

Centuria

Fund Update
March 2022

Centuria SOP Fund



Key points

- Bluewealth Property executes 5-year lease to March 2027 (7.5% by NLA).
- MiHelp Group (2.4% by NLA) and Lending Connect (2.6% by NLA) execute 3-year leases on ground floor.
- Costco Wholesale Foods (9.4% by NLA) and Veris Australia (11.7% by NLA) negotiate for short term lease extension.
- Fund maintains distribution rate of 6.50 cpu (annualised) in line with the FY2022 forecast.
- The property is 100% occupied with a weighted average lease expiry (WALE) of approximately 3.12 years.

Fund summary

Distributions for the **Centuria SOP Fund** (Fund) were paid in line with the FY2022 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.

We are pleased to report that following the execution of new leases on the ground floor, to MiHelp Group (2.4% by NLA) and Lending Connect (2.6% by NLA), the property is now 100% occupied. Costco Wholesale Foods occupies a suite on level 2 (9.4% by NLA) and subleases a suite on level 5 from Veris Australia (11.7% by NLA). Costco have sought a short-term extension to September 2023, for both suites, prior to vacating to their own (purpose built) premises.

Centuria is pleased to report the Fund's NAB per unit, based on audited management accounts, has increased from \$1.14 (as at 30 June 2021) to \$1.15 (as at 31 December 2021). The improvement is a result of an increase to the valuation, partially offset by incentive payments for Western Sydney University drawn from debt.

Financial snapshot

Fund Commencement Date	11 May 2017
Net Asset Backing	\$1.15 ¹
Distribution Rate (cents per unit)	6.50 ²
Weighted Average Lease Expiry (WALE) (years)	3.12 ³
Next investor vote on term of Fund	11 May 2022

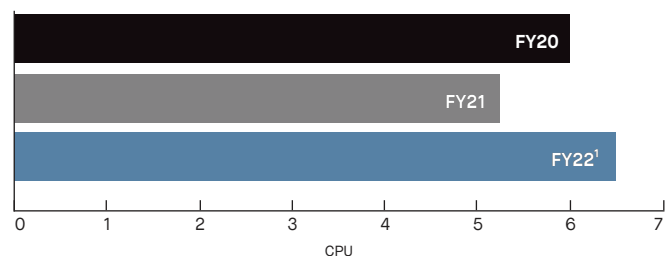
1. Based on most recent audited accounts (31 December 2021). Without the Mark to Market of the Fund's interest rate swap, the NAB of units in the Fund would be \$1.15.

2. March 2022 quarter annualised.

3. As at 31 December 2021.

Distribution details

ANNUALISED DISTRIBUTION



1. FY2022 Forecast

The distribution rate for the remainder of the 2022 financial year is forecast to remain at 6.50 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.

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	8 Australia Avenue, SOP, NSW
Purchase Price (Jun 17)	\$44.8m
Previous Valuation (Jun 21)	\$52.0m
Current Valuation (Dec 21)	\$53.0m
Cap Rate (Dec 21)	5.75%
Valuer	Colliers International

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 five tenants by net lettable area (NLA)

Western Sydney University Lease expires 31 Oct 2026	37.2%
Toll Transport Lease expires 28 Feb 2024	18.7%
Veris Australia Lease expires 30 Sep 2022	11.7%
Costco Wholesale Foods Lease expires 10 Nov 2022	9.4%
Bluwealth Property Lease expires 31 Mar 2027	7.5%

The property is 100% occupied with a weighted average lease expiry of approximately 3.12 years as at 31 December 2021.

The Sydney Olympic Park market recorded positive net absorption over the quarter. The decline in headline vacancy over the quarter was a result of several major tenant take-ups (>1,000sqm) including NSW Ambulance (17,000 sqm at 10 Dawn Fraser Avenue) and Lion Nathan expansion (1,766 sqm at Murray Rose Avenue).

Property statistics

	INITIAL ¹	JUN-21	DEC-21
Net Asset Backing	\$0.90	\$1.14	\$1.15
Property Occupancy Rate	88%	97%	100%
Weighted Average Lease Expiry (WALE) (years)	3.53	3.11	3.12

1. Based on the Investment Memorandum/30 June 2017 Financial Accounts

Debt summary

	CURRENT PERIOD	LOAN COVENANTS
Total Facility Limit	\$23.0m ¹	
Undrawn Amount	\$4.6m ¹	
Loan Expiry	18 Aug 2025	
% of Debt Hedged	100%	
Loan to Value Ratio (LVR)	34.70% ²	57.5%
Interest Cover Ratio (ICR)	4.78 ³	2.00

1. As at 31 December 2021.

2. The LVR is as at 31 December 2021 and based on the most recent independent valuation as defined under the debt facility agreement.

3. The stated ICR figures are based on the most recent 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.