

Centuria

Fund Update
September 2024

Centuria 111 St Georges Terrace Fund

(ARSN 098 126 660)

Key points

- As at 30 June 2024, the Net Asset Backing of the Fund was \$3.68 per unit.
- Forecast distributions will reduce to 7.50 cpu for FY2025.
- 1,337sqm (7.10 % by NLA) of new leasing and renewals completed FY2024.
- Weighted Average Lease Expiry (WALE) 3.50 years (by income).

Fund summary

Distributions for the **Centuria 111 St Georges Terrace Fund** for FY2025 are forecast at 7.50 cent per unit (annualised). Distribution statements can be accessed from our online investor portal at CenturiaInvestor.com.au.

Reflecting on FY2024, Management successfully executed 1,337sqm (7.10% by NLA) of new leasing agreements, welcoming four new tenants: Ebury Partners, Progresciv, U-Group, and Lead Asset Management. Additionally, lease renewal negotiations were completed with Fusion 5, Fragomen, and Concep. Each of the new leases are for a 5-year term with an average incentive of 47.0%, while the renewed leases range from 3 to 5 years with an average incentive of 30%. These new leases and renewals have significantly contributed to maintaining a strong WALE of 3.50 years (by income).

Building occupancy stands at 90%, with only four suites vacant, totalling 1,915sqm (10% by NLA). Management plans to undertake speculative fitouts during FY2025 and complete a warm shell on level 3. Further leasing of these suites will prompt refurbishment of the remaining vacant spaces. Due to rising construction costs and limited cash reserves, a staged approach will be adopted.

During FY2024, the final stage of the Building Management System upgrade was completed. This essential project spanned two financial years and ensures the ongoing and efficient operation of the building's electrical and mechanical services, including early fault detection.



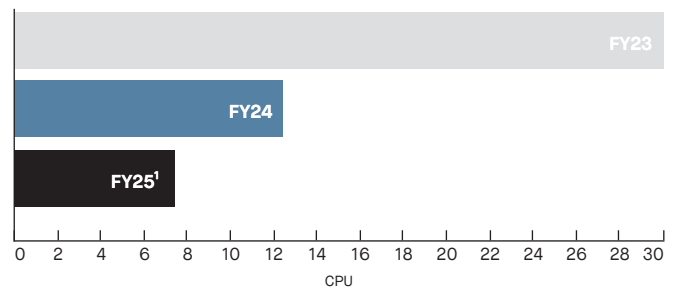
Financial snapshot

Fund commencement date	31 January 2002
Net Asset Backing	3.68 ¹
Distribution rate (cents per unit)	7.50 ²
Weighted average lease expiry (WALE) (years) by Income	3.50 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 the 2025 financial year is forecast at 7.50 cents per unit (annualised). This forecast distribution rate 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.

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 30 June 2024.
2. September 2024 quarter annualised.
3. As at 30 September 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 (Jun 24)	\$161.00m
Cap rate (Jun 24)	7.00%
Valuer	Savills

The property was subject to an independent valuation as at 30 June 2024 to align with Centuria Valuation Policy. The valuation as at reflected \$161.0 million which was an increase from the last valuation of \$156.0 million; a director valuation as at 31 December 2023. The increase was driven by new deals reflected resulting in improved occupancy from 87.8% to 91.4%. In addition office market rents increased circa \$10 psm in line with new deals from \$580 psm - \$675 psm to \$600 psm - \$665 psm. The capitalisation rate remained unchanged at 7.00%.

Top five tenants by net lettable area (NLA)

WA Industrial Relations Commission Lease expires 30 Jun 2030	15.4%
Administrative Review Tribunal Lease expires 31 Dec 2026	12.7%
Bank of Queensland Limited Lease expires 30 Apr 2030	11.1%
Conference House (Perth) Pty Ltd Lease expires 31 Oct 2027	5.2%
Fair Work Commission Lease expires 30 Nov 2032	5.1%

Property statistics

	MAR-24	SEP-24
Net Asset Backing	3.56 ²	3.68 ³
Property occupancy rate	94%	90%
Weighted average lease expiry (WALE) (years) by Income	3.95 ⁴	3.50 ⁵

Debt summary

	CURRENT PERIOD	LOAN COVENANTS
Total facility limit	\$90.00m	
Undrawn amount	\$1.46m ⁵	
Loan expiry	30 June 2025	
% of debt hedged	50.0% ⁶	
Loan to value ratio (LVR)	55.9% ⁷	60.0%
Interest cover ratio (ICR)	1.97 ⁸	1.75

As at 30 September 2024, the cash rate stood at 4.35%. The Fund's debt facility has 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 30 June 2024, 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](https://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 2023.

3. As at 30 June 2024.

4. As at 31 March 2024.

5. As at 30 September 2024.

6. As at 30 September 2024, 50% of the Trust's debt is hedged until June 2025.

7. The LVR is as at 30 September 2024 and based on the most recent independent valuation as defined under the debt facility agreement.

8. Based on the most recent audited accounts as at 30 June 2024.

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