

Centuria

Fund Update September 2024 Centuria ATP Fund

(ARSN 610 104 320)

Key points

- Following settlement of 1 Central Avenue, \$0.53 per unit return of capital made in August 2024.
- All original equity now returned to investors.
- Forecast distributions for August 2024 confirmed at 4.50 cents per unit (annualised).
- Last asset is on the market for sale.

Fund summary

Distributions for the **Centuria ATP Fund** (Fund) were paid at 4.50 cents per unit (annualised) for the months of August and September 2024, however the July 2024 distribution made prior to the sale of 1 Central Avenue, South Eveleigh NSW (Biomed Building) was 9.25 cents per unit. This is in line with the forecast for the 2025 financial year and the corresponding distribution statement for the Fund can be accessed from our online investor portal at CenturiaInvestor.com.au.

As outlined within recent correspondence, the last asset in the Fund, 13 Garden Street, South Eveleigh NSW (Data61/CSIRO Building), has been placed on the market for sale via an expressions of interest campaign that closed on 3 October 2024. Depending on the outcome, we will write to investors separately providing an update on this process towards the end of October or early November.

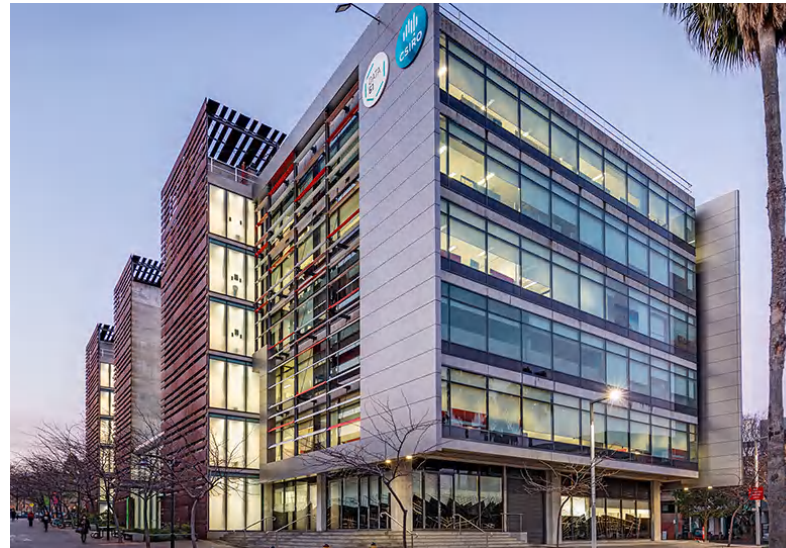
Market overview

- During the June 2024 quarter, prime grade net absorption within the Sydney Fringe office market was recorded at 17,400 sqm, which reduced the vacancy rate in this stock by 0.6% to 12.7%.
- As a result, the Fringe still has the lowest vacancy rate out of the 10 Sydney markets tracked by JLL Research.
- Given the limited supply pipeline with only 43,850 sqm anticipated to be delivered between now and 2026, the outlook for rental growth remains positive.
- Prime yields softened further to a range of now between 6.00% and 7.25% (midpoint 6.63%), however are expected to stabilise during 2025 before tightening over the following two years.

Source: JLL Research

30 June 2024 Net Asset Backing

The 30 June 2024 audited financial report is now available to download from the online investor portal at CenturiaInvestor.com.au. The report confirms the Net Asset Backing (NAB) of units in the Fund decreased from \$1.92 (as at 31 December 2023) to \$1.89 (as at 30 June 2024), which was primarily driven by sales costs and a reduction in the valuation of the Fund's remaining property located at 13 Garden Street,



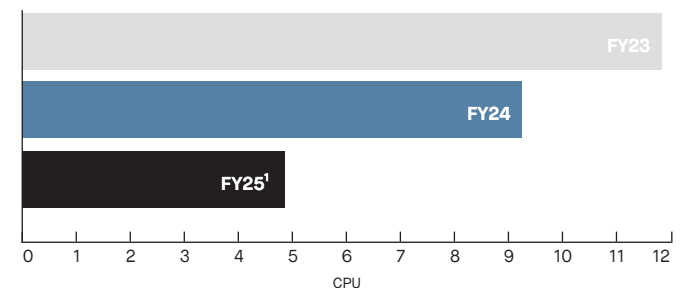
South Eveleigh NSW (Data61/CSIRO Building), which showed a minor reduction of \$500,000 to \$127.0 million. Please note, this does not take into consideration the \$0.53 per unit early return of capital made in August 2024 after the sale of 1 Central Avenue, South Eveleigh NSW (Biomed Building).

Financial snapshot

Fund commencement date	22 April 2016
Net asset backing	\$1.36 ¹
Distribution rate (cents per unit)	4.50 ²
Weighted average lease expiry (WALE) (years)	2.7 ³
Next investor vote on term of Fund	22 April 2025

Distribution details

ANNUALISED DISTRIBUTION



1. Forecast (annualised).

The distribution rate of 4.50 cents per unit (annualised) for August and September 2024 is in line with the 2025 financial year forecast. However, this rate reflects the current performance of the Fund. It is predictive in nature and is subject to assumptions, risks and circumstances (both known and unknown) outside of the control of the Fund, including that all tenants will satisfy their contractual obligations under their respective leases within a timely manner. The forecast also assumes there are no significant unforeseen capital costs and no material changes to the Fund's financial obligations. The actual distributions may differ from the forecast figures.

1. Based on the most recent audited accounts as at 30 June 2024 and after the \$0.53 per unit return of capital made in August 2024.

2. December 2024 quarter, annualised.

3. As at 30 June 2024.

Property details

Property Address	13 Garden St, South Eveleigh NSW
Purchase Price (Apr 16)	\$62.0m
Previous Valuation - Directors' (Dec 23)	\$127.5m
Current Valuation (Jun 24)	\$127.0m
Cap rate (Jun 24)	6.13%
Valuer	Urbis

The property was subject to an independent valuation for the purposes of the 30 June 2024 audited financial report and the key metrics of this valuation are outlined in the table above.

Top tenants by net lettable area (NLA)

Data61/CSIRO Lease expires 30 Jun 2026	53%
Commonwealth of Australia (Dept. of Defence) Lease expires 31 Mar 2028	44%
Civil and Civic Group Lease expires 30 Jun 2028	2%

Unfortunately, there is no further update on the intentions of Data61/CSIRO and an outcome is now anticipated towards the end of the 2024 calendar year. However, pleasingly, the Department of Defence has also expressed preliminary interest in potentially taking additional space within the building. We will advise investors as soon as there are any material updates and in order to mitigate the impending lease expiry risk, the tenancy continues to be actively marketed for lease.

Portfolio statistics

	INITIAL ¹	DEC-23	JUN-24
Net asset backing	\$0.94	\$1.92	\$1.89
Portfolio occupancy rate	100%	99%	100%
Weighted average lease expiry (WALE) (years)	4.8	4.7	2.7

Debt summary

	CURRENT PERIOD	LOAN COVENANTS
Total facility limit	\$63.5m	
Undrawn amount	\$21.3m ²	
Loan expiry	22-Apr-25	
% of debt hedged	59.8% ³	
Loan to value ratio (LVR)	33.3% ⁴	60.0%
Interest cover ratio (ICR)	1.94 ⁵	1.75

Following the sale of 1 Central Avenue, South Eveleigh (Biomed Building), the Fund's drawn debt has been reduced by \$72.25 million to \$42.25 million and approximately 59.8% has been hedged at a fixed rate of 4.54% p.a. (in addition to the bank margin of 1.70% p.a.) until 15 March 2025.

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 30 June 2024, the Fund remained 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 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://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.

- Based on the Product Disclosure Statement dated 1 February 2016.
- As at 31 August 2024.
- The Fund's drawn debt is 59.8% hedged until March 2025.
- The LVR is as at 31 August 2024 and based on the most recent independent valuations as defined under the debt facility agreement.
- The stated ICR figures are based on the most recent audited accounts as at 30 June 2024.

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