

Centuria increases stake in strongly performing real estate finance business

- ***CNI increases stake in Centuria Bass Credit to 80%***
- ***\$57m consideration for the purchase of 30% stake***
- ***Centuria Bass AUM increases to \$1.7bn in FY24 year to date***

SYDNEY Wednesday, 10 April 2024 – Centuria Capital Group (ASX: **CNI** or “**Centuria**”) is pleased to announce it has increased its interest in Centuria Bass Credit Pty Ltd (“**Centuria Bass**”) to 80% for a consideration of \$57 million plus adjustment for NTA.

The incremental stake was funded via \$28.5 million of cash and \$28.5 million in CNI scrip, with the CNI scrip issued at \$1.775 per security comprising a total issuance of 16,056,337 CNI securities.

Taking into account the consideration for the purchase of the initial 50% in 2021, CNI’s 80% interest has been acquired for a sum of \$81 million representing an approximate earnings multiple of 4 times based on annualised earnings to date in FY24.

John McBain, Centuria Capital Group Joint CEO said, “Today’s announcement follows an ongoing review of opportunities to meaningfully scale Centuria’s platform. Expanding our stake in Centuria Bass Credit increases alignment and earnings-share to a market leading real estate finance business, capable of generating healthy profit accretion for Centuria’s future earnings profile”.

“We retain high conviction over this asset class and are focused on broadening the range of real estate debt offerings to our investor network. Centuria’s investor network have developed a rapidly increasing appetite for the relatively competitive returns and short duration these funds exhibit.”

CENTURIA BASS REAL ESTATE FINANCE

Centuria Bass has grown meaningfully since its formation. On acquisition the Centuria Bass AUM was \$0.3 billion, which has grown to \$1.7 billion currently. Centuria Bass generated an interim operating profit of \$7.2 million for CNI as at 31 December 2023 based on the 50% interest held at that time.

Centuria Bass is positioned to increase its non-bank lending market share with new real estate finance investment products that complement Centuria’s distribution platform. Since 31 December 2023, Centuria Bass has further increased its AUM to \$1.7 billion, and a substantial pipeline of potential opportunities exists.

Centuria Bass continues to be led by a deeply experienced management team, including founding partners – former UBS European Head of Leveraged Finance and Debt Capital Markets, Giles Borten, and former Managing Director of Wingate and Gresham Partners, Nicholas Goh. Centuria Bass’ broader team now numbers 40 staff who are fully integrated in Centuria’s offices and operations.

Key Centuria executives have been active in the Centuria Bass business. Since the acquisition of the initial stake in 2021 both Centuria Joint CEO’s have served on the Centuria Bass board and Centuria’s CFO and Group Treasurer both sit on the Centuria Bass Investment Committee.

CNI re-affirms FY24 OEPS guidance of 11.5-12.0cps and FY24 DPS guidance of 10.0cps

Key transaction terms are included in the schedule below.

-ENDS-

Centuria Capital Group (CNI) ASX Announcement

Centuria

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Authorised for release by the CNI Joint CEO – John McBain

About Centuria Capital Group

Centuria Capital Group (CNI) is an ASX-listed specialist investment manager with \$21.1 billion of assets under management (as at 31 December 2023). We offer a range of investment opportunities including listed and unlisted real estate funds as well as tax-effective investment bonds. Our drive, allied with our in-depth knowledge of these sectors and intimate understanding of our clients, allows us to transform opportunities into rewarding investments.

www.centuria.com.au

Disclaimer

This announcement contains selected summary information and does not purport to be all-inclusive, comprehensive or to contain all of the information that may be relevant, or which a prospective investor may require in evaluations for a possible investment in CNI. It should be read in conjunction with CNI's periodic and continuous disclosure announcements which are available at www.centuria.com.au.

This announcement is provided for general information purposes only. It should not be relied upon by the recipient in considering the merits of CNI or the acquisition of securities in CNI.

Before making an investment decision, the recipient should consider its own financial situation, objectives and needs, and conduct its own independent investigation and assessment of the contents of this announcement, including obtaining investment, legal, tax, accounting and such other advice as necessary or appropriate.

This announcement may contain forward-looking statements, guidance, forecasts, estimates, prospects, projections or statements in relation to future matters ('Forward Statements'). No independent third party has reviewed the reasonableness of any such statements or assumptions. No member of CNI represents or warrants that such Forward Statements will be achieved or will prove to be correct or gives any warranty, express or implied, as to the accuracy, completeness, likelihood of achievement or reasonableness of any Forward Statement contained in this announcement.

Schedule of Key Transaction Terms

- Purchase price funded via \$28.5 million of cash and issue of 16,056,337 of CNI securities. The CNI securities are subject to voluntary escrow for up to 6 months (refer to the schedule of this announcement for details of voluntary escrow periods and release dates).
- Entry into amended shareholders deed for Centuria Bass:
 - Centuria to retain call option over remaining 20%, exercisable in July 2026 for an issue of CNI equity or cash or any combination as directed by Centuria. If Centuria calls the option, it has 12 months to settle.
 - Centuria Bass management has a put option for Centuria to purchase the remaining 20%, exercisable from July 2027. If put, Centuria has the right to settle the for an issue of CNI equity or cash or any combination as directed by Centuria. If Centuria Bass management has put the option, Centuria has six months to settle.
 - Centuria Bass management has a call option to acquire all the shares held by Centuria, if CNI is subject to a 'change of control event'¹ and management shareholders hold 20% or more of the shares in Centuria Bass.
 - The sale price for the call and put options above remains as 8.4 times last two financial years' EBIT plus NTA.
 - Board of Centuria Bass will be comprised of three Centuria directors and two management directors (Giles Borten and Nicholas Goh).
- The acquisition will constitute a 'business combination' for accounting purposes, with the identifiable assets and liabilities recognised in the consolidated balance sheet at their fair value.
- As a result of the put and call option noted above, the interests of the non-controlling shareholder will be recognised as a financial liability relating to the future purchase of its shares, with the liability remeasured each period based on updated forecasts or any future changes in ownership.

Details of Voluntary Escrow

The number of CNI securities subject to voluntary escrow is 16,056,337, pursuant to voluntary escrow deeds in a customary form. Their respective release dates are set out below. This notice is provided to ASX for the purposes of ASX Listing Rule 3.10A.

Number and Class of Securities	Release Date
1,612,699 fully paid stapled securities	10 May 2024
1,612,699 fully paid stapled securities	7 June 2024
1,612,699 fully paid stapled securities	10 July 2024
1,612,699 fully paid stapled securities	9 August 2024
1,612,699 fully paid stapled securities	10 September 2024
7,992,842 fully paid stapled securities	10 October 2024

¹ A change of control event will be taken to occur if a person (together with its associates) acquires directly or indirectly an interest in CNI of 50% or more of the issued voting securities in CNI