

NOTICE OF GENERAL MEETING

A General Meeting of Eagers Automotive Limited (**Company**) will be held on Friday, 4 December 2020 at 10.00 am (Brisbane time). In accordance with the government's guidance and restrictions on travel and public gatherings, the meeting will be held online as a virtual meeting by electronic means.

Shareholders may be present online and vote through the online webcasting platform provided by the Company's share registry at <https://web.lumiagm.com/338516529> on their smartphone, tablet or computer. Further information regarding online attendance at the meeting (including how to vote and ask questions virtually during the meeting) is set out in the Company's Online Meeting Guide, which is attached to this Notice of Meeting and available on the Company's website <https://www.eagersautomotive.com.au/> under the *Shareholders* tab.

Business of general meeting

Approval of Acquisition

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That approval be given under Chapter 2E, Division 3 of the Corporations Act for the Company to give a financial benefit to each of Automotive Properties Pty Ltd and APPL Properties Pty Ltd (both of which companies are associated with Ms Michelle Prater, who is a director of the Company) as a consequence of the acquisition by Associated Finance Pty Ltd, being a wholly-owned subsidiary of the Company, of the Properties from each of Automotive Properties Pty Ltd and APPL Properties Pty Ltd on the terms and conditions summarised in the Explanatory Notes."

Independent Valuation

Shareholders should carefully consider the summary of the Independent Valuations annexed to the Explanatory Notes.

Voting Exclusion

The Company will disregard any votes cast on this resolution (in any capacity) by or on behalf of:

- (a) Ms Michelle Prater;
- (b) Automotive Properties Pty Ltd;
- (c) APPL Properties Pty Ltd; or
- (d) any associate of any of Ms Michelle Prater, Automotive Properties Pty Ltd or APPL Properties Pty Ltd.

However, this voting exclusion does not apply to a vote cast on the resolution by a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the direction given to the proxy or attorney to vote on the resolution in that way and it is not cast on behalf of Ms Michelle Prater, Automotive Properties Pty Ltd, APPL Properties Pty Ltd or any associate of any of Ms Michelle Prater, Automotive Properties Pty Ltd or APPL Properties Pty Ltd.

Online voting procedure

Shareholders and proxies may participate in the meeting online from their computers, smartphone or tablet by entering the following URL into their browser: <https://web.lumiagm.com/338516529>. The latest version of Chrome, Safari, Internet Explorer 11, Edge or Firefox is required.

Upon entering the meeting ID into the Lumi platform, Shareholders should then log in to the virtual meeting by entering:

- (a) for Australian residents:
 - (i) their "username" which is their SRN/HIN; and
 - (ii) their "password", which for Australian residents is their postcode; or
- (b) for overseas residents their SRN/HIN and three letter country code as per the attached Online Meeting guide.

Detailed instructions on how to log in to, and vote and ask questions during, the meeting are set out in the attached Online Meeting Guide.

Poll

In accordance with Article 40 of the Company's constitution and in compliance with the [Corporations \(Coronavirus Economic Response\) Determination \(No.3\) 2020](#) made by the Treasurer on 21 September 2020, the Chairman intends to call a poll on the resolution proposed at the meeting.

The online webcasting platform will allow for online voting in real time at the meeting. The results of the voting on the resolution at the meeting will be announced to the ASX promptly after the meeting.

Entitlement to vote

You will be eligible to vote at the meeting if you are a registered holder of ordinary shares in the Company as at 7.00 pm (Brisbane time) on Wednesday, 2 December 2020.

Direct voting

In accordance with Article 37(b) of the Company's constitution, the Board has determined that Shareholders entitled to attend and vote at the meeting may do so without attending the meeting or appointing a proxy (and voting in this manner is referred to as direct voting).

To vote by direct vote, mark Box A on the attached Voting Form. You must complete the voting directions in Step 2 of that form by marking "For" or "Against" and return your completed and signed Voting Form to the Company's share registry at least 48 hours before the meeting commences (i.e. no later than 10.00 am (Brisbane time) on Wednesday, 2 December 2020) for your vote to be counted.

The share registry's online and other contact details are listed below.

Proxies

If you are a Shareholder entitled to participate and vote at the meeting, you may direct your vote or appoint a proxy to participate and vote on your behalf.

Any appointed third-party proxies should contact the Company's share registry, Computershare Investor Services, on +61 3 9415 4025 to receive their login information.

If a proxy is appointed by a Shareholder under power of attorney, the original or a certified copy of the power of attorney must also be received by the share registry at least 48 hours before the meeting commences (i.e. no later than 10.00 am (Brisbane time) on Wednesday, 2 December 2020).

If you are entitled to cast two or more votes, you may appoint either one or two proxies. To appoint a second proxy, follow the instructions on the attached Voting Form.

A proxy may be an individual or a body corporate but need not be a Shareholder of the Company.

A body corporate that is a Shareholder, or that has been appointed as a proxy, is entitled to appoint any person to act as its representative at the meeting. The body corporate or representative must provide a "certificate of appointment of corporate representative" prior to the representative's admission to the meeting confirming its authority to act as the body corporate's representative. The share registry can provide a form of the certificate on request.

Undirected proxies

An undirected proxy for any resolution may be voted as the proxy chooses.

The Chairman intends to vote all available proxies in favour of the resolution.

Share registry's contact details

Lodge your vote by:

Mail: Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Fax: (within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

Online: www.investorvote.com.au
Intermediary Online subscribers only: www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

By Order of the Board

2 November 2020



Denis Stark
Company Secretary

EXPLANATORY NOTES

These notes form part of the Notice of General Meeting and are intended to provide Shareholders with an explanation of the business of the meeting and the proposed resolution and to assist Shareholders in determining how to vote on the proposed resolution.

General

The Company is seeking Shareholder approval in accordance with chapter 2E of the Corporations Act with respect to the financial benefits which will be given to a related party of the Company arising from the acquisition of the Properties. Under section 208 of the Corporations Act, before a public company can give a financial benefit to a related party of that company, the company must obtain approval of its members, unless another exemption applies.

Related Parties	Nature of relationship	Nature of financial benefit
Automotive Properties Pty Ltd (Automotive Properties) and APPL Properties Pty Ltd (APPL)	Ms Michelle Prater, a director of the Company, is also: <ul style="list-style-type: none"> • a director and secretary of Automotive Properties and has an indirect interest in Automotive Properties; and • a director and secretary of APPL and has an indirect interest in APPL. 	Automotive Properties and APPL are selling the Properties to Associated Finance Pty Ltd in exchange for the payment of the Consideration.

The resolution is an ordinary resolution.

If the resolution is not passed, the Company may not be able to proceed with the Transaction.

The Transaction

The Company has agreed to acquire three properties located in Western Australia (**Properties**) from Automotive Properties and APPL (**Acquisition**). Two of the Properties are currently the subject of a lease from Automotive Properties and APPL (as applicable) which will expire on 20 June 2033.

The total purchase price for the Acquisition is \$30.28 million (**Consideration**).

In addition, transaction costs of approximately \$1.77 million, predominantly comprising stamp duty, will be incurred. These costs will be paid to parties unrelated to Automotive Properties, APPL or Ms Michelle Prater.

A summary of each Property is outlined below:

Location	460 Scarborough Beach Road, Osborne Park WA 6017
Tenant	Giant Autos (1997) Pty Ltd, being a wholly owned subsidiary of the Company
Land area (approximate)	8,271 sqm
Current rent	\$986,000 per annum (with total lease commitments over the term of the lease of \$15.6 million)
Purchase price	\$12.58 million which is less than the Independent Valuation of \$13.50 million. The Company owns leasehold improvements of \$2.25 million on this Property. These leasehold improvements are not related to the Acquisition of the Property.
Anticipated interest costs on purchase price and stamp duty	\$465,000 per annum ^[1]
Estimated completion date	15 January 2021

Location	72 Pollard Street, Glendalough WA 6016
Tenant	Automotive Holdings Group Limited, being a wholly owned subsidiary of the Company
Land area (approximate)	6,521 sqm
Current rent	\$335,000 per annum (with total lease commitments over the term of the lease of \$5.3 million)
Purchase price	\$5 million which is less than the Independent Valuation of \$5.1 million. The Company does not own any leasehold improvements on this Property.
Anticipated interest costs on purchase price and stamp duty	\$185,000 per annum ^[1]
Estimated completion date	15 January 2021

Location	345 Scarborough Beach Road, Osborne Park WA 6017
Tenant	Vacant since 30 June 2020 (North City (1981) Pty Ltd, being a wholly owned subsidiary of the Company, was the Tenant until it vacated the Property on 30 June 2020)
Land area (approximate)	14,931 sqm
Current rent	Zero (previous rent was \$1,064,000 per annum until the Property was vacated by North City (1981) Pty Ltd on 30 June 2020)
Purchase price	\$12.7 million which reflects the Independent Valuation. The Company does not own any leasehold improvements on this Property.
Anticipated interest costs on purchase price and stamp duty	\$469,000 per annum ^[1]
Estimated completion date	15 January 2021

This vacant Property is being purchased with the intention of the Company building 4-5 automotive showrooms and a large workshop which would allow the Company to exit six leases of other properties mostly expiring in 2021 and 2022.

^[1] Annualised interest expense assumes 100% of purchase price and stamp duty is financed at 3.5% per annum.

The Acquisition

A summary of the material terms of the contract for the purchase of the Properties is outlined below:

Material Term	Description
Purchase price	\$30.28 million (plus GST).
Deposit	5% of the purchase price, with \$50,000 paid on signing the purchase contracts and the balance deposit payable on satisfaction of the Condition Precedent
Condition Precedent	Completion of the Acquisition is conditional upon the Shareholders approving the proposed resolution. If this condition is not satisfied by 28 February 2021, the Acquisition automatically terminates and the deposit must be refunded to Associated Finance Pty Ltd, unless the parties agree to extend the date for satisfaction of this condition.
Completion	Completion will take place on the later of: <ul style="list-style-type: none"> • 15 January 2021; or • 21 days after satisfaction of the Condition Precedent.

Funding the Acquisition

As announced on 14 September 2020, the Company has \$50 million credit approval from Volkswagen Financial Services, for real estate loans to pursue its property strategy. This facility will be utilised to pay up to 100% of the Consideration and stamp duty.

Anticipated financial impact of the Acquisition

The Acquisition of the three Properties will allow the Company to immediately exit two leases (one each from Automotive Properties and APPL) and importantly will also enable the Company to exit a further six leases from landlords unrelated to APPL, Automotive Properties and Ms Michelle Prater. It is anticipated that exiting these eight leases will allow the Company to achieve property occupation cost savings of \$3.7 million per annum.

Advantages and disadvantages of the Transaction

Benefits to the Company from the Transaction are anticipated to include:

- the annual rental currently paid to Automotive Properties and APPL (as landlords) in respect of the 460 Scarborough Road and 72 Pollard Street Properties would cease to be payable on completion of the Acquisition. Despite the obligation to pay interest in relation to the financing facilities referred to above, it is anticipated that ownership of the Properties (rather than the continuation of the current leases of two of those Properties) will be cash flow positive for the remainder of the term of each lease;
- the Acquisition would enable the Company to exit a total of eight leases, which would achieve anticipated property occupation cost savings of \$3.7 million per annum, as referred to above;
- the Company will have the opportunity to benefit from any increase in the market value of the Properties over time; and
- the Company will have the ability to further develop and improve each of the sites in a manner to enhance their utility for the Company's business over time.

Disadvantages for the Company from the Transaction could include:

- (a) the Company will borrow up to 100% of the total purchase price and stamp duty from external financier(s) and provide security over the Properties for the Company's obligations with respect to the borrowings. However, interest payable on these borrowings, assuming an interest rate of 3.5% per annum (which is above the average long-term interest rate available to the Company), will be less than the current rent payable under the leases of the 460 Scarborough Road and 72 Pollard Street Properties;
- (b) transaction costs of approximately \$1.77 million, predominantly comprising stamp duty, will be incurred in relation to the Transaction. These costs would, however, be payable irrespective of whether the Properties were purchased from a related party; and
- (c) there are several risks associated with the Transaction (see below) which, if they were to occur, may have an adverse effect on Shareholder returns.

Potential risks associated with the Transaction

While not an exhaustive list, the following potential risk factors may arise from the Transaction:

- (a) **(Valuation)** the value of each Property may be impacted by a number of factors affecting the Australian property market generally. A downturn in the value of the Properties will have a negative impact upon the financial return for the Company;
- (b) **(COVID-19)** the outbreak of COVID-19 will continue to impact the Company's operations. The Board is monitoring the situation noting, however, that the situation is continually evolving and the consequences for the Company are uncertain. The Company will update the market in regard to the impact of COVID-19 on the Company, in compliance with its continuous disclosure obligations.

Indicative Timetable

The Company anticipates completion of the Transaction will be in accordance with the following timetable:

Event	Date*
Notice of Meeting dispatched to Shareholders	2 November 2020
General Meeting to approve the Transaction	4 December 2020
Completion of Acquisition	15 January 2021

Note: These dates are indicative only and subject to change.

Independent Valuation

The Independent Valuations detail the opinions of an Independent Valuer as to the current market value of each Property. The Independent Valuations opine that the current market value for each Property is equal to or greater than the Consideration payable for that Property. Summaries of the Independent Valuations are attached to these Explanatory Notes to assist Shareholders to assess whether to approve the granting of the financial benefits which arise under the Transaction.

Shareholders are urged to carefully read the summaries to understand the methodology of the valuation and the principal assumptions made.

The related parties and financial benefits of the Transaction

Ms Michelle Prater, Automotive Properties and APPL are each related parties for the purposes of section 228 of the Corporations Act because:

- (a) Ms Michelle Prater is a director of the Company; and
- (b) Ms Michelle Prater:
 - (i) is a director and secretary of Automotive Properties and has an indirect interest in Automotive Properties; and
 - (ii) is a director and secretary of APPL and has an indirect interest in APPL.

Automotive Properties and APPL (as related parties) will receive the Consideration of \$30.28 million (as a financial benefit) as a consequence of their selling the Properties.

Directors' interests

Ms Michelle Prater, a director of the Company, is also a director and secretary of both Automotive Properties and APPL and has an indirect interest in both Automotive Properties and APPL. Ms Michelle Prater has disclosed this interest to the Board.

Ms Michelle Prater has advised that she has and will continue to abstain from further participation in discussions or decisions of the Board in relation to the Transaction.

The Board (consisting of all directors other than Ms Michelle Prater) has considered the disclosure by Ms Michelle Prater, having regard to the nature of the interests disclosed and all relevant circumstances, and resolved that Ms Michelle Prater:

- (a) should not participate in Board discussions or decisions relating to the Transaction; and
- (b) should abstain from making or participating in any recommendation to Shareholders in relation to the Transaction.

On this basis, the Board (consisting of all directors other than Ms Michelle Prater) confirms that Ms Michelle Prater did not participate in any Board discussions or decisions relating to the Transaction and has abstained from making or participating in any recommendation to Shareholders in relation to the Transaction.

The Company will disregard any votes cast by Ms Michelle Prater, Automotive Properties, APPL or any associate of any of Ms Michelle Prater, Automotive Properties or APPL on the resolution (except where the vote is cast as a directed proxy for a non-related party or associate).

Otherwise, the directors have no interest in the Transaction except as Shareholders.

Directors' recommendation

Based on the directors' consideration and assessment of the Transaction and taking into account the advantages and disadvantages described in these Explanatory Notes and considering the opinion of the Independent Expert, the directors (other than Ms Michelle Prater) unanimously recommend that Shareholders vote in favour of the resolution. All directors (other than Ms Michelle Prater) intend to vote all their shares (and the shares they control) in favour of the resolution.


Definitions

In the Notice and these Explanatory Notes, unless the context otherwise requires:

\$, A\$ or dollar	means Australian dollars, the lawful currency of the Commonwealth of Australia.
APPL	means APPL Properties Pty Ltd.
Automotive Properties	means Automotive Properties Pty Ltd.
Board	means the Company's board of directors.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Explanatory Notes	means these explanatory notes which form part of the Notice.
General Meeting	means the meeting of Shareholders to be held on Friday, 4 December 2020 at 10.00 am (Brisbane time).
Independent Valuer	means JLL.
Independent Valuation	means the report prepared by the Independent Valuer in respect of a Property, a summary of which is attached to these Explanatory Notes.
Notice	means the notice of meeting for the General Meeting which accompanies these Explanatory Notes.
Share	means a fully paid ordinary share in the Company.
Shareholder	means a holder of Shares.



Need assistance?

 **Phone:**
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

 **Online:**
www.investorcentre.com/contact

APE
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10.00 am (Brisbane time) Wednesday 2 December 2020.**

Voting Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

VOTE DIRECTLY

Voting 100% of your holding: Mark either the For, Against or Abstain box opposite each item of business. Your vote will be invalid on an item if you do not mark any box OR you mark more than one box for that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Form:

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Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Voting Form

Please mark to indicate your directions

Step 1 Indicate How Your Vote Will Be Cast *Select one option only*

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At the General Meeting of Eagers Automotive Limited to be held virtually at web.lumiagm.com/338516529 on Friday, 4 December 2020 at 10.00 am (Brisbane time) and at any adjournment or postponement of that meeting, I/We being member/s of Eagers Automotive Limited direct the following:

A Vote Directly Record my/our votes strictly in accordance with directions in Step 2. **PLEASE NOTE:** A Direct Vote will take priority over the appointment of a Proxy. For a valid Direct Vote to be recorded you must mark FOR, AGAINST, or ABSTAIN on each item.

OR

B Appoint a proxy to vote on your behalf I/We hereby appoint: **The Chairman of the Meeting** OR **PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).
or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit).

Step 2 Item of Business

PLEASE NOTE: If you have appointed a proxy and you mark the **Abstain** box for the item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority. If you are directly voting and you mark the **Abstain** box for the item, it will be treated as though no vote has been cast on that item and no vote will be counted in computing the required majority.

	For	Against	Abstain
1. "That approval be given under Chapter 2E, Division 3 of the Corporations Act for the Company to give a financial benefit to each of Automotive Properties Pty Ltd and APPL Properties Pty Ltd (both of which companies are associated with Ms Michelle Prater, who is a director of the Company) as a consequence of the acquisition by Associated Finance Pty Ltd, being a wholly-owned subsidiary of the Company, of the Properties from each of Automotive Properties Pty Ltd and APPL Properties Pty Ltd on the terms and conditions summarised in the Explanatory Notes."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of the item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on the resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

APE

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Computershare



Online meeting guide

Getting started

If you choose to participate online you will be able to view a live webcast of the meeting, ask the Directors questions online and submit your votes in real time. To participate online visit <https://web.lumiagm.com> on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible.

To log in, you must have the following information:

Meeting ID

Meeting ID as provided in the Notice of Meeting.

Australian residents

- > **Username** (SRN or HIN) and
- > **Password** (postcode of your registered address).

Overseas Residents

- > **Username** (SRN or HIN) and
- > **Password** (three-character country code) e.g. New Zealand - NZL; United Kingdom - GBR; United States of America - USA; Canada - CAN.

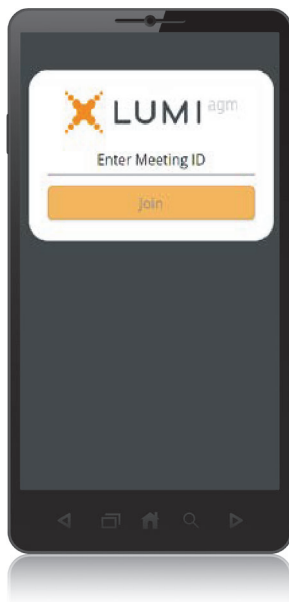
A full list of country codes is provided at the end of this guide.

Appointed Proxies

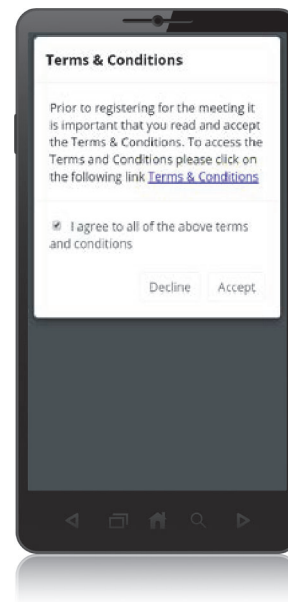
To receive your unique username and password, please contact Computershare Investor Services on +61 3 9415 4024 during the online registration period which will open 1 hour before the start of the meeting.

Participating at the meeting

- 1 To participate in the meeting you will be required to enter the unique 9-digit Meeting ID as provided in the Notice of Meeting.



- 2 To proceed into the meeting, you will need to read and accept the Terms & Conditions



Icon descriptions



Voting icon, used to vote. Only visible when the Chair opens the poll.



Home page icon, displays meeting information.



Questions icon, used to ask questions.



The broadcast bar allows you to view and listen to the proceedings.

3 To register as a securityholder, select 'Securityholder or Proxy' and enter your SRN or HIN and Postcode or Country Code.



4 To register as a proxyholder, select 'Securityholder or Proxy' and you will need your username and password as provided by Computershare. In the 'SRN or HIN' field enter your username and in the 'Postcode or Country Code' field enter your password.



5 To register as a guest, select 'Guest' and enter your name and email address.



6 Once logged in, you will see the home page, which displays the meeting title and name of the registered securityholder or nominated proxy.



Icon descriptions



Voting icon, used to vote. Only visible when the Chair opens the poll.



Home page icon, displays meeting information.

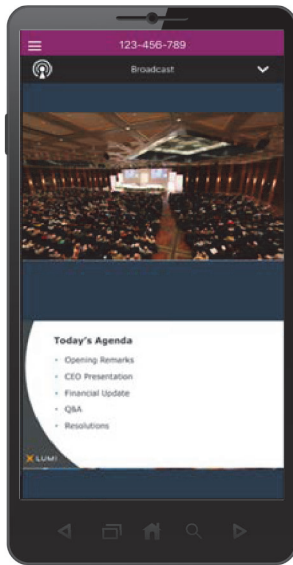



Questions icon, used to ask questions.

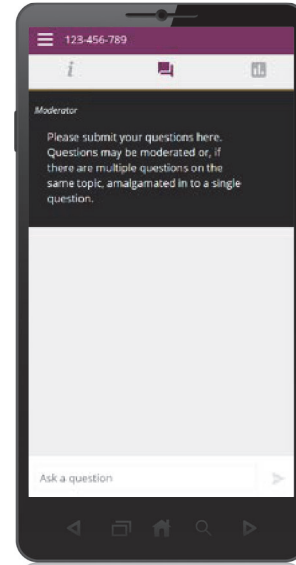



The broadcast bar allows you to view and listen to the proceedings.

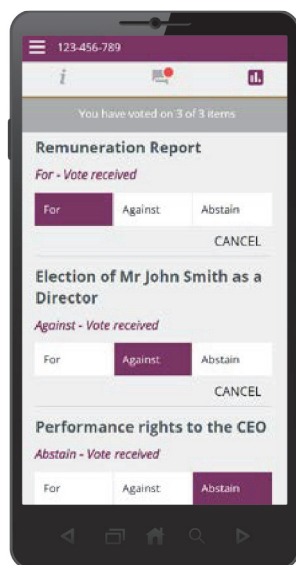
- 7 To view the webcast you must tap the broadcast arrow on your screen and press the play button. Toggle between the up and down arrow to switch between screens.



- 8 To ask a question tap on the question icon , type your question in the chat box at the bottom of the screen and select the send icon. Confirmation that your message has been received will appear.




- 9 When the Chair declares the poll open:
- > A voting icon  will appear on screen and the meeting resolutions will be displayed
 - > To vote, tap one of the voting options. Your response will be highlighted
 - > To change your vote, simply press a different option to override
- The number of items you have voted on or are yet to vote on, is displayed at the top of the screen. Votes may be changed up to the time the Chair closes the poll.



Icon descriptions

 Voting icon, used to vote. Only visible when the Chair opens the poll.

 Home page icon, displays meeting information.

 Questions icon, used to ask questions.

 The broadcast bar allows you to view and listen to the proceedings.

For Assistance
If you require assistance before or during the meeting please call +61 3 9415 4024

COUNTRY CODES Select your country code from the list below and enter it into the 'Postcode or Country Code' field.

ABW ARUBA	DEU GERMANY	KHM CAMBODIA	PRK KOREA DEM PEOPLES REPUBLIC OF	TJK TAJIKISTAN
AFG AFGHANISTAN	DJI DJIBOUTI	KIR KIRIBATI	PRT PORTUGAL	TKL TOKELAU
AGO ANGOLA	DMA DOMINICA	KNA ST KITTS AND NEVIS	PRY PARAGUAY	TKM TURKMENISTAN
AIA ANGUILLA	DNK DENMARK	KOR KOREA REPUBLIC OF	PSE PALESTINIAN TERRITORY OCCUPIED	TLS EAST TIMOR
ALA ALAND ISLANDS	DOM DOMINICAN REPUBLIC	KWT KUWAIT	PYF FRENCH POLYNESIA	TMP EAST TIMOR
ALB ALBANIA	DZA ALGERIA	LAO LAO PDR	QAT QATARPL NEPAL	TON TONGA
AND ANDORRA	ECU ECUADOR	LBN LEBANON	NRU NAURU	TTO TRINIDAD & TOBAGO
ANT NETHERLANDS ANTILLES	EGY EGYPT	LBR LIBERIA	NZL NEW ZEALAND	TKM TURKMENISTAN
ARE UNITED ARAB EMIRATES	ERI ERITREA	LBY LIBYAN ARAB JAMAHIRIYA	OMN OMAN	TLS EAST TIMOR DEMOCRATIC REP OF
ARG ARGENTINA	ESH WESTERN SAHARA	LCA ST LUCIA	PAK PAKISTAN	TMP EAST TIMOR
ARM ARMENIA	ESP SPAIN	LIE LIECHTENSTEIN	PAN PANAMA	TON TONGA
ASM AMERICAN SAMOA	EST ESTONIA	LKA SRI LANKA	PCN PITCAIRN ISLANDS	TTO TRINIDAD & TOBAGO
ATA ANTARCTICA	ETH ETHIOPIA	LSO LESOTHO	PER PERU	TZA TANZANIA UNITED REPUBLIC OF
ATF FRENCH SOUTHERN TERRITORIES	FIN FINLAND	LTU LITHUANIA	PHL PHILIPPINES	UGA UGANDA
ATG ANTIGUA AND BARBUDA	FJI FIJI	LUX LUXEMBOURG	PLW PALAU	UKR UKRAINE
AUS AUSTRALIA	FLK FALKLAND ISLANDS (MALVINAS)	LVA LATVIA	PNG PAPUA NEW GUINEA	UMI UNITED STATES MINOR OUTLYING
AUT AUSTRIA	FRA FRANCE	MAC MACAO	POL POLAND	URY URUGUAY
AZE AZERBAIJAN	FRO FAROE ISLANDS	MAF ST MARTIN	PRI PUERTO RICO	USA UNITED STATES OF AMERICA
BDI BURUNDI	FSM MICRONESIA	MAR MOROCCO	PRK KOREA DEM PEOPLES REPUBLIC OF	UZB UZBEKISTAN
BEL BELGIUM	GAB GABON	MCO MONACO	PRT PORTUGAL	VAT HOLY SEE (VATICAN CITY STATE)
BEN BENIN	GBR UNITED KINGDOM	MDA MOLDOVA REPUBLIC OF	PRY PARAGUAY	VCT ST VINCENT & THE GRENADINES
BFA BURKINA FASO	GEO GEORGIA	MDG MADAGASCAR	PSE PALESTINIAN TERRITORY OCCUPIED	VEN VENEZUELA
BGD BANGLADESH	GGY GUERNSEY	MDV MALDIVES	PYF FRENCH POLYNESIA	VGB BRITISH VIRGIN ISLANDS
BGR BULGARIA	GHA GHANA	MEX MEXICO	QAT QATAR	VIR US VIRGIN ISLANDS
BHR BAHRAIN	GIB GIBRALTAR	MHL MARSHALL ISLANDS	REU REUNION	VNM VIETNAM
BHS BAHAMAS	GIN GUINEA	MKD MACEDONIA FORMER YUGOSLAV REP	ROU ROMANIA	VUT VANUATU
BIH BOSNIA & HERZEGOVINA	GLP GUADELOUPE	MLI MALI	RUS RUSSIAN FEDERATION	WLF WALLIS AND FUTUNA
BLM ST BARTHELEMY	GMB GAMBIA	MLT MALTA	RWA RWANDA	WSM SAMOA
BLR BELARUS	GNB GUINEA-BISSAU	MMR MYANMAR	SAU SAUDI ARABIA KINGDOM OF	YEM YEMEN
BLZ BELIZE	GNQ EQUATORIAL GUINEA	MNE MONTENEGRO	SCG SERBIA AND MONTENEGRO	YMD YEMEN DEMOCRATIC
BMU BERMUDA	GRC GREECE	MNG MONGOLIA	SDN SUDAN	YUG YUGOSLAVIA SOCIALIST FED REP
BOL BOLIVIA	GRD GRENADA	MNP NORTHERN MARIANA ISLANDS	SEN SENEGAL	ZAF SOUTH AFRICA
BRA BRAZIL	GRL GREENLAND	MOZ MOZAMBIQUE	SGP SINGAPORE	ZAR ZAIRE
BRB BARBADOS	GTM GUATEMALA	MRT MAURITANIA	SGS STH GEORGIA & STH SANDWICH ISL	ZMB ZAMBIA
BRN BRUNEI DARUSSALAM	GUF FRENCH GUIANA	MSR MONTSERRAT	SHN ST HELENA	ZWE ZIMBABWE
BTN BHUTAN	GUM GUAM	MTQ MARTINIQUE	SJM SVALBARD & JAN MAYEN	
BUR BURMA	GUY GUYANA	MUS MAURITIUS	SLB SOLOMON ISLANDS	
BVT BOUVET ISLAND	HKG HONG KONG	MWI MALAWI	SLE SIERRA LEONE	
BWA BOTSWANA	HMD HEARD AND MCDONALD ISLANDS	MYS MALAYSIA	SLV EL SALVADOR	
BLR BELARUS	HND HONDURAS	MYT MAYOTTE	SMR SAN MARINO	
CAF CENTRAL AFRICAN REPUBLIC	HRV CROATIA	NAM NAMIBIA	SOM SOMALIA	
CAN CANADA	HTI HAITI	NCL NEW CALEDONIA	SPM ST PIERRE AND MIQUELON	
CCK COCOS (KEELING) ISLANDS	HUN HUNGARY	NER NIGER	SRB SERBIA	
CHE SWITZERLAND	IDN INDONESIA	NFK NORFOLK ISLAND	STP SAO TOME AND PRINCIPE	
CHL CHILE	IMN ISLE OF MAN	NGA NIGERIA	SUR SURINAME	
CHN CHINA	IND INDIA	NIC NICARAGUA	SVK SLOVAKIA	
CIV COTE D'IVOIRE	IOT BRITISH INDIAN OCEAN TERRITORY	NIU NIUE	SVN SLOVENIA	
CMR CAMEROON	IRL IRELAND	NLD NETHERLANDS	SWE SWEDEN	
COD CONGO DEMOCRATIC REPUBLIC OF	IRN IRAN ISLAMIC REPUBLIC OF	NOR NORWAY	SWZ SWAZILAND	
COG CONGO PEOPLES REPUBLIC OF	IRQ IRAQ	PL NEPAL	SYC SEYCHELLES	
COK COOK ISLANDS COL COLOMBIA	ISL ICELAND	NRU NAURU	SYR SYRIAN ARAB REPUBLIC	
COM COMOROS	ISM BRITISH ISLES	NZL NEW ZEALAND	TCA TURKS AND CAICOS ISLANDS	
CPV CAPE VERDE	ISR ISRAEL	OMN OMAN	TCO CHAD	
CRI COSTA RICA	ITA ITALY	PAK PAKISTAN	TGO TOGO	
CUB CUBA	JAM JAMAICA	PAN PANAMA	THA THAILAND	
CXR CHRISTMAS ISLAND	JEY JERSEY	PCN PITCAIRN ISLANDS		
CYM CAYMAN ISLANDS	JOR JORDAN	PER PERU		
CYP CYPRUS	JPN JAPAN	PHL PHILIPPINES		
CZE CZECH REPUBLIC	KAZ KAZAKHSTAN	PLW PALAU		
	KEN KENYA	PNG PAPUA NEW GUINEA		
	KGZ KYRGYZSTAN	POL POLAND		
		PRI PUERTO RICO		

5 October 2020

Eagers Automotive Limited
PO Box 199
Fortitude Valley
QLD 4006

VALUATION SUMMARY FOR 460 SCARBOROUGH BEACH ROAD, OSBORNE PARK WA 6017



Property comprises an 8,271 square metre parcel of land situated within the near city locality of Osborne Park and more particularly being to the northern side of Scarborough Beach Road with a secondary frontage to Sundercombe Street. In accordance with the City of Stirling Local Planning Scheme No.3 the property is zoned Development.

Improvements to the property comprise a purpose built car dealership that incorporates two modern showrooms with associated offices, an adjoining service workshop and surrounding display area.

The property is leased to Giant Autos (1997) Pty Ltd on a term of 15 years that commenced on 1 July 2018 and a passing rent of \$973,750 pa net of GST and outgoings. Rent reviews are annually to 2.5% with a market review on 1 July 2023. The lease includes a single 10 year option.

Summary

Property	460 Scarborough Beach Road, Osborne Park WA.
Prepared for	Eagers Automotive Limited.
Valuation Purpose	Acquisition.
Dates of Inspection	19 June 2020.
Dates of Valuation	19 June 2020.
Interest Valued	100% freehold interest.
Valuation Approaches	Capitalisation of Net Income, Discounted Cash Flow and Direct Comparison.
Adopted Value	AUD \$13,500,000 (Thirteen Million Five Hundred Thousand Australian Dollars)
Rate \$/m² of GLA	\$3,454/m ² .
Equivalent Yield	7.20%.
Initial Yield (Passing)	7.21%.
IRR (10 yr)	8.36%.

Jones Lang LaSalle Advisory Services Pty Ltd

A handwritten signature in blue ink, appearing to read 'CCM', written in a cursive style.

Craig Carroll AAPI

Director

Valuation Advisory – WA

Certified Practising Valuer

(API Member: 65315; LVL Reg No. 44380)

Date of Issuance: 5 October 2020

Job Number: 19276 Summary 460:sm

A handwritten signature in blue ink, appearing to read 'Stuart Parry', written in a cursive style.

Stuart Parry AAPI

Senior Director

Valuation Advisory – WA

Certified Practising Valuer

This letter is a summary of the valuations only and has not been prepared for the purpose of assessing the Property as an investment opportunity. It is an abstract of the contents of the valuation report dated 2 September 2020 . The valuation assessment and report is contingent upon a number of conditions, qualifications and critical assumptions which are fully described and set out in the body of the report.

1. Introduction

Instructions

We refer to your instructions dated 11 June 2020 requesting that we undertake a market valuation of the 100% freehold interest in 460 Scarborough Beach Road, Osborne Park WA as at 19 June 2020 for Eagers Automotive Limited for Acquisition purposes.

This Summary Letter is a summary of the valuation only and should not be relied upon for the purpose of assessing the Property as an investment opportunity unless read in conjunction with the full valuation report (dated 19 June 2020), together with all of the risks and critical assumptions contained therein.

Valuation Reconciliation & Key Assumptions

The results and key assumptions of our valuation methods are:

Property	Passing Net Rental (p.a.)	Market Rental (AUD p.a.)	Adopted Capitalisation Rate	Adopted Discount Rate	Adopted Value	NLA (m ²)	\$/m ² GLA	Equip Yield
460 Scarborough Beach Road, Osborne Park	\$973,750	\$973,750	7.25%	8.00%	\$13,500,000	3,909	\$3,454	7.20%

Basis of Valuation

Market Value

The value given herein is that of the market value of the Property as defined by the International Valuation Standards Committee (IVSC), and endorsed by the API and PINZ, which is as follows:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

We confirm that this valuation has been undertaken on the basis of the price that might reasonably be expected if the Property was sold at the date of valuation assuming:

- a willing, but not anxious, buyer and seller;
- a reasonable period within which to negotiate the sale, having regard to the nature and situation of the Property and the state of the market for property of the same kind;
- that the Property was reasonably exposed to that market;
- that no account is taken of the value of other advantages or benefits additional to market value, to the buyer incidental to ownership of the Property being valued;
- that the current proprietor has sufficient resources to allow a reasonable period for the exposure of the Property for sale; and
- that the current proprietor has sufficient resources to negotiate an agreement for the sale of the Property.

Valuation Rationale

In arriving at our opinion of market value for each asset, we have adopted the **capitalisation of net income** and **discounted cash flow (DCF) approaches** as our primary methodologies.

Our valuation has been undertaken utilising the Jones Lang LaSalle proprietary valuation model.

Capitalisation Approach

The capitalisation approach involves the addition of our opinion of market rent for the various components of the Property, and the deduction of outgoings in order to determine the net market income of the Property. This net market income is capitalised at the adopted capitalisation rate to derive a core value.

We have adopted a core capitalisation rate of 7.25% on our adopted market rental profile and a 8.00% target discount rate.

Adjustments (for rental reversions, letting up allowances and capital expenditure) have been made where appropriate in order to derive the resultant value.

Direct Capitalisation Approach - Market Income		
Market Income		
Lettable Area Rental		\$973,750
Ideal Outgoings Recovery (Full Net Leases)		\$293,050
Total Market Rental		\$1,266,800
Less Outgoings Expenditure		(\$293,050)
Net Market Rental		\$973,750
Rental Adjustments		
Core Income		\$973,750
Core Income Capitalised at 7.25%		\$13,431,034
Value Adjustments		
Present Value of Existing Rental Reversions		\$0
Present Value of All Outstanding Incentives		\$0
Vacancies - Letting Up Allowances:		
<i>Present Value of Downtime (6 months)</i>	\$0	
<i>Present Value of Incentives (10%)</i>	\$0	
<i>Present Value of Leasing Fees (10%)</i>	\$0	\$0
Expires within the next 12 months - Letting Up Allowances:		
<i>Present Value of Downtime (6 months)</i>	\$0	
<i>Present Value of Incentives (10%)</i>	\$0	
<i>Present Value of Leasing Fees (10%)</i>	\$0	\$0
Present Value of Short Term Capital Expenditure: 12 months		(\$19,373)
Total Value Adjustments		(\$19,373)
Total Capitalised Value		\$13,411,662
Adopted Capitalised Value		\$13,412,000

From our core value, present value adjustments (for rental reversions, letting up allowances, incentives, future lease agreements and short term CAPEX) have been made where appropriate in order to derive the resultant capitalised value.

Our adopted adjustments are detailed as follows:

Rental Reversions

The property is leased at market rates and accordingly no rental reversions are applicable.

Outstanding Incentives

There are no outstanding incentives.

Letting Up Allowances - Vacancies

The property is subject to a long-term lease and accordingly there are no vacancy letting up allowances.

Letting Up Allowances – Expiries over the next 12 months

The property is subject to a long-term lease and accordingly there are no vacancy letting up allowances.

Capital Deductions

We have allowed for the present value of CAPEX allowances over the next 12 months from the valuation date, which total \$19,373.

Calculation Summary

Having made these adjustments to the core value, we derive a total value of \$13,412,000.

Discounted Cash Flow Approach

The discounted cash flow analysis is undertaken over a 10 year investment horizon to derive a net present value for the Property. We stress that the estimating of future rentals and values is a very problematic exercise, which at best should be regarded as an indicative assessment of possibilities rather than absolute certainties. The process of making forward projection of key elements includes assumptions regarding a considerable number of variables which are acutely sensitive to changing conditions, variation in any of which may significantly affect value.

Revenue Projections

Our revenue projections commence with the passing rents for the existing tenant and, where relevant, include structured rent reviews as provided for under existing leases. At lease expiry or a market review throughout the cash flow, the market rent is assessed based on our forecast market rents at this time, which are calculated from adopted growth rates.

Our rental growth forecasts are necessarily indicative, about which the actual results will inevitably fluctuate by virtue of lease renewals, market rent reviews and upgrading works to a greater or lesser degree.

Growth Rates

A summary of the growth rates adopted for the cash flow period are as follows:

Growth	1	2	3	4	5	6	7	8	9	10
Car Yard							10 year average		2.51%	
	0.00%	0.00%	1.90%	2.90%	3.20%	3.20%	3.40%	3.60%	3.50%	3.50%
Secondary Industrial							10 year average		0.00%	
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CPI							10 year average		1.97%	
	0.90%	1.10%	1.40%	1.90%	2.20%	2.20%	2.40%	2.60%	2.50%	2.50%
Capex							10 year average		1.97%	
	0.90%	1.10%	1.40%	1.90%	2.20%	2.20%	2.40%	2.60%	2.50%	2.50%
Outgoings							10 year average		1.97%	
	0.90%	1.10%	1.40%	1.90%	2.20%	2.20%	2.40%	2.60%	2.50%	2.50%

The rentals have been grown over the 10-year cash flow period by their respective growth rate as set out within the summary table above. In formulating our views as to the appropriate projected rental growth rates for the Property we have had regard to forecasts supplied by JLL Research and Access Economics. These forecasts have been used as a base from which growth rates appropriate for the Property have been derived.

Letting Up/Incentive/Leasing Cost Allowances

We have allowed for a letting up period at the end of each existing lease (being the estimated time to secure a new tenant) and associated probability. We have also allowed for an incentive to the new tenant with associated probability for this incentive occurring.

We have assumed a new lease term for Industrial tenants of 5.0 years and associated agents/leasing costs of 10.00%. Our allowances are outlined in the table below:

Industrial Letting Up Allowances

Cash Flow Year	Letting Up	Probability	Incentive (Net)	Probability	Capex (\$/m ²)	Probability
Vacant	6 months	100%	10.0%	100%	\$0	100%
Year 1	6 months	100%	10.0%	100%	\$0	100%
Year 2	6 months	75%	10.0%	100%	\$0	100%
Year 3	6 months	75%	10.0%	100%	\$0	100%
Year 4	6 months	75%	10.0%	100%	\$0	100%
Year 5	6 months	75%	10.0%	100%	\$0	100%
Year 6	6 months	75%	10.0%	100%	\$0	100%
Year 7	6 months	75%	10.0%	100%	\$0	100%
Year 8	6 months	75%	15.0%	100%	\$0	100%
Year 9	6 months	75%	15.0%	100%	\$0	100%
Year 10	6 months	75%	15.0%	100%	\$0	100%

Capital Expenditure

The table below outlines the total capital expenditure amount each cash flow year:

Cash Flow Year	Capital Expenditure	Cash Flow Year	Capital Expenditure
Year 1	\$20,000	Year 6	\$21,544
Year 2	\$20,180	Year 7	\$22,018
Year 3	\$20,402	Year 8	\$22,547
Year 4	\$20,688	Year 9	\$23,133
Year 5	\$21,081	Year 10	\$23,711

Total CAPEX allowances amount to \$215,304 (\$55.08/m² of GLA) over 10 years.

Estimated Terminal Sale Price

We have applied a terminal yield of 7.75% (0.50% a softening to the going in capitalisation rate) to the market net income at the start of Year 11 in order to calculate the estimated terminal sale price. This value also includes reversions to the forecast market rent as at the end of Year 10, deferred until the next review date.

In estimating the terminal value we have had regard to perceived market conditions at the end of Year 10 and the age, leasing profile and condition of the Property at that time. Whilst it is difficult to project long range forecasts, the most likely market conditions should be considered. Long term factors dominate the outlook, however, cyclical factors and short term influences govern these projections.

Transaction Costs

We have made allowances for the following transaction costs within our discounted cash flow:

Transaction Costs	
Acquisition Costs	5.40% of the Adopted Value
Disposal Costs	0.50% of the forecast Terminal Value

Discount Rate

In assessing the appropriate target discount rate for the property, we have considered the following factors:

- Analysis of recent comparable sales;
- Current level of the 10 year Government Bond Rate;
- Dialogue with active institutional investors and property trust investors; and
- Property's lease covenants and quality of improvements.

Present Value

After careful consideration of the assumptions and comments contained in our report and relevant market evidence, we have applied a target discount rate of 8.00% to the cash flows to produce a present value of \$13,834,000. Our DCF calculations are annexed to this report.

Sensitivity Analysis

The table below highlights a sensitivity analysis of the net present value around variations to the target discount rate and terminal yield:

Discount Rate	Terminal Yield		
	7.50%	7.75%	8.00%
7.75%	\$14,311,000	\$14,070,000	\$13,844,000
8.00%	\$14,069,000	\$13,834,000	\$13,613,000
8.25%	\$13,834,000	\$13,604,000	\$13,388,000

Valuation Reconciliation

The results of our valuation methods are:

Methodology	Valuation
Capitalisation Approach - Market Income	\$13,412,000
Discounted Cash Flow Approach	\$13,834,000
Adopted Value	\$13,500,000

Having regard to the results from the valuation methods described above, together with available market evidence, the comments made within this report, and present industrial market investment sentiment, we have adopted a rounded valuation figure of **\$13,500,000** plus GST (if any).

The assessed value reflects an initial passing yield of 7.21%, an equivalent yield of 7.20%, an internal rate of return of 8.36%, and a rate of \$3,454/m² of Gross Lettable Area, as leased.

2. Qualification

We consent to the inclusion of this summary letter in material to be provided to shareholders of Eagers Automotive Limited (“Shareholder Material”) on the following conditions:

- JLL and the Valuers were independent from Eagers Automotive Limited and the registered proprietor of the Property at the Date of Valuation and at all times in the previous 2 years.”
- This letter is a summary of the valuations only and has not been prepared for the purpose of assessing the Property as an investment opportunity.
- JLL has not been involved in the preparation of the Shareholder Material nor have we had regard to any material contained in the Shareholder Material. This letter does not take into account any matters concerning the investment opportunity contained in the Shareholder Material.
- JLL has not operated under an Australian financial services licence in providing this letter and makes no representation or recommendation to a prospective investor in relation to the valuation of the properties or the investment opportunity contained in the Shareholder Material.
- The formal valuations and this summary letter are strictly limited to the matters contained within them, and are not to be read as extending, by implication or otherwise, to any other matter in the Shareholder Material. Without limitation to the above, no liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the real estate market subsequent to the date of valuation.
- Neither this summary letter nor the full valuation report may be reproduced in whole or in part without the prior written approval of JLL.
- JLL has prepared this summary letter solely in reliance upon the financial and other information (including market information and third party information) provided by the instructing party and has assumed that information is accurate, reliable and complete. We confirm that we have not tested the information in that respect.
- This summary letter is to be read in conjunction with our formal valuation report and is subject to the assumptions, limitations and disclaimers contained therein.
- JLL has received a fee from Eagers Automotive Limited for the preparation of the valuation reports and this summary letter.
- JLL are participants in the Australian Property Institute (API) limited liability scheme. This scheme has been approved under Professional Standards legislation and is compulsory for all API members.

3. Valuer's Experience and Interest

The valuer who prepared the valuation report for Client is Craig Carroll. The Valuer has valuation experience in a range of property types and all are authorised under the requirements of the Australian Property Institute to practise as valuers in the State of Western Australia.

The above mentioned Valuer does not have a pecuniary interest that could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion of the Property's value or that could conflict with a proper valuation of the Property.

4. Liability Disclaimer

This summary letter and the valuation report has been prepared for Eagers Automotive Limited and is subject to the conditions referred to in Section 1, 2 and 3 of this summary letter. Neither JLL nor any of its directors make any representation in relation to the Shareholder Material nor accept responsibility for any information or representation made in the Shareholder Material, other than this summary letter.

JLL was involved only in the preparation of this summary letter and the valuation report referred to herein, and specifically disclaims any liability to any person in the event of any omission from, or false or misleading statement included in, the Shareholder Material.

This summary letter (which is subject to the conditions referred to in Section 1, 2 and 3 above) and the valuation report may not be relied on by any other party other than Eagers Automotive Limited. Responsibility is disclaimed for any loss or damage suffered by any person (including but not limited to any potential investors or shareholders) for any reason.

No liability for negligence or otherwise is assumed by JLL for the material contained in this summary letter or the valuation report.

Yours faithfully

Jones Lang LaSalle Advisory Services Pty Ltd



Craig Carroll AAPI

Director

Valuation Advisory – WA

Certified Practising Valuer

(API Member: 65315; LVL Reg No. 44380)



Stuart Parry AAPI

Senior Director

Valuation Advisory – WA

Certified Practising Valuer

This letter is a summary of the valuations only and has not been prepared for the purpose of assessing the Property as an investment opportunity. It is an abstract of the contents of the valuation report dated Valuation Date. The valuation assessment and report is contingent upon a number of conditions, qualifications and critical assumptions which are fully described and set out in the body of the report.

5 October 2020

Eagers Automotive Limited
 PO Box 199
 Fortitude Valley
 QLD 4006

VALUATION SUMMARY FOR 72 POLLARD STREET, GLENDALOUGH WA 6016



Property comprises a 6,521 square metre parcel of land within the established mixed-use suburb of Glendalough, which is approximately six kilometres north of the Perth Central Business District. More specifically, the property is located on the southern side of Scarborough Beach Road, just west of the Mitchell Freeway and the Glendalough Train Station. In accordance with the City of Stirling Local Planning Scheme No.3 the property is zoned Development.

The Property is improved with an older style automotive trade parts centre with a total Gross Lettable Area of 1,866m² that includes an office with amenities together with an adjoining warehouse that includes a small office area and amenities. There is also an amenities level. In accordance with instructions the valuation has been undertaken for acquisition purposes.

As at the date of valuation the property was leased on a 15-year term to Automotive Holdings Group Limited commencing 1 July 2018 with a further 10-year term. Rent reviews are annually to 2.5% with a total passing rent of \$331,317 pa net of GST and outgoings.

Summary

Property	72 Pollard Street, Glendalough WA.
Prepared for	Eagers Automotive Limited.
Valuation Purpose	Acquisition.
Dates of Inspection	2 September 2020.
Dates of Valuation	2 September 2020.
Interest Valued	100% freehold interest.
Valuation Approaches	Capitalisation of Net Income, Discounted Cash Flow and Direct Comparison.
Adopted Value	AUD \$5,100,000 (Five Million One Hundred Thousand Australian Dollars)
Rate \$/m² of GLA	\$2,733/m ² .
Equivalent Yield	6.47%.
Initial Yield (Passing)	6.50%.
IRR (10 yr)	7.05%.

Jones Lang LaSalle Advisory Services Pty Ltd

A handwritten signature in blue ink, appearing to read 'CCM', written in a cursive style.

Craig Carroll AAPI

Director

Valuation Advisory – WA

Certified Practising Valuer

(API Member: 65315; LVL Reg No. 44380)

Date of Issuance: 5 October 2020

Job Number: 20178 Summary CC:sm

A handwritten signature in blue ink, appearing to read 'Stuart Parry', written in a cursive style.

Stuart Parry AAPI

Senior Director

Valuation Advisory – WA

Certified Practising Valuer

This letter is a summary of the valuations only and has not been prepared for the purpose of assessing the Property as an investment opportunity. It is an abstract of the contents of the valuation report dated 2 September 2020 . The valuation assessment and report is contingent upon a number of conditions, qualifications and critical assumptions which are fully described and set out in the body of the report.

1. Introduction

Instructions

We refer to your instructions dated 17 August 2020 requesting that we undertake a market valuation of the 100% freehold interest in 72 Pollard Street, Glendalough (the Subject/Property) as at 2 September 2020 for Eagers Automotive Limited for Acquisition purposes.

This Summary Letter is a summary of the valuation only and should not be relied upon for the purpose of assessing the Property as an investment opportunity unless read in conjunction with the full valuation report (dated 2 September 2020), together with all of the risks and critical assumptions contained therein.

Valuation Reconciliation & Key Assumptions

The results and key assumptions of our valuation methods are:

Property	Passing Net Rental (p.a.)	Market Rental (AUD p.a.)	Adopted Capitalisation Rate	Adopted Discount Rate	Adopted Value	NLA (m ²)	\$/m ² GLA	Equip Yeild
72 Pollard Street, Glendalough	\$331,317	\$331,317	6.50%	7.00%	\$5,100,000	1,866	\$2,733	6.47%

Basis of Valuation

Market Value

The value given herein is that of the market value of the Property as defined by the International Valuation Standards Committee (IVSC), and endorsed by the API and PINZ, which is as follows:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

We confirm that this valuation has been undertaken on the basis of the price that might reasonably be expected if the Property was sold at the date of valuation assuming:

- a willing, but not anxious, buyer and seller;
- a reasonable period within which to negotiate the sale, having regard to the nature and situation of the Property and the state of the market for property of the same kind;
- that the Property was reasonably exposed to that market;
- that no account is taken of the value of other advantages or benefits additional to market value, to the buyer incidental to ownership of the Property being valued;
- that the current proprietor has sufficient resources to allow a reasonable period for the exposure of the Property for sale; and
- that the current proprietor has sufficient resources to negotiate an agreement for the sale of the Property.

Valuation Rationale

In arriving at our opinion of market value for each asset, we have adopted the **capitalisation of net income** and **discounted cash flow (DCF) approaches** as our primary methodologies. The direct comparison approach is used as a support methodology, where the value is analysed on a rate per square metre of NLA or rate per square metre of land area.

Our valuation has been undertaken utilising the Jones Lang LaSalle proprietary valuation model.

Capitalisation Approach

The capitalisation approach involves the addition of our opinion of market rent for the various components of the Property, and the deduction of outgoings in order to determine the net market income of the Property. This net market income is capitalised at the adopted capitalisation rate to derive a core value.

Liability limited by a scheme approved under Professional Standards Legislation.

We have adopted a core capitalisation rate of 6.50% on our adopted market rental profile and a 7.00% target discount rate.

Adjustments (for rental reversions, letting up allowances and capital expenditure) have been made where appropriate in order to derive the resultant value.

Direct Capitalisation Approach - Market Income	
Market Income	
Lettable Area Rental	\$331,317
Ideal Outgoings Recovery (Full Net Leases)	\$33,810
Total Market Rental	\$365,126
Less Outgoings Expenditure	(\$33,810)
Net Market Rental	\$331,317
Rental Adjustments	
Core Income	\$331,317
Core Income Capitalised at 6.50%	\$5,097,177
Value Adjustments	
Present Value of Existing Rental Reversions	\$0
Present Value of All Outstanding Incentives	\$0
Vacancies - Letting Up Allowances:	
<i>Present Value of Downtime (6 months)</i>	\$0
<i>Present Value of Incentives (10%)</i>	\$0
<i>Present Value of Leasing Fees (10%)</i>	\$0
Expires within the next 12 months - Letting Up Allowances:	
<i>Present Value of Downtime (6 months)</i>	\$0
<i>Present Value of Incentives (10%)</i>	\$0
<i>Present Value of Leasing Fees (10%)</i>	\$0
Present Value of Short Term Capital Expenditure: 12 months	(\$19,434)
Total Value Adjustments	(\$19,434)
Total Capitalised Value	\$5,077,743
Adopted Capitalised Value	\$5,078,000

From our core value, present value adjustments (for rental reversions, letting up allowances, incentives, future lease agreements and short term CAPEX) have been made where appropriate in order to derive the resultant capitalised value.

Our adopted adjustments are detailed as follows:

Rental Reversions

The property is leased at market rates and accordingly no rental reversions are applicable.

Outstanding Incentives

There are no outstanding incentives.

Letting Up Allowances - Vacancies

The property is subject to a long-term lease and accordingly there are no vacancy letting up allowances.

Letting Up Allowances – Expiries over the next 12 months

The property is subject to a long-term lease and accordingly there are no vacancy letting up allowances.

Capital Deductions

We have allowed for the present value of CAPEX allowances over the next 12 months from the valuation date, which total \$19,434.

Calculation Summary

Having made these adjustments to the core value, we derive a total value of \$5,078,000.

Discounted Cash Flow Approach

The discounted cash flow analysis is undertaken over a 10 year investment horizon to derive a net present value for the Property. We stress that the estimating of future rentals and values is a very problematic exercise, which at best should be regarded as an indicative assessment of possibilities rather than absolute certainties. The process of making forward projection of key elements includes assumptions regarding a considerable number of variables which are acutely sensitive to changing conditions, variation in any of which may significantly affect value.

Revenue Projections

Our revenue projections commence with the passing rents for the existing tenant and, where relevant, include structured rent reviews as provided for under existing leases. At lease expiry or a market review throughout the cash flow, the market rent is assessed based on our forecast market rents at this time, which are calculated from adopted growth rates.

Our rental growth forecasts are necessarily indicative, about which the actual results will inevitably fluctuate by virtue of lease renewals, market rent reviews and upgrading works to a greater or lesser degree.

Growth Rates

A summary of the growth rates adopted for the cash flow period are as follows:

Growth	1	2	3	4	5	6	7	8	9	10
Industrial							10 year average		2.16%	
	0.00%	0.00%	1.90%	2.40%	2.70%	2.70%	2.90%	3.10%	3.00%	3.00%
Secondary Industrial							10 year average		0.00%	
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CPI							10 year average		1.97%	
	0.90%	1.10%	1.40%	1.90%	2.20%	2.20%	2.40%	2.60%	2.50%	2.50%
Capex							10 year average		1.97%	
	0.90%	1.10%	1.40%	1.90%	2.20%	2.20%	2.40%	2.60%	2.50%	2.50%
Outgoings							10 year average		1.97%	
	0.90%	1.10%	1.40%	1.90%	2.20%	2.20%	2.40%	2.60%	2.50%	2.50%

The rentals have been grown over the 10-year cash flow period by their respective growth rate as set out within the summary table above. In formulating our views as to the appropriate projected rental growth rates for the Property we have had regard to forecasts supplied by JLL Research and Access Economics. These forecasts have been used as a base from which growth rates appropriate for the Property have been derived.

Letting Up/Incentive/Leasing Cost Allowances

We have allowed for a letting up period at the end of each existing lease (being the estimated time to secure a new tenant) and associated probability. We have also allowed for an incentive to the new tenant with associated probability for this incentive occurring.

We have assumed a new lease term for Industrial tenants of 5.0 years and associated agents/leasing costs of 10.00%. Our allowances are outlined in the table below:

Industrial Letting Up Allowances

Cash Flow Year	Letting Up	Probability	Incentive (Net)	Probability	Capex (\$/m ²)	Probability
Vacant	6 months	100%	10.0%	100%	\$0	100%
Year 1	6 months	100%	10.0%	100%	\$0	100%
Year 2	6 months	75%	10.0%	100%	\$0	100%
Year 3	6 months	75%	10.0%	100%	\$0	100%
Year 4	6 months	75%	10.0%	100%	\$0	100%
Year 5	6 months	75%	10.0%	100%	\$0	100%
Year 6	6 months	75%	10.0%	100%	\$0	100%
Year 7	6 months	75%	10.0%	100%	\$0	100%
Year 8	6 months	75%	15.0%	100%	\$0	100%
Year 9	6 months	75%	15.0%	100%	\$0	100%
Year 10	6 months	75%	15.0%	100%	\$0	100%

Capital Expenditure

The table below outlines the total capital expenditure amount each cash flow year:

Cash Flow Year	Capital Expenditure	Cash Flow Year	Capital Expenditure
Year 1	\$20,000	Year 6	\$21,544
Year 2	\$20,180	Year 7	\$22,018
Year 3	\$20,402	Year 8	\$22,547
Year 4	\$20,688	Year 9	\$23,133
Year 5	\$21,081	Year 10	\$23,711

Total CAPEX allowances amount to \$215,304 (\$115.38/m² of GLA) over 10 years.

Estimated Terminal Sale Price

We have applied a terminal yield of 7.00% (0.50% a softening to the going in capitalisation rate) to the market net income at the start of Year 11 in order to calculate the estimated terminal sale price. This value also includes reversions to the forecast market rent as at the end of Year 10, deferred until the next review date.

In estimating the terminal value, we have had regard to perceived market conditions at the end of Year 10 and the age, leasing profile and condition of the Property at that time. Whilst it is difficult to project long-range forecasts, the most likely market conditions should be considered. Long-term factors dominate the outlook, however, cyclical factors and short-term influences govern these projections.

Transaction Costs

We have made allowances for the following transaction costs within our discounted cash flow:

Transaction Costs	
Acquisition Costs	5.40% of the Adopted Value
Disposal Costs	0.50% of the forecast Terminal Value

Discount Rate

In assessing the appropriate target discount rate for the property, we have considered the following factors:

- Analysis of recent comparable sales;
- Current level of the 10 year Government Bond Rate;
- Dialogue with active institutional investors and property trust investors; and
- Property's lease covenants and quality of improvements.

Present Value

After careful consideration of the assumptions and comments contained in our report and relevant market evidence, we have applied a target discount rate of 7.00% to the cash flows to produce a present value of \$5,109,000. Our DCF calculations are annexed to this report.

Sensitivity Analysis

The table below highlights a sensitivity analysis of the net present value around variations to the target discount rate and terminal yield:

Discount Rate	Terminal Yield		
	6.75%	7.00%	7.25%
6.75%	\$5,306,000	\$5,199,000	\$5,100,000
7.00%	\$5,213,000	\$5,109,000	\$5,012,000
7.25%	\$5,122,000	\$5,020,000	\$4,925,000

Direct Comparison Approach

The direct comparison approach compares the property to sales of similar properties within the surrounding area analysed on a rate per square metre of GLA and on an improved land rate. The sales evidence presented in the full valuation report indicates broad a range of values between \$1,144 to \$5,168 per square metre of GLA and \$353 to \$1,314 per square metre of improved land. When analysing the sales evidence, we have taken into consideration the age, nature and size of the improvements erected thereon, locational attributes, date of purchase and aspect of the relevant sales in relation to the subject property.

Having regard to our comments above and available market evidence we are of the opinion the value of the subject property on a direct comparison basis is within the range of \$2,600 to \$2,800 per square metre of GLA and \$750 to \$800 per square metre of improved land.

Our adopted GLA rate of \$2,600 to \$2,800 when applied to the subject property reflects a value range of \$4,851,600 to \$5,224,800. Based on the evidence above, we have adopted a range of \$750 to \$800 per square metre of improved land area which when applied to the land area of 6,521 square metres it gives rise to a value range of \$4,890,750 to \$5,216,800. Having regard to the above and based on the characteristics of the subject we have adopted a direct comparison value range of \$4,850,000 to \$5,200,000.

Valuation Reconciliation

The results of our valuation methods are:

Methodology	Valuation
Capitalisation Approach - Market Income	\$5,078,000
Discounted Cash Flow Approach	\$5,109,000
Direct Comparison	\$4,850,000 to \$5,200,000
Adopted Value	\$5,100,000

Having regard to the results from the valuation methods described above, together with available market evidence, the comments made within this report, and present industrial market investment sentiment, we have adopted a rounded valuation figure of **\$5,100,000** plus GST (if any).



The assessed value reflects an initial passing yield of 6.50%, an equivalent yield of 6.47%, an internal rate of return of 7.05%, and a rate of \$2,733/m² of Gross Lettable Area, as leased.

2. Qualification

We consent to the inclusion of this summary letter in the material to be provided to shareholders of Eagers Automotive Limited (“Shareholder Material”) on the following conditions:

- JLL and the Valuers were independent from Eagers Automotive Limited and the registered proprietor of the Property at the Date of Valuation and at all times in the previous 2 years.
- This letter is a summary of the valuations only and has not been prepared for the purpose of assessing the Property as an investment opportunity.
- JLL has not been involved in the preparation of the Shareholder Material nor have we had regard to any material contained in the Shareholder Material. This letter does not take into account any matters concerning the investment opportunity contained in the Shareholder Material.
- JLL has not operated under an Australian financial services licence in providing this letter and makes no representation or recommendation to a prospective investor in relation to the valuation of the properties or the investment opportunity contained in the Shareholder Material.
- The formal valuations and this summary letter are strictly limited to the matters contained within them, and are not to be read as extending, by implication or otherwise, to any other matter in the Shareholder Material. Without limitation to the above, no liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the real estate market subsequent to the date of valuation.
- Neither this summary letter nor the full valuation report may be reproduced in whole or in part without the prior written approval of JLL.
- JLL has prepared this summary letter solely in reliance upon the financial and other information (including market information and third party information) provided by the instructing party and has assumed that information is accurate, reliable and complete. We confirm that we have not tested the information in that respect.
- This summary letter is to be read in conjunction with our formal valuation report and is subject to the assumptions, limitations and disclaimers contained therein.
- JLL has received a fee from Eagers Automotive Limited for the preparation of the valuation reports and this summary letter.
- JLL are participants in the Australian Property Institute (API) limited liability scheme. This scheme has been approved under Professional Standards legislation and is compulsory for all API members.

3. Valuer's Experience and Interest

The valuer who prepared the valuation report for Client is Craig Carroll. The Valuer has valuation experience in a range of property types and all are authorised under the requirements of the Australian Property Institute to practise as valuers in the State of Western Australia.

The above mentioned Valuer does not have a pecuniary interest that could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion of the Property's value or that could conflict with a proper valuation of the Property.

4. Liability Disclaimer

This summary letter and the valuation report has been prepared for Eagers Automotive Limited and is subject to the conditions referred to in Section 1, 2 and 3 of this summary letter. Neither JLL nor any of its directors make any representation in relation to the Shareholder Material nor accept responsibility for any information or representation made in the Shareholder Material, other than this summary letter.

JLL was involved only in the preparation of this summary letter and the valuation report referred to herein, and specifically disclaims any liability to any person in the event of any omission from, or false or misleading statement included in, the Shareholder Material.

This summary letter (which is subject to the conditions referred to in Section 1, 2 and 3 above) and the valuation report may not be relied on by any other party other than Eagers Automotive Limited. Responsibility is disclaimed for any loss or damage suffered by any person (including but not limited to any potential investors or shareholders) for any reason.

No liability for negligence or otherwise is assumed by JLL for the material contained in this summary letter or the valuation report.

Yours faithfully

Jones Lang LaSalle Advisory Services Pty Ltd



Craig Carroll AAPI

Director

Valuation Advisory – WA

Certified Practising Valuer

(API Member: 65315; LVL Reg No. 44380)



Stuart Parry AAPI

Senior Director

Valuation Advisory – WA

Certified Practising Valuer

This letter is a summary of the valuations only and has not been prepared for the purpose of assessing the Property as an investment opportunity. It is an abstract of the contents of the valuation report dated Valuation Date. The valuation assessment and report is contingent upon a number of conditions, qualifications and critical assumptions which are fully described and set out in the body of the report.

13 October 2020

Eagers Automotive Limited
 PO Box 199
 Fortitude Valley
 QLD 4006

VALUATION SUMMARY FOR 345 SCARBOROUGH BEACH ROAD, OSBORNE PARK WA 6017



Property comprises a 14,931 square metre parcel of land within the established mixed-use suburb of Osborne Park, which is approximately seven kilometres north of the Perth Central Business District. More specifically, the property is located on the southern side of Scarborough Beach Road, just west of the Kwinana Freeway and the Glendalough Train Station. In accordance with the City of Stirling Local Planning Scheme No.3 the property is zoned Development.

The Property is improved with a relatively modern vehicle dealership with a total Gross Lettable Area of 4,585m² that includes a ground floor showroom with surrounding sales offices, rear workshop and rear wash bays.

In accordance with instructions the valuation has been undertaken on a vacant possession basis.

Summary

Property	345 Scarborough Beach Road, Osborne Park WA 6017.
Prepared for	Eagers Automotive Limited.
Valuation Purpose	Acquisition.
Dates of Inspection	19 June 2020.
Dates of Valuation	19 June 2020.
Interest Valued	100% freehold interest.
Valuation Approaches	Capitalisation of Net Income and Direct Comparison.
Adopted Value	AUD \$12,700,000 (Twelve Million Seven Hundred Thousand Australian Dollars).
Rate \$/m² of GLA	\$2,770/m ² .
Rate \$/m² of Land	\$851/m ² .
Equivalent Yield	4.98%.

Jones Lang LaSalle Advisory Services Pty Ltd

A handwritten signature in blue ink, appearing to read 'CC', is positioned above the name of Craig Carroll.

Craig Carroll AAPI

Director

Valuation Advisory – WA

Certified Practising Valuer

(API Member: 65315; LVL Reg No. 44380)

Date of Issuance: 13 October 2020

Job Number: 19276 Summary CC:sm

A handwritten signature in blue ink, appearing to read 'Stuart Parry', is positioned above the name of Stuart Parry.

Stuart Parry AAPI

Senior Director

Valuation Advisory – WA

Certified Practising Valuer

This letter is a summary of the valuations only and has not been prepared for the purpose of assessing the Property as an investment opportunity. It is an abstract of the contents of the valuation report dated 2 September 2020. The valuation assessment and report is contingent upon a number of conditions, qualifications and critical assumptions which are fully described and set out in the body of the report.

1. Introduction

Instructions

We refer to your instructions dated 11 June 2020 requesting that we undertake a market valuation of the 100% freehold interest in 345 Scarborough Beach Road, Osborne Park WA (the Subject/Property) as at 19 June 2020 for Eagers Automotive Limited for Acquisition purposes.

This Summary Letter is a summary of the valuation only and should not be relied upon for the purpose of assessing the Property as an investment opportunity unless read in conjunction with the full valuation report (dated 19 June 2020), together with all of the risks and critical assumptions contained therein.

Valuation Reconciliation & Key Assumptions

The results and key assumptions of our valuation methods are:

Property	Passing Rent (p.a.)	Market Rental (AUD p.a.)	Adopted Cap Rate	Adopted Discount Rate	Adopted Value	NLA (m ²)	Land Area (m ²)	\$/m ² GLA	\$/m ² of Land	Equiv Yield
345 Scarborough Beach Road, Osborne Park	Nil	\$754,175	8.00%	8.25%	\$12,700,000	4,585	14,931	\$2,770	\$851	4.98%

Basis of Valuation

Market Value

The value given herein is that of the market value of the Property as defined by the International Valuation Standards Committee (IVSC), and endorsed by the API and PINZ, which is as follows:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

We confirm that this valuation has been undertaken on the basis of the price that might reasonably be expected if the Property was sold at the date of valuation assuming:

- a willing, but not anxious, buyer and seller;
- a reasonable period within which to negotiate the sale, having regard to the nature and situation of the Property and the state of the market for property of the same kind;
- that the Property was reasonably exposed to that market;
- that no account is taken of the value of other advantages or benefits additional to market value, to the buyer incidental to ownership of the Property being valued;
- that the current proprietor has sufficient resources to allow a reasonable period for the exposure of the Property for sale; and
- that the current proprietor has sufficient resources to negotiate an agreement for the sale of the Property.

Valuation Rationale

In arriving at our opinion of market value for each asset, we have adopted the **capitalisation of net income and direct comparison**.

Our valuation has been undertaken utilising the Jones Lang LaSalle proprietary valuation model.

Capitalisation Approach

The capitalisation approach involves the addition of our opinion of market rent for the various components of the Property, and the deduction of outgoings in order to determine the net market income of the Property. This net market income is capitalised at the adopted capitalisation rate to derive a core value.

We have adopted a core capitalisation rate of 8.00% on our adopted market rental profile and an 8.25% target discount rate.

Adjustments (for rental reversions, letting up allowances and capital expenditure) have been made where appropriate in order to derive the resultant value.

Direct Capitalisation Approach - Market Income		
Market Income		
Lettable Area Rental		\$754,175
Ideal Outgoings Recovery (Full Net Leases)		\$353,100
Total Market Rental		\$1,107,275
Less Outgoings Expenditure		(\$353,100)
Net Market Rental		\$754,175
Rental Adjustments		
Less Long Term Vacancy Allowance @ 0.00%		\$0
Core Income		\$754,175
Core Income Capitalised at 8.00%		\$9,427,188
Value Adjustments		
Present Value of Existing Rental Reversions		\$0
Present Value of All Outstanding Incentives		\$0
Vacancies - Letting Up Allowances:		
<i>Present Value of Downtime (18 months)</i>	(\$1,573,664)	
<i>Present Value of Incentives (20%)</i>	(\$655,007)	
<i>Present Value of Leasing Fees (12%)</i>	(\$119,155)	(\$2,347,827)
Expires within the next 24 months - Letting Up Allowances:		
<i>Present Value of Downtime (18 months)</i>	\$0	
<i>Present Value of Incentives (20%)</i>	\$0	
<i>Present Value of Leasing Fees (12%)</i>	\$0	\$0
Present Value of Short Term Capital Expenditure: 24 months		(\$93,384)
Total Value Adjustments		(\$2,441,210)
Total Capitalised Value		\$6,985,977
Adopted Capitalised Value		\$6,986,000

From our core value, present value adjustments (for rental reversions, letting up allowances, incentives, future lease agreements and short term CAPEX) have been made where appropriate in order to derive the resultant capitalised value.

Our adopted adjustments are detailed as follows:

Rental Reversions

The property has been valued on a vacant possession basis and accordingly there are no rental reversions applied.

Outstanding Incentives

The property has been valued on a vacant possession basis and accordingly there are no outstanding incentives.

Letting Up Allowances – Vacancies

Within our capitalisation calculations we have made present value letting up allowances for those tenancies that are vacant. This letting up allowance includes rental and outgoings void (downtime) as well as incentives and leasing/agent's fees associated with leasing up the vacancies. These amounts are apportioned as follows:

▪ Rental Void:	\$1,573,664
▪ Incentives:	\$655,007
▪ Leasing/Agent's Fees:	\$119,155

Total letting up allowances for current vacancies equates to \$2,347,827.

Letting Up Allowances – Expiries over the next 24 months

The property is vacant with no vacancy allowances required over the next 24 months.

Capital Deductions

We have allowed for the present value of CAPEX allowances over the next 24 months from the valuation date, which total \$93,384.

Calculation Summary

Having made these adjustments to the core value, we derive a total value of \$6,986,000.

Direct Comparison

As noted above, in addition to the capitalisation of income approach we have undertaken on a direct comparison approach on a land basis due to the prime location of the site, the underlying and potential zoning, and the vacant nature of the improvements. From our assessed land value we have made an allowance for the removal of the existing improvements.

When analysing the sales evidence, we have taken into consideration and made adjustment for the location attributes, zoning, date of purchase, terms of sale, whether the site is serviced or un-serviced, development costs, etc. of the sales and we have compared the adjusted sales rates to the subject property.

In reviewing our development site sales evidence there have been a number of core assumptions made to assess a net effective value for each individual sale and then after this is complete one must compare it against the subject property where further assumptions are required. Several core factors should be considered when utilising sales evidence for development sites of these magnitudes. They are as follows:

- The variance in development costs associated with a particular site needs to be considered especially when comparing the slightly differing locations. We note that even sites within the same suburb vary from site to site due to topography issues, servicing issues, drainage issues and the like.
- The timeframe that particular sites take to have various approvals granted through a master plan or servicing plan. All these factors influence the ability to market the site correctly and allow development to proceed in a reasonable period of time.
- The fact that many purchasers acquire sites with specific core assumptions and conditions attached to the purchase. These assumptions and conditions may well be something significantly different.
- The relevance of the site sale in comparison to the subject property as at the date of sale. Many assumptions are made in allowing the sales to be brought back in line with the subject property so that an accurate comparison can be made.

Other items not noted above include allowances for factors such as the date of sale, the potential end revenues assessed, the timing of the planning and approval process and the underlying precinct and/or master plan.

Below, we have included a summary of the evidence included previously within this report:

Property	Date	Sale Price	Land Area	Zoning	Land Rate
8 Parkland Road, Osborne Park WA	December 2018	\$2,200,000	2,181m ²	Development	\$1,009/m ²
125 Howe Street, Osborne Park WA	August 2018	\$2,200,000	2,957m ²	Development	\$744/m ²
35 Walters Drive, Osborne Park WA	October 2019	\$7,800,000	7,790m ²	Development	\$1,001/m ²
2B (Lot 601) Rawlins Street, Glendalough WA	November 2017	\$17,900,000	28,373m ²	AR2 – Residential R100	\$631/m ²
89 Herdsman Parade, Wembley WA	May 2020	\$3,500,000	4,745m ²	Residential R60	\$738/m ²
187 Salvado Road, Jolimont WA	June 2019	\$3,500,000	2,305m ²	Residential	\$1,518/m ²
4 Pearson Place, Churchlands WA	March 2019	\$2,950,000	2,608m ²	Residential R80	\$1,131/m ²
592 to 616 Hay Street, Jolimont WA	April 2017	\$13,000,000	9,984m ²	Commercial/Residential	\$1,302/m ²

While the above evidence is considered the most pertinent, we have included the other evidence with values ranging from \$738/m² to \$1,518/m² to show values that are applicable to lots that generally have a lower level of potential albeit that the risk with timing and the ultimate potential of the property is less than the subject property.

Having regard to the above evidence and the assets characteristics, namely its street frontages, zoning and exposure to Scarborough Beach Road we consider a value attributable to the subject property to be in the order of \$825 to \$925 per square metre which when applied to the land area of 14,931 square metres it gives rise to a value range of \$12,318,075 to \$12,811,175, from which we have adopted a rounded figure of \$13,000,000. As noted above the existing improvements are significant and accordingly an allowance has been made of \$65 per square metre of GLA or \$300,000 has been allowed for the removal of the improvements resulting in a value of \$12,700,000.

Our assessed value has been undertaken on a GST exclusive basis and assumes that GST would be a payable over and above our assessed value, if applicable.

Valuation Reconciliation

The results of our valuation methods are:

Methodology	Valuation
Capitalisation Approach - Market Income	\$6,986,000
Direct Comparison Approach	\$12,700,000
Adopted Value	\$12,700,000

Having regard to the results from the valuation methods described above, together with available market evidence, the comments made within this report, and present car yard and development site market we have adopted a rounded valuation figure of \$12,700,000 plus GST (if any). As can be seen above, our assessment shows the current Highest and Best Use to be a future development site.

2. Qualification

We consent to the inclusion of this summary letter material to be provided to shareholders of Eagers Automotive Limited (“Shareholder Material”) on the following conditions:

- JLL and the Valuers were independent from Eagers Automotive Limited and the registered proprietor of the Property at the Date of Valuation and at all times in the previous 2 years.”
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The Valuer who prepared the valuation report for Client is Craig Carroll. The Valuer has valuation experience in a range of property types and all are authorised under the requirements of the Australian Property Institute to practise as Valuers in the State of Western Australia.

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This summary letter and the valuation report has been prepared for Eagers Automotive Limited and is subject to the conditions referred to in Section 1, 2 and 3 of this summary letter. Neither JLL nor any of its directors make any representation in relation to the Shareholder Material nor accept responsibility for any information or representation made in the Shareholder Material, other than this summary letter.

JLL was involved only in the preparation of this summary letter and the valuation report referred to herein, and specifically disclaims any liability to any person in the event of any omission from, or false or misleading statement included in, the Shareholder Material.

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No liability for negligence or otherwise is assumed by JLL for the material contained in this summary letter or the valuation report.

Yours faithfully

Jones Lang LaSalle Advisory Services Pty Ltd



Craig Carroll AAPI

Director

Valuation Advisory – WA

Certified Practising Valuer

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This letter is a summary of the valuations only and has not been prepared for the purpose of assessing the Property as an investment opportunity. It is an abstract of the contents of the valuation report dated Valuation Date. The valuation assessment and report is contingent upon a number of conditions, qualifications and critical assumptions which are fully described and set out in the body of the report.