

Q1 FY25 Operating Update

- 3,531sqm of lease terms agreed across 11 transactions¹; 91.2% occupancy², 4.2-year WALE³
- Value-add leasing - secured 10 year lease to edge data centre provider, ResetData
- \$862m debt refinanced, covenants renegotiated with no change to margin (LVR increased to 60%; ICR lowered to 1.75x)
- Reaffirmed FY25 FFO guidance of 11.8cpu⁴ and distribution guidance of 10.1cpu⁴, current annualised distribution yield 8.4%⁵

SYDNEY (Tuesday, 29 October 2024) – Centuria Office REIT (**ASX: COF**) is pleased to provide its Q1 FY25 update.

Belinda Cheung, COF Fund Manager, said, “COF’s portfolio continues to perform well, providing solid occupancy and a stable WALE, as Centuria’s inhouse management team continues to focus on addressing vacancies and near-term expiries while progressing value add opportunities. Market fundamentals for office continue to improve, demonstrated by increasing positive net absorption across the majority of Australian markets.”

PROPERTY AND PORTFOLIO LEASING

During Q1 FY24, terms were agreed over 3,531 sqm across 11 deals¹, including a 10-year lease with ResetData, a Liquid Immersion Cooling (LIC) data centre operator, at 818 Bourke Street, Docklands Vic. Construction has commenced for up to a 1.5 megawatt edge data centre, with anticipated completion of works in Q4 FY25.

As at 30 September 2024, COF provides 91.2% portfolio occupancy² and a 4.2-year WALE³ across a staggered lease expiry profile with 72% of leases expiring beyond FY27.

CAPITAL MANAGEMENT

COF completed an \$862million debt refinance across its diverse pool of lenders, which included the renegotiation of covenant requirements (LVR increased to 60% from 50% and ICR lowered to 1.75x from 2.00x) with no change to existing debt margins. The weighted average debt expiry was extended to four years with no debt expiring until FY28.

SUSTAINABILITY

Centuria Capital Group, as the manager of COF, will release its fourth Sustainability Report in October 2024. The report encompasses the Group’s sustainability framework and initiatives.

COF remains committed to its target of Zero Scope 2 emissions with 100% of its portfolio’s Scope 2 electricity sourced from the equivalent of 100% renewable electricity by 2028. Electrification of the portfolio has also commenced towards targeting the elimination of gas and diesel in operations where practicable by 2035.

MARKET OVERVIEW

During Q1 FY25, tailwinds across domestic office occupier markets emerged with an increasing number of national and multinational corporations issuing return to office mandates (eg Tabcorp and Amazon), underpinning the relevance and demand for office assets. Furthermore, survey findings from the KPMG CEO Outlook 2024 Australia revealed that 82% of CEOs expect traditional office roles to return within three years, up from 66% last year.

Australian office markets continue to demonstrate improving leasing momentum, with the majority of markets demonstrating positive net absorption this quarter⁶, including those markets COF has exposure to: Canberra, Melbourne Fringe, Adelaide, Chatswood, Brisbane Fringe and Perth.

FY25 GUIDANCE AND SUMMARY

Ms Cheung concluded, “The tide is turning among office occupier sentiment. Businesses recognise the relevance of office space as a significant conduit for productivity, training and collaboration among their workforces. This sentiment suggests the cyclical decline has reached its trough.

“We remain optimistic on the medium-term outlook for the COF portfolio. Demand for office accommodation has improved, though still bifurcated across quality and geography. The supply pipeline remains constricted as elevated

development costs persist, driving up the economic rents required to make developments feasible. This further shines light on the discount between COF's implied value per sqm against replacement cost.”

COF reaffirms FY25 FFO guidance of 11.8 cpu⁴ and distribution guidance of 10.1 cpu⁴, providing a current annualised distribution yield 8.4%⁵. Distributions are expected to be paid in quarterly instalments.

– Ends –

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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 office assets situated in core submarkets 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) (ARSN 124 364 718). CPFL is a wholly owned subsidiary of Centuria Capital Group (CNI). CNI is an ASX-listed specialist investment manager with \$21.1 billion in total assets under management (as at 30 June 2024) 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.

¹ Includes heads of agreement (HOA)

² Occupancy by gross income and including Heads of Agreement

³ Weighted Average Lease Expiry (WALE) by gross income

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 4.4% over FY25

⁵ Based on COF closing unit price of \$1.20 on Monday, 28 October 2024

⁶ JLL REIS data Q3 2024