

2022 AGM CHAIRMAN AND JOINT CEOs' ADDRESSES

SYDNEY (Friday, 25 November 2022) – Centuria Capital Group (**ASX: CNI**) provides the Chairman and Joint CEOs' addresses for the CNI stapled securityholders' Annual General Meeting ("AGM") for the financial year ended 30 June 2022.

The AGM will be held today Friday, 25 November 2022 at the Museum of Sydney, on the corner of Bridge Street and Phillip Street, Sydney from 11:00am (AEDT). The AGM can also be viewed via a webcast using the following link: <https://web.lumiagm.com/340227038>.

– Ends –

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Announcement authorised by Anna Kovarik, Company Secretary.

About Centuria Capital Group

Centuria Capital Group (CNI) is an ASX-listed specialist investment manager with more than \$20billion of assets under management (as at 30 June 2022). We offer a range of investment opportunities including listed and unlisted real estate funds as well as tax-effective investment bonds. Our drive, allied with our in-depth knowledge of these sectors and intimate understanding of our clients, allows us to transform opportunities into rewarding investments.

www.centuria.com.au

Centuria

(ASX: CNI)

Annual General Meeting

**CHAIRMAN AND JOINT CEOs'
ADDRESSES**

Friday 25 November 2022

11:00am

CHAIRMAN'S ADDRESS: GARRY CHARNY

Good morning and welcome. On behalf of Centuria's Board of Directors and Senior Management, I would like to formally welcome you to our 2022 Annual General Meeting. I am Garry Charny, Chairman of the Centuria Capital Group.

I would like to acknowledge the Gadigal people of the Eora Nation, the traditional custodians of this land on which our AGM is being held and pay my respects to Elders past, present and emerging. We also welcome our friends from Aotearoa.

It is a privilege, and relief, to host this AGM in person, in addition to our virtual capacity. I have just been advised one of our co-CEO's has not been so lucky and was diagnosed COVID positive late last night. Accordingly, it is my pleasure to introduce in person my fellow Board members – Susan Wheeldon, Kristie Brown, Jason Huljich and John Slater. John McBain and Peter Done are both attending the meeting virtually.

Having recently come out of the effects of a global pandemic (although signs are even that is not quite done) we find ourselves in a febrile economic landscape highlighted by rising interest rates and 1980's style inflation. Rest assured, the juxtaposition of these two themes occupies your Board and Management daily. Yet, before I speak about that, let me reflect on the last financial year.

2022 has been a year of sustained growth for the company. Most significantly, our strategy to diversify into new asset classes through corporate acquisitions in preceding reporting periods delivered a more diversified, resilient platform across real estate sectors, geographical reach and capital sources.

This year, diversification has been a central theme for the Group. Our now seven real estate verticals, along with our investment bonds business, contributed to a collective 18% growth across our funds under management, totalling \$20.6 billion. We also delivered a record period for operating earnings and distribution.

Our Western Australian entity recently rebranded from Primewest to Centuria, the final signpost of a successful integration into the wider Group. The Perth team, which has grown 37% to 85 employees, continues to be led by directors David Schwartz, John Bond, and Jim Litis. This expansion mirrors our growth in the agriculture, daily needs retail and large format retail sectors.

Likewise, our real estate credit funds entity, Centuria Bass Credit, continued to grow and broaden its suite of unlisted wholesale investment offerings. Centuria Bass is capturing strong demand for non-bank finance across various real estate sectors, especially as the big four banks tighten their lending criteria. Founders Giles Borten and Nick Goh now lead a 22-strong Sydney group with the support of Melbourne-based partner, Yehuda Gottlieb and his team.

Across the Tasman, Mark Francis and Bryce Barnett continue to lead the New Zealand team. During the period, the NZ portfolio increased to 95 assets worth c.\$2.5 billion.

The Australian healthcare division, led by Andrew Hemming continued to increase assets under management and the entire Group healthcare portfolio now sits at approximately \$1.7 billion.

Pure-play listed funds, Centuria Office REIT and Centuria Industrial REIT, continued to perform well throughout the year. What the next 12 months will bring is not as clear. Industrial seemingly, will continue as a darling of the markets, for understandable reasons, but whether the tightening in yields remains is a matter for debate. Similarly, the office market seems to have split experts. On any view, offices are not going away. In the new paradigm of work from home normalcy, how they are used is going to change as is how they will be fitted out. Ultimately though, the critical social interaction they provide, the sense of esprit de corps and their function as a petri dish of ideas with human beings in a room together cannot and will not be replaced anytime soon. There may be less desks in the office of the future, but there will be many more meeting rooms and social facilities for staff.

Also, over the past 12 months, we have strengthened our commitment to ESG initiatives. They now represent a touchstone of the company's ethos and values. Our Culture and ESG Committee, ably chaired by Susan Wheeldon, recently presided over publication of the second Centuria Sustainability Report and our third Modern Slavery Report will be issued shortly.

We define our commitment to sustainability within a three-fold framework: Conscious of Climate Change (our environmental considerations), Valued Stakeholders (our social responsibilities) and Responsible Business Principles (our governance directives).

During the period, we became a member of the Green Building Council of Australia, adding to our membership in New Zealand. Our membership of both councils supports our expanding green development pipeline, with our Industrial REIT announcing a target of 5-star Green Star rating for all new developments. This year we also collaborated with the National Australian Built Environment Rating System, NABERS, to develop their Warehouse and Cold Stores rating tool. In so doing, we're committed to being part of the next generation of sustainable industrial assets.

Our second Task Force on Climate Related Financial Disclosure has been expanded as the Group continues to integrate climate change into its business-as-usual operations, with climate change now a standard investment consideration. This year the Centuria Office REIT completed a solar feasibility assessment and has begun installing solar panels across its portfolio.

We recognise that our workforce is the backbone of our company. Ensuring employee satisfaction is critical to the retention and engagement of our valued staff, which is why we undertake an annual "pulse check". The 2022 independent staff engagement survey revealed 94% of our personnel are proud to work at Centuria and would recommend Centuria as a great place to work. These are strong results and a testament to the company's leadership.

At Board level, it is my pleasure to report the appointment of Susan Wheeldon as the Independent Chair of the Group Nomination and Remuneration Committee, in addition to her other duties.

We have also restructured our Responsible Entity Boards with Jennifer Cook appointed as an Independent NED of Centuria Property Funds No. 2 Limited and Elizabeth McDonald an Independent NED of Centuria Property Funds Limited as well as a Member of the CPFL Audit, Risk and Compliance Committee.

Our commitment to diversity in our workplace, be it at the Board, Senior Management or general staff level is undiminished now and into the future. The aim is simple: that our boards properly reflect the society that is modern Australia. I am pleased to report that those boards are now a broad church and our focus on diversity, coupled with meritocracy, means that there is remarkable strength and depth within the Group.

Looking ahead, the short to medium-term will provide Centuria with market challenges. We are conscious of the share price and remain focused on every available lever at our disposal to ensure the creation of shareholder wealth. For those of us who can remember the GFC, and the one before that, we know that with a steady hand, prudent management, and patience we can navigate these troubled waters and ultimately protect and grow shareholder value. These markets also present opportunities and it is in Centuria's DNA to harness those opportunities.

Before I hand over to our Joint CEOs, John McBain and Jason Huljich, may I take a brief segue to a question that regularly comes up when I meet with investors: "how is the joint CEO thing going?" After three years I am prepared to say - "the thing" is a resounding success. It is not for every company and is unique to the personalities involved. It does not work where the incumbents are competitors and not truly symbiotic - as is our case. The sorcerer's apprentice has indeed come of age and they complement each other in outstanding fashion. Of all this Board's decisions, the joint CEO structure at Centuria may be our best.

I would like to take this opportunity to thank my fellow Board Members for their commitment and contribution as well as Centuria's Senior Management team. It would be remiss of me not to mention, again, the enormous, and vital, contribution Peter Done makes a Chair of our Audit and Risk Committees across the Group.

Finally, on behalf of the entire Board, I extend my sincere thanks to you, our Securityholders. Your support is never taken for granted and we remain committed to the task at hand.

I now invite John and Jason to deliver the Joint CEOs' Address.

JOINT CEO'S ADDRESS: JOHN MCBAIN

Thank you, Mr Chairman, and good morning everyone.

On behalf of my fellow and Joint CEO, Jason Huljich, we welcome you to Centuria's 2022 Annual General Meeting. We, too, acknowledge the traditional Australian and New Zealand landowners, past, present and emerging.

It is my pleasure to address Centuria's financial performance, corporate activities and highlight the sustainability initiatives we have implemented since we met last year. I will also provide an update on our corporate strategy and market outlook, which will be followed by Jason's address concerning Centuria's funds management and real estate activities during the year.

During FY22 Centuria recorded a record \$3.1 billion of real estate activity growing assets under management to \$20.6 billion – up 18% from the previous reporting period.

In addition to this heightened activity, during the past two reporting periods we completed the integration of two significant corporate acquisitions, which have provided a runway into new real estate sectors and geographies, and we have been able to grow these new verticals further with the implementation of Centuria's funds management systems and expertise and the support of the Group's strong balance sheet.

Of course, systems and fiscal strength are only part of a successful integration process, and as our Chairman correctly observed, under Covid constraints it has been difficult to execute on the human elements of a merger.

Fortunately, this year, the opening of domestic and international borders enabled Jason and I to meet with the Centuria investors and staff at roadshows throughout New Zealand, Western Australia, Victoria, Queensland and New South Wales. This provided us with a crucial opportunity to explain that - though the name above the door may have changed the business is still run by the highly proficient, professional team they have been dealing with in the past.

Financial Results

Throughout the past five years, Centuria has delivered year-on-year growth across assets under management, distributions per security and operating profit after tax, while expanding capital sources through joint venture partnerships and institutional mandates as well as accessing our traditional (now expanded) retail distribution network and in relation to the Centuria REITs - the equity capital markets.

To this end, the Group delivered a 63% increase in operating profit after tax of \$114.5 million, which translated to operating earnings per security of 14.5 cents throughout FY22. This was in line with our upgraded guidance, representing a 20.8% increase from the previous corresponding period. FY22 distributions per security of 11.0 cents also met guidance and delivered a 10% increase from FY21.

Total FY22 operating revenue increased 38% to \$292.6 million while management fee revenue grew 77% to \$146.8 million, bolstered by activities across the integration of our West Australian entity as well as transactional activity across our industrial and healthcare sectors. More specifically, transaction fee revenue increased 162% to \$39.3 million and \$33 million of performance fees were recognised. Recurring revenues accounted for 89% of total Group revenues.

During the year, we recorded latent unrecognised performance fees of \$179 million, reflecting the embedded fees inherent within the unlisted managed portfolio. Transactional income, comprising acquisition, financing, underwriting and sales fees, was up 162% during FY22. This result was underpinned by the record breaking FY22 property transactions and real estate finance activity referred to previously.

Centuria continues to co-invest in funds it operates, including ASX-listed REITs CIP and COF as well as NZX-listed Asset Plus Limited and our institutional mandates. These co-investments provide a continuous source of recurring revenue. Increased Group co-investments delivered an operating profit of \$48.4 million, up 33% from the prior period.

Through the Group's 50% interest in the Centuria Bass Credit joint venture, property and development finance contributed \$4.1 million to our operating earnings. Centuria Bass continues to focus on new

growth opportunities arising from market volatility, and bank lending restrictions and we believe it will be one of Centuria's fastest growing divisions in FY23 and beyond.

During FY22, development operating profit increased 44% to \$6.5 million and development activities continue to be predominantly directed towards the creation of new, quality investment assets for existing or proposed Centuria-managed funds. Accordingly, our development management fee revenues are expected to continue to grow as we undertake further projects, for example in the healthcare sector.

Centuria retained a strong focus on capital management during FY22 with net operating cash inflows of \$182 million and a net operating interest cover ratio of 6.8 times against a covenant of 2.0 times. During the period, the Group finalised two revolving loan facilities totalling \$150 million, these remain undrawn until we perceive value and it is intended that debt capital of this nature is recycled as we establish then sell down funds. As we have grown in scale and diversification, so have our relationships with investors and finance providers. We have developed solid relationships with more than 21 quality lenders.

Centuria's undrawn facilities, together with our cash balance of \$185 million, made a total of \$339 million available at financial year end. The Group has built this balance sheet strength to ensure maximum flexibility, together with the capacity to take opportunities that are likely to become available in the near term, while maintaining strong financial covenant ratios.

Corporate Activities

To facilitate optimal debt capital and maintain sound capital management, we have bolstered our Treasury team, with key personnel now secured in Sydney, Perth and Auckland. This expanded team allows Centuria to develop robust, on the ground relationships with key finance providers.

Let me reiterate our belief that property is a relationship-based business. As our AUM has expanded, so too has our team. Centuria has grown to more than 400 personnel across eight offices in three countries. With this expansion, we have introduced what is to be a regular independent staff engagement survey. This year showed high levels of engagement and satisfaction, as our Chairman mentioned.

Our leadership programme also ensures further development of future leaders, nurturing the management skills of recognised personnel across departments and throughout Australasia. Fostering the next generation of leaders ensures continuity across the business and flexibility as our workforce grows.

Sustainability

Our Chairman addressed some details surrounding the Group's ESG efforts, but I would like to focus further on three topics.

Firstly, we believe we have an important responsibility to explain our ESG position and the actions we are taking to our team. We prioritise sharing information and actively encourage employee feedback in regular workshops held on a variety of topics surrounding our social and environmental endeavours. The result is that our membership of the Green Building Council, our consultation and cooperation with NABERS, our second TCFD disclosure and our second Sustainability Report are matters which are not just ideological corporate pursuits, they are important initiatives which are explained to our staff and which they comment freely on.

Secondly, an example of our practical approach to community responsibility is our support for St Lucy's School in Sydney, which provides primary and secondary education for students with disabilities. Centuria has supported the school for the past 10 years. Our commitment to the school involves volunteer days as well as annual trivia night fundraising events. This year we raised a record \$175,000, an increase of 25% from last year's event.

Finally, diversity remains a focus and the Group is pleased to report its gender diversity has improved with a 41:59 split between females to males.

Corporate Strategy

The Centuria platform offers unique characteristics as an external funds manager. These include its bias towards high margin unlisted real estate business, its geographic reach and Australasian focus, its

extremely defensive asset sector composition with sufficient channels to weather volatility and, of course, our extensive internal investor base. We are a truly diversified real estate funds manager.

These attributes, coupled with our REIT management revenues, joint venture interests, institutional partnerships, and real estate credit business, combine to create a strong recurring revenue base. Again, this diversity of revenue streams in conjunction with our nimble and highly reactive business model, differentiates us from our peers.

In the near future we believe real estate investors will maintain a sharp focus on the alternative agriculture and healthcare sectors as well as value-add opportunistic property plays and the attractive returns available in the real estate credit sector. Centuria is well placed to respond to this demand and we intend to do so in a disciplined fashion but always with the ability to deploy capital and act quickly where we have researched good opportunities.

Market Outlook

Centuria has operated for more than 26 years in a variety of market conditions and cycles, during which it has grown under the guidance of Jason, myself and our governing board. Many of our senior executives have been with us for more than 15 years and we are confident that, as a group, we have the experience to maintain a disciplined approach to market disruptions and, just as importantly, the ability to seize on well-priced assets for new funds.

Interest rates are fundamental to most investing regardless of asset class. Rates have continued to rise throughout FY23 but are ultimately expected to abate. Consequently, we believe it is important to take a through-cycle approach to real estate investment which, by its nature, is long term.

Centuria will continue to retain its strong focus on the Australasian real estate sector and, as I outlined, intends to grow its platform in the alternative healthcare, agriculture and non-bank lending sectors which are receiving strong, continued investor demand. In addition, we will continue to leverage our strong distribution network and our institutional relationships to take advantage of both core and value add real estate opportunities across our traditional asset classes.

Looking ahead, we have provided FY23 operating earnings per security guidance of 14.5 cents per security and distribution per security guidance of 11.6 cents per security, the latter reflecting a 5.4% increase on FY22.

Before passing over to Jason, I would like to thank our team across Australia, New Zealand and the Philippines for their unwavering loyalty and dedication. Similarly, we thank the Chairman and Board of Directors across the Group and Responsible Entity boards as well as our external committees whose guidance and support are invaluable to the company's success. I also thank my fellow Joint CEO, Jason Huljich, for his support and leadership of one of Australasia's most successful funds management and real estate teams.

Most of all thank you, our securityholders, for your ongoing confidence and support. We look forward to updating you throughout FY23.

It is now my pleasure to hand over to Jason Huljich.

JOINT CEO'S ADDRESS: JASON HULJICH

Thank you, John.

I am pleased to report that throughout the year, Centuria executed a collective \$4.3 billion worth of gross real estate activity in Australia and New Zealand across our office, industrial, healthcare, agriculture, large format retail, daily needs retail and credit funds. This activity was complemented by our \$2.1 billion development pipeline and a valuation uplift of \$1 billion across the platform.

Centuria's real estate platform has expanded by more than 20% to \$19.8 billion, with unlisted real estate funds increasing 18% to \$13 billion and listed funds growing 24% to \$6.8 billion. Growth was generated by \$2.6 billion of real estate acquisitions together with \$0.5 billion of real estate credit.

Today, the Group manages 419 assets leased to approximately 2,500 tenant customers and average rent collections, total a healthy 98%. During the year, the team leased more than 500,000sqm across an impressive 469 individual deals, representing 12.6% of the Group's total net lettable area.

Collectively, our Australasian platform provides a high average occupancy exceeding 97% and an average Weighted Average Lease Expiry of 6.7 years. The Group's strong occupancy and staggered expiry profiles, provide opportunities to deliver income predictability, as well as capturing rental uplift upon expiry.

Transactions

Centuria has one of the largest transactional teams within Australia, with specialists in each real estate sector. The team achieved considerable success throughout the year, via off-market transactions and select sales campaigns, demonstrating the strength of our industry relationships and the quality of our people.

In FY22 organic transactions took centre stage, totalling 90 properties and 67 real estate loans, which is a record level of activity for the Group. Examples of these transactions include trophy assets in the \$100-\$300 million range such as:

- A super-prime last mile distribution centre in the core Sydney industrial market of Fairfield;
- An A-grade, recently completed metropolitan office building in South Melbourne;
- A New Zealand aged care portfolio incorporating 38 assets; and
- Australia's largest greenhouse in Warragul, Victoria.

Development

In addition to our property acquisitions, our development pipeline also assisted with organic growth – providing modern, sustainable assets for our listed and unlisted funds. In particular, circa \$1 billion of our committed pipeline is focused on new healthcare properties and precincts while around 15% is dedicated to new industrial real estate.

Within Australia, the industrial sector has less than 1% vacancy, resulting in significant rental growth and an opportunity to take advantage on these very tight supply-demand fundamentals. As John mentioned, our development division continues to generate strong recurring development management fees and in some instances, development profits on completion.

Unlisted funds

Across our unlisted platform, we now service more than 12,000 retail, wholesale and institutional investor clients. During FY22 our distribution team raised \$620 million of equity across our new and open-ended funds. More than 32% of our unlisted AUM has no fund expiry review date and 56% have expiry review dates at or beyond five years.

During FY22, we launched a number of unlisted single asset fixed term funds. These included:

- office funds, predominantly leased to Government tenants, such as the Centuria Government Income Property Fund No. 1 and No 2
- bespoke investment opportunities sourced with new JV partners, such as our 50/50 partnership with MA Financial on the 25 Grenfell Street office acquisition, and
- a wholesale retail trust, underpinned by the Northgate Shopping Centre in Geraldton, WA

Our multi asset unlisted fund suite continued to expand, including:

- the Centuria Healthcare Property Fund, which grew to \$568 million
- the Centuria NZ Industrial Fund, which increased to \$588 million
- the Centuria Diversified Property Fund, which merged with Primewest Property Investment Fund, expanding its portfolio to \$260 million;
- the Centuria NZ Healthcare Property Fund, which is underpinned by the \$181 million Heritage-operated aged care portfolio, and
- the Centuria Agriculture Fund, which was seeded with the \$177 million glasshouse estate operated by the Flavorite Group.

Listed Funds

Our listed A-REITs also continued to expand throughout the year. Centuria Office REIT, which has the ticker C.O.F, acquired \$314 million of assets and achieved significant leasing success across more

than 41,000 sqm. COF is a S&P/ASX 300-listed entity and Australia's largest listed pure-play office REIT, with 23 high quality office assets worth \$2.4 billion.

The S&P/ASX 200-listed, Centuria Industrial REIT, which has the ticker C.I.P, is Australia's largest listed pure-play industrial REIT with 88 industrial properties worth \$4.1 billion. During the year, it acquired 23 high quality industrial assets and three developments sites, worth \$765 million. It also leased more than 185,000 sqm.

Institutional Partnerships

During the year, institutional capital investment in Centuria's unlisted platform increased 12% to \$1.9 billion. This includes

- a healthcare joint venture with Morgan Stanley Real Estate Investing
- a joint venture with Blackrock for a Perth prime office building worth \$280 million
- an office mandate worth over \$600 million, and
- a daily needs retail investment mandate of over \$900m with \$600m currently filled.

Conclusion

In summary, diversification of sector, geography and capital is central to Centuria's strategy. We will continue to leverage our geographic diversity, our in-depth market knowledge in favoured sectors and our access to capital to grow assets under management, with a strong focus on earnings growth. We are committed to being a leading Australasian real estate funds manager.

I would like to take this opportunity to thank our Chairman, the Directors of the Group and our Responsible Entity Boards, and my fellow Joint CEO, John McBain. John and I have worked in partnership for the past 26 years and it is an honour to continue to work alongside him.

Last but not least, sincere thanks to you, our securityholders, for the confidence you place in Centuria and your enduring support.

I will now hand back to the Chairman.

-ENDS-