



# Viva Energy REIT Annual General Meeting

10:00am - 14 May 2020

**VIVA**  
Energy | REIT

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# Agenda

1. Chairman's Address

2. Business Update

3. Formal Business

4. Closing Remarks

# Chairman's Address

**Laurence Brindle**  
Independent Chairman  
Viva Energy REIT



# FY19 Key Highlights



## Financial Performance

### Distributable Earnings 14.54cps<sup>1</sup>

3.7% growth on FY18  
Top end of guidance range (3-3.75% growth)  
FY16-FY19 CAGR of 4.7%

### NTA \$2.29 per security

up 4.1% from December 2018  
4.0% CAGR since IPO in August 2016

### MER 22 bps<sup>2</sup>

One of the lowest in S&P/ASX 200 REIT Index



## Portfolio and Acquisitions

### Acquired/funded \$88.5m of assets<sup>3</sup>

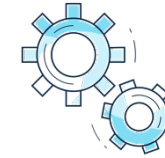
15 properties  
Acquisition WACR of 6.8%

### \$99.9m valuation uplift

1/3<sup>rd</sup> of the portfolio independently revalued as at 31 December 2019

### \$2.65bn portfolio

469 properties  
73% metro / 27% regional<sup>4</sup>  
Portfolio WACR of 5.8%  
11.7 year WALE



## Capital Management

### Moody's Credit Rating Baa1<sup>5</sup>

Investment grade rating  
Highlights strength of balance sheet and tenant covenants  
Provides funding optionality domestically and offshore

### 30.4% gearing<sup>6</sup>

Bottom end of target gearing range (30-45%)  
Calculation revised in line with peer group

### \$123.4m of equity raised

\$100m institutional placement at \$2.32  
\$10m securities purchase plan at \$2.32  
\$5.6m from the Feb 2019 DRP at \$2.23  
\$7.8m from the Aug 2019 DRP at \$2.61

<sup>1</sup> Based on weighted average number of stapled securities on issue during the reporting period.

<sup>2</sup> Excludes non-recurring items associated with management changes and net property expenses. MER including non-recurring items was 28bps.

<sup>3</sup> Gross acquisition value excluding transaction costs. Include capital deployed in relation to Viva Energy REIT's fund-through exposures.

<sup>4</sup> Percentage split is by value. Metropolitan and regional population as defined with the Significant Urban Area, sourced from the Australian Bureau of Statistics (ABS 2016 Significant Urban Areas).

<sup>5</sup> Credit rating must not be used, and Viva Energy REIT does not intend or authorise its use, in the support of, or in relation to, the marketing of its securities to retail investors in Australia or overseas.

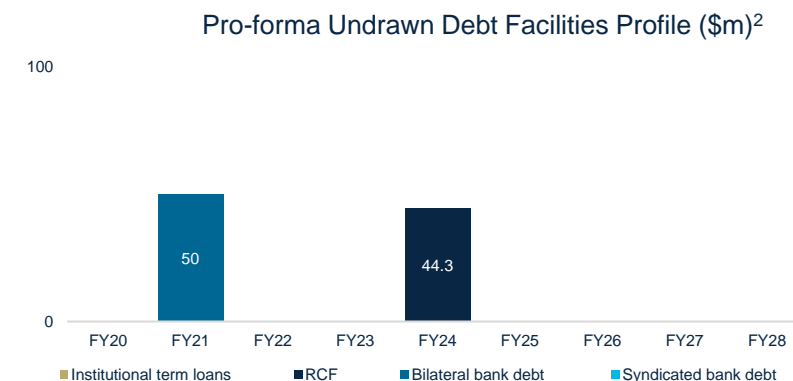
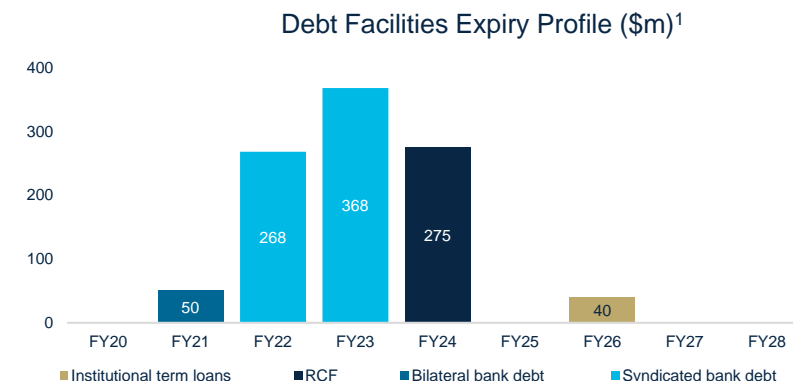
<sup>6</sup> Net debt to total assets (excluding cash). Covenant gearing as at 31 December 2019 was 33.5%, calculated as total liabilities to total tangible assets, but excluding any mark-to-market valuations of derivative assets/liabilities.

# Business Update

**Hadyn Stephens**  
Chief Executive Officer  
VER Manager Pty Limited

# Viva Energy Australia Selldown / Debt Review Event

- Viva Energy Australia Pty Ltd (Viva Energy Australia), part of the Viva Energy Group Limited (ASX: VEA) sold its 35.5% holding in Viva Energy REIT in February 2020
  - 10% stake acquired by Charter Hall
  - Remaining 25.5% stake sold to a range of institutional investors
- Sale triggered a review event in relation to Viva Energy REIT 's debt facilities, which has now concluded:
  - Waivers received in relation to \$977 million of debt facilities (89% of facilities impacted)
  - Terms renegotiated on a \$100 million bilateral facility (9% of facilities impacted)
  - Repayment requested on a \$20 million institutional term loan (2% of facilities impacted)
- During the debt review period, Viva Energy REIT entered into a new four-year, \$275 million revolving credit facility with a group of lenders, increasing Viva Energy REIT 's weighted average debt expiry and reducing the weighted average margin
- As at 31 March 2020<sup>2</sup>:
  - Cash and undrawn debt of \$104.3 million
  - Weighted average debt maturity is 3.2 years
  - No currently drawn facilities maturing until June 2022



<sup>1</sup> Excludes \$20m institutional term loan required to be repaid following recent Review Event.

<sup>2</sup> Pro-forma figures as per ASX announcement on 28 April 2020. Table excludes \$10m of cash on hand.

# Internalisation of Management Arrangements

- Earlier today, Viva Energy REIT agreed terms with Viva Energy Australia and its subsidiary VER Manager (current manager of Viva Energy REIT) to internalise the management function of Viva Energy REIT (**Internalisation**)
- The Internalisation and proposed change of name (for consideration at the AGM), reflect a desire to establish Viva Energy REIT as an independent, standalone business following Viva Energy Australia's divestment of its 35.5% securityholding
- The parties have entered into an Implementation Deed whereby:
  - VER Manager will retire as the manager of Viva Energy REIT
  - VER Manager will continue to provide management services during an implementation period of up to six months
  - VER Manager will facilitate the transfer of management services to Viva Energy REIT (including office equipment, IT, data and records)
  - The current management team will resign from Viva Energy Australia and be employed directly by Viva Energy REIT
  - Viva Energy REIT will make an Internalisation payment to Viva Energy Australia of \$2.5 million
  - Viva Energy REIT has secured from VEA, until 1 January 2030, the right (subject to the terms of the relevant lease) to be offered properties tenanted by VEA where the owner wishes to sell the property and VEA does not wish to exercise a pre-emptive right it might have to acquire the property
- Key benefits of the Internalisation for Viva Energy REIT securityholders:
  - Enhanced governance framework (management employed directly by Viva Energy REIT)
  - Clear separation between Viva Energy REIT and its largest tenant
  - Formalisation of existing arrangements relating to Viva Energy Australia's pre-emptive rights
  - Certainty and continuity of management arrangements
- Subject to securityholder approval, Viva Energy REIT to be renamed Waypoint REIT
- Viva Energy Australia's nominee directors (Jevan Bouzo and Lachlan Pfeiffer) will resign as directors, effective at the conclusion of this this AGM





# General Business Update

## COVID-19 Impact

- Minimal impact to date from COVID-19
- In discussions regarding rental relief with six small non-fuel tenants (c. 0.3% of annual income)

## Acquisitions / Fund-Throughs

- \$26.4m of transactions settled YTD (6.35% WACR)
- \$24.3m of contracted transactions (6.47% WACR)
- Measured approach in the current climate; update on FY20 pipeline to be provided at 1H20 results

## Capital Management

- YTD focus has been on Review Event and new \$275m RCF
- Diversifying funding sources and extending debt tenor remain strategic priorities
- Watching brief in relation to potential debt capital markets issuance (e.g. USPP, MTN)

## Earnings Guidance<sup>1</sup>

- FY20 Distributable Earnings per security growth guidance of 3.00-3.75% from 2019
- Implies FY20 Distributable Earnings per security of 14.97cps to 15.09cps

<sup>1</sup> Based on weighted average number of stapled securities on issue during the reporting period and provided there are no material changes in market conditions and no other factors adversely affecting Viva Energy REIT'.

# Formal Business

**Laurence Brindle**  
Independent Chairman  
Viva Energy REIT

# Resolution 1

## Adoption of Remuneration Report

**To consider and, if thought fit, to pass the following non-binding ordinary resolution:**

*“That the Remuneration Report for the year ended 31 December 2019 be adopted.”*

### Proxy Votes Received

FOR	AGAINST	OPEN <sup>1</sup>	ABSTAIN <sup>2</sup>
509,712,449	565,771	661,389	1,264,686
99.76%	0.11%	0.13%	

<sup>1</sup> Open votes totalling 501,782 in favour of the Chairman (whether by election or default) will be voted in favour of Resolution 1.

<sup>2</sup> Abstain votes are provided for information only and are not included in the calculation of Total Valid Available Votes.

## Resolution 2

### Re-election of Georgina Lynch

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

*“That Ms Georgina Lynch, who retires by rotation in accordance with rule 8.1(f) of the constitution of the Company and, being eligible and having offered herself for re-election, is re-elected as a Director of the Company.”*

#### Proxy Votes Received

FOR	AGAINST	OPEN <sup>1</sup>	ABSTAIN <sup>2</sup>
506,592,505	3,820,066	662,862	1,228,862
99.12%	0.75%	0.13%	

<sup>1</sup> Open votes totalling 503,255 in favour of the Chairman (whether by election or default) will be voted in favour of Resolution 2.

<sup>2</sup> Abstain votes are provided for information only and are not included in the calculation of Total Valid Available Votes.

## Resolution 3

### Change of Company name

**To consider and, if thought fit, to pass the following special resolution:**

*“That, for the purposes of section 157(1) of the Corporations Act, and for all other purposes, the Company’s name be changed from Viva Energy REIT Limited to Waypoint REIT Limited and that, for the purposes of section 136(2) of the Corporations Act and for all other purposes, all references to ‘Viva Energy REIT Limited’ in the constitution of the Company be replaced with references to Waypoint REIT Limited.”*

#### **Proxy Votes Received**

FOR	AGAINST	OPEN <sup>1</sup>	ABSTAIN <sup>2</sup>
510,054,721	238,685	681,443	1,329,446
99.82%	0.05%	0.13%	

<sup>1</sup> Open votes totalling 521,836 in favour of the Chairman (whether by election or default) will be voted in favour of Resolution 3.

<sup>2</sup> Abstain votes are provided for information only and are not included in the calculation of Total Valid Available Votes.



## Resolution 4

### Amendment to the constitution of the Company (Company Constitution)

**To consider and, if thought fit, to pass the following resolution as a special resolution of the Company:**

*“That the constitution of the Company be amended in the manner described in the Explanatory Notes accompanying the Notice of Meeting dated 9 April 2020 and set out in the amended constitution tabled by the Chairman of the Meeting and signed for the purpose of identification.”*

#### Proxy Votes Received

FOR	AGAINST	OPEN <sup>1</sup>	ABSTAIN <sup>2</sup>
510,064,535	187,293	725,764	1,326,703
99.82%	0.04%	0.14%	

<sup>1</sup> Open votes totalling 566,157 in favour of the Chairman (whether by election or default) will be voted in favour of Resolution 4.

<sup>2</sup> Abstain votes are provided for information only and are not included in the calculation of Total Valid Available Votes.

## Resolution 5

### Amendment to the constitution of the Trust (Trust Constitution)

**To consider and, if thought fit, to pass the following resolution as a special resolution of the Trust:**

*“That the constitution of the Trust be amended in the manner described in the Explanatory Notes accompanying the Notice of Meeting dated 9 April 2020 and set out in the amended constitution tabled by the Chairman of the Meeting and signed for the purpose of identification.”*

#### Proxy Votes Received

FOR	AGAINST	OPEN <sup>1</sup>	ABSTAIN <sup>2</sup>
509,024,988	1,234,781	719,999	1,324,527
99.62%	0.24%	0.14%	

<sup>1</sup> Open votes totalling 560,392 in favour of the Chairman (whether by election or default) will be voted in favour of Resolution 5.

<sup>2</sup> Abstain votes are provided for information only and are not included in the calculation of Total Valid Available Votes.

# Closing Remarks

**Laurence Brindle**  
Independent Chairman  
Viva Energy REIT

