

Centuria Industrial REIT (CIP) ASX Announcement

Centuria

Not for release to U.S. wire services or distribution in the United States

\$171m Cold Storage Industrial Portfolio Acquisition and Equity Raising

- Acquisition of three high-quality, cold store industrial facilities (**the Acquisitions**) worth \$171.1 million¹ on an average initial yield of 5.62%;
- Portfolio is 100% occupied, has a Weighted Average Lease Expiry (WALE) of 6.4 years with assets based in NSW, VIC and QLD;
- CIP will undertake a fully underwritten institutional placement to raise approximately \$125 million (**Placement**) at an issue price of \$3.06; and
- CIP upgrades FY21 FFO guidance to be no less than 17.5 cents per unit and reaffirms FY21 distribution of 17.0 cents per unit.

SYDNEY (Tuesday, 17 November 2020) - Centuria Property Funds No.2 Limited (**CPF2L**), as Responsible Entity of Centuria Industrial REIT (**ASX: CIP**), has announced that CIP has entered contracts for the acquisition of three cold storage industrial facilities for \$171.1million¹, along with a \$125million fully underwritten institutional placement to partially fund the portfolio purchase.

ACQUISITIONS

CIP has entered into agreements to acquire 100% freehold interests in the following properties:

Properties	State	Purchase price (\$m) ¹	Initial yield	Cap rate	GLA (sqm)	WALE (yrs)	Occupancy
67-69 Mandon Road, Girraween	NSW	73.1	5.13%	5.50%	25,418	7.0	100%
45 Fulton Drive, Derrimut	VIC	49.0	5.44%	5.25%	11,068	5.8	100%
60-80 Southlink Street, Parkinson	QLD	49.0	6.53%	5.50%	8,413	6.1	100%
Total / weighted average		171.1	5.62%	5.43%	44,899	6.4	100%

CIP Fund Manager, Jesse Curtis commented: "The east coast, cold storage portfolio acquisition leverages a key growth thematic for CIP in the non-discretionary, food and pharmaceutical distribution and refrigerated logistics industries. These industries are experiencing strong tailwinds underpinned by a rapid increase in online food sales creating favourable supply and demand dynamics.

"The three assets are strategically located in core industrial markets of Sydney, Melbourne and Brisbane, with excellent connectivity to distribution networks. They provide secure income streams supported by leading national and international operators."

Following the transaction, CIP's portfolio will increase to 59 high-quality assets worth \$2.3billion with occupancy of 96.8% and a 9.7-year WALE. The acquisition reaffirms CIP's position as Australia's largest listed pure-play industrial and logistics portfolio.

The Girraween asset and the Derrimut and Parkinson assets are expected to settle by early December 2020.

PLACEMENT

To partially fund the Acquisitions, CIP is undertaking a fully underwritten institutional placement to raise approximately \$125 million.

Centuria Industrial REIT (CIP) ASX Announcement

Centuria

The Issue Price of \$3.06 per unit represents a:

- 2.9% discount to last close price of \$3.15 per unit on 16 November 2020;
- 3.3% discount to the 5 day VWAP of \$3.17 per unit on 16 November 2020; and
- 5.7% FY21 FFO yield and 5.6% FY21 distribution yield².

New units issued under the Placement will rank equally with existing CIP units from the date of issue and will be entitled to the distribution for the quarter ending 31 December 2020.

The Placement is fully underwritten by J.P. Morgan Securities Australia Limited and Moelis Australia Advisory Pty Ltd (Underwriters).

To fund the balance of the Acquisitions and associated costs, CIP is drawing down \$58.7m from its existing debt facility.

FINANCIAL IMPACT

- Acquisitions and Placement anticipated to be accretive to CIP's FY21 FFO per unit³;
- CIP upgrades FFO guidance to be no less than 17.5 cents per unit; and
- CIP reaffirms DPU of 17.0 cents per unit.

Pro forma gearing is forecast to be 31.4% following completion of the Acquisitions and Placement, providing capacity to pursue future on-strategy acquisitions.^{4,5}

Pro forma NTA per unit is \$2.81 per unit.⁵

KEY DATES

Key event	Date
Trading halt and announcement of the Acquisitions and Equity Raising	Tuesday, 17 November 2020
Placement bookbuild	Tuesday, 17 November 2020
Trading recommences	Wednesday, 18 November 2020
Settlement of units issued under the Placement	Friday, 20 November 2020
Issue and quotation of units under the Placement	Monday, 23 November 2020

All dates and times are indicative only and subject to change at the discretion of CPF2L with the prior written consent of the Underwriters. All dates and times are references to Australian Eastern Daylight Time (AEDT). Any changes to the timetable will be posted on Centuria's website at www.centuria.com.au.

ADDITIONAL INFORMATION

Additional information about the Acquisitions and the Equity Raising, including key risks, is contained in the CIP investor presentation released to the ASX today. All dollar amounts are in Australian dollars unless otherwise indicated.

– 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

Corporate Communications
Centuria Capital Limited
Phone: 02 8923 8923
Email: alexandra.koolman@centuria.com.au

Centuria Industrial REIT (CIP)

ASX Announcement

Centuria

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). CPF2L, is a wholly owned subsidiary of Centuria Capital Group (CNI). CNI is an ASX-listed specialist investment manager with \$10.0⁶ billion in total assets under management 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.

Not for release to U.S. wire services or distribution in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

¹ Excluding costs.

² Based on FY21 FFO per unit of 17.5 cents and FY21 distribution per unit of 17.0 cents.

³ Inclusive of the October 2020 Ormeau acquisition.

⁴ Gearing is defined as total borrowings less cash divided by total assets less cash and goodwill.

⁵ Pro forma as at 30 June 2020, adjusted for the impact of the Acquisitions, Placement and other post-balance date adjustments and acquisitions.

Refer to Appendix A of the associated investor presentation released to ASX for further detail.

⁶ Includes CIP's announced acquisitions and Asset Plus's 6-8 Munroe Lane, Albany, Auckland asset.