

Citi Australia and New Zealand Investment Conference Presentation

SYDNEY (Thursday, 15 October 2020) - Centuria Property Funds Limited (**CPFL**), as Responsible Entity of Centuria Office REIT (**ASX: COF**), provides a presentation that will be used at the Citi 12th Annual Australian and New Zealand Investment Conference.

– Ends –

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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 \$9.5 billion¹ 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

¹ Subject to the completion of asset acquisitions in Centuria Healthcare Property Fund (CHPF)



Citi Australia & New Zealand Investment Conference

● ASX:COF

15 Oct 2020

Centuria Office REIT

Centuria

COF is aligned to a highly experienced real estate funds manager (ASX:CNI) Centuria

Market capitalisation¹ of **\$1.2bn**, included in the S&P/ASX300 Index



Note: All figures above are in Australian dollars (currency exchange ratio of AU\$1.000:NZ\$1.0823). Numbers presented may not add up precisely to the totals provided due to rounding

1. Based on CNI closing price at 9 October 2020

2. Centuria AUM as at 30 June 2020, Augusta AUM as at 31 March 2020. Includes CIP acquisitions announced after 30 June 2020 and CHPF announced 28 August 2020

3. Based on the respective close prices for COF and CIP at 9 October 2020. Includes ownership by associates of Centuria Capital Group

COF Key metrics – Australia's largest ASX-listed pure play office REIT Centuria

PORTFOLIO



23

High quality assets



\$2.1bn

Portfolio value



95.9%

Portfolio occupancy¹



4.5yrs

Portfolio WALE²

FINANCIAL



8.1%

Forecast FY21
DPU yield³



Distribution paid in
equal quarterly
instalments



34.5%

Gearing⁴



\$131.0m

Undrawn debt⁵

1. By area
2. Weighted Average Lease Expiry (WALE) by gross income
3. Based on COF closing price of \$2.04 per unit on 30 September 2020
4. Gearing is defined as total borrowings less cash divided by total assets less cash and goodwill

5. Undrawn capacity exclude a \$1.5m bank guarantee held as security over the 46 Colin Street, West Perth WA ground lease

All figures are as at 30 September 2020 unless stated otherwise



VISION

To build **Australia's leading pure play office REIT**

A CLEAR AND SIMPLE STRATEGY

Focused on generating sustainable and **quality income streams** and executing initiatives to **create value across** a portfolio of quality Australian office assets

COF is

Australia's largest domestic ASX-listed pure play office REIT	Overseen by an active management team with deep real estate expertise	Prudently managing its balance sheet to position for further growth	Strongly supported by Centuria Group
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KEY OBJECTIVES

Portfolio Construction	Active Management	Capital Management	Unlock opportunities to create further value
A portfolio of quality Australian office assets diversified by geography, tenants and lease expiry	Primarily focused on maintaining occupancy and extending portfolio WALE	A robust and diversified capital structure, with appropriate gearing	Continue to enhance the portfolio and upgrade asset quality

COF provides quality, highly connected and affordable office space

Centuria

A portfolio positioned to meet changing tenant demand



COF has no single market concentration

Connectivity with key transport nodes & reduced commute time



Access to recreational amenity, essential retail & hospitality

COF's average building age is c.16 years



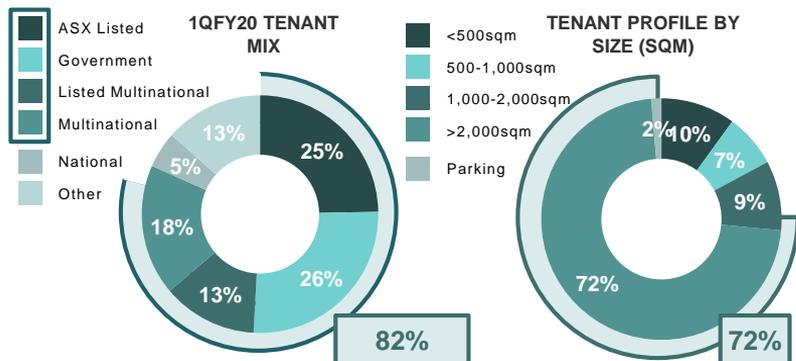
COF exposed market rents average a significant discount to Sydney CBD



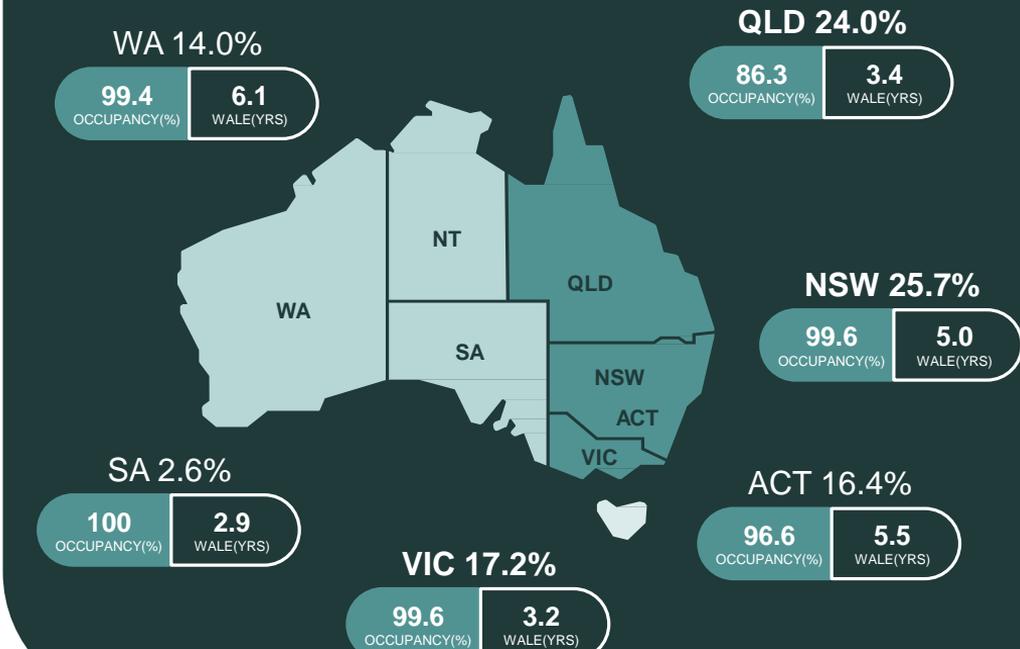
COF - A high-quality pure play office portfolio

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PORTFOLIO SNAPSHOT		1QFY21
Number of assets	#	23
Book value ¹	\$m	2,053.3
WACR ¹	%	5.93
NLA	sqm	304,437
Occupancy ²	%	95.9
WALE ³	yrs	4.5
Average NABERS energy rating (by value)	Stars	4.8
Average building age (by value)	yrs	16.1



PORTFOLIO WEIGHTING



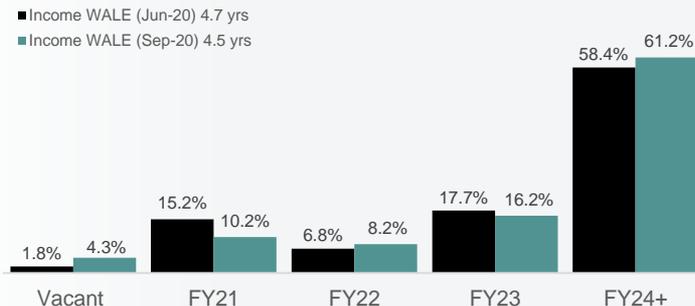
1. As at 30 June 2020
 2. By area
 3. By gross income

All figures are as at 30 September 2020 unless stated otherwise

COF – A staggered lease profile to quality tenants

- Over 25% of income derived from government tenants with the Federal Government representing 14% of the portfolio income
- High occupancy** at 95.9%¹ WALE of 4.5 years²
- 18.3% of leases expire through to FY22**, with 60.2% of lease expiries occurring at or beyond FY24
- Diversified tenant profile to high quality tenants

WEIGHTED AVERAGE LEASE EXPIRY (% BY INCOME)



4.1%
Portfolio NLA
leased in 1QFY21³

5,985sqm
11 new leases
in 1QFY21³

6,567sqm
7 renewals
in 1QFY21³

12,552sqm
Portfolio NLA
leased in 1QFY21³

TOTAL GOVERNMENT EXPOSURE 25%

COMMONWEALTH	WA	QLD	NSW	SA
32,317sqm four properties 14.0% of income	14,288sqm two properties 4.7% of income	7,130sqm one property 2.8% of income	11,561sqm two properties 2.9% of income	3,672sqm one property 1.5% of income
 Australian Government	 GOVERNMENT OF WESTERN AUSTRALIA	 Queensland Government	 NSW GOVERNMENT	 Government of South Australia

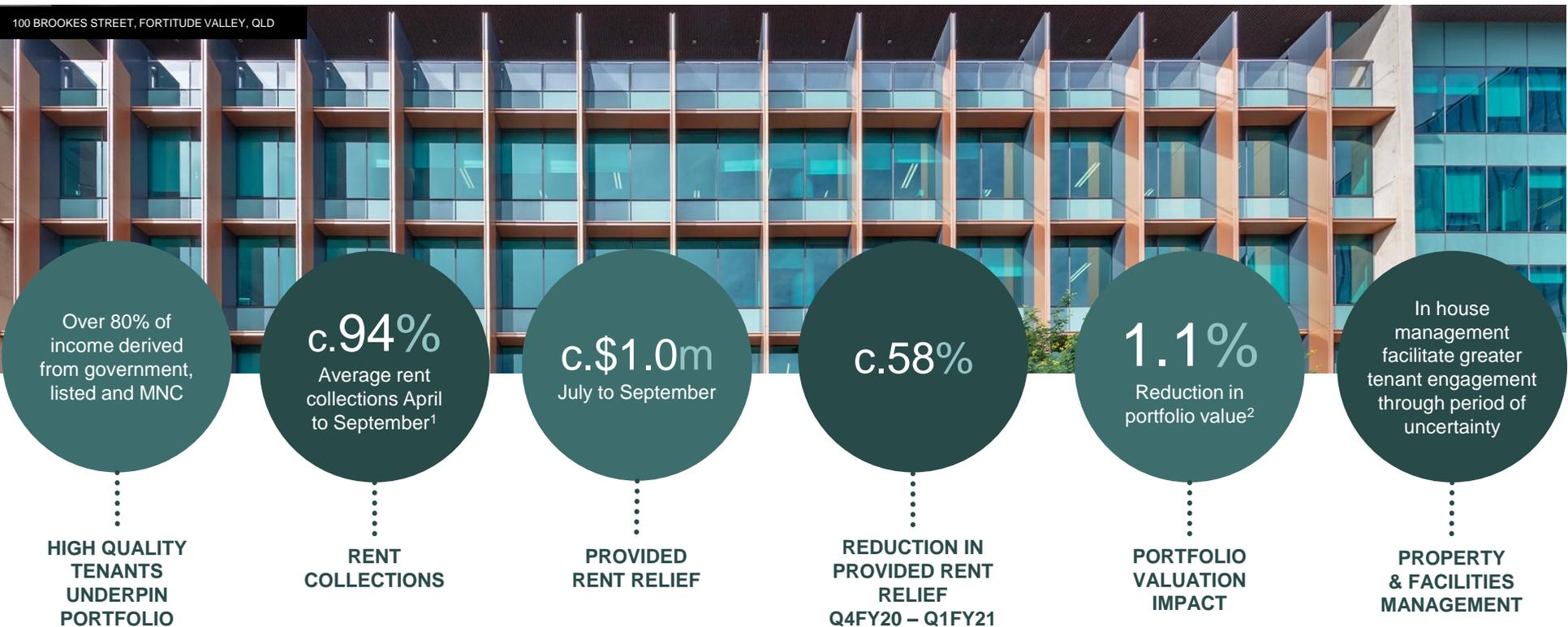
1. By area
2. By gross income
3. Includes leases agreed

All figures are as at 30 September 2020 unless stated otherwise

Resilient performance and prudent management through COVID-19

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100 BROOKES STREET, FORTITUDE VALLEY, QLD



**HIGH QUALITY
TENANTS
UNDERPIN
PORTFOLIO**

**RENT
COLLECTIONS**

**PROVIDED
RENT RELIEF**

**REDUCTION IN
PROVIDED RENT
RELIEF
Q4FY20 – Q1FY21**

**PORTFOLIO
VALUATION
IMPACT**

**PROPERTY
& FACILITIES
MANAGEMENT**

1. Included within the outstanding rent is agreed and pending rent relief claims related to the National Code of Conduct on Commercial Leases

2. 30 June 2020 reduction in valuation from immediately preceding book value

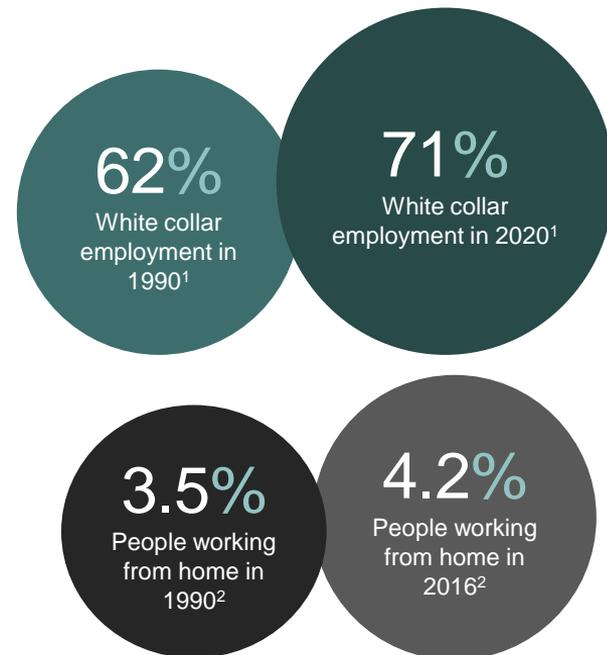
All figures are as at 30 September 2020 unless stated otherwise

Benefits working from the office

- Maintaining professional relationships with stakeholders & colleagues
- Executing workstreams that require person to person contact
- Establishes work life and personal life separation
- Increases structured and unstructured collaboration
- Promotes unscheduled interactions and ideas generation
- Facilitates on-boarding, mentoring and culture frameworks

Challenges working from home

- Social isolation & mental health impacts
- Inequitable workplace environments
- Potential distractions at home
- Additional home office costs
- Diminished culture, manager and team engagement
- Reduced work life and personal life separation (risk of overworking)



1. Source: JLL Research

2. ABS

All figures are as at 30 September 2020 unless stated otherwise

Commercial office remains core to business operations

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“I think this pandemic will make us all realise that no matter how much technology we have, nothing beats human interaction.”

- Ruslan Kogan, CEO Kogan (source: AFR)

Facebook have leased 730,000sq ft (68,000sqm) in New York

- 3 Aug 2020 (source: NY Times)

I don't see any positives. Not being able to get together in person is a pure negative.

- Reed Hastings, Founder and Co-CEO Netflix Inc. (source: WSJ)

“The ability to connect with people, the ability of teams to work together in an ad-hoc fashion – you can do it virtually, but it isn't spontaneous. We are looking forward to returning to the office.”

- Ardine Williams, VP of Workforce Development Amazon (source: WSJ)

“People are very efficient doing their work at home once they know what they are doing. The problem is when you don't know what to do next. If you don't have a physical co-location, I think we are all going to struggle.”

- Mark Golan, COO of Real Estate Investments and Development Google (source: AFR)

Recent commercial transactions re-enforce pre-COVID pricing

PROPERTY	STATE	DATE	PRICE (\$m)	CAP RATE	RATE (\$psqm)	OCCUPANCY	WALE
Pinnacle, 4 Drake Street, Macquarie Park ¹	NSW	Sep-20	306.0	~5.25%	8,777	96.4%	4.60
2 Banfield Road, Macquarie Park ¹	NSW	Aug-20	145.0	~5.00%	9,900	74.9%	7.00
45 Kembla Street, Wollongong	NSW	Sep-20	57.4	5.40%	8,820	100.0%	7.08
452 Flinders Street, Melbourne	VIC	Sep-20	454.5	4.97%	11,940	100.0%	6.12
1 Giffnock Avenue, Macquarie Park ¹	NSW	Sep-20	167.2	~5.75%	8,628	100.0%	3.00
50 Flinders Street, Adelaide	SA	Jul-20	174.7	5.64%	8,032	100.0%	7.50
60 Pacific Highway, St Leonards	NSW	Jul-20	33.8	5.30%	11,571	100.0%	3.01
436 St Kilda Road, St Kilda	VIC	Jun-20	61.0	5.05%	8,185	94.9%	2.44
200 Victoria Avenue, Carlton	VIC	Feb-20	72.0	4.89%	9,100	97.6%	2.20
Average				5.22% ²	9,816		
COF average				5.92%	7,945		
Difference				0.70%	-1,871		

1. Transaction yet to settle. Metrics approx. and based on market intel.

2. Weighted average.

Sources: m3, KF and Savills.

Prime space continues to attract tenants & COF exposed markets remain affordable

VACANCY RATES 30 SEP 20 ¹	TOTAL	30-SEP-19
Sydney CBD	10.2%	4.6%
Chatswood	19.1%	6.1%
St Leonards	13.7%	7.7%
Canberra	8.4%	10.6%
Brisbane CBD	13.6%	10.9%
Brisbane Fringe	15.8%	13.6%
Melbourne CBD	11.3%	3.7%
Melbourne Fringe	12.3%	6.2%
Perth CBD	20.4%	19.4%
West Perth	21.4%	20.2%
Adelaide CBD	15.4%	13.5%

PRIME RENTS 30 SEP 20 ¹	NET EFFECTIVE	CHANGE FROM 30-SEP-19
Sydney CBD	\$721	-12.8%
Chatswood	\$410	-4.6%
St Leonards	\$455	-2.3%
Canberra	\$264	3.7%
Brisbane CBD	\$281	0.8%
Brisbane Fringe	\$197	-2.9%
Melbourne CBD	\$388	-4.1%
Melbourne Fringe	\$320	-5.0%
Perth CBD	\$269	-1.4%
West Perth	\$195	-2.0%
Adelaide CBD	\$184	3.3%

8.1%¹

**FORECAST
DISTRIBUTION
YIELD**

Over 80% of
income
derived from
government,
listed and
MNC

DISTRIBUTIONS
PAID IN EQUAL
QUARTERLY
INSTALMENTS

Over 60% of
portfolio leases
expire at or
beyond FY24

NISHI, 2 PHILLIP LAW STREET, CANBERRA, ACT

1. Based on COF closing price of \$2.04 per unit on 30 September 2020
All figures are as at 30 September 2020 unless stated otherwise

Disclaimer

This presentation has been prepared by Centuria Property Funds Limited (ABN 11 086 553 639, AFSL 231 149) (CPFL) as responsible entity of Centuria Office REIT (ARSN 124 364 718) ('COF' or the 'Trust').

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All dollar values are in Australian dollars (\$) or A\$) unless stated otherwise.



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