



APN REGIONAL PROPERTY FUND QUARTERLY UPDATE

31 DECEMBER 2020

APN | Property Group

Highlights and summary

- Independent valuation outcome was an uplift of 27%* to \$66.0 million:
 - Strong leasing outcomes following capex upgrades and active leasing campaign has improved the medium-term cash flow
 - Occupancy remains high at 96%
 - Continued demand for high quality assets have resulted in yield expectations falling, and as a result the cap rate reduced from 7.25% to 6.00%
- Net Asset Value increased 34% to \$1.8822 per unit
- Cash collections of 99% - rent relief limited to ground floor café
- Loan to Value has decreased to 28%, largely a function of the valuation increasing and borrowings remaining relatively steady
- High levels of leasing activity secured ~60% of short-to-medium term cash flow and increased the weighted average lease expiry (WALE) from 3.0 to 4.1 years:
 - Nine Entertainment will move to Level 3, 26 HSD (1,000 sqm) on a five-year lease
 - New lease with QBE finalised – occupation to increase from 1,000 sqm to 1,470 sqm and committed to October 2028
 - Management International Hotels secured for 57 sqm ground floor tenancy on a two-year lease agreement
- Capital projects underway include replacing the lifts within 26 Honeysuckle Drive, as we continue to maintain the quality and reputation of the building in the market

Fund and property metrics – 31 December 2021

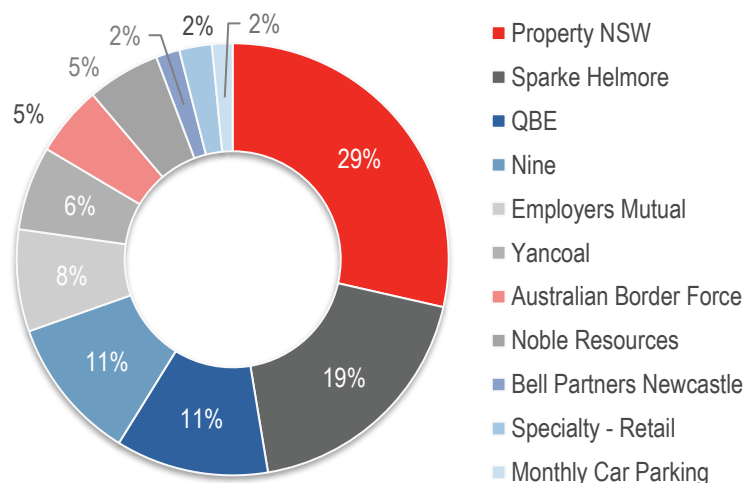
| | | |
|-------------------------------|---|---------------------------|
| Net Asset Value (NAV) | ↑ | \$1.8822 per unit |
| Property portfolio value | ↑ | \$66.00m (6.00% cap rate) |
| Loan to Value ratio | ↓ | 28% |
| Interest Cover Ratio (ICR) | | 7.3x |
| Weighted Average Lease Expiry | ↑ | 4.1 years (by income) |
| Portfolio occupancy | | 96% |
| Annual distribution | — | 10.20 cents per unit |
| Annual yield (to NAV) | | 5.4% |
| Distribution payments | | Monthly |
| Fund Maturity | | 30 June 2024 |



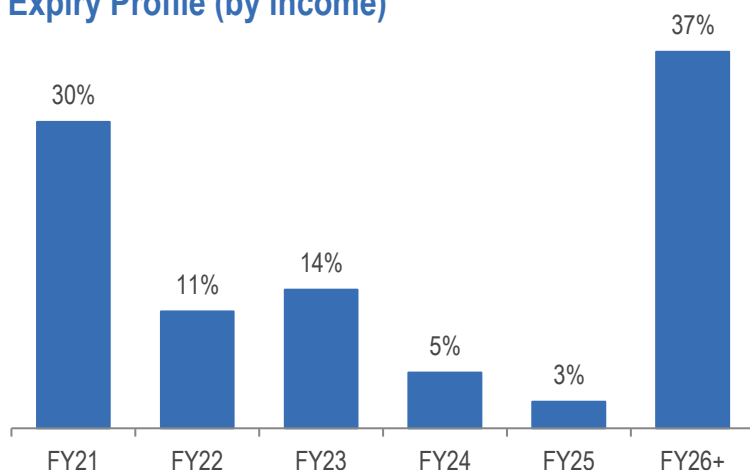
*Increase calculated from last independent valuation completed in Jan 2019 of \$51.8m

Fund information and history

Tenant diversity (by income)



Expiry Profile (by income)



Historical unit values

| Date | NAV per unit |
|------------------|--------------|
| 31 December 2020 | \$1.8822 |
| 30 June 2020 | \$1.4037 |
| 31 December 2019 | \$1.4062 |
| 30 June 2019 | \$1.3970 |

Important information / dates

Unit price revaluation Changes to Net Asset Value per unit are advised following the completion of the audited Annual and Half-Yearly financial reports. Please see the 'Historical Unit Values' table within this update for the latest NAV.

Distribution payment Accruing at the end of each month. Payment is made on the 10th day following month's end unless that day is a non-business day in which case the distribution will be paid on the following business day.

Distribution statement Dispatched at the time of payment.

Tax statement Dispatched annually (by end of August).

Investment team members

Tom Forrest – Fund Manager, Direct Property

Alex Abell – Head of Direct Property

APN Property Group

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