

## Q1 FY26 Operating Update

- *New Tesla 10-year lease provides +133% re-lease spread for Derrimut Vic asset, defers planned re-development*
- *Opportunity for a second data centre development adjacent to the Telstra Data Centre of up to 40MW<sup>1</sup>*
- *Divestment of 42 Hoepner Road, Bundamba Qld at c.10% premium to book value*
- *On-market buy-back campaign totals 7.1m units worth \$24.7 million<sup>2</sup>, narrows trading price vs divestment metrics*
- *Re-purchase and new issuance of exchangeable note strengthens debt profile*
- *Increased FY26 FFO<sup>3</sup> guidance range of 18.2-18.5cpu<sup>4</sup>; Reaffirmed distribution guidance of 16.8cpu<sup>4</sup>*

**SYDNEY** (Wednesday, 29 October 2025) – Centuria Industrial REIT (**ASX: CIP**) is pleased to provide its Q1 FY26 operating update.

Grant Nichols, CIP Fund Manager said, “The first quarter of FY26 was punctuated with significant value-add opportunities progressing, which deliver substantial uplift for CIP unitholders as reflected in the REIT’s upgraded guidance range of 18.2-18.5 cents per unit (cpu) from 18.0-18.5cpu.

“Strong leasing continued with c.42,500sqm of lease terms agreed<sup>5</sup>. The most notable was a lease to Tesla at our Derrimut site. Tesla’s off-market approach to lease an asset earmarked for development exemplifies how the REIT’s development pipeline consists of income-producing assets that provide optionality, enabling CIP to select the best value for unitholders.

“Equally, Centuria’s inhouse development expertise helps CIP leverage opportunities to capture value from underutilised space, such as the REIT’s well-connected data centre in Clayton Vic. The potential to provide a second data centre on the site enables CIP to harness the growing demand for data consumption and AI infrastructure to a wide range of potential tenant customers.”

### PROPERTY PORTFOLIO AND LEASING

The planned redevelopment of 346 Boundary Road, Derrimut Vic has been deferred due to electric car manufacturer, Tesla, leasing the 2.9-ha property on very attractive terms. Tesla signed a new 10-year lease, inclusive of a +133% re-leasing spread, which commences in Q2 FY26. No significant capital works are required.

This Tesla lease exemplifies flexibility inherent within CIP’s development pipeline. Currently, all properties within the development pipeline are exclusively located within Australia’s urban infill markets and 100% income generating.

This provides optionality should appealing, ongoing leasing terms be achieved while sustaining future development opportunities.

During Q1 FY26, c.42,500 sqm of lease terms<sup>5</sup> were agreed across nine transactions. The majority of these transactions provided an average re-leasing spread of over 30%<sup>6</sup>, reflecting the attractiveness of domestic urban infill industrial markets. A single Queensland asset incurred a negative reversion and is one of the few assets that was over-rented across the portfolio.

### DATA CENTRE OPPORTUNITY

CIP is seizing the opportunity to develop a second data centre adjacent to the Telstra Data Centre in Clayton Vic following Telstra’s surrender of an underutilised portion of the site. Telstra has agreed to partially surrender underutilised land, providing an opportunity for a second data centre of up to 40MW<sup>1</sup>.

Development Approvals (DA) and power allocation for the site are progressing with the aim of initiating development following the de-commission of Telstra’s existing infrastructure, which is anticipated by mid-2027. The agreed surrender does not materially impact CIP’s FY26 FFO and is expected to be accretive to NTA once a DA and power allocations are finalised.

### TRANSACTIONS

During the period, CIP exchanged sale contracts to divest 42 Hoepner Road, Bundamba Qld for \$11.8million<sup>7</sup>, which provides a 10% premium to its June 2025 book value. The 10,244sqm industrial facility was developed by CIP in June 2021 and its divestment reflects a c.13% IRR<sup>8</sup> throughout the REIT’s ownership.

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Hoepner Road is another example of CIP divesting assets at a premium to book value. Since 2023, CIP has divested more than \$270million of assets at an average 8% premium to book value. The ongoing disconnect between CIP's trading price and its divestment metrics has seen CIP execute an on-market buy-back campaign as announced at its FY25 results. As at 28 October 2025, CIP has bought back 7.1 million units totalling \$24.7 million.

### EXCHANGEABLE NOTE

In September 2025, CIP settled A\$325 million of exchangeable notes at a fixed coupon of 3.50% per annum, which will be exchangeable into CIP units in 2030 at an initial exchange price of A\$4.00 per security. This new issuance of exchangeable notes strengthens CIP's debt profile and eradicates one of the potential variables to CIP's FY26 FFO. The use of exchangeable notes lowers CIP's average cost of debt, increases the proportion of fixed debt while diversifying its capital structure.

### FY25 GUIDANCE AND SUMMARY

Mr Nichols concluded, "CIP continues to achieve strong outcomes across its portfolio relating to leasing, capital transactions and value add initiatives. The ability to deliver these results is credited to CIP's portfolio being concentrated in Australia's urban infill markets where tenant demand is strongest, vacancy is low and supply is constrained. These urban infill assets provides multiple future opportunities for alternative, higher-use developments such as data centres and residential schemes."

CIP has increased its FY26 FFO<sup>3</sup> guidance range to 18.2-18.5 cents per unit (cpu) from 18.0-18.5cpu<sup>4</sup>. Distribution guidance is reaffirmed at 16.8cpu<sup>4</sup>, which is expected to be paid in quarterly instalments.

– Ends –

For more information or to arrange an interview, please contact:

**Grant Nichols**  
CIP Fund Manager  
Centuria Industrial REIT  
Phone: 02 8923 8923  
Email: grant.nichols@centuria.com.au

**Tim Mitchell**  
Group Head of Investor Relations  
Centuria Capital Limited  
Phone: 02 8923 8923  
Email: tim.mitchell@centuria.com.au

**Alexandra Koolman**  
General Manager – Communications  
Centuria Capital Limited  
Phone: 02 8923 8923  
Email: alexandra.koolman@centuria.com.au

*Authorised for release by Anna Kovarik, Company Secretary.*

### About Centuria Industrial REIT

CIP is Australia's largest domestic pure play industrial REIT and is included in the S&P/ASX 200 Index. CIP's portfolio of high-quality industrial assets is situated in key metropolitan locations throughout Australia and is underpinned by a quality and diverse tenant base. CIP is overseen by a hands-on, active manager and provides investors with income and an opportunity for capital growth from a pure play portfolio of high-quality Australian industrial assets.

Centuria Property Funds No. 2 Limited (CPF2L), is the Responsible Entity for the ASX-listed Centuria Industrial REIT (CIP) (ARSN 099 680 252). CPF2L is a wholly owned subsidiary of Centuria Capital Group (CNI). CNI is an ASX-listed specialist investment manager with \$20.6 billion in total assets under management (as at 30 June 2025) and strong offerings across listed real estate investment trusts, unlisted real estate funds and investment bonds.

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<sup>1</sup> A data centre development remains subject to power allocation, required planning and approval outcomes.

<sup>2</sup> As at 28 October 2025

<sup>3</sup> Funds From Operations (FFO) is CIP's underlying and recurring earnings from its operations. This is calculated as the statutory net profit adjusted for certain non-cash and other items.

<sup>4</sup> Guidance remains subject to unforeseen circumstances and material changes in operating conditions.

<sup>5</sup> Including Heads of Agreement (HoA).

<sup>6</sup> On a net rent basis compared to prior passing rents.

<sup>7</sup> Reflects CIP's 50% ownership.

<sup>8</sup> The internal rate of return (IRR) is the annual rate of return (both rental income and capital growth) that the investment generated throughout the period of ownership.

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