



# Centuria Office REIT

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# 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 occupancy<sup>1</sup>



**4.5yrs**

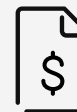
Portfolio WALE<sup>2</sup>

## FINANCIAL



**8.1%**

Forecast FY21  
DPU yield<sup>3</sup>



Distribution paid in  
equal quarterly  
instalments



**34.5%**

Gearing<sup>4</sup>



**\$131.0m**

Undrawn debt<sup>5</sup>

1. By area
2. 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 <b>active management</b> team with deep real estate expertise	Prudently managing its balance sheet to position for further growth	<b>Strongly supported by Centuria Group</b>
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**KEY OBJECTIVES**

<b>Portfolio Construction</b>	<b>Active Management</b>	<b>Capital Management</b>	<b>Unlock opportunities to create further value</b>
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

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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



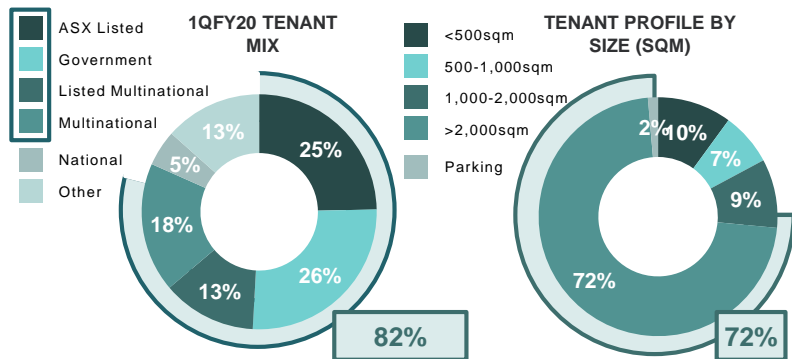
COF exposed market rents average a significant discount to Sydney CBD



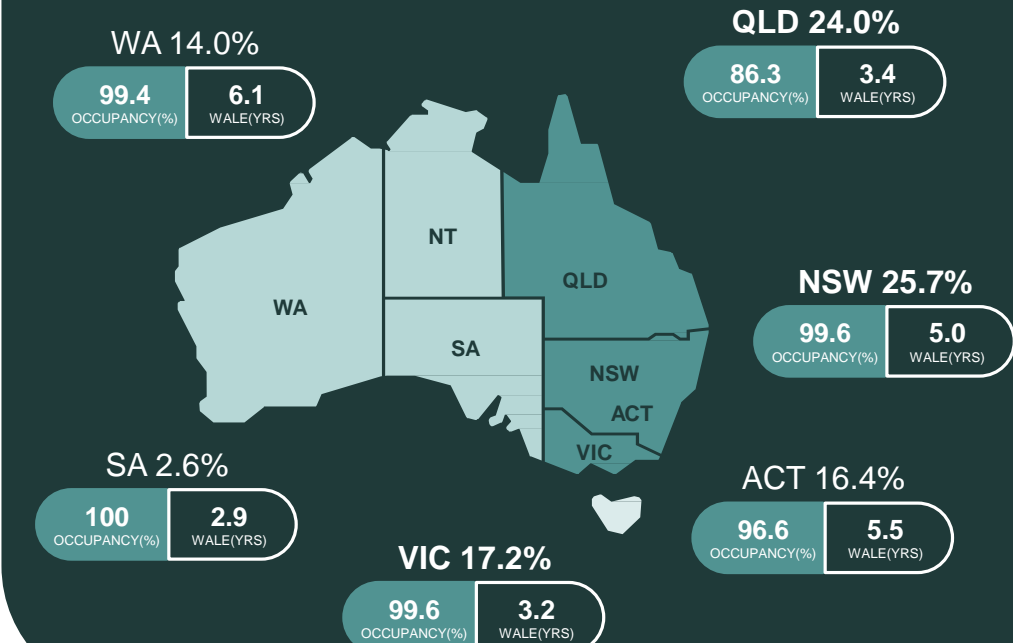
# COF - A high-quality pure play office portfolio

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



## PORTFOLIO WEIGHTING



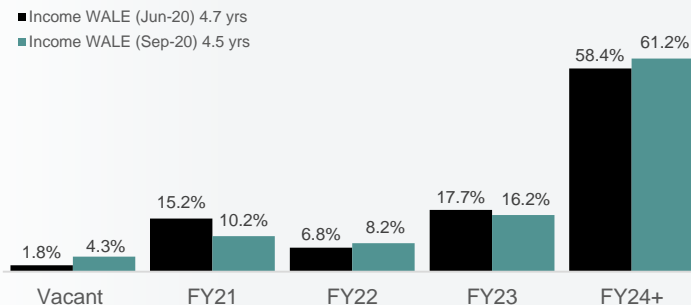
1. As at 30 June 2020  
 2. By area  
 3. By gross income

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%<sup>1</sup> WALE of 4.5 years<sup>2</sup>
- **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 1QFY21<sup>3</sup>

**5,985sqm**  
11 new leases  
in 1QFY21<sup>3</sup>

**6,567sqm**  
7 renewals  
in 1QFY21<sup>3</sup>

**12,552sqm**  
Portfolio NLA  
leased in 1QFY21<sup>3</sup>

## TOTAL GOVERNMENT EXPOSURE 25%

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

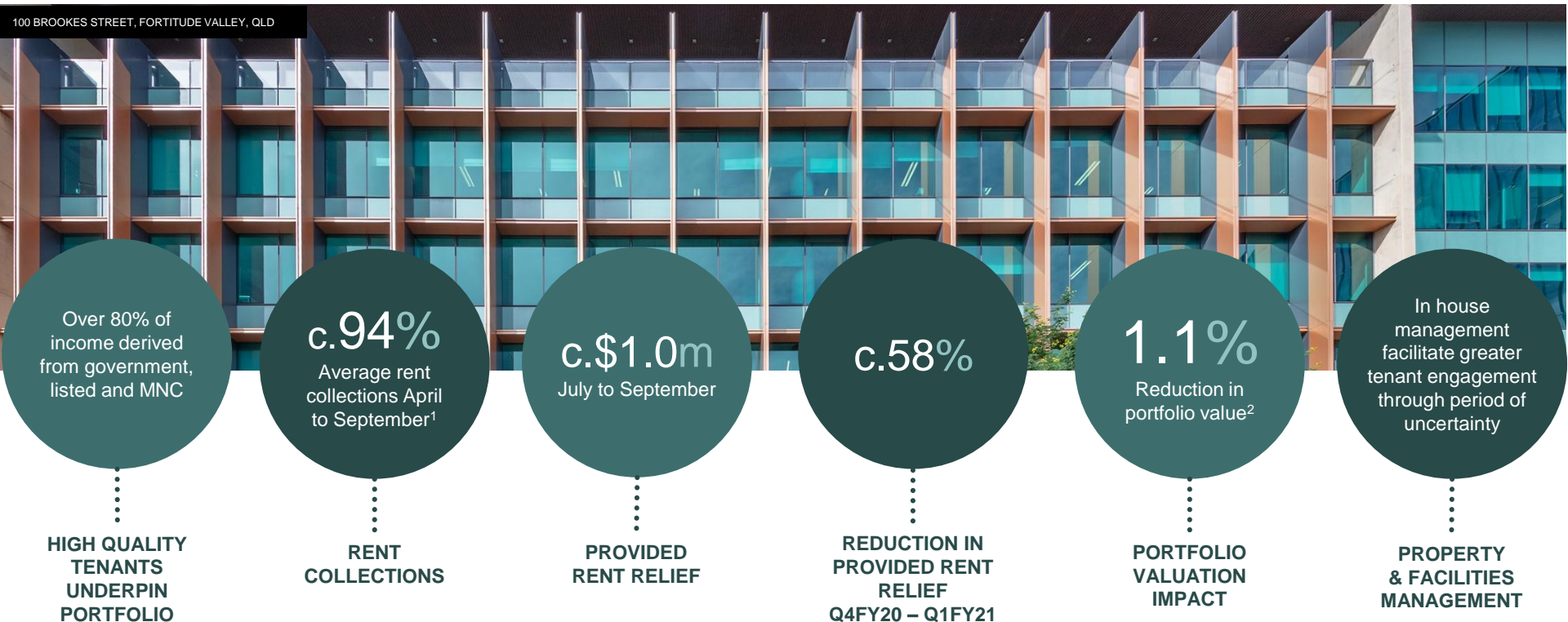
1. By area  
2. By gross income  
3. Includes leases agreed

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



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

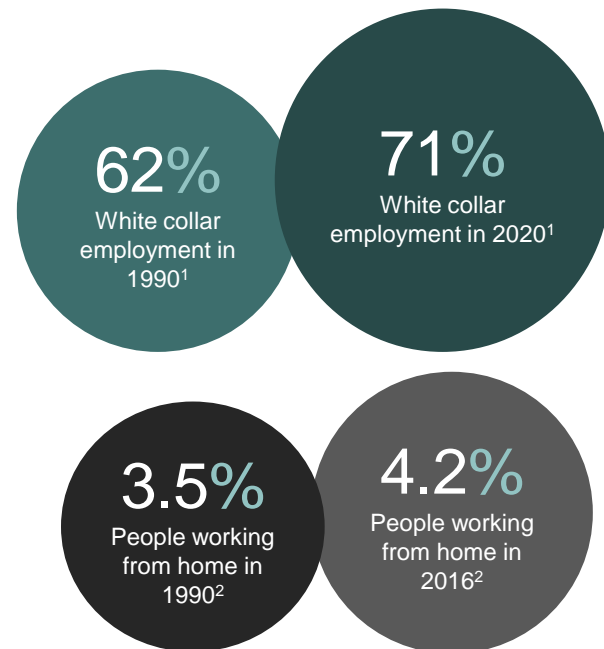
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## Benefits working from the office

- 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)



# 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)

**8.1%<sup>1</sup>**

**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  
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