



Australian Unity Office Fund Property Book and Strategic Opportunities

February 2023

(ASX: AOF)

Webcast | Teleconference

10 Valentine Avenue Paramatta, artists impression subject to change



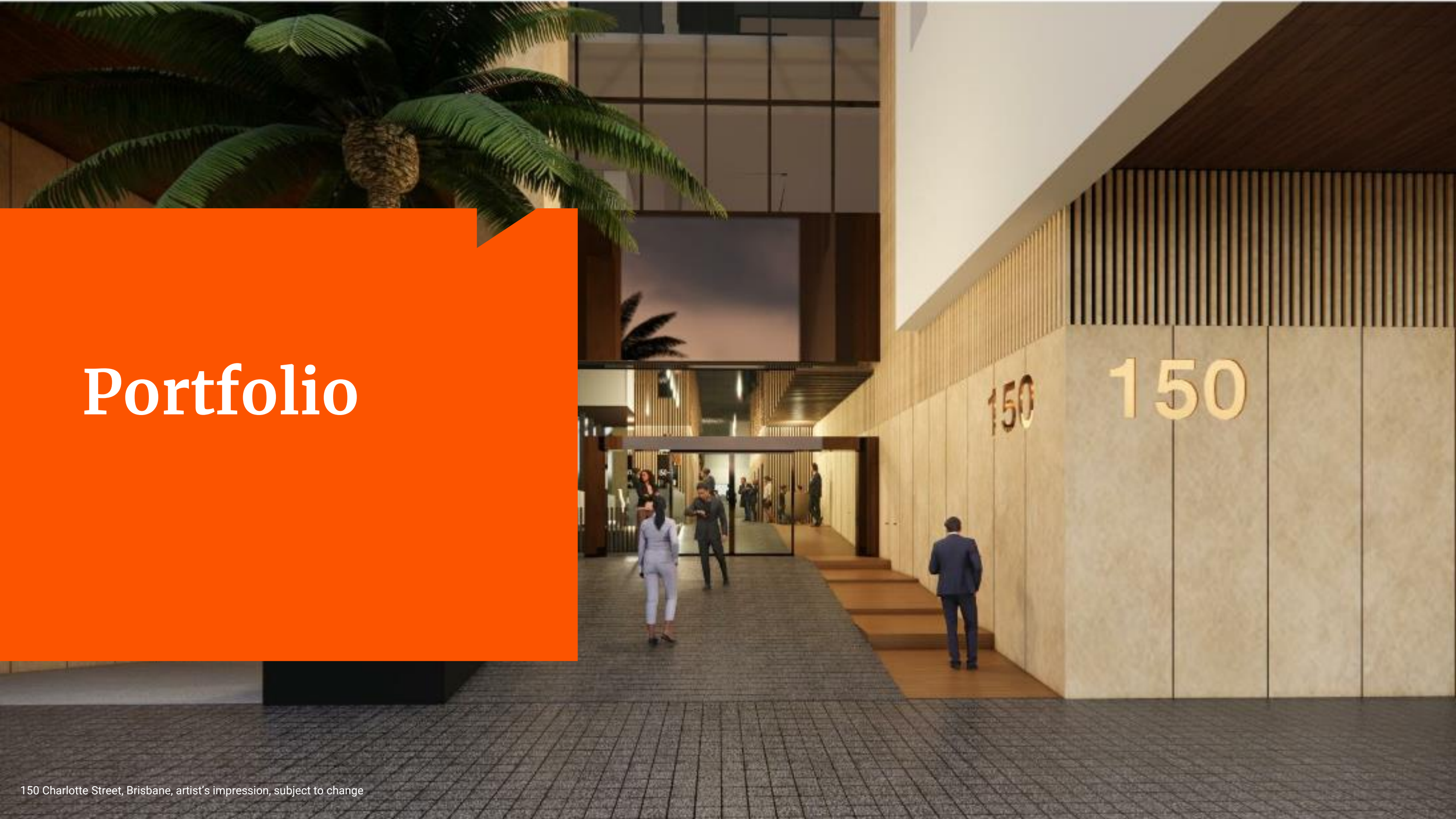
Property details¹

Property	Independent Valuation (\$'m)	Independent Valuation date	Capitalisation rate (%)	Value \$/sqm	WALE ² (years)	Occupancy (by NLA)	NLA ³ (sqm)	Potential NLA	Potential increase in NLA
Value-add Portfolio									
2-10 Valentine Ave, Parramatta, NSW ⁴	98.0	Jun-22	5.50% ⁵	6,117	0.1	10.3%	16,020	47,300	31,280
150 Charlotte St, Brisbane, QLD	72.0	Dec-22	6.50%	6,531	1.7	98.0%	11,025	36,000	24,975
Sub-Total (T) / Weighted Average (W)	170.0		5.88%	6,286	1.5	46.1%	27,045	83,300	56,255
Multi-tenanted Portfolio									
468 St Kilda Rd, Melbourne, VIC	80.0	Dec-22	5.50%	7,136	4.0	92.4%	11,211	16,211	5,000
96 York St, Beenleigh, QLD	33.5	Mar-22	5.63%	7,209	9.0	86.3% ⁶	4,650	-	-
64 Northbourne Ave, Canberra, ACT	32.5	Jun-22	5.75%	5,098	2.3	100.0%	6,375	-	-
Sub-Total (T) / Weighted Average (W)	146.0		5.58%	6,567	4.5	93.3%	22,236	16,211	5,000
Total (T) / Weighted Average (W)	316.0		5.74%	6,413	3.1	67.4%	49,281	99,511	61,255

Notes:

- All information is as at 31 December 2022 unless otherwise noted. The property book excludes 2 Eden Park Drive, Macquarie Park which settled on 14 February 2023 and 5 Eden Park Drive, Macquarie Park which exchanged on 16 February 2023 and is expected to settle in March 2023.
- WALE means weighted average lease expiry in years, by gross property income
- NLA means net lettable area
- 2 & 10 Valentine Avenue, Parramatta are on a single title with 10 Valentine Avenue comprising a 14-level office building with basement parking for 25 cars; and 2 Valentine Avenue comprising an adjacent six level car park for a total of 282 cars. The independent valuation of 10 Valentine Avenue is \$82.00 million, with a capitalisation rate of 5.50% and 2 Valentine Avenue is \$16.00 million, with a capitalisation rate of 5.00%
- Refers to 10 Valentine Avenue, Parramatta only
- 96 York Street, Beenleigh benefits from a 2 year rental guarantee, expiring in February 2024, on the vacant space

Portfolio





2-10 Valentine Avenue, Parramatta NSW¹

Property Overview:

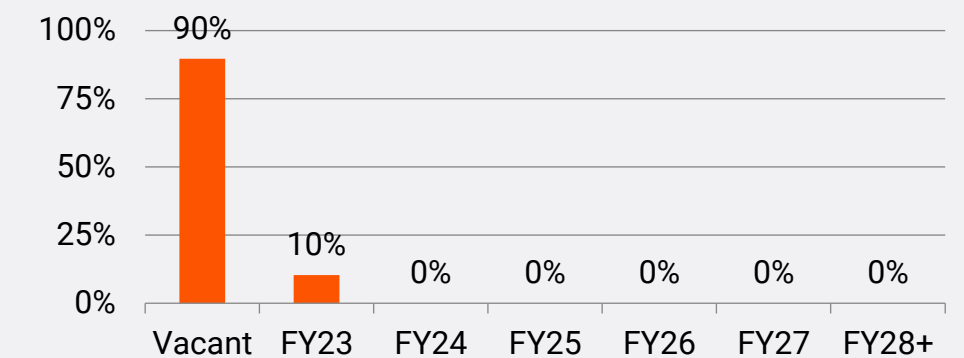
- A-grade office property comprising 14 levels of office space, located approximately 100 metres from the Parramatta Bus and Railway Interchange and Westfield Parramatta
- Adjacent to the existing building, and on the same certificate of title, is a six-level freestanding car park with 282 parking bays. This is the site for the potential 2 Valentine Avenue development
- Following the PNSW lease expiry the property is vacant and being refurbished.

Property information as at	31 Dec 2022
Independent valuation at 30 June 2022	\$98.0m
Capitalisation Rate	5.50% ²
Net Lettable Area (sqm)	16,020
Occupancy (by NLA)	10.3%
WALE	0.1 years
Site Area	3,935sqm
Zoning	B3 Commercial

Property Strategy:

- Refurbishment and repositioning underway to upgrade base building, wellness and services to create an attractive tenant proposition
- The City of Parramatta have approved plans to re clad the existing façade, which would create additional net lettable area
- Proposed development to include sustainability initiatives with reduced carbon footprint
- Ongoing active leasing campaign

Lease expiry profile (by NLA)



Major Tenant	NLA sqm	% NLA	Expiry	Rent Review
Property NSW	1,658	10%	31 Jan 2023	n/a

Note:

1. 2-10 Valentine Avenue, Parramatta are on one certificate of title
2. 10 Valentine Avenue capitalisation rate 5.50%; 2 Valentine Avenue capitalisation rate 5.00%

150 Charlotte Street, Brisbane QLD

Property Overview:

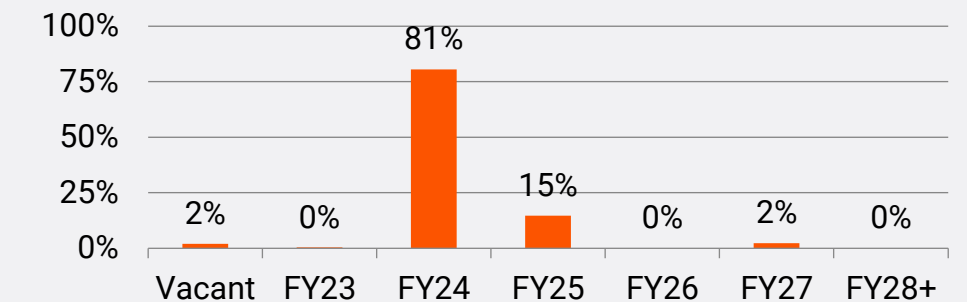
- Centrally located in Brisbane's CBD, comprising 16 levels of office space and three levels of basement parking providing 110 car parking bays
- The midtown precinct location is expected to benefit from some of Brisbane's largest infrastructure projects including Queen's Wharf and the Cross River Rail, a new train station 200 metres from the asset
- Boeing Defence Australia have announced that they will be vacating at expiry in June 2024

Property Strategy:

- Refurbish ground floor amenity, including the introduction of third space and podium level enhancement
- Investigate redevelopment opportunity to increase site coverage to 65%, including additional levels to a height of ~170 meters as per current planning regulations, a total ~36,000sqm representing a potential additional ~25,000sqm of NLA
- Active leasing campaign underway
- Consider disposal of the asset

Property information as at	31 Dec 2022
Independent valuation	\$72.0m
Capitalisation Rate ¹	6.50%
Net Lettable Area (sqm)	11,025
Occupancy (by NLA)	98.0%
WALE	1.7 years
Site Area	1,679sqm
Zoning	Brisbane – Principle Centre 1

Lease expiry profile (by NLA)



Major Tenants	NLA sqm	% NLA	Expiry	Rent Review
Boeing Defence Australia	8,943	81%	30 June 2024	Annual fixed
Commonwealth of Australia	1,492	13%	30 June 2025	Annual fixed



468 St Kilda Road, Melbourne VIC

Property Overview:

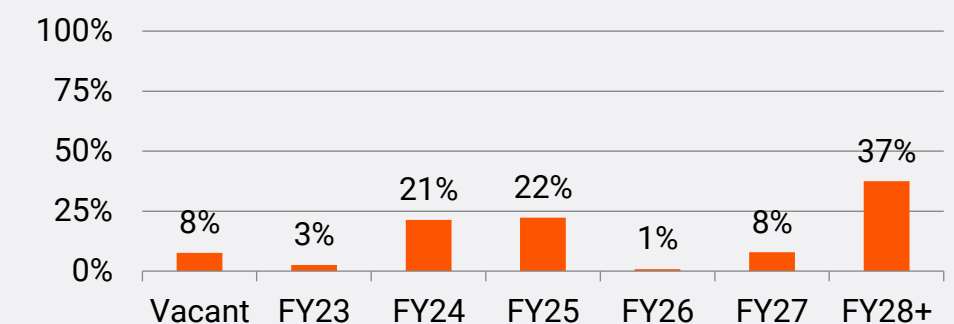
- B-grade office building comprising 13 levels, with refurbishments carried out progressively since 2010. St Kilda Road is one of the largest non-CBD office markets in Australia located approximately 3 kms to the south of the Melbourne CBD providing cost effective office accommodation
- Longer term, the asset will benefit from the Government's metro rail project, due in 2025, with ANZAC station approximately 500 meters from the asset
- There have been no new office developments in the St Kilda Road office market since the mid 1990s and some office buildings in this market have been withdrawn for residential conversion

Property Strategy:

- Continue with an active asset management strategy, addressing tenant retention and improving WALE
- Progressing a refurbishment opportunity for ground floor amenity, including the introduction of third space and enhanced wellness precinct
- While the existing commercial office use is currently considered to be 'the highest and best' use; continue to monitor alternate uses, including residential development, build to rent or new building
- Opportunity exists to add an additional ~5,000sqm of NLA office space. Investigate feasibility and buildability

Property information as at	31 Dec 2022
Independent valuation	\$80.0m
Capitalisation Rate	5.50%
Net Lettable Area (sqm)	11,211
Occupancy (by NLA)	92.4%
WALE	4.0 years
Zoning	Commercial 1 Zone
Site Area	2,324.8sqm

Lease expiry profile (by NLA)



Major Tenants	NLA sqm	% NLA	Expiry	Rent Review
TLC Aged Care	1,799	16%	16 Aug 2031	Annual fixed
EGA Corporate Advisers	1,269	11%	30 Jun 2028	Annual fixed



96 York Street, Beenleigh QLD

Property Overview:

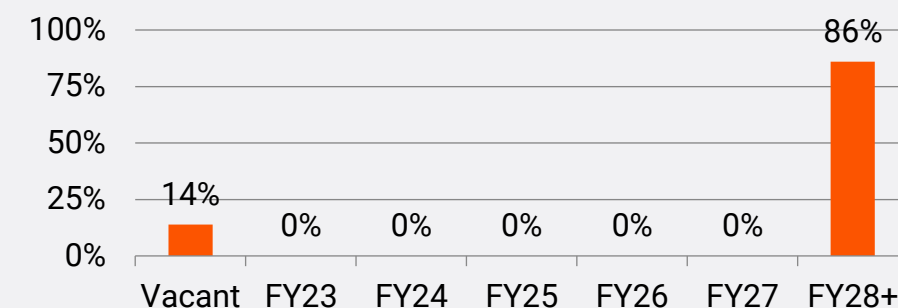
- Modern newly constructed A-grade office property, with sustainability initiatives including solar panels and rainwater harvesting
- Located in a central government hub in Beenleigh, approximately 550 metres to the train station and easy connections to Brisbane and the Gold Coast
- Comprises seven floors of office accommodation, 4,011sqm leased to the Logan City Council for 10-years with two 5-year options
- The balance of the asset offers 180sqm of ground floor retail space and 459sqm of flexible office space and is covered by a two-year rental guarantee
- The property also benefits from 50 car parking spaces, of which 33 are leased to Logan City Council

Property Strategy:

- Actively manage the relationship with the City of Logan and Department of Water
- Actively manage leasing opportunities for the small office suites on the ground floor

Property information as at	31 Dec 2022
Independent valuation at 31 March 2022	\$35.52m
Capitalisation Rate ¹	5.63%
Net Lettable Area (sqm)	4,650
Occupancy (by NLA)	86.3%
WALE	9.0 years
Building constructed	2021

Lease expiry profile (by NLA)



Major Tenant	NLA sqm	% NLA	Expiry	Rent Review
Logan City Council	4,011	86%	February 2032	Annual - greater of CPI and 3.0%
Rental guarantee	639	14%	February 2024	



64 Northbourne Avenue, Canberra ACT

Property Overview:

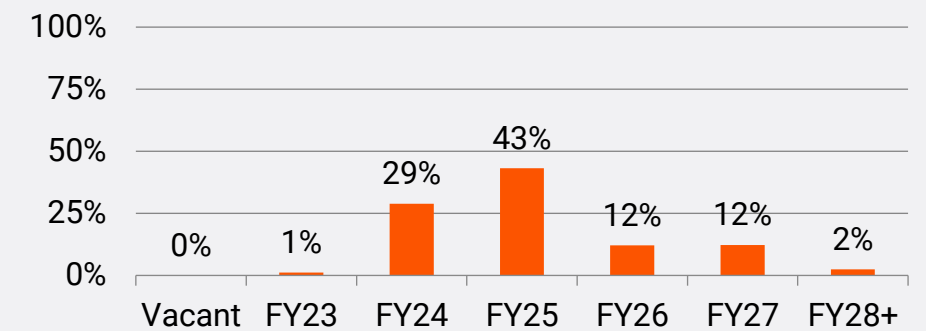
- B-grade property comprising six levels of office accommodation
- Located on a prominent corner in the Canberra CBD within the prime retail precinct, the City Bus Interchange and the main station of the Canberra Light Rail Network
- 64 Northbourne and neighbouring properties comprise a prime CBD block in the core of the Canberra CBD. The combined site is adjacent to the recently completed light rail terminus

Property Strategy:

- Active asset management to maintain 100% occupancy

Property information as at	31 Dec 2022
Independent valuation at 30 June 2022	\$32.50m
Capitalisation Rate	5.75%
Net Lettable Area (sqm)	6,375
Occupancy (by NLA)	100%
WALE	2.3 years
Zoning	CZ1: CoreZone under the Territory Plan 2008
Site Area	1,583sqm

Lease expiry profile (by NLA)



Major Tenants	NLA sqm	% NLA	Expiry	Rent Review
Commonwealth of Australia	1,265	20%	7 June 2025	Annual fixed
Defence Force Recruiting	1,275	20%	30 June 2024	Annual fixed

Property Options and Opportunities

Property options and opportunities presented in this presentation are for illustration purposes only. There is no certainty that these options or opportunities will be pursued by AOF. Each opportunity is subject to a number of conditions, including council approval.



Valentine Place Precinct, Parramatta NSW development opportunity¹

- Valentine Place provides an opportunity to create a precinct of ~48,000sqm of NLA cementing the southeast corridor of Parramatta's central business district
- The objective is to create and deliver the "future of workplace", a precinct that is attractive to tenants, enhancing their quality of work life through the delivery of contemporary and flexible workplace solutions with supporting technology
- The project involves the replacement of the façade, extended floorplates to create additional NLA, new plant, new lobby and contemporary end of trip and wellness facilities
- Achieve an outstanding design outcome, with imaginative and contemporary architecture, while being respectful of the surrounding context with an ecologically sustainable design and best practice environmental performance
- On an island site metres from the Parramatta transport interchange and Parramatta Square - the prime location supported by a unique design, amenities and creating a workplace with a leading focus on sustainability and wellness

Development Metrics

10 Valentine Place

- Building total - 19,300sqm , typical floor 1,500sqm (PCA A-Grade)
- Existing - 16,020sqm
- Additional - 3,280sqm (reclad additional)
- Basement, Ground, 13 Office Levels, Roof plant
- Workplace Density 1:10, including amenities and fire stairs

2 Valentine Place

- Building total - 28,000sqm
- Functional Floor plates - Floor plates of 1,235sqm
- High rise (Level 22) and mid rise (Level 14) outdoor terrace
- Sustainability - including 5.5 Star NABERS² Energy rating
- 6 Star Green Star rating, energy efficient façade and roof top solar



Note:

1. Images are artist's impressions and subject to change and council approval
2. National Australian Built Environment Rating System

150 Charlotte Street, Brisbane QLD opportunity¹



Refurbishment and Development Opportunity:

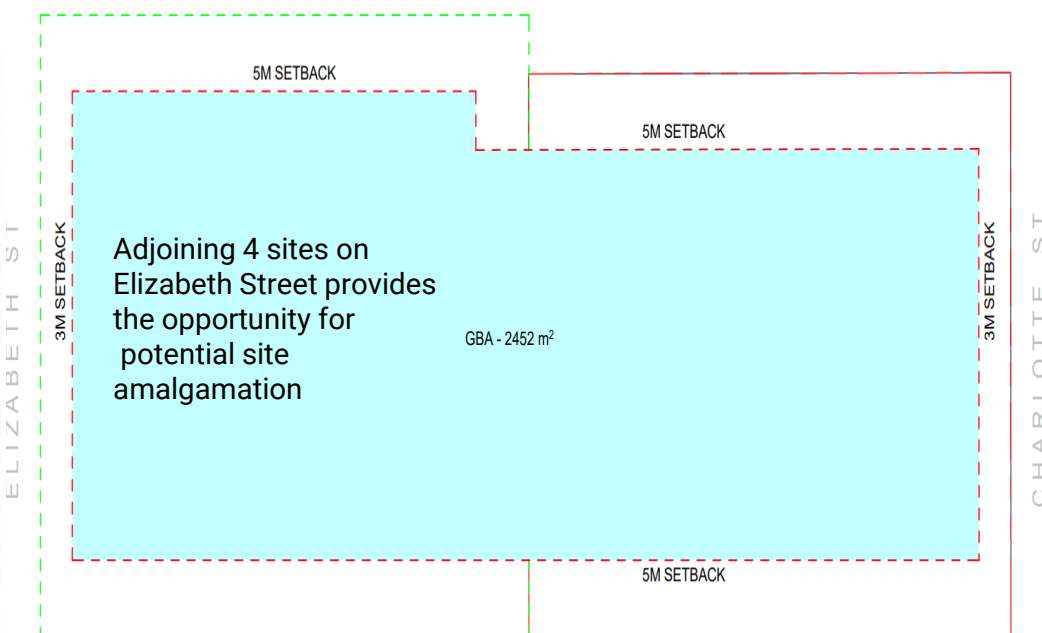
- Short term - value add refurbishment opportunity for ground floor amenity enhancement, including façade upgrade at the podium level
- Medium Term - Investigate redevelopment opportunity in an effort to increase site coverage to 65%, including additional levels to a height of ~170 metres as per current planning regulations, ~36,000sqm of total net lettable area, an additional ~25,000sqm of net lettable area
- Longer term - Investigate redevelopment opportunity by consolidating assets in Elizabeth St to increase the site area to ~3,700sqm and net lettable area of in excess of ~70,000sqm due to reduced set back requirements

Development Metrics

- Increase site Coverage: 65%
- Additional ~25 floors
- Increase NLA by ~25,000sqm
- Total NLA ~36,000sqm
- High rise ~954sqm floor
- Low rise ~900sqm floor
- NLA/GFA ~94%



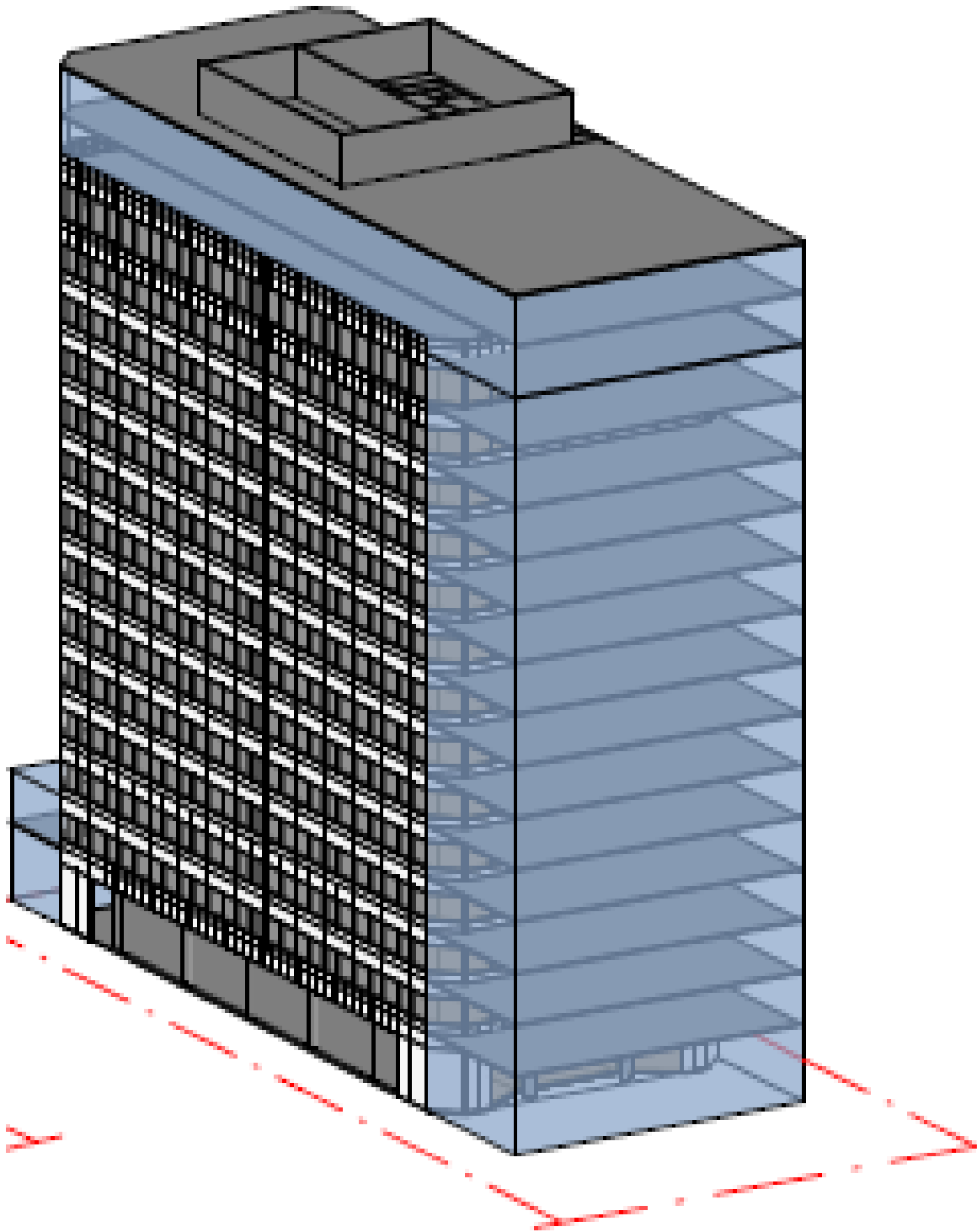
Longer term - Potential Site Amalgamation



Note:

1. Images are artist's impressions and subject to site amalgamation and change and council approvals

468 St Kilda Road, Melbourne VIC development opportunity¹



Market Overview:

- St Kilda Road offers an attractive rental value proposition with rents on average less than most other fringe markets and the Melbourne CBD
- The St Kilda Road precinct has witnessed significant strength during COVID reviving this metro office market and leading the recovery in fringe markets
- There have been no new office developments in the St Kilda Road office market since the mid 1990s and some office buildings in this market have been withdrawn for residential conversion
- Longer term, the asset will benefit from the Government's metro rail project, due in 2025, with ANZAC station approximately 500 metres from the asset
- While the existing commercial office use is currently considered to be the 'highest and best' use; continue to monitor alternative uses, including residential development, build to rent or new building

Refurbishment and Development Opportunity:

- Short term – maintain the active sub-division of floors to attract smaller tenants and investigate the opportunity to add ~5,000sqm of net lettable area, buildability and feasibility. Improve on ESG³ fundamentals, ie 4 stars NABERS² water to possibly 5 or 5.5 stars
- Refurbishment opportunity for ground floor amenity, including the introduction of third space and enhanced wellness precinct
- Medium to Longer Term – explore and investigate alternate opportunities, including a redevelopment to create an A Grade office building, residential development, build to rent or new building
- Medium to Longer Term – explore the opportunity to amalgamate the site with the adjoining owner where a development application exists for a new office development

Notes:

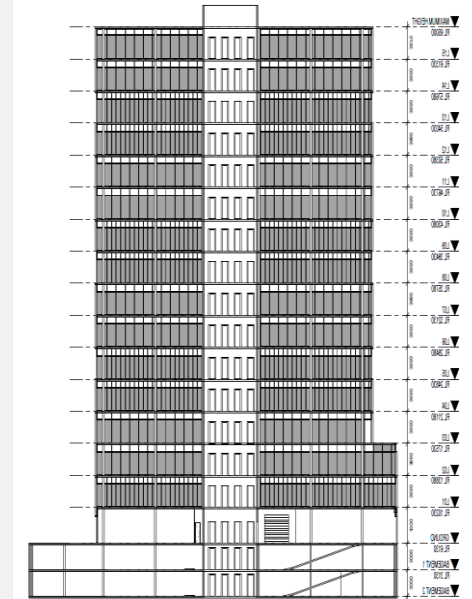
1. Images are artist's impressions and subject to change and subject to council approvals
2. National Australian Built Environment Rating System
3. Environment, Social, Governance

Indicative Development Metrics*

- Rebuild - GLA 20,252
- NLA – 16,327sqm
- Floor plates – 1,053sqm
- Car Spaces: 118
- Efficiency: 81%

Opportunity to introduce:

- PCA A Grade
- Sustainability initiatives
- 5.5 Star NABERS²
- 6 Star Green Star rating
- Energy efficient façade



End of Trip Facilities



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