

ASX release

28 July 2025

MEETING OF BWP TRUST UNITHOLDERS

10:00am AWST
Monday, 28 July 2025

Perth Convention & Exhibition Centre
Meeting Room 8, Level 2
21 Mounts Bay Road
Perth WA 6000

CHAIRMAN'S ADDRESS

Today's meeting has been called to consider a number of resolutions which, if passed, will enable the internalisation of the management of BWP thereby delivering benefits to unit holders and contemporising its corporate governance. In addition, a majority of BWP's leases with Bunnings will be reset and extended together with a commitment from Bunnings for further capital expenditure on certain stores. I will refer to this as the Proposed Transaction.

All BWP unitholders were provided the Meeting Booklet which included the Notice of Meeting, an Explanatory Memorandum and the Replacement Prospectus.

The Meeting Booklet sets out the nature of the Proposed Transaction and its advantages and disadvantages. The Notice of Meeting within the Meeting Booklet sets out the resolutions.

The Proposed Transaction involves:

- forming a new company, BWP Property Group, which I note has already occurred;
- distributing one fully paid share in this new company, BWP Property Group, for each existing unit held by BWP Trust investors at the Stapling Record Date;
- stapling each BWP Property Group Share to each BWP Trust unit to form a new stapled security;
- BWP Property Group acquiring BWP Management Limited, together with its subsidiary entities, from Wesfarmers, the current owner of the management company, thereby internalising the management BWP;
- Wesfarmers providing transitional services to BWP;
- BWP and Bunnings resetting the terms of 62 Bunnings Leases; and
- BWP and Bunnings committing to enhance the quality of the portfolio through a combination of store expansion and network upgrade capital expenditure.

At this meeting, you are to consider three resolutions:

- Resolution 1 relates to the general approval of the Proposed Transaction and Related Party Agreements
- Resolution 2 is for the approval of the Employee Incentive Plan, and
- Resolution 3 is for the approval of the amendments to the existing BWP Trust constitution.



Resolution 1 is required to be approved for the Proposed Transaction to be implemented.

At the time of issuing the Meeting Booklet, the Proposed Transaction was subject to a number of conditions precedent that were required to be satisfied prior to implementation. I can confirm that consent from BWP's financiers has been received.

I am also pleased to report that ASX has decided to admit BWP Property Group Ltd to the official list of ASX and to quote its securities, subject to the satisfaction of certain expected conditions. It is anticipated that these conditions will be satisfied, and BWP Property Group Ltd will be admitted to the official list, on 30 July 2025.

There are also conditions that cannot be formally satisfied until after investors approve the Proposed Transaction. These conditions include receipt of required ASX and ASIC waivers, which are agreed in principle, and conditions which cannot be formally satisfied until 1 August 2025, relating to restraints and injunctions.

MANAGING DIRECTOR'S ADDRESS

As announced on 27 June 2025, BWP Management Limited entered into an Implementation Deed with Wesfarmers Limited to enable the Proposed Transaction to be put to BWP Unitholders.

The Proposed Transaction comprises three components:

Firstly, the Internalisation

The Internalisation will create an independent platform. It will allow BWP unitholders to enjoy a lower cost of doing business, enhance the opportunity for growth whilst being immediately accretive to distributions.

Secondly, the Lease Reset and Extension

Bunnings has made a long-term commitment to occupy BWP's properties. This represents strong alignment with BWP's largest tenant Bunnings, with this long-term commitment providing investors with certainty of income and security of tenant covenant through a materially longer weighted average lease expiry.

Thirdly, the Capital Expenditure Commitments

BWP and Bunnings are both committing capital to BWP's assets, including capital to fund store expansions and network upgrades which will increase income and enhance asset life.

The Non-Executive Directors of BWP have unanimously recommended the Proposed Transaction and the Independent Expert has concluded that the Proposed Transaction is fair and reasonable and in the best interests of investors not associated with Wesfarmers.

As part of the Proposed Transaction, BWP will pay Wesfarmers \$142.6 million to internalise the management functions.

This comprises the:

- Cash Consideration which is \$100.0 million and funded via the drawdown of existing debt facilities; and
- \$42.6 million of BWP stapled securities issued to Wesfarmers at \$3.92 being BWP's NTA as at 31 December 2024 and reflecting a 12.0 per cent premium to BWP's closing price on Friday, 25 July 2025 of \$3.50.

The Proposed Transaction is forecast to be immediately accretive to distributions relative to if the Transaction were not to proceed, with 2.0 per cent accretion forecast for the 2026 financial year or 2.3 per cent accretion on a full year basis.

Pleasingly, BWP and Wesfarmers have entered into a Cooperation and Services Agreement, which we've named the CASA, to govern the transitional relationship between BWP and Wesfarmers for a maximum period of 5 years following implementation of the Proposed Transaction.



Wesfarmers will remain a supportive partner of BWP and, as a result of the Proposed Transaction, Wesfarmers' holding in BWP will increase to 23.5 per cent, up from 22.3 per cent today.

As part of the Proposed Transaction, 62 Bunnings leases are to be reset and extended, with option tenure reset to have between four and eight option periods of six years each. Market rent reviews will occur at the exercised of the first option and every second option thereafter, with a 10 per cent cap and collar to be applied.

This material lease extension secures the Bunnings tenant covenant with BWP's total portfolio WALE at 31 December 2024 increasing from 4.4 to 8.0 years, and the WALE for BWP's Bunnings portfolio increasing from 4.5 years to 9.5 years.

The Lease Reset and Extension, and in particular the longer term certain, will drive a valuation uplift to property valuations. We have estimated this uplift to be approximately \$49.9 million, reflecting an 8 basis point compression in BWP's weighted average capitalisation rate to 5.35 per cent. Management's assessment has been validated by the independent opinion of JLL.

As part of the Proposed Transaction, BWP and Wesfarmers have agreed to commit to capital expenditures which secures future growth and improves quality within the portfolio.

Store expansion capital expenditure refers to \$56 million of store upgrades to be undertaken at 5 Bunnings sites. These works are expected to commence within 3 years of implementation and will be funded at a rate equal to the 5-year swap rate plus 200 basis points.

Network upgrade capital expenditure relates to a commitment from BWP and Bunnings to fund \$15 million each (or \$30 million in total) of network upgrade capital expenditure to deliver asset enhancements across several of BWP's assets. These upgrades are expected to be completed within 5 years of Implementation and will focus on ageing Bunnings properties to extend useful life.

An important aspect of the Proposed Transaction is the enhanced governance arrangements regarding accountability, transparency and investor rights.

BWP will align with the market standard for real estate investment trust management structures.

I am pleased to confirm the continuity of senior management, who will be employed and incentivised by BWP.

Unitholders will gain voting rights on director appointments, re-elections and remuneration reports. BWP's first annual general meeting is expected in the second half of the 2026 calendar year.

In addition, a key benefit of the Future Related Party Dealings approval, included within Resolution 1 of the Proposed Transaction, is to make BWP more competitive and reduce risks or conditions involved with future transactions involving related parties, for example Bunnings. Currently, BWP operates within an ASX waiver for some but not all related party transactions. As such certain transactions involving a related party, for example Bunnings, would require investor approval, placing BWP at a disadvantage. Upon approval of Resolution 1 BWP will be able to conduct its ordinary course business activities within the Related Party Governance Framework without the need for additional investor approvals.

The framework proposed reflects the current ASX waiver and operates for a six year period.

BWP has demonstrated a prudent and disciplined approach to acquisitions and developments, with a track record of generating superior returns for investors since listing in 1998.

BWP was established as a platform for income and capital growth and has sought to sustainably deliver this objective during its 27 years post listing. The Proposed Transaction represents a significant development and reflects the disciplined approach to capital allocation and also the attractiveness of the opportunity.

The Proposed Transaction will further enhance BWP's platform for future income and capital growth, consistent with BWP's objective of providing unitholders a secure and growing income stream and long-term capital growth.



In closing I would like to highlight the key benefits of the Proposed Transaction:

- The Proposed Transaction secures a very strong national retailer in Bunnings, for additional lease term ensuring continued covenant strength and income certainty for BWP;
- The portfolio WALE at 31 December 2024 increases to 8 years and the Bunnings WALE more than doubles to 9.5 years and all medium-term Bunnings vacancy and income risk is removed
- The Proposed Transaction is an important enabler for growth – increasing the addressable market and affording increased optionality regarding growth platforms
- The Proposed Transaction is forecast to be accretive to FY26 distributions. Excluding the Proposed Transaction, BWP's FY26 distribution is forecast to be 19.03 cents, including capital profits released of \$5.6 million, reflecting 2.0 per cent growth on FY25. Following implementation of the Proposed Transaction, BWP's distribution forecast for FY26 is 19.41 cents. This reflects 2.0 per cent accretion to the FY26 distribution pre-Implementation, and 2.3 per cent accretion on a pro forma full year basis. BWP's forecast distribution for FY26 of 19.41 cents therefore represents a 4.1 per cent increase on the FY25 distribution of 18.65 cents.

FORMAL BUSINESS

The formal business concerns two ordinary resolutions and one special resolution.

An ordinary resolution will be passed if more than 50 per cent of the votes cast by investors present, in person or by proxy, attorney or corporate representative, and eligible to vote, are cast in favour of the resolution.

A special resolution will be passed if at least 75 per cent of the votes cast by investors present, in person or by proxy, attorney or corporate representative, and eligible to vote, are cast in favour of the resolution.

Details of each Resolution will now be shown on the screen. I will allow Unitholders time to read each Resolution

Resolution 1 - General approval of Proposed Transaction and related party arrangements

To consider, and if thought fit, pass the following resolution as an ordinary resolution: That the Proposed Transaction be approved and for the purposes of Listing Rule 10.1 and for all other purposes, the:

- Internalisation;
- Lease Reset and Extension;
- Capital Expenditure Commitments; and
- Future Related Party Dealings,

be approved and BWPM (as responsible entity of the BWP Trust) and BWP Property Group, and each of their directors and officers, be authorised to do all things which they consider necessary, desirable or reasonably incidental to give effect to the relevant transactions.

Resolution 2 - Approval of employee incentive plan

To consider, and if thought fit, pass the following resolution as an ordinary resolution: That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval be given for BWPM (as responsible entity of the BWP Trust) to adopt the Employee Incentive Plan as described in the Explanatory Memorandum and Prospectus, and for BWPM (as responsible entity of the BWP Trust) to issue securities thereunder on the terms set out in the Explanatory Memorandum and Prospectus.



Resolution 3 - Amendments to existing BWP Trust constitution

To consider, and if thought fit, pass the following resolution as a special resolution: That pursuant to section 601GC(1)(a) of the Corporations Act, the Existing BWP Trust Constitution be amended as set out in the Explanatory Memorandum, and that the New BWP Trust Constitution be approved and adopted as the constitution of the BWP Trust in substitution for and to the exclusion of, the Existing BWP Trust Constitution with immediate effect, and the proportional takeover provisions in clause 14 of the New BWP Trust Constitution be approved for a period of three years from the date of the Meeting.

Before we vote on the resolutions, I will allow time for questions from investors that are holding GREEN or YELLOW admission cards. If you have a question, I ask that you raise your hand and our microphone attendant will bring a microphone to you. I ask that you then state your name and then ask your question. Are there any questions?

Details of the proxies received for today's meeting are displayed on the screen.

Please note that I will cast all undirected proxies that I hold as Chairman of the meeting in favour of each Resolution.

Voting will be conducted by poll on all Resolutions. On a poll, each Unitholder has one vote for each Unit they hold in the BWP Trust. The persons entitled to vote on the poll are all unitholders, representatives and attorneys of unitholders, and proxyholders who hold GREEN admission cards. On the reverse of your GREEN admission card is your voting paper and instructions. Proxyholders have attached to their admission card a Summary of Proxy Votes which details the voting instructions.

By completing the voting paper, you are deemed to have voted in accordance with those instructions. In respect of any open votes a proxyholder may be entitled to cast, you need to mark a box beside the motion to indicate how you wish to cast your open votes. Unitholders also need to mark a box beside the motion to indicate how you wish to cast your votes.

Please would you complete your voting paper now.

MEETING CLOSE



For further information, please contact:

Mark Scatena

Managing Director

BWP Management Limited

Telephone: +61 8 9327 4356

E-mail: investorrelations@bwptrust.com.au

FORWARD LOOKING STATEMENTS

This release may contain certain forward-looking statements with respect to matters including but not limited to the financial condition, results of operations and business of BWP and certain of the plans and objectives of BWP with respect to these items.

These forward-looking statements are not historical facts but rather are based on BWPM's current expectations, estimates and projections about the industry in which BWP operates and its beliefs and assumptions.

Words such as "anticipates", "considers", "expects", "intends", "plans", "believes", "seeks", "estimates", "guidance" and similar expressions are intended to identify forward looking statements and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the industry in which BWP operates.

These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the control of BWP, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Such statements are not guarantees of future performance and actual results may differ materially from anticipated result, performance or achievements expressed or implied by the forward-looking statements. Other than as required by law, although they believe there is a reasonable basis for the forward-looking statements, neither BWPM nor any other person (including any director, officer or employee of BWPM or any related body corporate) gives any representation, assurance or guarantee (express or implied) as to the accuracy or completeness of each forward-looking statement or that the occurrence of any event, result, performance or achievement will actually occur.

BWP cautions securityholders and prospective securityholders not to place undue reliance on these forward-looking statements, which reflect the view of BWP only as of the date of this release.

The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made.

BWP will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.