

CIP External Revaluations Deliver \$192m Gain¹

SYDNEY (Friday, 26 March 2021) - Centuria Industrial REIT (**ASX: CIP**), has completed external valuations on 56 of its 61 investment properties as at 31 March 2021, reflecting approximately 93% of the portfolio by value^{2,3}.

Key highlights include:

- On a like for like basis, portfolio valuation increased \$192 million or 8.1% from prior book values¹
- Total portfolio weighted average capitalisation rate firmed by 46 basis points from 5.42%⁴ to 4.96%
- Pro forma Net Tangible Assets (NTA) increased from \$2.99 to \$3.32 per unit⁵.
- Total portfolio value increased to \$2.6bn⁶, reaffirming CIP as Australia's largest listed pure-play industrial REIT

The significant valuation uplift was generated through leasing success and capitalisation rate compression with a continued re-rate in the industrial market evidenced through recent transactions, reflecting the high quality of CIP's portfolio.

Key valuations movements include:

- Telstra Data Centre, Clayton VIC increased by \$28.3m with 50 basis points of capitalisation rate compression
- 46 Robinson Road East, Virginia QLD increased by \$20.0m with 37.5 basis points of capitalisation rate compression
- 67-69 Mandon Road, Girraween NSW increased by \$11.8m with 75 basis points of capitalisation rate compression
- 75 Owen Street, Glendenning NSW increased by \$3.4m with 75 basis points of capitalisation rate compression following securing a new long-term lease across the entire asset.

Jesse Curtis, CIP Fund Manager, commented, "Australia's industrial property market is currently experiencing a substantial re-rate, attracting significant investment demand from both domestic and international capital. Major transactions in the market continue to show capitalisation rate compression, complemented by strong tenant demand from e-commerce and a scarcity of investment grade assets.

"We continue to demonstrate value creation for our investors through opportunistic and strategic buying of high quality, in demand industrial assets. To date in FY21, CIP has transacted \$757m and from these acquisitions alone delivered \$64m of uplift towards the total revaluation gain. With a proven track record of identifying relative value from acquisitions and delivering active management initiatives, CIP will continue to capitalise on opportunities to extract value from its high-quality portfolio.

"The CIP portfolio remains in an extremely strong position holding occupancy of 97.7%⁷, WALE of 9.8 years⁷ and portfolio capitalisation rate of 4.96%. With evidence of continued major transactions in the industrial sector expected, CIP's is well positioned to be a major beneficiary of the strong performing Australian industrial market."

Given the tailwinds in the industrial real estate market, CIP will continue to monitor relevant transactional activity and will update its portfolio valuation regularly should the Board feel there has been a material movement.

Further updates on CIP will be provided in the Q3 FY21 Fund Update.

– Ends –

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

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Centuria Industrial REIT (CIP)

ASX Announcement

Centuria

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 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 more than \$10 billion 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 Reflects gross increase. Excludes capital expenditure incurred

² Assets not externally revalued are 2 Woolworths Way, Warnervale NSW which is under a sales campaign, 2-8 Lexington Drive, Bella Vista NSW which was acquired in March 2021 and 42 Hoepner Road, Bundamba QLD which is under development

³ Valuations on two further assets, 324-332 Frankston Dandenong Road, Dandenong VIC and 92 Robinson Avenue Belmont WA are being finalised and will be reported in the Q3 FY21 Fund Update

⁴ Pro forma WACR as at 31 December 2020, including transactions settled in Q3FY21

⁵ NTA per unit is calculated as net assets less goodwill divided by number of units on issue

⁶ Following revaluations and transactions settled in Q3FY21

⁷ By income. As at 31 December 2020