

Market Update

- **Group AUM \$21.1bn¹**
- **\$335m² gross real estate activity**
- **\$500m institutional industrial mandate secured**
- **Opportunities to expand institutional capital sources**
- **Launched Centuria Select Opportunities Fund (AU) and Centuria Private Partners Fund (NZ)**
- **Real estate finance AUM increases to \$1.5bn**

SYDNEY (Thursday, 9 November 2023) – Centuria Capital Group (ASX: CNI or “Centuria”) provides a market update.

At 30 September 2023, Group AUM of \$21.1 billion¹ included \$14.1 billion of unlisted real estate, \$6.2 billion of listed real estate and \$0.8 billion of investment bonds. Gross real estate activity of \$335 million² and divestments of \$146 million were executed over the three months to 30 September 2023. The Group’s unlisted platform benefited from ~\$100 million of capital inflows.

John McBain, Joint CEO, said “We are leveraging the Group’s diversification as we carefully navigate changing global economic conditions. FY24 has commenced with a sharp focus on industrial and alternative real estate funds. The strong performance of our real estate finance division is attracting increased demand across our wholesale network while our growing institutional mandates and partnerships are providing latent capital for a pipeline of high-conviction investment opportunities.”

UNLISTED UPDATE

Centuria secured a new \$500 million institutional mandate on behalf of Starwood Capital, known as the Last Mile Logistics Partnership (LMLP). LMLP was seeded with \$76 million of industrial properties and due diligence is underway to further deploy the mandate’s capital, adding to the Group’s \$6.0 billion industrial platform. Centuria is progressing additional initiatives to expand institutional capital through new and existing relationships.

Strong ongoing real estate credit momentum resulted in \$238 million of growth, lifting AUM in this division to \$1.5 billion (FY23: \$1.3 billion). Centuria Bass Credit is capitalising on growing real estate credit opportunities across mid-markets, with increasing appetite from wholesale investors seeking exposure to the Group’s open-end credit funds and special purpose vehicles.

CNI continues to expand its alternative fund offerings across a deep unlisted distribution network. To capitalise on attractive medium-term market opportunities, the Group has launched the Centuria Select Opportunities Fund (CSOF). CSOF will operate a high conviction, co-investment strategy to access targeted counter-cyclical opportunities across diverse property sectors and debt. This new unlisted wholesale, total return fund is targeting over \$100 million of equity.

Centuria’s NZ business continues to tailor bespoke funds for its distribution channel, with a value-add fund launching soon under the Centuria Private Partners banner. It is intended that there will be a series of total return funds and this initial fund will acquire an asset in College Hill, Auckland, to be repositioned into a high-end storage facility. This closed-ended unlisted wholesale fund will have a two-year initial term and target equity raise of ~\$23 million.

LISTED UPDATE

Centuria Industrial REIT (ASX: CIP) and Centuria Office REIT (ASX: COF) announced solid Q1 FY24 operating updates, reinforcing Centuria’s in-house, active management capabilities.

- CIP’s re-leasing spreads accelerated to 48% (2H23: 37%) across 53,297sqm of leasing with the portfolio recording 98.6% occupancy and a 7.8-year WALE. CIP continues to unlock embedded value across its portfolio with developments totalling 57,300sqm due for practical completion in Q2 FY24.

Centuria Capital Group (CNI) ASX Announcement

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- COF recorded occupancy of 96.7% and a 4.1-year WALE, supported by its continued leasing momentum and exposure to many of Australia's positively performing office markets.
- ~\$100 million of combined divestments were executed and proceeds used to strengthen COF and CIP balance sheets through debt repayment.

Jason Huljich, Joint CEO, said "We are implementing our long-standing strategy of offering compelling listed and unlisted real estate investments to our investor clients. Despite reduced national real estate transaction volumes, our platform is positioned to capitalise on targeted opportunities across multiple capital sources and asset classes. This is evidenced by the new unlisted funds as well as our rapidly growing real estate credit business.

"Demand remains for smaller transactions across real estate markets. Recent divestments from Centuria's REITs add to more than \$250 million of listed divestments in FY23, with pricing achieved at or around book value. This remains particularly relevant to COF and CIP with average asset sizes around \$100 million and \$40 million, respectively, while at the same time having some of the widest weighted average cap rates across comparable listed office and industrial portfolios.

"The scale of our operations throughout Australia and New Zealand provides deep knowledge of market activity, asset pricing trends and the requirements of our tenants. This continues to be evidenced by the high occupancies and healthy WALEs across our platform and further supported by more than 117,000sqm of executed leasing for the three months to 30 September 2023."

CAPITAL MANAGEMENT & SUSTAINABILITY

Lenders remain supportive of our funds and their strategies. The Group continues to work through the early extension of maturing debt facilities across the platform. Centuria benefits from deep relationships with a diverse lender pool of 24 banks, as evident by the pricing outcomes achieved.

CNI's balance sheet is positioned with ample capacity to operate its normal business activities. Improving Group balance sheet flexibility remains an area of focus with further initiatives underway to enhance the Group's capital position and ability to service ongoing growth, including the strongly performing real estate finance division.

Centuria has released its 2023 Sustainability Report with details of its progressing ESG initiatives and ongoing implementation of its sustainability framework across the organisation.

CNI confirms FY24 operating EPS guidance of 11.5-12.0 cents per security and distribution guidance of 10.0 cents per security.

-ENDS-

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Authorised for release by Anna Kovarik, Company Secretary.

About Centuria Capital Group

Centuria Capital Group (CNI) is an ASX-listed specialist investment manager with \$21 billion of assets under management (as at 30 September 2023). 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

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1 Assets under management (AUM) as at 30 September 2023. AUM figures are in Australian dollars (currency exchange ratio of AU\$1.000:NZ\$1.0757 as at 27 September 2023. AUM includes assets exchanged to be settled, cash and other assets and the impact of net revaluations during the period

2 Gross real estate activity for the three months to 30 September 2023 includes unconditional exchange or settlement of \$97m of acquisitions and \$238m of real estate finance transactions