

ASX ANNOUNCEMENT

18 June 2021

**June 2021 valuation update**

APN Funds Management Limited as responsible entity for APN Convenience Retail REIT (**AQR** or the **Fund**) today announces the draft valuation results as at 30 June 2021, which remain subject to review by the Fund's auditors and Board approval.

Key highlights include:

- Total portfolio revaluation uplift of \$41.6 million, or 7.9%, compared to 31 December 2020<sup>1</sup>.
- The portfolio weighted average capitalisation rate tightened by 45 basis points over the six-month period to 6.02%.
- Total portfolio comprises 100 properties valued at \$642 million<sup>2</sup>, an increase of \$117 million, or 22.3%, from 31 December 2020 including acquisitions and developments completed to 30 June 2021.
- Following settlement of the property portfolio acquisition announced on 11 May 2021 and completion of the Hillcrest development project, all of which are scheduled to occur in September 2021, the portfolio will comprise 107 properties valued at \$709.5 million.
- Adjusting for the valuation uplift, pro forma Net Tangible Assets (NTA) increased from \$3.35 at 31 December 2020 to \$3.68 per security.
- 62 properties are the subject of an independent valuation as at 30 June 2021, while on an overall basis, all properties have been the subject of an independent valuation within the last 12 months.

AQR Fund Manager, Chris Brockett said: "The outcome of our valuation process reflects the strong appetite for service station and convenience retail assets, particularly over the past 12 months where transaction volumes have significantly increased due to their non-discretionary and defensive nature.

AQR remains in a healthy position with portfolio occupancy of 100%, a WALE of 12 years and secure cash flows underpinned by strong lease covenants with over 90% of portfolio income expiring in FY30 and beyond providing investors with a long-term sustainable income stream."

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

**ENDS**

<sup>1</sup> Includes \$17.7 million revaluation uplift in respect of the 13 EG properties announced on 3 May 2021

<sup>2</sup> Includes the OTR portfolio announced on 21 May 2021, but excludes the property portfolio acquisition announced on 11 May 2021 (scheduled to settle in September 2021) as well as the Hillcrest development project expected to complete in September 2021

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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 100 properties valued at approximately \$642 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.

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