

Q3 FY23 Operating Update

- 68,606sqm of lease terms¹ secured across six transactions; 98.5% portfolio occupancy², 7.9-year WALE²
- 28% positive re-leasing spreads FY23 year to date³, accelerating market rental growth
- Settled \$300m exchangeable notes: fixed 3.95%pa coupon, strengthened balance sheet, diversifies capital sources
- Canning Vale WA development nears PC, M80 Connect VIC development on track for PC in Q2 FY24
- Reaffirmed FY23 FFO guidance of 17.0cpu and distribution guidance of 16.0cpu⁴

SYDNEY (Monday, 1 May 2023) - Centuria Industrial REIT (ASX: CIP) is pleased to provide its Q3 FY23 update.

Jesse Curtis, CIP Fund Manager and Centuria Head of Industrial, said “CIP has experienced another strong quarterly performance punctuated by strong rental growth and a disciplined approach to strengthening its balance sheet. The Australian industrial real estate market continues to benefit from high tenant demand and a low volume of new supply of industrial space, which continued to reduce vacancy and accelerate market rental growth nationally. This growth has been concentrated in urban infill markets where CIP holds critical mass.

“To this end, CIP leased approximately 69,000sqm of industrial space during the quarter. Pleasingly, as a result of our active management approach and the strong market conditions, year to date re-leasing spreads have increased to an average 28% increase over prior passing rent. To further capture tenant customer demand, CIP is progressing more than 57,300sqm of high-quality, sustainable industrial space through its development pipeline. The development in Canning Vale WA is nearing Practical Completion (PC) and the M80 Connect development in Campbellfield VIC is progressing well. Both projects have attracted significant tenant interest due to their quality and urban infill locations.

“Additionally, during the period CIP strengthened its balance sheet through proactive capital management with the issuance of exchangeable notes, further diversifying CIP’s sources of capital while reducing its average cost of debt and improving its hedging profile”.

PROPERTY PORTFOLIO AND LEASING

During Q3 FY23, 68,606sqm of lease terms¹ were agreed across six deals, reflecting 5% of portfolio NLA. Year to date, total leasing transactions increased to 157,124sqm and positive re-leasing spreads averaged 28%³, up from 19% at HY23.

Key leasing transactions included:

- 10 Williamson Road, Ingleburn NSW: five-year lease across 27,260sqm
- 149 Kerry Road, Archerfield QLD: seven-year terms agreed across 13,774sqm
- 69 Rivergate Place, Murarrie QLD: five-year lease across 11,353sqm

DEVELOPMENT

CIP progressed its development pipeline during the period with:

- 204-208 Bannister Road, Canning Vale WA: practical completion expected in July 2023. The 12,300sqm development is targeting a five-star Green Star rating and leasing interest is well advanced.
- M80 Connect, Campbellfield VIC: Construction of the five-unit, c.45,000sqm industrial estate is due for practical completion in Q2 FY24. Significant leasing interest is being experienced across a wider range of industrial users.

CAPITAL MANAGEMENT

CIP further diversified its sources of capital during the period, settling a \$300million exchangeable notes offering on 3 March 2023. Proceeds were used to repay existing debt facilities and for general corporate purposes. The notes provided a fixed 3.95% per annum coupon and are exchangeable into CIP units at an initial exchange price of A\$4.16⁵, representing a 2% premium to last reported NTA of \$4.08 per unit as at 31 December 2022.

SUSTAINABILITY

CIP is externally managed by Centuria Capital Group (Centuria) and aligns itself to Centuria’s sustainability framework, which details Environmental, Social and Governance (ESG) initiatives. The renewable energy programme at CIP’s

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46 Robinson Road East, Virginia QLD, progressed during the quarter. The 2.2MW solar panel installation programme is expected to supply tenant customer, Arnott's Group's biscuit manufacturing facility with 100% renewal energy by 2029. Across all development projects, CIP is targeting a five-star Green Star rating.

FY23 GUIDANCE AND SUMMARY

Jesse Curtis concluded, "CIP remains in a strong position moving into the final quarter of FY23. With a fortified balanced sheet and a high-quality portfolio of urban infill industrial assets, CIP is well placed to continue to take advantage of the positive sector tailwinds driving the industrial real estate market. We remain very confident in the underlying industrial market fundamentals and are focused on executing our strategy through active management of Australia's largest listed pure play industrial REIT."

CIP reaffirms its FY23 FFO guidance⁴ of 17.0 cents per unit (cpu). Distribution guidance⁴ is also reaffirmed at 16.0 cpu, reflecting an annualised distribution yield of 5.1%⁶, to be paid in equal quarterly instalments.

– 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 more than \$21 billion in total assets under management (as at 31 December 2022) 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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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 By income

³ On a net rental basis compared to prior passing rents. The reported leasing spreads are over 105,259sqm. Rents on 51,865sqm of leasing which were under tenant exercise of options are currently under negotiations and not included in the 28% leasing spreads reported

⁴ Guidance remains subject to unforeseen circumstances and material changes in operating conditions

⁵ Subject to standard exchange price adjustments

⁶ Based on CIP closing unit price of \$3.12 as at 28 April 2023