

17 AUGUST 2023 | ASX:COF

# Centuria Office REIT

FY23 results

825 ANN STREET, FORTITUDE VALLEY QLD

Intelligent investing for 25 years

Centuria



# AGENDA

1. Overview
2. Financial results
3. Portfolio
4. Market overview and guidance
5. Appendices

## Acknowledgement of Country

Our group manages property throughout Australia and New Zealand. Accordingly, Centuria pays its respects to the traditional owners of the land in each country, to their unique cultures and to their Elders past and present.

8 CENTRAL AVENUE, EVELEIGH NSW





101 MORAY STREET, SOUTH MELBOURNE VIC

# Overview

Section one

Centuria



# Key metrics

A high-quality, geographically diversified portfolio

## FINANCIAL

**15.6cpu**

FY23 FFO

**36.7%**

Proforma gearing<sup>1</sup>

**14.1cpu**

FY23 DPU

**\$2.20**

Net tangible assets per unit<sup>2</sup>

## PORTFOLIO

**\$2.2bn**

Portfolio book value across 23 assets

**97.1%**

Portfolio occupancy<sup>3,4</sup>

**4.2 yrs**

Portfolio WALE<sup>3,5</sup>

**4.9**

NABERS SPI energy rating<sup>6</sup>

1. Proforma gearing is adjusted for asset sales which settle during FY24. All proceeds are assumed to repay debt. Gearing defined as total borrowings less cash divided by total assets less cash. Gearing as at 30 June 2023 was 38.4%

2. NTA per unit is calculated as net tangible assets divided by number of units on issue

3. By gross income

4. Includes heads of agreement

5. Weighted average lease expiry

6. Excluding non-rated assets



201 PACIFIC HIGHWAY, CHATSWOOD NSW



# FY23 summary

## Improved occupancy and liquidity

### Occupancy increased to 97.1%<sup>1,2</sup> (+2.4%)

- 42,686 sqm of leasing (14.1% portfolio NLA)
- 31,500+ sqm of leasing related to previously vacant space
- 4.2-year<sup>1</sup> WALE
- Wyatt Street pre-commitment increased to c.84% NLA

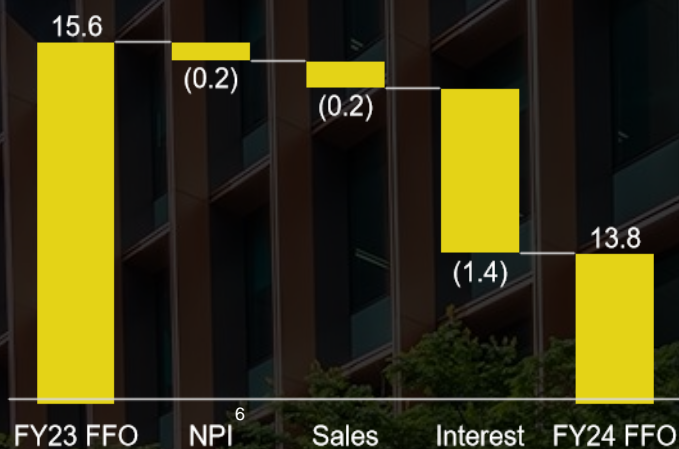
### Portfolio and fund update

- \$225m debt refinanced, weighted average debt expiry extended to 3.2 years
- No debt expiry until FY26
- Non-core asset sales totalling \$63m completed, settlements to occur in FY24
- 6.00% WACR, \$2.20 NTA<sup>3</sup> per unit

## FY24 guidance

- FY24 FFO guidance<sup>4</sup> of 13.8cpu
- FY24 distribution guidance<sup>4</sup> of 12.0cpu
- FY24 forecast distribution yield of 8.4%<sup>5</sup>
- FY24 FFO guidance impacted by higher debt, asset sales and pending expiries

### FFO waterfall (cpu)<sup>4</sup>



1. By gross income

2. Includes heads of agreement

3. NTA per unit is calculated as net tangible assets divided by closing units on issue

4. Guidance remains subject to unforeseen circumstances and material changes in operating conditions, and assumes the average floating rate is based on a BBSW rate of 4.6% over FY24

5. Based on COF closing unit price of \$1.43 on Tuesday, 15 August 2023

6. Net property income impacted by forecast downtime and property expense inflation



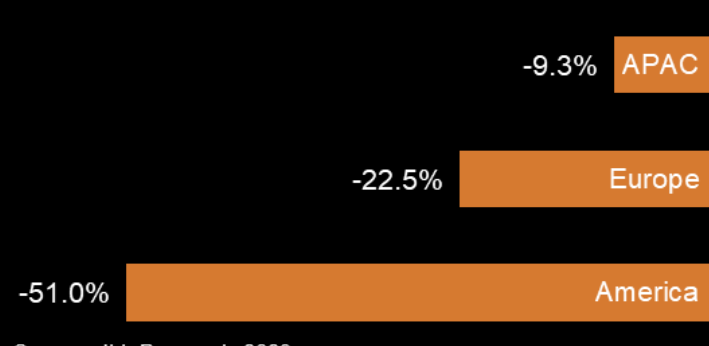
# Impacts from the evolving workspace

## Change in office utilisation may not materially alter footprints

### WFH impact on tenant demand overstated

- Strong net absorption evident in markets with low exposure to tech and financial tenants
- Smaller tenants driving demand and maintaining footprints
- COF increased occupancy from 94.7% to 97.1% through FY23

Change in office entry compared to pre-pandemic (%)



Source: JLL Research 2023

### Centuria's Office Tenant Survey<sup>1</sup>

**c.75%**

anticipate retaining or increasing space requirements over the medium term

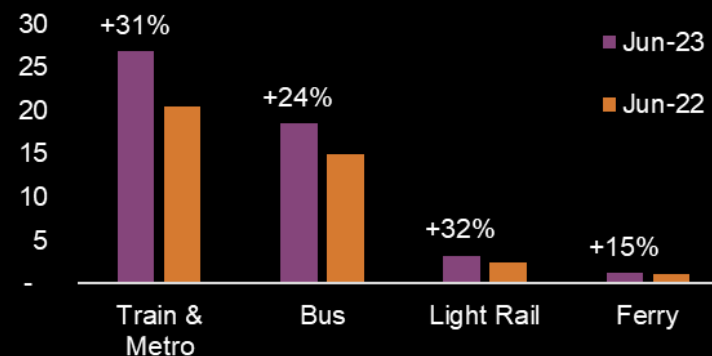
**c.80%**

are regularly attending the office up to five days every week

### Return to work gaining momentum

- Falling productivity, loneliness and erosion of work culture driving return to work mandates
- Return to work has been materially stronger in APAC compared to Europe and America

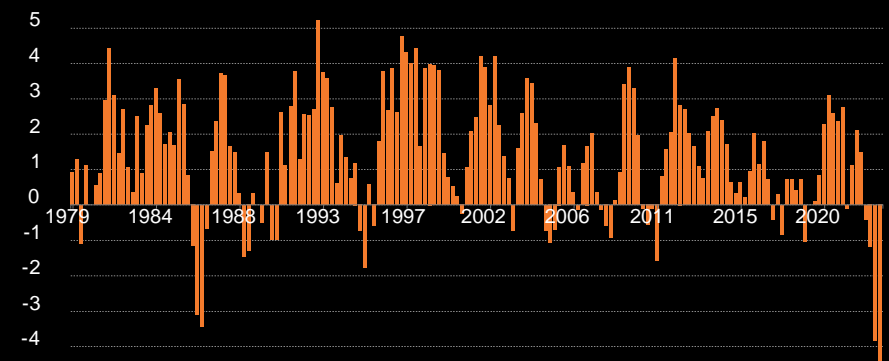
NSW public transport utilisation ('m)



Source: Transport NSW 2023

### Productivity in Australia: GDP per hour worked

Showing the yearly % change in GDP per hour worked for each quarter



Source: ABS

1. Centuria 2023 Tenant Survey, results based on over 150 respondents across the Centuria office platform including COF



# FY24 strategy and priorities

## 1. Maintain high occupancy

- Continue delivering occupancy above national average
- Maintain or improve portfolio WALE
- Capture rental growth in available markets

## 2. High portfolio quality

- Assess asset allocation to improve portfolio quality
- Target leasing to enhance tenant quality
- Improve sustainability performance
- Assess higher and better use opportunities

## 3. Proactive capital management

- Preserve diverse lender pool and expiry profile
- Proactively maintain liquidity and debt covenant headroom
- Manage interest rate volatility

**168,000 sqm**

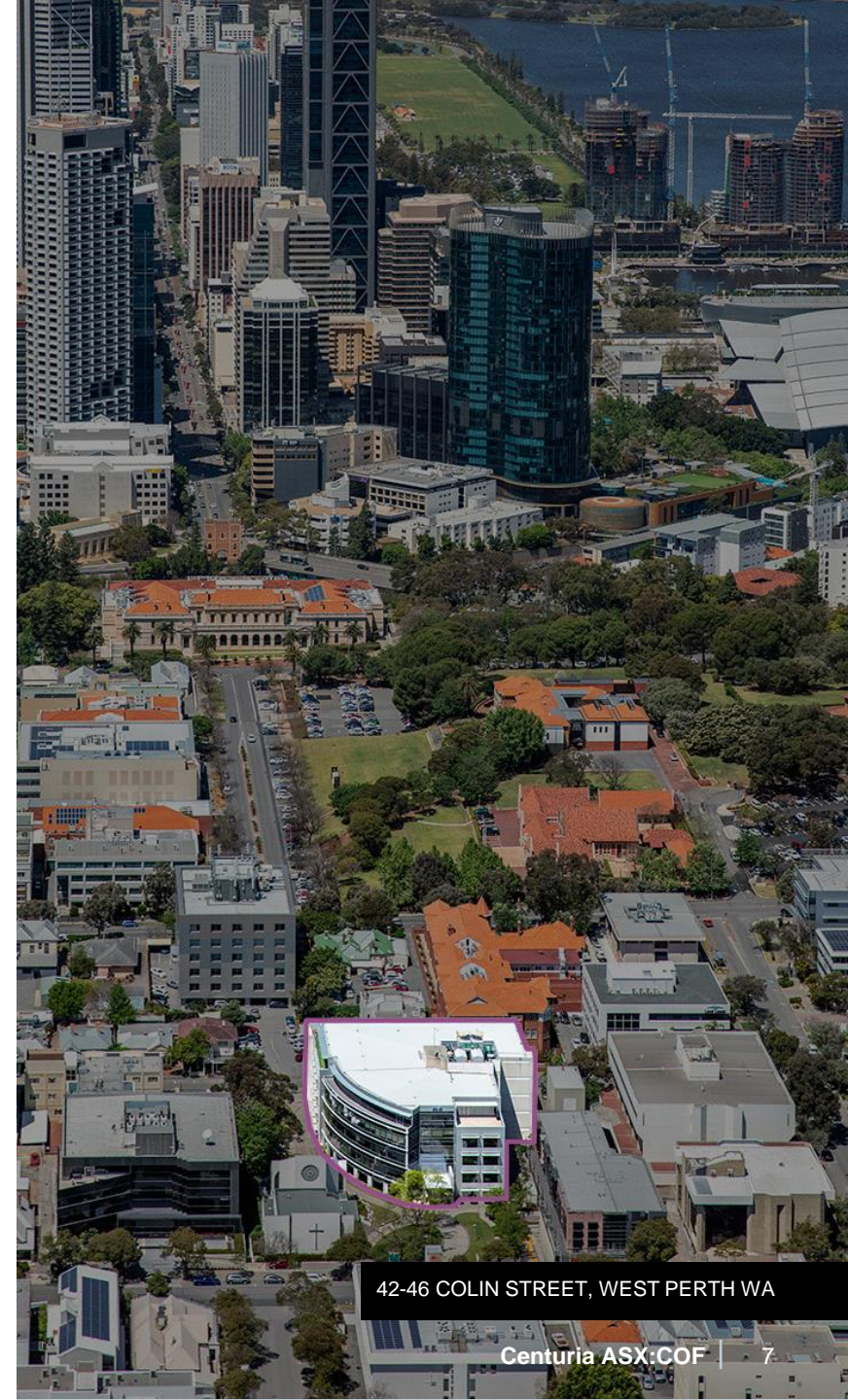
leasing completed since COVID

**78%**

of income derived from government, ASX listed and multinational tenants

## How COF's strategy has improved the portfolio

		At IPO (Dec-14)	FY23
Average building age	years	29	17
NABERs ratings	stars	Not rated	4.9
Proportion A-grade	%	25	90
Lenders	no.	1	6
Debt tranches	no.	1	19



42-46 COLIN STREET, WEST PERTH WA



# COF provides quality, highly connected and affordable office space

Included in the S&P/ASX 300 Index and FTSE/EPRA NAREIT Global Developed Index



## Young portfolio

Prime assets are generating greater tenant demand



## Accessible price point

Deeper investment demand for assets valued less than \$150m



## Affordable rent profile

COF exposed market rents average a significant discount to Sydney CBD



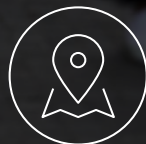
## Connectivity

With key transport nodes and reduced commute times



## Enhanced amenity

COF assets provide access to wellbeing amenity, retail and hospitality



## Geographically diversified

Providing exposure to Australia's better performing office markets

## COF portfolio strategic metrics

**17 years**

Average asset age<sup>1</sup>

**90%**

A-grade assets<sup>2</sup>  
(covenant of 50%)

**4.9 stars**

NABERS SPI energy rating<sup>3</sup>

**c. \$550sqm**

Avg. net rents

**6.00%**

Weighted average capitalisation rate (WACR)

**\$97.3m**

Avg. asset size

1. By value
2. Management interpretation of Property Council of Australia (PCA) guidelines
3. Excluding non-rated assets



# Centuria Capital Group: A leading Australasian real estate funds manager

CNI is the manager of COF and is included in the S&P/ASX200 Index

**\$21.0bn** GROUP AUM<sup>1</sup>

**\$20.2bn** REAL ESTATE AUM

**\$6.4bn**  
LISTED REAL ESTATE

**\$13.8bn**  
UNLISTED REAL ESTATE

**\$0.8bn**  
INVESTMENT BONDS

**\$3.9bn**  
CENTURIA  
INDUSTRIAL REIT  
ASX:CIP

**\$2.3bn**  
CENTURIA  
OFFICE REIT  
ASX:COF

**\$0.2bn**  
ASSET PLUS  
LIMITED  
NZX:APL

**\$8.4bn**  
SINGLE  
ASSET  
FUNDS

**\$2.6bn**  
MULTI-ASSET  
CLOSED END  
FUNDS

**\$2.8bn**  
MULTI-ASSET  
OPEN END  
FUNDS

**\$0.8bn**  
CENTURIA LIFE  
GUARDIAN FRIENDLY  
SOCIETY

Note: Assets under management (AUM) as at 30 June 2023. All figures above are in Australian dollars (currency exchange ratio of AU\$1.000:NZ\$1.0883 as at 30 June 2023). Numbers presented may not add up precisely to the totals provided due to rounding  
1. AUM includes assets exchanged to be settled, cash and other assets and the impact of revaluations during the period





PERTH RAILWAY STATION ADJACENT TO 235 WILLIAM STREET, NORTHBRIDGE WA

# Financial results

## Section two



# Funds from operations (FFO)

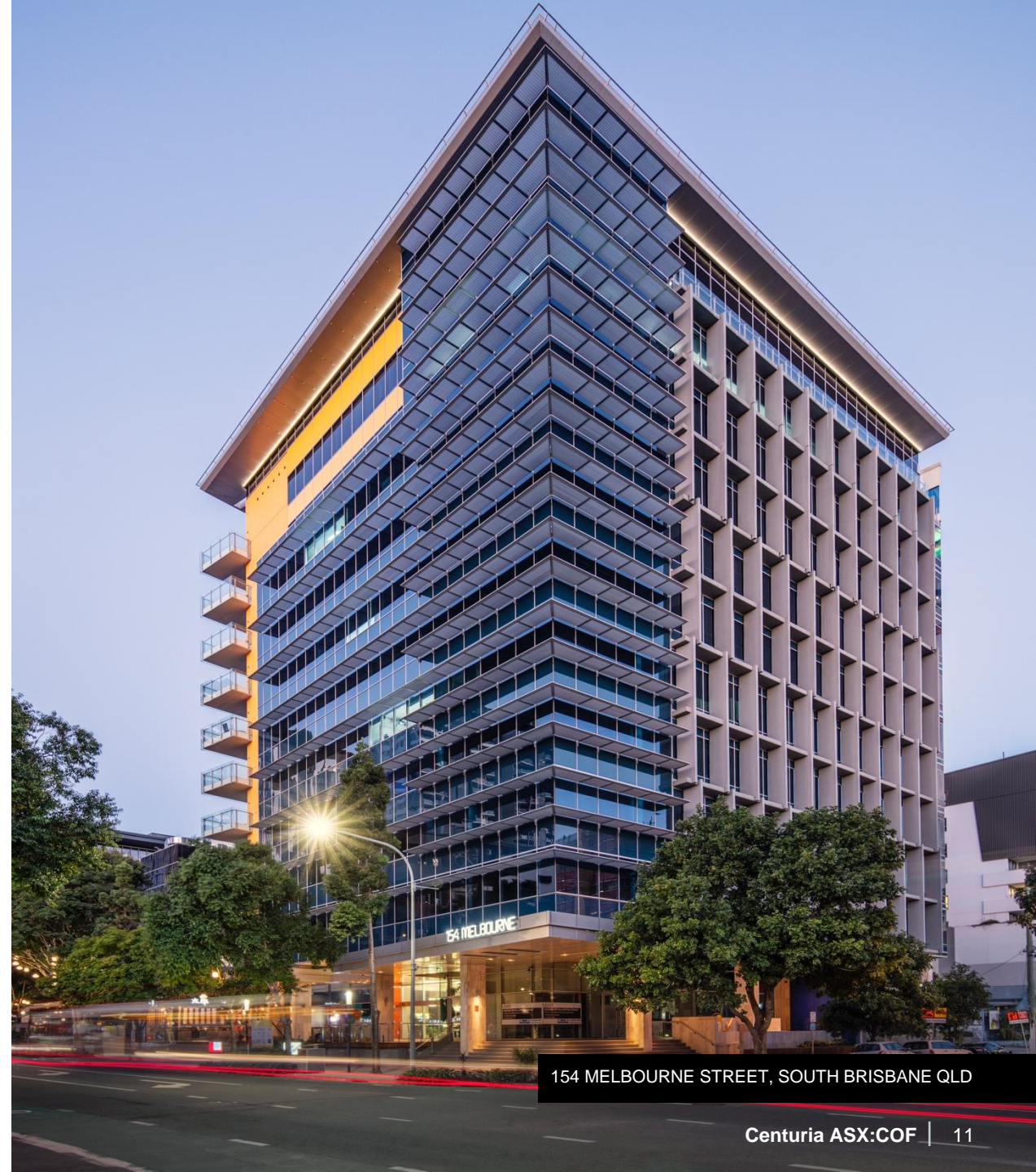
Revenue		FY23	FY22	Variance
Gross property income	\$m	183.1	176.6	6.6
Interest income	\$m	0.5	0.0	0.4
<b>Total revenue</b>	<b>\$m</b>	<b>183.6</b>	<b>176.6</b>	<b>7.0</b>
<b>Expenses</b>				
Direct property expenses	\$m	38.4	37.5	0.9
Responsible entity fees	\$m	13.2	12.7	0.5
Finance costs	\$m	36.8	19.3	17.6
Management and other administrative expenses	\$m	2.1	2.2	(0.1)
<b>Total expenses</b>	<b>\$m</b>	<b>90.6</b>	<b>71.7</b>	<b>18.9</b>
<b>Funds From Operations (FFO)<sup>1</sup></b>	<b>\$m</b>	<b>93.0</b>	<b>104.9</b>	<b>(11.9)</b>
Weighted average units on issue	m	597.3	577.7	19.6
Funds from operation per unit <sup>1</sup>	cpu	15.6	18.2	(2.6)
Distributions	\$m	84.2	99.0	(14.7)
Distribution per unit	cpu	14.1	16.6	(2.5)
Net tangible assets per unit <sup>2</sup>	\$	2.20	2.50	(0.3)
Return on equity <sup>3</sup>	%	(6.2)	7.4	(13.6)
Payout ratio (% of FFO) <sup>4</sup>	%	90.5	91.2	(0.7)
Maintenance capex	\$m	4.1	2.1	2.0
Capex incentives	\$m	11.2	5.3	5.9

1. FFO is the Trust's underlying and recurring earnings from its operations. This is calculated as the statutory net profit adjusted for certain non-cash and other items

2. NTA per unit is calculated as net tangible assets divided by closing units on issue

3. Return on Equity is calculated as closing NTA minus opening NTA plus distributions divided by opening NTA per unit

4. Payout ratio equal to distributions per unit divided by FFO per unit for the period



154 MELBOURNE STREET, SOUTH BRISBANE QLD



# Capital management

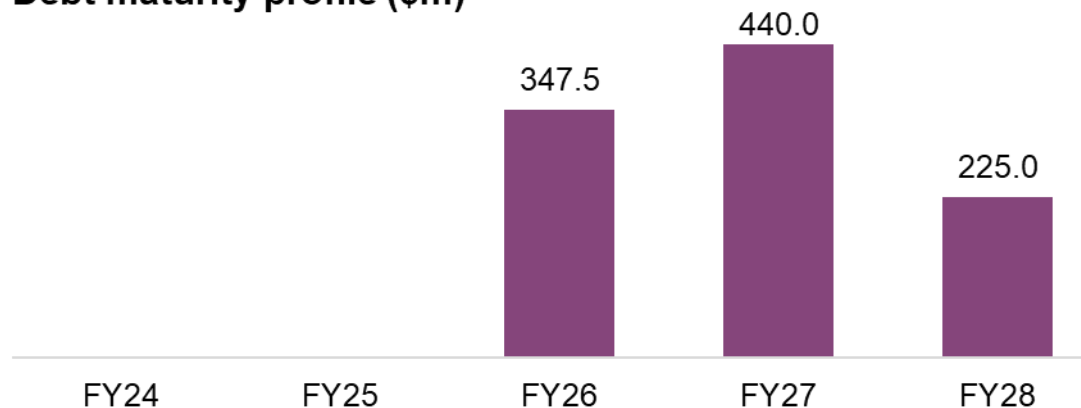
## Substantial undrawn debt, ample debt covenant headroom and no debt expiry until FY26

- Proforma gearing<sup>1,2</sup> reduces to 36.7% following settlement of asset sales (\$63m total sales)
- \$510m of hedging executed in FY23
- Ample covenant headroom ICR 3.5x (covenant 2.0x) and LVR 39.9%<sup>3</sup> (covenant 50%)
- All in cost of debt forecast to be higher in FY24 due to increased interest rates<sup>6</sup>



203 PACIFIC HIGHWAY, ST LEONARDS NSW

## Debt maturity profile (\$m)



### Key debt metrics

		FY23	FY22
Facility limit	\$m	1,012.5	962.5
Drawn amount	\$m	897.0	832.0
Headroom <sup>4</sup>	\$m	115.5	130.5
Weighted average debt expiry	years	3.2	3.7
Proportion hedged	%	69.1	55.9
Weighted average hedge maturity	years	1.5	0.9
All in cost of debt <sup>5</sup>	%	4.3	2.2
Gearing <sup>2</sup>	%	38.4	33.8
Interest cover ratio	times	3.5	6.3
Loan to value ratio	%	39.9 <sup>3</sup>	35.8

1. Proforma gearing is adjusted for asset sales which settle during FY24. All proceeds are assumed to repay debt
2. Gearing is defined as total borrowings less cash divided by total assets less cash
3. LVR has not been adjusted to account for asset sales settling in FY24
4. Headroom reflects undrawn debt (including a \$1.5m bank guarantee held as security over the 46 Colin Street, West Perth WA ground lease)
5. Average effective interest rate for the FY22 and FY23 periods. Includes floating rate, all-in margin (base and line fees) and fixed interest costs under existing swaps (excludes capitalised borrowing costs)
6. The assumed average floating rate is based on a BBSW rate of 4.6% over FY24

6

Quality lenders

\$115.5m

Facility headroom<sup>4</sup>

36.7%

Proforma gearing<sup>1,2</sup>

69.1%

Hedged as at  
30 June 2023





57 WYATT STREET, ADELAIDE SA

# Portfolio

Section three


Centuria



# Portfolio overview

High quality portfolio underpinned by excellent tenant covenants

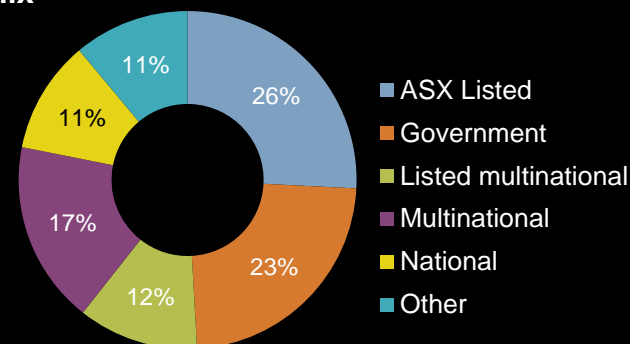
Portfolio snapshot		FY23	FY22
Number of assets	#	23 <sup>1</sup>	23
Book value	\$m	2,237.4	2,335.2
WACR	%	6.00	5.58
NLA	sqm	303,305	303,138
Occupancy <sup>2</sup>	%	97.1	94.7
WALE <sup>2</sup>	yrs	4.2	4.2
NABERS SPI Energy rating <sup>3</sup>	Stars	4.9	4.8
NABERS SPI Water rating <sup>3</sup>	Stars	3.9	3.9
Buildings generating solar power	no.	7	6
Average building age (by value)	yrs	17	16

 **4.9 stars**  
NABERS SPI energy rating<sup>3</sup>

 **17 years**  
Average building age (by value)

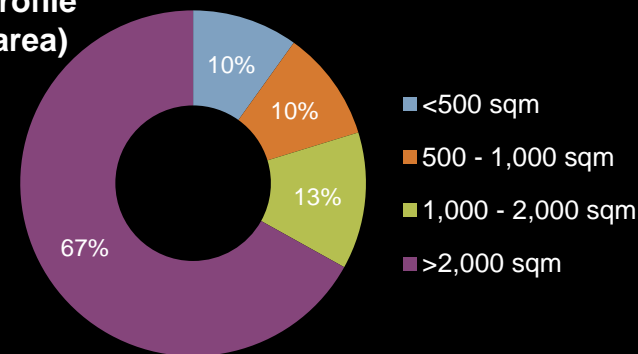
1. Contracts of sale have been exchanged for 54 Marcus Clarke Street, Canberra ACT and 35 Robina Town Centre Drive, Robina QLD. Settlement is expected in January 2024 and September 2023, respectively  
 2. By gross income  
 3. Excluding non-rated assets  
 4. Management interpretation of PCA guidelines

## Tenant mix (income)



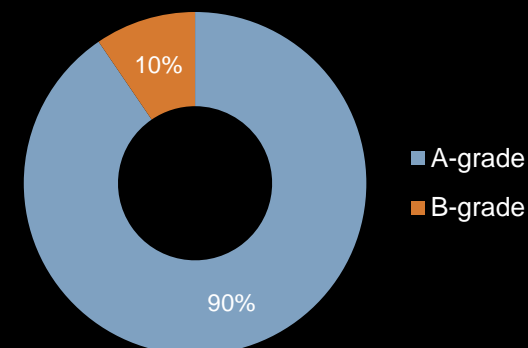
**78%**  
of income derived from government, ASX listed and multinational tenants

## Tenant profile by size (area)



**67%**  
of tenants >2,000 sqm, indicating the COF portfolio is occupied by corporate and government tenants

## PCA grade (value)



**90%**  
COF's portfolio comprises A-grade assets<sup>4</sup>



# COF is a geographically diversified portfolio

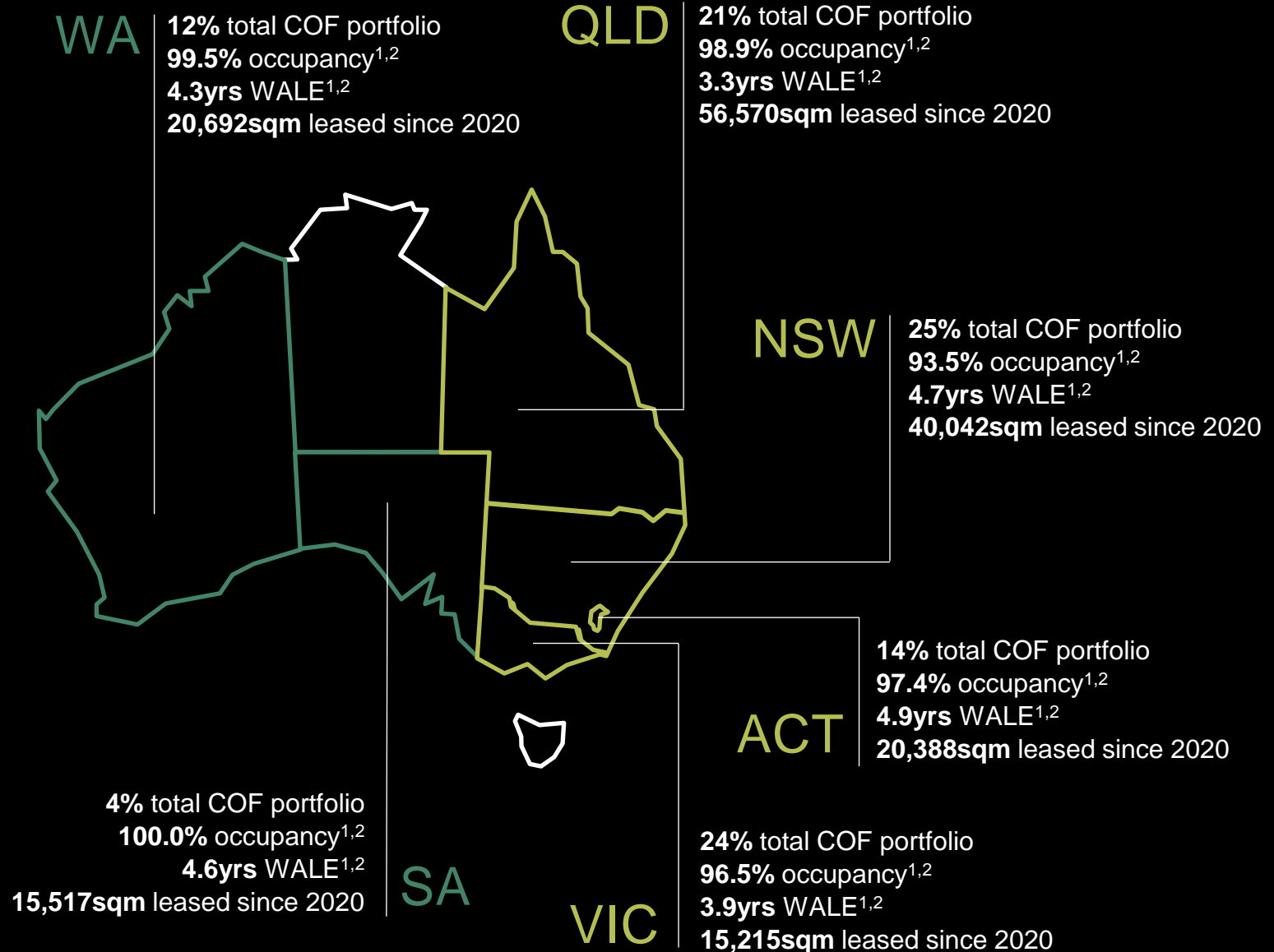
Many COF exposed markets have recorded solid six-month and 12-month net absorption

## COF national portfolio

**97.1%**  
occupancy<sup>1,2</sup>

**4.2 yrs**  
WALE<sup>1,2</sup>

**>168,000 sqm**  
Leased since COVID (56% of NLA)

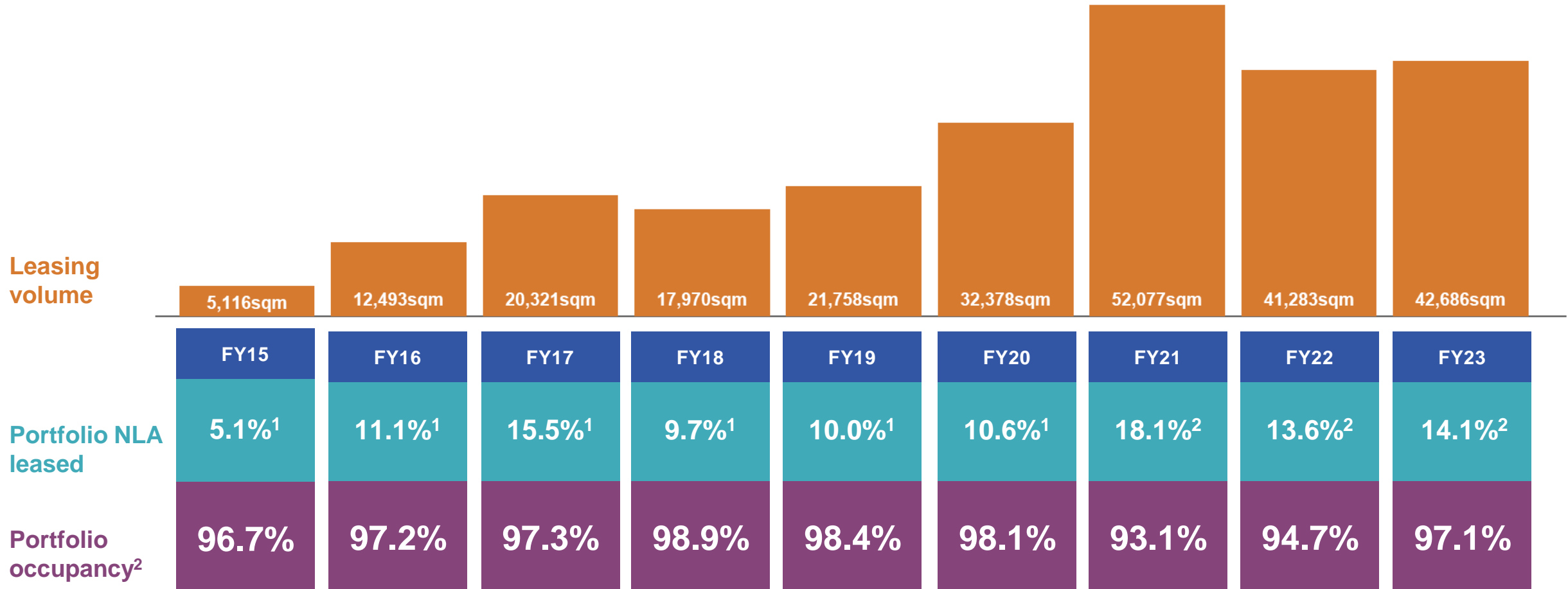


1. By gross income  
2. Includes heads of agreement



# COF leasing history

Centuria continues to deliver a strong track record of maintaining high occupancy



1. By area  
2. By income



# CASE STUDY

## Repositioning 154 Melbourne Street, South Brisbane

Driving tenant demand through a  
focused approach

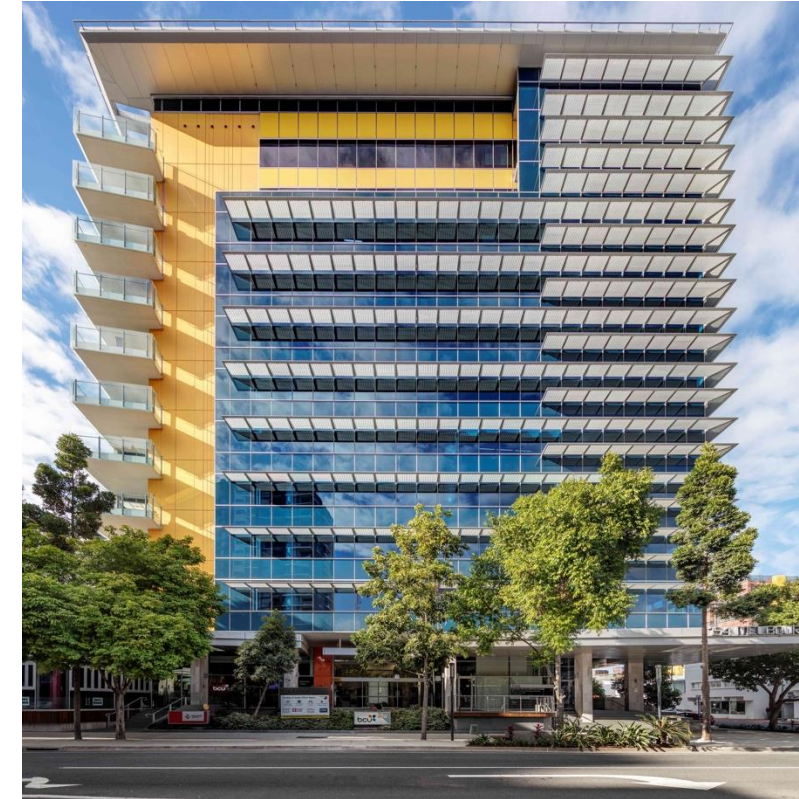
Refurbished foyer and upgraded end of trip  
facilities

Improved work amenity. *cirque* by Centuria  
provides a flexible work solution with a strong  
focus on meeting spaces and technology

Increased occupancy from 67.4% (1 January  
2023) to 94.1% as at 30 June 2023 (7,800sqm  
of leasing completed)

Improved WALE from 1.2 years as at 1 July 2022  
to 4.0 years as at 30 June 2023

Achieved rental growth of c.10%  
12 new tenants moved into the building

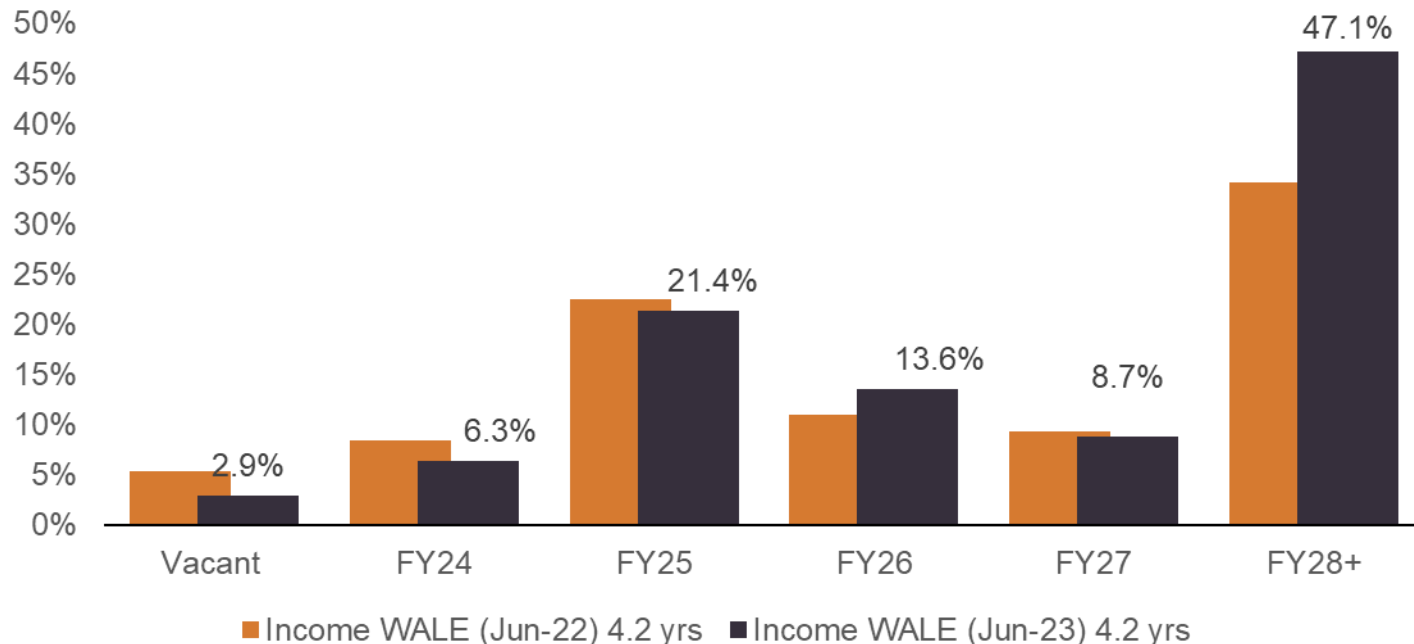




# Staggered lease expiry: c.90% of leases expiring at or beyond FY25

FY23 was a strong leasing period increasing occupancy to 97.1%<sup>1,3</sup>

## Weighted average lease expiry



Current vacancy (>800 SQM)	NLA (SQM)
201 Pacific Highway, St Leonards (50% ownership)	5,620
818 Bourke Street, Docklands	2,464
60 Marcus Clarke Street, Canberra	864
Other	3,188
<b>Total</b>	<b>12,136</b>

FY24 expiries (>800 SQM)	NLA (SQM)
818 Bourke Street, Docklands	8,694
154 Melbourne Street, South Brisbane	1,299
60 Marcus Clarke Street, Canberra	970
201 Pacific Highway, St Leonards (50% ownership)	936
77 Market Street, Wollongong	807
Other	1,535
<b>Total</b>	<b>14,241</b>

**14%**  
portfolio NLA  
leased in FY23<sup>2,3</sup>

**42,686sqm**  
portfolio NLA  
leased in FY23<sup>2,3</sup>

**31,512sqm**  
42 new leases  
in FY23<sup>2,3</sup>

**11,174sqm**  
20 renewals in FY23<sup>2,3</sup>

**Only c.6% of  
portfolio expires  
during FY24**

1. Occupancy by gross income  
2. By area  
3. Includes heads of agreement



# Valuation summary

Reduced transaction volumes demonstrate investor bifurcation based on quality and leasing risk



**13 of 23**

assets externally revalued in June 2023; all assets externally revalued in FY23



NTA<sup>1</sup> per unit  
**\$2.20**



42bps WACR<sup>4</sup> movement from Jun-22



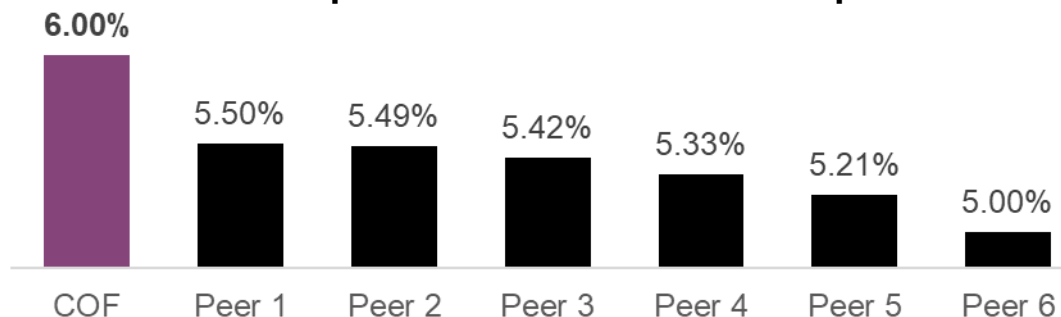
COF **\$7,377** average rate per sqm compares favourably to replacement cost

	FY23 valuation (\$m)	FY22 valuation (\$m)	Valuation movement <sup>2,3</sup> (\$m)	Valuation movement <sup>2,3</sup> (%)	FY23 WACR <sup>4</sup>	FY22 WACR <sup>4</sup>	Movement WACR <sup>4</sup> (bps)
Portfolio valuation summary <sup>2,3</sup>	2,237.4	2,335.3	(97.9)	(4.2)	6.00	5.58	42

## Recent comparable sales evidence

Property	State	Date	Price (\$m)	Initial Yield	Rate PSM
117 Bull St, Newcastle	NSW	May-23	33.4	5.82%	5,356
Bell Tower, 2 Cornwallis St, Eveleigh	NSW	May-23	18.3	5.50%	15,897
203 Northumberland Street, Liverpool	NSW	Mar-23	54.5	5.05%	7,475
436 Elgar Road, Box Hill	VIC	Mar-23	40.3	5.90%	7,071
9 George Street, Parramatta	NSW	Feb-23	49.6	5.10%	9,052
2 Eden Park Drive, Macquarie Park	NSW	Feb-23	68.8	5.10%	6,652
84 Crown Street, Wollongong	NSW	Feb-23	53.0	5.60%	5,843
5 Eden Park Drive, Macquarie Park	NSW	Jan-23	80.8	5.50%	6,988

## COF WACR<sup>4</sup> comparison to ASX listed office peers<sup>5</sup>



1. NTA per unit is calculated as net tangible assets divided by number of units on issue
2. Past performance is not a reliable indicator of future performance
3. Reflects gross increase. Excludes capital expenditure incurred
4. Weighted average capitalisation rate
5. Based on ASX disclosures relating to 30 June 2023 valuations



# Developing a flexible and relevant sustainability framework

Conscious of climate change (environment), valued stakeholders (social) and responsible business principles (governance)

## Select initiatives



New sustainability targets:

1. **Zero Scope 2 emissions<sup>1</sup>** by 2028; and
2. where practical, the **elimination of gas and diesel<sup>2</sup>** equipment by 2035



**45%<sup>3</sup> female** representation at Centuria



Delivered **5 Star Green Star** and **fully electric** – Wyatt St, Adelaide SA



Adopts Centuria's **ESG Policy** and actions COF's **ESG Investment Approach**



Ongoing deployment of **onsite solar** across the COF portfolio



COF **4.9 Star NABERS Energy** Sustainability Portfolio Index rating (up from 4.8)

1. Zero Scope 2 emissions by being powered by the equivalent of 100% renewable electricity through a combination of onsite solar and largescale generation certificate deals, which match COF's consumption
2. COF will focus on the elimination of gas and diesel where practical from equipment owned and operated by COF. Gas and diesel equipment operated by our tenants are excluded from COF's sustainability target
3. Diversity numbers as at 30 June 2023 are representative of Centuria Capital Group



NISHI, 2 PHILLIP LAW STREET, CANBERRA ACT



# Our strategic sustainability focus

## COF is committed to continually improve its environmental performance

COF is committed to developing leading green certified assets under Centuria's in-house development capability, and this year announces targets to be powered by 100% renewable electricity by 2028<sup>1</sup> and to eliminate gas and diesel equipment<sup>2</sup> where practical, by 2035.

### 5 star

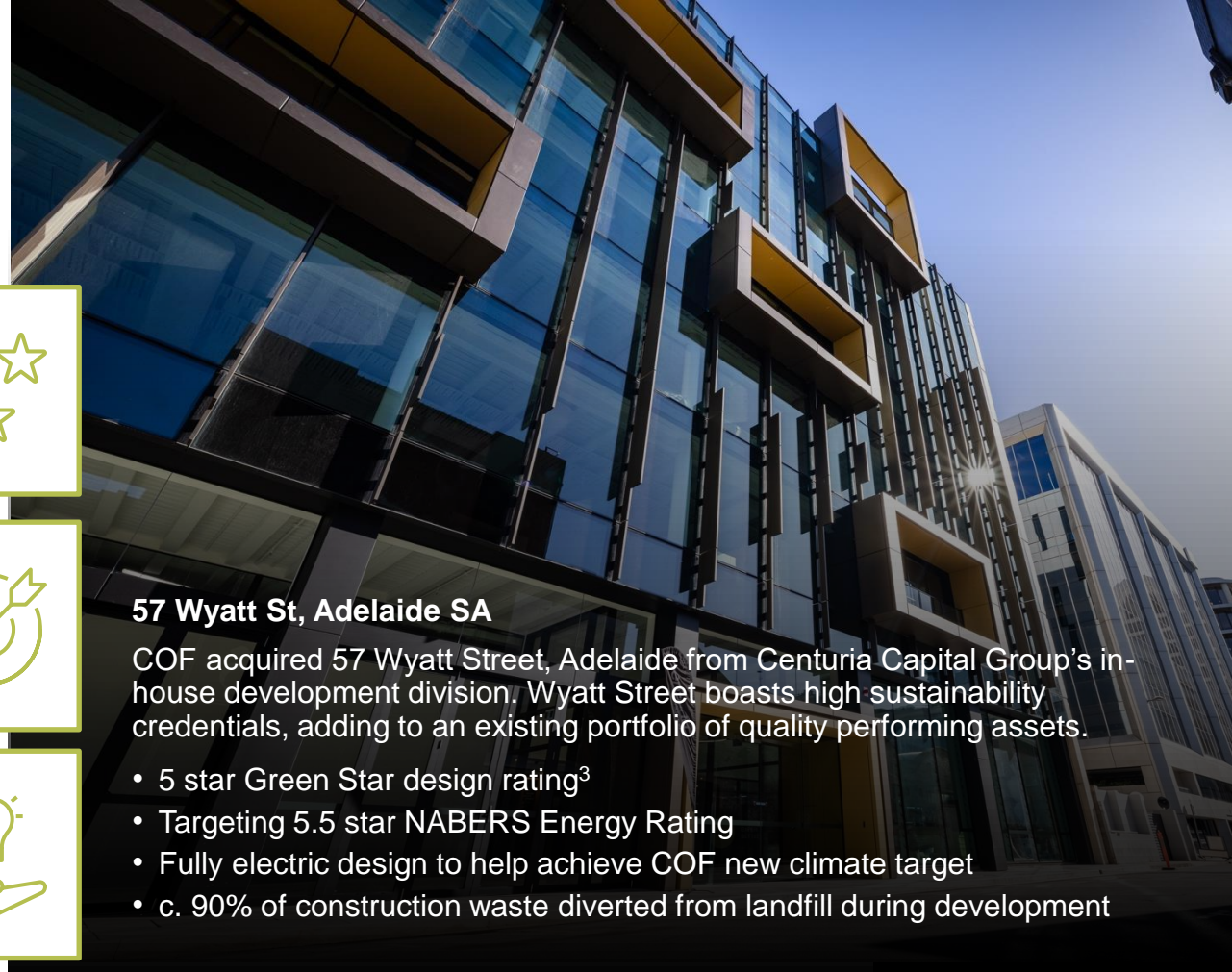
Green Star for all new developments



Targeting **Zero Scope 2** emissions<sup>1</sup> by 2028



Targeting to **Eliminate gas and diesel** equipment<sup>2</sup> where practical by 2035



### 57 Wyatt St, Adelaide SA

COF acquired 57 Wyatt Street, Adelaide from Centuria Capital Group's in-house development division. Wyatt Street boasts high sustainability credentials, adding to an existing portfolio of quality performing assets.

- 5 star Green Star design rating<sup>3</sup>
- Targeting 5.5 star NABERS Energy Rating
- Fully electric design to help achieve COF new climate target
- c. 90% of construction waste diverted from landfill during development

## Our memberships and industry participation



Member of the Diversity Council of Australia<sup>4</sup>



Member of the Green Building Council of Australia<sup>5</sup>



COF improved its NABERS SPI Energy rating to 4.9, up from 4.8 the previous year

1. Zero Scope 2 emissions by being powered by the equivalent of 100% renewable electricity through a combination of onsite solar and largescale generation certificate deals, which match COF's consumption

2. COF will focus on the elimination of gas and diesel where practical from equipment owned and operated by COF. Gas and diesel equipment operated by our tenants are excluded from COF's sustainability target

3. Under the version 1.3 Design Review Certified Rating Guidelines

4. Centuria Capital Group is a member of the Diversity Council of Australia

5. Centuria Capital Group is a member of the Green Building Council of Australia



**cirque**  
by Centuria

154 MELBOURNE STREET, SOUTH BRISBANE QLD

# Market overview and guidance

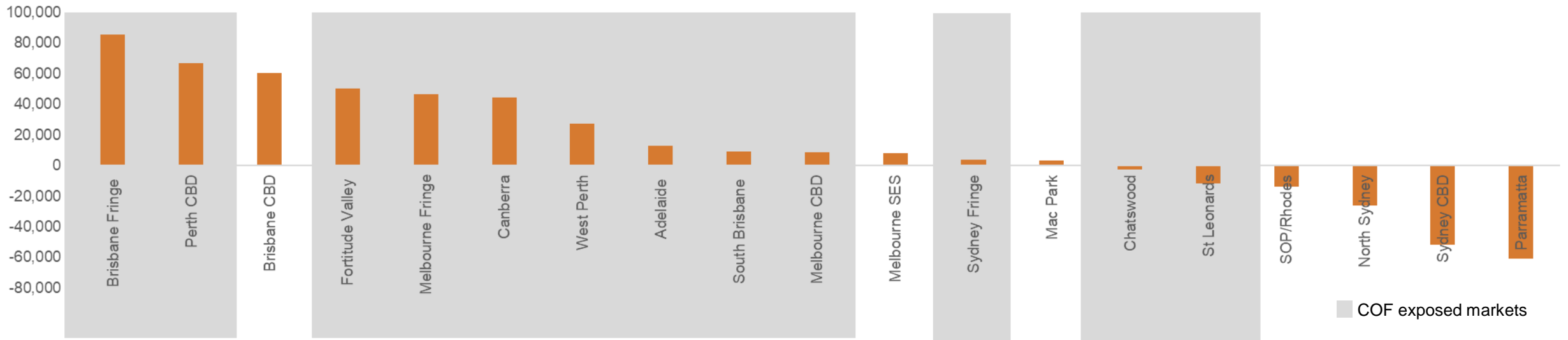
Section four



# Market overview

## Strong net absorption evident in COF exposed markets

Australian office market 12-month net absorption<sup>1</sup> (sqm)



### Increased economic rents likely to materially reduce future supply

*c.20% increase in construction costs causes a c.15% increase in economic rents<sup>1</sup>*

*c.50bps softening in cap rates causes a c.15% increase in economic rents<sup>1</sup>*

### Potential change in vacancy equilibrium

*12-month face rental growth of >5% evident in a number markets despite elevated vacancy*

### Majority of markets demonstrate positive net absorption

*Fortitude Valley vacancy rates reduced c. 6% YoY*

### Clear bifurcation trend

*Prime 12-month national net absorption of c.+235,000sqm*

*Secondary 12-month national net absorption of c.-37,000sqm*

1. Source: JLL June 2023



# FY24 guidance<sup>1</sup>

FFO per unit<sup>1</sup>

**13.8c**

Distribution per unit<sup>1</sup>

**12.0c**

Forecast FY24 distribution yield<sup>1,2</sup>

**8.4%**

Distributions expected to be paid  
in equal quarterly instalments

1. Guidance remains subject to unforeseen circumstances and material changes in operating conditions, and assumes the average floating rate is based on a BBSW rate of 4.6% over FY24.  
2. Based on COF closing unit price of \$1.43 on Tuesday, 15 August 2023





77 MARKET STREET, WOLLONGONG NSW

# Appendices

## Section five

- Appendix A: COF: Vision, strategy and objectives
- Appendix B: Australian office market metrics
- Appendix C: Income statement
- Appendix D: FFO reconciliation
- Appendix E: Balance sheet
- Appendix F: Portfolio valuation summary
- Appendix G: Investment property portfolio
- Appendix H: Environmental data

**Centuria**

# Appendix A: COF: Vision, strategy and objectives

## VISION

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

## Centuria Office REIT (COF)

Australia's largest **ASX-listed pure play office REIT**. Overseen by an active management team with deep real estate expertise. Strongly supported by Centuria Capital Group

## 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

## Key objectives

### Portfolio construction

A portfolio of Australian office assets diversified by geography, tenants and lease expiry

### Active management

Primarily focused on maintaining occupancy and extending portfolio WALE

### Capital management

A robust and diversified capital structure, with appropriate gearing

### Unlock opportunities to create further value

Continue to enhance the portfolio and upgrade asset quality



## Appendix B: Australian office market metrics

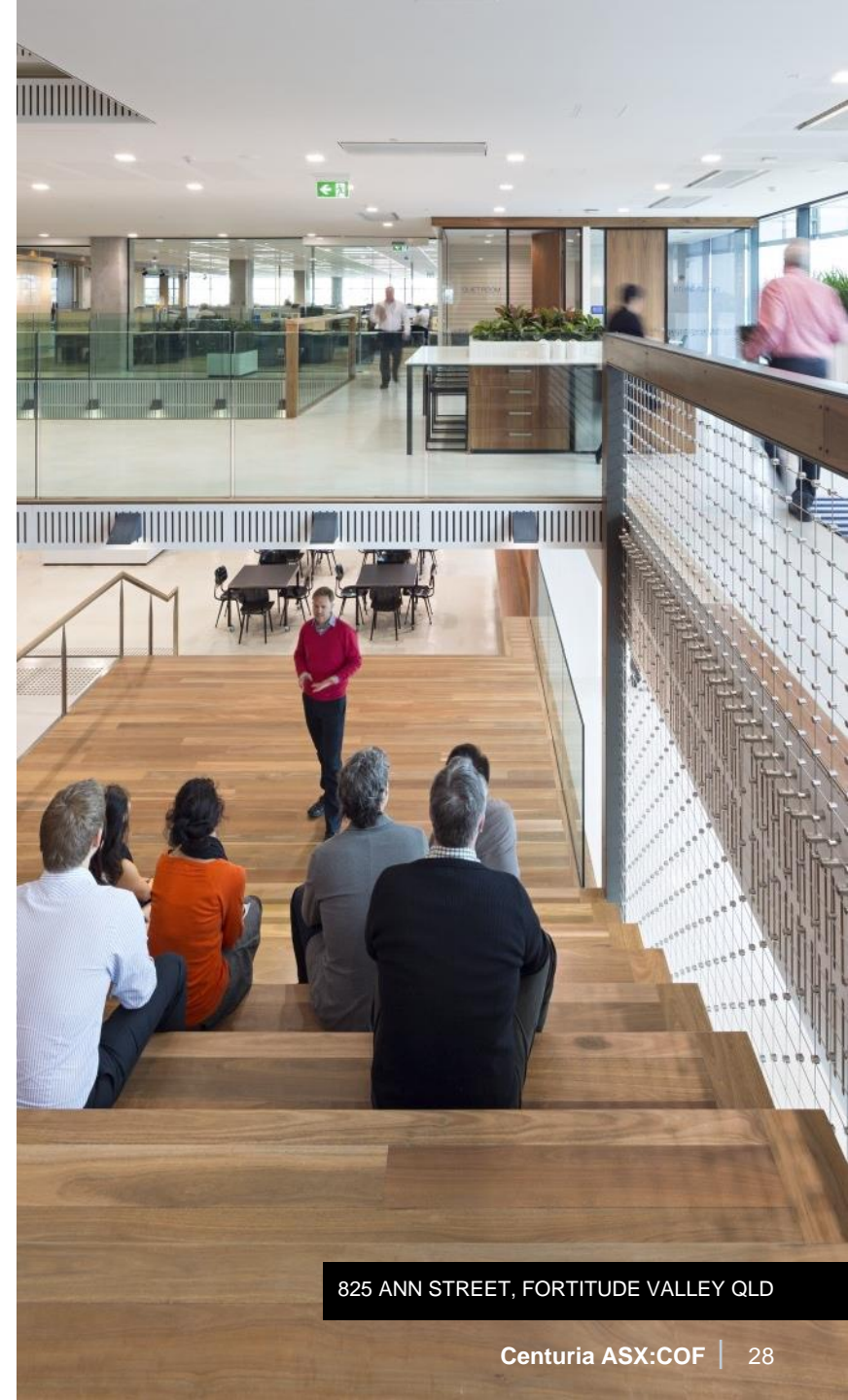
Market	Vacancy (%)	12 month net absorption (SQM)	12 month face rental growth (%)	Rental discount to Sydney CBD (%)	Proportion of market under construction (%)
Adelaide	16.0	12,967	5.9	63.7	10.5
Melbourne CBD	16.2	8,557	3.8	41.6	5.4
Melbourne fringe	15.2	46,290	0.7	59.5	9.4
Melbourne SES	11.6	7,992	1.3	68.5	2.9
Brisbane CBD	12.6	60,344	7.8	46.1	7.6
Brisbane fringe	14.8	85,606	3.4	60.3	1.7
Canberra	7.1	44,630	2.5	68.7	2.9
North Sydney	19.9	(26,309)	4.9	31.8	8.7
Chatswood	17.1	(2,622)	2.1	50.8	-
Parramatta	23.5	(60,816)	1.4	54.6	1.6
Perth CBD	18.5	66,644	1.4	48.9	3.8
St Leonards	27.8	(11,956)	1.5	50.0	-
Sydney CBD	14.4	(51,896)	6.8	-	-
Sydney fringe	7.7	3,769	9.1	42.9	3.2
Macquarie Park	17.6	2,999	2.0	66.8	2.2
West Perth	14.8	27,413	3.1	65.6	0.9

144 STIRLING STREET, PERTH WA

# Appendix C: Income statement

\$'000	FY23	FY22
<b>Revenue</b>		
Gross property income	183,128	176,575
Interest income	459	14
<b>Total revenue</b>	<b>183,587</b>	<b>176,589</b>
<b>Expenses</b>		
Direct property expenses	(38,429)	(37,523)
Responsible entity fees	(13,189)	(12,668)
Finance costs	(36,828)	(19,277)
Management and other administrative expenses	(2,113)	(2,214)
<b>Total expenses</b>	<b>(90,559)</b>	<b>(71,682)</b>
<b>Funds From Operations<sup>1</sup></b>	<b>93,028</b>	<b>104,907</b>
Gain/(loss) on fair value of investment properties	(162,157)	14,697
Realised/unrealised loss on fair value of derivatives	2,769	14,144
Straight-lining of rental income and amortisation of leasing commissions and tenant incentives	(25,620)	(18,796)
Gain/(loss) on fair value of investment properties	49	67
<b>Statutory net profit</b>	<b>(91,931)</b>	<b>115,019</b>

1. FFO is the Trust's underlying and recurring earnings from its operations. This is calculated as the statutory net profit adjusted for certain non-cash and other items





# Appendix D: FFO reconciliation

\$'000	FY23	FY22
<b>Statutory net profit</b>	<b>(91,931)</b>	<b>115,019</b>
(Gain)/loss on fair value of investment properties	162,157	(14,697)
(Gain)/loss on fair value of derivatives	(2,769)	(14,144)
Straight-lining of rental income and amortisation of leasing commissions and tenant incentives	25,620	18,796
Adjustments for AASB 16	(49)	(67)
<b>Funds from operations<sup>1</sup></b>	<b>93,028</b>	<b>104,907</b>
<b>Distribution</b>	<b>84,226</b>	<b>98,951</b>
FFO per unit (cents)	15.6	18.2
Distribution per unit (cents)	14.1	16.6

1. FFO is the Trust's underlying and recurring earnings from its operations. This is calculated as the statutory net profit adjusted for certain non-cash and other items



77 MARKET STREET, WOLLONGONG NSW



# Appendix E: Balance sheet

\$'000	FY23	FY22
Cash	17,287	26,558
Investment properties <sup>1</sup>	2,268,554	2,366,770
Trade and other receivables	9,000	7,450
(Gain)/loss on fair value of derivatives	(2,769)	(14,144)
Derivative financial instruments	13,336	7,133
Other assets	2,840	9,995
<b>Total assets</b>	<b>2,311,017</b>	<b>2,410,773</b>
Interest bearing liabilities <sup>2</sup>	893,576	828,504
Trade and other liabilities	47,493	32,385
Other liabilities <sup>3</sup>	53,604	57,383
<b>Total liabilities</b>	<b>994,673</b>	<b>918,272</b>
<b>Net assets</b>	<b>1,316,344</b>	<b>1,492,501</b>
Units on issue (thousands)	597,336	597,336
Net tangible assets per unit (\$)	2.20	2.50
Gearing (%) <sup>4</sup>	38.4	33.8

- Investment properties of \$2.3bn includes a \$31.2m leasehold asset under AASB 16
- Drawn debt net of borrowing costs
- Includes \$21.1m distributions payable and lease liability of \$32.5m
- Gearing is defined as total borrowings less cash divided by total assets less cash

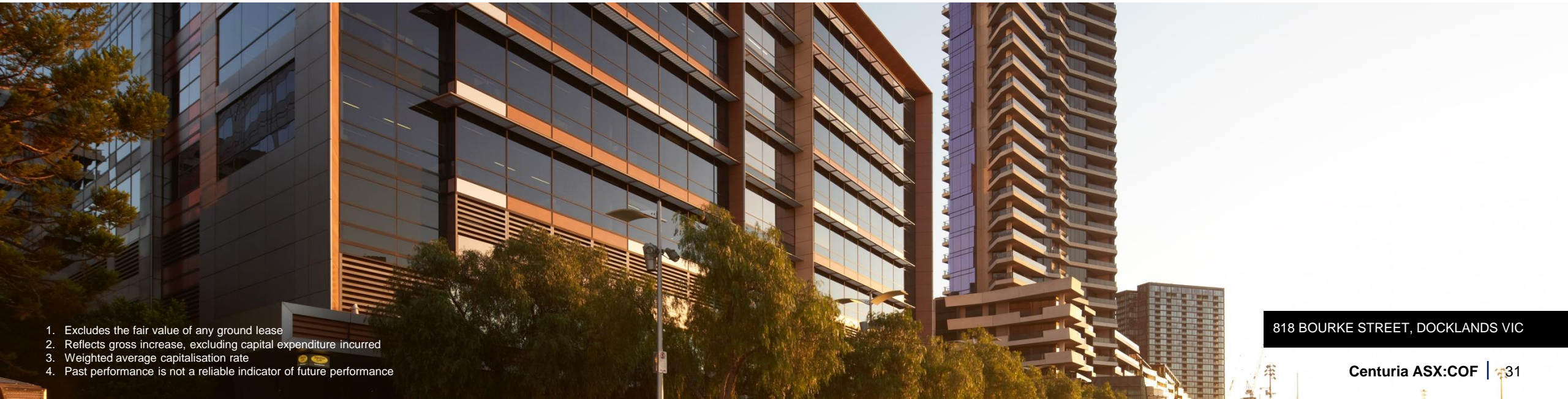


101 MORAY STREET, SOUTH MELBOURNE VIC



# Appendix F: Portfolio valuation summary

State	FY23 valuation <sup>1</sup> (\$M)	FY22 valuation <sup>1</sup> (\$M)	Valuation movement <sup>2,4</sup> (\$M)	(%)	FY23 WACR <sup>1,3</sup> (%)	FY22 WACR <sup>1,3</sup> (%)	Movement WACR <sup>3</sup> (BPS)
NSW	556.2	589.6	(33.4)	(5.7)	5.81	5.37	44
QLD	479.8	501.6	(21.8)	(4.3)	6.43	5.96	47
VIC	532.5	562.2	(29.7)	(5.3)	5.53	5.11	42
ACT	320.0	341.4	(21.4)	(6.3)	5.87	5.40	47
WA	266.3	284.3	(18.0)	(6.3)	6.65	6.34	31
SA	82.6	56.2	26.4	47.0	6.29	6.23	6
<b>Like-for-like portfolio/weighted average</b>	<b>2,237.4</b>	<b>2,335.3</b>	<b>(97.9)</b>	<b>(4.2)</b>	<b>6.00</b>	<b>5.58</b>	<b>42</b>



1. Excludes the fair value of any ground lease
2. Reflects gross increase, excluding capital expenditure incurred
3. Weighted average capitalisation rate
4. Past performance is not a reliable indicator of future performance

818 BOURKE STREET, DOCKLANDS VIC

# Appendix G: Investment property portfolio

Property	State	Ownership (%)	Book value (\$M)	Capitalisation rate (%)	Area (SQM)	Area (\$/SQM)	WALE (years) <sup>1</sup>	Occupancy (%) <sup>1</sup>
8 Central Avenue, Eveleigh	NSW	50%	201.0	5.38%	36,619	10,978	7.9	100.0%
203 Pacific Highway, St Leonards	NSW	100%	129.0	6.13%	11,735	10,993	3.9	95.0%
9 Help Street, Chatswood	NSW	100%	96.7	5.75%	9,397	10,291	3.6	95.2%
201 Pacific Highway, St Leonards	NSW	50%	92.5	6.00%	16,554	11,176	1.8	74.6%
77 Market Street, Wollongong	NSW	100%	37.0	6.75%	6,715	5,510	2.6	100.0%
2 Phillip Law Street, Canberra	ACT	100%	234.0	5.50%	27,354	8,555	5.6	98.9%
60 Marcus Clarke Street, Canberra	ACT	100%	63.0	6.75%	11,978	5,260	3.9	94.1%
54 Marcus Clarke Street, Canberra <sup>2</sup>	ACT	100%	23.0	7.25%	5,186	4,435	2.6	95.6%
825 Ann Street, Fortitude Valley	QLD	100%	152.4	6.25%	19,166	7,952	3.5	99.8%
154 Melbourne Street, South Brisbane	QLD	100%	86.0	6.38%	11,214	7,669	4.0	94.1%
100 Brookes Street, Fortitude Valley	QLD	100%	82.9	6.25%	9,525	8,703	2.9	100.0%
483 Kingsford Smith Drive, Hamilton	QLD	100%	77.5	6.38%	9,182	8,440	3.4	100.0%
555 Coronation Drive, Toowong	QLD	100%	41.0	6.75%	5,568	7,364	3.9	100.0%
35 Robina Town Centre Drive, Robina <sup>2</sup>	QLD	100%	40.0	7.38%	9,129	4,382	1.4	100.0%
818 Bourke Street, Docklands	VIC	100%	202.0	5.50%	23,055	8,762	2.9	92.3%
101 Moray St, South Melbourne	VIC	100%	190.0	5.25%	15,923	11,932	4.8	99.2%
584 Swan Street, Richmond	VIC	100%	70.5	5.88%	8,261	8,534	3.4	100.0%
2 Kendall Street, Williams Landing	VIC	100%	70.0	6.00%	13,040	5,368	5.4	100.0%
1 Richmond Road, Keswick	SA	100%	44.5	6.75%	8,087	5,503	3.3	100.0%
57 Wyatt Street, Adelaide	SA	100%	38.1	5.75%	4,538	8,396	6.5	100.0%
235 William Street, Northbridge	WA	100%	155.0	6.75%	21,626	7,167	3.2	99.2%
144 Stirling Street, East Perth	WA	100%	73.0	6.50%	11,042	6,611	6.0	100.0%
42-46 Colin Street, West Perth	WA	100%	38.3	6.50%	8,411	4,548	5.5	100.0%
<b>Total portfolio (June 2023)<sup>3</sup></b>			<b>2,237.4</b>	<b>6.00%</b>	<b>303,305</b>	<b>7,377</b>	<b>4.2</b>	<b>97.1%</b>

1. By gross income (equity share)

2. Contracts of sale have been exchanged for 54 Marcus Clarke Street, Canberra ACT and 35 Robina Town Centre Drive, Robina QLD. Settlement is expected in January 2024 and September 2023, respectively

3. Investment properties of \$2.2bn excludes a \$31.2m leasehold asset under AASB 16



# Appendix H: Environmental data

- Environmental Data reported is for financial years 2021 and 2022. Financial year 2023 data will be reported in the Centuria 2023 Sustainability Report which will be available in Q4CY23.
- Reported figures represent data for assets within the Centuria Office REIT (ASX:COF)
- Environmental data is reported where Centuria is deemed to have operational control of an asset

## Operational control

Operational Control refers to Centuria's capacity to directly manage the day-to-day activities of assets, by employing Centuria's or a nominated delegate's management policies. This definition is consistent with the principles outlined in the National Greenhouse and Energy Reporting Act 2007

## Emissions

Centuria use emissions factors from each corresponding year's National Greenhouse and Energy Reporting (Measurement) Determination. Emissions are reported for material energy sources collected including electricity and natural gas

	Unit of measure	FY22	FY21
Net lettable area	sqm	295,128	304,589
Total energy	MWh	27,671	21,280
Base building electricity	MWh	23,009	17,484
Natural gas	MWh	4,292	3,714
On-site solar generation	MWh	394	87
Renewables exported	MWh	24	-
Scope 1 emissions	tCO2-e	796	689
Scope 2 emissions	tCO2-e	17,855	13,889
Water	kL	145,928	145,634
Total waste	tonne	900	1,094
Waste disposed	tonne	659	822
Waste diverted	tonne	241	272

# Disclaimer

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



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