ASX Announcement – Australian Unity Office Fund

28 August 2025

Appendix 4E

Australian Unity Office Fund ('AOF')
Preliminary Final Report
for the year ended 30 June 2025 (unaudited)

Results for announcement to the market

1.0	**Reporting period**				
	Current reporting period	12 months to 30 June 2025			
	Prior reporting period	12 months to 30 June 2024			
2.0	**Results for announcement to the market**	**30 June 2025 $'000**	**30 June 2024 $'000**	**Movement $'000**	**Movement %**
2.1	Total revenues and other income (Note 1)	7,431	24,973	(17,452)	(70.2%)
2.2	Profit from ordinary activities after tax attributable to unitholders	(35,588)	(61,391)	25,803	42.0%
2.3	Net profit for the period attributable to unitholders	(35,588)	(61,391)	25,803	42.0%
2.3A	Directors assessment of Funds From Operations (Note 2)	1,096	16,808	(15,712)	(93.5%)
2.4	**Distributions**	**Amount per unit**		**Record date**	
	Distribution for 1 July 2024 to 30 September 2024	0.4 cents		30 September 2024	
	6 December 2024 special distribution	9.0 cents		22 November 2024	
	21 March 2025 special distribution	24.0 cents		7 March 2025	
	16 May 2025 special distribution	40.0 cents		30 April 2025	
2.5	Record date for determining entitlement to the distributions	Refer section 2.4			
2.6	Brief explanation of any figures in 2.1 to 2.4 necessary to enable the figures to be understood.	Refer to the Preliminary Final Report for the year ended 30 June 2025 attached to this Appendix 4E for further information.			
3-6	A statement of comprehensive income, statement of financial position, a statement of changes in equity and a statement of cash flows.	Refer to the Preliminary Final Report for the year ended 30 June 2025 attached to this Appendix 4E for further information.			

ASX Announcement – Australian Unity Office Fund

7	Details of individual and total distributions and distribution payments.	**Date Paid**	**Amount Per Unit**	**Foreign Sourced Income**
	Distribution for 1 July 2024 to 30 September 2024	25 October 2024	0.4 cents	n/a
	6 December 2024 special distribution	6 December 2024	9.0 cents	n/a
	21 March 2025 special distribution	21 March 2025	24.0 cents	n/a
	16 May 2025 special distribution	16 May 2025	40.0 cents	n/a
8	Details of any distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any distribution reinvestment plan.	The AOF Distribution Reinvestment Plan (DRP) was not active for the year-ended 30 June 2025.		
9	Net tangible assets per security	**30 June 2025** $0.44	**30 June 2024** $1.91	
10	Details of entities over which control has been gained or lost during the period, including the following.	None for year		
11	Details of associates and joint venture entities including the following.	Not applicable.		
12	Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.	Refer to the Preliminary Final Report for the year ended 30 June 2025 attached to this Appendix 4E for commentary on the results for the period.		
13	For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Financial Reporting Standards).	Not applicable		
14	A commentary on the results for the period.	Refer to the Preliminary Final Report for the year ended 30 June 2025 attached to this Appendix 4E for commentary on the results for the period.		
15	A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed	The Preliminary Final Report for the year ended 30 June 2025 is unaudited and does not contain an audit opinion.		

16	If the accounts have not yet been audited and are likely to contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph	Unlikely to contain a modified opinion, emphasis of matter or other matter
17	If the accounts have been audited and contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph.	Not applicable

Note (1): Total revenues and other income comprises rental income and interest income

Note (2): The Scheme uses the Property Council of Australia' definition of Funds From Operations (FFO) as a key determinant of the level of distributions to pay. FFO is a Property Council of Australia definition which adjusts statutory Australian Accounting Standards profit for non-cash changes in investment properties, non-cash impairment of goodwill, non-cash fair value adjustments to financial instruments, amortisation of incentives and leasing costs, rental straight-line adjustments and other unrealised or one-off items. When assessing FFO, Directors also add back rental abatement incentives to ensure consistency with the treatment of rent free incentives and fitout incentives.

This announcement is issued by Australian Unity Investment Real Estate Limited ABN 86 606 414 368 AFSL 477434 (AUIREL) as responsible entity of Australian Unity Office Fund. AUIREL is a wholly owned subsidiary of Australian Unity Limited ABN 23 087 648 888.

Australian Unity Office Fund

ARSN 113 369 627

Preliminary Final Report for the year ended 30 June 2025 (unaudited)

Australian Unity Office Fund

ARSN 113 369 627

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Operating and financial review

Principal activities
Australian Unity Office Fund ("the Scheme") is an ASX-listed Real Estate Investment Trust.

The Responsible Entity of the Scheme is Australian Unity Investment Real Estate Limited (ABN 86 606 414 368).

Investment objective and strategy
On 17 December 2024 unitholders approved the disposal of the Scheme’s main undertaking and subsequent delisting of the Scheme from the ASX. Following the approval of unitholders, the Responsible Entity has been proceeding with the disposal of the Scheme’s main undertaking and associated steps with respect to the cessation of its real estate investment business, including the sale (or completion of the sales) of the Scheme’s remaining properties and returning net proceeds of property sales to unitholders (after providing for current and future liabilities of the Scheme). Following the completion of this process, it will ultimately delist and wind up the Scheme.

The appointed Investment Manager of the Scheme's assets is Australian Unity Funds Management Limited (ABN 60 071 497 115), a related party of the Responsible Entity.

Australian Unity Property Management Pty Ltd (ABN 76 073 590 600), a related party of the Responsible Entity, has been appointed to provide a number of property related services to the Scheme.

Review of operations

Results
The Scheme incurred a statutory loss for the year ended 30 June 2025 of $35,588,000 (30 June 2024: $61,391,000) driven primarily by a net fair value decrement of investment properties of $30,943,000. The Scheme's Net Tangible Assets (NTA) per unit was $0.44 per unit at 30 June 2025 (30 June 2024: $1.39 per unit).

64 Northbourne Avenue, Canberra, ACT sale and settlement
On 21 August 2024, the Responsible Entity of the Scheme entered into a contract for the sale of 64 Northbourne Avenue, Canberra, ACT. Settlement of the asset for net proceeds of $21,200,000, excluding disposal costs, occurred on 15 November 2024. A special distribution of 9.0 cents per unit was paid to unitholders on 6 December 2024 from the net sale proceeds. Following settlement the Scheme's debt facility was terminated.

468 St Kilda Road, Melbourne, VIC sale and settlement
On 13 December 2024, the Responsible Entity of the Scheme entered into a contract to sell 468 St Kilda Road, Melbourne, VIC. Settlement of the asset for net proceeds of $41,500,000, excluding disposal costs, occurred on 28 February 2025. A special distribution of 24.0 cents per unit was paid to unitholders on 21 March 2025 from the net sale proceeds.

2-10 Valentine Avenue, Parramatta, NSW sale and settlement
On 11 July 2024, the Responsible Entity of the Scheme executed a contract to sell 2-10 Valentine Avenue, Parramatta, NSW. Settlement of the asset for net proceeds of $80,500,000, excluding disposal costs, occurred on 17 April 2025. A special distribution of 40.0 cents per unit was paid to unitholders on 16 May 2025 from the net sale proceeds.

Review of operations (continued)

150 Charlotte Street, Brisbane, QLD
On 18 April 2024 the Scheme entered into a contract of sale for 150 Charlotte Street, Brisbane, QLD for a net sale price of $61.5 million, with settlement to occur in April 2025. Following a request from the purchaser, on 22 April 2025 the Scheme announced it had agreed to defer settlement until August 2025. In reaching this agreement the net sale price was increased to $63.5 million.

On 14 July 2025, the Scheme announced that the purchaser had provided it with an indicative alternate proposal that would allow settlement to occur at the current contracted net sale price of $63.5 million, however settlement would be structured such that 50% of the proceeds would be received immediately at settlement and 50% of the proceeds would be deferred for up to 2 years. The Scheme sought urgent confirmation from the purchaser that, notwithstanding the indicative alternate proposal, the purchaser would be in position to settle the sale of 150 Charlotte Street, Brisbane QLD in accordance with the existing terms and conditions, including full payment of the net sale price. No confirmation was received, with uncertainty continuing as to whether the sale of 150 Charlotte Street, Brisbane QLD would settle in accordance with the existing sale terms.

Settlement was due to occur by 4.00 pm on 22 August 2025. However, the purchaser has defaulted in relation to its payment obligations and failed to complete settlement by that time. A notice of default was subsequently issued to the purchaser. Under the terms of the contract, the purchaser has to remedy its default by 8 September 2025, failing which the contract may be terminated by the Scheme. In the event of termination for default, the $4.8 million cash deposit currently held by the Scheme will be retained by the Scheme.

On 24 August 2025, the Scheme received a revised offer from the purchaser to acquire 150 Charlotte Street, Brisbane QLD for $54.5 million (inclusive of the $4.8 million deposit currently held by the Scheme), with settlement in March 2026. The revised offer is being considered by the Scheme and is subject to contract.

Financial result
The following table summarises the loss for the year ended 30 June 2025 and provides a comparison to the loss for the year ended 30 June 2024.

$'000	**2025**	**2024**
Rental income *	8,387	27,166
Property expenses	(6,405)	(7,434)
Straight lining of rental income and amortisation of leasing commissions and tenant incentives	(1,802)	(2,391)
Net property income	**180**	**17,341**
Interest income	846	198
Net gain on financial instruments held at fair value through profit and loss	-	82
Other income	500	-
Net fair value loss on investment properties	(30,943)	(73,636)
Disposal costs**	(3,653)	(900)
Management fees	(1,126)	(1,816)
Borrowing and other related costs	(67)	(1,032)
Other expenses	(1,325)	(1,628)
Loss for the year	**(35,588)**	**(61,391)**

* Rental income excludes the impact of straight lining of rental income and amortisation of leasing commissions and amortisation of tenant incentives.

**Disposal costs for the year ended 30 June 2025 relate to costs incurred in the disposal of 64 Northbourne Avenue, Canberra, ACT, 468 St Kilda Road, Melbourne, VIC, 2 - 10 Valentine Avenue, Parramatta, NSW and 150 Charlotte St, Brisbane, QLD. Disposal costs for the year ended 30 June 2024 relate to costs incurred in the disposal of 96 York Street, Beenleigh, QLD.

The following table summarises the Scheme's financial position as at 30 June 2025 and provides a comparison to 30 June 2024.

Financial result (continued)

$'000	**2025**	**2024**
Assets		
Investment properties	52,500	62,000
Properties held for sale	-	163,200
Total assets	78,507	252,971
Net assets	72,987	229,232
Number of units on issue	164,383	164,383

At 30 June 2025, the Scheme's net assets attributable to unitholders per unit was $0.44 (2024: $1.39).

Funds From Operations
The Scheme uses the Property Council of Australia's definition of Funds From Operations (FFO) as a key determinant of the level of distributions to pay.

FFO adjusts statutory Australian Accounting Standards profit for non-cash changes in investment properties, non-cash impairment of goodwill, non-cash fair value adjustments to financial instruments, amortisation of incentives and leasing costs, rental straight-line adjustments and other unrealised or one-off items.

When assessing FFO, Directors also add back rental abatement incentives to ensure consistency with the treatment of rent free incentives and fitout incentives.

Directors also add back disposal costs as these costs are one off in nature and not part of the underlying and recurring earnings of the Scheme.

A reconciliation of the statutory result to FFO and distributions is set out below for the year ended 30 June 2025 and 30 June 2024.

$'000	**2025**	**2024**
Loss for the year	(35,588)	(61,391)
Adjusted for:		
Straight lining of rental income and amortisation of leasing commissions and tenant incentives	1,802	2,391
Net gain on financial instruments held at fair value through profit and loss	-	(82)
Other income	(500)	-
Net fair value loss on investment properties	30,943	73,636
Disposal costs	3,653	900
Amortisation of borrowing costs	-	141
Rental abatement incentives	786	1,213
Directors' assessment of Funds from Operations	**1,096**	**16,808**
Ordinary distributions declared	**658**	**13,136**
Special distributions declared	**119,999**	**9,863**

Cents per unit	**2025**	**2024**
Directors' assessment of Funds from Operations	**0.7**	10.2
Ordinary distributions declared	**0.4**	8.0
Special distributions declared	**73.0**	6.0

Distributions to unitholders
The distributions for the year were as follows:

	2025 $'000	2025 CPU	2024 $'000	2024 CPU
30 September ordinary distribution	**658**	**0.40**	2,137	1.30
06 December special distribution	**14,794**	**9.00**	-	-
31 December ordinary distribution	**-**	**-**	2,466	1.50
21 March special distribution	**39,452**	**24.00**	-	-
31 March ordinary distribution	**-**	**-**	2,451	1.50
16 May special distribution	**65,753**	**40.00**	-	-
30 June ordinary distribution	**-**	**-**	6,082	3.70
30 June special distribution	**-**	**-**	9,863	6.00
	120,657	**73.40**	22,999	14.00

Property portfolio
At 30 June 2025, the Scheme owned only one investment property, being 150 Charlotte Street, Brisbane, QLD. (2024: four properties).

Valuations
The Scheme obtained a 30 June 2025 independent valuation of 150 Charlotte Street. The independent valuation was $52.5 million.

Capital management
Following settlement of the sale of 64 Northbourne Avenue, Canberra, ACT on 15 November 2024, the Scheme terminated its debt facility.

The Scheme had no borrowings at 30 June 2025 (30 June 2024 $nil).

Outlook and guidance
As noted in the Operating and financial review section above, following the unitholder meeting on 17 December 2024 which approved the disposal of the Scheme’s main undertaking and subsequent delisting of the Scheme from the ASX, the Responsible Entity has been proceeding with the disposal of the Scheme’s main undertaking and associated steps with respect to the cessation of its real estate investment business, including the sale (or completion of the sales) of the Scheme’s remaining properties and returning net proceeds of property sales to unitholders (after providing for current and future liabilities of the Scheme). Following the completion of this process, it will ultimately delist and wind up the Scheme.

The Scheme is currently considering the revised offer from the purchaser to acquire 150 Charlotte Street, Brisbane QLD for $54.5 million.

At this time the Scheme is not providing distribution guidance due to the uncertainty surrounding the disposal of 150 Charlotte Street, Brisbane, QLD.

Risk considerations
Financial risks
The Scheme's primary source of income is generated through the leasing arrangements it has with tenants across the portfolio.

Events occurring after the end of the financial year

On 18 April 2024 the Scheme entered into a contract of sale for 150 Charlotte Street, Brisbane, QLD for a net sale price of $61.5 million, with settlement to occur in April 2025. Following a request from the purchaser, on 22 April 2025 the Scheme announced it had agreed to defer settlement until August 2025. In reaching this agreement the net sale price was increased to $63.5 million.

On 14 July 2025, the Scheme announced that the purchaser had provided it with an indicative alternate proposal that would allow settlement to occur at the current contracted net sale price of $63.5 million, however settlement would be structured such that 50% of the proceeds would be received immediately at settlement and 50% of the proceeds would be deferred for up to 2 years. The Scheme sought urgent confirmation from the purchaser that, notwithstanding the indicative alternate proposal, the purchaser would be in position to settle the sale of 150 Charlotte Street, Brisbane QLD in accordance with the existing terms and conditions, including full payment of the net sale price. No confirmation was received, with uncertainty continuing as to whether the sale of 150 Charlotte Street, Brisbane QLD would settle in accordance with the existing sale terms.

Settlement was due to occur by 4.00 pm on 22 August 2025. However, the purchaser has defaulted in relation to its payment obligations and failed to complete settlement by that time. A notice of default was subsequently issued to the purchaser. Under the terms of the contract, the purchaser has to remedy its default by 8 September 2025, failing which the contract may be terminated by the Scheme. In the event of termination for default, the $4.8 million cash deposit currently held by the Scheme will be retained by the Scheme.

On 24 August 2025, the Scheme received a revised offer from the purchaser to acquire 150 Charlotte Street, Brisbane QLD for $54.5 million (inclusive of the $4.8 million deposit currently held by the Scheme), with settlement in March 2026. The revised offer is being considered by the Scheme and is subject to contract.

Other than the above, no other matters or circumstances have arisen since 30 June 2025 that have significantly affected, or may significantly affect the operations of the Scheme, the result of operations, or the state of the Scheme's affairs in the future years.

Significant changes in the state of affairs

In the opinion of the directors of the Responsible Entity, there were no significant changes in the state of affairs of the Scheme that occurred during the year, except those mentioned elsewhere in the report.

Environmental regulation

The property operations of the Scheme are subject to environmental regulations under Australian law. There have been no known reportable breaches of these regulations.

Fees paid to and interests held in the Scheme by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Scheme property during the year are disclosed in note 17 to the Preliminary Final Report.

No directors' fees were paid out of the assets of the Scheme to the directors of the Responsible Entity, except for independent directors who receive their fees from the Scheme. Directors' fees paid during the year were $275,000 (2024: $275,000).

The number of interests in the Scheme held by the Responsible Entity or its associates as at the end of the year are disclosed in note 17 of the Preliminary Final Report.

The number of units held by directors of the Responsible Entity in the Scheme are:

Director	**Units at 30 June 2025**
W Peter Day	58,000

At the date of this report, none of the other current directors of the Responsible Entity hold any units in the Scheme.

Units in the Scheme
The movement in units on issue in the Scheme during the year and the number of units on issue at 30 June 2025 is disclosed in note 8 of the Preliminary Final Report.

The value of the Scheme's assets and liabilities are disclosed in the consolidated statement of financial position and derived using the basis set out in note 2 to the Preliminary Final Report.

Rounding of amounts
The Scheme is an entity of a kind referred to in *ASIC Corporations Instrument 2016/191* issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the Operating and financial review. Amounts in the Operating and financial review and financial statements have been rounded to the nearest thousand dollars.

Audit
The Preliminary Final Report has been prepared in accordance with ASX Listing Rule 4.3A and has been derived from the unaudited Annual Financial Report. In accordance with the *Corporations Act 2001*, the Preliminary Final Report is unaudited and contains disclosures which are extracted or derived from the Annual Financial Report for the year ended 30 June 2025. The Annual Financial Report is being audited and is expected to be made available in September 2025.

Consolidated statement of comprehensive income

	Notes	2025 $'000	2024 $'000
Income			
Rental income	3	**6,585**	24,775
Property expenses	4	**(6,405)**	(7,434)
Net property income		**180**	17,341
Interest income		**846**	198
Net gain on financial instruments held at fair value through profit or loss		**-**	82
Net loss on fair value of investment properties	12, 13(b)	**(30,943)**	(73,636)
Other income		**500**	-
Total loss net of property expenses		**(29,417)**	(56,015)
Expenses			
Management fees	17	**1,126**	1,816
Borrowings costs and other related costs	5	**67**	1,032
Disposal costs		**3,653**	900
Other expenses	6	**1,325**	1,628
Total expenses, excluding property expenses		**6,171**	5,376
Loss for the year		**(35,588)**	(61,391)
Other comprehensive income		**-**	-
Total comprehensive loss attributable to unitholders		**(35,588)**	(61,391)
Basic and diluted earnings per unit attributable to unitholders (cents per unit)	9	**(21.65)**	(37.35)

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

Consolidated statement of financial position

	Notes	**2025** **$'000**	2024 $'000
Assets			
Cash and cash equivalents	10	**25,962**	25,201
Receivables	11	**18**	1,262
Other assets		**27**	1,308
Properties held for sale	12	**-**	163,200
Investment property	13	**52,500**	62,000
Total assets		**78,507**	252,971
Liabilities			
Distributions payable	8	**-**	15,945
Payables	14	**5,520**	7,794
Total liabilities		**5,520**	23,739
Net assets attributable to unitholders - equity	7	**72,987**	229,232

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

	2025 $'000	2024 $'000
Balance at the beginning of the year	**229,232**	313,622
Comprehensive loss for the year		
Loss for the year	**(35,588)**	(61,391)
Total comprehensive loss attributable to unitholders	**(35,588)**	(61,391)
Transactions with unitholders		
Distributions paid and payable	**(120,657)**	(22,999)
Total transactions with unitholders	**(120,657)**	(22,999)
Balance at the end of the year	**72,987**	229,232

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

Consolidated statement of cash flows

	Notes	2025 $'000	2024 $'000
Cash flows from operating activities			
Rental income received		**10,118**	26,321
Payments to suppliers		**(9,712)**	(7,338)
Interest received		**846**	198
Net cash inflow from operating activities	18	**1,252**	19,181
Cash flows from investing activities			
Payments for additions to investment properties		**(6,595)**	(20,527)
Gross proceeds from sale of investment properties		**146,550**	29,700
Disposal costs paid from sale of investment properties		**(3,777)**	(273)
Net cash inflow from investing activities		**136,178**	8,900
Cash flows from financing activities			
Proceeds from borrowings		**-**	10,000
Repayment of borrowings		**-**	(10,000)
Borrowings costs and other related costs paid		**(67)**	(1,032)
Distributions paid		**(136,602)**	(48,150)
Proceeds from terminating interest rate swaps		**-**	2,438
Net cash outflow from financing activities		**(136,669)**	(46,744)
Net increase/(decrease) in cash and cash equivalents		**761**	(18,663)
Cash and cash equivalents at the beginning of the year		**25,201**	43,864
Cash and cash equivalents at the end of the year	10	**25,962**	25,201

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

Notes to the Preliminary Final Report

1 General information

The Preliminary Final Report covers Australian Unity Office Fund ("the Scheme") and its subsidiaries (the consolidated entity). The Scheme was constituted on 23 March 2005. On 17 December 2024 unitholders approved the disposal of the Scheme's main undertaking and subsequent delisting of the Scheme from ASX.

The Responsible Entity of the Scheme is Australian Unity Investment Real Estate Limited ("AUIREL") (ABN 86 606 414 368), a wholly owned subsidiary of Australian Unity Limited (ABN 23 087 648 888). The Responsible Entity's registered office is Level 15, 271 Spring Street, Melbourne, VIC 3000.

The Responsible Entity is incorporated and domiciled in Australia.

The Preliminary Final Report is for the year 1 July 2024 to 30 June 2025.

The Preliminary Final Report was authorised for issue by the directors of the Responsible Entity on 27 August 2025. The directors of the Responsible Entity have the power to amend and reissue the Preliminary Final Report.

The Scheme's investment manager is Australian Unity Funds Management Limited (ABN 60 071 497 115) ("the Investment Manager"), a related party of the Responsible Entity.

The Scheme's property manager is Australian Unity Property Management Pty Ltd (ABN 76 073 590 600), a related party of the Responsible Entity.

The Scheme controlled Australian Unity Holding Trust, which was constituted on 31 May 2005, for the entirety of the year.

2 Summary of material accounting policies

The principal accounting policies applied in the preparation of this Preliminary Final Report are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

This general purpose Preliminary Final Report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

The Scheme is a for-profit entity for the purposes of preparing the Preliminary Final Report.

The Preliminary Final Report is prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The Annual Financial Report is in the process of being audited. This Preliminary Final Report should also be read in conjunction with any public announcements made by the Scheme during the year in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001* and ASX Listing Rules.

The consolidated statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within 12 months.

(i) Compliance with Australian Accounting Standards and International Financial Reporting Standards

The Preliminary Final Report of the Scheme complies with Australian Accounting Standards as issued by AASB and also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Preliminary Final Report of the Scheme has been prepared on a consolidated basis to provide the end users of the financial information with the most appropriate information in making financial decisions.

(ii) New accounting standards, amendments and interpretations not yet adopted

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 30 June 2025 reporting period and have not yet been applied in the financial statements. None of these are expected to have a material effect on the financial statements of the Scheme.

2 Summary of material accounting policies (continued)

(a) Basis of preparation (continued)

(iii) Going concern

On 17 December 2024 unitholders approved the disposal of the Scheme's main undertaking and subsequent delisting of the Scheme from the ASX. The Responsible Entity has been proceeding with the disposal of the Scheme's main undertaking and associated steps with respect to the cessation of its real estate investment business, including the sale (or completion of the sales) of the Scheme's remaining properties and returning net proceeds of property sales to unitholders (after providing for current and future liabilities of the Scheme). Following the completion of the process, it will ultimately delist and wind up the Scheme. As a result, this Preliminary Final Report has been prepared on a basis other than going concern.

Following settlement of the final property sale and return of sale proceeds to unitholders, the Responsible Entity intends to formally apply to the ASX to delist the Scheme. Once the Scheme is delisted, the process of winding up will commence.

In preparing the Preliminary Final Report on a basis other than going concern, the Scheme has continued to apply the requirements of Australian Accounting Standards and the *Corporations Act 2001*. The use of a basis of preparation other than going concern has resulted in no impact on classification and measurement of the assets or liabilities of the Scheme, when compared to the classification and measurement of assets on a going concern basis.

(b) Principles of consolidation

(i) Subsidiaries

The Preliminary Final Report incorporate the assets and liabilities of all subsidiaries controlled by the Scheme as at 30 June 2025 and their results for the year then ended. The Scheme and its subsidiaries together are referred to in this Preliminary Final Report as the consolidated entity.

Subsidiaries are all entities over which the Scheme is exposed, or has rights, to variable returns from its involvement with the subsidiary and the ability to affect those returns through its powers over the subsidiaries.

Consolidation of subsidiaries begins from the date the Scheme obtains control of the subsidiary and ceases when the Scheme loses control of the subsidiary.

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

All transactions (including gains and losses) and balances between entities in the consolidated group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Scheme.

Investments in subsidiaries are accounted for at fair value through profit or loss in the individual financial statements of the parent entity.

(c) Investment properties

Initially, investment properties are measured at the cost of acquisition, being the purchase consideration determined at the date of acquisition plus costs incidental to the acquisition. Costs incidental to acquisition may include legal fees, stamp duty and other government charges, professional fees preceding acquisition and where applicable financing charges incurred during the construction or development of an asset.

Subsequent to initial recognition, investment properties are stated at fair value being the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

Redevelopment and refurbishment costs (other than repairs and maintenance) are capitalised to carrying value of the investment property where they result in an enhancement in the future economic benefits of the property. Leasing fees incurred and incentives provided (excluding rental abatements which are expensed) are capitalised and amortised over the lease periods to which they relate.

2 Summary of material accounting policies (continued)

(c) Investment properties (continued)
In accordance with the investment property valuations policy approved by the board of the Responsible Entity, independent valuations of investment properties are obtained from suitably qualified valuers generally at least once in every 18 months if the property is in a construction phase; otherwise at least once in any 12 month period from the date of the last valuation; or in exceptional circumstances at least once in a financial year or calendar year as determined necessary; or as soon as practicable, but not later than within two months after the directors of the Responsible Entity form a view that there is reason to believe that the fair value of the investment property is materially different from its current carrying value. Such valuations are reflected in note 13. Notwithstanding, the directors of the Responsible Entity determine the carrying value of each investment property at each reporting date to ensure that its carrying value does not materially differ from its fair value. Where the carrying value differs from fair value, that asset is adjusted to its fair value.

Where assets have been revalued, the potential effect of the capital gains tax on disposal has not been taken into account in the determination of the revalued carrying amount because the Scheme does not expect to be ultimately liable for capital gains tax in respect of the assets.

Gains or losses arising from changes in the fair value of investment properties are included in the consolidated statement of comprehensive income in the year in which they arise.

Investment properties are classified as held for sale if it is highly probable that they will be recovered through sale rather than continuing use. Investment properties that are held for sale continue to be measured at fair value

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognition of an investment property are recognised in the consolidated statement of comprehensive income in the year of derecognition.

(d) Financial instruments

(i) Classification
The Scheme classifies its investments based on the Scheme's business model for managing those financial instruments and the contractual cash flow characteristics of the financial instruments. The Scheme classifies its financial instruments into the following measurement categories:

- *Financial assets and liabilities*

Financial assets and liabilities designated at fair value through profit or loss are those that are managed and their performance evaluated on a fair value basis in accordance with the consolidated entity's and the Scheme's documented investment strategy. The consolidated entity's and the Scheme'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.

The Scheme did not hold any financial instruments during the year ended 30 June 2025 and 30 June 2024.

(e) Cash and cash equivalents
For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts, if any, are shown within borrowings in the consolidated statement of financial position.

(f) Interest income
Interest income is recognised in the consolidated statement of comprehensive income for all financial instruments using the effective interest method. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(d).

Net gains or losses on financial assets and liabilities held at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at the end of the year and the fair value at the previous valuation point. Net gains or losses do not include interest or dividend/distribution income. Realised and unrealised gains losses are shown in the notes to the Preliminary Final Report.

2 Summary of material accounting policies (continued)

(g) Expenses
All expenses, including property expenses, management fees and custodian fees, are recognised in the consolidated statement of comprehensive income on an accruals basis.

(h) Income tax
Under current legislation, the Scheme is not subject to income tax provided it attributes the entirety of its taxable income to its unitholders.

(i) Distributions
In accordance with the Scheme's Constitution, the Scheme distributes income adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. Distributions are recognised in the consolidated statement of changes in equity as transaction with unitholders.

(j) Receivables
Receivables may include amounts for interest, rental income arrears and securities sold where settlement has not yet occurred. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(f) above. Amounts are generally received within 30 days of being recorded as receivables.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for expected credit losses. Trade receivables are required to be settled within 30 days and are assessed on an ongoing basis for impairment. Receivables which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for expected credit losses is recognised for expected credit losses on trade and other receivables. The provision for expected credit losses is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted as the effect of discounting is immaterial.

The calculation of expected credit losses relating to rent and other receivables requires significant judgement to assess the future uncertainty of tenants’ ability to pay their debts. Expected credit losses have been estimated with reference to the Scheme's historical credit loss experience, general economic conditions and forecasts, assumptions around rent relief that may be provided to tenants and tenant risk factors such as size, industry exposure and the Scheme's understanding of the ability of tenants to pay their debts. Accordingly, expected credit losses include both the part of the rent receivable that is likely to be waived and any additional amount relating to credit risk associated with the financial condition of the tenant.

(k) Payables
Payables include liabilities and accrued expenses owed by the Scheme which are unpaid as at the end of the reporting period. These payables, which are generally settled on 30 to 90 day terms, are unsecured and are carried at amortised cost.

The distribution amount payable to unitholders as at the end of each reporting period is recognised separately in the consolidated statement of financial position when unitholders are presently entitled to the distributable income under the Scheme's Constitution.

Liabilities for trade creditors are carried at original invoice amount which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Scheme.

Liabilities for deposits received under the terms of a contract of sale for a property are carried at the nominal amount until such time as settlement occurs.

Payables to related parties are recognised and carried at the nominal amount due. They are carried at the nominal amount due to the short term nature of the payable.

(l) Applications
Units issued through the ASX are recognised at the fair value of the consideration received. Transaction costs arising from the issue of units are recognised directly as a reduction of the proceeds received.

2 Summary of material accounting policies (continued)

(m) Goods and Services Tax (GST)
The consolidated statement of comprehensive income is shown exclusive of GST, unless the GST incurred (or part thereof) on expenses that are not recoverable. Expenses of various services provided to the Scheme by third parties, such as custodial services and investment management fees, may have non-recoverable GST components, as applicable. In these cases, the non-recoverable GST component is recognised as part of the particular expense in the consolidated statement of comprehensive income.

Accounts payable and receivable are stated inclusive of the GST receivable and payable, respectively. The net amount of GST recoverable, or payable, is included in receivables or payables in the consolidated statement of financial position.

Cash flows relating to GST are included in the consolidated statement of cash flows on a gross basis.

(n) Revenue
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Rental income
Rental income is recognised on a straight-line basis over the lease term for leases with fixed rent review clauses.The rental adjustments from straight-lining of rental income are disclosed in the Preliminary Final Report for financial reporting presentation purposes only.

Contingent rentals, such as market rent adjustments, are recognised as income in the financial reporting period in which they are earned.

Incidental income (costs) derived from an investment property undergoing construction or development but not directly related to bringing the assets to the working condition, are recognised in profit for the reporting period.

Rent not received at the end of the reporting period is reflected in the consolidated statement of financial position as a receivable or if paid in advance, as a liability.

Outgoings income
Outgoing income is recognised in the consolidated statement of comprehensive income on an accruals basis.

Within its lease arrangements, the Scheme provides certain services to tenants (such as utilities, cleaning, maintenance and certain parking arrangements) which are accounted for within AASB 15 *Revenue from Contracts with Customers*. A portion of the consideration within the lease arrangements is therefore allocated to revenue for the provision of these services.

Other property income
Other property income represents make good payments received from tenants in lieu of the tenant making good under the terms of the underlying lease agreements. Other property income is recognised at the point in time once agreed with the tenant and invoiced.

(o) Leases

Leasing costs
Lease costs are costs that are directly associated with negotiating and arranging an operating lease (including commissions, legal fees and costs of preparing and processing documentation for new leases). These costs, if material, are capitalised and are amortised on a straight-line basis over the term of the lease as property expenses. The carrying amount of the leasing cost is reflected in the carrying value of investment properties.

Lease incentives
Prospective tenants may be offered incentives as an inducement to enter into operating leases. The costs of incentives are recognised as a reduction of rental revenue on a straight-line basis from the lease commencement date to the end of the lease term. The outstanding amount of the lease incentives is reflected in the fair value of investment properties.

2 Summary of material accounting policies (continued)

(p) Use of judgements and estimates
The preparation of the Scheme's Preliminary Final Report requires it to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. However, 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.

Critical judgements are made by the Scheme in respect of the fair values of investment properties. These investments are reviewed regularly by reference to external independent property valuations and market conditions, using generally accepted market practices.

The key valuation inputs used in the latest valuations have been disclosed in note 16(c).

(q) Rounding of amounts
The consolidated entity and the Scheme is an entity of the kind referred to in ASIC *Corporations Instrument 2016/191* issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the Preliminary Final Report. Amounts in the Preliminary Final Report have been rounded off to the nearest thousand dollars.

(r) Functional and presentation currency
Items included in the financial statements of each of the Scheme's operations are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The Preliminary Final Report is presented in Australian dollars, which is the Scheme's functional and presentation currency.

(s) Segment reporting
The Scheme operates in one business segment being investment in real estate, and in one geographic segment being Australia. The Scheme's segments are based on the Scheme's operating activities being investing into real property.

The Scheme derives its income from investment in properties located in Australia and is deemed to have one operating segment which is consistent with the reporting reviewed by the chief operating decision makers, being the directors of the Responsible Entity.

The directors consider net assets attributable to unitholders (NTA) per unit, distributions per unit and the directors assessment of Property Council of Australia’s definition of Funds from Operations (FFO) per unit to be key measures that reflect the underlying performance of the Scheme. A reconciliation of assets and liabilities to NTA per unit and the Scheme's net loss to FFO per unit for the period are tabled below:

$'000	2025	2024
Total assets	78,507	252,971
Total liabilities	5,520	23,739
Net assets attributable to unitholders (NTA)	72,987	229,232
Units on issue ('000)	164,383	164,383
NTA per unit ($)	0.44	1.39

2 Summary of material accounting policies (continued)

(s) Segment reporting (continued)

$'000	2025	2024
Loss for the year	(35,588)	(61,391)
Adjusted for:		
Straight lining of rental income and amortisation of leasing commissions and tenant incentives	1,802	2,391
Net gain on financial instruments held at fair value through profit and loss	-	(82)
Other income	(500)	
Net fair value loss on investment properties	30,943	73,636
Disposal costs	3,653	900
Amortisation of borrowing costs	-	141
Rental abatement incentives	786	1,213
Directors' assessment of Funds from Operations	**1,096**	**16,808**
Ordinary distributions declared	**658**	**13,136**
Special distributions declared	**119,999**	**9,863**

Cents per unit	2025	2024
Directors' assessment of Funds from Operations	**0.7**	10.2
Ordinary distributions declared	**0.4**	8.0
Special distributions declared	**73.0**	6.0

3 Rental income

	2025 $'000	2024 $'000
Rental income	**5,129**	18,258
Outgoings income	**1,785**	2,901
Other property income	**240**	4,724
Amortisation of lease commissions & lease incentives	**(569)**	(1,108)
Total rental income	**6,585**	24,775

Rental income was decreased by an adjustment for the straight lining of rental income of $1,233,450 (2024: $1,282,696). Other property income relates to makegood payments received from tenants during the year.

4 Property expenses

	2025 $'000	2024 $'000
Recoverable outgoings	**5,537**	6,625
Non recoverable outgoings	**695**	934
Reversal of expected credit losses / (expected credit losses)	**173**	(244)
Bad debt written off	**-**	119
Total property expenses	**6,405**	7,434

5 Borrowing costs and other related costs

	2025 $'000	2024 $'000
Borrowing costs	**67**	1,032
Total borrowings and other related costs	**67**	1,032

Other related costs include costs incurred, or income received, in connection with interest rate swaps. Borrowing costs and other related costs are expensed as incurred.

6 Other expenses

	2025 $'000	2024 $'000
Directors fees	**275**	275
Administration	**361**	452
Sundry	**689**	901
Total other expenses	**1,325**	1,628

7 Net assets attributable to unitholders

As stipulated within the Scheme's Constitution, each unit represents a right to an individual unit in the Scheme and does not extend to a right to the underlying assets of the Scheme.

Movements in the number of units and net assets attributable to unitholders during the year were as follows:

	Movements in no. of units		Movements in net assets	
Contributed equity	**2025 '000**	2024 '000	**2025 $'000**	2024 $'000
Opening balances	**164,383**	164,383	**374,067**	374,067
Closing balance	**164,383**	164,383	**374,067**	374,067
Undistributed income				
Opening balance			**(144,835)**	(60,445)
Decrease in net assets attributable to unitholders			**(156,245)**	(84,390)
Closing balance			**(301,080)**	(144,835)
Total net assets attributable to unitholders			**72,987**	229,232

8 Distributions to unitholders

The distributions for the year were as follows:

	2025 $'000	**2025 CPU**	2024 $'000	2024 CPU
30 September ordinary distribution	**658**	**0.40**	2,137	1.30
06 December special distribution	**14,794**	**9.00**	-	0.00
31 December ordinary distribution	**-**	**-**	2,466	1.50
21 March special distribution	**39,452**	**24.00**	-	0.00
31 March ordinary distribution	**-**	**-**	2,451	1.50
16 May special distribution	**65,753**	**40.00**	-	0.00
30 June ordinary distribution	**-**	**-**	6,082	3.70
30 June special distribution	**-**	**-**	9,863	6.00
	120,657	**73.40**	22,999	14.00

9 Earnings per unit

The earnings and weighted average number of units used in the calculation of basic and diluted earnings per unit are as follows:

	2025	2024
Loss attributable to unitholders ($'000)	**(35,588)**	(61,391)
Weighted average number of units used as the denominator in calculating basic and diluted earnings per unit ('000)	**164,383**	164,383
Basic and diluted earnings per unit attributable to unitholders (cents per unit)	**(21.65)**	(37.35)

10 Cash and cash equivalents

	2025 $'000	2024 $'000
Cash at bank	**25,962**	25,201
	25,962	25,201

11 Receivables

	2025 $'000	2024 $'000
Trade receivables	**259**	1,077
GST receivables	**18**	285
Expected credit losses	**(259)**	(100)
	18	1,262

12 Properties held for sale

	Type	Ownership	Acquisition date	Carrying value 2025	2024
		(%)		$'000	$'000
2-10 Valentine Ave, Parramatta, NSW	Office/ Freehold	100%	07/12/2007	**Sold**	80,500
150 Charlotte Street, Brisbane, QLD	Office/ Freehold	100%	20/10/2017	**Reclassified to investment property**	61,500
64 Northbourne Avenue, Canberra, ACT	Office/ Freehold	100%	01/06/2005	**Sold**	21,200
Total				-	163,200

	2025 $'000	2024 $'000
Opening balance	**163,200**	-
Additions	**3,483**	-
Revaluation movements	**(9,717)**	-
Lease commissions and incentives amortisation	**(98)**	-
Straight-lining of rental income	**(368)**	-
Reclassified from investment properties	**-**	163,200
Disposals	**(104,000)**	-
Reclassified to investment properties	**(52,500)**	-
Closing balance	**-**	163,200

150 Charlotte Street, Brisbane, QLD
On 18 April 2024 the Scheme entered into a contract of sale for 150 Charlotte Street, Brisbane, QLD for a net sale price of $61.5 million, with settlement to occur in April 2025. Following a request from the purchaser, on 22 April 2025 the Scheme announced it had agreed to defer settlement until August 2025. In reaching this agreement the net sale price was increased to $63.5 million.

On 14 July 2025, the Scheme announced that the purchaser had provided it with an indicative alternate proposal that would allow settlement to occur at the current contracted net sale price of $63.5 million, however settlement would be structured such that 50% of the proceeds would be received immediately at settlement and 50% of the proceeds would be deferred for up to 2 years. The Scheme sought urgent confirmation from the purchaser that, notwithstanding the indicative alternate proposal, the purchaser would be in position to settle the sale of 150 Charlotte Street, Brisbane QLD in accordance with the existing terms and conditions, including full payment of the net sale price. No confirmation was received, with uncertainty continuing as to whether the sale of 150 Charlotte Street, Brisbane QLD would settle in accordance with the existing sale terms.

Settlement was due to occur by 4.00 pm on 22 August 2025. However, the purchaser has defaulted in relation to its payment obligations and failed to complete settlement by that time. A notice of default was subsequently issued to the purchaser. Under the terms of the contract, the purchaser has to remedy its default by 8 September 2025, failing which the contract may be terminated by the Scheme. In the event of termination for default, the $4.8 million cash deposit currently held by the Scheme will be retained by the Scheme.

On 24 August 2025, the Scheme received a revised offer from the purchaser to acquire 150 Charlotte Street, Brisbane QLD for $54.5 million (inclusive of the $4.8 million deposit currently held by the Scheme), with settlement in March 2026. The revised offer is being considered by the Scheme and is subject to contract.

Given the uncertainty regarding settlement, the property no longer meets the criteria of being property held for sale and it has been reclassified to investment property.

12 Properties held for sale (continued)

64 Northbourne Avenue, Canberra, ACT sale and settlement
On 21 August 2024, the Responsible Entity of the Scheme entered into a contract for the sale of 64 Northbourne Avenue, Canberra, ACT. Settlement of the asset for net proceeds of $21,200,000, excluding disposal costs, occurred on 15 November 2024. A special distribution of 9.0 cents per unit was paid to unitholders on 6 December 2024 from the net sale proceeds. Following settlement the Scheme's debt facility was terminated.

2-10 Valentine Ave, Parramatta, NSW sale and settlement
On 11 July 2024, the Responsible Entity of the Scheme executed a contract to sell 2-10 Valentine Ave, Parramatta, NSW. Settlement of the asset for net proceeds of $80,500,000, excluding disposal costs, occurred on 17 April 2025. A special distribution of 40.0 cents per unit was paid to unitholders on 22 April 2025 from the net sale proceeds.

13 Investment property

(a) Property details

	Type	Ownership	Acquisition date	Carrying value 2025	2024
		(%)		$'000	$'000
150 Charlotte Street, Brisbane, QLD	Office/ Freehold	100%	20/10/2017	**52,500**	-
468 St Kilda Rd, Melbourne, VIC	Office/ Freehold	100%	03/07/2007	**Sold**	62,000
Total				**52,500**	62,000

468 St Kilda Road sale and settlement
On 13 December 2024, the Responsible Entity of the Scheme entered into a contract to sell 468 St Kilda Road, Melbourne, VIC. Settlement of the asset for net proceeds of $41,500,000, excluding disposal costs, occurred on 28 February 2025. A special distribution of 24.0 cents per unit was paid to unitholders on 21 March 2025 from the net sale proceeds.

The investment properties valuation policy is included in note 16.

(b) Movements in carrying amount

Reconciliations of the carrying amounts of investment properties are set out below:

	2025	2024
	$'000	$'000
Opening balance	**62,000**	310,400
Additions	**3,112**	20,526
Disposals	**(42,550)**	(29,700)
Lease commissions and incentives amortisation	**(471)**	(1,108)
Straight-lining of rental income	**(865)**	(1,282)
Reclassified to assets held for sale	**-**	(163,200)
Revaluation movements	**(21,226)**	(73,636)
Reclassified from assets held for sale	**52,500**	-
Closing balance	**52,500**	62,000

13 Investment property (continued)

(c) Contractual obligations

Capital expenditure contracted for at the reporting date but not recognised as liabilities:

	2025 **$'000**	2024 $'000
Within one year	**-**	1,398
	-	1,398

(d) Leasing arrangements

The Scheme leases out its investment properties and properties held for sale to tenants under operating leases with rentals payable monthly. The future minimum lease payments receivable under non-cancellable lease are as follows:

	2025 **$'000**	2024 $'000
Within one year	**346**	8,397
Later than one year but not later than 5 years	**101**	10,577
Later than 5 years	**-**	1,188
	447	20,162

14 Payables

	2025 **$'000**	2024 $'000
Trade payables	**194**	288
Accrued expenses	**324**	4,089
Rent received in advance	**142**	273
Deposit*	**4,837**	-
GST payables	**23**	3,144
	5,520	7,794

*The Scheme holds a $4,837,500 cash deposit in relation to the sale of 150 Charlotte Street, Brisbane QLD.

15 Financial risk management

(a) Objectives, strategies, policies and processes

The Scheme’s activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk.

The Scheme's overall risk management program focuses on ensuring compliance with the Scheme's disclosure documents and seeks to maximise the returns derived for the level of risk to which the Scheme is exposed. Financial risk management is carried out by the Investment Manager under policies approved by the Board.

The Scheme uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rates, other price risks, and ratings analysis for credit risk.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

15 Financial risk management (continued)

(b) Interest rate risk (continued)

	2025 $'000	2024 $'000
Floating rate		
Cash and cash equivalents	**25,962**	25,201
	25,962	25,201
Net exposure	**25,962**	25,201

The table below demonstrates the sensitivity to reasonably possible changes in year end interest rates, with all other variables held constant. A negative amount in the table reflects a potential net reduction in profit and net assets attributable to unitholders, while a positive amount reflects a potential net increase.

	Impact on profit and net assets attributable to unitholders	
	2025 $'000	2024 $'000
Sensitivity		
Interest rate +1.00% (2024: +0.50%)	**260**	126
Interest rate -1.0% (2024: -0.50%)	**(260)**	(126)

(c) Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Scheme. The Scheme has exposure to credit risk on its financial assets included in the Scheme's consolidated statement of financial position. This includes cash and cash equivalents, as well as receivables due from tenants and managing agents.

The Scheme manages tenant credit risk by performing credit reviews of prospective tenants, obtaining tenant collateral where appropriate and performing detailed reviews on tenant arrears. The Scheme also reviews the aggregate exposures of tenant debtors and tenancies across its portfolio.

For cash and cash equivalents, the Scheme manages this risk by only transacting with investment grade counterparties approved by the Board.

The Scheme applies the simplified expected credit loss (ECL) approach to estimate the amount of impairment loss on rent receivables. Under the simplified ECL approach, the Scheme estimates the expected lifetime losses to be recognised from initial recognition of the receivables. In estimating the lifetime ECL, the Scheme conducts an internal credit review that takes into account the historical loss experience, current observable data and reasonable forward-looking information as available, which include the significant changes in the performance and payment status of the debtors and anticipated significant adverse changes in business, financial or economic conditions that may impact the debtors’ ability to meet its obligations.

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Scheme maintains sufficient cash and cash equivalents to meet normal operating requirements.

Maturities analysis of financial liabilities

The table below analyses the consolidated entity's and the Scheme's financial liabilities into relevant maturity groupings based on the remaining period at the end of the year to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Financial liabilities such as trade payables and security deposits received from property disposal, where there are no specific contractual settlement dates, have been grouped into the 'less than 1 year' maturity.

15 Financial risk management (continued)

(d) Liquidity risk (continued)

Maturities analysis of financial liabilities (continued)

2025	**Less than 1 year $'000**	**1-2 years $'000**	**2-3 years $'000**	**3+ years $'000**
Payables	**5,520**	**-**	**-**	**-**
Total financial liabilities	**5,520**	**-**	**-**	**-**

2024	Less than 1 year $'000	1-2 years $'000	2-3 years $'000	3+ years $'000
Distributions payable	15,945	-	-	-
Payables	7,794	-	-	-
Total financial liabilities	23,739	-	-	-

As disclosed above, the Scheme manages its liquidity risk by investing predominantly in liquid assets that it expects to be able to liquidate within seven days or less. Liquid assets include cash and cash equivalents. As at 30 June 2025, these assets amounted to $25,961,674 (2024: $25,201,485).

(e) Estimation of fair values of financial assets and financial liabilities

The carrying amounts of the consolidated entity's and the Scheme's assets and liabilities at the end of the year approximate their fair values.

The Scheme values its investments in accordance with the accounting policies set out in note 16.

(f) Capital risk management

The Scheme's capital management objective has transitioned from maintaining an optimal capital structure to ensuring sufficient liquidity to meet its current and future obligations and facilitate the orderly wind-up of the Scheme.

The Scheme had no borrowings as at 30 June 2025 and does not anticipate raising further capital. Capital is managed through cash flow forecasting and monitoring of payables to ensure sufficient liquidity is maintained throughout the wind-up process.

16 Fair value hierarchy

The Scheme measures and recognises the financial assets/(liabilities) held at fair value through profit or loss and investment properties at fair value on a recurring basis.

(a) Fair value hierarchy

The Scheme is required to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: 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 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

16 Fair value hierarchy (continued)

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 Responsible Entity. The Responsible Entity considers 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 table below sets out the Scheme's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at the reporting date.

All fair value measurements disclosed are recurring fair value measurements.

2025	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Non-financial assets				
Investment property	**-**	**-**	**52,500**	**52,500**
Total non-financial assets	**-**	**-**	**52,500**	**52,500**

2024	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Non-financial assets				
Property held for sale	-	163,200	-	163,200
Investment property	-	-	62,000	62,000
Total non-financial assets	-	163,200	62,000	225,200

The Scheme's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the year. At 30 June 2025, 150 Charlotte street, Brisbane, QLD was transferred from Level 2 to Level 3 and reclassified from 'Property held for sale' to 'Investment Property' as the property no longer meet the criteria to be classified as a 'Property held for sale'; with the value based on an independent valuation utilising unobservable inputs. In 2024, investment properties held for sale were transferred from Level 3 to Level 2 due to the valuation predominately utilising observable market data being sales contracts.

(b) Valuation techniques

(i) Investment properties
The investment property valuation policy is to have independent valuations conducted regularly in line with the Scheme's valuation policy (see Note 2 (c)), to aid with the determination of the assets fair value. The only property held in the fund at 30 June 2025 has been valued at its 30 June 2025 independent valuation.

(c) Fair value measurements using significant unobservable input (level 3)

The changes in fair value of investment properties for the year are set out in note 13(b).

(i) Valuation inputs and relationship to fair value
The following are the key valuation assumptions used in the determination of the investment properties fair value using the discounted cash flows and income capitalisation valuation methodologies:

16 Fair value hierarchy (continued)

- Current net market rental - the estimated amount for which a property or space within a property should be leased between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion. In the calculation of net rent, the owner recovers outgoings from the tenant on a pro-rata basis (where applicable);
- Adopted capitalisation rate - the rate at which net market income is capitalised to determine the value of the property. This rate is determined with regards to market evidence;
- Adopted terminal yield - the capitalisation rate used to convert income into an indication of the anticipated value of the property at the end of a holding period when carrying out a discounted cash flow calculation. This rate is determined with regards to market evidence; and
- Adopted discount rate - the rate of return to convert a monetary sum, payable or receivable in the future, into present value. Theoretically, it should reflect the opportunity cost of capital, that is, the rate of return the capital can earn if put to other uses having similar risk. This rate is determined with regards to market evidence.

The ranges of the key valuation inputs to measure the fair value of the Scheme's investment properties are shown in the table below:

Valuation inputs	**2025**	2024
Current net market rental ($ per sqm)	**$690**	$475
Adopted capitalisation rate (%)	**8.25%**	7.25%
Adopted terminal yield (%)	**8.125%**	7.50%
Adopted discount rate (%)	**8.125%**	8.00%

(ii) Valuation processes
Independent valuations of investment properties are obtained from suitably qualified valuers generally at least once in every 18 months if the property is in a construction phase; otherwise at least once in any 12 month period from the date of the last valuation; or in exceptional circumstances at least once in a financial year or calendar year as determined necessary; or as soon as practicable, but not later than within two months after the directors of the Responsible Entity form a view that there is reason to believe that the fair value of the investment property is materially different from its current carrying value. Such valuations are reflected in note 13. Notwithstanding, the directors of the Responsible Entity determine the carrying value of each investment property at each reporting date to ensure that its carrying value does not materially differ from its fair value. Where the carrying value differs from fair value, that asset is adjusted to its fair value.

(iii) Sensitivity information
The table below details the movement in the fair value when each of the significant inputs either increase or decrease, with all other inputs remaining constant:

Significant inputs	Fair value measurement sensitivity to significant increase in input	Fair value measurement sensitivity to significant decrease in input
Current net market rental	Increase	Decrease
Adopted capitalisation rate	Decrease	Increase
Adopted terminal yield	Decrease	Increase
Adopted discount rate	Decrease	Increase

16 Fair value hierarchy (continued)

It is often the case that multiple significant inputs change simultaneously, on these occasions the impact of the changes in the individual inputs can be reduced or vice versa can magnify the movement in the fair value.

When assessing the discounted cash flow, the adopted discount rate and adopted terminal yield have a strong interrelationship because the discount rate will determine the rate at which the terminal value is discounted to the present value. In theory, an increase (softening) in the adopted discount rate and a decrease (tightening) in the adopted terminal yield could potentially offset the impact on fair value, and vice versa. The impact on fair value may be magnified if both the discount rate and terminal yield move in the same direction.

When calculating the income capitalisation, the net market rent has a strong interrelationship with the adopted capitalisation rate. This is because the methodology involves assessing the total net market income receivable from the property and capitalising this in perpetuity to derive a capital value. In theory, an increase in the net market rent and an increase (softening) in the adopted capitalisation rate could potentially offset the impact to the fair value. The same can be said for a decrease in the net market rent and a decrease (tightening) in the adopted capitalisation rate. The impact on fair value may be magnified if the net market rent is increasing while the capitalisation rate is decreasing (or vice versa).

A sensitivity analysis was undertaken to assess the impact of capitalisation rates, discount rates and terminal yields on the fair value of the investment properties,excluding properties held for sale. The estimated impact of a change in these significant unobservable inputs is illustrated in the table below:

	30 June 2025 $'000	30 June 2024 $'000
Adopted capitalisation rate +0.50% (2024: +0.50%)	**(5,199)**	(4,858)
Adopted capitalisation rate -0.50% (2024: -0.50%)	**5,536**	5,207
Adopted discount rate +0.50% (2024: +0.50%)	**(2,578)**	(2,335)
Adopted discount rate -0.50% (2024: -0.50%)	**2,707**	2,449
Adopted terminal yield +0.50% (2024: +0.50%)	**(3,193)**	(2,703)
Adopted terminal yield -0.50% (2024: -0.50%)	**3,402**	3,092

(d) Fair value of other financial instruments

Due to their short-term nature, the carrying amounts of the receivables and payables are assumed to approximate their fair values.

17 Related party transactions

Responsible entity
The Responsible Entity of Australian Unity Office Fund is Australian Unity Investment Real Estate Limited (ABN 86 606 414 368).

Key management personnel
(a) Directors
Key management personnel include persons who were directors of the Responsible Entity and Members of the Audit & Risk Committee during the year and up to the date of this report:

W Peter Day	Independent Non-Executive Director and Chairman
Eve Crestani	Independent Non-Executive Director and Chairman of the Audit & Risk Committee
Greg Willcock	Non-Executive Director

Company secretary
The company secretary of the Responsible Entity during the year up to the date of this report is Liesl Petterd.

17 Related party transactions (continued)

(a) Directors (continued)

No directors' fees were paid out of the Scheme property to the directors of the Responsible Entity, except for independent directors who receive their fees from the Scheme. Directors' fees paid during the year was $275,000 (2024: $275,000).

As at 30 June 2025, W Peter Day held 58,000 units (2024: W Peter Day held 58,000 units). None of the other current directors of the Responsible Entity held any units in the Scheme.

(b) Other key management personnel
There were no other persons with responsibility for planning, directing and controlling the activities of the Scheme, directly or indirectly during the year.

Other transactions within the Scheme
From time to time directors of the Responsible Entity, or their director related entities, may buy or sell units of the Scheme. These transactions are on the same terms and conditions as those entered into by other Scheme unitholders.

Responsible Entity's fees and other transactions
Under the terms of the Scheme's Constitution, the Responsible Entity is entitled to receive fees monthly calculated:
- 0.60% per annum of the gross asset value of the Scheme up to and including $750,000,000; plus
- 0.55% per annum of the gross asset value of the Scheme that exceeds $750,000,000.

Australian Unity Funds Management Limited (ABN 60 071 497 115) ("AUFML") is the appointed provider of investment management services to the Scheme effective 17 June 2016. Under the Investment Management Agreement, the Investment Manager is engaged to provide a number of services including:
• Investment management services;
• Fund analyst services; and
• Transactional services.

The fees for providing these services are included in the Responsible Entity's fees.

AUFML agreed to waive the Scheme’s obligation to pay accounting service fees effective from 1 July 2024.

Australian Unity Property Management Pty Ltd (ABN 76 073 590 600) ("AUPMPL") has been appointed to provide a number of property related services to the Scheme. These services include:
• Property management services;
• Financial management services;
• Leasing services;
• Rent review services; and
• Project supervision services (in relation to capital works).

AUFML and AUPMPL are wholly owned subsidiaries of Australian Unity Limited (ABN 23 087 648 888). All related party transactions are under normal commercial terms and conditions and at market rates. The fees payable to AUFML and AUPMPL were approved by unitholders of the Scheme on 17 June 2016.

AUPMPL agreed to waive the Scheme’s obligation to pay property management and other property related services fees effective from 1 July 2024.

The transactions during the year between the Scheme and the Responsible Entity and its related parties were as follows:

	2025	2024
	$	$
Management fees for the year paid/payable by the Scheme to the Responsible Entity	**1,125,511**	1,816,156
Property management, other property related services fees and accounting fees	**-**	832,459

17 Related party transactions (continued)

Responsible Entity's fees and other transactions (continued)

During the year the Scheme paid $425,432 (2024: $567,944) to the Responsible Entity and its related parties for administration expenses which they incurred on behalf of the Scheme. These expenses, which are reimbursed in accordance with the Scheme's Constitution, may include custodian fees, directors' fees, auditors' fees and other expenses incurred in the day to day running of the Scheme.

As at 30 June 2025, an amount of $187,051 (2024: $586,746) owing to the Responsible Entity and its related parties was included in payables.

Related party unitholdings
Parties related to the Scheme (including Australian Unity Investment Real Estate Limited, its related parties and other schemes managed by Australian Unity Investment Real Estate Limited), held units in the Scheme as follows:

2025 Unitholders	No. of units held opening '000	No. of units held closing '000	Fair value of investment $'000	Interest held (%)*	No. of units acquired '000	No. of units disposed '000	Distributions paid/payable by the Scheme $'000
Lifeplan Australia Friendly Society Limited	**4,555**	**4,555**	**2,164**	**2.77**	**-**	**-**	**3,343**
Australian Unity A-REIT Fund	**932**	**932**	**443**	**0.57**	**-**	**-**	**684**
Australian Unity Health Limited	**4,154**	**4,154**	**1,973**	**2.53**	**-**	**-**	**3,049**
Australian Unity Funds Management Limited	**1,509**	**1,509**	**717**	**0.92**	**-**	**-**	**1,108**
Total	**11,150**	**11,150**	**5,297**	**6.79**	**-**	**-**	**8,184**

17 Related party transactions (continued)

Related party unitholdings (continued)

2024 Unitholders	No. of units held opening '000	No. of units held closing '000	Fair value of investment $'000	Interest held (%)*	No. of units acquired '000	No. of units disposed '000	Distributions paid/payable by the Scheme $'000
Lifeplan Australia Friendly Society Limited	4,555	4,555	5,876	2.77	-	-	637
Australian Unity Property Income Fund	3,813	3,813	4,918	2.32	-	-	533
Australian Unity Diversified Property Fund	9,702	-	-	0.00	-	9,702	417
Australian Unity A-REIT Fund	932	932	1,202	0.57	-	-	130
Australian Unity Health Limited	4,154	4,154	5,359	2.53	-	-	581
Australian Unity Funds Management Limited	1,509	1,509	1,946	0.92	-	-	211
Total	24,665	14,963	19,301	9.11	-	9,702	2,509

18 Reconciliation of loss to net cash inflow from operating activities

	2025 $'000	2024 $'000
Loss for the year	**(35,588)**	(61,391)
Subtract proceeds from terminating interest rate swaps	**-**	(2,438)
Add back borrowings and other related costs	**67**	1,032
Add back disposal costs paid from sale of investment properties	**3,603**	273
Net change in fair value of the investment properties - revaluation decrement	**30,943**	73,636
Unrealised losses on financial instruments held at fair value through profit or loss	**-**	2,356
Adjustments to net lease incentives and straight lining of rental income	**1,802**	2,390
Net change in payables	**(1,647)**	4,350
Net change in receivables	**1,244**	(426)
Net change in other assets	**828**	(601)
Net cash inflow from operating activities	**1,252**	19,181

19 Parent entity financial information

Statement of financial position	2025 $'000	2024 $'000
Cash and cash equivalents	**25,962**	25,139
Receivables	**18**	1,723
Other assets	**27**	56
Investment properties	**52,500**	-
Investment in subsidiaries	**147,649**	172,169
Property held for sale	**-**	82,700
Total assets	**226,156**	281,787
Distributions payable	**-**	15,945
Payables	**153,169**	36,610
Total liabilities	**153,169**	52,555
Net assets attributable to unitholders	**72,987**	229,232

Statement of comprehensive income		
Loss for the year	**(35,588)**	(61,391)
Other comprehensive income	**-**	-
Total comprehensive income for the year	**(35,588)**	(61,391)

The Scheme is the parent entity and controlled the following entity during the year:
• Australian Unity Holding Trust.

The parent entity had no contingent assets, liabilities or capital commitments at 30 June 2025 or 30 June 2024.

20 Events occurring after the end of the financial year

On 18 April 2024 the Scheme entered into a contract of sale for 150 Charlotte Street, Brisbane, QLD for a net sale price of $61.5 million, with settlement to occur in April 2025. Following a request from the purchaser, on 22 April 2025 the Scheme announced it had agreed to defer settlement until August 2025. In reaching this agreement the net sale price was increased to $63.5 million.

On 14 July 2025, the Scheme announced that the purchaser had provided it with an indicative alternate proposal that would allow settlement to occur at the current contracted net sale price of $63.5 million, however settlement would be structured such that 50% of the proceeds would be received immediately at settlement and 50% of the proceeds would be deferred for up to 2 years. The Scheme sought urgent confirmation from the purchaser that, notwithstanding the indicative alternate proposal, the purchaser would be in position to settle the sale of 150 Charlotte Street, Brisbane QLD in accordance with the existing terms and conditions, including full payment of the net sale price. No confirmation was received, with uncertainty continuing as to whether the sale of 150 Charlotte Street, Brisbane QLD would settle in accordance with the existing sale terms.

Settlement was due to occur by 4.00 pm on 22 August 2025. However, the purchaser has defaulted in relation to its payment obligations and failed to complete settlement by that time. A notice of default was subsequently issued to the purchaser. Under the terms of the contract, the purchaser has to remedy its default by 8 September 2025, failing which the contract may be terminated by the Scheme. In the event of termination for default, the $4.8 million cash deposit currently held by the Scheme will be retained by the Scheme.

On 24 August 2025, the Scheme received a revised offer from the purchaser to acquire 150 Charlotte Street, Brisbane QLD for $54.5 million (inclusive of the $4.8 million deposit currently held by the Scheme), with settlement in March 2026. The revised offer is being considered by the Scheme and is subject to contract.

Other than the above, no other matters or circumstances have arisen since 30 June 2025 that have significantly affected, or may significantly affect the operations of the Scheme, the result of operations, or the state of the Scheme's affairs in the future years.

21 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2025 (2024: $nil).

Commitments arising from contracts which are contracted for at reporting date but not recognised on the consolidated statement of financial position relate to:
• capital expenditure on investment properties $nil (2024: $1,398,000); and,
• other contractual commitments $nil (2024: $nil)