

2018 HALF YEAR RESULTS PRESENTATION

20 February 2018



ASX Code: CRR

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convenience
RETAILREIT

Agenda

1. HY2018 Highlights
2. Financial Results
3. Investment Overview
4. Market Update
5. Outlook
6. Appendices



1. HY2018 Highlights



Highlights



IPO completion

- Successfully listed on ASX
- First distribution of 3.25 cps paid in Nov 2017 (for period 1 Aug to 30 Sept 2017)
- Dec 2017 quarter distribution of 4.88 cents to be paid in Feb 2018 (both in line with PDS forecast)



Upgraded FFO guidance¹

- FY2018 FFO guidance¹ upgraded to 18.3 – 18.6 cps (up 1.1% – 2.2% on PDS of 18.2 cps)
- DPS guidance¹ of 18.1 cps (annualised 19.7 cps), up 1.1% on PDS of 17.9
- Payout ratio of 98.5%



Portfolio value growth

- NTA increased by 8 cents per security to \$2.81 (up 2.8% since IPO)
- \$7.2 million revaluation gain or 2.3% increase in portfolio value
- Valuation gains driven by market rent increases and cap rate compression
- 34% of portfolio externally valued, 66% Directors' valuations



Acquisitions

- Four acquisitions completed since May 2017 for \$25 million² at an average cap rate of 6.8%³
- Acquisition WALE of 9.7 years
- All metropolitan sites
- In exclusivity to acquire a further 5 properties, subject to finalising due diligence enquiries

1. Guidance provided from Allotment Date of 1 August 2017.

2. Total purchase price excluding transaction costs. Two properties were included in the initial portfolio in the PDS.

3. Weighted by purchase price excluding transactions costs.

Half year results snapshot

For the period 1 August to 31 December 2017

\$6.4m

FUNDS FROM
OPERATIONS

8.1¢

FFO PER
SECURITY

8.1¢

DISTRIBUTION
PER SECURITY

\$2.81

NTA
▲2.8%¹

\$324.4m

PORTFOLIO VALUE
▲5.5%¹

29.3%

GEARING
▼0.7%¹

78%

TAX
DEFERRED



1. Variance to Allotment Date.

2. Financial Results



HY2018 financial results

Financial performance

- FFO for the period of \$6.4 million
 - Simple structure with few moving parts
- FFO of 8.1 cps and DPS of 8.1 cps tracking in line with PDS forecast
- Earnings accretion from the acquisitions of Durack and Dakabin in the second half of FY2018

1. Reflects the period 1 August to 31 December 2017.
2. A straight-line adjustment is provided in relation to future fixed rental increases to reflect rental income on a straight-line basis over the term of the lease.
3. Includes margin, line fees, establishment fees, hedge costs and amortisation of capitalised borrowing costs.
4. As revenue has been recorded as income on a straight-line basis, the non-cash position is reflected as a reconciling item from Net profit to Funds From Operations.

\$m	HY2018 ¹
Income	
Net property income	8.8
Straight lining of rental income ²	2.2
Interest income	0.0
Total income	11.1
Expenses	
Management fee	(0.8)
Corporate costs	(0.2)
Finance costs ³	(1.8)
Total expenses	(2.9)
Net profit	8.2
Adjusted for:	
Straight lining of rental income ⁴	(2.2)
Amortisation of upfront debt costs	0.4
Funds From Operations (FFO)	6.4
FFO / DPS per Security (cents)	
FFO	8.1
Distribution	8.1
Payout ratio	100%

HY2018 financial results

Balance sheet

- NTA per Security growth of \$0.08
- \$16.8 million increase in investment properties a result of acquisitions and revaluations
 - \$7.2 million valuation uplift
 - \$9.6 million acquisitions – Durack and Dakabin
- Portfolio weighted average cap rate of 7.1%
- Gearing remains comfortably within the target range of 25% - 40%

A\$m	At IPO	Dec 2017
Assets		
Cash and cash equivalents	0.5	2.5
Investment Properties	307.6	324.4
Other assets	0.2	0.2
Total assets	308.3	327.1
Liabilities		
Interest bearing liabilities ¹	91.8	97.1
Provision for distribution	0.0	3.9
Other liabilities	1.0	4.7
Total liabilities	92.8	105.6
Net assets	215.5	221.5
Stapled Securities on Issue (m)	78.9	78.9
NTA per Stapled Security (\$)	\$2.73	\$2.81
Gearing	30.0%	29.3%

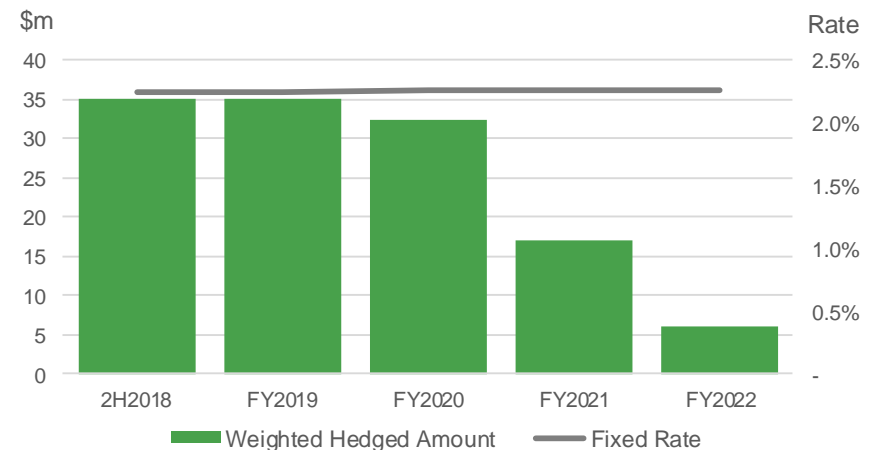
1. Represents \$97.7 million of drawn debt net of unamortised borrowing costs of \$0.6 million.

Capital management

- Strong balance sheet position
- Healthy interest cover of 6.7x
- Debt facilities with two Australian banks
 - \$125 million facility (undrawn amount of \$27.3 million)
- 36% of drawn debt hedged
 - Recent acquisitions have resulted in hedging falling below the normal target range of 50 – 100% of drawn debt
 - Continually monitoring the market with the intention of increasing hedging level to within the hedge range while having regard to overall investor value

Key metric	Dec 2017
Gearing	29.3%
ICR	6.7x
Average all-in cost of debt	3.9%
Weighted average debt maturity (years)	3.1
Interest rate hedging	36%
Weighted average hedge rate	2.2%
Weighted average hedge maturity (years)	3.1

Interest rate hedge profile



Woolworths Caltex Mango Hill, QLD

Revaluations

- \$7.2 million revaluation uplift
 - Portfolio weighted average cap rate tightened 6bps to 7.12%
- Valuation gains driven by a combination of annual rent increases and cap rate compression
- 34% of portfolio was independently revalued in December 2017
- Remainder of portfolio being Director's valuations – reviewed by an independent valuer for reasonableness

	No. of Properties	Valuation (\$m)	Cap rate	Val Change	
				(\$m)	%
Independent valuations	23	\$111.4	7.08%	\$5.3	+5.0%
Director's valuations	45	\$213.0	7.13%	\$1.9	+0.9%
Portfolio	68	\$324.4	7.12%	\$7.2	+2.3%



3. Investment Overview



Attractive retail portfolio – strong income profile

68

INVESTMENT
PROPERTIES

\$324.4m

PORTFOLIO
VALUE

7.1%

WEIGHTED AVERAGE
CAP RATE

13.0

WALE
(YEARS)

99.6%

OCCUPANCY

7.3%^{pa}

CASH
DISTRIBUTION
YIELD¹

29.3%

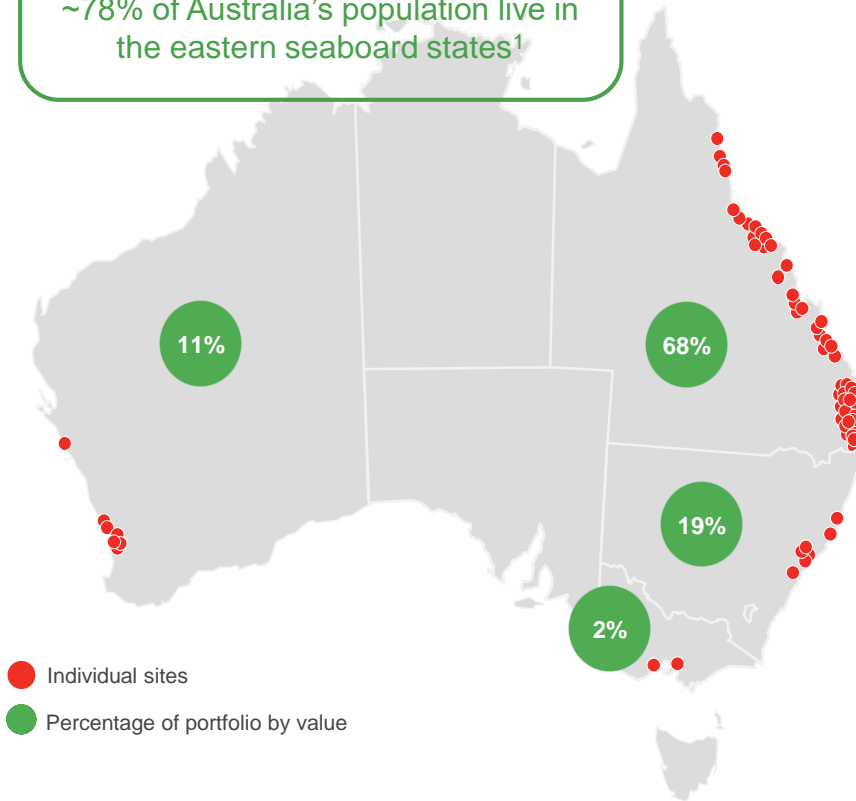
GEARING

- Diversified and defensive long lease portfolio
- Sustainable and growing income
- Aligned management with \$29 million co-invested

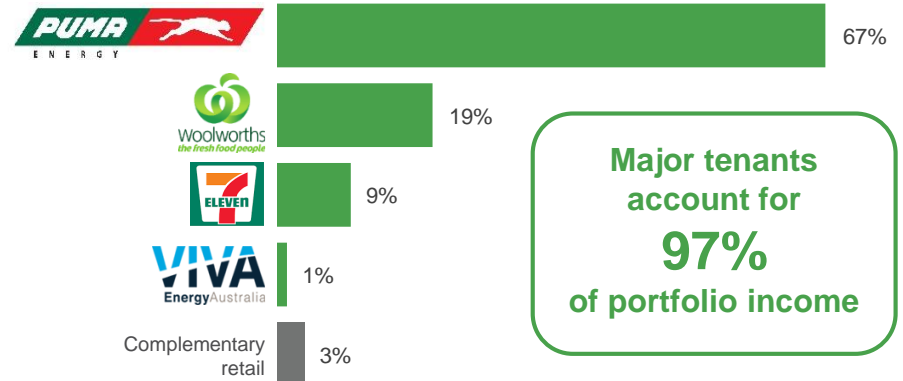
1. Based on closing share price of \$2.69 on 19 February 2018 and upgraded FY2018 annualised guidance of 19.7 cents per security.

Diversified portfolio

89% of portfolio located in Australia's eastern seaboard states
 ~78% of Australia's population live in the eastern seaboard states¹

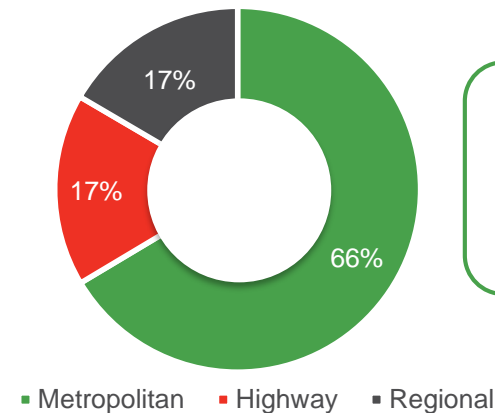


Major tenants



Major tenants account for **97%** of portfolio income

Portfolio by site classification



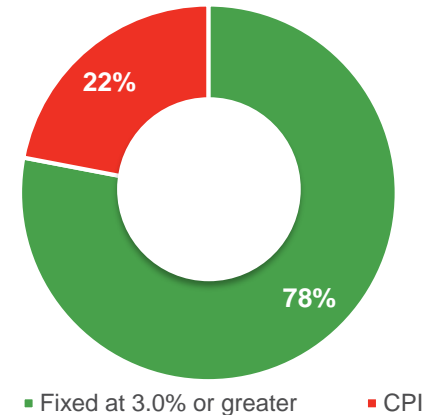
83% of the portfolio are Metropolitan or Highway sites

1. ABS 3101.0 - Australian Demographic Statistics, Dec 2017. Eastern seaboard states defined as NSW, VIC, QLD.

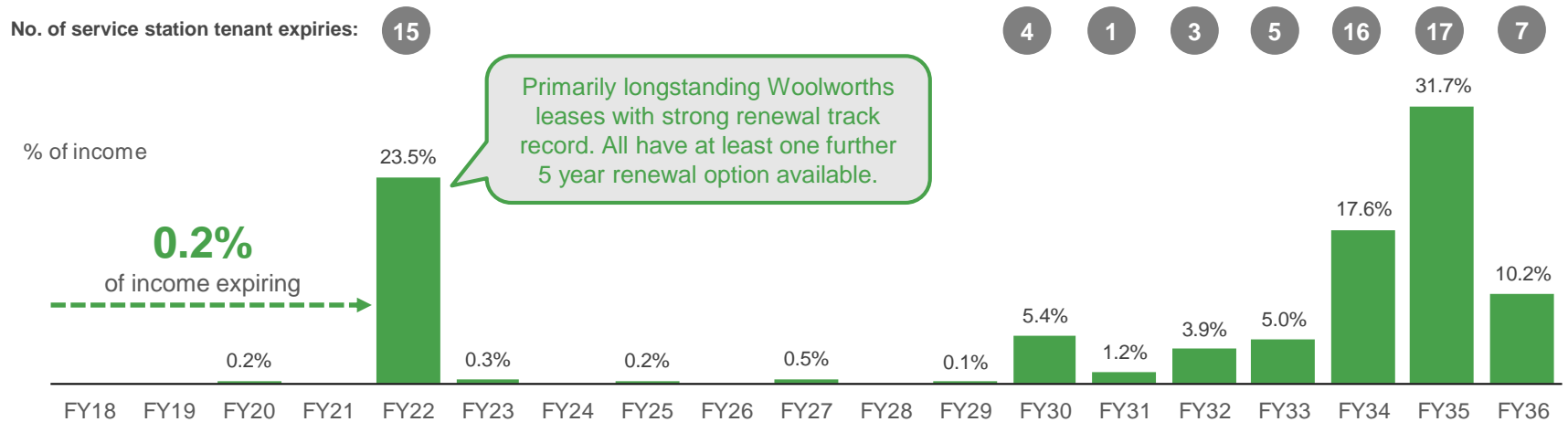
Long dated leases to leading convenience retail tenants

- Strong level of income security
- WALE of 13.0 years by income
- 70% of lease income expiring beyond FY30
 - Only 0.2% of income expiring before FY22
- Contracted average annual rental growth of 2.9% across the portfolio
- 22% of portfolio income exposed to CPI escalations
- Defensive asset class underpinned by the non-discretionary nature of fuel sales

Rent review type by income



Lease expiry profile (by income)



1. Assuming CPI of 2.0%.

Acquisitions

- Four acquisitions completed in addition to the original portfolio
 - Total value of \$25¹ million, reflecting a weighted average cap rate of 6.8%²
 - WALE of 9.7 years
 - Metropolitan sites
- In exclusivity to acquire a further five properties, subject to the satisfactory completion of ongoing due diligence enquiries
 - Earnings accretive
 - All with brand new 15 year triple net leases with 3% annual reviews
 - Enhance portfolio metrics



1. Total purchase price excluding transaction costs. Two properties were included in the initial portfolio in the PDS.
2. Weighted by purchase price excluding transactions costs.

APN Property Group – aligned and experienced manager

Strong investor alignment

- APN is strongly aligned to delivering investor returns – owning a \$29 million co-investment stake
- Simple and transparent sliding fee structure – no additional transactional or performance fees

Focused and dedicated management team

- Dedicated Fund Manager and management team
- Leveraging 18 average years of experience in real estate

Governance overseen by majority independent Board

- Majority independent Board, ensuring robust governance framework
- 30 years average experience and Director roles on Boards including Sims Metal, MetLife, QV Equities, Folkestone, and the Chairman was a member of the Takeovers Panel for nine years

Manager with long track record and deep relationships across capital and investment markets

- Relationships generate leasing, investment opportunities and access to multiple capital sources
- Founded in 1996 and grown to \$2.7 billion under management – including direct and listed real estate mandates

4. Market Update

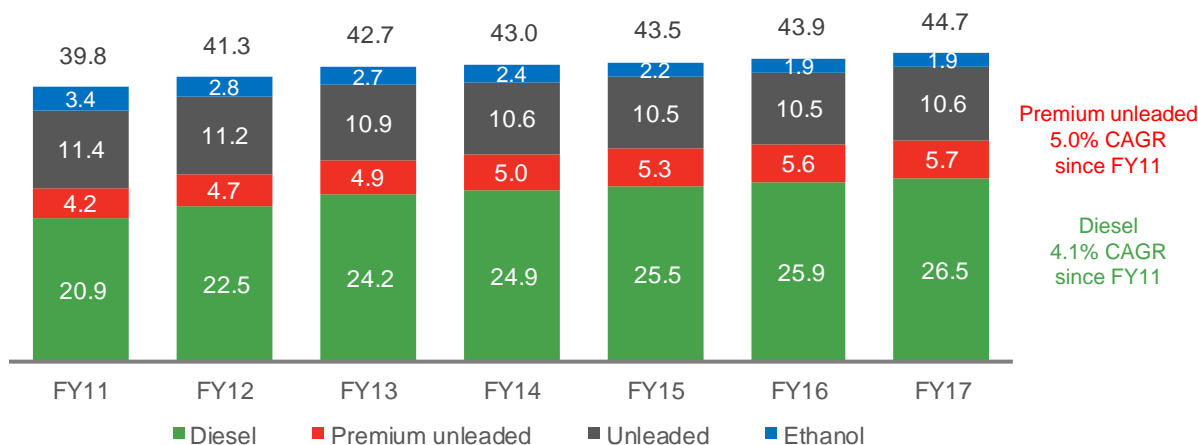


Market overview

Convenience retailing is an integral component for service stations

- Majority of service station operators are working on new concepts designed to increase gross profits generated from goods and services rather than fuel sales and impulse purchases
 - New offering includes meal kits or ready-to-eat dinner options
 - Daily laundry and parcel collection services
 - At forefront of evolutions in new retailing offers
- The Foodary (Caltex) involves partnerships with Sumo Salad, Guzman Y Gomez and Boost Juice and Australia Post
- BP considering selling prepared meals and small range of groceries drawing on its alliances with Marks & Spencer in Britain
- Puma Energy rolling out the “7th Street Café” concept – barista-made coffee and fresh food offer
- Increasing demand for Diesel and premium fuels

Australian automotive fuel sales ('000 ML by type)¹



Diesel and premium fuels comprise over 70% of total fuel sales

1. Department of the Environment and Energy, Australian Petroleum Statistics Issue 252, July 2017.

5. Outlook



Outlook and guidance

Sustainable and secure returns backed by long term, high quality leases

- Upgraded FY2018 FFO guidance¹ range of 18.3 – 18.6 cps (an increase versus the IPO forecast of 18.2 cps)
- DPS guidance¹ of 18.1 cps (annualised 19.7 cps), an increase versus IPO forecast of 17.9
 - Payout ratio of 98.5%
- FY2019 FFO guidance remains unchanged from the PDS of 20.6 at this time. Updated guidance will be provided as part of FY2018 Full Year Results.
- CRR is well positioned
 - Sustainable and growing income underpinned by long term leases and contracted annual rent increases
 - Healthy balance sheet
 - Actively progressing accretive acquisitions



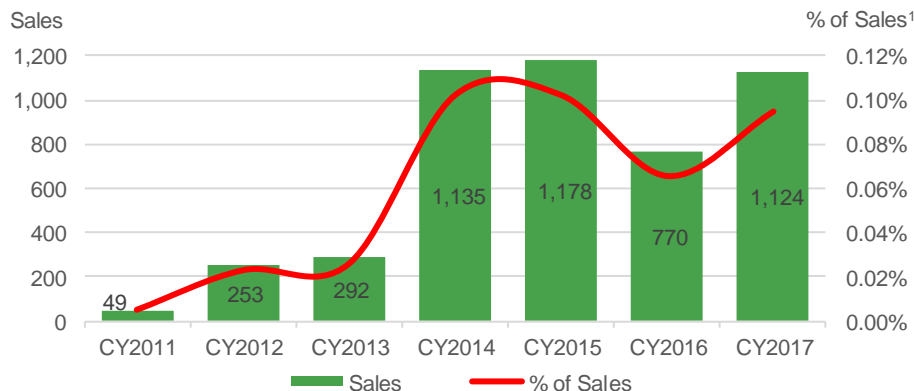
1. Guidance provided from Allotment Date of 1 August 2017.

Electric vehicles

EVs expected to be part of future energy mix at service stations but adoption much slower than many forecasts and service station infrastructure should remain relevant regardless

- Purchase price, battery technology and access to charging infrastructure remain key barriers to uptake
 - Battery is the most expensive part and responsible for the high vehicle prices
 - Battery degradation limits life/usefulness of EV – significant depreciation impacts
 - Substantially greater time commitment required to recharge and access to charging infrastructure is currently limited
- Currently no Government EV Policy in Australia and no subsidies for home charging infrastructure
 - Australian Government currently generates ~\$20 billion each year from fuel excise tax which would need to be replaced
 - In other jurisdiction's, government subsidies cost up to 20x more than the economic benefit of the Co2 reductions
- Average Australian car ownership is ~11 years, making it one of the longest in the world and likely to result in slower uptake
- Current inability for EV's to replace long haulage/truck vehicles

Electric vehicle sales in Australia¹



EV sales comprised less than 0.1% of total new vehicle sales in Australia in 2017

Source: BCA Research "EV Adoption Forecasts: A Wing and a Prayer", September 2017.
1. Federal Chamber of Automotive Industries New Vehicles Sales data. Excludes Tesla sales due to sales data not being publicly available.

6. Appendices



NTA reconciliation

NTA per security reconciliation¹



1. Amounts are rounded to two decimal places

Property portfolio

Property	State	Major Tenant	Site Type	Book value (\$m)	Cap rate	WALE (years)	Occupancy (by income)	Land Area (sqm)
440 Roadhouse	WA	Puma	Regional	\$4.6	8.25%	16.6	100%	11,372
Aeroglen	QLD	Puma	Metropolitan	\$3.6	7.00%	16.0	100%	3,224
Atherton	QLD	Puma	Metropolitan	\$1.8	7.25%	17.0	100%	1,619
Banana	QLD	Puma	Regional	\$3.5	7.50%	17.6	100%	10,100
Bayswater North	VIC	Woolworths	Metropolitan	\$4.0	7.00%	5.2	100%	4,286
Belmont North	NSW	Woolworths	Metropolitan	\$5.4	7.00%	4.2	100%	2,953
Bentley Park	QLD	Puma	Metropolitan	\$5.9	6.50%	15.0	100%	3,251
Bli Bli	QLD	Puma	Metropolitan	\$3.2	7.50%	15.6	100%	3,500
Bohle	QLD	Puma	Metropolitan	\$6.1	7.00%	16.0	100%	7,733
Bowen	QLD	Puma	Regional	\$3.6	7.00%	17.0	100%	10,806
Bray Park	QLD	7-Eleven	Metropolitan	\$3.8	6.25%	11.6	100%	1,967
Browns Plains	QLD	7-Eleven	Metropolitan	\$5.5	6.38%	11.5	100%	2,776
Bundaberg West	QLD	Puma	Metropolitan	\$1.7	7.00%	17.0	100%	898
Caboolture	QLD	Puma	Metropolitan	\$6.4	6.75%	12.5	100%	4,947
Canning Vale	WA	Woolworths	Metropolitan	\$6.1	8.00%	3.8	81%	2,912
Capalaba	QLD	Woolworths	Metropolitan	\$4.4	7.50%	3.8	100%	3,369
Charters Towers	QLD	Puma	Regional	\$5.8	8.00%	17.0	100%	28,800
Citiswich Service Centre	QLD	Puma	Highway	\$17.2	6.75%	17.0	100.0%	18,190
Cluden	QLD	Puma	Highway	\$12.1	7.25%	16.6	100%	10,001
D'Aguilar	QLD	Puma	Regional	\$1.8	8.25%	15.6	100%	16,250
Dakabin	QLD	7-Eleven	Metropolitan	\$4.4	6.75%	13.6	100%	3,324
Durack	QLD	7-Eleven	Metropolitan	\$5.3	6.75%	11.6	100%	5,929
Enoggera	QLD	Puma	Metropolitan	\$1.9	7.00%	15.6	100%	1,093
Garbutt	QLD	Puma	Metropolitan	\$2.3	7.50%	17.0	100%	5,100
Geelong North	VIC	Woolworths	Metropolitan	\$3.9	7.25%	3.8	100%	3,441
Gin Gin	QLD	Puma	Regional	\$3.7	7.50%	14.2	100%	20,380
Glasshouse Mountains	QLD	Puma	Regional	\$4.8	7.25%	16.6	100%	5,133
Gwelup	WA	Puma	Metropolitan	\$3.6	7.00%	15.6	100%	1,089

Property portfolio

Property	State	Major Tenant	Site Type	Book value (\$m)	Cap rate	WALE (years)	Occupancy (by income)	Land Area (sqm)
Hamilton Hill	WA	Puma	Metropolitan	\$4.5	7.00%	15.6	100%	1,998
Kedron	QLD	Puma	Metropolitan	\$3.1	7.00%	17.6	100%	1,604
Kempsey South Service Centre	NSW	Puma	Highway	\$18.1	7.25%	16.9	100%	49,530
Koongal	QLD	Puma	Metropolitan	\$2.0	7.00%	16.0	100%	736
Kurri Kurri	NSW	Puma	Highway	\$8.5	6.75%	16.9	100%	41,650
Lawnton	QLD	Viva Energy	Metropolitan	\$3.8	7.63%	4.1	100%	5,553
Mango Hill	QLD	Woolworths	Metropolitan	\$2.9	7.50%	3.7	100%	4,317
Marayong	NSW	Woolworths	Metropolitan	\$7.5	7.00%	3.9	100%	4,874
Maryborough	QLD	Puma	Metropolitan	\$2.1	7.75%	17.6	100%	1,618
Midtown	QLD	Puma	Metropolitan	\$5.4	6.50%	17.6	100%	2,073
Mitchelton	QLD	Woolworths	Metropolitan	\$3.8	7.50%	3.8	100%	3,188
Monto	QLD	Puma	Regional	\$1.3	7.25%	16.0	100%	1,604
Moranbah	QLD	Puma	Regional	\$5.8	7.00%	15.0	100%	5,067
Mt Cotton	QLD	Woolworths	Metropolitan	\$3.8	7.38%	3.8	100%	4,021
Murrarie	QLD	Woolworths	Metropolitan	\$5.3	7.38%	3.6	100%	3,625
Nambour	QLD	Puma	Metropolitan	\$1.3	7.75%	16.6	100%	2,097
Northgate	QLD	Woolworths	Metropolitan	\$3.4	7.50%	3.8	100%	2,969
Peregian Beach	QLD	Puma	Metropolitan	\$3.3	7.00%	16.0	100%	1,016
Portsmith	QLD	Puma	Metropolitan	\$5.5	7.25%	17.0	100%	6,032
Puma Mango Hill	QLD	Puma	Metropolitan	\$3.6	7.50%	16.6	100%	4,366
Puma Woodridge	QLD	Puma	Metropolitan	\$4.6	7.00%	15.6	100%	5,000
Raceview	QLD	7-Eleven	Metropolitan	\$9.3	6.75%	4.0	100%	3,085
Redbank Plains	QLD	7-Eleven	Metropolitan	\$5.1	6.25%	11.6	100%	4,231
Reid River	QLD	Puma	Regional	\$2.6	8.50%	16.0	100%	21,800
Roseneath	QLD	Puma	Regional	\$6.8	7.50%	17.6	100%	13,501
Rosslea	QLD	Puma	Metropolitan	\$2.6	6.75%	15.0	100%	2,474
Rutherford	NSW	Puma	Metropolitan	\$5.2	6.75%	16.9	100%	2,609
Sarina	QLD	Puma	Regional	\$1.9	7.50%	17.0	100%	1,679

Property portfolio

Property	State	Major Tenant	Site Type	Book value (\$m)	Cap rate	WALE (years)	Occupancy (by income)	Land Area (sqm)
Slacks Creek	QLD	Woolworths	Metropolitan	\$3.9	7.25%	3.8	100%	2,799
South Hedland	WA	Puma	Regional	\$5.2	8.00%	15.8	100%	4,027
Southlake	WA	Woolworths	Metropolitan	\$5.7	8.25%	4.1	100%	4,287
The Gap	QLD	Puma	Metropolitan	\$3.1	7.00%	15.6	100%	2,294
Thornton	NSW	Puma	Metropolitan	\$8.6	6.50%	15.6	100%	8,550
Wacol	QLD	Puma	Metropolitan	\$5.2	7.25%	16.6	100%	3,019
Wetherill Park	NSW	Puma	Metropolitan	\$7.7	6.50%	17.6	100%	7,024
Woodridge	QLD	7-Eleven	Metropolitan	\$5.1	6.25%	11.9	100%	1,609
Woree	QLD	Puma	Metropolitan	\$1.4	7.00%	15.0	100%	1,376
Wynnum	QLD	Puma	Metropolitan	\$2.1	7.25%	15.6	100%	2,303
Yanchep	WA	Puma	Metropolitan	\$5.4	7.25%	17.7	100%	3,068
Zilzie	QLD	Puma	Regional	\$1.5	7.00%	15.0	100%	1,300
Total / weighted average				\$324.4	7.12%	13.0	99.6%	438,416

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