

ASX ANNOUNCEMENT

6 July 2020

Acquisition of Brisbane Airport Link Service Centre

APN Convenience Retail REIT (**AQR** or the **Fund**) is pleased to announce that it has agreed to acquire Brisbane Airport Link Service Centre, QLD for \$10.5 million, representing a purchase yield of 6.15%. Brisbane Airport Link Service Centre occupies a prime position as the last eastbound travel centre heading to the Gateway Motorway, which is exposed to over 100,000 vehicles daily and accessible to over 50,000 cars a day heading to Brisbane Airport and the Gateway Motorway.

The newly built service centre is anchored by a 15 year lease to Ampol (currently branded as Caltex and its Foodary convenience store) which represents 78% of the centre's income, with the remainder of the income derived from Zarraffa's Coffee and a local restaurant operator, Ahmet's.

AQR Fund Manager, Chris Brockett said: "We are thrilled with the acquisition of Brisbane Airport Link Service Centre. This acquisition represents an outstanding opportunity to own a prominent service centre where all tenancies benefit from visual exposure as well as introducing another major fuel tenant, Ampol, to the Fund's tenancy mix. The site is strategically located in a precinct that will service high volumes of diesel sales given the density of industrial holdings within the immediate area, and its proximity to courier, taxi, and car rental services stemming from Brisbane Airport.

With a WALE of 12.6 years and annual rental increases of between 2.0% and 3.5%, the property will provide a long term, secure and growing income stream for the Fund."

Following settlement of Brisbane Airport Link Service Centre, which is expected to occur before the end of August 2020, AQR's portfolio will comprise 80 properties valued at approximately \$455 million. This would reflect a weighted average capitalisation rate of 6.6% and a portfolio WALE of 10.7 years. The acquisition will be funded from existing debt capacity, taking AQR's gearing to 17% or 21% on a pro forma basis¹ (adjusted for the remaining fund through development pipeline).

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

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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 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

¹ Adjusted for AQR's preliminary portfolio revaluation announced on 1 July 2020. Does not account any proceeds from AQR's security purchase plan launched on 22 June 2020.