

20 November 2020

High Quality Value-Add Melbourne Industrial Acquisition

APN Funds Management Limited as Responsible Entity for APN Industria REIT ('ADI') today announces the acquisition of 78 Henderson Rd, Rowville, Victoria, for \$16.0 million.

The 10,230 square metre warehouse was built in 2008 and has full drive-around B-double access, and is leased to CMW Homewares for a remaining lease term of 3 years. The purchase price reflects a 5.75% capitalisation rate and an initial yield of 5.1%, providing opportunities to grow income and create value over time. The capital value on a per square metre basis is \$1,564 which is below replacement cost, without the benefit of 3 years of income.

Rowville is 35 kilometres from the Port of Melbourne, and the property is in close proximity to East Link and the M1 Motorway, which is attractive for occupiers that value speed to market when distributing their goods. The location is also popular for small to medium sized businesses that need to access a well established and skilled workforce nearby.

Mr Alex Abell, Fund Manager commented: "This acquisition continues the delivery of our strategy of growing through selectively acquiring assets that are high quality and located close to key infrastructure, with the ability to add-value. Post acquisition, gearing will be 31%, the bottom end of the 30 – 40% target gearing range, and providing meaningful capacity to fund further investments we anticipate over the coming months."

Settlement is anticipated for 1 December 2020.

This announcement was authorised to be given to the ASX by Joseph De Rango, Chief Financial Officer.

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About APN Industria REIT

APN Industria REIT ('Industria') (ASX code: ADI) is a listed Australian real estate investment trust which owns interests in office and industrial properties that provide functional and affordable workspaces for business. Industria's \$824 million portfolio of 32 properties located across the major Australian cities provides sustainable income and capital growth prospects for security holders over the long term. Industria has a target gearing band of 30 – 40%, providing flexibility for future growth without compromising the low-risk approach to management. Industria is managed by APN Property Group, a specialist real estate investment manager established in 1996, and governed by a majority independent Board.

www.apngroup.com.au

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Industria Trust No. 2 ARSN 125 862 491
Industria Trust No. 3 ARSN 166 150 938
Industria Trust No. 4 ARSN 166 163 186
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