

Centuria

Fund Update
March 2024

Centuria 111 St Georges Terrace Fund

(ARSN 098 126 660)

Key points

- As at 31 December 2023, the Net Asset Backing of the Fund was \$3.56 per unit.
- Forecast distributions continue at 12.50 cpu for FY2024.
- 1,325 sqm (7.0% by NLA) of new leasing and renewals completed for the period.
- Weighted Average Lease Expiry (WALE) 3.95 years (by income).

Fund summary

Distributions for the **Centuria 111 St Georges Terrace Fund** for FY2024 were paid in line with forecast at 12.50 cent per unit (annualised). Distribution statements can be accessed from our online investor portal at CenturiaInvestor.com.au.

Management is pleased to provide an update on the property's ongoing performance, with lease negotiations progressed on an additional 1,325 sqm (or 7% by NLA) of the building since the last update in September, resulting in a WALE of 3.95 years (by income) as at 31 March 2024.

Regarding the recent leasing activities, both speculative suites delivered in July have been leased. As previously reported, one suite has been let to Ebury (241 sqm or 1.3% by NLA), and the most recent was leased to U Group (264 sqm or 1.4% by NLA), a data analytics company for the retail industry.

The balance lease negotiations have been renewals, including Talent Quarter (229.2 sqm or 1.2% by NLA) for a term of 5 years, Bank Of Queensland (170 sqm 0.9% by NLA) for a term of 7 years, Hoperidge Advisors (155 sqm or 0.8% by NLA) for a term of 3 years, and Consep (153 sqm or 0.8% by NLA) for a term of 5 years. The combination of these renewals has contributed to upholding a robust WALE.



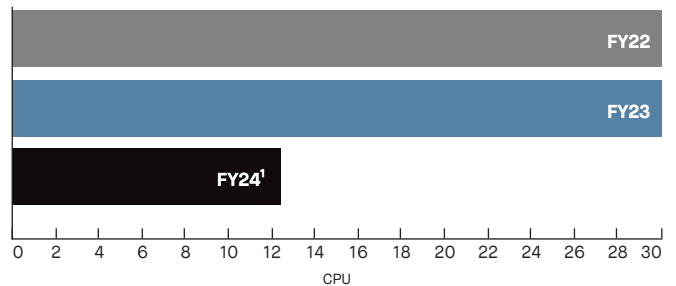
Financial snapshot

Fund commencement date	31 January 2002
Net Asset Backing	3.56 ¹
Distribution rate (cents per unit)	12.50 ²
Weighted average lease expiry (WALE) (years) by Income	3.95 ³
Fund Term Expiry	31 January 2027

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.

Distribution details

ANNUALISED DISTRIBUTION



1. Forecast (annualised).

The forecast distribution rate for the remainder of FY2024 is forecast at 12.50 cents per unit (annualised). This forecast reflects the forecast performance of the Fund and assumes there are no significant unforeseen capital costs and no material changes to the Fund's financial obligations. Should there be any material departures from this forecast, an out of cycle investor update will be provided.

Management is in the process of preparing FY2025 budgets. Although formal confirmation will follow, given the Fund's stable income profile, it is anticipated that there will be no significant alterations to the forecast distribution rate. It's crucial to emphasise that this is merely an indicative forecast, and any significant alterations to the underlying assumptions will impact the forecast distribution rate, which will be communicated to investors in due course.

1. Net Asset Backing = Net Assets divided by the number of Units on Issue. For investment structures where the Units on Issue are not reflective of the dollar value of investments (i.e. Syndicates), Net Assets are divided by the original investor equity contribution in dollar terms. Net Assets are adopted from Balance Sheets as at 31 December 2023.
2. March 2024 quarter annualised.
3. As at 31 March 2024.

Property details

ASSET VALUES	
Property address	111 St Georges Terrace, Perth WA
Purchase price (Jul 02)	\$42.50m ¹
Previous valuation (Jun 23)	\$158.00m
Current valuation (Dec 23)	\$156.00m
Cap rate (Dec 23)	7.00%
Valuer	Director

The property was subject to an independent valuation as at 30 June 2023 to align with Centuria Valuation Policy. The most recent valuation was a director's valuation and as at 31 December 2023, there was a \$2.0 million reduction in valuation to \$156.0 million. The valuation adopted an increase to market rent reflective of the recent leases negotiated Ebury and U Group which largely offset a 25 basis point softening of the capitalisation rate to 7.00%.

Top five tenants by net lettable area (NLA)

WA Industrial Relations Commission Lease expires 30 Jun 2030	20.5%
Commonwealth of Australia Lease expires 30 Nov 2032	17.8%
Bank of Queensland Limited Lease expires 31 Jul 2029	10.2%
21st Century Lease expires 30 Nov 2027	5.1%
NEC Australia Pty Ltd Lease expires 31 Jul 2027	5.1%

Property statistics

	SEP-23	MAR-24
Net Asset Backing	3.77 ²	3.56 ³
Property occupancy rate	95%	94%
Weighted average lease expiry (WALE) (years) by Income	4.32	3.95

Debt summary

	CURRENT PERIOD	LOAN COVENANTS
Total facility limit	\$90.00m	
Undrawn amount	\$2.86m ⁴	
Loan expiry	30 June 2025	
% of debt hedged	50.0% ⁵	
Loan to value ratio (LVR)	57.7% ⁶	60.0%
Interest cover ratio (ICR)	2.00 ⁷	1.75

As at 31 March 2024, the cash rate stood at 4.35%. The Fund debt facility is hedged 50% of its drawn debt at a rate of 3.64% (in addition to the bank margin of 1.55%), resulting in 0.71% advantage for the cost of the debt. This hedge offers part protection against interest rate fluctuations until its expiration in June 2025. Management continues to review the Fund's debt facility to determine if further interest rate hedging will be implemented.

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 forecasts as at 31 December 2023, the Fund remains compliant with all covenants including the Interest Cover Ratio (ICR) and Loan to Valuation Ratio (LVR).

Centuria investor website

You can access all information relating to your Centuria investments at centuriainvestor.com.au.

Contact details

If you have any questions about your Fund Update, please contact the WA Centuria Investor Services team; Anthony Hewett or Jason Battaglia by calling **(08) 9321 7133** or emailing contactus@centuria.com.au.

Note: The latest RG46 Statement for the Fund is available at 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. Acquisition price excludes purchaser on costs.
2. As at 31 December 2022.
3. As at 31 December 2023.
4. As at 31 March 2024.
5. As at 31 March 2024, 50% of the Trust's debt is hedged until June 2025.
6. The LVR is based on the most recent independent valuation as defined under the debt facility agreement.
7. Based on the most recent audited accounts as at 31 December 2023.

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.