

# Dexus Convenience Retail REIT (ASX:DXC)

## Appendix 4D

### Results for announcement to the market

Dexus Convenience Retail REIT

ARSN 619 527 829

Financial reporting for the period ended 31 December 2024

#### Dexus Convenience Retail REIT<sup>1</sup>

|   | 31 Dec 2024            | 31 Dec 2023            | %       |
|---|------------------------|------------------------|---------|
|   | \$'000                 | \$'000                 | Change  |
| Revenue from ordinary activities                                    | 29,143                 | 28,952                 | 0.7 %   |
| Net profit attributable to security holders after tax               | 14,702                 | (1,719)                | n/m     |
| Funds from operations (FFO) <sup>2</sup>                            | 14,309                 | 14,453                 | (1.0)%  |
| Distribution to security holders                                    | 14,156                 | 14,258                 | (0.7)%  |
|   | <b>CPS</b>             | <b>CPS</b>             |         |
| FFO per security <sup>2</sup>                                       | 10.39                  | 10.49                  | (1.0)%  |
| Distribution per security for the period ending:                    |                        |                        |         |
| 30 September  | 5.138                  | 5.175                  | (0.8)%  |
| 31 December   | 5.138                  | 5.175                  | (0.8)%  |
| Total distributions   | 10.276                 | 10.350                 | (1.0)%  |
| Payout ratio (distribution per security as a % of FFO per security) | 98.9%                  | 98.7%                  | 0.2ppt  |
| Basic earnings per security   | 10.67                  | (1.24)                 | n/m     |
| Diluted earnings per security                                       | 10.67                  | (1.24)                 | n/m     |
| Franked distribution amount per security                            | –                      | –                      | – %     |
|   | <b>\$'000</b>          | <b>\$'000</b>          |         |
| Total assets  | 720,978                | 769,038                | (6.2)%  |
| Total borrowings  | 206,940                | 248,152                | (16.6)% |
| Security holders equity   | 491,462                | 500,406                | (1.8)%  |
| Market capitalisation   | 405,004                | 358,167                | 13.1 %  |
|   | <b>\$ per security</b> | <b>\$ per security</b> |         |
| Net tangible assets   | 3.57                   | 3.63                   | (1.7)%  |
| Securities price  | 2.94                   | 2.60                   | 13.1 %  |
| Securities on issue   | 137,756,563            | 137,756,563            |         |
| Record date   | 31 Dec 2024            | 29 Dec 2023            |         |
| Payment date  | 20 Feb 2025            | 22 Feb 2024            |         |

#### Distribution Reinvestment Plan (DRP)

The Group has a DRP in place. The DRP is not currently open.

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1 For the purposes of statutory reporting, the stapled entity, known as DXC, must be accounted for as a consolidated group. Accordingly, one of the stapled entities must be the "deemed acquirer" of all other entities in the Group. Convenience Retail REIT No. 2 (Dexus Convenience Retail REIT) has been chosen as the deemed acquirer of the balance of the DXC stapled entities, comprising Convenience Retail REIT No.1 and Convenience Retail REIT No.3.

2 The Directors consider the Property Council of Australia's (PCA) definition of FFO to be a measure that reflects the underlying performance of the Group. FFO comprises net profit/loss after tax attributable to stapled security holders, calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, derivative mark-to-market impacts, fair value movements of interest bearing liabilities, amortisation of tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, non-FFO tax expenses, certain transaction costs, one-off significant, rental guarantees and coupon income.

*Authorised by the Board of Dexus Asset Management Limited*

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**About Dexus Convenience Retail REIT**

Dexus Convenience Retail REIT (ASX code: DXC) is a listed Australian real estate investment trust which owns high quality Australian service stations and convenience retail assets. At 31 December 2024, the fund's portfolio is valued at approximately \$709 million, is predominantly located on Australia's eastern seaboard and leased to leading Australian and international convenience retail tenants. The portfolio has a long lease expiry profile and contracted annual rent increases, delivering the fund a sustainable and strong level of income security. The fund has a conservative approach to capital management with a target gearing range of 25 – 40%. Dexus Convenience Retail REIT is governed by a majority Independent Board and managed by Dexus (ASX code: DXS), one of Australia's leading fully integrated real asset groups, with over 35 years of expertise in property investment, funds management, asset management and development. [www.dexus.com](http://www.dexus.com)

Dexus Asset Management Limited (ACN 080 674 479, AFSL No. 237500) (the "Responsible Entity") is the responsible entity and issuer of the financial products in respect of Convenience Retail REIT No. 1 (ARSN 101 227 614), Convenience Retail REIT No. 2 (ARSN 619 527 829) and Convenience Retail REIT No. 3 (ARSN 619 527 856) collectively the Dexus Convenience Retail REIT (ASX code: DXC) stapled group. The Responsible Entity is a wholly owned subsidiary of Dexus (ASX code: DXS).

The registered office for the Responsible Entity is Level 30, 50 Bridge Street, Sydney NSW 2000 and its principal place of business is Level 5, 80 Collins Street (South Tower), Melbourne VIC 3000.

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**Dexus Convenience Retail REIT**  
**Interim Report**  
**31 December 2024**

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Dexus Convenience Retail REIT consists of three stapled entities, Convenience Retail REIT No. 2, Convenience Retail REIT No. 1 and Convenience Retail REIT No. 3, collectively referred to as DXC or the Group. Dexus Asset Management Limited (DXAM) is the Responsible Entity of all three stapled entities. DXAM oversees the management and strategic direction of the Group. Dexus Convenience Retail REIT stapled securities are listed on the Australian Securities Exchange under the "DXC" code.

The registered office of the Responsible Entity of the Group is Level 30, Quay Quarter Tower, 50 Bridge Street, Sydney, NSW 2000 and its principal place of business is Level 5, 80 Collins Street (South Tower), Melbourne, VIC 3000.

# HY25 Operating and Financial Review

## Strategy

Dexus Convenience Retail REIT (DXC) has taken an active and disciplined approach to investing in strategically located assets to provide investors with a defensive income stream generated from a \$709 million property portfolio. The business assesses opportunities across the broader commercial real estate landscape, with a focus on convenience retail and other assets with a non-discretionary focus, including fuel service stations. Currently, 86% of the portfolio by value is weighted towards high-quality metropolitan and highway service stations, with regional properties comprising the balance.

DXC's portfolio is underpinned by strong income visibility, with a weighted average lease expiry of 8.2 years and occupancy of 99.4%. DXC's assets are supported by a strong tenant base, with 95% of income derived from major national and international tenants.

DXC delivers its investment proposition to investors by:

- Generating defensive income with embedded rental growth
- Maintaining a prudent capital structure
- Taking an active approach to portfolio management
- Leveraging Dexus's leading real asset capabilities

## Review of operations

The results of DXC's operations are disclosed in the Consolidated Statement of Comprehensive Income. A summary of results for the six months to 31 December 2024 is as follows:

| Key financial performance metrics               | 31 December 2024 | 31 December 2023 | Change        |
|---|------------------|------------------|---------------|
| Net profit/(loss) after tax (\$'000)            | 14,702           | (1,719)          | n/m           |
| Funds From Operations (FFO) (\$'000)            | 14,309           | 14,453           | (1.0)%        |
| FFO per security (cents)                        | 10.4             | 10.5             | (1.0)%        |
| Distribution per security (cents)               | 10.3             | 10.4             | (0.7)%        |
|   |                  |                  |               |
|   | 31 December 2024 | 30 June 2024     | Change        |
| Net tangible asset backing per security (\$)    | 3.57             | 3.56             | 0.3%          |
| Gearing (%)                                     | 28.7             | 32.9             | (4.2)ppt      |
|   |                  |                  |               |
|   | 31 December 2024 | 31 December 2023 | Change        |
| <b>Profit &amp; loss</b>                        | <b>\$'000</b>    | <b>\$'000</b>    |               |
| Net rental income                               | 24,277           | 24,440           | (0.7)%        |
| Interest income                                 | 49               | 37               | 32.4%         |
| <b>Total revenue</b>                            | <b>24,326</b>    | <b>24,477</b>    | <b>(0.6)%</b> |
| Management fees                                 | (2,379)          | (2,509)          | (5.2)%        |
| Finance costs                                   | (6,455)          | (5,923)          | 9.0%          |
| Corporate costs                                 | (470)            | (542)            | (13.3)%       |
| <b>Total expenses</b>                           | <b>(9,304)</b>   | <b>(8,974)</b>   | <b>3.7%</b>   |
| <b>Net operating income</b>                     | <b>15,022</b>    | <b>15,503</b>    | <b>(3.1)%</b> |
| Fair value gain/(loss) on derivatives           | (3,502)          | (4,575)          | (23.5)%       |
| Fair value gain/(loss) on investment properties | 3,182            | (12,647)         | n/m           |
| <b>Statutory net profit/(loss) after tax</b>    | <b>14,702</b>    | <b>(1,719)</b>   | <b>n/m</b>    |

The Responsible Entity uses Funds From Operations (FFO) as its key performance indicator. The Directors consider the Property Council of Australia's (PCA) definition of FFO to be a measure that reflects the underlying performance of the Group. FFO comprises net profit/loss after tax attributable to stapled security holders, calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, derivative mark-to-market impacts, fair value movements of interest bearing liabilities, amortisation of tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, non-FFO tax expenses, certain transaction costs, one-off significant items, rental guarantees and coupon income.

# HY25 Operating and Financial Review

A reconciliation of profit after tax to FFO is outlined as follows:

|   | 31 December 2024 | 31 December 2023 |
|---|------------------|------------------|
| FFO reconciliation                                  | \$'000           | \$'000           |
| Profit/(loss) after tax for the period              | 14,702           | (1,719)          |
| Net fair value (gain)/loss on investment properties | (3,182)          | 12,647           |
| Net fair value (gain)/loss on derivatives           | 3,502            | 4,575            |
| Incentive amortisation and straight line rent       | (1,736)          | (1,820)          |
| Debt modification                                   | 982              | 688              |
| Rental guarantees, coupon income and other          | 41               | 82               |
| <b>FFO</b>  | <b>14,309</b>    | <b>14,453</b>    |

|                    | 31 December 2024 | 31 December 2023 |               |
|--------------------|------------------|------------------|---------------|
| FFO composition    | \$'000           | \$'000           | Change        |
| Property FFO       | 22,582           | 22,702           | (0.5)%        |
| Management fees    | (2,379)          | (2,509)          | (5.2)%        |
| Net finance costs  | (5,424)          | (5,198)          | 4.3%          |
| Other net expenses | (470)            | (542)            | (13.3)%       |
| <b>FFO</b>         | <b>14,309</b>    | <b>14,453</b>    | <b>(1.0)%</b> |

## Financial result

The statutory result reflected a net profit after tax of \$14.7 million, compared to a loss of \$1.7 million in the prior corresponding period, primarily reflecting property valuation gains recorded this half compared to valuation losses in the prior corresponding period.

FFO was \$14.3 million, or 10.4 cents per security, reflecting a decline of 1.0% on the prior corresponding period primarily due to higher interest rates.

The portfolio delivered like-for-like net operating income growth of 2.8%, reflecting the attractive blend of fixed and CPI-linked rental escalators.

## Net tangible assets and asset valuations

DXC had 38 of its 91 investment properties independently valued during the half, with the remainder subject to internal valuations. The external and internal valuations resulted in a net revaluation uplift of \$3.2 million, reflecting a 0.5% increase on prior book values. Contracted rental growth offset the impact of six basis points of capitalisation rate expansion on a like-for-like basis across the portfolio. The asset revaluations largely contributed to the stabilisation in NTA per security, up 1 cent or 0.3%, to \$3.57.

## Property portfolio and asset management

DXC's property portfolio includes 91 assets valued at \$709 million with a weighted average capitalisation rate of 6.41%. The portfolio is weighted toward high value land uses, with 89% of asset zoning to commercial, industrial, residential or mixed use. In addition, there is potential for circa 20 value-add opportunities over the long term, subject to commercial considerations.

The portfolio is 86% weighted to metropolitan and highway assets, with regional properties comprising the remainder. Metropolitan and highway assets benefit from higher traffic flow with greater flexibility to explore alternate land usage over time to support consumer trends toward greater convenience retail spend per visit.

Portfolio occupancy remained strong at 99.4% and is underpinned by experienced national and global tenants, with 95% of rental income derived from major tenants. The portfolio offers strong income visibility with a weighted average lease expiry of 8.2 years and 88% of income expiring in FY30 or beyond.

# HY25 Operating and Financial Review

## Developments

In February 2025, development commenced at the Northbound site of the Glass House Mountains redevelopment. Total redevelopment costs of \$24 million over a 12-month period are expected to generate a yield on cost of circa 5.8% and deliver strong development returns for DXC.

The site is 100% pre-leased to Viva Energy, McDonalds, Guzman y Gomez and KFC on an 18-year average lease term, with 43% of income to be derived from quick service restaurant retailers.

## Transactions

DXC strengthened its balance sheet through executing \$38.8 million of divestments at an average 1.8% discount to book value. The divestments provided a 3.6 percentage point gearing reduction and enhanced hedging levels. The divestments have also enhanced portfolio quality by reducing DXC's exposure to regional locations. We are actively pursuing future growth initiatives and have begun redeploying capital into the high-quality Glass House Mountains redevelopment, which will materially increase DXC's exposure to high-quality convenience retail service centres.

## Financial position

DXC's net assets increased \$0.5 million (or 1 cent per security to an NTA of \$3.57) primarily due to asset revaluations.

| Balance sheet (\$'000)             | 31 December 2024 | 30 June 2024     |
|------------------------------------|------------------|------------------|
| Cash and cash equivalents          | 4,807            | 1,918            |
| Investment properties              | 708,665          | 740,680          |
| Other assets                       | 7,506            | 11,260           |
| <b>Total assets</b>                | <b>720,978</b>   | <b>753,858</b>   |
| Borrowings                         | (206,940)        | (243,204)        |
| Provisions                         | (7,523)          | (9,113)          |
| Other liabilities                  | (15,052)         | (10,625)         |
| <b>Total liabilities</b>           | <b>(229,515)</b> | <b>(262,942)</b> |
| <b>Net assets</b>                  | <b>491,463</b>   | <b>490,916</b>   |
| Stapled securities on issue ('000) | 137,757          | 137,757          |
| <b>NTA per security (\$)</b>       | <b>3.57</b>      | <b>3.56</b>      |

## Capital management

Gearing of 28.7% is at the lower end of the 25 – 40% target range, with proceeds from asset sales utilised to repay debt. Hedged debt averaged 78% for the half, and is expected to average above 70% for FY25<sup>1</sup>, providing material protection from higher interest rates. During the half, \$46.3 million of surplus debt facilities were retired to optimise overall debt costs. DXC maintained a long average debt maturity of 3.9 years with no debt expiries until FY27.

| Key metrics                          | 31 December 2024 | 30 June 2024 |
|--------------------------------------|------------------|--------------|
| Gearing <sup>a</sup>                 | 28.7%            | 32.9%        |
| Cost of debt <sup>b</sup>            | 4.6%             | 4.2%         |
| Average maturity of debt             | 3.9 years        | 4.2 years    |
| Average hedged debt (including caps) | 78%              | 75%          |
| Headroom <sup>c</sup>                | \$61.9m          | \$67.7m      |

a) Adjusted for cash.

b) Weighted average for the period, inclusive of fees and margins on a drawn basis.

c) Undrawn facilities plus cash.

# HY25 Operating and Financial Review

## Environmental, Social and Governance (ESG)

DXC is committed to delivering meaningful sustainability outcomes and aligns to the Dexus sustainability strategy, including an aspiration to unlock the potential of real assets to create a lasting positive impact and a more sustainable tomorrow. This also includes delivering against the sustainability priority areas of Customer Prosperity, Climate Action and Enhancing Communities.

Recognising the importance of climate action, 100% renewable electricity is sourced for assets where DXC has operational control. DXC maintained its carbon neutral position for Scope 1, 2 and some Scope 3 emissions across its business operations and controlled building portfolio for FY24 as part of the Dexus group submission under the Climate Active Standard<sup>2</sup>.

DXC supports its customers' ESG aspirations and their varied approaches to the shift in the energy mix. Over the half, DXC supported customers with the installation of solar at its Orana, WA site as well as agreeing commercial terms for EV charger installation across three DXC assets.

For the redevelopment of the Northbound site at Glass House Mountains, sustainability initiatives have been embedded into the project design including plans for ten electric vehicle charging stations, rooftop solar, rainwater harvesting, grey water reuse and new fuel tank technology.

## Market outlook

The recovery of fuel and convenience transaction volumes in 2024 now sits broadly in line with historic levels, despite a challenging interest rate environment. This has allowed for material asset price discovery and supported revaluations turning positive, which underpins DXC's NTA.

## Summary and guidance

DXC is well placed to deliver defensive and growing property income and will retain its focus on:

- Enhancing portfolio attributes that deliver income certainty and growth
- Preserving balance sheet flexibility underpinned by a disciplined approach to capital allocation
- Pursuing value-enhancing activities, including the Glass House Mountains redevelopment and potential restocking of the development pipeline
- Leveraging Dexus's capabilities across transactions, developments, asset management and treasury

Despite the observed recovery in transaction market volumes and pricing, DXC continues to trade at a circa 20% discount to NTA<sup>3</sup>. DXC's service station and convenience retail assets benefit from predictable cash flows and strong tenant covenants are expected to support valuation resilience. In addition, the portfolio weighted average capitalisation rate provides a positive spread against the marginal cost of debt.

Barring unforeseen circumstances, DXC reiterates its FY25 guidance<sup>4</sup> for FFO and distributions of 20.6 cents per security, reflecting an attractive distribution yield of 7.3%<sup>3</sup>.

## Key risks

DXC's key risks are provided in its 2024 Annual Report on pages 32-33 and available at [www.dexus.com/dxc-asx](http://www.dexus.com/dxc-asx)

1 Assuming no further transactions.

2 Covers scope 1, 2 and some scope 3. In line with Climate Active Carbon Neutral Standard for Organisations, net emissions for the year ended 30 June 2024 include offsets purchased and allocated for retirement during the year and up to the date of this report. Final Climate Active certification expected to be achieved post-reporting period. Refer to 2024 Sustainability Data Pack available on Dexus website for scope 3 inclusions.

3 Based on closing security price of \$2.84 as at 7 February 2025.

4 Based on property income growth supported by contracted rental increases, current interest rate expectations and barring unforeseen circumstances.

# Directors' Report

The Directors of Dexus Asset Management Limited (DXAM) as Responsible Entity of Convenience Retail REIT No. 2 (CRR2 or the Trust and deemed parent entity) and its controlled entities (together DXC or the Group) present their Directors' Report together with the Interim Consolidated Financial Statements for the half-year ended 31 December 2024. The Interim Consolidated Financial Statements represent CRR2, as deemed parent of the stapled group, and its controlled entities, which are referred to as DXC or the Group.

## Directors

The following persons were Directors of DXAM at all times during the half-year and to the date of this Directors' Report, unless otherwise stated:

| Directors  | Appointed       |
|--|-----------------|
| Jennifer Horrigan, BBus, GradDipMgt, GradDipAppFin, MAICD            | 30 April 2012   |
| Melanie Bourke, B.Com, MBA (Exec), CA, GAICD                         | 17 July 2024    |
| Danielle Carter, BA/BCom, GradDipAppFin, CA, GAICD                   | 17 October 2022 |
| Emily Smith, BCom, GAICD   | 19 April 2022   |
| Jonathan Sweeney, BCom, LLB, CFA, GAICD                              | 17 October 2022 |
| Deborah Cookley, BBus, GAICD <sup>1</sup>                            | 19 August 2021  |
| Brett Cameron, LLB/BA, GAICD, FGIA – Alternate Director <sup>2</sup> | 1 March 2022    |

<sup>1</sup> Resigned from the DXAM Board effective 17 July 2024.

<sup>2</sup> Ceased as alternate director for Deborah Cookley on 17 July 2024, and was appointed as alternate director for Melanie Bourke on 17 July 2024.

## Review of results and operations

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the Operating and Financial Review on pages [2] to [5] of this Interim Report and forms part of this Directors' Report.

## Significant changes in the state of affairs

During the financial period, DXC had no significant changes in its state of affairs.

## 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 7 and forms part of this Directors' Report.

## Rounding of amounts and currency

As the Group is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the Directors have chosen to round amounts in this Directors' Report and the accompanying Interim Consolidated Financial Statements to the nearest thousand dollars, unless otherwise indicated. All figures in this Directors' Report and the Interim Consolidated Financial Statements, except where otherwise stated, are expressed in Australian dollars.

## Directors' authorisation

The Directors' Report is made in accordance with a resolution of the Directors. The Interim Consolidated Financial Statements were authorised for issue by the Directors on 10 February 2025.



**Jennifer Horrigan**  
Chair  
10 February 2025



## Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Dexus Asset Management Limited (as Responsible Entity for Convenience Retail REIT No. 2, the deemed parent entity for the Dexus Convenience Retail REIT Stapled Group)

I declare that, to the best of my knowledge and belief, in relation to the review of the Interim Financial Report of Dexus Convenience Retail REIT (the Stapled Group) for the half-year ended 31 December 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Cameron Slapp

*Partner*

Sydney

10 February 2025

## Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2024

|  | Note | 31 Dec 2024<br>\$'000 | 31 Dec 2023<br>\$'000 |
|--|------|-----------------------|-----------------------|
| <b>Revenue from ordinary activities</b>  |      |                       |                       |
| Property revenue   | 2    | 29,143                | 28,952                |
| <b>Total revenue from ordinary activities</b>  |      | <b>29,143</b>         | <b>28,952</b>         |
| <b>Other income</b>  |      |                       |                       |
| Interest revenue   |      | 49                    | 37                    |
| Net fair value gain of investment properties   | 5    | 3,182                 | –                     |
| <b>Total other income</b>  |      | <b>3,231</b>          | <b>37</b>             |
| <b>Total income</b>  |      | <b>32,374</b>         | <b>28,989</b>         |
| <b>Expenses</b>  |      |                       |                       |
| Property expenses  | 2    | (4,866)               | (4,512)               |
| Finance costs  | 3    | (6,455)               | (5,923)               |
| Management fee expense   |      | (2,379)               | (2,509)               |
| Net fair value loss of investment properties   | 5    | –                     | (12,647)              |
| Net fair value loss of derivatives   |      | (3,502)               | (4,575)               |
| Other expenses   |      | (470)                 | (542)                 |
| <b>Total expenses</b>  |      | <b>(17,672)</b>       | <b>(30,708)</b>       |
| <b>Profit/(loss) for the period</b>  |      | <b>14,702</b>         | <b>(1,719)</b>        |
| <b>Profit/(loss) for the period attributable to:</b>   |      |                       |                       |
| Security holders of the parent entity  |      | 5,013                 | (2,154)               |
| Security holders of other stapled entities (non-controlling interests) <sup>1</sup>  |      | 9,689                 | 435                   |
| <b>Profit/(loss) for the period</b>  |      | <b>14,702</b>         | <b>(1,719)</b>        |
| Other comprehensive income for the period  |      | –                     | –                     |
| <b>Total comprehensive income/(loss) for the period</b>  |      | <b>14,702</b>         | <b>(1,719)</b>        |
| <b>Total comprehensive income/(loss) for the period attributable to:</b>   |      |                       |                       |
| Security holders of the parent entity  |      | 5,013                 | (2,154)               |
| Security holders of other stapled entities (non-controlling interests) <sup>1</sup>  |      | 9,689                 | 435                   |
| <b>Total comprehensive income/(loss) for the period</b>  |      | <b>14,702</b>         | <b>(1,719)</b>        |
|  |      | <b>Cents</b>          | <b>Cents</b>          |
| <b>Earnings per stapled security on profit/(loss) attributable to security holders of the Trust (parent entity)</b>          |      |                       |                       |
| Basic earnings per security  |      | 3.64                  | (1.56)                |
| Diluted earnings per security  |      | 3.64                  | (1.56)                |
| <b>Earnings per stapled security on profit/(loss) attributable to security holders of other stapled entities<sup>1</sup></b> |      |                       |                       |
| Basic earnings per security  |      | 7.03                  | 0.32                  |
| Diluted earnings per security  |      | 7.03                  | 0.32                  |

<sup>1</sup> Non-controlling interests represent the profit/(loss) and total comprehensive income/(loss) for the period attributable to Convenience Retail REIT No. 1 (CRR1) and Convenience Retail REIT No. 3 (CRR3).

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## Consolidated Statement of Financial Position

As at 31 December 2024

|  | Note | 31 Dec 2024<br>\$'000 | 30 Jun 2024<br>\$'000 |
|--|------|-----------------------|-----------------------|
| <b>Current assets</b>  |      |                       |                       |
| Cash and cash equivalents  |      | 4,807                 | 1,918                 |
| Receivables  |      | 1,636                 | 1,429                 |
| Derivative financial instruments   |      | 2,691                 | 3,765                 |
| Other current assets   |      | 1,107                 | 1,814                 |
| <b>Total current assets</b>  |      | <b>10,242</b>         | <b>8,926</b>          |
| <b>Non-current assets</b>  |      |                       |                       |
| Investment properties  | 5    | 708,665               | 740,680               |
| Derivative financial instruments   |      | 2,031                 | 4,212                 |
| Other non-current assets   |      | 40                    | 40                    |
| <b>Total non-current assets</b>  |      | <b>710,736</b>        | <b>744,932</b>        |
| <b>Total assets</b>  |      | <b>720,978</b>        | <b>753,858</b>        |
| <b>Current liabilities</b>   |      |                       |                       |
| Derivative financial instruments   |      | 49                    | –                     |
| Payables   |      | 13,641                | 9,460                 |
| Provisions   |      | 7,523                 | 9,113                 |
| Other current liabilities  |      | 1,000                 | 1,000                 |
| <b>Total current liabilities</b>   |      | <b>22,213</b>         | <b>19,573</b>         |
| <b>Non-current liabilities</b>   |      |                       |                       |
| Derivative financial instruments   |      | 363                   | 165                   |
| Interest bearing liabilities   | 6    | 206,940               | 243,204               |
| <b>Total non-current liabilities</b>   |      | <b>207,303</b>        | <b>243,369</b>        |
| <b>Total liabilities</b>   |      | <b>229,515</b>        | <b>262,942</b>        |
| <b>Net assets</b>  |      | <b>491,463</b>        | <b>490,916</b>        |
| <b>Equity</b>  |      |                       |                       |
| <b>Equity attributable to security holders of the Trust (parent entity)</b>                                      |      |                       |                       |
| Contributed equity   | 9    | 190,503               | 190,503               |
| Retained profits   |      | 27,569                | 27,185                |
| <b>Parent entity security holders' interest</b>  |      | <b>218,072</b>        | <b>217,688</b>        |
| <b>Equity attributable to security holders of other stapled entities (non-controlling interests)<sup>1</sup></b> |      |                       |                       |
| Contributed equity   | 9    | 216,760               | 216,760               |
| Retained profits   |      | 56,630                | 56,468                |
| <b>Other stapled security holders' interest</b>  |      | <b>273,390</b>        | <b>273,228</b>        |
| <b>Total equity</b>  |      | <b>491,462</b>        | <b>490,916</b>        |

<sup>1</sup> Non-controlling interests represent the net assets attributable to Convenience Retail REIT No. 1 (CRR1) and Convenience Retail REIT No. 3 (CRR3).

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2024

|   | Note | Attributable to security holders of the Trust (parent entity) |                         |                | Attributable to security holders of other stapled entities <sup>1</sup> |                         |                | Total equity \$'000 |
|---|------|---|-------------------------|----------------|---|-------------------------|----------------|---------------------|
|   |      | Contributed equity \$'000                                     | Retained profits \$'000 | Total \$'000   | Contributed equity \$'000   | Retained profits \$'000 | Total \$'000   |                     |
| <b>Opening balance as at 1 July 2023</b>                          |      | 190,503   | 35,482                  | 225,985        | 216,760   | 73,638                  | 290,398        | 516,383             |
| Net profit/(loss) for the period                                  |      | –   | (2,154)                 | (2,154)        | –   | 435                     | 435            | (1,719)             |
| Other comprehensive income/(loss) for the period                  |      | –   | –                       | –              | –   | –                       | –              | –                   |
| <b>Total comprehensive income/(loss) for the period</b>           |      | –   | (2,154)                 | (2,154)        | –   | 435                     | 435            | (1,719)             |
| <b>Transactions with owners in their capacity as owners</b>       |      |   |                         |                |   |                         |                |                     |
| Distributions paid or payable                                     | 4    | –   | (3,924)                 | (3,924)        | –   | (10,334)                | (10,334)       | (14,258)            |
| <b>Total transactions with owners in their capacity as owners</b> |      | –   | (3,924)                 | (3,924)        | –   | (10,334)                | (10,334)       | (14,258)            |
| <b>Closing balance as at 31 December 2023</b>                     |      | 190,503   | 29,404                  | 219,907        | 216,760   | 63,739                  | 280,499        | 500,406             |
| <b>Opening balance as at 1 July 2024</b>                          |      | <b>190,503</b>  | <b>27,185</b>           | <b>217,688</b> | <b>216,760</b>  | <b>56,468</b>           | <b>273,228</b> | <b>490,916</b>      |
| Net profit/(loss) for the period                                  |      | –   | <b>5,013</b>            | <b>5,013</b>   | –   | <b>9,689</b>            | <b>9,689</b>   | <b>14,702</b>       |
| Other comprehensive income/(loss) for the period                  |      | –   | –                       | –              | –   | –                       | –              | –                   |
| <b>Total comprehensive income/(loss) for the period</b>           |      | –   | <b>5,013</b>            | <b>5,013</b>   | –   | <b>9,689</b>            | <b>9,689</b>   | <b>14,702</b>       |
| <b>Transactions with owners in their capacity as owners</b>       |      |   |                         |                |   |                         |                |                     |
| Distributions paid or payable                                     | 4    | –   | <b>(4,629)</b>          | <b>(4,629)</b> | –   | <b>(9,527)</b>          | <b>(9,527)</b> | <b>(14,156)</b>     |
| <b>Total transactions with owners in their capacity as owners</b> |      | –   | <b>(4,629)</b>          | <b>(4,629)</b> | –   | <b>(9,527)</b>          | <b>(9,527)</b> | <b>(14,156)</b>     |
| <b>Closing balance as at 31 December 2024</b>                     |      | <b>190,503</b>  | <b>27,569</b>           | <b>218,072</b> | <b>216,760</b>  | <b>56,630</b>           | <b>273,390</b> | <b>491,462</b>      |

1 Non-controlling interests represent the equity attributable to Convenience Retail REIT No. 1 (CRR1) and Convenience Retail REIT No. 3 (CRR3).

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Consolidated Statement of Cash Flows

For the half-year ended 31 December 2024

|   | Note | 31 Dec 2024<br>\$'000 | 31 Dec 2023<br>\$'000 |
|---|------|-----------------------|-----------------------|
| <b>Cash flows from operating activities</b>                 |      |                       |                       |
| Receipts in the course of operations (inclusive of GST)     |      | 33,121                | 29,990                |
| Payments in the course of operations (inclusive of GST)     |      | (9,133)               | (11,299)              |
| Interest received   |      | 49                    | 37                    |
| Finance costs paid  |      | (5,165)               | (5,674)               |
| <b>Net cash inflow from operating activities</b>            |      | <b>18,872</b>         | 13,054                |
| <b>Cash flows from investing activities</b>                 |      |                       |                       |
| Proceeds from sale of investment properties                 |      | 37,826                | 18,217                |
| Payments for capital expenditure on investment properties   |      | (1,883)               | (951)                 |
| <b>Net cash inflow from investing activities</b>            |      | <b>35,943</b>         | 17,266                |
| <b>Cash flows from financing activities</b>                 |      |                       |                       |
| Proceeds from borrowings                                    |      | 104,000               | 82,000                |
| Repayment of borrowings                                     |      | (141,499)             | (98,080)              |
| Distributions paid to security holders                      |      | (14,427)              | (14,774)              |
| <b>Net cash outflow from financing activities</b>           |      | <b>(51,926)</b>       | (30,854)              |
| <b>Net (decrease)/increase in cash and cash equivalents</b> |      | <b>2,889</b>          | (534)                 |
| Cash and cash equivalents at the beginning of the period    |      | 1,918                 | 5,454                 |
| <b>Cash and cash equivalents at the end of the period</b>   |      | <b>4,807</b>          | 4,920                 |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Notes to the Interim Consolidated Financial Statements

## In this section

This section sets out the basis upon which the Group's Interim Consolidated Financial Statements are prepared.

## Basis of preparation

These Interim Consolidated Financial Statements have been prepared in accordance with the requirements of the Constitutions of the entities within the Group, the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* issued by the Australian Accounting Standards Board.

These Interim Consolidated Financial Statements do not include notes of the type normally included in an annual financial report. Accordingly, these Interim Consolidated Financial Statements should be read in conjunction with the annual Consolidated Financial Statements for the year ended 30 June 2024 and any public announcements made by the Group during the half-year, and up to the date of issuance of this Interim Report, in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Unless otherwise stated, the Interim Consolidated Financial Statements have been prepared using consistent accounting policies in line with those of the previous financial year and corresponding interim reporting period. Where required, comparative information has been restated for consistency with the current period's presentation.

The Interim Consolidated Financial Statements are presented in Australian dollars, with all values rounded to the nearest thousand dollars in accordance with ASIC *Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise stated.

The Group is a for-profit entity for the purpose of preparing the Interim Consolidated Financial Statements.

The Interim Consolidated Financial Statements have been prepared on a going concern basis using the historical cost convention, except for the following which are stated at their fair value:

- Investment properties; and
- Derivative financial instruments.

Refer to the specific accounting policies within the Notes to the annual Consolidated Financial Statements for the year ended 30 June 2024 for the basis of valuation of assets and liabilities measured at fair value.

## Net current asset deficiency

As at 31 December 2024, the Group had a net current asset deficiency of \$11,971,000 (30 June 2024: deficiency of \$10,647,000). This is primarily due to distributions payable to stapled security holders of \$7,078,000 and accrued capital expenditures of \$1,333,000.

Capital risk management is managed holistically through a centralised treasury function. The Group has in place external funding arrangements to support the cash flow requirements of the Group, including undrawn facilities of \$57,100,000 (30 June 2024: \$65,850,000).

In determining the basis of preparation of the Consolidated Financial Statements, the Directors of the Responsible Entity have taken into consideration the unutilised facilities available to the Group. As such, the Group is a going concern and the Consolidated Financial Statements have been prepared on that basis.

## Critical accounting estimates

The preparation of the Interim Consolidated Financial Statements requires the use of certain critical accounting estimates and management to exercise its judgement in the process of applying the Group's accounting policies.

In the process of applying the Group's accounting policies, management has considered the current economic environment including the impacts of persistent inflation and elevated interest rates and the estimates and assumptions used for the measurement of items such as:

- Investment properties; and
- Derivative financial instruments.

No other key assumptions concerning the future or other estimation uncertainty at the end of the reporting period could have a significant risk of causing material adjustments to the Interim Consolidated Financial Statements.

## Climate change

On 26 June 2023, the International Sustainability Standards Board (ISSB) released new sustainability standards, IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*. In September 2024, the Australian Accounting Standards Board (AASB) released Australian Sustainability Reporting Standards, AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and AASB S2 *Climate-related Disclosures*; and the "Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024" was passed by Parliament. Under the Act, the new reporting requirements will be mandatory for the year ended 30 June 2028 for the Group. The Group is continuing to develop its assessment of the impact of climate change in line with emerging industry and regulatory guidance on its Consolidated Financial Statements.

## Notes to the Interim Consolidated Financial Statements

The Notes include information which is required to understand the Interim Consolidated Financial Statements and is material and relevant to the operations, financial position and performance of the Group.

The Notes are organised into the following sections:

| <b>Group performance</b>          | <b>Property portfolio assets</b> | <b>Capital and financial risk management</b> | <b>Other disclosures</b> |
|-----------------------------------|----------------------------------|--|--------------------------|
| 1. Operating segment              | 5. Investment properties         | 6. Interest bearing liabilities              | 10. Related parties      |
| 2. Property revenue and expenses  |                                  | 7. Fair value measurement                    | 11. Subsequent events    |
| 3. Finance costs                  |                                  | 8. Commitments and contingencies             |                          |
| 4. Distributions paid and payable |                                  | 9. Contributed equity                        |                          |

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# Group performance

## In this section

This section explains the results and performance of the Group.

It provides additional information about those individual line items in the Interim Consolidated Financial Statements that the Directors consider most relevant in the context of the operations of the Group, including:

- Results by operating segment
- Property revenue and expenses
- Finance costs
- Distributions paid and payable

## Note 1 Operating segment

The Group derives its income from investment in properties located in Australia and is deemed to have only one operating segment which is consistent with the reporting reviewed by the chief operating decision makers. The Directors consider the Property Council of Australia (PCA) definition of FFO to be a measure that reflects the underlying performance of the Group. A reconciliation of DXC's FFO to profit/(loss) for the period is tabled below:

|   | 31 Dec 2024<br>\$'000 | 31 Dec 2023<br>\$'000 |
|---|-----------------------|-----------------------|
| <b>Segment performance measures</b>                 |                       |                       |
| Property revenue                                    | 29,143                | 28,952                |
| Property expenses                                   | (4,866)               | (4,512)               |
| Management fee expense                              | (2,379)               | (2,509)               |
| Other expenses                                      | (470)                 | (542)                 |
| Interest and other income                           | 49                    | 37                    |
| Finance costs                                       | (5,473)               | (5,235)               |
| Incentive amortisation and rent straight line       | (1,736)               | (1,820)               |
| Rental guarantees, coupon income and other          | 41                    | 82                    |
| <b>Funds From Operations (FFO)</b>                  | <b>14,309</b>         | <b>14,453</b>         |
| Net fair value gain/(loss) of investment properties | 3,182                 | (12,647)              |
| Net fair value loss of derivatives                  | (3,502)               | (4,575)               |
| Incentive amortisation and rent straight line       | 1,736                 | 1,820                 |
| Rental guarantees, coupon income and other          | (41)                  | (82)                  |
| Debt modification                                   | (982)                 | (688)                 |
| <b>Profit/(loss) for the period</b>                 | <b>14,702</b>         | <b>(1,719)</b>        |

## Note 2 Property revenue and expenses

Property rental revenue is derived from holding properties as investment properties and earning rental yields over time. Associated property expenses are incurred to maintain the properties.

|                                 | 31 Dec 2024<br>\$'000 | 31 Dec 2023<br>\$'000 |
|---------------------------------|-----------------------|-----------------------|
| Rental income                   | 26,076                | 25,963                |
| Outgoings and direct recoveries | 2,249                 | 2,196                 |
| Services revenue                | 843                   | 812                   |
| Incentive amortisation          | (26)                  | (19)                  |
| <b>Total property revenue</b>   | <b>29,143</b>         | <b>28,952</b>         |

|   | 31 Dec 2024<br>\$'000 | 31 Dec 2023<br>\$'000 |
|---|-----------------------|-----------------------|
| Recoverable outgoings and direct recoveries | 3,470                 | 3,257                 |
| Other non-recoverable property expenses     | 1,396                 | 1,255                 |
| <b>Total property expenses</b>              | <b>4,866</b>          | <b>4,512</b>          |

### Note 3 Finance costs

Finance costs are expensed as incurred unless they are directly attributable to qualifying assets which are capitalised to the cost of the asset.

|  | 31 Dec 2024  | 31 Dec 2023  |
|--|--------------|--------------|
|  | \$'000       | \$'000       |
| Interest paid/payable <sup>1</sup>         | 7,469        | 7,800        |
| Amortisation of borrowing costs            | 277          | 248          |
| Debt modifications                         | 982          | 688          |
| Realised gain on interest rate derivatives | (2,281)      | (2,838)      |
| Other finance costs                        | 8            | 25           |
| <b>Total finance costs</b>                 | <b>6,455</b> | <b>5,923</b> |

1 Includes \$1,003,000 (December 2023: \$1,172,000) of line fees expensed during the period.

### Note 4 Distributions paid and payable

Distributions are recognised when declared.

#### Distribution to security holders

|   | 31 Dec 2024   | 31 Dec 2023   |
|---|---------------|---------------|
|   | \$'000        | \$'000        |
| 30 September (paid 14 November 2024)          | 7,078         | 7,129         |
| 31 December (payable 20 February 2025)        | 7,078         | 7,129         |
| <b>Total distribution to security holders</b> | <b>14,156</b> | <b>14,258</b> |

#### Distribution rate

|  | 31 Dec 2024        | 31 Dec 2023        |
|--|--------------------|--------------------|
|  | Cents per security | Cents per security |
| 30 September (paid 14 November 2024)   | 5.138              | 5.175              |
| 31 December (payable 20 February 2025) | 5.138              | 5.175              |
| <b>Total distribution rate</b>         | <b>10.276</b>      | <b>10.350</b>      |

# Property portfolio assets

## In this section

The following table summarises the investments of the Group detailed in this section.

| 31 December 2024      | Note | \$'000         |
|-----------------------|------|----------------|
| Investment properties | 5    | 708,665        |
| <b>Total</b>          |      | <b>708,665</b> |

Investments are used to generate the Group's performance. The assets are detailed in the following notes:

- **Investment properties** (note 5): relates to investment properties, both stabilised and under development.

## Note 5 Investment properties

The Group's investment properties consist of properties held for long-term rental yields and/or capital appreciation and property that is being constructed or developed for future use as investment property.

### a. Reconciliation

|   | For the<br>6 months to<br>31 Dec 2024<br>\$'000 | For the<br>12 months to<br>30 Jun 2024<br>\$'000 |
|---|---|--|
| Opening balance                                     | 740,680   | 774,170  |
| Additions <sup>1</sup>                              | 1,148   | 2,933  |
| Lease incentives                                    | 359   | 125  |
| Amortisation of lease incentives                    | (89)  | (141)  |
| Rent straightlining                                 | 1,825   | 3,484  |
| Disposals   | (38,440)  | (16,230)   |
| Net fair value gain/(loss) of investment properties | 3,182   | (23,661)   |
| <b>Closing balance</b>                              | <b>708,665</b>                                  | <b>740,680</b>                                   |

<sup>1</sup> Includes \$547,000 (2024: \$830,000) of maintenance capital expenditure incurred during the period.

### b. Disposals

Settlement for the disposal of the following nine investment properties occurred during the period for \$38.8 million excluding transaction costs:

| Date              | Property Name                             |
|-------------------|---|
| 23 September 2024 | 25-27 Bolam Street, Garbutt, QLD          |
| 6 November 2024   | 77-79 Bowen Road, Rosslea, QLD            |
| 25 November 2024  | 49 Tolga Road, Atherton, QLD              |
| 25 November 2024  | 100/22 Nicholson Street, Banana, QLD      |
| 25 November 2024  | 900 Ingham Road, Bohle, QLD               |
| 25 November 2024  | 2 Mulgrave Street, Gin Gin, QLD           |
| 25 November 2024  | 921 Nambour Connection Road, Nambour, QLD |
| 25 November 2024  | 102-104 Cook Street, Portsmith, QLD       |
| 11 December 2024  | 708 Gympie Road, Lawnton, QLD             |

## Note 5 Investment properties (continued)

### c. Fair value measurement, valuation techniques and inputs

The following table represents the level of the fair value hierarchy and the associated unobservable inputs utilised in the fair value measurement of investment property.

| Class of property  | Fair value hierarchy | Inputs used to measure fair value | Range of unobservable inputs |                 |
|--------------------|----------------------|-----------------------------------|------------------------------|-----------------|
|                    |                      |                                   | 31 Dec 2024                  | 30 Jun 2024     |
| Convenience retail | Level 3              | Adopted capitalisation rate       | 5.50% - 8.25%                | 5.50% - 8.25%   |
|                    |                      | Net market rental (per sqm)       | \$255 - \$4,456              | \$248 - \$5,090 |

#### Critical accounting estimates: inputs used to measure fair value of investment properties

Judgement is required in determining the following significant unobservable inputs:

- **Adopted capitalisation rate:** The rate at which net market rental revenue is capitalised to determine the value of a property. The rate is determined with regard to market evidence and the prior external valuation.
- **Net market rental (per sqm):** The net market rent is the estimated amount for which a property should lease between a lessor and a lessee on appropriate lease terms in an arm's length transaction.

### d. Impact of the current economic environment on the fair value of investment properties

The elevated levels of economic uncertainty has created heightened levels of judgment when deriving the fair value of the Group's investment property portfolio.

Whilst the fair values of investment property can be relied upon at the date of valuation, a higher level of valuation uncertainty than normal is assumed. A sensitivity analysis has been included in note 5(e), showing indicative movements in investment property valuations should certain significant unobservable inputs differ from those assumed in the valuations.

### e. Sensitivity information

Significant movement in any one of the valuation inputs listed in the table above may result in a change in the fair value of the Group's investment properties.

The estimated impact of a change in certain significant unobservable inputs would result in a change in the fair value as follows:

|   | 31 Dec 2024<br>\$'000 | 30 Jun 2024<br>\$'000 |
|---|-----------------------|-----------------------|
| A decrease of 25 basis points in the adopted capitalisation rate  | 29,392                | 30,578                |
| An increase of 25 basis points in the adopted capitalisation rate | (26,078)              | (27,552)              |
| A decrease of 5% in the net market rental (per sqm)               | (37,175)              | (39,650)              |
| An increase of 5% in the net market rental (per sqm)              | 33,445                | 34,090                |

Under the capitalisation approach, the net market rental has a strong interrelationship with the adopted capitalisation rate as the fair value of the investment property is derived by capitalising, in perpetuity, the total net market rent receivable. An increase (softening) in the adopted capitalisation rate may offset the impact to fair value of an increase in the net market rent. A decrease (tightening) in the adopted capitalisation rate may also offset the impact to fair value of a decrease in the net market rent. Directionally opposite changes in the net market rent and the adopted capitalisation rate would increase the impact to fair value.

# Capital and financial risk management

## In this section

The Board of the Responsible Entity determines the appropriate capital structure of the Group, how much is borrowed from financial institutions and capital markets (debt), and how much is raised from security holders (equity) in order to finance the Group's activities both now and in the future. This capital structure is detailed in the following notes:

- **Debt:** *Interest bearing liabilities* in note 6, *Fair value measurement* in note 7, and *Commitments and contingencies* in note 8; and
- **Equity:** *Contributed equity* in note 9.

## Note 6 Interest bearing liabilities

The following table summarises the Group's financing arrangements:

|   | 31 Dec 2024<br>\$'000 | 30 Jun 2024<br>\$'000 |
|---|-----------------------|-----------------------|
| <b>Non-current</b>  |                       |                       |
| <b>Secured</b>  |                       |                       |
| Bank loans (net of debt modification)                               | 207,921               | 244,439               |
| Capitalised borrowing cost  | (982)                 | (1,235)               |
| <b>Total secured</b>  | <b>206,940</b>        | <b>243,204</b>        |
| <b>Total non-current liabilities - interest bearing liabilities</b> | <b>206,940</b>        | <b>243,204</b>        |

### Financing arrangements

The Group has the following revolving credit facilities with four banks.

|                                       | 31 Dec 2024<br>\$'000 | 30 Jun 2024<br>\$'000 |
|---------------------------------------|-----------------------|-----------------------|
| Loan facility limit                   | 266,250               | 312,500               |
| Amount drawn at balance date          | (209,150)             | (246,650)             |
| <b>Amount undrawn at balance date</b> | <b>57,100</b>         | <b>65,850</b>         |

The following table summarises the maturity profile of the Group's financing arrangements:

| <b>Maturity date</b> | <b>Facility limit<br/>\$'000</b> |
|----------------------|----------------------------------|
| Jul-26 to Jun-27     | 32,500                           |
| Jul-27 to Jun-28     | 116,250                          |
| Jul-28 to Jun-29     | 70,000                           |
| Jul-29 to Jun-30     | 17,500                           |
| Jul-30 to Jun-31     | 30,000                           |
| <b>Total</b>         | <b>266,250</b>                   |

The revolving cash advance facilities are secured and cross collateralised over DXC's investment properties (by first registered real property mortgages) and other assets (via a first ranking general "all assets" security agreement), maturing between March 2027 and July 2030 with a weighted average maturity of November 2028.

The debt facilities contain both financial and non-financial covenants and undertakings that are customary for secured debt facilities of this nature. The key financial covenants that apply to the Group are as follows:

|                              |   | 31 Dec 2024 | 30 Jun 2024 |
|------------------------------|---|-------------|-------------|
| Loan to Value Ratio ("LVR")  | At all times, LVR does not exceed 50%                                   | 29.6%       | 33.1%       |
| Interest Cover Ratio ("ICR") | As at 31 December and 30 June each year, ICR is not less than 2.0 times | 3.9 times   | 3.9 times   |

## Note 7 Fair value measurement

The Group uses the following methods in the determination and disclosure of the fair value of assets and liabilities:

**Level 1:** the fair value is calculated using quoted prices in active markets.

**Level 2:** the fair value is determined using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

**Level 3:** the fair value is estimated using inputs for the asset or liability that are not based on observable data.

All derivative financial instruments were measured at Level 2 for the periods presented in this report.

During the period, there were no transfers between Level 1, 2 and 3 fair value measurements.

Since cash, receivables and payables are short-term in nature, their fair values are not materially different from their carrying amounts. The fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

## Note 8 Commitments and contingencies

### a. Commitments

#### Capital commitments

Under some of the lease agreements applicable to the existing investment properties, the Group is responsible for capital and structural repairs to the premises (except to the extent required due to the tenant's act, omissions or particular use). This contractual obligation can include the requirement to replace underground tanks and/or LPG tanks if they become worn out, obsolete, inoperable, or incapable of economic repair. As at the reporting date, there were no requirements to replace underground tanks at any sites (2024: nil).

The following amounts represent capital expenditure commitments at the end of each reporting period but not recognised as liabilities payable:

|                                  | 31 Dec 2024<br>\$'000 | 30 Jun 2024<br>\$'000 |
|----------------------------------|-----------------------|-----------------------|
| Investment properties            | 427                   | 154                   |
| <b>Total capital commitments</b> | <b>427</b>            | <b>154</b>            |

### b. Contingencies

The Directors of the Responsible Entity are not aware of any other contingent liabilities in relation to the Group, other than those disclosed in the Notes to the Interim Consolidated Financial Statements, which should be brought to the attention of security holders as at the date of these Interim Consolidated Financial Statements.

## Note 9 Contributed equity

|                        | For the<br>6 months to<br>31 Dec 2024<br>No. of<br>securities | For the<br>12 months to<br>30 Jun 2024<br>No. of<br>securities |
|------------------------|---|--|
| Opening balance        | 137,756,563   | 137,756,563  |
| <b>Closing balance</b> | <b>137,756,563</b>  | <b>137,756,563</b>   |

During the 6 months to 31 December 2024, no DXC securities were issued or cancelled.

## Other disclosures

### In this section

This section includes other information that must be disclosed to comply with the Accounting Standards, the *Corporations Act 2001* or the Corporations Regulations.

### Note 10 Related parties

#### Transactions with the Responsible Entity and related body corporate

The Responsible Entity of the stapled entities that form DXC is DXAM. Dexus PG Limited (DXPG) (ACN 109 846 068), the immediate parent entity of DXAM, and its controlled entities are wholly owned subsidiaries of Dexus Operations Trust (ARSN 110 521 223). Convenience Retail Management Pty Limited is the appointed Investment Manager (the "Manager") to provide investment management services. The Manager is a related body corporate of DXAM and a wholly owned subsidiary of DXPG.

Accordingly, transactions with entities related to DXPG are disclosed below:

|                                | For the 6 months to 31 Dec 2024 |                   | For the 6 months to 31 Dec 2023 |                   |
|--------------------------------|---------------------------------|-------------------|---------------------------------|-------------------|
|                                | Paid<br>\$'000                  | Payable<br>\$'000 | Paid<br>\$'000                  | Payable<br>\$'000 |
| Management fees <sup>1,2</sup> | 1,602                           | 1,291             | 2,092                           | 711               |
| Custody fees                   | 63                              | 12                | 65                              | 13                |
| <b>Total</b>                   | <b>1,665</b>                    | <b>1,303</b>      | <b>2,157</b>                    | <b>724</b>        |

1 Management fees includes investment (base) management fees as well as property management fees and leasing fees which are included within property expenses in the Consolidated Statement of Comprehensive Income. The Manager is entitled to a base management fee of 0.65% per annum of the Gross Asset Value of the Group (reducing to 0.60% p.a. of Gross Asset Value between \$0.5 billion and \$1.0 billion, 0.55% p.a. of Gross Asset Value between \$1.0 billion and \$1.5 billion and 0.50% of Gross Asset Value in excess of \$1.5 billion).

2 DXAM is party to a property management agreement with Dexus Property Services Pty Ltd a wholly owned subsidiary of Dexus. Under this agreement, Dexus Property Services Pty Limited is entitled to an average property management fee of approximately 2.2% of gross income, which may change over time, depending on the portfolio composition and management intensity of the assets.

#### Security holdings and associated transactions with related parties

The below table shows the number of DXC securities held by related parties (including other managed investment schemes for which DXAM is the Responsible Entity or Investment Manager) and the distributions paid, or payable:

|                                     | 31 Dec 2024          |                  | 31 Dec 2023          |                  |
|-------------------------------------|----------------------|------------------|----------------------|------------------|
|                                     | Number of securities | Distributions \$ | Number of securities | Distributions \$ |
| Dexus Asset Management Limited      | 2,402,816            | 246,913          | 2,402,816            | 248,691          |
| APD Trust                           | 10,011,224           | 1,028,753        | 10,011,224           | 1,036,162        |
| Dexus AREIT Fund                    | 4,163,640            | 479,161          | 6,530,327            | 705,904          |
| CFS Dexus AREIT Mandate             | 108,812              | 11,182           | 158,812              | 59,613           |
| Dexus Property for Income Fund      | –                    | –                | 540,261              | 55,917           |
| Dexus Property for Income Fund No.2 | –                    | –                | 164,166              | 16,991           |
| Jennifer Horrigan                   | 33,500               | 3,442            | 33,500               | 3,467            |
| Danielle Carter                     | 8,946                | 919              | 8,946                | 926              |
| Jonathan Sweeney                    | 20,000               | 2,055            | 15,000               | 1,553            |
| <b>Total</b>                        | <b>16,748,938</b>    | <b>1,772,425</b> | <b>19,865,052</b>    | <b>2,129,224</b> |

As at 31 December 2024, 12.15% (31 December 2023: 14.42%) of DXC's stapled securities were held by related parties.

## Note 11 Subsequent events

Since the end of the period, the Directors are not aware of any other matter or circumstance not otherwise dealt within the Interim Consolidated Financial Statements that has significantly or may significantly affect the operations of the Group, the results of those operations, or state of the Group's affairs in future financial periods.

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# Directors' Declaration

In the Directors' opinion:

- a. The Interim Consolidated Financial Statements and Notes set out on pages 8 to 21 are in accordance with the *Corporations Act 2001*, including:
  - i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - ii. giving a true and fair view of the Group's consolidated financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- b. there are reasonable grounds to believe that Convenience Retail REIT No. 2 will be able to pay its debts as and when they become due and payable.

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



**Jennifer Horrigan**

Chair

10 February 2025

# Independent Auditor's Review Report

To the stapled security holders of Dexus Convenience Retail REIT

## Conclusion

We have reviewed the accompanying **Interim Financial Report** of Dexus Convenience Retail REIT (the Stapled Group Interim Financial Report).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Stapled Group Interim Financial Report of the **Stapled Group** does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Stapled Group's financial position as at 31 December 2024 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** of the Stapled Group comprises:

- Consolidated statement of Financial Position as at 31 December 2024
- Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the Half-year ended on that date
- Notes 1 to 11 comprising material accounting policies and other explanatory information
- The Directors' Declaration.

The **Stapled Group** consists of Convenience Retail REIT No. 2 and its controlled entities at the Half-year end or from time to time during the Half-year; Convenience Retail REIT No. 1 and Convenience Retail REIT No. 3.

## Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Interim Financial Report* section of our report.

We are independent of the Stapled Group, Convenience Retail REIT No. 2 and Dexus Asset Management Limited (the Responsible Entity) 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



### Responsibilities of the Directors of the Responsible Entity for the Interim Financial Report

The Directors of Dexus Asset Management Limited, the Responsible Entity of Convenience Retail REIT No. 2, the deemed parent entity for the Dexus Convenience Retail REIT Stapled Group, are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Stapled Group's financial position as at 31 December 2024 and its performance for the Half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Cameron Slapp

*Partner*

Sydney

10 February 2025