

09 FEBRUARY 2022

ASX: CNI



LISTED: 101 MORAY STREET, SOUTH MELBOURNE, VIC



LISTED: 56-88 LISBON STREET, FAIRFIELD, NSW



UNLISTED: (HERITAGE PORTFOLIO) CARTERHOUSE LIFECARE, NZ



UNLISTED: OMNIA SHOPPING CENTRE, POTTS POINT, NSW



UNLISTED: ROBINA HOME + LIFE CENTRE, VARSITY LAKES, QLD



UNLISTED: MOORA ALMOND ORCHARD, RIVERINA, NSW

# Centuria Capital Group

HY22 RESULTS

Centuria



74 NEWTON ROAD, WETHERILL PARK, NSW

164 NEWTON ROAD, WETHERILL PARK, NSW

160 NEWTON ROAD, WETHERILL PARK, NSW

8 HEXHAM PLACE, WETHERILL PARK, NSW

## AGENDA

1. Group Overview
2. Financial Results
3. Divisional Overview
4. Strategy & Outlook
5. Appendices

### ACKNOWLEDGEMENT OF COUNTRY

Our group manages property throughout Australia and New Zealand. Accordingly, Centuria pays its respects to the traditional owners of the land in each country, to their unique cultures and to their elders past and present.





UNLISTED: FLAVORITE GLASSHOUSE, WARRAGUL, VIC

ASX:CNI

# Group Overview

SECTION ONE

Centuria

# A leading Australasian real estate funds manager

Included in the S&P/ASX200 Index

**\$20.2bn** GROUP AUM<sup>1</sup>

**\$19.3bn** REAL ESTATE AUM

**\$6.7bn**  
LISTED REAL ESTATE

**\$12.6bn**  
UNLISTED REAL ESTATE

**\$0.9bn**  
INVESTMENT BONDS

**\$4.0bn**  
CENTURIA  
INDUSTRIAL REIT  
ASX:CIP

**\$2.4bn**  
CENTURIA  
OFFICE REIT  
ASX:COF

**\$0.3bn**  
ASSET PLUS  
LIMITED  
NZX:APL

**\$8.4bn**  
SINGLE  
ASSET  
FUNDS

**\$2.0bn**  
MULTI ASSET  
CLOSED ENDED  
FUNDS

**\$2.2bn**  
MULTI ASSET  
OPEN ENDED  
FUNDS

CENTURIA LIFE  
CENTURIA  
INVESTMENT BONDS  
GUARDIAN FRIENDLY  
SOCIETY

**\$1.1bn**  
ON BALANCE SHEET

**\$241m**  
CASH & UNDRAWN DEBT

LISTED CO-  
INVESTMENTS  
**\$714m**

CENTURIA OFFICE  
(ASX:COF)  
**\$264m (19.0%)<sup>2</sup>**

CENTURIA INDUSTRIAL  
(ASX:CIP)  
**\$429m (16.2%)<sup>2</sup>**

ASSET PLUS  
(NZX:APL)  
**\$21m (19.9%)<sup>2</sup>**

UNLISTED CO-  
INVESTMENTS  
**\$273m**

PRIMEWEST UNLISTED  
REAL ESTATE  
**\$50m**

CENTURIA UNLISTED  
REAL ESTATE AND DEBT  
**\$149m**

CENTURIA PROPERTIES  
HELD FOR DEVELOPMENT  
**\$74m**

Note: Assets under management (AUM) as at 31 December 2021. All figures above are in Australian dollars (currency exchange ratio of AU\$1.000:NZ\$1.0617 as at 31 December 2021). Numbers presented may not add up precisely to the totals provided due to rounding

1. AUM includes assets exchanged to be settled, cash and other assets

2. Based on the respective close prices for COF, CIP and APL at Wednesday, 31 December 2021. Includes ownership by associates of Centuria Capital Group

# Delivering strong growth and creating value across the platform



**\$20.2bn**

**Group  
AUM**

16% above FY21



**14.5cps**

**Upgraded FY22  
OEPS guidance<sup>1</sup>**

+20.8% increase  
above FY21 OEPS



**11.0cps**

**FY22 DPS  
guidance**

+10% increase  
above FY21 DPS



**37.9%**

**12 month total  
securityholder return<sup>2</sup>**

S&P/ASX200 Index +17.2%  
S&P/ASX200 AREIT Index +26.1%

**7.4cps**

**HY22 OEPS<sup>3</sup>**

+19.4% increase above HY21



**\$2.5bn**

**HY22 gross real estate  
acquisition activity<sup>4</sup>**



**\$2.2bn**

**Development  
pipeline<sup>5</sup>**



**\$0.6bn**

**HY22 valuation  
increase**

1. Previous FY22 operating EPS guidance of 13.2cps as provided on 11 August 2021

2. Source: Moelis Australia. Based on movement in security price from ASX closing on 31 December 2020 to ASX closing on 31 December 2021 plus distributions per security paid during the respective period(s) assuming re-investment of all distributions. Past performance is not a reliable indicator of future performance

3. Operating EPS (OEPS) is calculated based on the Operating NPAT of the Group divided by the weighted average number of securities

4. Includes \$1,060m of acquisitions exchanged and settled in HY22, \$1,087m of new acquisitions exchanged in HY22 yet to be settled and \$328m of real estate debt transactions

5. Development projects and development capex pipeline, including fund throughs

# Organic real estate growth lifts Group AUM to \$20.2bn

Executing on strategy

- \$2.5bn<sup>1</sup> HY22 gross real estate acquisition activity, \$0.6bn Group valuation uplift
- Acquisition activity: \$1.6bn unlisted real estate, \$0.9bn listed real estate
- Seven specialist asset classes including industrial (\$6.0bn, HY22 +25%), healthcare (\$1.7bn, HY22 +51%) and agriculture (\$0.3bn, HY22 +200%)
- First Sustainability Report published Oct-21, second Modern Slavery Statement updated Dec-21
- Centuria NZ AUM to \$2.6bn (HY22 +13%): Centuria NZ Industrial Fund to \$574m
- Group Healthcare AUM to \$1.7bn: CHPF open-ended fund to \$564m<sup>2</sup>, \$274m Heritage Aged Care portfolio secured
- Centuria Bass Credit (real estate debt) AUM up 117% to \$629m



UNLISTED: VERMONT PRIVATE HOSPITAL, VERMONT SOUTH, VIC

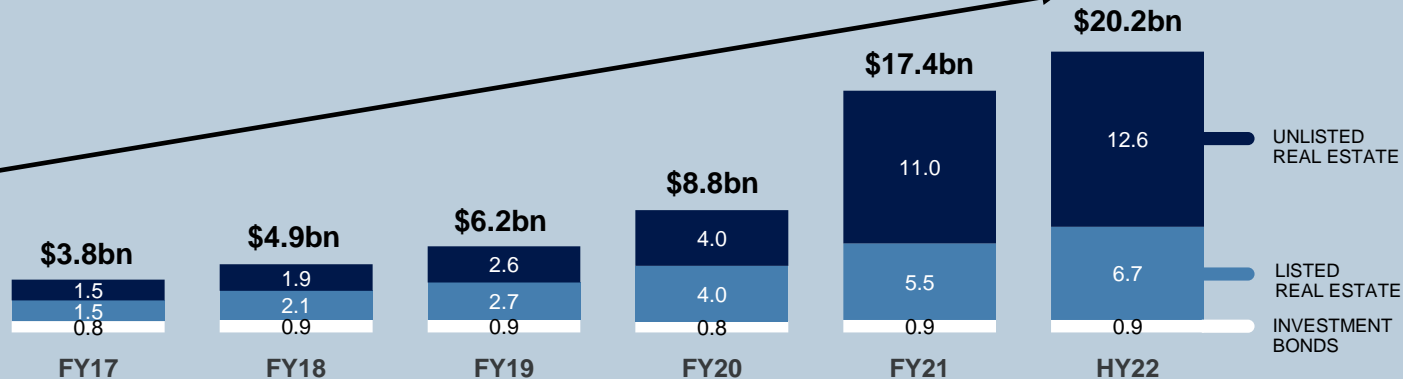
1. Includes \$1,060m of acquisitions exchanged and settled in HY22, \$1,087m of new acquisitions exchanged in HY22 yet to be settled and \$328m of real estate debt transactions

2. Includes development projects on an accounting carrying value

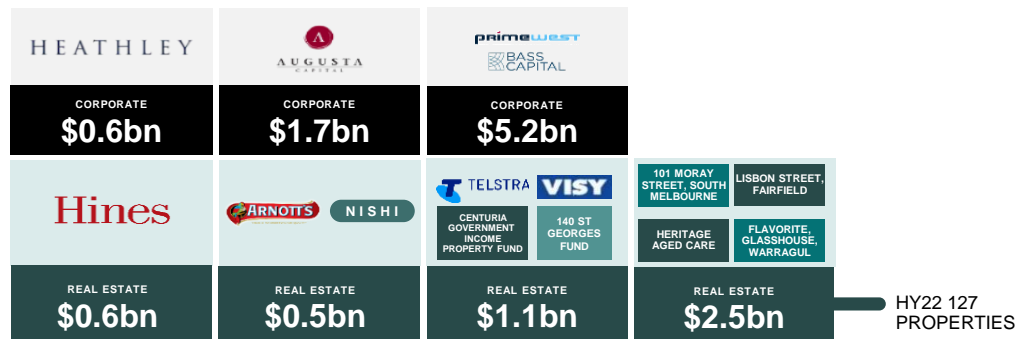
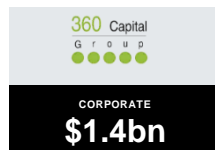
# AUM momentum from organic growth and select mergers

## ASSETS UNDER MANAGEMENT

**45%  
CAGR<sup>1</sup>**



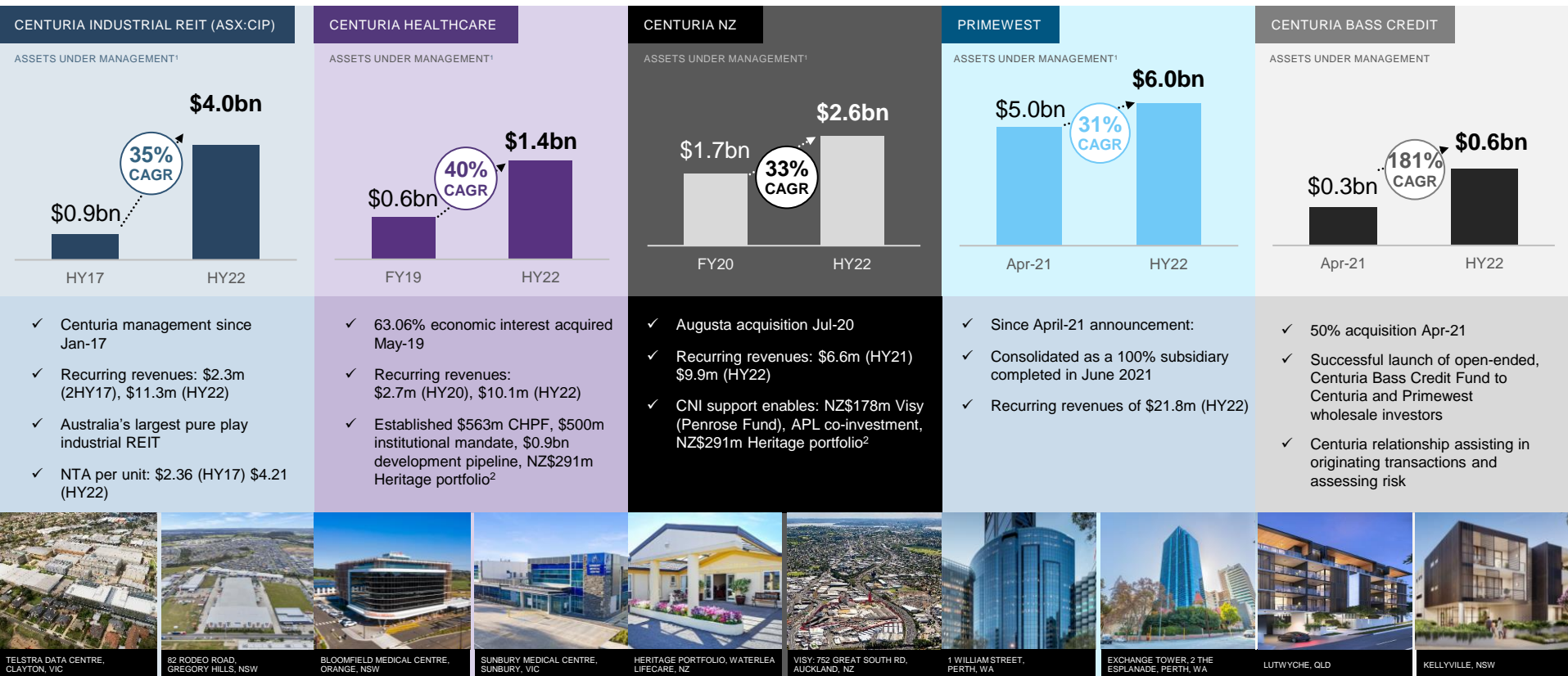
**\$12bn<sup>+</sup>**  
OF SELECT  
TRANSFORMATIONAL  
INITIATIVES



1. CAGR calculated from 30 June 2017 to 31 December 2021



# Proven growth through corporate initiatives



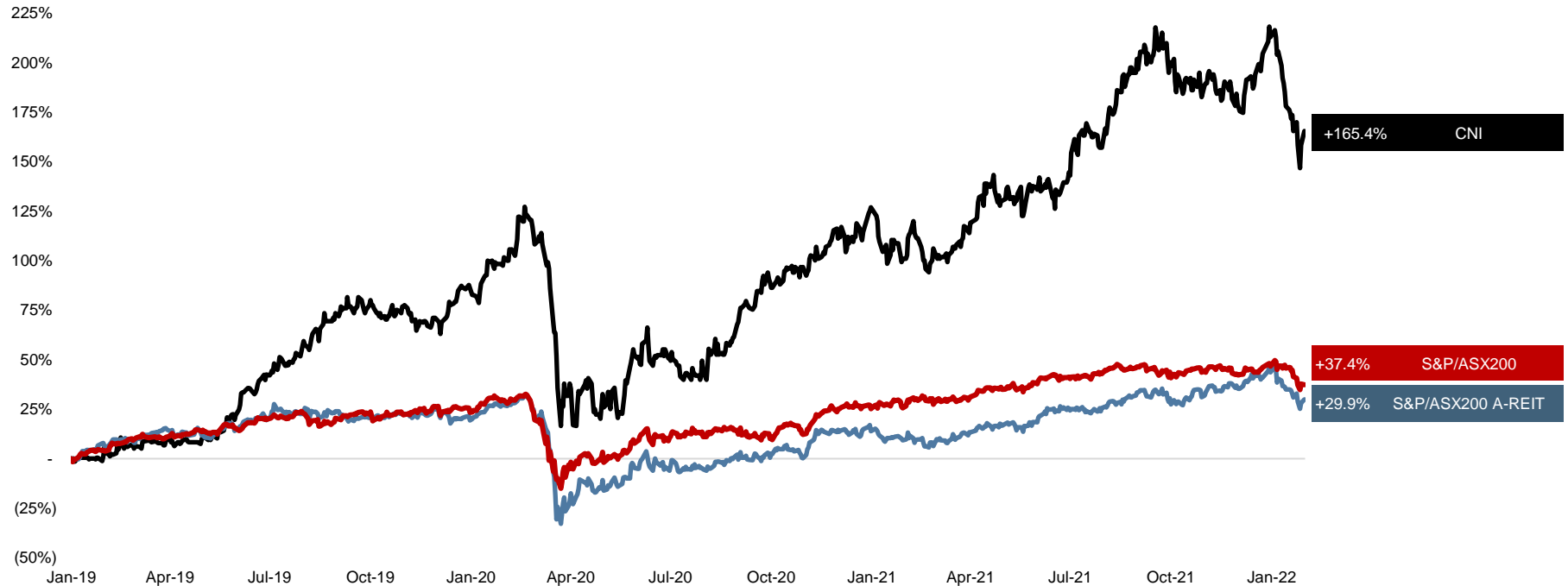
1. Includes assets exchanged to be settled, cash and other assets

2. Heritage portfolio acquired by Centuria Healthcare Property Fund and new Centuria New Zealand Healthcare Property Fund



# 165% CNI total securityholder return (TSR<sup>1,2</sup>)

31-Dec-18 to 31-Jan-22 compared to the S&P/ASX200 and S&P/ASX200 A-REIT Indexes



1. Source Moelis Australia and TSR data from FactSet. TSR data represents total return, not an annualised figure

2. TSR Based on movement in security price from ASX closing on 31 December 2018 to ASX closing on 31 January 2022 plus distributions per security paid during the respective period(s) assuming re-investment of all distributions. Past performance is not a reliable indicator of future performance

# Sustainability at Centuria Capital

## Developing a flexible and relevant sustainability framework

HY22 SELECT INITIATIVES

### CONSCIOUS OF CLIMATE CHANGE ENVIRONMENT



#### Climate Action

Ongoing solar installation, Over 4,600 panels installed across Centuria assets



#### Climate Resilience

Ongoing high level physical climate risk assessment of assets against the RCP 2.6 and RCP 8.5 scenarios<sup>1</sup>



#### Industry Participation

NABERS Accelerate programme for Warehouses and Cold Stores

#### COF 4.7<sup>2</sup> Star NABERS

energy Sustainability Portfolio Index Rating, up from 4.5 the previous year

### VALUED STAKEHOLDERS SOCIAL



DIVERSITY COUNCIL AUSTRALIA

#### Member of the Diversity Council of Australia<sup>2</sup>

91%

#### Customer Focused

91% of surveyed tenants<sup>3</sup> would recommend Centuria as an asset manager

94%

#### Employee Engagement

94% of employees<sup>4</sup> enjoy working at Centuria

### RESPONSIBLE BUSINESS PRINCIPLES GOVERNANCE



#### Second Modern Slavery Statement Delivered

Over 350 suppliers have been assessed<sup>5</sup> for Modern Slavery risks, further engagement underway



#### Climate Change Disclosure

First TCFD aligned disclosure as part of Centuria Capital's first Sustainability Report



#### Aligned GRI disclosure

Centuria has produced an aligned GRI index for CNI, CIP and COF

Centuria Capital published its first Sustainability Report in October 2021



Centuria is committed to the development and implementation of environmental and social sustainability and corporate governance practices. Centuria has three areas of focus, Conscious of Climate Change (Environment), Valued Stakeholders (Social) and Responsible Business Principals (Governance)

1. Includes assets within the Centuria Office and Centuria Industrial REIT portfolios
2. Centuria Capital Group is a member of the Diversity Council of Australia
3. Centuria undertake regular tenant surveys. The figure reported is from the Group's FY21 survey
4. Centuria undertake regular employee engagement surveys. The figure reported is from the Group's FY21 survey
5. Assessed through the Property Council of Australia Informed 365 system



ASX:CNI

# Financial Results

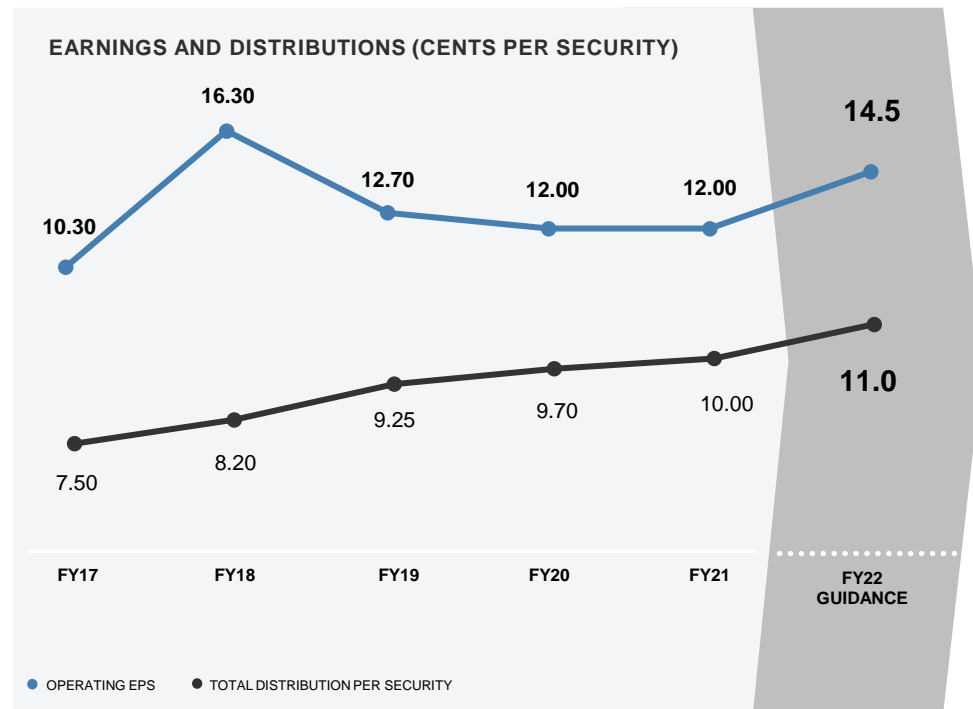
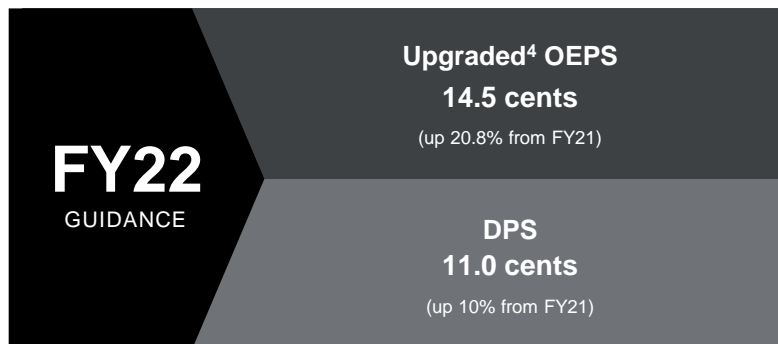
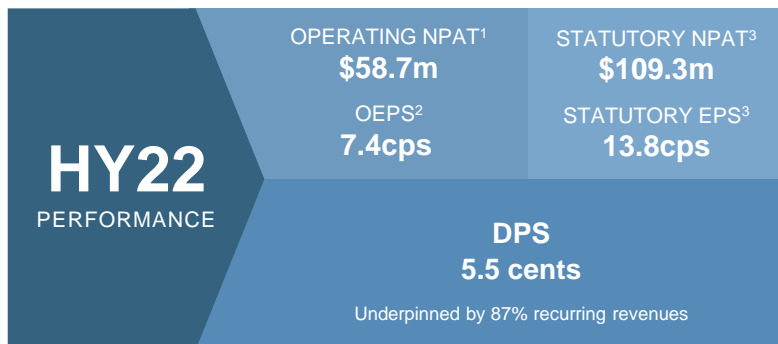
SECTION TWO

Centuria

LISTED: TELSTRA DATA CENTRE COMPLEX, CLAYTON VIC



# Operating earnings and distributions



1. Operating NPAT of the Group comprises of the results of all operating segments and excludes non-operating items such as transaction costs, mark to market movements on property and derivative financial instruments, the results of Benefit Funds, Controlled Property Funds and share of equity accounted net profit in excess of distributions received
2. Operating EPS is calculated based on the Operating NPAT of the Group divided by the weighted average number of securities
3. Attributable to CNI securityholders
4. Previous FY22 operating EPS guidance of 13.2cps as provided on 11 August 2021

# Expanded platform enhances fee generation for the Group

133% increase in HY22 property funds management and transaction fee profit



OPERATING PROFIT BY SEGMENT	HY22 (\$m)	HY21 (\$m)	
Property funds management <sup>1</sup>	40.1	17.2	1
Performance fees	19.1	13.6	2
Co-investment earnings	22.5	17.4	3
Development	2.7	3.0	4
Property and development finance	1.9	-	5
Investment bonds management	3.8	0.6	6
Corporate segment	(10.2)	(6.3)	
<b>Operating profit before interest and tax</b>	<b>79.9</b>	<b>45.5</b>	
Finance costs <sup>2</sup>	(8.4)	(5.8)	
<b>Operating profit before tax</b>	<b>71.5</b>	<b>39.7</b>	
Operating tax expense	(12.8)	(5.7)	7
<b>Operating profit after tax<sup>3</sup></b>	<b>58.7</b>	<b>34.0</b>	
Operating EPS (cents per stapled security) <sup>4,5</sup>	7.4	6.2	

- Profit increases by 133% due to organic growth and Primewest merger
- HY22 increased due to additional transaction activities and open-ended funds outperformance. On an EPS basis fees are in line period on period
- Continued returns from re-investment strategy to support core earnings growth
- 100% shift from development profit to development management fee contributions in HY22
- Centuria Bass Credit benefitting from the Group's property funds management platform
- Higher earnings due to one-off prior period fee re-coupments due to the unitisation of capital guaranteed products
- Reflects higher operating profits driven by Property Funds Management

1. Excluding performance fees

2. Excluding reverse mortgages borrowing costs and finance charges on puttable instruments

3. Operating NPAT of the Group comprises of the results of all operating segments and excludes non-operating items such as transaction costs, mark to market movements on property and derivative financial instruments, the results of Benefit Funds, Controlled Property Funds and share of equity accounted net profit in excess of distributions received

4. Operating EPS is calculated based on the Operating NPAT of the Group divided by the weighted average number of securities

5. Weighted average number of securities at 31 December 2021: 790,170,111 (at 31 December 2020: 548,716,231)

# Significant growth in recurring revenues

**\$19.1m**

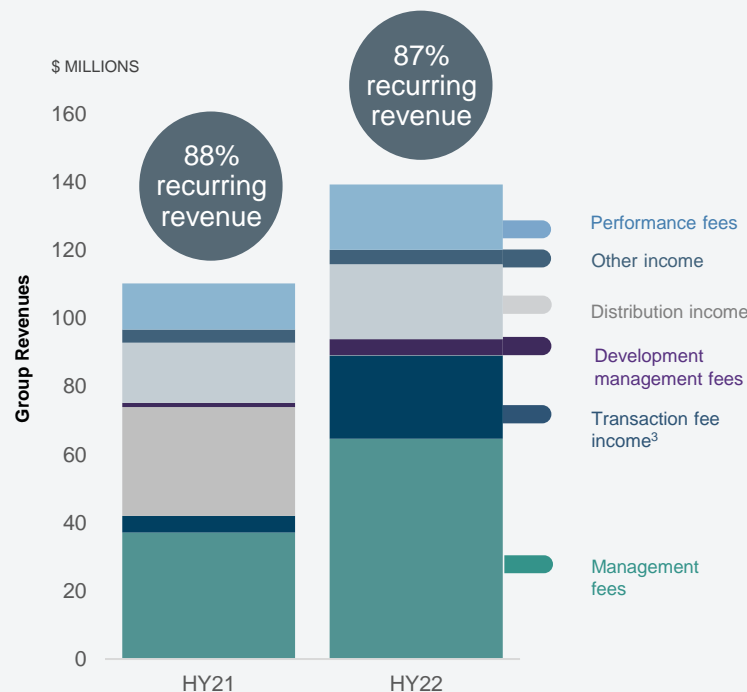
HY22 recognised performance fees<sup>1</sup>

**\$4.7m**

HY22 performance fee cash collected<sup>1,2</sup>

**\$24.8m**

HY22 latent unrecognised performance fees<sup>1</sup>



**HY22 transaction fee income<sup>3</sup> up 400% on HY21**

Transaction fee income from  
**\$3.5bn**  
of total transaction activity

**\$735m**

Acquisitions exchanged at FY21 results that have since settled

**\$1,060m**

HY22 Acquisitions exchanged and settled

**\$328m**

Real estate finance

**\$1,087m**

HY22 New Acquisitions exchanged yet to be settled

**\$257m**

FY22 year to date divestments

1. The underlying property funds managed by Centuria Capital Group have accrued total performance fees of \$58.8m as at 31 December 2021. \$34.0m of this amount has been recognised life to date with the latent unrecognised performance fees being \$24.8m estimated over the next two financial years

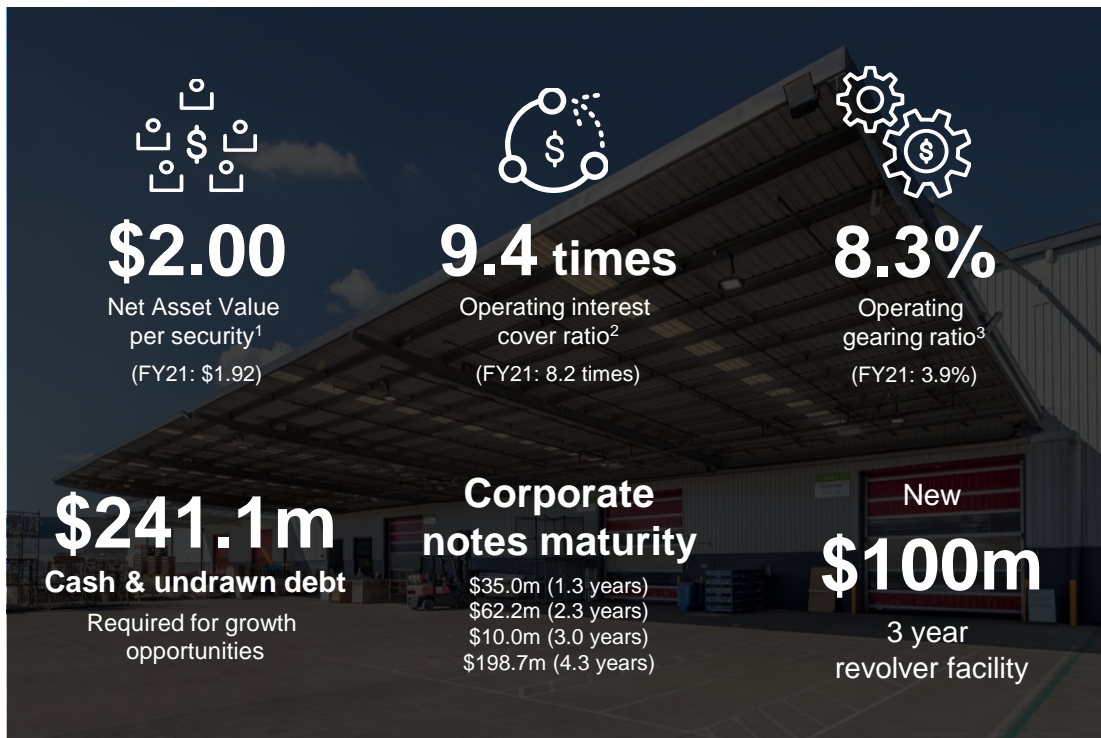
2. Additional \$3.4m of cash collected by February 2022

3. Transaction fee income for HY22 of \$24.4m includes acquisition, financing, underwriting and sales fees



# Balance sheet positioned to capitalise on more growth opportunities

*Increased funding optionality, access to new finance instruments*



OPERATING BALANCE SHEET	HY22 (\$m)	FY21 (\$m)
<b>ASSETS</b>		
Cash and cash equivalents	151.1	249.6
Receivables	141.4	120.8
Financial assets	838.2	750.2
Other assets	11.2	8.7
Deferred tax assets	50.9	42.5
Property held for development	69.8	53.7
Equity accounted investments	100.7	55.6
Right of use asset	18.5	19.9
Intangible assets	791.8	790.5
<b>TOTAL ASSETS</b>	<b>2,173.6</b>	<b>2,091.5</b>
<b>LIABILITIES</b>		
Payables	82.4	83.9
Borrowings	318.3	321.4
Interest rate swap at fair value	31.9	31.2
Call/Put option liability	27.7	22.7
Lease liability	20.6	21.8
Provisions, deferred tax and other liabilities	113.0	99.3
<b>TOTAL LIABILITIES</b>	<b>593.9</b>	<b>580.3</b>
<b>Net assets</b>	<b>1,579.7</b>	<b>1,511.2</b>
<b>NAV (\$/per security<sup>1</sup>)</b>	<b>2.00</b>	<b>1.92</b>

1. Number of securities on issue 31 December 2021: 790,170,111 (at 30 June 2021: 787,802,693)

2. Operating interest cover ratio is calculated based on operating finance costs divided by operating profit before tax excluding finance costs (excluding reverse mortgages borrowing costs and finance charges on puttable instruments)

3. Gearing ratio is calculated based on (operating borrowings less cash) divided by (operating total assets less cash)

# Managing debt across the platform<sup>1</sup>



**21**

Quality lenders



**7**

New lenders added



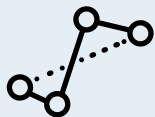
**\$7.5bn**

Total lending facilities  
across over 150 funds



**2.8yrs**

Weighted avg.  
debt duration



**2.6yrs**

Weighted avg.  
hedge duration



**53%**

Weighted average  
hedging profile



1. Not representative of any single fund. Aggregated across Centuria Capital Group and all funds managed by Centuria



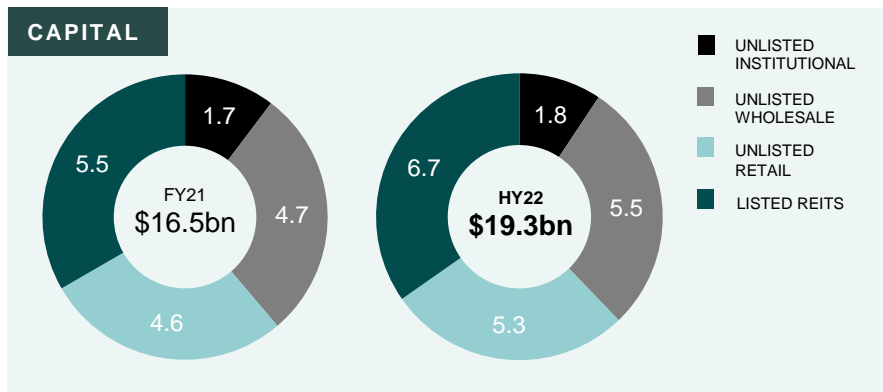
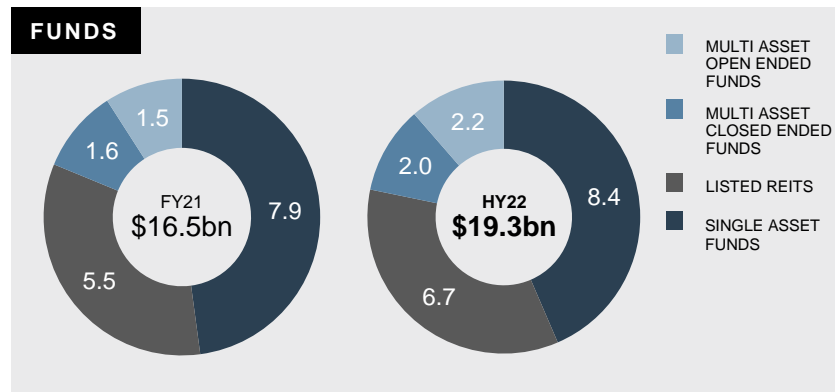
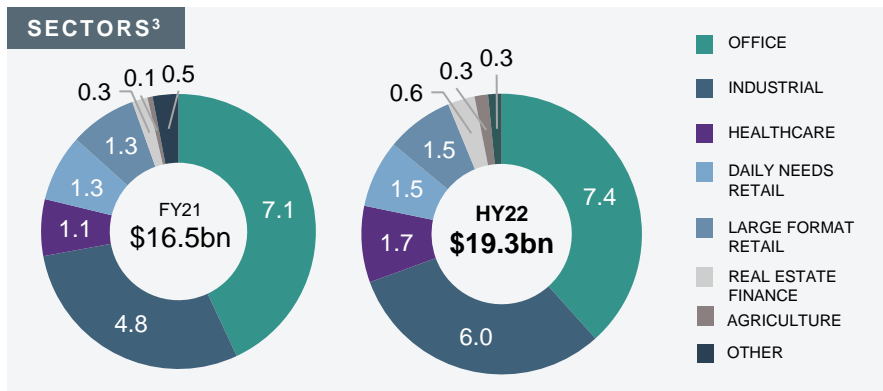
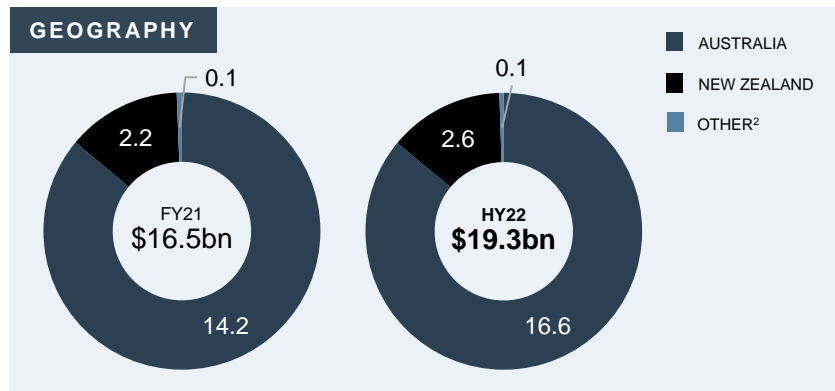
# Divisional Overview

## SECTION THREE



# Real estate platform expansion to \$19.3bn<sup>1</sup> (+17% above FY21)

Compelling sectors, diverse fund types and capital sources across Australasia



Note: AUM as at 31 December 2021. All figures above are in Australian dollars (currency exchange ratio of AU\$1.000:NZ\$1.0617 as at 31 December 2021). Numbers presented may not add up precisely to the totals provided due to rounding








1. AUM includes assets exchanged to be settled, cash and other assets

2. Includes US syndicates from Primewest merger

3. FY20 and 21 total AUM include Other AUM across tourism, shopping centres and land syndicates in the US, NZ and WA

# Strong organic growth across all real estate sectors

## \$19.3bn Real Estate Platform<sup>1,2</sup>

OFFICE	INDUSTRIAL	HEALTHCARE	DAILY NEEDS RETAIL ("DNR")	LARGE FORMAT RETAIL ("LFR")	REAL ESTATE FINANCE	AGRICULTURE
<b>\$7.4bn</b> AUM	<b>\$6.0bn</b> AUM	<b>\$1.7bn</b> AUM	<b>\$1.5bn</b> AUM	<b>\$1.5bn</b> AUM	<b>\$0.6bn</b> AUM	<b>\$0.3bn</b> AUM
(FY21: \$7.1bn)	(FY21: \$4.8bn)	(FY21: \$1.1bn)	(FY21: \$1.3bn)	(FY21: \$1.3bn)	(FY21: \$0.3bn)	(FY21: \$0.1bn)
						
<b>LISTED:</b> 8 CENTRAL AVENUE, SOUTH EVELEIGH, NSW	<b>LISTED:</b> 12 WILLIAMSON ROAD, INGLEBURN, NSW	<b>UNLISTED:</b> WESTSIDE PRIVATE HOSPITAL: MORROW STREET, TARINGA, QLD	<b>UNLISTED:</b> LISAROW PLAZA SHOPPING CENTRE, NSW	<b>UNLISTED:</b> AUBURN MEGA MALL, SYDNEY, NSW	<b>UNLISTED:</b> NORTH KELLYVILLE, NSW	<b>UNLISTED:</b> FLAVORITE GLASSHOUSE WARRAGUL, VIC

Note: AUM as at 31 December 2021. All figures above are in Australian dollars (currency exchange ratio of AU\$1.000:NZ\$1.0617 as at 31 December 2021).

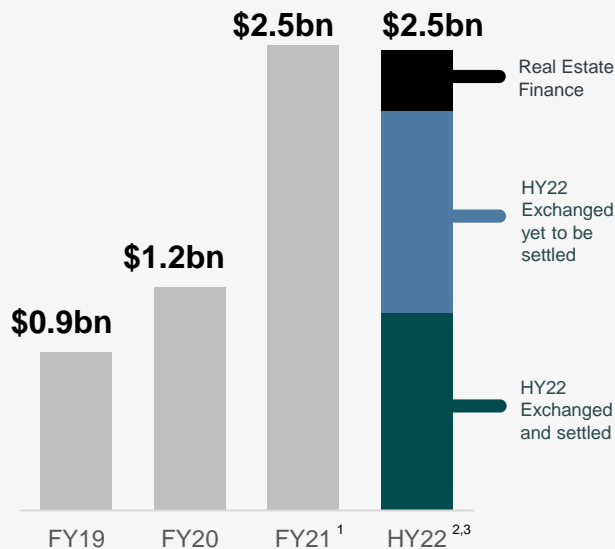
Numbers presented may not add up precisely to the totals provided due to rounding

1. AUM includes asset exchanged to be settled, cash and other assets

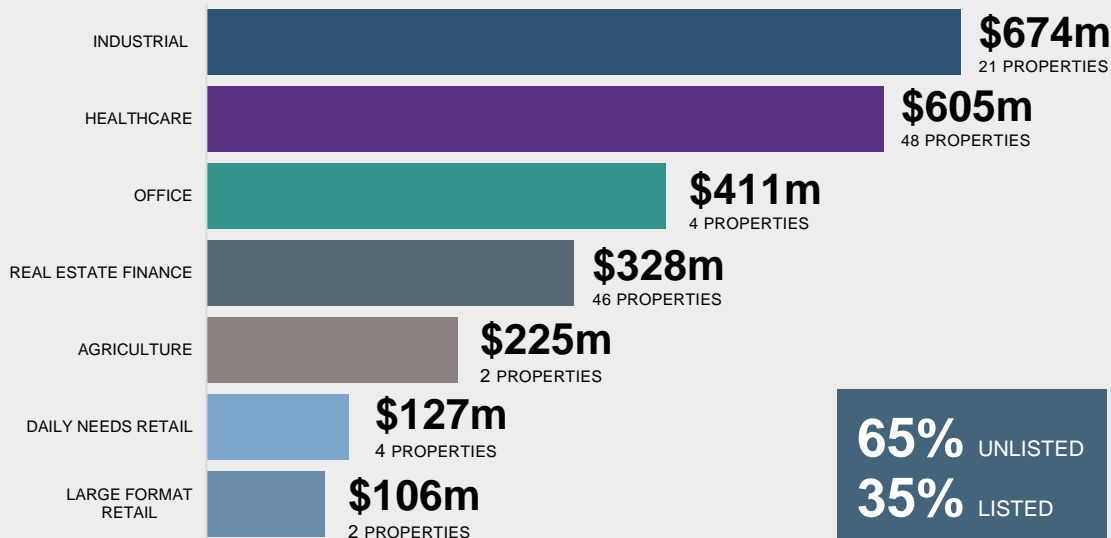
2. Platform total of \$19.3bn includes Other AUM of \$0.3bn across tourism, shopping centres and land syndicates in the US, NZ and WA

# \$2.5bn of HY22 real estate acquisition activity

## GROSS REAL ESTATE ACQUISITIONS



## HY22 GROSS REAL ESTATE ACQUISITIONS<sup>3</sup>



**65%** UNLISTED  
**35%** LISTED

1. Includes \$735m of acquisitions exchanged at FY21 that have since settled
2. Includes \$1,060m of acquisitions exchanged and settled in HY22, \$1,087m of new acquisitions exchanged in HY22 yet to be settled and \$328m of real estate debt transactions
3. Excludes HY22 divestments (\$257m)



# High quality long-term income streams

Integrated management capabilities lead to strong asset management success

~384  
ASSETS<sup>1</sup>

~2,490  
TENANTS<sup>1</sup>

**97.7%**

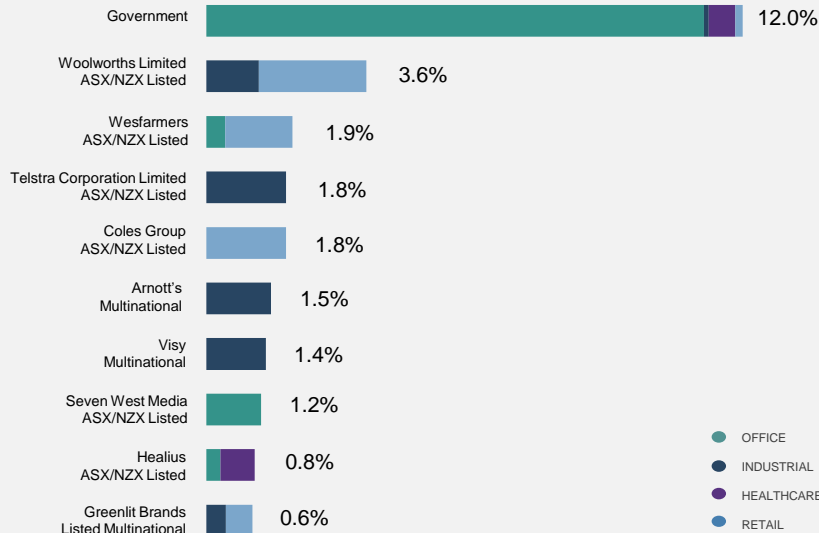
AVG RENT COLLECTED  
OVER ENTIRE REAL  
ESTATE PLATFORM<sup>1,2</sup>  
(July 2021 – December 2021)

HY22 LEASING TERMS AGREED

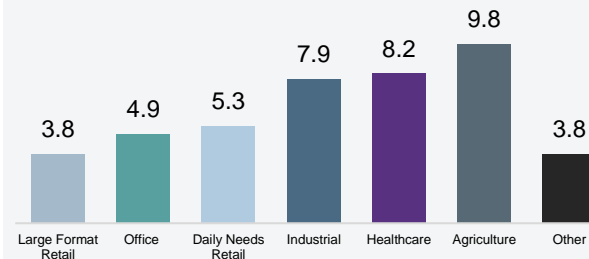
**OVER 245,624SQM  
245 DEALS**

**6.4% OF TOTAL PLATFORM<sup>1</sup>**

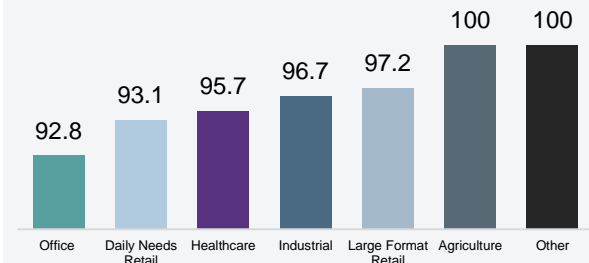
## TOP TENANTS BY INCOME (%)<sup>1</sup>



## 5.9 YEAR WEIGHTED AVG LEASE EXPIRY (WALE) BY INCOME<sup>1</sup>



## 95.7% TOTAL OCCUPANCY BY AREA (%)<sup>1</sup>



1. Tenancy profile is shown aggregated across all funds managed by Centuria and is not representative of any single fund. Excludes land, Development assets, US syndicates, Centuria Bass Credit, assets exchanged yet to be settled

2. Excludes externally managed properties

# \$2.2bn development pipeline to seed funds

Development fees  
and profits provide  
growing income

CNI will selectively use its  
balance sheet to seed and  
expand its property funds

\$74.4m  
Carrying value of  
CNI balance sheet  
development assets

SECTOR	HY22 Completions		Committed Pipeline <sup>1,2,3</sup>		Future Pipeline <sup>1,5</sup>		Total Pipeline	
	\$m	GLA	\$m	GLA	\$m	GLA	\$m	GLA
Office	-	-	204	25,600	125	26,000	330	51,600
Industrial	3	260	243	115,378	100	17,300	343	132,678
Healthcare	27	3,450	522	52,633	413	29,950	935	82,583
Large Format Retail	-	-	12	4,666	33	11,700	45	16,366
Other / Social Infrastructure <sup>2</sup>	36	10,000	405	92,544	125	4,500	530	97,044
<b>Total<sup>1</sup></b>	<b>66</b>	<b>13,710</b>	<b>1,386</b>	<b>290,821</b>	<b>796</b>	<b>89,450</b>	<b>2,183</b>	<b>380,271</b>

	HY22 Completions		Committed Pipeline <sup>1,2,3</sup>		Future Pipeline <sup>1,5</sup>		Total Pipeline	
	\$m	GLA	\$m	GLA	\$m	GLA	\$m	GLA
Funds	30	3,710	394	57,166	776	76,450	1,171	133,616
Acquisition Fund Throughs	-	-	234	106,828	-	8,500	234	115,328
CNI Balance Sheet <sup>2,4</sup>	36	10,000	758	126,827	20	4,500	778	131,327
<b>Total<sup>1</sup></b>	<b>66</b>	<b>13,710</b>	<b>1,386</b>	<b>290,821</b>	<b>796</b>	<b>89,450</b>	<b>2,183</b>	<b>380,271</b>

All figures above are in Australian dollars (currency exchange ratio of AU\$1.000:NZ\$1.0617 as at 31 December 2021). Numbers presented may not add up precisely to the totals provided due to rounding

1. Development projects and development capex pipeline, including fund throughs

2. Lakeview Queenstown JV reflected at a 25% interest

3. Committed pipeline includes planning commencements and projects under construction

4. Includes development projects with deposits paid by CNI balance sheet

5. Includes opportunities undergoing development assessments or pre-planning approvals

# Unlisted property: AUM grows to \$12.6bn (+15% above FY21)



>12,000

Australasian investors



3 - 6

Funds in the top 10 index<sup>1</sup>



\$19.1m

HY22 recognised performance fees<sup>2</sup>



\$4.7m

HY22 performance fee cash collected<sup>2</sup>



\$24.8m

HY22 Latent underlying performance fees<sup>2</sup>



32%

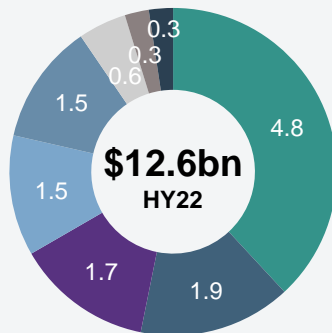
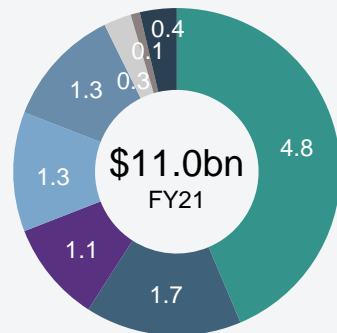
Unlisted AUM with no fund expiry review date



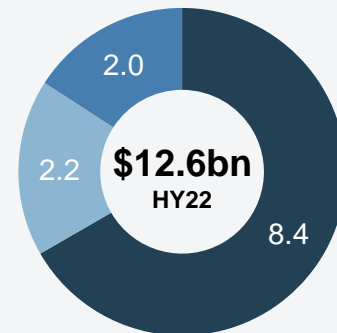
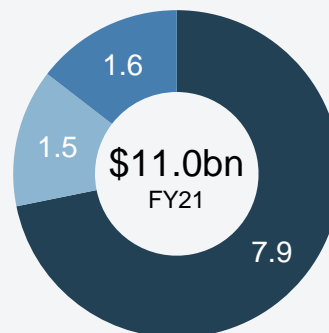
62%

Unlisted AUM with expiry review dates at or beyond five years

## SECTORS



## FUNDS



1. At least three funds in the Top 10 in The Property Council of Australia/MSCI Australia Unlisted Retail Quarterly Property Fund Index to 31 December 2021 each previous quarter for the last twenty-two quarters (overall investment for the twelve months to the end of each quarter)

2. The underlying property funds managed by Centuria Capital Group have accrued total performance fees of \$58.8m as at 31 December 2021. \$34.0m of this amount has been recognised life to date with the latent unrecognised performance fees being \$24.8m estimated over the next two financial years

# 12,000 active retail investors grow support for unlisted funds

## SINGLE ASSET INITIATIVES



**\$287m**

**CENTURIA GOVERNMENT  
INCOME PROPERTY FUND  
NO.1 & NO.2**

- CGPIF1 settled
- \$133m capital raising oversubscribed
- Centuria's largest single asset fund launch to date
- CGPIF2 launched
- Both with 11yr WALE to government tenants



**\$83m**

**CENTURIA  
25 GRENELL  
STREET FUND**

- JV with MA Financial
- 50% interest for \$83.3m
- Establishing a single asset closed-ended fund
- \$49m target equity raise to commence in 2H22
- 100% occupancy, 4.0 year WALE as at Mar-22



**\$71m**

**NORTHGATE  
GERALDTON  
TRUST**

- Launched single asset closed-end wholesale fund
- \$42m target equity raise completed
- Dominant shopping centre in the area, 49% of income derived from Coles and Kmart
- 96.3% occupancy, 4.7 year WALE as at Nov-21

## MULTI ASSET CLOSED-ENDED & OPEN-ENDED FUND INITIATIVES



**\$563m**

**CENTURIA  
HEALTHCARE PROPERTY  
FUND**

- Open-ended fund launched in FY21 now exceeds \$0.5bn<sup>1</sup>
- Acquired 23 properties for \$380m<sup>1</sup> in HY22
- Equity raise targeting \$85m to commence
- 98.4% portfolio occupancy, 10.9 year WALE as at Dec-21



**\$181m**

**CENTURIA NZ  
HEALTHCARE PROPERTY  
FUND<sup>2</sup>**

- Establishing a new multi-asset NZ healthcare fund
- Sale and leaseback to Heritage Lifecare across 25 assets
- 100% occupancy, 30-year WALE, triple-net lease assets



**\$574m**

**CENTURIA NZ  
INDUSTRIAL  
FUND**

- Fund expands to \$574m and 21 properties
- Strong demand for quality NZ industrial assets by unlisted investors

1. Includes development projects on an accounting carrying value basis

2. Excludes Heritage Aged Care assets as part of Centuria Healthcare Property Fund



# Mandates and real estate finance expand unlisted opportunities

## INSTITUTIONAL INITIATIVES



**\$930m**

**DAILY NEEDS RETAIL  
MANDATE**  
(GIC)



**\$604m**

**OFFICE  
MANDATE**  
(GIC)



**\$500m**

**HEALTHCARE  
MANDATE**  
(AXA IM & GROSVENOR GROUP)



**\$276m**

**140 ST GEORGES  
TERRACE FUND**  
(BLACKROCK)

- Part of Primewest merger
- \$300m mandate upscaled to \$930m
- 1H22: \$326m currently filled, 7 assets
- 2H22 strong start: \$202m West Village acquisition added to mandate, total fill now \$568million

- Part of Primewest merger
- \$604m mandate filled, scope to expand
- Two prime grade assets: Exchange Tower and One William Street, Perth, WA

- \$107m filled, two assets
- Assessing opportunities that meet investment criteria
- Focused on prime healthcare assets across Australia

- Primewest, Blackrock JV now settled
- Prime 30,000sqm commercial tower in Perth CBD

## CENTURIA BASS CREDIT



ARTIST  
IMPRESSION

Dangar Street, Wickham, Newcastle, NSW

**\$422m**

**GROSS LOAN BOOK**  
(FY21: \$114m)

**\$207m**

**OPEN-ENDED FUNDS<sup>1</sup>  
AUM**  
(FY21: \$176m)

- Funded 13 new projects worth \$272m, successfully exited four projects worth \$29m in HY22
- Financing largest deal to date (\$94m Dangar Street, Wickham, Newcastle project)
- 94% of loan volumes secured by first mortgage security, gross average LVR of 65%

1. Centuria Bass Credit Fund (CBCF) and Bass Property Credit Fund (BPCF)

# Listed property: AUM grows to \$6.7bn (+22% above FY21)



A quality portfolio of de-centralised, highly connected and affordable office space

AUM <sup>1</sup> <b>\$2.4bn</b>	<b>23</b> HIGH QUALITY ASSETS	HY22 ACQUISITIONS <sup>1</sup> <b>\$273m</b>	INCLUDED IN THE <b>S&amp;P/ASX 300 Index</b>	INCLUDED IN THE <b>FTSE EPRA Nareit Global Developed Index</b>
------------------------------------	----------------------------------	---	---	---

**80%** PORTFOLIO INCOME FROM GOVERNMENT, ASX LISTED & MULTINATIONAL TENANTS



A quality portfolio of fit for purpose industrial assets, situated in infill locations with close key infrastructure

AUM <sup>1</sup> <b>\$4.0bn</b>	<b>84</b> HIGH QUALITY ASSETS	HY22 ACQUISITIONS <sup>1</sup> <b>\$680m</b>	INCLUDED IN THE <b>S&amp;P/ASX 200 Index</b>	INCLUDED IN THE <b>FTSE EPRA Nareit Global Developed Index</b>
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**62%** PORTFOLIO INCOME DIRECTLY LINKED TO PRODUCTION, PACKAGING AND DIST'N OF TELCO, CONSUMER STAPLES & PHARMACEUTICALS



A yield plus growth investment strategy through select New Zealand real estate

AUM <sup>2</sup> <b>\$0.3bn</b>	CNI CO-INVESTMENT <sup>3</sup> <b>19.99%</b>	MUNROE LANE DEVELOPMENT <b>NZ\$147m</b> <small>EST VALUE ON COMPLETION</small>	<b>EARLY CY23</b> <small>MUNROE LANE TARGET COMPLETION</small>
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**68%** PORTFOLIO INCOME FROM GOVERNMENT, NZX LISTED & MULTINATIONAL TENANTS<sup>4</sup>

1. Includes assets exchanged to be settled  
2. Includes commenced development projects valued on an as if completed basis  
3. Includes associates of Centuria Capital Group  
4. As at 30 September 2021

# Strategy & Outlook

## SECTION FOUR

Centuria





# Strategy and Markets



## STRATEGIC VISION

Consolidate position as a leading Australasian funds manager

Remain focussed on the property sector via equity and debt funds in defined asset classes

Diversification into emerging Healthcare and Agriculture markets is timely, intention to grow by leveraging our distribution and expertise.

Growing remaining sectors via listed, retail distribution and institutional capital sources



## MARKETS

- We see continued attractive growth opportunities in Healthcare, Agriculture and Real Estate Debt sectors
- We anticipate strong rental growth in the logistics markets and we intend to grow these portfolios
- In our view, 2022 will see a steady return to work in the commercial office market with limited or no further lock downs after NZ and WA open up. We also see strong, continuing offshore and domestic demand for office assets
- We are witnessing a continued resurgence in demand for Daily Needs Retail and Large Format Retail and we will continue to match this with both retail investor and institutional demand
- Opportunities in debt markets remain conducive to growing Centuria Bass Credit funds
- During HY22, Centuria's retail investors supported the largest single unlisted fixed-term trust completed in Australia – accordingly, we believe this channel remains open and healthy



# Executing CNI's Strategy

## CLEAR AND SIMPLE THEMES

A leading Australasian funds management platform  
7 specialist real estate asset classes

Attractive emerging sectors  
(Agriculture, Healthcare, Daily Needs Retail),  
clear strategies for de-centralised Office and Industrial

Backed by diverse capital sources,  
fund types and a longstanding distribution network

Focus on long term,  
predictable earnings growth -  
strong recurring revenues, opportunities  
to capture performance fees

Utilise Centuria's in-house management expertise and  
balance sheet to support platform growth



## EXECUTION

Use platform scale to build organic momentum  
(\$2.5bn real estate acquisitions, 127 properties in HY22)

Increased platform size, geographies and  
capital transaction team generating significant deal flow

Grow high-fee unlisted platform in  
Australia and NZ (over 60% of total AUM)

Build out nationwide market leading retail investor base  
(including WA and NZ)

Utilise development to access product in attractive sectors  
e.g. Healthcare. Create pipeline for funds. Selectively use  
CNI balance sheet to support the pipeline

Maintain strong A-REIT presence  
(COF/CIP market cap c.\$3.7billion) – potential to initiate  
new vehicle/s on basis of sector attractiveness, potential  
scalability and market suitability

Growth through select corporate acquisitions where  
accretive and real estate base (refer slide 8)

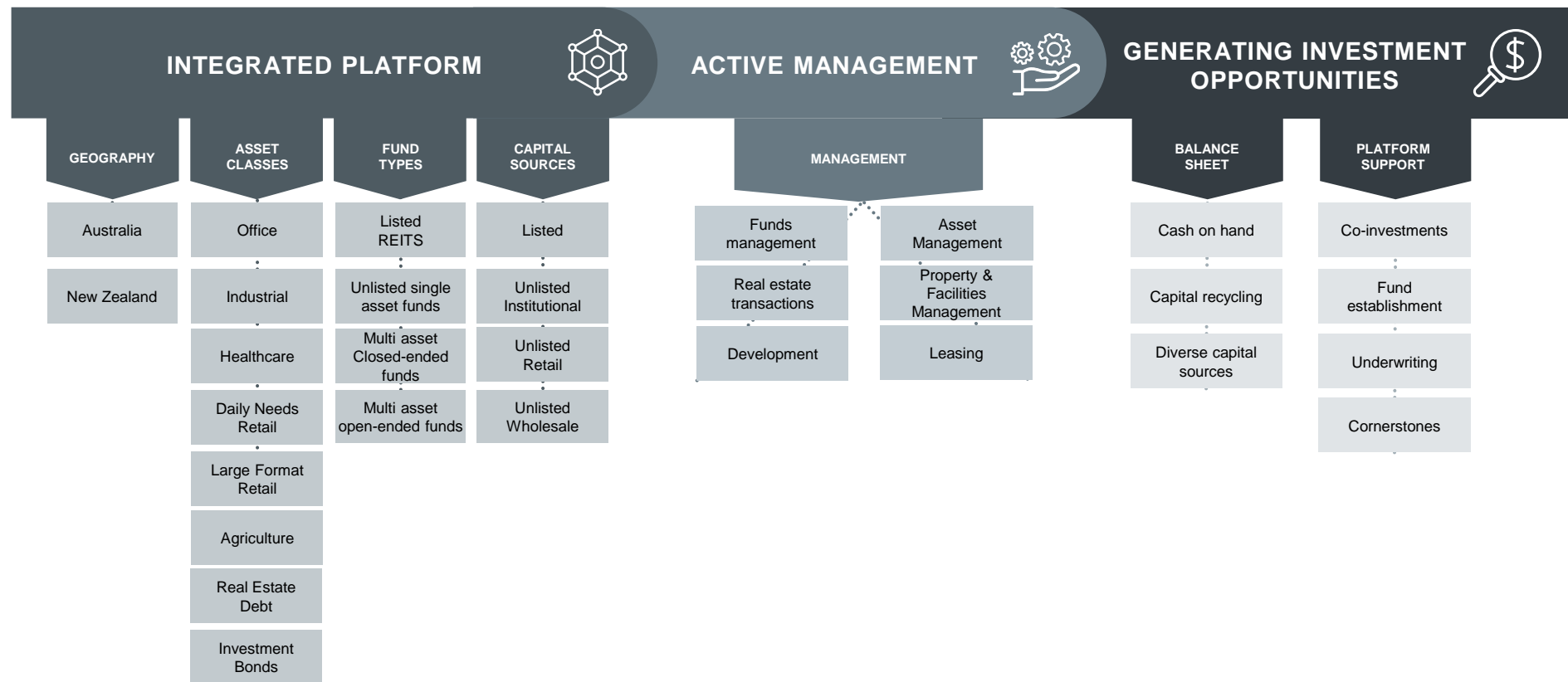


# Appendices

## SECTION FIVE

Centuria

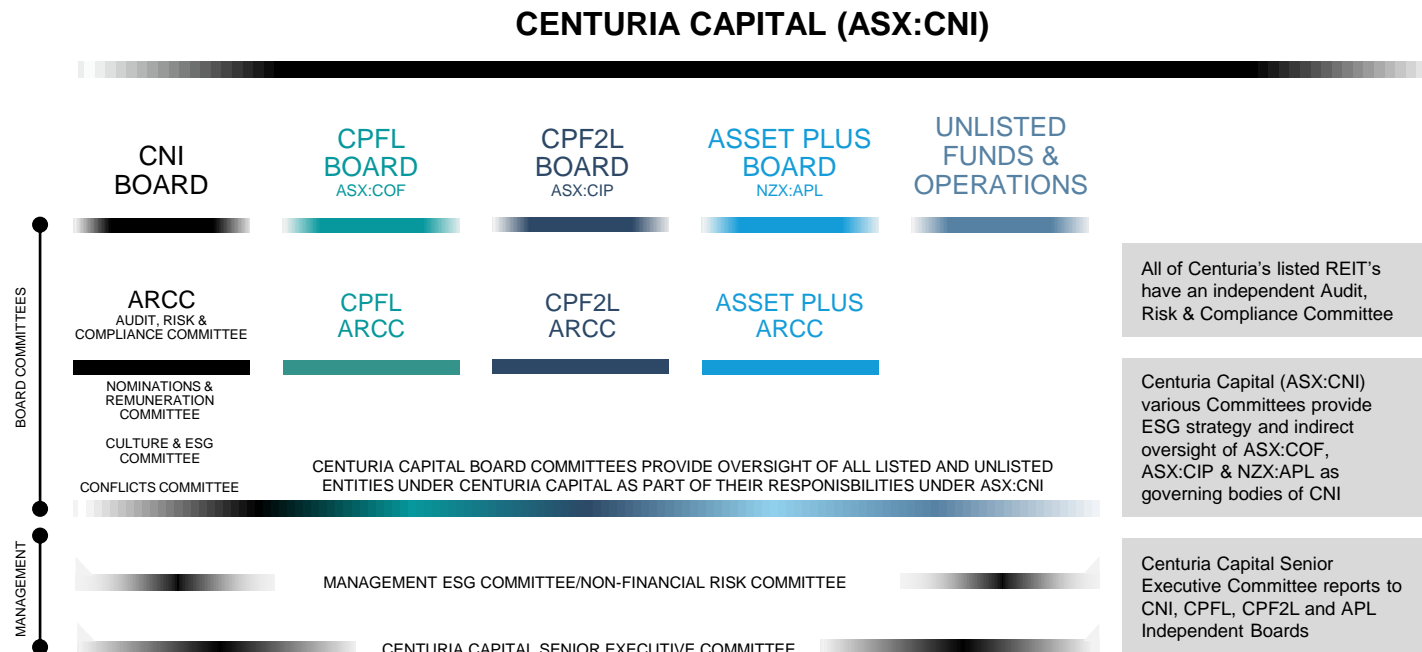
# Centuria Capital Group – a leading Australasian real estate funds manager



# Sustainability, ESG approach

The Group's approach to Sustainability is overseen by Centuria Capital (ASX:CNI), its Board, Committees and Executive Management team.

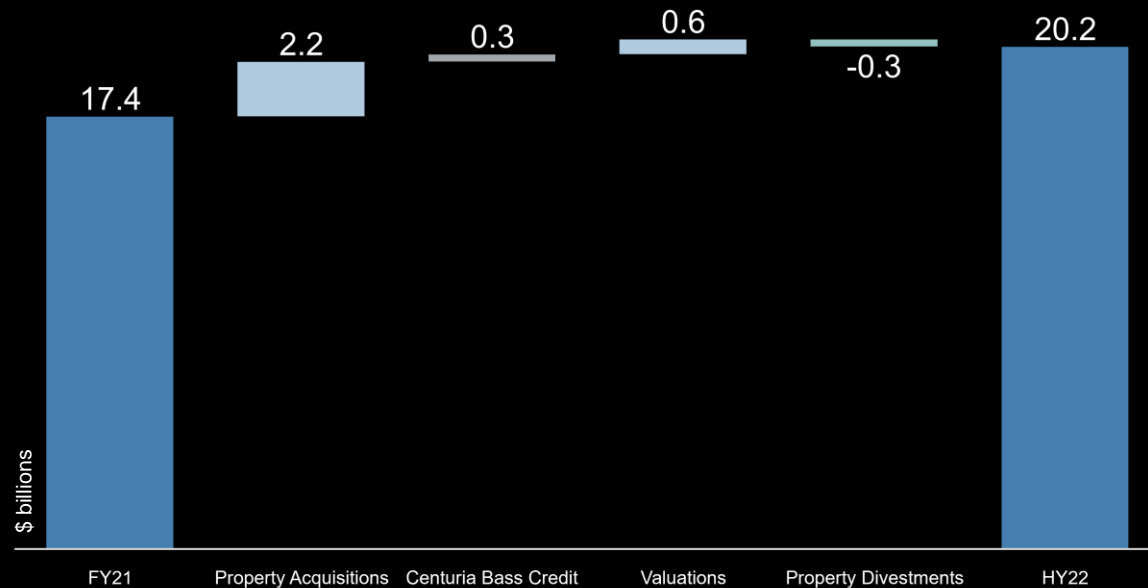
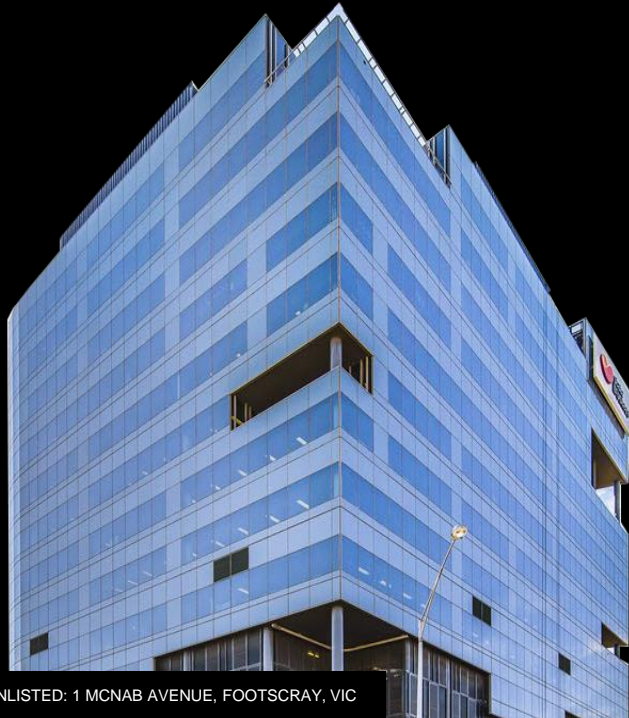
Regular monitoring and review of the Group's Sustainability initiatives is undertaken by Centuria's ESG Management Committee, Culture and ESG Board Committee<sup>1</sup> comprised of independent directors and ultimately by the Centuria Capital Board.



1. The Centuria Culture and ESG Board Committee is chaired by Susan Wheeldon, Independent Non-Executive Director of Centuria Capital Limited



# Group AUM movement (\$bn)



# A \$19.3bn leading Australasian real estate platform<sup>1</sup>

## WA 22%

109 properties valued at \$4,077m

## NSW 21%

96 properties valued at \$3,893m

## VIC 19%

83 properties valued at \$3,658m

## QLD 18%

96 properties valued at \$3,284m

## SA 5%

27 properties valued at \$857m

## ACT 2%

6 properties valued at \$401m

## TAS 0%

3 properties valued at \$21m



## AUCKLAND 9%

40 properties valued at \$1,714m

## OTHER NZ 4%

62 properties valued at \$843m



Note: All figures above are in Australian dollars (currency exchange ratio of AU\$1,000:NZ\$1.0617 as at 31 December 2021). Numbers presented may not add up precisely to the totals provided due to rounding.

1. Includes asset exchanged to be settled and real estate finance loans by property. Sub totals exclude cash and other assets



## COF: Australia's largest pure play office REIT



## CIP: Australia's largest domestic pure play industrial REIT



## APL: Targeting long term total returns

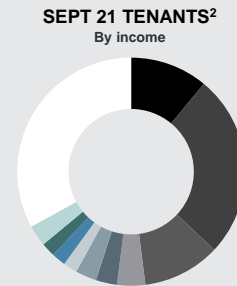
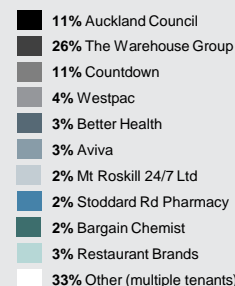
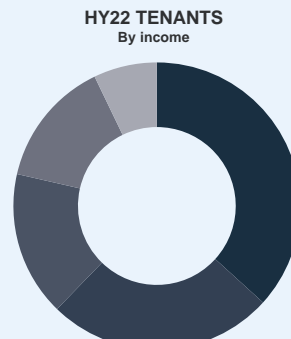
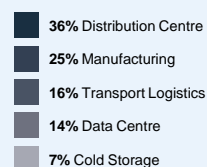
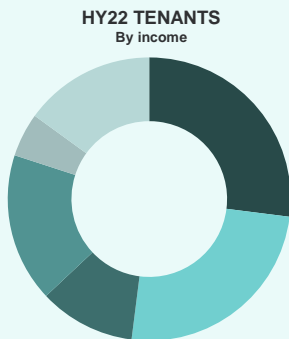
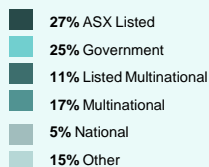
- HY22 FFO of 9.8cpu, distributions of 8.3cpu delivered
- Upgraded FY22 FFO guidance of 18.3cpu, re-affirmed distribution guidance of 16.6cpu paid in quarterly instalments

- HY22 FFO of 9.1cpu, distributions of 8.7cpu delivered
- Upgraded FY22 FFO guidance of no less than 18.2cpu, re-affirmed distribution guidance of 17.3cpu paid in quarterly instalments

PORTFOLIO SNAPSHOT		HY22 <sup>1</sup>	HY21
Number of assets	#	23	23
Book value	\$m	2,322.0	2,032.4
WACR	%	5.65	5.90
NLA	sqm	302,700	304,413
Occupancy by gross income	%	94.3	91.5
WALE by gross income	yrs	4.3	4.5
Average NABERS Energy rating (by value) <sup>2</sup>	Stars	4.9	4.8
Average NABERS Water rating (by value) <sup>2</sup>	Stars	4.1	4.0
Buildings generating solar power	no.	6	6
Average building age (by value)	yrs	16.1	16.4

PORTFOLIO SNAPSHOT		HY22	HY21
Number of assets	#	80	59
Book value	\$m	3,879.0	2,399.0
WACR	%	4.20	5.42
GLA	sqm	1,286,828	1,047,685
Average asset size	sqm	16,085	17,757
Occupancy by income	%	98.4	97.7
WALE by income	yrs	8.9	9.8

PORTFOLIO SNAPSHOT		SEPT 21	SEPT 20
Number of assets	#	5	5
Book value <sup>1</sup>	\$m	188.2	153.4
Occupancy by income	%	79	98
WALE by income	yrs	2.7	2.9



1. Carrying values represent the most recent independent valuation plus any subsequent capital expenditure over the 6-month period to 30 September 2021. Carrying values include work in progress (WIP) relating to costs incurred in relation to current and future development work which were not included in the inputs to the latest independent valuations as at 31 March 2021

2. Excludes 6-8 Munroe Lane, Albany, NZ

# Continuing to build out Centuria LifeGoals

Centuria

**\$0.9bn**  
**AUM**

**9.2%**  
TOTAL AUSTRALIAN  
INVESTMENT BOND  
MARKET SHARE<sup>1</sup>

Approved by a  
wide range of  
dealer groups  
nationally

**31**  
**FUND OPTIONS**  
~25% INCREASE  
SINCE LAUNCH  
Including 3 ESG fund options

## ASSETS UNDER MANAGEMENT

	HY22 (\$m)	FY21 (\$m)	HY22 CHANGE (%)
Prepaid funeral plans (Guardian) <sup>2</sup>	593.4	582.0	2.0%
Capital Guaranteed (Centuria Life) <sup>3</sup>	0.0	140.9	-100.0%
Unitised Bonds (Centuria Life) <sup>3</sup>	267.9	141.6	89.2%
Centuria LifeGoals	38.8	27.9	39.1%
<b>TOTAL</b>	<b>900.1</b>	<b>892.4</b>	<b>-0.9%</b>

## FLOWS HY22

APPLICATIONS (\$m)	REDEMPTIONS (\$m)
11.0	-28.6
0.0	0.0
5.0	-25.2
12.8	-2.9
28.8	-56.7

## CENTURIA LIFE FUND MANAGERS



ALLIANCEBERNSTEIN



Schroders



BAEP

PENDAL

T.RowePrice™



Vanguard



PIMCO



1. QDS report 30 September 2021

2. Centuria Life Limited (CLL) is the key service provider to Over Fifty Guardian Friendly Society

3. As part of a major restructure the Capital Guaranteed Bonds became Unitised Bonds following a policyholder vote and APRA approval



# Reconciliation of statutory profit to operating profit

	HY22 (\$m)	HY21 (\$m)
Statutory net profit after tax	112.7	42.7
<i>Statutory EPS (cents)<sup>1</sup></i>	13.8	7.5
<b>ADJUSTED FOR NON-OPERATING ITEMS</b>		
(Gain) on fair value movements in derivatives and investments	(47.8)	(9.0)
Transaction and other costs	0.9	1.0
(Profit) attributable to controlled property funds	(5.8)	(4.1)
Eliminations between the operating and non-operating segment	0.6	3.0
Equity accounting adjustments	0.8	0.2
Tax impact of above non-operating adjustments	(1.7)	0.2
Seed capital writeback	(1.0)	-
<b>Operating net profit after tax<sup>2</sup></b>	<b>58.7</b>	<b>34.0</b>
<i>Operating EPS (cents)<sup>3</sup></i>	7.4	6.2

1. Attributable to securityholders

2. Operating NPAT of the Group comprises of the results of all operating segments and excludes non-operating items such as transaction costs, mark to market movements on property and derivative financial

instruments, the results of Benefit Funds, Controlled Property Funds and share of equity accounted net profit in excess of distributions received

3. Operating EPS is calculated based on the Operating NPAT of the Group divided by the weighted average number of securities



UNLISTED: 20 ABERNETHY ROAD, BYFORD, WA

# Co-investments reconciliation

## Strong alignment to Centuria's listed REITs

CNI is the largest unitholder of **CIP** (15.97%)<sup>1</sup>, **COF** (15.29%)<sup>1</sup> and **APL** (19.99%)<sup>1</sup>

Properties held for development generate no fee income

### PROJECTS INCLUDE

Kew, Melbourne Private Hospital  
Man St, Queenstown  
Cook St, Auckland  
Lakeview, Queenstown  
Wyatt St, Adelaide  
Cudgen Road, Cudgen

CO-INVESTMENTS	FUND TYPE	CARRYING VALUE 31 DEC 21 (\$m)	DISTRIBUTION INCOME HY22 (\$m)	CARRYING VALUE 31 DEC 20 (\$m)	DISTRIBUTION INCOME HY21 (\$m)
Centuria Industrial REIT (ASX: <b>CIP</b> ) <sup>1</sup>	Listed	423.6	8.6	253.6	6.9
Centuria Office REIT (ASX: <b>COF</b> ) <sup>1</sup>	Listed	213.2	7.6	167.5	6.5
Asset Plus Ltd. (NZX: <b>APL</b> ) <sup>1</sup>	Listed	21.2	0.6	23.8	0.4
Properties held for development	N/A	74.4	-	32.3	-
Centuria NZ Industrial Fund (CNZIF)	Open-ended multi asset	37.7	0.9	21.6	0.5
Centuria 111 St Georges Terrace Fund	Single asset	32.4	1.2	29.0	1.2
Centuria Diversified Property Fund (CDPF)	Open-ended multi asset	26.7	0.7	31.6	0.8
Centuria Healthcare Direct Medical Fund No. 2	Multi asset	19.3	0.6	13.3	0.5
Centuria NZ Property Fund (CNZPF)	Open-ended multi asset	15.1	0.1	3.6	0.1
Primewest Property Income Fund	Open-ended multi asset	12.8	0.3	-	-
Centuria Government Income Property Fund No. 2	Multi asset	11.2	-	-	-
Other unlisted real estate and debt funds	Various	44.5	1.2	15.1	0.7
<b>SUB-TOTAL</b>		<b>932.1</b>	<b>21.8</b>	<b>591.4</b>	<b>17.6</b>
<b>Capital adjustment<sup>2</sup></b>		<b>-</b>	<b>48.7</b>	<b>-</b>	<b>13.5</b>
<b>TOTAL</b>		<b>932.1</b>	<b>70.5</b>	<b>591.4</b>	<b>31.1</b>

Note: All figures above are in Australian dollars (currency exchange ratio of AU\$1.00:NZ\$1.0617 as at 31 December 2021). Numbers presented may not add up precisely to the totals provided due to rounding

1. All information in relation to the financial contribution of the Group's co-investment stakes in COF, CIP and APL exclude interests held through Benefit Funds

2. Comprises of non-operating fair value gains

# Definitions

**Operating Segments:** Group has six reportable operating segments. These reportable operating segments are the divisions which report to the Group's Chief Executive Officers and Board of Directors for the purpose of resource allocation and assessment of performance.

The reportable operating segments are:

- **Property Funds Management:** Management of listed and unlisted property funds
- **Developments:** Completion of structured property developments which span sectors ranging from Commercial Office, Industrial and Health through to Affordable Housing and Residential Mixed Use
- **Property and Development Finance:** Provision of real estate secured non-bank finance for development projects, bridge finance and residual stock
- **Investment Bonds Management:** Management of the Benefit Funds of Centuria Life Limited and management of the Over Fifty Guardian Friendly Society Limited. The Benefit Funds include a range of financial products, including single and multi-premium investments
- **Co-investments:** Direct interest in property funds and other liquid investments
- **Corporate:** Overheads supporting the Group's operating

segments

**Non-operating segments:** Non-operating items comprises transaction costs, mark-to-market movements on property and derivative financial instruments, and all other non-operating activities. Includes Benefit Funds and Controlled Property Funds. Represents the operating results and financial position of the Benefit Funds which are required to be consolidated in the Group's financial statements in accordance with accounting standards

**AUM:** Assets under management

**CAGR:** Compound annual growth rate

**CDPF:** Centuria Diversified Property Fund comprises the Centuria Diversified Property Fund ARSN 611 510 699 and its subsidiaries. The Responsible Entity of CDPF is Centuria Property Funds Limited ACN 086 553 639CIP:

**Centuria Industrial REIT** comprises the Centuria Industrial REIT ARSN 099 680 252 and its subsidiaries. The Responsible Entity of CIP is Centuria Property Funds No. 2 Limited ACN 133 363 185

**CHPF:** Centuria Healthcare Property Fund comprises the Centuria Healthcare Property Fund ARSN 638 821 360 and its subsidiaries. The Responsible Entity of CHPF is Centuria Property Funds No.2 Limited ACN 133 363 185COF:

**Centuria Office REIT** comprises the Centuria Office REIT ARSN 124 364 718 and its subsidiaries. The Responsible

Entity of COF is Centuria Property Funds Limited ACN 086 553 639

**CNI, CCG or the Group:** Centuria Capital Group comprises of Centuria Capital Limited ABN 22 095 454 336 (the 'Company') and its subsidiaries and Centuria Capital Fund ARSN 613 856 358 ('CCF') and its subsidiaries. The Responsible Entity of CCF is Centuria Funds Management Limited ACN 607 153 588, a wholly owned subsidiary of the Company

**CPFL:** Centuria Property Funds Limited

**CPF2L:** Centuria Property Funds No. 2 Limited

**DPS:** Distribution per stapled security

**EPS:** Earnings per stapled security

**IRR:** Internal Rate of Return

**NPAT:** Net Profit After Tax

**NTA:** Net Tangible Assets

**REIT:** Real Estate Investment Trust

**WACR:** Weighted Average Capitalisation Rate

**WALE:** Weighted Average Lease Expiry

# Disclaimer

This presentation has been prepared by Centuria Capital Limited and Centuria Funds Management Limited as responsible entity of Centuria Capital Fund (together the stapled listed entity CNI).

Centuria Property Funds Limited (ABN 11 086 553 639, AFSL 231 149) ('CPFL') and Centuria Property Funds Management No. 2 Limited (ABN 38 133 363 185, AFSL 340 304) ('CPF2L') are fully owned subsidiaries of CNI. CPF2L is the responsible entity for the Centuria Industrial REIT (ARSN 099 680 252) (ASX: CIP). CPFL is the responsible entity for the Centuria Office REIT (ARSN 124 364 718) (ASX: COF), the Centuria Diversified Property Fund (ARSN 611 510 699) and the rest of Centuria's unlisted property funds. Investment in Centuria's property funds is subject to risks that are set out in the Product Disclosure Statement ('PDS') for the fund. The PDS for any open fund is made available on Centuria's website (centuria.com.au). Investors should read the PDS in full before making a decision to invest.

Past performance is not a guarantee of future performance.

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