



Australian Unity Office Fund Property Book and Strategic Opportunities

August 2022

(ASX: AOF)

Webcast | Teleconference

30 Pirie Street, Adelaide artist impression, subject to change



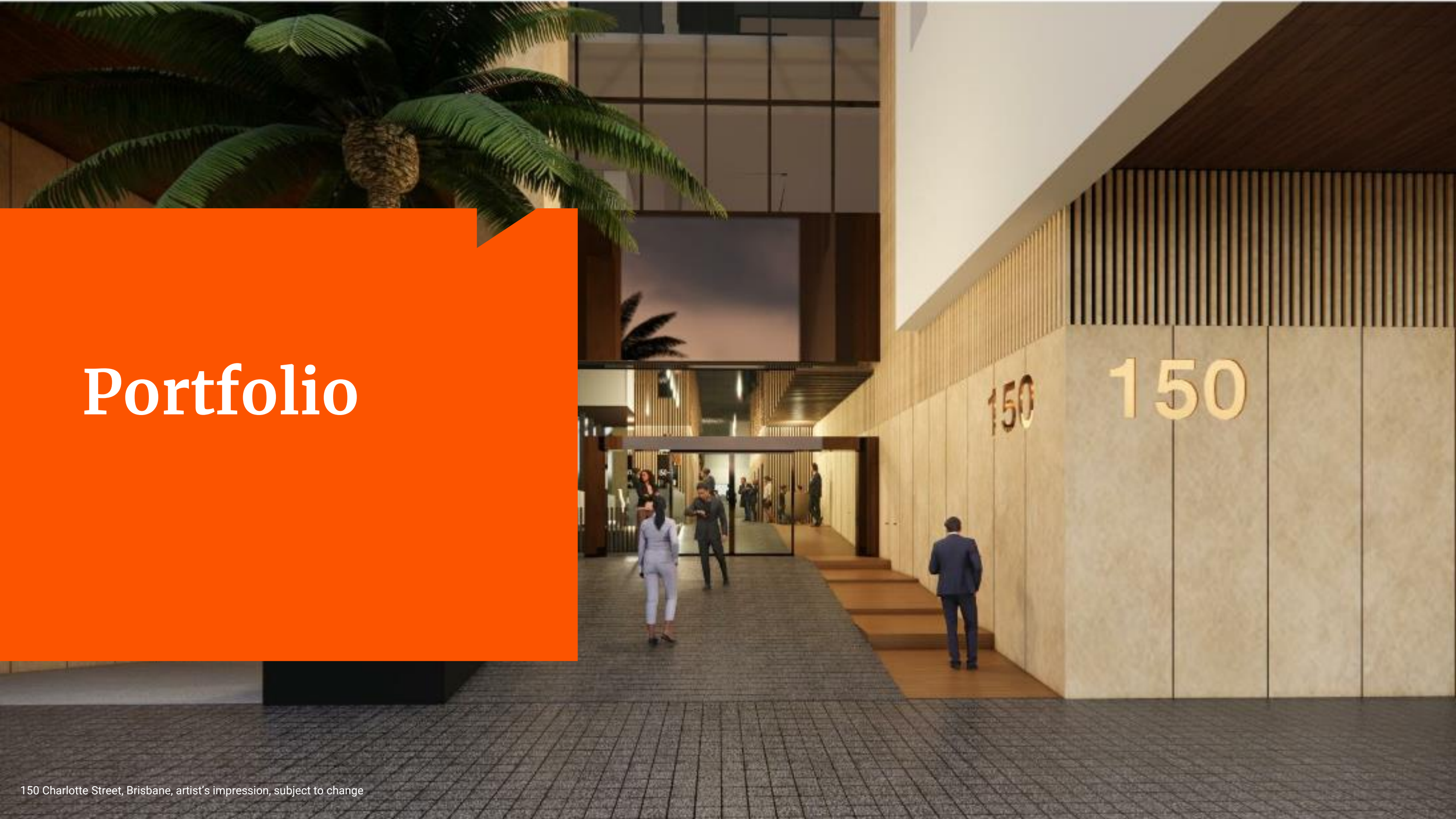
Property details¹

Property	Independent Valuation (\$'m)	Capitalisation rate (%)	Value \$/sqm	WALE ² (years)	Occupancy (by NLA)	NLA ³ (sqm)	Potential NLA	Potential increase in NLA
2-10 Valentine Ave, Parramatta, NSW ⁴	98.00	5.50% ⁵	6,117	0.4	18.2%	16,020	47,300	31,280
150 Charlotte St, Brisbane, QLD	77.10	6.25%	6,958	2.2	98.0%	11,081	36,000	24,919
30 Pirie St, Adelaide, SA	73.00	6.75%	2,960	0.8	100.0%	24,665	25,000	335
Sub-Total (T) / Weighted Average (W)	248.10 (T)	6.07% (W)	4,793 (W)	1.3 (W)	74.3% (W)	51,766(T)	108,300	56,534
468 St Kilda Rd, Melbourne, VIC	83.20	5.13%	7,421	4.4	93.7%	11,211	16,211	5,000
5 Eden Park Dr, Macquarie Park, NSW	80.00	5.25%	6,923	3.9	100.0%	11,556	25,000	13,444
2 Eden Park Dr, Macquarie Park, NSW	62.50	5.50%	6,041	2.4	97.0%	10,346	25,000	14,654
96 York St, Beenleigh, QLD	33.52 ⁵	5.63% ⁵	7,209	9.6	86.3%	4,650	-	-
64 Northbourne Ave, Canberra, ACT	32.50	5.75%	5,098	2.5	100.0%	6,375	-	-
Sub-Total (T) / Weighted Average (W)	291.72 (T)	5.37% (W)	6,609 (W)	4.1 (W)	96.3% (W)	44,138(T)	66,211	33,098
Total (T) / Weighted Average (W)	539.82 (T)	5.69% (W)	5,629 (W)	2.5 (W)	84.4% (W)	95,904(T)	174,511	89,632

Notes:

- All information is as at 30 June 2022 unless otherwise noted
- WALE means weighted average lease expiry in years, by gross property income
- NLA means net lettable area
- 2 & 10 Valentine Ave, Parramatta are on a single title with 10 Valentine Ave comprising a 14 level office building with basement parking for 25 cars; and 2 Valentine Ave comprising an adjacent six level car park for a total of 282 cars
The independent valuation of 10 Valentine Ave is \$82.00 million, with a capitalisation rate of 5.50% and 2 Valentine Ave is \$16.00 million, with a capitalisation rate of 5.00%
- Refers to 10 Valentine Ave, Parramatta only
- 96 York St, Beenleigh independent valuation dated 31 March 2022. The property benefits from a 2 year rental guarantee, expiring in February 2024 on the vacant space

Portfolio





2-10 Valentine Avenue, Parramatta NSW¹

Property Overview:

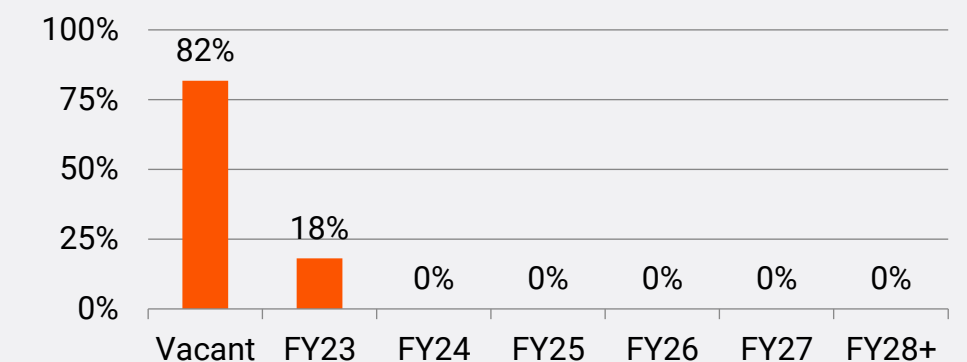
- A-grade office property comprising 14 levels of office space, located approximately 100 metres from the Parramatta Bus and Railway Interchange and Westfield Parramatta
- Adjacent to the existing building, and on the same certificate of title, is a six level freestanding car park with 282 parking bays. This is the site for the proposed 2 Valentine Avenue development
- Following the 30 June 2022 lease expiry by the major tenant, the building is largely vacant, with the remaining ~3,000 sqm to become vacant by 31 January 2023

Property information as at	30 June 2022
Independent valuation	\$98.0m
Capitalisation Rate	5.50% ²
Net Lettable Area (sqm)	16,020
Occupancy (by NLA)	18.2%
WALE	0.4 years
Site Area	3,935sqm
Zoning	B3 Commercial

Property Strategy:

- Refurbishment and repositioning underway to upgrade base building, wellness and services to create an attractive tenant proposition
- A Development Application has been lodged with the City of Parramatta for an opportunity to re-clad the existing façade, creating additional net lettable area which will integrate with the refurbishment strategy
- Proposed development to include sustainability initiatives with reduced carbon footprint
- Ongoing active leasing campaign

Lease expiry profile (by NLA)



Major Tenant	NLA sqm	% NLA	Expiry	Rent Review
Property NSW	2,914	18%	30 Sept 2022 / 31 Jan 2023	n/a

Note:

1. 2-10 Valentine Ave, Parramatta are on one certificate of title
2. 10 Valentine Ave capitalisation rate 5.50%; 2 Valentine Ave capitalisation rate 5.00%



150 Charlotte Street, Brisbane QLD

Property Overview:

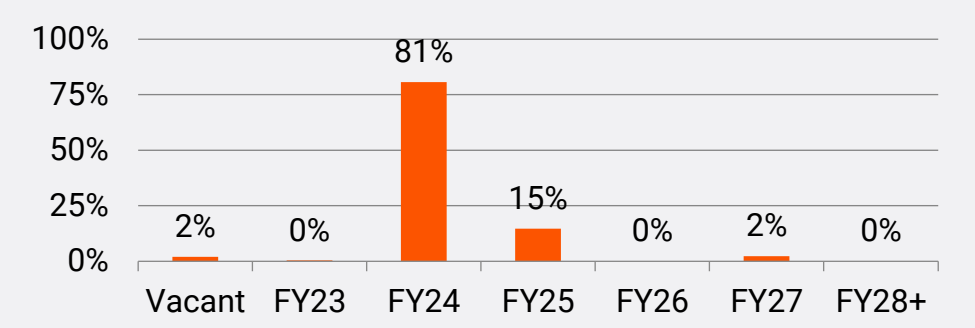
- Centrally located in Brisbane's CBD, comprising 16 levels of office space and three levels of basement parking providing 110 car parking bays
- The midtown precinct location is expected to benefit from some of Brisbane's largest infrastructure projects including Queen's Wharf and the Cross River Rail, a new train station 200 metres from the asset
- Underwent an extensive \$21 million refurbishment in 2012
- Boeing Defence Australia announced that they will be vacating at expiry in June 2024

Property Strategy:

- Refurbish ground floor amenity, including the introduction of third space and podium level enhancement
- Investigate redevelopment opportunity to increase site coverage to 65%, including additional levels to a height of ~170 meters as per current planning regulations, a total ~36,000sqm representing a potential additional ~25,000sqm of NLA
- Active leasing campaign underway
- Consider disposal of the asset

Property information as at	30 June 2022
Independent valuation	\$77.10m
Capitalisation Rate ¹	6.25%
Net Lettable Area (sqm)	11,081
Occupancy (by NLA)	98.0%
WALE	2.2 years
Site Area	1,679sqm
Zoning	Brisbane – Principle Centre 1

Lease expiry profile (by NLA)



Major Tenants	NLA sqm	% NLA	Expiry	Rent Review
Boeing Defence Australia	8,943	81%	30 June 2024	Annual fixed
Commonwealth of Australia	1,492	13%	30 June 2025	Annual fixed



30 Pirie Street, Adelaide SA

Property Overview:

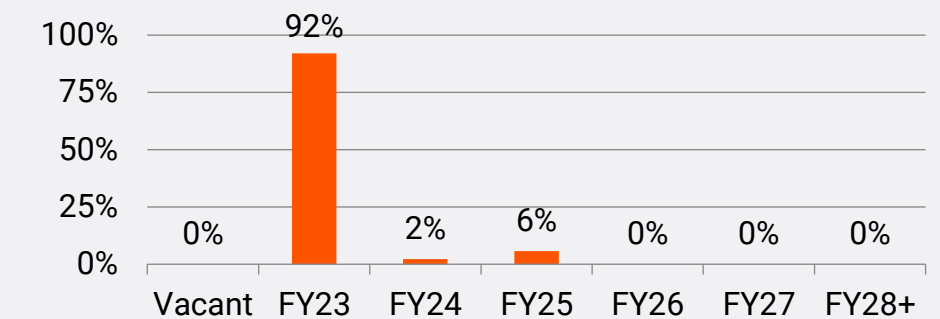
- A-grade office property that is centrally located in Adelaide's CBD, comprising 23 levels of office space on an island site with surrounding natural light
- Telstra, the major tenant announced that they will be consolidating and relocating at expiry but are seeking to extend their lease term for up to 12 months, on ~7,000sqm

Property information as at	30 June 2022
Independent valuation	\$73.00m
Capitalisation Rate	6.75%
Net Lettable Area (sqm)	24,665
Occupancy (by NLA)	100%
WALE	0.8 years
Site Area	3,040sqm
Zoning	Capital City Zone – City of Adelaide

Property Strategy:

- Activate the forecourt and ground floor lobby with concierge and hub style meeting rooms and touchless end-of-trip facilities and amenity
- Create an enhanced occupancy and wellness experience with upgraded services
- Investigate the opportunity to reclad the façade and further improve sustainability metrics
- Active leasing campaign underway

Lease expiry profile (by NLA)



Major Tenants	NLA sqm	% NLA	Expiry	Rent Review
Telstra	22,717	92%	28 Feb 2023	Annual fixed
Australian Unity Group Services	535	2%	30 Nov 2023	Annual fixed



468 St Kilda Road, Melbourne VIC

Property Overview:

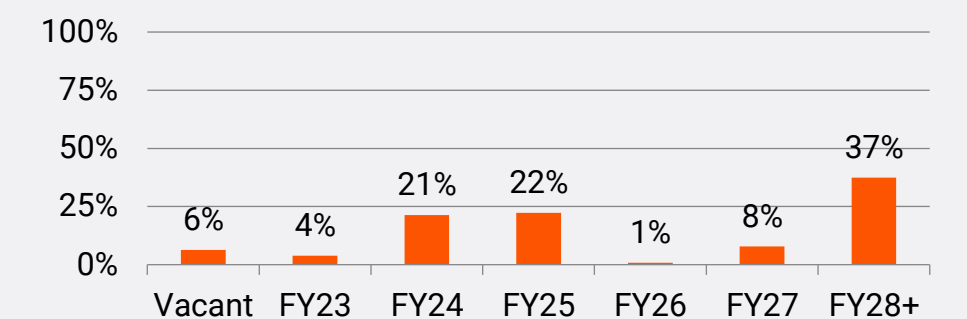
- B-grade office building comprising 13 levels, with refurbishments carried out progressively since 2010. St Kilda Road is one of the largest non-CBD office markets in Australia located approximately 3 kms to the south of the Melbourne CBD providing cost effective office accommodation
- Longer term, the asset will benefit from the Government's metro rail project, due in 2025, with ANZAC station approximately 500 meters from the asset
- There have been no new office developments in the St Kilda Road office market since the mid 1990s and some office buildings in this market have been withdrawn for residential conversion

Property Strategy:

- Continue with an active asset management strategy, addressing tenant retention and improving WALE
- Progressing a refurbishment opportunity for ground floor amenity, including the introduction of third space and enhanced wellness precinct
- While the existing commercial office use is currently considered to be 'the highest and best' use; continue to monitor alternate uses, including residential development, build to rent or new building
- Opportunity exists to add an additional ~5,000sqm of NLA office space. Investigate feasibility and buildability

Property information as at	30 June 2022
Independent valuation	\$83.20m
Capitalisation Rate	5.13%
Net Lettable Area (sqm)	11,211
Occupancy (by NLA)	93.7%
WALE	4.4 years
Zoning	Commercial 1 Zone
Site Area	2,324.8sqm

Lease expiry profile (by NLA)



Major Tenants	NLA sqm	% NLA	Expiry	Rent Review
TLC Aged Care	1,799	16%	16 Aug 2031	Annual fixed
EGA Corporate Advisers	1,269	11%	30 Jun 2028	Annual fixed



5 Eden Park Drive, Macquarie Park NSW

Property Overview:

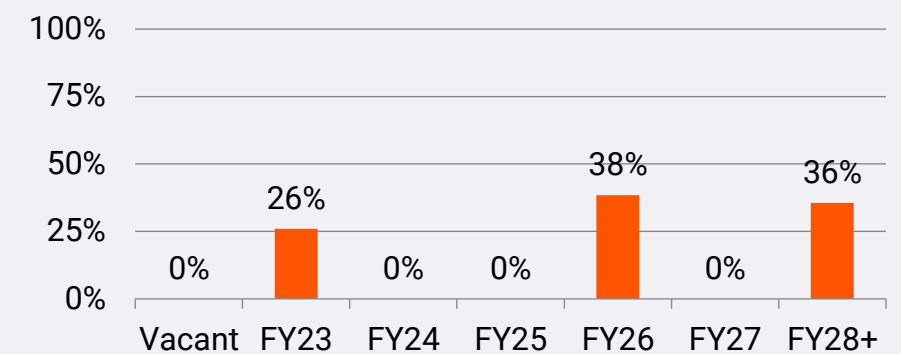
- A-grade modern office and warehouse property comprising three levels of office accommodation and a hi-tech production and warehouse area, approximately 450 metres to the Macquarie Park railway station on the Sydney Metro Northwest railway link
- The Macquarie Park office market is performing well due to the competitive rental on offer in comparison to the CBD and other major metro markets, transport infrastructure and retail amenity. With limited near term supply and significant appeal to tenants in the pharmaceutical, IT and logistics industries, the market appears well positioned

Property information as at	30 June 2022
Independent valuation	\$80.00m
Capitalisation Rate	5.25%
Net Lettable Area (sqm)	11,556
Occupancy (by NLA)	100%
WALE	3.9 years
Site Area	9,731 sqm
Zoning	B3 Commercial & B7 Business Park

Property Strategy:

- Active asset management targeted at tenant retention and improving the asset's WALE
- Investigate development opportunities given large land holding

Lease expiry profile (by NLA)



Major Tenants	NLA sqm	% NLA	Expiry	Rent Review
Aegros ¹	4,436	38%	30 June 2026	Annual fixed
Saluda Medical	2,593	22%	30 June 2029	Annual fixed

Note:
1. Contract Pharmaceutical Services of Australia trading as Aegros



2 Eden Park Drive, Macquarie Park NSW

Property Overview:

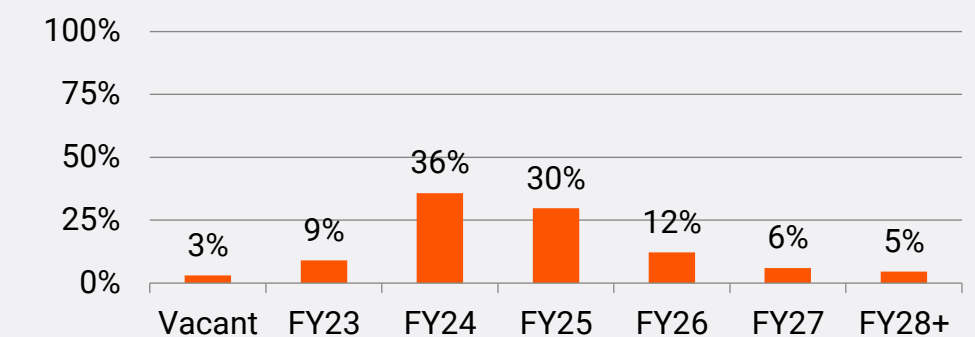
- Industrial complex comprising 16 attached office and warehouse units. The three level office areas are at the front of the property with the warehouse at the rear, split over two levels
- Located in the Macquarie Park business park, approximately 450 metres to the Macquarie Park railway station on the Sydney Metro Northwest rail
- The unique nature of the property, being predominantly small quality offices attached to high clearance warehouse, continues to witness strong leasing and sustained occupancy levels
- The Macquarie Park office market is performing well due to the competitive rental on offer in comparison to the Sydney CBD and other major metro markets, transport infrastructure and retail amenity. With limited near term supply and significant appeal to tenants in the pharmaceutical, IT and logistics industries, the market appears well positioned

Property Strategy:

- Active asset management targeted at tenant retention and improving the asset's WALE
- Investigate development opportunities given large land holding

Property information as at	30 June 2022
Independent valuation	\$62.50m
Capitalisation Rate	5.50%
Net Lettable Area (sqm)	10,346
Occupancy (by NLA)	97.0%
WALE	2.4 years
Site Area	10,340sqm
Zoning	B3 Commercial & B7 Business Park

Lease expiry profile (by NLA)



Major Tenants	NLA sqm	% NLA	Expiry	Rent Review
Nuskin Australia	1,427	14%	31 Dec 2024	Annual fixed
Enterix Australia	967	9%	30 Jun 2024	Annual fixed



96 York Street, Beenleigh QLD

Property Overview:

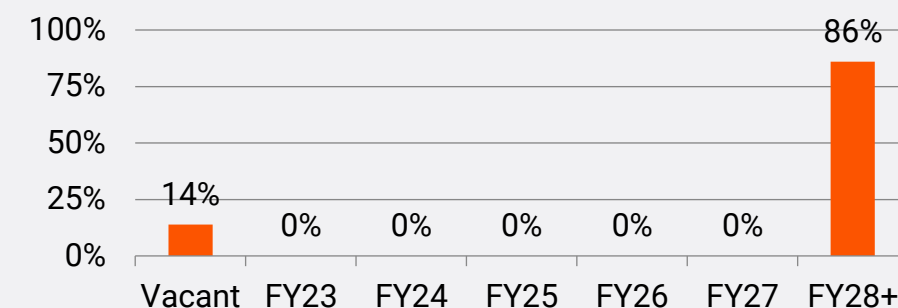
- Modern newly constructed A-grade office property, with sustainability initiatives including solar panels and rainwater harvesting
- Located in a central government hub in Beenleigh, approximately 550 metres to the train station and easy connections to Brisbane and the Gold Coast
- Comprises seven floors of office accommodation, 4,011sqm leased to the Logan City Council for 10-years with two 5-year options
- The balance of the asset offers 180sqm of ground floor retail space and 459sqm of flexible office space and is covered by a two-year rental guarantee
- The property also benefits from 50 car parking spaces, of which 33 are leased to Logan City Council

Property Strategy:

- Actively manage the relationship with the City of Logan and Department of Water
- Actively manage leasing opportunities for the small office suites on the ground floor
- Consider disposal of the asset

Property information as at	30 June 2022
Independent valuation ¹	\$35.52m
Capitalisation Rate ¹	5.63%
Net Lettable Area (sqm)	4,650
Occupancy (by NLA)	86.3%
WALE	9.6 years
Building constructed	2021

Lease expiry profile (by NLA)



Major Tenant	NLA sqm	% NLA	Expiry	Rent Review
Logan City Council	4,011	86%	February 2032	Annual - greater of CPI and 3.0%
Rental guarantee	639	14%	February 2024	

Note:

1. Independent valuation as at 31 March 2022



64 Northbourne Avenue, Canberra ACT

Property Overview:

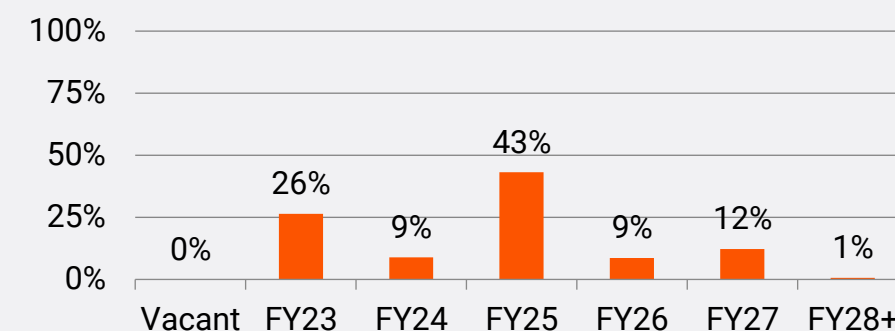
- B-grade property comprising six levels of office accommodation
- Located on a prominent corner in the Canberra CBD within the prime retail precinct, the City Bus Interchange and the main station of the Canberra Light Rail Network
- 64 Northbourne and neighbouring properties comprise a prime CBD block in the core of the Canberra CBD. The combined site is adjacent to the recently completed light rail terminus

Property Strategy:

- Active asset management to maintain 100% occupancy
- Consider consolidation with neighbouring properties
- Consider disposal of the asset

Property information as at	30 June 2022
Independent valuation	\$32.50m
Capitalisation Rate	5.75%
Net Lettable Area (sqm)	6,375
Occupancy (by NLA)	100%
WALE	2.5 years
Zoning	CZ1: CoreZone under the Territory Plan 2008
Site Area	1,583sqm

Lease expiry profile (by NLA)



Major Tenants	NLA sqm	% NLA	Expiry	Rent Review
Commonwealth of Australia	1,265	20%	7 June 2025	Annual fixed
Defence Force Recruiting	1,275	20%	30 June 2023	Annual fixed

Property Options and Opportunities

Property options and opportunities presented in this presentation are for illustration purposes only. There is no certainty that these options or opportunities will be pursued by AOF.



Valentine Place Precinct, Parramatta NSW development opportunity¹

- Valentine Place provides an opportunity to create a precinct of ~48,000sqm of NLA cementing the southeast corridor of Parramatta's central business district
- The objective is to create and deliver the "future of workplace", a precinct that is attractive to tenants, enhancing their quality of work life through the delivery of contemporary and flexible workplace solutions with supporting technology
- The project involves the replacement of the façade, extended floorplates to create additional NLA, new plant, new lobby and contemporary end of trip and wellness facilities
- Achieve an outstanding design outcome, with imaginative and contemporary architecture, while being respectful of the surrounding context with an ecologically sustainable design and best practice environmental performance
- On an island site metres from the Parramatta transport interchange and Parramatta Square - the prime location supported by a unique design, amenities and creating a workplace with a leading focus on sustainability and wellness

Development Metrics

10 Valentine Place

- Building total - 19,300sqm , typical floor 1,500sqm (PCA A-Grade)
- Existing – 16,020sqm
- Additional – 3,280sqm (reclad additional)
- Basement, Ground, 13 Office Levels, Roof plant
- Workplace Density 1:10, including amenities and fire stairs

2 Valentine Place

- Building total - 28,000sqm
- Functional Floor plates – Floor plates of 1,235sqm
- High rise (Level 22) and mid rise (Level 14) outdoor terrace
- Sustainability – including 5.5 Star NABERS Energy rating
- 6 Star Green Star rating, energy efficient façade and roof top solar



Note:

1. Images are artist's impressions and subject to change

30 Pirie Street, Adelaide SA opportunity¹

Refurbishment and Repositioning Opportunity:

- The opportunity involves refurbishment of the property to reposition to current PCA A grade in the heart of the Adelaide CBD on an island site of approximately 3,040sqm
- The fundamental objective is to create a workplace that is attractive to tenants, delivers contemporary and flexible workplace solutions, enhances the Adelaide public domain and is suitable for long term tenant occupation and ownership
- The aim is to create flexible, desirable and contemporary work solutions with supporting technology including efficient sustainable initiatives
- The proposed façade upgrade provides an opportunity to cement the repositioning strategy, introduce green initiatives enhancing energy efficiency complementing the new plant, forecourt lobby and contemporary end of trip & wellness facilities
- Deliver the 'future of workplace' to enhance the quality of life for people in their work environment

Key project objectives

Ground Floor Lobby & Mezzanine

- Activated vibrant forecourt and ground floor lobby with concierge and hub style meeting rooms with touchless end-of-trip facilities and amenity

Base Building Upgrade

- Designed to enhance the occupancy experience and wellness with and upgrade of central plant & services and installation of Destination Control System to all lifts

Key performance objectives targeting:

- 5 Star NABERS Energy, 4 Star NABERS Water, 3 Star NABERS Waste, green star rating of 6 Star Greenstar, a Wells rating of Platinum and PCA A grade rating

Note:

1. Images are artist's impressions and subject to change



150 Charlotte Street, Brisbane QLD opportunity¹

Refurbishment and Development Opportunity:

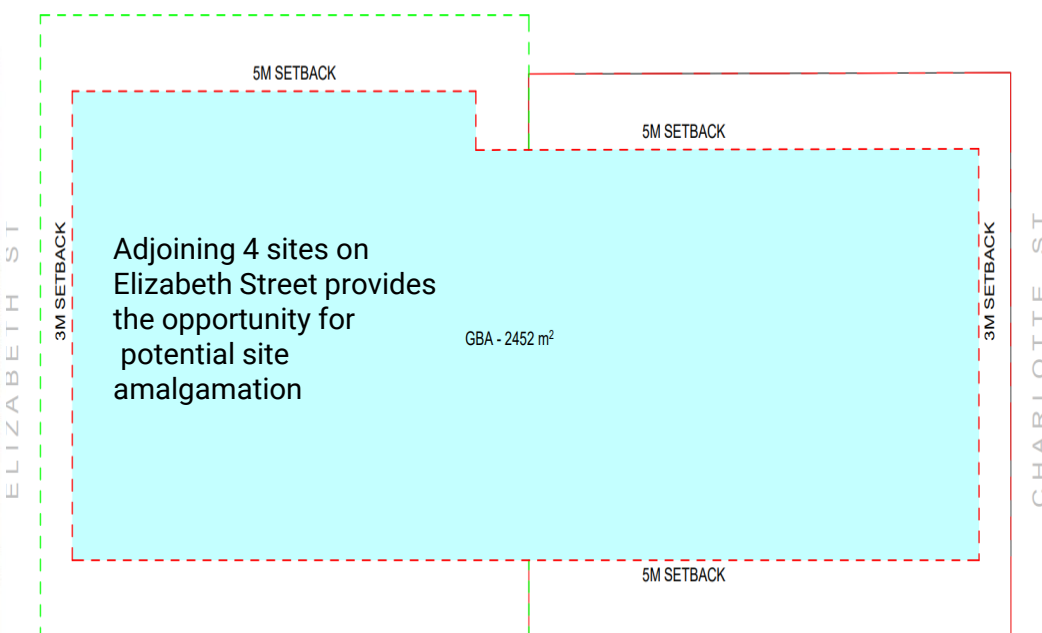
- Short term - value add refurbishment opportunity for ground floor amenity enhancement, including façade upgrade at the podium level
- Medium Term - Investigate redevelopment opportunity in an effort to increase site coverage to 65%, including additional levels to a height of ~170 metres as per current planning regulations, ~36,000sqm of total net lettable area, an additional ~25,000sqm of net lettable area
- Longer term - Investigate redevelopment opportunity by consolidating assets in Elizabeth St to increase the site area to ~3,700sqm and net lettable area of in excess of ~70,000sqm due to reduced set back requirements

Development Metrics

- Increase site Coverage: 65%
- Additional ~25 floors
- Increase NLA by ~25,000sqm
- Total NLA ~36,000sqm
- High rise ~954sqm floor
- Low rise ~900sqm floor
- NLA/GFA ~94%



Longer term - Potential Site Amalgamation



Note:

1. Images are artist's impressions and subject to site amalgamation and change

468 St Kilda Road, Melbourne VIC development opportunity¹

Market Overview:

- St Kilda Road offers an attractive rental value proposition with rents on average less than most other fringe markets and the Melbourne CBD
- The St Kilda Road precinct has witnessed significant strength during COVID reviving this metro office market and leading the recovery in fringe markets
- There have been no new office developments in the St Kilda Road office market since the mid 1990s and some office buildings in this market have been withdrawn for residential conversion
- Longer term, the asset will benefit from the Government's metro rail project, due in 2025, with ANZAC station approximately 500 metres from the asset
- While the existing commercial office use is currently considered to be the 'highest and best' use; continue to monitor alternative uses, including residential development, build to rent or new building

Refurbishment and Development Opportunity:

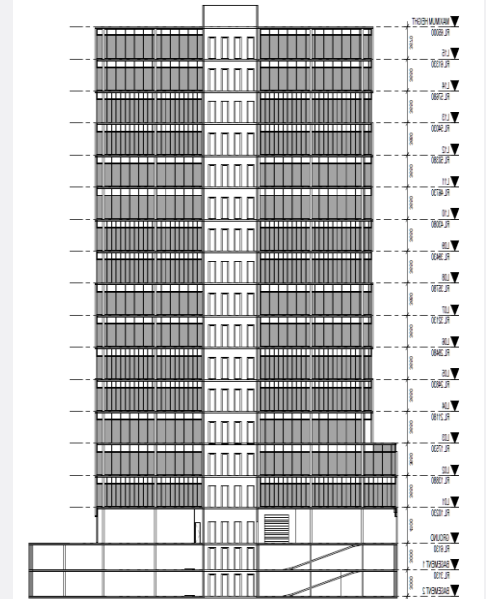
- Short term – maintain the active sub-division of floors to attract smaller tenants and investigate the opportunity to add ~5,000sqm of net lettable area, buildability and feasibility. Improve on ESG fundamentals, ie 4 stars NABERS water to possibly 5 or 5.5 stars
- Refurbishment opportunity for ground floor amenity, including the introduction of third space and enhanced wellness precinct
- Medium to Longer Term – explore and investigate alternate opportunities, including a redevelopment to create an A Grade office building, residential development, build to rent or new building
- Medium to Longer Term – explore the opportunity to amalgamate the site with the adjoining owner where a development application exists for a new office development

Indicative Development Metrics*

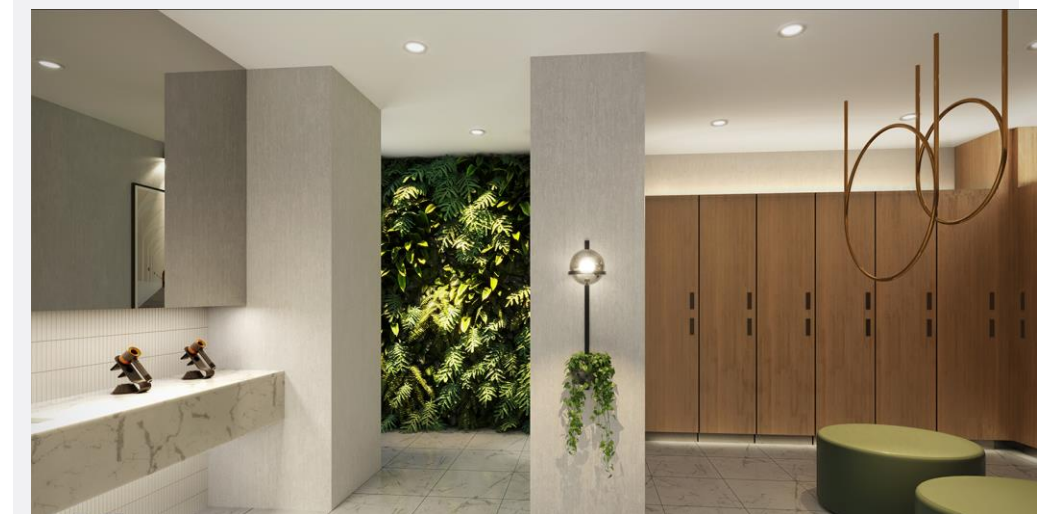
- Rebuild - GLA 20,252
- NLA – 16,327sqm
- Floor plates – 1,053sqm
- Car Spaces: 118
- Efficiency: 81%

Opportunity to introduce:

- PCA A Grade
- Sustainability initiatives
- 5.5 Star NABERS
- 6 Star Green Star rating
- Energy efficient façade



End of Trip Facilities



Notes:

1. Images are artist's impressions and subject to change



2 & 5 Eden Park Drive, Macquarie Park NSW development opportunity

Market Overview:

- The Macquarie Park office market is performing well due to the competitive rental on offer in comparison to the CBD and other major metro markets, coupled with solid transport infrastructure and retail amenity. With limited near term supply and significant appeal to tenants in the pharmaceutical, IT and logistics industries, the market is well positioned
- Macquarie Park is set to benefit further from the recently announced Macquarie Park Planning Strategy which aims to create further opportunity as it positions Macquarie Park as an Innovation District - a district with collaboration and economic growth potential and envisages 20,000 new jobs attracting growth firms in education, health and biomedical sciences, health care, advanced manufacturing, digital and telecommunications

2 & 5 Eden Park Drive, development opportunities:

2 Eden Park Drive

- Site Area: ~10,000sqm
- Planning FSR: 3:1, currently 1:1
- Maximum potential: ~30,000sqm

5 Eden Park Drive

- Site Area: ~11,000sqm
- Planning FSR: 3:1, currently 1:1
- Maximum potential: ~30,000sqm

2 & 5 Eden Park Drive

- Zoning: B3 and B7: Commercial and Business Park
- Car Parking Ratio: Part: 1:80, Part: 1:46
- Max Building height 45 metres

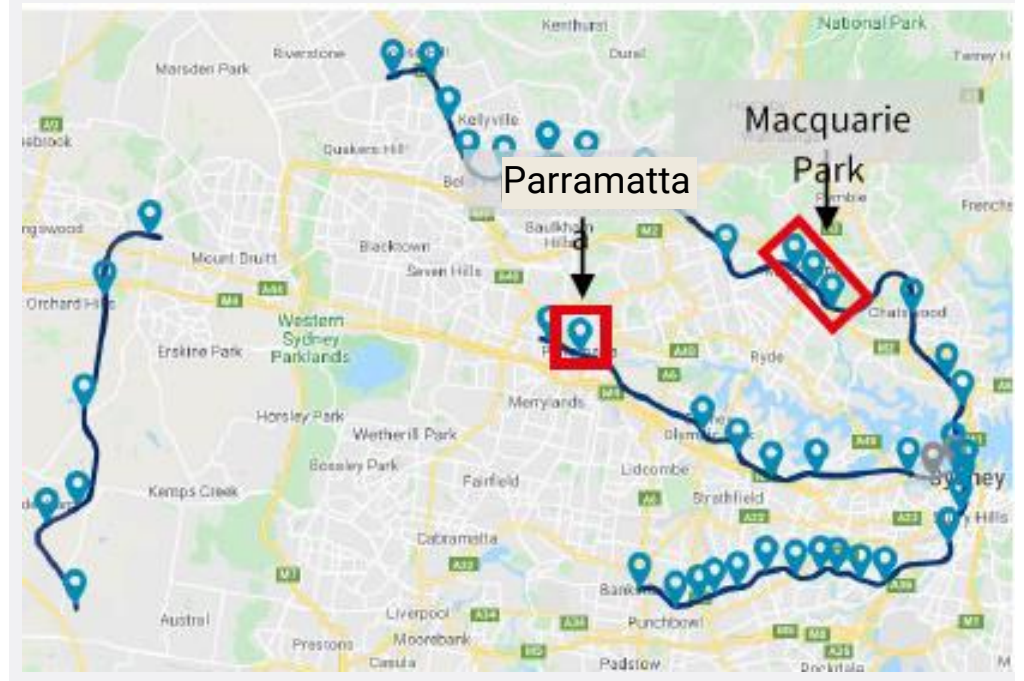
2 Eden Park Drive, Macquarie Park



Development Opportunity:

- Medium to Longer Term – potential to increase the net lettable area to ~50,000sqm - 60,000sqm, across both assets adopting the current planning regulations

Macquarie Park Precinct – Map of Sydney Metro



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