

## APPENDIX 4D

### Annual Financial Report for the period ended 31 December 2020

**Name of Entity:** Charter Hall Long WALE REIT comprising of the two Australian registered schemes listed below (collectively referred to as the “Stapled Trusts”, or “the REIT”):

- Charter Hall Direct Industrial Fund (“DIF”) and its controlled entities (ARSN 144 613 641); and
- LWR Finance Trust (“Finance Trust”) and its controlled entity (ARSN 614 713 138).

#### Results for announcement to the market

	6 months to 31 December 2020 \$'000	6 months to 31 December 2019 \$'000	Variance (%)
Revenue from ordinary activities <sup>1</sup>	74,627	59,609	25.2
Profit/(loss) from ordinary activities after tax attributable to members	198,592	80,538	146.6
Operating earnings <sup>2</sup>	73,633	52,193	41.1

<sup>1</sup> Gross revenue does not include share of net profits of joint ventures of \$128.3 million (31 December 2019: \$41.4 million).

<sup>2</sup> Operating earnings is a financial measure which represents profit under Australian Accounting Standards adjusted for net fair value movements, non-cash accounting adjustments such as straight lining of rental income and amortisations and other unrealised or one-off items that are not in the ordinary course of business or are capital in nature. Operating earnings includes the rental revenue recognised in respect of tenants who have been (or will be) provided with rent free incentives as a result of COVID-19. This approach is consistent with the REIT's treatment of rent free incentives provided in the ordinary course of its operations which are amortised over the term of the lease. The inclusion of operating earnings as a measure of the REIT's profitability provides investors with the same basis that is used internally for evaluating operating segment performance. Operating earnings is used by the Board to make strategic decisions and as a guide to assessing an appropriate distribution to declare. A reconciliation of the REIT's statutory profit to operating earnings is provided in Note A1 of the consolidated interim financial statements.

	6 months to 31 December 2020 cents per stapled security	6 months to 31 December 2019 cents per stapled Security	Variance (%)
Basic earnings per stapled security	39.10	21.59	81.1
Operating earnings per stapled security	14.50	13.99	3.6

The REIT recorded a statutory profit of \$198.6 million on for the period ended 31 December 2020 (31 December 2019: \$80.5 million). Operating earnings amounted to \$73.6 million for the period ended 31 December 2020 (31 December 2019: \$52.2 million).

The REIT's statutory accounting profit of \$198.6 million includes a number of unrealised, non-cash and capital items including:

- \$125.6 million of net fair value gain on investment properties;
- \$3.6 million of straight lining of rental income, amortisation of lease fees and incentives;
- (\$1.6) million of unrealised gains and realised losses on derivative financial instruments;
- (\$2.0) million of acquisition related costs;
- (\$0.3) million of provision for rent relief relating to COVID-19;
- (\$0.2) million of income support and development rebate; and
- (\$0.2) million of fair value movements on investments at fair value through profit or loss.

Refer to the attached consolidated balance sheet, consolidated statement of comprehensive income and consolidated cash flow statement for further detail.

## Details of Distributions

Distributions	Amount per unit cents per unit
<i>Current period:</i>	
Interim distributions	14.50
<i>Previous corresponding period:</i>	
Interim distributions	14.00
Record date for determining entitlements to the distribution	31 December 2020

Refer attached financial statements (Directors Report and Note A2: *Distributions Paid and Payable*).

## Details of Distribution Reinvestment Plan

The REIT has established a Distribution Reinvestment Plan (DRP) under which unitholders may elect to have all or part of their distribution entitlements satisfied by the issues of new securities rather than being paid in cash.

The DRP issue price is determined at a discount of 1.0% to the daily volume weighted average price of all securities traded on the ASX during the 10 business days commencing on the third business day following the distribution record date. During the period, the REIT raised \$5.1 million from the DRP for the quarter ended 30 June 2020 allotted on 14 August 2020. The REIT raised a further \$6.3 million from the DRP for the quarter ended 30 September 2020 allotted on 13 November 2020 (2019: \$5.8 million from the DRP for 30 September 2019 allotted on 14 November 2019). An additional \$4.5 million is expected to be raised from the DRP for the 31 December 2020 distribution to be allotted on 12 February 2021 (2019: \$4.6 million from the DRP for the 31 December 2019 allotted on 14 February 2020).

## Net Tangible Assets

	31 December 2020	30 June 2020
Net tangible asset backing per stapled security <sup>1</sup>	4.70	4.47

<sup>1</sup> Under the listing rules NTA Backing must be determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary securities (i.e., all liabilities, preference shares, outside equity interest, etc.)

## Control gained or lost over entities during the period.

During the period, the REIT established control over the following wholly owned subsidiaries of DIF: LWR 76 Pitt Street Trust, LWR DJ Trust, LWR Caboolture Trust, LWR New Lynn Trust and LWR Dartmouth NZ Trust.

## Details of Associates and Joint Venture entities

Refer attached financial statements (Note B2: Investment in joint venture entities).

## Other significant information

For additional information regarding the results of the REIT for the half year ended 31 December 2020 please refer to the Half Year Results – ASX Media Announcement and the Half Year Results Presentation for the six months to 31 December 2020 lodged with ASX. Attached with this Appendix 4D is a copy of the interim financial report for the half year ended 31 December 2020.

## Audit

This report is based on accounts to which one of the following applies.

<input type="checkbox"/>	The accounts have been audited (refer attached financial statements).	<input checked="" type="checkbox"/>	The accounts have been subject to review (refer attached financial statements).
<input type="checkbox"/>	The accounts are in the process of being audited or subject to review.	<input type="checkbox"/>	The accounts have not yet been audited or reviewed.