

### HY25 Financial Results

**SYDNEY** (Wednesday, 5 February 2025) - Centuria Office REIT (**ASX: COF**), Australia's largest listed pure-play office REIT, has announced its Half Year financial results for the period ended 31 December 2024.

#### Financial Highlights

- \$34.7m Funds From Operations (FFO)<sup>1</sup>, FFO per unit of 5.8 cents per unit (cpu)
- 5.05 cents distribution per unit (DPU), in line with guidance<sup>2</sup>
- \$1.72 per unit Net Tangible Assets (NTA)<sup>3</sup>
- \$65.5m debt headroom<sup>4</sup>, 3.6-year Weighted Average Debt Expiry (WADE), no debt expiring until FY28
- Reaffirm FY25 FFO guidance of 11.8 cpu<sup>2</sup>, FY25 distribution guidance of 10.1cpu<sup>2</sup> (distribution yield of 8.6%<sup>5</sup>)

#### Portfolio Highlights

- Portfolio occupancy of 92.2%<sup>6</sup>, 4.2-year WALE<sup>7</sup>
- 12,611sqm total leasing activity across 23 transactions, (4.6% of portfolio NLA)<sup>8</sup>
- 6.77% Weighted Average Capitalisation Rate (WACR)
- 19 high-quality assets worth \$1.9bn<sup>9</sup>, c.17.8-year average building age, 93% A-Grade assets
- 77% of rental income derived from government, multinational corporations and listed entities
- 5.0 Stars NABERS SPI energy rating (by value)

Belinda Cheung, COF Fund Manager said, "The first half of FY25 was characterised by continuous leasing activity, which underscores Centuria's proactive management. Since 2020, the office industry has weathered numerous headwinds yet Centuria has actively addressed and mitigated significant expiries by leasing 81%<sup>8</sup> of the portfolio's NLA, which speaks to the strength of the team's long term and active commitment towards leasing management.

"Our value-add strategies extend to the conversion of traditional office space to data infrastructure for our new tenant, ResetData. This strategic initiative diversifies our income streams while also providing an attractive yield on cost and mitigates some existing vacancy.

"COF continues to execute against its FY25 strategic objectives, implementing dynamic capital management and unlocking opportunities to create further value-add. It is well-placed to capture turning market sentiment and medium-term macroeconomic tailwinds."

Jesse Curtis, Centuria Head of Funds Management, added, "Despite ongoing bifurcation across office markets, there is growing evidence of shifting sentiment, underpinned by further momentum in office-centric workforces led by government departments and large corporations.

"Adding to this are key economic drivers including population growth spurring white-collar employment and future office supply contracting as economic rents outstrip prevailing market rents. The gap between replacement cost and valuations is now significant with COF's implied value per square metre approximately a third of the estimated replacement cost."

## Financial Results

Earnings		HY25	HY24
Funds from Operations <sup>1</sup>	\$m	34.7	41.8
Funds from Operations per unit <sup>1</sup>	cpu	5.8	7.0
Distribution per unit	cpu	5.05	6.0
Statutory profit / (loss)	\$m	(21.2)	(99.4)

Balance sheet		HY25	FY24
Total Assets	\$m	1,946.9	1,977.8
NTA per unit <sup>3</sup>	\$	1.72	1.80
Gearing <sup>10</sup>	%	42.9	41.3

During HY25, COF delivered FFO<sup>1</sup> of \$34.7million or 5.8cpu. Distributions of 5.05 cpu were paid to unitholders in line with FY25 guidance<sup>2</sup>.

COF solidified its balance sheet with \$862million of debt refinanced. Its renegotiated debt covenant requirements (LVR increased to 60% from 50% and ICR lowered to 1.75x from 2.00x) has no change to existing debt margins. COF has no debt expiring until FY28.

COF maintains sufficient liquidity with a \$65.5million debt facility headroom<sup>4</sup>, a 3.6-year weighted average debt expiry and has no debt expiring until FY28. COF has a diverse pool of five lenders and, as at 31 December 2024, gearing was 42.9%<sup>10</sup> with 98% of debt hedged. COF retains ample debt covenant headroom with a 2.5x Interest Coverage Ratio (ICR) and a Loan-to-Value Ratio (LVR) of 43.9%.

Like-for-like portfolio revaluations as at 31 December 2024 declined by c.\$27.6million or c.1.4% from COF's 30 June 2024 portfolio value, contributing to NTA of \$1.72 per unit<sup>3</sup>. COF's weighted average capitalisation rate (WACR) expanded 19bps during HY25 to 6.77%.

## Property Portfolio

Portfolio Snapshot		HY25	FY24
Number of assets		19	19
Book value	\$m	1,885.5	1,913.1
WACR <sup>11</sup>	%	6.77	6.58
Occupancy by gross income	%	92.2	92.5
WALE by gross income	years	4.2	4.3
Net lettable area	sqm	274,935	275,003
Average NABERS Energy rating (by value)	stars	5.0	5.0
Average NABERS Water rating (by value)	stars	4.1	4.1
Average building age (by value)	years	17.8	17.2

During the period, a total of 12,611 sqm<sup>8</sup> was leased across 23 transactions, representing 4.6% of portfolio NLA<sup>6</sup>. COF's portfolio occupancy was 92.2%<sup>6</sup> and WALE<sup>7</sup> was maintained at 4.2 years across a staggered lease expiry profile with 75% of leases expiring at or beyond FY27. Significant leasing achieved during HY25:

- 2,674sqm over two deals at 818 Bourke Street, Docklands Vic
- 1,286sqm over two deals at 201 Pacific Highway, St Leonards NSW

Construction commenced for a 1.1-megawatt edge data centre for ResetData's 10-year lease at 818 Bourke Street, with works anticipated to be completed in Q4 FY25. The works involve converting underutilised office space to data infrastructure, facilitating high-density and efficient data solutions for close proximity users. As at 31 December 2024, the conversion to data centre space has resulted in a 10% uplift in the property's valuation.

COF's modern office portfolio encompasses 19 high-quality assets worth \$1.9billion, with an average building age of 17.8 years and 93% of the portfolio comprising A-Grade assets. Additionally, 77% of portfolio rental income is underpinned by strong tenant covenants derived from government, multinational corporations and listed entities.

### Sustainability

COF is managed by Centuria Capital Group (Centuria) and aligns itself to Centuria's sustainability framework. Centuria Property Funds Limited (CPFL) is the responsible entity for COF and a wholly owned subsidiary of Centuria Capital Group. By the REIT's nature, COF has no staff and is solely a portfolio of assets.

COF's key ESG targets are:

- Zero scope 2 emissions by 2028<sup>12</sup>
- Eliminating gas and diesel<sup>13</sup> in operations by 2035, where practicable

ESG metrics specific to COF include:

- NABERS Energy Sustainable Portfolio Index rating to 5.0 stars
- NABERS Water Sustainable Portfolio Index rating to 4.1 stars
- Strong GRESB score of 80/100
- Electrification completed across 50,000sqm of NLA (2 assets)<sup>14</sup>
- c.1,400 kW of solar is installed across COF assets<sup>15</sup>

Throughout HY25, Centuria completed various ESG initiatives, which have a positive impact on COF, including:

- Publishing Centuria's 2024 Sustainability Report (including TCFD) and voluntary climate-related disclosures in October 2024
- Launching the revised Centuria Sustainability Framework in October 2024
- Raising \$185,000 at the annual Centuria Trivia fundraising evening for St Lucy's School
- Installing Two Good products across 23 assets, including 10 COF assets

### Summary & Outlook

Ms Cheung, commented, "The medium-term outlook for the domestic office market is well supported by a number of growth drivers including a reduction of future office supply, stronger occupier sentiment and ongoing population growth. However, in the near-term vacancy rates across Australian office markets remain at elevated levels, which suggest it may take some time for these tailwinds to translate into material rental growth.

"Notwithstanding, we have seen increased activity from investors who can see past these short-term headwinds. While overall transaction levels remain low compared to long term averages, Australian office investment has seen increased enquiry and transaction volumes over the last half, which is evidence of growing positive sentiment and investor appetite returning to the sector."

COF reaffirms FY25 FFO guidance of 11.8 cpu<sup>2</sup> and distribution guidance of 10.1 cpu<sup>2</sup> (distribution yield of 8.6%<sup>5</sup>), which are expected to be paid in equal quarterly instalments.

### HY25 Results Presentation

COF is providing a market briefing, which will be made available on Centuria Office REIT's [website](#).

– Ends –

For more information or to arrange an interview, please contact:

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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 \$20.5 billion in total assets under management (as at 31 December 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](http://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](http://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.

<sup>1</sup> FFO is the Trust's underlying and recurring earnings from its operations. This is calculated as the statutory net profit adjusted for certain non-cash and other items

<sup>2</sup> Guidance remains subject to unforeseen circumstances and material changes in operating conditions

<sup>3</sup> NTA per unit is calculated as net tangible assets divided by closing units on issue

<sup>4</sup> Headroom reflects undrawn debt (including bank guarantees held as security)

<sup>5</sup> Based on COF closing unit price of \$1.16 on 3 February 2025

<sup>6</sup> By gross income

<sup>7</sup> Weighted average lease expiry (WALE) by gross income

<sup>8</sup> Includes Heads of Agreement and executed leases

<sup>9</sup> Excludes the right of use asset

<sup>10</sup> Gearing is defined as total borrowings less cash divided by total assets less cash

<sup>11</sup> Weighted average capitalisation rate

<sup>12</sup> COF will account for Zero Scope 2 emissions by being powered by the equivalent of 100% renewable electricity through a combination of on-site solar and large-scale generation certificate deals which match our consumption

<sup>13</sup> COF will focus on the elimination of gas and diesel where practicable from equipment owned and operated by COF. Gas and diesel equipment operated by our tenants is excluded from COF's sustainability target

<sup>14</sup> 235 William Street, Northbridge WA & 144 Stirling Street, Perth WA

<sup>15</sup> Excluding solar installations by our tenants