

Centuria

Fund Update
March 2022

Centuria Geelong Office Fund

(ARSN 623 696 800)

Key Points

- As at 31 December 2021, the Net Asset Backing (NAB) of units increased to \$1.11 per unit.
- The property is 99% occupied with a weighted average lease expiry (WALE) of approximately 6.75 years.
- Fund maintains robust distribution rate of 7.50 cpu (annualised) in line with the FY2022 forecast.
- Café area converted to office usage; lease executed on part of refurbished area.

Fund Summary

Distributions for the **Centuria Geelong Office Fund** (Fund) were paid in line with the FY2022 forecast of 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 refurbished into new office space. The ex-café area has been upgraded and split into two tenancies, with the Parliament of Victoria taking one suite and another tenant has executed a heads of agreement for the other suite.

In addition, 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. This leasing traction is an excellent result for the Fund, following a targeted leasing campaign run by Centuria.

The 31 December 2021 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 \$1.03 (as at 30 June 2021) to \$1.11 (as at 31 December 2021), predominately due to the uplift in the property's valuation during this period. The valuation improvement is a result of a tightening of the capitalisation rate applied by the valuer, reflective of investment appetite for well-located properties, with a long lease profiles, leased to creditworthy tenants.



Financial Snapshot

Fund Commencement Date	4 April 2018
Unit Price	\$1.14 ¹
Net Asset Backing	\$1.11 ²
Distribution Rate (cents per unit)	7.50 ³
Weighted Average Lease Expiry (WALE) (years)	6.75 ¹
Next investor vote on term of Fund	4 April 2023

1. As at 31 December 2021.

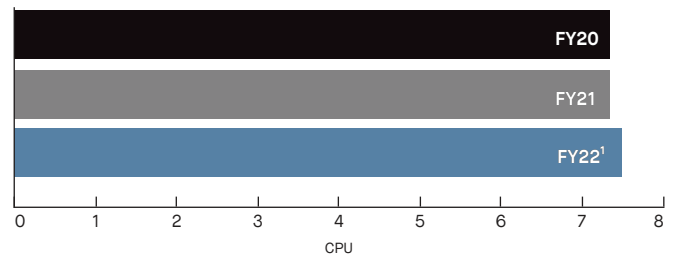
2. Based on most recent audited accounts (31 December 2021). Without the Mark to Market of the Fund's interest rate swap, the NAB of units in the Fund would be \$1.12.

3. March 2022 quarter annualised.

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. Forecast.

The distribution rate for the remainder of the 2022 financial year is forecast to remain at 7.50 cents per unit (annualised). Should there be any material departures from this forecast, an out of cycle Investor update will be provided.

Centuria will provide an update in June 2022 to confirm the forecast distribution rate for the 2023 financial year. Centuria will also consider interest rate forecasts, which may have an impact on the 2023 financial year distribution rate.

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 (Jun 21)	\$130.0m
Current Valuation (Dec 21)	\$137.0m
Cap Rate (Dec 21)	5.75%
Valuer	Cushman & Wakefield

The key metrics of the 31 December 2021 valuation are outlined in the table above, and the result of the 30 June 2022 valuation will be included within the September 2022 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%
Impact Investment Group Lease expires 17 Apr 2022	1.9%
Victorian Chamber of Commerce & Industry Lease expires 18 Apr 2027	1.3%
Parliament of Victoria Lease expires 31 Jan 2029	0.9%

Property Statistics

	INITIAL ¹	JUN-21	DEC-21
Net Asset Backing	\$0.89	\$1.03	\$1.11
Property Occupancy Rate	100%	99%	99%
Weighted Average Lease Expiry (WALE) (years)	10.30	7.15	6.75

1. Based on the Product Disclosure Statement dated 5 February 2018.

Debt Summary

	CURRENT PERIOD	LOAN COVENANTS
Total Facility Limit	\$57.5m ¹	
Undrawn Amount	\$4.4m ¹	
Loan Expiry	29 March 2023	
% of Debt Hedged	94.1% ²	
Loan to Value Ratio (LVR)	38.8% ³	57.5%
Interest Cover Ratio (ICR)	5.75 ⁴	2.00

1. As at 31 December 2021.

2. As at 31 December 2021, Fund's drawn debt is hedged until 15 March 2023.

3. The LVR is as at 31 December 2021 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 2021).

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 2021, 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.

Disclaimer: Issued by Centuria Property Funds Limited, ABN 11 086 553 639, holder of AFSL 231 149. The information in this document is general information only and does not take into account your personal financial circumstances, needs or objectives. We recommend you speak with your financial and/or taxation advisor before making any decisions in relation to your investment.