

Q3 FY24 Operating Update

- 45,739sqm of lease terms¹ secured across eight lease transactions in Q3 FY24
- c.50% re-leasing spreads FY24 YTD²
- \$11.5m strategic acquisition in Wetherill Park NSW adds to land consolidation strategy
- \$21.6m divestment in line with December 2023 book value³
- Reaffirmed upgraded FY24 FFO guidance⁴ of 17.2cpu and distribution guidance⁴ of 16.0cpu

SYDNEY (Tuesday, 21 May 2024) – Centuria Industrial REIT (ASX: CIP) is pleased to provide its Q3 FY24 update.

Grant Nichols, CIP Fund Manager said “CIP continued to benefit from strong sector tailwinds within urban infill industrial markets. CIP’s strategic exposure to land-constrained ‘last mile’ locations continued to achieve robust rental growth, and has generated strong re-leasing spreads. We believe the continued adoption of ecommerce and onshoring supply chains will maintain demand for infill industrial markets.”

PROPERTY PORTFOLIO AND LEASING

During Q3 FY24, 45,739sqm of lease terms¹ were agreed across eight transactions, reflecting 3% of portfolio GLA. Year to date, 154,595 sqm of lease terms were agreed, reflecting 11% of portfolio GLA, and average re-leasing spreads year to date remained strong, achieving c.50% increases.

Key leasing transactions included:

- M80 Connect, Campbellfield VIC: LX Pantos leased 3,360sqm on a five-year term, increasing the asset’s occupancy to 56%.
- 1 Ashburn Road, Bundamba QLD: The Reject Shop renewed the whole 26,628sqm asset on a five-year term.

As at 31 March 2024, CIP’s portfolio provides a 7.3-year WALE⁵ and 97.2% occupancy⁵.

TRANSACTIONS

11 Hexham Place, Wetherill Park NSW was acquired for \$11.5 million, expanding the Wetherill Park sub-portfolio to five assets across 5.7 hectares. The acquisition is in line with the REIT’s land consolidation strategy to maximise value in land-constrained urban infill markets. The consolidated site provides a functional, future development opportunity and, in the interim, has delivered an attractive ongoing revenue stream with the potential for further positive rent reversions.

Additionally, CIP exchanged a sales contract to divest a non-core asset at 51-73 Lambeck Drive, Tullamarine VIC for \$21.6million, in line with its December 2023 book value. Settlement is expected by Q1 FY25. The asset was acquired for \$14million in August 2020 and its divestment delivered a 17% IRR throughout CIP’s ownership period. The transaction further demonstrates the high level of investment demand for assets located in core urban infill markets. Proceeds from the divestment will be used to repay debt.

ESG

Recently, CIP’s Southside Industrial Estate was awarded a five-star Green Star rating from the Green Building Council of Australia⁶. It is the second Centuria-developed industrial development to be awarded a five-star Green Star rating. The two recently completed industrial facilities, M80 Connect and 204 Bannister Road, were both built to a five-star specification and are awaiting certification.

CIP continues to target Zero Scope 2 emissions⁷ by 2028 and assesses sustainability impacts on proposed transactions as part of its ESG investment approach.

Centuria announced the promotion of Grant Nichols to Centuria Head of Listed Funds and CIP Fund Manager. Mr Nichols’ appointment follows former CIP Fund Manager, Jesse Curtis’, promotion to Centuria Head of Funds Management. Mr Nichols remains supported by CIP Assistant Fund Manager, Michael Ching.

FY24 GUIDANCE AND SUMMARY

CIP reaffirms its upgraded FY24 FFO guidance⁴ of 17.2 cents per unit (cpu). Distribution guidance⁴ is also reaffirmed at 16.0cpu, expected to be paid in equal quarterly instalments.

Mr Nichols concluded, "CIP remains the only domestically focused, pure play industrial REIT listed on the ASX, providing investors with a portfolio of high-quality real estate assets across Australia's major urban infill industrial markets. Looking ahead, we believe CIP is well positioned to benefit from the industrial sector tailwinds, underpinned by Australia's burgeoning population, which is forecast to increase by more than 975,000 people between 2023 and 2025. This population expansion alone is expected to increase Australian industrial demand by c.4.5million sqm⁸."

– Ends –

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Authorised for release by Anna Kovarik, Company Secretary.

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 \$21.1 billion in total assets under management (as at 31 December 2023) and strong offerings across listed real estate investment trusts, unlisted real estate funds and investment bonds.

www.centuria.com.au

Summary Information

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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 Includes heads of agreement (HOA)

² On a net rental basis compared to prior passing rents

³ Exchanged in May 2024. Settlement expected June 2024

⁴ Upgraded FY24 FFO Guidance was announced on 7 February 2024. Guidance remains subject to unforeseen circumstances and material changes in operating conditions, and assumes the average floating rate is based on a BBSW rate of 4.6% over FY24

⁵ Weighted Average Lease Expiry (WALE) and occupancy by income

⁶ Green Building Council of Australia five-star Green Star & As Built v1.3 5 rating

⁷ Centuria will account for zero Scope 2 emissions by being powered by the equivalent of 100% renewable electricity through large-scale generation certificate (LGC) deals which match our consumption

⁸ Source: CBRE Research – Australian and New Zealand migration trends