VIVA ENERGY | REIT - ABN 35 612 986 517

2018 Annual Report

VIVA Energy | REIT

Important information

Viva Energy REIT is a stapled entity comprising one share in Viva Energy REIT Limited (ABN 35 612 986 517) and one unit in Viva Energy REIT Trust (ARSN 613 146 464).

Responsible Entity of Viva Energy REIT Trust
VER Limited
ACN 609 868 000
Level 16, 720 Bourke Street, Docklands VIC 3008

Reporting period
This Annual Report details the consolidated results of Viva Energy REIT for the year ended 31 December 2018.

Disclaimer

This is the Annual Report for Viva Energy REIT ("VVR" or "Viva Energy REIT") which is a stapled entity comprising shares in Viva Energy REIT Limited (ABN 35 612 986 517) stapled with units in the Viva Energy REIT Trust (ARSN 613 146 464). VER Limited (ABN 46 609 868 000 and AFSL 483795) is the Responsible Entity of the Viva Energy REIT Trust, and VER Manager Pty Ltd provides management services to VER Limited and Viva Energy REIT.

This Annual Report is for information purposes only, is of a general nature, does not constitute financial product advice, nor is it intended to constitute legal, tax or accounting advice or opinion. It does not constitute in any jurisdiction, whether in Australia or elsewhere, an invitation to apply for or purchase stapled securities of VVR or any other financial product.

This Annual Report has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. Investors must rely on their own examination of VVR, including the merits and risks involved. Each person should consult a professional investment adviser before making any decision regarding a financial product. In preparing this Annual Report the authors has relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources or which has otherwise been reviewed in preparation of the presentation. All reasonable care has been taken in preparing the information and assumptions contained in this Annual Report. However no representation or warranty, express or implied, is made by VRR, its related bodies corporate, any of their respective officers, directors, employees, agents or advisers as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this Annual Report. The information contained in this Annual Report is current as at the date it is published and is subject to change without notice.

To the maximum extent permitted by law and subject to any continuing obligations under the ASX listing rules, VVR, VER Manager Pty Ltd and VER Limited and each of their respective associates, related entities, officers, directors, employees, agents, consultants and advisers and each of the Limited Parties do not accept and expressly disclaim any liability for any loss or damage (including, without limitation, any liability arising out of fault or negligence and whether direct, indirect, consequential or otherwise) arising from the use of, or reliance on, anything contained in or omitted from this presentation. Statements made in this presentation are made only at the date of the presentation.

Past performance is not a reliable indicator of future performance.

Neither Viva Energy REIT, VER Manager Pty Ltd, nor any of their associates, related entities or directors, give any warranty as to the accuracy, reliability or completeness of the information contained in this Annual Report. Except to the extent liability under any applicable laws cannot be excluded and subject to any continuing obligations under the ASX listing rules, VER Manager Pty Ltd, Viva Energy REIT and its associates, related entities, directors, employees and consultants do not accept and expressly disclaim any liability for any loss or damage (whether direct, indirect, consequential or otherwise) arising from the use of, or reliance on, anything contained in or omitted from this presentation.

This Annual Report contains forward-looking statements, including statements regarding the plans, strategies and objectives of VVR management and distribution guidance. To the extent that certain statements in this Annual Report may constitute 'forward-looking statements' or statements about 'future matters', the information reflects VVR's intent, belief or expectations at the date of the Annual Report. Forward looking statements can generally be identified by the use of forward looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'should, 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'guidance' and other similar expressions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Such prospective financial information contained within this Annual Report may be unreliable given the circumstances and the underlying assumptions to this information may materially change in the future.

Any forward-looking statements, including projections, guidance on future revenues, earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause VVR's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Any forward-looking statements, opinions and estimates in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. For example, the factors that are likely to affect the results of VVR include, but are not limited to, general economic conditions in Australia, New Zealand and Asia, exchange rates, competition in the markets in which VVR operates and the inherent regulatory risks in the business of VVR.

You should rely on your own independent assessment of any information, statements or representations contained in this Annual Report and any reliance on information in this Annual Report will be entirely at your own risk.

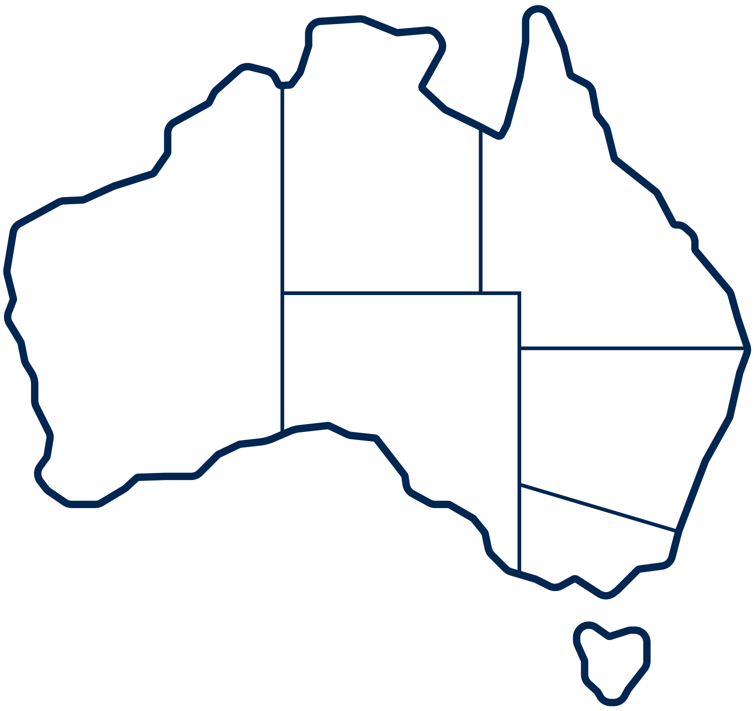
Cover image: Shell Roadhouse, Aratula

Contents

Shell Coles Express, Caboolture, QLD

Overview

As at 31 December 2018



$2.5 billion portfolio

454 high-quality service station and convenience properties with **WACR 5.8%**

2.11 million m² of land area

Geographically diversified across **Australia**

WALE of 12.6 years

With **3%** per annum fixed **rent increases**[1]

75% metropolitan properties

and **25% regional** properties[2]

1. 12 of 454 properties are subject to annual rent increases other than fixed 3% per annum
2. By value

Financial Highlights

For year ended 31 December 2018

Statutory net profit

$167.1m

Distributable Earnings[1]

14.02cps

+4.5% from FY2017

$2.20

NTA per security[2]

+3.8% from December 2017

20bps

MER

Down from 24bps in FY2017

36.2%

Gearing[3]

Within target range of 35-45%[4]

3.8yrs

Maturity of weighted debt facility

Increased from 2.6 years in December 2017

$60m

New Facilities

Increased debt facilities lengthened tenor diversified sources of capital

10.4%

Underlying property return in 2018[5]

1. Based on weighted average number of securities on issue over the period
2. NTA reported at 31 December 2018 included a provision for the declared distribution of 7.03cps. Reported NTA in prior periods has included distributions accrued to the reporting date
3. Gearing calculated as total liabilities to total tangible assets measured in accordance with Australian Accounting Standards, but excluding any mark-to-market valuations of derivative assets/liabilities
4. Target gearing range was changed from 35-45% to 30-45% as announced on 21 February 2019
5. Calculated as the increase in NTA plus distribution per security, divided by the NTA per security at 31 December 2017 (excluding 6.60cps distribution) for the period from 31 December 2017 to 31 December 2018

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Chairman's Message

"This is the second full year of operations following Viva Energy REIT's listing on ASX in August 2016. This year, we have delivered $167.1 million of statutory net profit to our securityholders, and total Distributable Earnings of 14.02 cents per security, which is 4.5% higher than the 2017 result."

Dear Securityholder,

On behalf of the Board, I am pleased to present the Annual Report for Viva Energy REIT for the year ended 31 December 2018.

In 2018, Viva Energy REIT has generated an average total security holder return of 9.4% per annum, compared to negative 2.2% for the All Ordinaries Accumulation Index and 2.8% for the S&P/ASX 200 Property Accumulation Index[1].

Viva Energy REIT is in a strong financial position with a high quality portfolio of strategically located service station and convenience retail assets, balance sheet flexibility, and a portfolio underpinned by quality real estate and long leases.

Sixteen properties were acquired during the 2018 year for a total amount of $129 million. We continue to evaluate new acquisitions and development opportunities consistent with our investment criteria. Our acquisition pipeline and strategic relationships with vendors continue to remain meaningful.

Property revaluations completed during the 2018 year resulted in a total net increase in property valuations of $43.6 million and an increase of 3.8% in net tangible assets per security compared with the previous period[2].

The Board is focused on retaining a strong balance sheet with appropriate levels of gearing. This provides flexibility for Viva Energy REIT to pursue further acquisitions, consistent with its investment criteria, as opportunities arise.

A disciplined approach to pursuing growth opportunities and managing our capital structure, and maintaining tight control over management costs, are all factors that have contributed to the performance of Viva Energy REIT in 2018.

I would like express my appreciation to my fellow directors and management for their efforts during the year. I would also like to thank you, our investors, for your continued support.

Yours faithfully,

Laurence Brindle
Independent Non-Executive Chair

1. Assumes 100% distribution reinvestment on the ex-distribution date, as at 31 December 2018. Source: Bloomberg
2. NTA reported as at 31 December 2017 adjusted for the distribution of 6.60cps paid on 15 February 2018 to allow for like for like comparison

Managing Director's Report

"It is my pleasure to present the Annual Report for Viva Energy REIT for the year ended 31 December 2018. In 2018, Viva Energy REIT delivered on its strategic objectives with resulting earnings ahead of guidance for consecutive years. We have grown our overall portfolio while maintaining our focus on quality properties. Our acquisition pipeline has been replenished following completion of the 2018 asset purchases."

Financial Results

Over the year, Viva Energy REIT recorded statutory net profit of $167.1 million.

Distributable Earnings were $101.7 million (equating to 14.02 cents per security, up by 4.5% from last year).

Property revaluations delivered a net increase in property valuations of $43.6 million, increasing net tangible asset value per security to $2.20[1], an increase of 3.8% from December 2017.

Viva Energy REIT has delivered a 10.4% underlying property return in 2018[2].

We have continued to manage our cost and operating expenses, delivering a MER of 20bps, down from 24bps in FY2017.

Capital Management

Viva Energy REIT's gearing as at 31 December 2018 was 36.2% (2017: 32.1%), which is within the stated gearing range of 35-45%[3]. Viva Energy REIT retains significant headroom to make further acquisitions, consistent with its stated investment criteria.

In 2018 we increased our debt facilities, lengthened our debt tenor and diversified our sources of capital in line with the capital management strategy. Drawn-debt was 93.4% hedged for a weighted average of 3.8 years at 31 December 2018.

The Distribution Reinvestment Plan ('DRP') was activated for the final distribution for the year ended 31 December 2018. Viva Energy REIT activated the DRP as part of the longer-term capital management program and to allow securityholders flexibility in receiving their distribution entitlements.

Property Overview

Viva Energy REIT is Australia's largest listed REIT comprising solely service station and convenience properties.

As at 31 December 2018 the portfolio comprised 454 properties with a total valuation of $2.5 billion and weighted average capitalisation rate of 5.8%.

The portfolio is high quality and geographically diversified in line with Australia's population. It has been assembled over the last 100 years with many properties located in areas which would be almost impossible to secure again. It covers 2.11 million m^2 of real estate with 75% of properties by value located in metropolitan areas of Australian capital cities.

Occupancy remained at 100% with predominately fixed 3% per annual rental increases and long-term Triple Net leases to Viva Energy Australia. The portfolio has continued to diversify its fuel brand mix with the addition of further Liberty Oil properties and the introduction of its maiden Caltex and 7-Eleven properties.

Weighted average lease expiry was 12.6 years at 31 December 2018, with majority of market rent reviews not occurring to 2026[4].

Viva Energy REIT's valuation policy requires independent valuations to be undertaken over a rolling three-year cycle with a third of the portfolio independently valued each year. The second of these independent valuations was completed at 31 December 2018, resulting in a net valuation increase of $43.6 million with the WACR remaining at 5.8%.

Acquisitions

Viva Energy REIT acquired 16 sites in FY2018 for $129 million[5] at a WACR of 6.4%.

Our acquisition strategy remains unchanged and we will continue to consider acquisition and development opportunities consistent with the following investment criteria:

- investment is high quality and strategically located;
- portfolio remains geographically diversified;
- investment has strong lease characteristics; and
- investment provides security holders with potential for capital growth over time.

Strategy and Outlook

Our strategy remains to own a portfolio of market leading national service station and convenience properties.

The portfolio is high quality and geographically diversified in line with Australia's population supporting demand for convenience retail and fuels.

We remain focused on maintaining our low management cost and optimising our core business.

We have developed a strong pipeline of opportunities for acquisitions, development and site optimisation. We will continue to make further acquisitions that meet our stated investment criteria.

The Board will provide an update on earnings guidance in conjunction with the first half of 2019 results, or earlier if required[6].

I thank you for your ongoing support of Viva Energy REIT.

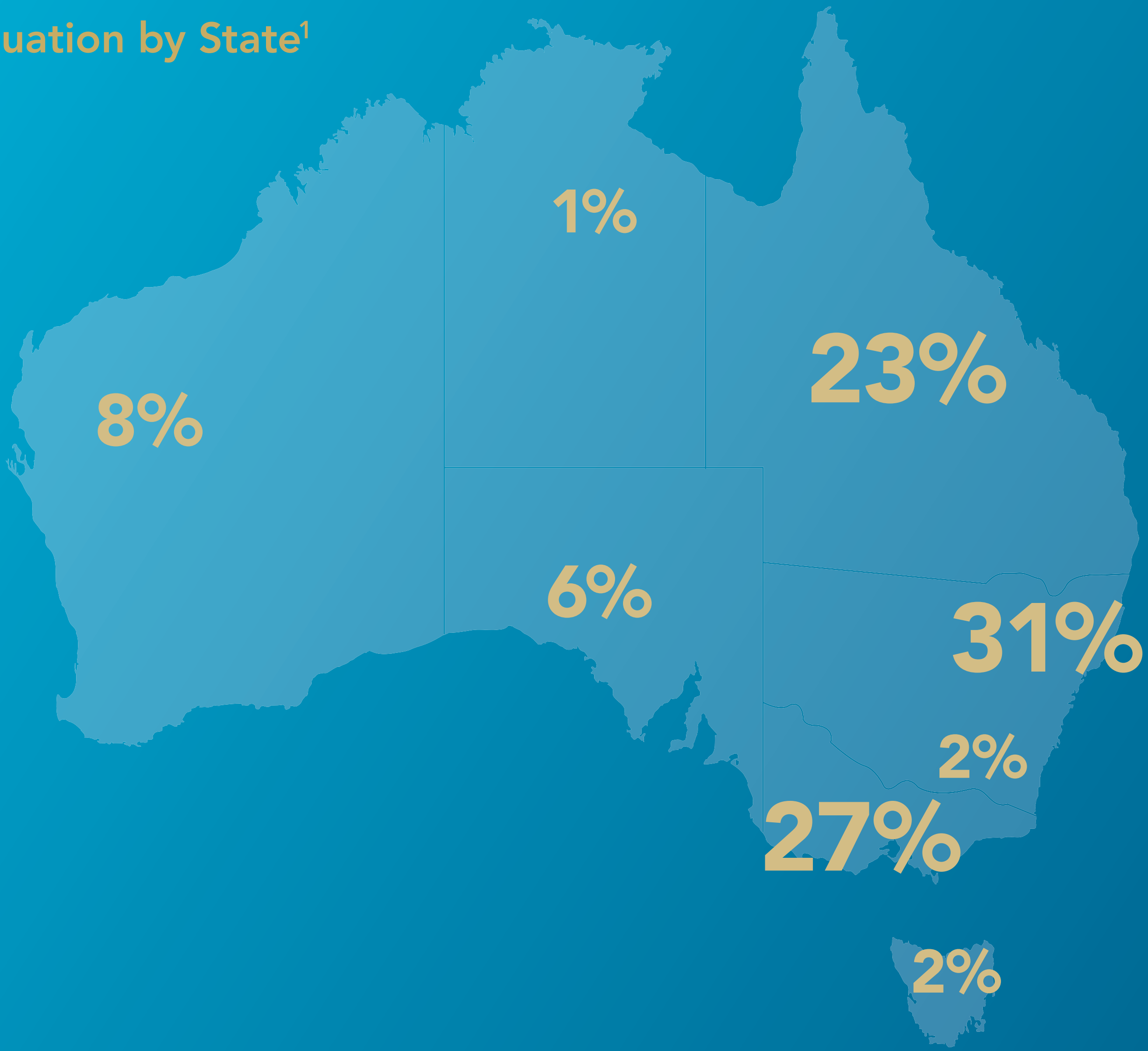
Yours faithfully,

Margaret Kennedy
Managing Director VER Manager Pty Limited,
Manager of Viva Energy REIT

1. NTA reported as at 31 December 2017 adjusted for the distribution of 6.60cps paid on 15 February 2018 to allow for like for like comparison
2. Calculated as the increase in NTA plus distribution per security, divided by the NTA per security at 31 December 2017 (excluding 6.60cps distribution) for the period from 31 December 2017 to 31 December 2018
3. Target gearing range was changed from 35-45% to 30-45% as announced on 21 February 2019
4. 6 of 454 properties have reviews prior to FY2026: FY20 (Rouse Hill) and FY21 (Half Way Creek, Blaxland, Caboolture, Silkstone and Townsville)
5. Pre transaction costs. Excludes $8.0 million of committed expenditures (pre transaction costs) in 1H FY2019 in relation to fixed-price development fund-through agreements
6. Provided there are no material changes in market conditions and no other factors affecting Viva Energy REIT

Portfolio Overview as at 31 December 2018

Valuation by State[1]



Viva Energy REIT is Australia's largest listed REIT comprising solely service station and convenience properties.

At 31 December 2018, the portfolio comprised 454 properties with a total valuation of $2.5 billion and weighted average capitalisation rate of 5.8%.

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Occupancy remained at 100% with predominately fixed 3% per annum rental increases and long term Triple Net leases to Viva Energy Australia. The portfolio has continued to diversify its fuel brand mix with the addition of further Liberty Oil properties and the introduction of its maiden Caltex and 7-Eleven properties.

Weighted average lease expiry was 12.6 years at 31 December 2018, with majority of market rent reviews not occurring to 2026[2].

Viva Energy REIT's valuation policy requires independent valuations to be undertaken over a rolling three-year cycle with a third of the portfolio independently valued each year. The second of these independent valuations was completed as at 31 December 2018, resulting in a net valuation increase of $43.6 million with the weighted average capitalisation rate remaining at 5.8% (2017: 5.8%)

1. By value.
2. 6 of 454 properties have reviews prior to FY26: FY20 (Rouse Hill) and FY21 (Half Way Creek, Blaxland, Caboolture, Silkstone and Townsville)

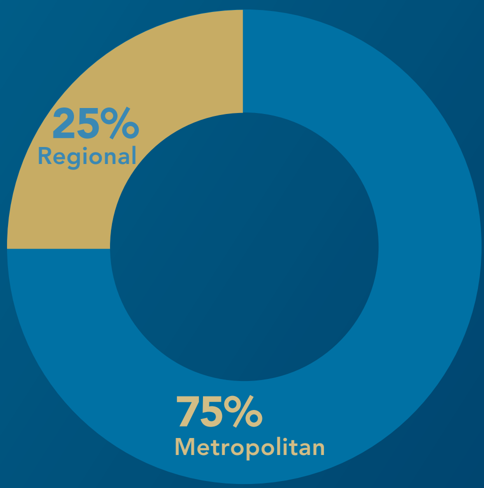
Portfolio Overview at 31 December 2018

	Properties	Valuation ($m)	Average value ($m)	Average size (m^2)	WACR (%)	WALE (years)
Metropolitan	316	1,862	5.9	3,683	5.5	13.0
Regional	138	633	4.6	6,842	6.8	11.7
Total	**454**	**2,495**	**5.5**	**4,643**	**5.8**	**12.6**

- Total gross portfolio valuation increase from property revaluations of $77 million
- Total portfolio capitalisation rate tightened from 5.9% to 5.8%

Metropolitan properties

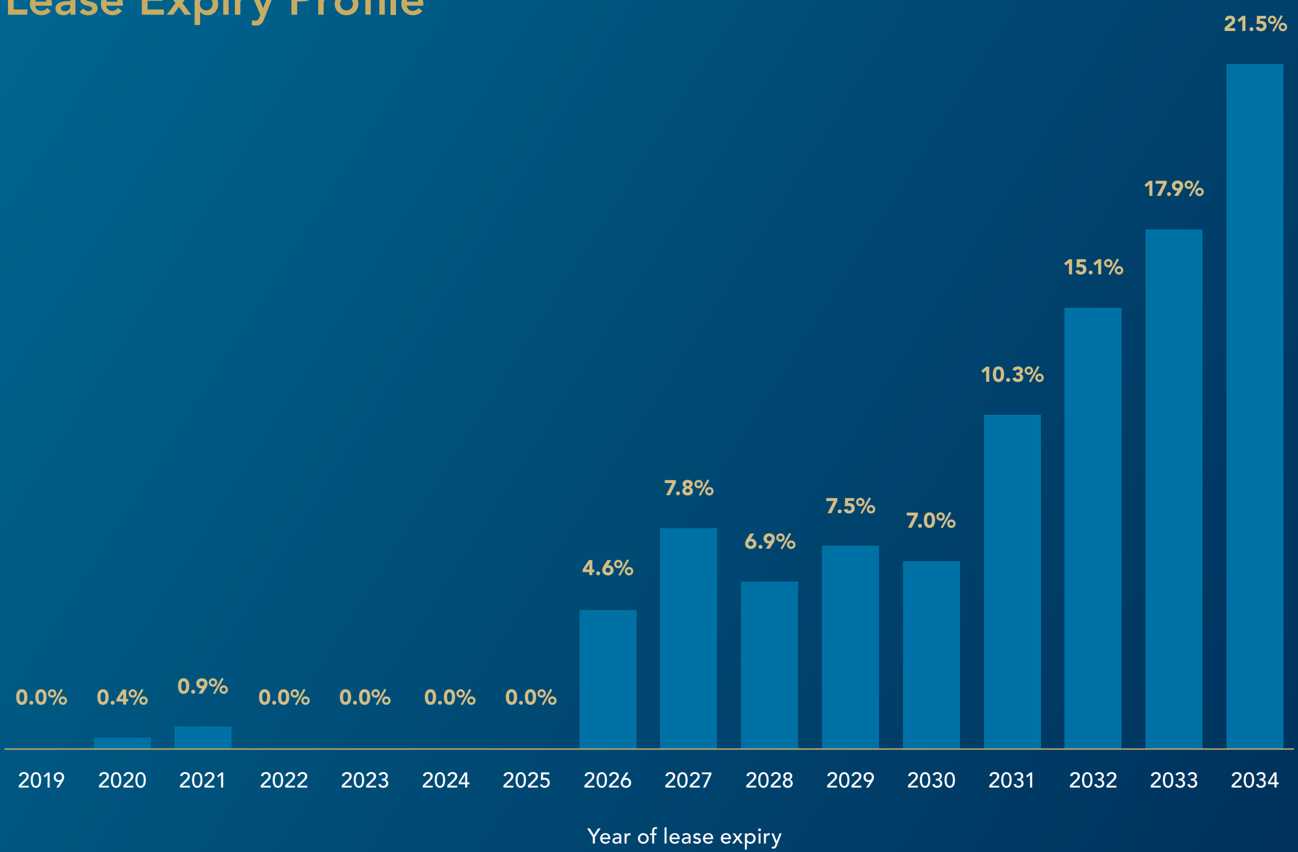
- Typically higher-value and higher-volume properties that attract tighter capitalisation rates
- Located on major roads with high traffic volumes and in higher population density areas
- Multiple lanes with premium and/or diesel fuel
- 1.16 million m^2 of real estate
- Average property size approximately 3,683m^2



Regional properties

- Highway or main road locations in major regional centres with significant traffic flow
- 0.94 million m^2 of real estate
- Average property size approximately 6,842m^2

Lease Expiry Profile[3]



3. Weighted by income.

Acquisition Summary

Viva Energy REIT acquired 16 properties in 2018, for a total cost of $129 million excluding transaction costs with a weighted average capitalisation rate of 6.4%. The business has acquired 29 properties since Initial Listing until 31 December 2018 for a total cost of $232 million excluding transaction costs with a weighted average capitalisation rate of 6.2%.

Our acquisition strategy remains unchanged and considers acquisition and development opportunities which are consistent with our investment criteria, as follows:

- the investment is high quality and strategically located;
- the portfolio remains geographically diversified;
- the investment has strong lease characteristics; and
- the investment provides security holders with potential for capital growth over time.

Acquisitions since Initial Listing to 31 December 2018

	Properties	Purchase price ($m)	Average cost ($m)	Average size (m^2)	WACR (%)	WALE (years)
Metropolitan	12	121.6	10.1	5,211	5.7%	10.7
Regional	17	110.4	6.5	15,313	6.7%	9.6
Total	**29**	**232.0**	**8.0**	**11,133**	**6.2%**	**10.1**

Shell, Aratula, QLD

Competitive Strengths

Irreplicable high-quality, strategically located service station and convenience retail distribution platform

National distribution platform aligned with population density

100% occupancy, predominately long-term Triple Net leases to high-quality tenants[1]

3% per annum fixed rent increases and ongoing acquisition and development opportunities[2]

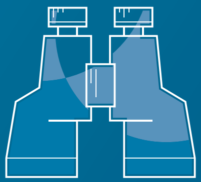
Portfolio underpinned by 2.11 million m^2 of quality real estate

Pursuing value enhancing site optimisations with key tenant Viva Energy Australia

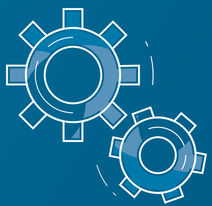
1. 16 of 454 properties in the portfolio have Double Net leases in place
2. 12 of 454 properties in the portfolio are subject to annual rent increases other than fixed 3% per annum

Outlook

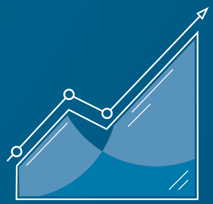
Optimise core business and maintain low MER



Continue to pursue further acquisition opportunities consistent with our strategy and investment criteria



Manage our balance sheet to maintain diversified funding sources



FY2019 Distributable Earnings Per Security growth guidance range of 3-3.75% from FY2018[1]

Target payout ratio 100% of Distributable Earnings

1. Provided there are no material changes in market conditions and no other factors adversely affecting VVR

Corporate Governance Statement

The Board of Viva Energy REIT

The Board of Viva Energy REIT comprises the boards of the Company and the Responsible Entity. The Board has overall responsibility for the corporate governance of Viva Energy REIT and has adopted a suite of corporate governance policies to assist with the proper discharge of that function.

The Board has responsibility for the overall strategic direction of Viva Energy REIT. However, the Board has engaged the Manager under the Management Agreement to provide strategic, operational and administrative services. In doing so, the Manager must act in good faith and in a manner consistent with what it reasonably considers to be in the best interests of Viva Energy REIT and the holders of stapled securities. The Board may delegate authority to the Manager from time to time and has done so, and may review and revise the terms of any such delegated authority when it considers appropriate.

The boards of directors of the Company, the Responsible Entity and the Manager work together and take a coordinated approach to the corporate governance of the Group. A Board Charter details the composition, responsibilities, and protocols of each board and the Audit and Risk Management Committee. In addition, the Code of Conduct sets out the standard of business practices required of the Group's directors and staff.

Viva Energy REIT conducts its business in accordance with these charters and code, as well as other key policies which are published on its website. These include:

- Viva Energy REIT Conflict of Interest Policy;
- Viva Energy REIT Disclosure Policy;
- Viva Energy REIT Diversity Policy;
- Viva Energy REIT Securityholder Communication Policy;
- Viva Energy REIT Securities Trading Policy; and
- Viva Energy REIT Whistleblower Protection Policy.

In compliance with ASX Listing Rule 4.10.3, Viva Energy REIT also publishes a statement disclosing the extent to which the Group has followed the recommendations for good corporate governance set by the ASX Corporate Governance Council (3rd Edition) during the reporting period on its website, www.vivaenergyreit.com.au

Financial Report

This financial report is for Viva Energy REIT ('Group').

The financial report is presented in Australian currency.

Viva Energy REIT comprises Viva Energy REIT Limited ACN 612 986 517 ('Company'), and VER Limited ABN 43 609 868 000 AFSL 483795 as responsible entity of Viva Energy REIT Trust ARSN 613 146 464 ('Trust').

The manager of the Trust is VER Manager Pty Limited ('Manager').

The registered office of the Company, VER Limited ('Responsible Entity') and the Manager is:

Level 16, 720 Bourke Street
Docklands VIC 3008, Australia.

Directors Report

The directors of Viva Energy REIT Limited ('Company') and VER Limited ('Responsible Entity'), the responsible entity of Viva Energy REIT Trust ('Trust'), present their report and the financial statements for the year ended 31 December 2018 for Viva Energy REIT.

Viva Energy REIT ('Group') is a stapled group consisting of the Company and the Trust and controlled entities. The Trust owns the portfolio of service station properties, either directly or through its 100% controlled entities. The Company owns all of the shares in VER Limited (the Responsible Entity).

Directors of Viva Energy REIT Limited

The following persons were directors of Viva Energy REIT Limited during the whole of the financial year and up to the date of this report:

- Laurence Brindle (Independent Non-executive Chairman)
- Georgina Lynch (Independent Non-executive Director)
- Stephen Newton (Independent Non-executive Director)
- Scott Wyatt (Non-independent Non-executive Director)
- Lachlan Pfeiffer(Non-independent Non-executive Director)

Tina Mitas was appointed as Company Secretary on 15 May 2018.

Mark Licciardo and Kate Goland were appointed as Joint Company Secretaries on 11 October 2017 and resigned effective 15 May 2018.

Directors of VER Limited

The following persons were directors of VER Limited during the whole of the financial year and up to the date of this report:

- Laurence Brindle (Independent Non-Executive Chairman)
- Georgina Lynch (Independent Non-Executive Director)
- Stephen Newton (Independent Non-Executive Director)
- Lachlan Pfeiffer(Non-independent Non-executive Director)

Tina Mitas was appointed as Company Secretary on 15 May 2018.

Mark Licciardo and Kate Goland were appointed as Joint Company Secretaries on 11 October 2017 and resigned effective 15 May 2018.

Principal activities

During the period, the principal activity of Viva Energy REIT was investment in service station property.

Viva Energy REIT owns a portfolio of 454 freehold service station properties located in all Australian states and mainland territories. The properties in the portfolio are leased to Viva Energy Australia Pty Limited, other fuel operators and various convenience or fast food stores under long-term leases.

Distributions to security holders

Distributions paid to security holders during the financial year were as follows:

	2018 $'000	2017 $'000
Final distribution for year ended 31 December 2017 – 6.60 cents per security	47,899	-
Interim distribution for the half year ended 30 June 2018 – 6.99 cents per security	50,731	-
Final distribution for the period ended 31 December 2016 – 5.28 cents per security	-	36,440
Interim distribution for the half year ended 30 June 2017 – 6.60 cents per security	-	47,899
Total distributions to security holders	**98,630**	**84,339**

On 17 December 2018 the directors announced the payment of an estimated final distribution of $51.0 million for the year ended 31 December 2018. This represents 7.03 cents per stapled security and will be paid on 28 February 2019.

Operating and financial review

Key highlights

Viva Energy REIT's investment objective is to own a portfolio of high quality and strategically located service station properties located throughout Australia, subject to long-term leases to tenants with strong financial credit profiles.

Statutory net profit was $167.1 million, compared to $170.5 million in the prior year. The statutory net profit is lower than the prior year primarily due to lower increment from investment property revaluations in the 2018 year and debt establishment costs written off on the refinancing of the syndicated loan facility during 2018.

Distributable income of $101.7 million compared to the prior year of $95.0 million is higher due to rental increases, rental income from property acquisitions and lower operating costs.

Gearing was 36.2% at 31 December 2018 (31 December 2017: 32.1%), at the lower end of the relevant target gearing range of 35% to 45%.

Net Asset Value ('NAV') per security at 31 December 2018 was $2.20 (31 December 2017: $2.19; $2.12 when adjusted for the distribution paid on 15 February 2018).

The management expense ratio was 0.20% (2017: 0.24%) for the financial year, being the ratio of operating expenses incurred (excluding finance costs) over average total assets (excluding derivative financial assets).

Key financial metrics	31 December 2018	31 December 2017
Net profit (statutory)	$167.1 million	$170.5 million
Net operating profit (distributable income)	$101.7 million	$95.0 million
Distributable income per security	14.02 cents	13.41 cents
Total assets	$2,511.0 million	$2,338.1 million
Investment properties	$2,496.1 million	$2,281.0 million
Borrowings	$852.7 million	$736.7 million
Net assets[1]	$1,594.7 million	$1,541.6 million
NAV per security[1]	$2.20	$2.12
Gearing[2]	36.2%	32.1%
Management expense ratio[3]	0.20%	0.24%

(1) Net assets and NAV comparatives are amended to exclude the cash distribution of $47.9 million in relation to the period ended 31 December 2017 which was distributed to security holders on 15 February 2018.

(2) Gearing is calculated as total liabilities/total assets but excluding any mark-to-market valuations of derivative assets/liabilities.

(3) The management expense ratio is shown on an annualised basis; and is calculated as the ratio of operating expenses incurred (excluding finance costs and initial transaction costs) over average total assets (excluding derivative financial assets).

Financial results	2018 $'000	2017 $'000
Rental income	136,834	127,901
Finance income	710	936
Total operating income	**137,544**	**128,837**
Management and administration expenses	(5,290)	(5,503)
Interest paid or payable	(30,401)	(28,379)
Income tax expense	(106)	-
Net operating profit (distributable income)[1]	**101,747**	**94,955**
Non-distributable items		
Net revaluation gain on investment properties	43,557	48,168
Straight-line rental income	25,863	28,984
Amortisation of borrowing costs	(4,091)	(1,610)
Statutory net profit	**167,076**	**170,497**

(1) Net operating profit (distributable income) is not a statutory measure of profit. Distributable income is calculated as net profit adjusted to remove transaction costs and non-cash items, including straight-lining of rental income, the amortisation of debt establishment fees and any fair value adjustment to investment properties and derivatives.

Investment property portfolio

	31 December 2018	31 December 2017
Total value of investment properties	**$2,496.1 million**	**$2,281.0 million**
Total properties in portfolio	454	438
Portfolio occupancy	100%	100%
Weighted average lease expiry	12.6 years	13.7 years

Capital management

The Group paid a distribution of $47.9 million on 15 February 2018 for the year ended 31 December 2017 and a distribution of $50.7 million on 10 August 2018 for the half year ended 30 June 2018.

The Group announced an estimated final distribution for the year ended 31 December 2018 of $51.0 million on 17 December 2018.

On 24 May 2018 the Group refinanced its syndicated facility agreement for $836.7 million and on 27 June 2018 the Group executed two Institutional Term Loan agreements totalling $60.0 million with maturity terms of 8 and 10 years.

As a consequence of refinancing the syndicated facility on 24 May 2018, up front borrowing costs of $2.9 million relating to the previous syndicated facility were written off.

During December 2018, the Group extended the bilateral facility by $40.0 million to $100.0 million and executed a club facility with three banks for $100.0 million. These facilities will be available to draw once certain contractual requirements are met. These contractual requirements are administrative in nature and will be satisfied in the ordinary course of business during the first half of the Group's 2019 financial year.

At 31 December 2018 gearing was 36.2% which is at the lower end of the relevant target range of 35% to 45%.

Interest rate management

During the period, the Group managed its interest rate risk in accordance with its interest rate risk management policy.

At 31 December 2018, 93.4% of the Group's borrowings were hedged with a weighted average term of 3.8 years. The average fixed interest rate at 31 December 2018 was 2.3% per annum, excluding the margin (refer to note 9 to the consolidated financial statements) and the amortisation of debt establishment costs.

2019 outlook

The Group is Australia's largest ASX listed REIT owning solely service station properties with a high quality portfolio across all Australian states and mainland territories. Its objective is to maximise the long-term income and capital returns from its portfolio.

As at 31 December 2018, the Group owned 454 freehold service station properties and has entered into contracts for the purchase of one further investment property for $2.5 million. Settlement of this property occurred on 5 February 2019. Further, the Group has committed to capital improvements on three properties for an aggregate of $10.0 million.

The Group expects rental income from the existing service station portfolio to grow in line with contracted annual rental increases and will consider opportunities to acquire new service station properties that satisfy its investment objectives and guidelines.

Significant changes in the state of affairs

There was no significant change in the state of affairs of the Group that occurred during the year ended 31 December 2018.

Matters subsequent to the end of the financial year

Subsequent to the end of the financial year:

i. The directors have confirmed the payment of a final distribution for the year ended 31 December 2018 of $51.0 million which will be paid on 28 February 2019;

ii. One investment property with a purchase price of $2.5 million which was contracted before 31 December 2018 has been settled on 5 February 2019;

iii. The contractual requirements relating to the extension of the bilateral facility by $40.0 million to $100.0 million have been satisfied and funds were partially drawn down on 5 February 2019.

iv. The Group has restructured interest rate swaps with a notional principal of $368.0 million via a payment of $9.2 million to take advantage of lower current interest rates.

v. The Group has updated its target gearing range to be 30% to 45%.

vi. The Group has, contemporaneously with the release of this report, announced an equity raising to raise $100.0 million from institutional investors and a Securities Purchase Plan to raise up to $10.0 million.

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect:

i. the operations of the Group in future financial years;

ii. the results of those operations in future financial years; or

iii. the state of affairs of the Group in future financial years.

Likely developments and expected results of operations

The Group will continue to be managed in accordance with its existing investment objectives and guidelines.

The results of the Group's operations will be affected by a number of factors, including the performance of investment markets in which the Group invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Material business risks

The Responsible Entity has adopted a Compliance Plan which sets out the key processes, systems and measures that the Responsible Entity will apply in operating the Trust. The Compliance Plan also includes a compliance management and reporting structure. The material business risks that could adversely affect the achievement of the Group's financial prospects include the following:

Tenant concentration risk, financial standing and sector concentration risk

As Viva Energy Australia Pty Limited ('Viva Energy Australia') is presently the tenant of 95% of the investment properties, 95% of the Group's rental income is received from Viva Energy Australia. If Viva Energy Australia's financial standing materially deteriorates, Viva Energy Australia's ability to make rental payments to Viva Energy REIT may be adversely impacted, which may have a materially adverse impact on the Group's results of operations, financial position and ability to service and/or obtain financing.

Investment property value

The value of the Group's portfolio of investment properties may be adversely affected by a number of other factors, including a number of factors outside the control of the Group, such as supply and demand for service station properties, fuel volume throughput of the properties, general property market conditions, the availability of credit, the ability to attract and implement economically viable rental arrangements, Viva Energy Australia's financial condition deteriorating or occupiers not extending the term of leases, re-leasing of properties, capitalisation rates and general economic factors such as the level of inflation and interest rates. The valuation of properties may fall. As changes in valuations are recorded on the statutory net profit statement, any decreases in value will have a negative impact on the statutory net profit statement and in turn the market price of the Group's securities may fall.

Environmental risk

As Viva Energy Australia is the lessee of the majority of the Group's properties, the Group depends on Viva Energy Australia to perform its obligations under the environmental indemnification arrangements in relation to those sites. If Viva Energy Australia was to fail to meet its obligations under these arrangements (including due to its insolvency), Viva Energy REIT may incur significant costs to rectify contamination on (and in respect of) its properties.

Cash flow and fair value interest rate risk

The Group's cash and cash equivalents, floating rate borrowings and interest rate swaps expose it to a risk of change in fair value or future cash flows due to changes in interest rates. The Group economically hedges some or all of its exposure to changes in interest rates on variable rate borrowings by using floating-to-fixed interest rate swaps. By hedging against changes in interest rates, the Group has limited its exposure to changes in interest rates on its outward cash flows.

Liquidity risk

Liquidity risk is the risk that the Group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Group monitors its exposure to liquidity risk by ensuring that there is sufficient cash on hand as required or debt facility funding available to meet the contractual obligations of financial liabilities as they fall due.

Debt agreement and refinancing risk

The Group has outstanding debt facilities. General economic and business conditions that impact the debt or equity markets could impact the Group's ability to refinance its debt facilities when required. This indebtedness may result in the Group being subject to increased interest rate margins and covenants restricting its ability to engage in certain types of activities or to pay distributions to unitholders, if the debt covenants are breached.

The directors regularly monitor the debt facility covenants to ensure compliance and consider the refinancing options and timing available to the Group.

AFSL compliance risk

The Group is exposed to the risk of having inadequate capital and liquidity. VER Limited, a subsidiary of Viva Energy REIT Limited, holds an Australian Financial Services Licence ('AFSL') and acts as a responsible entity for the Group's managed investment scheme. The AFSL requires minimum levels of net tangible assets, liquid assets, cash reserves and liquidity, which may restrict the Group in paying distributions that would breach these requirements.

On a quarterly basis, the directors review and monitor VER Limited's balance sheet to ensure compliance with its AFSL requirements.

Excessive reliance on the Manager and its personnel risk

Viva Energy REIT is managed by VER Manager Pty Limited ('Manager'), which is a subsidiary of Viva Energy Australia.

Viva Energy REIT does not have direct employees (other than non-executive directors) and consequently is reliant on the expertise and experience of the key executives of Viva Energy Australia made available to the Manager which provides the services to Viva Energy REIT under the Management Agreement. As a consequence, loss of such key personnel could potentially have an adverse impact on the management and the financial performance of Viva Energy REIT and in turn may affect the returns to security holders.

Environmental regulation

As a landlord, the operations of the Group are subject to a range of environmental laws and regulations under Commonwealth, state and territory law. However, the lease attaching to each investment property generally requires that the tenant manages the environmental conditions at each site and indemnifies the Group for any contamination caused by their operations.

The Group has not received any environmental infringements or notices from environmental regulators in the year ended 31 December 2018.

Information on directors and officeholders

The directors and officeholders at the date of this report are:

Laurence Brindle – Independent Non-executive Chairman, Member of the Audit and Risk Management Committee

- Laurence has extensive experience in funds management, finance and investment and is currently independent non-executive chairman of National Storage REIT.
- Until 2009, Laurence was an executive with Queensland Investment Corporation ('QIC'). During his 21 years with QIC, he served in various senior positions including Head of Global Real Estate, where he was responsible for QIC's large global investment portfolio. Laurence was also a long-term member of QIC's Investment Strategy Committee.
- Laurence provides advice to a number of investment institutions on real estate investment and funds management matters. He is a former chairman of the Shopping Centre Council of Australia and a former director of Westfield Retail Trust and Scentre Group.

Georgina Lynch – Independent Non-executive Director, Member of the Audit and Risk Management Committee

- Georgina has over 25 years' experience in the financial services and property industry. She is currently a Non-Executive Director of Cbus Property, a Non-Executive Director of Tassal Group and a member of their Audit and Risk Management Committee and Remuneration Committee.
- Georgina has significant global experience in corporate transactions, capital raisings, initial public offerings (IPOs), funds management, corporate strategy and acquisitions and divestments.
- Georgina holds a Bachelor of Arts and Bachelor of Laws Degree.

Stephen Newton – Independent Non-executive Director, Chair of the Audit and Risk Management Committee

- Stephen has extensive industry experience spanning in excess of 40 years across real estate investment and funds management, development and property management, as well as in infrastructure investment and management. Stephen has been a Principal of Arcadia Funds Management for more than 15 years. Prior to that, Stephen held various senior executive positions at Lend Lease over 22 years.
- Stephen is currently a non-executive director of Stockland Property Group, BAI Communications Group (formerly Broadcast Australia Group), Sydney Catholic Schools Ltd and Chairman of the Finance Council for the Catholic Archdiocese of Sydney. Stephen was formerly a non-executive director of Gateway Lifestyle Group.
- Stephen is a member of both Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors. He holds a Bachelor of Arts (Economics and Accounting) degree from Macquarie University and a Masters of Commerce from The University of New South Wales

Scott Wyatt – Non-independent Non-executive Director

- Scott Wyatt has more than 30 years experience in the oil and gas sector and has held various leadership roles within Viva Energy's downstream oil and gas business (formerly Shell) including strategy, marketing (consumer and commercial) and supply and distribution.
- After a long career with Shell in New Zealand, Australia and Singapore, Scott moved permanently to Australia in 2006 as Distribution Manager (Australia and New Zealand) and in 2009 was appointed General Manager of Supply and Distribution Australia. In July 2013, Scott was appointed Vice President Downstream Australia, responsible for Shells downstream businesses in Australia.
- Scott is currently the CEO and Managing Director of Viva Energy Group Limited.

Lachlan Pfeiffer – Non-independent Non-executive Director, Member of the Audit and Risk Management Committee

- Lachlan is the General Counsel of Viva Energy Group Limited. Lachlan has over 14 years experience in corporate law including roles within mergers and acquisitions, private equity, corporate finance and equity markets in Australia, the UK, the USA and Europe. Lachlan's previous positions include seven years in London with Skadden, Arps, Slate, Meagher & Flom advising on and implementing various corporate transactions across the UK, the USA and throughout Europe, and with Norton Rose Fulbright in Melbourne advising across a range of corporate transactions and advisory matters.
- Lachlan holds a Bachelor of Commerce and Bachelor of Laws and is a member of the Australian Institute of Company Directors.

Tina Mitas – Company Secretary of Viva Energy REIT Limited and its subsidiaries

- Tina Mitas is the General Counsel and Company Secretary of Viva Energy REIT. Tina has over 14 years of experience in corporate law including corporate governance, compliance, mergers and acquisitions, private equity and information technology.
- Tina's previous positions include senior legal counsel roles at Aconex Limited and SMS Management Limited and senior associate at Herbert Smith Freehills.
- Tina holds a Bachelor of Laws (Hons) and Bachelor of Commerce from the University of Melbourne and a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia (GIA). Tina is a Chartered Secretary and Associate of the GIA and is a member of the Institute of Chartered Secretaries and Administrators (ICSA).

Meetings of directors

The numbers of meetings of the Directors and of each Board Committee held during the year ended 31 December 2018, and the numbers of meetings attended by each Director were:

	Viva Energy REIT Limited		VER Limited		Audit and Risk Management Committee		Independent Board Committee	
Director	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
Laurence Brindle	19	19	5	5	17	17	1	1
Georgina Lynch	19	19	5	5	17	17	1	1
Stephen Newton	19	19	5	5	17	17	1	1
Scott Wyatt	19	19	-	-	-	-	-	-
Lachlan Pfeiffer	19	19	5	5	17	17	-	-

A – Number of meetings attended.

B – Number of meetings held during the time the Director held office or was a member of the committee during the year ended 31 December 2018.

Remuneration report

This remuneration report presents Viva Energy REIT's remuneration arrangements for key management personnel for the year ended 31 December 2018. The report has been prepared and audited in accordance with the requirements of the *Corporations Act 2001* and *Corporations Regulations 2001*.

(i) Remuneration governance

The directors have chosen not to establish a nomination and remuneration committee for the year ended 31 December 2018 on the basis that neither the Company nor the Trust has any employees (other than the directors), and the senior executives of the Manager are remunerated by Viva Energy Australia Pty Limited. The directors will consider nomination and remuneration matters from time to time at their regularly scheduled board meetings. Any nomination and remuneration committee established will be comprised of independent non-executive directors.

(ii) Key management personnel disclosed in this report

Independent Non-executive Directors

- Laurence Brindle
- Georgina Lynch
- Stephen Newton

Non-independent Non-executive Directors

- Scott Wyatt
- Lachlan Pfeiffer

(iii) Remuneration policy

Under the Company Constitution, the Board may decide the remuneration to which each director is entitled for his or her services as a director. However, the total amount provided to all directors for their services as directors must not exceed in aggregate in any financial year the amount fixed by Viva Energy REIT. This amount has been fixed at $750,000 per annum.

Each Non-executive Director is currently entitled to receive $100,000 per annum. The Chairman is entitled to receive $200,000 per annum but no fee for membership of the Audit and Risk Management Committee.

The Chair of the Audit and Risk Management Committee is entitled to receive an additional $20,000 per annum. Other Non-executive Directors who are members of the Audit and Risk Management Committee are entitled to receive an additional $10,000 per annum.

Additionally, directors are entitled to reimbursement of travel and other out of pocket expenses which totalled $15,170 in the year ended 31 December 2018 (2017: $35,396).

From time to time, the directors review the remuneration of directors of comparable listed entities to assess the appropriateness of the remuneration paid by Viva Energy REIT.

Directors who are representatives of Viva Energy Australia Group Pty Limited have waived their entitlement to fees.

(iv) Service agreements

On appointment to the board, all Non-executive Directors sign a letter of appointment with the Group. The document details the term of appointment, the role, duties and obligations of the directors as well as the likely time commitment and performance expectations and review arrangements and circumstances relating to the vacation of office. In addition, it also summarises the major Board policies and terms, including compensation, relevant to the office of director.

(v) Details of remuneration

Details of the remuneration of the key management personnel of the Group are set out in the following tables.

Remuneration for the year ended 31 December 2018

	Short-term employee benefits	Post-employment benefits	Total
	Salary & fees	Superannuation	
Independent Non-executive Directors	**$**	**$**	**$**
Laurence Brindle	182,648	17,352	200,000
Georgina Lynch	100,457	9,543	110,000
Stephen Newton	109,589	10,411	120,000
Sub-total Independent Non-executive Directors	**392,694**	**37,306**	**430,000**
Non-independent Non-executive Directors			
Scott Wyatt	-	-	-
Lachlan Pfeiffer	-	-	-
Sub-total Non-independent Non-executive Directors	**-**	**-**	**-**
Total	**392,694**	**37,306**	**430,000**

Remuneration for the year ended 31 December 2017

	Short-term employee benefits	Post-employment benefits	Total
	Salary & fees	Superannuation	
Independent Non-executive Directors	**$**	**$**	**$**
Laurence Brindle	200,000	-	200,000
Georgina Lynch	110,000	-	110,000
Stephen Newton	120,000	-	120,000
Sub-total Independent Non-executive Directors	**430,000**	**-**	**430,000**
Non-independent Non-executive Directors			
Scott Wyatt	-	-	-
Lachlan Pfeiffer	-	-	-
Sub-total Non-independent Non-executive Directors	**-**	**-**	**-**
Total	**430,000**	**-**	**430,000**

2. Interests in securities

The number of securities held during the period by each Director and other key management personnel of the Group, including their personally related parties, are set out below:

2018	Balance 1 January 2018	On market purchases	On market disposals	Other	Balance 31 December 2018
Independent Non-executive Directors					
Laurence Brindle	100,000	-	-	-	100,000
Georgina Lynch	50,000	-	-	-	50,000
Stephen Newton	25,000	-	-	-	25,000
Non-independent Non-executive Directors					
Scott Wyatt	50,000	-	-	-	50,000
Lachlan Pfeiffer	50,000	-	-	-	50,000

2017	Balance 1 January 2017	On market purchases	On market disposals	Other	Balance 31 December 2017
Independent Non-executive Directors					
Laurence Brindle	100,000	-	-	-	100,000
Georgina Lynch	50,000	-	-	-	50,000
Stephen Newton	25,000	-	-	-	25,000
Non-independent Non-executive Directors					
Scott Wyatt	50,000	-	-	-	50,000
Lachlan Pfeiffer	50,000	-	-	-	50,000

Indemnification and insurance of officers and auditors

During the financial year, the Group has paid insurance premiums to insure each of the directors and officers of the Group against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacities as directors of the Group, other than conduct involving a wilful breach of duty in relation to the Group.

The contract of insurance prohibits disclosure of the nature of the liability covered and the amount of the premium.

The Group has not during or since the end of the financial year indemnified or agreed to indemnify an auditor of the Group or of any related body corporate against a liability incurred in their capacity as an auditor.

Audit and non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are disclosed in note 19 to the consolidated financial statements.

The Directors have considered the position and, in accordance with advice received from the Company's Audit and Risk Management Committee ('ARMC'), are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the ARMC to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermines the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

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 34.

Transactions with Viva Energy Australia Group Pty Limited or its associates

The Group reimburses the Manager, which is a subsidiary of Viva Energy Australia Group Pty Limited, for costs incurred in the provision of staff and related services to the Group.

	2018	2017
Reimbursement of costs paid to VER Manager Pty Limited (reported as part of Management and administrative expenses)	$2.3 million	$3.3 million
Management expense ratio	0.20%	0.24%

On an annual basis the directors review the costs incurred by the Manager, to ensure the costs are reasonable and at a level consistent with the complexity and operational requirements of the Group. During that review a budget is agreed for the forthcoming financial year.

Other transactions with Viva Energy Australia Group Pty Limited and its associates are disclosed in note 18 to the consolidated financial statements.

Rounding of amounts to the nearest thousand dollars

The Group is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

The report is made in accordance with a resolution of Directors.

Laurence Brindle
Chairman

21 February 2019

Auditor's Independence Declaration

As lead auditor for the audit of Viva Energy REIT Limited for the year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Viva Energy REIT Limited and the entities it controlled during the period.

Charles Christie
Partner
PricewaterhouseCoopers

Melbourne
21 February 2019

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Financial Statements

Consolidated Statement of Comprehensive Income

	Notes	2018	2017
		$'000	$'000
Rental income from investment properties		136,834	127,901
Revenue from investment properties – straight-line lease adjustment		25,863	28,984
Finance income		710	936
Net revaluation of investment properties	7	43,557	48,168
Total income		**206,964**	**205,989**
Management and administration expenses		(5,290)	(5,503)
Finance costs	3	(34,492)	(29,989)
Total expenses		**(39,782)**	**(35,492)**
Profit before income tax		**167,182**	**170,497**
Income tax expense	4	(106)	-
Profit for the year		**167,076**	**170,497**
Other comprehensive income		-	-
Items that may be reclassified subsequently to profit or loss			
Unrealised losses on cash flow hedges		(12,222)	(7,010)
Total comprehensive income for the year		**154,854**	**163,487**
Total comprehensive income/(loss) for the period attributable to Viva Energy REIT security holders, comprising:			
- shareholders of Viva Energy REIT Limited		(353)	2,448
- unitholders of Viva Energy REIT Trust (non-controlling interests)		155,207	161,039
		154,854	**163,487**
Earnings per security		cents	cents
Basic earnings per security	5	21.34	23.08
Diluted earnings per security	5	21.34	23.08

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Financial Statements

Consolidated Balance Sheet

	Notes	31 December 2018 $'000	31 December 2017 $'000
Assets			
Current assets			
Cash and cash equivalents	6	12,330	43,631
Derivative financial instruments	9	882	-
Other current assets		817	1,356
Total current assets		**14,029**	**44,987**
Non-current assets			
Investment properties	7	2,496,128	2,280,967
Derivative financial instruments	9	-	5,363
Other non-current assets		851	6,812
Total non-current assets		**2,496,979**	**2,293,142**
Total assets		**2,511,008**	**2,338,129**
Liabilities			
Current liabilities			
Trade and other payables		4,403	4,662
Interest payable		3,866	11,059
Distribution payable	11	51,020	-
Total current liabilities		**59,289**	**15,721**
Non-current liabilities			
Borrowings	8	849,319	732,953
Derivative financial instruments	9	7,741	-
Total non-current liabilities		**857,060**	**732,953**
Total liabilities		**916,349**	**748,674**
Net assets		**1,594,659**	**1,589,455**
Equity			
Contributed equity – the Company		2,542	2,542
Accumulated losses		(1,390)	(1,037)
		1,152	**1,505**
Non-controlling interests – the Trust	12	1,593,507	1,587,950
Total equity		**1,594,659**	**1,589,455**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Financial Statements

Consolidated Statement of Changes in Equity

	Notes	Contributed equity $'000	Accumulated losses $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2017		**2,286**	**(3,485)**	**1,430,892**	**1,429,693**
Profit for the year		-	2,448	168,049	170,497
Other comprehensive income:					
Effective portion of changes in fair value of cash flow hedges		-	-	(7,010)	(7,010)
Total comprehensive income for the year		**-**	**2,448**	**161,039**	**163,487**
Transactions with owners in their capacity as owners					
Issue of securities under institutional placement		254	-	79,746	80,000
Issue of securities under Securities Purchase Plan		4	-	2,228	2,232
Equity raising costs		(2)	-	(1,616)	(1,618)
Distributions paid	11	-	-	(84,339)	(84,339)
Total transactions with owners in their capacity as owners		**256**	**-**	**(3,981)**	**(3,725)**
Balance at 31 December 2017		**2,542**	**(1,037)**	**1,587,950**	**1,589,455**
Balance at 1 January 2018		**2,542**	**(1,037)**	**1,587,950**	**1,589,455**
(Loss)/Profit for the year		-	(353)	167,429	167,076
Other comprehensive income:					
Effective portion of changes in fair value of cash flow hedges		-	-	(12,222)	(12,222)
Total comprehensive profit for the year		**-**	**(353)**	**155,207**	**154,854**
Transactions with owners in their capacity as owners					
Distributions paid or provided for	11	-	-	(149,650)	(149,650)
Total transactions with owners in their capacity as owners		**-**	**-**	**(149,650)**	**(149,650)**
Balance at 31 December 2018		**2,542**	**(1,390)**	**1,593,507**	**1,594,659**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Financial Statements

Consolidated Statement of Cash Flows

	Notes	2018 $'000	2017 $'000
Cash flows from operating activities			
Rental income from investment properties (inclusive of goods and services tax)		150,668	141,459
Payments to suppliers and employees (inclusive of goods and services tax)		(21,163)	(16,862)
		129,505	**124,597**
Interest received		843	800
Interest paid		(37,528)	(28,157)
Income taxes paid		(558)	-
Net cash inflow from operating activities	**13**	**92,262**	**97,240**
Cash flows from investing activities			
Payments for acquisition of investment properties		(138,365)	(95,806)
Deposits paid for property acquisitions		-	(8,200)
Net cash outflow from investing activities		**(138,365)**	**(104,006)**
Cash flows from financing activities			
Proceeds of equity issue (net of costs)		-	80,614
Proceeds from borrowings		163,432	10,000
Repayments of borrowings		(50,000)	(10,000)
Distributions paid to security holders	11	(98,630)	(84,339)
Net cash inflow/(outflow) from financing activities		**14,802**	**(3,725)**
Net decrease in cash and cash equivalents		**(31,301)**	**(10,491)**
Cash and cash equivalents at beginning of the year		43,631	54,122
Cash and cash equivalents at end of the year	**6**	**12,330**	**43,631**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements

1. Corporate Structure and General Information

These consolidated financial statements cover Viva Energy REIT ('Group'). Viva Energy REIT is listed on the Australian Securities Exchange ('ASX') (code: VVR) and registered and domiciled in Australia.

Viva Energy REIT is a stapled group consisting of the Company and the Trust and their wholly owned entities. The Trust indirectly owns the investment property portfolio through its 100% ownership of the trusts which own the investment properties and receive rent under leases. The Company directly owns all of the shares in VER Limited ('Responsible Entity').

These consolidated financial statements contain the results of the Group for the year ended 31 December 2018. The comparative period shown is for the year ended 31 December 2017.

The financial statements were authorised for issue by the directors on 21 February 2019. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Viva Energy REIT is a for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared on an accruals and historical cost basis except for investment properties and derivative financial instruments which are measured at fair value. Cost is based on the fair value of consideration given in exchange for assets.

The consolidated financial statements of the Group are prepared and presented in Australian dollars (the presentation currency).

The accounting policies adopted are consistent with those of the previous financial period.

(b) Going concern

As at 31 December 2018, the Group had a net current asset deficiency of $45.3 million. This deficiency is due to working capital management with the Group, and the difference in timing of drawdowns from the Group's debt facilities and the timing of payments for investment property acquisitions. The Group has $104.0 million of unused debt facilities at 31 December 2018, which can be drawn upon to fund the Group's cashflow requirements.

After taking into account all available information, the directors have concluded that there are reasonable grounds to believe:

- The Group will be able to pay its debts as and when they fall due; and
- The basis of preparation of the financial report on a going concern basis is appropriate.

(c) Compliance with International Financial Reporting Standards

The consolidated financial statements of the Group also comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

(d) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the reporting period commencing 1 January 2018:

- AASB 9 *Financial Instruments (and subsequent amendments)*; and
- AASB 15 *Revenue from Contracts with Customers*.

The adoption of these standards and amendments did not result in any adjustments to the values included in the 31 December 2018 financial statements. The disclosure requirements of the above standards and amendments have been incorporated into this financial report.

(e) Critical accounting estimates and judgements

The Group makes estimates and judgements that affect the reported amounts of assets and liabilities. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates and judgements which are material to the financial report are found in the following notes:

- Investment properties – note 7; and
- Derivative financial instruments – note 9

2. Segment Information

Viva Energy REIT has one business and geographic segment because it has only invested in service station properties within Australia.

3. Finance Costs

	2018 $'000	2017 $'000
Interest paid or payable	30,401	28,379
Amortisation of borrowing costs	1,152	1,610
Write-off of loan establishment costs due to refinancing	2,939	-
Total finance costs	**34,492**	**29,989**

Accounting policy – Finance costs

Finance costs include interest expense on debt financing arrangements, settlement of interest rate swaps and amortisation of upfront borrowing costs incurred in connection with the arrangement of borrowings available to the Group.

4. Income Tax Expense

Under current Australian income tax legislation, Viva Energy REIT Trust is not liable for Australian income tax, on the basis that the security holders are generally liable for tax on the net income of the Trust on an attribution basis.

	2018 $'000	2017 $'000
Numerical reconciliation of income tax (benefit) / expense to prima facie tax payable		
Profit from continuing operations before income tax (benefit) / expense	167,182	170,497
Tax expense at the Australian tax rate of 30% (2017: 30%)	**(50,155)**	**(51,149)**
Profit attributable to entities not subject to tax	50,229	50,415
Movement in deferred tax assets recognised	(74)	734
Adjustments to tax of prior period	(106)	-
Income tax expense	**(106)**	**-**

Accounting policy – Income tax expense

Trusts

The Trust is treated as a 'flow-through' entity for Australian income tax purposes such that the net income of the Trust is taxable in the hands of unitholders. Accordingly, no allowance for income tax in relation to the Trust has been made.

Companies

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

5. Earnings Per Security

	2018 cents	2017 cents
Basic earnings per security	21.34	23.08
Diluted earnings per security	21.34	23.08

	2018 Number of securities '000	2017 Number of securities '000
Weighted average number of stapled securities used as the denominator in calculating basic earnings per security	725,750	708,320
Weighted average number of stapled securities used as the denominator in calculating diluted earnings per security	725,750	708,320

Accounting policy – Earnings per security

(i) Basic earnings per security

Basic earnings per security is calculated by dividing:

- the profit for the period attributable to the security holders, excluding any costs of servicing equity other than ordinary securities; by
- the weighted average number of ordinary securities outstanding during the financial period.

(ii) Diluted earnings per security

Diluted earnings per security adjust the figures used in the determination of basic earnings per security to take into account:

- the effect of interest and other financial costs associated with potential ordinary securities; and
- the weighted average number of additional ordinary securities that would have been outstanding assuming the conversion of all potential ordinary securities.

6. Cash and Cash Equivalents

	31 December 2018 $'000	31 December 2017 $'000
Cash at bank	12,330	43,631
Total cash and cash equivalents	**12,330**	**43,631**

The cash and cash equivalents disclosed above and in the consolidated statement of cash flows include $5.5 million held in bank accounts as restricted cash. These restricted cash deposits are maintained to satisfy the regulatory requirements of the Responsible Entity's Australian Financial Services Licence ('AFSL').

Accounting policy – Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

7. Investment Properties

(a) Valuations and carrying amounts

	31 December 2018 $'000	31 December 2017 $'000
Service station properties	2,496,128	2,280,967
Total investment properties	**2,496,128**	**2,280,967**

Independent valuations were performed on 150 investment properties during the year ended 31 December 2018. The directors have reviewed these valuations and determined they are appropriate to adopt as at 31 December 2018.

For investment properties not independently valued during the year, directors' valuations have been performed. These properties were most recently independently valued effective 7 July 2016 or 31 December 2017.

The key inputs into valuations are:

- passing rent;
- market rents;
- capitalisation rates; and
- lease terms.

The key inputs into the valuation are based on market information for comparable properties. The independent valuers have experience in valuing similar assets and have access to market evidence to support their conclusions. Comparable assets are considered to be those in similar markets, of similar scale and condition and with similar lease terms to the subject property.

Key assumptions

	31 December 2018	31 December 2017
Weighted average capitalisation rate	5.81%	5.80%
Weighted average passing yield	5.81%	5.80%

Investment properties have been classified as level 3 in the fair value hierarchy (refer to note 14(e)). There have been no transfers between the levels in the fair value hierarchy during the period.

(b) Movements during the financial period

At fair value	2018 $'000	2017 $'000
Opening balance	2,280,967	2,104,820
Property acquisitions and capital expenditure	145,741	98,995
Straight-line rental asset	25,863	28,984
Net revaluation of investment properties	43,557	48,168
Closing balance	**2,496,128**	**2,280,967**

(c) Amounts recognised in profit or loss for investment properties

	2018 $'000	2017 $'000
Rental income	136,834	127,901
Other rental income (recognised on a straight-line basis)	25,863	28,984
Net revaluation of investment properties	43,557	48,168

(d) Leasing arrangements

Investment properties are leased to Viva Energy Australia Pty Limited (95% of rental income), other fuel operators (4% of rental income) and various convenience or fast food stores (1% of rental income) under long-term operating leases.

Minimum lease receivables under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

	31 December 2018 $'000	31 December 2017 $'000
Within one year	147,385	134,197
Later than one year but not later than five years	627,714	573,119
Later than five years	1,461,644	1,537,901
Total	**2,236,743**	**2,245,217**

Accounting policy – Investment properties

The Group carries its investment properties at fair value with changes in the fair values recognised in the consolidated statement of profit or loss. The fair value of investment property is determined based on real estate valuation experts using recognised valuation techniques and the principles of IFRS 13 *Fair Value Measurement*.

The fair value of the properties is reviewed by the directors at each reporting date. The directors' assessment of fair value is periodically assessed by engaging an independent valuer to assess the fair value of individual properties at least once every three consecutive years with at least one-third of the properties within the portfolio being independently valued on an annual rolling basis. Valuations may occur more frequently if there is reason to believe that the fair value of a property has materially changed from its carrying value (e.g. as a result of changes in market conditions, leasing activity in relation to the property or capital expenditure).

Valuations are derived from a number of factors that may include a direct comparison between the subject property and a range of comparable sales, the present value of net future cash flow projections based on reliable estimates of future cash flows, existing lease contracts, external evidence such as current market rents for similar properties, and using capitalisation rates and discount rates that reflect current market assessments of the uncertainty in the amount and timing of cash flows.

Key estimate – Valuation of investment properties

All of Viva Energy REIT's properties are treated as investment properties for the purpose of financial reporting. Under Australian Accounting Standards, investment property buildings and improvements are not depreciated over time. Instead, investment properties are initially valued at cost, including transaction costs, and then at the end of each accounting period the carrying values are restated at their fair value at the time. Gains and losses arising from changes in the fair value of investment properties are recognised as a non-cash gain or loss in the statutory net profit in the accounting period in which they arise. As a result of this accounting policy, changes in the fair value of Viva Energy REIT's investment properties may have a significant impact on its reported statutory net profit in any given period.

At the end of each reporting period, the directors assess the carrying value of Viva Energy REIT's investment properties, and where the carrying value differs materially from the assessed fair value an adjustment is made to the carrying value of such investment properties.

8. Borrowings

	31 December 2018 $'000	31 December 2017 $'000
Non-current liabilities		
Syndicated facility	767,687	736,687
Bilateral facility	25,000	-
Institutional term loans	60,000	-
Sub-total	**852,687**	**736,687**
Unamortised borrowing costs	(3,368)	(3,734)
Total unsecured borrowings	**849,319**	**732,953**
Total facilities available	**956,687**	**896,687**

Debt facility overview

All facilities are denominated in Australian dollars, and are interest only facilities with any drawn balances payable at maturity.

The weighted average tenure of the drawn facilities as at 31 December 2018 was 4.0 years (31 December 2017: 2.6 years), and maturity dates range from 3 June 2021 to 6 September 2028.

The interest rate applying to the drawn amount of the facilities is set on a periodic basis (each three or six months) at the prevailing market interest rate at the commencement of the period (bank bill swap rate), plus the applicable margin.

Subject to compliance with the Group's financial covenants, the undrawn amount of the debt facilities may be drawn at any time. The covenants over the Group's debt facilities require an interest cover ratio of not less than 2.0 times (actual at 31 December 2018 of 5.3 times) and a gearing ratio of not more than 50% (actual at 31 December 2018 of 36.2%). The Group was in compliance with its covenants throughout the period.

During the year, the Group refinanced its syndicated facility with a facility limit of $836.7 million and executed two institutional long-term loans totalling $60.0 million. The institutional term loans were drawn in full and the syndicated facility in part, during the financial year.

During December 2018, the Group extended the bilateral facility by $40.0 million to $100.0 million and executed a club facility with three banks for $100.0 million. These facilities will be available to draw once certain contractual requirements are met. These contractual requirements are administrative in nature and will be satisfied in the ordinary course of business during the first half of the Group's 2019 financial year.

Accounting policy – Borrowings

Borrowings are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to borrowings are recognised in the profit and loss over the expected life of the borrowings. Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings with maturities greater than 12 months after reporting date are classified as non-current liabilities.

9. Derivative Financial Instruments

The Group has the following derivative financial instruments:

	31 December 2018 $'000	31 December 2017 $'000
Current assets		
Interest rate swaps – cash flow hedges	882	-
Non-current assets		
Interest rate swaps – cash flow hedges	-	5,363
	882	**5,363**
Non-current liabilities		
Interest rate swaps – cash flow hedges	7,741	-
	7,741	**-**

The Group has entered into interest rate swap contracts under which it receives interest at variable rates and pays interest at fixed rates to protect interest-bearing liabilities from exposure to changes in interest rates. Periodic swap settlements match the period for which interest is payable on the underlying debt.

Swaps currently in place cover 93.4% of the facility principal outstanding. The weighted average fixed interest swap rate at 31 December 2018 was 2.3% per annum, and the weighted average term was 3.8 years.

The notional principal amounts and periods of expiry of the interest rate swap contracts are as follows:

	31 December 2018 $'000	31 December 2017 $'000
Less than 1 year	368,343	-
1 to 2 years	-	368,343
2 to 3 years	368,344	-
3 to 4 years	110,000	368,344
4 to 5 years	258,000	-
5 to 6 years	-	-
6 to 7 years	-	-
7 to 8 years	40,000	-
8 to 9 years	-	-
9 to 10 years	20,000	-
	1,164,687	736,687

Accounting policy – Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); or
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

(a) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expense.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance costs.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

(b) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other income or other expenses.

Key estimate – Valuation of derivative financial instruments

The Group's financial instruments are over-the-counter derivatives for which there are no quoted market prices. Valuation techniques (including, pricing models which estimate the present value of estimated future cash flows based on observable yield curves) are used to determine fair values. There pricing models are validated and periodically reviewed by experienced personnel of the Responsible Entity and the relevant instrument's counterparty.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

10. Contributed Equity

(a) Securities

	31 December 2018 Number of Securities '000	31 December 2018 $'000	31 December 2017 Number of Securities '000	31 December 2017 $'000
Ordinary securities				
Fully paid	725,750	1,496,958	725,750	1,496,958

(b) Movement in ordinary securities

		Number of securities '000	$'000
1 January 2017	Opening balance	690,152	1,416,344
28 June 2017	Issue of securities under institutional placement	34,632	80,000
28 June 2017	Equity raising costs	-	(1,618)
24 July 2017	Issue of securities under Securities Purchase Plan	966	2,232
31 December 2017		**725,750**	**1,496,958**
31 December 2018		**725,750**	**1,496,958**

Accounting policy – Contributed equity

Ordinary securities are classified as equity. Incremental costs directly attributable to the issue of new securities are shown in equity as a deduction, net of tax, from the proceeds.

11. Distributions to Security Holders

	2018 $'000	2017 $'000
Final distribution for the year ended 31 December 2017 – 6.60 cents per security	47,899	-
Interim distribution for the half year ended 30 June 2018 – 6.99 cents per security	50,731	-
Final distribution for the period ended 31 December 2016 – 5.28 cents per security	-	36,440
Interim distribution for the half year ended 30 June 2017 – 6.60 cents per security	-	47,899
Total distributions paid	**98,630**	**84,339**
Estimated final distribution for the year ended 31 December 2018 – 7.03 cents per security – announced on 17 December 2018 to be paid on 28 February 2019	51,020	-
Total distributions provided for or paid	**149,650**	**84,339**

Other than the above, no distributions to security holders were declared or paid during the financial year.

Accounting policy – Distributions to security holders

The Group distributes net operating profit, being net profit adjusted to remove transaction costs and non-cash items, including straight-lining of rental income, the amortisation of debt establishment fees and any fair value adjustment to investment properties and derivatives. A provision is made for any distribution amount declared but not distributed, being appropriately disclosed and no longer at the discretion of the entity, on or before the reporting date. When declared, the distributions are recognised within the consolidated balance sheet and consolidated statement of changes in equity as a reduction in equity.

12. Non-Controlling Interests

The financial statements reflect the consolidation of Viva Energy REIT. For financial reporting purposes, one entity in the stapled group must be identified as the acquirer or parent entity of the others. The Company has been identified as the acquirer of the Trust, resulting in the Trust being disclosed as non-controlling interests.

	2018 $'000	2017 $'000
Opening balance	1,587,950	1,430,892
Contributions of equity, net of transaction costs	-	80,358
Profit for the year	167,429	168,049
Effective portion of changes in fair value of cash flow hedges	(12,222)	(7,010)
Distributions paid or provided for	(149,650)	(84,339)
Closing balance	**1,593,507**	**1,587,950**

13. Cash Flow Information

(a) Reconciliation of net profit after income tax to net cash inflow from operating activities

	2018 $'000	2017 $'000
Profit for the year	167,076	170,497
Amortisation of borrowing costs	4,091	1,610
Net revaluation of investment properties	(43,557)	(48,168)
Impact of straight-line lease adjustment on fair value of investment properties	-	-
Straight-line adjusting on rental income	(25,863)	(28,984)
Change in operating assets and liabilities		
Decrease/(increase) in other current assets	539	657
Increase/(decrease) in trade and other payables	(2,831)	1,406
Increase/(decrease) in interest payable	(7,193)	222
Net cash inflow from operating activities	**92,262**	**97,240**

(b) Non-cash investing and financing activities

	2018 $'000	2017 $'000
Loan establishment costs netted off against borrowings drawn down	2,568	-
Total non-cash financing and investing activities	**2,568**	**-**

(c) Net debt reconciliation

	Cash and cash equivalents $'000	Borrowings due within 1 year $'000	Borrowings due after 1 year $'000	Total $'000
Net debt at 1 January 2017	**54,122**	**-**	**736,687**	**682,565**
Cash flows	(10,491)	-	-	(10,491)
Other non-cash movements	-	-	-	-
Net debt at 31 December 2017	**43,631**	**-**	**736,687**	**693,056**
Cash flows	(31,301)	-	116,000	147,301
Other non-cash movements	-	-	-	-
Net debt at 31 December 2018	**12,330**	**-**	**852,687**	**840,357**

14. Financial Risk Management

The Group's investing activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risk which the Group is exposed to are market risk, cash flow and fair value interest rate risk, credit risk and liquidity risk. The exposure to each of these risks, as well as the Group's policies and processes for managing these risks are described below.

(a) Market risk

Market risk embodies the potential for both loss and gains and includes interest rate risk and price risk.

Cash flow and fair value interest rate risk

The Group's cash and cash equivalents, floating rate borrowings and interest rate swaps expose it to a risk of change in the fair value or future cash flows due to changes in interest rates.

The Group economically hedges some or all of its exposure to changes in interest rates on variable rate borrowings by using floating-to-fixed interest rate swaps. By hedging against changes in interest rates, the Group has limited its exposure to changes in interest rates on its cash flows. The portion that is hedged is set by the directors and is influenced by the hedging requirements set out in the Group's debt facility documents, its hedging policy and the market outlook.

The Group ensures the tenor of individual swaps does not exceed the expected life of assets.

The Group's exposure to interest rate risk at reporting date, including its sensitivity to changes in market interest rates that were reasonably possible, is as follows:

	31 December 2018 $'000	31 December 2017 $'000
Financial assets		
Cash and cash equivalents	12,330	43,631
Derivative financial instruments (notional principal amount)		
– Fixed interest rate swaps	796,687	736,687
Financial liabilities		
Interest-bearing liabilities – floating rate interest	852,687	736,687
Net exposure	**(43,670)**	**43,631**

Sensitivity of profit or loss to movements in market interest rates:

	2018 $'000	2017 $'000
Market interest rate increased by 100 basis points	(437)	436
Market interest rate decreased by 100 basis points	437	(436)
Instruments with fair value risk		
Derivative financial instruments		
Sensitivity of profit and loss to movements in market interest rates for financial instrument with fair value risk:		
Market interest rate increased by 100 basis points	-	-
Market interest rate decreased by 100 basis points	-	-

The interest rate range for sensitivity purposes has been determined using the assumption that interest rates changed by +/- 100 basis points from year-end rates with all other variables held constant. In determining the impact of an increase/decrease in equity for security holders arising from market risk, the Group has considered prior period and expected future movements of the portfolio information in order to determine a reasonably possible shift in assumptions.

As the derivative financial instruments are designated as cash flow hedges, the impact of a market interest rate change flows through Other Comprehensive Income.

Investment property valuation risk

The Group's investment properties expose it to a risk of change in the fair value due to changes in market capitalisation rates of such investment properties. Investment properties of the type owned by the Group are generally valued on a capitalisation of income basis.

	2018 $'000	2017 $'000
Investment properties		
Sensitivity of profit and loss to movements in market capitalisation rates:		
Market capitalisation rates decreases by 25 basis points	112,310	101,397
Market capitalisation rates increases by 25 basis points	(103,038)	(93,118)

The impacts on carrying values as shown above for the noted movement in capitalisation rates would impact the statutory net profit and balance sheet, but there is no impact on Distributable Income as the unrealized movement in carrying value of investment properties is excluded from the Distributable Income calculation.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss.

The Group's maximum credit risk exposure at balance date in relation to each class of recognised financial asset, other than equity and derivative financial instruments, is the carrying amount of those assets as indicated in the consolidated balance sheet. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at reporting date.

	31 December 2018 $'000	31 December 2017 $'000
Cash at bank	**12,330**	**43,631**

Maximum exposure to credit risk

The Group manages credit risk and the losses which could arise from default by ensuring that parties to contractual arrangements are of an appropriate credit rating, or do not show a history of defaults. Financial assets such as cash at bank and interest rate swaps are held with high credit quality financial institutions.

All receivables are monitored by the Group. If any amounts owing are overdue, these are followed up and, if necessary, allowances are made for debts that are doubtful.

At the end of the reporting period, there were no issues with the credit quality of financial assets that were either past due or impaired, and all amounts are expected to be received in full.

(c) Liquidity risk

Liquidity risk is the risk that the Group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Group monitors its exposure to liquidity risk by ensuring that there is sufficient cash on hand as required or debt funding available to meet the contractual obligations of financial liabilities as they fall due. The Group sets budgets to monitor cash flows.

The weighted average debt maturity is 4.0 years, and the weighted average lease expiry is 12.6 years.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period as at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 December 2018	Less than 12 months $'000	Between 1 and 2 years $'000	Over 2 years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
Trade and other payables	4,403	-	-	4,403	4,403
Variable rate borrowings	33,320	57,818	896,270	987,408	856,553
Contractual cash flows (excluding gross settled derivatives)	**37,723**	**57,818**	**896,270**	**991,811**	**860,956**

31 December 2017	Less than 12 months $'000	Between 1 and 2 years $'000	Over 2 years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
Trade and other payables	4,662	-	-	4,662	4,662
Variable rate borrowings	27,382	390,571	391,263	809,216	747,746
Contractual cash flows (excluding gross settled derivatives)	**32,044**	**390,571**	**391,263**	**813,878**	**752,408**

(d) Capital risk management

The Group aims to invest to meet the Group's investment objectives while maintaining sufficient liquidity to meet its commitments. The Group regularly reviews performance, including asset allocation strategies, investment and operational management strategies, investment opportunities and risk management.

In order to maintain an appropriate capital structure, the Group may adjust the amount of distributions paid to security holders, return capital to security holders, issue new securities, sell or buy assets or reduce or raise debt.

The Group monitors capital through the analysis of a number of financial ratios, including the gearing ratio.

	31 December 2018 $'000	31 December 2017 $'000
Total liabilities (excluding derivative financial instruments)	908,608	748,674
Total assets (excluding derivative financial instruments)	2,510,126	2,332,766
Gearing ratio	**36.2%**	**32.1%**

(e) Fair value hierarchy

(i) Classification of financial assets and financial liabilities

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of fair value hierarchy. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes observable requires significant judgement by the directors. The directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table presents the Group's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 31 December 2018 on a recurring basis:

31 December 2018	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Investment properties	-	-	2,496,128	2,496,128
Interest rate swaps	-	(6,859)	-	(6,859)
Total	**-**	**(6,859)**	**2,496,128**	**2,489,269**

31 December 2017	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Investment properties	-	-	2,280,967	2,280,967
Interest rate swaps	-	5,363	-	5,363
Total	**-**	**5,363**	**2,280,967**	**2,286,330**

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels during the period.

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2018.

(ii) Valuation techniques used to derive level 2 and level 3 values

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves, taking into account any material credit risk.

(f) Investment risk

(i) Tenant concentration risk, financial standing and sector concentration risk

Viva Energy REIT's rental income is 95% derived from leases with Viva Energy Australia Pty Limited (Viva Energy Australia). Therefore, Viva Energy REIT depends on this tenant meeting its financial obligations to pay rent under the leases. If Viva Energy Australia fails to pay rent on time and/or becomes insolvent, Viva Energy REIT's financial condition and the price of its stapled securities would be materially affected. It would be likely to also affect the going concern of the Group.

Termination of Viva Energy Australia's right to use Shell branding could adversely affect Viva Energy Australia's ability to meet its rental obligations and therefore the value of Viva Energy REIT's portfolio of investment properties and its ability to service and/or obtain financing.

Furthermore, a material decline in the profitability of Viva Energy Australia's business could affect the perceived stability of the rental income of Viva Energy REIT and may affect Viva Energy REIT's ability to obtain financing on acceptable terms, and lead to lower market rents when renewal options are exercised and a decline in the values of Viva Energy REIT's investment properties.

(ii) Investment property value

The value of the Group's portfolio of investment properties may be adversely affected by a number of other factors, including a number of factors outside the control of the Group, such as supply and demand for service station properties, fuel volume throughput of the properties, general property market conditions, the availability of credit, the ability to attract and implement economically viable rental arrangements, Viva Energy Australia's financial condition deteriorating or occupiers not extending the term of leases, re-leasing of properties, capitalisation rates and general economic factors such as the level of inflation and interest rates. The valuation of properties may fall. As changes in valuations are recorded on the statutory net profit statement, any decreases in value will have a negative impact on the statutory net profit statement and in turn the market price of the Group's securities may fall.

(iii) Environmental risk

As Viva Energy Australia is the lessee of the majority of the Group's properties, the Group depends on Viva Energy Australia to perform its obligations under the environmental indemnification arrangements in relation to those sites. If Viva Energy Australia was to fail to meet its obligations under these arrangements (including due to its insolvency), Viva Energy REIT may incur significant costs to rectify contamination on (and in respect of) its properties.

(iv) Debt agreement and refinancing risk

The Group has outstanding debt facilities. General economic and business conditions that impact the debt or equity markets could impact the Group's ability to refinance its debt facilities when required. This indebtedness may result in the Group being subject to increased interest rate margins and covenants restricting its ability to engage in certain types of activities or to pay distributions to unitholders, if the debt covenants are breached.

The directors regularly monitor the debt facility covenants to ensure compliance and consider the refinancing options and timing available to the Group.

(v) AFSL compliance risk

The Group is exposed to the risk of having inadequate capital and liquidity. VER Limited, a subsidiary of Viva Energy REIT Limited, holds an Australian Financial Services Licence ('AFSL') and acts as a responsible entity for the Group's managed investment scheme. The AFSL requires minimum levels of net tangible assets, liquid assets, cash reserves and liquidity, which may restrict the Group in paying distributions that would breach these requirements.

On a quarterly basis, the directors review and monitor VER Limited's balance sheet to ensure compliance with its AFSL requirements.

(vi) Excessive reliance on the Manager and its personnel

Viva Energy REIT is managed by VER Manager Pty Limited ('Manager'), which is a subsidiary of Viva Energy Australia.

Viva Energy REIT does not have employees (other than directors) and consequently is reliant on the expertise and experience of the key executives of Viva Energy Australia made available to the Manager which provides the services to Viva Energy REIT under the Management Agreement. As a consequence, loss of such key personnel could potentially have an adverse impact on the management and the financial performance of Viva Energy REIT and in turn may affect the returns to security holders.

15. Investments in Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries of the Company and the Trust:

31 December 2018	Percentage of equity interest held by the Group 2018 %	2017 %
Controlled by the Company		
VER Limited	**100**	100
VER Custodian Pty Limited	**100**	100
Controlled by the Trust		
VER Trust	**100**	100
VER Finco Pty Limited	**100**	100
66 McNulty Street Miles Queensland Trust (1)	**100**	-
555-557 Albany Highway Albany Western Australia Trust (1)	**100**	-
47 Eric Road Old Noarlunga South Australia Trust (3)	**100**	-
127 Youngman Street Kingaroy Queensland Trust (2)	**100**	-
73-75 Chrystal Street Roma Queensland Trust (2)	**100**	-
199-205 Charters Towers Road Townsville Queensland Trust (3)	**100**	-
341 Sand Road Longwarry Victoria Trust (1)	**100**	-
290 Sand Road Longwarry Victoria Trust (1)	**100**	-
6776 Cunningham Highway Aratula Queensland Trust (1)	**100**	-
80 Alfred Street Warragul Victoria Trust (4)	**100**	-

(1) Trust formed on 16 July 2018.
(2) Trust formed on 20 July 2018.
(3) Trust formed on 20 August 2018.
(4) Trust formed on 12 October 2018.

All companies and trusts were incorporated or settled in Australia. The trusts formed during the year ended 31 December 2018 were formed by the Group and own investment properties.

16. Commitments and Contingencies

Capital expenditure commitments

	31 December 2018 $'000	31 December 2017 $'000
Within one year	12,500	23,000
After one year but not more than five year	-	-
	12,500	**23,000**

At 31 December 2018, the Group has entered into contracts for the purchase of one investment property for $2.5 million. Settlement of this property occurred on 5 February 2019. Further, the Group has committed to capital improvements on three properties for an aggregate of $10.0 million.

Other than that noted above, there are no material outstanding contingent assets, liabilities or commitments as at 31 December 2018.

17. Events Occurring after The Reporting Period

Subsequent to the end of the financial year:

- The directors have announced the payment of a final distribution for the year ended 31 December 2018 of $51.0 million which will be paid on 28 February 2019;
- One investment property with a purchase price of $2.5 million which was contracted before 31 December 2018 has been settled on 5 February 2019;
- The contractual requirements relating to the extension of the bilateral facility by $40.0 million to $100.0 million have been satisfied and funds were partially drawn down on 5 February 2019.
- The Group has restructured interest rate swaps with a notional principal of $368.0 million via a payment of $9.2 million to take advantage of lower current interest rates.
- The Group has updated its target gearing range to be 30% to 45%.
- The Group has, contemporaneously with the release of this report, announced an equity raising to raise $100.0 million from institutional investors and a Securities Purchase Plan to raise up to $10.0 million.

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect:

- the operations of the Group in future financial years;
- the results of those operations in future financial years; or
- the state of affairs of the Group in future financial years.

18. Related Party Information

(a) Parent entity

The Company has been assessed as the parent entity of the Group; the security holders' interests in the Trust are included in equity as non-controlling interests relating to the stapled entity.

(b) Subsidiaries

Interests in subsidiaries are set out in note 15.

(c) Key management personnel compensation

Detailed remuneration disclosures are provided in the remuneration report on pages 28 to 31.

(d) Stapled group

Viva Energy REIT is a stapled group consisting of the Company and the Trust and their wholly owned entities. The Trust indirectly owns the investment property portfolio through its 100% ownership of the trusts which own the investment properties and receive rent under operating leases. The Company directly owns all of the shares in VER Limited ('Responsible Entity'). Each stapled security consists of one share in the Company and one unit in the Trust.

(e) Transactions with related parties

	2018 $'000	2017 $'000
The following transactions occurred with related parties:		
Rental income received from Viva Energy Australia Pty Limited and its associated entities	135,790	126,194
Reimbursement of costs incurred by VER Manager Pty Limited in relation to managing the Group	2,293	3,274
Purchase of investment properties from an associated entity of Viva Energy Australia Pty Limited (Liberty Oil Holdings Pty Limited and its controlled entities)	25,000	11,850
Amounts payable:		
Amounts payable to VER Manager Pty Limited at the end of the period	222	831

Viva Energy REIT has acquired investment properties during the year ended 31 December 2018 by the assignment to Viva Energy REIT of a purchase right which was held by Viva Energy Australia Pty Limited. No fees were paid nor are payable by Viva Energy REIT for this assignment of the purchase right. The purchase right allows for purchase of each investment property at equal to the best third party offer received by the previous owner.

19. Remuneration of Auditors

During the period the following fees were paid or payable for services provided by the auditor of the parent entity and its related practices.

	2018 $	2017 $
PricewaterhouseCoopers Australia		
Audit and review of financial statements	146,625	155,000
Other assurance services:		
Audit of compliance plan	10,250	10,000
Audit of AFSL	5,125	5,000
Total remuneration for audit and other assurance services	**162,000**	**170,000**
Tax compliance and consulting services on income taxation, GST and stamp duty	114,444	60,000
Total remuneration for taxation services	**114,444**	**60,000**
Total remuneration of auditors	**276,444**	**230,000**

20. Parent Entity Financial Information

The individual financial statements for the parent entity, Viva Energy REIT Limited, show the following aggregate amounts:

	2018 $'000	2017 $'000
Balance sheet		
Current assets	14,533	10,613
Non-current assets	5,700	6,017
Total assets	20,233	16,630
Current liabilities	18,939	15,230
Total liabilities	18,939	15,230
Shareholders' equity		
Contributed equity	2,542	2,542
Accumulated losses	(1,248)	(1,142)
Total equity	**1,294**	**1,400**
Profit (loss) for the year	(106)	517
Total comprehensive income/(loss) for the year	**(106)**	**517**

21. Summary of Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Principles of consolidation

(i) Stapled entities

Viva Energy REIT is a stapled group consisting of the Company and the Trust and their wholly owned entities. The Trust indirectly owns the investment property portfolio through its 100% ownership of the trusts which own the investment properties and receive rent under operating leases. The Company directly owns all of the shares in the Responsible Entity. Each stapled security consists of one share in the Company and one unit in the Trust. The shares and the units were stapled at allotment in accordance with the constitutions of the Company and the Trust and the Stapling Deed and trade together on the ASX. The securities in Viva Energy REIT cannot be traded separately and can only be traded as a stapled security.

AASB 3 *Business Combinations* requires one of the stapled entities in a stapling structure to be identified as the parent entity for the purpose of preparing consolidated financial reports. In accordance with this requirement, the Company has been identified as the parent entity in relation to the stapling with the Trust under Viva Energy REIT.

The consolidated financial statements of the Group incorporate the assets and liabilities of the entities controlled by the Company during the period, including those deemed to be controlled by the Trust, by identifying it as the parent of the Group, and the results of those controlled entities for the period then ended. The effect of all transactions between entities in the Group are eliminated in full.

Non-controlling interests in the results and equity are shown separately in the consolidated statement of comprehensive income, consolidated balance sheet and consolidated statement of changes in equity respectively. Non-controlling interests are those interests in the Trust which are not held directly or indirectly by the Company.

(ii) Subsidiaries

Subsidiaries are all entities (including trusts) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Inter-entity transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated balance sheet and consolidated statement of changes in equity respectively.

(b) Presentation of members' interests in the Trust

As the Company has been assessed as the parent entity of the Group, the security holders' interests in the Trust are included in equity as non-controlling interests relating to the stapled entity. Security holders' interests in the Trust are not presented as attributable to owners of the parent, reflecting the fact that they are not owned by the Company, but by the security holders of the stapled group.

(c) Revenue

(i) Rental income

Rental income from operating leases is recognised as income on an accruals basis. Where a lease has a fixed annual increase, the total rent receivable over the operating lease is recognised as revenue on a straight-line basis over the lease term. This results in more income being recognised early in the lease term and less late in the lease term compared to the lease conditions (i.e. actual cash received). The difference between the lease income recognised and the actual lease payment received is shown within the fair value of the investment property on the consolidated balance sheet.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest rate method. Interest income is included in finance income in the consolidated statement of profit or loss.

All income is stated net of goods and services tax.

(d) Expenses

All expenses are recognised in the consolidated profit or loss on an accruals basis.

(e) Management fees

The Group reimburses the Manager for costs incurred in the management of Viva Energy REIT's operations.

(f) Employee benefits

Viva Energy REIT has no employees other than the directors.

Management services are provided to Viva Energy REIT by VER Manager Pty Limited which is a subsidiary of Viva Energy Australia Pty Limited. The employees of Viva Energy Australia Pty Limited who are seconded to provide management services are employees of and paid directly by Viva Energy Australia Pty Limited, but they work exclusively for Viva Energy REIT. Incentives paid by Viva Energy Australia Pty Limited to staff seconded to VER Manager Pty Limited to provide these management services are based entirely on the performance of Viva Energy REIT.

(g) Goods and services tax ('GST')

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other current assets and trade and other payables in the consolidated balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

(h) Receivables

Trade and sundry debtors are initially recorded at fair value and subsequently accounted for at amortised cost. Collectability of trade debtors is reviewed regularly and bad debts are written off when identified. A specific provision for doubtful debts is made when there is objective evidence that Viva Energy REIT will not be able to collect the amounts due according to the original terms of the receivable. The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows.

(i) Financial instruments

(i) Classification

The Group's investments are classified as at fair value through profit or loss. They comprise:

- Financial instruments held for trading

Derivative financial instruments such as futures, forward contracts, options and interest rate swaps are included under this classification.

- Financial instruments designated at fair value through profit or loss upon initial recognition

These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange traded debt and equity instruments, unlisted trusts and commercial paper.

Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Group's documented investment strategy. The Group's policy is for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

(ii) Recognition/de-recognition

Financial assets and financial liabilities are recognised on the date the Group becomes party to the contractual agreement (trade date) and it recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are de-recognised when the right to receive cash flows from the investments has expired or the Group has transferred substantially all risks and rewards of ownership.

(iii) Measurement

Financial assets and liabilities held at fair value through profit or loss.

At initial recognition, financial assets are recognised at fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the Group is the current bid price and the quoted market price for financial liabilities is the current asking price.

The fair value of financial assets and liabilities that are not traded in an active market are determined using valuation techniques. Accordingly, there may be a difference between the fair value at initial recognition and amounts determined using a valuation technique. If such a difference exists, the Group recognises the difference in profit or loss to reflect a change in factors, including time that market participants would consider in setting a price.

Further detail on how the fair values of financial instruments are determined is disclosed in note 9.

(iv) Loans and receivables

Loan assets are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less impairment losses if any. Such assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment.

If evidence of impairment exists, an impairment loss is recognised in profit or loss as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through profit or loss.

(v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(j) Provisions

A provision is recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of the Group's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

(k) Rounding of amounts

The Group is an entity of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars in accordance with that instrument, unless otherwise indicated.

(l) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below:

AASB 16 Leases

AASB 16 was issued in February 2016. For lessees, it will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The Group has applied this standard effective 1 January 2019, and, as a lessor, there is no impact on the operations or financial reporting of the Group. Lessors continue to classify leases as operating or finance, with AASB 16's approach to lessor accounting substantially unchanged from AASB 117 *Leases*.

There are no other issued standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 34 to 67 are in accordance with the *Corporations Act 2001*, including:

> (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
>
> (ii) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Note 1(c) to the consolidated financial statements confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations of the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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

Laurence Brindle

Chairman

21 February 2019

Independent auditor's report

To the members of Viva Energy REIT Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Viva Energy REIT Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 31 December 2018
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Viva Energy REIT owns 454 service station properties located across all Australian States and Territories. The majority of properties in the portfolio are leased to Viva Energy Australia Pty Limited, a shareholder.

Materiality

- For the purpose of our audit we used overall Group materiality of $6.3 million, which represents approximately 5% of the Group's profit before tax, adjusted for significant non-cash items such as investment property and derivative financial instrument revaluations.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group profit before tax, adjusted for significant non-cash items, because, in our view, it is the benchmark against which the performance of the Group is most commonly measured.
- We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Group's accounting processes and controls are performed at its Melbourne office, where we predominately performed our audit procedures.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
Valuation of investment properties *(Refer to note 7)* The Group's investment property portfolio consists of 454 service station properties located across Australia. At 31 December 2018 the carrying value of the Group's total investment property portfolio was $2,496 million. Investment properties are carried at fair value. The Group's accounting policy is disclosed in note 2 of the financial report. Factors such as prevailing market conditions, the individual nature, condition and location of each property and the expected future income for each property impact fair values. The following key inputs used in estimating fair value are derived from the long term leases: • Rental income • Lease terms The key judgemental assumption in estimating fair value is: • Capitalisation rate External valuations were obtained by the Group to assist in estimating the fair value for 179 properties and director valuations were performed on the remainder of the portfolio. This was a key audit matter because of the: • Relative size of the investment property balance in the consolidated balance sheet • Quantum of revaluation gains that could directly impact the consolidated statement of comprehensive income through the net fair value gain/loss of investment properties • Inherently subjective nature of investment property valuations due to the use of assumptions in the valuations • Sensitivity of valuations to key inputs/ assumptions.	**Independent valuations** For a sample of independent valuations we: • Assessed the competency and capabilities of the independent valuer. • Read the valuer's terms of engagement - we did not identify any terms that might affect their objectivity or impose limitations on their work relevant to the valuation. • Agreed the rental income and lease terms used in the independent valuations to the tenancy schedule and lease agreement, with no material differences noted. • Assessed the valuation reports based on our industry knowledge, including comparing the capitalisation rate assumption to a range we determined to be reasonable based on benchmark market data. • Inspected the final valuation reports and agreed the fair value to the Group's accounting records, noting no material differences. **Director valuations** For a sample of director valuations we: • Agreed the rental income and lease terms used in the director valuations to the tenancy schedule and lease agreement, with no material differences noted. • Compared the capitalisation rate between the directors' valuations and independent valuations to identify any unusual trends or anomalies in the directors' valuation outcomes. • Agreed the director valuations to the Group's accounting records, noting no material differences.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2018, including Directors' Report, Corporate Directory and ASX Additional Information, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 28 to 31 of the directors' report for the year ended 31 December 2018.

In our opinion, the remuneration report of Viva Energy REIT Limited for the year ended 31 December 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Charles Christie
Partner

Melbourne
21 February 2019

ASX Additional Information

ASX additional information as at 21 March 2019

There were 771,367,628 fully paid securities on issue, held by 7,043 securityholders. There were 174 holders holding less than a marketable parcel.

The voting rights attaching to the stapled securities, set out in section 253C of the *Corporations Act 2001*, are:

I. on a show of hands, every person present who is a security holder has one vote; and

II. on a poll, each security holder present in person or by proxy or attorney has one vote for each dollar of value of the securities they have in the Group.

Distribution of securityholders

Number of securities held	Number of security holders	Total securities held	% of total securities on issue
1 – 1,000	773	368,768	10.98
1,001 – 5,000	2,142	7,156,934	30.41
5,001 – 10,000	1,688	13,466,685	23.97
10,001 – 100,000	2,352	54,984,738	33.39
100,001 and over	88	695,390,503	1.25
Total	**7,043**	**771,367,628**	**100.00**

Substantial securityholders

Name of substantial security holder	Number of securities
Viva Energy Australia Group Pty Limited and its associates	276,060,625
Commonwealth Bank of Australia and its related bodies corporate	36,756,235
The Vanguard Group, Inc.	36,293,034

Twenty largest security holders

Holder name	Number of securities	% of issued capital
Viva Energy Australia Group Pty Ltd	276,060,625	35.79
HSBC Custody Nominees (Australia) Limited	120,808,652	15.66
J P Morgan Nominees Australia Pty Limited	104,026,112	13.49
National Nominees Limited	53,004,762	6.87
Citicorp Nominees Pty Limited	46,997,223	6.09
BNP Paribas Nominees Pty Ltd	21,719,612	2.82
BNP Paribas Noms Pty Ltd	17,153,904	2.22
BNP Paribas Nominees Pty Ltd	7,320,000	0.95
HSBC Custody Nominees (Australia) Limited	6,937,511	0.90
IOOF Investment Management Limited	4,983,561	0.65
Citicorp Nominees Pty Limited	4,406,557	0.57
AMP Life Limited	2,805,178	0.36
Netwealth Investments Limited	2,373,080	0.31
HSBC Custody Nominees (Australia) Limited-Gsco Eca	2,156,840	0.28
Avanteos Investments Limited	1,803,511	0.23
BNP Paribas Noms (NZ) Ltd	1,767,861	0.23
IOOF Investment Management Limited	1,391,107	0.18
National Nominees Limited	1,139,098	0.15
Australian Executor Trustees Limited	1,095,360	0.14
Avanteos Investments Limited	774,019	0.10
Total	**678,724,573**	**87.99**

Disclosures

On 1 August 2016, Viva Energy REIT was granted certain waivers from the Australian Securities Exchange ('ASX') with regard to ASX Listing Rule 10.1. Pursuant to those waivers, the following disclosures are outlined:

Summary of Certain Arrangements between Viva Energy REIT and Viva Energy Australia

Viva Energy REIT and Viva Energy Australia have entered in a Master Agreement to govern, among other things, certain rights and obligations with respect to the properties in the Initial Portfolio and any additional service station sites that become the subject of a lease between the parties in the future.

Viva Energy REIT's first right of refusal	Viva Energy REIT has a first right to acquire any service station site that Viva Energy Australia offers for sale, subject to the rights of Coles Express if that site is the subject of a Site Agreement[1].
Viva Energy Australia's first right of refusal	Viva Energy Australia has a first right to acquire any property that is subject of a lease or which is used as a retail service station and which Viva Energy REIT offers for sale, subject to the rights of Coles Express if that site is the subject of a Site Agreement[1].
Viva Energy Australia's call option	• Viva Energy Australia has a call option to acquire all or any part of the Initial Portfolio upon certain insolvency trigger events. • If a call option trigger event occurs and the call option is exercised by Viva Energy Australia in respect of a site, Viva Energy Australia may acquire that site for a price determined via an independent valuation process, subject to the rights of Coles Express if that site is the subject of a Site Agreement[1].
Right of first refusal on new lease properties	If Viva Energy REIT proposes to grant a new lease in respect of a site which is not (and has not been) the subject of a lease to Viva Energy Australia, Viva Energy REIT must first offer to lease that site to Viva Energy Australia before entering into a new lease with another party.

In addition, in each lease entered in respect of the Initial Portfolio, Viva Energy Australia has a right of first refusal to acquire any leased site that Viva Energy REIT offers for sale, subject to the rights of Coles Express if that site is the subject of a Site Agreement[1].

In FY2018, Viva Energy REIT and Viva Energy Australia did not enter into (or conclude) any transactions pursuant to the rights listed above.

1. Coles Express has a right of first refusal in respect of any disposal of any site that is the subject of a Site Agreement, but that right is unlikely to apply to any transfer between Viva Energy Australia and Viva Energy REIT. Please refer to PDS Section 13.2 for a summary of the Master Agreement and PDS Section 13.10 for a summary of the Site Agreement.

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Property Portfolio as at 31 December 2018

ADDRESS	SUBURB	STATE/ TERRITORY	CAP RATE	CARRYING VALUE	MAJOR TENANT LEASE EXPIRY
Cnr Nettleford Street & Lathlain Drive	Belconnen	ACT	6.18%	$10,180,000	2034
Cnr Cohen & Josephson Street	Belconnen	ACT	6.22%	$3,494,183	2027
Cnr Mort Street & Girrahween Street	Braddon	ACT	5.75%	$4,240,000	2028
Lhotsky Street	Charnwood	ACT	6.69%	$7,070,000	2033
17 Strangways Street	Curtin	ACT	6.74%	$3,933,191	2028
25 Hopetoun Circuit	Deakin	ACT	6.49%	$4,657,265	2030
Cnr Ipswich & Wiluna Street	Fyshwick	ACT	6.51%	$2,840,000	2027
20 Springvale Drive	Hawker	ACT	6.50%	$5,360,000	2031
Cnr Canberra Avenue & Flinders Way	Manuka	ACT	6.18%	$8,100,000	2033
172 Melrose Drive	Phillip	ACT	6.00%	$5,010,000	2030
Rylah Crescent	Wanniassa	ACT	6.49%	$3,120,000	2027
252 Princes Highway	Albion Park	NSW	6.28%	$6,041,239	2031
Cnr David Street & Guinea Street	Albury	NSW	7.08%	$5,273,140	2031
562 Botany Road	Alexandria	NSW	4.79%	$12,178,139	2034
124-126 Johnston Street	Annandale	NSW	4.25%	$4,496,752	2027
89-93 Marsh Street	Armidale	NSW	8.76%	$3,386,315	2028
Cnr Avalon Parade & Barrenjoey Road	Avalon	NSW	4.51%	$4,190,223	2027
884-888 Hume Highway (Cnr Strickland Street)	Bass Hill	NSW	4.99%	$4,225,892	2028
198 Beach Road	Batehaven	NSW	7.08%	$5,374,877	2031
298 Stewart Street (Cnr Rocket Street)	Bathurst	NSW	6.53%	$6,010,223	2029
59 Durham Street	Bathurst	NSW	7.00%	$6,810,000	2033
Cnr Windsor Road & Olive Street	Baulkham Hills	NSW	4.75%	$10,020,000	2028
Cnr Pacific Highway & Maude Street	Belmont	NSW	6.19%	$3,876,317	2030
797 Pacific Highway	Belmont South	NSW	6.39%	$5,514,750	2031
Lot 33 Richmond Road	Berkshire Park	NSW	5.99%	$4,160,000	2029
126 Great Western Highway	Blaxland	NSW	7.19%	$5,601,537	2021
Newell Highway	Boggabilla	NSW	7.75%	$6,230,000	2031
120-138 Birrell Street	Bondi Junction	NSW	4.27%	$8,288,106	2032
Cnr Bong Bong Street & Bowral Street	Bowral	NSW	5.75%	$5,760,000	2029
2 General Holmes Drive	Brighton-Le-Sands	NSW	4.58%	$6,809,760	2031
2 Brunker Rd	Broadmeadow	NSW	5.82%	$6,514,796	2032
164 William Street	Broken Hill	NSW	7.05%	$5,610,476	2033
Cnr Winbourne Road & Harbord Road	Brookvale	NSW	5.56%	$7,070,379	2033
Pacific Highway	Bulahdelah	NSW	8.26%	$1,780,000	2026
279-287 Princes Highway	Bulli	NSW	5.75%	$10,830,000	2033
Cnr Cumberland Highway & John Street	Cabramatta	NSW	5.12%	$4,040,418	2029
274 Old Hume Highway	Camden	NSW	5.66%	$5,627,451	2031
Cnr Miller Street & Palmer Street	Cammeray	NSW	4.37%	$6,750,848	2030
27 Queen Street	Campbelltown	NSW	5.28%	$3,290,849	2027
267-281 Princes Highway	Carlton	NSW	4.51%	$3,809,310	2027
88 Centre Street	Casino	NSW	7.92%	$1,593,104	2026

ADDRESS	SUBURB	STATE/ TERRITORY	CAP RATE	CARRYING VALUE	MAJOR TENANT LEASE EXPIRY
128 Pacific Highway	Charlestown	NSW	6.00%	$4,360,000	2030
877-879 Pacific Hwy	Chatswood	NSW	4.75%	$9,710,000	2033
2-6 John Street	Coonabarabran	NSW	7.49%	$2,310,000	2027
269-275 Princes Highway	Corrimal	NSW	5.54%	$5,268,546	2029
227 Military Road	Cremorne	NSW	3.98%	$7,988,602	2027
152-158 Princes Highway	Dapto	NSW	5.89%	$3,604,011	2027
336 Victoria Street	Deniliquin	NSW	7.48%	$1,560,000	2026
427 Bungarribee Road	Doonside	NSW	5.00%	$5,710,000	2029
36-46 Victoria Road	Drummoyne	NSW	5.03%	$7,199,423	2032
35- 51 Victoria Road	Drummoyne	NSW	4.50%	$5,720,000	2031
Cnr Whylandra Street & Victoria Street	Dubbo	NSW	6.02%	$10,770,191	2034
131-133 Cobra Street (Cnr Fitzroy Street)	Dubbo	NSW	6.99%	$4,020,000	2028
199-203 Kissing Point Road (Cnr Kirby Street)	Dundas	NSW	5.46%	$2,884,909	2027
592-596 Old Northern Road	Dural	NSW	4.98%	$4,837,702	2028
611 Great Western Highway	Eastern Creek	NSW	4.79%	$12,313,063	2034
Cnr Hume Highway & Braidwood Street	Enfield	NSW	5.25%	$3,310,000	2027
575-581 Great Western Highway	Faulconbridge	NSW	5.23%	$3,998,623	2028
Cnr Parramatta Road & Walker Street	Five Dock	NSW	5.30%	$13,386,553	2034
Cnr Warringah Road & Cook Street	Forestville	NSW	4.75%	$13,290,000	2034
Cnr Newell Highway & Tooraweenah Road	Gilgandra	NSW	8.49%	$2,530,000	2026
Cnr Clinton & Cowper Streets	Goulburn	NSW	6.83%	$5,103,352	2031
Cnr Cowpasture Road & Green Valley Road	Green Valley	NSW	4.75%	$6,240,000	2030
Cnr Merrylands Road & Braeside Street	Greystanes	NSW	5.26%	$2,720,855	2026
Cnr Mount & Middle Streets	Gundagai	NSW	6.75%	$10,220,000	2034
4974 Pacific Highway	Half Way Creek	NSW	7.50%	$6,990,000	2021
Lot 2 Coast Road	Hastings Point	NSW	5.62%	$2,699,221	2028
Cnr Princes Highway & Oliver Road	Heathcote	NSW	4.76%	$4,676,483	2028
196-200 Pacific Highway	Hornsby	NSW	4.82%	$6,943,069	2032
4 Ryde Road	Hunters Hill	NSW	4.76%	$4,570,000	2028
Mulgoa Road & Wolseley Road	Jamisontown	NSW	5.11%	$5,842,879	2029
6-8 Pacific Highway	Kariong	NSW	7.09%	$10,499,977	2034
165 Smith Street (Cnr Cochrane Street)	Kempsey	NSW	8.20%	$2,032,709	2026
102-106 Wyong Road	Killarney Vale	NSW	6.85%	$6,659,889	2034
Cnr Avoca Drive & Bungoona Street	Kincumber	NSW	7.12%	$5,066,892	2033
48-56 Gardeners Road	Kingsford	NSW	4.50%	$4,240,000	2028
Cnr Princes Highway & The Boulevarde	Kirrawee	NSW	4.75%	$7,420,000	2032
Cnr Allison Avenue & Pacific Highway	Lane Cove	NSW	4.75%	$3,700,737	2027
65 Hume Highway	Lansvale	NSW	5.23%	$3,221,120	2028
575 Wagga Road	Lavington	NSW	6.50%	$10,730,000	2034
311 Great Western Highway	Lawson	NSW	6.76%	$2,510,000	2026
1443 Camden Valley Way	Leppington	NSW	6.63%	$2,000,000	2026
100 Dawson & Magellan Sts	Lismore	NSW	8.48%	$1,906,943	2026
338-340 Hume Highway	Liverpool	NSW	5.00%	$7,350,000	2032
Cnr High Street & Smith Street	Maitland	NSW	6.67%	$2,319,940	2026
959-961 Anzac Parade	Maroubra	NSW	5.24%	$2,510,000	2026
63-69 Maud Street (Cnr Miller Street)	Mayfield	NSW	6.45%	$2,100,432	2026
73 Pembroke Road (Cnr Durham Street)	Minto	NSW	5.74%	$2,200,000	2026
Cnr Balo Street & Gwydir Street	Moree	NSW	7.75%	$2,600,000	2028
Cnr Church Street & Mortimer Street	Mudgee	NSW	6.25%	$5,520,000	2030
148 Bridge Street (Cnr Hill Street)	Muswellbrook	NSW	6.64%	$2,941,714	2027

ADDRESS	SUBURB	STATE/ TERRITORY	CAP RATE	CARRYING VALUE	MAJOR TENANT LEASE EXPIRY
1418 Pittwater Road	Narrabeen	NSW	4.79%	$8,785,134	2033
Cnr Audley Street & Caddell Street	Narrandera	NSW	7.92%	$3,678,073	2030
23 Stockton Street	Nelson Bay	NSW	6.00%	$5,790,000	2031
Cnr Ben Boyd Road & Ernest Street	Neutral Bay	NSW	4.85%	$5,913,035	2030
96 Wicks Road	North Ryde	NSW	5.14%	$4,738,486	2031
275 Lane Cove Road	North Ryde	NSW	4.76%	$4,231,104	2028
197 Windsor Road	Northmead	NSW	5.02%	$2,915,206	2026
Cnr Kinghorn Street & Worrigee Street	Nowra	NSW	6.02%	$7,287,386	2031
Lot 2 Lake Entrance Road	Oak Flats	NSW	5.74%	$3,760,000	2026
Cnr Summer Street & Sale Street	Orange	NSW	6.54%	$4,850,167	2030
26-28 Georges River Road (Cnr Carvers Road)	Oyster Bay	NSW	4.76%	$4,676,483	2027
19 Davies Road	Padstow	NSW	4.89%	$6,077,558	2030
299 Bunnerong Road	Pagewood	NSW	4.78%	$8,259,416	2033
88 Victoria Road (Cnr Buller Street)	Parramatta	NSW	4.89%	$6,551,499	2031
386 Pennant Hills Road	Pennant Hills	NSW	4.75%	$9,650,000	2033
371 Pennant Hills Road	Pennant Hills	NSW	4.78%	$9,890,354	2034
93-99 Argyle Street	Picton	NSW	5.75%	$5,170,000	2030
Gordan & Hollingsworth Streets	Port Macquarie	NSW	6.02%	$8,718,740	2033
21 Ryde Road	Pymble	NSW	4.50%	$6,480,000	2030
274-276 Grand Parade (Cnr Ramsgate Road)	Ramsgate	NSW	4.50%	$5,970,000	2029
54 Alison Road	Randwick	NSW	4.25%	$6,370,000	2029
Cnr Pacific Highway & Kangaroo Street	Raymond Terrace	NSW	7.60%	$2,187,536	2027
731 Windsor Road	Rouse Hill	NSW	5.93%	$9,708,619	2020
118 New England Highway	Rutherford	NSW	7.49%	$2,380,000	2027
Cnr Lane Cove Road & Myra Avenue	Ryde	NSW	5.53%	$3,072,157	2027
69-73 George Street	Singleton	NSW	7.05%	$6,908,390	2033
835 King Georges Road	South Hurstville	NSW	4.75%	$7,370,000	2032
Cnr Mamre Road & Banks Drive	St Clair	NSW	5.28%	$4,521,039	2027
Lot 201 Appin Road	St Helens Park	NSW	5.25%	$3,331,816	2026
179-181 Mona Vale Road	St Ives	NSW	4.64%	$5,735,759	2031
308-310 Parramatta Road	Stanmore	NSW	4.53%	$7,716,336	2032
Cnr Raw Square & Albert Road	Strathfield	NSW	4.79%	$6,795,167	2032
251-253 Goonoo Goonoo Road	Tamworth	NSW	5.50%	$6,750,000	2033
147-152 Bridge Street	Tamworth West	NSW	7.00%	$5,080,000	2031
59-63 Victoria Street	Taree	NSW	7.00%	$6,210,000	2033
100 Taren Point Road	Taren Point	NSW	4.79%	$6,672,493	2032
Cnr Taren Point Road & Parraweena Road	Taren Point	NSW	4.75%	$5,100,000	2028
188-190 Pennant Hills Road	Thornleigh	NSW	5.05%	$7,512,315	2033
Snowy Mountains Highway	Tumut	NSW	7.91%	$2,549,061	2027
Frances & Wharf Streets	Tweed Heads	NSW	6.05%	$4,206,712	2030
71 Minjungbal Drive	Tweed Heads South	NSW	6.06%	$5,427,477	2032
387 Wattle Street (Cnr Kelly Street)	Ultimo	NSW	4.59%	$13,562,098	2030
1-3 Sydney Avenue	Umina	NSW	7.34%	$4,550,788	2027
357-361 Edward Street	Wagga Wagga	NSW	6.75%	$5,190,000	2033
Cnr Pacific Highway & Coonanbarra Road	Wahroonga	NSW	4.63%	$9,602,316	2029
14 Thomas Street	Wallsend	NSW	5.57%	$10,279,502	2034
15 Thomas Street (Cnr Brook Street)	Wallsend	NSW	5.82%	$13,314,647	2034
26-30 King Street	Warrawong	NSW	5.87%	$3,808,241	2028
115 Heathcote Road	Wattle Grove	NSW	4.75%	$11,170,000	2033
64 High Street	Wauchope	NSW	7.42%	$2,102,900	2026

ADDRESS	SUBURB	STATE/ TERRITORY	CAP RATE	CARRYING VALUE	MAJOR TENANT LEASE EXPIRY
1032-1036 Victoria Road	West Ryde	NSW	4.50%	$8,250,000	2029
Cnr Victoria & Elizabeth Streets	Wetherill Park	NSW	4.50%	$5,660,000	2028
Pacific Highway	Woolgoolga	NSW	10.14%	$1,450,000	2026
57 Cowper Wharf Road (Cnr Dowling Street)	Woolloomooloo	NSW	4.89%	$6,731,072	2030
Mid Western Highway & Pine Street	Wyalong	NSW	8.12%	$3,331,384	2030
112 Rookwood Road (Cnr Brunker Road)	Yagoona	NSW	5.00%	$5,280,000	2031
1 Gap Road	Alice Springs	NT	6.85%	$2,991,038	2027
Larapinta Drive	Alice Springs	NT	6.89%	$5,930,503	2028
Cnr Dalgety Road (Sturt Highway) & Dilibili Street	Alice Springs	NT	6.41%	$3,064,888	2027
37 Daly Street	Darwin City	NT	7.50%	$5,090,000	2032
Katherine Terrace	Katherine	NT	7.25%	$2,620,000	2027
7 Gillard Crescent	Katherine	NT	8.24%	$4,000,000	2032
37 Progress Drive	Nightcliff	NT	6.70%	$2,930,000	2026
2 Yarrawonga Road	Palmerston	NT	6.61%	$6,350,000	2033
171 Old Northern Road	Albany Creek	QLD	5.75%	$10,920,000	2034
442-444 Enogerra Road	Alderley	QLD	5.50%	$9,550,000	2032
96 Finucane Road (Cnr Abelia Street)	Alexandra Hills	QLD	6.53%	$3,897,930	2029
338 Ipswich Roach	Annerley	QLD	4.66%	$11,087,651	2031
6776 Cunningham Highway	Aratula	QLD	6.92%	$14,000,000	2027
1412 Gympie Road	Aspley	QLD	5.75%	$7,740,000	2034
Cnr Oxford Street & Hawthorne Road	Balmoral	QLD	5.00%	$7,650,000	2033
11 London Road (Cnr Cross Street)	Belmont	QLD	5.50%	$10,430,000	2034
Glyn Street & Ashmore Road	Benowa	QLD	6.23%	$3,960,000	2028
143-153 Birkdale Road (Cnr Napier Street)	Birkdale	QLD	6.52%	$3,528,763	2029
Capricorn Highway & Columba Street	Blackwater	QLD	7.90%	$3,288,791	2026
123-127 South Pine Road	Brendale	QLD	7.05%	$440,000	2026
72-76 Gavin Street	Bundaberg North	QLD	7.00%	$3,850,000	2032
16-20 Crombie Road	Bundall	QLD	6.01%	$5,705,493	2031
Christine Avenue & Bermuda Street	Burleigh Waters	QLD	5.75%	$8,160,000	2033
686 The Abbey Place	Caboolture	QLD	6.47%	$3,680,000	2021
920 Captain Cook Highway	Cairns	QLD	7.19%	$7,890,662	2034
Cnr Sheridan & James Streets	Cairns	QLD	5.92%	$5,700,000	2032
58 Pease St	Cairns (Manoora)	QLD	5.75%	$5,540,000	2031
2650 Beaudesert Road	Calamvale	QLD	5.93%	$8,003,113	2034
69 Beerburrum Street	Caloundra	QLD	5.75%	$5,780,000	2032
1870 Creek Road (Cnr Pickwick Street)	Cannon Hill	QLD	5.75%	$4,310,000	2030
611 Moggill Road	Chapel Hill	QLD	5.68%	$6,849,815	2033
Churchill Street & Broadhurst Street	Childers	QLD	6.75%	$1,710,000	2026
230 Bloomfield Street (Cnr Princess Street)	Cleveland	QLD	5.75%	$6,910,000	2033
110 Hornibrook Esplanade	Clontarf	QLD	6.15%	$4,734,994	2030
Exit 54 Old Pacifc Highway	Coomera	QLD	5.84%	$19,700,000	2032
213 Old Cleveland Road	Coorparoo	QLD	5.00%	$8,920,000	2034
174 Hugh St	Currajong	QLD	6.44%	$5,061,934	2032
21 Daisy Hill Road (Cnr Allamanda Drive)	Daisy Hill	QLD	6.50%	$5,080,000	2030
50 Drayton Street	Dalby	QLD	6.99%	$3,670,000	2027
90 Depot Road	Deagon	QLD	6.24%	$3,550,000	2028
376 Deception Bay Road (Cnr Park Road)	Deception Bay	QLD	5.75%	$8,050,000	2033
Guineas Creek Road & Coolgardie Street	Elanora	QLD	6.27%	$4,518,245	2029
Clermont Street & Opal Street	Emerald	QLD	6.50%	$4,980,000	2030
361 Ellison Road (Cnr Murphy Road)	Geebung	QLD	5.75%	$3,710,000	2028

ADDRESS	SUBURB	STATE/ TERRITORY	CAP RATE	CARRYING VALUE	MAJOR TENANT LEASE EXPIRY
2 Railway Terrace (Cnr Ipswich Motorway)	Goodna	QLD	6.95%	$4,076,637	2029
10 Mclean Street	Goondiwindi	QLD	6.44%	$2,660,000	2027
2-4 Racecourse Road	Goondiwindi	QLD	7.00%	$4,000,000	2033
102 River Road (Bruce Highway)	Gympie	QLD	6.31%	$4,990,613	2027
10526 New England Highway	Highfields	QLD	6.25%	$4,670,000	2030
Cnr Bapaume Road & Kuring Gai Avenue	Holland Park	QLD	5.43%	$9,439,045	2034
Cnr Cartwright & Herbert Streets	Ingham	QLD	7.25%	$2,030,000	2026
1507-1511 Anzac Avenue (Cnr Duffield Road)	Kallangur	QLD	6.43%	$3,815,708	2029
259-277 Mt Crosby Road	Karalee	QLD	6.00%	$5,910,000	2032
117 Youngman Street	Kingaroy	QLD	7.31%	$1,010,474	2026
125-127 Youngman Street	Kingaroy	QLD	7.00%	$5,000,000	2033
419 Elizabeth Avenue	Kippa-Ring	QLD	6.15%	$4,627,366	2029
22-24 Thuringowa Drive	Kirwan	QLD	6.18%	$6,010,000	2033
61-65 Bryants Road	Loganholme	QLD	6.36%	$3,836,826	2028
315-325 Loganlea Road	Loganlea	QLD	6.20%	$5,485,796	2032
1 Interlink Court (Cnr Farrelly's Road)	Mackay	QLD	7.79%	$1,020,975	2026
2 Highway Plaza (Cnr Bruce Hwy & Hicks Road)	Mackay	QLD	5.66%	$8,780,000	2034
Cnr Bridge Road & Nebo Road	Mackay	QLD	6.03%	$2,876,202	2026
63 Byrnes Street	Mareeba	QLD	6.49%	$4,670,000	2028
604-614 Browns Plains Road (Cnr Second Avenue)	Marsden	QLD	5.39%	$4,340,000	2028
2156 Gold Coast Highway	Miami	QLD	5.66%	$6,957,056	2031
66 Mcnulty Street	Miles	QLD	7.00%	$5,500,000	2033
319 Coronation Drive	Milton	QLD	4.65%	$9,742,868	2034
Cnr Brisbane Road & Foote Street	Mooloolaba	QLD	5.44%	$7,132,358	2033
1582 Logan Road	Mount Gravatt	QLD	5.94%	$6,306,572	2032
1201 Logan Road	Mount Gravatt	QLD	5.75%	$2,630,000	2027
221-239 Barkly Highway	Mount Isa	QLD	5.66%	$7,900,000	2034
106 Camooweal Street (Cnr Grace Street)	Mount Isa	QLD	7.47%	$6,104,097	2034
196-206 Highfield Drive	Mudgeeraba	QLD	5.32%	$9,012,022	2034
589 Nambour Connection Road	Nambour	QLD	6.67%	$4,886,088	2031
94 Breakfast Creek Road	Newstead	QLD	5.17%	$11,672,459	2034
Underwood Road & Rochedale Road	Rochedale	QLD	5.76%	$4,425,793	2029
140-146 Gladstone Road	Rockhampton	QLD	6.74%	$2,310,000	2027
82-86 Fitzroy Street (Cnr Campbell Street)	Rockhampton	QLD	6.67%	$3,492,595	2027
240 Musgrave Street (Cnr High Street)	Rockhampton North	QLD	6.35%	$6,550,000	2031
1728 Ipswich Road (Cnr Shettleton Street)	Rocklea	QLD	6.39%	$5,858,867	2029
Granard & Beatty Roads	Rocklea	QLD	5.43%	$6,465,919	2033
70-72 Quintin Street	Roma	QLD	7.00%	$4,500,000	2033
387 Oxley Drive	Runaway Bay	QLD	5.75%	$5,300,845	2030
501 Compton Road	Runcorn	QLD	6.20%	$5,225,884	2032
118-120 South Station Road	Silkstone	QLD	6.37%	$5,150,000	2030
38-42 Chatswood Road	Slacks Creek	QLD	5.94%	$5,453,170	2032
3495-3497 Pacific Highway	Slacks Creek	QLD	6.23%	$1,867,553	2026
254 Mains Road (Cnr Turton Street)	Sunnybank	QLD	5.75%	$7,580,000	2034
Cnr 2824 Gold Coast Highway & Genoa Street	Surfers Paradise	QLD	5.67%	$4,961,521	2029
29 Gailey Road	Taringa	QLD	4.91%	$8,188,976	2033
1469 Wynnum Road	Tingalpa	QLD	5.18%	$6,502,729	2032
278 Bridge (Cnr Holberton) Strees	Toowoomba	QLD	6.25%	$5,680,000	2031
281 Margaret Street & Mylne Street	Toowoomba	QLD	5.21%	$3,666,775	2028
199-205 Charters Towers Road	Townsville	QLD	6.51%	$2,700,000	2021

ADDRESS	SUBURB	STATE/ TERRITORY	CAP RATE	CARRYING VALUE	MAJOR TENANT LEASE EXPIRY
Toolona Street & Gold Coast Highway	Tugun	QLD	5.68%	$8,976,595	2033
130 Benfer Roadd (Cnr Redland Bay Road)	Victoria Point	QLD	6.16%	$5,057,519	2030
1890 Sandgate Road (Cnr Robinson Road)	Virginia	QLD	5.75%	$9,160,000	2034
Moss Street & Kingston Road	Woodridge	QLD	5.77%	$3,863,875	2028
290 Stuart Drive	Wulguru	QLD	6.73%	$1,445,000	2026
2231 Wynnum Road	Wynnum	QLD	6.25%	$3,980,000	2029
Pacific Highway & Macpherson Road	Yatala	QLD	6.46%	$10,279,631	2034
111 West Terrace	Adelaide	SA	5.52%	$4,225,465	2031
371 Shepherds Hill Road	Blackwood	SA	5.69%	$3,096,554	2028
30-32 Mckenzie Street	Ceduna	SA	7.71%	$3,027,394	2030
1477-1479 Main South Road	Darlington	SA	6.34%	$4,350,000	2033
110 Yorktown Road	Elizabeth Park	SA	6.51%	$2,690,000	2028
323 Hancock Road	Fairview Park	SA	5.94%	$3,544,801	2028
245 Findon Road & Grange Road	Findon	SA	5.99%	$4,560,000	2029
12 Murray Street	Gawler	SA	7.00%	$5,150,000	2033
2 Ramrod Avenue	Hallett Cove	SA	6.09%	$3,839,249	2029
150 Belair Road	Hawthorn	SA	5.69%	$2,722,702	2027
150 Montacute Road	Hectorville	SA	5.57%	$4,953,531	2030
1230 Grand Junction Road & Valley Road	Hope Valley	SA	6.19%	$4,713,996	2032
44 OG Road	Klemzig	SA	5.72%	$1,761,405	2026
452 Grand Junction Road	Mansfield Park	SA	6.94%	$4,430,000	2034
207 Main Road	Mclaren Vale	SA	6.51%	$4,857,586	2032
100 Commercial Street West	Mount Gambier	SA	6.95%	$4,047,456	2032
57 Adelaide Road	Murray Bridge	SA	7.46%	$2,924,770	2029
62 Stewart Terrace	Naracoorte	SA	8.21%	$2,400,000	2028
Cnr Beach Road & Hannah Road	Noarlunga Centre	SA	5.84%	$3,567,437	2029
Lot 500 Main Road South	Old Noarlunga	SA	6.60%	$6,515,151	2033
443 Salisbury Highway	Parafield Gardens	SA	5.74%	$1,940,000	2027
Cnr Highway 1 & Stirling Road	Port Augusta	SA	8.57%	$4,400,000	2029
34 Highway 1 & Stokes Terrace	Port Augusta	SA	7.73%	$3,610,000	2029
92 Tasman Terrace	Port Lincoln	SA	7.43%	$3,000,000	2028
2 Snowtown Road	Port Wakefield	SA	7.80%	$3,400,000	2030
77 Port Road	Queenstown	SA	5.97%	$2,131,458	2028
89 Main South Road	Reynella	SA	6.70%	$3,484,258	2032
150 Fullarton Road (Cnr Alexandra Avenue)	Rose Park	SA	5.22%	$4,233,040	2028
1461 Main North Road	Salisbury East	SA	5.95%	$3,263,928	2028
Main North Road	Smithfield	SA	6.83%	$3,264,070	2029
Lot 13 Curtis Road	Smithfield Plains	SA	6.48%	$4,473,266	2032
69-71 Princes Highway	Tailem Bend	SA	7.53%	$8,072,561	2034
53-57 Port Road	Thebarton	SA	5.45%	$3,155,447	2028
267 Wright Road	Valley View	SA	5.69%	$2,051,307	2026
1 Peake Terrace	Waikerie	SA	7.69%	$2,000,000	2028
113 West Lakes Boulevard	West Lakes	SA	5.70%	$3,256,399	2028
41 Playford Avenue & Elliott Street	Whyalla	SA	9.40%	$3,000,000	2028
Cnr North East Road & Sudholz Court	Windsor Gardens	SA	5.75%	$2,187,970	2027
778 Port Road	Woodville South	SA	6.17%	$4,700,000	2033
Midland Highway & Andrew Street	Brighton	TAS	6.86%	$3,631,733	2027
22 Formby Road	Devonport	TAS	6.36%	$5,353,158	2033
418 Main Road	Glenorchy	TAS	6.32%	$3,500,000	2028
257 Elizabeth Street	Hobart	TAS	5.22%	$5,000,000	2030

ADDRESS	SUBURB	STATE/ TERRITORY	CAP RATE	CARRYING VALUE	MAJOR TENANT LEASE EXPIRY
2 Howrah Road	Howrah	TAS	6.85%	$4,179,785	2029
103 Invermay Road	Invermay	TAS	6.33%	$3,100,000	2027
69 Wellington Street	Launceston	TAS	5.85%	$5,509,385	2032
112 Charles Street	Moonah	TAS	7.26%	$2,600,000	2028
27 Hamilton Road (Lyell Highway)	New Norfolk	TAS	8.00%	$1,800,000	2026
1-3 Hobblers Bridge Road	Newstead	TAS	6.47%	$7,300,000	2033
142 Sandy Bay Road	Sandy Bay	TAS	5.67%	$2,900,000	2027
266-278 Hoddle Street (Cnr Truro Street)	Abbotsford	VIC	4.50%	$4,790,000	2032
107 Great Ocean Road	Anglesea	VIC	6.94%	$3,214,539	2032
280 Barkly Street	Ararat	VIC	7.19%	$3,025,166	2033
High & Johnston Streets	Ashburton	VIC	4.26%	$5,390,301	2033
255 Main Street (Cnr Pyke Street)	Bairnsdale	VIC	6.75%	$3,510,000	2031
1319 Sturt Street & Pleasant Street	Ballarat	VIC	5.99%	$3,540,000	2031
822 Sturt Street	Ballarat	VIC	5.91%	$6,283,122	2034
148-150 Canterbury Road (Cnr Dorset Road)	Bayswater	VIC	5.25%	$4,520,000	2034
3-9 Settlement Road	Belmont	VIC	6.01%	$3,550,000	2034
Cnr Bridge Street & Margaret Street	Benalla	VIC	7.00%	$4,380,000	2032
Mcivor Road & Kennedy Street	Bendigo	VIC	6.37%	$3,917,441	2031
198 High Street (Cnr Honeysuckle Street)	Bendigo	VIC	5.85%	$3,903,407	2031
21 Ardena Court (Cnr East Boundary Rd)	Bentleigh East	VIC	5.48%	$4,439,304	2032
Princes Highway & Clyde Road	Berwick	VIC	5.55%	$6,959,657	2034
Middleborough Raod & Springfield Road	Blackburn	VIC	5.25%	$5,050,000	2032
Maroondah Highway & Middleborough Road	Blackburn	VIC	5.46%	$3,209,374	2032
Springvale Road & Ferntree Gully Road	Brandon Park	VIC	5.00%	$10,670,000	2034
945-957 Pascoe Vale Road	Broadmeadows	VIC	5.76%	$3,050,000	2032
54 Holmes Street	Brunswick East	VIC	5.00%	$3,040,000	2031
127-132 Plenty Road & Greenhills Road	Bundoora	VIC	5.25%	$6,720,000	2033
Burwood Highway & Central Avenue	Burwood	VIC	5.00%	$4,730,000	2032
Lygon & Elgin Streets	Carlton	VIC	3.49%	$5,245,924	2032
Dandenong Road & Renver Road	Clayton	VIC	5.43%	$6,526,405	2032
75-81 Alexandra Parade (Cnr Rae Street)	Clifton Hill	VIC	4.50%	$4,070,000	2031
Bell & Sussex Streets	Coburg	VIC	5.19%	$6,131,086	2033
2-14 Princes Highway (Cnr Baillie Street)	Colac	VIC	6.40%	$6,046,360	2033
Alexandra Parade & Blanche Street	Collingwood	VIC	4.27%	$7,012,308	2034
Hanson Road & Craigieburn Road West	Craigieburn	VIC	5.30%	$8,079,780	2033
1120 Cranbourne Frankston Road	Cranbourne	VIC	5.75%	$5,050,000	2033
285 Fitzgerald Road	Derrimut	VIC	4.42%	$19,625,000	2029
Boundary Road	Dingley	VIC	5.25%	$5,420,000	2034
551-557 Doncaster Road	Doncaster	VIC	4.52%	$9,000,854	2033
187-193 High Street (Cnr Manningham Road)	Doncaster	VIC	5.10%	$3,108,964	2031
1175 Hume Highway	Donnybrook	VIC	5.96%	$22,533,490	2034
1181 Hoddle Street	East Melbourne	VIC	4.00%	$8,350,000	2031
Ogilvie Avenue & Premier Street	Echuca	VIC	6.76%	$4,190,000	2033
Main Road & Mt Pleasant Road	Eltham	VIC	5.44%	$5,028,420	2033
249 Keilor Road (Cnr Gilbertson Street)	Essendon North	VIC	5.00%	$5,960,000	2032
Heidelberg Road & Rathmine Street	Fairfield	VIC	4.26%	$5,113,023	2032
1182 Sydney Road	Fawkner	VIC	3.18%	$9,290,886	2018
1140 Burwood Highway	Ferntree Gully	VIC	5.80%	$5,821,750	2032
397 Springvale Road	Forest Hill	VIC	5.62%	$3,086,555	2031
413 Nepean Highway (Cnr Beach Street)	Frankston	VIC	4.61%	$3,335,630	2031

ADDRESS	SUBURB	STATE/ TERRITORY	CAP RATE	CARRYING VALUE	MAJOR TENANT LEASE EXPIRY
247 Melbourne Road	Geelong North	VIC	6.21%	$4,615,452	2033
202-210 Latrobe Terrace	Geelong West	VIC	5.55%	$7,459,676	2033
140-146 Main Street (Cnr Joyce Avenue)	Greensborough	VIC	4.99%	$6,130,886	2031
206 Princes Highway	Hallam	VIC	5.55%	$5,643,270	2033
South Gippsland Highway	Hampton Park	VIC	5.55%	$8,796,502	2034
185-189 Riversdale Road	Hawthorn	VIC	4.94%	$6,808,001	2033
123 Maroondah Highway & Harker Street	Healesville	VIC	6.50%	$4,070,000	2032
12 Barrabool Road	Highton	VIC	6.58%	$4,964,235	2032
260 Derrimut Road (Cnr Hogans Road)	Hoppers Crossing	VIC	5.25%	$5,460,000	2032
Cnr Dimboola Road & David Street	Horsham	VIC	7.66%	$3,463,191	2031
664-668 Old Calder Highway & Hunter Street	Keilor	VIC	5.73%	$5,183,448	2034
Burke & Barkers Roads	Kew	VIC	4.00%	$5,260,000	2032
245 Cotham Road	Kew	VIC	4.58%	$3,739,915	2031
4655 South Gippsland Highway	Lang Lang	VIC	7.48%	$3,191,633	2033
Cranbourne & Warrandyte Roads	Langwarrin	VIC	5.50%	$3,279,976	2031
26 Ailsa Street South	Laverton	VIC	5.55%	$13,327,207	2034
469 Maroondah Highway	Lilydale	VIC	5.25%	$8,120,000	2034
341 Sand Road	Longwarry	VIC	6.14%	$17,975,205	2027
290 Sand Road	Longwarry	VIC	6.14%	$17,974,795	2027
230 Greensborough Road (Cnr Yallambie Road)	Macleod	VIC	5.21%	$6,478,609	2032
763-779 Dandenong Road	Malvern	VIC	5.04%	$7,607,899	2033
Malvern & Glenferrie Roads	Malvern	VIC	4.68%	$8,319,169	2033
47-49 High Street	Maryborough	VIC	6.75%	$3,420,000	2033
418 High Street (Cnr O'Neills Road)	Melton	VIC	5.50%	$7,720,000	2034
Station Street & Brooklyn Road	Melton South	VIC	5.80%	$5,301,757	2034
105-107 Nepean Highway (Cnr Warrrrigal Road)	Mentone	VIC	5.25%	$6,260,000	2032
1444 Plenty Road	Mernda	VIC	6.25%	$3,160,000	2031
719-721 Fifteenth Street Mildura	Mildura	VIC	7.21%	$4,440,000	2027
Plenty Road & University Drive	Mill Park	VIC	5.19%	$6,746,933	2032
422 South Road (Cnr Linton Street	Moorabbin	VIC	5.03%	$6,851,374	2032
820 Moorooduc Road	Moorooduc	VIC	6.81%	$1,866,697	2031
210 Boundary Road	Mordialloc	VIC	5.50%	$3,570,000	2032
1010-1012 Nepean Highway	Mornington	VIC	5.50%	$5,890,000	2034
260 Stephensons Road & Waimarie Drive	Mount Waverley	VIC	4.73%	$3,590,416	2031
Police & Jacksons Roads	Mulgrave	VIC	5.50%	$9,460,000	2034
Princes Highway & Lauderdale Road	Narre Warren	VIC	5.55%	$5,735,041	2034
473-477 Princes Highway	Narre Warren	VIC	5.03%	$5,910,533	2032
155-171 Narre Warren North Road	Narre Warren North	VIC	5.50%	$6,810,000	2032
468 Melbourne Road	Norlane	VIC	6.26%	$2,130,000	2031
1388 Dandenong Road	Oakleigh	VIC	4.75%	$9,960,000	2034
1-5 Murray Road	Preston	VIC	5.43%	$3,905,239	2033
Bell & Stott Streets	Preston	VIC	5.11%	$5,674,495	2031
192-202 Broadway Street	Reservoir	VIC	5.50%	$2,892,733	2031
399-411 Punt Road	Richmond	VIC	4.27%	$9,332,586	2033
385-389 Canterbury Road (Cnr Heatherdale Road)	Ringwood	VIC	5.25%	$6,193,389	2031
521 Maroondah Highway & Oban Road	Ringwood East	VIC	4.73%	$7,789,378	2031
1662-1664 Ferntree Gully Road (Opp Scoresby Road)	Scoresby	VIC	6.06%	$3,585,908	2032
McDonalds Road	South Morang	VIC	5.47%	$4,065,113	2033
632-642 Melbourne Road	Spotswood	VIC	5.25%	$9,400,000	2034
Station Road & Main Road West	St Albans	VIC	5.29%	$8,171,794	2033

ADDRESS	SUBURB	STATE/ TERRITORY	CAP RATE	CARRYING VALUE	MAJOR TENANT LEASE EXPIRY
126-134 Barkly Street	St Kilda	VIC	4.00%	$6,850,000	2033
Macedon Road & Horne Street	Sunbury	VIC	6.25%	$7,270,000	2034
390 Ballarat Road	Sunshine	VIC	5.50%	$6,330,000	2032
260 Canterbury Road & Redvers Street	Surrey Hills	VIC	4.75%	$5,950,000	2032
Cnr Kings Way & Keilor-Melton Road	Taylors Lakes	VIC	5.45%	$10,724,960	2034
87-91 Porter Street (Cnr Fitzsimons Lane)	Templestowe	VIC	5.00%	$5,810,000	2032
27 Spencer Street (Cnr Dalton Road)	Thomastown	VIC	5.50%	$10,870,000	2034
Princes Highway	Traralgon	VIC	6.89%	$9,172,496	2034
465 Dohertys Road	Truganina	VIC	5.50%	$8,360,000	2032
175 - 183 Mickleham Road	Tullamarine	VIC	5.50%	$6,080,000	2034
493 Burwood Highway	Vermont South	VIC	4.96%	$7,289,796	2033
Cnr Clement Street & Parfitt Road	Wangaratta	VIC	6.66%	$6,210,816	2033
9389 Western Highway	Warrenheip	VIC	7.19%	$4,059,288	2032
1076 Raglan Parade	Warrnambool	VIC	6.76%	$1,930,000	2031
465-469 Raglan Street	Warrnambool	VIC	6.50%	$3,230,000	2031
137-139 Princes Highway	Werribee	VIC	5.30%	$6,394,357	2032
147-161 Dandenong Road (Cnr Chapel Street)	Windsor	VIC	4.69%	$8,319,002	2033
555-557 Albany Highway	Albany	WA	7.00%	$3,500,000	2033
1128-1132 Albany Highway	Bentley	WA	5.42%	$5,016,924	2029
394 Canning Highway (Cnr Waddell Road)	Bicton	WA	6.07%	$4,980,292	2032
35 Frank Street	Boulder	WA	8.75%	$2,000,000	2027
71 Cranford Avenue (Cnr Moolyeen Road)	Brentwood	WA	6.34%	$5,021,113	2033
Lot 22 Napier Terrace (Cnr Hamersley Street)	Broome	WA	7.86%	$2,832,734	2026
12-24 Claugton Way	Bunbury	WA	6.16%	$7,490,776	2034
Cnr Forrest Avenue & Blair Street	Bunbury	WA	7.24%	$4,980,000	2032
88 Causeway Road	Busselton	WA	7.39%	$3,300,000	2031
269 Stirling Highway & Mary Street	Claremont	WA	5.75%	$6,460,000	2033
Units 1-9 57 Johnston Street	Collie	WA	9.38%	$1,458,472	2026
Cnr Church Road & Hampton Drive	Dampier	WA	8.69%	$2,602,924	2026
67 Walter Roadd West (Cnr Grande Promenade)	Dianella	WA	6.32%	$3,905,670	2030
Cnr 193 Warwick Road & Glengarry Drive	Duncraig	WA	5.80%	$6,035,157	2031
1/64 Dunn Bay Road	Dunsborough	WA	6.97%	$3,500,000	2031
87 Great Northern Highway	Fitzroy Crossing	WA	9.92%	$1,604,667	2026
Strelitzia Avenue & Hale Road	Forrestfield	WA	6.25%	$4,100,000	2029
101 Hampton Road	Fremantle	WA	6.01%	$5,300,000	2031
1 Mcdonald Place	Halls Creek	WA	9.99%	$2,919,187	2026
6 Jersey Street (Cnr Hay Street)	Jolimont	WA	6.25%	$3,310,000	2026
222 Manning Road	Karawara	WA	6.33%	$3,688,977	2027
Karratha Travel & Truck, Cnr Madigan Road & North West Coastal Highway	Karratha	WA	8.21%	$6,950,000	2029
Welcome Road & Searipple Road	Karratha	WA	8.74%	$2,670,000	2026
24 Cornwall Street	Katanning	WA	7.00%	$4,000,000	2032
Kewdale Road & Abernethy Road	Kewdale	WA	5.82%	$13,682,531	2034
Lot 8 Nicholson Road & Spencer Road	Langford	WA	6.26%	$4,060,000	2029
117 Burslem Drive (Cnr Olga Road)	Maddington	WA	6.32%	$2,771,795	2027
1 Davison Street	Maddington	WA	5.85%	$9,400,000	2032
Lot 800 Pinjarra Road (Cnr Watson Drive)	Mandurah	WA	7.85%	$3,115,649	2028
77 Bussell Highway	Margaret River	WA	6.17%	$5,160,780	2034
Main Street	Meekatharra	WA	9.26%	$3,150,000	2026
45 Great Northern Highway	Middle Swan	WA	6.11%	$7,810,874	2034
253 Walcott Street (Cnr Fitzgerald Street)	Mount Lawley	WA	5.75%	$6,730,000	2029

ADDRESS	SUBURB	STATE/ TERRITORY	CAP RATE	CARRYING VALUE	MAJOR TENANT LEASE EXPIRY
1-3 The Esplanade (Cnr Canning Highway)	Mount Pleasant	WA	5.85%	$2,540,374	2027
69 North Lake Road (Cnr Marmion Street)	Myaree	WA	6.01%	$3,830,000	2030
80 Carrington Street (Cnr Marmion Street)	Palmyra	WA	6.56%	$3,072,963	2028
Cnr Rocklea Road & Camp Road	Paraburdoo	WA	9.67%	$1,792,038	2026
Wilson Street	Port Hedland	WA	8.05%	$1,712,962	2026
3 Canning Highway	South Perth	WA	5.75%	$6,460,000	2033
Cnr Mine Road & Paraburdoo Tom Price Road	Tom Price	WA	9.14%	$2,380,947	2026
1333 Great Northern Highway	Upper Swan	WA	6.36%	$9,179,084	2034
66 Kent Street (Cnr Berwick Street)	Victoria Park East	WA	6.65%	$4,582,270	2030
337 Cambridge Street	Wembley	WA	6.11%	$5,271,347	2032
30 Thomas Street (Cnr Wellington Street)	West Perth	WA	4.77%	$5,782,543	2030
Champion Drive & Seville Drive	Westfield	WA	6.25%	$5,090,000	2030
Vahland Avenue & High Road	Willetton	WA	6.24%	$2,550,000	2028

Glossary

cps	Cents per security
Distributable Earnings	This is a non-IFRS measure, being net statutory profit adjusted to remove transaction costs and non-cash items, including straight-lining of rental income, amortisation of debt and establishment fees and any fair value adjustments to investment properties or derivatives
Distributable Earnings Per Security	Calculated as Distributable Earnings divided by the weighted average number of ordinary securities on issue during the period
Double Net lease	Agreement where the tenant is responsible for all outgoings except fair wear and tear, capital expenditure, the difference between single and multiple land tax and, in some cases, the landlord's property management fees (if any)
FY	Viva Energy REIT financial year, being year end 31 December
Gearing	Total liabilities to total tangible assets measured in accordance with Accounting Standards, but excluding any mark-to-market valuations of derivative assets/liabilities
Initial Listing	Viva Energy REIT initial listing date on the ASX, being 3 August 2016
Initial Portfolio	Portfolio outlined in the PDS.
Interest Cover Ratio or ICR	Earnings before interest, tax, depreciation and amortisation (excluding any asset revaluations, mark-to-market movements and transaction costs) divided by net interest expense
Liberty Oil	Liberty Oil Holdings Pty Limited (ABN 67 068 080 124)
Management Expense Ratio or MER	Management and corporate expenses as a percentage of Viva Energy REIT's total assets
Master Agreement	The agreement between Viva Energy Australia and Viva Energy REIT, as summarised in Section 13.2 of the PDS.
Metropolitan	Properties that are located within the Urban Boundary, which is sourced from the Australian Bureau of Statistics (ABS 2016 Significant Urban Area (SUA) boundary)
Net Interest Expense	Finance costs less finance income
NTA	Net tangible assets
PDS	Viva Energy REIT's Replacement Prospectus and Product Disclosure Statement dated 22 July 2016
Regional	All other properties not located within the Urban Boundary
Site Agreement	Means the leases, licences and options between Viva Energy Australia (as lessor, licensor and grantor respectively) and Coles Express (as lessee, licensee and grantee respectively) pursuant to which Coles Express occupies, and has certain rights to acquire, the properties in the Portfolio, as described in Section 13.10 of the PDS
Triple Net lease	Agreement where the tenant is responsible for all outgoings. In the case of Viva Energy REIT's leases to Viva Energy Australia, the landlord's property management fees (if any) are not paid by the tenant
Viva Energy Australia	Viva Energy Australia Pty Ltd (ABN 46 004 610 459) (a wholly owned subsidiary of Viva Energy Group Limited)
Viva Energy REIT or VVR	Viva Energy REIT is a stapled entity comprising one share in Viva Energy REIT Limited (ABN 35 612 986 517) and one unit in Viva Energy REIT Trust (ARSN 613 146 464)
WACR	Weighted average capitalisation rate, weighted by valuation
WALE	Weighted average lease expiry, weighted by rental income

Corporate Directory

Viva Energy REIT Limited
ACN 612 986 517

Viva Energy REIT Trust
ARSN 613 146 464

VER Limited
ABN 43 609 868 000 AFSL 483795
Responsible Entity

Registered office
Level 16, 720 Bourke Street
Docklands VIC 3008, Australia
Website: www.vivaenergyreit.com.au

Directors of Viva Energy REIT Limited
Laurence Brindle
Georgina Lynch
Stephen Newton
Lachlan Pfeiffer
Scott Wyatt

Directors of VER Limited
Laurence Brindle
Georgina Lynch
Stephen Newton
Lachlan Pfeiffer

Company Secretary
Tina Mitas

Auditor
PricewaterhouseCoopers
2 Riverside Quay
Southbank VIC 3006, Australia

Security registry
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235, Australia
Telephone: 1300 554 474

Investor enquiries and correspondence
VER Manager Pty Limited
Telephone: +61 3 8823 4863
Website: www.vivaenergyreit.com.au
Email: cameron.sinclair@vivaenergy.com.au

Stock exchange listing
Viva Energy REIT stapled securities are listed on Australian Securities Exchange (ASX) with the code VVR.

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