Centuria Shands Road Property Trust

Prospective financial information, reconciliation of non-GAAP financial information to GAAP financial information and supplementary financial information

Prospective financial information

The Prospective Financial Information (**PFI**) of Centuria Shands Road Property Trust (the **Trust**) comprises the following Prospective Financial Statements, disclosures and other PFI related information for the 4 months and 19 days ending 31 March 2025 (**FY25**), the 12 months ending 31 March 2026 (**FY26**), the 12 months ending 31 March 2027 (**FY27**) and the 12 months ending 31 March 2028 (**FY28**):

- Prospective statement of comprehensive income;
- Prospective statement of changes in equity;
- Prospective statement of financial position;
- Prospective statement of cash flows;
- Notes and assumptions for the prospective financial statements;
- Other PFI related information:
  - Sensitivity analysis for the PFI; and
  - Reconciliation of non-GAAP financial information.
  - Financial measures for the Trust's borrowings (non-GAAP).

This document should be read in conjunction with the Product Disclosure Statement (“PDS”) dated 13 November 2024 and other information provided on the Offer Register (offer number OFR13847). Capitalised terms used but not defined in this document have the meanings given to them in the PDS.

Financial information is presented in New Zealand dollars.

Basis of preparation and presentation

The PFI has been prepared in accordance with the requirements of Financial Reporting Standard 42: Prospective Financial Statements, as required by clause 49(1)(b) of Schedule 5 to the Financial Markets Conduct Regulations 2014.

The Trust has prepared PFI beyond the mandatory periods required by Schedule 5. The Trust believes it is appropriate to disclose the additional periods and supporting assumptions to support prospective investor comprehension of the nature of an investment in the Trust.

The PFI has been prepared in accordance with New Zealand generally accepted accounting practices (**GAAP**).

The PFI, and underlying best-estimate assumptions, have been prepared by management and approved by Centuria Funds Management (NZ) Limited's Board (the **Directors**) specifically for the purpose of a Public Offer of units in the Trust (the **Offer**).

The Directors have given due care and attention to the preparation of the PFI (including the assumptions underlying it) and authorised the issue of the PFI as at 13 November 2024 for the purpose stated above. The PFI may not be suitable for any other purpose. The PFI is based on the Directors' assessment of events and conditions existing at the date of the PDS, the accounting policies and best-estimate assumptions.

The receipt of subscriptions from investors and the allotment of units is assumed to take place on 1 April 2025.

There is no present intention to update the PFI or to publish PFI in the future, other than as required by regulations. The Trust will present a comparison of the PFI with actual financial results in its financial statements for the financial periods ending 31 March 2025, 31 March 2026, 31 March 2027 and 31 March 2028, as required by clause 59, Schedule 5, of the Financial Markets Conduct Regulations 2014, and Financial Reporting Standard 44 New Zealand Additional Disclosures.

PFI, by its nature, is inherently uncertain. It involves predictions of future events that cannot be assured as well as risks and uncertainties which are often beyond the control of the Trust. These risks and uncertainties include, but are not limited to, the non-occurrence of anticipated events or alternatively events occurring that were not anticipated.

Various risk factors and the management thereof may influence the success of the Trust’s business - with specific reference to Section 7 “Risks to returns from Centuria Shands Road Property Trust” in the PDS. Accordingly, actual results may vary from the PFI, and those variations may be significantly more or less favourable. The Directors cannot and do not guarantee the achievement of the PFI.

Financial periods

The PFI covers the following reporting periods:

- Forecast financial information for FY25 (4 months and 19 days ending 31 March 2025, commencing on 12 November 2024 being the date that the Trust Deed was executed);
- Forecast financial information for FY26 (12 months ending 31 March 2026);
- Forecast financial information for FY27 (12 months ending 31 March 2027); and
- Forecast financial information for FY28 (12 months ending 31 March 2028).

As the period ending 31 March 2025 will be the first financial period of the Trust, there are no comparatives available.

Explanation of certain non-GAAP financial measures

Refer to section 4 "Reconciliation of non-GAAP financial information" for a description and reconciliation of each adjustment to GAAP financial information.

Prospective statement of comprehensive income

	Note	4 months and 19 days ending 31 March 2025 $	12 months ending 31 March 2026 $	12 months ending 31 March 2027 $	12 months ending 31 March 2028 $
Rental income	1.2.3	-	5,077,399	5,980,382	6,504,570
Property operating expense recoveries	1.2.3	-	409,902	717,245	852,356
Gross property income		-	5,487,301	6,697,627	7,356,926
Recoverable property operating expenses	1.2.3	-	(409,902)	(717,245)	(852,356)
Non-recoverable property operating expenses	1.2.3	-	(105,304)	(116,048)	(120,788)
Net property income		-	4,972,095	5,864,334	6,383,782
Management fees	1.2.3	-	(150,000)	(154,500)	(159,135)
Administration expenses	1.2.3	-	(81,096)	(82,751)	(79,505)
Operating profit before finance expenses and fair value movements		-	4,740,999	5,627,083	6,145,142
Finance expenses	1.2.7	-	(314,449)	(1,318,743)	(1,933,758)
Operating profit before fair value movements		-	4,426,550	4,308,340	4,211,384
Change in fair value of investment property	1.2.2	-	4,276,498	(199,529)	(219,898)
Change in fair value of interest rate derivatives		-	(58,748)	29,216	(29,905.30)
Net profit before tax		-	8,644,300	4,138,027	3,961,581
Income tax	1.2.11	-	-	-	-
Net profit after tax		-	8,644,300	4,138,027	3,961,581
Other comprehensive income		-	-	-	-
Total comprehensive income attributable to investors		**-**	**8,644,300**	**4,138,027**	**3,961,581**

These prospective financial statements should be read in conjunction with the notes on pages 7 to 20.

Prospective statement of changes in equity

	Note	Issued capital $	Retained earnings $	Total $
Equity as at 12 November 2024		-	-	-
Equity as at 31 March 2025		**-**	**-**	**-**
Equity as at 1 April 2025		-	-	-
Net issued capital	1.2.8	53,140,000	-	53,140,000
Issue costs	1.2.10	(2,694,500)	-	(2,694,500)
Total comprehensive income for the period		-	8,644,300	8,644,300
Distributions to unitholders	1.2.8	-	(3,894,941)	(3,894,941)
Equity as at 31 March 2026	1.2.8	**50,445,500**	**4,749,359**	**55,194,859**
Equity as at 1 April 2026		50,445,500	4,749,359	55,194,859
Total comprehensive income for the year		-	4,138,027	4,138,027
Distributions to unitholders	1.2.8	-	(3,905,790)	(3,905,790)
Equity as at 31 March 2027	1.2.8	**50,445,500**	**4,981,596**	**55,427,096**
Equity as at 1 April 2027		50,445,500	4,981,596	55,427,096
Total comprehensive income for the year		-	3,961,581	3,961,581
Distributions to unitholders	1.2.8	-	(3,905,790)	(3,905,790)
Equity as at 31 March 2028	1.2.8	**50,445,500**	**5,037,387**	**55,482,887**

These prospective financial statements should be read in conjunction with the notes on pages 7 to 20.

Prospective statement of financial position

	Note	As at 31 March 2025 $	As at 31 March 2026 $	As at 31 March 2027 $	As at 31 March 2028 $
ASSETS					
Current assets					
Cash and cash equivalents		-	750,000	885,528	923,627
Trade and other receivables	1.2.5	-	421,575	-	-
Fair value of interest rate derivatives	1.2.7	-	38,721	29,905	91,296
Total current assets		-	1,210,296	915,433	1,014,923
Non-current assets					
Investment property	1.2.2	-	82,285,884	90,541,370	90,611,370
Fair value of interest rate derivatives	1.2.7	-	105,031	143,062	51,767
Total non-current assets		-	82,390,915	90,684,432	90,663,137
Total assets		**-**	**83,601,211**	**91,599,865**	**91,678,060**
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	1.2.6	-	461,246	588,769	588,173
Deferred payment for expansion land	1.2.2	-	4,888,075	-	-
Total current liabilities		-	5,349,321	588,769	588,173
Non-current liabilities					
Borrowings	1.2.7	-	23,126,031	35,630,000	35,630,000
Capitalised borrowing costs	1.2.7	-	(69,000)	(46,000)	(23,000)
Total non-current liabilities		-	23,057,031	35,584,000	35,607,000
Equity		-	55,194,859	55,427,096	55,482,887
Total liabilities and equity		**-**	**83,601,211**	**91,599,865**	**91,678,060**

These prospective financial statements should be read in conjunction with the notes on pages 7 to 20.

Prospective statement of cash flows

	Note	4 months and 19 days ending 31 March 2025 $	12 months ending 31 March 2026 $	12 months ending 31 March 2027 $	12 months ending 31 March 2028 $
Cash flows from operating activities					
Cash was provided from:					
Rental receipts	1.2.3	-	5,077,399	5,780,853	6,284,671
Property operating expense recoveries	1.2.3	-	409,902	717,245	852,356
Goods and services tax received		-	-	496,170	1,859
		-	5,487,301	6,994,268	7,138,886
Cash was applied to:					
Payments to suppliers		-	(719,031)	(1,069,998)	(1,216,128)
Interest paid		-	-	(1,022,943)	(1,908,869)
Goods and services tax paid		-	(421,575)	-	-
		-	(1,140,606)	(2,092,941)	(3,124,997)
Net cash flow from operating activities		**-**	**4,346,695**	**4,901,327**	**4,013,889**
Cash flows from investing activities					
Cash was applied to:					
Purchase of investment property	1.2.2	-	(43,450,000)	(5,000,000)	-
Costs in relation to purchase of investment property	1.2.10	-	(951,000)	-	-
Development costs		-	(28,139,535)	(7,490,465)	-
Capitalised interest		-	(395,363)	(700,513)	-
Other capital expenditure		-	(368,370)	(173,000)	(70,000)
		-	(73,304,268)	(13,363,978)	(70,000)
Net cash flow from investing activities		**-**	**(73,304,268)**	**(13,363,978)**	**(70,000)**
Cash flows from financing activities					
Cash was provided from:					
Investor capital	1.2.8	-	53,140,000	-	-
Borrowings		-	23,126,031	12,503,969	-
		-	76,266,031	12,503,969	-
Cash was applied to:					
Distributions paid to unitholders		-	(3,569,458)	(3,905,790)	(3,905,790)
Issue costs	1.2.10	-	(2,694,500)	-	-
Borrowing costs		-	(92,000)	-	-
Swaption fee		-	(202,500)	-	-
		-	(6,558,458)	(3,905,790)	(3,905,790)
Net cash flow from financing activities		**-**	**69,707,573**	**8,598,179**	**(3,905,790)**
Net increase in cash and cash equivalents		-	750,000	135,528	38,099
Cash and cash equivalents at start of period		-	-	750,000	885,528
Cash and cash equivalents at end of period		**-**	**750,000**	**885,528**	**923,627**

These prospective financial statements should be read in conjunction with the notes on pages 7 to 20.

Notes and assumptions for the prospective financial statements

The purpose of the prospective financial statements is to assist investors in assessing the viability of the investment and return on funds invested. The PDS and the PFI contained in it may not be appropriate for any other purpose.

The Trust will be established and domiciled in New Zealand. The Trust will be a commercial property investor that owns land and buildings located at 146 and 166 Shands Road, Hornby, Christchurch. The registered office of the Manager is situated at Level 2, Bayleys House, 30 Gaunt Street, Wynyard Quarter, Auckland 1010.

The prospective financial statements were authorised for issue on 13 November 2024. The Directors are responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures. It is not intended for the PFI to be updated subsequent to issue.

1 Assumptions

The following general and specific assumptions have been adopted in preparing the PFI. The assumptions contained in this section should be read in conjunction with Section 7 “Risks to Returns from Centuria Shands Road Property Trust” in the PDS.

1.1 General assumptions in respect of the PFI

- **Economic environment** - there will be no material changes in the general economic environment for the markets in which the Trust operates.
- **Political, legislative and regulatory environment** - there will be no material change to the political, legal or regulatory environments in which the Trust operates.
- **Markets operating in** - the Trust will operate only in New Zealand over the prospective periods.
- **Competitive environment** - there will be no material change to the competitive dynamics of the market in which the Trust operates, including any material change in competitor activity. It is assumed that no new entrants or exiting current participants will materially change the competitive environment in which the Trust operates.
- **Industry conditions** - there will be no material change in the general industry structure, third party relationships, supply of rental property or general employment conditions.
- **Tenant and suppliers** - existing contractual, business and operational relationships are assumed to continue throughout the prospective periods. There will be no unanticipated loss of key tenants, suppliers, or agents.
- **Disruption to operations** - there will be no material disruption to operations such as natural disasters, fires or explosions and normal hazards associated with operating the Trust's business.
- **Legal exposure** - there will be no unexpected litigation or contractual disputes.
- **Property / business acquisitions or disposals** - there will be no material acquisitions or disposals by the Trust other than those detailed within the PFI.
- **Interest rate environment** - there will be no material and/or sudden changes to the interest rate environment.
- **Financial Reporting Standards** - there will be no change in financial reporting standards or accounting interpretations which would have a material effect on the Trust.
- **Management of the Trust** - the Trust will be managed by Centuria Funds Management (NZ) Limited (the "Manager"), who will be sufficiently resourced to manage the Trust with no significant changes to key personnel involved in management of the Trust.

Notes and assumptions for the prospective financial statements

- **Taxation** - there will be no material change to the tax rates or laws (including in relation to GST). It is assumed that the Trust will register as a portfolio investment entity (PIE) and maintain its PIE status throughout the PFI period.
- **Inflation** - Annual CPI inflation is assumed to be 2.10% for the 12 months ending 31 March 2026, 2.00% for the 12 months ending 31 March 2027, and 2.00% for the 12 months ending 31 March 2028. This is based on the forecast in the Reserve Bank of New Zealand Monetary Policy Statement issued on 14 August 2024.

1.2 Specific assumptions

1.2.1 Equity raise, offer costs and settlement

It is assumed that the Trust acquires 146 Shands Road, Hornby, Christchurch and 166 Shands Road, Hornby, Christchurch (together the **Property**) during the PFI period. The assumed purchase price for 146 Shands Road is based on a sale and purchase agreement and the purchase price for 166 Shands Road is based on the Development Agreement.

146 Shands Road is being acquired from Shands Road Limited Partnership, an existing limited partnership managed by the Manager. The Trust is purchasing 146 Shands Road for a total consideration of $43,450,000, made up of $16,076,237 cash and $27,373,763 of units in the Trust that will be issued to Shands Road Limited Partnership investors on 1 April 2025.

It is assumed that a development will be undertaken on the Property to expand the existing warehouse (the Expansion). The Trust's contribution to the Expansion costs is assumed to be $35,630,000 per the Development Agreement.

It is assumed that $53,140,000 of equity is raised in the Offer and $35,630,000 debt is drawn to facilitate the acquisition of the Property, pay the associated Offer and establishment costs, and fund the Expansion costs. Of the total equity to be raised, it is assumed that $27,373,763 equity comes from the Existing Scheme as set out above.

It is assumed that the $53,140,000 of total new equity is allotted on 1 April 2025 and the debt is progressively drawn down to fund the Expansion.

Pursuant to the sale and purchase agreements for 146 Shands Road and 166 Shands Road, the acquisitions are expected to settle on 1 April 2025. Pursuant to the sale and purchase agreement for 166 Shands Road, the $5,000,000 purchase price is not payable until the Expansion achieves practical completion which is assumed to be on 14 August 2026.

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Use of funds	
Investment property (146 Shands Road)	43,450,000
Investment property (166 Shands Road)	5,000,000
Capitalised acquisition costs	951,000
Costs of establishment and issuing equity	2,694,500
Financing costs	92,000
Interest rate hedging costs	202,500
Contribution to Expansion costs	35,630,000
Working capital	750,000
Total	**88,770,000**
Source of funds	
Equity	53,140,000
Borrowings	35,630,000
Total	**88,770,000**

Offer and establishment costs are assumed to be paid on 1 April 2025.

Notes and assumptions for the prospective financial statements

1.2.2 Investment property

	As at 31 March 2025 $	As at 31 March 2026 $	As at 31 March 2027 $	As at 31 March 2028 $
Balance at beginning of period	-	-	82,285,884	90,541,370
Purchase price of 146 Shands Road	-	43,450,000	-	-
Purchase price of 166 Shands Road	-	4,596,626	-	-
Transaction costs to purchase investment property	-	951,000	-	-
Capitalised fixed rental growth	-	-	199,529	219,898
Expansion costs	-	28,139,535	7,490,465	-
Capitalised interest	-	503,855	592,021	-
Other capital expenditure	-	368,370	173,000	70,000
Change in fair value of investment property	-	4,276,498	(199,529)	(219,898)
Total investment property	**-**	**82,285,884**	**90,541,370**	**90,611,370**
Reconciliation to as if complete valuation				
Independent valuation	-	90,000,000	90,000,000	90,000,000
Less costs to complete at balance date	-	(8,082,486)	-	-
Other capital expenditure to date	-	368,370	541,370	611,370
Fair value recognised on balance sheet	**-**	**82,285,884**	**90,541,370**	**90,611,370**

On settlement date, assumed to be 1 April 2025, the value of the investment property is assumed to equal cost, plus any directly related transaction costs.

Due to the payment of the purchase price for 166 Shands Road being deferred, a finance component has been recognised on the acquisition. The finance component has been calculated as $403,374, being the difference between the $5,000,000 purchase price and the net present value of the deferred cash outflow (which has been discounted using the Trust's weighted average cost of capital over the deferred period). The finance component has been expensed as an interest cost.

At the end of each financial period, it is assumed that the investment property will be revalued, with the Property being recognised at fair value.

As part of due diligence, an independent valuation was completed by CBRE who valued the Property on an "as if complete" basis (i.e. assuming the Expansion is complete) at $90,000,000 as at 23 October 2024, with their report being issued on 7 November 2024. No additional valuations are assumed to be undertaken during the PFI period as any changes in underlying valuation assumptions cannot be accurately predicted.

As at 31 March 2026, the Property is assumed to be measured at fair value based on the as if complete valuation less costs to complete, plus additional capital expenditure assumed during the period. It is assumed that the fair value of the Property is able to be reliably measured as at 31 March 2026 due to the Expansion being sufficiently progressed, with practical completion assumed to be achieved on 14 August 2026.

As at 31 March 2027 and 31 March 2028, the Property is assumed to be measured at fair value based on the as if complete valuation plus additional capital expenditure assumed during the periods.

When calculating the unrealised movement in the fair value of investment property, adjustments have been made for the movement in the value of the accrual for fixed rental growth.

The actual movements in fair value are likely to be different to what is assumed in the PFI as the actual valuations will be based on rents, market yields and other contributing factors as at the relevant valuation dates.

Notes and assumptions for the prospective financial statements

1.2.3 Revenue and expenses

Rental income

The table below summarises the forecast lease income for the PFI period.

	4 months and 19 days ending 31 March 2025 $	12 months ending 31 March 2026 $	12 months ending 31 March 2027 $	12 months ending 31 March 2028 $
Contracted rental income	-	5,077,399	5,780,853	6,284,672
Adjustment due to fixed rental growth	-	-	199,529	219,898
Total rental income	**-**	**5,077,399**	**5,980,382**	**6,504,570**

Recognition of lease income is based on classifying the Lease as an operating lease.

Rental income has been forecast based on the existing lease with the Tenant and the lease variations set out in the Development Agreement.

Rental income is assumed to commence on 2 April 2025, being the day following Settlement. Pursuant to the lease variations set out in the Development Agreement, rent from this date will be $5,091,543 per annum and will increase to $6,187,370 per annum from the date that the Expansion achieves practical completion. It is assumed that practical completion is achieved on 14 August 2026.

Pursuant to the lease variations set out in the Development Agreement, rent will be subject to fixed annual 2.50% increases on each anniversary of the date that the Expansion achieves practical completion and a market rent review on the 5th anniversary. The market rent review will be subject to a cap of 110% and a collar of 90%.

It is assumed that there is no tenant default and there are no delays in receipt of debtors.

Property operating expenses

	4 months and 19 days ending 31 March 2025 $	12 months ending 31 March 2026 $	12 months ending 31 March 2027 $	12 months ending 31 March 2028 $
Recoverable property operating expenses				
Rates	-	384,229	691,076	825,680
Repairs and maintenance	-	24,504	24,994	25,494
Other expenses	-	1,169	1,175	1,182
Total	**-**	**409,902**	**717,245**	**852,356**
Non-recoverable property operating expenses				
Property management fees	-	55,000	56,155	57,278
Repairs and maintenance	-	45,000	45,900	46,818
Green Star certification fees	-	-	7,333	11,220
Other expenses	-	5,304	6,660	5,472
Total	**-**	**105,304**	**116,048**	**120,788**

The tenant is responsible for the majority of property operating expenses including rates, insurance premiums, utilities and certain repairs and maintenance obligations. There are elements of property operating expenses that are non-recoverable which are the responsibility of the landlord.

Notes and assumptions for the prospective financial statements

Recoverable and non-recoverable property operating expenses have been forecast based on a combination of assumptions. The assumptions include those identified during the due diligence process and those based on quotes received.

It is assumed that all operating costs recovered from the tenant will be paid on time and that there are no creditors associated with these operating expenses at the end of each reporting period.

Administration expenses

	4 months and 19 days ending 31 March 2025 $	12 months ending 31 March 2026 $	12 months ending 31 March 2027 $	12 months ending 31 March 2028 $
Valuation fees	-	12,000	12,240	12,485
Audit fees	-	15,250	15,555	10,965
Registry fees	-	15,000	15,315	15,621
Statutory supervisor	-	13,575	13,860	14,137
Professional fees	-	10,771	10,976	11,196
Other administration expenses	-	14,500	14,805	15,101
Total administration expenses	**-**	**81,096**	**82,751**	**79,505**

The above administration expenses have been assumed based on quotes received and/or the Manager's estimates and experience from managing similar funds.

Auditor's remuneration

	4 months and 19 days ending 31 March 2025 $	12 months ending 31 March 2026 $	12 months ending 31 March 2027 $	12 months ending 31 March 2028 $
Financial statements audit	-	15,250	15,555	10,965
Investigating accountant independent limited assurance services	-	28,000	-	-
Total remuneration for assurance services	**-**	**43,250**	**15,555**	**10,965**

Financial statements audit costs are based on a fee estimate received.

The investigating accountant services cost is based on a fee estimate received and has been recognised directly in equity as an establishment cost.

Management fees

The Manager shall be entitled to charge the Trust an annual management fee of $150,000. Per the Trust Deed, on each anniversary of the date the Trust commences trading, assumed to be 1 April 2025, the annual management fee will increase by CPI with a minimum annual increase of 3.00%.

Notes and assumptions for the prospective financial statements

1.2.4 Reconciliation of the net profit after tax to the net cash flow from operating activities

	4 months and 19 days ending 31 March 2025 $	12 months ending 31 March 2026 $	12 months ending 31 March 2027 $	12 months ending 31 March 2028 $
Net profit after tax	-	8,644,300	4,138,027	3,961,581
Adjustments for:				
Change in fair value of investment property	-	(4,276,498)	199,529	219,898
Change in fair value of interest rate swaps	-	58,748	(29,216)	29,905
Adjustment due to capitalised fixed rental growth	-	-	(199,529)	(219,898)
Amortisation of capitalised borrowing costs	-	23,000	23,000	23,000
Interest on deferred payment for investment property	-	291,449	111,925	-
Changes to assets and liabilities relating to operating activities:				
(Increase)/decrease in trade and other receivables	-	(421,575)	421,575	-
Increase/(decrease) in trade and other payables	-	27,271	236,016	(596)
Net cash flow from operating activities	**-**	**4,346,695**	**4,901,327**	**4,013,890**

1.2.5 Trade and other receivables

	As at 31 March 2025 $	As at 31 March 2026 $	As at 31 March 2027 $	As at 31 March 2028 $
GST receivable	-	421,575	-	-
Total	**-**	**421,575**	**-**	**-**

1.2.6 Trade and other payables

	As at 31 March 2025 $	As at 31 March 2026 $	As at 31 March 2027 $	As at 31 March 2028 $
Accrued expenses	-	135,763	188,692	186,236
GST payable	-	-	74,594	76,454
Distributions payable	-	325,483	325,483	325,483
Total	**-**	**461,246**	**588,769**	**588,173**

Notes and assumptions for the prospective financial statements

1.2.7 Financing

The Trust intends to establish a loan facility with ASB Bank Limited (ASB), based on a credit approved offer received, to facilitate the funding of the Expansion.

The loan will have a facility limit of $36,000,000 and an initial term of four years from the date conditions precedent are satisfied, which is assumed to be 1 April 2025. The facility will be interest only and no principal will be required to be repaid during the initial term of the loan.

Drawings are assumed to be made monthly based on the timing of Expansion spend and working capital requirements.

Borrowing costs are estimated to be $92,000. These costs will be capitalised and amortised over the initial term of the loan.

The loan will be secured by a registered first ranking mortgage over the Property, a first ranking general security interest over the assets of the Trust and the Custodian and a first ranking specific security interest over the Trust and Custodian bank accounts.

Borrowing summary

	As at 31 March 2025	As at 31 March 2026	As at 31 March 2027	As at 31 March 2028
Maturity date	-	31-Mar-29	31-Mar-29	31-Mar-29
Loan to value ratio (LVR) not to be greater than	-	50.0%	50.0%	50.0%
Interest coverage ratio (ICR) not to be less than	-	2.00 times	2.00 times	2.00 times
Facility limit	-	36,000,000	36,000,000	36,000,000
Drawn loan balance	-	23,126,031	35,630,000	35,630,000

	As at 31 March 2025 $	As at 31 March 2026 $	As at 31 March 2027 $	As at 31 March 2028 $
Loan balance				
Opening balance	-	-	23,126,031	35,630,000
Drawdown during period	-	23,126,031	12,503,969	-
Closing balance	**-**	**23,126,031**	**35,630,000**	**35,630,000**
Capitalised borrowing costs balance	-	(69,000)	(46,000)	(23,000)
Borrowings	**-**	**23,057,031**	**35,584,000**	**35,607,000**

Notes and assumptions for the prospective financial statements

Finance expenses

	4 months and 19 days ending 31 March 2025 $	12 months ending 31 March 2026 $	12 months ending 31 March 2027 $	12 months ending 31 March 2028 $
Bank loan interest and fees	-	-	1,183,819	1,910,758
Interest on deferred payment for investment property	-	291,449	111,925	-
Amortisation of capitalised borrowing costs	-	23,000	23,000	23,000
Total finance expense	**-**	**314,449**	**1,318,743**	**1,933,758**
Capitalised interest relating to the Expansion		503,855	592,021	-
Total finance expense including capitalised interest	**-**	**818,304**	**1,910,764**	**1,933,758**

Finance expenses incurred during the Expansion have been capitalised to the project.

Interest rate derivatives

The Trust will manage its interest rate risk by using interest rate derivatives that have the economic effect of converting borrowings from floating to fixed interest rates.

An interest rate swap (Swap 1) has been entered into with a notional value that progressively steps up to $16,071,176 by 5 March 2026. This stepped notional value profile has been adopted as the loan is assumed to be progressively drawn down to fund the Expansion. The interest rate swap was entered into by Shands Road Limited Partnership and will be transferred to the Trust on Settlement.

A swaption contract has also been entered into that gives the Trust the option to enter into an additional interest rate swap contract with a notional value of $10,300,000 for three years from August 2026 to August 2029 at a pre-agreed rate (Swap 2). Under the swaption contract, the Trust has until 4 August 2026 to exercise the option and enter into this additional swap contract. The swaption was entered into by Shands Road Limited Partnership for an upfront fee of $202,500. It will be transferred to the Trust on Settlement, at which time the Trust will reimburse Shands Road Limited Partnership for the upfront fee.

It is assumed that the swaption is exercised.

	As at 31 March 2025 $	As at 31 March 2026 $	As at 31 March 2027 $	As at 31 March 2028 $
Swap 1				
Notional amount	-	16,071,176	16,071,176	16,071,176
Start date	-	5-Sept-25	5-Sept-25	5-Sept-25
End date	-	6-Aug-29	6-Aug-29	6-Aug-29
Fixed base rate (p.a.)	-	3.480%	3.480%	3.480%
Swap 2 (swaption exercised)				
Notional amount	-	-	10,300,000	10,300,000
Start date	-	-	5-Aug-26	5-Aug-26
End date	-	-	6-Aug-29	6-Aug-29
Fixed base rate (p.a.)	-	3.495%	3.495%	3.495%

Notes and assumptions for the prospective financial statements

The forecast weighted average all-in interest rate (including the margin, line fees, interest rate swaps and market forecasts for the base rate, assuming the swaption is exercised) payable on drawn borrowings is assumed to be 5.28% p.a. for the year ending 31 March 2026, 5.29% p.a. for the year ending 31 March 2027 and 5.34% p.a. for the year ending 31 March 2028. This excludes the amortisation of capitalised borrowing costs.

Line fees will also be payable on the undrawn balance of the loan.

The fair value of the interest rate derivatives held at 1 April 2025 is assumed to reduce over time as the derivatives reach maturity and the unrealised assets are realised and received. It is assumed that there is no material divergence between the forward interest rate curve on which the derivatives are valued at the time the PFI was prepared and market rates over the PFI period. Therefore, other than the realisation of the unrealised assets, there is no further fair value adjustment in relation to the derivatives assumed during the PFI period.

1.2.8 Equity and distributions

It is assumed that 53,140,000 units are issued under the Offer at $1.00 per unit with a 1 April 2025 allotment date.

	4 months and 19 days ending 31 March 2025 $	12 months ending 31 March 2026 $	12 months ending 31 March 2027 $	12 months ending 31 March 2028 $
Opening balance of units issued	-	-	50,445,500	50,445,500
Units issued	-	53,140,000	-	-
Issue costs	-	(2,694,500)	-	-
Closing balance of units issued	**-**	**50,445,500**	**50,445,500**	**50,445,500**

Distributions are forecast to be paid at the annualised rates shown in the table below, commencing 2 April 2025. Distributions are assumed to be paid monthly in arrears.

	4 months and 19 days ending 31 March 2025 $	12 months ending 31 March 2026 $	12 months ending 31 March 2027 $	12 months ending 31 March 2028 $
Gross distributions paid ($)	-	3,894,941	3,905,790	3,905,790
Gross distributions paid (annualised cents per unit)*	-	7.35	7.35	7.35

The Trust's objective is to continue as a going concern and maintain optimal returns to investors. As the market is constantly changing, the Trust will consider capital management initiatives, such as increasing or decreasing the borrowings, raising or repaying equity, and investment or disposal of assets.

Notes and assumptions for the prospective financial statements

1.2.9 Related party transactions

The Trust will be managed by Centuria Funds Management (NZ) Limited, a wholly owned subsidiary of Centuria Capital Limited. Centuria Platform Investments Pty Limited is also a wholly owned subsidiary of Centuria Capital Limited.

Transactions with related parties

	4 months and 19 days ending 31 March 2025 $	12 months ending 31 March 2026 $	12 months ending 31 March 2027 $	12 months ending 31 March 2028 $
Centuria group companies				
Management fees	-	150,000	154,500	159,135
Offeror fee	-	800,000	-	-
Underwrite fee	-	772,987	-	-
Leasing fee	-	730,000	-	-
Development management fee	-	75,000	-	-
Design and marketing fee	-	10,000	-	-
Total fees paid to related parties	**-**	**2,537,987**	**154,500**	**159,135**

1.2.10 Offer and acquisition costs

Total Offer and acquisition costs are forecast to be $3,940,000. The table below sets out how the costs are assumed to be treated.

	Capitalised to investment property $	Capitalised to equity $	Capitalised to borrowings and other $	Total $
Offeror fee	160,000	600,000	40,000	800,000
Underwrite fee	-	772,987	-	772,987
Brokerage fees	-	450,909	-	450,909
Legal fees	-	400,556	52,000	452,556
Investigating accountant	-	28,000	-	28,000
Valuation fees	21,000	-	-	21,000
Chattels and land valuation fees	10,000	-	-	10,000
Property due diligence	30,000	-	-	30,000
Marketing, PDS design and printing	-	400,000	-	400,000
Supervisor	-	10,000	-	10,000
Leasing fee	730,000	-	-	730,000
Interest rate hedging costs	-	-	202,500	202,500
Registry and AML customer due diligence	-	25,000	-	25,000
PDS registration fees	-	7,048	-	7,048
Total	**951,000**	**2,694,500**	**294,500**	**3,940,000**

The underwrite fee is based on a signed agreement with Centuria Platform Investments Pty Limited. The underwrite fee is calculated as 3% of $25,766,237, being the total equity raise of $53,140,000 less the $27,373,763 equity being issued to the investors in Shands Road Limited Partnership as part of the consideration being paid for 146 Shands Road. No underwrite fee is payable in respect to the $27,373,763.

The remainder of the Offer and acquisition costs are based on contractual obligations, quotes received and/or estimates made by the Manager using experience from managing similar funds.

Notes and assumptions for the prospective financial statements

1.2.11 Taxation

The Trust will register as a multi-rate PIE. The Trust will attribute taxable income to unitholders based on their proportionate holding and pay tax based on their prescribed investor rates (PIR).

It is assumed that the Trust will continue to qualify as a PIE for the PFI period.

1.2.12 Capital commitments

As at 31 March 2026, it is assumed that the Trust will have capital commitments of:

- $7,490,465 relating to the Expansion, which represents the balance payable at balance date in respect to the total $35,630,000 contribution to development costs pursuant to the Development Agreement; and

- $5,000,000 relating to the purchase price for 166 Shands Road that is payable when practical completion is achieved on the Expansion, which is assumed to be on 14 August 2026.

It is assumed that the Trust does not have any capital commitments as at 31 March 2025, 31 March 2027 or 31 March 2028.

1.2.13 Contingent liabilities

It is assumed that the Trust does not have any contingent liabilities as at 31 March 2025, 31 March 2026, 31 March 2027 or 31 March 2028.

1.2.14 Actual results

Actual results may differ from the PFI. The resulting variance may be material.

The Trust, the Directors and the Manager give no guarantee or assurance that the PFI presented will be achieved.

The PFI should be read in conjunction with Section 7 “Risks to Returns from Centuria Shands Road Property Trust” in the PDS. An analysis of the sensitivity of the PFI to changes in specific key assumptions is included in Section 3 of this PFI.

Notes and assumptions for the prospective financial statements

2 Statement of accounting policies

The prospective financial statements presented are for the reporting entity Centuria Shands Road Property Trust.

The Trust will be an FMC Reporting Entity under the Financial Markets Conduct Act 2013 and will report as a Tier 1 For Profit entity. The prospective financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand as it relates to the prospective financial statements, and comply with FRS-42 Prospective Financial Statements. The accounting policies and disclosures adopted in these prospective financial statements reflect those required by the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable financial reporting standards as appropriate for profit orientated entities.

The actual annual financial statements for the Trust will be prepared in accordance with and comply with NZ IFRS and International Financial Reporting Standards. The accounting policies adopted in the prospective financial statements reflect the policies expected to be adopted in the actual annual financial statements in future periods.

Measurement base
The prospective financial statements have been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Comparatives
These prospective financial statements include the first period of trading to 31 March 2025. As the period ending 31 March 2025 will be the first financial period of the Trust, there are no comparatives available.

Investment property
Investment property is initially measured at cost, including transaction costs and is subsequently measured at fair value which reflects market conditions. Fair value is determined annually by independent valuers and adjusted for any amounts already allocated to other assets or liabilities. Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

Subsequent expenditure is capitalised to the asset's carrying amount only where it is probable a future economic benefit will flow to the Trust and cost can be reliably measured. All other repairs and maintenance costs are expensed as incurred.

The independent valuation is adjusted for the carrying value of capitalised fixed rental growth accruals, capitalised lease incentives and capitalised leasing fees as in determining the carrying amount of investment property under the fair value model, an entity does not double count assets or liabilities that are recognised as separate assets.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the disposal of an investment property are recognised in profit or loss in the period of derecognition. The gain or loss is calculated as the difference between the carrying value at the time of disposal and the net proceeds from disposal.

Deferred payment for investment property
When payment for an investment property is deferred, the initial cost of the property will be recognised at its cash price equivalent at the date of acquisition. The difference between this amount and the total consideration paid for the investment property will be recognised as an interest expense over the period of credit.

The payable balance relating to the deferred payment for an investment property is recognised as a financial liability on the balance sheet at year end. The payable balance represents the present value of future payment obligations.

Notes and assumptions for the prospective financial statements

Revenue and expenses
Gross rental income
Rental income is recognised on a straight-line basis over the shorter of the lease term or the term to the market rent review date, unless another systematic basis is more representative of the time pattern in which use benefit derived from the investment property is diminished. Lease incentives provided to tenants are capitalised as an asset and amortised on a straight-line basis over the non-cancellable portion of the lease to which they relate, as a reduction of rental income.

Income generated from property operating expenses recovered from tenants is included in gross rental income with the associated property operating expenses shown in operating expenses. Operating expense recoveries are recognised as service charge income when a performance obligation is satisfied by transferring control of goods or services to tenants that are recoverable in accordance with the terms and conditions of lease agreements. A performance obligation is a promise in a lease to provide a distinct good or service (or a bundle of goods and services) to a tenant.

Operating leases
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Finance income
Finance income consists of interest income and is recognised as revenue on an accrual basis using the effective interest method.

Finance expenses
Finance expenses principally consist of interest payable on borrowings which is recognised as an expense using the effective interest method. Associated transaction costs are capitalised and amortised over the term of the borrowing facility to which they relate.

Finance expenses also includes interest recognised on the deferred payment for investment property.

Goods and services tax (GST)
All amounts are shown exclusive of GST except for:
- GST incurred on the purchase of goods and services that is not recoverable from the taxation authority; and
- Receivables and payables that are stated inclusive of GST.

Trade and other receivables
Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost, less an allowance for any impairment losses.

The Manager has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. A loss allowance is made when there is objective evidence (such as significant financial difficulties or possibility of insolvency of the debtor) that the Manager will not be able to collect all of the amounts due under the original terms of the invoice.

The carrying amounts of trade and other receivables are assumed to be the same as their fair values due to their short term nature.

Trade and other payables
Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade payables are non-interest bearing and are normally settled on 30-day terms. The carrying amounts of trade and other payables are assumed to be the same as their fair values due to their short term nature.

Notes and assumptions for the prospective financial statements

Borrowings
Borrowings are initially measured at fair value, plus directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest rate method. Under this method, directly attributable fees, costs, discounts and premiums are capitalised and spread over the expected life of the facility. All other interest costs and bank fees are expensed in the period they are incurred. Borrowings are classified as current liabilities unless the Trust has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

Interest rate swaps
The Trust uses interest rate swaps to hedge its exposure to interest rate risks arising from borrowings. The Trust may also enter into swaption contracts that give the Trust the option to enter into interest rate swaps in the future. Interest rate swaps and swaptions are recognised at fair value and any resulting gain or loss on re-measurement is recognised in profit and loss. The Trust does not apply hedge accounting.

The Trust applies Level 2 criteria of the fair value hierarchy in determining the fair value of its interest rate swaps. The fair value of interest rate swaps is obtained externally and is the estimated amount the Trust would receive or pay to terminate the swaps at balance date. The valuation technique calculates the gain or loss by comparing the present value of cash flows using current market interest rates and comparing these to the present value of future cashflows under the swap agreement. The fair value estimate is not subject to a credit risk adjustment that reflects the credit risk of the Trust and of the counterparty.

Offer costs
Offer costs are treated in a number of ways depending on the nature of the costs; (1) costs directly attributable to raising equity are deducted from the equity proceeds, (2) costs associated with obtaining finance are capitalised and amortised over the term of the borrowings, and (3) costs associated with purchasing property are capitalised as part of the investment property asset. All other costs are expensed as incurred.

Cash and cash equivalents
For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with banks and which are subject to an insignificant risk of changes in value and are readily accessible.

Statement of Cash Flows
The Statement of Cash Flows is presented on a direct basis. The following terms are used in the Statement of Cash Flows:

(a) Cash and cash equivalent means cash on deposit with banks;

(b) Operating activities means the gross cash received from and paid in relation to the principal revenue producing activities and other that are not investing or financing activities;

(c) Investment activities means the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents; and

(d) Financing activities means the activities which result in changes in the equity and debt capital structures, this includes the payment of distributions.

3 Sensitivity analysis for the prospective financial information

Prospective financial information is inherently subject to business, economic and competitive uncertainty, and accordingly actual results are likely to vary from prospective financial statements, and this variation could be material. A summary of the likely effects of variations in key assumptions are detailed below. The sensitivities for each assumption are not intended to be indicative or predictive of the possible range of outcomes. Care should be taken in interpreting the information set out below. The approach taken in respect of the sensitivities has been to determine those variables most likely to materially affect results in the financial periods ending 31 March 2026, 31 March 2027 and 31 March 2028.

Each movement in an assumption is calculated and presented in isolation from possible movements in other assumptions, which is not likely to be the case. It is more likely that more than one assumption may move at any point in time, giving rise to compounding or offsetting effects.

The tables below illustrate the impact on the operating profit before fair value movements and net tangible assets due to movements in the key assumptions used in the PFI periods. The below sensitivities do not take account of any risk management initiatives that the Trust may take should a change in these assumptions arise.

FY26 impact	**Cents per unit**	**$**
Operating profit before fair value movements	**8.33**	**4,426,550**
Change in interest rates		
Increase in interest rates (+100 bps)	(0.07)	(37,936)
Decrease in interest rates (-100 bps)	0.07	37,936
Change in capital expenditure		
Increase in capital expenditure (+$250k)	(0.03)	(13,302)
Increase in capital expenditure (+$500k)	(0.05)	(26,605)
Net tangible assets	**103.87**	**55,194,859**
Investment property valuation		
Increase in property valuations (+5%)	7.74	4,114,294
Decrease in property valuations (-5%)	(7.74)	(4,114,294)

FY27 impact	**Cents per unit**	**$**
Operating profit before fair value movements	**8.11**	**4,308,340**
Change in interest rates		
Increase in interest rates (+100 bps)	(0.21)	(110,345)
Decrease in interest rates (-100 bps)	0.21	110,345
Change in capital expenditure		
Increase in capital expenditure (+$250k)	(0.02)	(12,971)
Increase in capital expenditure (+$500k)	(0.05)	(25,941)
Net tangible assets	**104.30**	**55,427,096**
Investment property valuation		
Increase in property valuations (+5%)	8.52	4,527,069
Decrease in property valuations (-5%)	(8.52)	(4,527,069)

FY28 impact	Cents per unit	$
Operating profit before fair value movements	**7.93**	**4,211,384**
Change in interest rates		
Increase in interest rates (+100 bps)	(0.19)	(100,706)
Decrease in interest rates (-100 bps)	0.19	100,706
Change in capital expenditure		
Increase in capital expenditure (+$250k)	(0.03)	(13,413)
Increase in capital expenditure (+$500k)	(0.05)	(26,826)
Net tangible assets	**104.41**	**55,482,887**
Investment property valuation		
Increase in property valuations (+5%)	8.53	4,530,569
Decrease in property valuations (-5%)	(8.53)	(4,530,569)

Notes

Interest rate sensitivity
Exposure to interest rate risk is in the normal course of operations. The Trust intends to manage interest rate risk by entering into interest rate swap agreements. The above sensitivity analysis assumes that the two swaps set out in the PFI are in place, including the swap that can be entered into by way of exercising the swaption. The sensitivities show the impact of a change in interest rate on the unhedged portion of the loan. It also assumes that the bank margin remains fixed throughout the forecast period.

Interest incurred during the Expansion is capitalised to the project and is not included in operating profit before fair value movements. However, the above sensitivities assume that a change in interest expense from a change in interest rates is not capitalised to the project and impacts operating profit before fair value movements.

Capital expenditure sensitivity
The above sensitivity reflects the full year impact from an increase in general capital expenditure, noting that the Trust's contribution to the Expansion is capped at $35,630,000. The sensitivity assumes that any increase in general capital expenditure would be debt funded resulting in additional interest expenses being incurred.

The NTA sensitivities assume that any additional capex incurred is not accretive to property value.

Investment property valuation sensitivity
The above sensitivity reflects the impact of an increase or decrease in property valuations assumed in the PFI at 31 March 2026, 31 March 2027 and 31 March 2028.

4 Reconciliation of non-GAAP financial information

Earnings before interest, taxes, depreciation and amortisation (EBITDA)

EBITDA is a non-GAAP measure widely used to evaluate an entity's operating performance.

The following table reconciles the net profit after tax as per the Prospective Statement of Comprehensive Income to EBITDA and EBITDA adjusted for unrealised gains and losses.

	4 months and 19 days ending 31 March 2025 $	12 months ending 31 March 2026 $	12 months ending 31 March 2027 $	12 months ending 31 March 2028 $
Net profit after tax	-	8,644,300	4,138,027	3,961,581
Add back:				
Finance expenses	-	314,449	1,318,743	1,933,758
Income tax	-	-	-	-
EBITDA	**-**	**8,958,749**	**5,456,770**	**5,895,339**
Reverse:				
Change in fair value of investment property	-	(4,276,498)	199,529	219,898
Change in fair value of interest rate derivatives	-	58,748	(29,216)	29,905
EBITDA adjusted for unrealised gains and losses	**-**	**4,740,999**	**5,627,083**	**6,145,142**

Gearing ratio

	As at 31 March 2025 $	As at 31 March 2026 $	As at 31 March 2027 $	As at 31 March 2028 $
Loan balance	-	23,126,031	35,630,000	35,630,000
Total assets	-	83,601,211	91,599,865	91,678,060
Gearing ratio	**-**	**27.7%**	**38.9%**	**38.9%**

Interest cover ratio (EBITDA)

	4 months and 19 days ending 31 March 2025 $	12 months ending 31 March 2026 $	12 months ending 31 March 2027 $	12 months ending 31 March 2028 $
EBITDA adjusted for unrealised gains and losses	-	4,740,999	5,627,083	6,145,142
Interest expense on borrowings	-	(314,449)	(1,318,743)	(1,933,758)
Interest cover ratio	**-**	**15.08**	**4.27**	**3.18**

5 Financial measures for the Trust's borrowings (non-GAAP)

The loan to value and interest cover ratios are non-GAAP information. These have been disclosed as borrowings are a material item for the Trust. The loan to value and interest cover ratios do not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities.

Refer below for relevant calculations.

Loan to value ratio

	As at 31 March 2025 $	As at 31 March 2026 $	As at 31 March 2027 $	As at 31 March 2028 $
Loan balance	-	23,126,031	35,630,000	35,630,000
Investment property valuation	-	90,000,000	90,541,370	90,611,370
Loan to value ratio	**-**	**25.7%**	**39.4%**	**39.3%**

The banking covenant requires that the loan to value ratio is to be no more than 50%.

The loan to value ratio tells you how much the Trust owes (borrowings) as a portion of the investment property valuation. The higher the ratio, the higher the risk as it indicates a higher proportion of the Trust's investment property will need to be applied to repay its borrowings.

The loan to value ratio is different to the gearing ratio which represents total borrowings divided by total assets.

Interest cover ratio (net rent)

	4 months and 19 days ending 31 March 2025 $	12 months ending 31 March 2026 $	12 months ending 31 March 2027 $	12 months ending 31 March 2028 $
Net rent	-	-	-	6,284,671
Interest expense on borrowings	-	-	-	(1,910,758)
Interest cover ratio	**N/A**	**N/A**	**N/A**	**3.29**

The banking covenant requires that the interest cover ratio is not to be less than two times. The above table does not show the interest cover ratio for the years ending 31 March 2026 and 31 March 2027 as the banking covenant will not apply until 12 months after practical completion has been achieved.

The interest cover ratio tells you how much the net rent recevied from the tenant exceeds interest on the Trust's borrowings (as a multiple). The higher the ratio, the more comfortably the Trust's income can cover any interest expense (and the lower risk to the Trust).