

11 May 2021

## Property portfolio acquisition

APN Funds Management Limited as responsible entity for APN Convenience Retail REIT (**AQR** or the **Fund**) is pleased to announce that it has agreed to acquire a portfolio of six service station and convenience retail properties located in Queensland collectively for \$59 million, representing an average purchase yield of 5.50%.

The properties were all newly built between 2014 and 2017, with over 80% of the income securely leased to major tenants 7-Eleven (68% of income), Oporto (6%), Anytime Fitness (5%), Thrifty Car Rentals (3%) and BWS (3%). The remainder of the rent is derived from other national and local convenience retailers as well as two telecommunication towers leased to Telstra and Vodafone. The combined weighted average lease expiry of the portfolio is 10.1 years and the weighted average rent review is 3.19% per annum<sup>1</sup>.

A summary of the portfolio is provided below:

Property	Major tenant(s)	Value	Purchase yield	WALE (yrs)	WARR <sup>1</sup>
Griffin	7-Eleven, Anytime Fitness, BWS	\$16.6m	5.70%	9.6	3.02%
Holmview	7-Eleven, Oporto	\$12.0m	5.50%	9.7	3.85%
North Lakes	7-Eleven, Thrifty Car Rentals	\$10.7m	5.50%	10.5	3.00%
Upper Coomera	7-Eleven	\$6.9m	5.25%	9.1	4.00%
Greenbank	7-Eleven	\$6.6m	5.25%	11.0	2.00%
Highfields	7-Eleven	\$6.2m	5.50%	11.9	3.00%
<b>Total</b>		<b>\$59.0m</b>	<b>5.50%</b>	<b>10.1</b>	<b>3.19%</b>

AQR Fund Manager, Chris Brockett said: "This is another exciting portfolio acquisition which reflects our ongoing active approach to growing the portfolio in a prudent and disciplined way. These properties are outstanding examples of well located, designed and built service station and convenience retail centres, with a great mix of national and local retailers. All sites are strategically located on main arterial roads and are exposed to high traffic flows."

Following settlement of this portfolio, which is scheduled to occur in September 2021, AQR's portfolio will comprise 97 properties valued at \$619 million, reflecting a weighted average capitalisation rate of 6.2% and a portfolio WALE of 11.7 years.

The acquisitions will be funded from existing debt facilities and commitments. AQR's gearing will be 32.2% on a pro forma basis adjusted for the remaining development pipeline, comfortably within the Fund's 25% - 40% target range.

There is no change to the previously advised FY2021 FFO and distribution guidance of 21.8 to 22.0 cents per security.

<sup>1</sup> Assumes CPI of 1.00%

This announcement was authorised to be given to the ASX by Joseph De Rango, Chief Financial Officer.

**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 portfolio of 97 properties valued at approximately \$619 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](http://www.apngroup.com.au)**