

Centuria

Quarterly Fund Update June 2021

Centuria ATP Fund

(ARSN 610 104 320)

Key Points

- FY22 distributions forecast to increase from 11.75 cents per unit to 11.85 cents per unit (annualised).
- The term of the Fund has been extended by two years until 22 April 2023.
- Development approval has been received to refurbish and reposition 6 Cornwallis Street.

Fund Summary

Distributions for the **Centuria ATP Fund** (Fund) continue to be paid at 11.75 cents per unit (annualised) for the June 2021 quarter, which is in line with the 2021 financial year forecast. The corresponding distribution statement for the Fund can be accessed from our online investor portal at CenturiaInvestor.com.au.

We are pleased to report that at a General Meeting held on 21 April 2021, the term of the Fund was successfully extended by two years until 22 April 2023. The resolution was passed with approximately 96% of votes in favour of the extension, which is an excellent result for the Fund.

The audited financial report for the 2021 financial year is currently being prepared and it is anticipated to be available to download from CenturiaInvestor.com.au at the end of September 2021. Updated valuations of the portfolio have recently been instructed for the purposes of the Fund's 30 June 2021 financial report. The updated Net Asset Backing (NAB) will be posted on CenturiaInvestor.com.au when the financial report is finalised. Investors will be advised of the new NAB in the September 2021 Quarterly Fund Update. The annual tax statement for the Fund is also expected by the end of August 2021.

Financial Snapshot

Fund Commencement Date	22 April 2016
Net Asset Backing (NAB)	\$2.08 ¹
Distribution Rate (cents per unit)	11.75 ²
Weighted Average Lease Expiry (WALE) (years)	5.76 ³
Next Investor Vote on Term of Fund	22 April 2023

¹ Based on the most recent audited accounts as at 31 December 2020 and after deducting the \$0.47 early return of capital made in February 2020. Without the Mark to Market of the Fund's interest rate swap, the NAB of units in the Fund would be \$2.09.

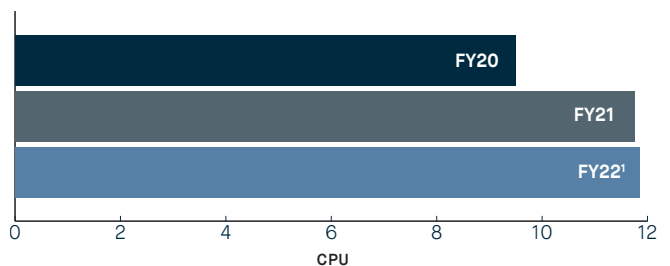
² June 2021 quarter, annualised.

³ As at 30 June 2021.



Distribution Details

Annualised Distribution



¹ Forecast (annualised).

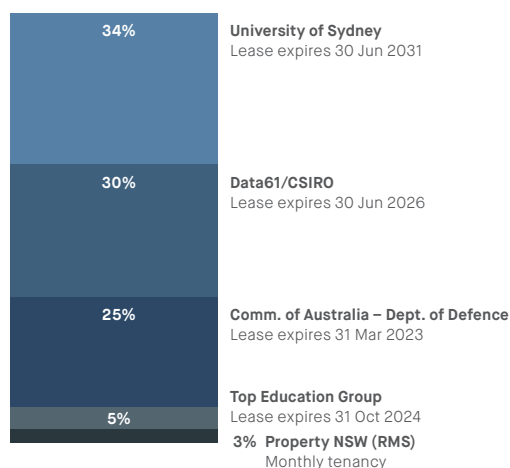
The distribution rate for the 2022 financial year is forecast to increase from 11.75 cents per unit to 11.85 cents per unit (annualised). However, please note that following the \$0.47 per unit partial return of capital made in February 2020, the distribution yield on the remaining equity based on the original issue price of \$1.00, is 22.27%. This forecast distribution rate reflects the current performance of the Fund and assumes that all tenants will continue to satisfy their contractual obligations under their respective leases within a timely manner and that there are no significant unforeseen capital costs and no material changes to the Fund's financial obligations.

Property Details

Asset Values

Property Addresses	13 Garden St, South Eveleigh	1 Central Ave, South Eveleigh	6 Cornwallis St, South Eveleigh	Portfolio
Purchase Price (Apr 16)				\$104.0m
Previous Valuation (Jun 20)	\$128.3m	\$98.5m	\$8.0m	\$234.2.8m
Current Valuation (Dec 20)	\$134.0m	\$102.0m	\$8.0m	\$234.8m
Cap Rate (Dec 20)	5.50%	5.25%	5.25%	
Valuer	Cushman and Wakefield	CBRE	MMJ	

The portfolio was subject to independent valuations for the purposes of the 31 December 2020 audited financial report. The key metrics of these valuations are outlined in the table above and the result of the 30 June 2021 valuations will be outlined within the



The portfolio is currently 96.0% occupied with a Weighted Average Lease Expiry (WALE) by income of approximately 5.76 years as at 30 June 2021.

We are pleased to report that development approval has now been received to refurbish and reposition 6 Cornwallis Street with the proposed works anticipated to be completed toward the end of the 2021 calendar year. We look forward to providing investors an update on the project and any leasing progress in the September 2021 Quarterly Fund Update.

Property Statistics

	Initial ¹	Jun 20	Dec 20
Net Asset Backing	\$0.94	\$2.00 ²	\$2.08 ²
Portfolio Occupancy	100.0%	98.4%	96.2%
Weighted Average Lease Expiry (WALE) (years)	4.84	6.92	6.25

¹ Based on the Product Disclosure Statement dated 1 February 2016.

² After deducting the \$0.47 early return of capital made in February 2020.

Debt Covenants by Net Lettable Area (NLA)

	Current Period	Loan Covenants
Total Facility Limit	\$98.7m	
Undrawn Amount	\$7.3m ¹	
Loan Expiry	17 December 2022	
% of Debt Hedged	91.0% ²	
Loan Value Ratio (LVR)	37.4% ³	55.0%
Interest Cover Ratio (ICR)	4.99 ⁴	2.00

¹ As at 31 May 2021.

² The Fund's drawn debt is 91.0% hedged until 18 December 2021.

³ The LVR is based on the most recent independent valuations as defined under the debt facility agreement.

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

The Fund's loan facility expires on 17 December 2022 and the drawn debt of \$91.4 million is 91.0% hedged at a fixed rate of 0.89% (in addition to the bank margin of 1.40%) until 18 December 2021. There is also the ability to draw an additional \$7.3 million for future leasing and redevelopment costs, as well as base building capital expenditure.

Under the terms of the debt facility, the Fund is required to comply with certain loan covenants over the course of the year. Based on the most recent audited accounts as at 31 December 2020, the Fund remains compliant with all covenants including the Interest Cover Ratio (ICR) and Loan to Value Ratio (LVR).

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.