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Acquisitions and Equity Raising

SYDNEY (Monday, 6 September 2021)

Centuria Property Funds Limited (**CPFL**), as Responsible Entity for the Centuria Office REIT (**COF**), is pleased to announce the following:

- The proposed acquisition of interests in two high quality office properties in key near city and metropolitan markets in Melbourne and Sydney (**Acquisitions**) for a total purchase price of $273.1 million[1];
- The Acquisitions will consolidate COF's position as Australia's largest listed pure play office REIT with a $2.3 billion portfolio of quality office assets[2];
  - COF's portfolio WALE increases to 4.5 years (from 4.3 years) and average building age reduces to 15.5 years (from 16.8 years)
- FTSE Russell has confirmed that COF will be included in the FTSE EPRA Nareit Global Developed Index, effective from Monday, 20 September 2021;
- A fully underwritten 1 for 6.4 accelerated non-renounceable entitlement offer to raise approximately $201.0 million (**Equity Raising**) at an issue price of $2.50 per unit (**Issue Price**); and
- FY22 guidance reaffirmed
  - Funds from operations (**FFO**) of 18.0 cents per unit (**cpu**)[3], reflecting a 7.2% yield on the Issue Price; and
  - Distribution of 16.6 cpu, reflecting a 6.6% yield on the Issue Price.

ACQUISITIONS

The Acquisitions relate to the following properties:

Properties	State	Interest	Purchase price[1]	Cap rate	NLA (sqm)	WALE[4] (yrs)	Occupancy[4]
101 Moray Street, South Melbourne	VIC	100%[5]	$205.1m	5.00%	15,908	6.3	100.0%
203 Pacific Highway, St Leonards[6]	NSW	50%[7]	$68.0m	5.75%	11,735	3.9	99.3%
Total / weighted average			**$273.1m**	**5.19%**	**27,643**	**5.6**	**99.8%**

[1] COF's interest, excluding costs.
[2] Assumes the acquisition of 203 Pacific Highway proceeds.
[3] Assumes the acquisition of 203 Pacific Highway proceeds. If the acquisition does not proceed, COF expects FY22 FFO to be 17.6 cpu.
[4] By gross income.
[5] Freehold interest.
[6] COF currently owns a 50% leasehold interest in 203 Pacific Highway. The remaining 50% leasehold interest is being acquired from Centuria 203 Pacific Highway Fund, a closed-end unlisted fund managed by CPFL. Given the acquisition is from a related party, it requires approval from COF unitholders by an ordinary resolution. The acquisition is also subject to approval from Centuria 203 Pacific Highway Fund unitholders by an ordinary resolution and the consent of the freehold owner of the property.
[7] Leasehold interest.

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COF has entered into the contract for the acquisition of 101 Moray Street, South Melbourne with settlement to occur on 30 September 2021. COF has received and accepted a pre-emptive notice for 203 Pacific Highway with exchange of conditional contracts expected prior to 10 September 2021. Further details around the conditionality are outlined below.

COF Fund Manager, Mr Grant Nichols commented: "The Acquisitions are high quality office properties, strategically located in key Melbourne and Sydney near city and metropolitan locations that offer excellent surrounding tenant amenity and accessibility."

"101 Moray Street is located in the attractive near city location of South Melbourne, just one kilometre from the Melbourne CBD. The area has become a desirable location for Melbourne tenants, particularly tech and media, as South Melbourne offers iconic retail amenity with access to key transport infrastructure. The asset is a brand new prime grade office building with CBD views and built to the highest specification, with a focus on delivering a unique tenant experience. It was fully leased within nine months of practical completion and now enjoys a strong and diversified income profile."

"203 Pacific Highway is located in the heart of the St Leonards business precinct, directly above the entrance to the railway station, approximately four kilometres north of the Sydney CBD. An established metropolitan office market, St Leonards' connectivity will be further improved by the Sydney Metro infrastructure project. Adjoining COF's 201 Pacific Highway, the asset has modern amenities, coupled with efficient floor plates and Sydney CBD views."

"The Acquisitions are strongly aligned with COF's stated strategy and deliver several benefits including broader geographic diversification, high occupancy, young assets with sustainable and affordable rent profiles and an enhanced portfolio WALE."

CONDITIONS FOR ACQUISITION OF 203 PACIFIC HIGHWAY

COF presently owns a 50% interest[8] in 203 Pacific Highway. The remaining 50% interest[9] in 203 Pacific Highway is being acquired from Centuria 203 Pacific Highway Fund, a closed-end unlisted fund managed by CPFL. COF has exercised its pre-emptive right under the co-owners agreement after Centuria 203 Pacific Highway Fund issued COF with a transfer notice to sell its interest in the property.

As the vendor is a related party of CPFL, approval from COF unitholders by an ordinary resolution is required for the acquisition under Chapter 2E of the Corporations Act and Listing Rule 10.1. Completion of the acquisition is also subject to approval from Centuria 203 Pacific Highway Fund unitholders by an ordinary resolution and consent from the freehold owner of the property. Unitholder meetings for COF and Centuria 203 Pacific Highway Fund are expected to take place on Friday, 29 October 2021. A separate Notice of Meeting and Explanatory Memorandum will be sent to COF unitholders.

[8] Leasehold interest.
[9] Leasehold interest.

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FTSE EPRA NAREIT GLOBAL DEVELOPED INDEX INCLUSION

FTSE Russell has confirmed COF will be included in the Financial Times Stock Exchange (FTSE) European Public Real Estate (EPRA) National Association of Real Estate Investment Trusts (Nareit) Global Developed Index.

The FTSE EPRA Nareit Global Developed Index is a global real estate index that tracks listed REITs' performance based on liquidity, size and revenue. The announced changes are effective at the open of trading on Monday, 20 September 2021.

COF Fund Manager, Mr Grant Nichols commented, "COF is Australia's largest ASX listed pure play office REIT, and inclusion in the FTSE EPRA Nareit Index expands COF's market relevance. We welcome this index inclusion that offers domestic and international investors with another transparent and efficient means for comparing COF to global real estate peers."

EQUITY RAISING

To partially fund the Acquisitions, COF is undertaking a fully underwritten 1 for 6.4 accelerated non-renounceable entitlement offer to raise $201.0 million. The Equity Raising will comprise of an accelerated Institutional Entitlement Offer and a Retail Entitlement Offer.

The fixed Issue Price of $2.50 per unit represents a:

- 3.5% discount to the last close price of $2.59 per unit on 3 September 2021;
- 3.0% discount to TERP of $2.58 per unit;
- 7.2% forecast FY22 FFO yield[10]; and
- 6.6% forecast FY22 distribution yield[11].

New units issued under the Equity Raising will rank equally with existing COF units from the date of issue.

Centuria Capital Group (ASX: CNI), COF's largest unitholder, has committed to subscribe for $25.5 million of new units.

FINANCIAL IMPACT

Including the impact of the Acquisitions and Equity Raising, COF reaffirms its FY22 guidance of:

- FFO of 18.0 cpu[12]; and
- Distribution of 16.6 cpu.

Pro forma gearing is forecast to be 33.7%[13].

[10] Based on COF's guidance for FY22 FFO of 18.0 cpu (assumes the acquisition of 203 Pacific Highway proceeds, if not COF expects FY22 FFO to be 17.6 cpu).
[11] Based on COF's guidance for FY22 distribution of 16.6 cpu.
[12] Assumes the acquisition of 203 Pacific Highway proceeds. If the acquisition does not proceed, COF expects FY22 FFO to be 17.6 cpu.
[13] As at 30 June 2021 adjusted for the impact of the Acquisitions and Equity Raising. If the acquisition of 203 Pacific Highway does not proceed, COF expects pro forma gearing to be 31.5%.

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KEY DATES

Key event	Date (2021)
Trading halt and announcement of the Acquisitions and Equity Raising	Monday, 6 September
Institutional Entitlement Offer	Monday, 6 September
Announcement of results of Institutional Entitlement Offer	Tuesday, 7 September
Trading halt lifted and trading re-commences on an ex-entitlement basis	Tuesday, 7 September
Record date for Retail Entitlement Offer	Wednesday, 8 September
Retail Entitlement Offer opens and retail offer booklet despatched	Monday, 13 September
Early retail acceptance due date	Tuesday, 14 September
Settlement of new units issued under the Institutional Entitlement Offer and Early Retail Entitlement Offer	Wednesday, 15 September
Allotment and ASX quotation of new units issued under Institutional Entitlement Offer and Early Retail Entitlement Offer	Thursday, 16 September
Retail Entitlement Offer closes	Wednesday, 22 September
Announcement of results of Retail Entitlement Offer	Monday, 27 September
Settlement of new units issued under the Retail Entitlement Offer	Tuesday, 28 September
Allotment of new units issued under the Retail Entitlement Offer	Wednesday, 29 September
ASX quotation of new units under the Retail Entitlement Offer	Thursday, 30 September
Despatch of holding statements for New Units issued under the Retail Entitlement Offer	Friday, 1 October
Unitholder meetings for COF and Centuria 203 Pacific Highway Fund	Friday, 29 October

All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Sydney time. Any changes to the timetable will be posted on Centuria's website at www.centuria.com.au.

ADDITIONAL INFORMATION

Additional information about the Acquisitions and Equity Raising, including key risks, is contained in the COF investor presentation released to the ASX today. The retail entitlement offer booklet will be released separately and mailed to eligible unitholders. This will also be available on the Listed Property page of Centuria's website at www.centuria.com.au/listed-property/investor-centre/. All amounts are in Australian dollars unless otherwise indicated.

– Ends –

Centuria Office REIT (COF)

ASX Announcement

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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 assets situated in core office markets 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). CPFL, is a wholly owned subsidiary of Centuria Capital Group (CNI). CNI is an ASX-listed specialist investment manager with more than $17 billion in total assets under management 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.

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