Centuria Industrial REIT (CIP) ASX Announcement

Centuria

FY23 Portfolio Valuations

- Total portfolio expanded 60bps to 5.26% WACR¹, 2.1 % like-for-like decline, external valuation on 57% of portfolio²
- Cap rate expansion offset by strong rental growth and leasing, active sub-portfolio valuations increased \$4.4m3
- "BBB" MSCI ESG Ratings, improved from B Rating

SYDNEY (Thursday, 6 July 2023) - Centuria Industrial REIT (ASX: CIP) has completed external valuations on 38 of its 89 investment properties as at 30 June 2023, representing approximately 57% of the portfolio by value. In line with Centuria's valuation policy⁴, the remaining valuations will be undertaken as Director's valuations within the FY23 results.

CIP's completed valuations for 30 June 2023 reflect a like-for-like decrease of \$80.6million on prior book values4, a portfolio decline of 2.1%⁵. The Weighted Average Capitalisation Rate (WACR) across the total portfolio expanded by 60 basis points from 4.66% at 31 December 2022 to 5.26% at 30 June 2023. The reduced value concentrated on two ultralong WALE assets⁶, collectively declining 11%.

The remainder of CIP's active sub-portfolio⁷ of 87 assets increased in value by \$4.4million⁴ or 0.1% on a like-for-like basis with leasing success and market rental growth offsetting capitalisation rate expansion.

Jesse Curtis, CIP Fund Manager and Centuria Head of Industrial, said "CIP provides a portfolio of high-quality industrial assets concentrated within supply-constrained urban infill markets. The portfolio's infill focus benefitted from strong rental growth and healthy leasing activity which balanced movement in capitalisation rates, resulting in positive valuation gains across the active sub-portfolio. CIP continues to be well positioned to take advantage of the industrial sector's strong market tailwinds and favourable operating conditions."

CIP also recently received a MSCI ESG rating8 of BBB, an improvement from its previous B rating, which is credited to the portfolio's environmental metrics.

- Ends -

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

Authorised for release by Anna Kovarik, Company Secretary.

Jesse Curtis

Fund Manager - CIP Centuria Industrial REIT Phone: 02 8923 8923

Email: jesse.curtis@centuria.com.au

Tim Mitchell

Group Head of Investor Relations Centuria Capital Limited Phone: 02 8923 8923 Email: tim.mitchell@centuria.com.au

Alexandra Koolman

Group Communications Manager Centuria Capital Limited Phone: 02 8923 8923

Email: alexandra.koolman@centuria.com.au

About Centuria Industrial REIT

CIP is Australia's largest domestic pure play industrial REIT and is included in the S&P/ASX 200 Index. CIP's portfolio of high-quality industrial assets is situated in urban infill 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) (ARSN 099 680 252). CPF2L is a wholly owned subsidiary of Centuria Capital Group (CNI). CNI is an ASX-listed specialist investment manager with more than \$21 billion in total assets under management (as at 31 March 2023) and strong offerings across listed real estate investment trusts, unlisted real estate funds and investment bonds.

www.centuria.com.au

Summary Information

The following disclaimer applies to this announcement and any information contained in it (the Information). The Information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with CIP's other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at www.asx.com.au. You are advised to read this disclaimer carefully before reading or making any other use of this announcement or any Information contained in this announcement. In accepting this announcement, you agree to be bound by the following terms and conditions including any modifications to them.

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Forward Looking Statements

This announcement may include forward-looking statements. These forward-looking statements are based on CIP's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of CIP, which could cause actual results to differ materially from such statements. CIP makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.

¹ Weighted Average Capitalisation Rate (WACR)

² By value

³ Reflects gross increase on a like-for-like basis. Excludes capital expenditure incurred.

⁴ Valuations, and changes in net tangible assets (NTA), remain subject to an audit and could be revised up or down

⁵ Subject to audit and finalisation of statutory accounts

⁶ Assets with a WALE of greater than 15 years, being the Telstra Data Centre, Clayton VIC and 46 Robinson Road East, Virginia QLD

⁷ The active portfolio represents CIP's assets with a WALE of less than 15 years

⁸ MSCI ESG Research provides MSCI ESG Ratings on global public and a few private companies on a scale of AAA (leader) to CCC (laggard), according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers