

Strategic Acquisitions and Capital Raising

29 June 2017



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SECTION 1: TRANSACTION OVERVIEW

Transaction Overview

- Centuria Property Funds No. 2 Limited (**CPF2L**), as Responsible Entity of the Centuria Industrial REIT (**CIP** or the **Trust**) today announced that it has:
 - entered into an agreement for the acquisition of 207-219 Browns Road, Noble Park in VIC (**Noble Park Property**); and
 - is in exclusive due diligence and advanced negotiations for the acquisition of Sudlow Road, Bibra Lake in WA¹ (**Bibra Lake Property**).
- The total consideration for the acquisition of the Noble Park Property and the proposed acquisition of the Bibra Lake Property is \$65.0 million² which is comprised as follows:
 - \$37.0 million for the Noble Park Property which has a total lettable area of 43,331sqm and adjoins an existing asset owned by the Trust at 500 Princes Hwy, Noble Park
 - \$28.0 million³ for the Bibra Lake Property which is a 39,485sqm property that adjoins an existing asset owned by the Trust at 310 Spearwood Avenue, Bibra Lake
- Settlement will be on a deferred basis and is expected to be on or around 1 August for the Noble Park Property and 29 September for the Bibra Lake Property⁴ with the acquisitions to be funded via:
 - a fully underwritten \$35.0 million institutional placement (**Placement**) including a \$25.0 million investment by the Lederer Group; and
 - existing debt facilities for the balance
- Following completion of the Placement, CPF2L will offer a non-underwritten Unitholder Purchase Plan (**UPP**) to raise up to \$7.5 million^{5,6}. The proceeds raised under the UPP will be utilised to reduce debt
- The acquisition of the Noble Park Property and the acquisition of the Bibra Lake Property (assuming a binding agreement is entered into) are expected to be immediately earnings accretive from settlement
- CPF2L also announced the activation of CIP's distribution reinvestment plan (**DRP**) for the September 2017 quarter distribution as part of the Trust's capital management strategy

1. A binding agreement has not yet been entered into

2. Excludes acquisition costs

3. Purchase price is subject to execution of a binding agreement

4. Assuming a binding agreement is entered into

5. UPP to eligible CIP unitholders in Australia and New Zealand

6. CPF2L may (in its absolute discretion) in a situation where total demand exceeds \$7.5 million, decide to increase the amount to be raised under the UPP to reduce or eliminate the need for scaleback

Transaction Rationale

- **207-219 Browns Road, Noble Park, VIC:**

- The property adjoins an existing asset owned by the Trust at 500 Princes Highway, Noble Park
 - This 5.8ha property, when combined with the existing 4.0ha property on Princes Highway, consolidates a long-term strategic land holding in an infill location
- The property presents a unique opportunity to purchase scarcely traded “Unit Estate” industrial product with a diverse tenancy mixture
- At a purchase price of \$37.0 million¹, the 43,331sqm property will deliver an attractive initial yield of 7.0%, with a WALE² of 8.9 years and growth underpinned by average annual fixed rental increases >3.8%

- **Sudlow Road, Bibra Lake, WA:**

- The property adjoins an existing asset owned by the Trust at 310 Spearwood Ave, Bibra Lake, with the sole tenant, Australian Wool Handlers (**AWH**), occupying 100% of the Sudlow Road asset and 44,296sqm (74%) of the Spearwood Ave asset
- Acquisition of the property would allow the Trust to extend its existing relationship with AWH
- At a purchase price of \$28.0 million³ the property would deliver an attractive initial yield of 12.5% with an 8.5% cap rate and WALE² of 2.7 years on settlement⁴
- The acquisition is consistent with the Trust’s strategy to acquire assets in infill locations underpinned by underlying land value
 - The property is land rich at 9.1ha with the purchase price reflecting a rate of \$308 per sqm on land area

1. Purchase price excludes acquisition costs
 2. Weighted Average Lease Expiry by Gross Lettable Area
 3. Purchase price is subject to execution of a binding agreement
 4. Assuming a binding agreement is entered into

Transaction Highlights

✓	Opportunity to acquire quality assets which complement and enhance the strategic value of the existing portfolio at an attractive price
✓	9.4% initial yield and 7.6% cap rate on acquired assets on a weighted average basis¹
✓	Acquisitions are 100% occupied and will increase the portfolio WALE² from 4.3 years to 4.5 years¹
✓	Earnings accretive from settlement
✓	Both transactions originated off-market demonstrating Centuria's industrial transaction capability

1. Subject to execution of a binding agreement for the Bibra Lake Property
2. Weighted Average Lease Expiry by Gross Lettable Area

SECTION 2: ASSET OVERVIEW

207-219 Browns Road, Noble Park

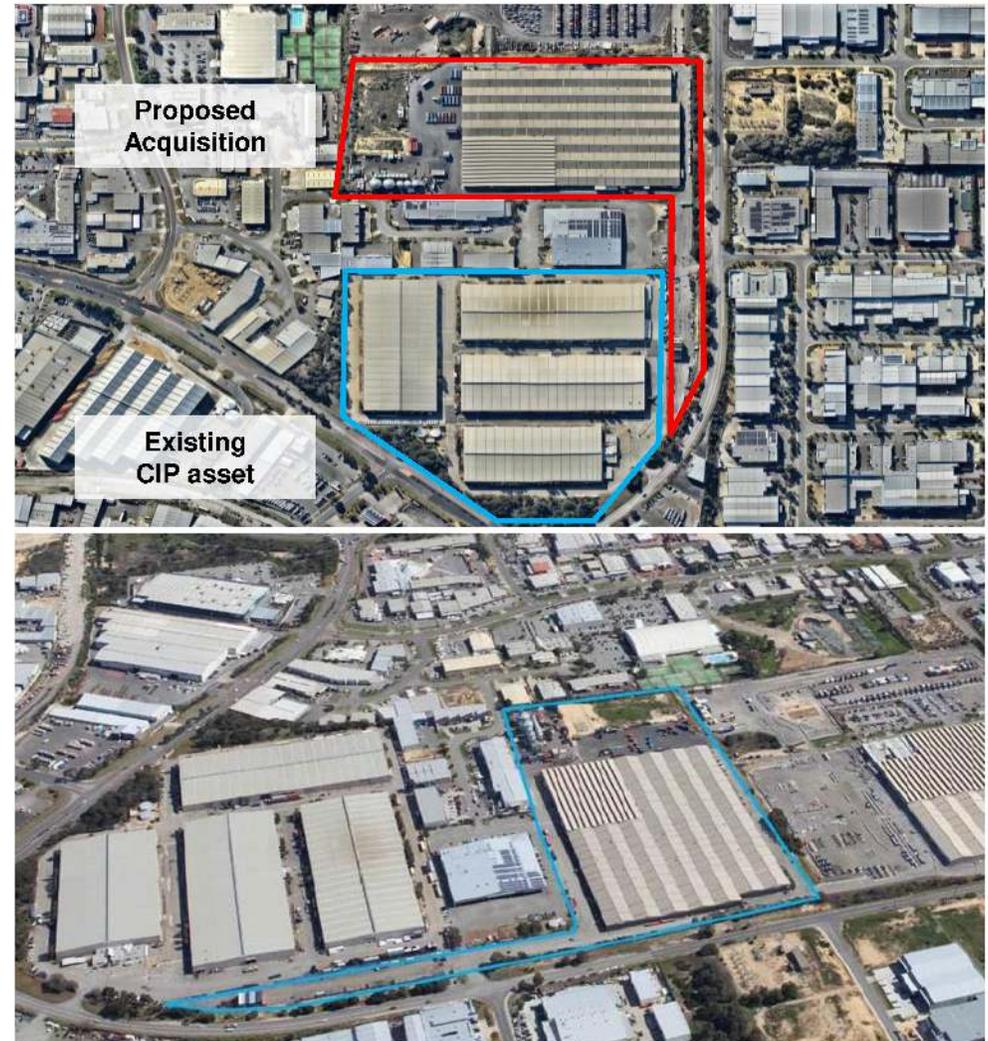
Property details	
Address	207-219 Browns Road, Noble Park, VIC
Built / Redeveloped	1970's/2014
Site area	58,140sqm
Title	Freehold
GLA	43,331sqm
Occupancy	100%
Number of tenants	4
Major Tenants (by GLA)	E&S Trading (68%) ¹ , Patron Wine Distribution (21%)
WALE	8.9 years (by Gross Lettable Area)
Acquisition metrics	
Purchase price	\$37.0 million ²
Capitalisation rate	7.0%
Initial yield	7.0%
Acquisition price per sqm	\$854

1. E&S Trading will be occupying 68% of GLA from March 2018, currently they occupy 31% of GLA
2. Purchase Price excludes acquisition costs



Sudlow Road, Bibra Lake, WA

Property details	
Address	Lot 14, Sudlow Road, Bibra Lake, WA
Built	1970's
Site area	9.1ha
Title	Freehold
GLA	39,485sqm
Occupancy	100%
Number of tenants	1
Tenant	Australian Wool Handlers (AWH)
WALE	2.7 years (by Gross Lettable Area)
Acquisition metrics	
Purchase price	\$28.0 million ¹
Capitalisation rate	8.5%
Initial yield	12.5%
Acquisition price per sqm	\$709

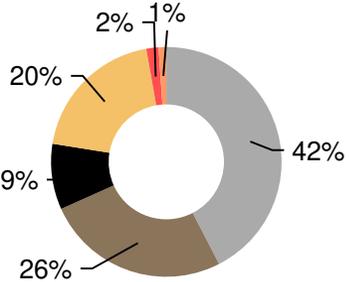
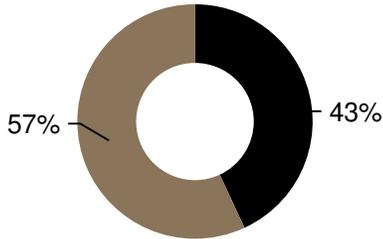
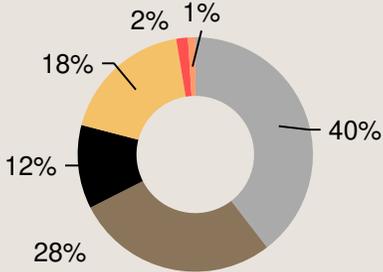


1. Purchase price is subject to execution of a binding agreement and excludes acquisition costs

SECTION 3:

PORTFOLIO METRICS

Portfolio Overview

	CIP Standalone ¹	Acquisitions ²	Pro forma ²
# of properties	36	2	38
Portfolio valuation	\$891.9 million	\$65.0 million	\$956.9 million
WACR³	7.39%	7.64%	7.41%
GLA⁴ (sqm)	675,128	82,816	757,944
Occupancy (by GLA)	94.9%	100.0%	95.5%
WALE⁵ (years)	4.3	6.0 ⁶	4.5
Geographic Distribution	 <p>■ NSW ■ VIC ■ WA ■ QLD ■ ACT ■ SA</p>	 <p>■ WA ■ VIC</p>	 <p>■ NSW ■ VIC ■ WA ■ QLD ■ ACT ■ SA</p>

1. As at 31 December 2016 with pro forma adjustments to reflect the sale of 60 Marple Avenue, Villawood which settled on 17 February 2017

2. Subject to entry into a binding agreement for the Bibra Lake Property

3. Weighted Average Capitalisation Rate

4. Gross Lettable Area

5. Weighted Average Lease Expiry by Gross Lettable Area

6. As at expected settlement date being 1 August 2017 for the Noble Park Property acquisition and 29 September 2017 for the Bibra Lake Property acquisition assuming a binding agreement is entered into

Property Summary

Pro forma portfolio metrics ¹	State	Valuation (\$m)	Capitalisation Rate	GLA ² (sqm)	WALE (by GLA)	Occupancy (by GLA)
2 Woolworths Way, Warnervale	NSW	80.9	7.25%	54,533	4.6	100.0%
457 Waterloo Road, Chullora	NSW	26.0	6.75%	16,051	11.2	100.0%
37-51 Scrivener St, Warwick Farm	NSW	26.3	8.00%	27,599	1.5	100.0%
8 Penelope Crescent, Arndell Park	NSW	15.5	7.50%	11,420	0.3	100.0%
52-74 Quarry Road, Erskine Park	NSW	15.3	6.75%	8,867	3.9	100.0%
92-98 Cosgrove Road, Enfield	NSW	37.6	7.50%	33,863	3.8	100.0%
12 Williamson Road, Ingleburn	NSW	34.2	7.25%	25,666	6.7	100.0%
10 Williamson Road, Ingleburn	NSW	36.5	7.50%	27,260	2.6	100.0%
74-94 Newton Road, Wetherill Park	NSW	24.2	6.75%	16,962	3.5	74.8%
6 Macdonald Road, Ingleburn	NSW	17.9	7.25%	12,375	1.7	100.0%
30 Clay Place, Eastern Creek	NSW	16.3	6.50%	6,012	8.9	100.0%
75 Owen Street, Glendenning	NSW	7.8	6.75%	4,600	2.0	100.0%
29 Glendenning Road, Glendenning	NSW	40.0	6.50%	21,298	11.9	100.0%
102-128 Bridge Road, Keysborough	VIC	30.6	7.75%	24,614	1.9	100.0%
6 Albert Street, Preston	VIC	25.4	7.75%	20,532	3.0	94.9%
14-17 Dansu Court, Hallam	VIC	17.6	7.50%	17,070	2.3	100.0%
12-13 Dansu Court, Hallam	VIC	14.3	7.50%	11,541	0.9	95.1%
500 Princes Highway, Noble Park	VIC	20.3	8.00%	13,794	1.8	70.4%
39-45 Wedgewood Road, Hallam	VIC	9.3	7.75%	10,631	0.2	100.0%
24-32 Stanley Drive, Somerton	VIC	27.4	7.50%	24,350	1.5	100.0%
9 Fellowes Court, Tullamarine	VIC	4.2	7.25%	4,072	3.0	100.0%
324-332 Frankston-Dandenong Road, Dandenong South	VIC	27.1	7.50%	28,316	4.0	61.8%

1. As at 31 December 2016 with pro forma adjustments to reflect the sale of 60 Marple Avenue, Villawood

2. Gross Lettable Area

Property Summary (cont.)

Pro forma portfolio metrics ¹	State	Valuation (\$m)	Capitalisation Rate	GLA ² (sqm)	WALE (by GLA)	Occupancy (by GLA)
49 Temple Drive, Thomastown	VIC	13.0	8.00%	13,438	-	0.0%
2 Keon Parade, Keon Park	VIC	20.8	7.00%	19,527	13.6	100.0%
69 Studley Court, Derrimut	VIC	20.6	7.25%	14,365	3.1	100.0%
310 Spearwood Avenue, Bibra Lake	WA	48.5	8.00%	59,508	2.0	100.0%
23 Selkis Road, Bibra Lake	WA	17.7	8.00%	18,235	5.5	100.0%
99 Quill Way, Henderson	WA	16.3	8.25%	16,419	1.2	100.0%
136 Zillmere Road, Boondall	QLD	28.3	7.25%	16,053	6.7	100.0%
69 Rivergate Place, Murarrie	QLD	29.5	6.50%	11,522	6.4	100.0%
33-37 Mica Street, Carole Park	QLD	26.8	7.50%	18,613	12.7	100.0%
21 Jay Street, Townsville	QLD	10.8	8.00%	4,726	8.5	100.0%
22 Hawkins Crescent, Bundamba	QLD	43.5	7.25%	18,956	7.9	100.0%
1 Ashburn Road, Bundamba	QLD	36.6	7.75%	26,628	3.1	100.0%
54 Sawmill Circuit, Hume	ACT	15.3	7.25%	8,689	5.2	100.0%
9-13 Caribou Drive, Direk	SA	9.6	8.50%	7,023	2.2	100.0%
TOTAL (pre acquisitions)	-	891.9	7.39%	675,128	4.3	94.9%
207-219 Browns Road, Noble Park	VIC	37.0	7.00%	43,331	8.9 ³	100.0%
Sudlow Road, Bibra Lake	WA	28.0 ⁴	8.50%	39,485	2.7 ⁵	100.0%
TOTAL (post acquisitions)	-	956.9	7.41%	757,944	4.5	95.5%

1. As at 31 December 2016 with pro forma adjustments to reflect the sale of 60 Marple Avenue, Villawood

2. Gross Lettable Area

3. As at expected settlement date for acquisition of Noble Park Property being 1 August 2017

4. Purchase price is subject to execution of a binding agreement

5. As at expected settlement date for acquisition of Bibra Lake Property being 29 September 2017 assuming a binding agreement is entered into

SECTION 4: CAPITAL RAISING

Details of the Offer

Placement	<ul style="list-style-type: none"> ▪ Fully underwritten institutional placement (Placement) to raise approximately \$35 million including a \$25 million investment by the Lederer Group ▪ Offer price of \$2.45 per unit which represents: <ul style="list-style-type: none"> — 2.1% discount to the distribution-adjusted last traded price of \$2.5015 per unit¹ — 2.9% discount to the distribution-adjusted 5 day VWAP of \$2.5226 per unit¹
UPP	<ul style="list-style-type: none"> ▪ Following the completion of the Placement, CPF2L will offer eligible CIP unitholders in Australia and New Zealand as at the record date of 7.00pm Wednesday 28 June 2017 the right to participate in a Unit Purchase Plan (UPP) ▪ Eligible unitholders will be invited to subscribe for up to a maximum of \$15,000 for additional units² at the same offer price as the Placement being \$2.45 per unit ▪ The UPP will be subject to a cap of \$7.5 million³
Ranking	<ul style="list-style-type: none"> ▪ New units issued under the Placement and UPP will rank equally with existing units from the date of issue ▪ However, the new units will be issued after the record date for CIP's quarterly distribution for June 2017 and as such will not be entitled to the June 2017 quarter distribution amount of 4.85 cents per unit
Underwriting	<ul style="list-style-type: none"> ▪ Moelis Australia Advisory Pty. Ltd. is fully underwriting the Placement⁴ and is acting as sole lead manager and bookrunner ▪ The UPP is not underwritten

1. The June 2017 quarter distribution of 4.85 cents per unit has been deducted from the last trading price of \$2.55 per unit and 5 day VWAP of \$2.5711 per unit

2. Subject to scaleback

3. CPF2L may (in its absolute discretion) in a situation where total demand exceeds \$7.5 million, decide to increase the amount to be raised under the UPP to reduce or eliminate the need for scaleback

4. CPF2L has entered into an underwriting agreement with Moelis on customary terms (including termination events)

Sources and Uses of Funds

Sources and Uses of Funds

Sources	Total (\$ million)	Uses	Total (\$ million)
Placement	35.0	Acquisitions	65.0
Debt	34.2	Transaction costs	4.2 ¹
Total	69.2	Total	69.2

Asset acquisition details

Sudlow Road, Bibra Lake

Purchase price (\$ million)	28.0 ³
Passing yield	12.5%
Settlement date	29 Sep 2017

207-219 Browns Road, Noble Park

Purchase price (\$ million)	37.0 ⁴
Passing yield	7.0%
Settlement date	1 Aug 17

Commentary

- Any proceeds raised under the non-underwritten UPP, which is capped at \$7.5 million², will be utilised to reduce debt

1. Transaction costs include stamp duty and offer costs

2. CPF2L may (in its absolute discretion) in a situation where total demand exceeds \$7.5 million, decide to increase the amount to be raised under the UPP to reduce or eliminate the need for scaleback

3. Purchase price subject to execution of a binding agreement and excludes acquisition costs

4. Purchase price excludes acquisition costs

Pro Forma 31 December 2016 Balance Sheet

Pro Forma 31 December 2016 Balance Sheet (\$ million)

	31 Dec 16 Actual	Sale of 60 Marple Ave ¹	Refinancing ²	31 Dec 16 Adjusted	Acquisitions & Offer ³	Pro Forma
Assets						
Cash and cash equivalents	5.0	-	-	5.0	-	5.0
Investment properties	891.9	-	-	891.9	65.0	956.9
Other assets	32.8	(20.0)	-	12.8	-	12.8
Total Assets	929.7	(20.0)	-	909.7	65.0	974.7
Liabilities						
Trade and other payables	6.2	-	-	6.2	-	6.2
Borrowings	396.6	(20.0)	6.5	383.0	34.2	417.3
Other liabilities	16.9	-	(5.5)	11.4	-	11.4
Total Liabilities	419.6	(20.0)	1.0	400.6	34.2	434.9
Net Assets	510.1	-	(1.0)	509.1	30.8	539.8
Units on issue (m)	212.0			212.0	14.3	226.2
NTA (\$ per unit)	2.36			2.35		2.34
Gearing (ND/TTA)	42.8%			42.3%		43.0%

1. Reflects the sale of 60 Marple Avenue, Villawood which settled on 17 February 2017

2. Reflects the termination of the marked to market position of interest rate swaps on refinancing of CIP's debt facilities

3. Assumes execution of a binding agreement for the Bibra Lake Property. Excludes the potential impact of the non-underwritten UPP

Commentary

- Assumes transaction consideration of \$69.2 million (including acquisition and transaction costs) is funded with \$34.2 million debt per the sources and uses on the previous slide
- Results in a slight increase in gearing (+0.2%) versus 31 December 2016 after allowing for other pro forma adjustments post balance date including the sale of 60 Marple Avenue, Villawood and recent debt refinancing
 - Any proceeds raised under the non-underwritten UPP, which is capped at \$7.5 million, will be utilised to reduce debt (and therefore CIP's gearing)
 - CPF2L will continue to pursue various capital management initiatives to reduce gearing back below 40% over the medium term including the activation of the DRP for the September 2017 quarter distribution

Indicative Timetable

Event ¹	Date
Record date for UPP	7.00pm Wednesday, 28 June 2017
June 2017 quarter distribution ex-date	Thursday, 29 June 2017
Trading halt and announcement of Placement and UPP	Before market on Thursday, 29 June 2017
Trading halt lifted and recommencement of trading	Before market on Friday, 30 June 2017
June 2017 quarter distribution record date	Friday, 30 June 2017
Settlement of units under the Placement	Wednesday, 5 July 2017
Issue of Placement units and commencement of trading on ASX	Thursday, 6 July 2017
Expected dispatch of UPP offer booklet to eligible unitholders	Wednesday, 19 July 2017
Expected UPP offer opening date	9.00am Wednesday, 19 July 2017
Expected UPP offer closing date	5.00pm Wednesday, 9 August 2017
Expected issue of UPP units	Monday, 14 August 2017
Expected commencement of trading of UPP units on ASX	Tuesday, 15 August 2017

1. All dates and times are indicative only and subject to change at the discretion of the Responsible Entity. All dates and times are references to Australian Eastern Standard Time

SECTION 5:

KEY RISKS

Key Risks

- As with all investments, an investment in CIP will be subject to risks, many of which are outside the control of CPF2L as the Responsible Entity. If they eventuate, these risks may adversely affect the value and the return of an investment in CIP
- It is the Responsible Entity's current opinion that the following are some of the key risks of an investment in CIP. The list of risks discussed below is not exhaustive
- As well as considering the risks below, investors should also consider how an investment in CIP fits into their overall investment portfolio

Key Risks (cont.)

Property investment risks

- **Bibra Lake Property:** The financial information provided in this presentation assumes the entry into a binding agreement for the purchase of the Bibra Lake Property. If the Trust does not acquire the Bibra Lake Property the financial information is likely to differ from what has been included in this presentation
- **Property values:** The ongoing value of a property is influenced by changes in property market conditions including supply, demand, capitalisation rates and rentals. There is no guarantee that a property will achieve a capital gain on its sale or that the value of the property will not fall as a result of the assumptions on which the relevant valuations are based proving to be incorrect
- **Property revenue:** Distributions in respect of CIP are largely dependent upon the rents received in connection with the Properties and tenants paying rent in accordance with their lease terms. There is a risk that tenants may default on the terms of their lease or that CIP does not provide agreed minimum service standards, either of which could result in a reduction in rental income for CIP and additional expenses associated with re-leasing the tenancy or enforcement action. Vacancy periods may have an adverse impact on CIP's net income and distributions, a property's capital value and potentially CIP's NTA per unit and trading price per unit. This risk is reduced by CIP having over 40 tenants across the portfolio and no single tenant comprising more than 10% of income
- **Property liquidity:** If it becomes necessary for CIP to dispose of property assets (for example, to reduce CIP's loan to value ratio (**LVR**)) there is a risk that CIP may not be able to realise sufficient property assets in a timely manner or at an optimal sale price. This may adversely affect CIP's NTA per unit or trading price per unit
- **Capital expenditure:** There is a risk that capital expenditure could exceed expectations, resulting in increased funding costs and potentially lower distributions
- **Natural phenomena (including flooding, terrorist attacks or force majeure events):** There is a risk that natural phenomena may affect a property. There are certain events for which insurance cover is not available or for which CIP does not have cover. If CIP is affected by an event for which it has no insurance cover, this would result in a loss of capital and a reduction to CIP's NTA and investor returns. This could also result in an increase in insurance premiums applicable to other areas of cover
- **Property contamination:** Property income, distributions or property valuations could be adversely affected by discovery of an environmental contamination or incorrect assessment of costs associated with an environmental contamination or with property preservation. This risk may occur irrespective of whether the contamination was caused by CIP or prior owners
- **Leasing risk:** It may not be possible to negotiate lease renewals or maintain existing lease terms, which may also adversely impact the Fund's net income and asset values. The ability to lease or re-lease tenancies upon expiry of the current lease, and the rent achievable, will depend on the prevailing market conditions at the relevant time and these may be affected by economic, competitive or other factors

Key Risks (cont.)

CIP investment risks

- **Trading price of units:** The market price of units will fluctuate due to numerous factors including general movements in interest rates, the Australian and international general investment markets, economic conditions, global geo-political events and hostilities, investor perceptions and other factors that may affect CIP's financial performance and position. The price of the units also fluctuates due to changes in the market rating of the units relative to other listed and unlisted securities, other investment options such as debentures or interest bearing deposits and investor sentiment towards CIP. There can be no guarantee that liquidity will be maintained and the number of potential buyers or sellers of the units on the ASX at any given time may vary. This may increase the volatility of the market price of the units and therefore affect the market price at which unitholders are able to buy or sell units. Unitholders who wish to sell their units may be unable to do so at a price acceptable to them. The market price of units could trade on the ASX at a discount to NTA per unit
- **Refinancing risk and LVR:** CIP's ability to raise funds, including both debt and equity, on favourable terms (including fees and the interest rate margin payable) for future refinancing, capital expenditure, or acquisitions depends on a number of factors including general economic conditions, political, capital and credit market conditions prevailing in the future and the reputation, performance and financial strength of CIP. Any change in these factors could increase the cost of funding, or reduce the availability of funding, as well as increase CIP's refinancing risk for maturing debt facilities. CIP's ability to refinance its debt facilities as they fall due will depend upon market conditions prevailing at the time, the performance of CIP's assets and the financial position of CIP's tenants. If the debt facilities are not refinanced, or need to be repaid it is possible that CIP will need to realise assets for less than their fair value, which would impact CIP's NTA per unit. CIP is a geared investment product. The level of CIP's LVR will magnify the effect of any movements in the value of the property portfolio
- **Ranking:** If CIP is wound-up, unitholders will rank behind secured and unsecured creditors of CIP. On a winding-up of CIP, there is a risk that unitholders will receive less than NTA per unit
- **Breach of debt covenants:** As at the date of this presentation, CIP is in compliance with all covenants under its debt facilities. CIP's debt covenants have income and asset value tests and falling asset values, declining rental income or other unforeseen circumstances may cause covenants under CIP's debt facilities to be breached. A breach of a debt facility covenant may result in a debt financier enforcing its security over the relevant assets. The financier may require repayment of the facility, possibly prior to its expected expiry. This could result in an early sale of a property at a less than optimal sale price, for instance, in a depressed market; with additional equity being required; or with distributions being reduced or suspended to repay the borrowings

Key Risks (cont.)

CIP investment risks (cont.)

- **Interest rates:** There is a risk that a debt facility or an interest rate hedge (i.e. fixing the interest rate) may not be available on the same terms upon extension or refinancing, or when new finance or hedging strategies are sought. There is also a risk that interest rates may increase, however CIP will enter into interest rate swap contracts to hedge the majority of CIP's drawn debt balance. These risks may have a material, adverse impact on CIP's activities, financial position and distributions in the future
- **Conflicts of interest:** CIP may be affected by certain inherent conflicts of interest. Despite adhering to best corporate governance practises there is a risk that these conflicts may not be managed appropriately
- **Responsible Entity risk:** By investing in CIP, investment decisions are delegated to the Responsible Entity. The performance of CIP is affected by the performance of the Responsible Entity and that of the external service providers engaged by the Responsible Entity and is therefore not assured
- **Dilution:** Future capital raisings and equity-funded acquisitions by CIP may dilute the holdings of unitholders. In the normal course of managing CIP the Responsible Entity seeks to increase distribution income to unitholders and to provide the potential for capital growth. In order to provide this growth, capital raisings may be undertaken to acquire property investments. If considered essential, a capital raising may need to be undertaken to reduce debt in order that CIP remain compliant with its debt covenants, and the raising may have a material adverse effect on CIP's financial performance, distributions, growth prospects and unit price
- **Distributions may vary:** The ability of CIP to pay quarterly distributions is dependent upon CIP having sufficient cash resources and distributable income. The level of income derived by CIP from year to year may be adversely affected by default in payment of rent by any of the lessees of the Properties or variances in the costs of operating CIP may affect the level of income available for distribution as well as the timing of distributions
- **Taxation treatment of units may change:** Investors should be aware that changes in Australian taxation law (including changes in interpretation or application of the law by the courts or taxation authorities in Australia) may materially affect the taxation treatment of an investment in units, the holding or disposal of units or the treatment of distributions and the financial performance, financial position, cash flows, distributions, growth prospects and the quoted price of units
- **Funding risk:** CPF2L has entered into an Underwriting Agreement under which Moelis (**Underwriter**) has agreed to fully underwrite the Placement, subject to the terms and conditions of the Underwriting Agreement. If certain conditions are not satisfied or certain events occur, the Underwriter may terminate the Underwriting Agreement. For example, the Underwriter can terminate the Underwriting Agreement if the Placement is not conducted in accordance with the agreed timetable or if there is a material adverse change to the business, financial position or prospects of CIP from that disclosed to the ASX prior to the date of the Underwriting Agreement. The ability of the Underwriter to terminate the Underwriting Agreement in respect of some events will depend on whether the event has or is likely to have a material adverse effect on the success, marketing or settlement of the Placement, the likely price at which Placement units will trade on ASX or where they may give rise to liability for the Underwriter or give rise to a contravention by the Underwrite of any applicable laws

Key Risks (cont.)

<p>Transaction risks</p>	<ul style="list-style-type: none"> • Due diligence: It is possible that the due diligence undertaken to date in connection with the proposed acquisitions has not revealed issues that will later have a materially adverse impact on the expected benefits to CIP. For example, if such due diligence has failed to reveal required capital expenditure, that required capital expenditure could reduce the future returns • Completion: The completion of the acquisitions is subject to exchange of a binding agreement with the vendor of the Bibra Lake Property and conditional on parties fulfilling their obligations under that proposed contract. The contract relating to the acquisition of the Noble Park Property is conditional on parties fulfilling their obligations under that contract. Any failure by a party to satisfy its obligations under, or any legal action commenced to injunct performance of, any such contract may adversely affect CIP's ability to complete the acquisitions as proposed
<p>General investment risks</p>	<ul style="list-style-type: none"> • Economy and market conditions: There is the risk that changes in economic and market conditions may affect asset returns and values and may decrease the unit price. The overall performance of units may be affected by changing economic or property market conditions. These may include movements in interest rates, exchange rates, securities markets, inflation, consumer spending, employment and the performance of individual local, state, national and international economies • Insurance: Any losses incurred due to uninsured risks may adversely affect CIP. Increases in insurance premiums may also affect the performance of CIP. Insurance premium increases could occur if CIP claims under any insurance policy for significant losses in respect of a property. Any failure of any insurer may adversely affect CIP's ability to make claims under its insurance. All insurance policies have a minimum excess • Litigation: In the ordinary course of operations, CIP or the Responsible Entity may be involved in disputes and possible litigation. These include tenancy disputes, environmental and occupational health and safety claims, industrial disputes, native title claims, and any legal claims or third party losses. It is possible that a material or costly dispute or litigation could affect the value of the assets or expected income of CIP • Legal and regulatory matters: There is the risk that changes in any law, regulation or Government policy affecting CIP's operations (which may or may not have a retrospective effect) will have an effect on the property portfolio and/or CIP's performance. This may include changes to taxation regimes • Forward looking statements: There can be no guarantee that the assumptions and contingencies on which the forward looking statements, opinions and estimates are based will ultimately prove to be valid or accurate. The forward looking statements, opinions and estimates depend on various factors, many of which are outside the control of the Responsible Entity

SECTION 6: APPENDICES

Overview of Centuria Capital Group

> Centuria is one of Australia's leading property fund managers, with four key differentiating factors

(1) Established & Successful Track Record

19 years

Centuria has been successfully managed through multiple property cycles

13.2%

Average investor total return p.a.¹

(3) Diversified Product Offering

- > ~A\$3.8 billion AUM, 69 assets
- > 17 unlisted property funds including 17 assets
- > 2 ASX-listed REIT including 52 assets

(2) End-to-End Internal Property Capability



(4) Strong Alignment of Interests

- > Centuria has significant co-investments in its listed funds business
 - Largest investor in CMA and CIP

1. Centuria calculation of the average of returns across all funds managed to completion and (all real estate assets sold and debt repaid) by Centuria Property Funds since 1998 and includes capital gains as well as distributions paid during the life of the completed funds shown on a per annum basis

CPF2L Board of Directors biographies



Peter Done
Chairman (Non-Executive Director)

- Peter was appointed to the Board of CPF2L as Independent Chairman in 2017; Peter is also the Independent Chairman of Centuria Property Funds Limited (CPFL); Previously Partner at KPMG for over 28 years; Peter is a Fellow of the Institute of Chartered Accountants Australia



Darren Collins
Independent Non-Executive Director

- Darren was appointed to the Board of CPF2L in 2017; also Non-Executive Director of CPFL; Darren has extensive experience in accounting, audit, financial management, corporate governance and regulation; Previously Vice President of Finance and Administration at Computer Sciences Corporation for over 16 years, working as lead financial executive for businesses operating in Asia, Australia and the United States of America



Matthew Hardy
Independent Non-Executive Director

- Matthew was appointed to the Board of CPF2L in 2017; Currently founding Director of Conari Partners and Non-Executive Director of CPFL; Previously Head of Property Barclays Global Investors, Director of Property Investments for Mirvac Funds Limited, and Non-Executive Director of Mirvac Funds Management; Matthew is a member of the Royal Institution of Chartered Surveyors and the Australian Institute of Company Directors



Jason Huljich
Executive Director

- Jason is an Executive Director of CPF2L; also Executive Director of CPFL; Jason is responsible for providing strategic leadership and ensuring the effective operation of CPFL's unlisted property portfolio; Currently President of the Property Funds Association (PFA) and sits on its National Executive Committee

Key management biographies



Nicholas Collishaw
CEO, Listed Property Funds

- Nicholas is Chief Executive Officer at Centuria Property Funds Limited; Previously CEO and Managing Director at the Mirvac Group; Nicholas has over 31 years' experience in all major real estate markets within Australia and investment markets in the United States, United Kingdom and Middle East



Victor Georos
Head of Portfolio and Asset Management

- Victor is responsible for overseeing portfolio and asset management at Centuria, including managing the Centuria Property Funds Valuation program; He previously held senior positions with GPT Group and Lend Lease Group; Victor has extensive experience in asset and investment management, development and funds management, across the office, retail and industrial sectors



Ross Lees
Trust Manager, Centuria Industrial REIT

- Ross is responsible for the operation, strategic aspects and performance of the Trust's activities; Ross has 14 years of industrial investment management experience and previously worked at Dexus where he held senior transactional and portfolio management roles. Prior experience includes over 6 years at Stockland and 4 years at Logos Property Australia; Ross holds a Master of Applied Finance from Macquarie University and Bachelor of Business (Property Economics) from UWS



Scott Creelman
Finance Manager – Property Funds

- Scott is responsible for overseeing the financial management and reporting, tax compliance, treasury function and audits of Centuria's Property Funds; Previously worked in senior finance roles at Westpac and CBRE; Scott has over 18 years accounting and 11 years property experience; Graduated with a Bachelor of Business (Accounting and Finance) from the University of Technology Sydney (UTS) and is an associate of the Institute of Chartered Accountants in Australia.



Hengky Widjaja
Senior Trust Analyst

- Hengky is responsible for assisting the Trust Manager and CEO in assessing, monitoring and forecasting the performance of the Trust; He graduated with First Class Honours in Manufacturing System Engineering from RMIT University and holds a Master of Commerce (Investments) from University of New South Wales; Previously, he held positions within the Mirvac Group for over eight years



Shalome Ruitter
Manager Investor Relations

- Shalome manages investor relations for Centuria Industrial REIT and assists the Trust Manager and CEO in the investor relations strategy of the Trust; Previously Investor Relations Manager for FKP Property; Shalome has over 16 years' experience in the real estate and financial sectors, holding positions in property funds management in both listed and unlisted funds in Australia