



US Masters
Residential
Property Group

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Q3 2024 Webinar Update

3 December 2024

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Q3 2024 Update

- 30 property sales during the quarter for a total of US\$45 million.
- Sales pipeline of US\$148.32 million as of 30 September 2024, with US\$52.34 million of this under contract or with an accepted offer.
- The Group has continued with directing excess cash to capital management opportunities, including purchasing a total of 7.69 million URF Stapled Units for a total consideration of \$2.39 million.
- The Board is continuing to review the tax structure to ensure future repatriations of net sales proceeds from the US to Australia are completed in the most tax efficient manner possible, and it is expected that this review will be completed in the coming months.
- Pending the tax structure review, on-market buybacks will be limited to cash available locally. Interest earned on excess cash at bank in the US is being maximised in the interim.

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RE Operational Update

- The Board continues to focus on the execution of the asset sales program in order to realise value and return capital to unitholders as quickly and efficiently as possible.

After period end, the Board announced the appointment of Sean Banchik as a non-executive independent director to the Board. Sean's experience will add value and complement the Board's existing expertise as the Group continues with the strategic sell-down of the portfolio and return of capital to Unitholders.

The Board is currently working with the Management team at Brooksville to set the business plan and selling targets for 2025.

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Asset Sales Program

- The Group set a target of US\$150 million in property sales during the 2024 calendar year. Though there is no guarantee that assets under contract will close, the Group is optimistic that it will meet the 2024 sales target by year-end.

The Group had closed on the sale of US\$99.28 million worth of property year-to-date as of 30 September 2024.

Including October's results of US\$16.32 million, as well as the November sales results of US\$14.1 million, the Group has now closed on the sale of US\$129.7 million year-to-date.

The sales pipeline as of 30 November 2024 is outlined below:

| Category | New York Premium (\$USD Millions) | New Jersey Premium (\$USD Millions) | New Jersey Workforce (\$USD Millions) | Total (\$USD Millions) |
|-----------------------------------|--------------------------------------|--|--|---------------------------|
| Sales Pipeline | \$35.44 | \$10.45 | \$21.66 | \$67.55 |
| On the Market | \$25.60 | \$5.79 | \$5.71 | \$37.10 |
| Attorney Review or Under Contract | \$16.03 | \$10.87 | \$18.88 | \$45.78 |
| Total | \$77.07 | \$27.11 | \$46.25 | \$150.42 |

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Capital Management

Global Atlantic Term Loan: 30 September 2024

| | US\$ Balance at 30-Sep-23 | US\$ Balance at 31-Mar-24 | US\$ Balance at 30-Sep-24 |
|--|------------------------------|------------------------------|------------------------------|
| Global Atlantic - Term Loan (4.00%) | 326,913,959 | 296,841,528 | 254,903,826 |
| Total | 326,913,959 | 296,841,528 | 254,903,826 |
| Indicative Annual Interest Cost | 13,076,558 | 11,873,661 | 10,196,153 |

Source: US REIT.

Excludes multi-family level debt for investments with Urban American.

As a result of property sales, total debt reduced by US\$24.5 million in Q3 2024.

Buyback Program

| Month End | Stapled Securities (# Millions) | Consideration (\$ Millions) |
|--------------|------------------------------------|--------------------------------|
| July | 2.62 | \$0.76 |
| August | 2.43 | \$0.76 |
| September | 2.64 | \$0.87 |
| Total | 7.69 | \$2.39 |

During the quarter, the Group executed on the purchase of 7.69 million URF Stapled Securities for an aggregate consideration of \$2.39 million.

Capital Management

| Capital Allocation | \$ Millions |
|--|----------------|
| Cash Balance | \$65.91 |
| Less: Global Atlantic Liquidity Covenant | -\$14.47 |
| Less: Working Capital | -\$9.73 |
| Less: AFSL Cash Reserve Requirement ¹ | -\$3.50 |
| Less: Reserved for share buybacks | -\$0.87 |
| Cash Available | \$37.34 |

Source: US REIT.

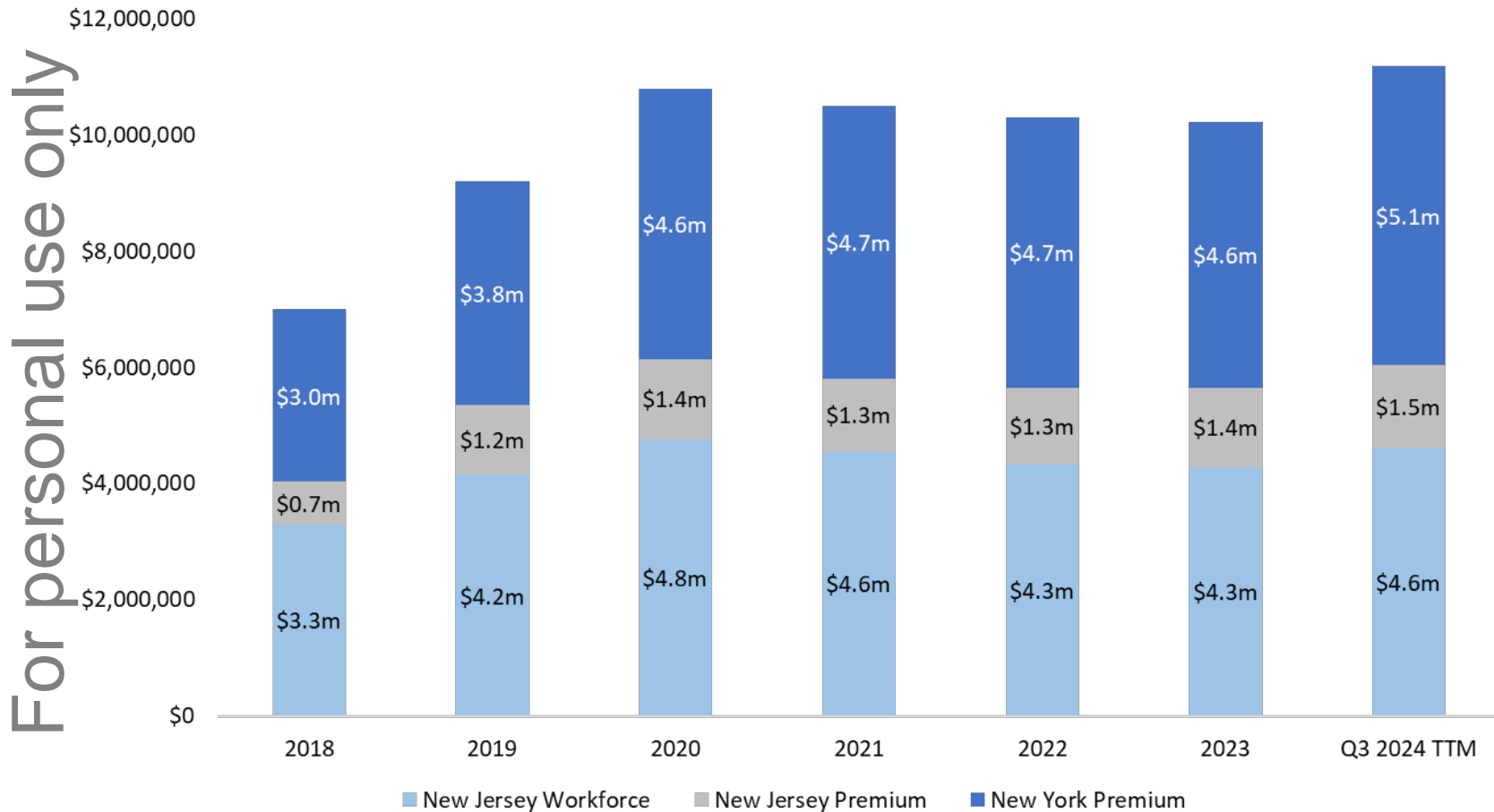
¹Cash reserve required under the terms of the AFSL.

30 September 2024 exchange rate 0.6913 used (AUD:USD).

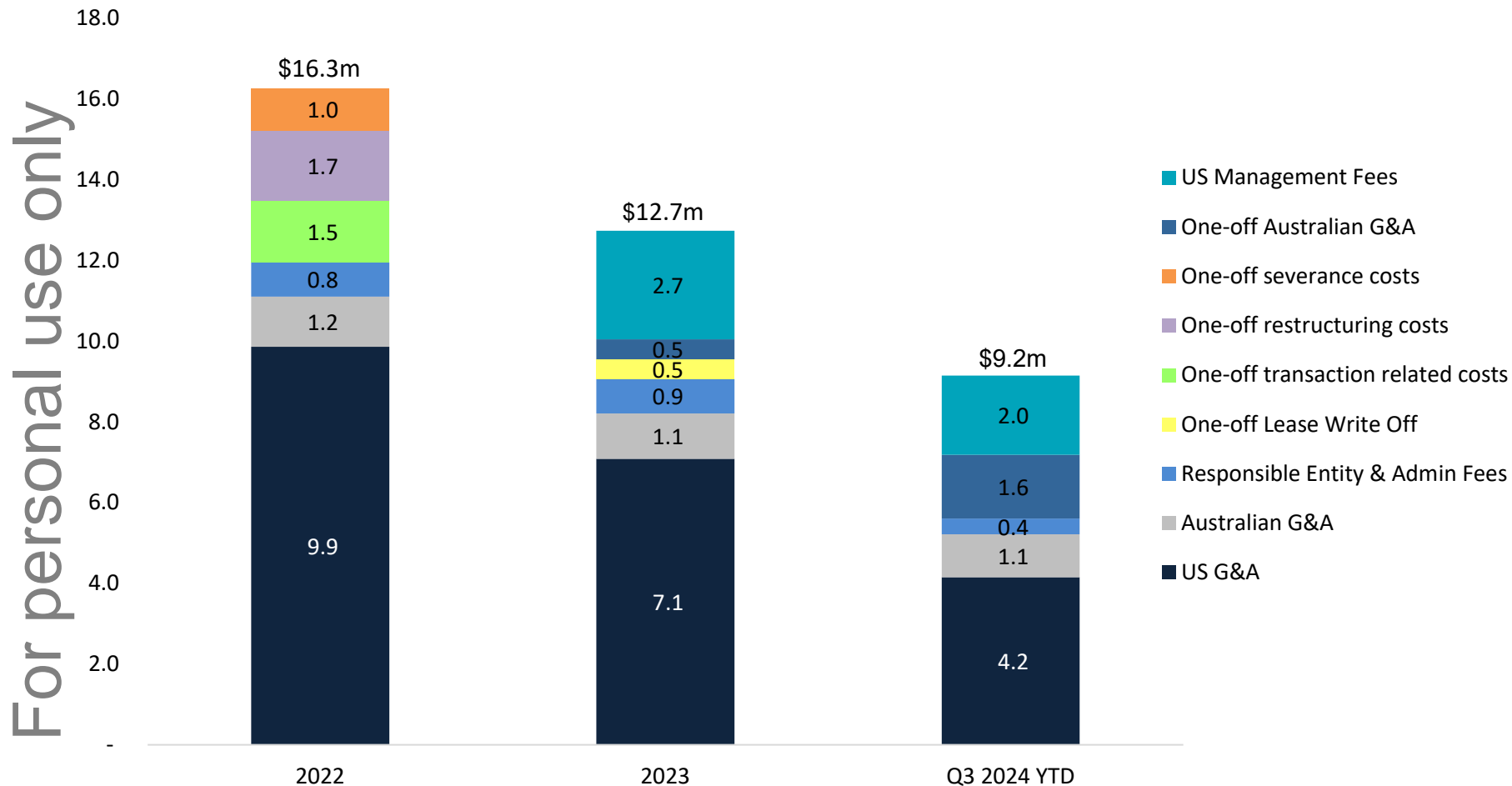
Management continues to review the most tax effective manner to repatriate proceeds from the US to Australia. Once this review is complete, and any changes or recommendations are implemented, the Group expects to increase the level of repatriations from the US, which will in turn create scope for capital return to unitholders.

Net Operating Income (\$USD)

The Fund's trailing 1-4 family same-home Net Operating Income (NOI) to 30 September 2024 was US\$11.2 million.



General and Administrative expenses



Funds from Operations (FFO)

Excluding disposal costs and non-recurring items, the FFO loss for the nine months ended 30 September 2024 was \$4.8 million.

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| A\$ | 2022 Full-Year | 2023 Full-Year | Q3 2024 YTD |
|--|-------------------|-------------------|----------------|
| Revenue from Ordinary Operations | 44.1 | 44.1 | 29.4 |
| One-Off Income | 0.2 | - | - |
| Insurance Proceeds | 0.1 | 1.4 | - |
| Investment Property Expenses | (16.1) | (19.1) | (13.6) |
| Investment Property Disposal Costs | (2.2) | (5.6) | (10.6) |
| G&A | (11.7) | (11.6) | (7.7) |
| One-Off Refinancing Costs - G&A | - | - | - |
| One-Off Transaction Related Costs - G&A | (1.5) | - | - |
| One-Off Restructuring Costs - G&A | (1.7) | - | - |
| One-Off Severance Costs - G&A | (1.0) | - | - |
| One-Off LPT Costs - G&A | (0.4) | (0.5) | (1.6) |
| EBITDA | 9.7 | 8.7 | (4.1) |
| EBITDA (excluding disposal costs and one-off items) | 16.2 | 13.4 | 8.0 |
| Net Interest Expenses (Excluding Notes Interest) | (20.1) | (20.1) | (12.8) |
| One-Off Refinancing Costs - Interest | - | - | - |
| Notes Interest | - | - | - |
| Funds From Operations (FFO) | (10.5) | (11.4) | (17.0) |
| FFO (excluding disposal costs and one-off items) | (3.9) | (6.7) | (4.8) |



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Q&A

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