

W
L
C

20 October 2022

**ANNUAL
GENERAL
MEETING**

Charter Hall
Long WALE REIT





Acknowledgement of Country

Charter Hall is proud to work with our customers and communities to invest in and create places on lands across Australia. We pay our respects to the traditional owners, their elders past and present, and value their care and custodianship of these lands.

Coming Together, 2021.

'Coming Together' is an artwork which is reflective of strength, resilience and nurturing partnerships.

Frances Belle Parker (Yaegl)

2022 Annual General
Meeting

Agenda

1. **Independent Chair's Address: Peeyush Gupta AM**
2. **Fund Manager's Address: Avi Anger**
3. **Questions**
4. **Items of Business**

Independent Chair's Address: Peeyush Gupta AM



Woolworths Distribution Centre,
Dandenong VIC
Charter Hall Long WALE REIT



Board of Directors



Peeyush Gupta AM
Chair



Glenn Fraser
Non-Executive Director



Ceinwen Kirk-Lennox
Non-Executive Director



David Harrison
Managing Director & Group CEO



Carmel Hourigan
Office CEO

Fund Managers



Avi Anger
Fund Manager



Darryl Chua
Deputy Fund Manager

Best in class diversified
real estate portfolio

\$7.1 billion
portfolio value

High quality diversified portfolio

549
properties

52%
NNN
leases

80%
Eastern
Seaboard

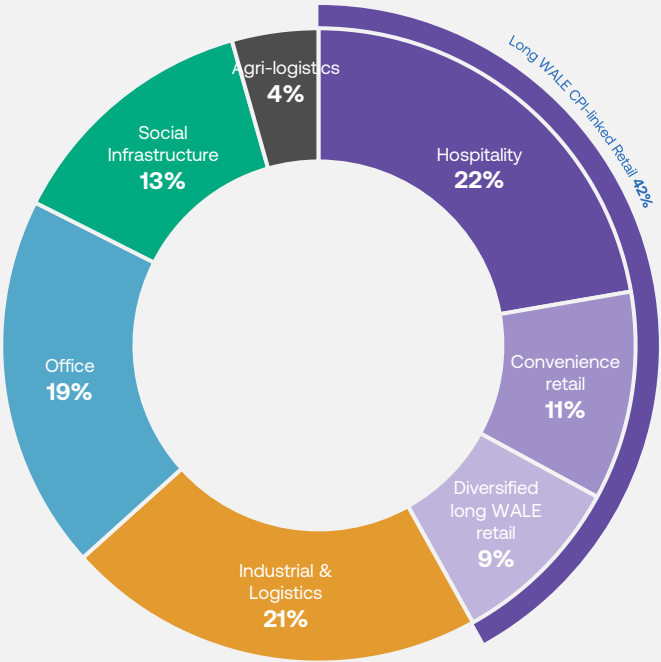


The Glasshouse, Sydney NSW

Long WALE
12.0 years
provides portfolio income security

6.8% distribution yield¹
generated from blue-chip
tenants in resilient industries

Diversified sector exposure²



Blue-chip tenants

99%

proportion of **Government, ASX-listed, multinational or national tenants**



Income growth driven by annual
rent increases in all leases



49% of leases are linked to CPI with a **6.3%** weighted average forecast increase in FY23³

51% of leases fixed with an **average fixed increase of 3.1%**

1. Based on CLW FY23 DPS of 28.0 cents divided by the CLW security price of \$4.08 as at 14 October 2022
2. Weighted by valuation as at 30 June 2022
3. Assumes weighted average FY23 CPI reviews for the REIT's CPI linked leases of 6.3%. This assumes June CPI of 6.1%, September CPI of 6.3% and December CPI of 7.0%. The majority of the REIT's CPI-linked leases are linked to September indices

CLW ESG leadership

Partnering with tenant and investor customers to deliver meaningful change

Climate action

Focusing on onsite and offsite renewables

CLW Operational performance

- **5.3 Star** NABERS Energy / **5.1 Star** NABERS Water
- Weighted average portfolio ratings for Energy and Water up from 5 stars in FY21
- **GRESB Score:** Achieved 72 in 2021 (up 10 points compared to 2020)
- **Onsite solar:** CLW has partnered with tenant customers to install an additional 5.6MW of onsite solar in FY23
- **Climate Change Adaptation Plans** (CCAP) completed for Office (74% by floor area) and Industrial and Logistics (87% by floor area) based on RCP8.5 as a worst-case scenario.

Long term renewables

- CLW has participated in Charter Hall's Group-wide **7-year power purchase agreement** (PPA) signed with global renewable energy giant ENGIE
- 100% renewables by 2025
- Charter Hall is **Foundational Clean Energy Partner** for three solar farms currently in development, in addition to an established wind farm

Achievements in FY22



\$466m¹ in sustainable finance

242 Exhibition Street, Melbourne, achieved Climate Bond certification as part of Group's \$2.4b sustainable finance transaction



50% reduction in emissions²

CLW achieved a 50% reduction through assets under operational control being powered by Green Power, compared to FY21



Partnering on renewables

CLW has 1.6MW of onsite solar installed across five assets with an additional 5.6MW to be installed in FY23

Focus areas in FY23+

ADVANCING NET
ZERO

100% net zero carbon emissions by 2025²



Scope 3 emissions

Establishing Scope 3 Target aligned to Science Based Target initiative



Ongoing disclosure

Independent verification of ESG disclosure/data, aligned to the TCFD, Global Reporting Initiative, PRI, UNGC and DJSI

Willogoleche Wind Farm (ENGIE)

1. CBI certification for 242 Exhibition Street represents 100% interest
2. Scope 1 and Scope 2 emissions in operational control.

Fund Manager's Address:

Avi Anger

2

Toyota Material Handling
Larapinta, QLD

Charter Hall Long WALE REIT



FY22 full year highlights¹

Financial performance	Portfolio Performance	Capital management
Operating EPS of 30.5 cents per security up 4.5% from FY21	12.0 year WALE³ long term income security	\$1.7 billion of debt facility refinancing and expansions completed
\$6.17 NTA per security up 18.2% from 30 June 2021	49% of lease rent reviews are CPI linked with a 6.3% weighted average forecast increase in FY23 ⁴	29.9% balance sheet gearing⁶ within target range of 25% – 35%
\$670 million valuation uplift² representing 10.4% uplift ² for FY22, demonstrating the resilient growth of the portfolio	52% triple net leases (NNN)⁵ tenants responsible for all outgoings, maintenance and capex	5.2 years weighted average debt maturity

1. Unless otherwise stated, metrics on this page and throughout this presentation are as at 30 June 2022

2. Gross property valuation uplift less capital expenditure and amortised incentives during the period

3. WALE is pro-forma adjusted for the Metcash lease extension which was executed post 30 June 2022

4. Assumes weighted average FY23 CPI reviews for the REIT's CPI linked leases of 6.3%

5. 52% of leases in the portfolio weighted by net income are triple net leases

6. Reflects balance sheet gearing

\$7.1 billion diversified portfolio of high quality real estate

Diversified across geography, real estate sector and tenant industries

Key metrics	Jun 21	Jun 22
Number of properties	468	549
Property valuation (A\$m)	5,560	7,127
Weighted Average Capitalisation Rate (WACR)	4.77%	4.35%
Occupancy	98.3%	99.9%
Weighted Average Lease Expiry (WALE) ¹	13.2 years	12.0 years
Portfolio exposure to CPI-linked reviews	40%	49%
Weighted Average Rental Review (WARR)	3.0%	4.6% ²

Sector	Assets	Valuation	Cap rate	WARR ²	WALE	Occupancy
Long WALE retail	443	2,987	4.27%	5.5%	12.4	100.0%
Industrial & logistics	26	1,526	4.09%	4.6%	13.5	100.0%
Office	13	1,362	4.90%	3.6%	7.4	99.6%
Social infrastructure	40	938	3.90%	4.5%	13.4	100.0%
Agri-logistics	27	314	5.21%	2.5%	21.3	100.0%
Total / weighted average	549	7,127	4.35%	4.6%	12.0	99.9%

1. WALE is pro-forma adjusted for the Metcash lease extension which was executed post 30 June 2022

2. Assumes weighted average FY23 CPI reviews for the REIT's CPI linked leases of 6.3%. This assumes June CPI of 6.1%, September CPI of 6.3% and December CPI of 7.0%. The majority of the REIT's CPI-linked leases are linked to September indices

Investment highlights

Acquisition of a 50% interest in ALE Property Group in partnership with Hostplus

Long WALE Retail
\$814 million



National portfolio of 78 high quality pub properties, including 71 with Dan Murphy's or BWS stores

- 99% in metropolitan locations and 94% located on Australia's East Coast¹



Leased to ASX-listed Endeavour Group, Australia's largest pub operator and liquor retailer

- \$14 billion² market capitalisation with 100% of rent paid throughout COVID-19

NNN

NNN leases with uncapped CPI rent reviews

- Annual CPI rental escalations
- Open market reviews for 95% of the portfolio³



Significantly under-rented portfolio with inherent income and capital upside

- Passing rent assessed by independent valuers to be 26% below market rent levels
- Portfolio has been externally revalued with a WACR of 4.01%, resulting in an \$99 million⁴ valuation uplift from acquisition



New Brighton Hotel
Sydney, NSW

Investment highlights

Acquisition of three modern industrial and logistics facilities

Industrial & logistics \$88 million



Cleanaway & ResourceCo Facility, Sydney NSW

- Modern industrial facility constructed in 2018 and located in Sydney's core industrial precinct of Wetherill Park
- One of Australia's largest waste-to-energy facilities and utilised for the production of Process Engineered Fuel, an alternative and sustainable fuel source for cement kilns
- Leased to a joint venture between ASX-listed Cleanaway and ResourceCo, a global leader in primary resource recovery
- 15.9 year WALE with 3.0% fixed annual rent reviews
- Acquired off-market for an acquisition price of \$34.6 million (independently revalued to \$41.6 million)



Modern Star Distribution Centre, Brisbane QLD

- High quality distribution centre completed in 2005 and located in Brendale, Brisbane
- Leased to Modern Star, one of Australia and New Zealand's leading partners and suppliers of educational resources to early childhood services, primary schools and before and after school care programs
- 7.0 year WALE with annual rent reviews equal to the greater of CPI and 2.5%
- Acquisition price of \$32.3 million (independently revalued to \$34.6 million)



Toyota Distribution Centre, Brisbane QLD

- Modern distribution centre completed in 2011 and located in Larapinta, Brisbane
- Leased to Toyota Material Handling Australia, a wholly owned subsidiary of Toyota Industries Corporation
- 5.5 year WALE with 3.5% annual fixed rent reviews
- Acquired off-market for an acquisition price of \$21.0 million (independently revalued to \$23.2 million)

Portfolio leasing highlights

Long-term lease extension secured with Metcash

Metcash Distribution Centre, Canning Vale, Perth WA



- CLW has executed a long-term lease extension with Metcash at its Canning Vale Distribution Centre in Perth, WA
- **10 year lease extension from the current expiry, increasing the remaining lease term to 11.3 years**
 - CLW will undertake an expansion of the existing cold storage facilities on the site, increasing the rentalised GLA by approximately 1,261 sqm
 - CLW will install a 1.6MWh solar PV system, contributing to the property's renewable energy generation and efficiency
 - Metcash has an option to expand the ambient warehouse facility (maximum additional GLA of 11,000 sqm). Should this proceed, the cost of these future capital works will also rentalised
- Extension demonstrates the active and collaborative approach of CLW to achieve mutually beneficial outcomes for investors and tenant customers

Djookanup, Osborne Park, Perth WA (previously Optima Centre)



- CLW has executed a new long-term lease with EMECO at Djookanup (previously Optima Centre) in Perth, WA
- **10 year lease across 1,899 sqm of NLA**
- Established in 1972, EMECO is an ASX-listed, leading Australian provider of mining equipment and service solutions
- Increases occupancy at the property to 100%

Best in class tenant register

Strong and stable tenant base of government, ASX-listed and multinational companies

Major tenants¹

	18%		4%
      	18%		3%
	13%		3%
	10%		3%
	5%		2%
	4%		2%
	4%		1%

1. Weighted by net passing income as at 30 June 2022

FY23 guidance¹

Based on information currently available and barring any unforeseen events, CLW reaffirms FY23 Operating EPS guidance of 28.0 cents and DPS guidance of 28.0 cents.



Geosciences Australia
Canberra, ACT

Guidance of
FY23 Operating EPS and DPS of 28.0 cents, reflecting a distribution yield² of

6.8%

Questions

3

Metcash Distribution Centre
Perth, WA

Charter Hall Long WALE REIT



Item of Business

4

ResourceCo / Cleanaway Waste-to-Energy Facility
Sydney, NSW

Charter Hall Long WALE REIT



Resolution 1

Re-election of Independent Director

To consider, and if thought fit, pass the following resolution, as an advisory, non-binding resolution of the Securityholders:

“That Mr Peeyush Gupta AM, a Director of Charter Hall Long WALE Limited, be re-elected as a director of Charter Hall WALE Limited.”

Resolution 1

Re-election of Independent Director

FOR:	98.49%
OPEN:	.49%
AGAINST:	1.02%

Meeting closed

Crows Nest Hotel
Sydney, NSW
Charter Hall Long WALE REIT



Sydney Head Office

Level 20, No.1 Martin Place
Sydney, NSW, 2000

T: +61 2 8651 9000

Melbourne

Level 23, 130 Lonsdale Street
Melbourne VIC 3000

T: +61 3 9903 6100

Brisbane

Level 3, The Annex
275 George Street
Brisbane QLD 4000

T: +61 7 3228 2000

Perth

Level 5, St Georges Square
225 St Georges Terrace
Perth WA 6000

T: +61 8 9269 5900

Adelaide

Part Ground Floor
Telephone Exchange Building
GPO Exchange, 10 Franklin Street
Adelaide SA 5000

T: +61 8 8417 5900