

ASX Announcement – Australian Unity Office Fund

28 August 2023

Financial Year 2023 financial results

Australian Unity Investment Real Estate Limited (AUIREL), as Responsible Entity of Australian Unity Office Fund (ASX: AOF), today announced AOF's full year 2023 (FY23) financial results.

FY23 financial and operational overview:

- Funds from Operations¹ (FFO) of \$19.3 million, or 11.7 cents per unit
- Three assets divested:
 - 30 Pirie Street, Adelaide, SA sold for a gross sale price of \$73.0 million reflecting the independent valuation of the asset at 30 June 2022
 - 2 Eden Park Drive, Macquarie Park, NSW sold for a gross sale price of \$68.825 million reflecting a 10% premium to the 30 June 2022 independent valuation
 - 5 Eden Park Drive, Macquarie Park, NSW sold for a gross sale price of \$80.75 million, reflecting a 1% premium to the 30 June 2022 independent valuation
- Proceeds from the asset sales were used to repay outstanding debt and fund a 22.5 cents per unit special distribution which was declared in June 2023 and paid in July 2023
- Total distributions for the year of \$53.4 million, or 32.5 cents per unit
- Gearing 0%² with no drawn debt² and \$81 million of unused debt facility, expiring March 2025
- All assets were revalued in the six months to 30 June 2023, resulting in a portfolio value² of \$310.4 million, weighted average capitalisation rate of 6.45% and value per square metre of net lettable area of \$6,354
- Net tangible assets of \$1.91 per unit²
- Occupancy³ of 92.5% (excluding asset under refurbishment) / 63.0% (all assets), with refurbishment works progressing at 10 Valentine Ave, Parramatta, NSW
- Distribution guidance 1.30 cents per unit for the September 2023 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 30 June 2023

³ At 30 June 2023, by net lettable area

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

Issuer:

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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 three assets sold during the year at or above the independent valuation, allowing the fund to pay a special distribution of 22.5 cents per unit and total distributions for the year of 32.5 cents per unit.”

“Refurbishment works at 10 Valentine Avenue, Parramatta are progressing and we remain focused on maximising returns for unitholders and will continue to be proactive in terms of portfolio construction, 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.