



HOTEL
PROPERTY
INVESTMENTS

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IBM Centre
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Southbank VIC 3006
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**Appendix 4D
Half Year Report
Six Months Ended
31 December 2024**

ARN 25 010 330 515

Name of entity

HOTEL PROPERTY INVESTMENTS (HPI)

ABN or equivalent company reference

Hotel Property Investments Trust (ARSN 166 484 377) and Hotel Property Investments Limited (ABN 25 010 330 515)
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Half yearly	Preliminary final	Reporting Period
✓		1 July 2024 to 31 December 2024 (previous corresponding period 1 July 2023 to 31 December 2023)

Results for announcement to the market

	Six Months Ended 31 December 2024	Six Months Ended 31 December 2023	Variance %
Rent revenue from investment properties (A\$'000)	37,102	36,456	1.77%
Fair value adjustments to investment properties (A\$'000)	7,809	(8,149)	195.83%
Total income from operating activities (A\$'000)	42,059	41,275	1.90%
Profit for the period from operating activities after tax attributable to stapled security holders (A\$'000)	32,419	32,210	0.65%
Profit for the period attributable to stapled security holders (A\$'000)	16,651	9,456	76.09%
Interim trust distribution amount per stapled security (cents)	9.8*	9.5	3.15%
Interim dividend amount per stapled security (cents)	-	-	-
Total distribution payable for half year (A\$'000)	19,251*	18,516	3.97%
Record date for determining entitlements to trust distribution	31 December 2024	29 December 2023	
Payment date for trust distribution	7 February 2025	1 March 2024	

* Inclusive of distribution paid in November 2024 of 6.5 cents per stapled security (approx. \$12.8 million). As at 31 December 2024, a distribution of 3.3 cents per security (approx. \$6.5 million) has been provided for and will be paid on 7 February 2025.

Explanation of Results

<ul style="list-style-type: none"> ▪ Rent revenue from investment properties increased by 1.77% which is the result of annual rent escalations which has been offset by the rental revenue foregone as a result of the sale of several assets during FY24 and FY25. ▪ Fair value adjustments to investment properties has increased by 195.83% as a result of a positive increase in the fair value of the portfolio during the period compared to a loss in the prior period. ▪ Included in the profit for the period attributable to stapled security holders is approx. \$8.5 million in takeover defence costs incurred as a result of the off-market takeover offer to acquire all the securities in HPI made by Charter Hall Retail REIT and Hostplus.

Other Details

	31 December 2024	30 June 2024	Variance %
Net Tangible Assets per security	\$3.99	\$4.01	(0.50%)

- No special distribution has been made in the current period.
- There was a distribution reinvestment plan (DRP) in operation for the period for the June 2024 distribution. The DRP has since been suspended.
- There are no associates or joint venture entities during the period.
- The financial information provided in the Appendix 4D is based on the Half Year Report (attached).

Review

This report is based on the half-year report which has been reviewed by KPMG. A copy of the Hotel Property Investments Half-Year Report is attached.



**INTERIM
REPORT**

For period ending
31 December 2024





**Hotel Property
Investments (HPI)**
Half Year Report
for the six months ended
31 December 2024

Comprising –
Hotel Property Investments Trust
(ARSN 166 484 377) and
Hotel Property Investments Limited
(ABN 25 010 330 515) and their
controlled entities.



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HY25 Overview

Portfolio Value

\$1.26b^{*}

(June 2024: \$1.28b*)

* Including assets held for sale

Net Assets

\$784.2m

(June 2024: \$782.5m)

No of Properties

58

(June 2024: 59)

Profit for the Period

\$16.7m

(December 2023: \$9.5m)

AFFO

\$19.7m

(December 2023: \$18.5m)

Distribution

9.8c *per security*

(December 2023: 9.5c per security)

Net Tangible Assets

\$3.99 *per security*

(June 2024: \$4.01 per security)

Pub Occupancy

100%

(June 2024: 100%)

WALE

9.2 *years*

(June 2024: 9.1 years)



HPI[®]

Directors' Report

The Strand Hotel
Yeppoon QLD

Introduction

The Directors of Hotel Property Investments Limited as Responsible Entity (the "Responsible Entity") for the Hotel Property Investments Trust ("the Trust"), present the consolidated financial report of Hotel Property Investments Trust, Hotel Property Investments Limited ("the Company") and their controlled entities (together "the HPI Group") for the half year ended 31 December 2024.

The securities in the Company are stapled to the units in the Trust and cannot be traded or dealt with separately.

The Responsible Entity is incorporated and domiciled in Australia. The registered office of the Responsible Entity is located at:

**Suite 2, Level 17 – IBM Centre
60 City Road Southbank VIC 3006 Australia**

Corporate Governance

A copy of HPI Group's Corporate Governance Statement is available on HPI Group's website at: hpitrust.com.au/governance/

HPI's Committees

Human Resources & Nominations Committee (HR&NC)

Board Audit & Risk Committee (BARC)

Responsible Entity Compliance Committee (RECC)

Directors & Officers

The members of the Board of Directors of the Company in office during the half year ended 31 December 2024 were:

- Giselle Collins**
- Lachlan Edwards**
- Anne Michaels**
- Chris Judd**
- John White** (appointed 2 September 2024)

The following changes have occurred effective 6 February 2025:

- Resignations:**
Lachlan Edwards, Anne Michaels & John White
- Appointments:**
David Harrison, Greg Paramor AO & Ben Ellis (Alternate for Greg Paramor AO)



Principal Activities

The principal activity of the HPI Group consists of real estate investment in the pub sector in Australia. There has been no significant change in the nature of the principal activity during the half year.

Significant Changes in State of Affairs

There are no significant changes to the state of affairs of the HPI Group.

Distributions & Dividends

HPI Group has declared a distribution of 3.3 cents per stapled security for the half year ended 31 December 2024 and has made a provision for the interim distribution of \$6.5 million. An interim distribution of 6.5 cents per stapled security was paid in November 2024.

Matters Subsequent to the End of the Financial Year

There have been no items, transactions or events that have occurred subsequent to 31 December 2024 that are likely in the opinion of the Directors to significantly affect the operations of the HPI Group, the results of those operations, or the state of affairs of the HPI Group in future financial periods.

Review & Results of Operations

Background

The HPI Group is an Australian Real Estate Investment Trust ("AREIT") and listed on the ASX on 10 December 2013. Its principal activity is real estate investment in freehold pubs in Australia. The HPI Group owns a portfolio of freehold properties predominately in Queensland, comprising pubs and associated speciality stores located on the pub sites.

Half Year Performance

The HPI Group profit after tax for the six months ended 31 December 2024 was \$16.7 million. Operating revenues and expenses included rental income from investment properties of \$37.1 million, property cost recoveries of \$4.8 million, property outgoing costs of \$6.8 million, other trust and management costs of \$2.8 million, takeover defence costs of \$8.5 million,

fair value loss on hedging instruments of \$2.4 million, and financing costs of \$12.7 million. Additionally, there was a fair value gain on investment properties of \$7.8 million.

At 31 December 2024, independent valuations were obtained for 17 properties. The remaining properties (41 properties) were valued by the Directors in accordance with the HPI Group policy.

The Directors' valuations have been determined by reference to the current net income, including allowance for contracted rental growth for each property and the specific circumstances of each property. For properties not subject to independent valuation, market capitalisation rates were maintained constant at their previous independent valuation level. The current average capitalisation rate for the portfolio is 5.61%.

Adjusting profit after tax for fair value adjustments, takeover defence costs, change of control costs, non-cash finance costs and other minor items, the distributable earnings of the HPI Group were \$20.0 million. Adjusting further for maintenance capex of \$0.3 million the Adjusted Funds from Operations (AFFO) was \$19.7 million.

Financial Position

At 31 December 2024 the HPI Group's net assets were \$1,275.3 million representing net assets per stapled security of \$3.99 (June 2024: \$4.01). Major assets and liabilities included cash on hand of \$1.9 million, investment property of \$1,223.7 million, short-term receivables of \$0.5 million, other current assets of \$8.5 million, borrowings of \$458.7 million and a provision for payment of distributions of \$6.5 million. During the period investment property fair value gains of \$7.8 million were recognised.

Capital Management

At 31 December 2024, the HPI Group's total borrowing facilities of \$615.0 million were drawn to \$461.0 million including \$310 million under the USPP and \$151.0 million under the Common Terms Deed.

Risk Management

The Company's Board concluded that the material risks to which the HPI Group is exposed remain consistent with those identified for the year ended 30 June 2024. The HPI Group continues to maintain a level of fixed rate debt to mitigate interest rate risk and continually monitors the regulatory environment. Details of the HPI Group's risk profile are outlined in the Directors' report for the year ended 30 June 2024.

Interest Rate Risk

The HPI Group's debt strategy has been to utilise the US Private Placement market which provides significant tenor and fixed rate debt in Australian Dollars. The HPI Group's weighted average debt maturity tenor is 3.06 years, with facility maturities between 2025 and 2033. The debt facility which matures in 2025 is expected to be refinanced using additional facilities secured during the period. Refer to Note 14 for further details. \$410.0 million (88.9% at balance date) of debt is at fixed rates, with a weighted average fixed period of 2.3 years and a weighted average fixed rate of 5.06%.

Market Risk

External valuations have been performed for 17 of the 58 assets held at 31 December 2024. The weighted average capitalisation rate has increased from 5.53% at June 2024 to 5.61% at December 2024. The HPI Group's significant capital works programs over the past several years have improved the quality of the portfolio as well as increasing rental income.

Regulatory Risk

The HPI Group continually monitors the regulatory environment in the markets that we operate. Further details of the HPI Group's risk profile are outlined in the Directors' report for the year ended 30 June 2024.

Business Strategies & Prospects

The HPI Group's CEO presented a strategy update at the November 2024 Annual General Meeting with the vision "To be Australia's premier ASX-listed owner of pub assets" providing investors with secure income sourced from important community assets run by sector-leading operators.

The strategy is focused on three broad themes:

- Existing Portfolio;
- Growth Levers; and
- Optimisation

Existing Portfolio

The existing portfolio with its strategic value through reversion of licences to the landlord on lease expiry, and attractive lease review structures, typically lower of 2x CPI and 4%, will become more valuable in a cooling inflation environment. Distribution growth is achieved organically from contracted annual rent increases across the portfolio and by prudent management of financing charges, management fees and other costs of the Trust.

Growth Levers

Venue enhancement, active portfolio management and site intensification initiatives offer multiple levers to drive earnings and distribution growth. Ongoing capital expenditure across our HPI's venues with Australian Venue Company ("AVC") will continue to drive operational improvement, increased rental, and extension of leases. Our active portfolio management continues to create value with selective acquisitions and divestments including Right of First Refusal over Hotel Allen, Woodpecker and Royal Mail hotels in Queensland, as well as the Ball Court Hotel in Victoria. Ranges of potential additional uses include Quick Service Restaurants, short term accommodation, outdoor signage, embedded networks, and EV charging stations are being explored across the portfolio.

Optimisation

Continual refinement of the portfolio and capital structure through asset recycling, development with a specialist partner and capital management initiatives.

Charter Hall Retail & Hostplus Offer

On 9 September 2024, Charter Hall Retail REIT and Hostplus announced an off-market takeover offer to acquire all the securities in HPI. The Bidders for HPI have subsequently declared their bid unconditional and have increased their holding to 76.75% of HPI securities as at 3 February 2025. In their initial Bidder's statement, the Bidders set out their intentions if they held a relevant interest between 50% and 90% of HPI securities, including:

- Active major securityholder
- Director replacement
- Externalise or outsource management
- ASX delisting
- General operational and strategic review
- Capital management and distributions

On 20 December 2024 the HPI Board recommended to Securityholders to accept the offer.

There have been a number of disclosures relating to the Charter Hall Retail REIT and Hostplus offer. Please refer to recent ASX announcements on the HPI website for further information.

To manage conflicts, Charter Hall has undertaken that, so long as HPI has minority securityholders, if there is an opportunity to acquire a hotel property that might be suitable for either HPI or Charter Hall, Charter Hall will not pursue the opportunity unless HPI (acting through its independent directors) has confirmed that it does not intend to pursue the opportunity.

Distributions

At 31 December 2024 the HPI Group made a provision of \$6.5 million for an interim distribution of 3.3 cents per stapled security in addition to the \$12.8m distribution made in November 2024 for the period ended 31 October 2024. For the full year the HPI Group intends to distribute 100% of its full year Adjusted Funds From Operations (“AFFO”) which is calculated as profit for the year adjusted for fair value movements, losses or gains on hedging, other non-cash items, tax, and maintenance capital expenditure.

The following statement reconciles the profit after income tax to the AFFO and the distribution.

	31 December 2024
	\$'000
Profit after income tax for the year	16,651
Plus/(Less): Adjustments for non-cash items	
Fair value adjustments to investment properties	(7,809)
Straight line lease adjustment	(785)
Fair value loss on hedging instrument	2,380
Takeover defence costs	8,479
Finance costs - non-cash	580
Other	513
Total adjustments for non-cash items	3,358
Distributable earnings	20,009
Less maintenance capital expenditure	(265)
Adjusted funds from operations	19,744
Less: Amount not distributed	(493)
Less: Distributions paid during the period	(12,770)
Interim Distribution provided for at 31 December 2024	6,481

	Cents
Earnings & distribution per stapled security	
Basic earnings	8.50
Diluted earnings	8.49
Earnings available for distribution per security	9.8
Less: Distribution per security made during the period	(6.5)
Interim distribution per security provided for	3.3

Likely Developments

The HPI Group will continue to review the portfolio with a view to increasing distributions, whether by divesting properties and recycling the proceeds into higher returning properties, developing properties, or by acquiring new properties at appropriate prices.

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 12 and forms part of the Directors' report for the half year ended 31 December 2024.

Environment, Sustainability & Governance (ESG)

Whilst the HPI Group is not subject to significant environmental regulation in respect of its property activities, the Company Directors are satisfied that adequate systems are in place for the management of its environmental responsibility and compliance with the various licence requirements and regulations. Further, the Company Directors are not aware of any material breaches of these requirements.

HPI released a sustainability update as part of the FY24 Annual Report which included updates to the key ESG areas which are applicable to the organisation which have been identified as relevant to HPI's operations and was released in August 2024.

Rounding of Amounts

The HPI Group is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the rounding of amounts in the Directors' report and financial report. Amounts in the Directors' report and financial report have been rounded off to the nearest one thousand dollars, in accordance with that Instrument, except where otherwise indicated.

Signed in accordance with a resolution of the Directors of Hotel Property Investments Limited.



Giselle Collins
Chairman - Melbourne
Dated this 6th day of February 2025



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

To the Directors of the Responsible Entity of Hotel Property Investments

I declare that, to the best of my knowledge and belief, in relation to the review of Hotel Property Investments for the half-year ended 31 December 2024 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

KPMG

Joshua Pearce


Partner

Melbourne

6 February 2025

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 **Beenleigh Tavern**
Eagleby QLD

Consolidated Statement of Profit or Loss & Other Comprehensive Income

		31 December 2024	31 December 2023
	Note	\$'000	\$'000
Revenue			
Rent from investment properties		37,102	36,456
Revenue from outgoings recovered		4,792	4,739
Total revenue		41,894	41,195
Other Income			
Finance revenue		165	80
Total other income		165	80
Total income from operating activities		42,059	41,275
Operating Expenses			
Investment property outgoings and expenses		(6,791)	(6,849)
Other expenses	6	(2,827)	(2,191)
Total expenses from operating activities		(9,618)	(9,040)
Profit from operating activities		32,441	32,235
Non-Operating Expenses			
Takeover defence costs		(8,479)	-
Fair value loss on hedging instruments		(2,380)	(968)
Fair value adjustment to investment properties		7,809	(8,149)
Finance costs	7	(12,718)	(13,637)
Total non-operating expenses		(15,768)	(22,754)
Profit before tax		16,673	9,481
Tax expense		(22)	(25)
Profit for the year		16,651	9,456
Total comprehensive income		16,651	9,456
Profit for the year attributable to:			
Shareholders of the Company		211	324
Unitholders of the Trust		16,440	9,132
Total comprehensive income attributable to the stapled Securityholders of HPI		16,651	9,456
Basic earnings per security (cents)	20	8.50	4.86
Diluted earnings per security (cents)	20	8.49	4.85

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

		31 December 2024	30 June 2024
	Note	\$'000	\$'000
Current Assets			
Cash and cash equivalents	8	1,941	858
Trade and other receivables	9	453	415
Assets held for sale		34,780	68,040
Other current assets	10	8,629	3,162
Total current assets		45,803	72,475
Non-Current Assets			
Investment property	11	1,223,730	1,210,330
Plant & equipment		84	87
Right-of-use assets		204	258
Deferred tax assets		184	209
Other non-current assets	10	5,450	5,450
Total non-current assets		1,229,652	1,216,334
Total assets		1,275,455	1,288,809
Current Liabilities			
Loans and borrowings	14	100,000	-
Trade and other payables	12	20,998	11,693
Employee benefit liabilities	13	1,068	760
Right-of-use liabilities		119	115
Provisions	15	6,481	18,528
Other current liabilities		3,712	-
Total current liabilities		132,378	31,096
Non-Current Liabilities			
Loans and borrowings	14	358,683	474,901
Employee benefit liabilities	13	4	102
Lease liabilities		114	174
Deferred tax liability		51	65
Total non-current liabilities		358,852	475,242
Total liabilities		491,230	506,338
Net assets		784,225	782,471
Equity			
Contributed equity	16	421,801	417,257
Retained earnings	17	362,474	365,271
Reserves	18	(50)	(57)
Total equity		784,225	782,471
Total Equity attributable to:			
Unitholders of the Trust		783,225	781,492
Securityholders of the Company		1,000	979
Total equity		784,225	782,471

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

	Attributable to Unitholders of the Trust (Parent Entity)				Attributable to Securityholders of the Company (Other Stapled Entity)				Contributed Equity
	Contributed Equity	Retained Earnings	Reserves	Total	Contributed Equity	Retained Earnings	Reserves	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance at 1 July 2024	417,257	363,785	450	781,492	*	1,486	(507)	979	782,471
Comprehensive income for the year									
Profit for the year	-	16,440	-	16,440	-	211	-	211	16,651
Total comprehensive income for the year	-	16,440	-	16,440	-	211	-	211	16,651
Transactions with owners in their capacity as owners recognised directly in equity									
Transfer to retained earnings	18	-	-	-	-	296	(296)	-	-
Provision for distribution to stapled Securityholders	17	-	(6,481)	(6,481)	-	-	-	-	(6,481)
Distributions made to stapled Securityholders	18	-	(12,770)	(12,770)	-	-	-	-	(12,770)
Distribution reinvestment plan	16	4,544	-	4,544	-	-	-	-	4,544
Share-based payment transactions	18	-	-	-	-	-	25	25	25
Purchase of Treasury securities	18	-	-	-	-	-	(215)	(215)	(215)
Treasury shares granted as remuneration	18	-	-	-	-	(493)	493	-	-
Total transactions with owners	4,544	(19,251)	-	(14,707)	-	(197)	7	(190)	(14,897)
Balance at 31 December 2024	421,801	360,974	450	783,225	*	1,500	(500)	1,000	784,225
Balance at 1 July 2023	414,587	364,885	-	779,472	*	1,072	(368)	704	780,176
Total comprehensive income for the year									
Profit for the year	-	9,132	-	9,132	-	324	-	324	9,456
Total comprehensive income for the year	-	9,132	-	9,132	-	324	-	324	9,456
Transactions with owners in their capacity as owners recognised directly in equity									
Transfer to retained earnings		-	-	-	-	363	(363)	-	-
Provision for distribution to stapled Securityholders	17	-	(18,516)	(18,516)	-	-	-	-	(18,516)
Distribution reinvestment plan	16	2,670	-	2,670	-	-	-	-	2,670
Share-based payment transactions	18	-	-	-	-	-	57	57	57
Purchase of Treasury securities	18	-	-	-	-	-	(287)	(287)	(287)
Treasury shares granted as remuneration	18	-	-	-	-	-	300	300	300
Total transactions with owners	2,670	(18,516)	-	(15,846)	-	363	(293)	70	(15,776)
Balance at 31 December 2023	417,257	355,501	-	772,758	*	1,759	(661)	1,098	773,856

The above Consolidated Statement Of Changes In Equity should be read in conjunction with the accompanying notes. * Less than \$1,000

Consolidated Statement of Cash Flows

	31 December 2024	31 December 2023
Note	\$'000	\$'000
Cash flows from operating activities		
Rent & outgoings from investment properties (GST inclusive)	45,183	44,664
Payments to suppliers	(17,006)	(11,678)
Interest receipts on bank deposits	165	80
Income tax paid	(77)	(133)
Net cash from operating activities	28,265	32,933
Cash flows from investing activities		
Payment for acquisition of investment properties	-	(10,087)
Payment for Plant and equipment additions	(17)	(2)
Proceeds from disposal of assets held for sale	33,260	-
Payment for additions to investment properties	(4,977)	(4,996)
Net cash from / (used in) investing activities	28,266	(15,085)
Cash flows from financing activities		
Proceeds from borrowings	56,898	34,348
Repayments of borrowings	(73,000)	(21,350)
Payment for treasury shares	(215)	(287)
Payment of borrowing costs	(12,321)	(13,786)
Payment of leasing liabilities	(56)	(52)
Payment of distributions	(26,754)	(15,568)
Net cash used in financing activities	(55,448)	(16,695)
Net increase in cash held	1,083	1,153
Cash and cash equivalents at the beginning of the period	858	972
Cash and cash equivalents at the end of the period	1,941	2,125

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.



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NOTE 1

Reporting Entity

The consolidated financial report of Hotel Property Investments as at and for the half year ended 31 December 2024 comprises Hotel Property Investments Trust (the "Trust"), Hotel Property Investments Limited (the "Company") and their controlled entities (together "the HPI Group"). The Trust is a registered managed investment scheme under the Corporations Act 2001. The Company is a company limited by shares under the Corporations Act 2001. The responsible entity of the Trust is Hotel Property Investments Limited (the "Responsible Entity").

The units of the Trust and the shares of the Company are stapled such that the units and shares cannot be traded separately.

The Trust is a limited life trust which terminates on 31 December 2061 unless it has been terminated prior to that date by the Responsible Entity under the provisions contained in the constitution.

As a result of the stapling of the Trust and the Company and the public quoting of the HPI Group on the Australian Securities Exchange (ASX) with new stapled security holders on 10 December 2013, the HPI Group has been determined to be a disclosing and reporting entity.

The principal activity of the HPI Group consists of real estate investment in the freehold pub sector in Australia. There has been no significant change in the nature of the principal activity during the half year.

In accordance with clause 5.1 of the Stapling Deed, the Trust and the Company each agree to provide financial accommodation to all members of the HPI Group.

The HPI Group is a for profit entity.

NOTE 2

Basis of Preparation

a) Compliance Statement

The consolidated interim financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated interim financial report also complies with the International Financial Reporting Standards (IFRS) and the interpretations adopted by the International Accounting Standards Board (IASB).

b) Basis of Measurement

The financial statements have been prepared on the historical cost basis, except for the following that are measured at fair value:

- investment property, including investment property held for sale at reporting date
- share-based payment arrangements
- interest rate swap hedging instrument

The methods used to measure fair values are discussed further within the relevant notes.

The consolidated financial report as at and for the half year ended 31 December 2024 was approved by the Directors on 6 February 2025.

c) Functional & Presentation Currency

These financial statements are presented in Australian dollars, which is the HPI Group's functional currency.

The HPI Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

d) Use of Estimates

In preparing these consolidated financial statements, management has made estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Estimation Uncertainties

Information about estimation uncertainties and assumptions that have a significant risk of resulting in a material adjustment in the period ended 31 December 2024 are described in the following notes:

Note 4(a) & Note 11 - Investment Property
Note 22 - Financial Instruments

e) Working Capital

As at 31 December 2024, the HPI Group had an excess of current liabilities over current assets of \$86.6 million. Notwithstanding this, the financial report has been prepared on a going concern basis as the Directors believe the HPI Group will continue to generate operating cash flows and has sufficient undrawn committed debt facilities to meet current liability obligations.

NOTE 3

Material Accounting Policies

The accounting policies applied in this consolidated financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2024.

NOTE 4

Determination of Fair Values

A number of the HPI Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a) Investment Property

Investment property is property held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost. Subsequent to initial recognition, investment properties are stated at fair value, which is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction and reflects market conditions at the reporting date. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

The HPI Group policy is to independently value at least one third of all properties each financial year. A greater number of valuations may be sought if the Board determines that circumstances have arisen that warrant it. Where external valuation capitalisation rates have deteriorated, the Directors may apply the average market capitalisation expansion to the market capitalisation rates of the remaining investment properties in determining the Directors' valuations. Where external valuation market capitalisation rates have improved, the Directors will maintain the existing capitalisation rate and will only use the present net rent in determining the Directors' valuations. The Directors will also take into consideration any property nuances, specific market factors, property location, rent abatements and change in weighted average lease expiry before deciding on the final Directors' valuation.

b) Share-Based Payment Transactions

The fair value of the share-based payments as at the grant date is determined independently using a Monte Carlo simulation. A Monte Carlo simulation model simulates the path of the security price according to a probability distribution assumption. After a large number of simulations, the arithmetic average of the outcomes, discounted to the valuation date, is calculated to represent the option value. Service and non-market performance conditions attached to the arrangements are not taken into account in measuring fair value.

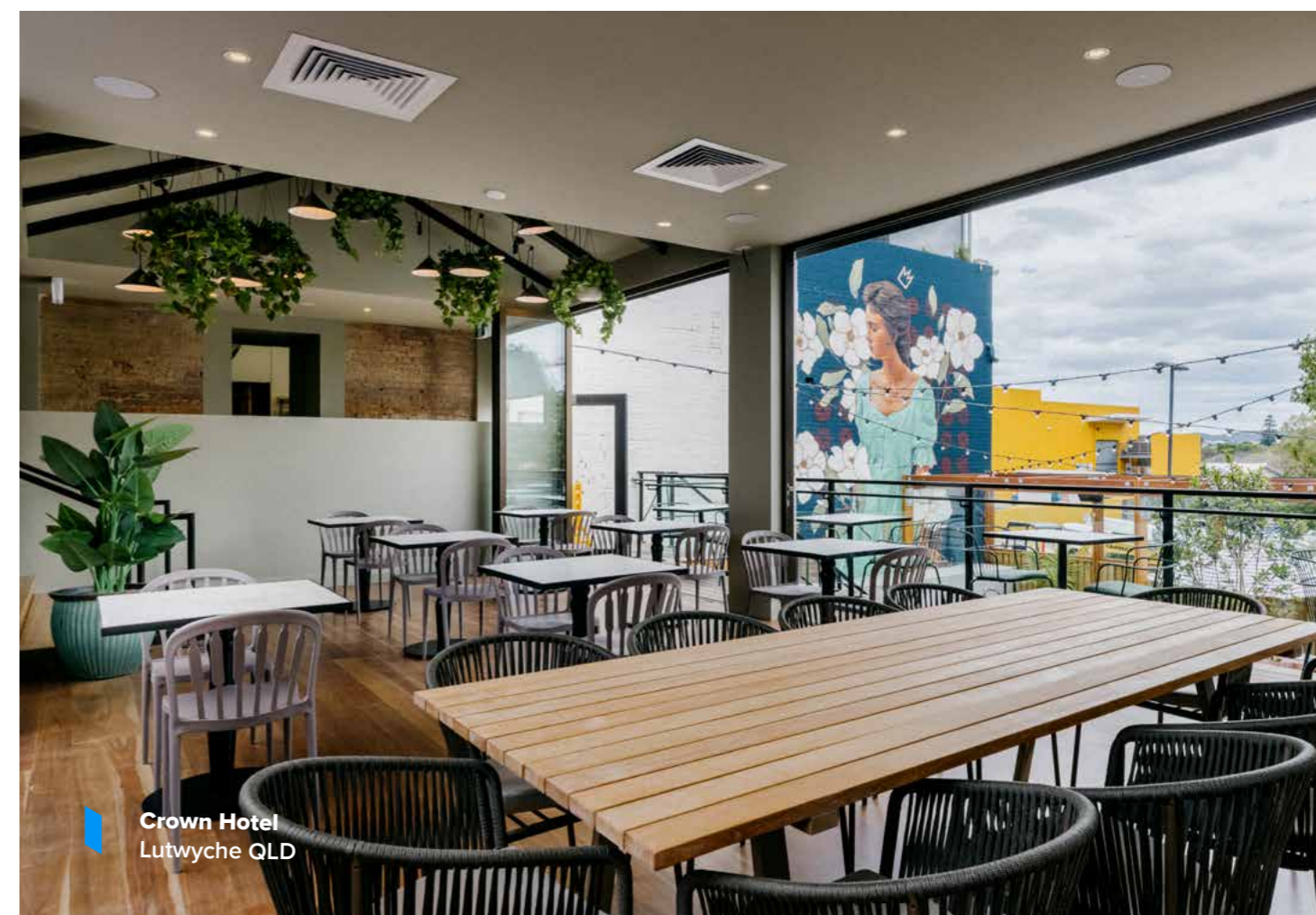
NOTE 5

Stapling

The stapling of the units of the Trust and the shares of the Company occurred on 10 December 2013 for the purpose of the public quotation of the HPI Group on the ASX. Australian Accounting Standards require an acquirer to be identified in a business combination. In relation to the stapling of the Company and the Trust, the Trust has been identified as the acquirer due to its large relative size to the Company.

In a business combination achieved as a consequence of stapling, the acquirer receives no equity interests in the acquiree. Therefore 100% of the acquiree's equity is attributable to the Securityholders of the Company and is accounted for as non-controlling interests. Also, as a result no goodwill is recognised.

As the Trust has not acquired an equity interest in the Company, no consideration was transferred in connection with the stapling. The Company had no assets at the time of stapling.



Crown Hotel
Lutwyche QLD

NOTE 6

Other Expenses

	31 December 2024	31 December 2023
	\$'000	\$'000
Advisory & legal fees	241	249
Auditor's remuneration	115	116
Directors' fees	298	241
Employment expenses	1,425	863
Insurance	221	255
All other expenses	527	467
	2,827	2,191

NOTE 7

Finance Expenses

	31 December 2024	31 December 2023
	\$'000	\$'000
Interest expense	12,065	12,829
Amortised borrowing costs	580	734
Other finance costs	73	74
	12,718	13,637

NOTE 8

Cash & Cash Equivalents

	31 December 2024	30 June 2024
	\$'000	\$'000
Cash at bank	1,941	858

NOTE 9

Trade & Other Receivables

	31 December 2024	30 June 2024
	\$'000	\$'000
Trade receivables	453	415
Less: Allowance for impairment	-	-
Net trade receivables	453	415

NOTE 10

Other Current /
Non-Current Assets

	31 December 2024	30 June 2024
	\$'000	\$'000
Prepayments	5,784	1,440
Interest rate swap hedging instruments	2,687	1,656
Other current assets	158	66
	8,499	3,162
Other non-current assets	5,450	5,450

Other non-current assets held at 31 December 2024 are investments in the Harvest Hotels Pub Fund 2 and the ACRE Commercial Income Fund No. 2.

NOTE 11

Investment Property

Reconciliation of Movements	31 December 2024	June 2024
	\$'000	\$'000
Investment property	1,223,730	1,210,330
Carrying amount at the beginning of the year	1,210,330	1,238,330
Acquisition of investment properties	-	10,087
Disposition of investment properties	-	(23,665)
Transfer from held for sale	-	15,185
Transfer to held for sale	-	(68,040)
Capital additions on investment properties	4,806	38,120
Straight line lease adjustments	785	989
Fair value adjustments	7,809	(676)
Carrying amount at the end of the year	1,223,730	1,210,330

Investment Property

All investment properties are freehold and 100% owned by the Company as appointed sub-custodian of the HPI Trust, except for the Crown Hotel, Quest Griffith, Jubilee Tavern, Mango Hill Tavern, Surfair Beach Hotel, Capella Hotel, Commonwealth Hotel, White Bulla Tavern, Commercial Hotel and the Grand Hotel which are owned by wholly owned subsidiaries of the HPI Trust. Investment properties are comprised of land, buildings, fixed improvements and liquor and gaming licenses. Plant and equipment are held by the tenant.

Leasing Arrangements

The investment properties are each leased to their respective tenants inclusive of any liquor and gaming licences attached to these properties under long-term operating leases with rentals payable monthly.

Fair value adjustments at 31 December 2024

Independent valuations were obtained for 17 investment properties as at 31 December 2024. These valuations were completed by Cushman & Wakefield Valuations. The remaining 41 investment properties were valued by the Directors in accordance with the HPI Group policy.

	December 2024	June 2024
Market capitalisation rate range at last independent valuation	5.00% - 8.25%	5.00% - 8.25%

Fair Value Hierarchy

The fair value measurement for investment property of \$1,223.7 million has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

Reconciliation of Fair Value Losses	31 December 2024	June 2024
	\$'000	\$'000
Fair value as at beginning of the period	1,210,330	1,238,330
Capital additions on investment properties	4,806	38,120
Disposals	-	(23,665)
Transfer to other current assets	-	15,185
Transfer to held for sale	-	(68,040)
Straight line lease adjustment	785	989
Acquisitions	-	10,087
Carrying amount before revaluations	1,215,921	1,211,006
Fair value as at end of period	1,223,730	1,210,330
Fair value adjustments for the period	7,809	(676)

Valuation Technique & Significant Unobservable Inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation Technique	Significant Unobservable Inputs	Inter-relationship Between Key Observable Inputs & Fair Value Measurement
Capitalisation of rent allowing for the following adjustments:	Net rent	The estimated fair value would increase / (decrease) if: Net rent was higher / (lower)
	Capitalisation rates	Capitalisation rates were lower / (higher)
• Additional land	Residual value of land	Residual value of land was higher / (lower) in value
• Capital allowance	Capital allowances	Capital allowance was smaller / (larger)
• Other property specific factors including rent abatements	Timing and amount of future capital allowance	Other property specific factors resulted in higher / (lower) value

Assets Owned *as at 31 Dec 2024*

PROPERTY	LOCATION	Foot-note	31 December 2024		30 June 2024	
			Cap'n Rate ¹	Fair Value \$'000	Cap'n Rate ¹	Fair value \$'000
Avenues Café and Bar	Adelaide SA	3	5.75%	15,110	5.75%	14,700
Beenleigh Tavern	Eagleby QLD	4	5.25%	19,450	5.25%	18,950
Berserker Tavern	Rockhampton QLD	2	6.00%	20,600	6.00%	20,600
Bonny View Tavern	Bald Hills QLD	5	5.00%	16,000	5.00%	15,400
Boomerang Motor Hotel	West Mackay QLD	4	5.75%	9,900	5.75%	9,900
Bribie Island Hotel	Bellara QLD	4	5.75%	32,500	5.75%	32,500
Brighton Hotel	Brighton QLD	4	5.25%	27,900	5.25%	27,960
Brighton Metro Hotel	Brighton SA	2	5.50%	23,600	5.50%	23,600
Caboolture Sundowner Hotel Motel	Caboolture QLD	4	5.25%	21,190	5.25%	21,290
Capella Hotel	Capella QLD	5	8.25%	3,760	8.25%	3,760
Chancellors Tavern	Sippy Downs QLD	2	5.50%	26,150	5.50%	26,200
Cleveland Sands Hotel	Cleveland QLD	3	5.50%	45,600	5.50%	43,900
Cleveland Tavern	Cleveland QLD	3	5.50%	23,780	5.50%	23,850
Club Hotel	Gladstone QLD	3	6.00%	9,650	6.00%	9,650
Commercial Hotel	Clermont QLD	5	8.25%	3,650	8.25%	3,650
Commonwealth Hotel	Roma QLD	5	7.50%	10,815	7.50%	10,815
Coomera Lodge Hotel	Oxenford QLD	3	5.25%	14,520	5.25%	14,050
Cornerstone Ale House	Butler WA	2	7.00%	4,250	7.00%	4,100
Crown Hotel	Lutwyche QLD	4	5.25%	60,500	5.25%	60,500
Diamonds Inala Hotel	Inala QLD	5	5.25%	22,290	5.25%	22,310
Diamonds Tavern	Kallangur QLD	3	5.25%	15,000	5.25%	14,950
Dunwoodys Tavern	Cairns QLD	2	6.00%	35,750	6.00%	35,750
Edwardes Lake Hotel	Reservoir VIC	2	5.00%	30,900	5.00%	30,140
Empire Alternacade & Events	Cairns QLD	3	6.00%	12,550	6.00%	12,550
Everton Park Hotel	Everton Park QLD	3	5.50%	44,000	5.50%	40,000
Ferry Road Tavern	Southport QLD	4	5.50%	46,140	5.50%	46,570
Fitzys Loganholme	Loganholme QLD	4	5.25%	38,400	5.25%	38,400
Fitzys Waterford	Waterford QLD	3	5.50%	27,120	5.50%	27,050
Grafton Hotel	Edmonton QLD	3	6.00%	10,000	6.00%	10,000
Grand Hotel	Clermont QLD	5	8.25%	3,300	8.25%	3,300
Grand Junction Hotel	Pennington SA	2	5.50%	17,850	5.50%	17,870
Gregory Hills Hotel	Gregory Hills NSW	2	5.00%	46,700	5.00%	46,700
Hotel HQ	Underwood QLD	7	0.00%	-	5.50%	33,260
Jubilee Tavern	Airlie Beach QLD	2	6.00%	13,000	5.50%	13,600

PROPERTY	LOCATION	Foot-note	31 December 2024		30 June 2024	
			Cap'n Rate ¹	Fair Value \$'000	Cap'n Rate ¹	Fair value \$'000
Kings Beach Tavern	Caloundra QLD	4	5.25%	32,960	5.25%	33,170
Kooyong Motor Hotel	North Mackay QLD	2	6.25%	12,150	5.50%	13,670
Leichhardt Hotel	Rockhampton QLD	2, 6	6.00%	17,400	n/a	15,850
Magnums Tavern	Airlie Beach QLD	2	6.00%	32,150	6.25%	30,000
Mango Hill Tavern	Mango Hill QLD	3	5.50%	43,440	5.50%	43,750
Mi Hi Tavern	Brassal QLD	3	5.50%	28,200	5.50%	27,200
Mick O'Shea's Hotel	Hackham SA	3	5.75%	9,950	5.75%	9,700
Mile End Hotel	Mile End SA	3	5.75%	15,990	5.75%	15,600
Palm Cove Tavern	Palm Cove QLD	5	5.50%	12,210	5.50%	12,250
Quest Griffith	Griffith NSW	2	7.25%	17,400	7.00%	17,700
Royal Mail Hotel	Tewantin QLD	8	5.50%	17,450	5.50%	17,450
Summerhill Hotel	Reservoir VIC	2	5.50%	34,850	5.50%	34,400
Surfair Beach Hotel	Marcoola QLD	4	6.00%	13,340	6.00%	13,340
The Duck Inn	Coromandel Valley SA	2	5.50%	13,250	5.50%	12,950
The Regatta Hotel	Toowong QLD	4	5.25%	59,600	5.25%	59,600
The Strand Hotel	Yeppoon QLD	2	6.25%	12,400	6.20%	11,750
The Unley	Parkside SA	8	5.25%	6,220	5.25%	6,220
The Victoria Hotel	Strathalbyn SA	3	6.00%	6,410	6.00%	6,250
The Wallaby Hotel	Mudgeeraba QLD	4	5.75%	22,630	5.75%	22,620
Tom's Tavern	Aitkenvale QLD	4	6.25%	27,120	6.25%	27,060
Trinity Beach Tavern	Trinity Beach QLD	5	6.50%	22,900	6.50%	22,900
Waterloo Tavern	Paralowie SA	2	5.50%	33,850	5.75%	32,400
West End Hotel	Adelaide SA	8	5.25%	3,650	5.25%	3,650
White Bull Tavern	Roma QLD	5	7.50%	3,605	7.50%	3,605
Woodpecker Tavern	Burpengary QLD	8	5.03%	7,460	5.03%	7,460
Total Investment Properties (inc. assets held for sale)			5.61%	1,258,510	5.53%	1,278,370
Less: Assets classified as held for sale			0.01%	(34,780)	-	(68,040)
Total Investment Properties at period/year end			5.62%	1,223,730	5.53%	1,210,330

- 1 Capitalisation rate at last independent valuation
- 2 Independent valuations obtained as at 31 December 2024
- 3 Independent valuations obtained as at 30 June 2024
- 4 Independent valuations obtained as at 31 December 2023

- 5 Independent valuations obtained as at 30 June 2023
- 6 Valued as a development site
- 7 Disposed in July 2024
- 8 Classified as held for sale

NOTE 12

Trade & Other Payables

	31 December 2024	30 June 2024
	\$'000	\$'000
Trade payables	4,698	1,806
Accrued interest	4,531	5,120
Other payables	11,769	4,767
	20,998	11,693

NOTE 13

Employee Benefit Liabilities

	31 December 2024	30 June 2024
	\$'000	\$'000
Annual leave provision	151	207
Long service leave provision	126	125
Change of Control Provision	463	-
Bonus provision	332	530
	1,072	862
Represented as follows:		
Current liabilities	1,068	760
Non-current liabilities	4	102
	1,072	862

NOTE 14

Loans & Borrowings

	31 December 2024	30 June 2024
	\$'000	\$'000
Current		
USPP Notes	100,000	-
Non-current		
USPP Notes	209,145	309,005
Bank loans	149,538	165,896
	458,683	474,901

	31 December 2024	30 June 2024
	\$'000	\$'000
U.S. Private Placement (USPP) Notes		
USPP Notes - drawn	310,000	310,000
Borrowing costs capitalised	(2,482)	(2,482)
Accumulated amortisation of borrowing costs	1,627	1,487
Total USPP Notes	309,145	309,005

In total the USPP issue comprises five tranches of unsecured, Australian Dollar denominated notes.

- A\$100 million fixed interest loan with an 8-year tenor, maturing in August 2025;
- A\$30 million fixed interest loan with a 10-year tenor, maturing in August 2027;
- A\$100 million floating interest loan with a 10-year tenor, maturing in August 2027;
- A\$40 million fixed interest loan with a 7-year tenor, maturing in August 2028; and
- A\$40 million fixed interest loan with a 12-year tenor, maturing in August 2033.

The USPP Note A tranche matures in August 2025 and therefore has been classified as a current liability. The HPI Group has sufficient headroom in its CTD facility to repay the note at maturity with \$154 million in undrawn facilities and \$1.9m in cash at bank available as at 31 December 2024.

Loans – Common Terms Deed (CTD)

	31 December 2024	30 June 2024
	\$'000	\$'000
CTD - drawn	151,000	167,100
Borrowing costs capitalised	(4,358)	(3,660)
Accumulated amortisation of borrowing costs	590	2,112
Borrowing costs written off	2,306	344
Total CTD Loans	149,538	165,896

There are four facilities, each bilaterally provided under the Common Terms Deed (“CTD”) and totalling \$305 million as at 31 December 2024. Of these facilities, \$205 million expires in November 2027 and \$100 million expires in December 2028.

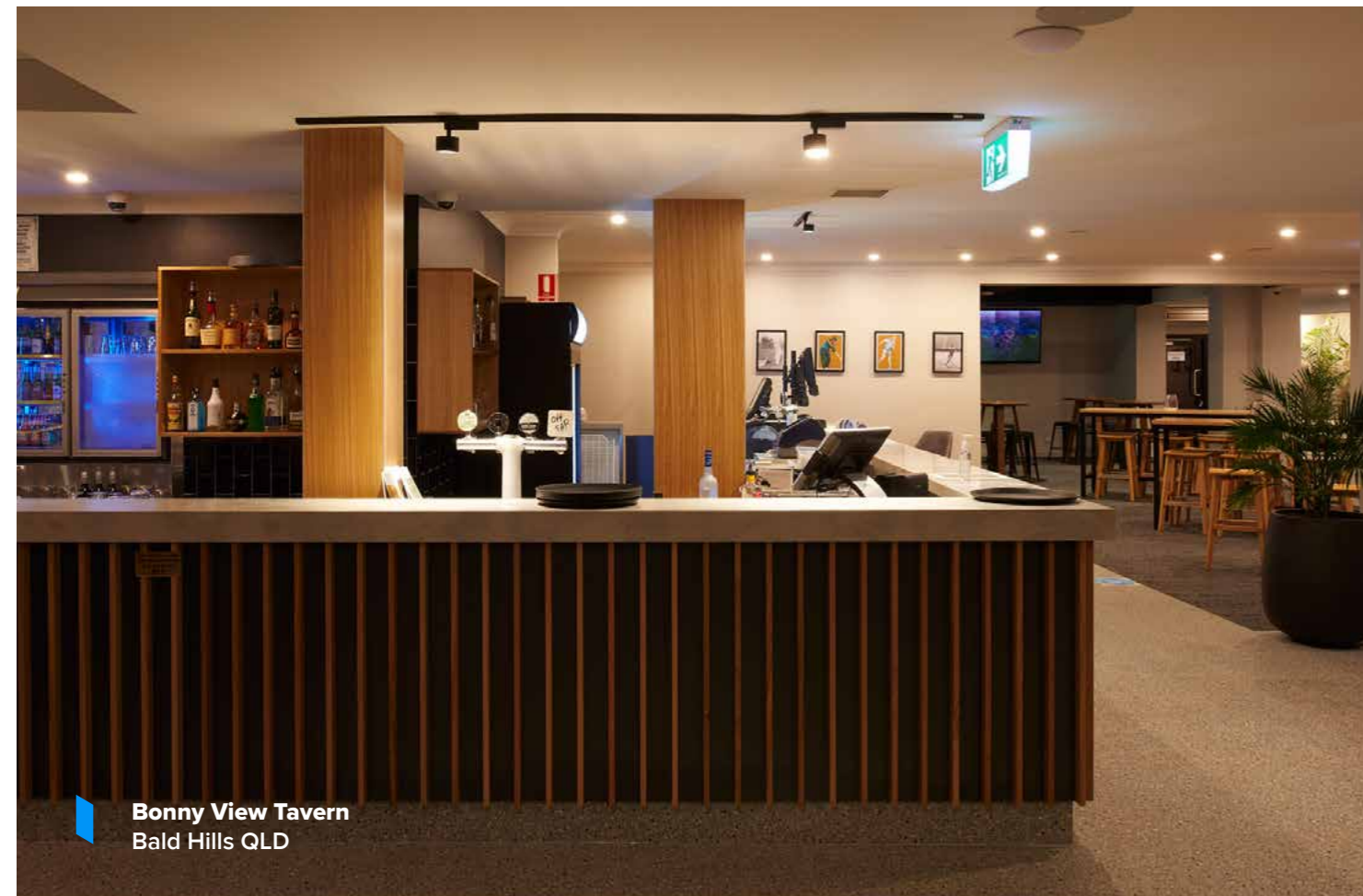
NOTE 15

Provisions

Provision For Distribution	31 December 2024	30 June 2024
	\$'000	\$'000
Balance at the beginning of the period	18,528	18,238
Provisions made during the period	19,251	37,044
Provisions used during the period	(31,298)	(36,754)
Balance at the end of the period	6,481	18,528

Distribution

The provision for distribution related to distributions to be paid to stapled security holders on 7 February 2025. This distribution will be funded via drawdown on the existing Common Terms Deed loan facility.



NOTE 16

Contributed Equity

	No. of Units	Issue Price \$	\$'000
On issue at 30 June 2024 - fully paid	195,176,833	-	417,257
Units issued under the DRP on 6 September 2024	1,405,860	3.2324	4,544
On issue at 31 December 2024 – fully paid	196,582,693	-	421,801
On issue at 30 June 2023 – fully paid	194,297,188	-	414,587
Units issued under the DRP on 1 September 2023	879,645	3.0357	2,670
On issue at 31 December 2023 – fully paid	195,176,833	-	417,257

Stapled Securities

The units in the Trust are stapled to the securities in the Company and are referred to as 'stapled securities'. The stapled securities entitle the holder to participate in distributions and dividends and the proceeds on winding up of the HPI Group in proportion to the number of stapled securities held. On a show of hands every stapled Securityholder present at a meeting in person or by proxy, is entitled to one vote.

A unit confers on its holder an undivided absolute, vested and indefeasible beneficial interest in the Trust as a whole, subject to Trust liabilities, not in parts or single assets. All units confer identical interests and rights. Each member registered at the record date has a vested and indefeasible interest in a security of the distribution in proportion to the number of units held by them. All issued units are fully paid.

Treasury Securities

Contributed equity reflects the number of stapled securities on market at balance date, inclusive of the effect of treasury securities held. (Refer to note 18).

Distribution Reinvestment Plan (DRP)

The HPI Group has suspended the Distribution Reinvestment Plan (DRP) for the December 2024 distribution. The HPI Group will reassess whether the DRP will be operable for future distribution periods when the details of those distributions are announced.



NOTE 17

Retained Earnings

	31 December 2024	30 June 2024
	\$'000	\$'000
Balance at the beginning of the period	365,271	365,957
Profit for the period	16,651	35,995
Transfer from reserves	296	363
Treasury shares granted	(493)	-
Distribution to stapled Securityholders	(12,770)	(18,516)
Provision for distribution to stapled Securityholders	(6,481)	(18,528)
Balance at the end of the period	362,474	365,271

NOTE 18

Reserves

	Financial Assets Revaluation Reserve	Treasury Security Reserve	Share Based Payment Reserve	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2024	450	(835)	328	(57)
Purchase of treasury shares	-	(215)	-	(215)
Treasury shares granted	-	493	-	493
Transfer to retained earnings	-	-	(296)	(296)
Recognition of share-based payment expense	-	-	25	25
Balance at 31 December 2024	450	(557)	57	(50)
Balance at 1 July 2023	-	(848)	480	(368)
Purchase of treasury securities	-	(287)	-	(287)
Treasury shares granted	-	300	-	300
Transfer to retained earnings	-	-	(363)	(363)
Recognition of share-based payment expense	-	-	57	57
Closing balance at 31 December 2023	-	(835)	174	(661)

Treasury Security Reserve

The Treasury share reserve comprises the cost of the HPI Group's securities which were purchased on-market and are held by the HPI Rights Plan Trust. At 31 December 2024, the HPI Group held 179,479 of the Company's securities (31 December 2023: 275,661).

Share Based Payment Reserve

The share-based payments reserve comprises amounts recognised under the long-term incentive plan for executive employees and is the portion of the fair value of the total cost recognised in profit and loss of the unissued securities, which remain conditional on employment with the HPI Group at the relevant vesting date and certain market-based performance hurdles being obtained.

NOTE 19

Net Assets Per Stapled Security

	31 December 2024	30 June 2024
Number of stapled securities on issue as at the end of the period	196,582,693	195,176,833
Less: Treasury securities	(179,479)	(275,661)
Adjusted number of stapled securities on issue as at the end of the period	196,403,214	194,901,172
Net assets at balance date	784,236,162	782,471,941
Per stapled security on issue	\$3.99	\$4.01

NOTE 20

Earnings Per Security & Stapled Security

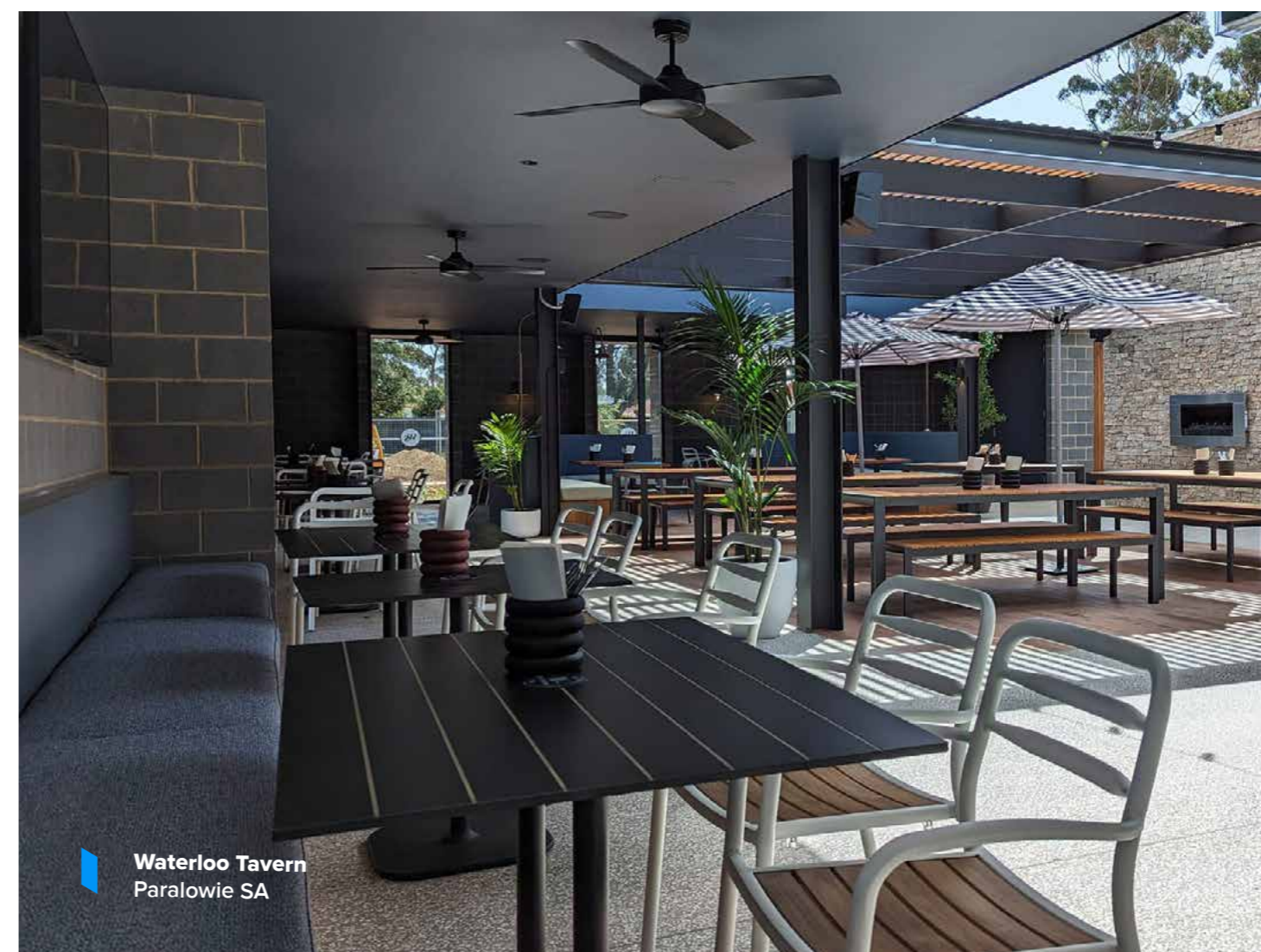
Earnings Per Stapled Security	31 December 2024	31 December 2023
Profit for the year attributable to stapled Securityholders	16,651,000	9,456,000
Weighted average number of stapled securities		
On issue at the beginning of the period	195,176,833	194,297,188
Add: Distribution reinvestment securities	888,318	579,986
Less: Effect of treasury securities held	(235,981)	(224,225)
Weighted average number of securities	195,829,170	194,652,949
Basic earnings per security – cents	8.50	4.86
Diluted earnings per security – cents	8.49	4.85

Earnings Per Security	31 December 2024	31 December 2023
Profit for the year attributable to the Unitholders of the Trust	16,440,000	9,132,000
Basic earnings per security – cents	8.40	4.69
Diluted earnings per security – cents	8.38	4.69

NOTE 21

Distributions

Distributions to Stapled Security Holders	Total Distribution \$'000	No. of Stapled Securities	Distribution Per Stapled Securities (Cents)
31 December 2024			
1 July 2024 to 31 December 2024	6,481	196,403,214	3.3
31 October 2024			
1 July 2024 to 31 October 2024	12,770	196,403,214	6.5
31 December 2023			
1 July 2023 to 31 December 2023	18,516	194,901,172	9.5



NOTE 22

Financial Instruments

Accounting Classifications & Fair Values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information of financial assets and financial liabilities not measured at fair value.

	Note	Carrying Amount					Total
		Financial Assets at Amortised Cost	Financial Assets at Fair Value Through P&L	Financial Assets at Fair Value Through OCI	Financial Liabilities at Fair Value Through P&L	Other Financial Liabilities	
		\$'000	\$'000	\$'000		\$'000	\$'000
31 December 2024							
Financial assets							
Trade and other receivables	9	453	-	-	-	-	453
Other non-current assets	10	-	-	5,450	-	-	5,450
Interest rate swap derivative instrument	10	-	2,687	-	-	-	2,687
Cash and cash equivalents	8	1,941	-	-	-	-	1,941
		2,394	2,687	5,450	-	-	10,531
Financial liabilities							
Interest rate swap hedging instrument		-	-	-	(3,712)	-	(3,712)
Loans and borrowings	10	-	-	-	-	(458,683)	(458,683)
Trade and other payables	12	-	-	-	-	(20,868)	(20,868)
		-	-	-	(3,712)	(379,551)	(383,263)
30 June 2024							
Financial assets							
Trade and other receivables	9	415	-	-	-	-	415
Cash and cash equivalents	8	858	-	-	-	-	858
Interest rate swap derivative instrument	10	-	1,656	-	-	-	1,656
Other non-current assets	10	-	-	5,450	-	-	5,450
		1,273	1,656	5,450	-	-	8,379
Financial liabilities							
Loans and borrowings	14	-	-	-	-	(474,901)	(474,901)
Trade and other payables	12	-	-	-	-	(11,693)	(11,693)
		-	-	-	-	(486,594)	(486,594)

NOTE 23

Contingent Assets

The HPI Group is not aware of any contingent assets as at 31 December 2024 which may materially affect the operation of the business (30 June 2024: nil).

NOTE 24

Contingent Liabilities

The HPI Group has issued a bank guarantee as security over the office premises for \$78,304 (30 June 2024: \$78,304).

The Trust has issued a bank guarantee of \$5.6 million to the Company in its capacity of Responsible Entity (30 June 2024: \$5.6 million).

The HPI Group is not aware of any contingent liabilities as at 31 December 2024 which may materially affect the operation of the business (30 June 2024: nil).

NOTE 25

Commitments

The HPI Group has committed to a \$30 million capital expenditure program across the portfolio which commenced on February 2020. As at 31 December 2024, \$1.9 million of the commitment remains (30 June 2024: \$4.4 million).

In addition to the above, HPI Group entered into a \$50 million CAPEX agreement with Queensland Venue Company to fund the refurbishments of a number of assets from the sale proceeds of the Hotel Allen, Ball Court Hotel, Royal Mail Hotel and the Woodpecker Tavern. As at 31 December 2024, approx. \$23.7 million had been funded from the sale of the Hotel Allen and Ball Court Hotel with the remaining amount to be funded in March 2025 when the Royal Mail Hotel and Woodpecker Tavern are expected to settle.

Other than the commitments noted above, the HPI Group is not aware of any other commitments as at 31 December 2024 which may materially affect the operation of the business (30 June 2024: nil).

NOTE 26

Segment Information

The HPI Group operates wholly within Australia and derives rental income, as a freehold pub owner and lessor.

Revenues from Australian Venue Company ("AVC") and Queensland Venue Company ("QVC") represented approximately \$29.3 million (31 December 2023: \$28.8 million) of the HPI Group's total revenues.

NOTE 27

Subsequent Events

There have been no item, transaction or event has occurred subsequent to 31 December 2024 that is likely in the opinion of the Directors to significantly affect the operations of the HPI Group, the results of those operations, or the state of affairs of the HPI Group in future financial periods.



Directors' Declaration

In the opinion of the Directors of Hotel Property Investments Limited, as Responsible Entity for the Hotel Property Investments Trust:

1

The consolidated financial statements and notes, set out on pages 14 to 39, are in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the Hotel Property Investments Group financial position as at 31 December 2024 and of its performance for the six months ended on that date; and
- b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

2

There are reasonable grounds to believe that the Hotel Property Investment Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of Hotel Property Investments Limited.

Giselle Collins
Chairman - Melbourne
Dated this 6th day of February 2025



Independent Auditor's Review Report

To the stapled security holders of Hotel Property Investments

Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Hotel Property Investments (Stapled Group).

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

- giving a true and fair view of the **Stapled Group's** financial position as at 31 December 2024 and of 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*.

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

- Consolidated statement of financial position as at 31 December 2024;
- Consolidated statement of profit or loss and other 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 27 comprising material accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Stapled Group** comprises Hotel Property Investment Trust (the Trust) and the entities it controlled at the Half year's end or from time to time during the Half-year and Hotel Property Investments Limited (the Company) 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 Stapled Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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Responsibilities of the Directors for the Half-year Financial Report

The Directors of Hotel Property Investments Limited, being the Responsible Entity of the Trust, 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*; and
- 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 Stapled Group's financial position as at 31 December 2024 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

Joshua Pearce

Partner

Melbourne

6 February 2025



Corporate Directory

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Chief Executive Officer & Managing Director

John White

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Chief Financial Officer & Company Secretary

Blair Strik

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