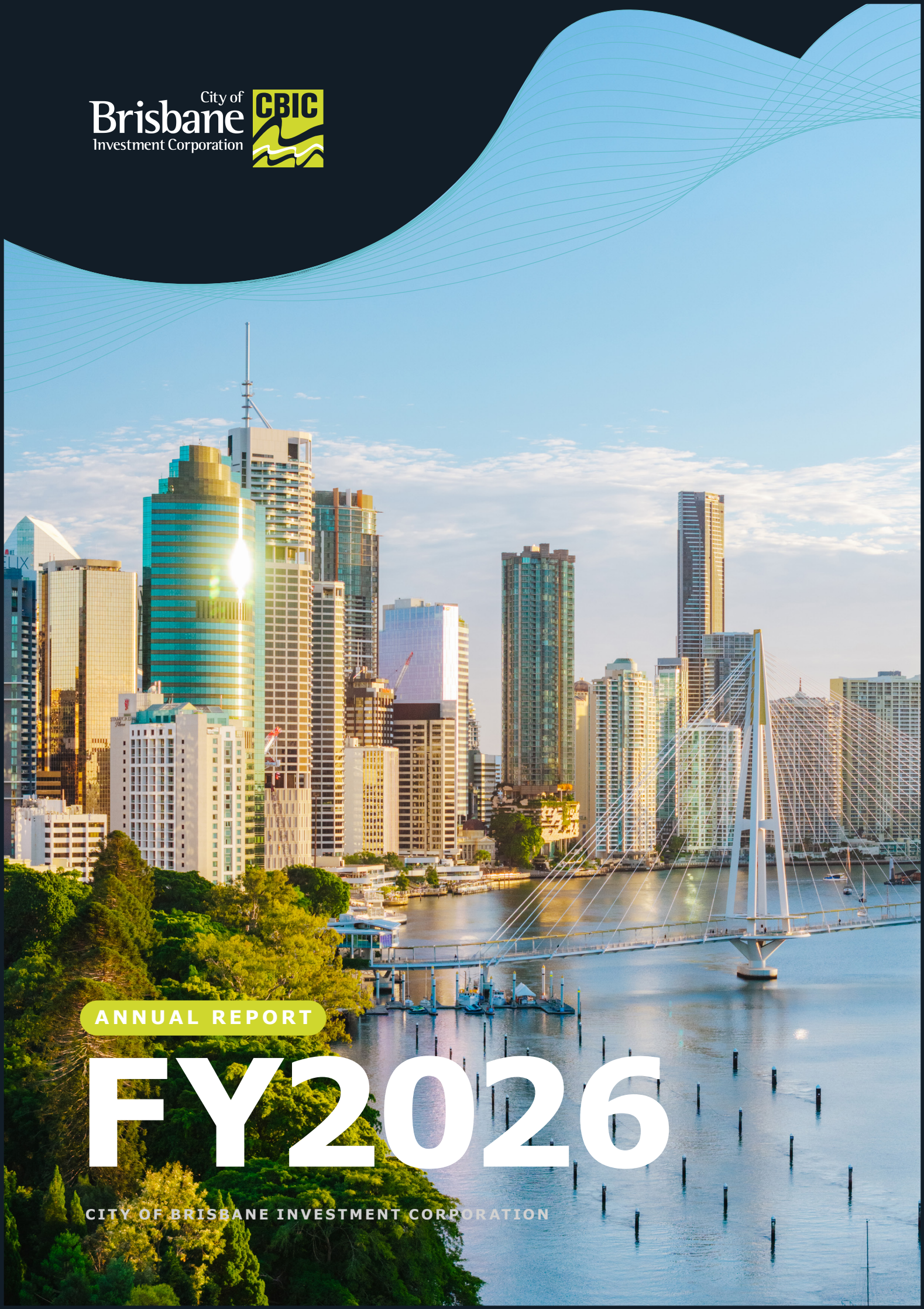
City of Brisbane Investment Corporation

CBIC



ANNUAL REPORT

FY2026

CITY OF BRISBANE INVESTMENT CORPORATION

ATTRIBUTION

Content of this annual report should be attributed as:

City of Brisbane Investment Corporation Annual Report FY2026.

ABOUT THIS ANNUAL REPORT

This annual report summarises the activities and performance of the City of Brisbane Investment Corporation (CBIC) for the financial year 2025-2026 (FY2026). 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.

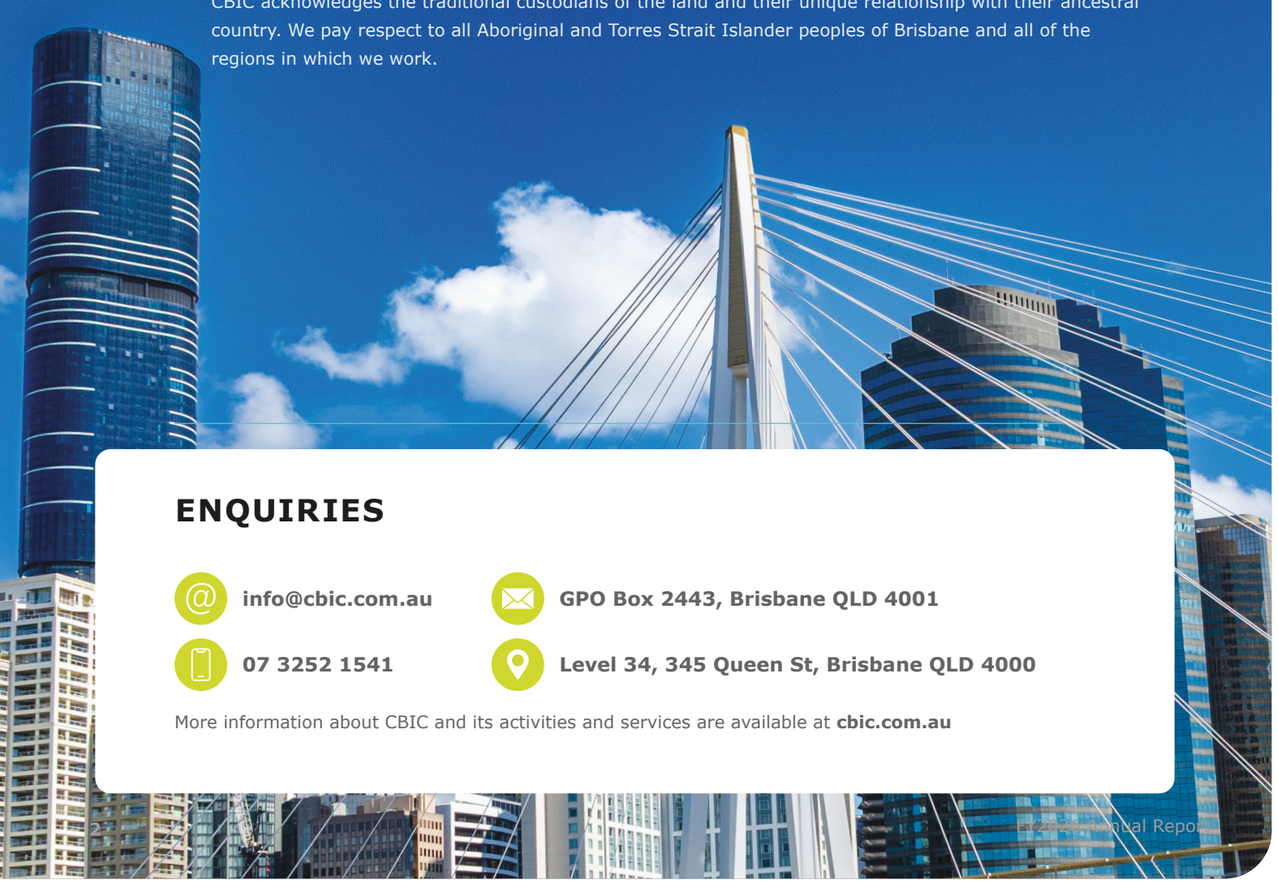
The annual report is accompanied by financial statements. CBIC prepares annual financial statements in accordance with Australian Accounting Standards for auditing by the Queensland Auditor-General in accordance with the Auditor-General Act 2009.

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 eighteenth annual report since its establishment.
cbic.com.au/latest-from-cbic

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.



ENQUIRIES

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

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ABOUT CBIC

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 property assets that maximises the level of return for an appropriate level of risk.

CBIC VALUES

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 FY2026

Building on its strong economic, environmental, social and governance record, CBIC continued to achieve a series of positive outcomes for Brisbane in FY2026.

Funds from Operations

CBIC's property portfolio generated Funds from Operations (FFO) of **$22.7 million**, a 13.6% increase on the prior year.

Overall Return

CBIC has delivered an average **return of 9.5%** since inception, outperforming its long-term benchmark of a rolling 10-year CPI plus 3.5%.

Property Return vs Portfolio Benchmark

Outperforming FY2026 MSCI/Mercer Australia Core Wholesale Fund Index (pre-fees) by **42 basis points.**

FY2026 Dividend

$17.0 million dividend declared for FY2026. $234.1 million in total dividend payments since inception.

Active Asset Management

CBIC maintained its strong occupancy rate across the portfolio of more than **99.4%** through active management and strong tenant retention.



LORD MAYOR'S FOREWORD

"Investing in an even better Brisbane.

Brisbane's outdoor lifestyle is one of our city's greatest strengths and we're continuing to invest in the parks, playgrounds and public spaces that residents enjoy every day.

The City of Brisbane Investment Corporation (CBIC) helps make this possible - delivering financial returns that can be invested back into our city and suburbs.

CBIC has come a long way since it was established in 2008 with $135 million in seed funding.

Today, it manages $408.4 million in investments and has returned $234.1 million to Council through dividends.

This year continued that strong performance, with CBIC delivering a $17 million dividend to Council, an increase from $15 million last year.

These returns are helping us deliver practical improvements in communities right across Brisbane.

Families visiting Rocks Riverside Park can now enjoy a new water play area, complete with a splash pad, water fun zone and shade sails.

At Mount Gravatt Outlook Reserve, new terraced seating and accessible pathways are making it easier for more people to enjoy one of Brisbane's best views.

CBIC funding has also helped progress the draft master plan for the Wynnum, Manly and Lota foreshores, setting a long-term vision for one of Brisbane's most-loved stretches of waterfront.

Importantly, this investment helps us deliver more for residents without placing the full cost on ratepayers.

That matters at a time when household budgets remain under pressure and Brisbane continues to grow.

Looking towards 2032 and beyond, strong returns from CBIC will help us keep improving the places and spaces that make Brisbane such a great place to live.

I want to thank the CBIC Board, management and staff for their continued hard work and careful stewardship.

Their efforts are delivering benefits today while helping us invest in an even better Brisbane for the 1.3 million residents who call our city home.



Yours sincerely,

ADRIAN SCHRINNER
Lord Mayor of Brisbane

CHAIR AND CEO REPORT

"Delivering Strong Growth & Sustainable Returns.

FY2026 was another outstanding year for City of Brisbane Investment Corporation (CBIC), delivering strong financial performance, continued portfolio growth and increased returns to its shareholder, Brisbane City Council. These results reflect CBIC's disciplined investment approach, prudent capital management and focus on creating long-term value for the people of Brisbane.

Financial Performance

Funds From Operations (FFO) increased to $22.7 million, up from $20.0 million in FY2025. This continued growth in recurring earnings demonstrates the resilience of CBIC's portfolio and its ability to generate reliable cash flows across varying market conditions.

Assets Under Management (AUM) reached $408.4 million, surpassing $400 million for the first time. This represents an increase of $28.0 million, up 7.4% during FY2026 and growth of more than 12% over the past three years, reflecting both asset appreciation and disciplined portfolio management.

Net profit after tax increased significantly to $25.5 million, compared with $10.6 million in FY2025, highlighting the success of CBIC's focus on portfolio optimisation, operational efficiency, and long-term value creation.

Delivering Returns

Providing sustainable and growing returns to Brisbane City Council remains a core objective for CBIC. For FY2026, the annual dividend increased to $17.0 million, up from $15.0 million for FY2025. Since inception, CBIC has returned $234.1 million in dividends to Brisbane City Council, supporting the delivery of essential services, community infrastructure, and investment across Brisbane.

Outlook

These results were achieved amid ongoing economic uncertainty, persistent inflationary pressures and increasingly complex global market conditions. Heightened geopolitical tensions, trade disruption, fluctuating interest rates and changing capital market dynamics continue to create uncertainty across investment markets and may influence the pace of asset growth and future returns.

Against this backdrop, CBIC remains focused on disciplined risk management, portfolio diversification and prudent capital allocation. This approach has enabled the organisation to deliver favourable outcomes while maintaining a robust financial position and preserving flexibility to respond to changing market conditions.

With anticipated global economic and political volatility in the coming financial year CBIC believes that its growing portfolio and long-term investment horizon continues to position the organisation well to navigate most market challenges. CBIC remains committed to creating long-term value for its shareholder, including sustainable returns, whilst recognising that these may be influenced by broader domestic and global market conditions.

Yours sincerely,



SIMONE DESMARCHELIER
Chair



LACHLAN DYSON
Chief Executive Officer



OUR PERFORMANCE

In the financial year 2025-2026 CBIC continued to focus on active asset management, strategic acquisitions and value creation across its property portfolio.

During the year, CBIC expanded its investment holdings through the acquisition of **Bartons Wynnum** at 200 Tingal Road, Wynnum, secured by a new **10-year lease** and complemented by future reinvestment and development opportunities on adjoining land. This acquisition strengthens CBIC's exposure to a well-located Brisbane asset and aligns with the organisation's long-term growth strategy.

Enhancements have also been progressed at existing properties in the portfolio with further development activity undertaken by the occupier at the Kingston industrial property and project planning being undertaken at the Wynnum Central Shopping Centre.

In addition, CBIC continued to benefit from recent portfolio acquisitions, including **Reservoir Industrial** in Victoria, which provides exposure to a **strategic infill location** approximately 13 kilometres from the Melbourne CBD. The Reservoir investment is supported by a long-term lease to a national food manufacturer.

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.

Brisbane CBD

INVESTMENT OBJECTIVE

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

INVESTMENT PERFORMANCE BENCHMARK +3.5%

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 objective when making an investment decision.

INVESTMENT DECISION DRIVERS

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

ESG INITIATIVES

CBIC actively oversees a diverse portfolio of quality east coast Australian 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.

CBIC aims to maintain or improve NABERS ratings across the portfolio.

FY2025			
	m²	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**

FY2026			
	m²	Energy†	Water†
Allara Street Offices	9,752	4.5	4.0
Gosford	7,292*	5.5	5.0
North Regional Business Centre	6,058	4.0	3.5
Portfolio	**23,102**	**4.8**	**4.2**

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

REINVESTING IN BRISBANE



Mount Gravatt Lookout

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:

Wynnum Manly Lota Foreshores

- Progressed the draft Master Plan following community engagement with a clear vision to revitalise this bayside destination.
- The plan will look to deliver more shade tree planting, enhanced greenspaces, more recreation options, pathways and improved connection to the bay which will create even more to see and do.

Rocks Riverside Park

- Completed a brand new water play area for local families to enjoy including a new look splash pad, water fun zone and shade sails.

Mount Gravatt Outlook Reserve

- Delivered an upgrade at Mount Gravatt Outlook Reserve with new terraced seating at the summit and new accessible pathways to one of Brisbane's best views.
- Created new places to sit and enjoy the views with additional landscaping including new lawns and low plantings.



CASE STUDY



BARTONS WYNNUM

200 Tingal Road, Wynnum, QLD

INVESTMENT STRATEGY

CBIC's investment strategy is focused on increasing its exposure to the expanding retail property sector across Southeast Queensland, supported by:

- Strong population and employment growth
- Ongoing infrastructure investment
- A stable economic and government environment
- Sustained demand for retail and commercial property

CBIC's investment review identified attractive opportunities in Large Format Retail (LFR), sub-regional shopping centres and established retail precincts, where high-quality assets can provide stable income and future value-add potential.

ASSET SELECTION

The Bartons Wynnum property offered an attractive investment opportunity due to its established tenant, strategic location, and long-term redevelopment potential.

Bartons has been a trusted automotive retailer serving the Wynnum, Manly and Redlands communities for more than 80 years. From its beginnings as a small workshop, the business has grown into one of Queensland's largest independently owned dealership groups, representing more than ten vehicle brands across three locations, including Hyundai, Mitsubishi, Nissan, Subaru, GWM, LDV, Chery, MG, GAC, Renault and Xpeng.

The property occupies a prominent 1.5 hectare site within Brisbane's Low Impact Industry Zone and benefits from exposure to three street frontages. The existing improvements include vehicle showrooms, administration offices, spare parts facilities, service and repair workshops, and 104 onsite car parking spaces.

The improvements have been developed progressively over time, with construction dating back to 1952.

A key attraction of the investment is the flexibility of the site. In addition to supporting the existing dealership operations, the property's location and zoning provide potential for future alternative uses, including LFR, medical facilities, and other commercial developments, subject to relevant approvals. This provides CBIC with optionality and the ability to respond to changing market conditions over time.

The acquisition also includes adjoining developable land, creating additional strategic value. The occupier of the site has identified opportunities to expand its operations onto this land to accommodate new automotive brands entering the Australian market and support future business growth. This expansion capability strengthens the property's long-term relevance and tenant appeal.

INVESTMENT OUTCOME

The acquisition was completed at an initial passing yield and forecast unlevered internal rate of return exceeding internal investment metrics.

The property provides immediate, stable income that is accretive to portfolio performance, enhancing overall returns and supporting dividend growth. At the same time, the inclusion of the developable land offers a valuable source of future reinvestment opportunities and potential capital growth, aligning with CBIC's strategy of acquiring assets that combine secure income with long-term value creation potential.

Overall, the Bartons Wynnum acquisition demonstrates CBIC's disciplined approach to investing in well-located assets that benefit from strong underlying economic drivers, quality tenants, and multiple pathways for future growth.

PROPERTY PORTFOLIO



North Regional Business Centre

Address: 375 Hamilton Road, Chermside, QLD
Total area (NLA): 6,058m²
Site area: 5,010m²
WALE (income): 5.8 Years

- Developed by CBIC to hold long-term and provide consistent earnings for Shareholders.
- NABERS energy rating of 4.0 stars.
- Ideally located close to Westfield Chermside.
- Ground floor public library, café and community facilities.
- High quality office accommodation on upper floors.



Gosford

Address: 99 Georgiana Terrace, Gosford, NSW
Total area (NLA): 7,637m²
Site area: 4,250m²
WALE (income): 1.4 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 5.5 stars.
- A key asset in the CBIC portfolio with a secure income stream, modern improvements and low capital expenditure.



Allara Street Offices

Address: 33 Allara Street, Canberra, ACT
Total area (NLA): 9,752m²
Site area: 3,725m²
WALE (income): 2.4 Years

- Positioned in the eastern core of the Canberra CBD, the property has undergone significant refurbishment and upgrades in recent years.
- NABERS energy rating of 4.5 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.

PROPERTY PORTFOLIO



Kingston Industrial

Address: 29-47 Mudgee Street, Kingston, QLD
Total building area (GLA): 2,158m²
Site area: 9.6 ha
WALE (income): 6.7 Years

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



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): 11.8 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.



TradeCoast Central

Address: 20 Tradecoast Drive, Eagle Farm, QLD
Total area (GLA): 10,410m²
Site area: 5.8 ha
WALE (income): 8.0 Years

- 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.
- A key asset in the CBIC portfolio with a long WALE, secure income stream, modern improvements and low capital expenditure.

PROPERTY PORTFOLIO



Reservoir Industrial

Address: 48A Radford Road, Reservoir
Total area (GLA): 13,157m²
Site area: 2.2 ha
WALE (income): 3.6 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 multiple points of access via its two street frontages.



Bartons Wynnum

Address: 200 Tingal Road, Wynnum, QLD
Total area (GLA): 5,737m²
Site area: 15,156m²
WALE (income): 9.3 Years

- A superior automotive dealership asset strategically located within Wynnum's established commercial precinct.
- Fully leased on a long-term basis to Bartons Motors, providing secure and predictable cash flow.
- Significant 15,156m² landholding with prominent exposure to Tingal Road and future development potential via surplus landholdings.



Wynnum Central Shopping Centre

Address: 145 Florence Street, Wynnum, QLD
Total area (GLA): 5,388m²
Site area: 6,145m²
WALE (income): 9.7 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 property delivers strong social benefits to the community with a high-quality library facility and adjacent parklands.

PROPERTY PORTFOLIO



Florence Place, Wynnum

Address: 155 Florence Street, Wynnum, QLD
Site area: 1,620m²
WALE (income): 1.7 Years

- The site comprises of six individual retail shops and carparking for 22 vehicles.
- Acquired in December 2024.
- Compliments CBIC's existing retail landholdings in the Wynnum Central Business District.



Tingal Road, Wynnum

Address: 129 Tingal Road, Wynnum, QLD
Total area (GLA): 188m²
WALE (income): 2.2 Years

- The corner site comprises of 3 individual retail shops.
- Acquired in July 2025.
- Compliments CBIC's existing retail landholdings in the Wynnum Central Business District.



Tingal Road, Wynnum

Address: 135 Tingal Road, Wynnum, QLD
Total area (GLA): 405m²
WALE (income): 1.3 Years

- The site comprises of a light industrial shed which is currently leased to Repco.
- Acquired in February 2025.
- Compliments CBIC's existing retail landholdings in the Wynnum Central Business District.

PROPERTY PORTFOLIO



Everton Park: House 1

Address: 12 Rogers Parade West, Everton Park, QLD
Site Area: 540m²
Fully covered area: 255m²
Project: Specialist Disability Accommodation (SDA)

- Developed by CBIC and registered for SDA use in August 2024.
- 3 bedroom home designed to cater for High Physical Support participants.
- Sold in February 2026.



Everton Park: House 2

Address: 14 Rogers Parade West, Everton Park, QLD
Site Area: 540m²
Fully covered area: 255m²
Project: Specialist Disability Accommodation (SDA)

- Developed by CBIC and registered for SDA use in August 2024.
- 3 bedroom home designed to cater for High Physical Support participants.
- Sold in February 2026.



East Brisbane Apartments

Address: 1-3 Scanlan Street, East Brisbane, QLD
Site Area: 1,130m²
Fully covered area: 689m²
Project: Specialist Disability Accommodation (SDA)
Total Dwellings: 7 High Physical Support apartments plus onsite overnight accommodation.

- Developed by CBIC and registered for SDA use in June 2024.
- East Brisbane provides boutique accommodation in an inner-city location for High Physical Support participants to live alone.
- Sold in February 2026.



GOVERNANCE

OUR BOARD

Simone Desmarchelier (Chair)

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

Simone is an Independent Non Executive Director of GPT Funds Management, one of Australia's largest office and shopping centre wholesale fund managers and is a Non Executive Director of the First Sentier Investment entities which manage the First Sentier Global Diversified Infrastructure Fund, an $8.5bn open ended mid market fund. Simone is a former Independent Non Executive Director of QIC Limited, former Chair of the Catholic Archdiocese of Brisbane's Services Council and Member of its Finance Council.

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, a Member of Chief Executive Women and Corporate Council Member of the European Australian Business Council.

Neil Castles

Neil is a consultant to the government sector in the area of finance and risk. Neil's areas of expertise include finance, debt management, credit and risk management.

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.

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 The Royal Queensland Golf Club and the Lord Mayors Charitable Trust.

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 Practicing Accountant (CPA). She is a former member of the Australian Government Takeovers Panel.

Alastair Stewart Walls

Stewart has more than 30 years 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 focused 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.

GOVERNANCE

The CBIC Board comprises 5 independent non executive directors. The Board ensures sound corporate governance by meeting regularly, monitoring performance and continuous risk assessment.

The CBIC Board assists in the setting of the company's strategy, risk appetite and investment objectives as well continuously reviewing and updating policies to ensure these are fit for purpose. CBIC is committed to conducting its operations to the highest ethical and principled led standards and practices. The Board seeks to continually uphold effective corporate governance standards to ensure alignment with the expectations of CBIC's shareholder.

The Board is supported by two Board committees to aid in the effective oversight and monitoring of operational controls within the business. These committees are:

- Finance, Audit and Risk Committee
- People, Performance and Culture Committee.

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 (Chair)	10	11
Neil Castles	11	11
Maria Roach	10	11
Patrice Sherrie	10	11
Alastair Stewart Walls	9	11

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 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 (Chair)	4	4
Patrice Sherrie	3	4
Simone Desmarchelier	4	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 (Chair)	3	3
Patrice Sherrie	2	3
Simone Desmarchelier	3	3
Alastair Stewart Walls	3	3

FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2026

FOR THE YEAR ENDED 30 JUNE 2026

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 2026

FOR THE YEAR ENDED 30 JUNE 2026

The Directors present their report together with the financial report of City of Brisbane Investment Corporation Pty Ltd and its controlled entities ("the Group") for the financial year ended 30 June 2026 (FY26).

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 were property investment, property development and property management.

OPERATING RESULTS

The result of the Group for the financial year ended 30 June 2026 was a total comprehensive income of $26.5 million (FY25: $9.7 million). The result included a fair value gain on investment property of $7.5 million (FY25: Loss $6.7m) as the property market saw signs of recovery.

Funds from Operations of $22.7 million (FY25 $20.0 million) reflect the ability of the Group to generate stable income streams.

The Group remains conscious of and alert to the changing investment environment and how this may impact property values in future years.

REVIEW OF OPERATIONS

The main sources of revenue were rent generated from the Group's investment property and interest revenue from cash held on deposit. The Group's results also benefited from fair value gains from the investment property portfolio.

During the year the Group's operations included the acquisition of the property located at 129 Tingal Road, Wynnum, which was completed in July 2025, and the property located at 200 Tingal Road, Wynnum, which was completed in September 2025. Additionally, the Group sold the properties located at 1-3 Scanlan Street, East Brisbane, and 12 and 14 Rogers Parade West, Everton Park in February 2026.

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 2026, the Group declared a dividend to the Group's ultimate parent entity, Brisbane City Council, amounting to $17.0 million for FY26 (FY25 $15.0 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 (FY25: $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	11
Neil Castles	11	11
Maria Roach	10	11
Patrice Sherrie	10	11
Alastair Stewart Walls	9	11

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 2026/183, 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 26 of this Directors' report.

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

SIMONE DESMARCHELIER

Director
Brisbane, 28 July 2026

NEIL CASTLES

Director
Brisbane, 28 July 2026

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 2026, 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.

M Manuel

29 July 2026

Megan Manuel
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

CITY OF BRISBANE INVESTMENT CORPORATION PTY LTD CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2026

	Notes	2026 $'000	2025 $'000
REVENUE			
Rental revenue	2	34,014	30,331
Fair value gain on investment property	7	7,466	-
Interest revenue		590	624
Total income		**42,070**	**30,955**
EXPENSES			
Property expenses and outgoings	3	7,427	6,370
Management and other administration expenses	3	3,550	3,410
Finance costs	3	5,164	3,693
Other expenses	3	304	132
Loss on sale of investment property	3	136	-
Fair value loss on investment property	7	-	6,718
Total expenses		**16,581**	**20,323**
Net profit/(loss) for the period attributable to members of the Company		**25,489**	**10,632**
Other comprehensive income *Items that will be reclassified to profit or (loss)*			
Movements in fair value of hedge transactions		**984**	**(885)**
Total comprehensive income attributable to members of the Company		**26,473**	**9,747**

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

CITY OF BRISBANE INVESTMENT CORPORATION PTY LTD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Notes	2026 $'000	2025 $'000
CURRENT ASSETS			
Cash and cash equivalents	4	18,217	14,277
Receivables	5	584	588
		18,801	**14,865**
NON-CURRENT ASSETS			
Investment property	6	408,350	380,350
Derivative asset	16	314	-
Right of use asset		202	345
		408,866	**380,695**
Total assets		**427,667**	**395,560**
CURRENT LIABILITIES			
Accounts payable and accrued expenses	8	2,339	1,994
Interest payable		431	309
Lease liability – lessee		175	165
		2,945	**2,468**
NON-CURRENT LIABILITIES			
Refundable tenant deposit		237	235
Interest-bearing loan	9	102,000	81,000
Lease liability – lessee		75	250
Derivative liability	16	-	669
		102,312	**82,154**
Total liabilities		**105,257**	**84,622**
Net assets		**322,410**	**310,938**
SHAREHOLDER'S EQUITY			
Share capital	10	140,902	140,902
Other capital contribution		1,897	1,897
Fair value reserve	10	314	(669)
Retained earnings		179,297	168,808
Total shareholder's equity		**322,410**	**310,938**

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

CITY OF BRISBANE INVESTMENT CORPORATION PTY LTD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

2026	Total $'000	Share capital $'000	Other capital contrib. $'000	Fair value reserves $'000	Retained earnings $'000
Balance at 1 July 2025	310,938	140,902	1,897	(669)	168,808
Profit / (loss) for the period	25,489	-	-	-	25,489
Other comprehensive income (FV movement of hedge)	983	-	-	983	-
Dividend paid to shareholder	(15,000)	-	-	-	(15,000)
Balance at 30 June 2026	**322,410**	**140,902**	**1,897**	**314**	**179,297**

2025	Total $'000	Share capital $'000	Other capital contrib. $'000	Fair value reserves $'000	Retained earnings $'000
Balance at 1 July 2024	312,991	140,902	1,897	216	169,976
Profit / (loss) for the period	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**

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

CITY OF BRISBANE INVESTMENT CORPORATION PTY LTD
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

	Notes	2026 $'000	2025 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		34,628	30,422
Payments to suppliers and employees		(11,103)	(10,672)
Interest received		569	631
Interest paid		(5,164)	(3,693)
Net cash inflows/(outflows) from operating activities	**4**	**18,930**	**16,688**
CASH FLOWS FROM INVESTING ACTIVITIES			
Net proceeds from sale of investment properties		10,893	-
Payment for investment property acquisitions and additions		(28,835)	(30,720)
Payment for investment property capex		(2,333)	(1,197)
Payment for lease incentive		(715)	(46)
Net cash inflows/(outflows) from investing activities		**(20,990)**	**(31,963)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of debt		21,000	26,000
Dividends paid		(15,000)	(11,800)
Net cash inflows/(outflows) from financing activities		**6,000**	**14,200**
NET INCREASE / (DECREASE) IN CASH HELD		**3,940**	**(1,075)**
Cash and cash equivalents at the beginning of the year		14,277	15,352
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**4**	**18,217**	**14,277**

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES

City of Brisbane Investment Corporation Pty Ltd and its controlled entities ("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 which is measured 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 Wynnum Pty Ltd (previously CBIC Valley Heart Pty Ltd – 100% owned by CBIC);
- CBIC Allara Pty Ltd (100% owned by CBIC);
- Allara SPV Trust (100% owned by CBIC);
- CBIC Kingston Pty Ltd (100% owned by CBIC);
- CBIC Reservoir Pty Ltd (Registered 28 November 2024 – 100% owned by CBIC); and
- CBIC Auto Wynnum Pty Ltd (Registered 29 August 2025 – 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 2026/183. Consequently, rounded balances in the notes may not exactly agree to the primary financial 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 have been considered appropriate.

(f) Taxation

(i) Income Tax

Income of Local Government and public authorities and their controlled entities 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.

	2026 $'000	2025 $'000
Gross rent	34,313	30,117
Straight line rent adjustment	(63)	468
Amortisation of lease incentive	(236)	(254)
	34,014	**30,331**

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.

	2026 $'000	2025 $'000
Statutory expenses	2,536	1,982
Administration costs	967	839
Repairs and maintenance	452	419
Other expenses	3,472	3,130
	7,427	**6,370**

3. EXPENSES (CONTINUED)

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.

	2026 $'000	2025 $'000
Employee benefits and related costs		
Wages and salaries (including leave benefits and contractors)	1,719	1,610
Superannuation contributions	220	204
Payroll tax	126	117
Recruitment	70	24
Other employee related costs	50	123
	2,185	**2,078**
Directors' costs		
Directors' fees	426	427
Superannuation contributions	24	23
Payroll tax	25	25
	475	**475**
Other administration expenses		
Professional fees	177	130
IT and communications	202	246
Rent	149	144
Corporate memberships and subscriptions	113	82
Audit fees (see (i))	90	74
Other	159	181
	890	**857**
	3,550	**3,410**

(i) Total audit fees quoted by the Queensland Audit Office relating to the audit of Group is $89,250 (2025: $73,785). No other services were performed during the reporting period.

FINANCE COSTS

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

	2026 $'000	2025 $'000
Finance Costs	5,164	3,693

3. EXPENSES (CONTINUED)

OTHER EXPENSES

	2026 $'000	2025 $'000
New business costs	290	118
Investment management fees	14	14
	304	**132**

LOSS ON SALE OF INVESTMENT PROPERTY

	2026 $'000	2025 $'000
Proceeds from sale of investment property	11,100	-
Selling expenses	(186)	-
Net proceeds	10,914	-
Book value of investment property sold (i)	(11,050)	-
GAIN / (LOSS) ON SALE OF INVESTMENT PROPERTY	**(136)**	**-**

(i) Loss relates to sale of investment property referred to in Note 6.

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.

	2026 $'000	2025 $'000
CASH BALANCE COMPRISES:		
Cash at bank	1,343	733
Deposits at call	16,874	13,544
CASH AND CASH EQUIVALENTS	**18,217**	**14,277**

RECONCILIATION OF NET OPERATING CASH FLOWS TO PROFIT /(LOSS)

	2026 $'000	2025 $'000
Total net profit/(loss) for the period	25,489	10,632
Non-cash items		
(Gain) / loss on sale of investments	136	-
Straight line rent adjustments	63	467
Fair value (gain) / loss on investment property	(7,466)	6,718
Amortisation of lease incentive	236	(271)
CHANGES IN OPERATING ASSETS AND LIABILITIES		
(Increase) / Decrease in receivables	3	(280)
Increase / (Decrease) in accounts payable and accrued expenses	469	(733)
(Increase) / Decrease in rental liability	-	155
NET CASH INFLOWS FROM OPERATING ACTIVITIES	**18,930**	**16,688**

5. RECEIVABLES

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

	2026 $'000	2025 $'000
CURRENT		
Interest receivable	69	49
Trade and other receivables	515	539
	584	**588**

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

Investment property under construction is 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.

	2026 $'000	2025 $'000
EXISTING INVESTMENT PROPERTY		
Opening balance at 1 July	380,350	351,600
Acquisitions of investment property (see i and ii)	28,835	30,721
Additions	2,333	938
Lease incentives	715	46
Amortisation of lease incentives	(236)	(254)
Straight line rent adjustment	(63)	467
Disposal of investment property (see iii)	(11,050)	-
Net fair value gain/(loss)	7,466	(6,718)
Transfer from property under construction	-	3,550
CLOSING BALANCE AT 30 JUNE	**408,350**	**380,350**

INVESTMENT PROPERTY UNDER CONSTRUCTION		
Opening balance at 1 July	-	3,291
Additions	-	259
Transfer of construction projects completed	-	(3,550)
CLOSING BALANCE AT 30 JUNE	**408,350**	**380,350**

Significant investment property transactions during the period were:

(i) the acquisition of a property at 200 Tingal Road, Wynnum was completed in September 2025 for $27.49 million including acquisition costs.

(ii) the acquisition of a property at 129 Tingal Road, Wynnum was completed in July 2025 for $1.35 million including acquisition costs.

(iii) the Specialist Disability Accommodation projects at 1-3 Scanlan Street, East Brisbane and 12 and 14 Rogers Parade, Everton Park were sold in February 2026 for $11.1 million.

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 assets 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 2 in accordance with AASB 13 Fair Value Measurement.

	LEVEL 1		LEVEL 2		LEVEL 3		TOTAL	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Investment property	-	-	408,350	380,350	-	-	408,350	380,350
Total	**-**	**-**	**408,350**	**380,350**	**-**	**-**	**408,350**	**380,350**

Reconciliation of Level 2 Fair Value Measurements

The following table shows the movements of investment property in Level 2 of the fair value measurements hierarchy.

	INVESTMENT PROPERTY	
	2026 $'000	2025 $'000
Opening balance at 1 July	380,350	354,891
Straight line rent adjustment	(63)	467
Net fair value gain/(loss)	7,466	(6,718)
Acquisitions	28,835	30,721
Additions	2,333	1,197
Disposals	(11,050)	-
Other	479	(208)
CLOSING BALANCE AT 30 JUNE	**408,350**	**380,350**

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.

7. FAIR VALUE MEASUREMENT (CONTINUED)

Valuation Techniques and Inputs

Investment property is measured at fair value. Investment property is classified as level 2 as the fair value is derived from observable inputs.

All independent valuations were performed as at 30 June 2026. The independent valuations were performed by qualified valuers from Jones Lang LaSalle, CBRE, Colliers and Savills.

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.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

7. FAIR VALUE MEASUREMENT (CONTINUED)

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 8.00% (2025: 5.50% to 7.63%) - 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 2.70% to 3.64% (2025: 1.27% to 3.57%) - 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 8.50% (2025: 6.00% to 8.25%) - 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.

7. FAIR VALUE MEASUREMENT (CONTINUED)

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 2026.

	0.50% INCREASE		0.50% DECREASE	
	2026 $'000	**2025 $'000**	**2026 $'000**	**2025 $'000**
Impact to investment property	**(29,950)**	**(26,400)**	**32,050**	**33,600**

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.

	2026 $'000	**2025 $'000**
Trade creditors and accrued expenses	1,981	1,668
Payroll and other taxes	234	202
Accrued employee benefits	124	124
	2,339	**1,994**

9. INTEREST-BEARING LOAN

The Group has a $117.0 million loan facility agreement with Westpac Bank. As at 30 June 2026, CBIC has drawn down $102.0 million from this facility. The loan matures on 28 August 2027.

	2026 $'000	**2025 $'000**
NON-CURRENT		
Bank loan	102,000	81,000
	102,000	**81,000**

The Group has undertaken a fair value calculation for the loan facility as at 30 June 2026. 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.

	2026 $'000	**2025 $'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 2026. The Fair Value Reserve relates to these valuations.

	2026 $'000	**2025 $'000**
Fair value reserve	314	(669)

11. RELATED PARTY TRANSACTIONS

(a) Key Personnel

Directors
Neil Castles
Simone Desmarchelier
Maria Roach
Patrice Sherrie
Alastair Stewart Walls
Management
Lachlan Dyson
Tom Voysey - appointed to Chief Financial Officer 1 July 2025.

(b) Key Management Personnel Compensation

	2026 $'000	2025 $'000
Short-term employee benefits	1,114	779
Post-employment benefits	82	55
Termination benefits	-	-
Total	**1,196**	**834**

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

	2026 $'000	2025 $'000
Purchase of materials and services from ultimate parent entity (see (i))	804	730
Rental income earned from ultimate parent entity (see (ii) and (iii))	13,305	12,763
Dividend in respect of 2025 financial year – declared in July 2025	15,000	-
Dividend in respect of 2024 financial year – declared in July 2024	-	11,800

At balance date, total amount payable to BCC in relation to these services amounted to $651 (2025: $53,073) and the total amount payable by BCC in relation to the rental income is $Nil (2025: $Nil).

(i) Purchase of materials and services in the ordinary course of business that are acquired on commercial terms.

(ii) 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.

(iii) 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.

11. RELATED PARTY TRANSACTIONS (CONTINUED)

Details of transactions between CBIC and its controlled entities are disclosed below:

	2026 $'000	2025 $'000
Intercompany loans between the entities (closing balances)	91,671	67,293

Transactions made during the 2026 financial year include CBIC loaning $27,592,404 to CBIC Auto Wynnum Pty Ltd to facilitate the acquisition of 200 Tingal Road, Wynnum, and $1,117,102 to CBIC Wynnum Pty Ltd to facilitate the acquisition of 129 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:

	2026 $'000	2025 $'000
Within 1 year	107	199
1 to 5 years	-	-
Later than 5 years	-	-
	107	**199**

(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:

	2026 $'000	2025 $'000
Within 1 year	1,305	1,242
1 to 5 years	590	964
Later than 5 years	-	-
	1,895	**2,206**
Total operating and capital commitments	**2,002**	**2,405**

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:

	2026 $'000	2025 $'000
Within 1 year	27,100	26,852
1 to 2 years	22,605	25,882
2 to 3 years	21,274	21,497
3 to 4 years	20,724	20,076
4 to 5 years	19,435	19,506
Later than 5 years	67,763	84,006
	178,901	**197,819**

The Group has entered into 48 non-cancellable lease arrangements (2025: 53) for its investment property under normal market terms and conditions.

14. EVENTS AFTER THE REPORTING PERIOD

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

Dividend Declaration

A dividend of $17.0 million payable to the ultimate parent entity was declared on 28 July 2026 in respect of the 2026 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, the results of those operations or the Group's state of affairs in future financial years.

15. PARENT ENTITY FINANCIAL INFORMATION

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

	2026 $'000	2025 $'000
ASSETS		
Current assets	18,004	14,348
Non-current assets	328,479	332,189
Total assets	**346,483**	**346,537**
LIABILITIES		
Current liabilities	2,219	1,364
Non-current liabilities	10,665	14,219
Total liabilities	**12,884**	**15,583**
SHAREHOLDER'S EQUITY		
Share capital	140,902	140,902
Other capital contribution	1,897	1,897
Fair value reserve	315	(669)
Retained profits	190,485	188,824
Total shareholder's equity	**333,599**	**330,954**
PROFIT OR LOSS AND COMPREHENSIVE INCOME		
Total profit or loss	16,662	9,054
Other comprehensive income	983	(885)
Total comprehensive income	**17,645**	**8,169**

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	2026 $'000	2025 $'000
FINANCIAL ASSETS			
Cash and cash equivalents at amortised cost	4	18,217	14,277
Trade and other receivables at amortised cost	5	18	588
Derivative asset		314	-
		18,549	**14,865**
FINANCIAL LIABILITIES			
Accounts payable and accrued expenses	8	2,342	2,229
Interest Payable		431	309
Interest-bearing loan	9	102,000	81,000
Derivative liability		-	669
Total liabilities		**104,773**	**84,207**

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 property 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.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

16. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

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 42% (2025: 53%) of the variable borrowings. The weighted average maturity of interest rate swaps is 1.34 years (2025: 2.34 years). The swaps have been independently valued as at 30 June 2026 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	
	2026 $'000	**2025 $'000**	**2026 $'000**	**2025 $'000**
Cash and cash equivalents	182	143	(182)	(143)
Interest-bearing loan	(590)	(380)	590	380

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:

2026	0-1 year $'000	1-5 years $'000	Over 5 years $'000	Total $'000
FINANCIAL LIABILITIES				
Accounts payable and accrued expenses	2,340	-	-	2,340
Interest-bearing loan	-	102,000	-	102,000
Total financial liabilities	**2,340**	**102,000**	**-**	**104,340**

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**

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

16. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

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.

DIRECTORS' DECLARATION

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 2026 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 2026 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, 28 July 2026

NEIL CASTLES

Director

Brisbane, 28 July 2026

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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 and its controlled entities (the group).

The financial report comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the consolidated 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 group's financial position as at 30 June 2026, and its 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 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 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

Those charged with governance are responsible for the other information.

The other information comprises the information contained in the director's report (but does not include the financial report and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Annual report, which is expected to be made available to us after that date.

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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.

M Manuel

29 July 2026

Megan Manuel
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

City of Brisbane Investment Corporation

CBIC

ENQUIRIES

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