



ASX ANNOUNCEMENT

06 September 2021

**Announcement No. 19/21
The Manager
Corporate Announcements Office
Australian Securities Exchange**

Annual Review 2021

Please find attached a copy of the ALE Property Group (ALE) Annual Review 2021.

ALE will today mail the Annual Review to securityholders unless they have elected not to receive one.

- Ends -

This ASX release was approved and authorised for release by Michael Clarke, Company Secretary.

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Company Secretary
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ANNUAL
REVIEW
2021



A positive outlook



WELCOME TO THE ANNUAL REVIEW FOR ALE PROPERTY GROUP FOR THE YEAR ENDED 30 JUNE 2021.

My name is Guy Farrands and I am your new Chief Executive Officer. I had the privilege of taking over from Andrew Wilkinson in October 2020 and I would like to begin by thanking him for his outstanding contribution over 18 years.

This has been a busy year for our business. As well as the change in Chief Executive, we received the results of the 2018 rental determinations, (and began proceedings in the Supreme Court of Victoria to have some of those determinations set aside), sold six non-core properties at prices well in excess of book values and saw Endeavour Drinks demerge from Woolworths to become a standalone company.

We made two senior appointments. Michael Clarke, a long standing employee, was promoted to Chief Financial Officer and Mark Crick, a highly experienced pub industry expert, joined us as asset manager.

We also expanded our borrowing facilities with the addition of bank debt, undertook an issue of Medium-Term Notes to refinance some debt and will begin paying distributions quarterly to improve cash flow to security holders from 30 September 2021.

The property market has been very strong, and ALE has benefited from this by increases in asset values, in addition to the strong sales results for non-core properties. Statutory profit was a record \$179.2m.

The board is committed to obtaining the best possible outcomes for all security holders. I would like to thank all of the directors for their strong support during the year.

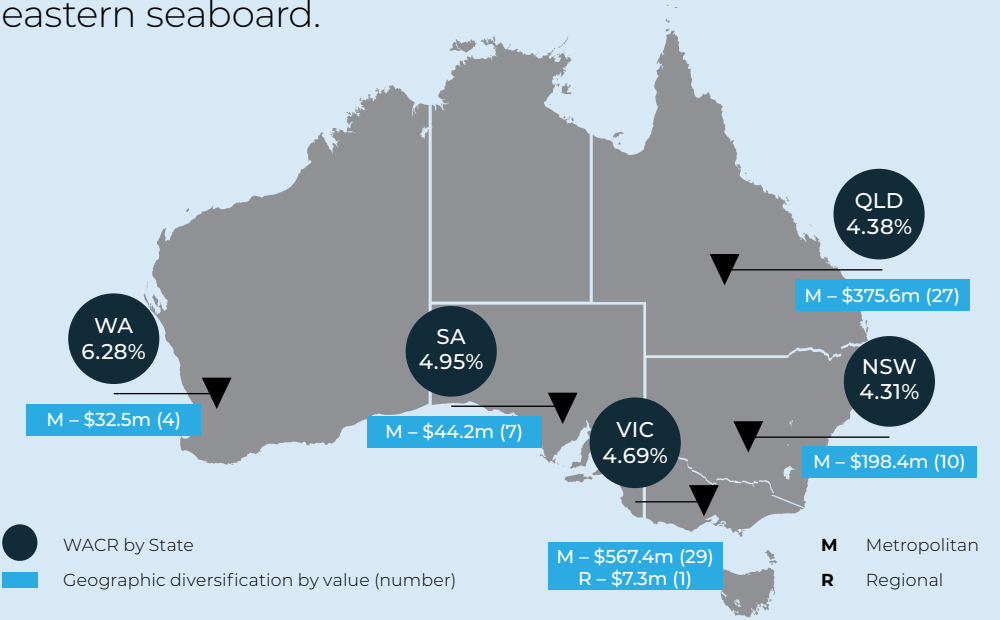
I hope you enjoy reading this annual review. It is designed to be a summary only, and on our website you will find links to various ASX announcements that can provide you with more detail. **This annual review should be read in conjunction with those announcements.**

Yours sincerely,

Guy Farrands
Managing Director
Chief Executive Officer

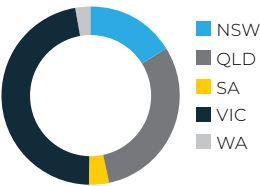
PORTFOLIO OVERVIEW

Geographically diversified continuing portfolio with a strong weighting to metro locations along the eastern seaboard.

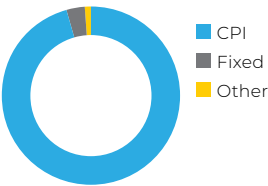


	No. of properties ¹	Value (\$m)	Value (%)	Avg. Site Area (m ²)	Avg. Value (\$m)	WACR (%)	WALE (years)
Metro	77	1,218.1	99	11,710	15.8	4.58	7.3
Regional	1	7.3	1	6,465	7.3	4.52	7.3
Total	78	1,225.4	100	11,643	15.7	4.58	7.3

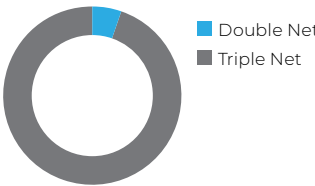
Geographic split by value



Annual rent review type by income



Lease structure type by income



1. Continuing portfolio

PORTFOLIO UPDATE

Portfolio shows strong resilience.

Oct 2020
2018 rent determinations received

Litigation to have Victorian determinations set aside has been heard, judgement is expected within 3-6 months

31 Dec 2020
The entire portfolio was independently revalued

\$51.6m NTA uplift from 30 June 2020

30 Jun 2021
Portfolio revalued

\$89.7 million NTA uplift from 31 December 2020

During COVID

All rent received when due

Portfolio review undertaken
All rent received when due; tenant's business showed high resilience

- 6 assets sold for 24.2% more than book value
- 2 more assets for sale

- **NTA \$3.71**
- **Uncapped/uncollared rent is 35.6% higher than currently payable**
- **See ASX announcements for how this is calculated**

ALE INVESTMENT PROPOSITION

Attractive lease structure



- Leased for 7 years + 4 ten year options
- Triple-net basis
- Annual CPI rent reviews
- Uncapped/uncollared rent reviews if options exercised

Properties



- Uncapped/uncollared rents independently assessed as 35.6% higher than currently payable
- Diversified portfolio in all mainland states
- In several cases, assets have land values higher than as leased investments

Distributions are paid quarterly



- Distribution guidance for YE 30 June 2022 of 22.0 cents per security¹
- Present intention is to increase annual distributions by CPI
- Quarterly instalments of 5.50 cents per security are anticipated, beginning September 2021 quarter

Tenant



- Australia's largest hospitality and drinks business, looking to grow
- Market-leading brands and positions
- Strong financial performance

Industry



- Highly resilient through economic cycles
- Strong contributor to state government tax revenue

Balance Sheet



- Leverage is at a historic low

1. Applies to 98% of leases

FY21 FINANCIAL HIGHLIGHTS

\$179.2m

Statutory profit after tax
+794.0% on FY20

21.5c

Distribution per security
+2.8% on FY20

\$34.4m

Distributable income
+13.0% on FY20

24.2%

Margin above book value
for six properties sold

\$3.71

Net tangible assets per
stapled security
+24.2% on FY20

36.4%

Gearing ratio
-490bps on FY20