

ASX Announcement – Australian Unity Office Fund

25 February 2026

Appendix 4D

Australian Unity Office Fund ('AOF') Half-Year Report For the Half-Year Ended 31 December 2025

Results for announcement to the market

1.0	Reporting period				
	Current reporting period	6 months to 31 December 2025			
	Prior reporting period	6 months to 31 December 2024			
2.0	Results for announcement to the market	31 December 2025	31 December 2024	Movement \$'000	Movement %
		\$'000	\$'000		
2.1	Total revenues and other income (Note 1)	6,292	5,466	826	15.11%
2.2	Profit/(loss) from ordinary activities after tax attributable to unitholders	(3,196)	(26,832)	23,636	88.09%
2.3	Net profit for the period attributable to unitholders	(3,196)	(26,832)	23,636	88.09%
2.3A	Directors assessment of Funds From Operations (Note 2)	(332)	945	(1,277)	(135.13%)
2.4	Distributions	No distributions were declared or paid during the half-year ended 31 December 2025			
		Amount per unit		Record date	
		N/A		N/A	
2.5	Record date for determining entitlement to the distributions	Not applicable			
2.6	Brief explanation of any figures in 2.1 to 2.4 necessary to enable the figures to be understood.	Refer to the Interim report for the half-year ended 31 December 2025 attached to this Appendix 4D for further information.			
3	Net tangible assets per security	31 December 2025		31 December 2024	
		\$0.42		\$1.14	
4	Details of entities over which control has been gained or lost during the period, including the following.	Not applicable.			

Issuer:

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ASX Announcement – Australian Unity Office Fund

5	Details of individual and total distributions and distribution payments.	No distributions were declared or paid during the half-year ended 31 December 2025						
		<table border="1"> <thead> <tr> <th>Date Paid</th> <th>Amount per unit</th> <th>Foreign sourced income</th> </tr> </thead> <tbody> <tr> <td>N/A</td> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table>	Date Paid	Amount per unit	Foreign sourced income	N/A	N/A	N/A
Date Paid	Amount per unit	Foreign sourced income						
N/A	N/A	N/A						
6	Details of any distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any distribution reinvestment plan.	Not applicable.						
7	Details of associates and joint venture entities including the following.	Not applicable.						
8	For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Financial Reporting Standards).	Not applicable.						
9	If the accounts have not yet been audited and are likely to contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph	Not applicable.						

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

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

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

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

Australian Unity Office Fund

ARSN 113 369 627

Interim report for the half-year ended 31 December 2025

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Australian Unity Office Fund

ARSN 113 369 627

Interim report for the half-year ended 31 December 2025

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Directors' report

The directors of Australian Unity Investment Real Estate Limited (ABN 86 606 414 368), the Responsible Entity of Australian Unity Office Fund (the "Scheme"), present their report together with the interim financial statements of the Scheme for the half-year ended 31 December 2025 and the auditor's review report thereon.

Directors

The following persons were directors of the Responsible Entity and members of the Audit & Risk Committee during the half-year and up to the date of this report:

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

Company secretary

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

Operating and financial review

Principal activities

The Scheme is an ASX-listed Real Estate Investment Trust.

Investment objective and strategy

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

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

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

Review of operations

Results

The Scheme incurred a statutory loss for the half-year ended 31 December 2025 of \$3.2 million (31 December 2024: loss \$26.8 million) driven primarily by a net fair value decrement of investment property of \$7.8 million partly offset by other income of \$5.0 million.

The Scheme's Net Tangible Assets (NTA) per unit was \$0.42 per unit at 31 December 2025 (30 June 2025: \$0.44 per unit).

150 Charlotte Street, Brisbane, QLD

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

Settlement was due to occur on 22 August 2025. However, the purchaser defaulted in relation to its payment obligations and failed to complete settlement by that time. A notice of default was subsequently issued to the purchaser. Under the terms of the contract, the purchaser had to remedy its default by 8 September 2025, failing which the contract may be terminated by the Scheme.

The purchaser did not remedy its default by 8 September 2025, with the contract terminated by the Scheme on 9 September 2025. The \$5.0 million cash deposit and other securities held by the Scheme was retained by the Scheme and recognised as other income during the half-year.

The Scheme has subsequently marketed 150 Charlotte Street, Brisbane, QLD for sale, including conducting an Expression of Interest campaign.

The Scheme is currently in discussions with a preferred party for the sale of the property at \$40.0 million. There is no certainty that these discussions will result in the sale of the property or on what terms.

Financial result

The following table summarises the statutory loss for the half-year ended 31 December 2025 and provides a comparison to the statutory loss for the half-year ended 31 December 2024.

\$'000	Half-year ended 31 December 2025	Half-year ended 31 December 2024
Rental income*	788	5,736
Property expenses	(911)	(4,020)
Straight lining of rental income and amortisation of leasing commissions and tenant incentives	(28)	(509)
Net property income	(151)	1,207
Interest income	550	239
Other income	4,982	-
Net fair value decrement of investment properties	(7,758)	(23,072)
Disposal costs	(15)	(3,662)
Management fees	(227)	(687)
Borrowing costs	-	(67)
Other expenses	(577)	(790)
Loss attributable to unitholders	(3,196)	(26,832)

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

As at 31 December 2025, the Scheme's net assets per unit attributable to unitholders was \$0.42 (30 June 2025: \$0.44).

Funds From Operations

The Scheme uses the Property Council of Australia's definition of Funds From Operations (FFO) as a key determinant of the underlying operating profit of the Scheme.

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

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

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

A reconciliation of the statutory result to FFO and distributions is set out below for the half-year ended 31 December 2025 and 31 December 2024.

\$'000	Half-year ended 31 December 2025	Half-year ended 31 December 2024
Losses attributable to unitholders	(3,196)	(26,832)
Adjusted for:		
Straight lining of rental income and amortisation of leasing commissions and tenant incentives	28	509
Other income	(4,982)	-
Net fair value decrement of investment properties	7,758	23,072
Disposal costs	15	3,662
Rental abatement incentives	45	534
Directors' assessment of Funds From Operations	(332)	945
Distributions declared	-	15,452

Cents per unit	Half-year ended 31 December 2025	Half-year ended 31 December 2024
Directors' assessment of Funds/(loss) From Operations	(0.2)	0.6
Special distributions declared	-	9.0
Ordinary distributions declared	-	0.4

Property portfolio

As of 31 December 2025, the Scheme owned one investment property (30 June 2025: one property), being 150 Charlotte Street, Brisbane, QLD.

Capital management

The Scheme had no borrowings at 31 December 2025 (30 June 2025 \$nil).

Outlook and guidance

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

The Scheme is currently marketing its sole remaining property, being 150 Charlotte Street, Brisbane QLD, for sale. An expression of interest campaign was conducted.

The Scheme is currently in discussions with a preferred party for the sale of the property at \$40.0 million. There is no certainty that these discussions will result in the sale of the property or on what terms.

Following agreement of terms for the sale of the property, the Responsible Entity intends to seek unitholder approval to proceed with the sale, delisting and winding up of the Scheme, including the return of net disposal proceeds to unitholders.

At this time the Scheme is not providing distribution guidance as there is currently no contract for sale in place for the disposal of 150 Charlotte Street, Brisbane, QLD.

Matters subsequent to the end of the half-year

The Scheme is currently in discussions with a preferred party for the sale of 150 Charlotte Street, Brisbane for \$40.0 million. There is no certainty that these discussions will result in the sale of the property or on what terms.

Following agreement of terms for the sale of the property, the Responsible Entity intends to seek unitholder approval to proceed with the sale, delisting and winding up of the Scheme, including the return of net disposal proceeds to unitholders.

The Directors of the Responsible Entity are not aware of any matter or circumstance arising since 31 December 2025 which has significantly affected or may significantly affect the financial position of the Scheme disclosed in the consolidated statement of financial position as at 31 December 2025 or on the results and cash flows of the Scheme for the half-year ended on that date.

Significant changes in state of affairs

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

Indemnification and insurance of officers and auditors

While insurance cover is in place, no insurance premiums are paid for out of the assets of the Scheme in regards to insurance cover provided to either the officers of Australian Unity Investment Real Estate Limited or the auditors of the Scheme. So long as the officers of Australian Unity Investment Real Estate Limited act in accordance with the Scheme's Constitution and the *Corporations Act 2001*, the officers remain indemnified out of the assets of the Scheme against losses incurred while acting on behalf of the Scheme. The auditors of the Scheme are in no way indemnified out of the assets of the Scheme.

Environmental regulation

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

Rounding of amounts

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

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

Signed in accordance with a resolution of the directors of Australian Unity Investment Real Estate Limited.



Eve Crestani
Independent Non-Executive Director and Chairman of the Audit & Risk Committee



W Peter Day
Independent Non-Executive Director and Chairman

25 February 2026

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Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Australian Unity Investment Real Estate Limited as
Responsible Entity for Australian Unity Office Fund

I declare that, to the best of my knowledge and belief, in relation to the review of Australian Unity Office Fund for the half-year ended 31 December 2025 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

David Kells

Partner

Sydney

25 February 2026

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Australian Unity Office Fund
Consolidated statement of comprehensive income
For the half-year ended 31 December 2025

Consolidated statement of comprehensive income

	Notes	Half-year	
		2025 \$'000	2024 \$'000
Income			
Rental income	4	760	5,227
Property expenses	6	(911)	(4,020)
Net property (loss)/income		(151)	1,207
Interest income		550	239
Net fair value loss of investment properties		(7,758)	(23,072)
Other income	5	4,982	-
Total loss net of property expenses		(2,377)	(21,626)
Expenses			
Management fees		227	687
Borrowing costs and other related costs		-	67
Disposal costs		15	3,662
Other expenses	7	577	790
Total expenses, excluding property expenses		819	5,206
Loss attributable to unitholders		(3,196)	(26,832)
Other comprehensive income		-	-
Total comprehensive loss attributable to unitholders		(3,196)	(26,832)
Basic and diluted earnings per unit attributable to unitholders (cents per unit)		(1.94)	(16.32)

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

Australian Unity Office Fund
Consolidated statement of financial position
As at 31 December 2025

Consolidated statement of financial position

		31 December	30 June
		2025	2025
	Notes	\$'000	\$'000
Assets			
Cash and cash equivalents		25,236	25,962
Receivables		15	18
Other assets	10	355	27
Investment property	11	45,000	52,500
Total assets		70,606	78,507
Liabilities			
Payables		815	5,520
Total liabilities		815	5,520
Net assets attributable to unitholders - equity	8	69,791	72,987

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

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Australian Unity Office Fund
Consolidated statement of changes in equity
For the half-year ended 31 December 2025

Consolidated statement of changes in equity

	Half-year	
	2025	2024
	\$'000	\$'000
Balance at the beginning of the half-year	72,987	229,232
Comprehensive loss for the half-year		
Loss attributable to unitholders	<u>(3,196)</u>	<u>(26,832)</u>
Total comprehensive loss attributable to unitholders	(3,196)	(26,832)
Transactions with unitholders		
Distributions paid and payable	<u>-</u>	<u>(15,452)</u>
Total transactions with unitholders	-	(15,452)
Balance at the end of the half-year	<u>69,791</u>	<u>186,948</u>

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

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Australian Unity Office Fund
Consolidated statement of cash flows
For the half-year ended 31 December 2025

Consolidated statement of cash flows

	Half-year	
	31 December 2025 \$'000	31 December 2024 \$'000
<i>Cash flows from operating activities</i>		
Rental income received	791	6,506
Payments to suppliers	(1,885)	(4,715)
Interest received	550	239
Other income received	94	-
Net cash (outflow)/inflow from operating activities	(450)	2,030
<i>Cash flows from investing activities</i>		
Payments for additions to investment properties	(261)	(4,800)
Proceeds from sale of investment properties	-	21,200
Disposal costs paid from sale of investment properties	(15)	1,213
Net cash (outflow)/inflow from investing activities	(276)	17,613
<i>Cash flows from financing activities</i>		
Borrowings costs and other related costs paid	-	(67)
Distributions paid	-	(31,397)
Net cash outflow from financing activities	-	(31,464)
Net decrease in cash and cash equivalents	(726)	(11,821)
Cash and cash equivalents at the beginning of the year	25,962	25,201
Cash and cash equivalents at the end of the half-year	25,236	13,380

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

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1 General information

These condensed consolidated interim financial statements (interim financial statements) cover Australian Unity Office Fund and its subsidiaries (the "Scheme"). The Scheme was constituted on 23 March 2005. On 17 December 2024 unitholders approved the disposal of the Scheme's main undertaking and subsequent delisting of the Scheme from ASX.

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

The Responsible Entity is incorporated and domiciled in Australia.

These interim financial statements are for the period 1 July 2025 to 31 December 2025.

These interim financial statements were authorised for issue by the directors of the Responsible Entity on 25 February 2026. The directors of the Responsible Entity have the power to amend and reissue the interim financial statements.

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

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

2 Basis of preparation

These interim financial statements for the half-year ended 31 December 2025 have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*. The Scheme is a for-profit unit trust for the purpose of preparing the financial statements.

These interim financial statements do not include all the notes of the type normally included in a set of annual financial statements. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 30 June 2025 and any public announcements made in respect of the Scheme during the reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied in the current financial period and the comparative period, unless otherwise stated.

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

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

Going concern - Unitholder vote to dispose of main undertaking and wind-up of the Scheme

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

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

2 Basis of preparation (continued)

In preparing the consolidated financial statements on an alternate basis, the Scheme has continued to apply the requirements of Australian Accounting Standards and the *Corporations Act 2001*. The use of a basis of preparation other than going concern has resulted in no impact on classification and measurement of the assets or liabilities of the Scheme.

Compliance with International Financial Reporting Standards

As a for-profit entity, compliance with AASB 134 ensures that the interim financial report of the Scheme, comprising the interim financial statements and notes thereto, complies with the International Accounting Standard IAS 34 *Interim Financial Reporting*.

New accounting standards and amendments adopted by the Scheme

There are no new or amended Accounting Standards and Interpretation issued by the Australian Accounting Standards Board that are mandatory for the first time during the reporting period that are relevant to the Scheme.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Scheme is assessing the impact of these requirements.

3 Segment Reporting

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

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

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

\$'000	31 December 2025	31 December 2024
Total assets	70,606	197,334
Total liabilities	815	10,386
Net assets attributable to unitholders (NTA)	69,791	186,948
Units on issue ('000)	164,383	164,383
NTA per unit	\$0.42	\$1.14

3 Segment Reporting (continued)

\$'000	Half-year ended 31 December 2025	Half-year ended 31 December 2024
Losses attributable to unitholders	(3,196)	(26,832)
Adjusted for:		
Straight lining of rental income and amortisation of leasing commissions and tenant incentives	28	509
Other income	(4,982)	-
Net fair value decrement of investment properties	7,758	23,072
Disposal costs	15	3,662
Amortisation of borrowing costs	-	-
Rental abatement incentives	45	534
Directors' assessment of Funds from Operations	(332)	945
Distributions declared	-	15,452
Units on issue ('000)	164,383	164,383
Directors' assessment of FFO (Cents per unit)	(0.2)	0.6
Special distributions declared (Cents per unit)	-	9.0
Ordinary distributions declared (Cents per unit)	-	0.4

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4 Rental income

	Half-year	
	31 December 2025	31 December 2024
	\$'000	\$'000
Rental income	218	4,434
Outgoings income	566	1,220
Amortisation of lease commissions & lease incentives	(24)	(427)
Total rental income	760	5,227

Rental income includes an adjustment for the straight lining of rental income of \$4,273 (2024: (\$81,940)).

5 Other operating income

	Half-year	
	31 December 2025	31 December 2024
	\$'000	\$'000
Other income	4,982	-
Total	4,982	-

Other income of \$4,982,000 relates to a cash deposit and other securities held by the Scheme in relation to the prior contract for sale of 150 Charlotte Street, Brisbane, QLD. These were retained by the Scheme when the purchaser defaulted in relation to their payment obligations, with the contract terminated by the Scheme during the half-year.

6 Property expense

	Half-year	
	31 December 2025	31 December 2024
	\$'000	\$'000
Recoverable outgoings	1,105	3,375
Non recoverable outgoings	65	427
Impairment (reversal)/loss on receivables	(259)	218
Total property expenses	911	4,020

7 Other operating expenses

	Half-year	
	31 December 2025 \$'000	31 December 2024 \$'000
Directors fees	147	141
Sundry	326	447
Other expenses	104	202
Total other expenses	577	790

8 Net assets attributable to unitholders

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

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

	Movement in no. of units Half-year		Movement in net assets Half-year	
	31 December 2025 No. '000	31 December 2024 No. '000	31 December 2025 \$'000	31 December 2024 \$'000
Contributed equity				
Opening balances	164,383	164,383	374,067	374,067
Closing balance	164,383	164,383	374,067	374,067
Undistributed income				
Opening balance			(301,080)	(144,835)
Decrease in net assets attributable to unitholders			(3,196)	(42,284)
Closing balance			(304,276)	(187,119)
Total net assets attributable to unitholders			69,791	186,948

9 Distributions to unitholders

The distributions declared for the half-year were as follows:

	Half-year			
	31 December 2025 \$'000	31 December 2025 CPU	31 December 2024 \$'000	31 December 2024 CPU
30 September	-	-	658	0.4000
22 November special distribution	-	-	14,794	9.0000
	-	-	15,452	9.4000

10 Other assets

	31 December 2025 \$'000	30 June 2025 \$'000
Prepaid expenses	355	27
Total Prepaid expenses	355	27

11 Investment property

(a) Property details

	Type	Ownership (%)	Acquisition date	Independent Valuation date	Independent Valuation amount	Valuer	Carrying Value	
							31 December 2025 \$'000	30 June 2025
150 Charlotte Street, Brisbane, QLD	Office/Freehold	100%	20/10/2017	31/12/2025	45,000	Savills	45,000	52,500
Total investment property							45,000	52,500

(b) Movements in carrying amount

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

	31 December 2025 \$'000	30 June 2025 \$'000
Opening balance	52,500	62,000
Additions	286	3,112
Disposals	-	(42,550)
Lease commissions and incentives amortisation	(24)	(471)
Straight-lining of rental income	(4)	(865)
Revaluation movements	(7,758)	(21,226)
Reclassified from assets held for sale	-	52,500
Investment property	45,000	52,500

11 Investment property (continued)

(c) Leasing arrangements

	31 December 2025 \$'000	30 June 2025 \$'000
Within one year	214	346
Later than one year but not later than 5 years	12	101
	<u>226</u>	<u>447</u>

12 Fair value measurement of financial instruments

This note provides an update on the judgements and estimates made in determining the fair values of the financial instruments since the last annual financial report. The Scheme measures and recognises financial assets/(liabilities) held at fair value through profit or loss on a recurring basis.

(a) Fair value hierarchy

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

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

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

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

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

All fair value measurements disclosed are recurring fair value measurements.

31 December 2025	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Non-financial assets				
Investment property	-	-	45,000	45,000
Total non-financial assets	<u>-</u>	<u>-</u>	<u>45,000</u>	<u>45,000</u>

12 Fair value measurement of financial instruments (continued)

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

The Scheme's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

(b) Valuation techniques

Investment properties

The investment property valuation policy is to have independent valuations conducted regularly, typically annually, to aid with the determination of the assets fair value. In determining the fair value of an investment property, the primary appropriate method of assessment is considered to be via reconciliation between the discounted cash flow and income capitalisation methods. Direct comparison may also be used as a secondary assessment method.

- Discounted cash flow method - this methodology involves formulating a projection of net income over a specified time horizon, normally 10 years, and discounting this cash flow including the projected terminal value at the end of the projection period at an appropriate market-derived discount rate. The present value of this discounted cash flow provides a guide to the fair value of the property;
- Income capitalisation method - this methodology involves the assessment of a net market income for the various components of the subject property. The net market income is capitalised at a rate derived from the analysis of comparable sales evidence to derive a capital value. Appropriate capital adjustments are then made where necessary to reflect the adopted cash flow profile and the general risk characteristic of the property; and
- Direct comparison method - this methodology identifies comparable sales on a dollar per square metre of lettable area and compares the equivalent rates to the subject property to establish the property's market value. This approach is somewhat subjective given the fact that specific items of income and expenditure are difficult to directly reflect and compare when adopting a rate per metre.

At each reporting date the appropriateness of those valuations is assessed by the Responsible Entity.

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

The changes in fair value of investment properties for the reporting period are set out in note 11(b).

(i) Valuation inputs and relationship to fair value

The investment properties valuation policy is to have independent valuation conducted regularly, typically annually, to aid with the determination of the fair value of the properties. At the end of each reporting period, the Responsible Entity update their assessment of the fair value of each property. The fair value estimates for properties are included in level 3.

12 Fair value measurement of financial instruments (continued)

The table below illustrates the key valuation assumptions used in the determination of the investment properties fair value:

Valuation inputs	31 December 2025	30 June 2025
Current net market rental (\$ per sqm)	\$707	\$690
Adopted capitalisation rate (%)	8.25%	8.25%
Adopted terminal yield (%)	8.125%	8.125%
Adopted discount rate (%)	8.125%	8.125%

(ii) Valuation processes

Independent valuations of investment properties are obtained from suitably qualified valuers generally at least once in every 18 months if the property is in a construction phase; otherwise at least once in any 12 month period from the date of the last valuation; or in exceptional circumstances at least once in a financial year or calendar year as determined necessary; or as soon as practicable, but not later than within two months after the directors of the Responsible Entity form a view that there is reason to believe that the fair value of the investment property is materially different from its current carrying value. Such valuations are reflected in note 11. Notwithstanding, the directors of the Responsible Entity determine the carrying value of each investment property at each reporting date to ensure that its carrying value does not materially differ from its fair value. Where the carrying value differs from fair value, that asset is adjusted to its fair value.

(iii) Sensitivity information

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

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

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

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

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

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

12 Fair value measurement of financial instruments (continued)

Valuation inputs	31 December 2025	30 June 2025
Adopted capitalisation rate +0.50% (2025: +0.50%)	(5,289)	(5,199)
Adopted capitalisation rate -0.50% (2025: -0.50%)	5,633	5,536
Adopted discount rate +0.50% (2025: +0.50%)	(2,637)	(2,578)
Adopted discount rate -0.50% (2025: -0.50%)	2,770	2,707
Adopted terminal yield +0.50% (2025: +0.50%)	(3,301)	(3,193)
Adopted terminal yield -0.50% (2025: -0.50%)	3,517	3,402

(d) Fair value of other financial instruments

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

13 Events occurring after end of the half-year

The Scheme is currently in discussions with a preferred party for the sale of 150 Charlotte Street, Brisbane for \$40.0 million. There is no certainty that these discussions will result in the sale of the property or on what terms.

Following agreement of terms for the sale of the property, the Responsible Entity intends to seek unitholder approval to proceed with the sale, delisting and winding up of the Scheme, including the return of net disposal proceeds to unitholders.

The Directors of the Responsible Entity are not aware of any matter or circumstance arising since 31 December 2025 which has significantly affected or may significantly affect the financial position of the Scheme disclosed in the consolidated statement of financial position as at 31 December 2025 or on the results and cash flows of the Scheme for the half-year ended on that date.

14 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2025 (30 June 2025: \$nil).

Directors' declaration

In the opinion of the directors of Australian Unity Investment Real Estate Limited, the Responsible Entity of Australian Unity Office Fund (the Scheme):

- (a) The condensed consolidated interim financial statements and notes set out on pages 8 to 22 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated Scheme's financial position as at 31 December 2025 and of its performance, as represented by the results of its operations and cash flows for the financial reporting period ended on that date.
 - (ii) complying with Australian Accounting Standards as it relates to AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and
- (b) There are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable, and
- (c) The consolidated financial statements are in accordance with the Scheme's Constitution.

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



Eve Crestani
Independent Non-Executive Director and Chairman of the Audit & Risk Committee



W Peter Day
Independent Non-Executive Director and Chairman

25 February 2026

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Independent Auditor's Review Report

To the unitholders of Australian Unity Office Fund

Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Australian Unity Office Fund.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Australian Unity Office Fund does not comply with the *Corporation Act 2001*, including:

- Giving a true and fair view of the **Group's** financial position as at 31 December 2025 and of its performance for the half-year ended on the date; and
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulation 2001*.

The **Half-year Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2025;
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the half-year ended on that date;
- Notes 1 to 14, including selected explanatory notes; and
- The Director's Declaration.

The **Group** comprises Australian Unity Office Fund (the Scheme) and the entities it controlled at the half-year's end or from time to time during the half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of annual financial reports of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – basis of preparation

We draw attention to Note 2 to the Half-year Financial Report, which describes that the Financial Report has been prepared on a basis other than going concern as the unitholders of the Scheme approved on 17 December 2024 the disposal of the Scheme's main undertaking. The Group is no longer considered as a going concern. Our conclusion is not modified in respect of this matter.

Responsibilities of the Directors of the Responsible Entity for the Half-year Financial Report

The Directors of the Australian Unity Investment Real Estate Limited, as Responsible Entity of the Scheme, are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001.
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the Half-Year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



KPMG



David Kells

Partner

Sydney

25 February 2026