FY23 Results Presentation

14 August 2023

Essentially local

Moggill Village, QLD

Agenda

1. Overview of FY23 Results
2. Financial Performance
3. Operational Performance
4. Growth Opportunities
5. Key Priorities and Outlook
6. Questions
7. Appendices

1. Overview of FY23 Results

Anthony Mellowes

Chief Executive Officer

Region GROUP

FY23 Highlights

Financial Performance

Statutory net loss after tax	FFO per security	AFFO per security	Distribution per security
($123.6m)	16.9 cps	15.3 cps	15.2 cps
down by 125.4%[1]	down by 2.6%[1]	In line with FY22	Payout of 99.7%

Capital Management

Gearing	NTA per security	WACD[3]	Weighted average debt maturity
31.3%	$2.55	3.4% pa	4.4 yrs
down by 0.4%[2]	down by 3.8%[2]	0.9% increase[1]	

Portfolio Management

Portfolio occupancy	Specialty vacancy	Portfolio weighted average cap rate	Acquisitions	Divestments
97.8%	5.0%	5.85%	$180.0m	$50.2m

1. Compared to FY22
2. Compared to 31 December 2022
3. Weighted average cost of debt

Region GROUP

Key Achievements

Core portfolio continues to outperform

Optimising the core business

Defensive convenience based portfolio drives resilient operating performance

- Comparable NOI growth of 4.3%
- Leasing spreads of 3.7%
- Stable specialty vacancy at 5.0% with 82% of our tenants retained on lease expiry
- Our tenants' health remains sound with sales increasing by 4.5%, arrears at 1.3% of rental income and specialty occupancy cost of 8.7%

Progressing well towards Net Zero (scope 1 and 2) by FY30

- 14.9MW of solar PV installed or under construction of our 25MW solar PV target by FY26
- Our sustainability investment to date resulted in a 17% reduction in greenhouse gas emissions for FY23 compared to FY20 on a like for like basis

Growth Opportunities

Disciplined approach to transactions

- Acquired 5 neighbourhood centres for $180.0m in July 2022
- Divested remaining interest in CQR for $26.7m in Jan 2023
- Divested Carrara Shopping Centre for $23.5m (2.2% premium above carrying value) in May 2023
- Committed to a $31.5m fund through development supporting a Woolworths home delivery fulfilment facility adjacent to Delacombe Town Centre in July 2023
- Metro Fund acquired Beecroft Place for $65.5m in July 2022

Capital Management

Rising cost of debt offsets strong core business

- $12.9m (1.2 cps) earnings drag from increased cost of debt
- Weighted average cost of debt of 3.4% in FY23 vs 2.5% in FY22
- BBSW increased from 0.1% during FY22 to 4.1% in FY23

Robust balance sheet

- Cash and undrawn facilities of $385.7m with $225.0m allocated to refinance FY24 expiring debt
- Hedged drawn debt of 79.7% in FY23 and 90.0% in FY24
- Gearing at 31.3% which is at the lower end of our target range of 30–40%

2. Financial Performance

Evan Walsh

Chief Financial Officer

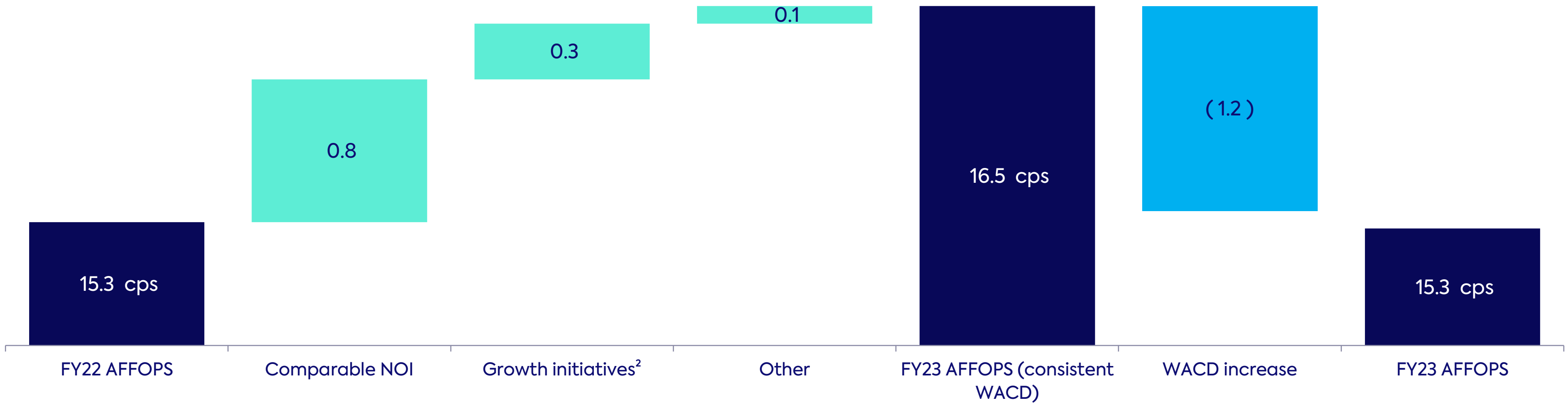
Robust underlying[1] earnings growth

Adjusted Funds From Operations (AFFO) per security growth offset by increase in cost of debt

15.3 cps
AFFOPS maintained despite headwinds

4.3%
comparable NOI growth

0.9%
WACD increase to 3.4%



1. Pre the impact of the 0.9% increase in the weighted average cost of debt
2. Growth initiatives include funds management, acquisitions, divestments and developments

Financial Results

For the year ended 30 June 2023

- Statutory net loss of $123.6m with the main driver being the unrealised $264.1m reduction in property valuations
- FFO is in line with FY22 at $192.5m with AFFO increasing by 2.6% to $173.9m
  - The 0.9% increase in the weighted average cost of debt (WACD) reduced earnings by $12.9m. Excluding this, FFO increased by 6.6% and AFFO increased by 10.2%
- 4.1% growth in net property income largely driven by $9.0m (4.3%) comparable NOI growth
- Metro Fund management fee income and share of net operating profit increased by $2.5m with a full year of income contribution with the fund being established part way through FY22
- Maintenance capital and leasing incentive expenditure have fluctuated in line with timing of works and commencement of new leases

$m	30 Jun 2023	30 Jun 2022	% Change
Property income	373.9	358.8	4.2%
Property expenses	(124.4)	(117.4)	6.0%
Insurance income	2.9	1.0	nm
Net property income	**252.4**	**242.4**	**4.1%**
Distribution income from CQR	0.9	1.7	(47.1%)
Funds management income	2.6	1.2	116.7%
Net operating profit from fund investments	1.4	0.2	nm
Net operating income	**257.3**	**245.5**	**4.8%**
Corporate expenses	(15.7)	(16.5)	(4.8%)
Net interest expense	(48.6)	(35.9)	35.4%
Tax expense	(0.5)	(0.4)	25.0%
Funds From Operations (FFO)	**192.5**	**192.7**	**(0.1%)**
Maintenance capital expenditure	(8.4)	(12.9)	(34.9%)
Leasing incentives and costs	(10.2)	(10.3)	(1.0%)
Adjusted Funds From Operations (AFFO)	**173.9**	**169.5**	**2.6%**
Statutory profit/(loss) after tax[1]	**(123.6)**	**487.1**	**(125.4%)**
FFO per security (cents)	**16.9**	17.4	**(2.6%)**
AFFO per security (cents)	**15.3**	15.3	-
Distribution per security (cents)	**15.2**	15.2	-
Distribution payout ratio (% of AFFO)	**99.7%**	99.8%	(0.1%)

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

Balance Sheet

At 30 June 2023

- Assets Under Management of $4.9bn including the Metro Fund
- Net Tangible Assets per security decreased by 9.2% to $2.55 per security
- The remaining investment in Charter Hall Retail REIT (CQR) was sold in January 2023 realising net proceeds of $26.7m
- Rental income receivables and deferrals have reduced from $15.5m to $8.9m
  - Tenant rental income arrears have reduced to 1.3% of FY23 rental income
  - $4.4m of bad debts have been written off largely relating to vacated tenants or historical arrears issues
  - $2.1m of COVID related deferred rental income remains to be billed with collection experience in line with overall portfolio collections
  - The expected credit loss balance is $1.9m which is 21.3% of total tenant receivables and deferred rent
- Management expense ratio of 0.38% has remained consistent with prior years with corporate costs being controlled

$m	30 Jun 2023	30 Jun 2022	% Change
Cash and cash equivalents	23.8	8.7	173.6%
Investment properties	4,411.6	4,460.9	(1.1%)
Investment in associates	28.5	24.6	15.9%
Investment in CQR	–	25.6	nm
Other assets	158.1	175.2	(9.8%)
Total assets	**4,622.0**	**4,695.0**	**(1.6%)**
Interest bearing liabilities	1,523.4	1,376.4	10.7%
Distribution payable	88.5	89.3	(0.9%)
Other liabilities	82.1	95.4	(13.9%)
Total liabilities	**1,694.0**	**1,561.1**	**8.5%**
Net tangible assets (NTA)	**2,928.0**	**3,133.9**	**(6.6%)**
Securities on issue (m)	1,148.9	1,116.3	2.9%
NTA per security ($)	**2.55**	**2.81**	**(9.2%)**
Assets under management (AUM) (including Metro Fund)	**4,935.1**	**4,955.3**	**(0.4%)**

Property Valuations

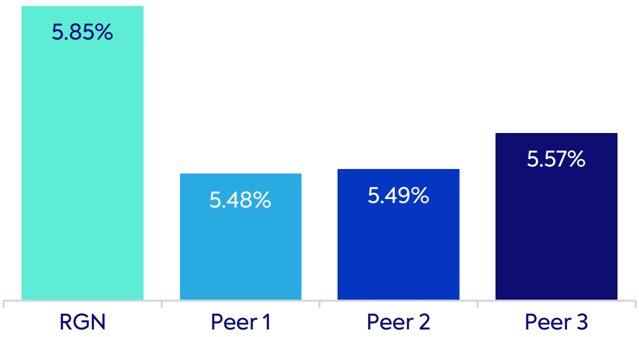
At 30 June 2023

- The weighted average market capitalisation rate (cap rate) has expanded by 42bps to 5.85%
  - Valuations reduced by 4.4% with a 6.2% reduction explained by cap rate expansion, offset by a 1.8% increase in income
  - Over 40% of the portfolio was independently valued
  - Our cap rate is 34bps softer than the average of our listed non-discretionary retail REIT peers at 5.51%
- We acquired five neighbourhood shopping centres for $180.0m (excluding transaction expenses) in July 2022 at an average yield of 6.0%
- Carrara Shopping Centre divested in May 2023 for $23.5m at 2.2% premium above 30 June 2022 carrying value

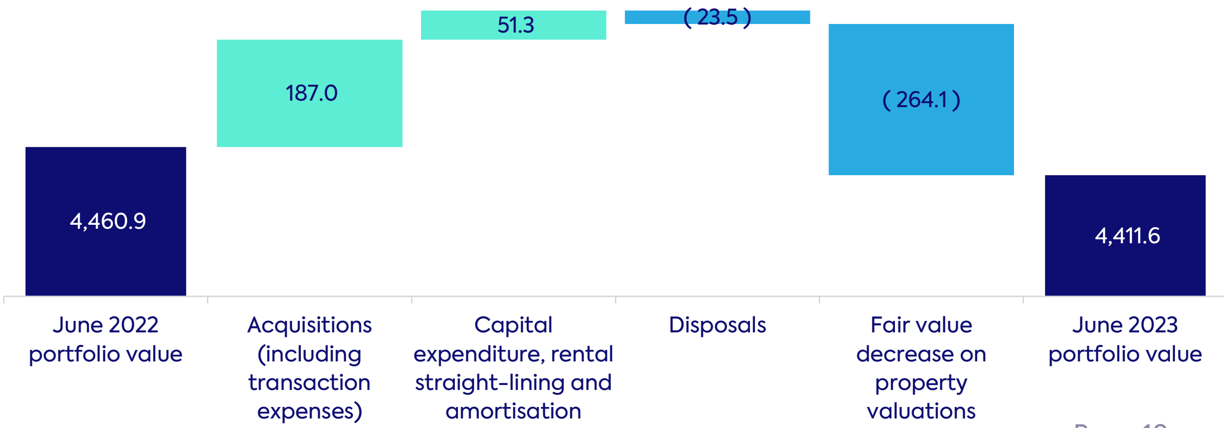
Weighted average capitalisation rate (cap rate)	%
30 June 2022	5.43%
30 June 2023	**5.85%**
Cap rate movement	0.42%

$m	30 Jun 2023
June 2022 portfolio value	4,460.9
Acquisitions (including transaction expenses)	187.0
Capital expenditure, rental straight-lining and amortisation	51.3
Disposals	(23.5)
Fair value decrease on property valuations	(264.1)
June 2023 portfolio value	**4,411.6**

Cap Rate Peer Comparison
(30 June 2023)



Portfolio Value
($m)



Debt and Capital Management

At 30 June 2023

- Cash and undrawn facilities of $385.7m
  - Total facility limit was increased by $50.0m to $1,807.1m with an increase and extension of an existing bilateral debt facility
  - Liquidity is higher than usual due to the upcoming expiry in June 2024 of $225.0m medium term notes
- Gearing of 31.3% which is at the lower end of our target range of 30–40%
- 79.7% of debt is fixed or hedged
- Average debt maturity of 4.4 years
- Weighted average cost of debt increased from 2.5% in FY22 to 3.4% in FY23 due to the impact of the increase in BBSW on unhedged debt
- We are well within debt covenant requirements

	30 Jun 2023	30 Jun 2022
Facility limit ($m)	1,807.1	1,757.1
Drawn debt (net of cash $m)	1,411.3[1]	1,293.4
Cash and undrawn facilities ($m)	385.7	452.7
Credit rating (Moody's)	Baa1 (stable)	Baa1 (stable)
Gearing (%)	31.3	28.3
Look-through gearing[2] (%)	31.9	28.8
% debt fixed or hedged	79.7	69.6
Weighted average cost of debt (%)	3.4	2.5
Average debt maturity (yrs)	4.4	5.3
Average fixed / hedged debt maturity (yrs)	2.3	4.9
Interest cover ratio	4.7x	6.1x
Net debt / FFO before interest and tax	5.8x	5.7x

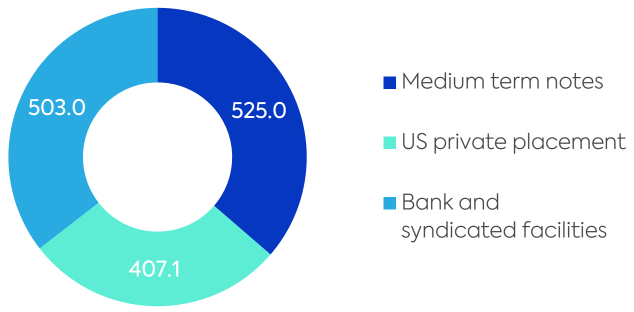
Covenants	30 Jun 2023	Covenant
Gearing (%)	31.3	50.0
Interest cover ratio	4.7x	2.0x

1. Drawn debt (net of cash) of $1,411.3m is made up of statutory debt of $1,523.4m less $92.9m being the revaluation of the USPP US$ denominated debt from statutory value of $450.0m (using the prevailing June 2023 spot exchange rate) to restate the USPP to its hedged value of $357.1m plus unamortised debt fees and MTN discount / premium of $4.6m less $23.8m cash and cash equivalents and excludes bank guarantees $10.1m
2. Look-through gearing includes our 20% interest in the Metro Fund

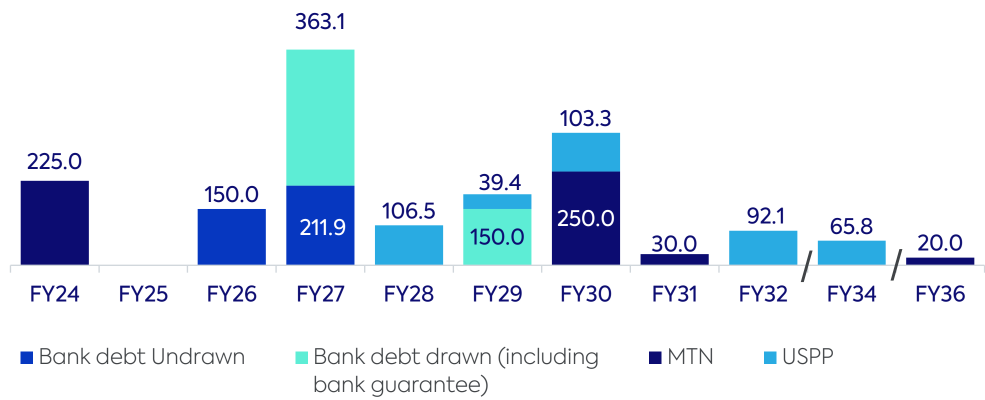
Debt and Capital Management

At 30 June 2023

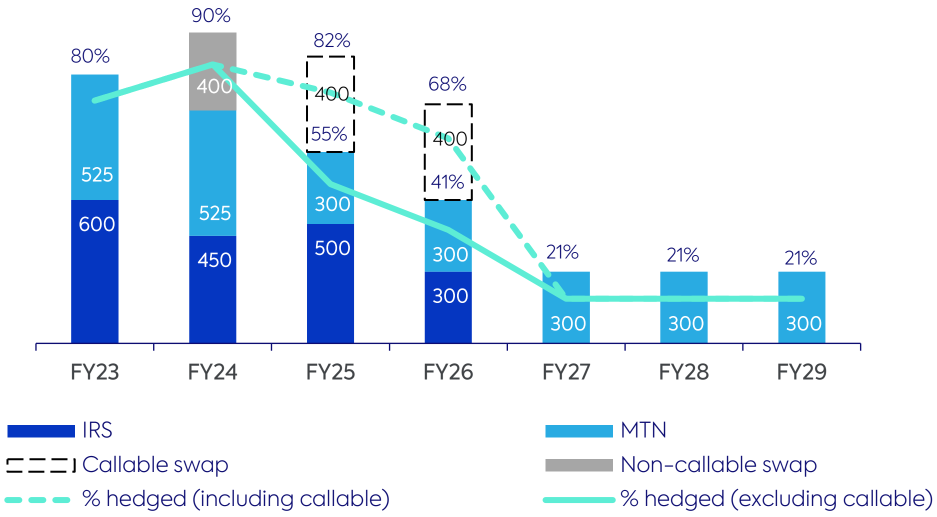
Sources of Drawn Debt
($m)



Debt Facilities Expiry Profile
($m)



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



1. FY24 based on average debt. If callable swap is called after non call period (1 year), hedged debt will reduce to 55% in FY25 and 41% in FY26

Increasing hedged debt through additional interest rate swaps

Hedge	Notional Amount ($m)	Start Date	End Date	Interest Rate Swap %
Restructured an existing interest rate swap	$250.0	Aug 2022	Jul 2024	1.44%
Forward starting interest rate swap	$200.0	Jul 2023	Jul 2025	3.82%
Forward starting interest rate swap	$300.0	Jul 2024	Jul 2026	3.36%
Callable interest rate swap	$400.0	Aug 2023	Aug 2026	3.62%

- Targeted hedging will be at least 50% (with a preference of around 75%) of current net debt drawn on a rolling 24-month basis
- Excluding margin, the average fixed cost of hedges in place for FY23 is 1.1%, FY24 2.5% and FY25 3.0%

3. Operational Performance

Mark Fleming

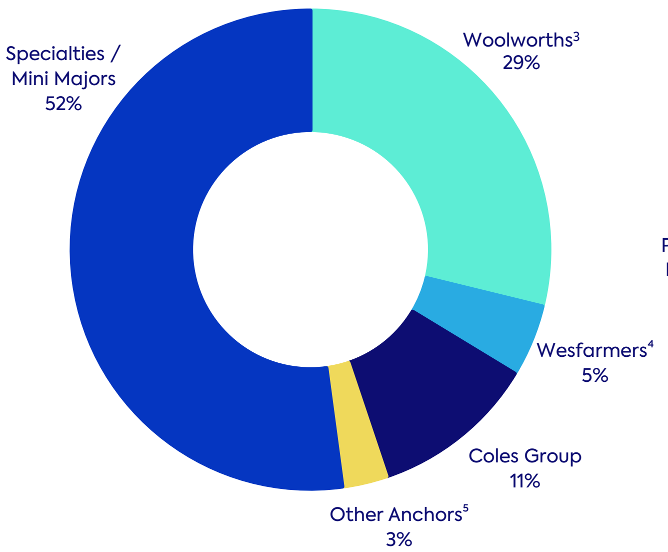
Chief Operating Officer

Portfolio Overview

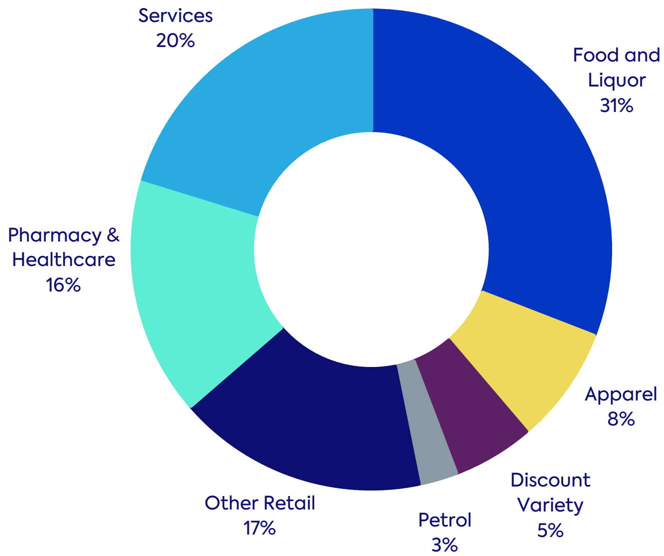
Weighting towards non-discretionary food, health and retail services

At 30 June 2023	Number of properties	Number of specialties	GLA (sqm)	Site area (sqm)	Occupancy (% GLA)	Value ($m)	WALE (yrs)[6]	Weighted average cap rate (%)
Sub-regional	13	624	258,609	692,972	98.1%	1,174.8	6.4	6.35%
Neighbourhood	82	1,489	540,915	1,817,402	97.7%	3,236.8	6.2	5.67%
Total	**95**	**2,113**	**799,524**	**2,510,374**	**97.8%**	**4,411.6**	**6.2**	**5.85%**

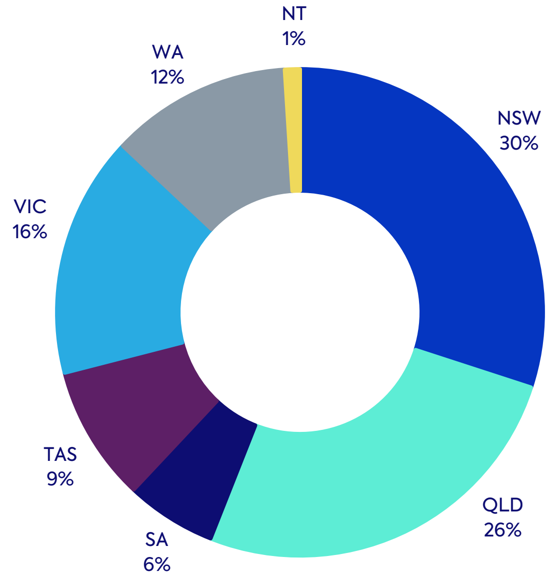
Tenants by Category (by gross rent)[1]



Specialty / Mini Major Tenants (by gross rent)[1,2]



Geographic Diversification (by value)



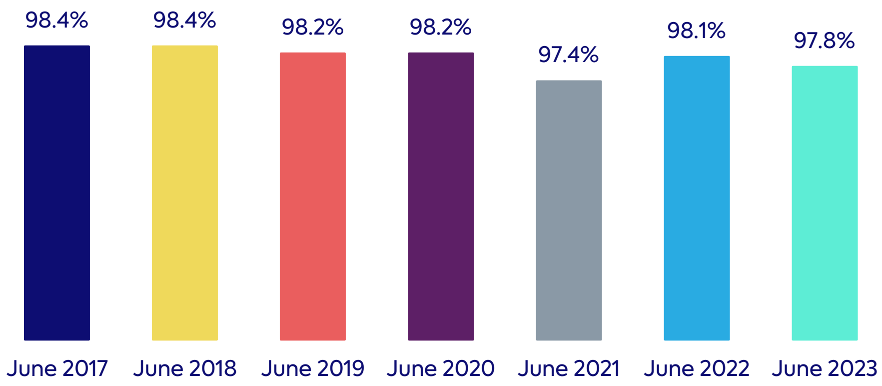
1. Annualised gross rent excluding vacancy and turnover rent
2. Mini major tenants represent 12.6% of annualised specialty gross rent. Mini major tenants have been split across the relevant categories
3. Woolworths Group includes Woolworths 23.7% and Big W 4.8%
4. Wesfarmers includes Kmart 2.7%, Bunnings 0.5%, Target 0.3%, Officeworks 0.2%, and Health business 1.2%
5. Other Anchors includes ALDI, Dan Murphy's, Hoyts, Farmer Jack's and IGA
6. Weighted average lease expiry (WALE) years by GLA

Portfolio Occupancy

Consistent specialty occupancy and reduced holdovers

- Continued strategic focus on remixing toward non-discretionary categories, reducing number of tenants on holdover and reducing long-term vacancies where deals are accretive
- Portfolio occupancy remains resilient at 97.8%
- Specialty vacancy of 5.0% in line with 31 December 2022
- Specialty tenant holdovers are 3.7% of gross property income (a decrease from 3.9% at 31 December 2022)
- A 5.5 year portfolio WALE (by gross income) combined with investment-grade tenants and non-discretionary retail categories provides a higher degree of income predictability

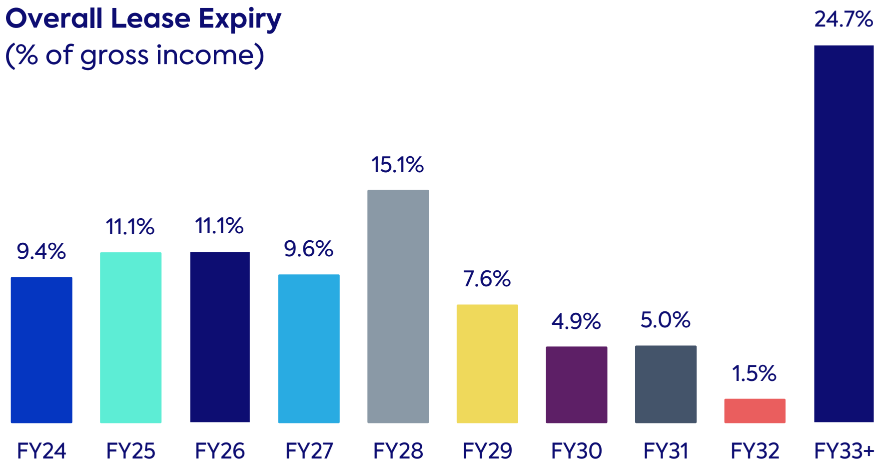
Portfolio Occupancy
(% of GLA)



Portfolio Lease Expiry Profile

30 June 2023	WALE (years)	
	By gross income	By GLA
Portfolio	5.5	6.2
Anchor	7.9	7.6

Overall Lease Expiry
(% of gross income)



Sales Growth and Turnover Rent

Sales grew strongly across all tenant categories

Total Portfolio

- 4.5% total portfolio sales growth (by MAT)[1] vs 3.6% at 31 December 2022 and 1.3% at 30 June 2022

Anchor Tenants

- Supermarket MAT growth has steadily increased from 2.4% at 30 June 2022 to 3.4% at 30 June 2023. Reduced consumer sentiment has historically favoured supermarkets and non-discretionary tenants
- Strong supermarket sales is driving increased anchor turnover rental income:
  - $6.3m of turnover rent relating to 59 anchor tenants (46% of total) – 51 supermarkets, 4 Kmart, 1 Big W and 3 Dan Murphy's
  - A further 13 anchors are within 10% of their turnover rent thresholds
  - An additional $1.4m of turnover rent was crystalised into the base rent for 16 anchor tenants during the year

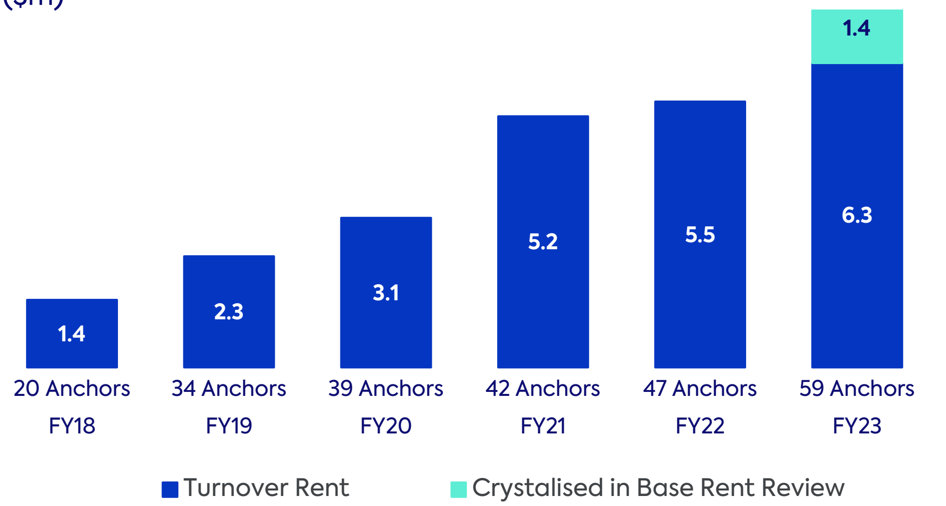
Specialty Tenants

- Solid specialty sales growth of 7.5% has been driven by a:
  - 8.2% increase in sales from non-discretionary tenants
  - 7.1% increase in sales from discretionary tenants

Comparable Store MAT Sales Growth by Category (%)

Total portfolio	30 Jun 2023[1]	30 Jun 2022[1]
Supermarkets	3.4%	2.4%
Discount Department Stores	9.4%	(6.1%)
Mini Majors	2.2%	1.5%
Specialties	7.5%	0.4%
Total	**4.5%**	**1.3%**

Anchor turnover rent ($m)



1. Moving annual turnover measures the growth in sales over the last 12 months compared to the previous 12-months

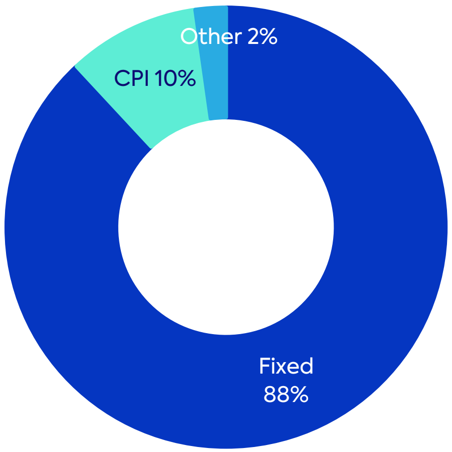
Specialty Key Metrics

Increasing sales productivity and positive leasing spreads

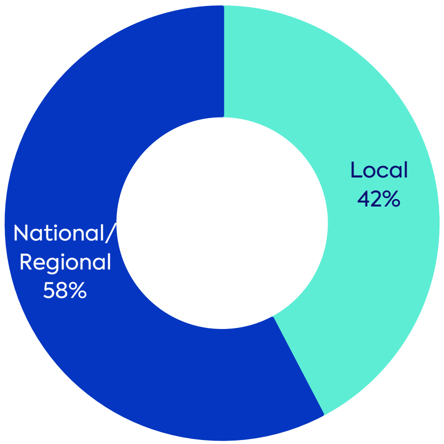
- Specialty sales productivity has increased by 4.8% from $9,865 per sqm to $10,342 per sqm
- Occupancy cost of 8.7% remains stable
- 393 leasing deals completed in FY23
  - Leasing spreads increased to 3.7% (2.0% in FY22)
  - New lease incentives at 10.0 months, similar to FY22
- Solid tenant retention of 82% (86% in FY22)
- Annual fixed rent reviews of 3.8% are applied across 88% of our specialty tenant leases

Specialty Lease Composition (at 30 June 2023)

Annual Increase Mechanism



Tenant Type



Total Specialty Metrics	30 Jun 2023	30 Jun 2022
Comparable sales MAT growth (%)[1]	7.5%	0.4%
Average specialty occupancy cost (%)[1]	8.7%	8.7%
Average specialty gross rent per sqm	$818	$793
Specialty sales productivity ($ per sqm)[1]	$10,342	$9,865

Renewals	12 months to 30 Jun 2023	12 months to 30 Jun 2022
Number	267	133
Retention (%)	82%	86%
GLA (sqm)	29,506	20,391
Average uplift (%)	4.7%	3.5%
Incentive (months)	0.2	0.2

New Leases	12 months to 30 Jun 2023	12 months to 30 Jun 2022
Number	126	119
GLA (sqm)	12,526	18,466
Average uplift (%)	1.2%	(0.2%)
Incentive (months)	10.0	10.4

Total Lease Deals	12 months to 30 Jun 2023	12 months to 30 Jun 2022
Number	393	252
GLA (sqm)	42,032	38,857
Average uplift (%)	3.7%	2.0%

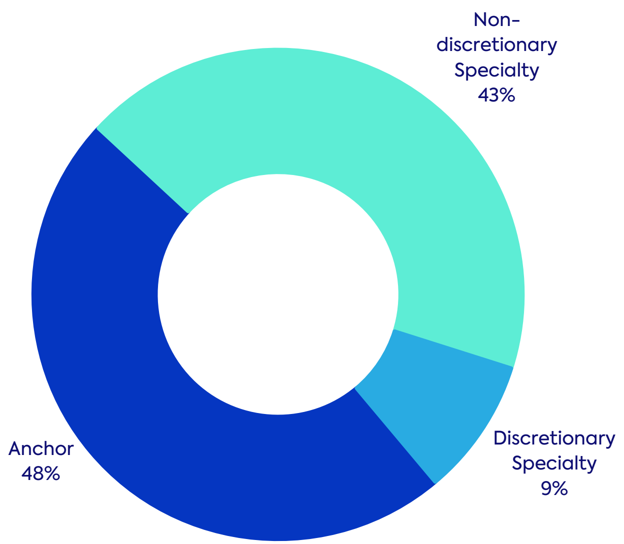
1. Includes comparable sales reporting tenants trading over 24 months

Resilience of our specialty tenants

Tenant health appears to remain strong with low arrears and occupancy costs

- Specialty and mini-major tenants represent 52% of our total gross property income with discretionary specialty tenants representing only 9%
- Overall specialty arrears are low at 1.3%[1] with discretionary tenants at only 1.4%
- Occupancy costs remain low with discretionary tenants below 10%
- Sales growth for discretionary tenants is solid at 7%

Tenants by Category (by gross income)



Non-discretionary Specialty Tenant Category

	% of total gross income	Comparable sales MAT growth[3]	Occupancy cost (%)[3]	Arrears
Food & Liquor	16.3%	6.5%	8.2%	1.4%
Pharmacy & Healthcare	8.4%	0.7%	10.8%	0.3%
Medical & Beauty Services	6.4%	12.7%	14.5%	1.3%
Discount Variety	2.9%	9.4%	20.2%	2.6%
Communications	1.5%	22.8%	10.2%	2.7%
Total Non-Discretionary	35.5%[2]	8.2%	7.0%	1.2%

Discretionary Specialty Tenant Category

	% of total gross income	Comparable sales MAT growth[3]	Occupancy cost (%)[3]	Arrears
Apparel	4.2%	12.3%	13.3%	1.6%
Gifts / Florists	1.9%	5.1%	2.7%	2.3%
Leisure	1.8%	10.8%	7.7%	1.9%
Homewares	0.8%	12.1%	14.4%	0.1%
Jewellery	0.6%	8.8%	9.0%	0.3%
Total Discretionary	9.3%[2]	7.1%	9.6%	1.4%

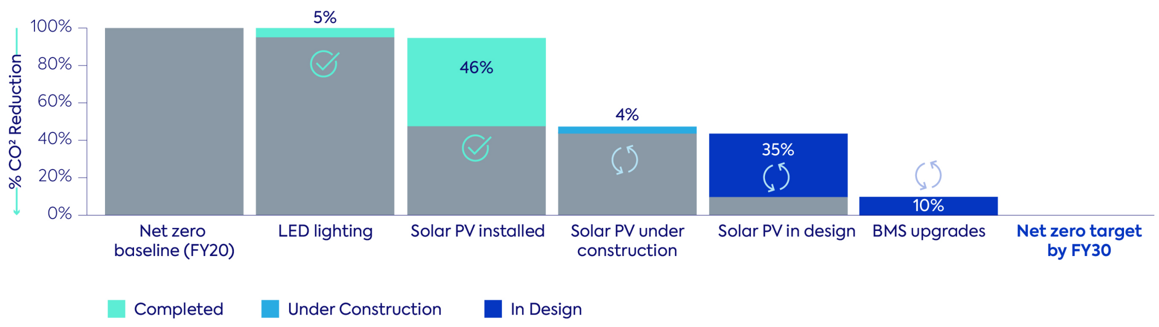
1. Of annualised specialty gross property income
2. Totals exclude gross income from tenants that do not report sales which is approximately 7%
3. Includes comparable sales reporting tenants trading over 24 months

Sustainability Strategy Update

On track to achieve Net Zero by FY30[1,2]

	Completed	FY24 Commitment
Energy and Carbon	• To date, 14.9MW of solar PV installed or under construction of our 25MW solar PV target by FY26 • Targets for the reduction of scope 1 and 2 emissions[1] are now included in the executive short term incentive plan	• Installation of 5.1MW solar PV • Complete a review of our existing infrastructure and a portfolio wide scope exercise before a detailed energy efficiency strategy can be determined
Water and Waste	• Waste audits conducted at all properties	• Standardise our waste recovery contracts • Eliminate single-use plastics at our head office
Leading Local	• Completed Local Community Engagement Plans (LCEP) Project for maximum local community impact	• Following on from our LCEP, every property will commit to connecting with their local council and key stakeholders quarterly (i.e. Police, community groups, schools) and implementing a minimum of one key initiative that addresses local community needs
Diversity and Inclusion	• Inclusive recruitment training has been rolled out to all recruiting managers	• Maintain 40:40:20 gender diversity target

Progress to date on reaching net zero target by FY30[1,3]



$29.5m investment to date

17% reduction in greenhouse gas emissions[3]

1. Reduction in Scope 1 and Scope 2 greenhouse gas emissions
2. See the FY23 Sustainability Report for more information on all aspects of our sustainability framework, results and governance
3. Calculated on a like for like basis excluding acquisitions and disposals

4. Growth Opportunities

Anthony Mellowes

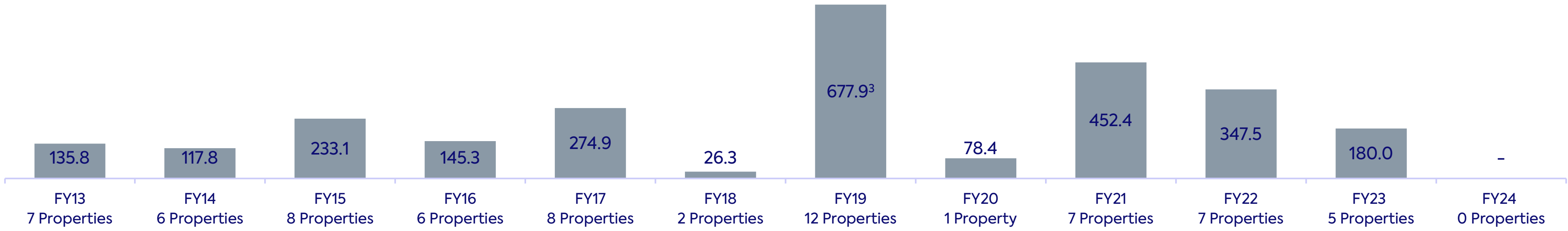
Chief Executive Officer

Acquisitions and Divestments

Average $224m of acquisitions per year over past 10 years – FY24 guidance assumes no acquisitions

	Type	Acquisition date	Total purchase price ($m)	Implied fully let yield (%)	Total GLA (sqm)	Occupancy (% GLA)
FY23 Acquisitions[1]						
Dernancourt Shopping Centre, SA	Neighbourhood	July 2022	46.0	5.3%	8,352	99%
Fairview Green Shopping Centre, SA	Neighbourhood	July 2022	39.5	6.8%	5,713	99%
Brassall Shopping Centre, QLD	Neighbourhood	July 2022	46.5	5.9%	10,281	99%
Port Village Shopping Centre, QLD	Neighbourhood	July 2022	36.0	6.2%	6,351	94%
Tyne Square, WA	Neighbourhood	July 2022	12.0	6.6%	2,109	100%
			180.0	**6.0%**	**32,806**	**98%**

Completed acquisitions ($m)[2]



	Type	Divestment date	Total sales price ($m)	Cap rate (%)	Previous carrying value ($m)	Premium to book value (%)
FY23 Divestments						
Investment in CQR	Investment	January 2023	26.7	–	–	–
Carrara Shopping Centre, QLD	Neighbourhood	May 2023	23.5	4.75%	23.0	2.2%
			50.2			

1. Excludes $15.0m land purchased next to Delacombe Town Centre in July 2023
2. Excludes transaction costs
3. Includes acquisition of 10 property portfolio for $573.0m

Convenience Based Shopping Centres

Continued consolidation of a fragmented industry

Convenience based shopping centre landscape

- There are approximately 1,200 Coles and Woolworths anchored neighbourhood and sub-regional centres in Australia where we are the largest individual owner
  - We have completed the acquisition of 69 centres for $2.7bn and have divested 43 centres for over $800m since 2012

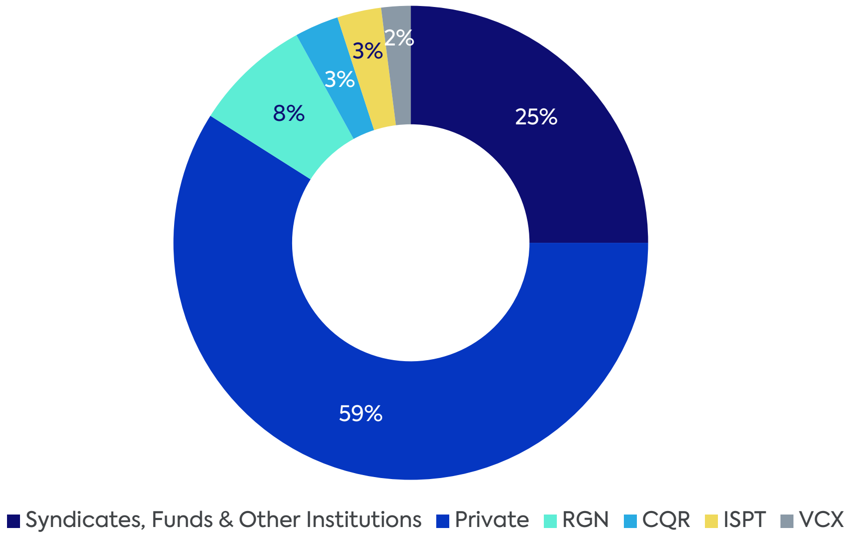
FY23 market transactions

- 32 neighbourhood centres transacted for total consideration of ~$1.1bn
  - We acquired five neighbourhood centres over this period for $180.0m, making up ~5% of these transactions by value
  - We divested one neighbourhood centre for $23.5m
- 17 sub-regional centres transacted for total consideration of ~$2.2bn

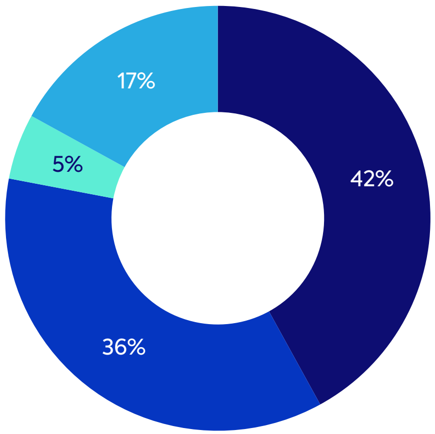
Acquisition and divestment outlook

- We will continue to take a disciplined approach with a proven track record of sourcing acquisitions through the cycle and monitoring opportunities to divest and recycle capital where appropriate
- We continue to review our portfolio and the market to take advantage of any change in market conditions

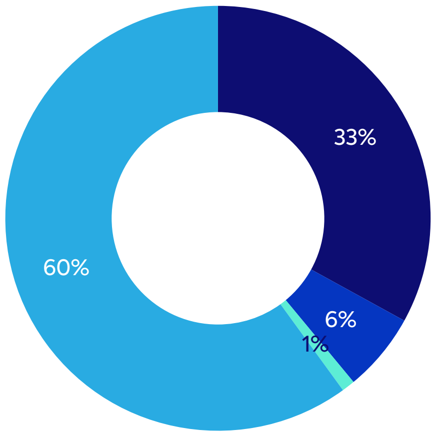
Ownership of Convenience Based Centres



FY23 Buyers (by value)



FY23 Sellers (by value)



Syndicates & Funds | Private Investors | RGN | Other Institutions

Source: Management estimates

Indicative Capital Investment Pipeline

Investing in property enhancements, sustainability initiatives and major developments

Estimated capital investment (A$m)

Type	Description	FY23 Actual	FY24	FY25	FY26	FY27	FY28
Developments	Greenbank, Marketown Newcastle, North Orange, Raymond Terrace	–	8.5	TBC	TBC	TBC	TBC
Fund-through development	Delacombe Town Centre Stage II, VIC which consists of a Woolworths home-delivery fulfilment facility completed as part of a large format retail centre	–	21.0[1]	10.5	–	–	–
Property enhancements	Improvements including ambience upgrades and refurbishments; direct to boot facilities (including click 'n' collect bays, drive through), pad site development	10.5	24.9	32.0	22.5	20.5	20.5
Sustainability initiatives	Energy and carbon reduction, initiatives to achieve Net Zero (scope 1 and 2) by FY30	7.9	21.8	17.5	15.5	13.5	11.5
Subtotal		18.4	76.2	>60	>38	>34	>32
Shopping centre rebuild	Lismore Central Shopping Centre rebuild was completed in March 2023	14.1	–	–	–	–	–
Total		**32.5**	**76.2**	**>60**	**>38**	**>34**	**>32**

- The capital investment pipeline is based on opportunities that we are currently considering across our portfolio. The majority is based on our current estimates and require further investigation and approvals.

Warner Marketplace – Guzman Y Gomez pad site development


Lismore Central Shopping Centre

1. Excludes $15.0m for land acquisition

Focused investment in our existing portfolio

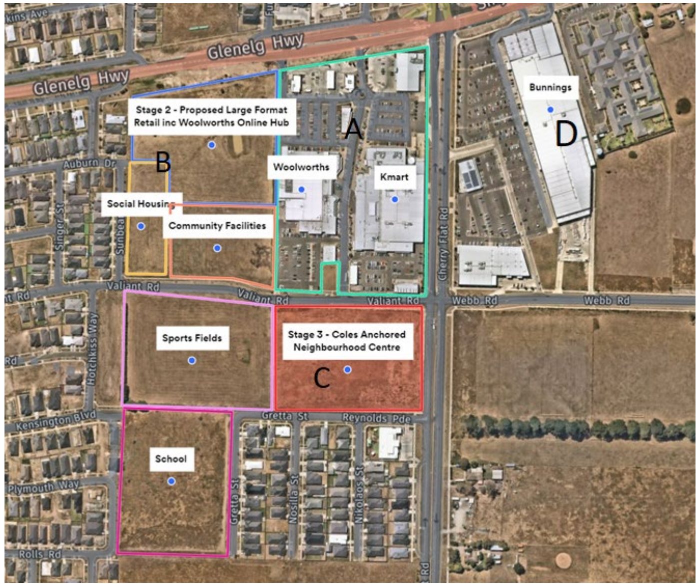
Value creation through property enhancements and strategic site consolidation

Allocating capital to drive our portfolio performance

- Minimal acquisitions are expected given current market pricing
- We will consider disposing of lower dollar value, tighter yielding properties where there is still significant demand from private investors
  - Any proceeds from these disposals will be redeployed investing in the existing portfolio
- We will have a greater focus on enhancing our existing portfolio through:
  - Refurbishments and ambience upgrade
  - Specialty tenant remixing
  - Direct to Boot / Click 'n' Collect facilities
  - Pad site development
  - Local strategic site consolidation

Strategic Site Consolidation

- Through investing in adjacent land or properties that consolidate a site, we aim to enhance the value of our existing property and drive sales and tenant performance
  - In July 2023 we committed to a $31.5m fund through development on land adjacent to Delacombe Town Centre
  - Supporting our anchor tenant, the development consists of a Woolworths home-delivery fulfilment facility (to service the online home delivery for the Ballarat region) complemented by a large format retail precinct



Delacombe Town Centre – Stage 2

Supporting Online Sales

Investing alongside our supermarket tenants to drive sales growth

Direct to Boot and Click 'n' Collect investment

- Online sales are included in 96% of our supermarket turnover rent calculations
  - 86 including 100% of online sales
  - four including 50% of online sales
- Over 81% of our Coles and Woolworths stores have had investment in external facilities outside the supermarket box to include click 'n' collect bays, direct to boot facilities and specific fixtures in the loading docks
- During FY23, we spent $6.5m to support online sales growth through co-investments and contribution to direct to boot facilities
- FY24 forecast to spend around $20m on investing in direct to boot and click 'n' collect facilities

Moggill Village

Funds Management

Metro Fund (JV with GIC) offers a platform for growth in the medium to longer term

- The Metro Fund commenced in FY22 with seven seed properties for $284.5m
- The Fund acquired Beecroft Place in July 2022 for $65.5m
- Key features of the fund:
  - Invest in metropolitan neighbourhood centres
  - Initial target fund size $750m
  - Ownership: 80% GIC / 20% Region
- Positions us to access metropolitan neighbourhoods, in partnership with a high-quality and globally recognised partner, while growing asset-light management fee income
- Minimal acquisitions are expected in the short term

Berala Shopping Centre, NSW

5. Key Priorities and Outlook

Anthony Mellowes and Evan Walsh

Chief Executive Officer and Chief Financial Officer

Core Strategy Unchanged

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

Growth opportunities

Long leases to quality anchor tenants

Appropriate capital structure

Region GROUP

Longer Term AFFO Growth Target

Indicative target growth rate for AFFO in the medium to longer term is 2% to 4%+ pa

		Description and Assumptions	**Indicative contribution to AFFO growth rate** (% pa) – medium to longer term –
Comparable Growth	**Anchor rents**	Anchors represent 48% of rental income with 46% of anchors in turnover rent. Sales are expected to grow at 2-4% pa	0-1%
	Specialty rents	Specialties represent 52% of rental income with average annual fixed rent reviews expected to be in line with current growth of 3.8% pa. Leasing spreads are expected to be greater than 2% pa	1-2%
	Expenses	Assumed to grow at the same rate as rental income	0%
		Indicative comparable NOI growth (%)	**1-3%**
Growth Indicators	**Property development**	Selective extensions and refurbishments of our existing portfolio	1%+
	Acquisitions	Selective acquisitions in the fragmented convenience-based shopping centre segment	
	Other	Funds management business continues to grow with Metro Fund	
		Indicative NOI growth (%)	**2-4%+**
Corporate	**Corporate expenses**	Target to increase no more than the NOI growth rate	0%
	Interest expense	Interest expense is expected to increase in the short term based on current market pricing	Market dependent
		Indicative FFO growth (%)	**2-4%+**
Capex	**Capital expenditure**	Constant % of property value for maintenance capital and leasing costs	0%
		Indicative AFFO growth (%)	**2-4%+**

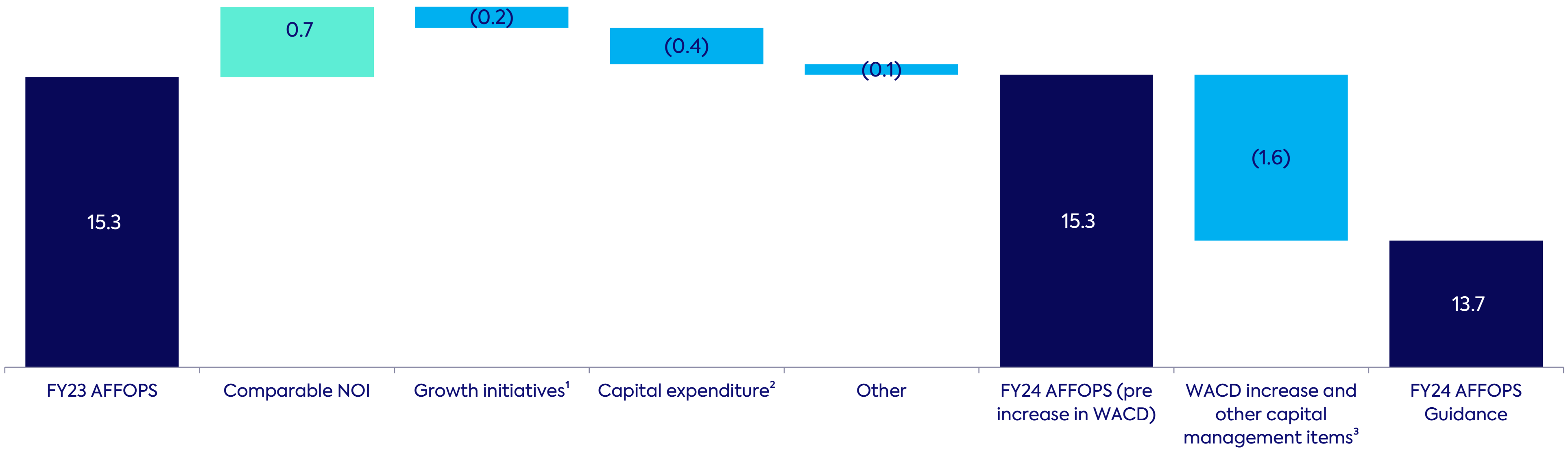
FY24 AFFO Guidance – 13.7 cps

10% reduction in earnings growth primarily impacted by increasing WACD

15.3 cps
AFFOPS maintained pre WACD increase

3.0%
comparable NOI growth

1.0%
WACD increase to 4.4%



1. FY23 includes $180.0m of balance sheet acquisitions, $50.2m divestment of Carrara Shopping Centre and investment in CQR, and transaction fees related to Metro Fund acquisition of Beecroft Place. FY24 assumes no transactional activity
2. FY24 capital expenditure forecast in line with average historical spend as a % of portfolio
3. Impact of WACD increase and DRP issuance

Key Priorities and Outlook

Focus on the core business

- Generating sustainable NOI growth by:
  - Driving increased rental income from our specialty and mini major tenants
  - Partnering with our anchor tenants to drive turnover rent
  - Leveraging our scale to minimise controllable property expenses as a percentage of property income over time
  - Continuing on our path toward Net Zero (scope 1 and scope 2) by FY30
- Review of management cost base to reflect current business requirements and focus

Investing in our properties

- Minimal acquisitions are expected given current market pricing
- Considered disposal of lower value, tighter yielding properties and redeployment of proceeds into the existing portfolio to drive performance:
  - Property improvements and pad site developments
  - Sustainability initiatives

Prudent capital management

- Maintain an appropriate capital management strategy, which includes:
  - Target gearing range 30-40% with a preference to be at the lower end of the range at this point in the cycle
  - Interest rate hedging of at least 50% of current net debt drawn on a rolling 24-month basis with a preference of 75%
  - Actively manage our upcoming debt expiries, maintaining sufficient capacity to fund investment opportunities and initiatives

Earnings guidance

- FY24 FFO of 15.6 cps and AFFO of 13.7 cps with a target distribution payout ratio of approximately 100%
  - No balance sheet acquisitions / disposals or growth in funds management platform
  - 90% of our average FY24 debt is hedged or fixed with a 4.4% WACD

6. Questions

7. Appendices

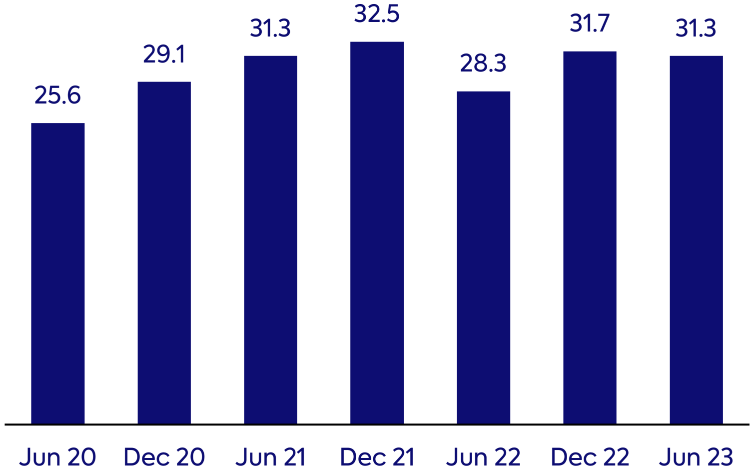
Income Statement: Statutory Loss to AFFO Reconciliation

For the year ended 30 June 2023

$m	Statutory loss 12 months to 30 Jun 2023	FFO adjustments	AFFO 12 months to 30 Jun 2023	AFFO 12 months to 30 Jun 2022	% change
Anchor rental income	151.5	-	151.5	149.0	1.7%
Specialty rental income	162.2	0.6	162.8	160.2	1.6%
Recoveries and recharge income	45.9	-	45.9	40.8	12.5%
Other income	13.7	-	13.7	8.8	55.7%
Insurance income	11.0	(8.1)	2.9	1.0	nm
Rental straight-lining and amortisation of incentives	(10.7)	10.7	-	-	-
Gross property income	**373.6**	3.2	**376.8**	359.8	4.7%
Property expenses	(124.6)	0.2	(124.4)	(117.4)	6.0%
Property expenses / Gross property income (%)			*33.0%*	*32.6%*	0.4%
Net property income	**249.0**	3.4	**252.4**	242.4	4.1%
Distribution income from CQR	0.9	-	0.9	1.7	(47.1%)
Funds management income	2.6	-	2.6	1.2	116.7%
Share of net gain / (loss) from associates relating to non-cash items	(2.4)	3.8	1.4	0.2	nm
Net operating income	**250.1**	7.2	**257.3**	245.5	4.8%
Corporate expenses	(18.8)	3.1	(15.7)	(16.5)	(4.8%)
Technology project expenses	(3.4)	3.4	-	-	-
Fair value of investment properties	(264.1)	264.1	-	-	-
Fair value of derivatives	(23.2)	23.2	-	-	-
Unrealised foreign exchange movement	(13.7)	13.7	-	-	-
Other expenses	(1.4)	1.4	-	-	-
EBIT	**(74.5)**	316.1	**241.6**	229.0	5.5%
Net interest expense	(48.6)	-	(48.6)	(35.9)	35.4%
Tax expense	(0.5)	-	(0.5)	(0.4)	25.0%
Statutory loss / FFO	**(123.6)**	316.1	**192.5**	**192.7**	(0.1%)
Maintenance capital expenditure			(8.4)	(12.9)	(34.9%)
Leasing incentives and costs			(10.2)	(10.3)	(1.0%)
AFFO			**173.9**	**169.5**	2.6%

Gearing Calculation

Gearing (%)



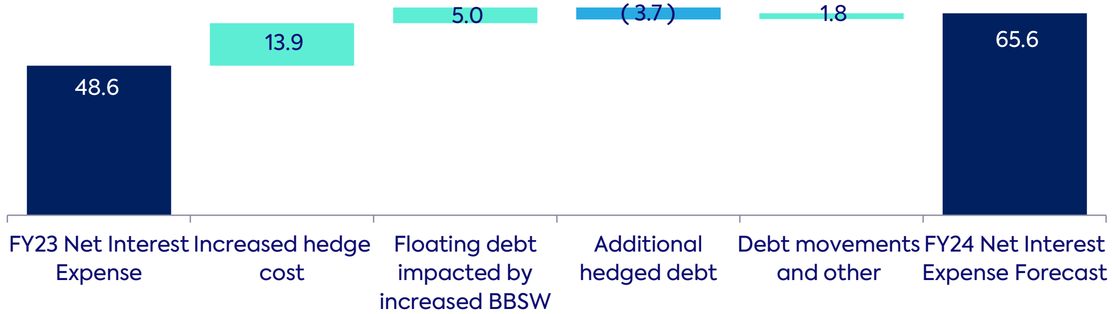
$m	30 Jun 2023	30 Jun 2022
Bilateral and syndicated facilities – unsecured		
Bank and syndicated facilities drawn	503.0	370.0
	503.0	370.0
AU$ MTN – unsecured		
Unsecured AU$ Medium term notes	525.0	525.0
	525.0	525.0
US Notes – unsecured		
US$ denominated notes – USD face value	300.0	300.0
Economically 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	1,435.1	1,302.1
Less: cash	(23.8)	(8.7)
Net finance debt for gearing	**1,411.3**	**1,293.4**
Total assets	4,622.0	4,695.0
Less: cash	(23.8)	(8.7)
Less: derivative values included in total assets	(92.8)	(111.4)
Net total assets for gearing	**4,505.4**	**4,574.9**
Gearing (management)	**31.3%**	**28.3%**
Look-through gearing (management)[1]	**31.9%**	**28.8%**

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

Interest Expense Bridge and Sensitivity

- 90% of average debt is hedged or fixed for FY24
- A 0.25% average movement in the FY24 BBSW curve, impacts interest expense by $0.4m and AFFO per security by 0.03 cps

FY23 to FY24 Interest Expense Bridge



$17.0m (35%) increase in net interest expense

- $13.9m – impact of average interest rate swap increase of 2.3% (from FY23 0.7% to FY24 3.0%)
- $5.0m – $150.0m of previously hedged debt and unhedged debt at 30 June 2023 that is impacted by increase in BBSW
- ($3.7m) – hedging impact of $400.0m callable interest rate swap
- $1.8m – increase in average debt, line fees from increased facility limit and other movements

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Debt Facilities & Interest Rate Hedging

		Facility limit	Drawn debt	Financing capacity	Maturity / Notes
		A$m	A$m	A$m	
Debt facilities At 30 Jun 2023	**Bank and syndicated facilities**				
	Bank bilateral	150.0	–	150.0	FY26: $50m Dec 2025 and $100m Mar 2026
	Bank bilateral (including bank guarantee)	575.0	353.0	222.0	FY27: $425m Jul 2026 (3 separate facilities), $100m Mar 2027 and $50m May 2027
	Bank syndicated facilities	150.0	150.0	–	FY29: $150m Nov 2028
		875.0	**503.0**	**372.0**	
	Medium term notes (fixed rate AU$ MTN)				
	Medium Term Note[1]	225.0	225.0	–	FY24: Jun 2024; Coupon of 3.90%
	Medium Term Note[1]	250.0	250.0	–	FY30: Sep 2029; Coupon of 2.45%
	Medium Term Note[1]	30.0	30.0	–	FY31: Sep 2030; Coupon of 3.25%
	Medium Term Note[1]	20.0	20.0	–	FY36: Sep 2035; Coupon of 3.50%
		525.0	**525.0**	**–**	
	US private placement				
	US$ denominated[2]	106.5	106.5	–	FY28: Aug 2027
	US$ denominated[3]	39.4	39.4	–	FY29: Sep 2028
	US$ denominated[2]	53.3	53.3	–	FY30: Aug 2029
	AU$ denominated	50.0	50.0	–	FY30: Aug 2029
	US$ denominated[3]	92.1	92.1	–	FY32: Sep 2031
	US$ denominated[3]	65.8	65.8	–	FY34: Sep 2033
		407.1	**407.1**	**–**	
	Total unsecured financing facilities	**1,807.1**	**1,435.1**	**372.0**	
	(Less)/add: cash		**(23.8)**	**23.8**	
	Net debt[4]		**1,411.3**	**395.8**	
	Less: debt facilities used for bank guarantees[5]			(10.1)	Jul 2026; facility used for bank guarantees
	Total debt facilities available plus cash			**385.7**	
Other hedges At 30 Jun 2023	**Hedging**	**Notional face value**	**Fixed rate**	**Expiry**	
	Interest rate swap	350.0	0.20%	Jul 2023	
	Interest rate swap	250.0	1.44%	Jul 2024	
		600.0			
	Interest rate swap (forward start Jul 2023)	200.0	3.82%	Jul 2025	
	Interest rate swap (forward start Jul 2024)	300.0	3.36%	Jul 2026	
	Callable interest rate swap (start August 2023)[6]	400.0	3.62%	Aug 2026	

1. The Group currently has four separate AU$ MTN on issue
2. USPP issued in 2014 USD$ denominated repayment obligations have been fully hedged at A$/US$ rate of 0.9387
3. USPP issued in 2018 USD$ denominated repayment obligations have been fully hedged at A$/US$ rate of 0.7604
4. Net debt of $1,411.3m is made up of statutory debt of $1,523.4m less $92.9m being the revaluation of the USPP US$ denominated debt from statutory value of $450.0m (using the prevailing June 2023 spot exchange rate) to restate the USPP to its hedged value of $357.1m plus unamortised debt fees and MTN discount / premium of $4.6m less $23.8m cash and cash equivalents and excludes bank guarantees of $10.1m
5. Facility is used for bank guarantees of $10.1m, $10.0m of which are for the Group's compliance with its Australian Financial Services Licence
6. One year non call period, and thereafter the counterparty bank has a right to cancel the swap at any time

Anchor Tenants

48% of gross rent generated by anchor tenants

- Anchor tenants generate 48% of gross rent (Woolworths Limited 29%, Coles 11%, Wesfarmers 5% and other anchor tenants 3% on a fully leased basis)
- Anchor WALE is 7.9 years (by gross rent)
- All FY23 anchor tenant expiries exercised their options
- Of the 6 anchor tenants expiring in FY24, 4 have exercised options for an extended term and 1 is expected to exercise the option before the expiry date
- FY23 acquisitions included the following anchors:
  - Dernancourt Shopping Centre – Coles
  - Fairview Green Shopping Centre – Romeo's Foodland
  - Brassall Shopping Centre – Woolworths and ALDI
  - Port Village Shopping Centre – Coles and Kmart
  - Tyne Square – Supa IGA
- FY23 disposals included Carrara Shopping Centre (Woolworths)

	30 Jun 2019	30 Jun 2020	30 Jun 2021	30 Jun 2022	30 Jun 2023
Woolworths Limited					
Woolworths	58	58	64	62	62
Big W	9	9	11	10	11
Total	**67**	**67**	**75**	**72**	**73**
Coles Group Limited					
Coles	28	28	30	30	32
Total	**28**	**28**	**30**	**30**	**32**
Wesfarmers Limited[1]					
Target	2	2	–	1	1
Kmart	4	4	6	7	8
Bunnings	1	1	1	1	1
Officeworks	–	–	1	1	1
Total	**7**	**7**	**8**	**10**	**11**
Other anchor tenants					
ALDI	1	2	3	3	4
Dan Murphy's	4	4	5	5	5
Farmer Jack's	1	1	1	1	1
Supa IGA	–	–	–	–	1
Romeo's Foodland	–	–	–	–	1
Hoyts	–	–	–	–	1
Total	6	**7**	**9**	**9**	**13**
Total anchor tenants	108	**109**	**122**	**121**	**129**

1. Excludes Wesfarmers Health business tenants

Portfolio List

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

For further information, please contact:

Anthony Mellowes
Chief Executive Officer
T: +61 2 8243 4900
E: anthony.mellowes@regiongroup.au

Mark Fleming
Chief Operating Officer
T: +61 2 8243 4900
E: mark.fleming@regiongroup.au

Evan Walsh
Chief Financial Officer
T: +61 2 8243 4900
E: evan.walsh@regiongroup.au

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