Annual Report 2019

VIVA Energy | REIT

Viva Energy REIT is Australia's largest listed REIT owning solely service station and convenience retail properties with a high quality network across all Australian states and mainland territories.

Viva Energy REIT's objective is to maximise the long-term income and capital returns from its ownership of the portfolio for the benefit of all securityholders.

Corporate Governance Statement

Viva Energy REIT's Corporate Governance Statement can be viewed on our website at www.vivaenergyreit.com.au.

Viva Energy REIT Limited – ABN 35 612 986 517

Overview

Market-leading national service and convenience retail network

Irreplicable national network of 469 service station/convenience retail properties underpinned by 2.2 million square metres of land.

Portfolio distribution aligned with population density and concentrated in metropolitan locations along Australia's eastern seaboard[1].

Predictable income underpinned by 11.7 year WALE, 100% occupancy and predominantly Triple Net leases[2] to high quality tenants.

Growth via combination of contracted c. 3% annual rental increases[3], acquisitions and development fund-throughs.

Conservative target gearing range of 30–45% and investment grade credit rating (Moody's Baa1[4]).

Cost recovery management model, with one of the lowest MERs in the S&P/ASX 200 REIT Index.

1. Based on GapMaps technology and Viva Energy REIT provided information.
2. 20 of 469 properties in the portfolio have Double Net leases.
3. 16 of 469 properties in the portfolio are subject to annual rent escalators other than fixed 3% per annum.
4. 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.

Financial Highlights

$197.6m

↑ **Statutory net profit**
Up 18.2% year on year

14.54cps

↑ **Distributable Earnings**[5]
Up 3.7% year on year

$2.29

↑ **NTA per security**[6]
Up 4.1% from December 2018

22bps

Management expense ratio[7]
Remains one of the lowest in S&P/ASX 200 REIT Index

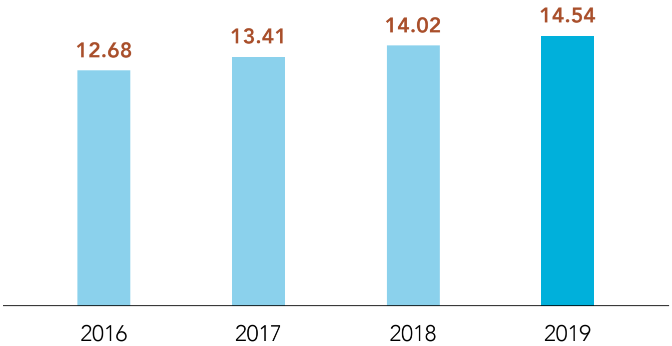
30.4%

Gearing[8]
At bottom end of target gearing range of 30–45%

3.5%

↓ **Weighted average cost of debt**
Down from 3.8% at December 2018

Distributable Earning (cps)[5]



5. Based on weighted number of securities on issue over the period. 2016 is annualised.
6. NTA reported at 31 December 2019 includes a provision for the declared distribution of 7.19cps.
7. Excludes net property expenses and non-recurring items associated with management changes. MER including non-recurring items was 28bps.
8. 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.

Chairman's Message

"All of the investments made in 2019 continue to add to the key strength of the portfolio cementing our geographical diversity and adding to stable long-term income growth supported by quality tenants."

Dear securityholder,

On behalf of the Board of Directors, I am pleased to present the Annual Report for the year ended 31 December 2019.

The 2019 financial year has seen steady growth for Viva Energy REIT with strong performance both financially and operationally.

Viva Energy REIT's commitment to delivering value to securityholders by efficiently managing capital continued in 2019 with new equity of $123.4 million raised. This was in part used to fund acquisitions and development projects. Towards the end of 2019 Viva Energy REIT was assigned a Baa1[9] corporate rating by Moody's Investor Services which is expected to provide funding optionality both domestically and offshore.

During 2019 Viva Energy REIT invested $88.5 million across a number of acquisitions and fund-through projects at a weighted average capitalisation rate of 6.8%. This included $32.7 million in development fund-throughs on eight sites which delivered a 7% annualised return. Participating in the development process by partnering with 3rd party developers where we provide development funding and take-out on completion has provided an additional pipeline of investment for Viva Energy REIT. All of the investments made in 2019 add to the strength of the portfolio, cementing our geographical diversity and adding to stable long-term income growth supported by quality tenant covenants.

We announced changes to the management team during 2019 with Margaret Kennedy and Guy Farrands stepping down from the roles of Managing Director and Chief Financial Officer respectively. Margaret and Guy both made substantial contributions to the establishment of Viva Energy REIT and to its strong performance since listing on the ASX in 2016 and I would like to thank both Margaret and Guy on behalf of the Board.

Hadyn Stephens has been appointed to the role of Chief Executive Officer effective 1 January 2020 and Kerri Leech will take over as Chief Financial Officer from Guy on 31 March 2020. I would like to take this opportunity to welcome Hadyn and Kerri to the team.

Finally, I would like to thank you, our securityholders for your continued support.

Laurence Brindle
Independent Non-Executive Chair

9. 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.

Chief Executive Officer's Report

"Viva Energy REIT delivered a strong result in 2019, and is well-positioned to deliver on its strategy in 2020."

Dear securityholder,

It is my pleasure to commence 2020 as the Chief Executive Officer of Viva Energy REIT and present the Annual Report for the year ended 31 December 2019.

Financial performance

Viva Energy REIT recorded statutory net profit of $197.6 million in 2019, with Distributable Earnings up 9.8% on 2018 to $111.7 million. Distributable Earnings per security increased 3.7%, at the top end of the 3.00–3.75% guidance range previously provided to the market. Viva Energy REIT has now delivered compound annual growth in Distributable Earnings per security of 4.7% since 2016.

The Viva Energy REIT management team remains focused on managing operating expenses, with our management expense ratio of 28bps (22bps excluding costs associated with management changes) remaining one of the lowest in the S&P/ASX 200 REIT Index.

Financial position

The value of investment properties carried on our balance sheet increased by $156.0 million (6.3%) as a result of valuation increases ($99.9 million) and acquisitions ($60.2 million), partially offset by written off acquisition costs and compulsory acquisitions.

Viva Energy REIT's financial position remains strong, with growth in total assets of $207.1 million (8.2%) during 2019, outstripping an $18.9 million (2.1%) increase in total liabilities. Net tangible assets per security increased 4.1% to $2.29, driven primarily by valuation increases. Gearing as at 31 December 2019 was 30.4%, at the low end of our 30–45% target range.

Capital management

Viva Energy REIT added $140 million of debt facilities during 2019 via a $40 million increase to an existing facility and establishment of a new $100 million syndicated revolving credit facility. As at 31 December 2019, we had $250 million of undrawn debt facilities, in addition to $22 million of unrestricted cash in the bank, providing significant funding headroom for future acquisitions.

$123.4 million of new equity was raised during 2019 from a $100 million institutional placement in February 2019 and associated $10 million securityholder purchase plan, along with $13.4 million raised via our Distribution Reinvestment Plan.

Viva Energy REIT was assigned an investment grade Baa1 (stable outlook) credit rating by Moody's in December 2019[10], highlighting the strength of our balance sheet and tenant covenants, and providing us with new options in bank and non-bank markets both domestically and internationally.

$197.6m

↑ **Statutory net profit**
Up 18.2% year on year

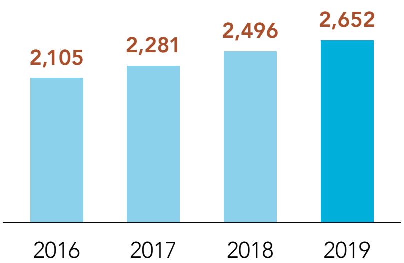
$2.29

↑ **NTA per security[11]**
Up 4.1% from December 2018

14.54cps

↑ **Distributable Earnings**
Up 3.7% year on year

Property portfolio value



10. 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.
11. NTA reported at 31 December 2019 includes a provision for the declared distribution of 7.19cps.

Property portfolio

Viva Energy REIT remains Australia's largest listed REIT comprising solely service station and convenience retail properties. As at 31 December 2019, the portfolio comprised 469 properties with a total valuation of $2.65 billion and a weighted average capitalisation rate of 5.8%.

The portfolio is 100% occupied, with a weighted average lease expiry of 11.7 years as at 31 December 2019. Only four leases expire over the next five years, representing less than 1% of income and reinforcing the secure nature of our rental stream.

The portfolio remains geographically diversified broadly in line with the Australian population, with 73% of the portfolio by value located in metropolitan markets. 94% of the portfolio is subject to fixed 3% per annum rental reviews, with 92% of the portfolio's income subject to Triple Net leases whereby the tenant is responsible for all property outgoings and capital expenditure.

Approximately one-third of the portfolio was independently valued during the year, with the remaining two-thirds subject to Directors' valuations. The total portfolio valuation uplift was $99.9 million, representing a 3bps compression in weighted average capitalisation rate from 5.81% to 5.78%. The entire IPO portfolio of 425 properties has now been independently revalued, with an average capitalisation rate compression of 14bps over this three-year period.

Viva Energy REIT invested $88.5 million in 2019 across a number of acquisitions and fund-through projects at a weighted average capitalisation rate of 6.8%. These new properties had a weighted average lease expiry of 13 years and weighted average rent review of 3%, thereby enhancing the portfolio on both measures.

Moving forward, we will continue to consider acquisition and development fund-through opportunities consistent with the following investment criteria:

- investment is high quality and strategically located;
- portfolio remains geographically diversified;
- investment has strong lease characteristics; and
- investment provides securityholders with potential for capital growth over time.

Subsequent events and outlook

On 21 February 2020, Viva Energy Australia agreed to sell its entire 35.5% security holding in Viva Energy REIT for capital management purposes following a strategic review of its investment. Notwithstanding this sale, Viva Energy Australia remains an important strategic partner for Viva Energy REIT, contributing 97% of our income, and we look forward to maintaining a strong landlord/tenant relationship with them moving forward. As noted in announcements at the time of the sell down, Viva Energy REIT and Viva Energy Australia are working constructively together with respect to future management arrangements for the REIT moving forward.

At the date of this report, Australia is in the midst of a period of unprecedented disruption to the domestic and global economy as a result of the Covid-19 novel coronavirus outbreak. We are closely monitoring the impact of this on our business, but our strategy currently remains unchanged, with key priorities for 2020 including:

- a portfolio review to identify any near-term value-add opportunities and long-term alternative use potential;
- continuing to invest in acquisition and development fund-through opportunities consistent with our investment criteria; and
- capitalising on our new investment grade credit rating to diversify funding sources, extend the tenor of our debt and swap books, and optimise existing bank debt arrangements.

I look forward to working with the Board and the rest of the management team to deliver on this strategy in 2020, and thank you for your ongoing support of Viva Energy REIT.

Yours faithfully,

Hadyn Stephens
Chief Executive Officer

Portfolio Overview

Portfolio overview since IPO

As at 31 December		IPO Aug 2016	2016	2017	2018	2019
Number of properties	no.	425	425	438	454	**469**
Property portfolio value	$m	2,105	2,105	2,281	2,496	**2,652**
Occupancy	%	100	100	100	100	**100**
Total land area	sqm	1,903,422	1,903,422	1,959,739	2,107,937	**2,198,086**
WACR	%	5.9	5.9	5.8	5.8	**5.8**
NTA (reported as at)	$ per security	2.00	2.02[12]	2.12[12]	2.20	**2.29**
WALE	years	15.3	14.9	13.7	12.6	**11.7**
Weighted average rent review[13]	%	3.0	3.0	3.0	3.0	**3.0**
Triple Net lease structure by income	%	100.0	100.0	95.7	92.9	**92.0**
Average value per property	$m	5.0	5.0	5.2	5.5	**5.7**
Metropolitan properties by property value	%	76	76	76	75	**73**
Non VEA tenant contribution to income[14]	%	0.0	0.0	0.7	2.1	**2.8**

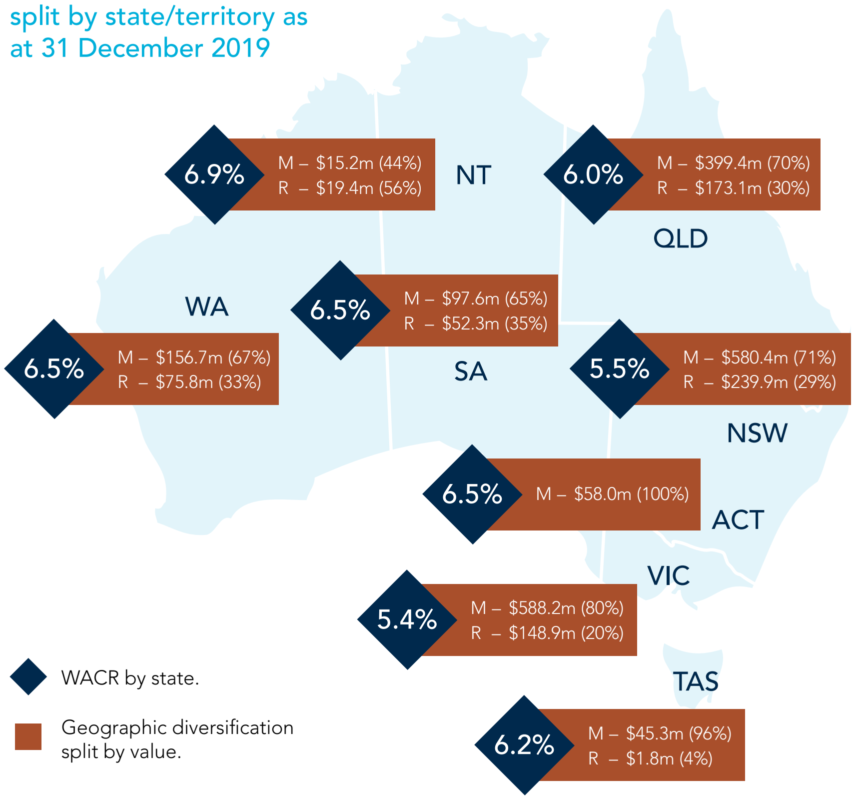
Viva Energy REIT is Australia's largest listed REIT comprising solely service station and convenience retail properties. At 31 December 2019, the portfolio comprised 469 properties with a total valuation of $2.65 billion and weighted average capitalisation rate of 5.8%.

The portfolio is high quality and geographically diversified in line with Australia's population. It has been assembled over the last 100 years with many properties located in areas which would be almost impossible to secure again.

It covers 2.2 million square metres of real estate with 73% of properties by value located in metropolitan areas.

Occupancy remained at 100% with predominately fixed 3% per annum rental increases[15] and long term Triple Net leases to Viva Energy Australia[16]. The portfolio has continued to diversify its fuel brand mix with the addition of further Liberty Oil, Caltex and 7-Eleven properties.

WACR and metro/regional split by state/territory as at 31 December 2019



12. NTA in 2018 and 2019 included a provision for the declared distribution.
13. Weighted by income as at 31 December 2019 and assumes CPI of 1.5% where applicable, calculated from service station leases only (excludes 13 lease agreements at seven properties between Viva Energy REIT and non-fuel tenants, representing ~$1.08 million p.a. of income).
14. Assumes full year contribution of income.
15. 16 of 469 properties in the portfolio are subject to annual rent escalators other than fixed 3% per annum.
16. 20 of 469 properties in the portfolio have Double Net leases.

Viva Energy REIT's weighted average lease expiry was 11.7 years at 31 December 2019, with the first major group of expiries not occurring until 2026.

Viva Energy REIT's valuation policy requires independent valuations to be undertaken over a rolling three-year cycle with a third of the portfolio independently valued each year. A third of the portfolio independent valuations was completed as at 31 December 2019 and the balance of the portfolio was subject to Directors' valuations resulting in a gross valuation increase of $99.9 million with the weighted average capitalisation rate remaining at 5.8% (2018: 5.8%).

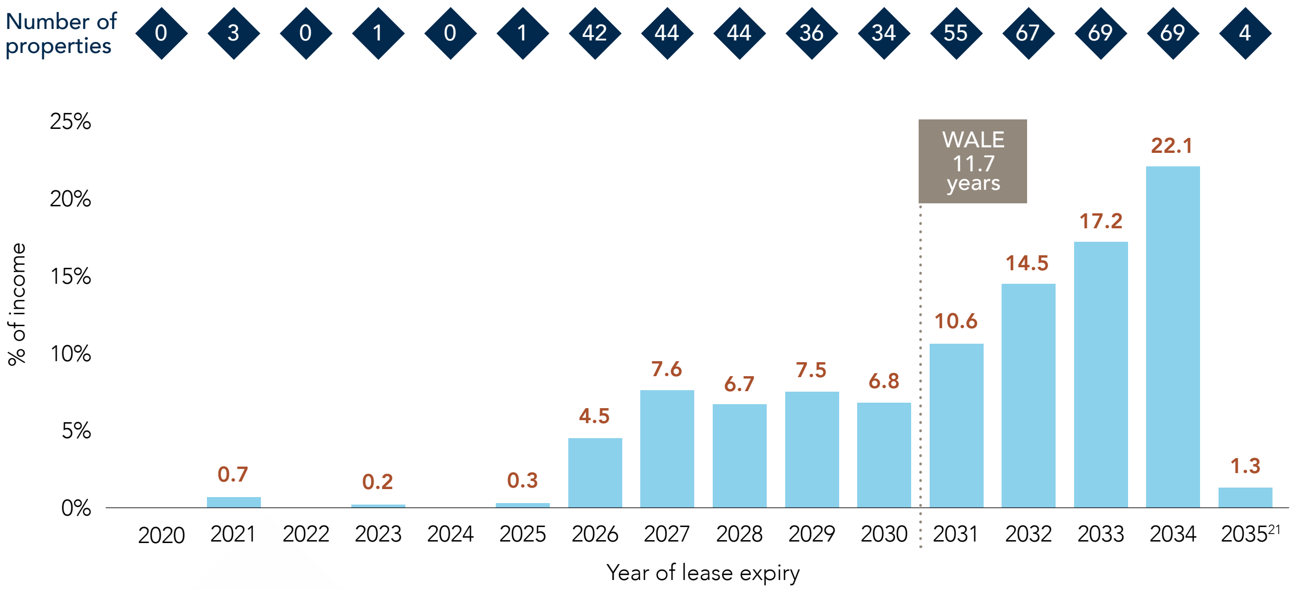
As at 31 December 2019	Properties	Value ($m)	Value (%)	Average land area (m^2)	Average value[17] ($m)	WACR (%)	WALE (years)
Metropolitan[18]	315	1,940.9	73	3,687	6.2	5.43	11.9
Regional[18]	154	711.2	27	6,731	4.6	6.73	10.9
Total	**469**	**2,652.1**	**100**	**4,687**	**5.7**	**5.78**	**11.7**

17. Calculated as the arithmetic average.
18. Metropolitan and regional population as defined within the Significant Urban Area, sourced from the Australian Bureau of Statistics (ABS 2016 Significant Urban Areas).

Lease expiry profile

Viva Energy REIT has one of the longest WALEs[20] in the S&P/ASX 200 REIT Index currently standing at 11.7 years with only four leases expiring over the next five years, representing less than 1% of portfolio income. The initial IPO portfolio lease expiries will commence in 2026[19] with 42 leases. The staggered lease expiry profile of the portfolio mitigates against renewal concentration risk.

Portfolio lease expiry profile (as at 31 December 2019) – fuel tenancies only[20]



19. IPO portfolio consists of 425 sites.
20. WALE is calculated from service station leases only, income as at 31 December 2019, and excludes 13 lease agreements at seven properties between Viva Energy REIT and non-fuel tenants (representing ~$1.08 million p.a. of income).
21. Four sites under development are contracted to commence 15 year Triple Net leases upon completion of development, which is anticipated in 2020.

Sustainability Report

Viva Energy REIT is committed to operating our business in a way which is ethical, responsible and sustainable in the long term. Our goal is to provide lasting social, environmental and economic benefits to society. We strive towards the implementation and maintenance of management systems for sustainable development that drive continual improvement. Our key commitments to our community and the environment include:

- being sensitive to local communities' cultural, social and economic needs;
- endeavouring to support ethical trade in our purchasing practices; and
- protecting the environment in terms of Viva Energy REIT's use of resources and minimisation of waste and pollution.

By adopting the highest standards we not only ensure our commercial success for our investors, but also earn the respect of our stakeholders, business partners and the communities in which we operate. We are also subject to several environmental, social and governance (ESG) corporate ratings and respond to information requests from such rating organisations where appropriate and feasible.

Over the past year we have further developed our policies to reflect the changing community expectations of Australian companies and provide staff with guidance regarding contemporary challenges when making business decisions. We have reviewed and updated our Code of Conduct, Whistleblower Policy and Anti-bribery and Corruption Policy this year.

Our approach to sustainability considers the structure of our business and the passive nature of our business model as an investment trust. Specifically, our investment focus on leasing to fuel and convenience retailers presents additional specific environmental, social and governance challenges associated with those sectors. However, this is also tempered by our predominant Triple Net leases, which limit our role in addressing these challenges relative to the role of our tenants. Our own direct environmental, social and governance impacts are both relatively modest and local in their scope.

We are committed to having broader discussions on these challenges with our tenants, particularly given the role our tenants play in the petroleum and convenience retail industries and their impacts on greenhouse gas emissions and related issues.

Climate change

Our revenues depend on the financial viability of our tenants, particularly the petroleum and convenience retail industries. Disruptions to the supply of petroleum products, changes in demand and technological shifts toward electric vehicles, for example, can all in turn impact on our business as well. The consideration of the exposure to certain physical climate risks, including extreme weather events such as flood, storms and hail, will be included in our Investment and Due Diligence Policy in the coming reporting cycle.

We have commenced examination of the risks and opportunities to our business arising from the shift toward a low carbon economy and the impacts of a changing climate on our portfolio. Further information is available in the risk section of this report. The Board is aware of the recommendations of the Taskforce on Climate-related Financial Disclosures and is reviewing practices and disclosures to address them. Given the nature of our tenant base, we are also in discussions with tenants, such as Viva Energy Australia, to understand how they are addressing material risks arising from climate change and how those risks may translate for our business.

Human rights and diversity

We encourage our suppliers and contractors to abide by the principles of our Code of Conduct and we endeavour to procure goods and services from those organisations demonstrating good ethical practice.

Our commitment is to manage our operations and investments in line with the UN Guiding Principles on Business and Human Rights and the Australian Modern Slavery legislation. This reflects the expectations of our key stakeholders and extends to our Directors, VER Manager employees, contractors, sub-contractors, consultants and our suppliers who we expect will comply with all applicable laws, regulations and standards when conducting business. Viva Energy REIT will adopt a human rights policy to demonstrate this commitment during the course of 2020.

Viva Energy REIT is committed to fostering and maintaining an inclusive workplace that respects individuals. Our Diversity Policy is available on our website and its scope extends beyond gender and includes, but is not limited to, issues of age, ethnicity, marital or family status, religious or cultural background, sexual orientation or preference, disability and mental impairment. We have adopted a methodology to establish measurable objectives for achieving gender diversity and, on an annual basis, to review these objectives and Viva Energy REIT's progress in achieving them.

Our performance relative to our Diversity Policy in 2019 reflects no change from the previous year. Both performance and targets for 2020 are summarised in the table below.

We are committed to Board renewal and will actively seek well qualified female candidates through a diverse interview panel whenever a Board vacancy becomes available.

Entity or staff category	Males	Females	2020 target for females
Viva Energy REIT Board	80%	20%	30% if the opportunity arises
Senior Executives	50%	50%[1]	33%
VER Manager employees	45%	55%	55%

Current as at 31 December 2019.

1. Includes Margaret Kennedy who retired as Managing Director as of 1 January 2020.

Board of Directors and Management

Viva Energy REIT Board of Directors - Jevan Bouzo, Lachlan Pfeiffer, Stephen Newton, Laurence Brindle and Georgina Lynch.

Laurence Brindle
Independent Non-Executive Chairman

- Laurence has extensive experience in funds management, finance and investment and is currently Independent Non-Executive Chairman of National Storage REIT.
- Until 2009, Laurence was an executive with Queensland Investment Corporation (QIC). During his 21 years with QIC, he served in various senior positions including Head of Global Real Estate, where he was responsible for a portfolio of $9 billion. Laurence was also a long-term member of QIC's Investment Strategy Committee.
- Laurence provides advice to a number of investment institutions on real estate investment and funds management matters. He is a former chairman of the Shopping Centre Council of Australia and a former director of Westfield Retail Trust and Scentre Group.
- Laurence is a member of the Audit and Risk Management Committee of Viva Energy REIT.

Jevan Bouzo
Non-Executive Director

- Jevan is the Chief Financial Officer (CFO) of ASX listed company, Viva Energy Group Limited, where he is responsible for finance, tax, treasury, procurement and corporate strategy.
- Jevan has been with Viva Energy since 2015 having taken the organisation through IPO in 2018.
- Prior to becoming CFO of Viva Energy Group, Jevan was responsible for corporate finance and played a lead role in the IPO of Viva Energy REIT.
- Before joining Viva Energy, Jevan worked at Ernst & Young in assurance and business services, where he led assurance and business improvement projects for clients in the energy and retail sectors as well as a number of ASX-listed companies.
- Until recently, Jevan was a director of VER Manager Pty Ltd (manager of Viva Energy REIT) and Liberty Oil Holdings Pty Ltd (and its wholly owned subsidiaries).
- Jevan is a Chartered Accountant with a Bachelor of Commerce from Monash University.

Georgina Lynch
Independent Non-Executive Director

- Georgina has over 25 years' experience in the financial services and property industry. Georgina is currently the Independent Non-Executive Chair of Cbus Property, a Non-Executive Director of Investec Australia Property Fund and a member of their Audit and Risk Committee and a Non-Executive Director of Tassal Group Limited and a member of their Audit and Risk Management Committee and Remuneration Committee.
- Georgina has significant global experience in corporate transactions, capital raisings, initial public offerings (IPOs), funds management, corporate strategy and acquisitions and divestments, having previously worked as a solicitor early in her career and having held senior executive roles at AMP Capital Investors and Galileo Funds Management. Georgina holds a Bachelor of Arts and Bachelor of Laws.
- Georgina is a member of the Audit and Risk Management Committee of Viva Energy REIT.
- Georgina holds a Bachelor of Arts and Bachelor of Laws

Lachlan Pfeiffer

Non-Executive Director

- Lachlan is the current Executive General Manager of Legal and External Affairs of Viva Energy Group Limited. Lachlan has over five years' experience managing corporate affairs functions at Viva Energy Group, including legal, governance, external relations, sustainability and significant projects.
- Prior to joining Viva Energy, Lachlan spent over 10 years working in corporate law, specialising in mergers and acquisitions, private equity, corporate finance and debt and equity capital markets in Australia, the UK, the USA and Europe. His previous position was with Skadden, Arps, Slate, Meagher and Flom in London, and prior to this with Norton Rose Fulbright in Melbourne.
- Lachlan holds a Bachelor of Commerce and a Bachelor of Laws.
- Lachlan is a member of the Audit and Risk Management Committee of Viva Energy REIT.
- Lachlan is a member of the Australian Institute of Company Directors.

Stephen Newton

Independent Non-Executive Director

- Stephen has extensive industry experience spanning in excess of 40 years across real estate investment and funds management, development and property management, as well as in infrastructure investment and management. Stephen has been a Principal of Arcadia Funds Management for more than 15 years. Prior to that, Stephen held various senior executive positions at Lend Lease over 22 years.
- Stephen is currently a non-executive director of Stockland Property Group, BAI Communications Group (formerly Broadcast Australia Group) and Sydney Catholic Schools Limited. Stephen was formerly a director of Gateway Lifestyle Group.
- Stephen is a member of both the Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors. He holds a Bachelor of Arts (Economics and Accounting) degree from Macquarie University and a Masters of Commerce post graduate degree from the University of New South Wales.
- Stephen Newton is Chair of the Audit and Risk Management Committee of Viva Energy REIT.

Tina Mitas

Company Secretary

- Tina has over 15 years' experience in corporate law including corporate governance, compliance, mergers and acquisitions, private equity and information technology.
- Tina's previous positions include senior legal counsel roles at Aconex Limited and SMS Management Limited and senior associate at Herbert Smith Freehills.
- Tina holds a Bachelor of Laws (Hons) and Bachelor of Commerce from the University of Melbourne and a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia (GIA). Tina is a Chartered Secretary and Associate of the GIA and is a member of the Institute of Chartered Secretaries and Administrators (ICSA).

Board of Directors and Management
continued

Hadyn Stephens
Chief Executive Officer

- Hadyn has over 20 years' experience in finance and commercial real estate, including more than 15 years in strategy and transaction-related roles in the real estate funds management space covering direct capital transactions, corporate transactions (M&A), debt and equity (listed and unlisted).
- Hadyn's previous positions in real estate included senior roles with AMP Capital, Centuria Capital, LaSalle Investment Management, The GPT Group and Merrill Lynch.
- Hadyn holds a Bachelor of Laws and Bachelor of Commerce from the University of Otago, New Zealand.

Kerri Leech
Chief Financial Officer

- Kerri has over 19 years of listed and unlisted experience working across a broad range of industries in Australia, the United States and Canada.
- Prior to joining Viva Energy REIT, Kerri spent over 6 years in various roles at Charter Hall, including her most recent role as Head of Finance for both the Charter Hall Long WALE REIT and Charter Hall's Industrial business.
- Kerri also spent 13 years with PricewaterhouseCoopers working in various roles in Australia and Canada, last as a Director in Financial Assurance (External Audit).
- Kerri is a Chartered Accountant and holds a Bachelor of Commerce (Honours) from the University of Alberta, Canada.

Financial Report

Directors' Report

The Directors of Viva Energy REIT Limited ('Company') and VER Limited ('Responsible Entity'), the responsible entity of Viva Energy REIT Trust ('Trust'), present their report and the financial statements for the year ended 31 December 2019 for Viva Energy REIT.

Viva Energy REIT ('Group') is a stapled group consisting of the Company and the Trust and controlled entities. The Trust owns the portfolio of service station properties, either directly or through its 100% controlled entities. The Company owns all of the shares in VER Limited (the Responsible Entity).

The manager of the Group is VER Manager Pty Limited, a wholly owned subsidiary of Viva Energy Group Limited.

Directors of Viva Energy REIT Limited

The following persons were Directors of Viva Energy REIT Limited during the whole of the financial year and up to the date of this report:

Laurence Brindle	Independent Non-Executive Chairman
Georgina Lynch	Independent Non-Executive Director
Stephen Newton	Independent Non-Executive Director
Lachlan Pfeiffer	Non-independent Non-Executive Director.

Jevan Bouzo was appointed a Director (Non-Independent Non-Executive Director) on 14 May 2019 and continues in office at the date of this report.

Scott Wyatt was appointed a Director on 14 June 2016 and resigned effective 14 May 2019.

Tina Mitas was appointed as Company Secretary on 15 May 2018 and continues in office at the date of this report.

Directors of VER Limited

The following persons were Directors of VER Limited during the whole of the financial year and up to the date of this report:

Laurence Brindle	Independent Non-Executive Chairman
Georgina Lynch	Independent Non-Executive Director
Stephen Newton	Independent Non-Executive Director
Lachlan Pfeiffer	Non-independent Non-Executive Director.

Tina Mitas was appointed as Company Secretary on 15 May 2018 and continues in office at the date of this report.

Principal activities

During the period, the principal activity of Viva Energy REIT was investment in service station property.

Viva Energy REIT owns a portfolio of 469 service station properties located in all Australian states and mainland territories. The properties in the portfolio are leased on a long-term basis to Viva Energy Australia Pty Limited, other service station operators and various convenience and fast food store operators.

Distribution to securityholders

Distributions paid to securityholders during the financial year were as follows:

	2019 $'000	2018 $'000
Final distribution for the period ended 31 December 2018 – 7.03 cents per security	51,020	-
Interim distribution for the half year ended 30 June 2019 – 7.18 cents per security	55,694	-
Final distribution for year ended 31 December 2017 – 6.60 cents per security	-	47,899
Interim distribution for the half year ended 30 June 2018 – 6.99 cents per security	-	50,731
Total distributions paid	106,714	98,630

On 19 December 2019 the Directors announced the payment of an estimated final distribution of $56.0 million for the year ended 31 December 2019. This represents 7.19 cents per stapled security and is expected to be paid on 27 February 2020.

Operating and financial review

Key highlights

Viva Energy REIT's investment objective is to own a portfolio of high quality and strategically located service station properties located throughout Australia, subject to long-term leases to tenants with strong financial credit profiles.

Statutory net profit was $197.6 million, compared to $167.1 million in the prior year. The statutory net profit is higher than the prior year primarily due to gains from investment property revaluations in the 2019 year and higher rental income flowing from acquisitions and contracted rental increases.

Distributable income of $111.7 million compared to the prior year of $101.7 million is higher due to rental increases and rental income from property acquisitions.

Gearing was 30.4% at 31 December 2019 (31 December 2018: 32.6%), at the lower end of the target gearing range of 30% to 45% following on from increases in investment property valuations and an equity raising in February 2019.

Net Asset Value ('NAV') per security at 31 December 2019 was $2.29 (31 December 2018: $2.20) with the increase attributable to increases from investment property valuations.

During September 2019, Hadyn Stephens commenced as Chief Executive Officer of VER Manager Pty Limited, the manager of the Group.

The management expense ratio was 0.22% (2018: 0.20%) for the financial year, being the ratio of operating expenses incurred (excluding finance costs) over average total assets (excluding derivative financial assets) excluding non-recurring items associated with senior management changes. The increase flows predominantly from increases in insurance and statutory costs.

Key financial metrics

	2019	2018
Net profit (statutory)	$197.6 million	$167.1 million
Net operating profit (distributable income)	$111.7 million	$101.7 million
Distributable income per security	14.54 cents	14.02 cents
Total assets	$2,718.1 million	$2,511.0 million
Investment properties	$2,652.1 million	$2,496.1 million
Borrowings	$846.7 million	$852.7 million
Net assets	$1,782.9 million	$1,594.7 million
NAV per security	$2.29	$2.20
Gearing[1]	30.4%	32.6%
Debt Covenant Gearing[2]	33.5%	36.2%
Management expense ratio (MER)[3]	0.22%	0.20%

1. Gearing is calculated as net debt divided by total assets excluding cash.
2. Debt Covenant Gearing is calculated as total liabilities/total assets but excluding any mark-to-market valuations of derivative assets/liabilities. This is the measure used to determine compliance with the Group's gearing covenants.
3. The management expense ratio is shown on an annualised basis; and is calculated as the ratio of operating expenses incurred (excluding finance costs and initial transaction costs) over average total assets (excluding derivative financial assets), excludes non-recurring items associated with senior management changes. MER including non-recurring items was 0.28%.

Operating and financial review continued

Financial results

	2019 $'000	2018 $'000
Rental income	148,547	136,834
Finance income	1,351	710
Total operating income	149,898	137,544
Management and administration expenses	(8,289)	(5,290)
Interest paid or payable	(29,901)	(30,401)
Income tax expense	-	(106)
Net operating profit (distributable income)[1]	111,708	101,747
Non-distributable items		
Net revaluation gain on investment properties	72,773	43,557
Straight-line rental income	23,375	25,863
Amortisation of borrowing costs	(1,033)	(4,091)
Interest rate swap restructure expense	(9,189)	-
Statutory net profit	197,634	167,076

1. Net operating profit (distributable income) is not a statutory measure of profit. Distributable income is calculated as net profit adjusted to remove transaction costs, specific non-recurring items and non-cash items, including straight-lining of rental income, the amortisation of debt establishment fees and any fair value adjustment to investment properties and derivatives.

Investment property portfolio

	2019	2018
Total value of investment properties	$2,652.1 million	$2,496.1 million
Total properties in portfolio	469	454
Portfolio occupancy	100%	100%
Weighted average lease expiry	11.7 years	12.6 years

Capital management

On 22 February 2019 the Group completed an institutional placement raising $100.0 million (before costs). In addition, the Group raised $10.0 million via a Security Purchase Plan that was completed on 22 March 2019. For these equity raisings, new securities were issued at $2.32.

In December 2019, the Group was assigned a Baa1 corporate rating by Moody's Investors Services which should increase funding optionality.

The Group paid a distribution of $51.0 million on 28 February 2019 for the year ended 31 December 2018 and a distribution of $55.7 million on 29 August 2019 for the half year ended 30 June 2019.

The Group announced an estimated final distribution for the year ended 31 December 2019 on 19 December 2019 of $56.0 million.

At 31 December 2019 Gearing was 30.4%, which is at the lower end of the target range of 30% to 45%.

Interest rate management

During the period, the Group managed its interest rate risk in accordance with its interest rate risk management policy.

During February 2019, the Group restructured $368 million of forward start interest rate swaps at a cost of $9.2 million that resulted in a ~65 bps improvement in interest rate.

At 31 December 2019, 94.1% of the Group's borrowings were hedged with a weighted average term of 2.8 years. The average fixed interest rate at 31 December 2019 was 2.1% per annum, excluding the margin (refer to note 9 to the consolidated financial statements) and the amortisation of debt establishment costs.

2020 outlook

The Group is Australia's largest ASX listed REIT owning solely service station properties with a high quality portfolio across all Australian states and mainland territories. Its objective is to maximise the long-term income and capital returns from its portfolio.

As at 31 December 2019, the Group owned 469 service station properties and had entered into contracts for the purchase of four further investment properties for $25.4 million, of which $21.1 million remains unpaid at 31 December 2019. Settlement of three of these properties occurred during January and February 2020 with the fourth expected to settle by mid-year.

Further, the Group committed to contracts for the construction of service stations on 10 properties for an aggregate of $46.4 million, of which $14.3 million remains unpaid at 31 December 2019 and is expected to be paid as construction is completed during the next 12 months.

The Group expects rental income from the existing service station portfolio to grow in line with contracted annual rental increases and will consider opportunities to acquire investment properties that satisfy its investment objectives and guidelines. Further, the Group will continue to review it capital strategy and opportunities for enhancement to the sources and tenor of funding.

Significant changes in state of affairs

Other than disclosed above in the Operating and Financial Review, there was no significant change in the state of affairs of the Group that occurred during the year ended 31 December 2019.

Matters subsequent to the end of the financial year

Subsequent to the end of the financial year:

- the Directors have confirmed the payment of a final distribution for the year ended 31 December 2019 of $56.0 million, which is expected to be paid on 27 February 2020;
- on 8 January 2020 funds have been drawn down from one of the syndicated facilities for $56.0 million to fund this distribution; and
- three investment properties with a purchase price of $20.0 million, which were contracted before 31 December 2019, were settled during January and February 2020.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect:

- the operations of the Group in future financial years;
- the results of those operations in future financial years; or
- the state of affairs of the Group in future financial years.

Likely developments and expected results of operations

The Group will continue to be managed in accordance with its existing investment objectives and guidelines.

The results of the Group's operations will be affected by a number of factors, including, but not limited to, the performance of the property investment market. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Material business risks

The Responsible Entity has adopted a Compliance Plan which sets out the key processes, systems and measures that the Responsible Entity will apply in operating the Trust. The Compliance Plan also includes a compliance management and reporting structure. The material business risks that could adversely affect the achievement of the Group's financial prospects include the following:

Tenant concentration risk, financial standing and sector concentration risk

97% of the Group's rental income is received from Viva Energy Australia Pty Limited ('Viva Energy Australia'). If Viva Energy Australia's financial standing materially deteriorates, Viva Energy Australia's ability to make rental payments to Viva Energy REIT may be adversely impacted, which may have a materially adverse impact on the Group's results of operations, financial position and ability to service and/or obtain financing.

Furthermore, a material decline in the profitability of Viva Energy Australia's business could affect the perceived stability of the rental income of Viva Energy REIT and may affect Viva Energy REIT's ability to obtain financing on acceptable terms, and lead to lesser capacity to pay market rents when renewal options are exercised and a decline in the values of Viva Energy REIT's investment properties.

Material business risks continued

Tenant concentration risk, financial standing and sector concentration risk continued

Termination of Viva Energy Australia's right to use Shell branding could adversely affect Viva Energy Australia's ability to meet its rental obligations and therefore the value of Viva Energy REIT's portfolio of investment properties and its ability to service and/or obtain financing.

Investment property value

The value of the Group's portfolio of investment properties may be adversely affected by a number of other factors, including factors outside the control of the Group, such as supply and demand for service station properties, general property market conditions, the availability and cost of credit, the ability to attract and implement economically viable rental arrangements, Viva Energy Australia's financial condition deteriorating, occupiers not extending the term of leases, re-leasing of properties, capitalisation rates and general economic factors such as the level of inflation and interest rates. As changes in valuations are recorded on the statutory net profit statement, any decreases in value will have a negative impact on the statutory net profit statement and net tangible assets per security and in turn the market price of the Group's securities may fall.

Environmental and climate risk

The Group depends on its tenants to perform their obligations under various environmental arrangements in relation to properties they lease. If the tenants were to fail to meet their obligations under these arrangements (including due to their insolvency), the Group may incur significant costs to rectify contamination on its properties and also on other properties which may be consequently impacted.

The Group is subject to a range of regulatory regimes that cover the specific assets of the Group and how they are operated and the Group's Australian Financial Services Licence ('AFSL'). These regulatory regimes are subject to ongoing review and change which may increase the cost of compliance, reporting and maintenance of the Group's assets.

Extreme weather and other climate change related events have the potential to damage the Group's assets and disrupt the tenants' operations. Such events may increase costs for maintenance and insurance of the Group's assets, and may affect the ability to re-lease the Group's investment properties in the future and the rent levels for which they can be leased, thereby affecting future investment property valuations and rental cash flows. Insurance may not be able to be obtained at all.

The precise nature of these risks is uncertain as it depends on complex factors such as policy change, technology development, market forces, and the links between these factors and climatic conditions.

Cash flow and fair value interest rate risk

The Group's cash and cash equivalents, floating rate borrowings and interest rate swaps expose it to a risk of change in fair value or future cash flows due to changes in interest rates. The Group economically hedges some or all of its exposure to changes in interest rates on variable rate borrowings by using floating-to-fixed interest rate swaps. By hedging against changes in interest rates, the Group has limited its exposure to changes in interest rates on its outward cash flows so long as the counterparties to those interest rate swaps meet their obligations to the Group.

Liquidity risk

Liquidity risk is the risk that the Group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Group monitors its exposure to liquidity risk by ensuring that there is sufficient cash on hand as required or debt facility funding available to meet financial liabilities as they fall due.

Debt agreement and refinancing risk

The Group has outstanding debt facilities. General economic and business conditions that impact the debt or equity markets could impact the Group's ability to refinance its debt facilities when required. If the covenants in these facilities are breached by the Group, this may result in the Group being subject to increased interest rate margins and covenants restricting its ability to engage in certain types of activities or to pay distributions to securityholders. Debt may not be able to be obtained at all.

If debt facilities are not available or are not available in adequate volume, the Group may need to sell assets to repay debt. There is no guarantee that there will be willing purchasers for the Group's assets or that purchasers will pay prices at or greater than book value of these investment properties.

If Viva Energy Australia Pty Limited ceases to beneficially own and control, either directly or indirectly, at least 20% of the securities of Viva Energy REIT by selling or transferring its interest, or an entity other than a member of the Viva Energy Group controls Viva Energy REIT, then this would constitute a review event under the terms of the Group's debt facility agreements, and (subject to specified negotiation and notification periods) a repayment of the Group's debt facilities may be required.

The Directors regularly monitor the debt facility covenants to ensure compliance and consider the refinancing options and timing available to the Group.

AFSL compliance risk

VER Limited, a subsidiary of Viva Energy REIT Limited, holds an AFSL and acts as a responsible entity for the Group's managed investment scheme. The AFSL requires minimum levels of net tangible assets, liquid assets, cash reserves and liquidity, which may restrict the Group in paying distributions that would breach these requirements.

On a quarterly basis, the Directors review and monitor VER Limited's balance sheet to ensure compliance with its AFSL requirements.

Personnel risk

Viva Energy REIT is managed by VER Manager Pty Limited ('Manager'), which is a subsidiary of Viva Energy Group Limited.

Viva Energy REIT does not have direct employees (other than Non-Executive Directors) and consequently is reliant on the expertise and experience of the key executives of Viva Energy Group Limited made available to the Manager, which provides the services to Viva Energy REIT under the Management Agreement. As a consequence, loss of such key personnel could potentially have an adverse impact on the management and the financial performance of Viva Energy REIT and in turn may affect the returns to securityholders.

Environmental regulation

As a landlord, the operations of the Group are subject to a range of environmental laws and regulations under Commonwealth, state and territory law. However, the lease attaching to each investment property requires that the tenant manages the environmental conditions at each site and indemnifies the Group for any contamination caused by their operations.

The Group did not receive any environmental infringements or notices from environmental regulators in the year ended 31 December 2019.

Information on Directors and officers

Laurence Brindle

Independent Non-executive Chairman, Member of the Audit and Risk Management Committee

Laurence has extensive experience in funds management, finance and investment and is currently independent Non-executive Chairman of National Storage REIT.

Until 2009, Laurence was an executive with Queensland Investment Corporation ('QIC'). During his 21 years with QIC, he served in various senior positions including Head of Global Real Estate, where he was responsible for a QIC large global investment portfolio. Laurence was also a long-term member of QIC's Investment Strategy Committee.

Laurence provides advice to a number of investment institutions on real estate investment and funds management matters. He is a former chairman of the Shopping Centre Council of Australia and a former Director of Westfield Retail Trust and Scentre Group.

Laurence holds a Bachelor of Engineering (Honours) and a Bachelor of Commerce from the University of Queensland, and a Masters of Business Administration from Cass Business School, London, where he graduated with distinction.

Georgina Lynch

Independent Non-Executive Director, Member of the Audit and Risk Management Committee

Georgina has over 25 years' experience in the financial services and property industry. She is currently independent non-executive Chair of Cbus Property, Non-Executive Director of Investec Property Limited, and a Non-Executive Director of Tassal Group Limited and a member of their Audit and Risk Management Committee and Remuneration Committee.

Georgina has significant global experience in corporate transactions, capital raisings, initial public offerings (IPOs), funds management, corporate strategy and acquisitions and divestments.

Georgina holds a Bachelor of Arts and Bachelor of Laws.

Information on Directors and officers continued

Stephen Newton

Independent Non-Executive Director, Chair of the Audit and Risk Management Committee

Stephen has extensive industry experience spanning in excess of 40 years across real estate investment and funds management, development and property management, as well as in infrastructure investment and management. Stephen has been a Principal of Arcadia Funds Management for more than 15 years. Prior to that, Stephen held various senior executive positions at Lend Lease over 22 years.

Stephen is currently a Non-Executive Director of Stockland Property Group, BAI Communications Group (formerly Broadcast Australia Group) and Sydney Catholic Schools Limited. Stephen was formerly a Director of Gateway Lifestyle Group.

Stephen is a member of both Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors. He holds a Bachelor of Arts (Economics and Accounting) degree from Macquarie University and a Masters of Commerce post graduate degree from The University of New South Wales.

Jevan Bouzo

Non-independent Non-Executive Director

Jevan is the Chief Financial Officer (CFO) of ASX listed company Viva Energy Group Limited where he is responsible for finance, tax, treasury, procurement and investor relations and corporate strategy. Jevan has been with Viva Energy Group Limited since 2015 having taken the organisation through its IPO in 2018. Prior to becoming CFO of Viva Energy Group Limited, Jevan was responsible for corporate finance and played a lead role in the IPO of Viva Energy REIT.

Before joining Viva Energy Group Limited, Jevan worked at Ernst & Young in assurance and business services where he led assurance and business improvement projects for clients in the energy and retail sectors as well as a number of ASX-listed companies.

Until recently, Jevan was a Director of VER Manager Pty Ltd (manager of Viva Energy REIT) and Liberty Oil Holdings Pty Ltd (and its wholly owned subsidiaries).

Jevan is a Chartered Accountant with a Bachelor of Commerce from Monash University.

Lachlan Pfeiffer

Non-independent Non-Executive Director, Member of the Audit and Risk Management Committee

Lachlan is the Executive General Manager of Legal and External Affairs of Viva Energy Group Limited. Lachlan has over five years' experience managing corporate affairs functions at Viva Energy Group, including legal, governance, external relations, sustainability and significant projects.

Prior to joining Viva Energy, Lachlan spent over 10 years working in corporate law, specialising in mergers and acquisitions, private equity, corporate finance and debt and equity capital markets in Australia, UK, USA and Europe. His previous position was with Skadden, Arps, Slate, Meagher and Flom in London, and prior to this with Norton Rose Fulbright in Melbourne.

Lachlan holds a Bachelor of Commerce and Bachelor of Laws and is a member of the Australian Institute of Company Directors.

Tina Mitas

Company Secretary

Tina has over 15 years' experience in corporate law including corporate governance, compliance, mergers and acquisitions, private equity and information technology.

Tina's previous positions include senior legal counsel roles at Aconex Limited and SMS Management Limited and senior associate at Herbert Smith Freehills.

Tina holds a Bachelor of Laws (Hons) and Bachelor of Commerce from the University of Melbourne and a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia (GIA). Tina is a Chartered Secretary and Associate of the GIA and is a member of the Institute of Chartered Secretaries and Administrators (ICSA).

Meetings of Directors

The numbers of meetings of the Directors and of each Board Committee held during the year ended 31 December 2019, and the numbers of meetings attended by each Director were:

Name	Viva Energy REIT Limited		VER Limited		Audit and Risk Management Committee		Independent Board Committee	
	A	B	A	B	A	B	A	B
Laurence Brindle	16	16	16	16	4	4	5	5
Georgina Lynch	16	16	16	16	4	4	5	5
Stephen Newton	16	16	16	16	4	4	5	5
Jevan Bouzo*	11	11	-	-	1	-	-	-
Lachlan Pfeiffer	16	16	16	16	4	4	-	-
Scott Wyatt**	6	6	-	-	-	-	-	-

A = Number of meetings attended.

B = Number of meetings held during the time the Director held office or was a member of the Committee during the year ended 31 December 2019.

* = Appointed 14 May 2019.

** = Resigned 14 May 2019.

Remuneration report

This remuneration report presents Viva Energy REIT's remuneration arrangements for key management personnel for the year ended 31 December 2019. The report has been prepared and audited in accordance with the requirements of the *Corporations Act 2001* and *Corporations Regulations 2001*.

(i) Remuneration governance

The Directors have chosen not to establish a nomination and remuneration committee for the year ended 31 December 2019 on the basis that neither the Company nor the Trust has any employees (other than the Directors), and the senior executives of the Manager are remunerated by Viva Energy Australia Pty Limited, the parent entity of the Manager. The Directors will consider nomination and remuneration matters from time to time at their regularly scheduled Board meetings. Any nomination and remuneration committee established will be comprised of Independent Non-Executive Directors.

(ii) Key management personnel disclosed in this report

Independent Non-Executive Directors

Laurence Brindle
Georgina Lynch
Stephen Newton

Non-independent Non-Executive Directors

Jevan Bouzo
Lachlan Pfeiffer

Remuneration report continued

(iii) Remuneration policy

Under the Company Constitution, the Board may decide the remuneration to which each Director is entitled for his or her services as a Director. However, the total amount provided to all Directors for their services as Directors must not exceed in aggregate in any financial year the amount fixed by Viva Energy REIT. This amount has been fixed at $750,000 per annum.

Each Non-Executive Director is currently entitled to receive $100,000 per annum. The Chairman is entitled to receive $200,000 per annum, but no fee for membership of the Audit and Risk Management Committee.

The Chair of the Audit and Risk Management Committee is entitled to receive an additional $20,000 per annum. Other Non-Executive Directors who are members of the Audit and Risk Management Committee are entitled to receive an additional $10,000 per annum.

Additionally, Directors are entitled to reimbursement of travel and other out of pocket expenses which totalled $24,574 in the year ended 31 December 2019 (2018: $15,170).

From time to time and in consideration of independent advice, the Directors review the remuneration of Directors of comparable listed entities to assess the appropriateness of the remuneration paid by Viva Energy REIT.

Directors who are representatives of Viva Energy Group Limited have waived their entitlement to fees.

(iv) Details of remuneration

Details of the remuneration of the key management personnel of the Group are set out in the following tables.

Remuneration for the year ended 31 December 2019

	Short-term employee benefits	Post-employment benefits	Total
	Salary and fees	Super-annuation	
Independent Non-Executive Directors	$	$	$
Laurence Brindle	**182,648**	**17,352**	**200,000**
Georgina Lynch	**100,457**	**9,543**	**110,000**
Stephen Newton	**109,589**	**10,411**	**120,000**
Total	**392,694**	**37,306**	**430,000**

Remuneration for the year ended 31 December 2018

	Short-term employee benefits	Post-employment benefits	Total
	Salary and fees	Super-annuation	
Independent Non-Executive Directors	$	$	$
Laurence Brindle	182,648	17,352	200,000
Georgina Lynch	100,457	9,543	110,000
Stephen Newton	109,589	10,411	120,000
Total	392,694	37,306	430,000

(v) Service agreements

On appointment to the Board, all Non-Executive Directors sign a letter of appointment with the Group. The document details the term of appointment, the role, duties and obligations of the Directors as well as the likely time commitment and performance expectations and review arrangements and circumstances relating to the vacation of office. In addition, it also summarises the major Board policies and terms, including compensation, relevant to the office of Director.

Overview and Highlights
Chairman's Message
CEO's Report
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(vi) Interests in securities

The number of securities held during the period by each Director and other key management personnel of the Group, including their personally related parties, are set out below:

2019	Balance 1 January 2019	On market purchases	On market disposals	Other	Balance 31 December 2019
Independent Non-Executive Directors					
Laurence Brindle	100,000	-	-	-	100,000
Georgina Lynch	50,000	-	-	-	50,000
Stephen Newton	25,000	-	-	-	25,000
Non-Independent Non-Executive Directors					
Jevan Bouzo	-[1]	-	-	-	-
Lachlan Pfeiffer	50,000	-	-	-	50,000
Former Non-Independent Non-Executive Directors					
Scott Wyatt	50,000	-	-	-	50,000[2]

1. Securityholding as at date of appointment.
2. Securityholding as at resignation date.

2018	Balance 1 January 2018	On market purchases	On market disposals	Other	Balance 31 December 2018
Independent Non-Executive Directors					
Laurence Brindle	100,000	-	-	-	100,000
Georgina Lynch	50,000	-	-	-	50,000
Stephen Newton	25,000	-	-	-	25,000
Non-independent Non-Executive Directors					
Scott Wyatt	50,000	-	-	-	50,000
Lachlan Pfeiffer	50,000	-	-	-	50,000

Indemnification and insurance of officers and auditors

During the financial year, the Group has paid insurance premiums to insure each of the Directors and officers of the Group against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacities as Directors of the Group, other than conduct involving a wilful breach of duty in relation to the Group.

The contract of insurance prohibits disclosure of the nature of the liability covered and the amount of the premium.

The Group has not during or since the end of the financial year indemnified or agreed to indemnify an auditor of the Group or of any related body corporate against a liability incurred in their capacity as an auditor.

Audit and non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are disclosed in note 19 to the consolidated financial statements.

The Directors have considered the position and, in accordance with advice received from the Company's Audit and Risk Management Committee ('ARMC'), are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the ARMC to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermines the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 25.

Transactions with Viva Energy Group Limited or its associates

The Group reimburses the Manager, which is a subsidiary of Viva Energy Group Limited, for costs incurred in the provision of staff and related services to the Group.

	2019	2018
Reimbursement of costs paid to VER Manager Pty Limited (reported as part of Management and administrative expenses)	**$2.5 million**	$2.3 million
Management expense ratio	**0.22%**	0.20%

On an annual basis the Directors review the costs incurred by the Manager to ensure the costs are reasonable and at a level consistent with the complexity and operational requirements of the Group. During that review a budget is agreed for the forthcoming financial year.

On 24 September 2018, the Group received an assessment from the Victorian State Revenue Office ('SRO") for $31.2 million. The assessment relates to the transfer of Victorian properties to Viva Energy REIT prior to its listing in August 2016. Pursuant to the arrangements between Viva Energy REIT and Viva Energy Group Limited at the time, any such costs are payable by Viva Energy Group Limited. Viva Energy Group has lodged an objection to the assessment on 2 November 2018 and has assumed conduct of this matter under a conduct and indemnity deed. The SRO advised in a letter dated 22 November 2018 that it will not take recovery action while the objection and any appeal process are continuing. There have been no additional updates from the SRO.

Other transactions with Viva Energy Group Limited and its associates are disclosed in note 18 to the consolidated financial statements.

Rounding of amounts to the nearest million dollars

The Group is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that instrument to the nearest million dollars, or in certain cases, to the nearest dollar.

The report is made in accordance with a resolution of Directors.

Laurence Brindle
Chairman

20 February 2020

Auditor's Independence Declaration

Auditor's Independence Declaration

As lead auditor for the audit of Viva Energy REIT Limited for the year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Viva Energy REIT Limited and the entities it controlled during the period.

Charles Christie
Partner
PricewaterhouseCoopers

Melbourne
20 February 2020

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Consolidated Statement of Comprehensive Income

For the year ended 31 December 2019

	Notes	2019 $'000	2018 $'000
Rental income from investment properties		148,547	136,834
Rental revenue from investment properties – non-cash straight-line lease adjustment		23,375	25,863
Finance income		1,351	710
Net revaluation of investment properties	7	72,773	43,557
Total income		**246,046**	206,964
Management and administration expenses		(8,289)	(5,290)
Finance costs	3	(40,123)	(34,492)
Total expenses		**(48,412)**	(39,782)
Profit before income tax		**197,634**	167,182
Income tax expense	4	-	(106)
Profit for the year		**197,634**	167,076
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Unrealised losses on cash flow hedges		(19,063)	(12,222)
Total comprehensive income for the year		**178,571**	154,854
Total comprehensive income/(loss) for the period attributable to Viva Energy REIT securityholders, comprising:			
• shareholders of Viva Energy REIT Limited		107	(353)
• unitholders of Viva Energy REIT Trust (non-controlling interests)		178,464	155,207
		178,571	154,854
Earnings per security		Cents	Cents
Basic earnings per security	5	23.24	21.34
Diluted earnings per security	5	23.24	21.34

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 31 December 2019

	Notes	31 December 2019 $'000	31 December 2018 $'000
ASSETS			
Current assets			
Cash and cash equivalents	6	27,505	12,330
Derivative financial instruments	9	-	882
Other current assets		914	817
Total current assets		28,419	14,029
Non-current assets			
Investment properties	7	2,652,143	2,496,128
Deposits and development costs		37,555	851
Total non-current assets		2,689,698	2,496,979
Total assets		2,718,117	2,511,008
LIABILITIES			
Current liabilities			
Trade and other payables		4,856	2,143
Rent received in advance		2,314	2,260
Interest payable		3,007	3,866
Distribution payable	11	55,988	51,020
Total current liabilities		66,165	59,289
Non-current liabilities			
Borrowings	8	843,118	849,319
Derivative financial instruments	9	25,922	7,741
Total non-current liabilities		869,040	857,060
Total liabilities		935,205	916,349
Net assets		1,782,912	1,594,659
EQUITY			
Contributed equity – the Company		2,024	2,542
Accumulated losses		(1,283)	(1,390)
		741	1,152
Non-controlling interests – the Trust	12	1,782,171	1,593,507
Total equity		1,782,912	1,594,659

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2019

	Notes	Contributed equity $'000	Accumulated losses $'000	Non-controlling interests $'000	Total $'000
Balance at 1 January 2018		2,542	(1,037)	1,587,950	1,589,455
(Loss)/Profit for the year		-	(353)	167,429	167,076
Other comprehensive income:					
Effective portion of changes in fair value of cash flow hedges		-	-	(12,222)	(12,222)
Total comprehensive income for the year		-	(353)	155,207	154,854
Transactions with owners in their capacity as owners					
Distributions paid	11	-	-	(149,650)	(149,650)
Total transactions with owners in their capacity as owners		-	-	(149,650)	(149,650)
Balance at 31 December 2018		2,542	(1,390)	1,593,507	1,594,659
Balance at 1 January 2019		**2,542**	**(1,390)**	**1,593,507**	**1,594,659**
Profit for the year		**-**	**107**	**197,527**	**197,634**
Other comprehensive income:					
Effective portion of changes in fair value of cash flow hedges		**-**	**-**	**(19,063)**	**(19,063)**
Total comprehensive profit for the year		**-**	**107**	**178,464**	**178,571**
Transactions with owners in their capacity as owners					
Issue of securities under institutional placement		**72**	**-**	**99,928**	**100,000**
Issue of securities under Security Purchase Plan		**7**	**-**	**9,990**	**9,997**
Equity raising costs		**(605)**	**-**	**(1,489)**	**(2,094)**
Distribution Reinvestment Plan		**8**	**-**	**13,453**	**13,461**
Distributions paid or provided for	**11**	**-**	**-**	**(111,682)**	**(111,682)**
Total transactions with owners in their capacity as owners		**(518)**	**-**	**10,200**	**9,682**
Balance at 31 December 2019		**2,024**	**(1,283)**	**1,782,171**	**1,782,912**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 December 2019

	Notes	2019 $'000	2018 $'000
Cash flows from operating activities			
Rental income from investment properties (inclusive of goods and services tax)		164,131	150,668
Payments to suppliers and employees (inclusive of goods and services tax)		(18,295)	(21,163)
		145,836	129,505
Interest received		1,208	843
Interest paid		(30,760)	(37,528)
Income taxes refunded/(paid)		452	(558)
Net cash inflow from operating activities	13	116,736	92,262
Cash flows from investing activities			
Payments for acquisition of investment properties		(100,437)	(138,365)
Proceeds on sale and compulsory resumption (including reimbursement of legal fees and other costs)		383	-
Net cash outflow from investing activities		(100,054)	(138,365)
Cash flows from financing activities			
Proceeds of equity issue (net of costs)		107,805	-
Proceeds from borrowings		99,000	163,432
Repayments of borrowings		(105,000)	(50,000)
Payments for upfront borrowing costs		(871)	-
Payment for interest rate swap cancellation		(9,189)	-
Distributions paid to securityholders	11	(93,252)	(98,630)
Net cash inflow/(outflow) from financing activities		(1,507)	14,802
Net increase/(decrease) in cash and cash equivalents		15,175	(31,301)
Cash and cash equivalents at beginning of the year		12,330	43,631
Cash and cash equivalents at end of the year	6	27,505	12,330

The above consolidated statement of cash flows should be read in conjunction with accompanying notes.

Notes to the Consolidated Financial Statements

1. Corporate structure and general information

These consolidated financial statements cover Viva Energy REIT ('Group'). Viva Energy REIT is listed on the Australian Securities Exchange ('ASX') (code: VVR) and registered and domiciled in Australia.

Viva Energy REIT is a stapled group consisting of the Company and the Trust and their wholly owned entities. The Trust indirectly owns the investment property portfolio through its 100% ownership of the trusts, which own the investment properties and receive rent under leases. The Company directly owns all of the shares in VER Limited ('Responsible Entity').

These consolidated financial statements contain the results of the Group for the year ended 31 December 2019. The comparative period shown is for the year ended 31 December 2018.

The financial statements were authorised for issue by the Directors on 20 February 2020. The Directors have the power to amend and reissue the financial statements.

The manager of the Group is VER Manager Pty Limited, a wholly owned subsidiary of Viva Energy Group Limited, and as a consequence of this it is not consolidated into these financial statements.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Viva Energy REIT is a for-profit entity for the purpose of preparing the financial statements.

The Financial Report has been prepared on an accruals and historical cost basis except for investment properties and derivative financial instruments, which are measured at fair value. Cost is based on the fair value of consideration given in exchange for assets.

The consolidated financial statements of the Group are prepared and presented in Australian dollars (the presentation currency).

The accounting policies adopted are consistent with those of the previous financial period, unless otherwise stated.

(b) Going concern

As at 31 December 2019, the Group had a net current asset deficiency of $37.7 million. The Group uses cash at bank to pay for distribution and expenses (including property purchases), drawing down on revolving debt facilities when required. Revolving debt facilities are then repaid when there is excess cash available. The Group has $250.0 million of unused debt facilities at 31 December 2019, which can be drawn upon to fund the Group's cash flow requirements.

After taking into account all available information, the Directors have concluded that there are reasonable grounds to believe:

- the Group will be able to pay its debts as and when the fall due; and
- the basis of preparation of the Financial Report on a going concern basis is appropriate.

(c) Compliance with International Financial Reporting Standards

The consolidated financial statements of the Group also comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

(d) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the reporting period commencing 1 January 2019:

- AASB 16 *Leases*.

AASB 16 establishes a comprehensive framework for the accounting policies and disclosures applicable to leases, both for lessees and lessors. The Group has applied this standard effective 1 January 2019, and, as a lessor, there is no impact on the operations or financial reporting of the Group. Lessors continue to classify leases as operating or finance, with AASB 16's approach to lessor accounting substantially unchanged from AASB 117 *Leases*.

The Group did not need to make any adjustments to the accounting for assets held as a lessor as a result of adopting the new leasing standard. The disclosure requirements of the above standards and amendments have been incorporated into this Financial Report.

(e) Critical accounting estimates and judgements

The Group makes estimates and judgements that affect the reported amounts of assets and liabilities. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates and judgements which are material to the Financial Report are found in the following notes:

- Investment properties – note 7; and
- Derivative financial instruments – note 9.

2. Segment information

Viva Energy REIT has one business and geographic segment because it has only invested in service station properties within Australia.

3. Finance costs

	2019 $'000	2018 $'000
Interest paid or payable	29,901	30,401
Amortisation of borrowing costs	1,033	1,152
Interest rate swap cancellation expense	9,189	-
Write-off of loan establishment costs due to refinancing	-	2,939
Total finance costs	**40,123**	34,492

Accounting policy – Finance costs

Finance costs include interest expense on debt financing arrangements, settlements (including cancellation costs) of interest rate swaps and amortisation of upfront borrowing costs incurred in connection with the arrangement of borrowings available to the Group.

4. Income tax expense

Under current Australian income tax legislation, Viva Energy REIT Trust is not liable for Australian income tax on the basis that the securityholders are generally liable for tax on the net income of the Trust on an attribution basis.

	2019 $'000	2018 $'000
Numerical reconciliation of income tax (benefit)/expense to prima facie tax payable		
Profit from continuing operations before income tax (benefit)/expense	197,634	167,182
Tax expense at the Australian tax rate of 30% (2018: 30%)	(59,290)	(50,155)
Profit attributable to entities not subject to tax	59,258	50,229
Movement in deferred tax assets recognised	32	(74)
Adjustments to tax of prior period	-	(106)
Income tax expense	**-**	(106)

4. Income tax expense continued

Accounting policy – Income tax expense

Trusts

The Trust is treated as a 'flow-through' entity for Australian income tax purposes such that the net income of the Trust is taxable in the hands of unitholders. Accordingly, no allowance for income tax in relation to the Trust has been made.

Companies

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

5. Earnings per security

	2019 Cents	2018 Cents
Basic earnings per security	**23.24**	21.34
Diluted earnings per security	**23.24**	21.34

	2019 Number of securities '000	2018 Number of securities '000
Weighted average number of stapled securities used as the denominator in calculating basic earnings per security	**768,441**	725,750
Weighted average number of stapled securities used as the denominator in calculating diluted earnings per security	**768,441**	725,750

Accounting policy – Earnings per security

(i) Basic earnings per security

Basic earnings per security is calculated by dividing:

- the profit for the period attributable to the securityholders, excluding any costs of servicing equity other than ordinary securities; by
- the weighted average number of ordinary securities outstanding during the financial period.

(ii) Diluted earnings per security

Diluted earnings per security adjust the figures used in the determination of basic earnings per security to take into account:

- the effect of interest and other financial costs associated with potential ordinary securities; and
- the weighted average number of additional ordinary securities that would have been outstanding assuming the conversion of all potential ordinary securities.

6. Cash and cash equivalents

	31 December 2019 $'000	31 December 2018 $'000
Cash at bank	27,505	12,330
Total cash and cash equivalents	**27,505**	12,330

The cash and cash equivalents disclosed above and in the consolidated statement of cash flows include $5.5 million held in bank accounts as restricted cash. These restricted cash deposits are maintained to satisfy the regulatory requirements of the Responsible Entity's Australian Financial Services Licence ('AFSL').

Accounting policy – Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

7. Investment properties

(a) Valuations and carrying amounts

	31 December 2019 $'000	31 December 2018 $'000
Service station properties	2,652,143	2,496,128
Total investment properties	**2,652,143**	2,496,128

Independent valuations were performed on 164 investment properties during the year ended 31 December 2019 by Jones Lang LaSalle. The Directors have reviewed these valuation outcomes and determined they are appropriate to adopt as at 31 December 2019. The key inputs into the valuation are based on market information for comparable properties. The independent valuers have experience in valuing similar assets and have access to market evidence to support their conclusions. Comparable sales are considered to be those in similar markets, of similar scale and condition and with similar lease terms to the subject property.

For investment properties not independently valued during the year, Directors' valuations have been performed. The Directors' valuations were determined by capitalising each property's rent as at 31 December 2019 at the prior year's capitalisation rate, adjusted with reference to the change in capitalisation rate evident in the 164 independently valued properties when considered in light of investment properties in the same state and with similar lease terms, segregated between metropolitan and regional sites. The results are assessed and further work performed to address any outlier results identified.

Investment properties not independently valued during the year were most recently independently valued effective 31 December 2017 or 31 December 2018, or on acquisition during the year ended 31 December 2019.

The key inputs into valuations are:

- passing rent;
- market rents;
- capitalisation rates;
- lease terms;
- discount rate; and
- estimates of the quantum and timing of future cash flows.

7. Investment properties continued

(a) Valuations and carrying amounts continued

Key assumptions	31 December 2019	31 December 2018
Weighted average capitalisation rate	5.78%	5.81%
Weighted average passing yield	5.78%	5.81%

Investment properties have been classified as level 3 in the fair value hierarchy (refer to note 14(e)). There have been no transfers between the levels in the fair value hierarchy during the period.

All investment properties are freehold, apart from all sites in the Australia Capital Territory and one site in New South Wales that are subject to either perpetual or crown leases.

(b) Movements during the financial period

At fair value	2019 $'000	2018 $'000
Opening balance	2,496,128	2,280,967
Property acquisitions and development expenditure	60,178	145,741
Straight-line rental asset	23,375	25,863
Net revaluation of investment properties	72,773	43,557
Disposal of investment properties	(311)	-
Closing balance	2,652,143	2,496,128

(c) Amounts recognised in profit or loss for investment properties

	2019 $'000	2018 $'000
Rental income	148,547	136,834
Other non-cash rental income (recognised on a straight-line basis)	23,375	25,863
Direct operating expenses from property that generated rental income	1,058	667
Net revaluation of investment properties	72,773	43,557

(d) Leasing arrangements

The investment properties are leased to Viva Energy Australia Pty Limited (97% of rental income), other fuel operators and various convenience and fast food store operators (3% of rental income) under long-term operating leases with rentals payable in advance monthly, quarterly or annually. Rental income for 95% of the investment properties is subject to fixed annual increases of between 2.75% and 4.0%. The remainder of the leases include CPI increases, but there are no other variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees or security deposits for the term of the lease.

Minimum lease receivables under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

	31 December 2019 $'000	31 December 2018 $'000
Within one year	155,809	147,385
Later than one year but not later than two years	158,767	151,815
Later than two years but not later than three years	162,219	154,703
Later than three years but not later than four years	166,646	158,331
Later than four years but not later than five years	171,723	162,865
Later than five years	1,327,553	1,461,644
Total	2,142,717	2,236,743

Accounting policy – Investment properties

The Group carries its investment properties at fair value with changes in the fair values recognised in the consolidated statement of profit or loss. The fair value of investment property is determined based on real estate valuation experts using recognised valuation techniques and the principles of IFRS 13 *Fair Value Measurement*.

The fair value of the properties is reviewed by the Directors at each reporting date. The Directors' assessment of fair value is periodically assessed by engaging an independent valuer to assess the fair value of individual properties with at least one-third of the properties within the portfolio being independently valued on an annual rolling basis. Valuations may occur more frequently if there is reason to believe that the fair value of a property has materially changed from its carrying value (e.g. as a result of changes in market conditions, leasing activity in relation to the property or capital expenditure). The independent valuer is rotated at least every three years.

Valuations are derived from a number of factors that may include a direct comparison between the subject property and a range of comparable sales, the present value of net future cash flow projections based on reliable estimates of future cash flows, existing lease contracts, external evidence such as current market rents for similar properties, and using capitalisation rates and discount rates that reflect current market assessments of the uncertainty in the amount and timing of cash flows.

Key estimate – Valuation of investment properties

All of Viva Energy REIT's properties are treated as investment properties for the purpose of financial reporting. Under Australian Accounting Standards, investment property buildings and improvements are not depreciated over time. Instead, investment properties are initially valued at cost, including transaction costs, and then at the end of each accounting period the carrying values are restated at their fair value at the time. Gains and losses arising from changes in the fair value of investment properties are recognised as a non-cash gain or loss in the statutory net profit in the accounting period in which they arise. As a result of this accounting policy, changes in the fair value of Viva Energy REIT's investment properties may have a significant impact on its reported statutory net profit in any given period.

At the end of each reporting period, the Directors assess the carrying value of Viva Energy REIT's investment properties, and where the carrying value differs materially from the assessed fair value an adjustment is made to the carrying value of such investment properties.

8. Borrowings

	31 December 2019 $'000	31 December 2018 $'000
Non-current liabilities		
Syndicated facilities	761,687	767,687
Bilateral facility	25,000	25,000
Institutional term loans	60,000	60,000
Sub-total	846,687	852,687
Unamortised borrowing costs	(3,569)	(3,368)
Total unsecured borrowings	843,118	849,319
Total facilities available	1,096,687	956,687
Undrawn facilities available	250,000	104,000

Debt facility overview

All facilities are denominated in Australian dollars, and are interest only facilities with any drawn balances payable at maturity.

The weighted average tenure as at 31 December 2019 was 2.9 years (31 December 2018: 3.8 years), and maturity dates range from 3 June 2021 to 6 September 2028.

The interest rate applying to the drawn amount of the facilities is set on a periodic basis (one, three or six months) at the prevailing market interest rate at the commencement of the period (Australian dollar, bank bill swap rate), plus the applicable margin. For the majority of the debt facilities, the interest margin has a rate increase/decrease applied if:

- Debt Covenant Gearing is higher than 40% increase by 0.20%
- Debt Covenant Gearing is lower than 30% decrease by 0.10%

8. Borrowings continued

Debt facility overview continued

The key terms of the facility agreements include:

- interest cover ratio of not less than 2.0 times (actual at 31 December 2019: 5.8 times);
- Debt Covenant Gearing ratio of not more than 50% (actual at 31 December 2019: 33.5%);
- a draw-down cannot be completed if Debt Covenant Gearing is or will exceed 45% via that drawn down being completed; and
- review events will occur if Viva Energy Group Limited or its affiliates sells or transfers their securityholding such that their holding falls below 20%, or if another entity takes control of the Group.

Subject to compliance with the Group's financial covenants, the undrawn amount of the debt facilities may be drawn at any time. The Group was in compliance with its covenants throughout the period.

Accounting policy – Borrowings

Borrowings are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to borrowings are recognised in the profit and loss over the expected life of the borrowings. Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings with maturities greater than 12 months after reporting date are classified as non-current liabilities.

9. Derivative financial instruments

The Group has the following derivative financial instruments:

	31 December 2019 $'000	31 December 2018 $'000
Current assets		
Interest rate swaps – cash flow hedges	-	882
	-	882
Non-current liabilities		
Interest rate swaps – cash flow hedges	25,922	7,741
	25,922	7,741

The Group has entered into interest rate swap contracts under which it receives interest at variable rates and pays interest at fixed rates to protect interest-bearing liabilities from exposure to changes in interest rates.

Swaps were in place cover 94.1% of the facility principal outstanding at 31 December 2019. The weighted average fixed interest swap rate at 31 December 2019 was 2.1% per annum, and the weighted average term was 2.8 years.

The notional principal amounts and periods of expiry of the interest rate swap contracts are as follows, including interest rate swaps that have a deferred start date:

	31 December 2019 $'000	31 December 2018 $'000
Less than 1 year	-	368,343
1 to 2 years	368,344	-
2 to 3 years	110,000	368,344
3 to 4 years	258,000	110,000
4 to 5 years	-	258,000
5 to 6 years	-	-
6 to 7 years	40,000	-
7 to 8 years	-	40,000
8 to 9 years	20,000	-
9 to 10 years	-	20,000
	796,344	1,164,687

Accounting policy – Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.
The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); or
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

(a) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expense.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance costs.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

(b) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other income or other expenses.

Key estimate – Valuation of derivative financial instruments

The Group's financial instruments are over-the-counter derivatives for which there are no quoted market prices. Valuation techniques (including, pricing models which estimate the present value of estimated future cash flows based on observable yield curves) are used to determine fair values.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

10. Contributed equity

(a) Securities

	31 December 2019		31 December 2018	
	Number of securities '000	$'000	Number of securities '000	$'000
Ordinary securities				
Fully paid	778,690	1,618,322	725,750	1,496,958

10. Contributed equity continued

(b) Movement in ordinary securities

		Number of securities '000	$'000
1 January 2018	Opening balance	725,750	1,496,958
31 December 2018		725,750	1,496,958
27 February 2019	Issue of securities under institutional placement	**43,103**	**100,000**
27 February 2019	Equity raising costs	-	**(2,094)**
28 February 2019	Issue of securities under Distribution Reinvestment Plan	**2,515**	**5,611**
26 March 2019	Issue of securities under Security Purchase Plan	**4,309**	**9,997**
29 August 2019	Issue of securities under Distribution Reinvestment Plan	**3,013**	**7,850**
31 December 2019		**778,690**	**1,618,322**

Accounting policy – Contributed equity

Ordinary securities are classified as equity. Incremental costs directly attributable to the issue of new securities are shown in equity as a deduction, net of tax, from the proceeds.

11. Distributions to securityholders

	2019 $'000	2018 $'000
Final distribution for the period ended 31 December 2018 – 7.03 cents per security	**51,020**	-
Interim distribution for the half year ended 30 June 2019 – 7.18 cents per security	**55,694**	-
Final distribution for the year ended 31 December 2017 – 6.60 cents per security	-	47,899
Interim distribution for the half year ended 30 June 2018 – 6.99 cents per security	-	50,731
Total distributions paid	**106,714**	98,630

On 19 December 2019, the Directors announced the payment of an estimated final distribution of $56.0 million for the year ended 31 December 2019. This represents 7.19 cents per stapled security and is expected to be paid on 27 February 2020.

Other than the above, no distributions to securityholders were declared or paid during the financial year.

Accounting policy – Distributions to securityholders

The Group distributes net operating profit, being net profit adjusted to remove transaction costs and non-cash items, including straight-lining of rental income, the amortisation of debt establishment fees and any fair value adjustment to investment properties and derivatives. A provision is made for any distribution amount declared but not distributed, being appropriately disclosed and no longer at the discretion of the entity, on or before the reporting date. When declared, the distributions are recognised within the consolidated balance sheet and consolidated statement of changes in equity as a reduction in equity.

12. Non-controlling interests

The financial statements reflect the consolidation of Viva Energy REIT. For financial reporting purposes, one entity in the stapled group must be identified as the acquirer or parent entity of the others. The Company has been identified as the acquirer of the Trust, resulting in the Trust being disclosed as non-controlling interests.

	2019 $'000	2018 $'000
Opening balance	1,593,507	1,587,950
Profit for the year	197,527	167,429
Effective portion of changes in fair value of cash flow hedges	(19,063)	(12,222)
Contributions of equity, net of transaction costs	108,429	-
Distributions paid or provided for	(111,682)	(149,650)
Distribution Reinvestment Plan	13,453	-
Closing balance	**1,782,171**	**1,593,507**

13. Cash flow information

(a) Reconciliation of net profit after income tax to net cash inflow from operating activities

	2019 $'000	2018 $'000
Profit for the year	197,634	167,076
Amortisation of borrowing costs	1,033	4,091
Interest rate swap cancellation expense	9,189	-
Net revaluation of investment properties	(72,773)	(43,557)
Straight-line adjusting on rental income	(23,375)	(25,863)
Change in operating assets and liabilities		
Decrease/(increase) in other current assets	(97)	539
Increase/(decrease) in trade and other payables	5,930	(2,987)
Increase in rent received in advance	54	156
Decrease in interest payable	(859)	(7,193)
Net cash inflow from operating activities	**116,736**	**92,262**

(b) Non-cash investing and financing activities

	2019 $'000	2018 $'000
Loan establishment costs netted off against borrowings drawn down	-	2,568
Total non-cash financing and investing activities	**-**	**2,568**

(c) Net debt reconciliation

	Cash and cash equivalents $'000	Borrowings due within 1 year $'000	Borrowings due after 1 year $'000	Total $'000
Net debt at 1 January 2018	43,631	-	736,687	693,056
Cash flows	(31,301)	-	116,000	147,301
Net debt at 31 December 2018	12,330	-	852,687	840,357
Cash flows	15,175	-	(6,000)	(21,175)
Net debt at 31 December 2019	**27,505**	**-**	**846,687**	**819,182**

14. Financial risk management

The Group's investing activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risk which the Group is exposed to are market risk, cash flow and fair value interest rate risk, credit risk and liquidity risk. The exposure to each of these risks, as well as the Group's policies and processes for managing these risks, are described below.

(a) Market risk

Market risk embodies the potential for both loss and gains and includes interest rate risk and price risk.

Cash flow and fair value interest rate risk

The Group's cash and cash equivalents, floating rate borrowings and interest rate swaps expose it to a risk of change in the fair value or future cash flows due to changes in interest rates.

The Group economically hedges some or all of its exposure to changes in interest rates on variable rate borrowings by using floating-to-fixed interest rate swaps. By hedging against changes in interest rates, the Group has limited its exposure to changes in interest rates on its cash flows. The portion that is hedged is set by the Directors and is influenced by the hedging requirements set out in the Group's debt facility documents, its hedging policy and the market outlook.

The Group's exposure to interest rate risk at reporting date, including its sensitivity to changes in market interest rates that were reasonably possible, is as follows:

	31 December 2019 $'000	31 December 2018 $'000
Financial assets		
Cash and cash equivalents	27,505	12,330
Derivative financial instruments (notional principal amount)		
• Fixed interest rate swaps	796,344	796,687
Financial liabilities		
Interest-bearing liabilities – floating rate interest	846,687	852,687
Net exposure	(22,838)	(43,670)

Sensitivity of profit or loss to movements in market interest rates:

	2019 $'000	2018 $'000
Market interest rate increased by 100 basis points	(228)	(437)
Market interest rate decreased by 100 basis points	228	437
Instruments with fair value risk		
Derivative financial instruments		
Sensitivity of profit and loss to movements in market interest rates for financial instrument with fair value risk:		
Market interest rate increased by 100 basis points	-	-
Market interest rate decreased by 100 basis points	-	-

The interest rate range for sensitivity purposes has been determined using the assumption that interest rates changed by +/- 100 basis points from year-end rates with all other variables held constant. In determining the impact of an increase/decrease in equity for securityholders arising from market risk, the Group has considered prior period and expected future movements of the portfolio information in order to determine a reasonably possible shift in assumptions.

As the derivative financial instruments are designated as cash flow hedges, the impact of a market interest rate change flows through other comprehensive income.

Investment property valuation risk

The Group's investment properties expose it to a risk of change in the fair value due to changes in market capitalisation rates of such investment properties. Investment properties of the type owned by the Group are generally valued on a capitalisation of income basis.

	2019 $'000	2018 $'000
Investment properties		
Sensitivity of profit and loss to movements in market capitalisation rates:		
Market capitalisation rates decreases by 25 basis points	**119,893**	112,310
Market capitalisation rates increases by 25 basis points	**(109,952)**	(103,038)
Market capitalisation rates decreases by 50 basis points	**251,139**	235,204
Market capitalisation rates increases by 50 basis points	**(211,150)**	(197,907)

The impacts on carrying values as shown above for the noted movement in capitalisation rates would impact the statutory net profit and balance sheet, but there is no impact on distributable income as the unrealised movement in carrying value of investment properties is excluded from the Distributable Income calculation.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss.

The Group's maximum credit risk exposure at balance date in relation to each class of recognised financial asset, other than equity and derivative financial instruments, is the carrying amount of those assets as indicated in the consolidated balance sheet. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at reporting date.

	31 December 2019 $'000	31 December 2018 $'000
Cash at bank	**27,505**	12,330

Maximum exposure to credit risk

The Group manages credit risk and the losses which could arise from default by ensuring that parties to contractual arrangements are of an appropriate credit rating, or do not show a history of defaults. Financial assets such as cash at bank and interest rate swaps are held with high credit quality financial institutions.

All receivables are monitored by the Group. If any amounts owing are overdue, these are followed up and, if necessary, allowances are made for debts that are doubtful.

At the end of the reporting period, there were no issues with the credit quality of financial assets, and all amounts are expected to be received in full.

Refer also to Tenant concentration risk at note 14(f)(i).

(c) Liquidity risk

Liquidity risk is the risk that the Group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Group monitors its exposure to liquidity risk by ensuring that there is sufficient cash on hand as required or debt funding available to meet the contractual obligations of financial liabilities as they fall due. The Group sets budgets to monitor cash flows.

The weighted average debt maturity is 2.9 years, and the weighted average lease expiry is 11.7 years.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period as at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

14. Financial risk management continued

(c) Liquidity risk continued

31 December 2019	Less than 12 months $'000	Between 1 and 2 years $'000	Over 2 years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
Trade and other payables	4,856	-	-	4,856	4,856
Rent received in advance	2,314	-	-	2,314	2,314
Variable rate borrowings	22,690	141,835	752,845	917,370	849,694
Contractual cash flows (excluding gross settled derivatives)	29,860	141,835	752,845	924,540	856,864

31 December 2018	Less than 12 months $'000	Between 1 and 2 years $'000	Over 2 years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
Trade and other payables	2,143	-	-	2,143	2,143
Rent received in advance	2,260	-	-	2,260	2,260
Variable rate borrowings	33,320	57,818	896,270	987,408	856,553
Contractual cash flows (excluding gross settled derivatives)	37,723	57,818	896,270	991,811	860,956

(d) Capital risk management

The Group aims to invest to meet the Group's investment objectives while maintaining sufficient liquidity to meet its commitments. The Group regularly reviews performance, including asset allocation strategies, investment and operational management strategies, investment opportunities and risk management.

In order to maintain an appropriate capital structure, the Group may adjust the amount of distributions paid to securityholders, return capital to securityholders, issue new securities, sell or buy assets or reduce or raise debt.

The Group monitors capital through the analysis of a number of financial ratios, including the Debt Covenant Gearing ratio.

	31 December 2019 $'000	31 December 2018 $'000
Total liabilities (excluding derivative financial instruments)	909,283	908,608
Total assets (excluding derivative financial instruments)	2,718,117	2,510,126
Debt Covenant Gearing ratio	33.5%	36.2%

(e) Fair value hierarchy

(i) Classification of financial assets and financial liabilities

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of fair value hierarchy. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes observable requires significant judgement by the Directors. The Directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table presents the Group's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 31 December 2019 on a recurring basis:

31 December 2019	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Investment properties	-	-	2,652,143	2,652,143
Interest rate swaps	-	(25,922)	-	(25,922)
Total	-	(25,922)	2,652,143	2,626,221

31 December 2018	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Investment properties	-		2,496,128	2,496,128
Interest rate swaps	-	(6,859)	-	(6,859)
Total	-	(6,859)	2,496,128	2,489,269

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels during the period.

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2019.

(ii) Valuation techniques used to derive level 2 and level 3 values

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves, taking into account any material credit risk.

(f) Investment risk

(i) Tenant concentration risk, financial standing and sector concentration risk

Viva Energy REIT's rental income is 97% derived from leases with Viva Energy Australia Pty Limited (Viva Energy Australia). If Viva Energy Australia's financial standing materially deteriorates, Viva Energy Australia's ability to make rental payments to Viva Energy REIT may be adversely impacted, which may have a materially adverse impact on the Group's results of operations, financial position and ability to service and/or obtain financing.

Furthermore, a material decline in the profitability of Viva Energy Australia's business could affect the perceived stability of the rental income of Viva Energy REIT and may affect Viva Energy REIT's ability to obtain financing on acceptable terms, and lead to lower market rents when renewal options are exercised and a decline in the values of Viva Energy REIT's investment properties.

Termination of Viva Energy Australia's right to use Shell branding could adversely affect Viva Energy Australia's ability to meet its rental obligations and therefore the value of Viva Energy REIT's portfolio of investment properties and its ability to service and/or obtain financing.

(ii) Investment property value

The value of the Group's portfolio of investment properties may be adversely affected by a number of other factors, including factors outside the control of the Group, such as supply and demand for service station properties, general property market conditions, the availability and cost of credit, the ability to attract and implement economically viable rental arrangements, Viva Energy Australia's financial condition deteriorating, occupiers not extending the term of leases, re-leasing of properties, capitalisation rates and general economic factors such as the level of inflation and interest rates. As changes in valuations are recorded on the statutory net profit statement, any decreases in value will have a negative impact on the statutory net profit statement and net tangible assets per security and in turn the market price of the Group's securities may fall.

14. Financial risk management continued

(f) Investment risk continued

(iii) Environmental and climate risk

The Group depends on its tenants to perform their obligations under various environmental arrangements in relation to the properties they lease. If the tenants were to fail to meet their obligations under these arrangements (including due to their insolvency), the Group may incur significant costs to rectify contamination on its properties and also on other properties which may be consequently impacted.

The Group is subject to a range of regulatory regimes that cover the specific assets of the Group and how they are operated and the Group's Australian Financial Services Licence ('AFSL'). These regulatory regimes are subject to ongoing review and change which may increase the cost of compliance, reporting and maintenance of the Group's assets.

Extreme weather and other climate change related events have the potential to damage the Group's assets and disrupt the tenants' operations. Such events may increase costs for maintenance and insurance of the Group's assets, and may affect the ability to re-lease the Group's investment properties in the future and the rent levels for which they can be leased, thereby affecting future investment property valuations and rental cash flows. Insurance may not be able to be obtained at all.

The precise nature of these risks is uncertain as it depends on complex factors such as policy change, technology development, market forces, and the links between these factors and climatic conditions.

(iv) Debt agreement and refinancing risk

The Group has outstanding debt facilities. General economic and business conditions that impact the debt or equity markets could impact the Group's ability to refinance its debt facilities when required. If the covenants in these facilities are breached by the Group, this may result in the Group being subject to increased interest rate margins and covenants, restricting its ability to engage in certain types of activities or to pay distributions to securityholders. Debt may not be able to be obtained at all.

If debt facilities are not available or are not available in adequate volume, the Group may need to sell assets to repay debt. There is no guarantee that there will be willing purchasers for the Group's assets or that purchasers will pay prices at or greater than book value of these investment properties.

If Viva Energy Australia Pty Limited ceases to beneficially own and control, either directly or indirectly, at least 20% of the securities of Viva Energy REIT by selling or transferring its interest, or an entity other than a member of the Viva Energy Group controls Viva Energy REIT, then this would constitute a review event under the terms of the Group's debt facility agreements, and (subject to specified negotiation and notification periods) a repayment of the Group's debt facilities may be required.

The Directors regularly monitor the debt facility covenants to ensure compliance and consider the refinancing options and timing available to the Group.

(v) AFSL compliance risk

The Group is exposed to the risk of having inadequate capital and liquidity. VER Limited, a subsidiary of Viva Energy REIT Limited, holds an AFSL and acts as a responsible entity for the Group's managed investment scheme. The AFSL requires minimum levels of net tangible assets, liquid assets, cash reserves and liquidity, which may restrict the Group in paying distributions that would breach these requirements.

On a quarterly basis, the Directors review and monitor VER Limited's balance sheet to ensure compliance with its AFSL requirements.

(vi) Personnel risk

Viva Energy REIT is managed by VER Manager Pty Limited ('Manager'), which is a subsidiary of Viva Energy Group Limited.

Viva Energy REIT does not have employees (other than Directors) and consequently is reliant on the expertise and experience of the key executives of Viva Energy Group Limited made available to the Manager, which provides the services to Viva Energy REIT under the Management Agreement. As a consequence, loss of such key personnel could potentially have an adverse impact on the management and the financial performance of Viva Energy REIT and in turn may affect the returns to securityholders.

15. Investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries of the Company and the Trust:

Name	Date of establishment	Percentage of equity interest held by the Group 2019 %	2018 %
Controlled by the Company			
VER Limited	16 December 2015	100	100
VER Custodian Pty Limited	27 May 2016	100	100
Controlled by the Trust			
VER Trust	10 July 2016	100	100
VER Finco Pty Limited	10 June 2016	100	100
66 McNulty Street Miles Queensland Trust	16 July 2018	100	100
555-557 Albany Highway Albany Western Australia Trust	16 July 2018	100	100
47 Eric Road Old Noarlunga South Australia Trust	20 August 2018	100	100
127 Youngman Street Kingaroy Queensland Trust	20 July 2018	100	100
73-75 Chrystal Street Roma Queensland Trust	20 July 2018	100	100
199-205 Charters Towers Road Townsville Queensland Trust	20 August 2018	100	100
341 Sand Road Longwarry Victoria Trust	16 July 2018	100	100
290 Sand Road Longwarry Victoria Trust	16 July 2018	100	100
6776 Cunningham Highway Aratula Queensland Trust	16 July 2018	100	100
80 Alfred Street Warragul Victoria Trust	12 October 2018	100	100
7-11 Burnett Highway Biloela Queensland Trust	12 October 2018	100	100
176-190 Ogilvie Avenue Echuca Victoria Trust	12 October 2018	100	100
7-21 Shakespeare Street Traralgon Victoria Trust	12 October 2018	100	100
233 Myrtle Street Myrtleford Victoria Trust	12 October 2018	100	100
120-124 Goldring Street Richmond Queensland Trust	12 October 2018	100	100
6-8 Mackay Avenue Griffith New South Wales Trust	12 October 2018	100	100
5 Princes Highway Moruya New South Wales Trust	12 October 2018	100	100
10805 Brand Highway Cataby Western Australia Trust	22 March 2019	100	-
55 Broad Street Sarina Queensland Trust	22 March 2019	100	-
112 Shute Harbour Road Cannonvale Queensland Trust	22 March 2019	100	-
Ranford Road Canning Vale Western Australia Trust	14 May 2019	100	-
Corner Ranford Road and Balfour Street Southern River Western Australia Trust	14 May 2019	100	-
1L Mitchell Highway Dubbo New South Wales Trust	12 June 2019	100	-
51-55 Aerodrome Road Maroochydore Queensland Trust	12 June 2019	100	-
1110 Abernethy Road High Wycombe Western Australia Trust	14 August 2019	100	-
Crn Great Eastern Highway & Bulong Avenue Redcliffe Western Australia Trust	15 August 2019	100	-
5-25 Hughes Road Little River Victoria Trust	15 August 2019	100	-

15. Investments in subsidiaries continued

Name	Date of establishment	Percentage of equity interest held by the Group 2019 %	2018 %
13 Lakes Road Greenfields Western Australia Trust	15 August 2019	100	-
20 Pousties Road Avalon Victoria Trust	9 September 2019	100	-
825 Mickleham Road Greenvale Victoria Trust	3 October 2019	100	-
24 Wills Road Emerald Queensland Trust	3 October 2019	100	-
18316 Warrego Highway Dalby West Queensland Trust	3 October 2019	100	-
Lot 50 Mandurah Road Meadow Springs Western Australia Trust	3 October 2019	100	-
Crn Childers Road & Airport Drive Bundaberg Queensland Trust	3 October 2019	100	-
62 Flinders Parade North Lakes Queensland Trust	3 October 2019	100	-
416 Princes Highway Colac West Victoria Trust	4 December 2019	100	-

All companies and trusts were incorporated or settled in Australia. The trusts formed during the year ended 31 December 2019 were formed by the Group and own investment properties.

16. Commitments and contingencies

Capital expenditure commitments

	31 December 2019 $'000	31 December 2018 $'000
Within one year	35,459	12,500
After one year but not more than five years	-	-
	35,459	12,500

At 31 December 2019, the Group has entered into contracts for the purchase of four investment properties for $25.4 million, of which $21.1 million remains unpaid at 31 December 2019. Settlement of three of these three investment properties has occurred during January and February 2020.

Further, the Group has committed to contracts for the construction of service stations on 10 properties for an aggregate of $46.4 million, of which $14.3 million remains unpaid at 31 December 2019 and is expected to be paid as construction is completed during the next 12 months.

Other than that noted above, there are no material outstanding contingent assets, liabilities or commitments as at 31 December 2019.

17. Events occurring after the reporting period

Subsequent to the end of the financial year:

- the Directors have confirmed the payment of a final distribution for the year ended 31 December 2019 of $56.0 million, which is expected to be paid on 27 February 2020;
- on 8 January 2020, funds have been drawn down from one of the syndicated facilities for $56.0 million to fund this distribution; and
- three investment properties with a purchase price of $20.0 million which were contracted before 31 December 2019 have been settled during January and February 2020.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect:

- the operations of the Group in future financial years;
- the results of those operations in future financial years; or
- the state of affairs of the Group in future financial years.

18. Related party information

(a) Parent entity

The Company has been assessed as the parent entity of the Group; the securityholders' interests in the Trust are included in equity as non-controlling interests relating to the stapled entity.

(b) Subsidiaries

Interests in subsidiaries are set out in note 15.

(c) Key management personnel compensation

Detailed remuneration disclosures are provided in the remuneration report on pages 21 to 23.

(d) Stapled group

Viva Energy REIT is a stapled group consisting of the Company and the Trust and their wholly owned entities. The Trust indirectly owns the investment property portfolio through its 100% ownership of the trusts which own the investment properties and receive rent under operating leases. The Company directly owns all of the shares in VER Limited ('Responsible Entity'). Each stapled security consists of one share in the Company and one unit in the Trust.

(e) Transactions with related parties

	2019 $'000	2018 $'000
The following transactions occurred with related parties:		
Rental income received from Viva Energy Australia Pty Limited and its associated entities	146,073	135,790
Reimbursement of costs incurred by VER Manager Pty Limited in relation to managing the Group	2,520	2,293
Purchase of investment properties from an associated entity of Viva Energy Australia Pty Limited (Liberty Oil Holdings Pty Limited and its controlled entities)	31,480	25,000
Payments for construction and site development works to an associated entity of Viva Energy Australia Pty Limited (Liberty Oil Holdings Pty Limited and its controlled entities)	32,651	-
Amounts payable:		
Management costs reimbursable to VER Manager Pty Limited at the end of the period	483	222

Viva Energy REIT has acquired investment properties by the assignment to Viva Energy REIT of a purchase right which was held by Viva Energy Australia Pty Limited. No fees were paid nor are payable by Viva Energy REIT for this assignment of the purchase right. The purchase right allows for purchase of each investment property at equal to the best third party offer received by the previous owner.

19. Remuneration of auditors

During the period the following fees were paid or payable for services provided by the auditor of the parent entity and its related practices.

	2019 $	2018 $
PricewaterhouseCoopers Australia		
Audit and review of financial statements	151,025	146,625
Other assurance services:		
Audit of compliance plan	15,000	10,250
Audit of AFSL	5,275	5,125
Total remuneration for audit and other assurance services	171,300	162,000
Tax compliance and consulting services on income taxation, GST and stamp duty	125,867	114,444
Total remuneration for taxation services	125,867	114,444
Total remuneration of auditors	297,167	276,444

20. Parent entity financial information

The individual financial statements for the parent entity, Viva Energy REIT Limited, show the following aggregate amounts:

	2019 $'000	2018 $'000
Balance sheet		
Current assets	**5,058**	14,533
Non-current assets	**5,700**	5,700
Total assets	**10,758**	20,233
Current liabilities	**9,957**	18,939
Total liabilities	**9,957**	18,939
Shareholders' equity		
Contributed equity	**2,024**	2,542
Accumulated losses	**(1,222)**	(1,248)
Total equity	**802**	1,294
Profit/(loss) for the year	**25**	(106)
Total comprehensive income/(loss) for the year	**25**	(106)

21. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Principles of consolidation

(i) Stapled entities

Viva Energy REIT is a stapled group consisting of the Company and the Trust and their wholly owned entities. The Trust indirectly owns the investment property portfolio through its 100% ownership of the trusts which own the investment properties and receive rent under operating leases. The Company directly owns all of the shares in the Responsible Entity. Each stapled security consists of one share in the Company and one unit in the Trust. The shares and the units were stapled at allotment in accordance with the constitutions of the Company and the Trust and the Stapling Deed and trade together on the ASX. The securities in Viva Energy REIT cannot be traded separately and can only be traded as a stapled security.

AASB 3 *Business Combinations* requires one of the stapled entities in a stapling structure to be identified as the parent entity for the purpose of preparing consolidated financial reports. In accordance with this requirement, the Company has been identified as the parent entity in relation to the stapling with the Trust under Viva Energy REIT.

The consolidated financial statements of the Group incorporate the assets and liabilities of the entities controlled by the Company during the period, including those deemed to be controlled by the Trust, by identifying it as the parent of the Group, and the results of those controlled entities for the period then ended. The effect of all transactions between entities in the Group are eliminated in full.

Non-controlling interests in the results and equity are shown separately in the consolidated statement of comprehensive income, consolidated balance sheet and consolidated statement of changes in equity respectively. Non-controlling interests are those interests in the Trust which are not held directly or indirectly by the Company.

(ii) Subsidiaries

Subsidiaries are all entities (including trusts) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Inter-entity transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated balance sheet and consolidated statement of changes in equity respectively.

(b) Presentation of members' interests in the Trust

As the Company has been assessed as the parent entity of the Group, the securityholders' interests in the Trust are included in equity as non-controlling interests relating to the stapled entity. Securityholders' interests in the Trust are not presented as attributable to owners of the parent, reflecting the fact that they are not owned by the Company, but by the securityholders of the stapled group.

(c) Revenue

(i) Rental income

Rental income from operating leases is recognised as income on an accruals basis. Where a lease has a fixed annual increase, the total rent receivable over the operating lease is recognised as revenue on a straight-line basis over the lease term. This results in more income being recognised early in the lease term and less late in the lease term compared to the lease conditions (i.e. actual cash received). The difference between the lease income recognised and the actual lease payment received is shown within the fair value of the investment property on the consolidated balance sheet.

The Group did not need to make any adjustments to the accounting for assets held as a lessor as a result of adopting the new leasing standard.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest rate method. Interest income is included in finance income in the consolidated statement of profit or loss.

All income is stated net of goods and services tax.

(d) Expenses

All expenses are recognised in the consolidated profit or loss on an accruals basis.

(e) Management fees

The Group reimburses the Manager for costs incurred in the management of Viva Energy REIT's operations.

(f) Employee benefits

Viva Energy REIT has no employees other than the Directors.

Management services are provided to Viva Energy REIT by VER Manager Pty Limited, which is a subsidiary of Viva Energy Group Limited. The employees of Viva Energy Group Limited who are seconded to provide management services are employees of and paid directly by Viva Energy Group Limited, but they work exclusively for Viva Energy REIT. Incentives paid by Viva Energy Group Limited to staff seconded to VER Manager Pty Limited to provide these management services are based entirely on the performance of Viva Energy REIT.

21. Summary of significant accounting policies continued

(g) Goods and services tax ('GST')

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other current assets and trade and other payables in the consolidated balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

(h) Receivables

Trade and sundry debtors are initially recorded at fair value and subsequently accounted for at amortised cost. Collectability of trade debtors is reviewed regularly and bad debts are written off when identified. A specific provision for doubtful debts is made when there is objective evidence that Viva Energy REIT will not be able to collect the amounts due according to the original terms of the receivable. The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows.

(i) Financial instruments

(i) Classification

The Group's investments are classified as at fair value through profit or loss. They comprise:

- financial instruments held for trading.

Derivative financial instruments such as interest rate swaps are included under this classification.

- Financial instruments designated at fair value through profit or loss upon initial recognition.

These include financial assets that are not held for trading purposes and which may be sold.

Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Group's documented investment strategy. The Group's policy is for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

(ii) Recognition/derecognition

Financial assets and financial liabilities are recognised on the date the Group becomes party to the contractual agreement (trade date) and it recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments has expired or the Group has transferred substantially all risks and rewards of ownership.

(iii) Measurement

Financial assets and liabilities held at fair value through profit or loss

At initial recognition, financial assets are recognised at fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the Group is the current bid price and the quoted market price for financial liabilities is the current asking price.

The fair value of financial assets and liabilities that are not traded in an active market are determined using valuation techniques. Accordingly, there may be a difference between the fair value at initial recognition and amounts determined using a valuation technique. If such a difference exists, the Group recognises the difference in profit or loss to reflect a change in factors, including time that market participants would consider in setting a price.

Further detail on how the fair values of financial instruments are determined is disclosed in note 9.

(iv) Loans and receivables

Loan assets are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less impairment losses if any. Such assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment.

If evidence of impairment exists, an impairment loss is recognised in profit or loss as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through profit or loss.

(v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(j) Provisions

A provision is recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of the Group's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

(k) Rounding of amounts

The Group is an entity of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars in accordance with that instrument, unless otherwise indicated.

(l) New accounting standards and interpretations not yet adopted

There are no issued standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 25 to 51 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Note 1(c) to the consolidated financial statements confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations of the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Laurence Brindle
Chairman

20 February 2020

Independent Auditor's Report

Independent auditor's report

To the members of Viva Energy REIT Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Viva Energy REIT Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 31 December 2019
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Viva Energy REIT owns 469 service station properties located across all Australian States and Territories. The majority of properties in the portfolio are leased to Viva Energy Australia Pty Limited, a shareholder.

Materiality

- For the purpose of our audit we used overall Group materiality of $6.2 million, which represents approximately 5% of the Group's profit before tax, adjusted for significant non-cash items such as investment property and derivative financial instrument revaluations.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group profit before tax, adjusted for significant non-cash items because, in our view, it is the benchmark against which the performance of the Group is most commonly measured.
- We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Group's accounting processes and controls are performed at its Melbourne office, where we predominately performed our audit procedures.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
Valuation of investment properties *(Refer to note 7)* The Group's investment property portfolio consists of 469 service station properties located across Australia. At 31 December 2019 the carrying value of the Group's total investment property portfolio was $2,652 million. Investment properties are carried at fair value. The Group's accounting policy is disclosed in note 2 of the financial report. Factors such as prevailing market conditions, the individual nature, condition and location of each property and the expected future income for each property impact fair values. The following key inputs used in estimating fair value are derived from the long-term leases: • Rental income • Lease terms The key judgemental assumption in estimating fair value is: • Capitalisation rate External valuations were obtained by the Group to assist in estimating the fair value for 164 properties and director valuations were performed on the remainder of the portfolio. This was a key audit matter because of the: • Relative size of the investment property balance in the consolidated balance sheet • Quantum of revaluation gains that could directly impact the consolidated statement of comprehensive income through the net fair value gain/loss of investment properties • Inherently subjective nature of investment property valuations due to the use of assumptions in the valuations • Sensitivity of valuations to key inputs/ assumptions.	**Independent valuations** For a sample of independent valuations we: • Assessed the competency and capabilities of the independent valuer. • Read the valuer's terms of engagement - we did not identify any terms that might affect their objectivity or impose limitations on their work relevant to the valuation. • Agreed the rental income and lease terms used in the independent valuations to the tenancy schedule and lease agreement, with no material differences noted. • Assessed the valuation reports based on our industry knowledge, including comparing the capitalisation rate assumption to a range we determined to be reasonable based on benchmark market data. • Inspected the final valuation reports and agreed the fair value to the Group's accounting records, noting no material differences. **Director valuations** For a sample of director valuations we: • Agreed the rental income and lease terms used in the director valuations to the tenancy schedule and lease agreement, with no material differences noted. • Compared the capitalisation rate between the directors' valuations and independent valuations to identify any unusual trends or anomalies in the directors' valuation outcomes. • Agreed the director valuations to the Group's accounting records, noting no material differences.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2019, including Directors' Report, Corporate Directory and ASX Additional Information, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 21 to 23 of the directors' report for the year ended 31 December 2019.

In our opinion, the remuneration report of Viva Energy REIT Limited for the year ended 31 December 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Charles Christie
Partner

Melbourne
20 February 2020

Additional Information

The information below is current as at 10 March 2020.

There were 780,858,676 fully paid securities on issue, held by 7,658 securityholders. There were 224 holders holding less than a marketable parcel based on a closing price of $2.65.

The voting rights attaching to the stapled securities, set out in section 253C of the *Corporations Act 2001*, are:

(i) on a show of hands, every person present who is a securityholder has one vote; and

(ii) on a poll, each securityholder present in person or by proxy or attorney has one vote for each dollar of value of the securities they have in the Group.

Top 20 Securityholders

The top 20 largest registered securityholders as at 10 March 2020 are shown below.

Rank	Holder name	Number of securities	% of issued capital
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	186,498,099	23.88
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	148,980,484	19.08
3	CITICORP NOMINEES PTY LIMITED	85,805,999	10.99
4	NATIONAL NOMINEES LIMITED	66,133,189	8.47
5	THE TRUST COMPANY LTD	38,934,478	4.99
5	THE TRUST COMPANY (AUSTRALIA) LTD	38,934,478	4.99
6	BNP PARIBAS NOMINEES PTY LTD	25,298,053	3.24
7	BNP PARIBAS NOMS PTY LTD	21,653,667	2.77
8	NATIONAL NOMINEES LIMITED	13,293,000	1.70
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,141,777	1.04
10	BNP PARIBAS NOMINEES PTY LTD	7,320,000	0.94
11	CITICORP NOMINEES PTY LIMITED	7,261,984	0.93
12	AUSTRALIAN EXECUTOR TRUSTEES LIMITED	6,001,618	0.77
13	AVANTEOS INVESTMENTS LIMITED	3,571,719	0.46
14	THE TRUST COMPANY (AUSTRALIA) LIMITED	3,500,000	0.45
15	UBS NOMINEES PTY LTD	3,221,506	0.41
16	NETWEALTH INVESTMENTS LIMITED	3,133,954	0.40
17	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	1,974,825	0.25
18	BNP PARIBAS NOMS(NZ) LTD	1,948,410	0.25
19	AUSTRALIAN EXECUTOR TRUSTEES LIMITED	1,746,747	0.22
20	AVANTEOS INVESTMENTS LIMITED	1,594,460	0.20
	Total	**674,948,447**	**86.44**
	Balance of register	**105,910,229**	**13.56**
	Grand total	**780,858,676**	**100.00**

Distribution of securityholdings as at 10 March 2020

Range	Number of securities	% of total	Number of holders
100,001 and Over	700,113,430	89.66	101
10,001 to 100,000	59,329,794	7.60	2,623
5,001 to 10,000	13,924,366	1.78	1,826
1,001 to 5,000	7,121,786	0.91	2,275
1 to 1,000	369,300	0.05	833
Total	**780,858,676**	**100.00**	**7,658**
Unmarketable Parcels	3,848	-	224

Substantial securityholders as at 10 March 2020

Date of notice received	Name of substantial securityholder	Number of securities	Percentage of capital
24 February 2020	Charter Hall Limited and its related bodies corporate	79,927,806	10.26%
4 March 2020	The Vanguard Group, Inc.	72,805,934	9.32%
4 March 2020	Mitsubishi UFJ Group, Inc.	58,428,275	7.48%
26 February 2020	Pinnacle Investment Management Group Limited	41,984,640	5.39%
26 February 2020	Resolution Capital Limited	41,549,491	5.34%
26 February 2020	Commonwealth Bank of Australia and its related bodies corporate	40,531,922	5.20%

Disclosures

On 1 August 2016, Viva Energy REIT was granted certain waivers from the Australian Securities Exchange ('ASX') with regard to ASX Listing Rule 10.1. Pursuant to those waivers, the following disclosures are outlined:

Summary of Certain Arrangements between Viva Energy REIT and Viva Energy Australia

Viva Energy REIT and Viva Energy Australia have entered in a Master Agreement to govern, among other things, certain rights and obligations with respect to the properties in the Initial Portfolio and any additional service station sites that become the subject of a lease between the parties in the future.

Viva Energy REIT's first right of refusal	Viva Energy REIT has a first right to acquire any service station site that Viva Energy Australia offers for sale, subject to the rights of Coles Express if that site is the subject of a Site Agreement[22].
Viva Energy Australia's first right of refusal	Viva Energy Australia has a first right to acquire any property that is subject of a lease or which is used as a retail service station and which Viva Energy REIT offers for sale, subject to the rights of Coles Express if that site is the subject of a Site Agreement[23].
Viva Energy Australia's call option	• Viva Energy Australia has a call option to acquire all or any part of the Initial Portfolio upon certain insolvency trigger events. • If a call option trigger event occurs and the call option is exercised by Viva Energy Australia in respect of a site, Viva Energy Australia may acquire that site for a price determined via an independent valuation process, subject to the rights of Coles Express if that site is the subject of a Site Agreement[23].
Right of first refusal on new lease properties	If Viva Energy REIT proposes to grant a new lease in respect of a site which is not (and has not been) the subject of a lease to Viva Energy Australia, Viva Energy REIT must first offer to lease that site to Viva Energy Australia before entering into a new lease with another party.

In addition, in each lease entered in respect of the Initial Portfolio, Viva Energy Australia has a right of first refusal to acquire any leased site that Viva Energy REIT offers for sale, subject to the rights of Coles Express if that site is the subject of a Site Agreement[23].

In 2019, Viva Energy REIT and Viva Energy Australia did not enter into (or conclude) any transactions pursuant to the rights listed above.

Viva Energy Australia has sold down its 35.5% securityholding in Viva Energy REIT on 21 February 2020. As at the date of this Report, Viva Energy Australia will have no remaining securityholding in Viva Energy REIT.

As at the date of this Report, the Master Agreement is still on foot and the rights of first refusal as described above still operate.

22. Coles Express has a right of first refusal in respect of any disposal of any site that is the subject of a Site Agreement, but that right is unlikely to apply to any transfer between Viva Energy Australia and Viva Energy REIT. Please refer to PDS Section 13.2 for a summary of the Master Agreement and PDS Section 13.10 for a summary of the Site Agreement.
23. oles Express has a right of first refusal of any disposal of any site that is the subject of a Site Agreement, but that right is unlikely to apply to any transfer between Viva Energy Australia and Viva Energy REIT. Please refer to PDS Section 13.2 for a summary of the Master Agreement and PDS Section 13.10 for a summary of the Site Agreement.

Property Portfolio

As at 31 December 2019

Address	Suburb	State	Cap rate %	Carrying value $	Major tenant lease expiry
Corner Canberra Avenue & Flinders Way	Manuka	ACT	6.37%	$8,100,000	2033
Corner Nettleford Street & Lathlain Drive	Belconnen	ACT	6.37%	$10,180,000	2034
Corner Cohen Street & Josephson Street	Belconnen	ACT	6.41%	$3,494,183	2027
20 Springvale Drive	Hawker	ACT	6.70%	$5,360,000	2031
Corner Lhotsky Street & Charnwood Place	Charnwood	ACT	6.89%	$7,070,000	2033
49-51 Rylah Crescent	Wanniassa	ACT	6.69%	$3,120,000	2027
172 Melrose Drive	Phillip	ACT	6.18%	$5,010,000	2030
Corner Ipswich Street & Wiluna Street	Fyshwick	ACT	6.70%	$2,840,000	2027
Corner Mort Street & Girrahween Street	Braddon	ACT	5.92%	$4,240,000	2028
25 Hopetoun Circuit	Deakin	ACT	6.69%	$4,657,265	2030
17 Strangways Street	Curtin	ACT	6.95%	$3,933,191	2028
Corner 100 Dawson Street & Magellan Street	Lismore	NSW	7.00%	$2,380,000	2026
115 Heathcote Road	Wattle Grove	NSW	4.67%	$11,695,684	2033
71 Minjungbal Drive	Tweed Heads South	NSW	6.00%	$5,640,000	2032
Corner Cowpasture Road & Green Valley Road	Green Valley	NSW	4.67%	$6,533,668	2030
Lot 201 Appin Road	St Helens Park	NSW	5.50%	$3,280,000	2026
575-581 Great Western Highway	Faulconbridge	NSW	5.74%	$3,750,000	2028
14 Thomas Street	Wallsend	NSW	5.75%	$10,260,000	2034
Corner Avoca Drive & Bungoona Street	Kincumber	NSW	6.50%	$5,720,000	2033
36-46 Victoria Road	Drummoyne	NSW	4.50%	$8,290,000	2032
19 Davies Road	Padstow	NSW	4.81%	$6,363,581	2030
102-106 Wyong Road	Killarney Vale	NSW	6.74%	$6,973,318	2034
427 Bungarribee Road	Doonside	NSW	4.92%	$5,978,725	2029
100 Taren Point Road	Taren Point	NSW	4.71%	$6,986,515	2032
Corner Mulgoa Road & Wolseley Road	Jamisontown	NSW	5.25%	$5,850,000	2029
746 Richmond Road	Berkshire Park	NSW	5.90%	$4,355,779	2029
592-596 Old Northern Road	Dural	NSW	5.25%	$4,730,000	2028
Corner Cumberland Highway & John Street	Cabramatta	NSW	5.24%	$4,060,000	2029
Corner Hume Highway & Braidwood Street	Enfield	NSW	5.17%	$3,465,776	2027
611 Great Western Highway	Eastern Creek	NSW	4.71%	$12,892,542	2034
168-170 Snowy Mountains Highway	Tumut	NSW	7.99%	$2,600,000	2027
1443 Camden Valley Way	Leppington	NSW	5.74%	$2,380,000	2026
Lot 2 Lake Entrance Road	Oak Flats	NSW	5.75%	$3,870,000	2026
Corner Victoria & Elizabeth Street	Wetherill Park	NSW	4.43%	$5,926,372	2028
Lot 2 Coast Road	Hastings Point	NSW	5.62%	$2,781,144	2028
Corner Bong Bong Street & Bowral Street	Bowral	NSW	5.75%	$5,934,821	2029
Corner Mount Street & Middle Street	Gundagai	NSW	6.75%	$10,530,185	2034
42 Bulahdelah Way	Bulahdelah	NSW	8.01%	$1,890,000	2026
Corner Whylandra Street & Victoria Street	Dubbo	NSW	6.75%	$9,900,000	2034
Corner Mid Western Highway & Pine Street	Wyalong	NSW	7.76%	$3,590,000	2030
1140a Pacific Highway	Woolgoolga	NSW	7.50%	$2,020,000	2026
198 Beach Road	Batehaven	NSW	7.08%	$5,538,009	2031
Corner Newell Highway & Tooraweenah Road	Gilgandra	NSW	8.32%	$2,659,040	2026

Property Portfolio continued

As at 31 December 2019

Address	Suburb	State	Cap rate %	Carrying value $	Major tenant lease expiry
35-51 Victoria Road	Drummoyne	NSW	4.43%	$5,989,196	2031
69-73 George Street	Singleton	NSW	7.05%	$7,118,065	2033
Corner Mamre Road & Banks Drive	St Clair	NSW	5.19%	$4,733,809	2027
33351 Newell Highway	Boggabilla	NSW	7.75%	$6,419,086	2031
147-152 Bridge Street	Tamworth West	NSW	6.99%	$5,234,182	2031
Corner Pacific Highway & Kangaroo Street	Raymond Terrace	NSW	7.47%	$2,290,486	2027
Corner 112 Rookwood Road & Brunker Road	Yagoona	NSW	4.92%	$5,528,488	2031
251-253 Goonoo Goonoo Road	Tamworth	NSW	5.50%	$6,954,868	2033
Corner Balo Street & Gwydir Street	Moree	NSW	7.75%	$2,678,912	2028
Corner 274-276 The Grand Parade & Ramsgate Road	Ramsgate	NSW	4.43%	$6,250,961	2029
Corner Princes Highway & The Boulevarde	Kirrawee	NSW	4.67%	$7,769,201	2032
Corner Clinton Street & Cowper Street	Goulburn	NSW	6.83%	$5,258,242	2031
1032-1036 Victoria Road	West Ryde	NSW	4.43%	$8,638,263	2029
Corner 73 Pembroke Road & Durham Street	Minto	NSW	5.89%	$2,209,336	2026
279-287 Princes Highway	Bulli	NSW	5.75%	$11,158,699	2033
Corner Pacific Highway & Maude Street	Belmont	NSW	6.08%	$4,058,745	2030
89-93 Marsh Street	Armidale	NSW	8.00%	$3,820,000	2028
Corner Frances Street & Wharf Street	Tweed Heads	NSW	6.00%	$4,370,000	2030
96 Wicks Road	North Ryde	NSW	5.06%	$4,961,490	2031
Corner Gordan Street & Hollingsworth Street	Port Macquarie	NSW	6.02%	$8,983,361	2033
269-275 Princes Highway	Corrimal	NSW	5.54%	$5,428,450	2029
197 Windsor Road	Northmead	NSW	5.15%	$2,927,577	2026
1-3 Sydney Avenue	Umina	NSW	7.22%	$4,764,958	2027
4 Ryde Road	Hunters Hill	NSW	4.68%	$4,785,074	2028
386 Pennant Hills Road	Pennant Hills	NSW	4.67%	$10,104,150	2033
275 Lane Cove Road	North Ryde	NSW	5.00%	$4,150,000	2028
Corner David Street & Guinea Street	Albury	NSW	7.08%	$5,433,184	2031
Corner Merrylands Road & Braeside Street	Greystanes	NSW	5.50%	$2,680,000	2026
Corner 298 Stewart Street & Rocket Street	Bathurst	NSW	6.00%	$6,740,000	2029
Corner Summer Street & Sale Street	Orange	NSW	6.00%	$5,450,000	2030
311 Great Western Highway	Lawson	NSW	6.50%	$2,690,000	2026
Corner 131-133 Cobra Street & Fitzroy Street	Dubbo	NSW	7.57%	$3,823,446	2028
2-6 John Street	Coonabarabran	NSW	7.49%	$2,380,110	2027
196-200 Pacific Highway	Hornsby	NSW	4.75%	$7,250,000	2032
Corner 165 Smith Street & Cochrane Street	Kempsey	NSW	8.25%	$2,080,000	2026
27 Queen Street	Campbelltown	NSW	5.19%	$3,445,724	2027
Corner 387 Wattle Street & Kelly Street	Ultimo	NSW	4.00%	$16,040,000	2030
23 Stockton Street	Nelson Bay	NSW	5.90%	$6,062,490	2031
575 Wagga Road	Lavington	NSW	6.50%	$11,055,664	2034
Corner Church Street & Mortimer Street	Mudgee	NSW	6.24%	$5,687,536	2030
64 High Street	Wauchope	NSW	7.51%	$2,140,000	2026
371 Pennant Hills Road	Pennant Hills	NSW	4.75%	$10,250,000	2034
93-99 Argyle Street	Picton	NSW	5.65%	$5,413,311	2030

Address	Suburb	State	Cap rate %	Carrying value $	Major tenant lease expiry
959-961 Anzac Parade	Maroubra	NSW	5.38%	$2,520,651	2026
299 Bunnerong Road	Pagewood	NSW	4.50%	$9,040,000	2033
Corner Audley Street & Caddell Street	Narrandera	NSW	7.50%	$4,000,000	2030
Corner Raw Square & Albert Road	Strathfield	NSW	4.71%	$7,114,963	2032
Corner High Street & Smith Street	Maitland	NSW	6.76%	$2,360,000	2026
Corner 26-28 Georges River Road & Carvers Road	Oyster Bay	NSW	5.00%	$4,590,000	2027
Corner Pacific Highway & Coonanbarra Road	Wahroonga	NSW	4.56%	$10,054,222	2029
21 Ryde Road	Pymble	NSW	4.43%	$6,784,963	2030
179-181 Mona Vale Road	St Ives	NSW	4.56%	$6,005,696	2031
Corner Miller Street & Palmer Street	Cammeray	NSW	4.30%	$7,068,558	2030
Corner Ben Boyd Road & Ernest Street	Neutral Bay	NSW	4.50%	$6,560,000	2030
59-63 Victoria Street	Taree	NSW	7.00%	$6,398,479	2033
Corner Taren Point Road & Parraweena Road	Taren Point	NSW	4.68%	$5,340,017	2028
120-138 Birrell Street	Bondi Junction	NSW	4.20%	$8,678,162	2032
54 Alison Road	Randwick	NSW	4.18%	$6,669,786	2029
48-56 Gardeners Road	Kingsford	NSW	4.43%	$4,439,544	2028
Corner 57 Cowper Wharf Road & Dowling Street	Woolloomooloo	NSW	4.81%	$7,047,851	2030
124-126 Johnston Street	Annandale	NSW	4.18%	$4,708,379	2027
26-30 King Street	Warrawong	NSW	5.87%	$3,923,824	2028
Corner Princes Highway & Oliver Road	Heathcote	NSW	5.00%	$4,590,000	2028
835 King Georges Road	South Hurstville	NSW	4.67%	$7,716,848	2032
Corner 88 Victoria Road & Buller Street	Parramatta	NSW	4.81%	$6,859,826	2031
Corner 199-203 Kissing Point Road & Kirby Street	Dundas	NSW	5.75%	$2,820,000	2027
Corner Lane Cove Road & Myra Avenue	Ryde	NSW	5.44%	$3,216,739	2027
1418 Pittwater Road	Narrabeen	NSW	5.00%	$8,670,000	2033
357-361 Edward Street	Wagga Wagga	NSW	6.74%	$5,347,521	2033
Corner 63-69 Maud Street & Miller Street	Mayfield	NSW	6.74%	$2,070,000	2026
Corner 148 Bridge Street & Hill Street	Muswellbrook	NSW	7.01%	$2,870,000	2027
252 Princes Highway	Albion Park	NSW	5.75%	$6,800,000	2031
152-158 Princes Highway	Dapto	NSW	6.50%	$3,360,000	2027
277-281 Princes Highway	Carlton	NSW	4.43%	$3,988,585	2027
338-340 Hume Highway	Liverpool	NSW	4.92%	$7,695,907	2032
877-879 Pacific Highway	Chatswood	NSW	4.67%	$10,166,974	2033
Corner Warringah Road & Cook Street	Forestville	NSW	4.67%	$13,915,456	2034
Corner Winbourne Road & Harbord Road	Brookvale	NSW	5.47%	$7,403,127	2033
6-8 Pacific Highway	Kariong	NSW	6.50%	$11,800,000	2034
797 Pacific Highway	Belmont South	NSW	6.51%	$5,580,000	2031
2 Brunker Road	Broadmeadow	NSW	5.73%	$6,821,397	2032
Corner 15 Thomas Street & Brook Street	Wallsend	NSW	5.72%	$13,941,264	2034
65 Hume Highway	Lansvale	NSW	5.75%	$3,020,000	2028
Corner Allison Avenue & Pacific Highway	Lane Cove	NSW	4.68%	$3,874,902	2027
Corner Kinghorn Street & Worrigee Street	Nowra	NSW	6.00%	$7,530,000	2031
308-310 Parramatta Road	Stanmore	NSW	4.50%	$7,990,000	2032

Property Portfolio continued
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Address	Suburb	State	Cap rate %	Carrying value $	Major tenant lease expiry
Corner 884-888 Hume Highway & Strickland Street	Bass Hill	NSW	5.50%	$3,950,000	2028
88 Centre Street	Casino	NSW	6.98%	$1,860,000	2026
562 Botany Road	Alexandria	NSW	4.25%	$14,140,000	2034
164 William Street	Broken Hill	NSW	7.05%	$5,780,758	2033
2 General Holmes Drive	Brighton-Le-Sands	NSW	4.75%	$6,760,000	2031
59 Durham Street	Bathurst	NSW	7.00%	$7,016,689	2033
188-190 Pennant Hills Road	Thornleigh	NSW	4.97%	$7,865,861	2033
227 Military Road	Cremorne	NSW	3.92%	$8,364,563	2027
Corner Avalon Parade & Barrenjoey Road	Avalon	NSW	4.43%	$4,387,424	2027
118 New England Highway	Rutherford	NSW	7.37%	$2,492,008	2027
128 Pacific Highway	Charlestown	NSW	5.91%	$4,565,191	2030
274 Old Hume Highway	Camden	NSW	5.57%	$5,892,291	2031
Corner Parramatta Road & Walker Street	Five Dock	NSW	4.75%	$15,390,000	2034
336 Victoria Street	Deniliquin	NSW	7.33%	$1,639,566	2026
Corner Windsor Road & Olive Street	Baulkham Hills	NSW	4.67%	$10,491,563	2028
4974 Pacific Highway	Half Way Creek	NSW	7.99%	$6,988,250	2021
126 Great Western Highway	Blaxland	NSW	7.33%	$5,550,000	2021
731 Windsor Road	Rouse Hill	NSW	6.01%	$9,600,000	2020
6-8 Mackay Street	Griffith	NSW	6.79%	$1,339,456	2034
5 Princes Highway	Moruya	NSW	6.79%	$824,281	2034
2 Yarrawonga Road	Palmerston	NT	6.25%	$6,920,000	2033
1 Gap Road	Alice Springs	NT	6.82%	$3,095,408	2027
6 Larapinta Drive	Alice Springs	NT	6.50%	$6,470,000	2028
37 Progress Drive	Nightcliff	NT	6.90%	$2,930,000	2026
30 Katherine Terrace	Katherine	NT	7.21%	$2,711,423	2027
37 Daly Street	Darwin City	NT	7.30%	$5,388,742	2032
Corner Dalgety Road & Lilbili Street	Alice Springs	NT	6.51%	$3,020,000	2027
7 Gillard Crescent	Katherine	NT	8.04%	$4,100,000	2032
58 Pease Street	Cairns (Manoora)	QLD	5.72%	$5,734,482	2031
920 Captain Cook Highway	Cairns	QLD	6.50%	$8,990,000	2034
Corner 1 Interlink Court & Farrellys Road	Mackay	QLD	7.52%	$1,090,000	2026
123-127 South Pine Road	Brendale	QLD	7.26%	$440,000	2026
Corner 130 Benfer Road & Redland Bay Road	Victoria Point	QLD	6.00%	$5,350,000	2030
611 Moggill Road	Chapel Hill	QLD	5.77%	$6,940,265	2033
2 Highway Plaza (Corner Bruce Highway & Hicks Road)	Mackay	QLD	5.75%	$8,910,000	2034
90 Depot Road	Deagon	QLD	6.35%	$3,596,877	2028
16-20 Crombie Road	Bundall	QLD	6.11%	$5,780,833	2031
94 Breakfast Creek Road	Newstead	QLD	5.25%	$11,826,591	2034
10526 New England Highway	Highfields	QLD	6.08%	$4,941,234	2030
Corner Christine Avenue & Bermuda Street	Burleigh Waters	QLD	5.85%	$8,267,750	2033
Corner 11 London Road & Cross Street	Belmont	QLD	5.59%	$10,567,725	2034
315-325 Loganlea Road	Loganlea	QLD	6.30%	$5,558,234	2032
387 Oxley Drive	Runaway Bay	QLD	5.85%	$5,370,842	2030

Address	Suburb	State	Cap rate %	Carrying value $	Major tenant lease expiry
Corner Guineas Creek Road & Coolgardie Street	Elanora	QLD	6.37%	$4,577,907	2029
501 Compton Road	Runcorn	QLD	6.30%	$5,294,890	2032
196-206 Highfield Drive	Mudgeeraba	QLD	5.41%	$9,131,023	2034
171 Old Northern Road	Albany Creek	QLD	5.85%	$11,064,195	2034
69 Beerburrum Street	Caloundra	QLD	5.85%	$5,856,323	2032
259-277 Mt Crosby Road	Karalee	QLD	6.10%	$5,988,040	2032
Corner 376 Deception Bay Road & Park Road	Deception Bay	QLD	5.85%	$8,156,298	2033
42-48 Chatswood Road	Slacks Creek	QLD	6.04%	$5,525,177	2032
Corner 230 Bloomfield Street & Princess Street	Cleveland	QLD	5.85%	$7,001,245	2033
Corner 143-153 Birkdale Road & Napier Street	Birkdale	QLD	6.63%	$3,575,360	2029
Corner 1507-1511 Anzac Avenue & Duffield Road	Kallangur	QLD	6.26%	$4,040,000	2029
Corner 2 Railway Terrace & Ipswich Motorway	Goodna	QLD	7.00%	$4,170,000	2029
Corner 604-614 Browns Plains Road & Second Avenue	Marsden	QLD	5.47%	$4,397,308	2028
221-239 Barkly Highway	Mount Isa	QLD	5.64%	$8,177,330	2034
Corner Pacific Highway & Macpherson Road	Yatala	QLD	6.00%	$11,400,000	2034
419 Elizabeth Avenue	Kippa-Ring	QLD	6.25%	$4,690,000	2029
Corner 96 Finucane Road & Abelia Street	Alexandra Hills	QLD	6.64%	$3,949,401	2029
Corner 1728 Ipswich Road & Shettleton Street	Rocklea	QLD	6.50%	$5,930,000	2029
22-24 Thuringowa Drive	Kirwan	QLD	6.15%	$6,220,981	2033
3495-3497 Pacific Highway	Slacks Creek	QLD	6.42%	$1,867,553	2026
589 Nambour Connection Road	Nambour	QLD	6.50%	$5,160,000	2031
61-65 Bryants Road	Loganholme	QLD	6.25%	$4,020,000	2028
2650 Beaudesert Road	Calamvale	QLD	6.03%	$8,108,792	2034
Corner Brisbane Road & Foote Street	Mooloolaba	QLD	5.50%	$7,270,000	2033
Corner Glyn Street & Ashmore Road	Benowa	QLD	6.00%	$4,240,000	2028
140-146 Gladstone Road	Rockhampton	QLD	6.70%	$2,391,093	2027
Corner 21 Daisy Hill Road & Allamanda Drive	Daisy Hill	QLD	6.61%	$5,147,080	2030
Corner Sheridan Street & James Street	Cairns	QLD	5.89%	$5,900,099	2032
Corner Cartwright Street & Herbert Street	Ingham	QLD	6.99%	$2,167,111	2026
Corner Underwood Road & Rochedale Road	Rochedale	QLD	5.86%	$4,484,235	2029
2156 Gold Coast Highway	Miami	QLD	5.75%	$7,060,000	2031
Corner 106 Camooweal Street & Grace Street	Mount Isa	QLD	7.00%	$6,710,000	2034
50 Drayton Street	Dalby	QLD	6.96%	$3,798,835	2027
Corner 254 Mains Road & Turton Street	Sunnybank	QLD	5.85%	$7,680,092	2034
Corner Moss Street & Kingston Road	Woodridge	QLD	5.75%	$3,990,000	2028
Corner Granard Road & Beatty Road	Rocklea	QLD	5.52%	$6,551,300	2033
Corner Capricorn Highway & Columba Street	Blackwater	QLD	7.00%	$3,820,000	2026
2231 Wynnum Road	Wynnum	QLD	6.35%	$4,032,555	2029
290 Stuart Drive	Wulguru	QLD	6.26%	$1,600,000	2026
Corner 278 Bridge Street & Holberton Street	Toowoomba	QLD	6.35%	$5,755,003	2031
Corner 361 Ellison Road & Murphy Road	Geebung	QLD	5.84%	$3,758,989	2028
Corner 1870 Creek Road & Pickwick Street	Cannon Hill	QLD	5.84%	$4,366,912	2030
174 Hugh Street	Currajong	QLD	6.00%	$5,600,000	2032

Property Portfolio continued

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Address	Suburb	State	Cap rate %	Carrying value $	Major tenant lease expiry
29 Gailey Road	Taringa	QLD	5.25%	$7,900,000	2033
Corner 21 Bapaume Road & Kurin Gai Avenue	Holland Park	QLD	5.50%	$9,600,000	2034
Corner Bridge Road & Nebo Road	Mackay	QLD	6.24%	$2,860,000	2026
Corner 1890 Sandgate Road & Robinson Road	Virginia	QLD	5.85%	$9,280,955	2034
10 Mclean Street	Goondiwindi	QLD	6.51%	$2,710,000	2027
Corner Clermont Street & Opal Street	Emerald	QLD	6.33%	$5,269,239	2030
1582 Logan Road	Mount Gravatt	QLD	6.04%	$6,389,848	2032
Corner Churchill Street & Broadhurst Street	Childers	QLD	6.51%	$1,825,498	2026
319 Coronation Drive	Milton	QLD	4.73%	$9,871,520	2034
117 Youngman Street	Kingaroy	QLD	6.73%	$1,130,000	2026
63 Byrnes Street	Mareeba	QLD	6.46%	$4,833,940	2028
Corner 240 Musgrave Street & High Street	Rockhampton North	QLD	7.51%	$5,710,000	2031
1412 Gympie Road	Aspley	QLD	5.84%	$7,842,204	2034
213 Old Cleveland Road	Coorparoo	QLD	5.08%	$9,037,786	2034
Corner 281 Margaret Street & Mylne Street	Toowoomba	QLD	5.29%	$3,715,193	2028
1469 Wynnum Road	Tingalpa	QLD	6.00%	$5,790,000	2032
Corner 2824 Gold Coast Highway & Genoa Street	Surfers Paradise	QLD	5.50%	$5,260,000	2029
1201 Logan Road	Mount Gravatt	QLD	5.84%	$2,664,728	2027
Corner 82-86 Fitzroy Street & Campbell Street	Rockhampton	QLD	6.64%	$3,615,203	2027
110 Hornibrook Esplanade	Clontarf	QLD	6.24%	$4,800,000	2030
Corner Oxford Street & Hawthorne Road	Balmoral	QLD	5.08%	$7,751,016	2033
Corner Toolona Street & Gold Coast Highway	Tugun	QLD	5.77%	$9,095,128	2033
338 Ipswich Road	Annerley	QLD	4.89%	$10,560,000	2031
487 Old Pacific Highway	Coomera	QLD	4.96%	$19,690,000	2032
442-444 Enogerra Road	Alderley	QLD	5.25%	$10,000,000	2032
72-76 Gavin Street	Bundaberg North	QLD	6.56%	$4,110,000	2032
102 River Road	Gympie	QLD	6.30%	$5,580,000	2027
2-4 Racecourse Road	Goondiwindi	QLD	6.62%	$4,232,321	2033
686 The Abbey Place	Caboolture	QLD	6.47%	$3,680,000	2021
118-120 South Station Road	Silkstone	QLD	6.02%	$5,449,113	2030
66 McNulty Street	Miles	QLD	6.62%	$5,819,441	2033
125-127 Youngman Street	Kingaroy	QLD	6.62%	$5,290,401	2033
199-205 Charters Towers Road	Townsville	QLD	6.51%	$2,700,000	2021
70-72 Quintin Street	Roma	QLD	6.62%	$4,761,361	2033
6776 Cunningham Highway	Aratula	QLD	6.54%	$14,813,123	2027
7-13 Burnett Highway	Biloela	QLD	7.00%	$1,530,000	2022
120-124 Goldring Street	Richmond	QLD	6.76%	$1,656,168	2034
47-55 Broad Street	Sarina	QLD	6.76%	$3,105,315	2034
112 Shute Harbour Road	Cannonvale	QLD	6.76%	$4,347,441	2034
62 Flinders Parade	North Lakes	QLD	6.06%	$8,250,000	2029
18316 Warrego Highway	Dalby West	QLD	7.00%	$2,000,000	2022
207 Main Road	McClaren Vale	SA	6.41%	$5,076,354	2032
92 Tasman Terrace	Port Lincoln	SA	7.32%	$3,135,109	2028

Address	Suburb	State	Cap rate %	Carrying value $	Major tenant lease expiry
2 Ramrod Avenue	Hallett Cove	SA	6.02%	$4,000,933	2029
452 Grand Junction Road	Mansfield Park	SA	6.86%	$4,616,562	2034
Corner Beach Road & Hannah Road	Noarlunga Centre	SA	5.77%	$3,717,674	2029
29207 Augusta Highway	Port Augusta	SA	8.45%	$4,598,160	2029
1461 Main North Road	Salisbury East	SA	5.88%	$3,401,384	2028
113 West Lakes Boulevard	West Lakes	SA	5.74%	$3,330,000	2028
182 Main North Road	Smithfield	SA	6.50%	$3,530,000	2029
Corner Augusta Highway & Stokes Terrace	Port Augusta	SA	7.62%	$3,772,581	2029
69-71 Princes Highway	Tailem Bend	SA	7.42%	$8,436,119	2034
267 Wright Road	Valley View	SA	5.76%	$2,085,216	2026
443 Salisbury Highway	Parafield Gardens	SA	5.68%	$2,021,700	2027
323 Hancock Road	Fairview Park	SA	5.87%	$3,694,085	2028
Corner 1230 Grand Junction Road & Valley Road	Hope Valley	SA	6.00%	$5,010,000	2032
1 Peake Terrace	Waikerie	SA	7.23%	$2,190,000	2028
12 Murray Street	Gawler	SA	6.90%	$5,381,937	2033
44 O.G. Road	Klemzig	SA	5.77%	$1,800,000	2026
Corner 150 Fullarton Road & Alexandra Avenue	Rose Park	SA	5.29%	$4,300,000	2028
89 Main South Road	Reynella	SA	6.50%	$3,700,000	2032
53-57 Port Road	Thebarton	SA	5.54%	$3,200,000	2028
30-32 Mckenzie Street	Ceduna	SA	7.49%	$3,210,000	2030
100 Commercial Street West	Mount Gambier	SA	6.99%	$4,140,000	2032
110 Yorktown Road	Elizabeth Park	SA	6.43%	$2,803,285	2028
57 Adelaide Road	Murray Bridge	SA	7.00%	$3,210,000	2029
371 Shepherds Hill Road	Blackwood	SA	5.67%	$3,200,000	2028
150 Montacute Road	Hectorville	SA	5.50%	$5,162,141	2030
Corner 41 Playford Avenue & Elliott Street	Whyalla	SA	9.26%	$3,135,109	2028
62 Stewart Terrace	Naracoorte	SA	8.10%	$2,508,087	2028
Corner 245 Findon Road & Grange Road	Findon	SA	5.92%	$4,752,037	2029
Corner North East Road & Sudholz Court	Windsor Gardens	SA	5.76%	$2,250,000	2027
1477-1479 Main South Road	Darlington	SA	5.80%	$4,900,000	2033
150 Belair Road	Hawthorn	SA	5.70%	$2,800,000	2027
2 Snowtown Road	Port Wakefield	SA	7.69%	$3,553,123	2030
77 Port Road	Queenstown	SA	5.99%	$2,190,000	2028
111 West Terrace	Adelaide	SA	5.00%	$4,810,000	2031
Lot 13 Curtis Road	Smithfield Plains	SA	6.22%	$4,661,650	2032
778 Port Road	Woodville South	SA	5.92%	$4,897,933	2033
47 Eric Road	Old Noarlunga	SA	4.86%	$6,789,526	2033
Corner Midland Highway & Andrew Street	Brighton	TAS	7.00%	$3,670,000	2027
Corner 27 Hamilton Road & Lyell Highway	New Norfolk	TAS	8.24%	$1,800,000	2026
1-3 Hobblers Bridge Road	Newstead	TAS	6.37%	$7,638,486	2033
22 Formby Road	Devonport	TAS	6.25%	$5,610,000	2033
2 Howrah Road	Howrah	TAS	6.25%	$4,720,000	2029
69 Wellington Street	Launceston	TAS	5.75%	$5,780,000	2032

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Address	Suburb	State	Cap rate %	Carrying value $	Major tenant lease expiry
257 Elizabeth Street	Hobart	TAS	5.14%	$5,231,840	2030
103 Invermay Road	Invermay	TAS	6.23%	$3,243,741	2027
418 Main Road	Glenorchy	TAS	6.23%	$3,662,288	2028
112 Charles Street	Moonah	TAS	7.14%	$2,720,557	2028
142 Sandy Bay Road	Sandy Bay	TAS	5.59%	$3,034,467	2027
Corner 21 Ardena Court & East Boundary Road	Bentleigh East	VIC	5.25%	$4,770,000	2032
719-721 Fifteenth Street Mildura	Mildura	VIC	6.75%	$4,890,000	2027
210 Boundary Road	Mordialloc	VIC	5.42%	$3,731,022	2032
469 Maroondah Highway	Lilydale	VIC	5.18%	$8,486,247	2034
945-957 Pascoe Vale Road	Broadmeadows	VIC	5.67%	$3,187,568	2032
1010-1012 Nepean Highway	Mornington	VIC	5.42%	$6,155,664	2034
Corner 27 Spencer Street & Dalton Road	Thomastown	VIC	5.42%	$11,360,284	2034
Corner Hanson Road & Craigieburn Road West	Craigieburn	VIC	5.22%	$8,444,213	2033
493 Burwood Highway	Vermont South	VIC	4.75%	$7,830,000	2033
Corner 368 Boundary Road & Plane Tree Avenue	Dingley	VIC	5.18%	$5,664,465	2034
Corner 535 South Gippsland Highway & Mcdowell Road	Hampton Park	VIC	5.47%	$9,193,262	2034
551-557 Doncaster Road	Doncaster	VIC	4.46%	$9,406,831	2033
247 Melbourne Road	Geelong North	VIC	6.00%	$4,920,000	2033
Corner 260 Derrimut Road & Hogans Road	Hoppers Crossing	VIC	5.17%	$5,706,269	2032
Corner Kings Way & Keilor-Melton Road	Taylors Lakes	VIC	5.50%	$10,950,000	2034
1076 Raglan Parade	Warrnambool	VIC	6.76%	$1,985,373	2031
Corner Macedon Road & Horne Street	Sunbury	VIC	6.25%	$7,478,581	2034
12 Barrabool Road	Highton	VIC	6.48%	$5,188,144	2032
54 Holmes Street	Brunswick East	VIC	4.93%	$3,177,117	2031
350 McDonalds Road	South Morang	VIC	5.50%	$4,160,000	2033
Corner 127-132 Plenty Road & Greenhills Road	Bundoora	VIC	5.17%	$7,023,101	2033
206 Princes Highway	Hallam	VIC	5.47%	$5,897,806	2033
1120 Cranbourne Frankston Road	Cranbourne	VIC	5.67%	$5,277,777	2033
1444 Plenty Road	Mernda	VIC	6.16%	$3,302,530	2031
Corner Plenty Road & University Drive	Mill Park	VIC	5.25%	$6,870,000	2032
Corner Station Street & Brooklyn Road	Melton South	VIC	5.72%	$5,540,889	2034
Corner 418 High Street & O'Neills Road	Melton	VIC	5.42%	$8,068,205	2034
155-171 Narre Warren North Road	Narre Warren North	VIC	5.42%	$7,117,160	2032
Corner 87-91 Porter Street & Fitzsimons Lane	Templestowe	VIC	4.93%	$6,072,056	2032
115 Princes Highway	Traralgon	VIC	7.00%	$9,300,000	2034
820 Moorooduc Road	Moorooduc	VIC	6.71%	$1,950,893	2031
1662-1664 Ferntree Gully Road	Scoresby	VIC	5.98%	$3,747,648	2032
9389 Western Highway	Warrenheip	VIC	7.20%	$4,175,752	2032
3-9 Settlement Road	Belmont	VIC	5.92%	$3,710,120	2034
Corner Ogilvie Avenue & Premier Street	Echuca	VIC	6.77%	$4,310,214	2033
107 Great Ocean Road	Anglesea	VIC	6.25%	$3,680,000	2032
Corner Cranbourne Road & Warrandyte Road	Langwarrin	VIC	5.42%	$3,427,917	2031
185-189 Riversdale Road	Hawthorn	VIC	5.00%	$6,920,000	2033

Address	Suburb	State	Cap rate %	Carrying value $	Major tenant lease expiry
1140 Burwood Highway	Ferntree Gully	VIC	5.72%	$6,084,336	2032
Corner 260 Canterbury Road & Redvers Street	Surrey Hills	VIC	4.68%	$6,218,371	2032
4655 South Gippsland Highway	Lang Lang	VIC	7.00%	$3,510,000	2033
Corner Main Road & Mt Pleasant Road	Eltham	VIC	5.50%	$5,120,000	2033
202-210 Latrobe Terrace	Geelong West	VIC	5.47%	$7,796,139	2033
175-183 Mickleham Road	Tullamarine	VIC	5.42%	$6,354,234	2034
Corner 148-150 Canterbury Road & Dorset Road	Bayswater	VIC	5.17%	$4,723,871	2034
26 Ailsa Street South	Laverton	VIC	5.47%	$13,928,321	2034
Corner Princes Highway & Lauderdale Road	Narre Warren	VIC	5.47%	$5,993,716	2034
Corner 385-389 Canterbury Road & Heatherdale Road	Ringwood	VIC	5.18%	$6,472,737	2031
Corner Police Road & Jacksons Road	Mulgrave	VIC	5.42%	$9,886,687	2034
Corner 2-14 Princes Highway & Baillie Street	Colac	VIC	6.50%	$6,130,000	2033
1175 Hume Highway	Donnybrook	VIC	6.00%	$23,070,000	2034
473-477 Princes Highway	Narre Warren	VIC	4.96%	$6,177,123	2032
632-642 Melbourne Road	Spotswood	VIC	5.17%	$9,823,980	2034
763-779 Dandenong Road	Malvern	VIC	4.97%	$7,951,048	2033
Corner 140-146 Main Street & Joyce Avenue	Greensborough	VIC	4.92%	$6,407,416	2031
137-139 Princes Highway	Werribee	VIC	5.22%	$6,682,770	2032
1-5 Murray Road	Preston	VIC	5.00%	$4,370,000	2033
Corner Station Road & Main Road West	St Albans	VIC	5.22%	$8,540,377	2033
390 Ballarat Road	Sunshine	VIC	5.42%	$6,615,510	2032
Corner Malvern Road & Glenferrie Road	Malvern	VIC	4.50%	$8,920,000	2033
Corner 147-161 Dandenong Road & Chapel Street	Windsor	VIC	4.25%	$9,450,000	2033
Corner 187-193 High Street & Manningham Road	Doncaster	VIC	4.76%	$3,430,000	2031
Corner 521 Maroondah Highway & Oban Road	Ringwood East	VIC	4.66%	$8,140,713	2031
Corner 123 Maroondah Highway & Harker Street	Healesville	VIC	6.51%	$4,186,771	2032
126-134 Barkly Street	St Kilda	VIC	3.94%	$7,158,964	2033
Corner Alexandra Parade & Blanche Street	Collingwood	VIC	4.20%	$7,328,593	2034
Corner 255 Main Street & Pyke Street	Bairnsdale	VIC	6.76%	$3,610,704	2031
Corner Heidelberg Road & Rathmine Street	Fairfield	VIC	4.20%	$5,343,642	2032
Corner Dimboola Road & David Street	Horsham	VIC	7.50%	$3,640,000	2031
Corner 75-81 Alexandra Parade & Rae Street	Clifton Hill	VIC	4.43%	$4,253,574	2031
280 Barkly Street	Ararat	VIC	6.75%	$3,320,000	2033
Corner McIvor Road & Kennedy Street	Bendigo	VIC	6.51%	$3,950,000	2031
Corner 249 Keilor Road & Gilbertson Street	Essendon North	VIC	4.93%	$6,228,822	2032
Corner Bell Street & Sussex Street	Coburg	VIC	5.25%	$6,240,000	2033
Corner Clement Street & Parfitt Road	Wangaratta	VIC	6.75%	$6,310,000	2033
Corner Bridge Street & Margaret Street	Benalla	VIC	7.01%	$4,505,665	2032
Corner 664-668 Old Calder Highway & Hunter Street	Keilor	VIC	5.75%	$5,320,000	2034
192-202 Broadway Street	Reservoir	VIC	5.42%	$3,023,208	2031
Corner Princes Highway & Clyde Road	Berwick	VIC	5.47%	$7,273,567	2034
Corner Burwood Highway & Central Avenue	Burwood	VIC	4.93%	$4,943,343	2032
Corner 1319 Sturt Street & Pleasant Street	Ballarat	VIC	6.00%	$3,641,565	2031

Property Portfolio continued

As at 31 December 2019

Address	Suburb	State	Cap rate %	Carrying value $	Major tenant lease expiry
47-49 High Street	Maryborough	VIC	6.76%	$3,518,122	2033
Corner Middleborough Road & Springfield Road	Blackburn	VIC	5.18%	$5,277,777	2032
Corner Bell Street & Stott Street	Preston	VIC	5.25%	$5,690,000	2031
Corner 230 Greensborough Road & Yallambie Road	Macleod	VIC	5.25%	$6,620,000	2032
465-469 Raglan Street	Warrnambool	VIC	6.51%	$3,322,671	2031
Corner High Street & Johnston Street	Ashburton	VIC	4.20%	$5,633,427	2033
Corner 266-278 Hoddle Street & Truro Street	Abbotsford	VIC	4.43%	$5,006,050	2032
Corner 260 Stephensons Road & Waimarie Drive	Mount Waverley	VIC	4.66%	$3,752,359	2031
Corner Springvale Road & Ferntree Gully Road	Brandon Park	VIC	4.93%	$11,151,263	2034
Corner 422 South Road & Linton Street	Moorabbin	VIC	4.96%	$7,160,401	2032
397 Springvale Road	Forest Hill	VIC	5.01%	$3,570,000	2031
Corner Dandenong Road & Renver Road	Clayton	VIC	5.25%	$6,960,000	2032
Corner 198 High Street & Honeysuckle Street	Bendigo	VIC	6.00%	$3,920,000	2031
1181 Hoddle Street	East Melbourne	VIC	3.94%	$8,726,621	2031
Corner Maroondah Highway & Middleborough Road	Blackburn	VIC	4.75%	$3,800,000	2032
Corner 413 Nepean Highway & Beach Street	Frankston	VIC	4.75%	$3,330,000	2031
1388 Dandenong Road	Oakleigh	VIC	4.68%	$10,409,239	2034
Corner 105-107 Nepean Highway & Warrigal Road	Mentone	VIC	5.18%	$6,542,353	2032
Corner Lygon Street & Elgin Street	Carlton	VIC	3.44%	$5,482,538	2032
468 Melbourne Road	Norlane	VIC	6.17%	$2,226,072	2031
822 Sturt Street	Ballarat	VIC	6.00%	$6,370,000	2034
Corner Burke Road & Barkers Road	Kew	VIC	3.94%	$5,497,249	2032
245 Cotham Road	Kew	VIC	4.25%	$4,150,000	2031
399-411 Punt Road	Richmond	VIC	4.20%	$9,753,526	2033
465 Dohertys Road	Truganina	VIC	5.48%	$8,680,000	2032
285 Fitzgerald Road	Derrimut	VIC	6.00%	$21,350,000	2029
1182 Sydney Road	Fawkner	VIC	5.67%	$10,940,000	2023
341 Sand Road	Longwarry	VIC	5.97%	$18,490,925	2027
290 Sand Road	Longwarry	VIC	5.97%	$18,490,503	2027
80 Alfred Street	Warragul	VIC	6.80%	$2,571,727	2034
176-190 Ogilvie Avenue	Echuca	VIC	6.80%	$6,377,882	2034
7-21 Shakespeare Street	Traralgon	VIC	7.00%	$2,400,000	2022
233 Myrtleford Street	Myrtleford	VIC	7.00%	$4,800,000	2034
Corner Madigan Road & North West Coastal Highway	Karratha	WA	7.75%	$7,590,000	2029
Corner 193 Warwick Road & Glengarry Drive	Duncraig	WA	5.88%	$6,137,547	2031
88 Causeway Road	Busselton	WA	7.00%	$3,590,000	2031
57 Johnston Street	Collie	WA	9.43%	$1,495,597	2026
77 Bussell Highway	Margaret River	WA	5.93%	$5,532,395	2034
12-24 Claugton Way	Bunbury	WA	5.92%	$8,030,168	2034
1/64 Dunn Bay Rd	Dunsborough	WA	6.49%	$3,870,000	2031
Corner Pinjarra Road & Watson Drive	Mandurah	WA	7.00%	$3,600,000	2028
8 Nicholson Road & Spencer Road	Langford	WA	6.34%	$4,128,880	2029
Corner 67 Walter Road West & Grande Promenade	Dianella	WA	6.40%	$3,971,932	2030

Address	Suburb	State	Cap rate %	Carrying value $	Major tenant lease expiry
Lot 821 Main Street	Meekatharra	WA	9.30%	$3,230,183	2026
Corner 117 Burslem Drive & Olga Road	Maddington	WA	6.40%	$2,818,821	2027
87 Great Northern Highway	Fitzroy Crossing	WA	9.76%	$1,680,000	2026
222 Manning Road	Karawara	WA	6.24%	$3,850,000	2027
1128-1132 Albany Highway	Bentley	WA	6.00%	$4,670,000	2029
Corner Church Road & Hampton Drive	Dampier	WA	9.00%	$2,590,000	2026
Corner Champion Drive & Seville Drive	Westfield	WA	6.33%	$5,176,355	2030
35 Frank Street	Boulder	WA	8.41%	$2,144,015	2027
Corner Lot 22 Napier Terrace & Hamersley Street	Broome	WA	7.90%	$2,904,841	2026
Corner Mine Road & Paraburdoo Tom Price Road	Tom Price	WA	9.18%	$2,441,554	2026
Corner Rocklea Road & Camp Road	Paraburdoo	WA	9.71%	$1,837,655	2026
165 Great Northern Highway	Halls Creek	WA	9.76%	$3,080,000	2026
1333 Great Northern Highway	Upper Swan	WA	6.25%	$9,620,000	2034
Corner Kewdale Road & Abernethy Road	Kewdale	WA	5.89%	$13,914,663	2034
Corner Vahland Avenue & High Road	Willetton	WA	6.32%	$2,593,262	2028
Corner Strelitzia Avenue & Hale Road	Forrestfield	WA	6.33%	$4,169,559	2029
Corner 71 Cranford Avenue & Moolyeen Road	Brentwood	WA	6.42%	$5,106,300	2033
Corner 253 Walcott Street & Fitzgerald Street	Mount Lawley	WA	5.83%	$6,844,179	2029
Wilson Street	Port Hedland	WA	7.98%	$1,780,000	2026
Corner Welcome Road & Searipple Road	Karratha	WA	8.78%	$2,737,965	2026
Corner 80 Carrington Street & Marmion Street	Palmyra	WA	6.64%	$3,125,098	2028
45 Great Northern Highway	Middle Swan	WA	6.25%	$7,870,000	2034
Corner 6 Jersey Street & Hay Street	Jolimont	WA	6.44%	$3,310,000	2026
Corner 69 North Lake Road & Marmion Street	Myaree	WA	6.08%	$3,894,978	2030
Corner 269 Stirling Highway & Mary Street	Claremont	WA	5.82%	$6,569,598	2033
Corner 1-3 The Esplanade & Canning Highway	Mount Pleasant	WA	6.00%	$2,550,000	2027
Corner 394 Canning Highway & Waddell Road	Bicton	WA	6.15%	$5,064,786	2032
Corner 66 Kent Street & Berwick Street	Victoria Park East	WA	6.49%	$4,830,000	2030
Corner 30 Thomas Street & Wellington Street	West Perth	WA	4.83%	$5,880,647	2030
101 Hampton Road	Fremantle	WA	6.08%	$5,389,918	2031
3 Canning Highway	South Perth	WA	5.82%	$6,569,598	2033
337 Cambridge Street	Wembley	WA	6.00%	$5,530,000	2032
Corner Forrest Avenue & Blair Street	Bunbury	WA	6.96%	$5,338,597	2032
24 Cornwall Street	Katanning	WA	7.04%	$3,980,000	2032
1 Davison Street	Maddington	WA	5.82%	$9,559,477	2032
555-557 Albany Highway	Albany	WA	6.53%	$3,752,026	2033
10805 Brand Highway	Cataby	WA	6.53%	$4,556,032	2034
Lot 1008 Ranford Road	Canning Vale	WA	6.21%	$5,750,000	2031
1100 Abernethy Road	High Wycombe	WA	6.25%	$7,840,000	2031

Glossary

bps	Basis points
cps	Cents per security
Distributable Earnings	This is a non-IFRS measure, being net statutory profit adjusted to remove transaction costs and non-cash items, including straight-lining of rental income, amortisation of debt and establishment fees and any fair value adjustments to investment properties or derivatives
Distributable Earnings Per Security	Calculated as Distributable Earnings divided by the weighted average number of ordinary securities on issue during the period
Double Net lease	Agreement where the tenant is responsible for all outgoings except fair wear and tear, capital expenditure, the difference between single and multiple land tax and, in some cases, the landlord's property management fees (if any)
Gearing	Net debt to total assets (excluding cash)
Initial Listing	Viva Energy REIT initial listing date on the ASX, being 3 August 2016
Initial Portfolio	Portfolio outlined in the PDS
Interest Cover Ratio or ICR	Earnings before interest, tax, depreciation and amortisation (excluding any asset revaluations, mark-to-market movements and transaction costs) divided by net interest expense
Liberty Oil	Liberty Oil Holdings Pty Limited (ABN 67 068 080 124)
Management expense ratio or MER	Management and corporate expenses as a percentage of Viva Energy REIT's total assets
Master Agreement	The agreement between Viva Energy Australia and Viva Energy REIT, as summarised in Section 13.2 of the PDS
Metropolitan	Properties that are located within the Urban Boundary, which is sourced from the Australian Bureau of Statistics (ABS 2016 Significant Urban Area (SUA) boundary)
Net Interest Expense	Finance costs less finance income
NTA	Net tangible assets
PDS	Viva Energy REIT's Replacement Prospectus and Product Disclosure Statement dated 22 July 2016
Regional	All other properties not located within the Urban Boundary
Site Agreement	Means the leases, licences and options between Viva Energy Australia (as lessor, licensor and grantor respectively) and Coles Express (as lessee, licensee and grantee respectively) pursuant to which Coles Express occupies, and has certain rights to acquire, the properties in the Portfolio, as described in Section 13.10 of the PDS
Triple Net lease	Agreement where the tenant is responsible for all outgoings and capital expanditure. In the case of Viva Energy REIT's leases to Viva Energy Australia, the landlord's property management fees (if any) are not paid by the tenant
Viva Energy Australia (VEA)	Viva Energy Australia Pty Ltd (ABN 46 004 610 459) (a wholly owned subsidiary of Viva Energy Group Limited)
Viva Energy REIT	Viva Energy REIT is a stapled entity comprising one share in Viva Energy REIT Limited (ABN 35 612 986 517) and one unit in Viva Energy REIT Trust (ARSN 613 146 464)
WACR	Weighted average capitalisation rate, weighted by valuation
WALE	Weighted average lease expiry, weighted by rental income

Corporate Directory

Viva Energy REIT Limited

ACN 612 986 517

Viva Energy REIT Trust

ARSN 613 146 464

VER Limited

ABN 43 609 868 000 AFSL 483795
Responsible Entity

Registered office

Level 16, 720 Bourke Street
Docklands VIC 3008
Australia

www.vivaenergyreit.com.au

Directors of Viva Energy REIT Limited

Laurence Brindle
Georgina Lynch
Stephen Newton
Lachlan Pfeiffer
Jevan Bouzo

Directors of VER Limited

Laurence Brindle
Georgina Lynch
Stephen Newton
Lachlan Pfeiffer

Company Secretary

Tina Mitas

Auditor

PricewaterhouseCoopers

2 Riverside Quay
Southbank VIC 3006
Australia

Security registry

Link Market Services Limited

Locked Bag A14
Sydney South NSW 1235
Australia
Telephone: 1300 554 474

Investor enquiries and correspondence

VER Manager Pty Limited

Telephone: +61 2 9392 1400
Email: natalie.barrington@vivaenergy.com.au

Stock exchange listing

Viva Energy REIT stapled securities are listed on the Australian Securities Exchange with the code VVR.

Important information

Viva Energy REIT is a stapled entity comprising one share in Viva Energy REIT Limited (ABN 35 612 986 517) and one unit in Viva Energy REIT Trust (ARSN 613 146 464).

Responsible Entity of Viva Energy REIT Trust

VER Limited
ACN 609 868 000
Level 16, 720 Bourke Street,
Docklands VIC 3008

Reporting period

This Annual Report details the consolidated results of Viva Energy REIT for the year ended 31 December 2019.

Disclaimer

This is the Annual Report for Viva Energy REIT which is a stapled entity comprising shares in Viva Energy REIT Limited (ABN 35 612 986 517) stapled with units in the Viva Energy REIT Trust (ARSN 613 146 464). VER Limited (ABN 46 609 868 000 and AFSL 483795) is the Responsible Entity of the Viva Energy REIT Trust, and VER Manager Pty Ltd provides management services to VER Limited and Viva Energy REIT.

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This Annual Report contains forward-looking statements, including statements regarding the plans, strategies and objectives of Viva Energy REIT management and distribution guidance. To the extent that certain statements in this Annual Report may constitute 'forward-looking statements' or statements about 'future matters', the information refl ects Viva Energy REIT's intent, belief or expectations at the date of the Annual Report. Forward looking statements can generally be identified by the use of forward looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'should, 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'guidance' and other similar expressions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Such prospective financial information contained within this Annual Report may be unreliable given the circumstances and the underlying assumptions to this information may materially change in the future.

Any forward-looking statements, including projections, guidance on future revenues, earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Viva Energy REIT's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Any forward-looking statements, opinions and estimates in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. For example, the factors that are likely to affect the results of Viva Energy REIT include, but are not limited to, general economic conditions in Australia, New Zealand and Asia, exchange rates, competition in the markets in which Viva Energy REIT operates and the inherent regulatory risks in the business of Viva Energy REIT.

You should rely on your own independent assessment of any information, statements or representations contained in this Annual Report and any reliance on information in this Annual Report will be entirely at your own risk.

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