

Q3 FY23 Operating Update

- 35,243 sqm of lease terms agreed¹ across 45 transactions in FY23 YTD (11.5% of portfolio NLA)
- 97.3% portfolio occupancy², 4.1-year WALE³
- Reaffirmed FY23 FFO guidance of 15.8cpu and distribution guidance of 14.1cpu, current yield of 9.9%^{4,5}

SYDNEY (Monday, 1 May 2023) - Centuria Office REIT (**ASX: COF**) is pleased to provide its Q3 FY23 update.

Grant Nichols, COF Fund Manager and Centuria Head of Office, said, "COF's geographically diversified Australian office portfolio continues to benefit from the increased leasing activity evident in many domestic office markets, particularly Brisbane and Perth, which have achieved recent strong net absorption. As a result of these leasing conditions, occupancy across the COF portfolio increased to over 97% during Q3 FY23."

PROPERTY AND PORTFOLIO LEASING

Throughout Q3 FY23, terms were agreed¹ or leases completed for 4,301sqm across 10 separate transactions, which increased portfolio occupancy to 97.3%², while WALE was maintained at 4.1 years³.

FY23 year to date, terms were agreed or leases completed for 35,253sqm across 45 separate deals, comprising 28,023sqm of new leases (9.2% of portfolio NLA) and 7,220sqm of renewals (2.4% of portfolio NLA).

During the quarter, the following three leases were executed, which were noted as signed Heads of Agreement in the HY23 results:

- 818 Bourke Street, Melbourne: Costa Group leased 3,576sqm on a 10-year term
- 818 Bourke Street, Melbourne: Commonwealth of Australia leased 3,576sqm on a 3-year term
- 203 Pacific Highway, St Leonards: Warners Bros leased 2,948sqm on a 5-year term

DEVELOPMENT

COF's boutique 4,600sqm A-Grade office development at 57 Wyatt Street, Adelaide SA progressed during the period with practical completion expected in Q4 FY23. The asset is now 79% pre-leased.

SUSTAINABILITY

During the quarter, COF achieved an increased NABERS Sustainable Portfolio Index (SPI) energy rating of 4.9 Stars and water rating of 3.9 Stars. The NABERS SPI showcases property portfolios across Australia and is an industry benchmark for the environmental performance of Australian real estate portfolios. COF is externally managed by Centuria Capital Group (Centuria) and aligns itself to Centuria's sustainability framework, and Environmental, Social and Governance (ESG) initiatives.

FY23 GUIDANCE AND SUMMARY

Grant Nichols concluded, "The ongoing inflationary environment and prevailing interest rate conditions continue to create uncertainty, presenting market-wide challenges. Across Australia's office markets, sales volumes have reduced with evidence of a bifurcation based on quality, size and leasing risk. Of the recent office transactions, those with significant leasing risk (high vacancy or significant lease expiry risk) demonstrated softer transaction metrics than high-quality, well-leased assets worth less than c.\$150million."

"Increased interest rates remain in-line with assumptions adopted in forming FY23 earnings forecasts. COF's all-in cost of debt is expected to remain elevated compared to recent past periods and to be higher in FY24. COF continues to monitor economic conditions along with opportunities to undertake capital management initiatives where possible.

"COF's substantial leasing success throughout FY23 remains encouraging, supported by solid tenant demand within the office markets the REIT is exposed to. As more tenants gravitate towards higher-quality accommodation, we expect COF's high-quality, young, efficient and affordable office portfolio will continue to attract and retain tenants."

COF reaffirms its FY23 FFO guidance of 15.8cpu and distribution guidance of 14.1 cpu, to be paid in equal quarterly instalments, reflecting an annualised distribution yield of 9.9% based on COF's current trading price^{4,5}.

– Ends –

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

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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 office assets situated in core submarkets 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) (ARSN 124 364 718). CPFL is a wholly owned subsidiary of Centuria Capital Group (CNI). CNI is an ASX-listed specialist investment manager with more than \$21billion in total assets under management (as at 31 December 2022) and offers a range of investment opportunities including listed and unlisted property funds as well as tax-effective investment bonds.

www.centuria.com.au

Summary Information

The following disclaimer applies to this announcement and any information contained in it (the Information). The Information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with COF's other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at www.asx.com.au. You are advised to read this disclaimer carefully before reading or making any other use of this announcement or any Information contained in this announcement. In accepting this announcement, you agree to be bound by the following terms and conditions including any modifications to them.

Forward Looking Statements

This announcement may include forward-looking statements. These forward-looking statements are based on COF's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of COF, which could cause actual results to differ materially from such statements. COF makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.

¹ Including Heads of Agreement (HoA)

² By income as at 31 March 2023

³ Weighted Average Lease Expiry (WALE) by income as at 31 March 2023

⁴ Based on COF closing unit price of \$1.42 as at 28 April 2023

⁵ Guidance remains subject to unforeseen circumstances and material changes in operating conditions