

Q1 FY24 Operating Update

- 53,297sqm of lease terms¹ secured across 11 transactions; 98.6% portfolio occupancy², 7.8-year WALE²
- 48% positive re-leasing spreads during Q1 FY24 (2H23: 37%)³
- \$70m of divestments further strengthening balance sheet
- Progressed developments: Canning Vale WA and M80 Connect VIC anticipate PC in Q2 FY24
- Reaffirmed FY24 FFO guidance⁴ of 17.0cpu and distribution guidance⁴ of 16.0cpu

SYDNEY (Monday, 23 October 2023) - Centuria Industrial REIT (ASX: CIP) is pleased to provide its Q1 FY24 update.

Jesse Curtis, CIP Fund Manager and Centuria Head of Industrial, said “Strong tailwinds across the industrial sector continued to drive rental growth throughout the first quarter of FY24, with occupier demand concentrated in urban infill industrial markets. This sustained tenant demand, coupled with limited supply, has seen CIP’s re-leasing spreads accelerate to new highs of almost 50% above prior passing rents. The supply-demand imbalance in urban infill industrial markets is anticipated to continue in the near term and CIP’s portfolio is well positioned to benefit from this growth.”

PROPERTY PORTFOLIO AND LEASING

During Q1 FY24, 53,297sqm of lease terms¹ were agreed across 11 deals, reflecting 4% of portfolio NLA. Positive re-leasing spreads averaged 48%³, up from 37% at 2HY23, reflecting sustained tailwinds across the infill industrial markets.

During the quarter, CIP completed value-add repositioning works across 12,549sqm at 616 Boundary Road, Richlands QLD, which was the portfolio’s largest vacancy as at 30 June 2023. CIP secured a new five-year lease to Grays ecommerce group.

DEVELOPMENT

CIP has progressed its development pipeline with current projects anticipated to reach practical completion in Q2 FY24. Leasing enquiries have been strong across both projects and CIP is optimistic on securing initial commitments ahead of practical completion. Both assets are targeting a five-star Green Star rating. Projects include:

- 204-208 Bannister Road, Canning Vale WA: 12,300sqm across two units.
- M80 Connect, Campbellfield VIC: c.45,000sqm, five-unit industrial estate.

TRANSACTIONS

CIP divested two assets for a combined value \$70million during the period, with both trading in line with book values as at 30 June 2023. The divestments were announced on 13 September 2023 and include:

- 1 International Drive, Westmeadows VIC: a 25,800sqm multi-unit industrial estate in Melbourne’s north
- 9 Fellowes Court, Tullamarine VIC: a 4,072sqm industrial distribution centre in Melbourne’s north

The proceeds were used to initially repay debt, further strengthening CIP’s balance sheet.

SUSTAINABILITY

CIP recently announced its new sustainability targets. CIP is targeting Zero Scope 2 emissions⁵ with 100% of its portfolio’s Scope 2 electricity sourced from the equivalent of 100% renewable electricity by 2028. CIP continues to assess sustainability impacts on proposed transactions as part of its ESG Investment Approach, including physical climate risk assessments on existing assets and future acquisitions. CIP will continue to target a five-star Green Star rating for its current and future development pipeline.

FY23 GUIDANCE AND SUMMARY

CIP reaffirms its FY24 FFO guidance⁴ of 17.0 cents per unit (cpu). Distribution guidance⁴ is also reaffirmed at 16.0 cpu, reflecting an annualised distribution yield of 5.4%⁶, to be paid in equal quarterly instalments.

Jesse Curtis concluded, "CIP continues to progress its FY24 priorities by capturing embedded portfolio leasing spreads and leveraging its strong tenant customer relationships while unlocking value-add opportunities to improve asset quality. We continued to execute on our capital management initiatives through strategic transactions, further strengthening our balance sheet. CIP remains confident in the underlying industrial market fundamentals and its ability to capture compelling returns for unitholders from its high-quality portfolio of urban infill industrial assets."

– Ends –

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

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

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 billion in total assets under management (as at 30 June 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.

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 Includes heads of agreement (HOA)

² By income

³ On a net rental basis compared to prior passing rents

⁴ 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 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

⁶ Based on CIP closing unit price of \$2.94 as at 20 October 2023