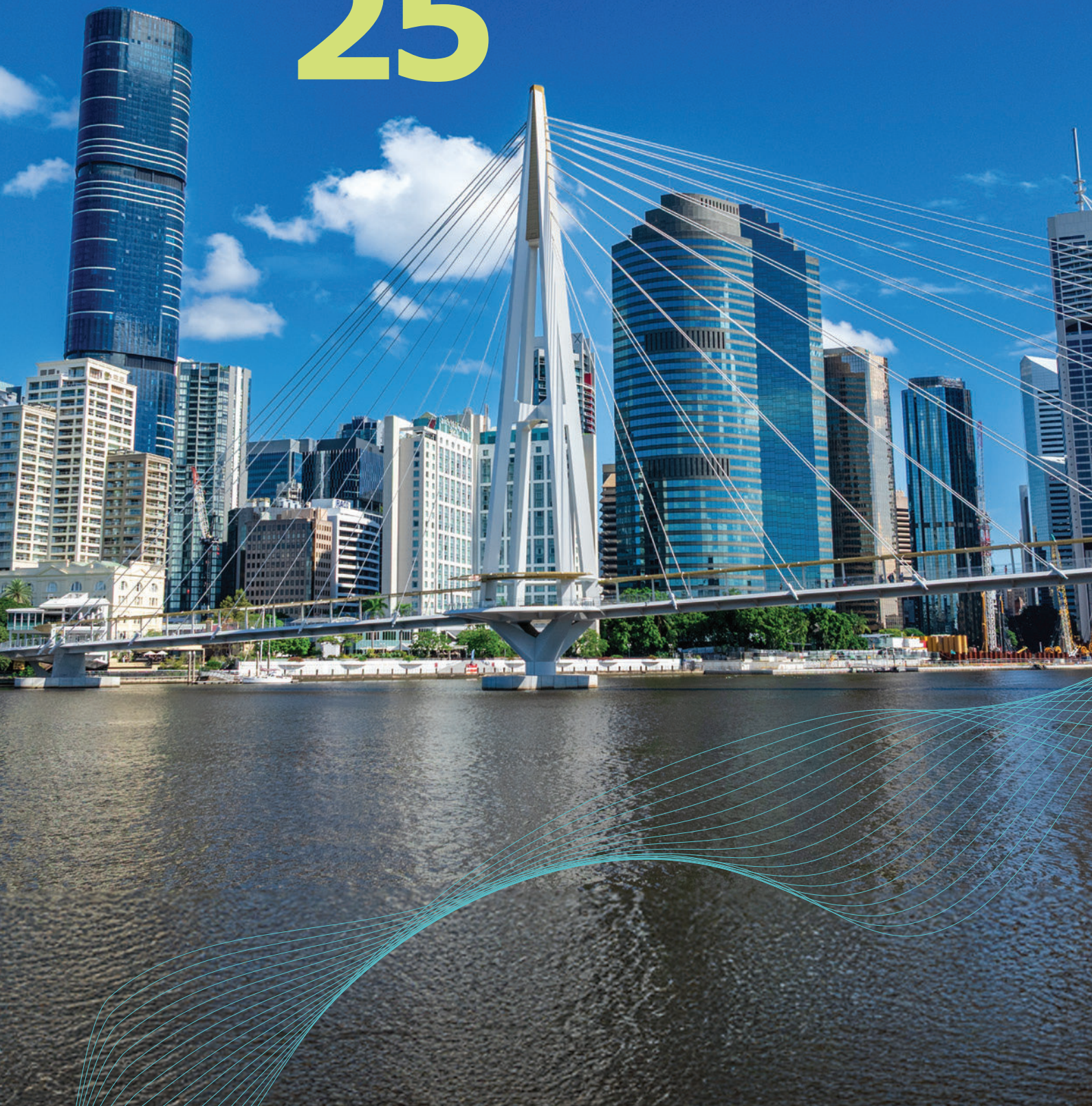


ANNUAL REPORT **FY 20 25**



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ATTRIBUTION

Content of this annual report should be attributed as:
City of Brisbane Investment Corporation Annual Report FY2025.

ABOUT THIS ANNUAL REPORT

This annual report summarises the activities and performance of the City of Brisbane Investment Corporation (CBIC) for the financial year 2024-2025. The annual report details CBIC's activities and performance against its purpose and objectives as set out by Brisbane City Council, the CBIC Board, CBIC's strategic plan and its previous annual reports.

The annual report demonstrates CBIC's commitment to delivering efficient and sustainable investments for the people of Brisbane.

The annual report is accompanied by financial statements. CBIC prepares annual financial statements in accordance with Australian Accounting Standards for auditing by the Queensland Auditor-General in accordance with the Auditor-General Act 2009.

CBIC gratefully acknowledges Brisbane City Council and Brisbane Economic Development Agency for their contribution of imagery featured throughout this annual report.

This is CBIC's seventeenth annual report since its establishment.
cbic.com.au/latest-from-cbic

ENQUIRIES

@ info@cbic.com.au ✉ GPO Box 2443, Brisbane QLD 4001

📞 07 3252 1541 📍 Level 34, 345 Queen St, Brisbane QLD 4000

More information about CBIC and its activities and services are available at cbic.com.au

ACKNOWLEDGEMENT OF COUNTRY

CBIC acknowledges the traditional custodians of the land and their unique relationship with their ancestral country. We pay respect to all Aboriginal and Torres Strait Islander peoples of Brisbane and all of the regions in which we work.

PURPOSE

City of Brisbane Investment Corporation (CBIC) is a property investment corporation generating financial returns for the benefit of the people of Brisbane.

STRATEGIC OBJECTIVES

CBIC acquires, develops and manages property, growing assets under management. It may undertake alternate investments from time to time to further enhance financial results.

CBIC is focused on delivering sustainable investment returns and providing Brisbane City Council (the Shareholder) with an annual financial dividend to fund its urban landscape improvement initiatives for the benefit of residents and visitors to Brisbane.

KEY ACTIVITIES

CBIC is invested in Brisbane's future, unlocking development and investment opportunities across its diverse asset portfolio. Our work makes a tangible contribution to the wellbeing of the local and wider community.

CBIC seeks to grow its existing assets under management over time, underpinned by strong risk management and responsible investing principles. The strategy to achieve this is informed by the Investment Policy, requiring CBIC to maintain a diverse mix of assets that maximises the level of return for an appropriate level of risk.

CBIC is focused on driving accountability, being connected to its market, collaborating with key stakeholders and being a trusted business delivering agreed objectives.

ACCOUNTABLE

Demonstrating integrity, taking ownership and believing in the importance of what we do, and delivering when we say we will.

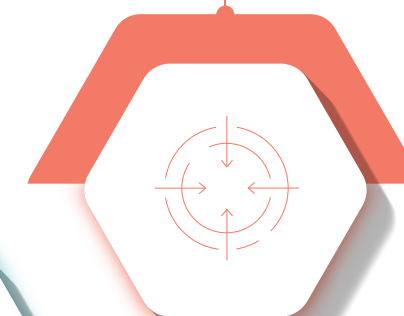
CONNECTED

Interconnectedness of individuals, teams and the broader market, networks and ecosystem in which CBIC operates.



COLLABORATIVE

Promoting synergy, innovation and collective success by harnessing our individual strengths and capabilities. We are inclusive and value individual experiences to shape decision-making.



TRUSTED

Trust serves as the foundation upon which CBIC builds relationships, allowing individuals and entities to rely on each other, collaborate effectively, and achieve common goals.



ACHIEVEMENTS AND HIGHLIGHTS FY2025

Building on its strong economic, environmental, social and governance record, CBIC continued to achieve a series of positive outcomes for Brisbane in FY2025.



Funds from Operations

CBIC's property portfolio generated Funds from Operations (FFO) of \$20.0 million, a 26% increase on the prior year.



Overall Return

CBIC has delivered an average return of 9.57% since inception, outperforming its long term benchmark of a rolling 10-year CPI plus 3.5%.



Property Return vs Portfolio Benchmark

Outperforming FY2025 MSCI/Mercer Australia Core Wholesale Fund Index (pre-fees) by 179 basis points.



FY2025 Dividend

\$15.0 million dividend declared in FY2025. \$217.1 million in total dividend payments since inception.



Active Asset Management

CBIC maintained its strong occupancy rate across the portfolio of more than 99% through active management and strong tenant retention.



LORD MAYOR'S FOREWORD

Brisbane is a city that's growing and thriving, with a clear focus on creating more lifestyle, leisure and community opportunities for every resident.

The City of Brisbane Investment Corporation (CBIC) plays a vital role in helping us deliver this vision, by ensuring strong financial returns which are reinvested directly back into projects that make our communities even better.

Since its establishment in 2008, CBIC has grown from an innovative idea into one of our most effective tools for delivering new parks, playgrounds and public spaces.

What began with seed funding of \$135 million has now grown to \$380.4 million in investments, with \$217.1 million returned to Council in dividends.

This is a remarkable achievement and one that continues to create lasting value for the people of Brisbane.

This year, CBIC has once again outperformed expectations, providing an impressive \$15 million dividend to Council.

This funding has already helped deliver the Urban BMX Pump Track, Spring Hill Common and more than 16,000 new plants at Victoria Park to enhance our world-class outdoor lifestyle.

It's also supported the Wynnum, Manly and Lota foreshores 20-year master plan consultation and enabled the opening of the new award-winning Archerfield Wetlands District Park – both significant steps in delivering more places to relax in our suburbs while protecting our environment for generations to come.

As Brisbane grows and gears up to host the 2032 Olympic and Paralympic Games, CBIC's strong performance ensures we can continue to invest in the lifestyle and leisure amenities that make us the Lifestyle Capital of Australia.

I want to thank the CBIC Board, management and staff for their hard work and dedication to making Brisbane even better. Their efforts are not just delivering strong financial outcomes, they're building a lasting legacy for the 1.3 million residents who proudly call Brisbane home.



ADRIAN SCHRINNER
Lord Mayor of Brisbane

CHAIR AND CEO REPORT

We are pleased to present the CBIC annual report for FY2025, highlighting another year of effective performance and strategic progress. In FY2025, the business achieved a statutory profit of \$10.6 million and Funds from Operations (FFO) of \$20.0 million and a declared dividend of \$15.0 million to its Shareholder.

Financial Performance

The statutory profit of \$10.6 million demonstrates the ability of CBIC to navigate market challenges whilst maintaining operational efficiency. The FFO of \$20.0 million reflects the underlying strength of our property portfolio and operating platform. With assets under management totalling \$380.4 million, CBIC continues to focus on high-quality properties that generate stable income.

Capital Management & Dividends

CBIC's declared dividend of \$15.0 million for FY2025 reflects its commitment to providing a financial return to the Shareholder while maintaining a prudent approach to capital management. Since inception, CBIC has declared a total of \$217.1 million in dividends, demonstrating a consistent track record of delivering value.

Strategic Initiatives

Throughout FY2025 CBIC has focused on enhancing its portfolio through strategic acquisitions, optimising asset performance, and expanding its assets under management. These initiatives are aligned with CBIC's long-term strategy to deliver sustainable growth and value to Brisbane City Council.

Sustainability & Governance

CBIC remains committed to integrating sustainability into its operations and decision-making processes. CBIC's governance framework ensures accountability and transparency.

Outlook

CBIC is optimistic about the opportunities in the Australian property market. CBIC's strategy will continue to be executed with discipline and focus, leveraging the company's expertise to navigate market dynamics and deliver a return to its Shareholder.

We thank our Shareholder, employees, and partners for their continued support and commitment to CBIC.

Yours sincerely,




SIMONE DESMARCHELIER
Chair




LACHLAN DYSON
Chief Executive Officer

Through active asset management and the ownership of quality property, CBIC continued to outperform the MSCI Mercer Core Wholesale Index (pre fees) industry benchmark.

In December 2024, CBIC acquired an industrial property in Reservoir, Victoria, marking CBIC's first industrial acquisition outside of Queensland. Leased to a national food manufacturer, the property is strategically located in an infill industrial area, providing direct access to key transport routes and facilitating efficient logistics operations.

Investment and upgrade of current properties was also ongoing throughout the year. A major equipment upgrade was commenced at the Allara Street Offices in Canberra.

CBIC seeks out development opportunities for assets in its current portfolio. In FY2025 CBIC acquired property adjacent to its Wynnum Central Shopping Centre for future expansion as the Wynnum Central business district continues to evolve as part of the Suburban Renewal Precincts plan established by Brisbane City Council.

CBIC's property portfolio is managed by an in-house team of property professionals who have capabilities across investment, development, property and facilities management, finance and governance.

CBIC's investment objective is to grow its existing assets under management over time, underpinned by strong risk management and investment parameters.

To support this, the primary investment return objective is a rolling CPI 10-year plus 3.5%.

In making investment decisions, CBIC has regard to current and forecast economic conditions and the relative performance of cash, fixed-interest and property, direct and indirect.

The maintenance of capital and income generation is considered the primary objectives when making an investment decision.

- Predominantly invest in property or property-related assets with the balance to be kept in cash, and if considered appropriate, fixed-interest.
- Adopt a prudent, responsible and reasonable risk profile, considering credit risk, settlement risk, interest rate risk, market risk, and liquidity risk.
- Aim over the longer term for an appropriate diversification within the property asset sectors.
- Regularly oversee investment performance, investment policy and strategy.

CBIC actively oversees a diverse portfolio of quality east coast assets. Through responsible investing, CBIC's acquisitions provide ongoing benefits for the community.

Each year, CBIC continues to build momentum in improving commitments to its Environmental, Social and Governance (ESG) strategy. CBIC deploys capital at the assets to optimise power consumption, reduce the use of water and minimise general waste.

ESG INITIATIVES:

CBIC continues to focus on maintaining or improving NABERS ratings across the portfolio. Focus areas for the year have included:



Expanded water and gas real-time usage monitoring at Gosford.



Carbon Neutrality was achieved at Gosford.

| | FY2025 | | |
|--------------------------------|----------------|---------------------|--------------------|
| | m ² | Energy [†] | Water [†] |
| Allara Street Offices | 9,714 | 5.0 | 4.0 |
| Gosford | 7,292** | 6.0 | 4.5 |
| North Regional Business Centre | 6,058 | 5.0 | 3.5 |
| Portfolio | 23,064 | 5.3 | 4.0 |

| | FY2024 | | |
|--------------------------------|----------------|---------------------|--------------------|
| | m ² | Energy [†] | Water [†] |
| Allara Street Offices | 9,752 | 5.0 | 4.0 |
| Gosford | 7,292** | 6.0 | 5.0 |
| North Regional Business Centre | 6,058 | 5.0 | 4.5 |
| Portfolio | 23,102 | 5.3 | 4.4 |

** Gosford site excludes Net Lettable Area (NLA) which is not rateable for NABERS purposes.

†NABERS star.



2024-25

In the past year, the dividend from CBIC further supported Brisbane City Council's investment in delivering improvements to parks and green space across the city.

These Brisbane City Council investments include:

VICTORIA PARK / BARRAMBIN

- Completed the Urban Pump Track, a multi-use space featuring skateable elements, a picnic shelter with seating, amenities block, drinking fountains and bike racks.
- Opened the Spring Hill Common, a new parkland area designed for outdoor sport, community gatherings and picnics.
- Planted over 16,200 trees, shrubs, small plantings and annuals, bringing the total to more than 46,390 since the project commenced.

ARCHERFIELD WETLANDS DISTRICT PARK

- Delivered a four-hectare District Park within the wider 150-hectare Archerfield Wetlands Parkland, providing new spaces for the community to connect.
- Opened a large adventure play space with water play elements, including misting features and water pumps inspired by the site's history as a water treatment plant.
- Completed a youth hub featuring a basketball court, community event lawn, bush resources garden and barbeque facilities.

WYNNUM MANLY LOTA FORESHORES

- Brisbane City Council invited the community to help shape the initial stage of a 20-year master plan to transform and rejuvenate the Wynnum, Manly and Lota foreshores.
- The master plan project will explore possibilities to rejuvenate the foreshores, enhance connectivity and create more opportunities for recreation and relaxation.



48A Radford Road, Reservoir, VIC

INVESTMENT STRATEGY

CBIC's strategy was to enhance portfolio exposure to the industrial sector, focusing on infill markets where:

- Industrial property is constrained by surrounding residential catchments, limiting future supply.
- A significant portion of the asset's value is underpinned by land value.
- Connectivity to key infrastructure supports long-term industrial demand.
- Flexible zoning accommodates a diverse range of tenant uses and future redevelopment options.

OPPORTUNITY IDENTIFICATION

CBIC identified Melbourne as a compelling investment destination, offering deep value for onshore capital. The introduction of new foreign ownership property taxes has quelled demand from offshore capital sources and created a unique acquisition window for domestic capital.

ASSET SELECTION

Radford Road is a corporate precinct, occupied by leading businesses such as Visy, Taxibox and IPLEX (subsidiary of Fletcher Building Group, ASC:FBU). Radford Road has also attracted institutional investment, as demonstrated by ESR Australia's newly completed Reservoir Business Hub.

Situated 14kms north of the Melbourne CBD, the precinct is within proximity to Melbourne Airport, Somerton Intermodal and the Metropolitan Ring Road, together with the soon to be completed North East link.

The asset was secured subject to a sale-and-leaseback structure with Gourmet Saba, a supplier to Coles, Woolworths and independent supermarkets. The asset incorporates office, conventional warehouse, cold storage and freezer accommodation.

Independent valuation confirmed that 70%-80% of the total asset value is underpinned by land value, ensuring long-term capital preservation and growth potential.



OFFICE



NORTH REGIONAL BUSINESS CENTRE

Address: 375 Hamilton Road, Chermside, QLD

Total area (NLA): 6,058m²

Site area: 5,010m²

WALE (income): 6.7 Years

- Developed by CBIC to hold long term and provide consistent earnings for Shareholders.
- NABERS energy rating of 5.0 stars.
- Ideally located close to Westfield Chermside.
- Ground floor public library, café, and community facilities.
- High quality office accommodation on upper floors.



RESIDENTIAL



EVERTON PARK HOUSE 1

Address: 12 Rogers Parade West, Everton Park, QLD

Site area: 540m²

Fully enclosed covered area: 284m²

Project: Specialist Disability Accommodation

- Completed in August 2024.
- 3 bedroom home designed to cater for High Physical Support participants.

GOSFORD

Address: 99 Georgiana Terrace, Gosford, NSW

Total area (NLA): 7,637m²

Site area: 4,250m²

WALE (income): 2.4 Years

- Completed in 2017, the asset was purpose built to provide high quality offices for the Australian Taxation Office and the National Disability Insurance Agency.
- In addition to the main building there is a Heritage listed building which has been converted into specialty retail.
- NABERS energy rating of 6.0 stars.
- A key asset in the CBIC portfolio with a long WALE, secure income stream and low capital expenditure.



EVERTON PARK HOUSE 2

Address: 14 Rogers Parade West, Everton Park, QLD

Site area: 540m²

Fully enclosed covered area: 284m²

Project: Specialist Disability Accommodation

- Completed in August 2024.
- 3 bedroom home designed to cater for High Physical Support participants.



ALLARA STREET OFFICES

Address: 33 Allara Street, Canberra, ACT

Total area (NLA): 9,714m²

Site area: 3,725m²

WALE (income): 2.6 Years

- Positioned in the eastern core of the Canberra CBD, this commanding project has undergone significant refurbishment and upgrades in recent years.
- NABERS energy rating of 5.0 stars.
- Seven levels of office accommodation with ground floor retail, and significant basement parking.
- Occupants include the Commonwealth Government and several publicly listed and multi-national organisations.
- Location benefits from private and government investment and will continue to enhance this precinct over the medium to long term.



EAST BRISBANE APARTMENTS

Address: 1-3 Scanlan Street, East Brisbane, QLD

Site area: 1,130m²

Fully enclosed covered area: 689m²

Project: Specialist Disability Accommodation
Total Dwellings: 7 high-physical support apartments plus onsite overnight accommodation.

- Completed in June 2024.
- East Brisbane provides boutique accommodation in an inner-city location for high-physical support participants to live alone.





INDUSTRIAL



KINGSTON INDUSTRIAL

Address: 29-47 Mudgee Street, Kingston, QLD
Total area (GLA): 2,158m²
Site area: 9.6 ha
WALE (income): 7.7 Years

- Currently leased to Coates (subsidiary of ASX listed Seven Group Holdings Ltd), operating as their Queensland headquarters.
- Significant industrial land holding and a low site coverage that provides for future development potential.
- The property benefits from extensive exposure to the Logan Motorway.



RESERVOIR INDUSTRIAL

Address: 48A Radford Road, Reservoir, VIC
Total area (GLA): 13,157m²
Site area: 2.2 ha
WALE (income): 4.2 Years

- Leased to a national food manufacturer, specialising in the production and distribution of high quality food products, which are sold to major retailers Australia wide.
- The property is strategically located in an infill industrial area, providing direct access to key transport routes facilitating efficient logistics operations.
- The site provides excellent accessibility with two street frontage access.

RIVERGATE, MURARRIE

Address: 17 (Lots 21-23) and 29 (Lot 3) Rivergate Place, Murarrie, QLD
Total area (GLA Incl Hardstand): 11,354m²
Site area: 1.6 ha
WALE (income): 10.9 Years

- Situated within the established industrial precinct of Murarrie.
- High transport connectivity to the Port of Brisbane, Brisbane Airport and Gateway Motorway.
- The project continues to show solid investment returns whilst providing tenants with premiere shipyard and marina facilities.



WYNNUM CENTRAL SHOPPING CENTRE

Address: 145 Florence Street, Wynnum, QLD
Total area (GLA): 5,388m²
Site area: 6,145m²
WALE (income): 10.7 Years

- Situated in the business district of Wynnum, the retail project is anchored by Woolworths and Brisbane City Council.
- This asset provides sector diversification to CBIC's portfolio and continues to deliver a steady and sustainable income stream.
- The project delivers strong social benefits to the community with a high-quality library facility and adjacent parklands.



RETAIL



TRADECOAST CENTRAL

Address: 20 TradeCoast Drive, Eagle Farm, QLD
Total area (GLA): 10,410m²
Site area: 5.8 ha
WALE (income): 9.0 Years

- The property was developed by CBIC and completed in June 2019.
- Provides significant exposure to the industrial market.
- A high-quality industrial asset located in a tightly held precinct leased to Brisbane City Council.

ADDITIONAL PROPERTIES ADJACENT TO WYNNUM CENTRAL SHOPPING CENTRE WERE ACQUIRED IN FY2025.

Address: 155 Florence Street, Wynnum, QLD
Site area: 1,620m²
WALE (income): 2.7 Years

- The site comprises of six individual retail shops and car parking for 22 vehicles.

Address: 135 Tingal Road, Wynnum, QLD
Total area (GLA): 405m²
WALE (income): 0.34 Years

- The site comprises of a light industrial shed which is currently leased to Repco.

SIMONE DESMARCHELIER

Simone has over 30 years' experience in law, financial services and diplomacy. Simone has worked in Europe and Australia with a focus on alternate assets, notably real estate and infrastructure.

Most recently Simone was independent non-executive director of QIC Limited, Chair of the Catholic Archdiocese of Brisbane's Services Council as well as a member of the Archdiocesan Finance Council. She operates Montrose Advisory, an independent advisory firm.

Simone is bilingual in English and Italian, fluent in French and Spanish. She holds degrees in Law and Arts and a Master of Laws from the University of Oxford. Simone is a Graduate of the AICD and a Member of Chief Executive Women.

NEIL CASTLES

Neil is a consultant to the local government sector in the area of finance and risk.

Previously, Neil was the Director-General of both the Department of Housing and Public Works and the Department of Local Government. Earlier in his career, Neil was a senior executive of Queensland Treasury Corporation, the State of Queensland's central financing authority for more than 20 years and he was also the Deputy Director-General Finance Procurement and Legal of Queensland Health.

Neil has been a director and company secretary for several Queensland Government special purpose companies. Neil's areas of expertise include finance, debt management, credit and risk management.

MARIA ROACH

Maria has more than 20 years' experience as a company secretary of publicly listed companies in Australia. Maria also provides consulting services in corporate governance.

Maria has a Bachelor of Business (Accountancy), is a Fellow of Chartered Secretaries Association and a Certified Practising Accountant (CPA). She is a former member of the Australian Government Takeovers Panel.

ALASTAIR STEWART WALLS

Stewart has more than 30 years of experience working for contractors and project owners of construction projects. As a qualified civil engineer, he has gained extensive construction and property experience.

Commencing practice as a Barrister in 2011, Stewart focussed on matters affecting the construction and property industries, including all aspects of building and construction, property law, leasing and planning and environmental issues.

Stewart has held positions on multiple Board and Advisory Panels and has proven success in various Commercial and Legal roles with construction companies such as Thiess, Lendlease, Multiplex, and Acciona.

Stewart is currently the Chief Risk Officer and Company Secretary at Georgiou Group.

PATRICE SHERRIE

Patrice has extensive experience with over 30 years spent in chartered accounting and commerce starting with PWC in both Brisbane and Port Moresby. She went on to hold a CEO role for Paridian Property Development Fund and an Executive role with Grant Samuel Property.

Patrice is a former Director and Consultant to Bentleys Chartered Accountants where she specialised in property transactions and now sits as an Independent Director on several boards including QBANK and Trilogy Funds Management Ltd.



The CBIC Board ensures sound governance through the ongoing monitoring of investment profiles, continuous risk assessment and review of policies.

CBIC is committed to conducting its operations to the highest ethical and principles-led standards and practices. We work to uphold effective corporate governance standards to ensure alignment with the expectations of our Shareholder.

Two Board committees are maintained at CBIC to aid in the effective oversight and monitoring of operational controls within the company.

BOARD MEETINGS

The number of Board meetings attended by each of the Directors of the Company during the financial year are:

| | Meetings Attended | Meetings held during the time the Director held office |
|------------------------|-------------------|--|
| Simone Desmarchelier | 10 | 10 |
| Neil Castles | 9 | 10 |
| Maria Roach | 10 | 10 |
| Patrice Sherrie | 10 | 10 |
| Alastair Stewart Walls | 8 | 10 |

FINANCE, AUDIT AND RISK COMMITTEE

The Finance, Audit and Risk Committee (FAR) provides support to the Board and management on the risk, control and compliance frameworks, and CBIC’s external accountability responsibilities.

The FAR reviews the outcome of CBIC’s external audit of financial statements, incorporating all matters mandated by the Queensland Audit Office. Oversight of CBIC’s outsourced internal audit function is also undertaken by the FAR. This function serves as an objective assurance mechanism, validating the effective operation of internal controls through the delivery of the annual internal audit plan.

| | Meetings Attended | Meetings held during the time the Director held office |
|----------------------|-------------------|--|
| Neil Castles | 4 | 4 |
| Patrice Sherrie | 4 | 4 |
| Simone Desmarchelier | 3 | 4 |

PEOPLE, PERFORMANCE AND CULTURE COMMITTEE

The People, Performance and Culture Committee (PPC) serves the critical function of supporting the CBIC Board and management in relation to people, performance management and culture.

The PPC considers CBIC’s overall performance, individual contributions and adherences to Queensland employment standards.

| | Meetings Attended | Meetings held during the time the Director held office |
|------------------------|-------------------|--|
| Maria Roach | 3 | 3 |
| Patrice Sherrie | 3 | 3 |
| Simone Desmarchelier | 3 | 3 |
| Alastair Stewart Walls | 3 | 3 |

FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2025

FOR THE YEAR ENDED 30 JUNE 2025

CITY OF BRISBANE INVESTMENT CORPORATION PTY LTD
AND ITS CONTROLLED ENTITIES

ACN 066 022 455

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

The Directors present their report together with the financial report of City of Brisbane Investment Corporation Pty Ltd and its subsidiaries ("the Group") for the financial year ended 30 June 2025 (FY25).

DIRECTORS

The names of the Directors in office during the financial year and until the date of this report are set out below. All Directors were in office for this entire period.

- Simone Desmarchelier
- Neil Castles
- Maria Roach
- Patrice Sherrie
- Alastair Stewart Walls

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year included property investment, property development and property management.

OPERATING RESULTS

The result of the Group for the financial year ended 30 June 2025 was total comprehensive income of \$9.7 million (FY24: Loss \$17.1 million), with results being less influenced by weakening property yields in FY25 than they were in FY24. Funds from Operations of \$20.0 million (FY24: \$15.9 million) reflect the ability of the Group to generate stable income streams.

The return achieved by the Group of 4.6% has exceeded the MSCI Core Funds Property Index return of 2.8%, which is regarded as the industry benchmark for Australian property portfolios. The broader property market experienced a softening of values greater than the impact of this softening on the Group's portfolio.

The Group remains conscious of and alert to the changing interest rate and economic environments and how these may impact property values in future years.

REVIEW OF OPERATIONS

The main sources of revenue were rent generated from the Group's investment properties, fair value gains/losses from investment properties, and interest revenue from cash held on deposit.

During the year the Group's operations included the acquisition of the property located at 48A Radford Road, Reservoir, which was completed in December 2024 and the properties located at 155 Florence Street and 135 Tingal Road, Wynnum, which were completed in February 2025.

SIGNIFICANT CHANGE IN STATE OF AFFAIRS

There has been no significant change in the state of affairs of the Group during the financial year.

LIKELY DEVELOPMENTS

In the future the Group expects to continue to grow its business with a focus on property investment and management activities.

EVENTS AFTER THE REPORTING PERIOD

In July 2025, the Group declared a dividend to the Group's ultimate parent entity, Brisbane City Council amounting to \$15.0 million for FY25 (FY24: \$11.8 million). This dividend was based on a percentage of the Group's funds from operations.

Other than the above, there are no other matters or circumstances that have arisen since the end of the financial year that have significantly affected or, in future, may significantly affect either the Group's operations, the results of those operations or the Group's state of affairs

DIRECTORS' BENEFITS

During the financial year, Directors of the Company have received or become entitled to receive Directors' fees totalling \$450,000 (FY24: \$450,000).

BOARD MEETINGS

The number of Board meetings attended by each of the Directors of the Company during the financial year is:

| | Meetings Attended | Meetings held during the time the Director held office |
|------------------------|-------------------|--|
| Simone Desmarchelier | 10 | 10 |
| Neil Castles | 9 | 10 |
| Maria Roach | 10 | 10 |
| Patrice Sherrie | 10 | 10 |
| Alastair Stewart Walls | 8 | 10 |

INDEMNIFICATION AND INSURANCE

The insurance premium for a policy of insurance indemnifying Directors and Officers is paid by the Group's ultimate parent entity, Brisbane City Council.

The Group's auditor, Queensland Audit Office, has not been indemnified by the Group.

ROUNDING OF AMOUNTS

The Group is a type of entity referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, therefore, the amounts contained in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration is set out on page 28 of this Directors' report.

Signed in accordance with a resolution of the Board of Directors.

SIMONE DESMARCHELIER



Director
Brisbane, 29 July 2025

NEIL CASTLES



Director
Brisbane, 29 July 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of City of Brisbane Investment Corporation Pty Ltd

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

Independence declaration

As lead auditor for the audit of City of Brisbane Investment Corporation Pty Ltd for the financial year ended 30 June 2025, 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
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of City of Brisbane Investment Corporation Pty Ltd and the entities it controlled during the period.



Sri Narasimhan
as delegate of the Auditor-General of Queensland
29 July 2025

Queensland Audit Office
Brisbane

| | Notes | 2025 \$'000 | 2024 \$'000 |
|--|-------|----------------|-----------------|
| REVENUE | | | |
| Rental revenue | 2 | 30,331 | 26,222 |
| Interest revenue | | 624 | 886 |
| Total income | | 30,955 | 27,108 |
| EXPENSES | | | |
| Property expenses and outgoings | 3 | 6,370 | 5,402 |
| Management and other administration expenses | 3 | 3,410 | 3,584 |
| Finance costs | 3 | 3,693 | 1,509 |
| Other expenses | 3 | 132 | 462 |
| Fair value loss on investment property | 7 | 6,718 | 33,468 |
| Total expenses | | 20,623 | 44,424 |
| Net profit/(loss) for the period attributable to members of the Company | | 10,632 | (17,316) |
| Other comprehensive income | | | |
| <i>Items that will be reclassified to profit or (loss)</i> | | | |
| Movements in fair value of hedge transactions | | (885) | 216 |
| Total comprehensive income attributable to members of the Company | | 9,747 | (17,100) |

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

| | Notes | 2025 \$'000 | 2024 \$'000 |
|---------------------------------------|-------|----------------|----------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 14,277 | 15,352 |
| Receivables | 5 | 588 | 856 |
| Right of use asset | | 143 | 143 |
| | | 15,008 | 16,350 |
| NON-CURRENT ASSETS | | | |
| Investment property | 6 | 380,350 | 354,891 |
| Derivative asset | 16 | - | 216 |
| Right of use asset | | 202 | 345 |
| | | 380,552 | 355,452 |
| Total assets | | 395,560 | 371,802 |
| CURRENT LIABILITIES | | | |
| Accounts payable and accrued expenses | 8 | 1,994 | 2,714 |
| Interest payable | | 309 | 241 |
| Lease liability – lessee | | 165 | 155 |
| | | 2,468 | 3,111 |
| NON-CURRENT LIABILITIES | | | |
| Refundable tenant deposit | 8 | 235 | 285 |
| Interest-bearing loan | 9 | 81,000 | 55,000 |
| Lease liability – lessee | | 250 | 415 |
| Derivative liability | 16 | 669 | - |
| | | 82,154 | 55,700 |
| Total liabilities | | 84,622 | 58,811 |
| Net assets | | 310,938 | 312,991 |
| SHAREHOLDER'S EQUITY | | | |
| Share capital | 10 | 140,902 | 140,902 |
| Other capital contribution | | 1,897 | 1,897 |
| Fair value reserve | | (669) | 216 |
| Retained profits | | 168,808 | 169,976 |
| Total shareholder's equity | | 310,938 | 312,991 |

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

| 2025 | Total \$'000 | Share capital \$'000 | Other capital contrib. \$'000 | Fair value reserves \$'000 | Retained Profits \$'000 |
|--|-----------------|----------------------------|-------------------------------------|----------------------------------|-------------------------------|
| Balance at 1 July 2024 | 312,991 | 140,902 | 1,897 | 216 | 169,976 |
| Net profit / (loss) | 10,632 | - | - | - | 10,632 |
| Other comprehensive income (FV movement of hedge) | (885) | - | - | (885) | - |
| Dividend paid to shareholder | (11,800) | - | - | - | (11,800) |
| Balance at 30 June 2025 | 310,938 | 140,902 | 1,897 | (669) | 168,808 |

| 2024 | Total \$'000 | Share capital \$'000 | Other capital contrib. \$'000 | Fair value reserves \$'000 | Retained Profits \$'000 |
|--|-----------------|----------------------------|-------------------------------------|----------------------------------|-------------------------------|
| Balance at 1 July 2023 | 339,591 | 140,902 | 1,897 | - | 196,792 |
| Net profit/ (loss) | (17,316) | - | - | - | (17,316) |
| Other comprehensive income (FV movement of hedge) | 216 | - | - | 216 | - |
| Dividend paid to shareholder | (9,500) | - | - | - | (9,500) |
| Balance at 30 June 2024 | 312,991 | 140,902 | 1,897 | 216 | 169,976 |

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

| | Notes | 2025 \$'000 | 2024 \$'000 |
|--|----------|-----------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | | 30,422 | 24,114 |
| Payments to suppliers and employees | | (10,672) | (9,104) |
| Interest received | | 631 | 905 |
| Interest paid | | (3,693) | (1,509) |
| Payment of rental liability | | - | (824) |
| Net cash inflows/(outflows) from operating activities | 4 | 16,688 | 13,582 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payment for investment property acquisitions and additions | | (30,720) | (41,258) |
| Payment for Investment property capex | | (1,197) | (7,345) |
| Payment for lease incentive | | (46) | (223) |
| Net cash inflows/(outflows) from investing activities | | (31,963) | (48,826) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Drawdown of Debt | | 26,000 | 55,000 |
| Repayment of Debt | | - | (20,000) |
| Dividends paid | | (11,800) | (9,500) |
| Net cash inflows/(outflows) from financing activities | | 14,200 | (25,500) |
| NET INCREASE / (DECREASE) IN CASH HELD | | (1,075) | 9,744 |
| Cash and cash equivalents at the beginning of the year | | 15,352 | 25,095 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 4 | 14,277 | 15,352 |

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES

City of Brisbane Investment Corporation Pty Ltd and its subsidiaries ("the Group") comprises a group of companies and a trust domiciled in Australia. Brisbane City Council ("BCC") is the ultimate parent of the Group.

The principal place of business and the registered office of the Group is at Level 34, 345 Queen Street, Brisbane, QLD.

(a) Basis of Preparation

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs), Australian Accounting Interpretations, other authoritative pronouncements issued by the Australian Accounting Standards Board and the *Corporations Act 2001*.

While its ultimate parent is a not-for-profit entity, the Group is a for-profit entity and the financial statements are prepared on a for-profit basis. All balances are stated in Australian Dollars.

The financial report has been prepared on an accrual basis and is based on historical costs, except for:

- Investment property at fair value

(b) Basis of Consolidation

The consolidated financial statements reflect the combined financial performance and position of the following entities which comprise the City of Brisbane Investment Corporation Group of entities:

- City of Brisbane Investment Corporation Pty Ltd (CBIC);
- CBIC Investment Pty Ltd (Dormant - 100% owned by CBIC);
- CBIC Valley Heart Pty Ltd (100% owned by CBIC);
- CBIC Allara Pty Ltd (100% owned by CBIC);
- Allara SPV Trust (100% owned by CBIC); and
- CBIC Kingston Pty Ltd (Registered 19 December 2023 – 100% owned by CBIC); and
- CBIC Reservoir Pty Ltd (Registered 28 November 2024 – 100% owned by CBIC).

The key financial information of the parent entity, CBIC, is detailed in Note 15.

(c) Rounding and Comparatives

Unless otherwise stated, amounts have been rounded to the nearest \$1,000 in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Consequently, rounded balances in the notes may not exactly agree to the primary statements.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period

(d) Use of Judgements and Estimates

When preparing the financial statements, management undertakes a number of judgements and estimates about the recognition and measurement of assets, liabilities, income and expenses. The impact of any revisions to these judgements and estimates are recognised in the period in which the revision is made.

The following are the judgements and estimates that have the most significant effect on the financial statements:

- Investment property – (Notes 6 and 7)

(e) New and Revised Standards that are Effective for these Financial Statements

No new accounting standards relevant considered appropriate.

(f) Taxation

(i) Income Tax

Income of Local Government and public authorities and their subsidiaries are exempt from income tax (including capital gains tax) under the provisions of the *Income Tax Assessment Act 1936*.

(ii) Goods and Services Tax

Revenues, expenses and non-current physical assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability. Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST components of cashflows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

2. REVENUE AND OTHER INCOME

RENTAL REVENUE

Rental revenue from investment property is recognised on a straight-line basis over the lease term. The cost of lease incentives granted 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.

| | 2025 \$'000 | 2024 \$'000 |
|---------------------------------|----------------|----------------|
| Gross rent | 30,117 | 25,397 |
| Straight line rent adjustment | 468 | 1,067 |
| Amortisation of lease incentive | (254) | (242) |
| | 30,331 | 26,222 |

3. EXPENSES

PROPERTY EXPENSES AND OUTGOINGS

Property expenses and outgoings include rates, taxes and other property outgoings incurred in relation to the effective operation of the properties.

Expenditure incurred in either maintaining the operational capacity of assets or ensuring that their original life estimates are achieved is considered maintenance and is treated as an expense as incurred. Expenditure incurred in the acquisition or construction of assets are treated as capital expenditure and recognised as part of the cost of that asset.

| | 2025 \$'000 | 2024 \$'000 |
|---------------------------------|----------------|----------------|
| Property expenses and outgoings | 6,370 | 5,402 |

MANAGEMENT AND OTHER ADMINISTRATION EXPENSES

Management and other administration expenses are expenses incurred that do not relate to the operation of the properties, and include employee benefits, Directors' costs and other administration expenses.

| | 2025 \$'000 | 2024 \$'000 |
|---|----------------|----------------|
| Employee benefits and related costs | | |
| Wages and salaries (including leave benefits and contractors) | 1,610 | 1,646 |
| Superannuation contributions | 204 | 176 |
| Payroll tax | 117 | 123 |
| Recruitment | 24 | 67 |
| Other employee related costs | 123 | 153 |
| | 2,078 | 2,166 |
| Directors' costs | | |
| Directors' fees | 427 | 428 |
| Superannuation contributions | 23 | 22 |
| Payroll tax | 25 | 28 |
| | 475 | 478 |
| Other administration expenses | | |
| Professional fees | 130 | 176 |
| IT and communications | 246 | 318 |
| Rent | 144 | 145 |
| Corporate memberships and subscriptions | 82 | 79 |
| Audit fees – Queensland Audit Office (see i) | 74 | 60 |
| Other | 181 | 161 |
| | 857 | 939 |
| | 3,410 | 3,584 |

(i) Total audit fees quoted by the Queensland Audit Office relating to the audit of financial statements are \$73,785 (2024: \$60,300). No other services were performed during the reporting period.

FINANCE COSTS

Finance costs are the interest expenses associated with the Westpac loan facility agreement.

| | 2025 \$'000 | 2024 \$'000 |
|---|----------------|----------------|
| Finance Costs | 3,693 | 1,509 |
| | | |
| | 2025 \$'000 | 2024 \$'000 |
| Other expenses | | |
| New business costs | 118 | 48 |
| Interest expenses for financial liabilities not at fair value | - | 394 |
| Investment management fees | 14 | 20 |
| Total | 132 | 462 |

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less.

| | 2025 \$'000 | 2024 \$'000 |
|-------------------------------|----------------|----------------|
| CASH BALANCE COMPRISES | | |
| Cash at bank and at call | 14,277 | 15,352 |
| Cash and cash equivalents | 14,277 | 15,352 |

| | 2025 \$'000 | 2024 \$'000 |
|--|----------------|-----------------|
| RECONCILIATION OF NET OPERATING CASH FLOWS TO PROFIT/(LOSS) | | |
| TOTAL NET PROFIT/(LOSS) FOR THE PERIOD | 10,632 | (17,316) |
| NON-CASH ITEMS | | |
| (Gain) / loss on sale of investments | - | - |
| Straight line rent adjustment | 467 | (1,067) |
| Fair value (gain) / loss on investment property | 6,718 | 33,468 |
| Amortisation of lease incentive | (271) | (360) |
| CHANGES IN OPERATING ASSETS AND LIABILITIES | | |
| (Increase) / Decrease in receivables | (280) | 364 |
| Increase / (Decrease) in accounts payable and accrued expenses | (733) | (681) |
| (Increase) / Decrease in rental liability | 155 | (824) |
| NET CASH INFLOWS FROM OPERATING ACTIVITIES | 16,688 | 13,582 |

5. RECEIVABLES

Trade and other receivables and loans are measured at amortised cost using the effective interest method.

| | 2025 \$'000 | 2024 \$'000 |
|-----------------------------|----------------|----------------|
| CURRENT | | |
| Interest receivable | 49 | 56 |
| Trade and other receivables | 539 | 800 |
| | 588 | 856 |

6. INVESTMENT PROPERTY

Investment property is property held to earn rental income and/or for capital appreciation and property that is being constructed or developed for future use as an investment property.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Refer Note 7 for further fair value information.

Investment properties under construction are measured at cost until construction or development reaches a stage where it is determined that fair value can be measured reliably.

Lease incentives for fit-out provided to tenants are capitalised and amortised over the lease periods to which they relate. The carrying amount of lease incentives are included in the value of the investment property.

Gains or losses arising from changes in the fair value of investment properties are recognised in profit or loss in the period in which they arise. The gain or loss on disposal of an investment property, which is calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in profit or loss in the period of disposal.

| | 2025 \$'000 | 2024 \$'000 |
|---|----------------|----------------|
| EXISTING INVESTMENT PROPERTY | | |
| Opening balance at 1 July | 351,600 | 334,250 |
| Acquisitions of investment property (see i and ii) | 30,721 | 41,258 |
| Additions | 938 | 142 |
| Lease incentives | 46 | 223 |
| Amortisation of lease incentives | (254) | (242) |
| Straight line rent adjustment | 467 | 1,067 |
| Net fair value gain/(loss) | (6,718) | (33,468) |
| Disposal of investment property | - | - |
| Transfer from property under construction (see iii) | 3,550 | 8,370 |
| Closing balance at 30 June | 380,350 | 351,600 |
| INVESTMENT PROPERTY UNDER CONSTRUCTION | | |
| Opening balance at 1 July | 3,291 | 4,458 |
| Additions | 259 | 7,203 |
| Transfer of construction projects completed (see iii) | (3,550) | (8,370) |
| Closing balance at 30 June | - | 3,291 |
| | 380,350 | 354,891 |

Significant investment property transactions during the period were:

- (i) the acquisition of a property at 48A Radford Road, Reservoir was completed in December 2024 for \$25.56 million including acquisition costs;
- (ii) the acquisitions of properties at 155 Florence Street and 135 Tingal Road, Wynnum were completed in February 2025 for \$5.16 million including acquisition costs; and
- (iii) the Specialist Disability Accommodation projects at 12 and 14 Rogers Parade, Everton Park reached practical completion in August 2024, and the asset has been moved from investment property under construction to existing investment property.

7. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

Fair Value Measurement Hierarchy

Non-financial assets measured at fair value include investment property and non-current asset held for sale. The carrying amount of other financial assets and liabilities reasonably equates to their fair value.

The methods used to estimate fair values comprise:

- Level 1 – the fair value is calculated using quoted prices in active markets for identical assets and liabilities;
- Level 2 – the fair value is estimated using inputs that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The following table shows assets at as Level 3 in accordance with AASB 13 Fair Value Measurement.

| | LEVEL 1 | | LEVEL 2 | | LEVEL 3 | | TOTAL | |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2025 \$'000 | 2024 \$'000 | 2025 \$'000 | 2024 \$'000 | 2025 \$'000 | 2024 \$'000 | 2025 \$'000 | 2024 \$'000 |
| Investment properties | - | - | - | - | 380,350 | 354,891 | 380,350 | 354,891 |
| Total | - | - | - | - | 380,350 | 354,891 | 380,350 | 354,891 |

Reconciliation of Level 3 Fair Value Measurements

The following table shows the movements of investment properties in Level 3 of the fair value measurements hierarchy.

| | INVESTMENT PROPERTIES | |
|-------------------------------|-----------------------|----------------|
| | 2025 \$'000 | 2024 \$'000 |
| Opening balance at 1 July | 354,891 | 338,708 |
| Straight line rent adjustment | 467 | 1,067 |
| Net fair value gain/(loss) | (6,718) | (33,468) |
| Acquisitions | 30,721 | 41,258 |
| Additions | 1,197 | 7,345 |
| Other | (208) | (19) |
| Closing balance at 30 June | 380,350 | 354,891 |

Classification of assets and liabilities into fair value hierarchy levels is reviewed annually and where there has been a significant change to the valuation inputs and valuation techniques and a transfer is deemed to occur, this is affected at the beginning of the relevant reporting period.

Valuation Techniques and Inputs

Investment properties are measured at fair value. Investment properties are classified as level 3 as the fair value is substantially derived from unobservable inputs.

All independent valuations were performed as at 30 June 2025. The independent valuations were performed by qualified valuers from Jones Lang LaSalle, CBRE, Colliers, Savills and Knight Frank.

The assignment of individual values to individual investment property is based on the valuer’s expertise in the type of investment property concerned with the valuer considering the most comparable sales evidence available. Valuation methods utilised are:

- Discounted cashflow models, and
- Income capitalisation approaches

These approaches have been checked for accuracy by the direct comparison approach and analysed on a rate per square metre from the comparable sales evidence.

The income capitalisation approach applies a market capitalisation rate to income. Adjustments are made for any relevant rental reversions including letting up allowances for vacant space, incentives, leasing fees, capital expenditure and other appropriate capital allowances.

Discounted cashflow models consider the present value of net cash flows to be generated from the property, reflecting the expected rental growth rate, void periods, occupancy rates, lease incentive costs and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location, tenant credit quality and lease terms.

Deferred land method considers the direct comparison approach to value the underlying land and considers the present value of the passing income for the remainder of the lease.

Key unobservable inputs used in valuations are detailed in the below tables:

Investment Property

| Valuation method | Significant unobservable input description and range | Relationship of inputs to fair value |
|-----------------------|---|--------------------------------------|
| Income capitalisation | Net passing income - the actual net income (Gross property income less property expenses) currently being generated from the property at this time (passing). | Refer (i) below |
| | Market capitalisation rate 5.50% to 7.63% (2024: 5.50% to 7.50%) - a capitalisation rate applied to the properties Market Income. Market Income is defined as what the property could lease for today versus what the actual tenant may be paying based on their lease agreement. | Refer (ii) below |
| | Capital expenditure and lease incentives | Refer (ii) below |
| | | |
| Discounted cash flow | Rental cash flow growth rates 1.27% to 3.57% (2024: 2.46% to 3.42%) - leases contain rental increases, generally on an annual basis, either a fixed percentage or indexed to CPI. Property valuers will apply growth rates against rental income streams to determine future cashflows from the asset. | Refer (i) below |
| | Tenancy / lease occupancy rates | Refer (i) below |
| | Capital expenditure | Refer (ii) below |
| | Terminal value - the value of the property at the end of the cash flow period. For property this is usually the value at the end of a 10 year. Once the valuer has determined the terminal value of an asset, the valuer applies a discount rate to determine the value of the asset today (Net Present Value). | Refer (i) below |
| | Discount rate 6.00% to 8.25% (2024: 5.00% to 7.75%) - the rate applied to a properties future value and cashflows. It is determined by analysing recent property sales. | Refer (ii) below |

- (i) Increase in the input variable would increase the fair value and a decrease in the input variable would decrease the fair value.
- (ii) Increase in the input variable would decrease the fair value and a decrease in the input variable would increase the fair value.

Sensitivity Analysis

Significant judgement is required when assessing the fair value of investment property. Owing to this significant judgement, a sensitivity analysis is included below. The sensitivity analysis shows the impact on the carrying value of the Group’s investment property of an increase or decrease of 0.50% on the market capitalisation rate as at 30 June 2025.

| | 0.50% INCREASE | | 0.50% DECREASE | |
|-------------------------------|----------------|----------------|----------------|----------------|
| | 2025 \$'000 | 2024 \$'000 | 2025 \$'000 | 2024 \$'000 |
| Impact to investment property | (27,100) | (24,090) | 34,400 | 21,970 |

8. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses are recognised as a liability when the amount owed can be measured reliably and when it is probable the amount will have to be paid, when the goods are received, or the service is performed. Amounts are unsecured and normally settle within 30 days.

Accrued employee benefits comprise annual leave, long service leave and accrued salaries and superannuation. Annual leave represents the amount which the Group has a present obligation to pay resulting from employees’ services provided up to balance date. The accrual is based on estimated remuneration rates that will be paid when the liability is expected to be settled and includes related on-costs. In relation to long service leave, consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

| | 2025 \$'000 | 2024 \$'000 |
|--------------------------------------|----------------|----------------|
| CURRENT | | |
| Trade creditors and accrued expenses | 1,668 | 2,400 |
| Payroll and other taxes | 202 | 221 |
| Accrued employee benefits | 124 | 93 |
| | 1,994 | 2,714 |
| NON-CURRENT | | |
| Refundable tenant deposits | 235 | 285 |

9. INTEREST-BEARING LOAN

The Group entered into a \$60.0 million loan facility agreement with Westpac Bank on 1 March 2024. This was extended by an additional \$31.0 million to facilitate the acquisition of 48A Radford Road, Reservoir in December 2025. As at 30 June 2025, CBIC has drawn down \$81.0 million from this facility. The loan matures on 28 February 2027.

| | 2025 \$'000 | 2024 \$'000 |
|-------------|----------------|----------------|
| NON-CURRENT | | |
| Bank loan | 81,000 | 55,000 |
| | 81,000 | 55,000 |

The group has undertaken a fair value calculation for the loan facility as at 30 June 2025. As the loan is on a variable rate and is interest only, the carrying amount of the interest-bearing loan approximates the fair value at reporting date.

The Group manages its exposure to interest rate risk as set out in Note 16.

10. SHARE CAPITAL AND RESERVES

Share capital represents the cost of Ordinary Shares issued as equity. Any transaction costs associated with the issuing of shares are deducted from the share capital.

| | 2025 \$'000 | 2024 \$'000 |
|--|----------------|----------------|
| 140,901,651 ordinary shares fully paid | 140,902 | 140,902 |

The Group currently has interest rate swaps in place against the variable borrowings of the corporate debt. The swaps have been valued as at 30 June 2025. The Fair Value Reserve relates to these valuations.

| | 2025 \$'000 | 2024 \$'000 |
|--------------------|----------------|----------------|
| Fair value reserve | (669) | 216 |

11. RELATED PARTY TRANSACTIONS

(a) Key Personnel

| | |
|------------------------|----------------------------|
| Directors | |
| Neil Castles | |
| Simone Desmarchelier | |
| Maria Roach | |
| Patrice Sherrie | |
| Alastair Stewart Walls | |
| Management | |
| Lachlan Dyson | Appointed 11 December 2023 |

(b) Key Management Personnel Compensation

| | 2025 \$'000 | 2024 \$'000 |
|------------------------------|----------------|----------------|
| Short-term employee benefits | 779 | 727 |
| Post-employment benefits | 55 | 57 |
| Termination benefits | - | 166 |
| Total | 834 | 950 |

(c) Details of transactions between the Group and Brisbane City Council (BCC), the ultimate parent entity are disclosed below:

| | 2025 \$'000 | 2024 \$'000 |
|---|----------------|----------------|
| Purchase of materials and services from ultimate parent entity (see #1) | 730 | 781 |
| Rental income earned from ultimate parent entity (see #2 and #3) | 12,763 | 12,406 |
| Dividend in respect of 2024 financial year | 11,800 | - |
| Dividend in respect of 2023 financial year | - | 9,500 |

At balance date, total amount payable to BCC in relation to these services amounted to \$53,073 (2024: \$Nil) and the total amount payable by BCC in relation to the rental income is \$Nil (2024: \$Nil).

- #1 Purchase of materials and services in the ordinary course of business that are acquired on commercial terms.
- #2 Whilst rental revenue of the Group is recognised on a straight-line basis over the lease term, the amounts disclosed for related party transaction purposes reflect amounts actually payable/receivable for the period in accordance with the relevant lease agreements.
- #3 The Group also leases commercial spaces, an Industrial warehouse and a shipyard facility to BCC. These transactions are based on normal market commercial terms and conditions as per the valuations completed by independent valuers.

Details of transactions between CBIC and its Subsidiaries are disclosed below:

| | 2025 \$'000 | 2024 \$'000 |
|--|----------------|----------------|
| Intercompany loans between the entities (closing balances) | 67,293 | 39,848 |

Transactions made during the 2025 financial year CBIC repaid \$321 to CBIC Investment Pty Ltd, \$321 to CBIC Allara Pty Ltd and \$2,502,035 to CBIC Kingston Pty Ltd. Additionally, CBIC loaned \$24,772,718 to CBIC Reservoir Pty Ltd to facilitate the acquisition of 48A Radford Road, Reservoir, and \$5,173,757 to CBIC Valley Heart Pty Ptd to facilitate the acquisitions of 155 Florence Street and 135 Tingal Road, Wynnum. On consolidation, the loans were eliminated. The loans are unsecured, interest free and with no fixed repayment date.

12. COMMITMENTS

(a) Capital Commitments

Capital expenditure contracted for at balance date but not provided for in the financial statements is payable as follows:

| | 2025 \$'000 | 2024 \$'000 |
|--------------------|----------------|----------------|
| Within 1 year | 199 | 175 |
| 1 to 5 years | - | - |
| Later than 5 years | - | - |
| | 199 | 175 |

(b) Operating Commitments

Operating expenditure contracted for at balance date but not provided for in the financial statements relates entirely to CBIC and is payable as follows:

| | 2025 \$'000 | 2024 \$'000 |
|---|----------------|----------------|
| Within 1 year | 1,242 | 1,319 |
| 1 to 5 years | 964 | 1,790 |
| Later than 5 years | - | - |
| | 2,206 | 3,109 |
| Total operating and capital commitments | 2,405 | 3,284 |

13. LEASES AS LESSOR

Future operating lease rentals contracted for at balance date but not provided for in the financial statements relate entirely to CBIC and are receivable as follows:

| | 2025 \$'000 | 2024 \$'000 |
|--------------------|----------------|----------------|
| Within 1 year | 26,852 | 25,029 |
| 1 to 2 years | 25,882 | 24,752 |
| 2 to 3 years | 21,497 | 23,804 |
| 3 to 4 years | 20,076 | 19,457 |
| 4 to 5 years | 19,506 | 18,112 |
| Later than 5 years | 84,006 | 103,697 |
| | 197,819 | 214,851 |

The Group has entered into 53 non-cancellable lease arrangements (2024: 35) for its investment properties under normal market terms and conditions.

14. SUBSEQUENT EVENTS

At the date of signing, the following non-adjusting event occurred subsequent to balance date:

Dividend Declaration

A dividend of \$15.0 million payable to the ultimate parent entity was declared on 29 July 2025 in respect of the 2025 financial year.

Other than the above there are no other matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect either the Group’s operations in future years, the results of those operations in future years or the Group’s state of affairs in future years.

15. PARENT ENTITY FINANCIAL INFORMATION

The key financial information of the parent entity, CBIC is detailed as follows:

| | 2025 \$'000 | 2024 \$'000 |
|---|----------------|----------------|
| ASSETS | | |
| Current assets | 14,491 | 15,987 |
| Non-current assets | 332,046 | 336,315 |
| Total assets | 346,537 | 352,301 |
| LIABILITIES | | |
| Current liabilities | 1,364 | 1,888 |
| Non-current liabilities | 14,219 | 15,829 |
| Total liabilities | 15,583 | 17,717 |
| SHAREHOLDER’S EQUITY | | |
| Share capital | 140,902 | 140,902 |
| Other capital contribution | 1,897 | 1,897 |
| Fair value reserve | (669) | 216 |
| Retained profits | 188,824 | 191,569 |
| Total shareholder’s equity | 330,954 | 334,584 |
| PROFIT OR LOSS AND COMPREHENSIVE INCOME | | |
| Total profit or loss | 9,054 | (4,128) |
| Other comprehensive income | (885) | 216 |
| Total comprehensive income | 8,169 | (3,912) |

16. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Categorisation of Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of financial instruments. Financial assets and financial liabilities are classified as follows:

| | Notes | 2025 \$'000 | 2024 \$'000 |
|---|-------|----------------|----------------|
| FINANCIAL ASSETS | | | |
| Cash and cash equivalents at amortised cost | 4 | 14,277 | 15,352 |
| Trade and other receivables at amortised cost | 5 | 588 | 856 |
| Derivative asset | 16 | - | 216 |
| | | 14,865 | 16,424 |
| FINANCIAL LIABILITIES | | | |
| Accounts payable and accrued expenses | 8 | 2,229 | 2,999 |
| Interest Payable | | 309 | 241 |
| Interest-bearing loan | 9 | 81,000 | 55,000 |
| Derivative liability | 16 | 669 | - |
| Total liabilities | | 84,207 | 58,240 |

RISK MANAGEMENT

The Group’s principal financial instruments include cash and cash equivalents and loans, the main purpose of which is to provide adequate financial capability to support the Group’s operations, the acquisition of investment properties and management of its financial market risks. The Group has various other financial assets and liabilities such as trade receivables, interest-bearing loan and payables which arise directly from its operations.

The Group’s activities expose it to a variety of risks including market risk (such as interest rate risk), liquidity risk and credit risk. The Group’s financial risk management activities seek to minimise potential adverse effects of the unpredictability of financial markets on financial performance.

All investment activities must be consistent with the Group’s investment policy and all proposals undertaken need to meet this policy before approval is given by the Board. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate and credit risk.

The Group is exposed to interest rate risk in respect to borrowings where interest is charged at variable rates. The Group mitigates interest rate risk by hedging interest rates using derivative financial instruments (interest rate swaps) to manage cash flows and interest rate exposure.

INTEREST RATE RISK

Interest rate risk refers to possible fluctuations caused by changes in the value of interest-bearing financial instruments as a result of changes in market rates. The Group manages interest rate risk through an interest rate management framework, which allows for interest rate hedging.

The Group currently has interest rate swaps in place with Westpac to cover 53% (2024: 55%) of the variable borrowings. The weighted average maturity of interest rate swaps is 2.34 years (2024: 2.92 years). The swaps have been independently valued as at 30 June 2025 using observable market inputs from actively traded markets with the amount reported as a derivative liability.

The Group’s interest rate sensitivity to an expected 1% maximum fluctuation in interest rates if all other variables were held constant is:

| Increase/(decrease) in profit and equity from change in interest rate of: | 1% INCREASE | | 1% DECREASE | |
|---|----------------|----------------|----------------|---------------|
| | 2025 \$'000 | 2024 \$'000 | 2025 \$'000 | 204 \$'000 |
| Cash and cash equivalents | 143 | 154 | (143) | (154) |
| Interest-bearing loan | (380) | (250) | 380 | 250 |

LIQUIDITY RISK

Liquidity risk refers to the ability of the Group to meet its financial obligations as and when they fall due. The Group is exposed to liquidity risk through its normal course of business. The Group manages liquidity risk through continuous monitoring of forecast cash flows to ensure it maintains adequate access to cash and cash equivalents and borrowings ensuring an appropriate spread of maturities as required.

The following table sets out the contractual maturity of the Group’s financial liabilities, calculated based on the undiscounted cash flows relating to the liabilities at reporting date:

| 2025 | 0-1 year \$'000 | 1-5 years \$'000 | Over 5 years \$'000 | Total \$'000 |
|---------------------------------------|--------------------|---------------------|------------------------|-----------------|
| FINANCIAL LIABILITIES | | | | |
| Accounts payable and accrued expenses | 1,994 | - | - | 1,994 |
| Interest-bearing loan | - | 81,000 | - | 81,000 |
| Total financial liabilities | 1,994 | 81,000 | - | 82,994 |

| 2024 | 0-1 year \$'000 | 1-5 years \$'000 | Over 5 years \$'000 | Total \$'000 |
|---------------------------------------|--------------------|---------------------|------------------------|-----------------|
| FINANCIAL LIABILITIES | | | | |
| Accounts payable and accrued expenses | 2,714 | - | - | 2,714 |
| Interest-bearing loan | - | 55,000 | - | 55,000 |
| Total financial liabilities | 2,714 | 55,000 | - | 57,714 |

CREDIT RISK

Credit risk is the risk that the counterparty will not fulfil its obligations under the terms of a financial instrument and will cause financial loss to the Group. The Group has exposure to credit risk on all financial assets recognised on the statement of financial position.

- The Group’s management considers that all material financial assets are of good credit quality noting:
- In respect of cash and cash equivalents, credit risk is considered negligible since the funds are held with reputable banks and institutions with high quality credit ratings and the majority is held with the Queensland Treasury Corporation in a Cash Fund which is capital guaranteed.
 - In respect of loans and receivables, material amounts receivable are either with a reputable counterparty or the amount receivable has appropriate security to minimise the risk of potential default.

In the opinion of the Directors of the Company:

1. The consolidated financial statements and notes of City of Brisbane Investment Corporation Pty Ltd for the financial year ended 30 June 2025 are in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
- (b) complying with Accounting Standards and the Corporations Regulations 2001.

2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.

SIMONE DESMARCHELIER



Director
Brisbane, 29 July 2025

NEIL CASTLES



Director
Brisbane, 29 July 2025



INDEPENDENT AUDITOR'S REPORT

To the Members of City of Brisbane Investment Corporation Pty Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of City of Brisbane Investment Corporation Pty Ltd (the parent) and its controlled entities (the group).

The financial report comprises the statements of financial position as at 30 June 2025, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including material accounting policy information and the directors' declaration.

In my opinion, the accompanying financial report of the group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the parent's and group's financial position as at 30 June 2025, and their financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the parent and group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*. I am also independent of the parent and group in accordance with the auditor independence requirements of the *Corporations Act 2001*, and confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

At the date of this auditor's report, the available other information in City of Brisbane Investment Corporation Pty Ltd's annual report for the year ended 30 June 2025 was the "directors' report".

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

In connection with my audit of the financial report, my 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 my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Directors for the financial report

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

The company's directors are also responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My 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 my 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 this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of my auditor's report.



Sri Narasimhan
as delegate of the Auditor-General

31 July 2025

Queensland Audit Office
Brisbane



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More information about CBIC and its activities and services are available at cbic.com.au