

ASX Announcement – Australian Unity Office Fund

4 September 2020

Revaluation of 5 Eden Park Drive, Macquarie Park

Australian Unity Investment Real Estate Limited (AUIREL), as Responsible Entity of Australian Unity Office Fund (ASX: AOF), is pleased to announce that 5 Eden Park Drive, Macquarie Park has been independently revalued as at 31 August 2020, to \$70 million, resulting in an increase of \$4 million above the 30 June 2020 book value.

This increase is primarily driven by the recent CPSA lease restructure, announced as part of the FY20 – full year financial results.

CPSA's lease over ~ 6,408 sqm has been restructured as follows:

- Level 1 (~2,593 sqm) has been surrendered by CPSA and leased on a direct basis to Saluda Medical¹ with the lease term extended by a further three years to 30 June 2029.
- The CPSA entity, which leases the ground floor warehouse and production facilities (~4,436 sqm) has been acquired by Aegros² with the expiry date maintained at 30 June 2026.

Total area has increased by approximately 600 sqm as a mezzanine area on level one has been captured under the lease documentation.

The valuation increase was primarily driven by a:

- tightening of the capitalisation rate by 0.25% to 5.75% due to the additional lease term and diversified tenancy profile; and
- an increase in market rental due to the additional area.

James Freeman, AOF's Fund Manager said "This transaction diversifies the existing CPSA lease into two separate leases, introducing new medical companies to the portfolio, while maintaining broadly the same annual tenancy income and extending one lease by a further three years, driving a 6.1% increase in independent valuation".

¹ **Saluda Medical** is a global medical device company focused on patient outcomes, science, and engineering to transform the neuromodulation industry with a platform of closed-loop technologies based on the Evoked Compound Action Potential (ECAP). For further information, please refer to: <https://www.saludamedical.com/about/>

² **Aegros** is a biotech company with a mission to develop and become the market leader in the emerging therapeutic plasma markets. For further information, please refer to: <http://www.aegros.com.au>

Issuer:

Australian Unity Investment Real Estate Limited
271 Spring Street
Melbourne VIC 3000
ABN 86 606 414 368
AFSL: 477434

Registry Enquiries:

Australian Unity Office Fund Investor Services
1300 737 760 or
+61 2 9290 9600
(outside Australia)

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Authorised by:

AUIREL disclosure committee

Contact information

James Freeman

Fund Manager – AOF

Phone: +61 458 286 250

About AOF

AOF is an ASX-listed REIT that wholly owns a diversified portfolio of nine office properties located across Australian metropolitan and CBD markets in Sydney, Adelaide, Melbourne, Brisbane and Canberra.

This announcement is issued by Australian Unity Investment Real Estate Limited ABN 86 606 414 368 AFSL 477434 (AUIREL). AUIREL is owned equally by subsidiaries of Australian Unity Limited ABN 23 087 648 888 and Keppel Capital Holdings Pte Ltd CRN 201302079N, the asset management arm of Singapore-based Keppel Corporation Limited CRN 196800351N.

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