

ASX ANNOUNCEMENT

21 October 2021

**Announcement No. 22/21
The Manager
Corporate Announcements Office
Australian Securities Exchange**

Rental Determinations - Victorian Litigation

ALE Property Group refers to its ASX announcement dated 19 October 2020 in which it announced that it had commenced proceedings in the Supreme Court of Victoria seeking declarations that the 2018 rent determinations issued in relation to a number of its Victorian properties¹ were not made in accordance with the requirements of the rent review provisions of the relevant leases and are not binding.

The Court delivered judgment in those proceedings yesterday.

The Court has decided that ALE is entitled to a declaration that the 2018 rent determinations in Victoria were not made in accordance with the leases, are not binding and must be done again.

In reaching that decision, the Court considered the two grounds upon which ALE contended that the valuer had erred and, among other things, held that:

- the valuer correctly interpreted and applied the valuation methodology. There was no requirement in the valuation methodology to assess rental on the basis of a good average manager, although it was open to the valuer to do so if the valuer considered that was appropriate; and

¹ ALE's ASX announcement of 19 October 2020 made reference to 19 Victorian Properties. Three of those properties have since been sold and amendments were subsequently made to ALE's pleadings to remove them from the litigation.

- the valuer took into account a submission from the tenant relating to the tenant's EBITDA information which the valuer was not permitted to take into account.

Subject to the appeal rights of both parties, it will be necessary for ALE and the tenant to seek to agree a process by which the 2018 rent determinations in Victoria will be undertaken again.

Whilst ALE is currently undertaking a review of the judgment and considering the implications of the Court's decision, the judgment does not affect the rights and obligations of ALE and the Charter Hall Consortium under the Scheme Implementation Deed announced on 20 September.

ALE expects to publish a Scheme Booklet in relation to the Charter Hall Consortium proposal in the coming weeks, including a detailed explanation of the Directors recommendation and an Independent Expert's Report.

This ASX release was approved and authorised for release by the Board.

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