

Q1 FY20 Operating Update

Tuesday, 29 October 2019

Centuria Property Funds No.2 Limited (**CPF2L**), as Responsible Entity of Centuria Industrial REIT (ASX: **CIP**) is pleased to provide CIP's operating update for Q1 FY20.

KEY HIGHLIGHTS

- Terms agreed¹ for leasing deals over 34,652sqm² across eight transactions (4.0% of portfolio GLA)
- WALE at 4.2 years³, occupancy at 95.3%³
- Acquisition of \$61.8 million of industrial assets

PROPERTY PORTFOLIO AND LEASING

Jesse Curtis, CIP Fund Manager commented, "CIP has achieved strong leasing outcomes across the portfolio with terms agreed¹ across more than 34,600sqm further underpinning our active management of the portfolio's occupancy and expiry profile."

"Pleasingly, CIP's team generated strong leasing success across two of its recent acquisitions delivering a new long term lease at North Geelong and securing new tenant customers at Hemmant. This further demonstrates the team's ability to deliver leasing outcomes within a short timeframe to enhance value across the portfolio."

Significant leases agreed in the quarter include:

- 75-95 & 105 Corio Quay Road, North Geelong VIC (21,772sqm): Lease extension with the incumbent tenant, Boardriders Inc., increasing the asset's WALE to 11.8 years
- 9-13 Caribou Drive, Direk SA (7,027sqm): New lease agreed with a Fisher & Paykel for a 5 year term
- 46 Gosport Street, Hemmant QLD: Two new leases agreed in the quarter over 4,127sqm of warehouse and approximately 5,500sqm of hardstand

As a result of leasing during the quarter CIP's remaining FY20 expiry has reduced to 5.3%.

CAPITAL TRANSACTIONS AND CAPITAL MANAGEMENT

During the quarter, a \$70 million Placement was settled along with an upscaled Unit Purchase Plan (UPP) of \$21m million. Proceeds were used to complete acquisitions during the quarter:

- Settlement of 75-95 & 105 Corio Quay Road, North Geelong VIC (\$22.8m) and 680 Boundary Road, Richlands QLD (\$19.5m) as announced on 27 June 2019
- The conditional exchange of 32-54 Kaurna Avenue, Edinburgh Park SA for \$19.5 million as announced on 9 September 2019. Settlement remains subject to conditions precedent

Jesse Curtis commented, "CIP has continued to focus on identifying and executing strategic acquisitions that are relevant to the broader tenant markets and are well located in core metropolitan areas with good access to key infrastructure.

Furthermore, the acquisitions provide another example of our team's ability to unlock and execute off market transaction opportunities, continuing to grow CIP's high quality portfolio."

FY20 GUIDANCE AND SUMMARY

CIP confirms its forecast FY20 FFO⁴ guidance growth of 2-3% per unit from FY19, with distributions of 18.7 cents per unit.

Jesse Curtis commented, "CIP's approach to active management has continued to deliver strong leasing outcomes across the portfolio, with continued high occupancy and reducing remaining FY20 lease expiry to 5%. Recent acquisitions have increased CIP's portfolio size to around \$1.3 billion and CIP remains well positioned to continue to grow as Australia's largest domestic pure play industrial REIT."

– Ends –

For more information or to arrange an interview, please contact:

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About Centuria Industrial REIT

CIP is Australia's largest domestic pure play industrial REIT and is included in the S&P/ASX 300 Index. CIP's portfolio of high-quality industrial assets is situated in key metropolitan locations throughout Australia and is underpinned by a quality and diverse tenant base. CIP is overseen by a hands on, active manager and provides investors with income and an opportunity for capital growth from a pure play portfolio of high quality Australian industrial assets.

Centuria Property Funds No. 2 Limited (CPF2L), is the Responsible Entity for the ASX-listed Centuria Industrial REIT (CIP). CPF2L, is a wholly owned subsidiary of Centuria Capital Group (CNI). CNI is an ASX-listed specialist investment manager with \$6.7 billion⁵ in total assets under management and strong offerings across listed real estate investment trusts, unlisted real estate funds and investment bonds.

www.centuria.com.au

1 Includes Heads of Agreement (HOA)

2 Excludes hardstand

3 By income

4 FFO is the Trust's underlying and recurring earnings from its operations. This is calculated as the statutory net profit adjusted for certain non-cash and other items

5 Subject to the completion of CMA's transactions and 348 Edward St, Brisbane