

Centuria

Fund Update
September 2023

Centuria Industrial Income Fund No. 2 ARSN 663 453 487

Key points

- The property is fully occupied with a Weighted Average Lease Expiry by income (WALE) of approximately 5.26 years.
- Distributions have been maintained at a forecast rate of 7.00 cents per unit (annualised).

Fund summary

Distributions for the **Centuria Industrial Income Fund No. 2** (Fund) continue to be paid at a rate of 7.00 cents per (annualised) and in line with the forecasts for the 2024 financial year.

The Mackay site continues to be an integral location for Blackwoods with the site running at full capacity. Discussions on expansion works have slowed after initial construction costs and local trade capacity investigations impacted feasibility studies. We are working through a revised expansion offer with an intention to reach an outcome which works for all parties.

Locally, the Queensland State Government has recently closed a community consultation process seeking comments over two Mackay sites being considered as State Development Areas (SDA). The proposed SDA is set to unlock industrial land and grow alternate new industries in the region, in particular biomanufacturing, renewable energy and green jet fuel. This development is anticipated to provide further sustainability to the Mackay region through the diversification of industries outside of the resource sector and will place Mackay as a world-leading Future Foods BioHub that would provide the anchor infrastructure for a commercial-scale bioproducts industry.

Financial snapshot

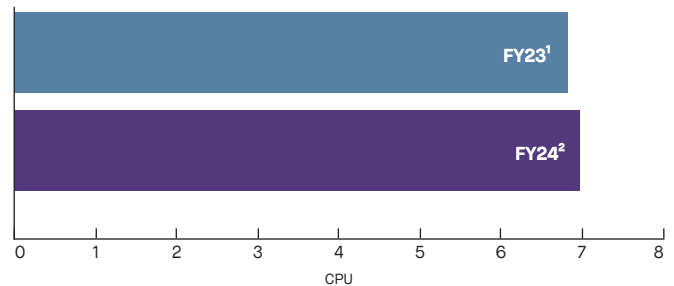
Fund commencement date	8 December 2022
Unit price	0.98
Net asset backing	0.86
Distribution rate (cents per unit)	7.00 ¹
Weighted average lease expiry (WALE) (years)	5.26 ²
Fund term expiry	8 December 2027

1. September 2023 annualised.
2. WALE by income as at 30 September 2023.



Distribution details

ANNUALISED DISTRIBUTION



1. Blended distribution (annualised).
2. September 2023 annualised.

The distribution rate of 7.00 cents per unit (annualised) is in line with the 2024 financial year forecast. Should there be any material departures from this forecast, an out of cycle Investor update will be provided.

This forecast distribution rate reflects the current performance of the Fund and assumes all tenants will satisfy their contractual obligations under their respective leases within a timely manner. It also assumes there are no significant unforeseen capital costs and no material changes to the Fund's financial obligations.

Property details

ASSET VALUES	
Property address	69-79 Diesel Drive, Paget, QLD
Purchase price (Dec 22)	\$35.50m
Current valuation (Jun 23)	\$35.50m
Cap rate (Jun 23)	7.00%
Valuer	Directors

The key metrics of the latest valuation are outlined in the table above.

Top tenants by net lettable area (NLA)

J. Blackwood & Son Pty Ltd
Lease expires 5 Jan 2029

100.0%

The property is fully occupied with a WALE by income of approximately 5.26 years as at 30 September 2023.

Property statistics

	INITIAL ¹	DEC-22	JUN-23
Unit price	1.00	0.99	0.98
Net asset backing	0.85	0.85	0.86
Property occupancy rate	100%	100%	100%
Weighted average lease expiry (WALE) (years) ²	6.10	5.76	5.26

Debt summary

	CURRENT PERIOD ³	LOAN COVENANTS
Total facility limit	\$17.10m	
Undrawn amount	\$0.24m	
Loan expiry	08 Dec. 2025	
% of debt hedged	100% ⁴	
Loan to value ratio (LVR)	48.2% ⁵	60.0%

The Fund's drawn debt is fully hedged at a rate of 3.30% until the end of November 2025 (in addition to the bank margin of 1.45%).

Centuria investor website

You can access all information relating to your Centuria investments at [CenturiaInvestor.com](https://www.centuriainvestor.com).

Contact details

If you require assistance with your Centuria Investor account or have any questions regarding your investment in the Fund, please contact **Centuria Investor Services on 1800 182 257** (within Australia); **+61 2 9290 9689** (outside Australia) or by email on Property.Enquiry@CenturiaInvestor.com.au.

1. Based on the Product Disclosure Statement dated 14 November 2022.

2. WALE by income.

3. As at 30 September 2023.

4. Fund's drawn debt is hedged until 15 December 2025.

5. Based on the most recent valuation.

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