

Centuria NZ Large Format Retail No.1

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

Prospective financial information

The prospective financial information (**Prospective Financial Information** or **PFI**) of Centuria NZ Large Format Retail No.1 (the **Trust**) comprises the following Prospective Financial Statements and Other PFI Related Information as at and for the 13 months and 3 days 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; and
- Notes and assumptions for the prospective financial statements.

(collectively, the **Prospective Financial Statements**).

- Sensitivity analysis for the PFI;
- Reconciliation of non-GAAP financial information; and
- Financial measures for the Trust's borrowings (non-GAAP).

(collectively, the **Other PFI Related Information**).

This document should be read in conjunction with the Product Disclosure Statement (PDS) dated 27 February 2026 and other information provided on the Offer Register (offer number OFR14064). Capitalised terms used but not defined in this document have the meanings given to them in the PDS.

The Prospective Financial Information is presented in New Zealand dollars and rounded to the nearest dollar.

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 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 27 February 2026 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 Trust's accounting policies and best-estimate general and specific assumptions.

The receipt of subscriptions from investors and the allotment of units is assumed to take place on 1 May 2026.

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 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 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 NZ Large Format Retail No.1" 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:

- Prospective financial information for FY27 (13 months and 3 days ending 31 March 2027, commencing on 26 February 2026 being the date that the Trust Deed was executed); and
- Prospective financial information for FY28 (12 months ending 31 March 2028).

As the period ending 31 March 2027 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. This information has not been subject to independent audit or review.

Prospective statement of comprehensive income

	Note	13 months and 3 days ending 31 March 2027 \$	12 months ending 31 March 2028 \$
Gross rental income	1.2.3	9,617,505	10,676,699
Other income		24,832	26,613
Gross property income		9,642,337	10,703,312
Recoverable property operating expenses	1.2.3	(1,806,618)	(1,907,199)
Non-recoverable property operating expenses	1.2.3	(194,126)	(253,077)
Net property income		7,641,593	8,543,036
Management fees	1.2.3	(438,519)	(479,849)
Administration expenses	1.2.3	(157,396)	(164,586)
Operating profit before finance expenses and change in fair value of investment property		7,045,678	7,898,601
Interest expense	1.2.7	(2,492,234)	(2,722,645)
Operating profit		4,553,444	5,175,956
Change in fair value of investment property	1.2.2	(1,160,687)	(21,895)
Net profit before tax		3,392,757	5,154,061
Income tax	1.2.11	-	-
Net profit after tax		3,392,757	5,154,061
Other comprehensive income		-	-
Total comprehensive income attributable to investors		3,392,757	5,154,061

Prospective statement of changes in equity

	Note	Issued capital \$	Retained earnings \$	Total \$
Equity as at 26 February 2026		-	-	-
Issued capital	1.2.8	75,570,000	-	75,570,000
Issue costs	1.2.10	(5,981,596)	-	(5,981,596)
Total comprehensive income for the period		-	3,392,757	3,392,757
Distributions to unitholders	1.2.8	-	(4,662,181)	(4,662,181)
Equity as at 31 March 2027	1.2.8	69,588,404	(1,269,424)	68,318,980
Equity as at 1 April 2027		69,588,404	(1,269,424)	68,318,980
Total comprehensive income for the year		-	5,154,061	5,154,061
Distributions to unitholders	1.2.8	-	(5,100,975)	(5,100,975)
Equity as at 31 March 2028	1.2.8	69,588,404	(1,216,338)	68,372,066

These prospective financial statements should be read in conjunction with the notes on pages 7 to 21.

Prospective statement of financial position

	Note	As at 31 March 2027 \$	As at 31 March 2028 \$
ASSETS			
Current assets			
Cash and cash equivalents		902,112	1,106,504
Total current assets		902,112	1,106,504
Non-current assets			
Investment property	1.2.2	119,150,000	119,150,000
Total non-current assets		119,150,000	119,150,000
Total assets		120,052,112	120,256,504
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	1.2.6	851,389	858,957
Total current liabilities		851,389	858,957
Non-current liabilities			
Borrowings	1.2.7	51,200,000	51,200,000
Capitalised borrowing costs	1.2.7	(318,257)	(174,519)
Total non-current liabilities		50,881,743	51,025,481
Equity		68,318,980	68,372,066
Total liabilities and equity		120,052,112	120,256,504

These prospective financial statements should be read in conjunction with the notes on pages 7 to 21.

Prospective statement of cash flows

	Note	13 months and 3 days ending 31 March 2027 \$	12 months ending 31 March 2028 \$
Cash flows from operating activities			
Cash was provided from:			
Rental receipts	1.2.3	8,000,487	8,916,214
Property operating expense recoveries	1.2.3	1,589,434	1,773,229
Other income		24,832	26,613
Goods and services tax received		108,902	6,332
		<u>9,723,655</u>	<u>10,722,388</u>
Cash was applied to:			
Payments to suppliers		(2,459,675)	(2,757,693)
Leasing fees paid		(115,087)	(8,967)
Lease incentives paid		(302,430)	(43,954)
Interest paid		(2,167,251)	(2,606,406)
		<u>(5,044,443)</u>	<u>(5,417,020)</u>
Net cash flow from operating activities		<u>4,679,212</u>	<u>5,305,367</u>
Cash flows from investing activities			
Cash was applied to:			
Purchase of investment property	1.2.2	(118,816,895)	-
Costs in relation to purchase of investment property	1.2.2	(1,021,492)	-
Receipt of roof works contribution		289,700	-
Capital expenditure		(329,700)	-
		<u>(119,878,387)</u>	<u>-</u>
Net cash flow from/(used in) investing activities		<u>(119,878,387)</u>	<u>-</u>
Cash flows from financing activities			
Cash was provided from:			
Investor capital	1.2.8	75,570,000	-
Borrowings	1.2.7	51,200,000	-
		<u>126,770,000</u>	<u>-</u>
Cash was applied to:			
Distributions paid to unitholders		(4,237,100)	(5,100,975)
Issue costs	1.2.10	(5,981,596)	-
Borrowing costs		(450,017)	-
		<u>(10,668,713)</u>	<u>(5,100,975)</u>
Net cash flow from/(used in) financing activities		<u>116,101,287</u>	<u>(5,100,975)</u>
Net increase in cash and cash equivalents		902,112	204,392
Cash and cash equivalents at start of period		-	902,112
Cash and cash equivalents at end of period		<u>902,112</u>	<u>1,106,504</u>

These prospective financial statements should be read in conjunction with the notes on pages 7 to 21.

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, including this document, may not be appropriate for any other purpose.

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

- Southgate Shopping Centre, located at Corner Great South Road and Walters Road, Takanini, Auckland; and
- Hornby Mega Centre, located at 6 and 14 Chappie Place, Hornby, Christchurch.

The prospective financial statements were authorised for issue on 27 February 2026. 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.

NZ IFRS 18 Presentation and Disclosure in Financial Statements becomes effective for annual reporting periods beginning on or after 1 January 2027. As a result, the presentation of the Trust's future statutory financial statements may differ from the format applied in this PFI.

1 Assumptions

The following best-estimate 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 NZ Large Format Retail No.1" in the PDS.

1.1 General assumptions in respect of the PFI

- **Economic environment** - there will be no material change 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.

Notes and assumptions for the prospective financial statements

- **Financial Reporting Standards** - there will be no change in financial reporting standards or accounting interpretations which would have a material effect on the Trust other than as mentioned above in respect of NZ IFRS 18.
- **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.
- **Taxation** - there will be no material change to the tax rates or laws (including in relation to GST), taxation of capital gains and depreciation on buildings. 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 2.20% for the period 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 26 November 2025.

1.2 Specific assumptions

1.2.1 Equity raise, Offer costs and settlement

It is assumed that the Trust acquires the following two properties (the Properties) during the PFI period:

- Southgate Shopping Centre, located at Corner Great South Road and Walters Road, Takanini, Auckland; and
- Hornby Mega Centre, located at 6 and 14 Chappie Place, Hornby, Christchurch.

Southgate Shopping Centre is assumed to be purchased for \$77,000,000 and Hornby Mega Centre is assumed to be purchased for \$41,816,895, based on unconditional sale and purchase agreements. Pursuant to the sale and purchase agreements for the Properties, the acquisitions are assumed to settle on 1 May 2026.

Southgate Shopping Centre is being acquired from Takanini Nominees Limited as Trustee for the Takanini Nominees Joint Venture, which is an existing scheme managed by the Manager.

It is assumed that \$75,570,000 of equity is raised in the Offer and \$51,200,000 of debt is drawn to facilitate the acquisition of the Properties, pay financing costs and the associated Offer and establishment costs, and provide an initial working capital balance. It is assumed that the equity raised in the Offer is allotted on 1 May 2026.

	1 May 2026
	\$
Use of funds	
Investment property	118,816,895
Capitalised acquisition costs	1,021,492
Costs of establishment and issuing equity	5,981,596
Financing costs	450,017
Working capital	500,000
Total	126,770,000
Source of funds	
Equity	75,570,000
Borrowings	51,200,000
Total	126,770,000

Offer and establishment costs are assumed to be paid on 1 May 2026.

Notes and assumptions for the prospective financial statements

1.2.2 Investment property

	As at 31 March 2027	As at 31 March 2028
	\$	\$
Balance at beginning of period	-	119,150,000
Purchase price of investment property	118,816,895	-
Transaction costs to purchase investment property	1,021,492	-
Vendor roof works contribution	(289,700)	-
Capital expenditure	329,700	-
Lease incentives granted and capitalised	302,430	43,954
Amortisation of capitalised lease incentives	(34,380)	(55,361)
Leasing fees paid and capitalised	115,087	8,967
Amortisation of capitalised leasing fees	(12,801)	(18,282)
Movement in capitalised fixed rental growth	61,964	42,618
Change in fair value of investment property	(1,160,687)	(21,895)
Total investment property	119,150,000	119,150,000

On settlement date, assumed to be 1 May 2026, the value of the investment property is assumed to equal cost, plus any directly related transaction costs, and net of the roof works contribution received from the vendor of Hornby Mega Centre.

At the end of each financial period, it is assumed that the investment property will be revalued, with the Properties being recognised at fair value. The assumed fair values of the Properties are based on the independent valuations performed by Jones Lang LaSelle totalling \$119,150,000 commissioned as part of due diligence, as set out in the table below.

It is assumed that there will be no change to the fair values during the PFI period, as any changes in underlying valuation assumptions cannot be accurately predicted.

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.

	Valuer	Date of report	Valuation \$
Southgate Shopping Centre	Jones Lang LaSalle	14 November 2025	77,000,000
Hornby Mega Centre	Jones Lang LaSalle	9 February 2026	42,150,000
Total			119,150,000

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, capitalised lease incentives and capitalised leasing fees. For accounting purposes, rental income is adjusted to straight-line the total contracted rent over the lease period with a fixed rental accrual balance recognised as a component of the fair value of the investment property.

No further investment property acquisitions, disposals or developments are assumed during the PFI period.

Capital expenditure

Capital expenditure assumed in the PFI is based on third-party property condition reports and the Manager's estimates. The timing of this expenditure has been determined by the Manager, taking into account due diligence findings and experience managing similar assets. Items assessed as repairs and maintenance have been expensed directly to the Prospective Statement of Comprehensive Income.

Notes and assumptions for the prospective financial statements

1.2.3 Revenue and expenses

Rental income

Rental income has been forecast based on existing lease agreements with tenants. Rental income is assumed to commence on 2 May 2026, being the day following the assumed settlement date. It is assumed that there is no tenant default and there are no delays in receipt of debtors during the PFI period.

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

The PFI reflects all expected market, CPI and fixed rent reviews during the PFI period, pursuant to existing leases in place. Market rents and growth rates have been assumed based on the independent valuations obtained as part of due diligence.

Lease expiries during PFI period

Reletting assumptions for leases expiring during the PFI period include vacancy periods and lease incentives. Vacancy periods of between zero and three months have been assumed, and lease incentives equivalent to three to four months' rent have been applied to certain tenancies. These assumptions are based on the Manager's experience managing similar assets, current market conditions and industry standards, and discussions with the vendors and certain tenants.

Straight lining of rental income

Rental income from operating leases is recognised on a straight-line basis over the lease term. Lease incentives provided to tenants are amortised on a straight-line basis over the non-cancellable portion of the lease to which they relate, as a reduction of rental income. The table below sets out the assumed invoiced rent and adjustments for the straight-lining of rental income and amortisation of capitalised lease incentives for the PFI period.

	13 months and 3 days ending 31 March 2027	12 months ending 31 March 2028
	\$	\$
Rental income	8,070,446	8,994,417
Adjustment due to fixed rental growth	61,964	42,618
Amortisation of capitalised lease incentives	(34,380)	(55,361)
Property Operating Expense Recoveries	1,519,475	1,695,025
Total gross rental income	9,617,505	10,676,699

Notes and assumptions for the prospective financial statements

Property operating expenses

	13 months and 3 days ending 31 March 2027	12 months ending 31 March 2028
	\$	\$
Recoverable property operating expenses		
Rates and insurance	1,072,276	1,102,492
Utilities	17,287	19,320
Repairs and maintenance	502,819	545,221
Property management fees	144,277	161,963
Professional fees	69,959	78,203
Total	1,806,618	1,907,199
Non-recoverable property operating expenses		
Rates and insurance	18,310	20,818
Utilities	325	408
Repairs and maintenance	123,883	163,347
Property management fees	28,781	32,491
Professional fees	10,026	17,731
Amortisation of capitalised leasing fees	12,801	18,282
Total	194,126	253,077

Recoverable and non-recoverable property operating expenses have been forecast based on a combination of assumptions, including budgets prepared by third party property managers. The recoverability of property operating expenses has been assumed based on lease agreements currently in place with tenants.

Tenants with net leases are 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.

It is assumed that all operating costs recovered from tenants 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

	13 months and 3 days ending 31 March 2027	12 months ending 31 March 2028
	\$	\$
Valuation fees	24,000	24,480
Audit fees	35,000	35,700
Registry fees	12,375	13,797
Statutory supervisor	38,417	39,347
Agency and security trustee fee	25,208	27,500
Professional fees	5,729	5,877
Other administration expenses	16,667	17,885
Total administration expenses	157,396	164,586

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

Notes and assumptions for the prospective financial statements

Auditor's remuneration

	13 months and 3 days ending 31 March 2027	12 months ending 31 March 2028
	\$	\$
Financial statements audit	35,000	35,700
Total remuneration for assurance services	35,000	35,700

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

Management fees

The Manager will be entitled to charge an annual management fee equal to 0.40% per annum of the average month-end total asset value of the Trust, with the annual fee capped at \$480,000 for the financial periods ending 31 March 2027, 31 March 2028 and 31 March 2029.

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

	13 months and 3 days ending 31 March 2027	12 months ending 31 March 2028
	\$	\$
Net profit after tax	3,392,757	5,154,061
Adjustments for:		
Change in fair value of investment property	1,160,687	21,895
Adjustment due to capitalised fixed rental growth	(61,964)	(42,618)
Amortisation of capitalised borrowing costs	131,760	143,738
Amortisation of capitalised leasing fees	12,801	18,282
Capitalisation of leasing fees	(115,087)	(8,967)
Amortisation of capitalised lease incentives	34,380	55,361
Capitalisation of lease incentives	(302,430)	(43,954)
Changes to assets and liabilities relating to operating activities:		
Increase/(decrease) in trade and other payables	426,308	7,569
Net cash flow from operating activities	4,679,212	5,305,367

1.2.5 Trade and other receivables

No trade receivables balances are assumed during the PFI period, as rental income is assumed to be paid in advance. It is assumed that the tenants do not default on their rent obligations, and that there are no delays in receipt of debtors.

Notes and assumptions for the prospective financial statements

1.2.6 Trade and other payables

Trade payables balances assume one-month credit terms with suppliers for administration expenses, management fees and property operating expenses. One month of accrued interest is assumed to be outstanding at each year end.

	As at 31 March 2027	As at 31 March 2028
	\$	\$
Accrued expenses	98,974	100,209
Accrued interest	218,432	218,432
GST payable	108,902	115,235
Distributions payable	425,081	425,081
Total	851,389	858,957

1.2.7 Borrowings

The Trust intends to establish a syndicated loan facility with ASB Bank Limited (ASB) and Bank of China Limited (BOC), based on credit approved offers received.

The facility is assumed to have a total limit of \$55,000,000 split into two equal tranches. One tranche is assumed to be on a three-year term expiring 30 April 2029 and the other on a four-year term expiring 30 April 2030. The facility will be interest only and no principal will be required to be repaid during the initial terms of the loan.

Borrowing costs are estimated to be \$450,017, which includes costs relating to the loan facilities and the interest rate swaps. The costs relating to the loan facilities will be capitalised and amortised over the initial term of the loans. The costs relating to the interest rate swaps will be capitalised and amortised over the term of the swaps.

The loan will be secured by a registered first ranking mortgage over the Properties, 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's and Custodian's bank accounts.

Borrowing summary

	As at 31 March 2027	As at 31 March 2028
Composition of loan facility		
Facility A - ASB		
Maturity date	30 April 2030	30 April 2030
Facility limit	27,500,000	27,500,000
Drawn loan balance	25,600,000	25,600,000
Undrawn loan balance	1,900,000	1,900,000
Facility A - BOC		
Maturity date	30 April 2029	30 April 2029
Facility limit	27,500,000	27,500,000
Drawn loan balance	25,600,000	25,600,000
Undrawn loan balance	1,900,000	1,900,000
Covenants		
Loan to value ratio (LVR) not to be greater than	55.0%	55.0%
Interest coverage ratio (ICR) not to be less than	1.75 times	1.75 times

Notes and assumptions for the prospective financial statements

The table below reconciles movements in liabilities arising from financing activities that are assumed during the PFI period.

	Current	Non-current	Borrowing costs	Total
	\$	\$	\$	\$
Opening balance as at 26 February 2026	-	-	-	-
Cash drawn down on loan	-	51,200,000	-	51,200,000
Loan establishment borrowing costs	-	-	450,017	450,017
Amortisation of capitalised borrowing costs	-	-	(131,760)	(131,760)
Borrowings as at 31 March 2027	-	51,200,000	318,257	51,518,257

	Current	Non-current	Borrowing costs	Total
	\$	\$	\$	\$
Opening balance as at 1 April 2027	-	51,200,000	318,257	51,518,257
Cash drawn down on loan	-	-	-	-
Amortisation of capitalised borrowing costs	-	-	(143,738)	(143,738)
Borrowings as at 31 March 2028	-	51,200,000	174,519	51,374,519

Finance expenses

	13 months and 3 days ending 31 March 2027	12 months ending 31 March 2028
	\$	\$
Bank loan interest and fees	2,360,474	2,578,907
Amortisation of capitalised borrowing costs	131,760	143,738
Total interest expense	2,492,234	2,722,645

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. The interest rate swaps set out in the table below have been entered into by Centuria Capital (NZ) No.1 Limited and will be transferred to the Trust on Settlement.

	Notional amount	Start date	Expiry date	Fixed base rate (p.a.)
	\$			
Swap 1	25,600,000	1-May-26	1-Apr-28	3.3650%
Swap 2	25,600,000	1-May-26	1-Apr-29	3.6175%

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 any floating base rate) payable on drawn borrowings is assumed to be 4.99% p.a. for the periods ending 31 March 2027 and 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 31 March 2027 and 31 March 2028 is assumed to be nil. 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, there is no fair value adjustment in relation to the derivatives assumed during the PFI period. Actual movements in the fair value of interest rate derivatives are likely to vary to those assumed in the PFI.

1.2.8 Equity and distributions

It is assumed that 75,570,000 units are issued under the Offer at \$1.00 per unit with a 1 May 2026 allotment date.

	13 months and 3 days ending 31 March 2027	12 months ending 31 March 2028
	\$	\$
Opening balance of units issued	-	69,588,404
Units issued	75,570,000	-
Issue costs	(5,981,596)	-
Closing balance of units issued	69,588,404	69,588,404

The Manager's distribution policy for the Trust is to pay distributions of between 80% to 100% of Funds From Operations (FFO) over a full financial year. Distributions are forecast to be paid at the annualised rates shown in the table below, commencing 2 May 2026, being the day following the assumed settlement date. Distributions are assumed to be paid monthly in arrears and are paid at the Manager's discretion.

	13 months and 3 days ending 31 March 2027	12 months ending 31 March 2028
	\$	\$
Gross distributions paid (\$)	4,662,181	5,100,975
Gross distributions paid (annualised cents per unit)	6.75	6.75

Under the Trust Deed, the Manager is obliged to offer liquidity to Investors before the initial five-year investment term ends by:

- first, raising capital to facilitate Withdrawals; or
- if raising capital to facilitate Withdrawals is not considered to be in the best interests of Investors, selling the Properties and winding-up the Trust.

The Withdrawal price will be the Net Tangible Assets per Unit less the outgoing Investors' share of costs associated with the Withdrawal and any unpaid tax attributable to the Investor.

Any cash outflows associated with Withdrawals or the return of capital are therefore expected to occur at, or following, the end of the initial investment term and are dependent on the level of Withdrawal requests, the Trust's Net Tangible Assets at that time and the funding approach adopted by the Manager.

Going concern and capital management

The Trust is assumed 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 (**CPIPL**) is also a wholly owned subsidiary of Centuria Capital Limited.

CPIPL intends to acquire 5.0% of units available under the Offer. The assumed distribution payable to CPIPL reflects this 5.0% holding.

Transactions with related parties

	13 months and 3 days ending 31 March 2027	12 months ending 31 March 2028
	\$	\$
Centuria group companies		
Establishment fee	2,400,000	-
Underwrite fee	2,153,745	-
Deposit fee	202,443	-
Interest rate hedging fee	88,767	-
Management fees	438,518	479,849
Leasing fees	115,087	8,967
Design and marketing fee	18,000	-
Distributions	233,109	255,049
Total fees paid to related parties	5,649,669	743,865

1.2.10 Offer and acquisition costs

Total Offer and acquisition costs are forecast to be \$7,453,105. The table below sets out how the costs are assumed to be treated.

	Capitalised to investment property \$	Capitalised to equity \$	Capitalised to borrowings \$	Total \$
Establishment fee	480,000	1,740,000	180,000	2,400,000
Underwrite fee	-	2,153,745	-	2,153,745
Brokerage fees	-	1,256,351	-	1,256,351
Legal fees	214,750	167,451	60,000	442,201
Overseas Investment Office application	38,800	-	-	38,800
Investigating accountant	-	100,000	-	100,000
Deposit fee	202,443	-	-	202,443
Interest rate hedging fee	-	-	88,767	88,767
Valuation fees	16,500	-	-	16,500
Chattels and land valuation fees	19,000	-	-	19,000
Property due diligence	50,000	-	-	50,000
Marketing, PDS design and printing	-	500,000	-	500,000
Bank establishment fees	-	-	96,250	96,250
Bank legal fees	-	-	25,000	25,000
Supervisor	-	7,500	-	7,500
Registry and AML customer due diligence	-	49,500	-	49,500
PDS registration fees	-	7,048	-	7,048
Total	1,021,492	5,981,596	450,017	7,453,105

Notes and assumptions for the prospective financial statements

The underwrite fee is based on a signed agreement with CPIPL. The underwrite fee is calculated as 3.0% of \$71,791,500, being the total equity raise of \$75,570,000 less the \$3,778,500 equity being issued to CPIPL. No underwrite fee is payable in respect to the \$3,778,500.

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.

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

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

1.2.13 Contingent liabilities

It is assumed that the Trust will not have any contingent liabilities as at 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 NZ Large Format Retail No.1" in the PDS. An analysis of the sensitivity of the PFI to changes in specific key assumptions is included in Note 3 of this document.

Notes and assumptions for the prospective financial statements

2 Statement of accounting policies

The prospective financial statements presented are for the reporting entity Centuria NZ Large Format Retail No.1.

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 for the next reporting period 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 2027. As the period ending 31 March 2027 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.

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, together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, 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

Units issued to investors – equity classification

The Trust's Units are classified as equity instruments in accordance with NZ IAS 32 Financial Instruments: Presentation. Although the Units include a liquidity mechanism that gives rise to a contractual obligation for the Trust to return capital at net tangible asset value per Unit upon either a liquidity event or wind-up, the Units are classified as equity as they meet the conditions in paragraphs 16A-16B of NZ IAS 32.

Pursuant to paragraphs 16A-16B of NZ IAS 32, the Units are classified as equity instruments because:

- The Units entitle the holder to a pro rata share of the Trust's net assets in the event of the Trust's liquidation;
- There are no other classes of instruments and therefore the Units are most subordinated;
- The Units do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Trust's net assets; and
- The total expected cash flows attributable to the Units over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Trust over the life of the instrument.

In addition to the Units having all of the above features, the Trust has no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Trust; and
- The effect of substantially restricting or fixing the residual return to the Investor.

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.

Notes and assumptions for the prospective financial statements

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 and acquisition costs

Offer and acquisition 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 directly attributable to obtaining finance are capitalised and amortised over the term of the borrowings, and (3) costs directly attributable to 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 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;
- (b) Operating activities means the gross cash received from and paid in relation to the principal revenue producing activities and other income 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 capital or debt structures, including 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 the 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 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 sensitivities below do not take account of any risk management initiatives that the Trust may take should a change in these assumptions arise.

FY27 impact	Cents per unit	\$
Operating profit before fair value movements	6.03	4,553,444
Funds From Operations	6.18	4,670,421
Major tenant default		
Decrease in gross rent	(1.32)	(1,000,216)
Change in capital expenditure		
Increase in capital expenditure (+\$250k)	(0.01)	(11,030)
Increase in capital expenditure (+\$500k)	(0.03)	(22,060)
Net tangible assets	90.40	68,318,980
Investment property valuation		
Increase in property valuations (+5%)	7.88	5,957,500
Decrease in property valuations (-5%)	(7.88)	(5,957,500)
FY28 impact	Cents per unit	\$
Operating profit before fair value movements	6.85	5,175,956
Funds From Operations	7.08	5,350,719
Major tenant default		
Decrease in gross rent	(1.36)	(1,025,124)
Change in capital expenditure		
Increase in capital expenditure (+\$250k)	(0.02)	(13,090)
Increase in capital expenditure (+\$500k)	(0.03)	(26,179)
Net tangible assets	90.48	68,372,066
Investment property valuation		
Increase in property valuations (+5%)	7.88	5,957,500
Decrease in property valuations (-5%)	(7.88)	(5,957,500)

Notes

Major tenant default - decrease in gross rent sensitivity

The PFI assumes that there will be no tenant default, however such a default is a risk with property investment. The sensitivity reflects the potential loss of one major tenant during the year, based on the average annual gross passing rental of the top 5 tenants in the portfolio at the beginning of each financial period. It is assumed that there will be no other impact to operating expenses.

Capital expenditure sensitivity

The above sensitivity reflects the full year impact from an increase in general capital expenditure. The sensitivity assumes that any increase in general capital expenditure would be debt funded resulting in additional interest expenses being incurred. For the purposes of this sensitivity, any additional capital expenditure incurred is assumed to not be 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 2027 and 31 March 2028.

4 Reconciliation of non-GAAP financial information

The Manager's distribution policy for the Trust is to pay distributions of between 80% to 100% of FFO over a full financial year. When determining the amount to be distributed, consideration will be given to the following factors:

- The level of cash reserves currently held;
- Adjusted Funds From Operations (AFFO) generated over the last financial year;
- Expected future funding requirements for items such as refinancing, loan principal repayments, forecast capital expenditure, and to support leasing activity (including lease incentives and leasing fees). These items may be funded by a combination of retained earnings, borrowings, and equity.

Due to fluctuations in income and expenses, the Trust may, in some periods, pay more than 100% of FFO using surplus capital or debt, but this will only occur where it is commercially sustainable.

FFO and AFFO are non-GAAP financial measures adopted to assist the Trust in assessing the underlying operating performance and funds available for distributions. The Manager considers that FFO and AFFO are a useful measure for investors, Directors, and Management because:

- FFO assists in assessing the Trust's underlying operating performance (ignoring non-cash items); and
- AFFO assists in assessing the ability to service items such as capital expenditure and leasing incentives and fees from FFO (or whether borrowings or equity are required to fund those items) and accordingly whether the distribution level is sustainable.

FFO and AFFO do not have standardised meanings prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities.

FFO

FFO is calculated by adjusting net profit after tax (determined in accordance with NZ IFRS) for certain items, including:

- Reversing unrealised fair value gains or losses on investments;
- Reversing fair value gains or losses on derivative financial instruments;
- Reversing gains or losses on disposal of investments;
- Reversing accruals for fixed rental growth;
- Reversing the amortisation of borrowing costs incurred at establishment or in respect of future equity raising;
- Adding back amortisation of lease incentives and leasing costs; and
- Adjusting for other one-off items which are not considered by Management to be part of the Trust's underlying and recurring earnings.

AFFO

After calculating FFO, the Trust will also calculate AFFO by making further adjustments to remove certain items from FFO that are considered to be capital items under GAAP but which the Trust considers should be funded, in part or in full, from FFO. AFFO is calculated by making adjustments to FFO, including:

- Subtracting capital expenditure spent as part of maintaining a building's grade and/or quality;
- Subtracting lease incentives (such as cash, fitout contributions and rent-free periods) and other leasing costs incurred in entering into a lease; and
- Removing other one-off items which did not occur in the prior period and are highly unlikely to reoccur in the following accounting period.

The following table reconciles the net profit after tax as per the Prospective Statement of Comprehensive Income to FFO and AFFO. The reconciliation and disclosure of FFO and AFFO have not been subject to an independent audit or review.

Reconciliation of net profit after tax to FFO and AFFO

	13 months and 3 days ending 31 March 2027	12 months ending 31 March 2028
	\$	\$
Net profit after tax	3,392,757	5,154,061
Change in fair value of investment property	1,160,687	21,895
Accrual for fixed rental growth	(61,964)	(42,618)
Amortisation of rental incentives	34,380	55,361
Amortisation of leasing fees	12,801	18,282
Amortisation of capitalised borrowing costs	131,760	143,738
FFO	4,670,421	5,350,719
Lease incentives granted	(302,430)	(43,954)
Leasing fees paid	(115,087)	(8,967)
Maintenance capex	(40,000)	-
AFFO	4,212,904	5,297,798
Distributions paid	4,662,181	5,100,975
FFO payout ratio	99.8%	95.3%
AFFO payout ratio	110.7%	96.3%

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, which is included in the PDS. The reconciliation and disclosure of EBITDA and EBITDA adjusted for unrealised gains and losses have not been subject to an independent audit or review.

	13 months and 3 days ending 31 March 2027	12 months ending 31 March 2028
	\$	\$
Net profit after tax	3,392,757	5,154,061
Add back:		
Finance expenses	2,492,234	2,722,645
Income tax	-	-
EBITDA	5,884,991	7,876,706
Reverse:		
Change in fair value of investment property	1,160,687	21,895
EBITDA adjusted for unrealised gains and losses	7,045,678	7,898,601

Gearing ratio

	As at 31 March 2027	As at 31 March 2028
	\$	\$
Loan balance	51,200,000	51,200,000
Total assets	120,052,112	120,256,504
Gearing ratio	42.6%	42.6%

Interest cover ratio

	13 months and 3 days ending 31 March 2027	12 months ending 31 March 2028
	\$	\$
EBITDA adjusted for unrealised gains and losses	7,045,678	7,898,601
Interest expense on borrowings*	(2,492,234)	(2,722,645)
Interest cover ratio (times)	2.83	2.90

*Includes amortisation of borrowing costs.

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. These financial measures have not been subject to an independent audit or review.

Loan to value ratio

	As at 31 March 2027	As at 31 March 2028
	\$	\$
Loan balance	51,200,000	51,200,000
Investment property valuation	119,150,000	119,150,000
Loan to value ratio	43.0%	43.0%

The banking covenant requires that the loan to value ratio is to be no more than 55%.

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

	13 months and 3 days ending 31 March 2027	12 months ending 31 March 2028
	\$	\$
EBITDA adjusted for unrealised gains and losses	7,045,678	7,898,601
Interest expense on borrowings*	(2,360,474)	(2,578,906)
Interest cover ratio (times)	2.98	3.06

*Excludes amortisation of borrowing costs.

The banking covenant requires that the interest cover ratio is not to be less than 1.75 times.

The interest cover ratio tells you how much the Trust's EBITDA adjusted for unrealised gains and losses 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).