

Centuria

Fund Update
March 2023

Centuria Healthcare Medical Development Fund No.1

Key points

- As at 31 December 2022, the Fund's Net Asset Value (NAV) is \$0.7800 per unit¹
- Discussions are continuing with the anchor tenant - a joint venture between local doctors and a hospital operator
- The hospital operator is willing to progress commercial negotiations, albeit with a reduced number of doctors

Fund summary

Leasing update

Leasing discussions with the proposed anchor tenant - a joint venture between an established and well capitalised hospital operator and a local doctor group - remain protracted but are progressing.

During the quarter, we were advised that the Board of the hospital operator was willing to progress commercial negotiations with the existing group of local doctors (approximately 18). This is a positive step, as the hospital operator would ordinarily require commitment from a higher number of doctors to progress the business case to the next stage.

The hospital operator requires the doctors to make an investment into the joint venture, to show financial commitment and alignment. The Manager is still working with the doctors, as well as its advisors, to ensure this happens expeditiously.

Simultaneously, the Manager and Pikos (Project Partners) are continuing discussions with the hospital operator regarding its hospital fitout brief and commercial lease terms for its proposed occupancy of approximately 29% of the to-be developed property.

Following the finalisation of doctor commitments, the anchor tenant will be in a position to confirm its lease terms at the property which will be documented in the Agreement for Lease (AFL).

Leasing agent

The Manager and its Project Partners has selected Franz Stapelberg of Ray White Commercial Trade Coast as the exclusive leasing agent for the to-be developed property. Franz Stapelberg specialises in sales and leasing of medical properties, predominantly in Queensland. An on-market leasing campaign for the balance net lettable area of the property will commence imminently.



Liquidity

The Manager maintains its focus in achieving a liquidity event for all Fund investors as soon as practically possible. Subject to further analysis and discussions with Fund investors, the Manager is seeking to provide a liquidity option subject to (among other conditions) the satisfaction of the following remaining conditions:

- All development and planning approvals have been obtained (including any preliminary hospital licence approvals required by the proposed anchor tenant);
- agreements for lease have been obtained covering 65% of the property's forecast net property income; and
- terms of a construction contract have been agreed.

A high-level program is as follows:

ITEM	STATUS	INFORMATION MEMORANDUM	ANTICIPATED DATE
Development Application Approval	Completed	Dec 2017	Mar 2019
MID Approval	Completed	N/A	Apr 2021
Commencement of Construction	Not Commenced	Jul 2017	TBA
Practical Completion	Not Commenced	Sept 2018	TBA
Expiry of Investment Term	Progressing	Jun 2019	TBA ²

Financial snapshot

Fund commencement date	11 April 2017
Net asset value (NAV) (\$ per unit)	\$0.7800 ³
Investor equity (drawn)	\$15.25m

1. Based on unaudited accounts as at 31 December 2022. Above image is an architect's vision.

2. The expiry of the investment term is dependent on a number of factors, including the type of sale (as-is, fund-through or turn-key) and whether a rental guarantee is agreed with the buyer of the property.

3. Based on unaudited accounts as at 31 December 2022. Past performance is not a reliable indicator of future performance.

Property details

Property Addresses	52-64 Annerley Road, Woolloongabba QLD
Independent Valuation	\$13.5m
Independent Valuation Date	24 July 2021
Valuer	Preston Rowe Paterson

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**.

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