

Centuria

Quarterly fund update
September 2024

Centuria Agriculture Fund

ARSN 653 947 892 & ARSN 653 946 402 | APIR CNT3531AU

September 2024 quarter performance highlights

- The Centuria Agriculture Fund (Fund or CAF) is pleased to announce that it settled on its fifth asset on 1 July 2024, increasing the Fund's assets under management (AUM) to \$441.25 million and cementing the Fund as the largest owner of large scale glasshouse assets in Australia, totalling 100.5 hectares.
- The Katunga Fresh property, which is located in Katunga, Victoria provides 21 hectares of protected cropping assets within a 40-hectare land parcel.
- The Tomato Brown Rugose Fruit Virus (ToBRV) has recently been discovered in South Australia. We are closely monitoring the situation and at this stage none of the crops from our tenants' facilities have tested positive to the virus.
- As at 30 September 2024, the Fund's drawn debt is 70.5% hedged until 15 June 2025.
- Portfolio remained 100% occupied with a weighted average lease expiry (by income) of 16.8 years as at 30 September 2024.
- Due to the new acquisition, the Fund's target distribution rate increased from 5.50 cents per unit to 6.00 cents per unit (annualised) from July 2024, reflecting a yield of approximately 6.28% on the Fund's 30 September 2024 unit price of \$0.9561.

Fund settles on fifth asset

We are excited to announce that during the September 2024 quarter the Fund secured its fifth high quality asset, the Katunga Fresh glasshouse in Katunga, Victoria. The asset is located approximately 230km north of Melbourne and 45km north of Shepparton VIC, in the Goulburn Valley region. The acquisition features a 20-year triple-net lease and following the purchase, the Fund's portfolio has increased to \$441.25 million with a WALE of 16.8 years.

As with previous acquisitions, this latest purchase aligns with the Fund's investment rationale to deliver stable income returns with the potential for capital growth through a national portfolio of high quality agricultural assets situated in strategic locations and leased to reputable tenants under strong covenants. The property provides 21-hectares of protected cropping within a 40-hectare land parcel. Additionally, the asset includes large packing sheds along with on-site energy and fertigation infrastructure.

The asset also uses high efficiency LED lighting to generate a consistent supply of fresh tomatoes and capsicums all-year-round, which provides a genuine point of difference in the marketplace. The LED lights allow the tenant to increase the



growing hours and yields when tomato prices are at their annual peaks during winter when no tomatoes are grown in the field.

Tomato Brown Rugose Fruit Virus

The Tomato Brown Rugose Fruit Virus (ToBRV) has recently been discovered in South Australia. We are closely monitoring the situation and at this stage none of the crops from our tenants' facilities have tested positive to the virus. Our tenants are some of the most sophisticated operators in the industry and are implementing best biosecurity practices to prevent the virus from entering their facilities.

The virus was first detected in Australia in August 2024 and causes yellowing and deformity on the leaves of the host plants, while the crop itself can form wrinkled spots and show uneven ripening. Affected tomatoes are safe to eat but the virus is highly transmissible among tomatoes, capsicums and chillies.

The Australian government has taken swift action. The Western Australia, New South Wales and Queensland governments have issued control orders and movement restrictions to prevent the spread of the virus from South Australia.

The Department of Primary Industries and Regions, South Australia (PIRSA) is leading the response by strictly quarantining infected properties and conducting extensive surveillance. It is now over two months since its discovery and the virus remains contained to only one production facility, which we do not own and two propagation nurseries in South Australia, which we also do not own.

The virus originated in seeds used by the two propagation facilities, whose seedlings were then supplied to the 40-hectare glasshouse facility in Two Wells, South Australia, operated by Perfection Fresh. This 40-hectare glasshouse facility has been shut down by the PIRSA, resulting in approximately 500 job losses. The loss of supply is expected to increase the cost of tomatoes in the supermarkets.

We own two glasshouse facilities in South Australia which represent approximately 23% of the Fund's income. The 20-hectare Sundrop facility is reasonably isolated as it is located in Port Augusta, but the 6-hectare Comfresh facility is approximately 15km from the Perfection Fresh glasshouse that has been shut down by the PIRSA.

We remain confident that the coordinated actions between our tenants, government bodies and industry stakeholders will ensure minimal disruption, and we will continue to keep you updated on any significant developments should they arise.

Key portfolio metrics as at 30 September 2024

Property assets	5
Property portfolio	\$441,250,000
Weighted average capitalisation rate	6.71%
Number of tenants	5
Fund WALE (years)	16.8
Fund occupancy	100%

Monthly distribution (previous 6 months¹)

	APR 24	MAY 24	JUN 24	JUL 24	AUG 24	SEP 24
Distribution (CPU) ²	0.4583	0.4583	0.4583	0.5000	0.5000	0.5000



234 CARMELO ROAD, RIVERLEA PARK SA

September 2024 distribution rate confirmation³

We are pleased to confirm an increase to the Financial Year 2025 distribution guidance from 5.50 cents per unit (annualised) to 6.00 cents per unit (annualised). The Financial Year 2025 target distribution rate reflects a yield of approximately 6.28% on the Fund's 30 September 2024 unit price of \$0.9561. However, please note that this target 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 or material changes to the Fund's financial obligations, which includes debt costs. If any change to the target distribution rate is required, an out of cycle update will be provided to investors.

Portfolio valuations

Four of the Fund's assets, the Flavorite Warragul glasshouse, the Sundrop Farms glasshouse in Port Augusta, the Costa glasshouse in Guyra and the P'Petual facility in Riverlea Park were subject to director valuations as at 30 June 2024 with values for all being held constant with the independent valuations which were performed in December 2023 for each of the assets.

The Manager also had the Fund's fifth asset, the Katunga Fresh glasshouse in Katunga, most recently valued by Knight Frank in June 2024 as part of the due diligence process at acquisition.

1. The implementation of the Stapled Fund occurred on 20 July 2022, which is the inception date of the Fund.
2. Cents per Unit (CPU). Distribution figures are monthly and are not annualised.
3. The target distribution rate 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 as Responsible Entity (RE) of the Fund. The actual returns may differ from the target return. Distributions may change (up or down) as the Fund adds more assets to or sells assets in the portfolio. In addition, the RE does not guarantee the performance of the Fund, the repayment of capital or any income or capital return. Past performance is not reliable indicator of future performance.
4. As at 30 September 2024.
5. The LVR is as at 30 September 2024, based on independent valuations as defined under the debt facility agreements.

A valuation of the portfolio has recently been commissioned as of 31 December 2024 and investors will be advised on the updated figures in the December 2024 quarterly fund update.

Debt summary

As at 30 September 2024, the Fund had \$218.4 million of drawn debt, with a total facility limit of \$236.2 million, giving the Fund \$17.8 million in undrawn debt headroom that can be deployed for the purpose of new acquisitions. The Fund has hedged \$80.0 million at a rate of 3.59% p.a. (in addition to the bank margin of 1.45% p.a.) until 15 June 2026 and another \$74.0 million hedged at a rate of 3.10% p.a. (in addition to the bank margin of 1.75% p.a.) until 15 June 2025.

During the quarter the Fund also entered into an additional forward dated hedge for \$36.0 million, commencing 15 June 2025 a rate of 3.625% p.a. (in addition to the bank margin of 1.70% p.a.) until 15 June 2027.

During the quarter the Fund also secured a new five-year \$45 million finance facility with the Australia and New Zealand Banking Group Limited at a margin of 1.70% p.a, which was used to assist with the acquisition of the Katunga Fresh glasshouse. Details of the Fund's current debt facilities are noted below.

	CURRENT PERIOD	LOAN COVENANTS
Total facility limit	\$236.20m ⁴	
Undrawn amount	\$17.8m ⁴	
Weighted average cost of debt	5.48% ⁴	
Loan maturities	\$53.1m, 30 September 2027 \$20m, 15 December 2027 \$40m, 30 March 2028 \$25m, 31 December 2028 \$45m, 30 June 2029 \$53.1m, 30 September 2029	
Weighted average facility term	4.07 years	
% of debt hedged	70.5% ⁴	
Loan to value ratio (LVR)	49.5% ⁵	60%
Interest coverage ratio (ICR)	2.34 ⁴	2.00

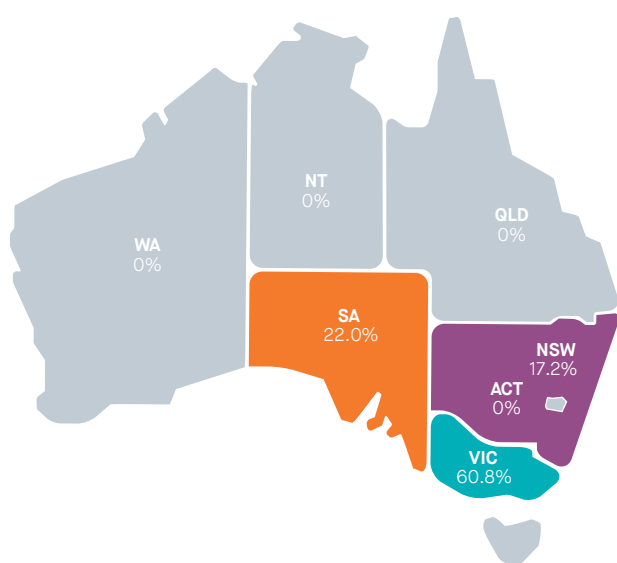
Fund continues to assess potential acquisition targets

The Fund intends to actively pursue potential acquisitions in the protected cropping space with similar characteristics to the current assets owned by the Fund. All potential acquisitions being assessed are high-quality agricultural assets which are well positioned to benefit from the continued growing demand for fresh food produce. We look forward to providing investors with information on any new acquisitions in future Fund updates.

Investment portfolio¹ as at 30 September 2024

	FUND WEIGHTING (%)	VALUATION (\$M)	PROPERTY VALUATION CAP RATE (%)	OCCUPANCY (%)	WALE (BY INCOME)
Direct properties					
264 Copelands Road, Warragul VIC	39.50	178.00	6.00	100	17.18
709 Port Augusta Highway, Port Augusta SA	15.53	70.00	6.75	100	18.21
160 Elm Street, Guyra NSW	16.87	76.00	7.00	100	13.51
234 Carmelo Road, Riverlea Park SA	6.05	27.25	7.75	100	9.23
1051 - 1093 Numurkah Road, Katunga VIC	19.97	90.00	7.50	100	19.76
Liquid assets					
Cash	2.08	9.36			
Total investment portfolio	100%				

Portfolio geographic diversification



New South Wales 17.2%	160 Elm Street, Guyra
South Australia 22.0%	709 Port Augusta Highway, Port Augusta 234 Carmelo Road, Riverlea Park
Victoria 60.8%	264 Copelands Road, Warragul 1051 - 1093 Numurkah Road, Katunga

Centuria investor website

You can access all information relating to your Centuria investments at centuriainvestor.com.au.

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1. Updated on a quarterly basis and for significant portfolio changes. The valuation information is outlined on the Fund's continuous disclosure page.