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17 June 2020

Successful completion of institutional placement

APN Convenience Retail REIT (**AQR** or the **Fund**) yesterday successfully completed the fully underwritten institutional placement announced on 16 June 2020 (**Placement**), raising \$50 million through the issue of approximately 15.6 million new stapled securities (**New Securities**) at an issue price of \$3.20 per New Security.

The New Securities will settle on Friday, 19 June 2020, with allotment and normal trading to occur on Monday, 22 June 2020. New Securities issued under the Placement will rank equally with existing AQR securities and will be entitled to the full distribution for the quarter ending 30 June 2020.

APN Convenience Retail REIT Fund Manager, Chris Brockett said: "The Placement was strongly supported by our existing investors and we are pleased to welcome new high quality institutional investors onto the register. The successful completion of the Placement further strengthens AQR's balance sheet following recent acquisitions. The additional funding capacity will allow us to continue to deliver on our strategy of investing in strategically located convenience retail assets."

In conducting the Placement, AQR approached a broad range of institutional investors, including existing securityholders, as well as retail brokers. Significant interest was received from both domestic and offshore institutional investors and this resulted in significant scale back when allocating the available securities.

The key objective in the allocation policy was to use best efforts to allocate pro-rata to existing securityholders who were eligible to participate in the Placement, whereby eligible institutional securityholders who bid for an amount less than or equal to their pro rata share of Placement securities were allocated their full bid.¹ The balance of the Placement was allocated in consultation with the underwriter having regard to new securityholders, long term supporters of the Fund and investors that supported the bookbuild process. As far as AQR is aware, no New Securities were issued or agreed to be issued in the Placement to any person referred to in listing rule 10.11 other than in accordance with a waiver granted by the ASX.

Security purchase plan

AQR is also undertaking a non-underwritten security purchase plan (**SPP**) to raise up to \$5 million². Under the SPP, eligible securityholders³ will be invited to subscribe for up to \$30,000 in additional securities, free of

¹ An eligible institutional securityholder's existing holding was estimated by reference to AQR's latest available beneficial register which showed historical holdings as at the date of that register and is not up to date. There was no verification or reconciliation of the holdings as shown in the historical beneficial register. Accordingly this may not have reflected the participating eligible institutional securityholder's actual holding. AQR and the underwriter disclaim any obligation to reconcile assumed holdings (e.g. for recent trading or swap positions) when determining allocations. Institutional securityholders who do not reside in Australia or other eligible jurisdictions were not able to participate in the Placement. AQR and the underwriter disclaim any duty or liability in respect of the determination of an eligible institutional securityholder's allocation using their assumed holdings.

² The Offer structure balances the need for certainty of proceeds received through the Placement with AQR's desire to provide its retail securityholders with the opportunity to participate through the SPP. The \$5 million SPP cap is considered appropriate to provide the opportunity for the majority of AQR's retail securityholders to achieve a pro rata allocation having regard to the total Offer size, AQR's register and take-up rates in previous security purchase plans. Where total demand exceeds \$5 million, AQR may (in its absolute discretion), increase the amount raised under the SPP to reduce or eliminate the need for scale back. To the extent any scale back is required, it will be undertaken on a pro rata basis (based on participants' security holdings as at the SPP record date).

³ Eligible securityholders are holders of existing AQR securities as at 7.00pm (Sydney time) on 15 June 2020, with a registered address in Australia and New Zealand and are not in the United States and are not acting for the account or benefit of a person in the United States (**Eligible Securityholders**).

brokerage and transaction costs.⁴ The securities offered under the SPP (**SPP Securities**) will be offered at the Placement price of \$3.20 per SPP Security less the amount of AQR's expected June 2020 quarterly distribution of 5.45 cents per security.

Where total SPP demand exceeds \$5 million, AQR may (in its absolute discretion) increase the amount to be raised under the SPP to reduce or eliminate the need for scale back. To the extent any scale back is required, it will be undertaken on a pro rata basis (based on participants' security holdings as at the SPP record date).

Further information regarding the SPP will be lodged with the ASX and sent to Eligible Securityholders on or around Monday, 22 June 2020.

This announcement was authorised to be given to the ASX by the Board of APN Funds Management Limited.

ENDS

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About APN Convenience Retail REIT

APN Convenience Retail REIT (ASX code: AQR) is a listed Australian real estate investment trust which owns high quality Australian service stations and convenience retail assets. The Fund's current portfolio of 79 properties valued at approximately \$425 million, is predominantly located on Australia's eastern seaboard and is leased to leading Australian and international convenience retail tenants. The portfolio provides a long lease expiry profile and contracted annual rent increases delivering the Fund a sustainable and strong level of income security. Convenience Retail has a target gearing range of 25 – 40% as part of its conservative approach to capital management.

APN Convenience Retail REIT is governed by an Independent Board of Directors and is managed by APN Property Group, a specialist real estate investment manager established in 1996.

www.apngroup.com.au

⁴ AQR has obtained relief from ASIC amending the existing class order relief to permit eligible securityholders to subscribe for \$30,000 in securities under the SPP offer without a disclosure document even though they have been issued with securities under an SPP in the last 12 months