotally trading has continued to improve from May. At present, 97% of our specialty tenants are open and trading (up from a low point of 72% on 17 April 2020).

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### Covid-19 Cash Flow Impact

For the four months from March 2020 to 19 June 2020 there has been a cash rent shortfall of \$22 million for collections vs billings. A portion of this amount has or will be granted to tenants as waivers or deferrals pursuant to the Code of Conduct. To date SCP has granted \$5.4 million in waivers or deferrals to tenants in respect of March, April and May 2020. This number is expected to increase as we complete processing claims in respect of March, April, May and commence processing claims in respect of June 2020.

Over the last couple of weeks, we have seen collection rates improve as waivers and deferrals pursuant to the Code of Conduct have been processed. We expect this positive momentum in collections to continue.

SCP will continue to pursue payment from tenants of all of the outstanding amounts not covered by agreed rent waivers.

### Final FY20 Distribution

On 3 February 2020, SCP gave guidance for full year FY20 distributions of 15.1 cents per unit, implying a final distribution in respect of the six months to 30 June 2020 of 7.6 cents per unit. On 25 March 2020, SCP withdrew this guidance due to the uncertainty in relation to the effect and duration of the COVID-19 pandemic.

On 7 April 2020, SCP completed an institutional placement issuing 115.7 million units at \$2.16 per unit to raise \$250 million, and subsequently completed a unit purchase plan issuing 13.6 million units at the same price to raise a further \$29 million.

Today SCP announces the distribution payable for the period from 1 January 2020 to 30 June 2020 to be 5.0 cents per SCP Stapled Unit. This takes into account the expected impact on FY20 AFFO of both the capital raisings (approximately 0.4 cents per unit) and the rent shortfall (approximately 2.2 cents per unit). Together with the first half distribution of 7.5 cents per unit this equates to full year distributions of 12.5 cents per unit.

Details for the distribution are as follows:

<b>Ex-distribution date</b>	29 June 2020
<b>Record date</b>	5.00pm, 30 June 2020
<b>Intended payment date</b>	31 August 2020
<b>Distribution per Stapled Unit</b>	5.0 cents

This distribution will apply to all stapled units on issue as at the Record Date.

A payment advice will be sent to security holders on or about 31 August 2020.

Further details regarding the tax components of this distribution will also be provided on or by 31 August 2020.

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

The DRP will be in operation for this distribution. Security holders can elect to participate in the Plan by visiting either [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or by calling the SCP Information Line on 1300 318 976 and completing the DRP Election Form. You can start, cancel or vary your participation in the DRP at any time by giving notice by 5.00pm on the business day following the record date for the relevant distribution period which, for this coming distribution, is 5.00pm on 1 July 2020.

SCP intends to issue units to participants rather than transfer units to them. In accordance with the DRP Rules, the issue price will be the price, rounded to the nearest whole cent, calculated as the arithmetic average of the daily volume weighted average price of all sales of Stapled Units sold through a Normal Trade recorded on ASX for the first 10 ASX Trading Days following 1 July 2020, less 1.0% (1.0% being the Board approved DRP discount for this distribution)<sup>1</sup>. Units allotted under the DRP will be issued on the distribution payment date and will rank equally with existing ordinary units from the date of issue. The intended distribution payment date is 31 August 2020. Units issued will be rounded down to the nearest whole number of unit(s) with the residual amount carried forward to the next distribution. Participation in the DRP is optional. If you do not wish to participate no action on your part is required.

### **SCP Full Year Results Announcement Date**

SCP expects to release its Full Year 2020 Results on 10 August 2020. This date may change.

This document has been authorised to be given to the 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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<sup>1</sup> Unless the Board believes this calculation does not provide a fair reflection of the market price of the Stapled Units during this period, in which event this calculation shall be substituted by the market price of the Stapled Unit as determined by an independent expert whose identity and instructions will be determined by the Board.

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