

# Centuria

Quarterly Fund Update  
March 2021

## Centuria Geelong Office Fund

(ARSN 623 696 800)

### Key Points

- The property is 98.5% occupied with a Weighted Average Lease Expiry (WALE) of approximately 7.53 years.
- Distributions remain robust at 7.35 cents per unit (annualised) for the March 2021 quarter.
- Cost savings achieved on TAC tenancy works.
- Lease executed on Shop 2 retail space, and lease terms issued on Shop 6 retail space.

### Fund Summary

Distributions for the **Centuria Geelong Office Fund** (Fund) were paid in line with the March 2021 quarter forecast of 7.35 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](http://CenturiaInvestor.com.au).

Centuria is pleased to report a lease was recently executed for Shop 2 (44 sqm) on a 12-month term. The short-term agreement improves the activation of the retail area and the amenity of the property. In addition, a lease proposal (heads of agreement) on Shop 6 (14 sqm) was issued. This leasing traction is a positive sign given the prevailing leasing conditions, and while the Shop 6 lease has a short tenure, tenants can often extend their lease term following the initial trade period.

The 31 December 2020 audited financial report is now available to download from our online investor portal at [CenturiaInvestor.com.au](http://CenturiaInvestor.com.au). The report confirms the Net Asset Backing (NAB) of units in the Fund increased from \$0.92 (as at 30 June 2020) to \$1.01 (as at 31 December 2020). The increase is predominately due to the uplift in the property's valuation over this period. This is a great result for Investors.



### Financial Snapshot

<b>Fund Commencement Date</b>	4 Apr 2018
<b>Unit Price</b>	\$1.06 <sup>1</sup>
<b>Net Asset Backing</b>	\$1.01 <sup>2</sup>
<b>Distribution Rate (cents per unit)</b>	7.35 <sup>3</sup>
<b>Weighted Average Lease Expiry (WALE) (years)</b>	7.53 <sup>4</sup>
<b>Next investor vote on term of fund</b>	4 Apr 2023

1 As at 31 December 2020.

2 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 remain at \$1.01.

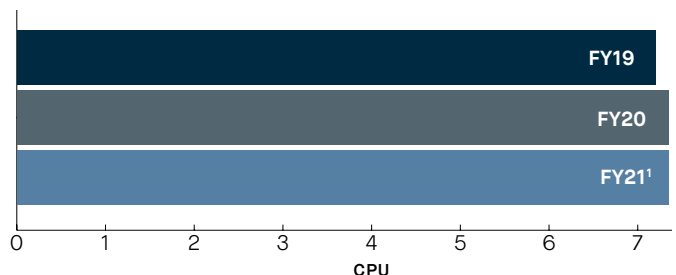
3 March 2021 quarter, annualised.

4 As at 28 February 2021.

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

### Distribution Details

#### Annualised Distribution



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

Centuria is pleased to confirm the forecast distribution rate remains at 7.35 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.

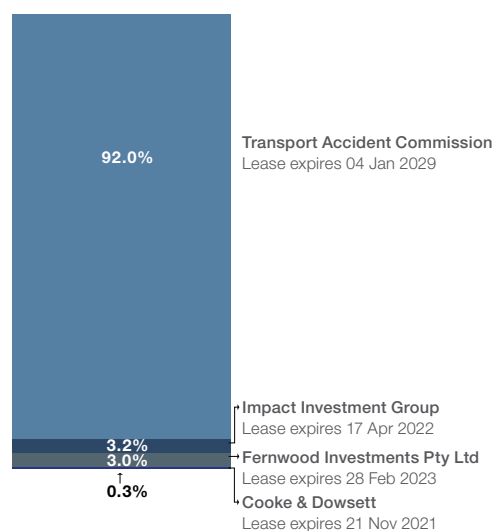
## Property Details

### Asset Values

Property Address	60 Brougham Street, Geelong, VIC
Purchase Price (Apr 18)	\$115.25m
Previous Valuation – Directors (Jun 20)	\$121.0m
Current Valuation (Dec 20)	\$128.1m
Cap Rate (Dec 20)	6.00%
Valuer	M3 Property

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

## Top Tenants by Net Lettable Area (NLA)



## Leasing

The property is 98.5% occupied with a Weighted Average Lease Expiry (WALE) by income of approximately 7.53 years as at 28 February 2021.

The Transport Accident Commission (TAC, 14,816sqm or 92% by area) had vacated its tenancy during the COVID-19 pandemic and is now commencing a staged reoccupation of the building. We are pleased to report that Centuria was able to achieve cost savings for the recarpeting and repainting of TAC's tenancy (a required incentive obligation) by completing these works during the tenant's absence and within 'business hours' (rather than after hours). TAC has continued to pay full rent during this period.

## Property Statistics

	Initial <sup>1</sup>	Jun 20	Dec 20
Net Asset Backing	\$0.89	\$0.92	\$1.01
Portfolio Occupancy Rate	100%	98%	98%
Weighted Average Lease Expiry (WALE) (years)	10.3	8.2	7.7

<sup>1</sup> Based on the Product Disclosure Statement as at 5 February 2018.

## Debt Summary

	Current Period	Loan Covenants
Total Facility Limit	\$57.5m <sup>1</sup>	
Undrawn Amount	\$4.94m <sup>1</sup>	
Loan Expiry	29 Mar 2023	
% of Debt Hedged	98.7% <sup>2</sup>	
Loan to Value Ratio (LVR)	41.03% <sup>3</sup>	57.5%
Interest Cover Ratio (ICR)	6.20 <sup>4</sup>	2.00

<sup>1</sup> As at 28 February 2021.

<sup>2</sup> Fund's drawn debt fixed until 29 December 2021.

<sup>3</sup> The LVR is based on the most recent independent valuation as defined under the debt facility agreement.

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

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](http://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](http://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](mailto:Property.Enquiry@CenturiaInvestor.com.au).