

3 FEBRUARY 2022

ASX: COF

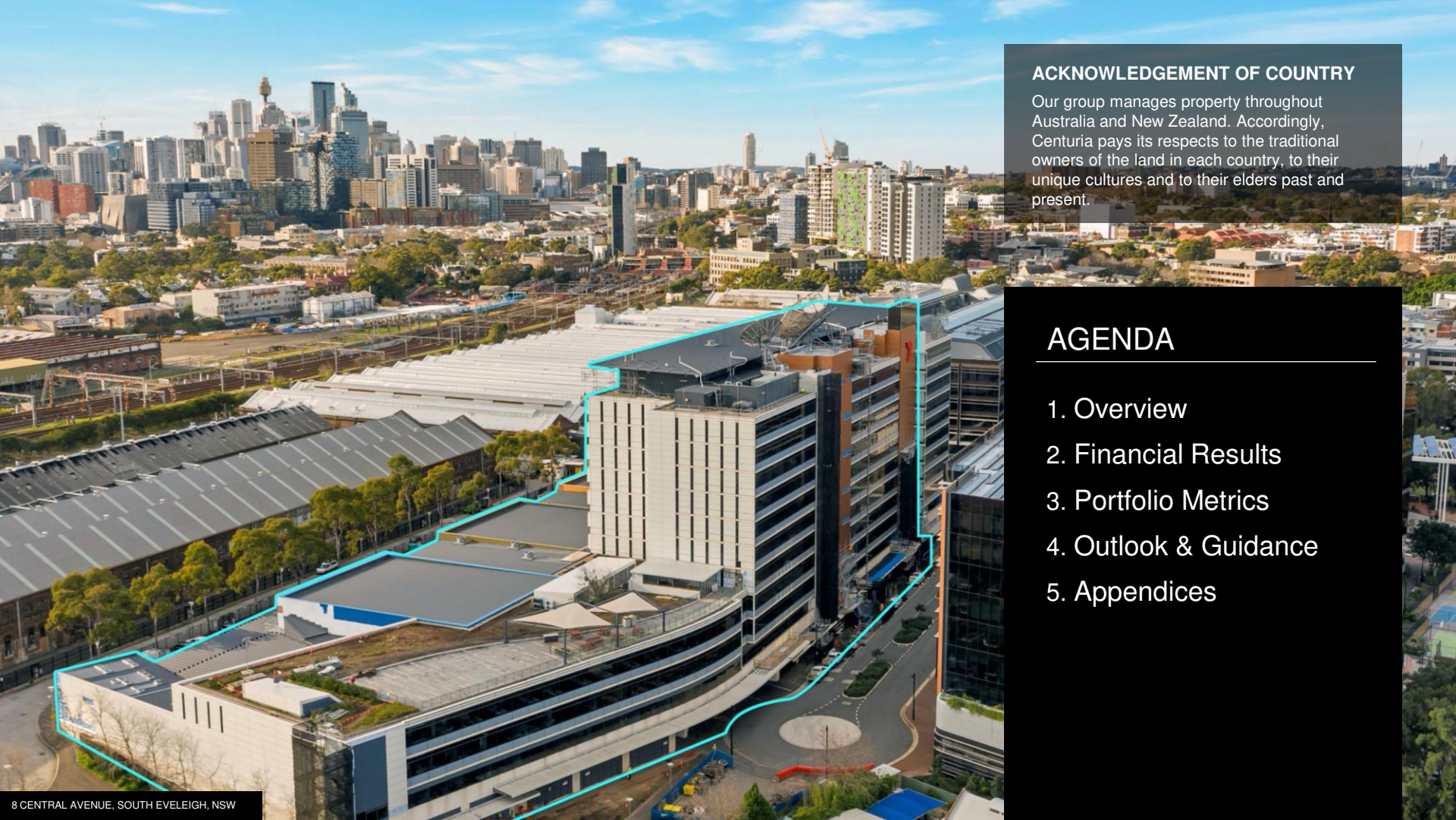
Centuria Office REIT

HY22 RESULTS

Centuria



101 MORAY STREET, SOUTH MELBOURNE, VIC



ACKNOWLEDGEMENT OF COUNTRY

Our group manages property throughout Australia and New Zealand. Accordingly, Centuria pays its respects to the traditional owners of the land in each country, to their unique cultures and to their elders past and present.

AGENDA

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

Centuria Capital Group: A leading Australasian real estate funds manager

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

\$20.2bn GROUP AUM¹

\$19.3bn REAL ESTATE AUM

\$6.7bn
LISTED REAL ESTATE

\$12.6bn
UNLISTED REAL ESTATE

\$0.9bn
INVESTMENT BONDS

\$4.0bn
CENTURIA
INDUSTRIAL REIT
ASX:CIP

\$2.4bn
CENTURIA
OFFICE REIT
ASX:COF

\$0.3bn
ASSET PLUS
LIMITED
NZX:APL

\$8.4bn
SINGLE
ASSET
FUNDS

\$2.0bn
MULTI ASSET
CLOSED ENDED
FUNDS

\$2.2bn
MULTI ASSET
OPEN ENDED
FUNDS

CENTURIA LIFE
CENTURIA
INVESTMENT BONDS
GUARDIAN FRIENDLY
SOCIETY

Note: AUM as at 31 December 2021. All figures above are in Australian dollars (currency exchange ratio of AU\$1,000:NZ\$1.0617 as at 31 December 2021).

Numbers presented may not add up precisely to the totals provided due to rounding

1. Includes asset exchanged to be settled, cash and other assets

COF: Vision, strategy and objectives

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



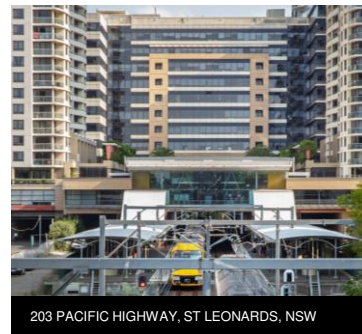
Portfolio of young assets



Access to wellbeing amenity, retail and hospitality



COF exposed market rents average a significant discount to Sydney CBD



Connectivity with key transport nodes and reduced commute times

Australia's largest ASX listed pure play office REIT

Strategic acquisitions enhance strong COF portfolio metrics

\$273m¹ of quality acquisitions aligned with COF's strategy, further improving COF portfolio metrics

Average acquisition building age of 6 years reinforces COF's young portfolio average asset age of 16 years

Two A-grade acquisitions providing high quality and affordable office accommodation, consistent with the broader COF portfolio

Multi-tenant properties underpinned by quality covenants enhance COF portfolio expiry profile, introduces new income streams

Strong leasing demand particularly at 101 Moray Street, which was fully leased during COVID affected periods



COF PORTFOLIO STRATEGIC METRICS

16yrs

AVERAGE ASSET AGE²

90%

A-GRADE ASSETS³

4.9stars

AVG. NABERS ENERGY RATING⁴

c.\$500psqm

AVG. NET RENTS

1,750sqm

AVG. FLOORPLATE SIZE

1. Includes 50% acquisition of 203 Pacific Highway, NSW which is expected to settle in February 2022

2. By value

3. Management interpretation of Property Council of Australia (PCA) guidelines

4. By value, excluding non-rated assets



77 MARKET STREET, WOLLONGONG, NSW



ASX: COF

A PORTFOLIO WITHOUT SINGLE
MARKET CONCENTRATION

Overview

SECTION ONE

Centuria

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

PORTFOLIO



23

High quality assets



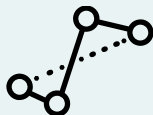
\$2.3bn

Portfolio book value¹



94.3%

Portfolio occupancy^{1,2}



4.3yrs

Portfolio WALE^{1,2}

FINANCIAL



18.3cpu

Upgraded FY22
FFO Guidance³



7.4%

Forecast FY22 DPU yield⁴
16.6cpu FY22 DPU Guidance



33.1%

Gearing^{5,6}



\$2.49

Net tangible assets
per unit⁶

1. Includes 50% acquisition of 203 Pacific Highway, NSW which is expected to settle in February 2022

2. By gross income

3. FFO guidance upgrade announced on 13 December 2021. Guidance remains subject to unforeseen circumstances and material changes in operating conditions

4. Based on COF closing share price of \$2.24 on Wednesday, 2 February 2022. Guidance remains subject to unforeseen circumstances and material changes in operating conditions

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

6. Pro forma gearing and NTA reflecting 50% acquisition of 203 Pacific Highway, St Leonards, NSW. Gearing as at 31 December 2021 was 31.1%, with NTA at \$2.50 per unit

HY22 Summary – improved portfolio metrics, strong capital position

825 ANN STREET, FORTITUDE VALLEY, QLD

Active management

1

- Leases agreed¹ for over 18,670sqm, representing 6.2% of the portfolio's NLA
- Executed two quality acquisitions for \$273m²
- 94.3% occupancy³, c.80% of income derived from multinational, ASX and government tenants
- WALE³ of 4.3 years
- ~\$28.5m⁴ like-for-like portfolio valuation uplift

Capital management

2

- \$201m of equity raised and an additional \$100m added to COF's debt facilities
- Solid weighted average debt term to maturity of 3.9 years, no debt expiry until Jun-24
- Maintained a low all-in cost of debt of 2.3%⁵
- Ample debt headroom of \$127.2m⁶
- FTSE EPRA Nareit Global Developed Index inclusion in September 2021

Portfolio metrics

3

- 23 high quality office assets with an average building age of 16 years⁷
- Highly sustainable portfolio, average NABERS Energy rating of 4.9 Stars⁸
- Balanced geographic diversification with no single market concentration
- Strong tenant covenants with Australian Federal and State Governments representing c.25% of gross income
- Diversified lease expiry profile, c.71% of leases expire at or beyond FY25

1. Includes Heads of Agreement

2. Includes 50% acquisition of 203 Pacific Highway, NSW which is expected to settle in February 2022

3. By gross income

4. Valuation increase from the preceding book value

5. Average effective interest rate for the period. Includes floating rate, all-in margin (base and line fees) and fixed

interest costs under existing swaps (excludes capitalised borrowing costs)

6. Pro forma debt headroom (undrawn debt + cash) following settlement of 203 Pacific Highway, St Leonards, NSW

7. By value

8. By value, excluding non-rated assets



555 CORONATION DRIVE, TOOWONG, QLD



ASX: COF

CONNECTIVITY TO KEY TRANSPORT

Financial Results

SECTION TWO

Centuria

Funds from operations (FFO)

REVENUE		HY22	HY21	VARIANCE
Gross property income	\$m	90.8	94.8	(4.0)
Interest income	\$m	0.0	0.0	-
Total revenue	\$m	90.8	94.8	(4.0)

EXPENSES				
Direct property expenses	\$m	(18.1)	(17.5)	0.6
Responsible entity fees	\$m	(6.1)	(5.9)	0.2
Finance costs	\$m	(9.4)	(9.2)	0.2
Management and other administrative expenses	\$m	(1.1)	(3.0)	(1.9)
Expected credit loss and rental waiver expense	\$m	(1.3)	(1.5)	(0.2)
Total expenses	\$m	(36.1)	(37.1)	(1.0)

Funds from operations (FFO)¹	\$m	54.7	57.7	(3.0)
Weighted average units on issue	m	559.0	514.5	44.5
Funds from operation per unit ¹	cpu	9.8	11.2	(1.4)
Distributions	\$m	49.4	42.4	7.0
Distribution per unit	cpu	8.30	8.25	0.05
Net tangible assets per unit ³	\$	2.50	2.45	0.05
Return on equity ⁴	%	8.7	2.0	6.7
Payout ratio (% of FFO) ⁵	%	84.9	73.6	11.3

HY21 benefited from the Foxtel surrender payment at 35 Robina Town Centre Drive

FFO impact of COVID-19 (0.2) cpu

HY22 portfolio rent collections of 97.8%

Forecast FY22 distribution yield² of 7.4%



35 ROBINA TOWN CENTRE DRIVE, ROBINA, QLD

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 closing share price of \$2.24 on Wednesday, 2 February 2022. Guidance remains subject to unforeseen circumstances and material changes in operating conditions

3. NTA per unit is calculated as net assets divided by closing units on issue

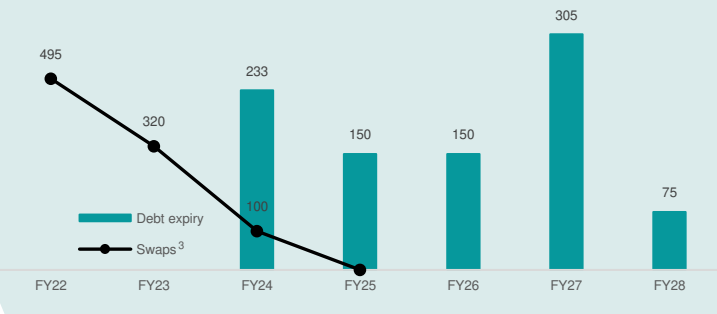
4. Return on Equity is calculated as closing NTA plus distributions divided by opening NTA

5. Payout ratio equal to distributions per unit divided by FFO per unit for the period

Capital management overview

- Additional \$100m debt facility, total debt facilities now \$912.5m
- Further diversification of lender pool
- Solid weighted average debt expiry of **3.9 years**
- No debt tranche expiring until June 2024
- Significant covenant headroom¹ ICR **6.0x** (covenant 2.0x) and LVR **35.7%** (covenant 50%)

DEBT MATURITY PROFILE (\$m)



KEY DEBT METRICS		PRO FORMA ¹	HY22	FY21
Facility limit	\$m	912.5	912.5	812.5
Drawn amount	\$m	812.0	812.0	704.3
Headroom ²	\$m	127.2	195.6	106.7
Weighted average debt expiry	Years	3.9	3.9	4.5
Proportion hedged	%	63.4	63.4	80.2
Weighted average hedge maturity ³	Years	2.1	2.1	1.9
All in cost of debt ⁴	%	2.3	2.3	2.4
Gearing ⁵	%	33.1	31.1	33.5
Interest cover ratio	Times	6.0	6.3	6.6
Loan to value ratio	%	35.7	36.8	35.0

2.3%

ALL IN COST OF DEBT⁴

\$127.2m

PRO FORMA FACILITY HEADROOM^{1,2}

33.1%

PRO FORMA GEARING^{1,5}

63.4%

HEDGING

1. Pro forma metrics following settlement of 203 Pacific Highway, St Leonards, NSW. Balance sheet as at 31 December 2021 provided in appendices

2. Headroom includes cash and undrawn debt, but excludes a \$1.5m bank guarantee held as security over the 46 Colin Street, West Perth WA ground lease

3. Swap profile includes options

4. Average effective interest rate for the period. Includes floating rate, all-in margin (base and line fees) and fixed interest costs under existing swaps (excludes capitalised borrowing costs)

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



100 BROOKES STREET, FORTITUDE VALLEY, QLD



ASX: COF

A YOUNG PORTFOLIO OF
QUALITY ASSETS

Portfolio Metrics

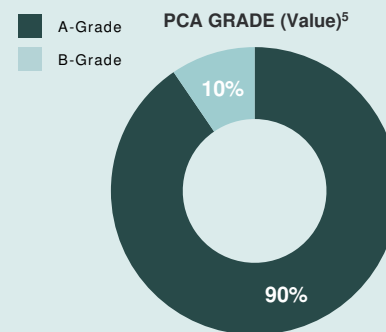
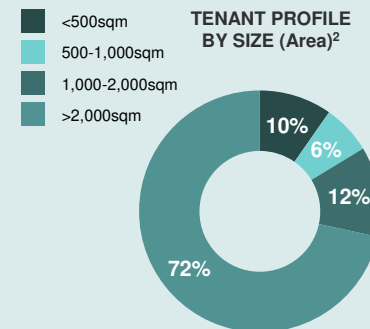
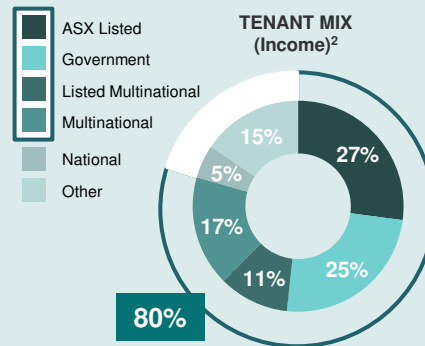
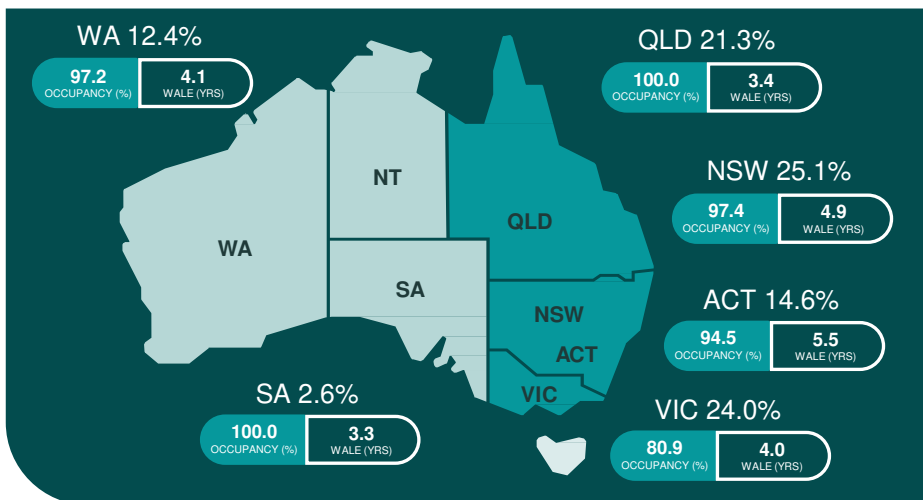
SECTION THREE

Centuria

A high-quality geographically diversified portfolio

PORTFOLIO SNAPSHOT

		HY22 ^{1,2}	HY21
Number of assets	#	23	23
Book value	\$m	2,322.0	2,032.4
WACR	%	5.65	5.90
NLA	sqm	302,700	304,413
Occupancy ³	%	94.3	91.5
WALE ³	yrs	4.3	4.5
Average NABERS Energy rating (by value) ⁴	Stars	4.9	4.8
Average NABERS Water rating (by value) ⁴	Stars	4.1	4.0
Buildings generating solar power	no.	6	6
Average building age (by value)	yrs	16.1	16.4



1. Pro forma metrics following settlement of 203 Pacific Highway, St Leonards, NSW
2. As at 31 December 2021

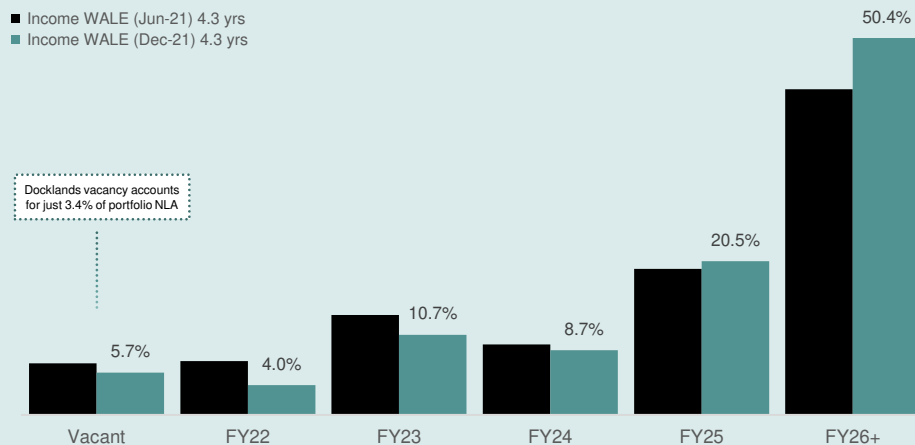
3. By gross income
4. By value, excluding non-rated assets
5. Management interpretation of PCA guidelines

Staggered lease expiry with 71% of leases expiring at or beyond FY25

Portfolio occupancy¹ increased from 93.1% to 94.3% during HY22

WEIGHTED AVERAGE LEASE EXPIRY

■ Income WALE (Jun-21) 4.3 yrs
■ Income WALE (Dec-21) 4.3 yrs



6.2% PORTFOLIO NLA
LEASED IN HY22^{2,3}

18,670sqm PORTFOLIO NLA
LEASED IN HY22^{2,3}

4,854sqm 14 NEW LEASES
IN HY22^{2,3}

13,816sqm 9 RENEWALS
IN HY22^{2,3}

CURRENT VACANCY (>1,500 SQM)	NLA (SQM)
818 Bourke Street, Docklands	10,190
576 Swan Street, Richmond	3,512
60 Marcus Clarke Street, Canberra	3,013
235 William Street, Northbridge	1,678
Other	2,878
TOTAL	21,271
% of total NLA	7.0%

VAC

UPCOMING EXPIRIES (>1,000 SQM)	FY22
154 Melbourne Street, South Brisbane	4,233
9 Help Street, Chatswood	2,746
Other	1,803
TOTAL	8,782
% of total NLA	2.9%

FY22

UPCOMING EXPIRIES (>1,000 SQM)	FY23
825 Ann Street, Fortitude Valley	6,530
42-46 Colin Street, West Perth	5,177
203 Pacific Highway, St Leonards	4,242
201 Pacific Highway, St Leonards	2,311
154 Melbourne Street, South Brisbane	2,165
60 Marcus Clarke Street, Canberra	1,986
2 Phillip Law Street, Canberra	1,046
Other	4,764
TOTAL	28,221
% of total NLA	9.3%

FY23

1. Occupancy by gross income
2. By area
3. Includes Heads of Agreement (HOA)

Valuation summary

HY22 like for like valuation uplift of \$28.5m¹

Leasing success and market fundamentals drive like for like valuation gain of \$28.5m¹ in HY22



NTA per unit
increase of **1.9%**



WACR² reduced
to **5.65%**

11
ASSETS

Externally valued in
December 2021

Strong investor demand for COF style
assets driving cap rate compression

PORTFOLIO VALUATION SUMMARY¹

STATE	HY22 VALUATION (\$m) ³	FY21 VALUATION	VALUATION MOVEMENT ⁴	HY22 WACR (%) ^{2,3}	FY21 WACR ²	MOVEMENT WACR (BPS)
PORTFOLIO WEIGHTED AVERAGE	2,055.6	2,014.3	41.3	5.71	5.81	-10
ACQUISITIONS	266.4	0.0	266.4	5.19	N.A	N.A
DISPOSALS	0.0	0.0	0.0	N.A	N.A	N.A
TOTAL PORTFOLIO / WEIGHTED AVERAGE	2,322.0	2,014.3	307.7	5.65	5.81	-16

KEY VALUATION MOVEMENTS



555 CORONATION DRIVE, TOOWONG, QLD

\$6.5m (16.6%) increase in value created through proactive leasing, along with cap rate compression (75bps)



35 ROBINA TOWN CENTRE DRIVE, ROBINA, QLD

\$2.2m (5.2%) increase in value created through leasing of vacant space, along with cap rate compression (50bps)



8 CENTRAL AVENUE, EVELEIGH, NSW

\$9.3m (4.6%) increase in value due to cap rate compression (12.5bps), the result of improved WALE (8.7 yrs)

1. Like-for-like valuation increase from the preceding book value

2. Weighted average capitalisation rate

3. Pro forma book value reflecting 50% acquisition of 203 Pacific Highway, St Leonards, NSW

4. Valuation movement from 30 June 2021 book value

Past performance is not a reliable indicator of future performance

Sustainability at Centuria Capital

Developing a flexible and relevant sustainability framework

HY22 SELECT INITIATIVES

CONSCIOUS OF CLIMATE CHANGE ENVIRONMENT



Climate Action

Ongoing solar installation on viable assets



Climate Resilience

Ongoing high level physical climate risk assessment of assets against the RCP 2.6 and RCP 8.5 scenarios¹



COF 4.7² Star NABERS

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

VALUED STAKEHOLDERS SOCIAL



Member of the Diversity Council of Australia³

91%

Customer Focused

91% of surveyed tenants⁴ would recommend Centuria as an asset manager

94%

Employee Engagement

94% of employees⁵ enjoy working at Centuria

RESPONSIBLE BUSINESS PRINCIPLES GOVERNANCE



Second Modern Slavery Statement Delivered

Over 350 suppliers have been assessed⁶ for Modern Slavery risks, further engagement underway



Climate Change Disclosure

First TCFD aligned disclosure as part of Centuria Capital's first Sustainability Report

GRI

Aligned GRI Disclosure

Centuria has produced an aligned GRI index for CNI, CIP and COF

Centuria Capital published its first **Sustainability Report** in October 2021. This report contains details pertaining to the Group's ESG initiatives, including those undertaken by Centuria Office REIT.



Centuria Office REIT benefits from Centuria Capital Group's (ASX: CNI) sustainability approach. CPFL is the responsible entity for COF and a wholly owned subsidiary of Centuria Capital Group. By the REIT's nature, COF has no staff and is solely a portfolio of assets. Centuria's approach to sustainability prioritises three areas of focus: Conscious of Climate Change (Environment), Valued Stakeholders (Social) and Responsible Business Principals (Governance)

1. Includes assets within the Centuria Office and Centuria Industrial REIT portfolios

2. NABERS Portfolio Index rating is conducted yearly and reflects the 2021 rating

3. Centuria Capital Group is a member of the Diversity Council of Australia

4. Centuria undertake regular tenant surveys. The figure reported is from the Group's FY21 survey

5. Centuria undertake regular employee engagement surveys. The figure reported is from the Group's FY21 survey

6. Assessed through the PCA Informed 365 system

Sustainability – Centuria Office REIT



Conscious of Climate Change

Centuria is seeking opportunities to further reduce greenhouse gases across our portfolio, while also assessing the potential future risks climate change may present to our assets.

Climate Resilience – Assets within COF are being risk-assessed against potential physical climate risks. Assets were stress tested in two scenarios, RCP2.6 where temperatures remain below 2 degrees °C, and RCP 8.5 where temperatures exceed 4 degrees °C. COF will use this information to focus efforts on mitigating potential future climate risks.

Climate Action - Improvement in COF's overall operational efficiency has been driven by a focus on asset upgrades under the NABERS rating scheme.

COF – Environmental Data

CONSUMPTION / EMISSIONS INTENSITY		FY21	FY20
Energy consumption intensity	MJ/sqm	251	266
Water consumption intensity	L/sqm	478	637
Scope 1 and 2 GHG emissions intensity	kg CO2-e/sqm	48	53



**4.7¹ Star
NABERS**

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



Valued Stakeholders

Centuria seeks to engage with our tenants to protect their health and wellbeing whilst utilising our assets

101 Moray Street, South Melbourne – Has been designed to protect our tenants from COVID-19, with innovative building features such as:

- Thermal imaging checks visitor temperatures on arrival
- Sensors screen to see if masks are worn when entering the lobby
- Building App for cardless swipe access, booking of lockers and tenant communication



101 MORAY ST, SOUTH MELBOURNE, VIC

1. NABERS Portfolio Index rating is conducted yearly and reflects the 2021 rating



818 BOURKE STREET, DOCKLANDS, VIC



ASX: COF

Market Outlook & Guidance

SECTION FOUR

Centuria

Key themes for Australian office tenant demand in 2022



Flight to quality

- Tenants expected to gravitate towards higher quality accommodation
- New generation buildings offer efficiency gains and improved amenity
- Increasing importance of higher sustainability credentials

COF portfolio 90% A-Grade³ Avg. NABERS energy rating by value of 4.9 Stars⁴



Working near home

- Work from home has further correlated employee satisfaction to commute times
- Metropolitan markets provide affordable rents and ability for staff to work closer to home

COF portfolio predominantly situated in metropolitan and near city markets



Increased leasing activity

- COVID lockdowns have impeded accommodation decision making from tenants
- Stronger tenant activity already apparent; 3-month national net absorption to December-21 of +185,714sqm¹

Leasing outcomes achieved for over 24% of COF's portfolio in the last 18 months



Increased construction costs

- Increased fit out costs may generate higher levels of tenant renewals
- Increased construction costs may temper office supply
- 37%¹ of national office supply under construction is concentrated in Sydney and Melbourne CBD's

COF average portfolio age of 16 years⁵



Improving economic and employment outlook

- Optimistic outlook for Australian employment conditions
- Seasonally adjusted change in job advertisements of +46.0%² compared to Pre-COVID levels

c.80% of COF portfolio income is derived from multinational, ASX and government tenants

1. Source: JLL (Dec-21)

2. National skills commission

3. Management interpretation of PCA guidelines

4. By value, excluding non-rated assets

5. By value

Strong investment demand for metropolitan office assets

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
- Deep capital pool from domestic and offshore investors
- Cap rate spread to nominal bond yields remains above historic average

5.14%²

AVERAGE CAP RATE

5.65%²

COF AVERAGE CAP RATE

(0.51%)

DIFFERENCE CAP RATE

\$10,099²

AVERAGE RATE
(\$psqm)

\$8,409²

COF AVERAGE RATE
(\$psqm)

\$1,690

DIFFERENCE RATE
(\$psqm)

PROPERTY	STATE	DATE	PRICE (\$M)	CAP RATE (%)	RATE (\$PSQM)	OCCUPANCY (%)	WALE (yrs)
101 Miller Street, North Sydney ¹	NSW	Jan-22	330.0	5.16%	17,613	100.0%	3.6
510 Church Street, Cremorne	VIC	Dec-21	130.0	4.54%	13,133	82.2%	7.4
201 Miller Street, North Sydney ¹	NSW	Dec-21	c.150.0	c.5.95%	c.10,500	c.85.0%	n.a
11 Commercial Road, Newstead ¹	QLD	Nov-21	26.0	5.00%	12,077	100.0%	7.0
32 Phillip Street, Parramatta	NSW	Oct-21	66.0	5.34%	9,765	100.0%	1.6
50 Marcus Clarke, Canberra	ACT	Oct-21	335.0	5.02%	8,333	100.0%	3.7
25 Constitution Place, Canberra	ACT	Oct-21	115.1	5.74%	6,901	100.0%	6.0
1 Woolworths Way, Bella Vista	NSW	Sep-21	463.3	5.16%	10,648	100.0%	10.0
8 Lakeside Drive, Burwood East ¹	VIC	Sep-21	35.8	4.25%	7,865	100.0%	9.1
25 Grenfell Street, Adelaide	SA	Sep-21	164.2	6.17%	6,684	88.0%	3.9
9 Wentworth Street, Parramatta	NSW	Sep-21	64.0	5.36%	8,365	94.0%	2.3
25 Nile Street, Port Adelaide	SA	Sep-21	62.8	4.74%	9,815	100.0%	11.4
39-47 Regent Street, Chippendale	NSW	Sep-21	68.5	3.75%	17,820	100.0%	10.3
1 McNab Avenue, Footscray	VIC	Aug-21	224.0	4.67%	11,000	100.0%	11.8
11 Wilson Street, South Yarra	VIC	Aug-21	73.5	4.77%	11,504	100.0%	7.1
34 Southgate Avenue, Cannon Hill	QLD	Aug-21	36.0	5.00%	10,227	100.0%	10.0
37 Epping Road, North Ryde	NSW	Jul-21	55.0	5.50%	6,817	100.0%	3.2
TRANSACTIONS	AVERAGE (WEIGHTED)			5.14%	\$10,099		
PORTFOLIO	COF			5.65%	\$8,409		
CHANGE	DELTA			(0.51%)	\$1,690		

1. Transaction yet to settle (as at Jan-22). Metrics approx and based on market sources

2. Weighted average

Sources: m3, KF and Savills.

FY22 Guidance

16.6c

DISTRIBUTION
PER UNIT¹

7.4%^{1,2}

FORECAST FY22
DISTRIBUTION
YIELD

DISTRIBUTIONS
PAID IN **EQUAL**
QUARTERLY
INSTALMENTS

18.3c

FFO PER UNIT¹

2 PHILIP LAW STREET, NISHI, ACT

825 ANNE STREET, FORTITUDE VALLEY, QLD

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

2. Based on COF closing price of \$2.24 on Wednesday, 2 February 2022



154 MELBOURNE STREET, SOUTH BRISBANE, QLD



ASX: COF

Appendices

SECTION FIVE

- Appendix A – Australian office market metrics
- Appendix B – Income statement
- Appendix C – FFO reconciliation
- Appendix D – Balance sheet
- Appendix E – Leasing track record
- Appendix F – Portfolio valuation summary
- Appendix G – Environmental data
- Appendix H – Portfolio summary table

Centuria

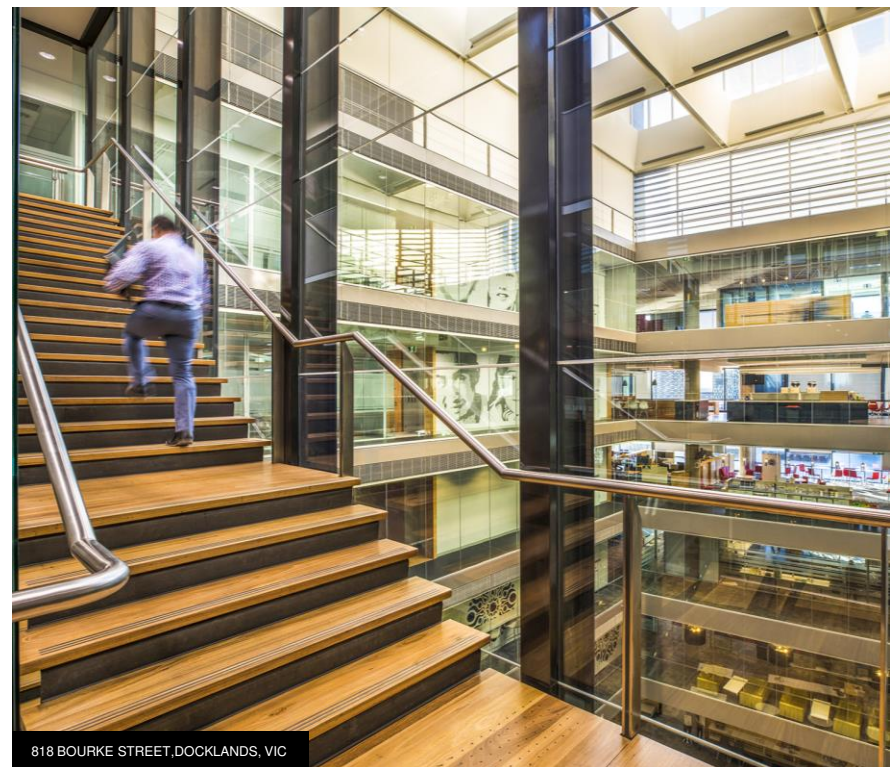
Appendix A – Australian office market metrics



MARKET ¹	VACANCY (%)	3 MTH NET ABSORPTION (SQM)	12 MTHS NET ABSORPTION (SQM)	RENTAL DISCOUNT TO SYDNEY CBD (%)	UPCOMING SUPPLY (SQM)	COF EXPOSURE (%)
SYDNEY CBD	12.5	10,808	29,735	n.a	318,476	0.0%
SYDNEY FRINGE	8.9	(4,510)	10,813	(43.5)	10,406	9.0%
CHATSWOOD	15.2	1,166	1,818	(48.9)	0	4.1%
ST LEONARDS	21.1	(3,708)	(17,353)	(46.5)	20,208	10.5%
MELBOURNE CBD	15.0	12,708	(12,842)	(45.8)	229,349	9.3%
MELBOURNE FRINGE	15.5	28,159	105,282	(57.5)	220,083	3.0%
MELBOURNE S.E.S.	11.1	14,221	89,038	(66.2)	31,002	8.5%
BRISBANE CBD	15.5	11,770	8,001	(47.3)	104,555	0.0%
BRISBANE FRINGE	17.9	7,619	17,608	(59.1)	88,275	15.9%
ADELAIDE CBD	15.6	11,912	17,652	(63.1)	93,243	0.8%
PERTH CBD	19.1	99	5,915	(45.2)	120,300	0.0%
WEST PERTH	22.2	265	5,952	(63.6)	2,686	1.5%
CANBERRA	5.7	15,613	35,845	(67.0)	100,497	14.6%

Appendix B – Income statement

\$'000	HY22	HY21
Gross property income	90,777	94,806
Interest income	1	6
Total revenue	90,778	94,812
Direct property expenses	(18,118)	(17,546)
Responsible entity fees	(6,092)	(5,860)
Finance costs	(9,433)	(9,237)
Management and other administrative expenses	(1,123)	(2,972)
Expected credit loss and rental waiver expense	(1,340)	(1,509)
Total expenses	(36,106)	(37,124)
Funds from operations¹	54,672	57,688
Gain/(loss) on fair value of investment properties	11,677	(30,192)
Realised/unrealised gain/(loss) on fair value of derivatives	5,427	(37)
Straight-lining of rental income and amortisation of leasing commissions and tenant incentives	(8,182)	(5,947)
Interest and depreciation expense adjustments for AASB 16	36	30
Statutory net profit	63,630	21,542



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 C – FFO reconciliation

\$'000	HY22	HY21
Statutory net profit	63,630	21,542
Loss/(gain) on fair value of investment properties	(11,677)	30,192
Realised/unrealised loss on fair value of derivatives	(5,427)	37
Straight-lining of rental income and amortisation of leasing commissions and tenant incentives	8,182	5,947
Interest and depreciation expense adjustments for AASB 16	(36)	(30)
Funds from operations¹	54,672	57,688
Distribution	49,408	42,448
FFO per unit (cents)	9.78	11.21
Distribution per unit (cents)	8.30	8.25
Annualised FFO yield ² (%)	7.8	9.3
Annualised distribution yield ² (%)	6.6	6.7

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 31 December 2021) and FY21 FFO divided by closing price (\$2.14 per unit on 31 December 2020)



Appendix D – Balance sheet

\$'000	PRO-FORMA	31-Dec-21	30-Jun-21
Cash	28,240	96,648	15,644
Investment properties ¹	2,353,719	2,285,719	2,046,221
Trade and other receivables	9,198	9,198	5,369
Other assets	3,754	7,154	1,625
Total assets	2,394,911	2,398,719	2,068,859
Interest bearing liabilities ²	808,405	808,405	700,800
Trade and other liabilities	44,071	44,071	31,943
Derivative financial instruments	1,813	1,813	7,240
Other liabilities ³	57,343	57,343	53,884
Total liabilities	911,632	911,632	793,867
Net assets	1,483,279	1,487,087	1,274,992
Units on issue (thousands)	595,642	595,642	514,522
Net tangible assets per unit (\$)	2.49	2.50	2.48
Gearing (%) ⁴	33.1	31.1	33.5

1. Investment properties of \$2.3bn includes a \$31.8m leasehold asset under AASB 16

2. Drawn debt net of borrowing costs

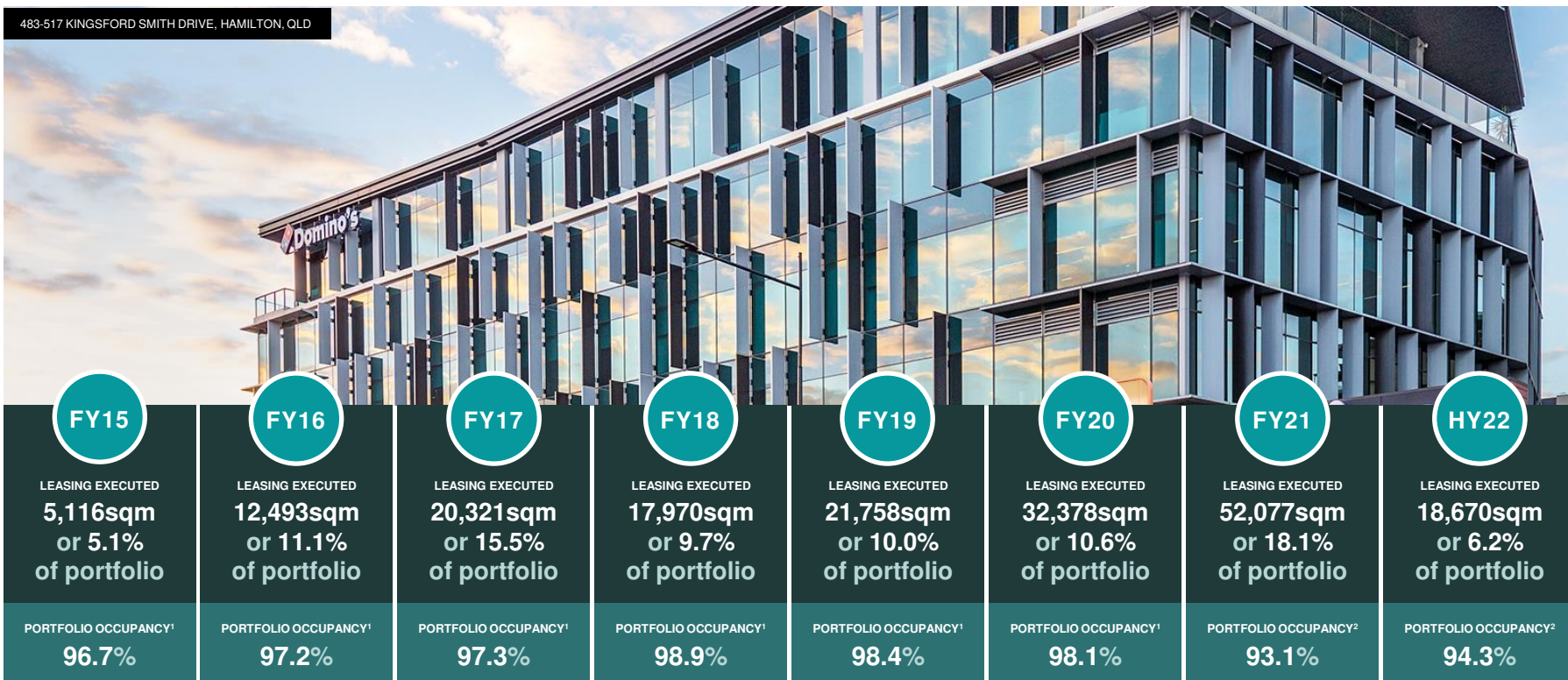
3. Includes \$24.7m distributions payable and lease liability of \$32.6m

4. Gearing is defined as total borrowings less cash divided by total assets less cash



Appendix E – Leasing Track Record

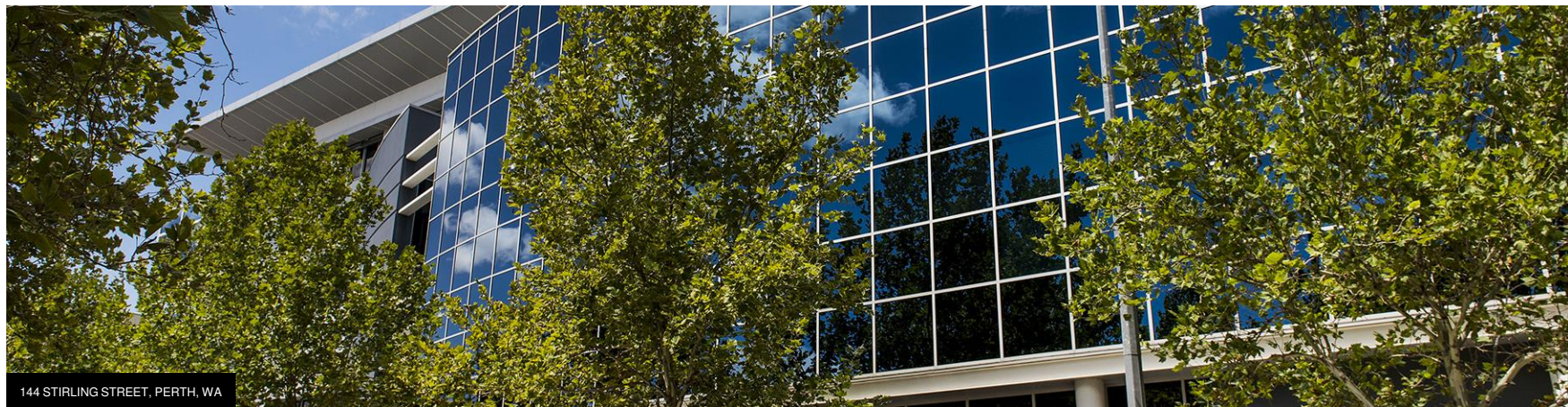
Leveraging Centuria's leasing capability as part of COF's active management approach



1. By area
2. By income

Appendix F – Portfolio valuation summary

STATE	BOOK VALUE (\$M)				CAP RATE (%)		
	HY22 BOOK VALUE ¹	FY21	VAR	%	HY22 ^{1,2}	FY21	BPS
NSW	517.5	503.5	14.0	2.8	5.38	5.48	(10)
QLD	494.0	475.5	18.5	3.9	5.99	6.23	(24)
VIC	358.0	354.5	3.5	1.0	5.27	5.32	(5)
ACT	338.0	335.8	2.2	0.7	5.42	5.47	(5)
WA	288.8	286.8	2.0	0.7	6.43	6.44	(1)
SA	59.3	58.2	1.1	1.9	7.00	7.00	0
LIKE-FOR-LIKE AVERAGE	2,055.6	2,014.3	41.3	2.1	5.71	5.81	(10)
ACQUISITIONS	266.4	0.0	266.4	n.a	5.19	n.a	n.a
DISPOSALS	0.0	0.0	0.0	n.a	n.a	n.a	n.a
TOTAL PORTFOLIO AVERAGE	2,322.0	2,014.3	307.7	15.3	5.65	5.81	(16)



144 STIRLING STREET, PERTH, WA

1. Pro forma book value reflecting 50% acquisition of 203 Pacific Highway, St Leonards, NSW and excludes the fair value of any ground lease

2. Weighted average capitalisation rate

Past performance is not a reliable indicator of future performance

Appendix G – Environmental Data

Environmental Data reported is for financial years 2020 and 2021. Financial year 2022 data will be reported in the Centuria 2022 Sustainability Report.

Reported figures represent data for assets within the Centuria Office REIT (ASX:COF).

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 delegate's management policies. This definition is consistent with the principles outlined in the National Greenhouse and Energy Reporting Act 2007.

EMISSIONS

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

	UNIT OF MEASURE	FY20	FY21
NLA (annual weighted average)	sqm	275,309	304,589

RESOURCE CONSUMPTION (OPERATIONALLY CONTROLLED PROPERTIES)

Base building grid connected electricity	MWh	17,191	17,484
On-site renewable energy generated	MWh	-	87
Renewable energy exported	MWh	-	5
Gas use (whole building)	MWh	3,151	3,714
Water use (whole building)	kL	175,468	145,634

GHG EMISSIONS (OPERATIONALLY CONTROLLED PROPERTIES)

Scope 1	tCO2-e	584	689
Scope 2	tCO2-e	13,944	13,889
Total scope 1 and 2	tCO2-e	14,528	14,578
Scope 3 (metered tenant usage)	tCO2-e	6,787	5,622

CONSUMPTION / EMISSIONS INTENSITY

Energy consumption intensity	MJ/sqm	266	251
Water consumption intensity	L/sqm	637	478
Scope 1 and 2 GHG emissions intensity	kg CO2-e/sqm	53	48

Appendix H – 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%	210.0	5.00%	36,619	11,470	8.7	95.5%
201 Pacific Highway, St Leonards	NSW	50%	107.5	5.50%	16,498	13,032	2.6	94.5%
9 Help Street, Chatswood	NSW	100%	95.0	5.38%	9,383	10,125	2.9	100.0%
203 Pacific Highway, St Leonards	NSW	50%	68.0	5.75%	11,735	11,590	3.4	99.3%
77 Market Street, Wollongong	NSW	100%	37.0	6.50%	6,755	5,478	3.5	100.0%
2 Phillip Law Street, Canberra	ACT	100%	252.0	5.00%	27,411	9,193	6.9	100.0%
60 Marcus Clarke Street, Canberra	ACT	100%	62.0	6.50%	12,094	5,126	2.5	78.6%
54 Marcus Clarke Street, Canberra	ACT	100%	24.0	7.00%	5,200	4,615	3.6	95.3%
825 Ann Street, Fortitude Valley	QLD	100%	158.5	5.75%	19,138	8,282	3.1	100.0%
100 Brookes Street, Fortitude Valley	QLD	100%	85.0	5.88%	9,533	8,916	4.4	100.0%
154 Melbourne Street, South Brisbane	QLD	100%	81.0	6.00%	11,292	7,173	1.7	100.0%
483 Kingsford Smith Drive, Hamilton	QLD	100%	79.5	6.00%	9,161	8,678	4.5	100.0%
555 Coronation Drive, Toowong	QLD	100%	45.5	6.00%	5,567	8,173	5.2	100.0%
35 Robina Town Centre Drive, Robina	QLD	100%	44.5	7.00%	8,912	4,993	2.7	100.0%
818 Bourke Street, Docklands	VIC	100%	217.0	5.13%	23,096	9,396	1.7	63.0%
101 Moray St, South Melbourne	VIC	100%	198.4	5.00%	15,975	12,419	6.1	100.0%
2 Kendall Street, Williams Landing	VIC	100%	71.0	5.75%	12,961	5,478	6.9	100.0%
576 Swan Street, Richmond	VIC	100%	70.0	5.25%	8,240	8,495	2.5	66.6%
1 Richmond Road, Keswick	SA	100%	40.3	7.00%	8,085	4,984	3.6	100.0%
131-139 Grenfell Street, Adelaide	SA	100%	19.0	7.00%	4,059	4,681	2.8	100.0%
235 William Street, Northbridge	WA	100%	180.0	6.50%	21,575	8,343	3.8	95.1%
144 Stirling Street, East Perth	WA	100%	73.3	6.00%	11,042	6,634	7.1	100.0%
42-46 Colin Street, West Perth	WA	100%	35.5	7.00%	8,370	4,241	1.9	100.0%
TOTAL PORTFOLIO (DEC-21)²			2,254	5.65%	302,700	8,339	4.3	94.2%
ACQUISITIONS YET TO SETTLE								
203 Pacific Highway, St Leonards	NSW	50%	68.0	5.75%	n.a	11,590	3.4	99.3%
TOTAL PORTFOLIO (PRO FORMA)²			2,322	5.65%	302,700	8,409	4.3	94.3%

1. By gross income (equity share)

2. Investment properties of \$2.3bn excludes a \$31.8m leasehold asset under AASB 16

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Distributable earnings is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents the profit under AAS adjusted for specific non-cash and significant items. The Directors consider that distributable earnings reflect the core earnings of the Trust.

All dollar values are in Australian dollars (\$) or A\$ unless stated otherwise.

Centuria

AUSTRALIA

Sydney Head Office

(02) 8923 8923
Level 41, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Melbourne Office

(03) 9616 6500
Level 32
120 Collins Street
Melbourne VIC 3000

Brisbane Office

(07) 3905 7000
Level 2
348 Edward Street
Brisbane QLD 4000

Perth Office

(08) 9321 7133
Level 1
307 Murray Street
Perth WA 6000

NEW ZEALAND

Auckland Office

+64 (9) 300 6161
Level 2, Bayleys House,
30 Gaunt Street,
Wynyard Quarter
Auckland 1010

