

Centuria

Fund Update September 2022 Centuria Geelong Office Fund

(ARSN 623 696 800)

Key Points

- FY23 distribution forecast has remained stable at 7.50 cpu (annualised).
- 30 June 2022 Net Asset Backing confirmed at \$1.12 per unit, showing an increase of \$0.01 per unit from 31 December 2021.
- The property is 98% occupied with a weighted average lease expiry (WALE) of approximately 6.26 years.
- Conversion of the ground floor cafe is complete, and leases with West VIC and Parliament of Victoria have been executed.

Fund Summary

The FY23 distribution forecast for the **Centuria Geelong Office Fund** (Fund) has been confirmed at 7.50 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**.

Following a concerted leasing campaign, we are pleased to report that Shop 12 (ex-café area / 222 sqm) has been converted and refurbished as office space, and leases have been signed across both tenancies. This leasing traction is an excellent result for the Fund, following a targeted leasing campaign run by Centuria.

Approximately 93% of the Fund's drawn debt is hedged at 0.59% until March 23, providing protection from a rising interest rate environment. The Fund term expires in April 2023, and Centuria will provide an out of cycle update in coming months regarding the future strategy of the Fund.

The 30 June 2022 audited financial report is now available to download from our online investor portal at **CenturiaInvestor.com**. The report confirms the Fund's NAB per unit increased from \$1.11 (as at 31 December 2021) to \$1.12 (as at 30 June 2022). The minor increase in NAB has been driven by positive fair value movement of the Fund's mark-to-market swap rate.



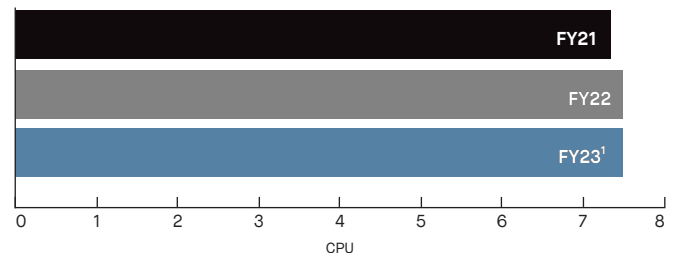
Financial Snapshot

Fund Commencement Date	4 April 2018
Unit Price	\$1.14 ¹
Net Asset Backing	\$1.12 ²
Distribution Rate (cents per unit)	7.50 ³
Weighted Average Lease Expiry (WALE) (years)	6.26 ¹
Next investor vote on term of Fund	Prior to 4 April 2023

As outlined in the Product Disclosure Statement, 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 over five years.

Distribution Details

ANNUALISED DISTRIBUTION



1. FY23 forecast.

The distribution forecast for the 2023 financial year has remained stable at 7.50 cents per unit (annualised). The Fund benefits from a strong hedging position, with 93% of its drawn debt hedged until March 2023, however, 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.

1. As at 30 June 2022.

2. Based on most recent audited accounts (30 June 2022). Without the Mark to Market of the Fund's interest rate swap, the NAB of units in the Fund would be \$1.11.

3. September 2022 quarter annualised.

Property Details

ASSET VALUES	
Property Address	60 Brougham Street, Geelong, VIC
Purchase Price (Apr 18)	\$115.25m
Previous Valuation (Dec 21)	\$137.0m
Current Valuation (Jun 22)	\$137.0m
Cap Rate (Jun 22)	5.75%
Valuer	Director

The key metrics of the 30 June 2022 valuation are outlined in the table above, and the result of the 31 December 2022 valuation will be included within the March 2023 Fund Update.

Top Tenants by Net Lettable Area (NLA)

Transport Accident Commission Lease expires 4 Jan 2029	92.1%
Fernwood Investment Lease expires 28 Feb 2023	3.0%
Victorian Chamber of Commerce & Industry Lease expires 18 Apr 2027	1.4%
Parliament of Victoria Lease expires 31 Jan 2029	0.9%
WestVic Lease expires 28 Feb 2028	0.4%

Renovation works are currently being completed on the existing Impact Investments space (upper ground floor / 520 sqm). The renovation works will split the tenancy, accommodating a new lease over part of the area. The Fernwood Investments (3.0% by NLA) tenancy will become available at the end of the current lease expiry in February 2023. Management is proactively looking to prepare this space for refurbishment to maximise future leasing opportunities.

Property Statistics

	INITIAL ¹	DEC-21	JUN-22
Net Asset Backing	\$0.89	\$1.11	\$1.12
Property Occupancy Rate	100%	99%	98%
Weighted Average Lease Expiry (WALE) (years)	10.30	6.75	6.26

Debt Summary

	CURRENT PERIOD	LOAN COVENANTS
Total Facility Limit	\$57.5m ²	
Undrawn Amount	\$3.9m ²	
Loan Expiry	29 March 2023	
% of Debt Hedged	93.3% ³	
Loan to Value Ratio (LVR)	39.1% ⁴	57.5%
Interest Cover Ratio (ICR)	6.81 ⁵	2.00

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 30 June 2022, the Fund remains compliant with all covenants including the Interest Cover Ratio (ICR) and Loan to Value Ratio (LVR).

Centuria Investor Website

You can access all information relating to your Centuria investments at [CenturiaInvestor.com.au](https://www.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.

Note: The latest RG46 Statement for the Fund is available at [CenturiaInvestor.com.au](https://www.centuriainvestor.com.au). It includes gearing ratio (calculated using ASIC methodology), gearing covenant sensitivities, details of the related party transactions in the period and further information on the source of distributions.

1. Based on the Product Disclosure Statement dated 5 February 2018.
2. As at 30 June 2022.
3. As at 30 June 2022, Fund's drawn debt is hedged until 15 March 2023.
4. The LVR is as at 30 June 2022 and based on the most recent independent valuation as defined under the debt facility agreement.
5. The stated ICR figures are based on the most recent audited accounts (30 June 2022).

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