

Centuria Office REIT

FY21 RESULTS
ASX:COF | 03 AUG 2021



COF: Vision, strategy and objectives



Centuria

VISION

To be Australia's leading pure play office REIT

COF

Australia's largest **ASX-listed pure play office REIT.** Overseen by an active management team with deep real estate expertise. Strongly supported by Centuria Group.

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

KEY OBJECTIVES

Portfolio Construction A portfolio of 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

COF provides quality, highly connected and affordable office space

Centuria

With exposure to Australia's better performing office markets



Balanced geographic diversification without single market concentration



Portfolio of young assets



Access to recreational amenity, essential retail & hospitality



Connectivity with key transport nodes & reduced commute time



COF exposed market rents average a significant discount to Sydney CBD

✓ All assets within close ✓ Average asset age proximity to a mix of retail



c.\$465psm











SECTION TWO

Overview

ASX:COF

CNI is the manager of COF and is included in the S&P/ASX200 Index

\$17.4bn GROUP AUM

\$16.5bn REAL ESTATE AUM¹

\$5.5bn

LISTED REAL ESTATE

\$2.1bn

\$3.1bn

CENTURIA

INDUSTRIAL REIT

ASX:CIP

CENTURIA OFFICE REIT ASX:COF

\$0.3bn

ASSET PLUS LIMITED NZX:APL

\$11.0bn

UNLISTED REAL ESTATE

\$7.9bn

SINGLE ASSET **FUNDS** \$1.6bn

MULTI ASSET **FUNDS** \$1.5bn

MULTI ASSET

OPEN END

FUNDS

\$0.9bn

INVESTMENT BONDS

CENTURIA LIFE

CENTURIA INVESTMENT BONDS

GUARDIAN FRIENDLY SOCIETY

COF is aligned to a highly experienced real estate funds manager

Centuria

CNI manages COF as part of its Australasian real estate platform

CENTURIA CAPITAL GROUP
(ASX: CNI)

STRONG TRACK RECORD

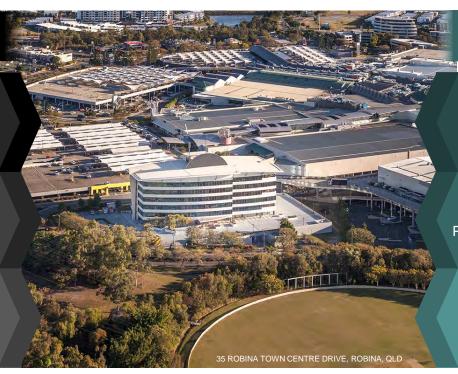
Managing real estate funds for over 20 years, manager of COF since Dec-14 IPO

HANDS ON MANAGEMENT

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

SUBSTANTIAL COMMERCIAL PROPERTY PLATFORM

\$16.5bn AUM property platform provides economies of scale that benefit COF



CENTURIA OFFICE REIT
(ASX: COF)

Australia's largest ASX listed pure play office REIT

Included in the S&P/ASX 300 Index

Positioned for potential inclusion in the FTSE EPRA Nareit Indices

CO-INVESTMENT ALIGNMENT

CNI co-investment of 19.9%¹
– COF's largest unitholder

Key metrics – Australia's largest ASX listed pure play office REIT

Centuria

PORTFOLIO



22

High quality assets



93.1%

Portfolio occupancy¹



\$2.0bn

Portfolio book value



4.3yrs

Portfolio WALE¹

FINANCIAL



19.9cpu

FY21 FFO



16.5cpu

FY21 DPU



Forecast FY22 DPU yield²



25.0%

Twelve month TSR³



98.3%

Average rent collections⁴

July 2020 to June 2021



33.5%

Gearing⁵



\$2.48

Net tangible assets



\$16.3m

2H21 like for like valuation increase over book value

^{1.} By gross income

^{2.} Based on COF closing price of \$2.47 per unit on 30 July 2021

^{3.} Total Securityholder Return (TSR) equals change in unit price during the period, plus distributions declared

^{4.} As COVID-19 impacts and the National Code of Conduct on Commercial Leases remained active, it is possible that further rent relief claims could be received for FY21 period

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

FY21 Summary Centuria

Active management



- Consistently achieved substantial leasing success since IPO
- Leases agreed¹ for over 52,077 sqm, representing 18.1% of the portfolio's NLA
- 93.1% occupancy², over 80% of income derived from multinational, ASX and government tenants
- WALE² of 4.3 years

Capital management



- Refinanced \$405m during 2H21
- Weighted average debt term to maturity increased from 2.3 to 4.2 years
- Maintained low all-in cost of debt of 2.4%³
- Ample undrawn debt of \$107m
- No debt tranche expiring until June 2024

Portfolio construction

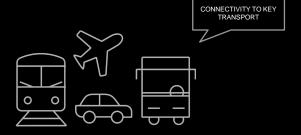


- 22 high quality office assets with an average building age of 17 years
- Highly sustainable portfolio, average NABERS Energy rating of 4.7 Stars
- Balanced geographic diversification with exposure to Australia's better performing office markets
- Strong tenant covenants with Australian Federal and State Governments representing c.27% of gross income
- Diversified lease expiry profile, c.63% of leases expiry at or beyond FY25

144 STIRLING STREET, PERTH, W

- Includes Heads of Agreement
- By gross income
- 3. Effective interest rate as at 30 June 2021 includes floating rate, all-in margin (base and line fees) and fixed interest costs under existing swaps (excludes capitalised borrowing costs)





SECTION THREE

Financial Results

ASX:COF

Funds from operations (FFO)

REVENUE		FY21	FY20	VARIANCE
Gross property income	\$m	170.6	149.2	21.4
Interest income	\$m	-	0.1	(0.1)
Total revenue	\$m	170.6	149.3	21.3
EXPENSES				
Direct property expenses	\$m	35.0	31.6	3.4
Responsible entity fees	\$m	11.5	10.4	1.1
Finance costs	\$m	18.4	16.8	1.6
Management and other administrative expenses	\$m	2.3	2.0	0.3
Expected credit loss and rental waiver expense	\$m	1.2	3.2	(2.0)
Total expenses	\$m	68.4	64.0	4.4
Funds from operations (FFO)	\$m	102.2	85.4	16.8
Weighted average units on issue	m	514.5	459.3	55.2
Funds from operation per unit ¹	cpu	19.9	18.6	1.3
Distributions	\$m	84.9	84.5	0.4
Distribution per unit	cpu	16.5	17.8	(1.3)
Distribution yield ²	%	7.0	8.6	(1.6)
Net tangible assets per unit ³	\$	2.48	2.49	(0.0)
Return on equity ⁴	%	6.0	7.2	(1.2)
Payout ratio (% of FFO)	%	83.0	95.8	(12.8)



^{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 (\$2.34 per unit as at 30 June 2021 and \$2.07 per unit as at 30 June 2020)

^{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

Centuria

- Five major lenders provides diversification to high quality financiers
- Weighted average debt expiry increased to 4.2 years
- No debt tranche expiring until June 2024
- Significant covenant headroom ICR 6.6x (covenant 2.0x) and LVR **35.0%** (covenant 50%)



KEY DEBT METRICS		FY21	FY20
Facility limit	\$m	812.5	880.0
Drawn amount	\$m	704.3	749.0
Undrawn capacity ¹	\$m	106.7	129.5
Weighted average debt expiry	Years	4.2	3.3
Proportion hedged	%	80.2	75.4
Weighted average hedge maturity	Years	1.9	3.2
All in cost of debt ²	%	2.4	2.2
Gearing ³	%	33.5	34.5
Interest cover ratio	Times	6.6	6.3
Loan to value ratio	%	35.0	36.4





33.5% GEARING3

80.2% **HEDGING**

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

^{2.} Effective interest rate as at 30 June 2021 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.} Swap profile includes outstanding options which are currently in the money







SECTION FOUR

Portfolio Metrics

ASX:COF

Leveraging Centuria's leasing capability as part of COF's active management approach

FY15

FY16

FY17

FY18

FY19

FY20

FY21

LEASING
EXECUTED

LEASING
EXECUTED

LEASING EXECUTED LEASING EXECUTED EXECUTED EXECUTED EXECUTED 20,321sqm 17,970sqm 21,758sqm 32,378sqm 52,077sqm or 15.5% of or 9.7% of or 10.0% of or 10.6% of or 18.1% of portfolio portfolio portfolio portfolio portfolio PORTFOLIO PORTFOLIO PORTFOLIO PORTFOLIO **PORTFOLIO** OCCUPANCY1 OCCUPANCY1 OCCUPANCY1 OCCUPANCY1 OCCUPANCY1 97.3% 98.9% 98.4% 98.1% 93.1%

CURRENT VACANCY (>1,000 SQM)	NLA (SQM)	
818 Bourke Street, Docklands	10,740	VΔ
576 Swan Street, Richmond	3,512	
60 Marcus Clarke Street, Canberra	3,290	
235 William Street, Northbridge	1,726	
9 Help Street, Chatswood	1,079	
35 Robina Town Centre Drive, Robina	1,039	
Other	1,380	
TOTAL	22,766	
% of total NLA	7.9%	

UPCOMING EXPIRIES (>1,000 SQM)	FY22	
35 Robina Town Centre Drive, Robina	4,937 F	Y22
154 Melbourne Street, South Brisbane	4,233	
201 Pacific Highway, St Leonards	1,247	
9 Help Street, Chatswood	1,206	
Other	6,543	
TOTAL	18,165	
% of total NLA	6.3%	

5,116sqm

or 5.1% of

portfolio

PORTFOLIO

OCCUPANCY1

96.7%

12,493sqm

or 11.1% of

portfolio

PORTFOLIO

OCCUPANCY1

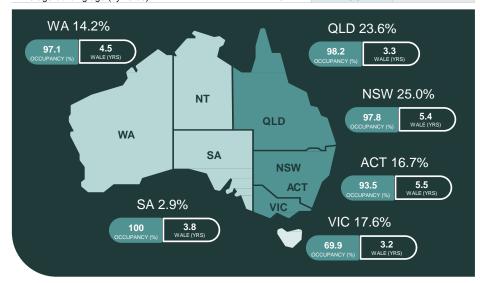
97.2%

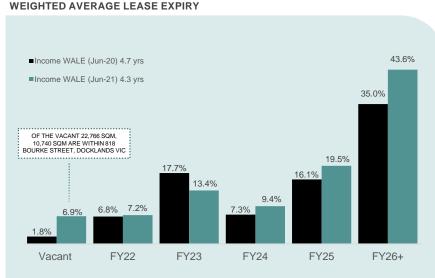
A high-quality geographically diversified portfolio

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Over 52,000sqm of completed leasing representing 18% of COF's portfolio

PORTFOLIO SNAPSHOT		FY21	FY20
Number of assets	#	22	23
Book value ¹	\$m	2,014.3	2,053.3
WACR ¹	%	5.81	5.93
NLA	sqm	287,007	304,586
Occupancy ²	%	93.1	98.1
WALE ²	yrs	4.3	4.7
Average NABERS Energy rating (by value)	Stars	4.7	4.5
Average NABERS Water rating (by value) ⁵	Stars	3.2	-
Buildings generating solar power	no.	6	1
Average building age (by value)	Yrs	16.8	15.9







52,077sqm PORTFOLIO NLA LEASED IN FY213,4 26,388sgm

33 NEW LEASES IN FY213,4

25,689s

28 RENEWALS IN FY213,4

- 1. As at 30 June 2021
- 2. By gross income

3. By area

4. Includes Heads of Agreement

5. Insufficient data for FY20

Case study – active management across COF's QLD portfolio

Centuria









LEASE EXTENSIONS REDUCING FORECAST DOWNTIME

BUILDING	ACTUAL OCCUPANCY AS AT JUN-21 ^{1,2}	SQM LEASED IN FY21 ¹	COMMENT
100 Brookes Street, Fortitude Valley QLD	100%	5,310 sqm 56% NLA	Lease up of three vacant suites, along with the surrender and re-lease of levels one and two (former Aurizon space).
825 Ann Street, Fortitude Valley QLD	100%	2,787 sqm 15% NLA	Surrender and re-lease of ground floor, along with level nine. Lease up of two vacant suites.
35 Robina Town Centre Drive, Robina QLD	89%	7,964 sqm 88% NLA	Leased c.8,000 sqm following the full building surrender of Foxtel in Jul-20.

16,689sqm of terms agreed^{1,2} (6% of portfolio) to 15 tenants across the QLD sub-portfolio

14,607sqm of new tenants attracted to COF's portfolio

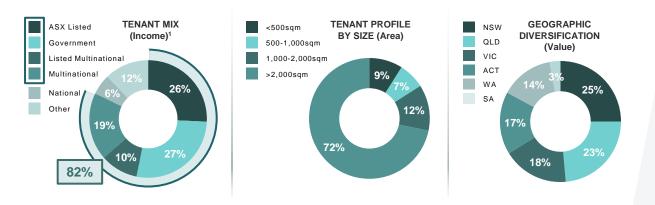
Four of the new tenants were greater than 1,000sqm

^{1.} By gross income

^{2.} Includes Heads of Agreement

Portfolio income underpinned by diverse, quality tenants

Centuria



82% of portfolio income derived from federal and state government, ASX listed and multinational tenants

TOTAL GOVERNMENT EXPOSURE 27% COMMONWEALTH WA QLD NSW SA 33.136sam 14,288sqm 7,130sqm 8,555sqm 2,860sqm four properties one property 1.0% two properties one property two properties 2.4% 15.7% of income of income 5.0% of income 3.0% of income of income Australian Government of South Australia WESTERN AUSTRALIA

- **COF** has no single market concentration with no state having greater than a 25% allocation
- Approximately 82% of income derived from government, listed or multinational tenants
 - 27% of income derived from government tenants
- Average tenant size of 1,112sqm across the portfolio
 - 72%² of tenants are at least 2,000sqm
- The Australian Federal Government is the only tenant making up more than 5% of COF's income

Valuation summary

2H21 like for like valuation uplift of \$16.3m¹

Leasing success and market fundamentals drive like for like valuation gain of \$16.3m¹ in 2HY21



Driving 2H21 **NTA per** unit increase of 1.3%

WACR² reduced to 5.81%

ASSETS

Externally valued in June 2021

Cap rate compression driven by investor demand for metropolitan office assets

PORTFOLIO VALUATION SUMMARY¹

STATE	FY21 VALUATION	HY21 VALUATION	VALUATION MOVEMENT	FY21 WACR ²	HY21 WACR ²	MOVEMENT WACR (BPS) ²
LIKE FOR LIKE PORTFOLIO / WEIGHTED AVERAGE	2,014.3	1,987.7	26.6	5.81	5.91	(10)
DISPOSALS	0.0	44.7	(44.7)	n.a		
TOTAL PORTFOLIO / WEIGHTED AVERAGE	2,014.3	2,032.4	(18.1)	5.81	5.90	(9)

KEY VALUATION MOVEMENTS



1 Richmond Road, Keswick, SA

\$4.2m (12%) increase in value created through proactive leasing, along with cap rate compression (25bps)



100 Brookes Street, Fortitude Valley, QLD

\$5.5m (7%) increase in value created through leasing of vacant space, along with cap rate compression (25bps)



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8 Central Avenue, Eveleigh, NSW

\$10.0m (5%) increase in value from cap rate compression (25bps), the result of improved WALE (8.8 yrs)

^{1.} Reflects gross increase, excluding capital expenditure incurred

^{2.} Weighted average capitalisation rate

SELECT INITIATIVES

Developing a flexible and relevant sustainability framework

Centuria Office REIT is externally managed by Centuria Capital (ASX:CNI) and benefits from Centuria Capital's sustainability approach.

Centuria Capital will be releasing its first Sustainability Report later this year. Highlights relating to Centuria Office REIT to be featured in this report are summarised here.









NABERS

ESG Reporting

Centuria Capital to release its first Sustainability Report

Climate Action

Supports the recommendations of the TCFD

Environmental data

Energy, emission (scope 1 & 2), and water data collected for assets within COF

CENTURIA OFFICE REIT NABERS Sustainability Portfolio Index Ratings 4.7 Energy | 3.2 Water





91%

\$1.0bn

94%

Member of the **Diversity Council of** Australia

Tenant engagement¹ 91% of surveyed tenants would recommend Centuria as an asset manager

Specialised healthcare real estate under management

Completed \$72.2m of social and affordable housing

Employee engagement²

94% of employees enjoy working at Centuria

BOARD DIVERSIFICATION

Appointment of 4 independent directors to Group and RE Boards

CENTURIA CAPITAL: Kristie Brown (ASX:COF) CPFL: Nicole Green

(ASX:CIP) CPFL2: Jennifer Cook, Natalie Collins



Culture & ESG **Board Committee Established**

Oversight of modern slavery, diversity & inclusion, climate change

First Modern Slavery Statement delivered

Over a third of Cleaning Contract by value assessed using the Property Council of Australia 365 platform



GENDER DIVERSITY AT CENTURIA

62% male employees

Financial Education Cyber security 38% female employees

Employee training

Code of Conduct

- 1. Centuria Capital undertake regular tenant surveys. The figure reported is from the Group's FY21 survey
- 2. Centuria Capital undertake regular employee engagement surveys The reported figure is from the Group's FY21 survey

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Operational Efficiency and NABERS ratings

CONSUMPTION/EMISSIONS INTENSITY		CY2020	CY2019
Energy consumption intensity	MJ/sqm	263	329
Water consumption intensity	L/sqm	481	826
Scope 1 and 2 GHG emissions intensity	kg CO2- e/sqm	71	92

Improvement in COF's overall operational efficiency have been driven by a focus asset upgrades under the NABERS rating scheme



4.7 NABERS

Energy Sustainability Portfolio Index Rating, up from 4.5 the previous year



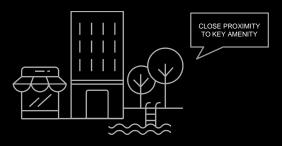
3.2 NABERSWater Sustainability
Portfolio Index Rating

CASE STUDY | 1 RICHMOND ROAD, KESWICK, SA

Increased NABERS energy rating from 3 Stars to **5 Stars** over three years through smart design and base building upgrades, substantially increasing efficiency







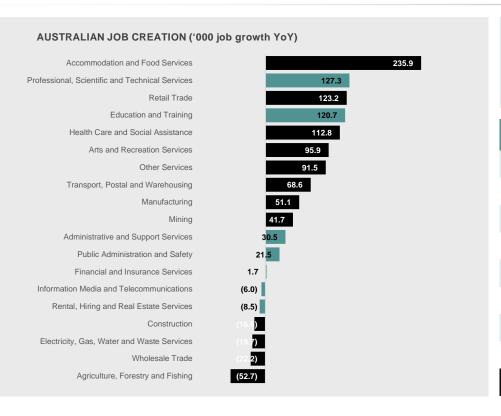
SECTION FIVE

Market Overview & Guidance

ASX:COF

Lead indicators for office demand are positive

Positive job creation across office-based industries



Continued job creation across those industries which traditionally consume office space is a lead indicator of future tenant demand

Office Demand Industries	Jobs growth (YoY)	Jobs (YoY % change)
NSW	132,509	9
VIC	115,944	11
QLD	27,263	3
SA	19,307	7
WA	6,643	2
TAS	(2,699)	(4)
NT	(5,264)	(10)
ACT	(6,564)	(5)
TOTAL	287,139	7

COF is exposed to Australia's better performing office markets



MARKET ¹	VACANCY (%)	6 MTH NET ABSORPTION (SQM)	12 MTHS NET ABSORPTION (SQM)	RENTAL DISCOUNT TO SYDNEY CBD (%)	UPCOMING SUPPLY (SQM)	COF EXPOSURE (%)
SYDNEY CBD	13.2	(5,744)	(157,554)	n.a	199,109	0.0%
SYDNEY FRINGE	8.5	14,360	7,849	(45.0)	14,527	9.9%
CHATSWOOD	17.2	(4,193)	(13,903)	(48.7)	0	4.6%
ST LEONARDS	18.4	(8,196)	4,461	(47.0)	20,208	8.7%
MELBOURNE CBD	14.1	(49,620)	(187,837)	(45.2)	343,906	10.9%
MELBOURNE FRINGE	15.3	47,050	600	(57.3)	228,581	3.3%
BRISBANE CBD	15.9	(6,305)	(36,618)	(47.0)	60,243	0.0%
BRISBANE FRINGE	17.2	12,028	(21,034)	(58.6)	102,140	17.7%
ADELAIDE	16.9	(2,121)	(17,825)	(62.9)	88,643	0.9%
PERTH	19.7	5,926	7,910	(44.4)	79,200	0.0%
WEST PERTH	22.3	3,138	(6,493)	(63.0)	0	1.7%
CANBERRA	7.0	9,126	33,465	(67.0)	100,497	16.7%

- Positive net
 absorption evident in a
 number of COF's markets
- Several markets demonstrated improved tenant demand throughout FY21, notably in 2HFY21
- 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

Strong investment demand for metropolitan office assets

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Transaction evidence underpins COF NTA

- A basket of comparable property transactions strongly support COF valuations
- Transaction evidence suggests further cap rate compression across COF's portfolio
- Increased transactional activity occurred throughout FY21
- Deep capital pool from domestic and offshore investors
- Strong demand for metropolitan and regional assets
 - Reflects investment demand for assets that offer relative affordability and accessibility for occupiers

5.17%²

5.81%²
COF AVERAGE CAP RATE

(0.64%)
DIFFERENCE CAP RATE

9,981²

AVERAGE RATE (\$psqm)

7,912²

COF AVERAGE RATE (\$psqm)

2,069
DIFFERENCE RATE (\$psqm)

PROPERTY	STATE	DATE	PRICE (\$M)	CAP RATE (%)	RATE (\$PSQM)	OCCUPANCY (%)	WALE (YRS)
Pinnacle, 4 Drake Street, Macquarie Park	NSW	Sep-20	306.0	5,25%	8.777	96.4%	4.6
45 Kembla Street, Wollongong	NSW	Sep-20	57.4	5.40%	8.820	100.0%	7.1
1 Giffnock Avenue, Macquarie Park	NSW	Sep-20	167.2	5.75%	8,628	100.0%	3.0
Schneider, North Ryde	NSW	Sep-20	145.0	5.10%	9,900	74.9%	7.0
ATO, 45 Kembla Street, Wollongong	NSW	Sep-20	58.4	5.13%	8,820	100.0%	6.9
14 Stratton Street, Newstead	QLD	Oct-20	122.5	4.84%	13,478	100.0%	10.0
Australian Naval Infrastructure, 620 Mersey Road, Osborne	SA	Oct-20	48.7	5.03%	6,086	100.0%	9.3
60 Miller Street, North Sydney	NSW	Oct-20	273.0	5.24%	14,061	96.0%	3.0
53 Berry Street, North Sydney	NSW	Nov-20	54.0	5.07%	15,690	100.0%	2.4
1-5 Thomas Holt Drive, Macquarie Park	NSW	Feb-21	295.0	5.70%	7,528	100.0%	4.3
Quads 2 and 3, Sydney Olympic Park	NSW	Mar-21	66.1	6.40%	6,591	72.0%	1.3
3 Richardson Place, North Ryde	NSW	Mar-21	115.0	6.20%	6,691	100.0%	2.6
68 Waterloo Road, Macquarie Park	NSW	Apr-21	106.5	5.30%	7,897	100.0%	3.9
11 Murray Rose Avenue, Sydney Olympic Park	NSW	Apr-21	53.5	5.38%	9,412	97.2%	5.2
241 O'Riordan Street, Mascot	NSW	Apr-21	151.5	5.94%	7,956	97.7%	2.6
UNSW, 221-227 Anzac Parade, Kensington	NSW	Apr-21	80.2	5.10%	7,501	100.0%	10.8
545 Queen Street, Brisbane	QLD	May-21	117.5	6.02%	8,793	100.0%	4.2
395-405 Royal Parade, Parkville	VIC	May-21	138.7	4.50%	10,429	100.0%	12.3
ATO 913 Whitehorse Road, Box Hill	VIC	May-21	230.0	4.60%	11,534	100.0%	8.4
Louisa Lawson Building 25 Cowlishaw Street, Greenway	ACT	May-21	306.0	4.38%	11,746	100.0%	10.1
Red Cross 17 O'Riordan Street, Alexandria	NSW	May-21	159.0	4.40%	12,519	100.0%	9.7
ATO 520 Smollett Street, Albury	NSW	May-21	84.5	5.50%	7,987	100.0%	6.9
38 Sydney Avenue, Barton	ACT	Jun-21	73.8	5.05%	8,286	100.0%	8.3
33 Richmond Road, Keswick	SA	Jun-21	80.0	5.00%	12,247	85.0%	11.8
37 Epping Road, North Ryde	NSW	Jul-21	55.0	5.50%	6,817	100.0%	3.2
1 McNab Avenue, Footscray ¹	VIC	Aug-21	224.0	4.67%	11,000	100.0%	11.8
TRANSACTIONS	AVERAGE (WEIGHTED)			5.17%	9,981		
PORTFOLIO	COF			5.81%	7,912		
CHANGE	DELTA			-0.64%	2,069		

^{1.} Transaction yet to settle. Metrics approx and based on market sources

^{2.} Weighted average



^{1.} Guidance remains subject to unforeseen circumstances and material changes in operating conditions

^{2.} Based on COF closing price of \$2.47 per unit on 30 July 2021



AFFORDABLE MARKETS



SECTION SIX

Appendices

Appendix A – Income statement

Appendix B – FFO reconciliation

Appendix C – Balance sheet

Appendix D – Portfolio valuation summary

Appendix E – Environmental data

Appendix F – Investment portfolio

Appendix A – Income statement

\$'000	FY21	FY20
Gross property income	170,617	149,240
Interest income	7	106
Total revenue	170,624	149,346
Direct property expenses	35,001	31,573
Responsible entity fees	11,543	10,421
Finance costs	18,418	16,777
Management and other administrative expenses	2,251	1,975
Expected credit loss and rental waiver expense	1,176	3,232
Total expenses	68,389	63,978
Funds from operations ¹	102,235	85,368
Gain/(loss) on fair value of investment properties	(15,137)	(38,102)
Realised/unrealised loss on fair value of derivatives	4,816	(4,876)
Straight-lining of rental income and amortisation of leasing commissions and tenant incentives	(15,039)	(7,048)
Goodwill impairment	-	(6,356)
One off refinancing costs	-	(5,942)
Interest and depreciation expense adjustments for AASB 16	61	57
Transaction costs	-	(48)
Statutory net profit	76,936	23,053



Appendix B – FFO reconciliation

\$'000	FY21	FY20
Statutory net profit	76,936	23,053
Loss/(gain) on fair value of investment properties	15,137	38,102
Realised/unrealised loss on fair value of derivatives	(4,816)	4,876
Straight-lining of rental income and amortisation of leasing commissions and tenant incentives	15,039	7,048
Goodwill impairment	-	6,356
One off refinancing costs	-	5,942
Interest and depreciation expense adjustments for AASB 16	(61)	(57)
Transaction costs	-	48
Funds from operations ²	102,235	85,368
Distribution	84,896	84,487
FFO per unit (cents)	19.9	18.6
Distribution per unit (cents)	16.5	17.8
Annualised FFO yield ¹ (%)	8.5	9.0
Annualised distribution yield ² (%)	7.0	8.6



^{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 the COF full year guidance divided by closing price (\$2.34 per unit on 30 June 2021) and FY20 FFO divided by closing price (\$2.07 per unit on 30 June 2020)

Appendix C – Balance sheet

\$'000	30-Jun-21	30-Jun-20
Cash	15,644	28,809
Investment properties ¹	2,046,221	2,085,650
Trade and other receivables	5,369	3,263
Other assets	1,625	1,536
Total assets	2,068,859	2,119,258
Interest bearing liabilities ²	700,800	746,372
Trade and other liabilities	31,943	22,260
Derivative financial instruments	7,240	12,056
Other liabilities ³	53,884	55,618
Total liabilities	793,867	836,306
Net assets	1,274,992	1,282,952
Units on issue (thousands)	514,522	514,522
Net tangible assets per unit (\$)	2.48	2.49
Gearing (%) ⁴	33.5	34.5



^{1.} Investment properties of \$2,046.2m 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 – Portfolio valuation summary

STATE		BOOK VALUE (\$M)				CAP RATE (%)			
	FY21 BOOK VALUE	HY21	VAR	%	FY21	HY21	BPS		
NSW	503.5	488.0	15.5	3.2	5.48	5.67	(19.0)		
QLD	475.5	471.8	3.7	0.8	6.23	6.27	(4.0)		
VIC	354.5	351.0	3.5	1.0	5.32	5.36	(4.0)		
ACT	335.8	333.7	2.1	0.6	5.47	5.62	(15.0)		
WA	286.8	290.0	(3.2)	(1.1)	6.44	6.47	(3.0)		
SA	58.2	53.3	4.9	9.2	7.00	7.25	(25.0)		
TOTAL	2,014.3	1,987.7	26.6	1.3	5.81	5.91	(10.0)		



Environmental Data reported is for calendar years 2019 and 2020. Reported figures only represent data for assets within the Centuria Office REIT.

Environmental data is reported where Centuria is deemed to have operational control of an asset.

OPERATIONAL CONTROL

Operational Control refers to Centuria's capacity to directly manage the day-to-day activities of assets, by employing Centuria's or a nominated delegates management policies. This definition is consistent with the principals outlined in the National Greenhouse and Energy Reporting Act 2007.

EMISSIONS

Centuria use emissions factors from each corresponding years National Greenhouse and Energy Reporting (Measurement) Determination. Emissions are reported for material energy sources collected including electricity and natural gas.

ENVIRONMENTAL DATA FOR FY2021

Environmental Data for FY2021 will be disclosed in Centruria's first Sustainability Report to be released later this year.

	UNIT OF MEASURE	CY20	CY19				
NLA (annual weighted average)	sqm	300,537	224,012				
RESOURCE CONSUMPTION (OPERATIONALLY CONTROLLED PROPERTIES)							
Base building grid connected electricity	MWh	18,159	18,051				
Gas use (whole building)	MWh	3,798	2,423				
Water use (whole building)	kL	144,576	185,134				
GHG EMISSIONS (OPERATIONALLY CONTROLLED PROPERTIES)							
Scope 1	tCO2-e	705	450				
Scope 2	tCO2-e	20,720	20,071				
Total scope 1 and 2	tCO2-e	21,425	20,520				
Scope 3 (metered tenant usage)	tCO2-e	5,901	5,210				
CONSUMPTION / EMISSIONS INTENSITY							
Energy consumption intensity	MJ/sqm	263	329				
Water consumption intensity	L/sqm	481	826				

kg CO2-e/sgm

Data Excludes: 131-139 Grenfell Street, Adelaide, SA and 483 Kingsford Smith Drive, Hamilton, QLD

Scope 1 and 2 GHG emissions intensity

71

92

Appendix F – Investment portfolio

PROPERTY	STATE	OWNERSHIP (%)	BOOK VALUE (\$M)	CAPITALISATION RATE (%)	AREA (SQM)	AREA (\$/SQM)	WALE (YRS)1	OCCUPANCY (%) ¹
8 Central Avenue, Eveleigh	NSW	50%	\$200.0m	5.13%	36,619	10,923	9.4	99.4%
201 Pacific Highway, St Leonards	NSW	50%	\$107.0m	5.63%	16,498	12,971	2.9	98.7%
9 Help Street, Chatswood	NSW	100%	\$92.5m	5.38%	9,384	9,858	2.2	90.9%
203 Pacific Highway, St Leonards	NSW	50%	\$68.0m	5.75%	11,735	11,590	3.8	99.3%
77 Market Street, Wollongong	NSW	100%	\$36.0m	6.75%	6,755	5,330	4.0	100.0%
2 Phillip Law Street, Canberra	ACT	100%	\$252.0m	5.00%	27,411	9,193	6.9	99.9%
60 Marcus Clarke Street, Canberra	ACT	100%	\$61.0m	6.75%	12,094	5,044	2.1	76.9%
54 Marcus Clarke Street, Canberra	ACT	100%	\$22.8m	7.25%	5,200	4,384	4.0	89.8%
825 Ann Street, Fortitude Valley	QLD	100%	\$155.0m	6.00%	19,151	8,094	2.7	100.0%
100 Brookes Street, Fortitude Valley	QLD	100%	\$82.0m	6.00%	9,533	8,602	4.9	100.0%
154 Melbourne Street, South Brisbane	QLD	100%	\$80.5m	6.00%	11,292	7,129	2.0	99.0%
483 Kingsford Smith Drive, Hamilton	QLD	100%	\$77.0m	6.25%	9,241	8,332	4.8	96.3%
35 Robina Town Centre Drive, Robina	QLD	100%	\$42.0m	7.50%	9,003	4,665	1.0	88.6%
555 Coronation Drive, Toowong	QLD	100%	\$39.0m	6.75%	5,567	7,006	5.7	100.0%
818 Bourke Street, Docklands	VIC	100%	\$220.0m	5.13%	23,096	9,525	1.8	60.7%
2 Kendall Street, Williams Landing	VIC	100%	\$69.0m	5.75%	12,961	5,324	7.4	100.0%
576 Swan Street, Richmond	VIC	100%	\$65.5m	5.50%	8,240	7,949	2.8	66.6%
1 Richmond Road, Keswick	SA	100%	\$39.2m	7.00%	8,085	4,848	4.1	100.0%
131-139 Grenfell Street, Adelaide	SA	100%	\$19.0m	7.00%	4,059	4,681	3.3	100.0%
235 William Street, Northbridge	WA	100%	\$181.8m	6.50%	21,575	8,424	4.3	94.9%
144 Stirling Street, East Perth	WA	100%	\$70.0m	6.00%	11,042	6,340	7.5	100.0%
42-46 Colin Street, West Perth	WA	100%	\$35.0m	7.00%	8,467	4,134	2.0	100.0%
Total / Weighted Average ²			\$2,014.3m	5.81%	287,007	7,912	4.3	93.1%

^{1.} By gross income (equity share)

^{2.} Investment properties \$2,014.3m, excludes \$32.0m leasehold asset under AASB 16

Centuria

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