

ASX Announcement – Australian Unity Office Fund

23 February 2024

First half 2024 financial results

Australian Unity Investment Real Estate Limited (AUIREL), as Responsible Entity of Australian Unity Office Fund (ASX: AOF), today announced AOF's half year 2024 (HY24) financial results.

HY24 financial and operational overview:

- Funds from Operations¹ (FFO) of \$6.5 million, or 4.0 cents per unit
- Distributions of \$4.6 million, or 2.8 cents per unit
- One asset divested:
 - On 25 January 2024, AOF entered into a contract to sell 96 York Street, Beenleigh, QLD for \$29.7 million, excluding settlement adjustments. Settlement is expected over the coming months
- Gearing 0.3%² with \$5 million² of drawn debt against a \$81 million² debt facility limit. The debt facility limit is expected to reduce to \$60 million post settlement of 96 York Street. The debt facility expires in March 2025.
- All assets were revalued at 31 December 2023, except 96 York Street which was held for sale. The portfolio value, excluding 96 York Street, was \$254.95 million² with a weighted average capitalisation rate of 7.13%² and value per square metre of net lettable area of \$5,756²
- Net tangible assets of \$1.72 per unit²
- Occupancy³ of 93.0% (excluding 10 Valentine Avenue, Parramatta, NSW which is under refurbishment) / 60.2% (including 10 Valentine Avenue, Parramatta, NSW)
- Refurbishment works at 10 Valentine Avenue, Parramatta, NSW are progressing and are expected to be completed in the next few months.
- Concept plans for the refurbishment works at 150 Charlotte Street, Brisbane, QLD have been finalised with detailed design progressing.
- Distribution guidance of 1.50 cents per unit for the March 2024 quarter⁴

¹ FFO is a Property Council of Australia definition which adjusts statutory Australian Accounting Standards net profit for non-cash changes in investment properties, non-cash impairment of goodwill, non-cash fair value adjustments to financial instruments, amortisation of incentives and leasing costs, rental straight-line adjustments to financial instruments and other unrealised or one-off items

² At 31 December 2023

³ At 31 December 2023, by net lettable area and excluding 96 York Street, Beenleigh

⁴ Distribution guidance is subject to no material change in AOF's portfolio, no material change in current market conditions and no unforeseen events

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Investment objective and strategy

AOF's investment objective is to maximise returns for unitholders through:

- owning Australian real estate assets in metropolitan and CBD markets;
- generating income by delivering and maintaining sustainable occupancy levels, including through repositioning assets;
- as appropriate, divesting assets and returning capital to unitholders.

Nikki Panagopoulos, AOF Fund Manager said:

“AOF continues to fulfill its investment objective of maximising returns for unitholders with a contract executed for the sale of 96 York Street, Beenleigh.”

“Refurbishment works at 10 Valentine Avenue, Parramatta are progressing and are expected to be completed in the next few months. Concept plans for the refurbishment works at 150 Charlotte Street, Brisbane have been finalised with detailed design progressing. We remain focused on maximising returns for unitholders and will continue to be pro-active in terms of asset sales and active asset management.”

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Authorised by:
AUIREL Disclosure Committee

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About AOF

AOF is an ASX-listed REIT that wholly owns a portfolio of properties located across Australian metropolitan and CBD markets.

This announcement is issued by Australian Unity Investment Real Estate Limited ABN 86 606 414 368 AFSL 477434 (AUIREL) as responsible entity of Australian Unity Office Fund. AUIREL is a wholly owned subsidiary of Australian Unity Limited ABN 23 087 648 888.