

Q1 FY25 Operating Update

- *c.67,000sqm of lease terms agreed¹ across seven transactions; 54% positive re-leasing spreads during Q1 FY25*
- *\$60m non-core divestments average 5% premium to book value*
- *\$8m land consolidation acquisition adjacent to Australia's largest urban renewal project*
- *Progressed development and refurbishment projects works across VIC and SA*
- *Reaffirmed FY25 FFO² guidance of 17.5 cpu and distribution guidance of 16.3cpu³*

SYDNEY (Tuesday, 29 October 2024) – Centuria Industrial REIT (**ASX: CIP**) is pleased to provide its Q1 FY25 operating update.

Grant Nichols, CIP Fund Manager and Centuria Head of Listed Funds, said, “The first quarter of FY25 has been an active period for CIP across leasing, development and transactions. The strong results achieved reflect the portfolio’s exposure to high-performing urban infill markets, enabling significant rent reversions. Investment desirability for urban infill markets is also evident with select, non-core divestments delivering an average premium to book value, further underpinning CIP’s net tangible assets.”

PROPERTY PORTFOLIO AND LEASING

During Q1 FY25, c.67,000 sqm of lease terms¹ were agreed across seven deals, reflecting 5% of portfolio GLA. Positive re-leasing spreads averaged 54%, reflecting the robust rental growth across Australia’s urban infill industrial markets and the significant under-renting that exists within CIP’s portfolio. Notable leasing executed over the quarter included:

- 92-98 Cosgrove Road, Enfield NSW – renewal of K&S Freighters across their c.11,200sqm tenancy and 13,800sqm of hardstand for a further five-year term.
- 69 Studley Court Derrimut VIC – renewal of Silk Logistics across c.14,300sqm on a five-year term. The asset is jointly owned by CIP and the Centuria Prime Logistics Partnership.

As at 30 September 2024, CIP’s portfolio provides a 7.5-year WALE and 97.2% occupancy.

DEVELOPMENT AND REPOSITIONING PROJECTS

CIP continued to progress its development pipeline across new and refurbished industrial facilities. In particular, the following projects progressed during the period.

- 30 Fulton Drive, Derrimut VIC – commenced a 2,700sqm extension and refurbishment of the existing 10,700sqm warehouse. Works will include additional recessed docks, 35m super-awning and container rated hardstand. ESG initiatives include installation of 100 kw of rooftop solar, electric vehicle charging and battery storage. The refurbishment is anticipated to complete in Q3 FY25.
- 102 Bridge Road, Keysborough VIC – full refurbishment and plant upgrade of an existing 8,650sqm cold storage facility. Works are currently underway with anticipated completion in Q4 FY25.
- 15-19 Caribou Drive, Direk SA – DA was received for a 6,700sqm greenfield development with construction anticipated to commence in Q2 FY25 and expected completion in Q4 FY25. The new development will target a five-star Green Star rating.

There has been active leasing enquiry across these projects and CIP is optimistic of securing commitments ahead of practical completion.

TRANSACTIONS

CIP divested two non-core assets for a combined \$60.3million in Q1 FY25:

- 75–95 and 105 Corio Quay Road, North Geelong VIC – c.21,300sqm regional distribution centre for \$33.6million, broadly in line 30 June 2024 book value. The asset was acquired in 2019 and delivered a c.19% IRR⁴ across the five years of ownership. Settlement is expected in November 2024.

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- 616 Boundary Road, Richlands QLD – c.12,500sqm facility for \$26.7million, providing a 10% premium to 30 June 2024 book value. The asset was acquired in 2018 for \$15.9million and delivered a c.15% IRR⁴ across the six years of ownership. Settlement occurred in October 2024.

Further, the previously disclosed divestment of 54 Sawmill Circuit, Hume ACT settled during the quarter. The property sold for \$28.1million, a c.21% premium to the December 2023 book value.

Sales proceeds will be used to repay debt and improve balance sheet strength.

During the period, CIP secured an off-market c.1,500sqm industrial facility at 876 Lorimer Street, Port Melbourne VIC for \$8million. The acquisition provides a 7.1-year WALE and 100% occupancy. It immediately adjoins CIP's existing asset at 870 Lorimer Street, creating a c.5,000sqm consolidated landholding and aligns with the REIT's strategy of securing urban infill, last-mile industrial facilities in proximity to densely populated areas. This consolidated site is adjacent to Australia's largest urban renewal project, Fishermans Bend, which is expected to house approximately 80,000 residents and provide employment for up to 80,000 people by 2050⁵. The acquisition provides significant future opportunity and optionality for CIP given the neighbouring renewal development.

SUSTAINABILITY

Centuria Capital Group, as the manager of CIP, will release its fourth Sustainability Report in October 2024. The report outlines the Group's sustainability framework and initiatives.

CIP remains committed to its target of Zero Scope 2 emissions with 100% of its portfolio's Scope 2 electricity sourced from the equivalent of 100% renewable electricity by 2028. CIP also targets a five-star Green Star rating for all current and future developments.

FY25 GUIDANCE AND SUMMARY

CIP reaffirms its FY25 FFO guidance² of 17.5 cents per unit (cpu). Distribution guidance³ is also reaffirmed at 16.3cpu, expected to be paid in quarterly instalments.

Mr Nichols concluded, "CIP continues to deliver strong results with robust rental growth providing significant re-leasing spreads while select, non-core disposals have been consistently sold at an average premium to book values. CIP progressed its accretive development pipeline of new-generation industrial facilities and we aim to further bolster this pipeline over time. Australian urban infill industrial property continues to benefit from multiple structural tailwinds and we remain confident that CIP's portfolio will keep delivering a compelling performance."

– 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 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) (ARSN 099 680 252). CPF2L is a wholly owned subsidiary of Centuria Capital Group (CNI). CNI is an ASX-listed specialist investment manager with \$21.1 billion in total assets under management (as at 30 June 2024) and strong offerings across listed real estate investment trusts, unlisted real estate funds and investment bonds.

www.centuria.com.au

Summary Information

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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 Funds From Operations (FFO) is CIP's underlying and recurring earnings from its operations. This is calculated as the statutory net profit adjusted for certain non-cash and other items

³ Guidance remains subject to unforeseen circumstances and material changes in operating conditions

⁴ The internal rate of return (IRR) is the annual rate of return (both rental income and capital growth) that the investment generated throughout the period of ownership

⁵ Fishermans Bend Framework, Victoria State Government