

MAY 2024 | UNLISTED

# Centuria Agriculture Fund

## Limited equity raise offer

Note: This fund has been registered with ASIC. A Product Disclosure Statement (PDS) is dated 3 May 2024.

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KATUNGA FRESH GLASSHOUSE, KATUNGA VIC

Centuria

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A **Target Market Determination** has been issued for this product and can be found on Centuria's website at: [centuria.com.au/DDO/](http://centuria.com.au/DDO/)

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# AGENDA

1. Fund overview
2. Agriculture real estate sector
3. Tenants and properties
4. Cornerstone offer
5. Appendices

# Fund overview

## Multi-asset agricultural fund with a focus on protected cropping

### Fund



**6.00 cpu p.a.**  
Target FY25 distribution<sup>1,2,5</sup>



**Open-ended**  
Limited quarterly liquidity<sup>4</sup>



**IRR 8%+**  
Modelled IRR (net of fees)<sup>2</sup>



**Tax deferred distributions**  
100% for next 2 years<sup>3</sup>

### Asset



**100ha+ under glass**  
111ha of protected cropping assets



**Strong customer relationships**  
Tenants supplying all major supermarkets in Australia



**Year-round production**  
Glasshouses able to produce consistently year-round



**17.0 year WALE**  
Long term tenants



**Tenant Covenants**  
Properties acquired through sale-and-leaseback, secured by triple-net leases



**Diversified Portfolio**  
5 properties around Australia

1. Centuria Property Funds Limited intends to pay monthly distributions and will be subject to the terms set out in the PDS.

2. The target distribution rate is the distribution budgeted to be paid in July 2024, annualised (assuming equal monthly distributions). Actual distributions for subsequent months will be updated on Centuria's website. Visit the Centuria website for full historical performance. The payment of distributions is not guaranteed and subject to the assumptions and risks in the PDS. The actual returns may differ from the target return.

3. 100% tax deferred for the first 2 years

4. Withdrawals are limited to the terms detailed in the PDS and are subject to the Fund's liquidity policy and summarised on Centuria's website. The ability of the Fund to offer quarterly withdrawals is not guaranteed.

5. Target return only. Centuria will seek to identify properties with income and property attributes that it assesses will contribute to the delivery of the target rates. The target return is not a forecast, is predictive in nature and is subject to assumptions, risks and circumstances (both known and unknown) outside of the control of the Fund. These assumptions include that all tenants will satisfy their contractual obligations under their respective leases within a timely manner, there are no significant unforeseen capital costs or material changes to the Fund's financial obligations, pipeline properties will be acquired by the Fund at current valuations and that funding will be secured at a particular interest rate. The actual returns may differ from the target return. The Responsible Entity does not guarantee the performance of the Fund, the repayment of capital or any income or capital return. Refer to the PDS for assumptions and risks relating to the Fund and its strategy.



# Agriculture real estate sector

## Section two

P'PETUAL RIVERLEA PARK SA

Centuria

# Attractive underlying thematic

Centuria anticipates agricultural real estate including supporting infrastructure and agri logistics assets to be a major growth sector.



## Investment thesis

**Demand** for Australian grown fresh food and other quality agricultural products is forecast to increase materially over the next 10 years, driven by middle class population and income growth in both local and offshore markets.<sup>1</sup>



**High quality** and reliability of Australian agricultural products has created demand in high valued global markets.<sup>3</sup>



**Exports** forecast to increase materially led by demand for premium food products potentially to grow by 55% to 2030.<sup>1</sup>



**Technology** and farming practice advancements in the industry are driving labour productivity, increasing yields and decreasing wastage leading to higher revenues across the sector.<sup>3</sup>



**ESG** opportunities within the agricultural real estate sector are disproportionately greater than other real estate asset classes.<sup>3</sup>

**Protected cropping** allows for year round, more predictable output, mitigating key risk in farming.<sup>4</sup>



**Supply chain** disruption has been highlighted due to recent geopolitical and climatic events, bringing to focus the essential nature of access to locally produced agricultural products.<sup>2</sup>



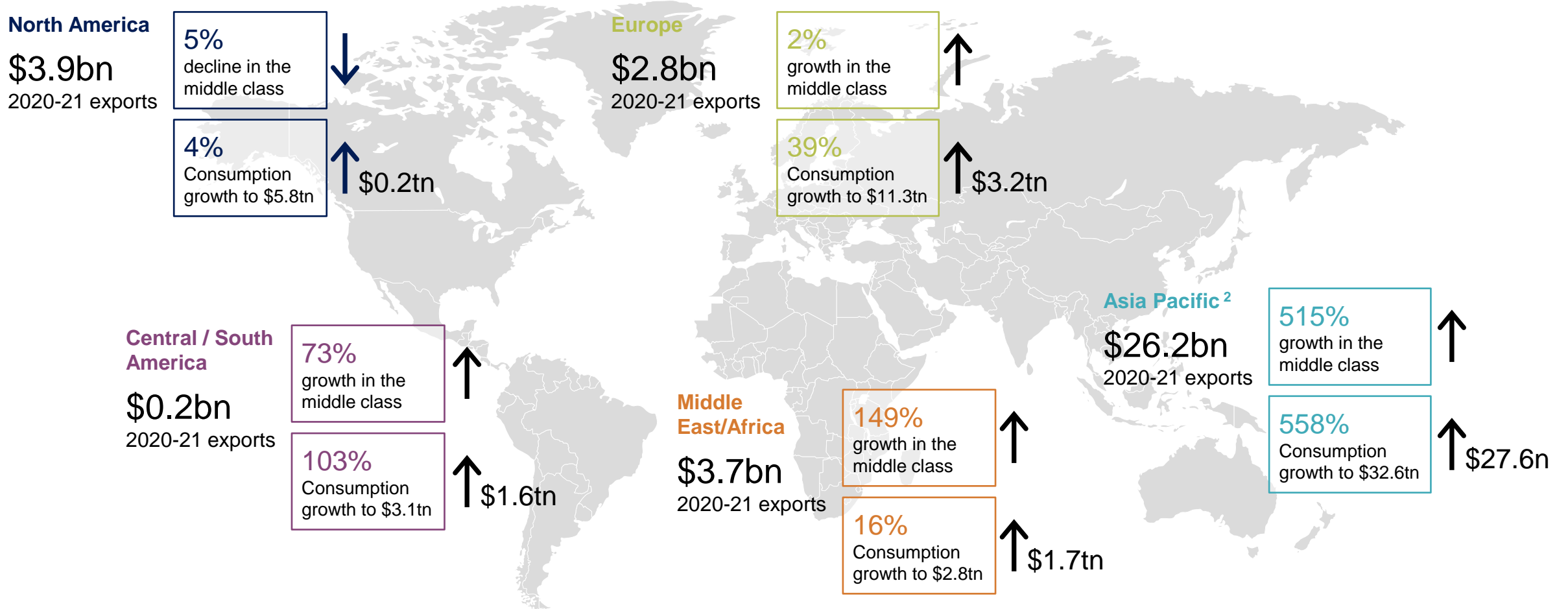
**Stable** domestic environment with a sound legal tenure on land ownership.<sup>2</sup>



1. Source: CSIRO. Growth opportunities for Australian food and agribusiness.  
2. Source: OECD. Food Supply Chains and COVID 19.  
3. Source: Rural Industry Futures. Megatrends impacting Australian agriculture over the coming twenty years.  
4. Source: Protected Cropping Australia.

# Global consumption trends driving demand

Population growth and the associated growth of the new middle class income will increase food consumption, diversify diets and consequently increase the demand for Australian food and fibre. Much of this growth will be in markets adjacent to, and with strong trading relationships with Australia.<sup>1,3</sup>



1. Middle class and consumption growth figures forecasts provided by OECD and are indicative only.  
 2. Asia Pacific exports includes Thailand, Vietnam, Indonesia, China, Japan, South Korea and New Zealand.  
 3. Source. FTI Consulting including infographic information

# Protected cropping benefits

The benefits of controlled growing techniques using glasshouses are significant, with the general risk mitigation factors of glasshouse usage vs open field.



## Year-round production

Ability to produce all year round at a consistent quality and quantity to meet consumer needs as a result of control over the growing conditions within a glasshouse.



## Water risk

**Highly sustainable production** methods using up to 80% less water and pesticides compared to field grown produce. Favorite Warragul harvesting system allows the capture of up to 80-90% of total water requirements.



## Risk mitigation

Glasshouses provide significant protection from climatic, pest and quality risks. Glass is engineered to withstand extreme environmental events such as hailstorms.



## Productivity

Typically, high yields with predictable production profile.



## Financial

Limits the risk associated to loss of crop through extreme weather events through a greater control of the surrounding environment & extensive insurance policies protecting crop revenue.



## Accurate forecasting

Given the control of climate and other external factors, the use of a glasshouse allows farmers to more accurately budget and forecast yields and returns.



## Variety of plants

Glasshouses provide the ability to grow a variety of plants in controlled atmosphere environments including foreign plants in local climates.



# Protected cropping environmental benefits

Controlled growing techniques from using glasshouses provide significant ESG benefits over open field growing techniques.

## Key ESG benefits

- **All year-round production and increased yields** - ability to produce all year round at a consistent quality and quantity. The controlled systems increases yields with reduced less nutrient and water.
- **Near zero water waste** - glasshouses have potential to deliver near zero waste water all year round, for example 80% of the water required for Flavorite is harvested from the roof.
- **No chemical run off - indoor farming uses little to no pesticides to control pests**, reducing the chemical run-off into water bodies.
- **Indoor farming is soilless** - typically the soilless nature of glasshouses thus the principal benefit of indoor farming regarding the land is the fact that no soil is used.
- **Soil protection** - the use of glasshouses reduces the pressure to cultivate the scarce amount of land that is available for agriculture. Glasshouses also reduce the risk that open-field agriculture can have on soil texture, biodiversity and erosion.
- **Increased energy and water efficiencies** - delivers major energy and water efficiencies.
- **Control** - glasshouses provides control over the climate, including, temperature, humidity and light, reducing the risk of extreme weather events and other external risks.

	Field grown tomatoes	Glasshouse grown tomatoes	% difference
Annual production (kg/ha)	69,231	800,000	▲ 1,054%
Production (kg/plant)	6.29	36.36	▲ 478%
Litres of water to produce 1kg of tomatoes (L)	116	22	▲ 427%
Equivalent field production (ha)	1.00	11.56	▲ 1,056%



# Tenants and properties

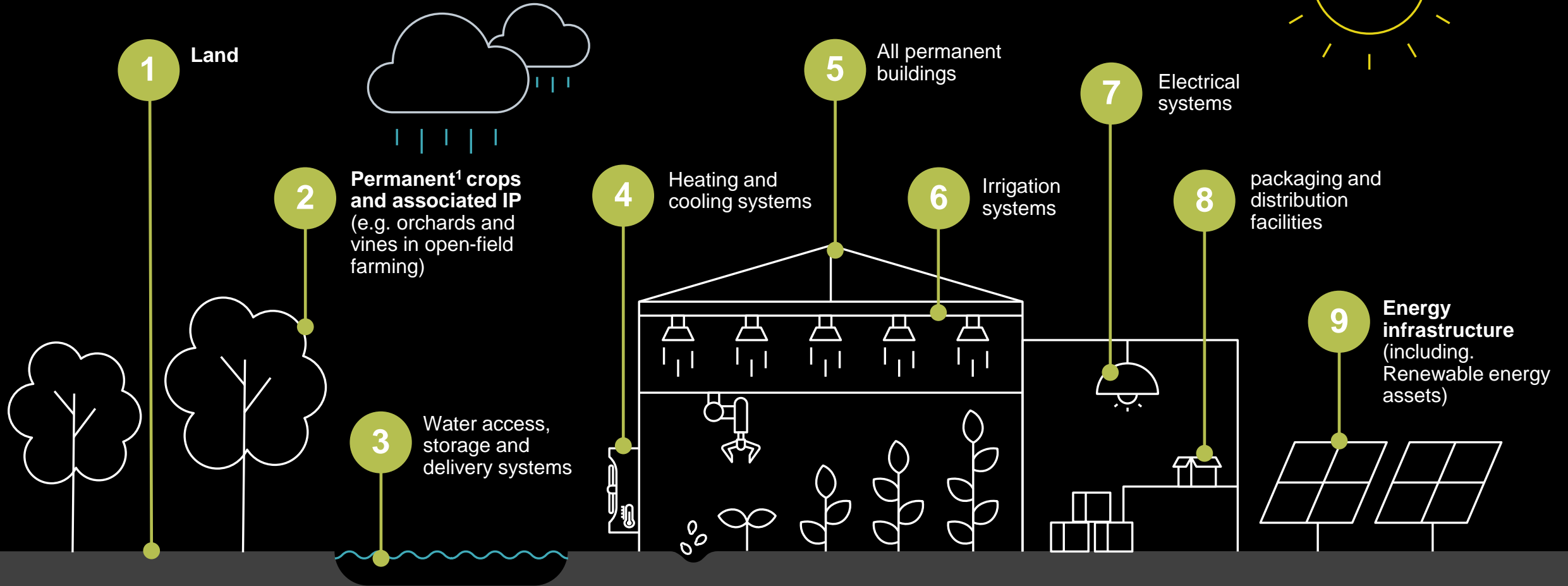
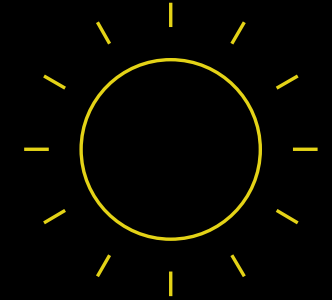
Section three

SUNDRUP GLASSHOUSE, PORT AUGUSTA SA

Centuria

# What does Centuria the **landlord** own?

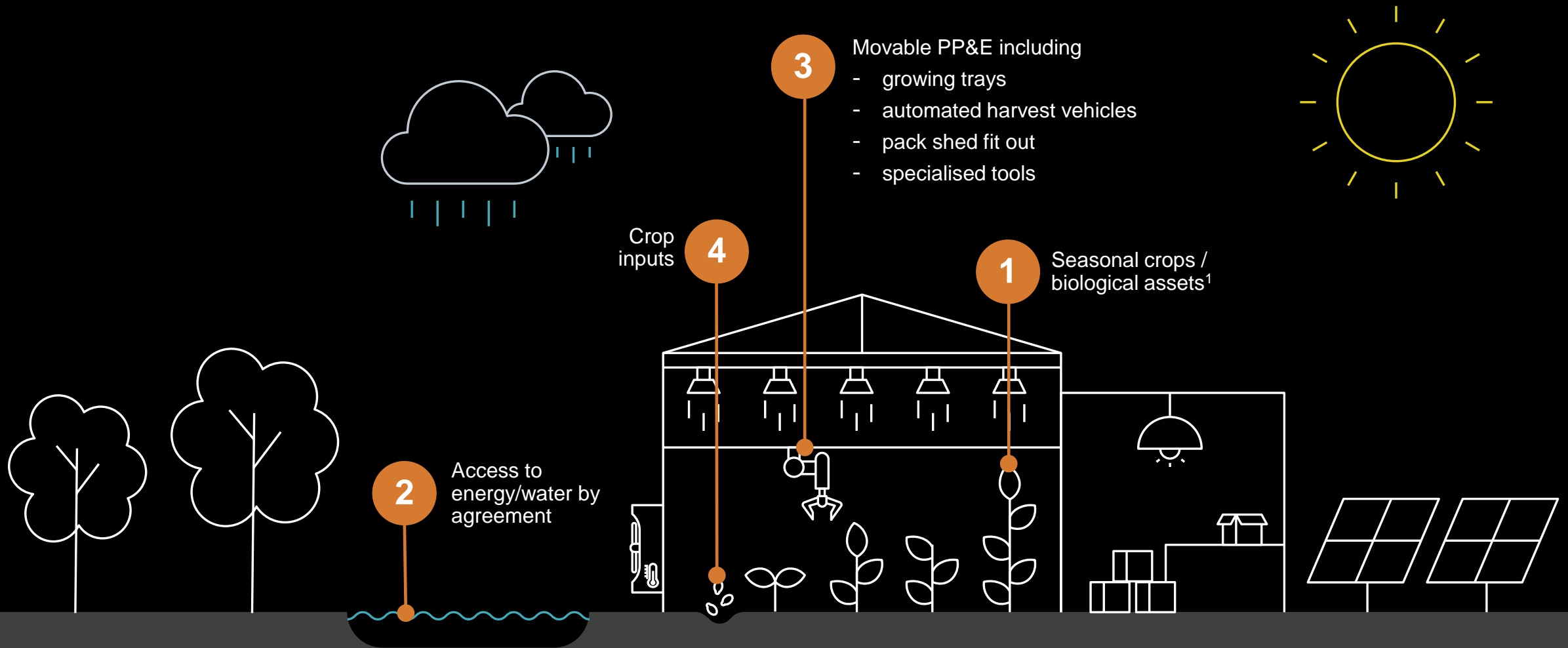
Typically, the land, water, critical fixed infrastructure (above and below the ground) and access to services. They typically do not own the machinery or [seasonal/short-term] biological assets.



1. Permanent crops refer to perennial crops which last several years (>10years ideally)

# What does the **tenant** own?

In a glasshouse any non-structural infrastructure, equipment and fixtures that were installed by the tenant and all crops, are typically owned by the tenant.



1. Seasonal crops refer to crops which last < 3 years – i.e. annual or biennial crops

# Current Portfolio

Partnering with experienced growers to create a diversified, national portfolio



PORT AUGUSTA, SA



GUYRA, NSW



RIVERLEA PARK, SA



WARRAGUL, VIC

# Sundrop asset overview

## Key characteristics

- The property is located 13 kilometers south of Port Augusta and the opportunity is to invest in the land, existing glasshouse, solar energy system and substrate farming operations known as Sundrop Farms.
- 362.8 hectare site that comprises of 20.0 hectares of glasshouses, a 12.5 hectare concentrated solar energy system and approximately 10,307 sqm of packing, distribution and ancillary sheds.
- Four self-contained glasshouses of approximately 5 hectares each that have the capacity to produce 17,000 tonnes of tomatoes per annum or approximately 4,700 trays per day.
- Features a 1 megalitre (ML) desalination plant processing up to 600ML of seawater from the Spencer Gulf annually.
- The tenant, Sundrop Farms, has a 10 year Take or Pay agreement.

## Tenant: Sundrop farms<sup>1</sup>

20.0

Hectares

\$4.99m

Net income

100%

% of income

CPI +1%

Rent reviews

December 42

Lease expiry

4x5 years

options

Site area 362.80 ha

Title Freehold

Zoning FZ: Farming

Initial lease term 20 year

Net rent \$4,990,000 p.a.

Rent reviews CPI + 1% p.a.

Lease structure Triple-net

SUNDROP GLASSHOUSE, PORT AUGUSTA SA

1. Data as at 1 July 2024

# Comfresh asset overview

## Key characteristic

- The property is located at 234 Carmelo Road, Riverlea Park, SA, 38km north of the Adelaide CBD near the town of Virginia, in an area known as the food bowl of South Australia due to its extensive horticultural production.
- 59.06 hectare site that comprises 12 hectares of protected cropping within a 59-hectare land parcel. This includes six hectares of glasshouses and six hectares of double skinned plastic greenhouses. Additionally, the asset includes large packing sheds along with onsite energy, fertigation and reverse osmosis infrastructure as well as c.40ML of dam storage and 205ML bore water licences.
- The opportunity to add value through expanding the operation on the site as Development Approval has been granted for an additional 4 hectares of glasshouses on the Property, which can be accommodated with the existing infrastructure in place.
- A large portion (57.87 hectares) of the 59.06 hectare property is zoned Master Planned Neighbourhood and may have a higher and better use in the future.
- The existing facilities have the capacity to produce approximately 1,488 tonnes of tomatoes, 136 tonnes of cucumbers, 517 tonnes of eggplants and 43 tonnes of capsicums per annum.

## Tenant: Comfresh

**12.0**  
Hectares

**\$2.125m**  
Net income

**100%**  
% of income

**2.50%**  
Rent reviews

**December 33**  
Lease expiry

**2x5 years**  
options

**Site area** 59.06 ha

**Title** Freehold

**Zoning** SN: Suburban  
Neighbourhood

**Initial lease term** 10 year

**Net rent** \$2,125,000 p.a.

**Rent reviews** 2.50% p.a.

**Lease structure** Triple-net

# Costa Guyra asset overview

## Key characteristics

- The property is located at 160 Elm Street, Guyra, NSW, 40km north of Armidale at the top of the Northern Tablelands in the New England region. The opportunity is to invest in the land, existing glasshouse and substrate farming operations known as Costa Guyra.
- 40.5 hectare site that comprises 20.0 hectares of glasshouses, a 1.0 acre nursery, a 65 ML dam and packing, distribution and ancillary sheds.
- Utilised to grow high revenue premium tomatoes across the snacking, speciality, cocktail and large truss segments.
- An agreed capital expenditure programme, such as boiler upgrades, will result in significant environmental benefits including reducing CO<sub>2</sub> emissions.
- The facility has the capacity to produce over 14,000 tonnes per annum.
- The tenant, Costa Group, is Australia's largest grower, packer and marketer of fresh fruit and vegetables<sup>1</sup>.

## Tenant: Costa Group<sup>2</sup>

**20.0**  
Hectares

**\$5.33m**  
Net income

**100%**  
% of income

CPI% capped at  
4.00% with a ratchet  
**Rent reviews**

**Feb 38**  
Lease expiry

**4x5 years**  
options

**Site area** 40.46 ha

**Title** Freehold

**Zoning** FZ: Farming

**Initial lease term** 15 year

**Net rent** \$5,330,000 p.a.

**Rent reviews** CPI capped at  
4.00% with a  
ratchet

**Lease structure** Triple-net

GUYRA GLASSHOUSE, NSW

1. Source: Costa Group.

2. Data as at 1 July 2024. Tenant – Tomato Exchange Pty Ltd ACN 126 583 140. Guarantor – Costa Group Pty Ltd ACN 151 929 181.



# Warragul asset overview

## Key characteristics

- The property is located at 264 Copelands Rd, Warragul VIC 3820 and the opportunity is to invest in the land and existing glasshouse and substrate farming operations known as Flavorite Warragul.
- 76.88 ha site that comprises of 33.5 ha of glasshouses, 5 ha of netted blueberry plantings and 9,833 sqm of packing, distribution and ancillary sheds.
- Utilised to grow high revenue crops including tomatoes, capsicums, cucumbers, eggplants and blueberries.
- Features a rainfall harvesting system that allows the capture of up to 80-90% of total water requirements through this system - reducing requirements from water licenses.
- The tenant Flavorite is one of Australia's largest glasshouse producers of fresh food and vegetables. <sup>2</sup>

## Tenant: Flavorite<sup>1,3</sup>

76.88

Hectares

\$10.58m

Net income

100%

% of income

3.00%

Rent reviews

November 41

Lease expiry

4x5 years

options

1. Tenant – Flavorite Hydroponic Tomatoes Pty Ltd ACN 097 386 368. Guarantor – Flavorite BidCo Pty Ltd ACN 641 615 956

2. Source: Flavorite

3. Data as at 1 July 2024

Site area 76.88 ha

Title Freehold

Zoning FZ: Farming

Initial lease term 20-year

Net rent \$10,580,000 p.a.

Rent reviews 3.00% p.a.

Lease structure Triple-net








KATUNGA FRESH GLASSHOUSE, KATUNGA VIC

# Cornerstone offer

Section four

Centuria

# CAF strategic vision

 <b>Vision</b>	<p>To create Australia’s leading agriculture real estate fund.</p>			
 <b>A clear and simple strategy</b>	<p>Aims to provide investors with stable income returns and the potential for capital growth by investing in properties in the agriculture sector underpinned by leases to a range of reputable operators.</p>			
 <b>CAF</b>	<p>An open-ended unlisted agriculture fund</p>	<p>Overseen by an active management team with deep agricultural real estate expertise</p>	<p>To aggregate a portfolio with a focus on strong ESG credentials</p>	<p>Part of the ASX-listed Centuria Capital Group</p>
 <b>Fund features</b>	<p>Monthly distributions<sup>1</sup></p>	<p>Target total return 8% p.a.<sup>5</sup></p>	<p>Target distribution rate 6.00 cpu (annualised)<sup>1,2, 5</sup></p>	<p>100% Tax Deferred<sup>3</sup></p>
 <b>Liquidity</b>	<p>The Fund intends to offer quarterly limited liquidity in addition to a five-year liquidity event<sup>4</sup></p>			

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 3. 100% tax deferred for the first 2 years  
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# New Asset: Katunga Fresh overview

## Key characteristics

- The property is located in Katunga, Victoria, 228km north of Melbourne in the Goulburn Valley region of northern Victoria. The opportunity is to invest in the land, existing glasshouse and substrate farming operations known as Katunga Fresh.
- 21.0 hectares of glasshouses, energy infrastructure and packing, distribution and ancillary sheds.
- Utilised to grow high revenue premium tomatoes across the snacking, speciality, cocktail and large truss segments.
- High-tech glasshouse technology and UV lighting used to generate a consistent supply of fresh tomatoes and capsicums all-year-round, which provides a genuine point of difference in the marketplace.
- The facility has the capacity to produce over 15,000 tonnes per annum.

**Site area** 40.46 ha

**Title** Freehold

**Zoning** FZ: Farming

**Initial lease term** 20 year

**Net rent** \$7,200,000 p.a.

**Rent reviews** 3.00% fixed  
starting in year 5

**Lease structure** Triple-net

## Tenant: Katunga Fresh

**21.0**  
Hectares

**\$7.2m**  
Net income

**100%**  
% of income

**3.00%**  
Rent reviews - starting  
in year five of the lease.

**2044**  
Lease expiry

**5x5 years**  
options

# Capital raise of ~\$56m to help finance the acquisition of a high-quality and accretive agricultural real estate asset



## Acquisitions

Properties	State	Valuation	Cap rate	Hectares <sup>1</sup>	WALE (yrs) <sup>2</sup>	Occupancy
1. Katunga Fresh glasshouse	VIC	\$90.0m	8.00%	21.0	20.0	100.0%

- CAF settled the Katunga Fresh glasshouse on 1 July 2024.



## Equity raising

- CAF is seeking to raise approximately \$56 million in additional equity.



## Portfolio Impact

- Acquisition will increase the FY25 target monthly distribution rate to 6.00 cents per unit (annualised).<sup>3,4</sup>
- Increased diversification by income, geography and tenant type.

1. Hectares of glasshouse.

2. By income and as at 1 July 2024.

3. The target distribution rate is the distribution budgeted to be paid in July 2024, annualised (assuming equal monthly distributions). Actual distributions for subsequent months will be updated on Centuria's website. Visit the Centuria website for full historical performance. The actual returns may differ from the target return

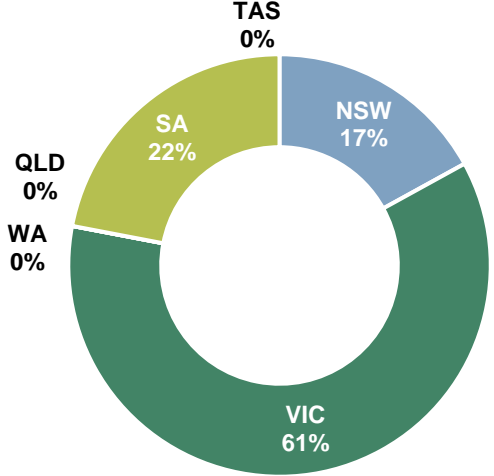
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# Acquisitions improve portfolio diversification, while supporting WALE and distributions

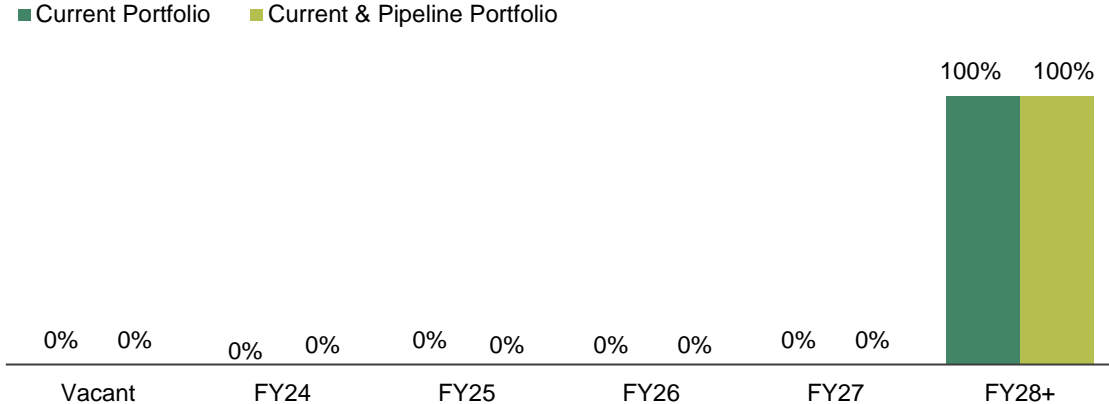
PORTFOLIO	PREVIOUS PORTFOLIO <sup>1</sup>	PORTFOLIO AFTER ACQUISITION <sup>2</sup>
Number of properties	4	5
Portfolio value	\$351.3m	\$441.3m
Hectares	90.5	101.5
Capitalisation rate	6.50%	6.72%
Occupancy	100%	100%
<b>WALE<sup>3</sup></b>	16.2 years	17.0 years

1. Portfolio as of 30 June 2024.  
 2. Includes the Current Portfolio and the acquisition of the Katunga Fresh glasshouse.  
 3. As at 1 July 2023

## Geographic diversification – including the Katunga Fresh glasshouse



## Lease expiry profile by income (%)



# Pro forma financial information<sup>1</sup>

## SOURCES AND APPLICATION OF FUNDS<sup>2</sup>

Source of funds	Amount (\$)
Total cash subscribed by investors	\$251.2m
Debt facility from financier	\$218.4m
<b>Total funds raised</b>	<b>\$469.6m</b>

## Consolidated

### Application of funds

Investment properties	\$441.3m
Transfer fees/stamp duty	\$17.7m
Other transaction costs	\$10.6m
<b>Total application of funds</b>	<b>\$469.6m</b>

## DEBT SUMMARY<sup>2</sup>

Total facility limit	\$236.2m
Weighted average facility term	2.9 years
Weighted average margin	1.61% p.a.
Current LVR/target LVR	49.5%/47.5%
ICR	2.54
LVR/ICR covenant	60.0%/2.0x

## HEDGING SUMMARY

Swap	Fixed-for-floating	
	Fixed Rate	Maturity
\$74m	3.10% p.a.	15/06/2025
\$80m	3.59% p.a.	15/06/2026

1. The Fund Structure financial information on this page is provided for the use of Financial Advisers and Institutional Clients only. This information must not be provided to Retail Clients in whole or in part and should not be relied upon in making an investment decision.

2. As at 1 July 2024.

# Prudent risk management

Risk	What is it?	How is it managed?
<b>Income/tenancy risk</b>	A fall in fund revenue as the result of a fall in rental income.	CAF has a robust leasing profile with 100% <sup>1</sup> occupancy, 17.0yr <sup>1</sup> WALE, and quality agricultural operators reducing the risk of a fall in rental income.
<b>Valuation/unit price risk</b>	A fall in property valuations resulting in a decreased unit price.	While valuations are market driven, the stronger the leasing profile and active asset management of an asset is, along with the sector in which it is in, the more resilient the valuations can be <sup>2</sup> .
<b>Inflation risk</b>	The impact a change in inflation could have on Fund's income or capital returns.	With 32.8% of rental increases linked to the Consumer Price Index (CPI) (17% capped at 4%), 60.1% of rental increases are fixed at 3.0% and the remaining 6.1% of rental increases are fixed at 2.5%. Rental income may provide a hedge against inflation.
<b>Finance/leverage risk</b>	Interest rate rises, covenant compliance, re-finance and leverage risk.	CAF's conservative capital management of 49.5% <sup>3</sup> LVR, 70.1% <sup>4</sup> hedging, diversified lender pool and staggered debt expiry profile.
<b>Liquidity risk</b>	Not being able to satisfy withdrawal requests within timeframes specified.	CAF can hold cash, cash-like products and listed A-REITs. The Fund has a limited quarterly withdrawal facility <sup>5</sup> , which to date has paid out all redemptions in full <sup>2</sup> and liquidity windows every 5 years. <sup>6</sup>
<b>Environmental Risk</b>	Adverse impact of weather events and contaminants on crops.	Tenants follow strict bio-security protocols and limit access to authorised personnel. Glass panels are engineered to withstand hail impacts. Tenant's businesses are insured against damage to glasshouse.

1. As at 1 July 2024.

2. Past performance is not a reliable indicator of future performance.

3. The LVR is based on a drawn debt amount of \$218.4m over the valuations for the current properties as at 1 July 2024.

4. As at 1 July 2024.

5. Withdrawals are limited to the terms detailed in the PDS and are subject to the Fund's liquidity policy and summarised on Centuria's website. The ability of the Fund to offer quarterly withdrawals is not guaranteed

6. Limited to the terms detailed in the PDS and are subject to CAF's liquidity policy.



# Capital raise timetable<sup>1</sup>

Total additional equity raise of \$56 million<sup>2</sup>

ITEM	DATE
Fund reopens for applications	1 July 2024

- Research ratings from Lonsec “Recommended” and Core Property “Recommended”



## How to access the Fund

- Directly via PDS - minimum investment \$10k
- Indirectly via the platforms;
  - Netwealth
  - HUB24
  - Powerwrap
  - Praemium
  - uXchange
- Adviser support website:  
[Centuria Agriculture Fund | Centuria](#)
- Contact Investor Services or Adviser Support on 1300 22 44 24 or email [contactus@centuria.com.au](mailto:contactus@centuria.com.au)
- APIR: CNT3531AU

1. The Fund timetable dates are estimates and subject to change.  
2. Applications will be accepted in accordance with Centuria’s Capital Raising Allocation Procedure. The offer will close to applications once the Fund is fully subscribed and applications may be subject to scale back if the Fund is oversubscribed. Refunds will be made to investors for any application monies not accepted or subject to scale back.

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KATUNGA FRESH GLASSHOUSE, KATUNGA VIC

# Appendices

**Appendix A: Fees**

**Appendix B: Tenants**

**Appendix C: ESG**

**Appendix D: Centuria overview**

# Fund services and fee schedule

<b>Acquisition</b>	2.0% (of gross asset purchase price)
<b>Base management</b>	0.60% p.a. (of GAV <sup>1</sup> )
<b>Performance</b>	20% over 8% total return
<b>Custodian</b>	0.015% p.a. (of GAV <sup>1</sup> ) or \$15,000 p.a.
<b>Disposal</b>	1.0% (of gross asset disposal price) <sup>2</sup>
<b>Leasing</b>	6.5% (renewal); 20.0% (new lease) <sup>3</sup>

1. Gross asset value of Fund. Other fees and expenses apply. Refer to the PDS for the full terms and conditions on fees and expenses.

2. Payments to third party sales agents are funded from the disposal fee.

3. Fees are charged as a percentage of the lease's year one rent and are debt funded. Payments to third party leasing agents are funded from the leasing fee.



# Tenant overview

## Katunga Fresh overview<sup>1</sup>

- Katunga Fresh was established by Peter Van Den Goor in 2004, since which time, it has become one of Australia's largest glasshouse operators with production located in Katunga VIC, grown under 21 hectares of high-tech Glass.
- Katunga Fresh has access to a number of key retailers via Perfection Fresh (Coles, Woolworths, Costco, Aldo and Harris Farms), which eliminates the need for marketing staff, and enables the company to focus on farming efficiencies capturing valuable 'margin' that goes straight to the bottom line.
- Katunga Fresh is the only tomato producer in Australia that uses high efficiency, artificial LED lights in the glasshouse during the winter to increase the growing hours and yields when tomato prices are at their annual peaks due to no field tomato production during winter.
- Katunga Fresh is investing millions of dollars in reducing its carbon footprint and is the first Australian agricultural company to be granted a "Green Loan" from Commonwealth Bank.
- Katunga Fresh is in the process of building a significant co-generation energy plant that will turn agricultural waste, such as residual crop waste, into bio gas and power the heating and cooling systems in the glasshouse.

1. Source: Katunga Fresh as at 1 July 2024.



### Key customers

coles

Woolworths

ALDI

HARRIS FARM  
MARKETS

KATUNGA FRESH GLASSHOUSE, KATUNGA VIC

# Tenant overview

## Sundrop overview<sup>1</sup>

- Sundrop Farms is a leading sustainable horticultural player in Australia producing high value tomatoes using renewable inputs.
- Sundrop grows approximately 14% of Australia's truss tomatoes.
- The company has a 10 year take or pay agreement with Coles, which commenced in October 2016, supplying Coles with up to 90% of their national truss tomato supply.
- Sundrop is also the only new entrant into Coles top 10 suppliers within the past decade and winners of the 2020 Coles Fresh Produce Supplier of the Year, along with the 2020 Premier's Food Awards for Business Excellence and Sustainability.
- The company has approximately 80 full time employees and can employ up to 300 casual staff during peak periods including harvest.
- Sundrop is a growing business with plans to expand operations in Port Augusta and on a secondary site.

**sundrop**

1. Source: Sundrop as at 31 December 2022.



Key customer  
**coles**



SUNDROP GLASSHOUSE, PORT AUGUSTA SA

# Tenant overview

## Comfresh overview<sup>1</sup>

- Comfresh is one of Australia's leading growers and suppliers of fresh fruit and vegetables to Australian supermarkets.
- The company is headquartered in Edinburgh, South Australia where its packaging facilities and national distribution of fruit and vegetables is also located.
- In addition, it has growing and value add facilities at Direk, South Australia and Epping, Victoria.
- Comfresh currently owns and operates a 1 hectare plastic greenhouse growing facility, which is predominantly growing tomatoes, and a highly automated 6 hectare glasshouse growing herbs and cucumbers.
- Approximately 7% of the group's sales are grown internally with the rest sourced from over 500 suppliers around Australia.
- Comfresh currently owns and operates a 1 hectare plastic greenhouse growing facility, which is predominantly growing tomatoes, and a highly automated 6 hectare glasshouse growing herbs and cucumbers.
- Comfresh supplies cucumbers, tomatoes, capsicums, herbs, Asian vegetables, brassica, value add items (salads and fresh cuts) and other products to Woolworths, Coles, Aldi, Costco, Hello fresh and as well as other independent wholesalers nationally.



1. Source: Comfresh as at 31 December 2023.

## Key customers



234 CARMELO ROAD, RIVERLEA PARK, SA



# Tenant overview

## Costa overview<sup>1</sup>

- Costa is Australia's largest grower, packer and marketer of fresh fruit and vegetables.
- Costa Group has long standing relationships with blue chip major fresh produce retailers across Australia. Customers include Coles, Woolworths, Aldi, Costco and Harris Farms.
- Costa produces berries, mushrooms, tomatoes, bananas, avocados, citrus fruit and other crops for domestic and foreign markets.
- Costa operations include approximately 7,000 planted hectares of farmland, 40 hectares of glasshouse facilities and three mushroom growing facilities across Australia.
- Costa also has strategic foreign interests, with majority owned ventures covering six blueberry farms in Morocco and four berry farms in China.
- Costa has farms in close to 30 regional locations across Queensland, New South Wales, Victoria, South Australia, Tasmania and Western Australia, as well as logistics facilities in Melbourne.



## Key customers

The logo for Coles, consisting of the word "coles" in a bold, red, lowercase, sans-serif font.

The logo for Woolworths, featuring a stylized green leaf icon above the word "Woolworths" in a green, lowercase, sans-serif font.



COSTA GLASSHOUSE, GUYRA, NSW

1. Source: Costa as at 31 March 2023.

# Tenant overview

## Flavorite overview<sup>1</sup>

- Flavorite grows, markets, distributes and supplies premium fresh produce both nationally and internationally.
- Employs more than 530 staff during summer (c.380 in winter).
- The company has sustainably been able to achieve strong levels of profitability and growth, with group revenue forecast to be over \$165 million and \$200 million in FY22 and FY23, respectively.

## Assets within the Group

ASSET	GLASSHOUSE AREA	EXPANSION AREA	CAPABILITIES
Katunga Glasshouse, VIC	10.6 ha	31.8 ha	<ul style="list-style-type: none"><li>• Production</li></ul>
Tatura Glasshouse, VIC	15.3 ha	18 ha	<ul style="list-style-type: none"><li>• Winter production</li><li>• Packing</li><li>• Distribution</li></ul>
Mansfield Glasshouse, VIC	5.3 ha	5 ha of glasshouse & 20 ha of netted area	<ul style="list-style-type: none"><li>• Production</li></ul>



1. Source: Flavorite as at 30 June 2022.

## Key customer



FLAVORITE, WARRAGUL VIC

# ESG opportunities

Agricultural real estate offers disproportionately higher ESG advantages compared to traditional asset classes such as shares or bonds.



## Controlled farming

Ability to control how the farming operations impact the natural environment



## Carbon absorption

Ability to influence carbon outcomes through management of vegetation, growth of tree crops and more sustainable protein production



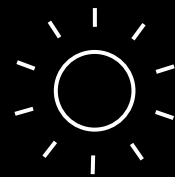
## Reduced waste

Advancements in technological and farming practices result in reduced food, water and energy wastage.



## Water efficiencies

Less water used for same level (often greater) of production



## Solar

Large sites that allow the development of solar power systems to support the enterprise



## Community

With social aims to foster vibrant rural communities and generational renewal



## Employment

Provides major local and regional employment












## Safe work environment

Controlled work environment promotes worker safety

# CAF's embedded ESG investment philosophy

ESG credentials form part of the wider acquisition strategy of the Fund. Assets will be assessed using the following ESG characteristics, sustaining long term value and resilience of the growing portfolio.

	OUR ESG AREAS OF FOCUS	HOW IT'S MEASURED	WHAT IT MEANS
<b>ENVIRONMENT</b>	 <p><b>Conscious of climate change</b> Assets are resilient to the impacts of climate change</p>	 <p>Assessment and mitigation of future climate risks</p>	 <p>Energy, water and waste efficiency assets</p> <ul style="list-style-type: none"> <li>Valuing water security in a changing climate</li> <li>Assets are energy efficient, with scalable opportunity for renewable energy deployment</li> <li>Waste is minimised and re-directed away from landfill</li> <li>Assets are assessed against potential physical climate risks under a 2°C and a 4°C scenario</li> </ul>
<b>SOCIAL</b>	 <p><b>Valued stakeholders</b> We partner with strong tenants, community and customers</p>	 <p>Prioritise assets which are connected and support the local community</p>	 <p>Existing partnerships with local and Australian customers</p> <ul style="list-style-type: none"> <li>Tenants are key employers of the local community and are well connected to the wider economy</li> <li>Tenants have long term partnerships with large Australian and/or international customers</li> </ul>
<b>GOVERNANCE</b>	 <p><b>Responsible business principles</b> Uncompromising governance, transparency and accountability.</p>	 <p>Provide safe working environments</p>	 <p>Minimise incidents of modern slavery</p> <ul style="list-style-type: none"> <li>Tenants and assets have a strong health and safety record</li> <li>Modern slavery, form part of tenant up front due diligence assessments</li> <li>Active investment in key themes including sustainable farming</li> </ul>

1. Source: FTI Consulting  
 2. Centuria Group ESG Policy: <https://centuria.com.au/wp-content/uploads/2024/04/ESG-Policy-CNI-April-2024.pdf>  
 3. Centuria Agriculture Fund PDS (2024)  
 4. Centuria Sustainability Framework: <https://centuria.com.au/centuria-capital/corporate/sustainability/>

# Strong domestic supply chain

The strength of the Australian agriculture supply chain mitigates macroeconomic risks to the global supply chain. Recent supply chain disruption has brought to focus the essential need to access locally produced agricultural products.

## AUSTRALIAN AGRICULTURE SUPPLY CHAIN

---

### UPSTREAM

#### Inputs



- Water
- Seeds
- Fertiliser
- Ag technology
- IP & genetics

#### Production



- Row crops
- Permanent crops
- Speciality crops
- Aquaculture
- Indoor/protected agriculture

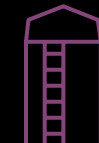
### MIDSTREAM

#### Infrastructure



- Storage
- Logistics
- Distribution
- Food processing
- Wholesaling

#### Manufacturing



- Grain and oilseed
- Fruit, nuts and vegetables
- Novel animal feeds
- Value-add products

### DOWNSTREAM

#### Exports



#### Key export regions

- United States
- China
- South Korea
- Japan

#### Consumption



- Consumer food
- Products
- Food e-commerce
- Renewable energy

# Australia's position

Investment in Australian agricultural real estate offers exposure to an asset class with strong underlying fundamentals

## Australia



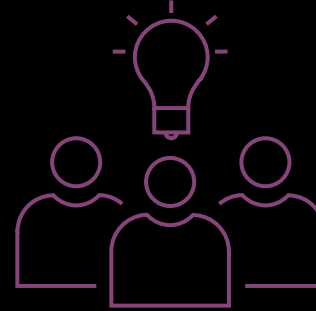
- Strategically located for key export markets exhibiting a rapidly growing middle class such as the Asia Pacific.
- Strong reputation for producing sustainable, high quality bulk produce.
- Low sovereign risk profile.

## Land value



- Historical steady growth in Australian land values showing maturity as an asset class.
- Strategic farmland locations in more reliable climatic areas are where property prices can provide greater long-term appreciation than average.

## Technology advancements



- Promotes efficiency at the operating level, leading to higher profitability for operators.
- Better access to data and automation reduces waste.
- Allows capture and building of reliable data sets for use across the supply chain.

## Commodity outlooks



- Strong global demand continues to maintain Australian commodities in an advantageous position.
- Supply chain improvements and market access are opening up further high value markets that have the capacity to pay for premium bulk produce.

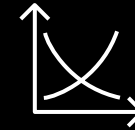
# Investment rationale



Strong risk adjusted distribution rate of 6.00 cpu<sup>1,2</sup> and an initial target total return of 8%p.a.<sup>3</sup>



Income underpinned by real assets with 100%<sup>4</sup> occupancy, 17.0 yr WALE<sup>4</sup> and triple net leases to Australia's largest protected cropping operators.



Australian agriculture can be a natural inflation hedge driven by growing non-discretionary spending.



Conservative capital and prudent risk management with the objective of low volatility and correlation of returns.



Embedded ESG investment philosophy.



Managed by a specialist agriculture real estate funds management team with a strong track record.

1. Centuria Property Funds Limited intends to pay monthly distributions and will be subject to the terms set out in the PDS. Past performance is not a reliable indicator of future performance.
2. The target distribution rate is the distribution budgeted to be paid for July 2024, annualised (assuming equal monthly distributions). Actual distributions for subsequent months will be updated on Centuria's website. The payment of distributions is not guaranteed and subject to the assumptions and risks in the PDS.
3. Target total return only. Centuria will seek to identify properties with income and property attributes that it assesses will contribute to the delivery of the target rates. The target return is not a forecast, is predictive in nature and is subject to assumptions, risks and circumstances (both known and unknown) outside of the control of the Fund. These assumptions include that all tenants will satisfy their contractual obligations under their respective leases within a timely manner, there are no significant unforeseen capital costs or material changes to the Fund's financial obligations, pipeline properties will be acquired by the Fund at current valuations and that funding will be secured at a particular interest rate. The actual returns may differ from the target return. The Responsible Entity does not guarantee the performance of the Fund, the repayment of capital or any income or capital return. Refer to the PDS for assumptions and risks relating to the Fund and its strategy.
4. WALE and occupancy by income as at 1 July 2024.

# Centuria Capital Group: A leading Australasian real estate funds manager

CNI included in the S&P/ASX200 Index

**\$21.1bn** GROUP AUM<sup>1</sup>

**\$20.3bn** REAL ESTATE AUM

**\$6.2bn**  
LISTED REAL ESTATE

**\$14.1bn**  
UNLISTED REAL ESTATE

**\$0.8bn**  
INVESTMENT BONDS

**\$3.9bn**  
CENTURIA  
INDUSTRIAL REIT  
ASX:CIP

**\$2.1bn**  
CENTURIA  
OFFICE REIT  
ASX:COF

**\$0.2bn**  
ASSET PLUS  
LIMITED  
NZX:APL

**\$8.3bn**  
SINGLE  
ASSET  
FUNDS

**\$2.7bn**  
MULTI-ASSET  
CLOSED END  
FUNDS

**\$3.1bn**  
MULTI-ASSET  
OPEN END  
FUNDS

**\$0.8bn**  
CENTURIA LIFE  
GUARDIAN FRIENDLY  
SOCIETY

Note: Assets under management (AUM) as at 31 December 2023. All figures above are in Australian dollars (currency exchange ratio of AU\$1.000:NZ\$1.0768 as at 31 December 2023). Numbers presented may not add up precisely to the totals provided due to rounding  
1. AUM includes assets exchanged to be settled, cash and other assets and the impact of revaluations during the period



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## **Disclosure Document**

Before investing the investor should obtain a Product Disclosure Statement ("PDS") relating to the product and consider the PDS before making any decision about whether to acquire the product.

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