

COF June 2020 Valuation and Portfolio Update

- Solid portfolio rent collection averaging 89% throughout the COVID-19 affected period to date
- Resilient property portfolio revaluations with an estimated decrease of 1.1% on prior book values
- FY20 Results to be announced 5 August 2020

SYDNEY (Thursday 2 July 2020) - Centuria Property Funds Limited (**CPFL**), as Responsible Entity for the Centuria Office REIT (**COF**), today announced the following valuation and portfolio update.

Grant Nichols, COF Fund Manager, said, "The COF portfolio has been very resilient during this uncertain COVID-19 affected trading period. As Australia's largest domestic, pure-play office REIT our high-quality assets provide well-positioned, affordable accommodation solutions, which will remain attractive options for tenants into the future."

"The portfolio entered the COVID-19 period in a strong position. We believe it will remain healthy due to its high occupancy rates, quality tenant covenants, and attractive value proposition at a time when tenants are focused on their operating costs. The medium to long-term outlook for high-quality office assets remains positive, driven by continued investor demand for income producing investments in this low interest rate environment."

Preliminary Valuation Update

External valuations on 13 of 23 properties within COF's portfolio, representing 55.7% by value, were completed as at 30 June 2020. The remaining properties were subject to internal or Director's valuations. Combined, these valuations indicate an estimated decrease in portfolio value of \$21.9m or 1.1% compared to the preceding book value.

The decrease in value is primarily the result of valuers adopting lower growth rates, with increased downtime and incentives. The weighted average capitalisation across the portfolio is broadly unchanged. Where relevant, valuers incorporated ongoing rent relief claims related to the National Code of Conduct on Commercial Leases. These valuations remain subject to finalisation and audit.

Revenue Impacts from COVID-19

COF's portfolio rent collection has remained robust throughout the COVID-19 affected period to date. From April 2020 to June 2020 rent collection has averaged 89%. Included within the outstanding rent is agreed and pending rent relief claims related to the National Code of Conduct on Commercial Leases. COF continues to work with tenants adversely impacted by COVID-19¹.

Foxtel Lease Surrender

COF secured a commercial agreement with Foxtel to surrender its lease at 35 Robina Town Centre Drive, Robina, QLD. As part of the surrender, COF will receive a surrender payment equivalent to the rent payable under the remaining Foxtel lease term discounted to present day. Existing sub-tenants, representing 23.3% of the building NLA, will convert to direct leases. The lease surrender provides another opportunity to utilise Centuria's strong leasing capabilities to reposition the asset and minimise potential downtime.

FY20 Reporting Date

COF's full year financial results will be announced on Wednesday 5 August 2020 and will include further details relating to individual property valuations.

– Ends –

For more information or to arrange an interview, please contact:

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¹ As COVID-19 impacts and the Code remain active, it is possible further rent relief claims could be received for the April 2020 to June 2020 period.

Centuria Office REIT (COF) ASX Announcement

Centuria

Authorised for release by Anna Kovarik, Company Secretary.

About Centuria Office REIT

COF is Australia's largest ASX listed pure play office REIT and is included in the S&P/ASX300 Index. COF owns a portfolio of high quality assets situated in core office markets throughout Australia. COF is overseen by a hands on, active manager and provides investors with income and the opportunity for capital growth from a pure play portfolio of high-quality Australian office assets.

Centuria Property Funds Limited (CPFL) is the Responsible Entity for the ASX listed Centuria Office REIT (COF). CPFL, is a wholly owned subsidiary of Centuria Capital Group (CNI). CNI is an ASX-listed specialist investment manager with \$7.2 billion in total assets under management and offers a range of investment opportunities including listed and unlisted property funds as well as tax-effective investment bonds.

www.centuria.com.au