

Announcement

29 February 2024

Australian Unity Diversified Property Fund (Fund) – ARSN 106 724 038

Portfolio update and revaluations

Wyong Twin Service Centres, NSW

We are pleased to announce that the Fund has recently executed a Works Deed and 6-year lease extensions in respect of the two service centre sites with our valued tenant Ampol. Ampol has recently commenced major upgrade works incorporating various repairs and replacements, re-configuration and construction of additional quick service restaurants and introduction of electronic vehicle charging, solar and battery facilities at the two assets. The Fund will contribute a fixed sum of \$18.3 million to the upgrade works in exchange for which the leases have been extended for a further 6 years taking the expiry to 30 June 2044 with annual rentals increasing incrementally at a commercial rate from 1 July 2024.

As a consequence of the transaction, the portfolio WALE increases on a proforma basis as at 31 December 2023 from 8.8 years to 10.7 years and the value of the Service Centre Assets has increased by \$9.6 million or 6.6% from the previous book value.

Recent revaluations

Three of the Fund's properties were independently valued during January and February 2024, with a net increase of \$3.92 million or 1.53% from the properties' book value immediately prior to valuation.

Valuation changes include:

Dog Swamp Shopping Centre, WA – The minor decline in value reflects the impact of cap rate softening, from 5.88% to 6.13%.

Wyong Twin Service Centres, NSW – As described earlier, the \$9.6 million uplift in value reflects the impact of the commercial return achieved on the fixed capital contribution to the upgrade works on the sites and the 6-year lease extensions despite cap rate softening from 5.25% to 5.38%.

Williamstown Aerospace Centre, NSW – The decline in value is attributable to the cap rate softening by 125bpts from 6.13% to 7.38% reflecting current investment market condition for office property. The valuation decline was offset to some degree by underlying income growth.

Valuation details

Property	Previous independent valuation	Pre-valuation book value	New independent valuation	Previous capitalisation rate	New capitalisation rate	Variance to book value	Variance to book value
Dog Swamp Shopping Centre, WA	\$54,800,000	\$54,781,054	\$54,500,000	5.88%	6.13%	(\$281,054)	(0.51%)
Wyong Twin Service Centres, NSW	\$144,400,000	\$144,413,058	\$154,000,000	5.25%	5.38%	\$9,586,942	6.64%
Williamstown Aerospace Centre, NSW	\$56,750,000	\$56,889,770	\$51,500,000	6.13%	7.38%	(\$5,389,770)	(9.47%)
Total	\$255,950,000	\$256,083,882	\$260,000,000			\$3,916,118	1.53%

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Fund borrowing details

As of 28 February 2024, the Fund's gearing ratio was 46.98%. Gross assets stood at \$527.9 million with total borrowings of \$248.0 million.

More information

We regularly provide up to date information about the Fund, including quarterly Fund Updates and continuous disclosure information. These contain current information about the Fund's gearing, interest cover, borrowings, Fund diversification, valuation policy, related party transactions, distribution practices and withdrawal rights.

Please refer to the 'Fund information' section of this website or contact Investor Services on 1300 997 774 or +61 3 9616 8687 for copies of the Fund Update.