

Centuria

Quarterly Fund Update
March 2021

Centuria 348 Edward Street Fund

(ARSN 636 584 515)

Key Points

- The property is 96.6% occupied, with a Weighted Average Lease Expiry (WALE) of approximately 4.26 years.
- Lease executed on available tenancy on Level 4.
- Lease proposals issued on upcoming expiries for suites on Levels 11 and 15.
- March 2021 quarter distribution rate of 6.50 cents per unit (cpu) (annualised).

Fund Summary

Distributions for the **Centuria 348 Edward Street Fund** (Fund) were paid in line with the March 2021 quarter forecast of 6.50 cents per unit (annualised). The corresponding distribution statement for the Fund is enclosed with this report and can also be accessed from our online investor portal at CenturiaInvestor.com.au.

Centuria is pleased to report a lease was recently executed on the Level 4 (381 sqm) refurbished tenancy. In addition, lease proposals (heads of agreement) were issued on two occupied suites that have approaching lease expiry. This leasing traction is a positive sign given recent leasing conditions and is reflective of the high quality fit out, strong tenant engagement through a differentiated marketing approach, and the overall amenity of the property. We look forward to providing investors a further update upon execution of leases.

The 31 December 2020 audited financial report is now available to download from our online investor portal at CenturiaInvestor.com.au. The report confirms the Net Asset Backing (NAB) of units in the Fund remains at \$0.84 as at 31 December 2020.



Financial Snapshot

Fund Commencement Date	12 December 2019
Unit Price	\$0.94 ¹
Net Asset Backing	\$0.84 ¹
Distribution Rate (cents per unit)	6.50 ²
Weighted Average Lease Expiry (WALE) (years)	4.26 ³
Next Investor Vote on Term of Fund	12 December 2024

¹ Based on most recent audited accounts (31 December 2020). Without the Mark to Market of the Fund's interest rate swap, the NAB of units in the Fund would be \$0.85.

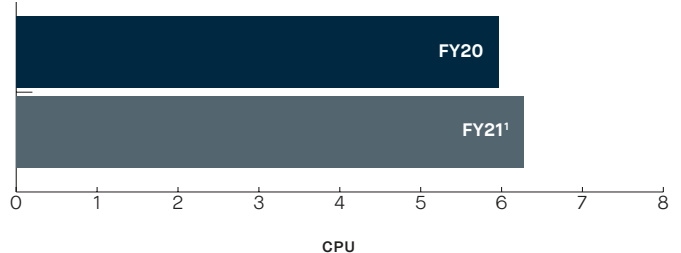
² March 2021 quarter annualised.

³ As at 28 February 2021, includes the financial impact of an 18-month rental guarantee from the Vendor.

As outlined in the Product Disclosure Statement (PDS), units were issued at \$1.00 per unit. Thereafter, the unit price will reflect the NAB per unit with adjustments made for the amortisation of certain fees and expenses on a straight-line basis throughout five years.

Distribution Details

Annualised Distribution



¹ FY21 distribution rate forecast is based on FY21 actual and June 2021 forecast (annualised).

Centuria is pleased to confirm the forecast distribution rate remains at 6.50 cpu (annualised) for the June 2021 quarter. Should there be any material departures from this forecast, an out of cycle Investor update will be provided.

This forecast distribution rate reflects the current performance of the Fund and assumes all tenants will satisfy their contractual obligations under their respective leases within a timely manner. It also assumes there are no significant unforeseen capital costs and no material changes to the Fund's financial obligations.

Property Details

Asset Values¹

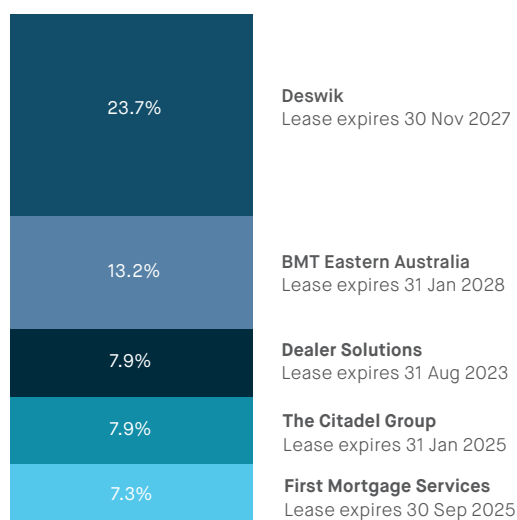
Property Address	348 Edward Street, Brisbane QLD
Purchase Price (Dec 19)	\$79.0m ¹
Previous Valuation – Director’s (Jun 20)	\$81.5m
Current Valuation (Dec 20)	\$84.0m
Cap Rate (Dec 20)	6.00%
Valuer	Colliers International

¹ Acquisition price / valuation including incentives was \$89.0m.

The property was subject to an external valuation for the purposes of the 31 December 2020 financial report. The key metrics of this valuation are outlined in the table above.

Though the December valuation shows an increase to the 'face' value, the NAB of units remained the same. The increase to the face value of the property is a result of incentives being paid out, which were adjusted at acquisition. These incentives were funded by raising additional debt (in line with the Fund PDS), which means there was no change to the NAB of units.

Top Five Tenants by Net Lettable Area (NLA)



The Weighted Average Lease Expiry (WALE) by income is approximately 4.26 years as at 28 February 2021 and includes the financial impact of an 18-month rental guarantee from the vendor.

Property Statistics

	Initial ¹	Jun 20	Dec 20
Net Asset Backing	\$0.88	\$0.84 ¹	\$0.84 ¹
Property Occupancy Rate	88%	91%	93%
Weighted Average Lease Expiry (WALE) (years) ²	5.1	4.79	4.32

¹ Based on the Product Disclosure Statement dated 31 October 2019.

² Includes the financial impact of an 18-month rental guarantee from the vendor.

Debt Summary

	Current Period	Loan Covenants
Total Facility Limit	\$46.7m ¹	
Undrawn Amount	\$9.96m ¹	
Loan Expiry	1 Dec 2024	
% of Debt Hedged	89.0% ²	
Loan to Value Ratio (LVR)	41.58% ³	60.0%
Interest Cover Ratio (ICR)	4.07 ⁴	2.0

¹ As at 28 February 2021.

² As at 28 February 2021, Fund's drawn debt is hedged until 12 December 2022.

³ The LVR is as at 31 December 2020 and based on the most recent independent valuation as defined under the debt facility agreement.

⁴ The stated ICR figures are based on the most recent audited accounts (31 December 2020).

RG46 Statements

The latest RG46 Statement for the Fund is available at CenturiaInvestor.com.au. It includes the following key information:

- Gearing ratio, calculated using ASIC methodology
- Gearing covenant sensitivities
- Detail of related party transactions in the period
- Further information on the source of distributions

Centuria Investor Website

You can access all information relating to your Centuria investments at CenturiaInvestor.com.au.

Contact Details

If you require assistance with your Centuria Investor account or have any questions regarding your investment in the Fund, please contact **Centuria Investor Services on 1800 182 257** (within Australia); **+61 2 9290 9689** (outside Australia) or by email on Property.Enquiry@CenturiaInvestor.com.au.