



HY21 RESULTS

● ASX:COF

4 Feb 2021

# Centuria Office REIT

Centuria

An aerial photograph of a city skyline, likely Canberra, Australia, featuring a river, a bridge, and various office buildings. The image is used as a background for the presentation slide.

# A QUALITY PORTFOLIO OF HIGHLY CONNECTED AND AFFORDABLE OFFICE SPACE WITHOUT SINGLE MARKET CONCENTRATION

COF: NISHI, 2 PHILIP LAW STREET, CANBERRA, ACT

COF: 54 MARCUS CLARKE STREET, CANBERRA, ACT

COF: 60 MARCUS CLARKE STREET, CANBERRA, ACT

## Agenda

1. Overview
2. Financial Results
3. Portfolio Metrics
4. Market Overview & Guidance
5. Appendices





42-46 COLINS STREET, WEST PERTH, WA



SECTION ONE

# Overview

ASX:COF

Centuria

# CNI: ASX300-listed funds manager positioned for growth

Centuria

Market capitalisation<sup>1</sup> of **\$1.6bn**  
Included in the S&P/ASX300 Index

**\$10.2bn** GROUP AUM

LISTED REAL ESTATE

**\$4.8bn**

UNLISTED REAL ESTATE

**\$4.5bn**

INVESTMENT  
BONDS

**\$0.9bn**

Centuria  
Office REIT  
ASX:COF

**\$2.1bn**

Centuria  
Industrial REIT  
ASX:CIP

**\$2.4bn**

Asset Plus Ltd  
NZX:APL

**\$0.3bn**

Unlisted  
NZ single  
asset funds &  
APF

**\$1.4bn**

NZ Industrial  
Fund

**\$0.4bn**  
OPEN ENDED FUND

Centuria  
Fixed Term  
Office Funds

**\$1.6bn**

Centuria  
CDPF

**\$0.2bn**  
OPEN ENDED FUND

Centuria  
Healthcare  
Real Estate

**\$0.8bn**

Centuria  
CHPF

**\$0.1bn**  
OPEN ENDED FUND

Centuria Life

Centuria  
Investment Bonds  
Guardian  
Friendly Society

Note: All figures above are in Australian dollars (currency exchange ratio of AU1.000:NZ\$1.0705). Numbers presented may not add up precisely to the totals provided due to rounding

1. Based on CNI closing price at 31 December 2020

# COF is aligned to a highly experienced real estate funds manager

Centuria

## STRONG TRACK RECORD

Managing real estate funds  
for over 20 years

## HANDS ON MANAGEMENT

In house property and facilities  
management with deep leasing and  
capital transaction capability

## SUBSTANTIAL COMMERCIAL PROPERTY PLATFORM

**\$9.3bn** AUM property platform  
provides economies of scale that flow  
through to COF

### CENTURIA CAPITAL GROUP (ASX: CNI)

### CENTURIA OFFICE REIT (ASX: COF)

## COMPLEMENTS CENTURIA CAPABILITY

**\$2.0bn** of office AUM, representing ~21%  
Centuria's portfolio

## AN ENABLING EQUITY PARTNER

CNI managed vehicles  
co-own three COF assets

## CO-INVESTMENT ALIGNMENT

CNI co-investment of **19.9%**<sup>1</sup>  
is COF's largest investor

1. Includes ownership by associates of Centuria Capital Group

# Key metrics – Australia's largest pure play office REIT

Centuria

## PORTFOLIO



**23**

High quality  
assets



**\$2.0bn**

Portfolio value



**91.5%**

Portfolio occupancy<sup>1</sup>



**4.5yrs**

Portfolio WALE<sup>1</sup>

## FINANCIAL



**19.4-19.9cpu**

FY21 FFO  
guidance<sup>2</sup>



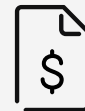
**8.5%**

Forecast FY21  
DPU yield<sup>3</sup>



**16.5cpu**

FY21 DPU  
guidance



**7.4%**

Six-month TSR<sup>4</sup>



**96.7%**

Average rent  
collections<sup>5</sup>

*July to December 2020*



**33.2%**

Gearing<sup>6,7,8</sup>



**\$175.7m**

Undrawn debt<sup>7,8</sup>



**7.6x**

Interest Cover Ratio<sup>8</sup>  
*Covenant of 2x*

1. By gross income
2. Guidance remains subject to unforeseen circumstances and material changes in operating conditions
3. Based on COF closing price of \$1.95 per unit on 3 February 2021
4. Total Securityholder Return (TSR) equals the change in security price during the period, plus distributions declared
5. As COVID-19 impacts and the National Code of Conduct on Commercial Leases remain active, it is possible that further rent relief claims could be received for the July 2020 to December 2020 period

6. Gearing is defined as total borrowings less cash divided by total assets less cash and goodwill
7. Undrawn capacity excludes a \$1.5m bank guarantee held as security over the 46 Colin Street, West Perth WA ground lease
8. Adjusted to include the proceeds from the sale of 465 Victoria Avenue, Chatswood, NSW

## Portfolio construction

1

- 23 high quality office assets with an average building age of **16.4 years**
- Sale of 465 Victoria Avenue, Chatswood, NSW for **\$44.7m<sup>1</sup>**
- Balanced geographic diversification with exposure to Australia's best performing office markets
- Strong tenant covenants with Australian Federal and State Governments representing c.**25%** of gross income

## Active management

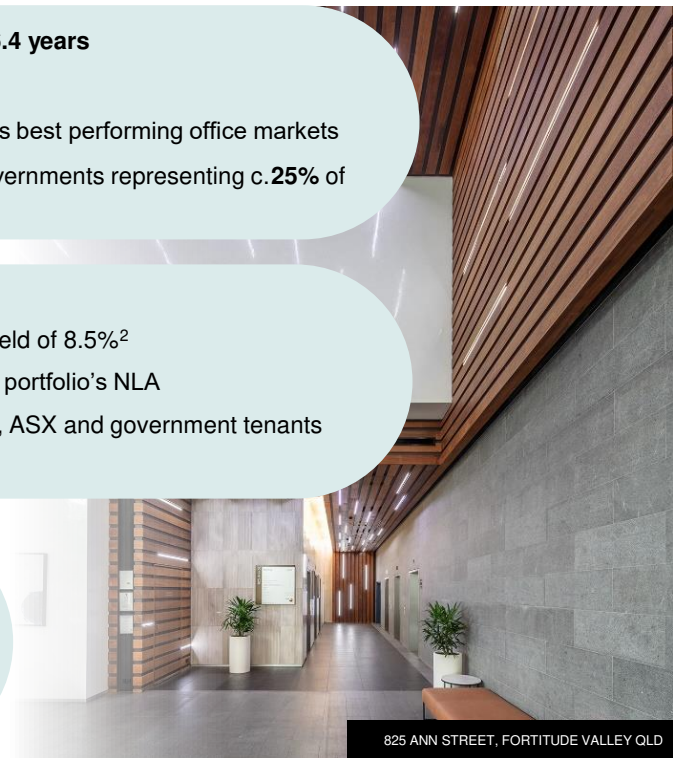
2

- HY21 distributions delivered in line with guidance
  - FY21 distribution guidance equates to a forecast DPU yield of 8.5%<sup>2</sup>
- Leases agreed<sup>1</sup> for over **28,306 sqm**, representing **9.3%** of the portfolio's NLA
- **91.5%** occupancy<sup>3,4</sup>, **80%** of income derived from multinational, ASX and government tenants
- WALE<sup>3,4</sup> of **4.5 years**

## Capital management

3

- Debt sourced from five separate quality lenders
- Ample debt headroom of **\$175.7m<sup>6</sup>**
- Low all in cost of debt of **2.3%<sup>6</sup>**
- Gearing reducing to 33.2%<sup>5,6</sup>
- Interest cover ratio 7.6x (covenant of 2.0x)<sup>6</sup>



825 ANN STREET, FORTITUDE VALLEY QLD

1. Settlement 1 February 2021

2. Based on COF closing price of \$1.95 per unit on 3 February 2021

3. Includes Heads of Agreement

4. By gross income

5. Gearing is defined as total borrowings less cash divided by total assets less cash and goodwill

6. Adjusted to include the proceeds from the sale of 465 Victoria Avenue, Chatswood, NSW



# COF provides quality, highly connected and affordable office space

Centuria



Balanced geographic diversification **without single market concentration**



Connectivity with **key transport nodes** & reduced commute time



Access to recreational amenity, **essential retail & hospitality**



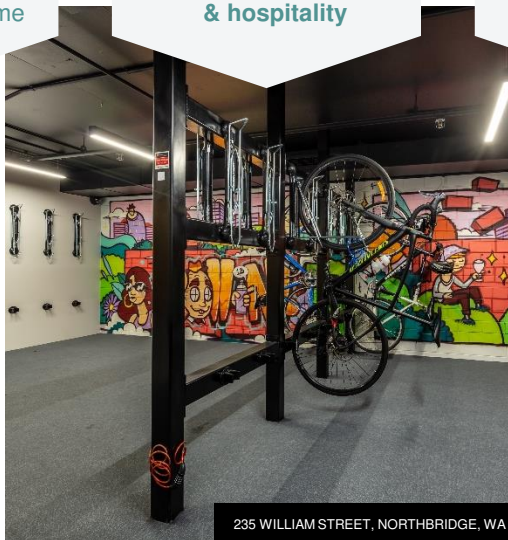
**Average building age** is c.16 years



COF exposed market rents average a **significant discount** to Sydney CBD



555 CORONATION DRIVE, TOOWONG, QLD



235 WILLIAM STREET, NORTHBRIDGE, WA



60 MARCUS CLARKE STREET, CANBERRA, ACT





201 PACIFIC HIGHWAY, ST LEONARDS, NSW



## SECTION TWO

# Financial Results

ASX:COF

Centuria

# Funds from operations (FFO)

Centuria

REVENUE		HY21	HY20	VARIANCE
Gross property income	\$m	94.5	67.4	27.1
Interest income	\$m	0.0	0.1	(0.1)
<b>Total revenue</b>	<b>\$m</b>	<b>94.5</b>	<b>67.5</b>	<b>27.0</b>
EXPENSES				
Direct property expenses	\$m	(17.5)	(14.7)	(2.8)
Responsible entity fees	\$m	(5.9)	(4.1)	(1.8)
Finance costs	\$m	(9.2)	(8.7)	(0.5)
Management and other administrative expenses	\$m	(3.0)	(1.0)	(2.0)
Expected credit loss and rental waiver expense	\$m	(1.2)	0.0	(1.2)
<b>Total expenses</b>	<b>\$m</b>	<b>(36.8)</b>	<b>(28.5)</b>	<b>(8.3)</b>
<b>Funds from operations (FFO)</b>	<b>\$m</b>	<b>57.7</b>	<b>39.0</b>	<b>18.7</b>
Weighted average securities on issue	m	514.5	404.7	109.8
Funds from operation per unit <sup>1</sup>	cpu	11.2	9.6	1.6
Distributions	\$m	42.4	38.7	3.7
Distribution per unit	cpu	8.3	8.9	(0.7)
Distribution yield <sup>2</sup>	%	7.7	6.1	1.6
Net tangible assets per unit <sup>3</sup>	\$	2.45	2.57	(0.12)
Return on equity <sup>4</sup>	%	2.0	11.2	(9.2)
Payout ratio (% of FFO)	%	73.6	92.3	(18.7)

**Increase predominantly**  
driven by growth in  
portfolio value and Foxtel  
surrender payment

**FFO impact of**  
**COVID-19 (0.6) cpu**

**Distributions per unit**  
**(DPU) in line with FY21**  
**guidance**

**16.5**

Full Year DPU  
Guidance

**19.4-19.9**

Full Year FFO  
Guidance<sup>5</sup>

2 KENDALL STREET, WILLIAMS LANDING, VIC

1. FFO is the Trust's underlying and recurring earnings from its operations. This is calculated as the statutory net profit adjusted for certain non-cash and other items

2. Based on COF current full year guidance divided by closing price (\$2.14 per unit as at 31 December 2020 and \$2.07 per unit as at 31 December 2019)

3. NTA per unit is calculated as net assets less goodwill divided by total assets less cash and goodwill

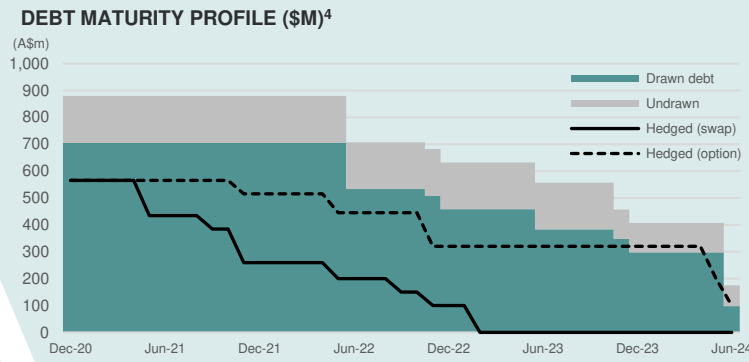
4. Return on equity calculated as (closing NTA minus opening NTA plus distributions) divided by opening NTA

5. Guidance remains subject to unforeseen circumstances and material changes in operating conditions

# A strong balance sheet with significant covenant headroom

Centuria

- Divestment of 465 Victoria Avenue, Chatswood, NSW reduces gearing to **33.2%**<sup>4</sup>
- Five major lenders provides diversification to high quality financiers
- Weighted average debt expiry of **2.8 years**
- Significant covenant headroom ICR **7.6x**<sup>4</sup> (covenant 2.0x) and LVR **35.4%**<sup>4</sup> (covenant 50%)



KEY DEBT METRICS		PRO-FORMA <sup>4</sup>	HY21	FY20
Facility limit	\$m	880.0	880.0	880.0
Drawn amount	\$m	704.3	749.0	749.0
Undrawn capacity <sup>1</sup>	\$m	175.7	131.0	131.0
Weighted average debt expiry	Years	2.8	2.8	3.3
Proportion hedged	%	80.2%	75.4%	75.4
Weighted average hedge maturity	Years	2.7	2.7	3.2
All in cost of debt <sup>2</sup>	%	2.3%	2.2%	2.2%
Gearing <sup>3</sup>	%	33.2%	34.6%	34.5
Interest cover ratio	Times	7.6	7.6	6.3
Loan to value ratio	%	35.4	36.8	36.4

**2.3%**

ALL IN COST OF DEBT<sup>2,4</sup>

**\$175.7m**

CURRENT FACILITY HEADROOM<sup>4</sup>

**33.2%**

GEARING<sup>3,4</sup>

**80.2%**

HEDGING<sup>4</sup>

1. Undrawn capacity exclude a \$1.5m bank guarantee held as security over the 46 Colin Street, West Perth WA ground lease

2. Effective interest rate as at 31 December 2020 includes floating rate, all-in margin (base and line fees) and fixed interest costs under existing swaps (excludes capitalised borrowing costs)

3. Gearing is defined as total borrowings less cash divided by total assets less cash and goodwill

4. Adjusted to include the proceeds from the sale of 465 Victoria Avenue, Chatswood, NSW





825 ANN STREET, FORTITUDE VALLEY, QLD



A YOUNG PORTFOLIO  
OF QUALITY ASSETS

SECTION THREE

# Portfolio Metrics

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ASX:COF

Centuria

# A high-quality geographically diversified portfolio

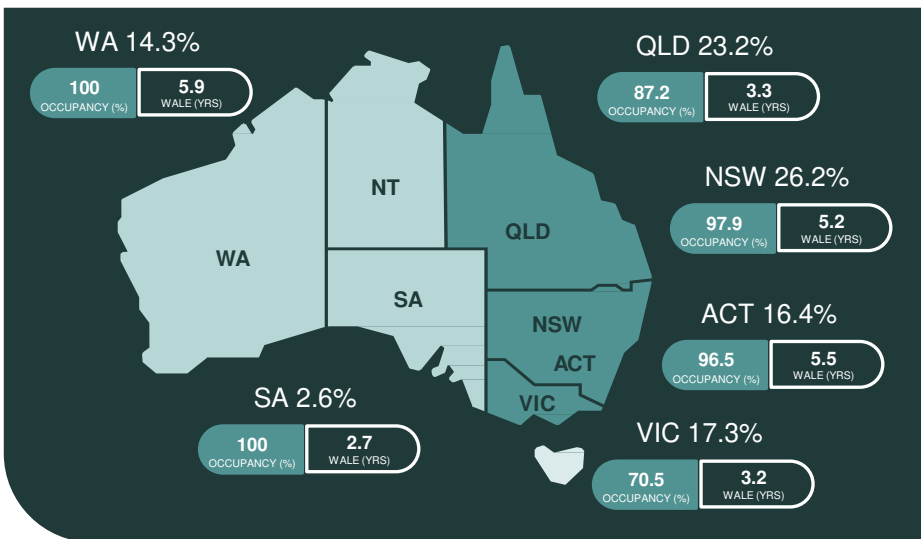
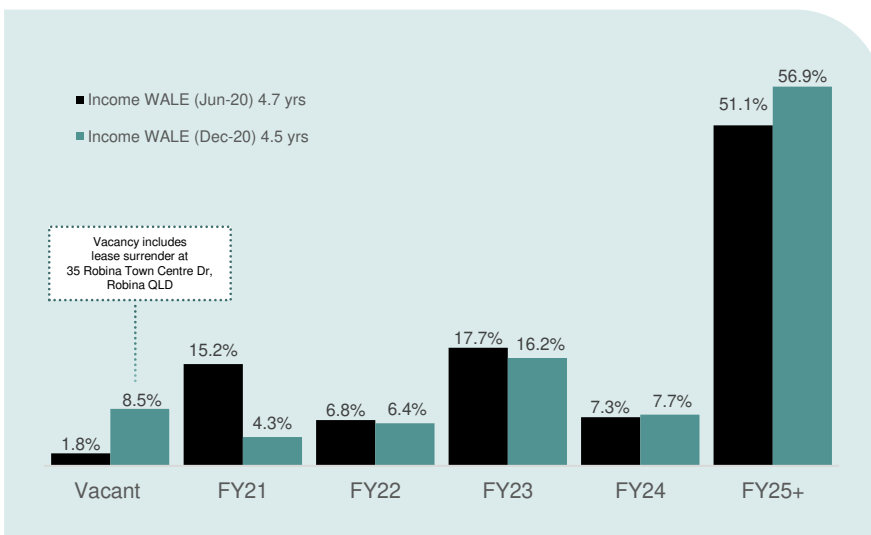
Centuria

*With solid leasing outcomes achieved during HY21*

## PORTFOLIO SNAPSHOT

		HY21	HY20
Number of assets	#	23	23
Book value <sup>1</sup>	\$m	2,032.4	2,063.4
WACR <sup>1</sup>	%	5.90	5.92
NLA	sqm	304,413	303,855
Occupancy <sup>2</sup>	%	91.5	99.2
WALE <sup>2</sup>	yrs	4.5	5.1
Average NABERS energy rating (by value)	Stars	4.8	4.7
Average NABERS water rating (by value)	Stars	4.0	3.9
Buildings generating solar power	no.	6	1
Average building age (by value)	yrs	16.4	15.3

## WEIGHTED AVERAGE LEASE EXPIRY



**9.3%**  
PORTFOLIO NLA LEASED IN HY21<sup>3,4</sup>

**10,791sqm**  
17 NEW LEASES IN HY21<sup>3,4</sup>

**28,306sqm**  
PORTFOLIO NLA LEASED IN HY21<sup>3,4</sup>

**17,515sqm**  
14 RENEWALS IN HY21<sup>3,4</sup>

1. As at 31 December 2020

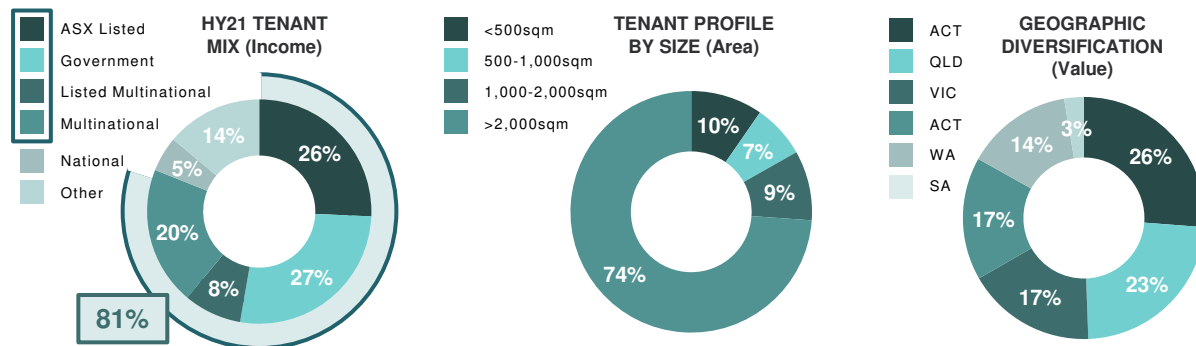
2. By gross income

3. By area

4. Includes heads of agreement (HOA)






# Portfolio income underpinned by diverse, quality tenants

Centuria



**81% of portfolio income derived from federal and state government, ASX listed and multinational tenants**

## TOTAL GOVERNMENT EXPOSURE 27%

COMMONWEALTH	WA	QLD	NSW	SA
32,317sqm four properties 14.9% of income	14,288sqm two properties 5.0% of income	7,130sqm one property 3.0% of income	8,555sqm two properties 2.3% of income	3,672sqm one property 1.6% of income
 Australian Government	 GOVERNMENT OF WESTERN AUSTRALIA	 Queensland Government	 NSW GOVERNMENT	 Government of South Australia

- **COF** has no single market concentration with no state having greater than a **26%** allocation
- Approximately **80% of income** derived from government, listed or multinational tenants
  - **27%** of income derived from government tenants
  - **The Australian Federal Government** holds the largest single tenancy at **7%** of COF's income
- **Average tenant size of 1,238sqm** across the portfolio
  - **74%** of tenants are at least 2,000sqm



# Portfolio valuation summary

Centuria

BOOK VALUE					CAP RATE		
STATE	HY21	FY20	VAR	%	HY21	FY20	BPS
NSW	532.7	528.4	4.3	0.8	5.65	5.71	(6)
QLD	471.8	493.5	(21.7)	(4.4)	6.27	6.28	(1)
VIC	351.0	354.0	(3.0)	(0.8)	5.36	5.35	1
ACT	333.7	336.2	(2.5)	(0.7)	5.62	5.62	0
WA	290.0	288.0	2.0	0.7	6.47	6.53	(6)
SA	53.3	53.3	0.0	0.0	7.25	7.41	(16)
<b>Total</b>	<b>2,032.4</b>	<b>2,053.3</b>	<b>(20.9)</b>	<b>(1.0)</b>	<b>5.90</b>	<b>5.93</b>	<b>(3)</b>

## Recent market transactions demonstrate robust demand for quality Australian office property



NTA per unit  
of \$2.45



**WACC<sup>2</sup>** reduced  
3bps to 5.90%

**13**  
ASSETS

Externally valued in December 2020  
representing 59% of portfolio value

Some valuations impacted by softer  
near-term income assumptions, partially offset  
by cap rate compression

1. Valuation gains include capital expenditure incurred during the period

2. Includes 465 Victoria Avenue, Chatswood NSW

# Resilient performance and prudent management through COVID-19

Centuria

235 WILLIAM STREET, NORTHBRIDGE, WA

Over **80%** of income derived from government, listed and MNC

**HIGH QUALITY  
TENANTS  
UNDERPIN  
PORTFOLIO**

**c.96.7%**

**AVG RENT  
COLLECTIONS  
JULY-DEC 2020<sup>1</sup>**

**c.\$2.6m**

**PROVIDED  
RENT RELIEF  
JULY-DEC 2020<sup>1</sup>**

**c.52%**

**REDUCTION IN  
PROVIDED RENT  
RELIEF  
Q4FY20 – HY21**

In house management facilitate greater tenant engagement through period of uncertainty

**PROPERTY  
& FACILITIES  
MANAGEMENT**

1. Included within the outstanding rent is agreed and pending rent relief claims related to the National Code of Conduct on Commercial Leases



SECTION FOUR

# Market Overview & Guidance

ASX:COF

Centuria



# Fiscal stimulus to support office market recovery

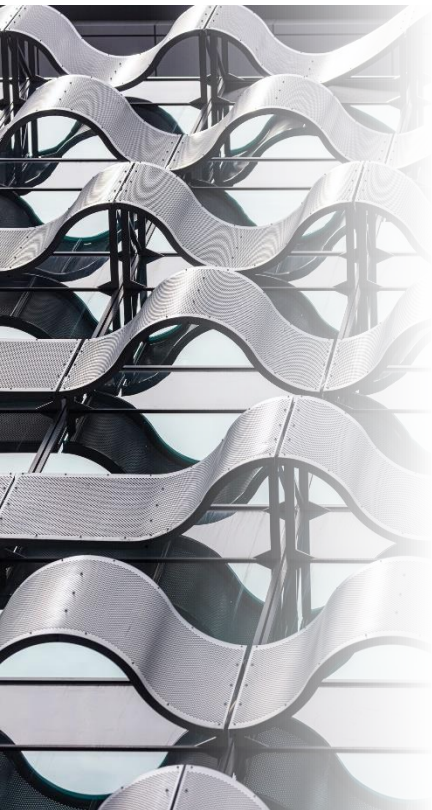
Centuria



1. BIS Oxford Economic  
2. ABS

# Benefits of a geographically diversified portfolio

Centuria



MARKET	VACANCY (%)	3 MTH NET ABSORPTION (SQM)	12 MTHS NET ABSORPTION (SQM)	RENTAL DISCOUNT TO SYDNEY CBD (%)	UPCOMING SUPPLY (SQM)	COF EXPOSURE (%) <sup>2</sup>
SYDNEY CBD	11.9	(57,329)	(278,118)	0	273,331	0%
SYDNEY FRINGE	7.8	(3,455)	45,040	-45.7%	34,839	9.2%
CHATSWOOD	15.8	5,848	(29,114)	-50.1%	0	6.2%
ST LEONARDS	15.0	(4,322)	10,158	-46.7%	9,864	8.5%
MELBOURNE CBD	13.2	(68,152)	(188,775)	-45.2%	204,182	10.9%
BRISBANE FRINGE	17.7	(41,450)	(45,029)	-59.0%	97,277	21.4%
ADELAIDE	16.6	(5,543)	(14,350)	-63.1%	40,209	0.8%
PERTH	20.0	6,848	(16,297)	-43.9%	79,200	14.2%
CANBERRA	8.2	17,315	38,411	-67.2%	56,000	16.4%

- **Positive 12-month** net absorption evident in a number of COF's markets
- Several markets demonstrated **improved tenant demand** in 4Q2020
- Weakest **tenant demand** in markets with no or low COF exposure
- COF exposed markets generally have **lower upcoming supply**
- **COF** exposed market rents average a **significant discount** to Sydney CBD

1. Source: JLL Research

2. Market data for some COF markets such as Wollongong and Robina were unavailable for comparison.

## Yield spread between office sector discount rates and AU 10-year government bond rates





# Recent comparable transactions support COF's NTA

Centuria

PROPERTY	STATE	DATE	PRICE (\$m)	CAP RATE	RATE (\$psqm)	OCCUPANCY	WALE
Pinnacle, 4 Drake Street, Macquarie Park <sup>1</sup>	NSW	Sep-20	306.0	~5.25%	8,777	96.4%	4.6
2 Banfield Road, Macquarie Park <sup>1</sup>	NSW	Aug-20	144.3	~5.00%	9,900	74.9%	7.0
45 Kembla Street, Wollongong	NSW	Sep-20	57.4	5.40%	8,820	100.0%	7.1
452 Flinders Street, Melbourne	VIC	Sep-20	454.5	4.97%	11,940	100.0%	6.1
1 Giffnock Avenue, Macquarie Park <sup>1</sup>	NSW	Sep-20	167.2	~5.75%	8,628	100.0%	3.0
50 Flinders Street, Adelaide	SA	Jul-20	174.7	5.64%	8,032	100.0%	7.5
60 Pacific Highway, St Leonards	NSW	Jul-20	33.8	5.30%	11,571	100.0%	3.0
436 St Kilda Road, St Kilda	VIC	Jun-20	61.0	5.05%	8,185	94.9%	2.4
200 Victoria Avenue, Carlton	VIC	Feb-20	72.0	4.89%	9,100	97.6%	2.2
1-5 Thomas Holt Drive, Macquarie Park	NSW	Dec-20	288.9	5.80%	7,372	100.0%	4.3
<b>AVERAGE</b>				<b>5.32%<sup>2</sup></b>	<b>9,415</b>		
<b>COF AVERAGE</b>				<b>5.90%</b>	<b>7,944</b>		
<b>DIFFERENCE</b>				<b>(0.58%)</b>	<b>+1,471</b>		

- A basket of comparable property transactions strongly support COF valuations
- Increased transactional activity occurred in 2H2020
- Strong demand for metropolitan and regional assets
  - Reflects investment demand for assets that offer relative affordability and accessibility for occupiers

1. Transaction yet to settle. Metrics approx and based on market intel

2. Weighted average

Sources: m3, KF and Savills



1. Based on COF closing price of \$1.95 per unit on 3 February 2021

2. Guidance remains subject to unforeseen circumstances and material changes in operating conditions



## SECTION FIVE

# Appendices

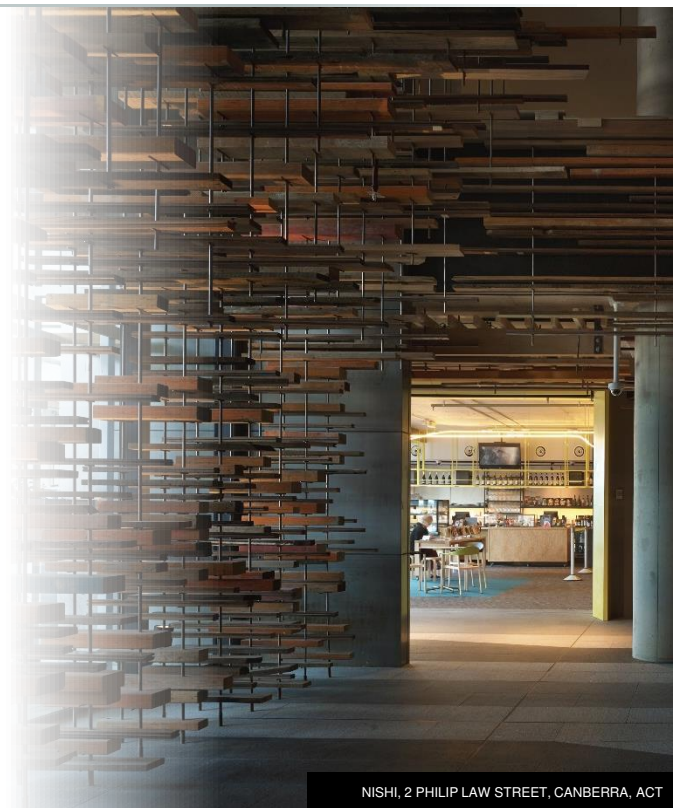
- Appendix A – Income statement
- Appendix B – FFO reconciliation
- Appendix C – Balance sheet
- Appendix D – Leasing and expiry profile
- Appendix E – Investment portfolio
- Appendix F – Strategic vision and objectives
- Appendix G – COVID-19



# Appendix A – Income statement

Centuria

\$'000	HY21	HY20
Gross property income	94,467	67,429
Interest income	6	86
<b>Total revenue</b>	<b>94,473</b>	<b>67,515</b>
Direct property expenses	(17,547)	(14,665)
Responsible entity fees	(5,860)	(4,142)
Finance costs	(9,237)	(8,733)
Management and other administrative expenses	(2,972)	(953)
Expected credit loss and rental waiver expense	(1,169)	0
<b>Total expenses</b>	<b>(36,785)</b>	<b>(28,493)</b>
<b>Funds from operations<sup>1</sup></b>	<b>57,688</b>	<b>39,022</b>
Gain/(loss) on fair value of investment properties	(30,192)	(11,897)
Realised/unrealised loss on fair value of derivatives	(37)	(448)
Straight-lining of rental income, amortisation of leasing commissions and tenant incentives	(5,947)	(1,962)
Interest and depreciation expense adjustments for AASB 16	30	28
Transaction costs	0	(46)
<b>Statutory net profit</b>	<b>21,542</b>	<b>24,697</b>



NISHI, 2 PHILIP LAW STREET, CANBERRA, ACT

1. FFO is the Trust's underlying and recurring earnings from its operations. This is calculated as the statutory net profit adjusted for certain non-cash and other items

# Appendix B – FFO reconciliation

\$'000	HY21	HY20
<b>Statutory net profit</b>	<b>21,542</b>	<b>24,697</b>
Loss/(gain) on fair value of investment properties	30,192	11,897
Realised/unrealised loss on fair value of derivatives	37	448
Straight-lining of rental income, amortisation of leasing commissions and tenant incentives	5,947	1,962
Interest and depreciation expense adjustments for AASB 16 <sup>1</sup>	(30)	(28)
Transaction costs	0	46
<b>Funds from operations<sup>2</sup></b>	<b>57,688</b>	<b>39,022</b>
<b>Distribution</b>	<b>42,448</b>	<b>38,694</b>
FFO per unit (cents)	11.2	9.6
Distribution per unit (cents)	8.3	8.9
Annualised FFO yield <sup>3</sup> (%)	9.2	6.4
Annualised distribution yield <sup>3</sup> (%)	7.7	6.1

1. Refer to Note A3 in the interim financial report for a summary of the impacts of AASB 16

2. FFO is the Trust's underlying and recurring earnings from its operations. This is calculated as the statutory net profit adjusted for certain non-cash and other items

3. Based on the COF full year guidance divided by closing price (\$2.14 per unit on 31 December 2020) and FY20 FFO divided by closing price (\$2.90 per unit on 31 December 2019)



60 MARCUS CLARKE STREET, CANBERRA, ACT

# Appendix C – Balance sheet

Centuria

\$'000	PRO-FORMA	31-Dec-20	30-Jun-20
Cash	32,274	32,274	28,809
Investment properties held for sale	0	44,700	0
Investment properties <sup>1</sup>	2,019,671	2,019,671	2,085,650
Trade and other receivables	4,234	4,234	3,263
Other assets	2,592	2,592	1,536
<b>Total assets</b>	<b>2,058,771</b>	<b>2,103,471</b>	<b>2,119,258</b>
Interest bearing liabilities <sup>2</sup>	701,914	746,614	746,372
Trade and other liabilities <sup>3</sup>	28,801	28,801	22,260
Derivative financial instruments	12,093	12,093	12,056
Other liabilities	53,917	53,917	55,618
<b>Total liabilities</b>	<b>796,725</b>	<b>841,425</b>	<b>836,306</b>
<b>Net assets</b>	<b>1,262,046</b>	<b>1,262,046</b>	<b>1,282,952</b>
Securities on issue (thousands)	514,522	514,522	514,522
Net tangible assets per unit (\$)	2.45	2.45	2.49
Gearing (%) <sup>4</sup>	33.2	34.6	34.5

1. Investment properties of \$2,064.8m includes a \$32.0m leasehold asset under AASB 16
2. Drawn debt net of borrowing costs
3. Includes \$21.2m distributions payable and lease liability of \$32.7m
4. Gearing is defined as total borrowings less cash divided by total assets less cash and goodwill





# Appendix D – Strong leasing track record

Centuria



CURRENT VACANCY (>1,000 SQM)	NLA (SQM)
818 Bourke Street, Docklands	10,915
35 Robina Town Centre Drive, Robina	6,477
60 Marcus Clarke Street, Canberra	2,444
576 Swan Street, Richmond	2,280
100 Brookes Street, Fortitude Valley	1,818
8 Central Avenue, Eveleigh	1,275
Other	2,364
<b>TOTAL</b>	<b>27,573</b>
<b>% of total NLA</b>	<b>9.1%</b>

VAC

UPCOMING EXPIRIES (>1,000 SQM)	FY21
131-139 Grenfell Street, Adelaide	2,860
1 Richmond Road, Keswick	1,708
60 Marcus Clarke Street, Canberra	1,042
Other	3,798
<b>TOTAL</b>	<b>9,408</b>
<b>% of total NLA</b>	<b>3.1%</b>

FY21

UPCOMING EXPIRIES (>1,000 SQM)	FY22
9 Help Street, Chatswood	4,446
154 Melbourne Street, South Brisbane	4,282
201 Pacific Highway, St Leonards	1,371
60 Marcus Clarke Street, Canberra	1,161
42-46 Colin Street, West Perth	1,057
Other	2,776
<b>TOTAL</b>	<b>15,093</b>
<b>% of total NLA</b>	<b>5.0%</b>

FY22

# Appendix E – Investment portfolio

Centuria

PROPERTY	STATE	OWNERSHIP (%)	BOOK VALUE (\$M)	CAPITALISATION RATE (%)	AREA (SQM)	AREA (\$/SQM)	WALE (YRS) <sup>1</sup>	OCCUPANCY (%) <sup>1</sup>
8 Central Avenue, Eveleigh	NSW	50%	\$190.0m	5.38%	37,274	10,195	9.0	96.0%
201 Pacific Highway, St Leonards		50%	\$106.5m	5.63%	16,498	12,911	3.3	100.0%
9 Help Street, Chatswood		100%	\$86.5m	5.75%	9,420	9,183	1.9	95.5%
203 Pacific Highway, St Leonards		50%	\$69.0m	5.88%	11,734	11,760	4.2	100.0%
77 Market Street, Wollongong		100%	\$36.0m	6.75%	6,756	5,329	4.5	100.0%
2 Phillip Law Street, Canberra	ACT	100%	\$252.0m	5.13%	27,401	9,197	6.9	99.9%
60 Marcus Clarke Street, Canberra		100%	\$61.0m	7.00%	12,097	5,043	2.5	91.4%
54 Marcus Clarke Street, Canberra		100%	\$20.7m	7.50%	5,227	3,960	3.0	84.4%
825 Ann Street, Fortitude Valley	QLD	100%	\$155.0m	6.00%	19,151	8,094	2.9	97.4%
154 Melbourne Street, South Brisbane		100%	\$85.0m	6.00%	11,292	7,527	2.5	100.0%
483 Kingsford Smith Drive, Hamilton		100%	\$76.5m	6.25%	9,228	8,290	4.3	82.7%
100 Brookes Street, Fortitude Valley		100%	\$76.5m	6.25%	9,533	8,025	4.1	82.5%
35 Robina Town Centre Drive, Robina		100%	\$40.0m	7.50%	9,814	4,076	0.9	33.8%
555 Coronation Drive, Toowong		100%	\$38.8m	6.75%	5,567	6,961	6.3	100.0%
818 Bourke Street, Docklands	VIC	100%	\$220.0m	5.13%	23,273	9,453	2.1	59.2%
576 Swan Street, Richmond		100%	\$65.5m	5.50%	8,185	8,003	2.1	77.7%
2 Kendall Street, Williams Landing		100%	\$65.5m	6.00%	12,961	5,054	7.9	100.0%
235 William Street, Northbridge	WA	100%	\$186.0m	6.50%	21,697	8,573	6.5	100.0%
144 Stirling Street, East Perth		100%	\$70.0m	6.00%	11,042	6,340	8.0	100.0%
42-46 Colin Street, West Perth		100%	\$34.0m	7.25%	8,467	4,016	2.3	100.0%
1 Richmond Road, Keswick	SA	100%	\$35.0m	7.25%	8,083	4,330	3.6	100.0%
131-139 Grenfell Street, Adelaide		100%	\$18.3m	7.25%	4,052	4,505	1.4	100.0%
<b>Sub total / average</b>			<b>\$1,987.7m</b>	<b>5.91%</b>	<b>288,749</b>	<b>7,765</b>	<b>4.5</b>	<b>91.3%</b>
<b>Asset held for divestment</b>								
465 Victoria Avenue, Chatswood <sup>2</sup>	NSW	25%	\$44.7m	5.50%	15,664	11,415	3.5	100.0%
<b>Total / Average<sup>3</sup></b>			<b>\$2,032.4m</b>	<b>5.90%</b>	<b>304,413</b>	<b>7,820</b>	<b>4.5</b>	<b>91.5%</b>

1. By gross income (equity share)

2. Held for sale – Settlement 1 February 2021

3. Investment properties \$2,032.4m, excludes \$32.0m leasehold asset under AASB 16

# Appendix F – Strategic vision and objectives

Centuria



## VISION

To build **Australia's leading pure play office REIT**

## A CLEAR AND SIMPLE STRATEGY

Focused on generating sustainable and **quality income streams** and executing initiatives to **create value across** a portfolio of quality Australian office assets

## COF is

Australia's largest domestic ASX-listed pure play office REIT

Overseen by an **active management** team with deep real estate expertise

Prudently managing its balance sheet to position for further growth

**Strongly supported by Centuria Group**

## KEY OBJECTIVES

### PORTFOLIO CONSTRUCTION

A portfolio of quality Australian office assets diversified by geography, tenants and lease expiry

### ACTIVE MANAGEMENT

Primarily focused on maintaining occupancy and extending portfolio WALE

### CAPITAL MANAGEMENT

A robust and diversified capital structure, with appropriate gearing

### UNLOCK OPPORTUNITIES TO CREATE FURTHER VALUE

Continue to enhance the portfolio and upgrade asset quality



# Appendix G – Commercial office remains core to business operations Centuria



## BENEFITS WORKING FROM THE OFFICE

- Maintaining professional relationships with stakeholders & colleagues
- Executing workstreams that require person to person contact
- Establishes work life and personal life separation
- Increases structured and unstructured collaboration
- Promotes unscheduled interactions and ideas generation
- Facilitates on-boarding, mentoring and culture frameworks

## CHALLENGES WORKING FROM HOME

- Social isolation & mental health impacts
- Inequitable workplace environments
- Potential distractions at home
- Reduced work life and personal life separation (risk of overworking)
- Additional home office costs
- Diminished culture, manager and team engagement

1. Source: JLL Research  
2. ABS

All figures are as at 30 September 2020 unless stated otherwise

## Appendix G – Commercial office remains core to business operations Centuria

***“People are very efficient doing their work at home once they know what they are doing. The problem is when you don’t know what to do next. If you don’t have a physical co-location, I think we are all going to struggle.”***

- Mark Golan, COO of Real Estate Investments and Development Google (source: AFR)

Google

***Facebook have leased 730,000sq ft (68,000sqm) in New York***

- 3 Aug 2020 (source: NY Times)

facebook

***“I think this pandemic will make us all realise that no matter how much technology we have, nothing beats human interaction.”***

- Ruslan Kogan, CEO Kogan (source: AFR)

kogan

***I don’t see any positives. Not being able to get together in person is a pure negative.***

- Reed Hastings, Founder and Co-CEO Netflix Inc. (source: WSJ)

NETFLIX

***“The ability to connect with people, the ability of teams to work together in an ad-hoc fashion – you can do it virtually, but it isn’t spontaneous. We are looking forward to returning to the office.”***

- Ardine Williams, VP of Workforce Development Amazon (source: WSJ)

amazon

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Centuria