

Announcement

6 December 2021

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

Update on AOF Merger Proposal

Australian Unity Property Limited (AUPL), as Responsible Entity of Australian Unity Diversified Property Fund (DPF) notes the attached announcement (AOF RE Announcement) today from Australian Unity Investment Real Estate Limited (AUIREL) as responsible entity of Australian Unity Office Fund (ASX: AOF) (AOF RE), in relation to certain matters relevant to the proposed merger between AOF and DPF to create 'Australian Unity Property Fund' (AUPF) (the Proposal).

In particular, AUPL notes the following in respect of the AOF RE Announcement:

- DPF has provided its written consent for the sale by AOF of 32 Phillip Street, Parramatta, NSW under the terms of the Merger Implementation Deed between the parties dated 4 October 2021 in respect of the Proposal.
- Following the sale of 32 Phillip Street, Parramatta, NSW AOF RE intends to explore various capital management initiatives, including a potential on-market buyback and/or a special distribution. The impact on the merged AUPF of any capital management initiatives that are implemented by AOF cannot be properly assessed at this time. However, once finalised, AOF RE will also seek AUPL's consent to its proposed capital management initiatives.
- AOF has noted that as part of its ongoing active engagement with AOF Unitholders in relation to the Proposal, recent feedback received from a small number of AOF's largest unitholders is that they are not supportive of the Proposal in its current form. AOF RE is of the view that further engagement with AOF unitholders and other stakeholders is required to understand their feedback and determine if there are opportunities to make refinements to the Proposal.

Given the developments noted in the AOF RE Announcement, DPF has agreed to seek orders from the Supreme Court of New South Wales (Court) to defer the DPF Unitholder Meeting at which approval for the Proposal will be sought from DPF Unitholders from 10 December 2021 to a date in early February 2022.

AUPL remains of the view that the Proposal is in the best interests of DPF Unitholders. AUPL further considers that a deferral of the DPF Unitholder Meeting is appropriate as it will enable the opportunity to assess the impact of the matters outlined in the AOF RE Announcement on the Proposal and ensure that DPF is able to provide its Unitholders with further updates concerning the impact of these matters on the Proposal prior to the DPF Unitholder Meeting.

DPF intends to seek orders from the Court for an adjournment as soon as practicable and will update DPF Unitholders as to the outcome and the impact of any adjournment on the broader

Proposal timetable. Subject to the Court approving the adjournment of the DPF Unitholder Meeting, AOF has stated its intention to adjourn its own unitholder meeting to align with the date for the reconvened DPF Unitholder Meeting.

Update on Capped Withdrawal Facility

AUPL refers DPF Unitholders to its Supplementary Product Disclosure Statement dated 15 November 2021 which outlines how the quarterly Capped Withdrawal Facility will operate in the context of the Proposal.

The Supplementary Product Disclosure Statement noted that DPF was proposing a once-off increase to its quarterly Capped Withdrawal Facility payable in December subject to the Proposal becoming unconditional prior to 17 December 2021.

Due to the proposed deferral of the DPF Unitholder Meeting (subject to Court approval), the once-off increase to the quarterly Capped Withdrawal Facility will not apply to redemptions under the Capped Withdrawal Facility in December.

Rather, the Capped Withdrawal Facility will proceed (with redemption requests to be processed with an effective date of 17 December 2021 and an expected payment date of 24 December 2021) but, as foreshadowed in the Supplementary Product Disclosure Statement, the amount made available under the Capped Withdrawal Facility will reflect the existing terms and conditions of the Capped Withdrawal Facility as described in DPF's Withdrawal Facility Booklet (being a minimum of approximately \$8.6 million reflecting 2.5% of DPF's net asset value).

In light of the current status of the Proposal, redemptions under the Capped Withdrawal Facility will only be applied to those Unitholders who are seeking a redemption irrespective of whether the Proposal were to proceed or not. All applications will be subject to pro rata scale back in accordance with the terms of the Capped Withdrawal Facility set out in the DPF Product Disclosure Statement dated 17 May 2021 (as supplemented by the Product Disclosure Statement dated 15 November 2021).

Unitholders may continue to apply to the Capped Withdrawal Facility until 3.00pm on 8 December 2021.

AUPL will provide further guidance to DPF Unitholders concerning the operation of the Capped Withdrawal Facility in respect of future periods and in the context of the Proposal more broadly (including the terms of any once-off increase in connection with the implementation of the Proposal) once AUPL has received further clarity from AOF regarding the matters the subject of the AOF Announcement and the impact of those matters on the Proposal.

DPF Unitholders should refer to the Supplementary Products Disclosure Statement, as well as the Capped Withdrawal Facility Booklet, for further information on the Capped Withdrawal Facility.

More information

Should DPF unitholders have any queries in relation to the Proposal, the Capped Withdrawal Facility or this announcement, please contact the DPF Unitholder Information Line on 1300

671 080 (within Australia) or +61 2 9066 4084 (outside Australia), between 8.30am and 5.00pm Monday to Friday (Sydney time) or your financial adviser.

We regularly provide up to date information about DPF, 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 Client Services on 1300 997 774 for copies of the Fund Update.

Do we have your most up-to-date contact details?

Keeping your contact details up-to-date like your email address and mobile phone number, helps us make sure we're talking to the right person whenever you contact us. When your details are correct, it gives your account multiple layers of protection and helps us confirm your identity to keep your account safe and allows us to communicate fund information to you in a timely and more efficient way.

The easiest way to update your details is to log in to your account via australianunity.com.au/wealth/login, click on the Property & Managed Funds tab and then click the Investor Portal Login button. It's quick and easy to set up an online account if you don't have one. You'll need your account number, which can be found on your statement.

Alternatively, you can download and fill out a Change of details form via australianunity.com.au/wealth/forms-and-downloads from the tab Property & Managed Funds – administered by Iress and post it to the address on the form.

If you have any questions, please call us on 1300 997 774 or email australianunitywealth@unitregistry.com.au

ASX Announcement – Australian Unity Office Fund

6 December 2021

Sale of 32 Phillip Street, Parramatta and deferral of Merger Proposal meetings

Australian Unity Investment Real Estate Limited (**AUIREL**) as responsible entity of Australian Unity Office Fund (**ASX: AOF**) (**AOF RE**) provides the following market update.

Sale of 32 Phillip Street, Parramatta

AOF RE refers to previous disclosures regarding the intention to progress the sale of 32 Phillip Street, Parramatta.

AOF RE is pleased to announce an unconditional contract has been entered into for the sale of 32 Phillip Street, Parramatta. The sale price of \$66.0 million reflects a 5% premium to the asset's independent valuation of \$62.75 million as at 30 June 2021. Settlement is expected to occur on or before 20 January 2022.

Capital management and other initiatives

Following the sale of 32 Phillip Street, Parramatta, AOF RE intends to explore various capital management initiatives, including the potential for an on-market buyback and/or a special distribution. Initially, the proceeds from the sale will be used to reduce AOF's borrowings and gearing.

AOF RE will continue to focus on active portfolio management, including progressing asset management and value add initiatives at 10 Valentine Avenue, Parramatta and 30 Pirie Street, Adelaide. AOF RE will also continue to explore and implement other initiatives to maximise value for AOF unitholders.

Merger Proposal update

AOF RE refers to the announcements dated 15 November 2021 regarding the proposed merger of AOF with Australian Unity Diversified Property Fund (**DPF**) to create 'Australian Unity Property Fund' (**AUPF**) (**Merger Proposal**).

As required under the Merger Implementation Deed (**MID**), AOF RE has obtained the consent of Australian Unity Property Limited as responsible entity of DPF (**DPF RE**) to proceed with the sale of 32 Phillip Street, Parramatta. Once finalised, AOF RE will also seek DPF RE's consent to any proposed capital management initiatives.

Separately, as part of ongoing active engagement with AOF unitholders in relation to the Merger Proposal, recent feedback received from a small number of AOF's largest unitholders is that they are currently not supportive of the Merger Proposal in its present form.

AOF RE is of the view that further engagement with AOF unitholders and other stakeholders is required to understand their feedback and determine if there are opportunities to make refinements to the Merger Proposal.

DPF RE has agreed to approach the Supreme Court of New South Wales (**Court**) as soon as possible, and prior to the DPF unitholder meeting scheduled for 10 December 2021, to seek an

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ASX Announcement – Australian Unity Office Fund

order from the Court to adjourn the DPF unitholder meeting to early February 2022. It is proposed that the general meeting of AOF unitholders to consider the Merger Proposal be opened by the Chair as scheduled on Friday 10 December solely for the purpose of the Chair to formally adjourn the meeting to a later date in line with the adjournment of the DPF unitholder meeting.

AOF RE will consult with DPF RE to agree the form of any supplementary disclosure to AOF unitholders and DPF unitholders and update the market as appropriate.

Further information

AOF Unitholders can obtain further information in relation to AOF by visiting the AOF website or calling the AOF unitholder information line on 1300 158 729 (within Australia) or +61 2 9066 4058 (outside Australia) between 9.00am and 5.00pm (AEDT) Monday to Friday.

Authorised by:

AUIREL Board Sub-Committee

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About AOF

AOF is an ASX-listed REIT that wholly owns a diversified portfolio of properties located across Australian metropolitan and CBD markets in Sydney, Adelaide, Melbourne, Brisbane and Canberra.

This announcement is issued by Australian Unity Investment Real Estate Limited ABN 86 606 414 368 AFSL 477434 (AUIREL). AUIREL is owned equally by subsidiaries of Australian Unity Limited ABN 23 087 648 888 and Keppel Capital Holdings Pte Ltd CRN 201302079N, the asset management arm of Singapore-based Keppel Corporation Limited CRN 196800351N.

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