

# RETAIL ENTITLEMENT OFFER

Details of a 1 for 5 accelerated  
non-renounceable entitlement offer of  
Stapled Securities at an Issue Price of  
\$1.30 per New Stapled Security

Retail Entitlement Offer closes at 5.00pm  
(Sydney time), Friday, 26 October 2018

**Centuria<sup>®</sup>**



**Centuria Capital Group**

*comprising*

**Centuria Capital Limited** (ABN 22 095 454 336); and

**Centuria Funds Management Limited** (ACN 607 153 588)

in its capacity as responsible entity of

**Centuria Capital Fund** (ARSN 613 856 358)

## **NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

This document and the personalised Entitlement and Acceptance Form that accompanies it contains important information and requires your immediate attention. You should read both documents carefully and in their entirety. This document is not a prospectus or product disclosure statement under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission (**ASIC**). If you have any queries please call your stockbroker, accountant or other professional adviser or the Centuria Offer Information Line on 1300 171 799 (from within Australia) or +61 3 9415 4104 (from outside Australia) between 8:30am and 5.00pm (Sydney time), Monday to Friday during the Retail Offer Period (Tuesday, 16 October 2018 to Friday, 26 October 2018).



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# Important Notices

This Retail Offer Booklet is dated Friday, 12 October 2018. Capitalised terms in this section have the meaning given to them in this Retail Offer Booklet (including the Glossary).

This Retail Offer Booklet is issued by Centuria Capital Group (**Centuria**) which is a stapled vehicle comprised of Centuria Capital Limited (ABN 22 095 454 336) and Centuria Funds Management Limited (ACN 607 153 588) as responsible entity of Centuria Capital Fund (ARSN 613 856 358).

This Retail Entitlement Offer is being made pursuant to sections 708AA and 1012DAA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) which allows rights issues to be offered without a prospectus or product disclosure statement. This Retail Offer Booklet does not contain all of the information which would be required to be disclosed in a prospectus or product disclosure statement. As a result, it is important for you to read and understand this Retail Offer Booklet in its entirety, along with the publicly available information on Centuria and the Entitlement Offer (for example, the information available on Centuria's website [www.centuria.com.au](http://www.centuria.com.au) or on the ASX's website [www.asx.com.au](http://www.asx.com.au)) prior to deciding whether to accept your Entitlement and apply for New Stapled Securities.

The Investor Presentation details important factors and risks that could affect the financial and operating performance of Centuria. Please refer to the "Risks" section of the Investor Presentation for details. When making an investment decision in connection with this Retail Entitlement Offer, it is essential that you consider these risk factors carefully in light of your individual personal circumstances, including financial and taxation issues.

Investments in Centuria are subject to investment risk, including delays in repayment and loss of income and capital invested. Centuria does not guarantee any return or any particular rate of return on the New Stapled Securities offered under the Retail Entitlement Offer or the performance of Centuria, nor does it guarantee the repayment of capital from Centuria.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Stapled Securities through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Retail Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Retail Offer Booklet.

## No overseas offering

This Retail Offer Booklet, the accompanying Entitlement and Acceptance Form or any accompanying ASX announcement, do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Retail Offer Booklet does not constitute an offer to Ineligible Stapled Securityholders.

This Retail Offer Booklet is not to be distributed in, and no offer of New Stapled Securities is to be made, in countries other than Australia and New Zealand.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Stapled Securities, or otherwise permit the public offering of the New Stapled Securities, in any jurisdiction other than Australia and New Zealand.

The distribution of this Retail Offer Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this Retail Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Stapled Securities is subject to all requisite authorities and clearances being obtained for Centuria to lawfully receive your Application Monies.

## New Zealand

The New Stapled Securities are not being offered to the public within New Zealand other than to existing Stapled Securityholders of Centuria with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

## United States – NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Retail Offer Booklet, and any accompanying ASX announcements and the Entitlement and Acceptance Form, do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States.

Neither this Retail Offer Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States. Neither the Entitlements nor the New Stapled Securities have been, nor will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of a person in the United States. Neither the Entitlements nor the New Stapled Securities may be offered, sold or resold in the United States or to persons acting for the account or benefit of a person in the United States except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. The Entitlements and the New Stapled Securities in the Retail Entitlement Offer

will be offered and sold only in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

### Definitions and currency

Defined terms used in this Retail Offer Booklet are contained in the Glossary. All currency amounts in this Retail Offer Booklet are in Australian dollars unless otherwise stated.

### Times and dates

All dates and times in this Retail Offer Booklet are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Sydney time. Any changes to the timetable will be posted on Centuria’s website at [www.centuria.com.au](http://www.centuria.com.au). Refer to the “Key Dates” section for more details.

### Not investment advice

Stapled Securityholders must note that the information provided in this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form, does not constitute financial product advice. All information has been prepared without taking into account your individual investment objectives, financial circumstances or particular needs. The information contained in this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form should not be considered as comprehensive or to comprise all the information which a Stapled Securityholder may require in order to determine whether or not to subscribe for New Stapled Securities. If you have any questions, please consult your professional adviser before deciding whether or not to invest.

### Past Performance

Investors should note that Centuria’s past performance, including past security price performance and historical information in ASX announcements, cannot be relied upon as an indicator of (and provides no guidance as to) Centuria’s future performance including Centuria’s future financial position or security price performance. The pro forma historical information is not represented as being indicative of Centuria’s views on its future financial condition or performance.

### Forward-looking statements

This Retail Offer Booklet contains certain “forward looking statements” including, without limitation, projections and guidance on the performance of Centuria and the outcome of the Entitlement Offer. Forward looking statements can generally be identified by use of forward looking words such as “anticipate”, “expect”, “likely”, “intend”, “should”, “could”, “may”, “propose”, “predict”, “plan”, “potential”, “will”, “believe”, “forecast”, “estimate”, “target”, “outlook”, “guidance” and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, statements relating to the future performance of Centuria and the outcome and effects of the Entitlement Offer and use of proceeds. No representation or warranty is given as to the accuracy or likelihood of achievement of any forward-looking statement in this Retail Offer Booklet, or any events or results expressed or implied in any forward-looking statement. Forward-looking statements, opinions and estimates provided in this Retail Offer Booklet are not guarantees of future performance and are by their nature inherently uncertain and are based on future events which may or may not be correct, assumptions and estimates which are subject to certain risks, uncertainties and change without notice, as are statements about market and industry trends, which are based on interpretation of market conditions. Actual results and performance may vary materially because events and actual circumstances frequently do not occur as forecast and future results are subject to known and unknown risk such as changes in market conditions and in regulations. Investors should form their own views as to these matters and any assumptions on which any of the forward-looking statements are based and not place reliance on such statements. To the maximum extent permitted by law, Centuria and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.

### Risks

Refer to the “Risks” section of the Investor Presentation included in Annexure B of this Retail Offer Booklet for a summary of general and specific risk factors that may affect Centuria.

### Trading New Stapled Securities

Centuria, the Underwriter and their respective affiliates and related bodies corporate will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Stapled Securities they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Centuria or the Registry or otherwise, or who otherwise trade or purport to trade New Stapled Securities in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should first consult with your stockbroker, accountant or other professional advisers.

# Chairman's Letter

## Centuria – Retail Entitlement Offer

Dear Stapled Securityholder,

On behalf of the Directors of Centuria, I am pleased to invite you to participate in Centuria's recently announced underwritten 1 for 5 accelerated non-renounceable entitlement offer (**Entitlement Offer**) of new Centuria stapled securities (**New Stapled Securities**) at an issue price of \$1.30 per New Stapled Security (**Issue Price**).

On 10 October 2018, Centuria Property Funds Limited (**CPFL**) as responsible entity of the Centuria Metropolitan REIT (**CMA**) announced that CMA, in conjunction with the Lederer Group, have entered into agreements to acquire a \$645 million portfolio of four high quality office assets from a subsidiary of Hines Global REIT, Inc. (**Hines Assets**). As a result of the acquisitions, Centuria's Assets Under Management (**AUM**) will increase to \$5.5bn. CMA will acquire \$501m of assets at a 3.8%<sup>1</sup> discount to their independent valuations. To partially fund the acquisitions, CMA will undertake a \$276 million equity raising (**CMA Equity Raising**).

Through a co-ownership arrangement with CMA, the Lederer Group will acquire a 75% interest in 465 Victoria Ave, Chatswood, NSW for \$125 million. This is the third successful asset management partnership with the Lederer Group and Centuria now manages over \$300 million on behalf of the Lederer Group.

CNI has committed to take up its full entitlement under the CMA Equity Raising and to sub-underwrite<sup>2</sup> up to \$50 million of the retail component of the CMA Equity Raising. Centuria's total commitment in respect of the CMA Equity Raising and to CMA's acquisition of the Hines Assets is a maximum of \$98 million. Further, in support of CMA and in order to help facilitate a quantum change in CMA's portfolio, scale and relevance, CNI will make a \$20 million contribution<sup>3</sup> to the acquisition of the Hines Assets. This contribution is not subject to repayment if the acquisitions complete nor does it carry interest.

Centuria has been actively investing in its listed REITs with \$41 million in further co-investments in CMA and Centuria Industrial REIT (**CIP**) over the last 3 months. Centuria is CMA's (23.4%) and CIP's (22.9%) largest unitholder with over \$320 million invested across both REITS ensuring it is closely aligned with the interests of the other Centuria listed REIT investors.

Centuria will undertake a \$100 million equity raising and is seeking to raise an additional \$75 million via a corporate bond issuance. The proceeds of the equity raising and bond issuance are sized to fund CNI's commitment to the CMA transaction and provide working capital for growth initiatives and strategic co-investments.

The CNI equity raising and acquisition of the Hines Assets by CMA will have strategic benefits for CNI including:

- Substantial increase in CNI AUM of 12% since 30 June 2018 to \$5.5 billion
- Accelerates growth in CNI recurring revenue from co-investments
- CNI will be supporting a step change transformation in CMA's portfolio quality and scale
- Further strengthens relationship with the Lederer Group who will acquire a 75% interest in 465 Victoria Avenue, Chatswood office asset as part of the acquisition of the Hines Assets. This increases the Lederer Group's, direct asset investment with Centuria to over \$300 million
- Equity Raising will result in a material increase in CNI's market capitalisation to over \$500 million, further enhancing potential inclusion in the ASX300

<sup>1</sup> Before transaction costs and net of the \$20 million contribution from CNI.

<sup>2</sup> On the same terms as other sub-underwriters.

<sup>3</sup> Refer to Section 1.4 for further details on this contribution.

## FY19 Guidance

Centuria provides the following FY19 guidance:

- Operating earnings per Security (EPS) guidance of 10.2 cps (excluding performance fee contribution)
- Distribution per Security (DPS) guidance of 9.25 cps

## Equity Raising

On 10 October 2018, Centuria announced its intention to raise approximately \$100 million by way of:

- a. a private placement (**Placement**) to Eligible Institutional Stapled Securityholders and Institutional Investors invited to participate in the Placement to raise approximately \$20.4 million; and
- b. an accelerated non-renounceable entitlement offer to Eligible Institutional Stapled Securityholders (**Institutional Entitlement Offer**) and a non-renounceable entitlement offer to Eligible Retail Stapled Securityholders (**Retail Entitlement Offer**) to raise approximately \$79.7 million (together the Entitlement Offer and the Placement are referred to as the **Equity Raising**).

The Institutional Entitlement Offer received strong support with commitments of approximately \$51.7 million and together with the Placement has raised approximately \$72.9 million.

The Equity Raising is underwritten by Moelis Australia Advisory Pty Ltd (**Underwriter**), subject to the terms of the Underwriting Agreement (see Section 5.11 for more details).

The Board is pleased to provide Eligible Retail Stapled Securityholders with an opportunity to increase their investment in Centuria and to support the ongoing execution of its growth strategy.

## Retail Entitlement Offer

This letter relates to the Retail Entitlement Offer, which will raise approximately \$27.9 million. Under the Retail Entitlement Offer, Eligible Retail Stapled Securityholders can subscribe for 1 New Stapled Security for every 5 Stapled Securities held as at the Record Date at an Issue Price of \$1.30 per New Stapled Security. The Issue Price represents a discount of 3.3% to the \$1.345 five day VWAP of Stapled Securities on 9 October 2018.

The New Stapled Securities issued under the Entitlement Offer will rank equally with existing Stapled Securities on issue and will be entitled to participate in all future distributions of Centuria.

The number of New Stapled Securities for which you are entitled to subscribe under the Retail Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that will accompany this Retail Offer Booklet when it is despatched to Eligible Retail Stapled Securityholders on Tuesday, 16 October 2018. Eligible Retail Stapled Securityholders who take up their full Entitlement may also apply for Additional New Stapled Securities in excess of their Entitlement (to the extent available), at the Issue Price. In the event of oversubscriptions, the allocation of Additional New Stapled Securities will be at the discretion of the Board and the Underwriter and subject to scale back. There is no guarantee that you will be allocated any Additional New Stapled Securities.

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable. If you do not participate in the Retail Entitlement Offer, your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

## Chairman's Letter

If you decide to take this opportunity to increase your investment in Centuria please ensure that, before 5.00pm (Sydney time) on Friday, 26 October 2018, you have paid your Application Monies preferably via BPAY® pursuant to the instructions that are set out in the personalised Entitlement and Acceptance Form that will accompany this Retail Offer Booklet when it is despatched to you, or otherwise that your completed Entitlement and Acceptance Form and your Application Monies are received in cleared funds by the Registry. If you apply and pay your Application Monies before 5.00pm (Sydney time) on Friday, 19 October 2018 (**Early Retail Acceptance Due Date**) via BPAY®, your New Stapled Securities will be allotted to you on Tuesday, 23 October 2018, which is the same date that new Stapled Securities will be issued under the Placement and the Institutional Entitlement Offer.

**The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Friday, 26 October 2018.**

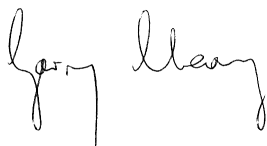
The Board advises you to carefully read this Retail Offer Booklet in its entirety and to seek appropriate professional advice before making any investment decision. In particular, you should refer to the "Risks" section of the Investor Presentation included in Annexure B of this Retail Offer Booklet for a summary of general and specific risk factors that may affect Centuria and the Entitlement Offer.

If you have any questions about the Entitlement Offer, please do not hesitate to contact Centuria's Offer Information Line on 1300 171 799 (from within Australia) or +61 3 9415 4104 (from outside Australia) between 8.30am and 5.00pm (Sydney time), Monday to Friday during the Retail Offer Period.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

On behalf of the directors of Centuria, we invite you to consider this investment and participate in the exciting next stage of Centuria's growth.

Yours faithfully,



Garry Charny  
Chairman



# Key Dates

<b>Announcement of the Placement and Entitlement Offer</b>	<b>Wednesday, 10 October 2018</b>
<b>Placement and Institutional Entitlement Offer opens</b>	<b>Wednesday, 10 October 2018</b>
<b>Placement and Institutional Entitlement Offer closes</b>	<b>Wednesday, 10 October 2018</b>
<b>Record Date for eligibility in the Retail Entitlement Offer</b>	<b>7.00pm (Sydney time) Friday, 12 October 2018</b>
<b>Retail Entitlement Offer opens</b>	<b>9.00am (Sydney time) Tuesday, 16 October 2018</b>
<b>Retail Offer Booklet despatched</b>	<b>Tuesday, 16 October 2018</b>
<b>Early Retail Acceptance Due Date</b>	<b>5.00pm (Sydney time) Friday, 19 October 2018</b>
<b>Settlement of the New Stapled Securities issued under the Placement, Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date</b>	<b>Monday, 22 October 2018</b>
<b>Allotment and normal trading on ASX of New Stapled Securities issued under the Placement, Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date</b>	<b>Tuesday, 23 October 2018</b>
<b>Despatch of holding statements for New Stapled Securities issued under the Placement, Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date</b>	<b>Wednesday, 24 October 2018</b>
<b>Retail Entitlement Offer closes</b>	<b>5.00pm (Sydney time) Friday, 26 October 2018</b>
<b>Settlement of the remaining New Stapled Securities issued under the Retail Entitlement Offer</b>	<b>Thursday, 1 November 2018</b>
<b>Allotment of remaining New Stapled Securities issued under the Retail Entitlement Offer</b>	<b>Friday, 2 November 2018</b>
<b>Normal trading on ASX of remaining New Stapled Securities issued under the Retail Entitlement Offer</b>	<b>Monday, 5 November 2018</b>
<b>Despatch of holding statements for the remaining New Stapled Securities issued under the Retail Entitlement Offer</b>	<b>Monday, 5 November 2018</b>

All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Sydney time. Centuria reserves the right to amend any or all of these dates and times, with the consent of the Underwriter, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Centuria reserves the right to extend the Retail Closing Date and to accept late Applications under the Retail Entitlement Offer without prior notice. Any extension of the Retail Closing Date will have a consequential effect on the Allotment Date for New Stapled Securities under the Retail Entitlement Offer. Any changes to the timetable will be posted on Centuria's website at [www.centuria.com.au](http://www.centuria.com.au).

Subject to the consent of the Underwriter, Centuria also reserves the right not to proceed with the Equity Raising in whole or in part at any time prior to allotment and issue of the New Stapled Securities under the Retail Entitlement Offer. In that event, the relevant Application Monies (without interest) will be returned in full to applicants.

The commencement of quotation of New Stapled Securities is subject to the discretion of ASX.

# What Should You Do?

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## **1. Read this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form**

This Retail Offer Booklet and the personalised Entitlement and Acceptance Form that accompanies it contain important information about the Retail Entitlement Offer. You should read both documents carefully and in their entirety before deciding whether or not to participate in the Retail Entitlement Offer. The Retail Offer Booklet can also be viewed at [www.centuriacapitaloffer.com.au](http://www.centuriacapitaloffer.com.au).

This Retail Entitlement Offer is not being made under a prospectus or product disclosure statement. This Retail Offer Booklet does not contain all of the information which would be required to be disclosed in a prospectus or product disclosure statement. As a result, it is important for you to read and understand this Retail Offer Booklet in its entirety, along with the publicly available information on Centuria and the Entitlement Offer (for example, the information available on Centuria's website [www.centuria.com.au](http://www.centuria.com.au) or on the ASX's website [www.asx.com.au](http://www.asx.com.au)) prior to deciding whether to accept your Entitlement and apply for New Stapled Securities.

If you are in doubt as to the course you should follow, you should seek appropriate professional advice before making an investment decision.

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## **2. Consider the Retail Entitlement Offer in light of your particular investment objectives and circumstances**

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer.

An investment in New Stapled Securities is subject to both known and unknown risks, some of which are beyond the control of Centuria. These risks include the possible loss of income and principal invested. Centuria does not guarantee any return or any particular rate of return or the performance on the New Stapled Securities offered under the Retail Entitlement Offer or the performance of Centuria, nor does it guarantee the repayment of capital from Centuria. In considering an investment in New Stapled Securities, investors should have regard to (amongst other things) the "Risks" section in the Investor Presentation and the disclaimers outlined in this Retail Offer Booklet.

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### 3. Decide what you want to do

If you are an Eligible Retail Stapled Securityholder, you have four options available to you in relation to the Retail Entitlement Offer:

1. take up all of your Entitlement (refer to Section 2.2);
2. take up all of your Entitlement and apply for Additional New Stapled Securities in excess of your Entitlement (refer to Section 2.2);
3. take up part of your Entitlement (refer to Section 2.2); or
4. do nothing and allow your Entitlement to lapse (refer to Section 2.3).

Ineligible Stapled Securityholders may not take up any of their Entitlements.

Eligible Retail Stapled Securityholders who take up their Entitlement in full may also apply for Additional New Stapled Securities in excess of their Entitlement (to the extent available). In the event of oversubscription, the allocation of Additional New Stapled Securities will be at the discretion of the Board and the Underwriter and subject to scale back. There is no guarantee that you will be allocated any Additional New Stapled Securities.

Disregarding the Placement, Eligible Retail Stapled Securityholders who do not participate in the Retail Entitlement Offer, or participate for an amount less than their full Entitlement will have their percentage holding in Centuria reduced. Disregarding the Placement, Eligible Retail Stapled Securityholders who participate in the Retail Entitlement Offer will see their percentage holding in Centuria reduce, increase or stay the same depending on the proportion of their Entitlement they subscribe for and the Additional New Stapled Securities applied for and allocated to them, at the discretion of the Board and the Underwriter.

The Entitlement Offer is non-renounceable, which means that the Entitlements cannot be traded or otherwise transferred on the ASX or any other exchange or privately. If you do not participate in the Entitlement Offer, you will not receive any value for your Entitlement.

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### 4. Apply for New Stapled Securities

To participate in the Retail Entitlement Offer, please complete and lodge a valid Entitlement and Acceptance Form and Application Monies for New Stapled Securities, or make a payment by BPAY®, so that it is received by 5.00pm (Sydney time) on Friday, 26 October 2018 pursuant to the instructions set out on the Entitlement and Acceptance Form.

**If you take no action your Entitlement under the Retail Entitlement Offer will lapse.**

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### 5. Questions

If you have any questions about the Retail Entitlement Offer, please do not hesitate to contact Centuria's Offer Information Line on 1300 171 799 (from within Australia) or +61 3 9415 4104 (from outside Australia) between 8.30am and 5.00pm (Sydney time), Monday to Friday during the Retail Offer Period.

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# Section 1

## Overview of the Offer

### 1.1 Overview

Centuria intends to raise approximately \$100 million through the Equity Raising, which comprises the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer.

The Equity Raising is underwritten by the Underwriter, subject to the terms of the Underwriting Agreement (see Section 5.11 for more details).

Under the Entitlement Offer, Centuria is offering Eligible Stapled Securityholders the opportunity to subscribe for 1 New Stapled Security for every 5 Stapled Securities held on the Record Date. The Issue Price per New Stapled Security is \$1.30, the same price as offered to Institutional Investors under the Placement.

The Entitlement Offer is non-renounceable, which means that the Entitlements cannot be traded or otherwise transferred on the ASX or any other exchange or privately. If you do not participate in the Entitlement Offer, you will not receive any value for your Entitlement.

Please refer to the ASX Announcement and the Investor Presentation annexed to this Retail Offer Booklet for information on the rationale of the Equity Raising, the use of the proceeds of the Equity Raising, and for further information on Centuria and its strategy.

### 1.2 Placement and Institutional Entitlement Offer

On 10 October 2018, the Placement was conducted with eligible Institutional Investors being offered New Stapled Securities at an Issue Price of \$1.30 per New Stapled Security. In addition, Eligible Institutional Stapled Securityholders were given the opportunity to take up all or part of their Entitlement under the Institutional Entitlement Offer at an Issue Price of \$1.30 per New Stapled Security.

New Stapled Securities equivalent to the number not taken up by Eligible Institutional Stapled Securityholders under the Institutional Entitlement Offer were offered to Eligible Institutional Stapled Securityholders who applied for New Stapled Securities in excess of their Entitlement, as well as to certain other eligible Institutional Investors.

Centuria successfully conducted the Placement to raise \$20.4 million.

Centuria also received strong support under the Institutional Entitlement Offer with commitments of approximately \$51.7 million. The New Stapled Securities are expected to be allotted under the Placement and Institutional Entitlement Offer on Tuesday, 23 October 2018 and the New Stapled Securities are expected to be allotted under the Retail Entitlement Offer on Friday, 2 November 2018.

### 1.3 Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Stapled Securityholders are being invited to subscribe for all or part of their Entitlement and are being sent this Retail Offer Booklet with a personalised Entitlement and Acceptance Form. Eligible Retail Stapled Securityholders are also able to view the Retail Offer Booklet and participate in the Retail Entitlement Offer using the offer website at [www.centuriacapitaloffer.com.au](http://www.centuriacapitaloffer.com.au).

Centuria is also offering Eligible Retail Stapled Securityholders the opportunity to apply for Additional New Stapled Securities in excess of their Entitlement. The allocation of Additional New Stapled Securities will be at the discretion of the Board and the Underwriter and subject to scale back. Allotment of Additional New Stapled Securities (if any) will take place along with allotment of New Stapled Securities offered under the Retail Entitlement Offer on Friday, 2 November 2018.

The Retail Entitlement Offer constitutes an offer only to Eligible Retail Stapled Securityholders, being Stapled Securityholders on the Record Date who have a registered address in Australia or New Zealand and are eligible under all applicable laws to receive an offer under the Retail Entitlement Offer. A person in the United States or acting for the account or benefit of a person in the United States (to the extent such person holds Stapled Securities for the account or benefit of such person in the United States) or an Institutional Stapled Securityholder (other than a nominee to the extent that the nominee holds Stapled Securities on behalf of an Eligible Retail Stapled Securityholder) is not entitled to participate in the Retail Entitlement Offer.

Determination of eligibility of investors for the purposes of the Entitlement Offer is by reference to a number of matters, including legal requirements and the discretion of Centuria and the Underwriter. Centuria and the Underwriter disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Friday, 26 October 2018, with New Stapled Securities to be allotted on Friday, 2 November 2018.

The Retail Entitlement Offer is underwritten by the Underwriter and seeks to raise approximately \$27.9 million. The Issue Price under the Retail Entitlement Offer is the same as the Issue Price under the Placement and Institutional Entitlement Offer.

#### 1.4 Use of proceeds

The proceeds of the Equity Raising will be used to:

- Fund CNI's obligations in respect of the CMA Equity Raising, being:
  - a \$20 million contribution to the acquisition of the Hines Assets;
  - a \$78 million commitment to participate in the CMA Equity Raising by taking up its full entitlement and sub-underwriting<sup>4</sup> up to \$50 million of the retail component of the CMA Equity Raising.
- Replenish CNI's working capital after CNI has invested a further \$64 million in co-investments to:
  - strengthen alignment with CIP and CMA by increasing its holdings to 22.9% and 23.4% respectively; and

- increase its strategic investment in Property Link Group (**PLG**) to 12.9%.
- CNI will have sufficient capacity for future investment opportunities that may include:
  - continued support of co-investments in CNI's listed funds which are in a growth phase and may continue to seek additional capital to fund that growth;
  - grow its unlisted property funds management business by increasing CNI's capacity to co-invest in unlisted property funds;
  - provide seed capital to launch new wholesale funds management initiatives ; and
  - undertake corporate M&A transactions to grow Centuria's property funds management platform and FUM.

In relation to the \$20 million contribution, CNI has agreed to subscribe \$20 million for ordinary fully paid shares in its wholly-owned subsidiary, Centuria Property Funds Limited (**CPFL**), the responsible entity of CMA. The subscription is subject to certain conditions: that acquisition of the Hines Assets occurs; and that CPFL agrees to contribute the subscription money to CMA, to be held on trust for the CMA unitholders and to be applied to the purchase price of the Hines Assets. CPFL has made a deed poll in favour of the CMA unitholders that subject to the conditions, it will contribute the \$20 million to CMA. If completion of the acquisition of the Hines Assets has not occurred by 31 January 2019 the deed poll automatically terminates.

#### 1.5 Ranking of New Stapled Securities

New Stapled Securities will rank equally with existing Stapled Securities on issue.

#### 1.6 Reconciliation and fractional entitlements

In any entitlement offer, investors may believe that they own more or fewer existing Stapled Securities on the Record Date than they ultimately do. This could potentially result in the requirement for reconciliation to ensure all Eligible Retail Stapled Securityholders have the opportunity to receive their full Entitlement. If this is required, it is possible that Centuria may need to issue a small quantity of additional New Stapled Securities to ensure all Eligible Institutional Stapled Securityholders and Eligible Retail Stapled Securityholders have the opportunity to receive their full Entitlement. The price at which these Stapled Securities will be issued will be the

<sup>4</sup> On the same terms as other sub-underwriters.

# Section 1

## Overview of the Offer

same as the Issue Price. Centuria also reserves the right to reduce the number of New Stapled Securities allocated to Eligible Stapled Securityholders or persons claiming to be Eligible Stapled Securityholders, if their Entitlement claims prove to be overstated, or if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are indeed not Eligible Stapled Securityholders.

To the extent that the application of the offer ratio of 1 New Stapled Security for every 5 existing Stapled Securities held on the Record Date results in a fractional entitlement to New Stapled Securities for a particular Stapled Securityholder, that Securityholder's Entitlement shall be rounded up to the next higher whole number of New Stapled Securities.

### 1.7 Quotation and trading

Centuria will apply to ASX for the official quotation of the New Stapled Securities in accordance with ASX Listing Rule requirements. Subject to approval being granted, it is expected that normal trading of New Stapled Securities:

- allotted under the Placement, Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date will commence on Tuesday, 23 October 2018; and
- allotted under the Retail Entitlement Offer (including any Additional New Stapled Securities) will commence on Monday, 5 November 2018.

### 1.8 Holding statements

Holding statements are expected to be despatched to Eligible Stapled Securityholders:

- on Wednesday, 24 October 2018 in respect of New Stapled Securities allotted under the Placement, Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date; and
- on Monday, 5 November 2018 in respect of New Stapled Securities allotted under the Retail Entitlement Offer.

It is the responsibility of each applicant to confirm their holding before trading in New Stapled Securities. Any applicant who sells New Stapled Securities before receiving confirmation of their holding in the form of their holding statement will do so at their own risk. Centuria, the Underwriter and their respective affiliates and related bodies corporate each disclaim all liability whether in negligence or otherwise (and to the maximum extent permitted by law) to persons who trade New Stapled Securities before receiving their holding statements, whether on the basis of confirmation of the allocation provided by Centuria, the Registry or the Underwriter.

### 1.9 Withdrawal of the Entitlement Offer

Subject to the consent of the Underwriter, Centuria reserves the right to withdraw the Entitlement Offer at any time, in which case Centuria will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest.



# Section 2

## How to Apply – Eligible Retail Stapled Securityholders

### 2.1 Choices available to Eligible Retail Stapled Securityholders

Eligible Retail Stapled Securityholders may do any one of the following:

1. take up all of their Entitlement (refer to Section 2.2);
2. take up all of their Entitlement and apply for Additional New Stapled Securities in excess of their Entitlement (refer to Section 2.2);
3. take up part of their Entitlement (refer to Section 2.2); or
4. do nothing and allow their Entitlement to lapse (refer to Section 2.3).

The Retail Entitlement Offer is a pro rata offer to Eligible Retail Stapled Securityholders only.

Centuria is also offering Eligible Retail Stapled Securityholders who take up all of their Entitlement the opportunity to apply for Additional New Stapled Securities in excess of their Entitlement (refer to Section 2.2).

### 2.2 Take up all or part of your Entitlement, or take up all of your Entitlement and apply for Additional New Stapled Securities in excess of your Entitlement

If you wish to take up your Entitlement in full or in part, or in full and apply for Additional New Stapled Securities in excess of your Entitlement, there are two different ways you can submit your Application and Application Monies.

#### 2.2.1 Payment via BPAY®

For payment by BPAY®, please follow the instructions set out on the personalised Entitlement and Acceptance Form or online at [www.centuriacapitaloffer.com.au](http://www.centuriacapitaloffer.com.au). You can only make payment by BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please ensure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) found on your personalised

Entitlement and Acceptance Form or accessed online at [www.centuriacapitaloffer.com.au](http://www.centuriacapitaloffer.com.au). If you have multiple holdings and receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings, only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding, your Application will not be recognised as valid and may be rejected.

You can be allotted New Stapled Securities the subject of your Entitlement at the same time as Eligible Institutional Stapled Securityholders under the Institutional Entitlement Offer being, Tuesday, 23 October 2018. To do this you must make payment of the Application Monies via BPAY® in time to ensure that cleared funds are received no later than 5.00 pm (Sydney time) on Friday, 19 October 2018. If your payment of the Application Monies is received in cleared funds after this time, but before the Retail Closing Date, New Stapled Securities will be allotted to you on Friday, 2 November 2018.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment of Application Monies.

To apply and pay via BPAY®, you should:

- read this Retail Offer Booklet and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary;
- make your payment in respect of the full Application Monies via BPAY® for the number of New Stapled Securities you wish to subscribe for (being the Issue Price of \$1.30 per New Stapled Security multiplied by the number of New Stapled Securities (including your Entitlement and any Additional New Stapled Securities) you are applying for) so that it is received by no later than the Retail Closing Date, being 5.00pm (Sydney time) on Friday, 26 October 2018.

## Section 2

### How to Apply – Eligible Retail Stapled Securityholders

If you choose to pay via BPAY® you are not required to submit the Entitlement and Acceptance Form but are taken to make the statements on that form and representations outlined below in Section 2.4 (Implications of making an Application), including the Eligible Retail Stapled Securityholder declarations referred to in the Entitlement and Acceptance Form and included on page 29 of this Retail Offer Booklet.

If you take up all or part of your Entitlement (or all of your Entitlement and apply for Additional New Stapled Securities) and your payment of the Application Monies is received in cleared funds by the Retail Closing Date, being 5.00pm (Sydney time) on Friday, 26 October 2018, New Stapled Securities (and Additional New Stapled Securities) are expected to be allotted to you on the Allotment Date being Friday, 2 November 2018. Your payment of the Application Monies will not be accepted after the Retail Closing Date, being 5.00pm (Sydney time) on Friday, 26 October 2018, and no New Stapled Securities (or Additional New Stapled Securities) will be issued to you in respect of such late Application.

If the amount of Application Monies is insufficient to pay in full for the number of New Stapled Securities you applied for, you will be taken to have applied for such whole number of New Stapled Securities which is covered in full by your Application Monies. Alternatively, your application will be rejected.

If you apply for Additional New Stapled Securities in excess of your Entitlement and you are not allocated all or some of the Additional New Stapled Securities applied for, the relevant Application Monies will be refunded to you after the Allotment Date in accordance with the Corporations Act, without interest being payable. The allotment of Additional New Stapled Securities will be at the discretion of the Board and the Underwriter and may be subject to scale back.

#### ***2.2.2 Submit your completed Entitlement and Acceptance Form together with cheque, bank draft or money order for all Application Monies***

To apply and pay by cheque, bank draft or money order, you should:

- read this Retail Offer Booklet and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary;
- complete the personalised Entitlement and Acceptance Form accompanying this Retail Offer Booklet in accordance with the instructions set out on that form, and indicate the number of New Stapled Securities you wish to subscribe for; and
- return the completed Entitlement and Acceptance Form to the Registry (address details below) together with a cheque, bank draft or money order which must be:
  - in respect of the full Application Monies (being \$1.30 multiplied by the number of New Stapled Securities (including your Entitlement and any Additional New Stapled Securities) you wish to subscribe for);
  - in Australian currency drawn on an Australian bank; and
  - made payable to 'Centuria Retail Offer' and crossed 'Not Negotiable'.

You should ensure that sufficient funds are held in relevant account(s) to cover the full Application Monies as your cheque will be processed on the day of receipt.

Cash payments will not be accepted. Receipts for payment will not be issued.

If you wish to be allotted New Stapled Securities the subject of your Entitlement at the same time as Eligible Institutional Stapled Securityholders under the Institutional Entitlement Offer, being Tuesday, 23 October 2018, you must make payment of the Application Monies via BPAY® (refer to Section 2.2.1 above).

If you apply and pay by cheque, bank draft or money order, your Entitlement and Acceptance Form and your Application Monies in cleared funds must be received by the Registry by no later than 5.00pm (Sydney time) on Friday, 26 October 2018 and New Stapled Securities (and Additional New Stapled Securities) will be allotted to you on the Allotment Date being Friday, 2 November 2018. Entitlement and Acceptance Forms (and payments for Application Monies) will not be accepted after the Retail



Closing Date, being 5.00pm (Sydney time) on Friday, 26 October 2018 and no New Stapled Securities (or Additional New Stapled Securities) will be issued to you in respect of such late Application.

If the amount of Application Monies is insufficient to pay in full for the number of New Stapled Securities you applied for, you will be taken to have applied for such whole number of New Stapled Securities which is covered in full by your Application Monies. Alternatively, your application will be rejected.

If you apply for Additional New Stapled Securities in excess of your Entitlement and you are not allocated all or some of the Additional New Stapled Securities applied for, the relevant Application Monies will be refunded to you after the Allotment Date in accordance with the Corporations Act, without interest being payable. The allotment of Additional New Stapled Securities will be at the discretion of the Board and the Underwriter and may be subject to scale back.

You need to ensure that your completed Entitlement and Acceptance Form and cheque, bank draft or money order in respect of the full Application Monies reaches the Registry in sufficient time so that they are received by no later than 5.00pm (Sydney time) on the Retail Closing Date being Friday, 26 October 2018 at the following address:

**Postal Address**

**Mail to:**

Computershare Investor Services Pty Limited  
GPO Box 505  
Melbourne VIC 3001

Entitlement and Acceptance Forms (and payments for any Application Monies) will not be accepted at Centuria's registered or corporate offices.

For the convenience of Eligible Retail Stapled Securityholders, an Australian reply paid envelope addressed to the Registry has been enclosed with this Retail Offer Booklet.

Note that if you have more than one holding of Stapled Securities, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. A separate Entitlement and Acceptance Form and payment of Application Monies must be completed for each separate Entitlement you hold.

**2.2.3 Refund of Application Monies**

Any Application Monies received for more than your final allocation of New Stapled Securities and Additional New Stapled Securities will be refunded as soon as practicable after allotment. No interest will be paid to applicants on any Application Monies received or refunded.

**2.3 Take no action and allow all of your Entitlement to lapse**

If you are an Eligible Retail Stapled Securityholder and you do nothing, the Entitlements in respect of your Stapled Securities will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Stapled Securityholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

You should also note that, if you do not take up all or part of your Entitlement, then your percentage holding in Centuria will be diluted to the extent that New Stapled Securities are issued to other Stapled Securityholders and Institutional Investors.

**2.4 Implications of making an Application**

Returning a completed Entitlement and Acceptance Form or paying any Application Monies for New Stapled Securities via BPAY® will be taken to constitute a representation by the Eligible Retail Stapled Securityholder that they:

- have received a copy of this Retail Offer Booklet accompanying the Entitlement and Acceptance Form, and have read them in their entirety;
- make the Eligible Retail Stapled Securityholder declarations referred to in the Entitlement and Acceptance Form and on page 29 of this Retail Offer Booklet; and
- acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment is made in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law.

## Section 2

# How to Apply – Eligible Retail Stapled Securityholders

### 2.5 Enquiries

This Retail Offer Booklet and the Entitlement and Acceptance Form that accompanies it contain important information. You should read both documents in their entirety before deciding whether or not to participate in the Retail Entitlement Offer. If you:

- have questions in relation to the existing Stapled Securities upon which your Entitlement has been calculated;
- have questions on how to complete the Entitlement and Acceptance Form or take up your Entitlement; or
- you have lost your Entitlement and Acceptance Form and would like a replacement form,

please call Centuria's Offer Information Line on 1300 171 799 (from within Australia) or +61 3 9415 4104 (from outside Australia) between 8.30am and 5.00pm (Sydney time), Monday to Friday during the Retail Offer Period. If you have further questions you should contact your professional adviser.

# Section 3

## Australian Taxation

### 3.1 General

The section below provides a general summary of the Australian income tax, capital gains tax (**CGT**), goods and services tax (**GST**) and stamp duty implications of the Retail Entitlement Offer for certain Eligible Retail Stapled Securityholders.

The comments in this section deal only with the Australian taxation implications of the Retail Entitlement Offer if you:

- are a resident for Australian income tax purposes; and
- hold your Stapled Securities on capital account.

The comments do not apply to you if you:

- are not a resident for Australian income tax purposes;
- hold your Stapled Securities as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of trading in securities);
- are subject to the 'TOFA provisions' in Division 230 of the *Income Tax Assessment Act 1997* in relation to the Stapled Securities; or
- acquired the Stapled Securities in respect of which the Entitlement Offer is issued under any employee share scheme or where the New Stapled Securities are acquired pursuant to any employee share scheme.

The taxation implications of the Retail Entitlement Offer will vary depending upon your particular circumstances. Accordingly, you should seek and rely upon your own professional advice before concluding on the particular taxation treatment that will apply to you.

Centuria and its officers, employees, taxation or other advisers do not accept any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

This taxation summary is necessarily general in nature. It is strongly recommended that each Eligible Retail Stapled Securityholder seeks their own independent professional tax advice applicable to their particular circumstances.

This taxation summary does not constitute financial product advice as defined in the *Corporations Act*. This summary is confined to taxation issues and is only one of the matters you need to consider when making a decision about your investments. You should consider taking advice from a licensed adviser, before making a decision about your investments.

### 3.2 Issue of Entitlements

The issue of the Entitlements should not, of itself, result in any amount being included in your assessable income.

### 3.3 Exercise of Entitlements

Eligible Retail Stapled Securityholders who exercise their Entitlements will acquire New Stapled Securities. No assessable income or capital gain should arise for you on the exercise (i.e. taking up) of your Entitlements.

If you take up all or part of your Entitlements, you will acquire New Stapled Securities. Each of the securities comprising the New Stapled Securities will constitute a separate asset for CGT purposes.

The total cost base (and reduced cost base) of the New Stapled Securities should equal the Issue Price for the New Stapled Securities plus certain non-deductible incidental costs incurred in acquiring the New Stapled Securities. The cost base must be allocated across the securities that comprise the New Stapled Securities on a reasonable basis.

Each of the securities comprising the New Stapled Securities will be taken to be acquired on the day that the Entitlement in respect of the New Stapled Security is exercised.

## Section 3

# Australian Taxation

### 3.4 Acquiring Additional New Stapled Securities

No assessable income or capital gain should arise for you from acquiring Additional New Stapled Securities.

The cost base and reduced cost base for the individual securities comprising Additional New Stapled Securities acquired under the Retail Entitlement Offer should be determined in the same manner as for New Stapled Securities acquired on exercise of your Entitlements.

Each of the securities comprising the Additional New Stapled Securities will be taken to have been acquired for CGT purposes on the day the Additional New Stapled Securities are issued to you.

### 3.5 Distributions on New Stapled Securities

Future distributions made in respect of New Stapled Securities and Additional New Stapled Securities will be subject to the same income taxation treatment as distributions made on existing Stapled Securities held in the same circumstances.

### 3.6 Disposal of New Stapled Securities and Additional New Stapled Securities

On disposal of a New Stapled Security or an Additional New Stapled Security (referred to in this section as a Stapled Security), you will make a capital gain if the capital proceeds on disposal exceed the total cost base of the Stapled Security. You will make a capital loss if the capital proceeds are less than the total reduced cost base of the Stapled Security.

As each individual security comprising a Stapled Security is a separate CGT asset, the disposal of a Stapled Security will constitute a disposal for CGT purposes of each individual security comprising that Stapled Security. Accordingly, the capital proceeds referable to the disposal of each individual security will need to be determined by apportioning the total capital proceeds received in respect of the disposal of the Stapled Security on a reasonable basis.

Individuals, complying superannuation entities or trustees that have held Stapled Securities for at least 12 months (not including the dates of acquisition and disposal of the Stapled Securities) should be entitled to discount the amount of any capital gain resulting from the disposal of the Stapled Securities (after the application of any current year or carry forward capital losses).

The CGT discount applicable is currently one-half for individuals and trustees and one-third for complying superannuation entities. The CGT discount is not available for companies that are not acting as trustee of a trust. Trustees should seek specific tax advice regarding the tax consequences arising to beneficiaries because of the CGT discount.

If a capital loss arises on disposal of the Stapled Securities, the capital loss can only be used to offset capital gains; the capital loss cannot be used to offset ordinary income. However, the capital loss can be carried forward to use in future income years if the loss cannot be used in a particular income year, provided (in the case of a corporate investor) certain tests are satisfied.

### 3.7 Entitlements not taken up

As described in Section 2.3 above, any Entitlement not taken up under the Retail Entitlement Offer will lapse and the Eligible Retail Stapled Securityholder will not receive any consideration for those Entitlements. In these circumstances, there should not be any adverse income tax implications for the Eligible Retail Stapled Securityholder.

### 3.8 Tax file number

If a Stapled Securityholder has quoted their Australian business number (**ABN**), tax file number (**TFN**) or an exemption from quoting their tax file number in respect of an existing Stapled Security, this quotation or exemption will also apply in respect of any New Stapled Securities or Additional New Stapled Securities acquired by that Stapled Securityholder.

Tax may be required to be deducted by Centuria from any distributions at the highest marginal tax rate if an ABN or TFN has not been quoted, or an appropriate TFN exemption has not been provided.

### 3.9 Other Australian taxes

No Australian GST or stamp duty will be payable by Eligible Retail Stapled Securityholders in respect of the issue or exercise of the Entitlements or the acquisition of New Stapled Securities pursuant to the Retail Entitlement Offer or Additional New Stapled Securities.

# Section 4

## New Zealand Taxation

### 4.1 Introduction

This section provides a general summary of the New Zealand (**NZ**) income tax and goods and services tax (**GST**) implications of the Retail Entitlement Offer for Eligible Retail Stapled Securityholders.

The comments in this section deal with the NZ tax implications of the Retail Entitlement Offer if you are resident in NZ for income tax purposes.

The comments in this section are based on NZ tax legislation, together with administrative guidance and judicial interpretations of relevant legislation as at the date of this document.

The tax implications of the Retail Entitlement Offer will vary depending upon your circumstances. NZ tax implications arising from holding interests in non-NZ tax resident entities and deriving non-NZ sourced income can be complex and based on your individual facts and circumstances. It is strongly recommended that each Eligible Retail Stapled Securityholders seeks their own independent professional tax advice before concluding on the particular taxation treatment that will apply.

Centuria and its officers, employees, taxation or other advisers do not accept any liability or responsibility in respect of any statement concerning tax consequences, or in respect of the tax consequences.

### 4.2 General comments on taxation of non-NZ sourced income

There are a number of specific NZ tax rules that can apply to determine the timing, measurement and taxation of foreign sourced (non-NZ) income derived by NZ tax residents (including the application of the NZ foreign investment fund (FIF) rules).

Application of these rules is facts and circumstances specific. Accordingly, the comments that follow describe the expected incremental NZ tax impact of the Retail Entitlement Offer. However, the exercise of entitlements and acquisition of New Stapled Securities could impact the specific rules or exemptions that apply to existing Stapled Securities (such as the NZ\$50,000 de minimis exemption under the FIF rules).

### 4.3 Issue of Entitlements

The issue of the Entitlements should not, of itself, result in any amount being included in your taxable income.

### 4.4 Exercise of Entitlements

Eligible Retail Stapled Securityholders who exercise their Entitlements will acquire New Stapled Securities. The New Stapled Securities will be taken to be acquired on the day that the Entitlement in respect of the New Stapled Security is exercised.

No taxable income should arise for you on the exercise (i.e. taking up) of your Entitlements.

### 4.5 Acquiring Additional New Stapled Securities

The Additional New Stapled Securities will be taken to have been acquired for NZ income tax purposes on the day the Additional New Stapled Securities are issued to you.

No taxable income should arise for you from acquiring Additional New Stapled Securities.

The cost of the Additional New Stapled Securities should equal the issue price for the Additional New Stapled Securities.

### 4.6 Distributions on New Stapled Securities

Future distributions made in respect of New Stapled Securities and Additional New Stapled Securities should be subject to the same income tax treatment as distributions made on existing Stapled Securities held in the same circumstances.

## Section 4

### New Zealand Taxation

#### 4.7 Disposal of New Stapled Securities and Additional New Stapled Securities

Based on current law, future disposals of New Stapled Securities and Additional New Stapled Securities should be subject to the same income tax treatment as disposals made on existing Stapled Securities held in the same circumstances.

The NZ Government has established a working group to consider the introduction of a capital gains tax in NZ. The outcomes of the working group are expected to take effect from 2021 and we recommend that this is monitored over the life of the investment.

#### 4.8 Disclosure to Commissioner of Inland Revenue

Disclosure to the Commissioner of Inland Revenue may be required under section 61 of the Tax Administration Act 1994 where the investment is subject to the NZ foreign investment fund (**FIF**) rules.

#### 4.9 Entitlements not taken up

As described in Section 2.3 above, any Entitlement not taken up under the Retail Entitlement Offer will lapse and the Eligible Retail Stapled Securityholders will not receive any consideration for those Entitlements. In these circumstances, there should not be any NZ tax implications for the Eligible Retail Stapled Securityholders.

#### 4.10 Other NZ taxes

No NZ GST will be payable by Eligible Retail Stapled Securityholders in respect of the issue or exercise of the Entitlements or the acquisition of New Stapled Securities pursuant to the Retail Entitlement Offer or Additional New Stapled Securities.



# Section 5

## Important Information for Stapled Securityholders

### 5.1 Retail Offer Booklet availability

Those Eligible Retail Stapled Securityholders with a registered address in Australia or New Zealand will receive a copy of this Retail Offer Booklet and their personalised Entitlement and Acceptance Form in the mail. Please read the Retail Offer Booklet and the Entitlement and Acceptance Form together in their entirety.

A copy of this Retail Offer Booklet can be obtained during the Retail Offer Period at the Centuria offer website at [www.centuriacapitaloffer.com.au](http://www.centuriacapitaloffer.com.au) or by calling Centuria's Offer Information Line on 1300 171 799 (from within Australia) or +61 3 9415 4104 (from outside Australia) between 8.30am and 5.00pm (Sydney time), Monday to Friday during the Retail Offer Period.

If this Retail Offer Booklet is being viewed electronically, please ensure that you download the Retail Offer Booklet in its entirety (including the annexures to this Retail Offer Booklet). Eligible Retail Stapled Securityholders can access their BPAY® details online when the Retail Entitlement Offer opens on Tuesday, 16 October 2018.

It is important to note that you will only be entitled to accept the Entitlement Offer by completing your personalised Entitlement and Acceptance Form which accompanies this Retail Offer Booklet, or by making a payment of Application Monies via BPAY® using the information contained on your personalised Entitlement and Acceptance Form or accessed at [www.centuriacapitaloffer.com.au](http://www.centuriacapitaloffer.com.au) (see Section 2.2 for further information). Please carefully read the instructions on the accompanying Entitlement and Acceptance Form.

Stapled Securityholders in foreign jurisdictions need to refer to Section 5.8.

### 5.2 Continuous disclosure requirements

Under the Corporations Act, Centuria is considered a disclosing entity and is subject to ongoing reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Under the ASX Listing Rules, Centuria has an obligation (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its Stapled Securities. Such information is available to the public from the ASX at [www.asx.com.au](http://www.asx.com.au).

Centuria is also required to lodge certain documents with ASIC. Such documents can be inspected and obtained from an ASIC office.

### 5.3 Retail Offer Booklet does not constitute investment advice

Stapled Securityholders must note that the information provided in this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form, does not constitute financial product advice. All information has been prepared without taking into account your individual investment objectives, financial circumstances or particular needs. The information contained in this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form should not be considered as comprehensive or to comprise all the information which a Stapled Securityholder may require in order to determine whether or not to subscribe for New Stapled Securities. If you have any questions, please consult your professional adviser before deciding whether or not to invest.

### 5.4 Risks factors

The Investor Presentation details important factors and risks that could affect the financial and operating performance of Centuria. Please refer to the "Risks" section of the Investor Presentation for details. When making an investment decision in connection with this Retail Entitlement Offer, it is essential that you consider these risk factors carefully in light of your individual personal circumstances, including financial and taxation issues.

## Section 5

# Important Information for Stapled Securityholders

### 5.5 No authorisation beyond information contained within this Retail Offer Booklet

Any information or representation not contained in this Retail Offer Booklet may not be relied on as having been authorised by Centuria in connection with the Entitlement Offer. No person is authorised to give any information or make any representation in connection with the Entitlement Offer, which is not contained in this Retail Offer Booklet.

### 5.6 No cooling-off rights

Cooling-off rights do not apply to a subscription for New Stapled Securities under the Entitlement Offer.

This means that you cannot withdraw your Application once it has been accepted.

### 5.7 Forward-looking statements

No representation or warranty is given as to the accuracy or likelihood of achievement of any forward-looking statement in this Retail Offer Booklet, or any events or results expressed or implied in any forward-looking statement. These statements can generally be identified by the use of words such as “anticipate”, “expect”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “should”, “could”, “may”, “target”, “predict”, “guidance”, “plan”, “potential” and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and are by their nature inherently uncertain and are based on future events which may or may not be correct, assumptions and estimates which are subject to certain risks, uncertainties and change without notice. Actual results or events may differ materially from any expressed or implied in any forward-looking statement and deviations are normal and to be expected. Past performance is not a reliable indicator of future performance. Please refer to the “Risks” section of the Investor Presentation and the disclaimers outlined in this Retail Offer Booklet for more information.

### 5.8 Offer jurisdictions – restrictions and limitations

The Retail Entitlement Offer will not be made to Stapled Securityholders with registered addresses outside Australia and New Zealand. This document does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. Return of the Entitlement and

Acceptance Form or payment by BPAY® of Application Monies shall be taken by Centuria to constitute a representation by you that there has been no breach of any such laws.

The New Stapled Securities are not being offered to the public within New Zealand other than to existing Stapled Securityholders of Centuria with registered addresses in New Zealand to whom the offer of these New Stapled Securities is being made in reliance on the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Retail Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority.

This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

The distribution of this document outside Australia and New Zealand may be restricted by law. If you come into possession of this document you should observe any such restrictions and should seek your own advice on those restrictions. A failure to comply with such restrictions may contravene applicable securities laws.

### 5.9 Offer jurisdictions – United States restrictions and limitations

This Retail Offer Booklet, and any accompanying ASX announcements and the Entitlement and Acceptance Form, do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States.

Neither the Entitlements nor the New Stapled Securities have been, nor will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be purchased, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of a person in the United States. Neither the Entitlements nor the New Stapled Securities may be offered, sold or resold in the United States or to persons acting for the account or benefit of a person in the United States except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. The Entitlements and the New Stapled Securities in the Retail Entitlement Offer will be offered and sold only in ‘offshore



transactions' (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act. Because of these legal restrictions, you must not distribute, release or send this Retail Offer Booklet or the Entitlement and Acceptance Form, or copies thereof, or any other material relating to the Retail Entitlement Offer to any person in the United States.

### 5.10 Notice to nominees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Stapled Securityholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Stapled Securities, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Stapled Securityholder.

Nominees and custodians who hold Stapled Securities as nominees or custodians will have received, or will shortly receive, a letter from Centuria in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to, and they must not purport to accept the Retail Entitlement Offer in respect of:

- beneficiaries on whose behalf they hold Stapled Securities who would not satisfy the criteria for an Eligible Retail Stapled Securityholder;
- Eligible Institutional Stapled Securityholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- Ineligible Stapled Securityholders who were ineligible to participate in the Institutional Entitlement Offer; or
- Stapled Securityholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

In particular, persons acting as nominees for other persons must not take up any Entitlements on behalf of, or send any documents related to the Entitlement Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States.

Centuria is not required, and does not undertake to, determine whether or not any Stapled Securityholder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Stapled Securities or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary complies with applicable foreign laws. Centuria is not able to advise on foreign laws. Eligible Retail Stapled Securityholders who are nominees or custodians are therefore advised to seek independent advice as to how to proceed.

### 5.11 Underwriting arrangements and fees

Moelis Australia Advisory Pty Ltd is acting as lead manager, bookrunner and underwriter to the Equity Raising (**Underwriter**). Centuria has entered into an Underwriting Agreement with the Underwriter in respect of the Equity Raising.

Centuria must pay the Underwriter an underwriting and management fee of 3% of the proceeds of the Equity Raising. Centuria must also pay or reimburse the Underwriter for costs it has incurred in respect of the Equity Raising, including legal fees, reasonable out of pocket expenses (including travel expenses, bookbuild expenses and stamp duty or similar taxes payable in respect of the Underwriting Agreement). Subject to certain exceptions, Centuria has agreed to indemnify the Underwriter, its affiliates and related bodies corporate, and their respective directors, officers, employees, partners, agents, advisers and representatives (each an Indemnified Party) from and against all losses suffered or incurred by an Indemnified Party, directly or indirectly, arising out of or in connection with the Equity Raising or the Underwriting Agreement.

As is customary with these types of arrangements, the Underwriting Agreement contains representations and warranties and indemnities in favour of the Underwriter. The Underwriter may also, in certain circumstances, terminate its obligations under the Underwriting Agreement on the occurrence of certain termination events including, but not limited to, where:

- the CMA Offer is withdrawn in whole or part, or the CMA Underwriting Agreement is terminated by one or more of the underwriters of the CMA Offer in accordance with the terms of that agreement;

## Section 5

# Important Information for Stapled Securityholders

- in the reasonable opinion of the Underwriters, a material statement in this Retail Offer Booklet or other Equity Raising documents does not comply with the Corporations Act (including if a statement is or becomes misleading or deceptive or is likely to mislead or deceive in a material respect (including by omission));
  - there are certain delays in the timetable for the Equity Raising without the Underwriters' prior written consent;
  - CNI breaches, or defaults under any provision, undertaking, covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party, which is not promptly waived by the relevant financier or financiers, and the effect of which has or is likely to have a material adverse affect;
  - an event of default or event which gives a lender or financier the right to accelerate or require repayment of the debt or financing, or other similar material event occurs under or in respect to any such debt or financing arrangement or related documentation which is not promptly waived by the relevant financier or financiers, the effect of which has or is likely to have a material adverse affect;
  - any financing or related arrangement referred to in the Investor Presentation is not or will not be refinanced, terminated, amended or entered in to (or a consent or waiver is or will not be given in relation to any such financing or related arrangement) in the manner or by the time described in the Investor Presentation;
  - CNI alters its issued capital or disposes or attempts to dispose of a substantial part of its business or property, without the prior written consent of the Underwriters, except as contemplated in the Investor Presentation;
  - there is a change in the board of directors or senior management of CNI without the prior written consent of the Underwriters;
  - ASIC or another government agency issues proceedings or notifies CNI in writing that it has commenced or intends to commence any investigation, proceedings or hearing in relation to the Equity Raising, which is not withdrawn or disposed of to the Underwriters' satisfaction within one business day or by 2.00 pm on the next settlement date to occur;
  - CNI ceases to be admitted to the official list of ASX or the cease trading or are suspended from official quotation or cease to be quoted on ASX (other than an agreed trading halt or voluntary suspension requested by CNI for the purposes of facilitating the Equity Raising);
  - ASX makes any official statement to any person, or indicates to the Issuer or the Underwriters that it will not grant permission for the official quotation of the New Stapled Securities issued under any component of the Equity Raising;
  - an adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of CNI;
  - a representation, warranty, undertaking or obligation contained in the Underwriting Agreement on the part of CNI is breached, becomes not true or correct or is not performed;
  - information supplied by or on behalf of CNI to the Underwriters in respect of the Equity Raising or CNI is found to be misleading or deceptive, or likely to mislead or deceive (including by omission);
  - a general moratorium on commercial banking activities in Australia, the United States and the United Kingdom, is declared by the relevant central banking authority in any of those countries or there is a disruption in commercial banking or security settlement or clearance services in any of those countries; or
  - trading in all securities quoted or listed on the ASX, the London Stock Exchange or the New York Stock Exchange suspended or limited in a material respect for 1 day (or a substantial part of 1 day) on which that exchange is open for trading.
- If the Underwriter terminates the Underwriting Agreement, the Underwriter will not be obliged to perform any of its obligations which remain to be performed under the Underwriting Agreement.
- Notwithstanding any other provision of the Underwriting Agreement, although the Underwriter may procure other subscribers for any New Stapled Securities which it is required to subscribe for under the Underwriting Agreement, the Underwriter must not and need not itself (or through its affiliates) take up such number of New Stapled Securities (**Excess New Stapled Securities**) to the extent that doing so would result in the Underwriter and/or its affiliates either:
- breaching section 606 of the Corporations Act;
  - breaching any shareholding limits imposed by the *Financial Sector (Shareholdings) Act 1998* (Cth) (**FSSA**); or
  - being obligated to notify the Treasurer of the Commonwealth of Australia under the *Foreign Acquisitions and Takeovers Act 1975* (Cth),

**(Regulatory Event)** in each case taking into account the number of New Stapled Securities then held by the Underwriter and its affiliates.

In the event that the provision in the Underwriting Agreement described above applies, the Underwriter must pay or procure the payment to Centuria of an amount equal to the application price for the Excess New Stapled Securities which it would have received had they been issued multiplied by the Issue Price of \$1.30. The Underwriter then has a period not exceeding three months after the close of the Retail Entitlement Offer to procure Institutional Investor subscribers for these New Stapled Securities and, if such subscribers are found, Centuria must repay to the Underwriter the amount advanced to it.

Neither the Underwriter nor any of its related bodies corporate and affiliates, nor any of its directors, officers, partners, employees, representatives, agents or advisers (the **Limited Parties**) have authorised or caused the issue of this Retail Offer Booklet and they do not take responsibility for any statements made in this Retail Offer Booklet or any action taken by you on the basis of such information. To the maximum extent permitted by law, each Limited Party excludes and disclaims all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this information being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. None of the Limited Parties make any representations or warranties as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties to you concerning this Entitlement Offer or any such information and you represent, warrant and agree that you have not relied on any statements made by the Underwriter or any of their respective related bodies corporate and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Stapled Securities or the Entitlement Offer generally.

## 5.12 Control effect of the Entitlement Offer

The potential effect of the issue of New Stapled Securities pursuant to the Entitlement Offer on control of Centuria and the consequences of that effect will depend on a number of factors, including the current holdings of Centuria Securityholders and the extent to which Eligible Stapled Securityholders take up New Stapled Securities under the Entitlement Offer.

Centuria is a “financial sector company” for the purposes of the Financial Sector (Shareholdings) Act 1998 (Cth) (**FSSA**). The FSSA regulates the acquisition of interests in financial sector companies and, in particular, generally limits the “stake” that a person may have in a financial sector company to 15%, which, in turn is defined by reference to the direct control interests of the person and their associates (which is broadly defined). Accordingly, under the FSSA, without the Commonwealth Treasurer’s consent, the control of a stapled securityholder in CNL will be limited to 15%.

As at the date of this Retail Offer Booklet, the substantial holdings notified to Centuria are as follows:

Substantial holder	Voting power
ESR Pte. Ltd, ESR Cayman Limited and each of its associates, WP OCIM ONE LLC, Warburg Pincus Private Equity X, LP, WP X Investment VI Ltd and Warburg Pincus X, LP and their associates	14.90%
Magic TT Pty Ltd, Andrew Pridham and their associates	14.00%
Moelis Australia Limited and its associates	12.60%
Ellerston Capital Limited and its associates	8.67%
Investment Administration Services Pty Ltd	7.10%
Affinity Managed Accounts	7.08%
BlackRock Group and its associates	5.44%

## Section 5

# Important Information for Stapled Securityholders

The potential effect of the Entitlement Offer on control is summarised below:

1. If all Eligible Securityholders take up their entitlements under the Entitlement Offer, then new investors<sup>5</sup> will receive 15.6 million New Stapled Securities (being 4% of Stapled Securities on issue in Centuria following the Placement and Entitlement Offer) and the interests of those Eligible Securityholders who do not take-up their entitlements under the Entitlement Offer will only be marginally diluted;
2. If 50% of Eligible Securityholders take up their entitlements under the Entitlement Offer only, then new investors will receive 46.3 million New Stapled Securities (being 12% of Stapled Securities on issue in Centuria following the Placement and Entitlement Offer) and the interests of those Eligible Securityholders who do not take-up their entitlements under the Entitlement Offer will be diluted accordingly;
3. If 25% of Eligible Securityholders take up their entitlements under the Entitlement Offer only, then new investors will receive 61.6 million New Stapled Securities (being 16% of Stapled Securities on issue in Centuria following the Placement and Entitlement Offer) and the interests of those Eligible Securityholders who do not take-up their entitlements under the Entitlement Offer will be diluted accordingly; and
4. If no Eligible Securityholders take up their entitlements under the Entitlement Offer only, then new investors will receive 76.9 million New Stapled Securities (being 20% of the Stapled Securities on issue in Centuria following the Placement and Entitlement Offer) and the interests of all Eligible Securityholders will be diluted accordingly.

Centuria expects that the proposed Entitlement Offer will have a relatively small impact on control of Centuria having regard to:

- the FSSA and the maximum “stake” of 15% that a person may hold in CNL;
- the existing spread of substantial holders referred to above; and
- the offer ratio of 1:5 and the relatively small Placement.

The Underwriter has as at 10 October 2018 received sub-underwriting commitments for 16.3% of the New Stapled Securities to be issued under the Entitlement Offer.

Under the terms of the Underwriting Agreement between the Underwriter and Centuria, the Underwriter is not required to subscribe for New Stapled Securities if, as a result, the Underwriter would hold more than 15% of the total number of Stapled Securities that will be on issue following the Entitlement Offer (and after the take up of any shortfall New Stapled Securities under the Underwriting Agreement). In respect of any underwritten New Stapled Securities in excess of the 15% (Excess New Stapled Securities), the Underwriter must pay to Centuria an amount equal to the number of Excess New Stapled Securities multiplied by \$1.30 and it must procure Eligible Securityholders as subscribers for the Excess New Stapled Securities. The subscription money for those Excess New Stapled Securities must be paid by Centuria to the Underwriter.

Centuria Securityholders who are not Eligible Securityholders (being foreign Securityholders to whom an Entitlement Offer will not be made) are not entitled to participate in the Entitlement Offer and their percentage holding in Centuria will be diluted.

### 5.13 Consents

Statements included in this Retail Offer Booklet, or any statement on which a statement in this Retail Offer Booklet is based, are not made by the directors, officers, employees, partners, agents and advisers of Centuria, but by Centuria itself.

To the maximum extent permitted by law each of these parties expressly disclaims and takes no responsibility for any statements in or omissions from this Retail Offer Booklet other than references to its name.

### 5.14 Governing law

This Retail Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the law applicable in New South Wales, Australia. Each Stapled Securityholder who applies for New Stapled Securities submits to the jurisdiction of the courts of New South Wales, Australia.

<sup>5</sup> Potentially including the Underwriters and certain sub-underwriters appointed in relation to the Placement and Entitlement Offer.

## ELIGIBLE RETAIL STAPLED SECURITYHOLDER DECLARATIONS

In making your application for New Stapled Securities as part of the Retail Entitlement Offer, you will be making the declarations to Centuria that you:

- have read and understand the Retail Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Booklet, the constitutions of Centuria Capital Limited (ABN 22 095 454 336) and the Centuria Capital Fund (ARSN 613 856 358);
- acknowledge the statement of risks in the “Risks” section of the Investor Presentation included in Annexure B of this Retail Offer Booklet and that investments in Centuria are subject to risks;
- authorise Centuria to register you as the holder of New Stapled Securities allotted to you under this Retail Entitlement Offer;
- declare that all details on the Entitlement and Acceptance Form are complete, accurate and up to date;
- are over 18 years of age and that you have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- accept that there is no cooling-off period under the Retail Entitlement Offer and that once Centuria receives either your personalised Entitlement and Acceptance Form, your payment of Application Monies via BPAY® or both, that you may not withdraw or change your Application;
- agree to apply for and be issued with up to the number of New Stapled Securities and Additional New Stapled Securities (if any) shown on the Entitlement and Acceptance Form, or for which you have submitted payment of Application Monies via BPAY®, at the Issue Price of \$1.30 per Stapled Security;
- authorise Centuria, the Underwriter, the Registry and respective officers or agents, to do anything on your behalf necessary for the New Stapled Securities to be issued to you, including to act on instructions of the Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- authorise Centuria to correct any errors in your Entitlement and Acceptance Form or other forms provided by you;
- were the registered holder(s) at the Record Date of the Stapled Securities indicated on your Entitlement and Acceptance Form as being held by you on the Record Date;
- represent and warrant (for the benefit of Centuria, the Underwriter and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Stapled Securityholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- acknowledge that the information contained in this Retail Offer Booklet and the Entitlement and Acceptance Form does not constitute investment advice, nor a recommendation that New Stapled Securities are suitable for you given your individual investment objectives, financial situation or particular needs;
- understand that this Retail Offer Booklet is not a prospectus or product disclosure statement, does not contain all of the information that you may require in order to assess an investment in Centuria and is given in the context of Centuria’s past and ongoing continuous disclosure obligations under the Corporations Act and the ASX Listing Rules;
- acknowledge that neither Centuria, its directors, officers, employees, agents, consultants nor advisers, nor the Underwriter, guarantee the performance of the New Stapled Securities offered under the Retail Entitlement Offer or the performance of Centuria, nor do they guarantee the repayment of capital from Centuria;
- represent and warrant that you are an Eligible Retail Stapled Securityholder and the law of any other jurisdiction does not prohibit you from being given the Retail Offer Booklet, the Entitlement and Acceptance Form, nor does it prohibit you from making an Application and you are otherwise eligible to participate in the Retail Entitlement Offer;
- represent and warrant that you are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent you hold Stapled Securities for the account or benefit of such person in the United States);



## Section 5

### Important Information for Stapled Securityholders

- understand and acknowledge that the Entitlements and the New Stapled Securities have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia. The Entitlements may not be taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of, a person in the United States. Neither the Entitlements nor the New Stapled Securities may be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States;
- are subscribing for or purchasing the Entitlements or the New Stapled Securities in an “offshore transaction” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act;
- have not and will not send this Retail Offer Booklet or the Entitlement and Acceptance Form, or copies thereof, or any other material relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand;
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Retail Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person;
- make all other representations and warranties set out in the Retail Offer Booklet; and
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and/or of your holding of Stapled Securities on the Record Date.

# Annexure A

## ASX Announcement



Australian Securities Exchange - Company Announcements Platform

### Centuria Capital Group

**CNI platform acquires the \$645 million Hines office portfolio**

**Centuria forecast 7.0% Operating Earnings growth in FY19**

10 October 2018

- Centuria platform investors to acquire the \$645m Hines office portfolio
- Post transaction, Centuria group AUM will increase by 12% from June 2018 to \$5.5bn
- Forecast FY19 Distribution of 9.25 cps, a 13% increase on FY18
- Forecast FY19 Operating Earnings of 10.2 cps, a 7% increase on FY18
- Centuria will undertake a \$100 million equity raising at \$1.30 per security
- Centuria has also commenced a corporate bond issuance seeking to raise \$75 million

#### Transaction Details

Centuria Capital Group (ASX: **CNI** or **Centuria**) announces that Centuria Metropolitan REIT (**CMA**) and the Lederer Group have entered into agreements to acquire \$645 million of four high quality office assets from a subsidiary of Hines Global REIT, Inc (**Hines Portfolio**).

CMA has agreed to acquire a 100% interest in three of the assets (818 Bourke Street, Melbourne, 825 Ann Street and 100 Brookes Street, Fortitude Valley, Brisbane) and a 25% interest in 465 Victoria Avenue, Chatswood, Sydney for \$501 million.

To partially fund the acquisitions, CMA will undertake a \$276m equity raising (**CMA Equity Raising**). CNI currently holds 23.4% of CMA and has committed to subscribe for its full entitlement in the CMA Equity Raising<sup>1</sup>. In addition, CNI has sub-underwritten \$50m of the CMA Equity Raising in support of CMA in funding the Transaction.

To help facilitate a step change in CMA's quality, scale and relevance, CNI will make a \$20 million contribution<sup>2</sup> to the acquisition of the Hines Portfolio. This contribution lowers the portfolio acquisition price for CMA which results in CMA acquiring the portfolio at a 3.8% discount to independent valuation.

The Lederer Group will acquire a 75% interest in 465 Victoria Avenue, Chatswood for approximately \$125 million via a co-ownership agreement. This is the third successful direct asset partnership (201 Pacific Highway, St Leonards and 80 Grenfell Street, Adelaide) with the Lederer Group in 2018 and Centuria now manages over \$300 million of direct real estate assets on behalf of the Lederer Group.

<sup>1</sup> Excluding funds managed by CNI on behalf of Over Fifty Guardian Friendly Society Limited

<sup>2</sup> CNI will subscribe for \$20 million of ordinary shares in its wholly-owned subsidiary, Centuria Property Funds Limited, the responsible entity of CMA, which will be held on trust for the CMA unitholders and be used for the acquisition of the Hines Portfolio. The contribution is not subject to repayment terms nor does it bear interest.

#### Centuria Capital Group

Consisting of:  
Centuria Capital Limited ABN 22 095 454 336 and  
Centuria Capital Fund ARSN 613 856 358

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# Annexure A

## ASX Announcement



John McBain, CEO of CNI, said:

"This transaction represents another step change for the Centuria platform. The significant increase in high quality assets under management and the major co-investment in CMA (circa \$78 million) is testimony to CNI's strong, ongoing commitment to its funds management vehicles."

"Post the Equity Raising, CNI's market capitalisation will increase to over \$500 million, making CNI the 247<sup>th</sup> largest ASX company and further enhancing potential inclusion in the ASX300."

"We are also delighted to invest alongside the Lederer Group for the third time this calendar year, they are a substantial and important investor in the Centuria platform and we welcome their continued interest".

Over the last three months, Centuria has been actively investing in our Listed REITs, with \$41 million in further co-investments in CMA and Centuria Industrial REIT (CIP). Centuria is CMA's (23.4%) and CIP's (22.9%) largest unitholder with over \$320 million invested across both REITs, ensuring it is closely aligned with the interests of the other Centuria listed REIT investors.

The increased co-investment in CIP and CMA substantially increase CNI's recurring revenue, generating stable and recurring cash flows. In FY19 (post transaction), recurring revenue is expected to represent 90% of Centuria Capital Group's total revenue (excluding performance fees) which also underpins the increased forecast distribution per security.

### FY19 Guidance

Centuria provides the following FY19 guidance:

- Operating earnings per Security (EPS) guidance of 10.2 cps (excluding performance fee contribution), a 7% increase on FY18
- Distribution per Security (DPS) guidance of 9.25 cps, a 13% increase on FY18

### Equity Raising Details

Centuria is undertaking a fully underwritten \$100 million equity raising at an issue price of \$1.30 per security (The **Equity Raising**). The Equity Raising will comprise a 1 for 5 accelerated non-renounceable entitlement offer to raise \$79.7 million and a \$20.3 million institutional placement.

The Issue Price of \$1.30 per CNI security represents a 3.3% discount to the 5 day VWAP of \$1.345 on 9 October 2018.

New securities issued under the Equity Raising will rank equally with existing CNI securities and will be entitled to the full distribution for the FY19 half, ending 31 December 2018.

In addition, Centuria is commencing a corporate bond issuance seeking to raise an additional \$75 million. The proceeds of the Equity Raising and bond issuance is sized to fund CNI's commitment to the CMA transaction and provide working capital for growth initiatives and strategic co-investments.

Moelis Australia Advisory Pty Ltd acted as sole lead manager and underwriter to the Equity Raise. Shaw and Partners acted as Co-lead Manager on the Equity Raising and HWL Ebsworth is Legal Advisor to CNI.





#### Indicative timetable

Key event	Date
Trading Halt, announcement of the Support to CMA, Equity Raising and institutional bookbuild	Wednesday, 10 October 2018
Trading recommences on an ex-entitlement basis	Thursday, 11 October 2018
Record date for entitlement offer	Friday, 12 October 2018
Retail entitlement offer opens	9:00am, Tuesday, 16 October 2018
Early retail acceptance due date	5:00pm, Friday, 19 October 2018
Settlement of the placement, institutional entitlement offer & early retail entitlement offer	Monday, 22 October 2018
Allotment and ASX quotation of placement & institutional entitlement offer and early retail entitlement offer securities	Tuesday, 23 October 2018
Retail entitlement offer closes	5:00pm, Friday, 26 October 2018
Final settlement of the retail entitlement offer	Thursday, 1 November 2018
Allotment of the retail entitlement offer	Friday, 2 November 2018
ASX quotation of the retail entitlement offer and despatch of holding statements for retail entitlement offer	Monday, 5 November 2018

All dates and times are indicative only and subject to change at the discretion of CNI with the prior written consent of the Underwriter. All dates and times are references to Australian eastern daylight time (AEDT).

#### Additional information

Additional information about CNI's support to CMA acquisitions and the Equity Raising, including key risks, is contained in the CNI investor presentation released to the ASX today. The retail entitlement offer booklet will be released separately and mailed to eligible securityholders.

- Ends -

# Annexure A

## ASX Announcement



**For further information, please contact:**

**John McBain**

**Group CEO**

Centuria Capital Group

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**About Centuria Capital Group**

Centuria Capital Group (CNI) is an ASX-listed specialist investment manager with \$5.5 billion in assets under management. We offer a range of investment opportunities including listed and unlisted property 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](http://www.centuria.com.au)

# Annexure B

## Investor Presentation

### Centuria Capital Group

#### CNI Platform Acquisition & \$100m Equity Raising

ASX:CNI | 10 October 2018



#### IMPORTANT NOTICES

This presentation has been prepared and is issued by Centuria Capital Group (**CNI**) which is a stapled vehicle comprised of Centuria Capital Limited ACN 095 454 336 and Centuria Funds Management Limited ACN 607 153 588 as responsible entity of Centuria Capital Fund ARSN 613 856 358 in relation to a:

- placement of new fully paid stapled securities in CNI (**New Securities**) to institutional, sophisticated or professional investors (who are "wholesale clients" within the meaning of section 761G of the Corporations Act 2001 (Cth) (Corporations Act)) (**Placement**); and
- pro rata accelerated non-renounceable entitlement offer of New Securities in CNI made to eligible institutional securityholders of CNI (**Institutional Entitlement Offer**) and eligible retail securityholders of CNI (**Retail Entitlement Offer**) (together, the **Entitlement Offer**).

to be made under sections 708A, 708AA, 1012DA and 1012DAA of the Corporations Act, as amended or modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (together, the **Offer**).

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All dollar values are in Australian dollars (\$ or A\$) unless stated otherwise.

# Annexure B

## Investor Presentation

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### SECTION ONE

## Overview of the Offer

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## OVERVIEW OF THE OFFER

### Background to the Offer

#### CMA in conjunction with Lederer Group acquires \$645m portfolio

- Centuria Metropolitan REIT (ASX: **CMA**) in conjunction with the Lederer Group have entered into agreements to acquire a \$645 million portfolio<sup>1</sup> of four high quality office assets from a subsidiary of Hines Global REIT, Inc. (**Hines Portfolio**)
  - CMA will acquire a 100% interest in three assets<sup>2</sup> and a 25% interest in 465 Victoria Ave, Chatswood for \$501 million
  - To partially fund the acquisitions, CMA will undertake a \$276 million equity raising (**CMA Equity Raising**)
- Centuria Capital Group (ASX: **CNI** or **Centuria**) as CMA's largest unitholder is providing the following support:
  - \$78 million commitment to support the CMA Equity Raising (by taking up its entitlement and sub-underwriting up to \$50 million of the retail component); and
  - \$20 million contribution to the acquisition of the Hines Portfolio<sup>3</sup>, resulting in CMA acquiring its interest at a 3.8% discount to independent valuations
- Lederer Group to acquire the remaining 75% interest in 465 Victoria Ave for \$125 million, increasing direct asset investment with Centuria to over \$300 million in 2018

#### Momentum continues in CNI

- As a result of the transaction, Centuria's AUM will increase by 12% to \$5.5 billion in the four months since 30 June 2018
- Centuria continues to strengthen its alignment of interests with its REIT investors:
  - Centuria has increased its co-investments in its listed REITs by a further \$41 million over the last 3 months
  - Centuria is CMA's (23.4%) and Centuria Industrial REIT's (22.9%) (ASX: **CIP**) largest unitholder with over \$320 million invested across both REITs<sup>4</sup>

#### Equity raising to support CMA transaction

- Centuria is seeking to raise \$100 million of equity at an issue price of \$1.30 per stapled security comprising:
  - A 1-for-5 accelerated non-renounceable entitlement offer to raise \$79.7 million; and
  - An institutional placement to raise \$20.3 million (together the **Equity Raising**)
- Centuria has also announced a corporate bond issuance of \$75 million
- The Equity Raising and bond issuance are sized to provide working capital for growth initiatives and strategic co-investments

#### FY19 Guidance

- FY19 Operating EPS guidance of 10.2 cps (excluding performance fees) representing 7.8% yield on issue price. This represents a 7% increase in forecast adjusted operating EPS<sup>5</sup> from FY18
- FY19 DPS guidance of 9.25 cps representing 7.1% FY19 DPS yield on issue price. This represents a 13% increase in FY19 guidance compared to FY18 distributions

- Represents total portfolio value assuming a 100% interest in all four assets in the Hines Portfolio
- CMA will acquire a 100% interest in 818 Bourke St VIC (\$223m), 100 Brookes St, QLD (\$87m) and 825 Ann St, QLD (\$170m)
- Refer to Appendix A for details on the CNI contribution
- Includes the \$78 million commitment to support the CMA Equity Raising
- FY18 operating EPS excluding performance fees of 9.5 cents per stapled security

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## OVERVIEW OF THE OFFER

### Key Offer Metrics



**\$5.5bn**  
Assets Under Management  
(+12% since FY18)



**10.2 cents**  
FY19 Operating EPS guidance<sup>1</sup>  
(+7% on FY18)



**9.25 cents**  
FY19 DPS guidance  
(+13% on FY18)



**90%**  
Recurring revenue % operating  
revenue guidance  
(+23% on FY18)



**16.0%**  
Operating Gearing



**7.8%**  
FY19 forecast  
Operating earnings yield<sup>2</sup>



**7.1%**  
FY19 forecast  
Distribution yield<sup>2</sup>



**\$160m**  
Increase in co-investments

- Operating earnings guidance does not include any potential contribution from performance fees
- Operating earnings and distribution yield calculated on FY19 guidance and an issue price of \$1.30

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# Annexure B

## Investor Presentation

### OVERVIEW OF THE OFFER

## Strategic Rationale for Centuria

<b>12% increase in AUM</b>	<ul style="list-style-type: none"> <li>Substantial increase in group AUM from \$4.9 billion to \$5.5 billion making Centuria one of the ASX's largest real estate investment managers</li> <li>AUM growth targets for CMA exceeded during first half of FY19</li> </ul>
<b>Accelerates growth in recurring revenue from co-investments</b>	<ul style="list-style-type: none"> <li>Centuria expects to generate an additional \$8 million per annum in distributions from co-investments which further underpins Centuria's recurring revenues which are estimated to be approximately 90% in FY19 (excluding performance fees)</li> <li>This increase supports a 13% increase in forecast distribution per stapled security from FY18 (9.3% increase in FY17)</li> </ul>
<b>Supports step change transformation in CMA's asset profile</b>	<ul style="list-style-type: none"> <li>CMA acquisition of the Hines Portfolio will substantially improve the quality and scale of CMA's portfolio (+50% increase in AUM)</li> <li>Re-positions CMA as a leading pure-play office A-REIT with \$1.5 billion of AUM</li> <li>CNI is CMA's largest unitholder and will benefit from the enhancements to CMA's portfolio</li> </ul>
<b>Further strengthens relationship with Lederer Group</b>	<ul style="list-style-type: none"> <li>Co-investment in 465 Victoria Avenue, Chatswood asset between CMA and Lederer Group represents the third asset management partnership between Centuria and the Lederer Group in 2018</li> <li>Centuria group now manages over \$300 million on behalf of the Lederer Group</li> </ul>
<b>Capital Strength</b>	<ul style="list-style-type: none"> <li>Provides Centuria with sufficient capital to further strengthen its strategic holdings in Centuria listed REITs demonstrating its ongoing and material alignment of interests with its Centuria listed REIT investors</li> <li>Provides Centuria with the balance sheet strength to continue to support its growth in group AUM across all divisions</li> </ul>
<b>Market capitalisation increased to over \$500 million<sup>1</sup></b>	<ul style="list-style-type: none"> <li>Material increase in CNI's market capitalisation will further enhance its potential inclusion in the ASX300</li> <li>Post equity raising, CNI will be the ~247th largest listed entity on the ASX on a free-float adjusted basis</li> </ul>

1. Based on CNI market capitalisation of \$406 million on 9 October 2018 plus Equity Raising size of \$100 million

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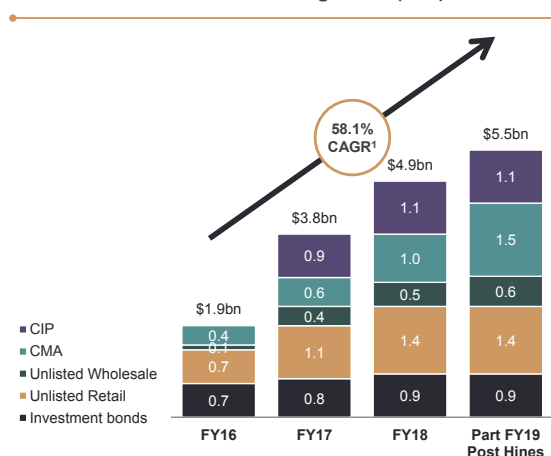
### OVERVIEW OF THE OFFER

## Significant uplift in AUM driven by CMA transaction

- CMA's Hines Portfolio acquisition to increase Centuria's group AUM by 12% over the four months from 30 June 2018
- Follows strong FY18 AUM growth with CNI increasing AUM by \$1.1 billion gross and \$0.8 billion net during the period representing 29% Centuria's group AUM growth on FY17<sup>1</sup>
- Centuria is one of the fastest growing Australian real estate funds managers in its peer group<sup>1</sup>
- Continued strong investor demand across distribution channels
  - Centuria continues to diversify product offering across listed, unlisted and wholesale channels

1. Past performance is not indicative of future performance

### Assets Under Management (\$bn)



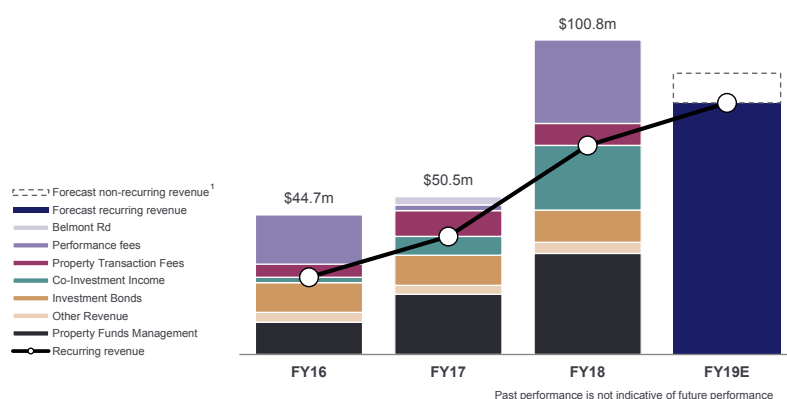
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## OVERVIEW OF THE OFFER

# AUM growth and co-investments underpin recurring revenues

## CNI Revenue Composition



1. Forecast non-recurring revenue does not include any potential contribution from performance fees

## Key Movements

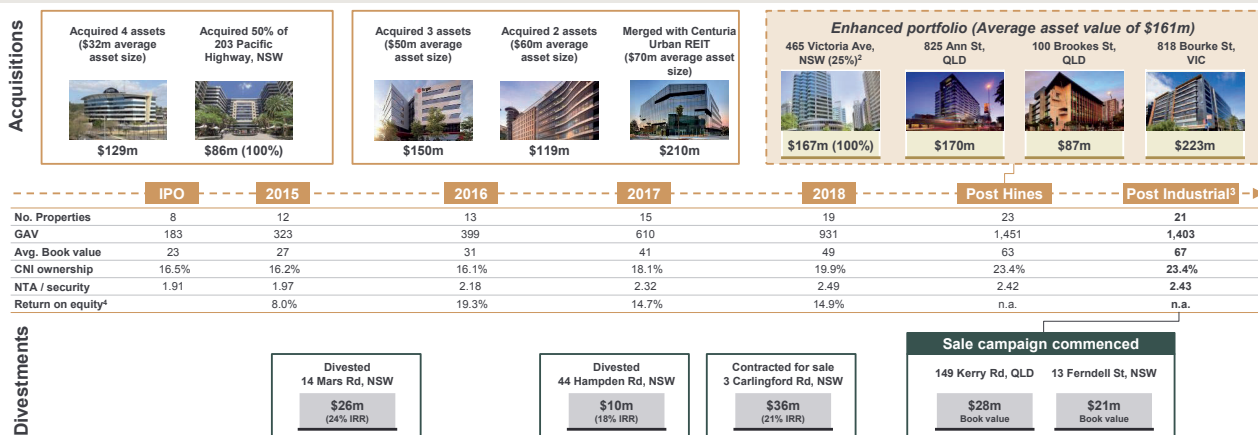
- Continued growth in recurring revenues support increased securityholder distribution
- CNI's FY19 payout ratio is anticipated to be ~91% of Operating EPS
- FY19 revenue and Operating EPS guidance do not include any potential contribution from performance fees

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## OVERVIEW OF THE OFFER

# CNI supports ongoing transformation of CMA as a leading office REIT

- Materially enhanced CMA portfolio quality through selective acquisitions and divestments culminating in the Hines Portfolio acquisition
- In order to help facilitate a step change in CMA's quality, scale and relevance, CNI will make a \$20 million contribution to the Hines Portfolio acquisition.<sup>1</sup> This is a benefit to all CMA unitholders with the effective acquisition price representing a 3.8% discount to independent valuations
- CNI is CMA's largest investor with a 23.4% interest which provides an alignment of interests with other CMA unitholders



1. Refer to Appendix A for details on the CNI contribution  
 2. This asset will be co-owned with the Lederer Group (75%)  
 3. Post the disposal of industrial assets, being 149 Kerry Road, Archerfield, QLD and 13 Fernell Street, Granville, NSW  
 4. Return on equity calculated as (closing NTA minus opening NTA plus distributions) divided by opening NTA

Past performance is not indicative of future performance

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# Annexure B

## Investor Presentation

### OVERVIEW OF THE OFFER

## CNI supports ongoing transformation of CMA as a leading office REIT

- CMA has been repositioned as a leading pure-play office A-REIT, in line with its strategy to acquire quality, fit for purpose office assets
- Broader investor appeal given CMA's renewed size and scale may support future growth initiatives

Past performance is not indicative of future performance

CMA Asset metrics	IPO	Post-Hines <sup>1</sup>	Change since IPO
No. assets	8	23	+15
Portfolio value	\$183m	\$1,451m	+\$1,268m
WACR	8.90%	6.35%	(2.55)%
NLA	69,836 sqm	251,946 sqm	+182,110 sqm
Occupancy	99.5%	98.8%	(0.7)%
WALE	5.5 years	4.2 years	(1.3) years
<b>CMA Financial metrics</b>			
Distribution per unit	9.6 cents	17.6 cents	+8.0 cents
NTA per unit	\$1.91	\$2.42	+\$0.51
Gearing <sup>2</sup>	25.0%	36.6% <sup>3</sup>	+11.6%
<b>CMA Market metrics<sup>4</sup></b>			
FY19 EPU yield on issue price	8.8%	7.7%	(1.1)%
FY19 DPU yield on issue price	8.3%	7.2%	(1.1)%
Market capitalisation	\$143m	\$895m <sup>5</sup>	+\$752m

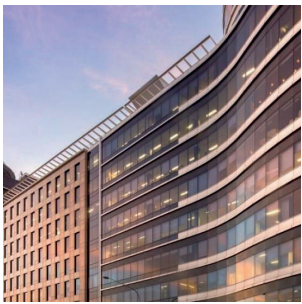
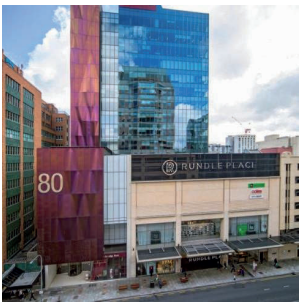
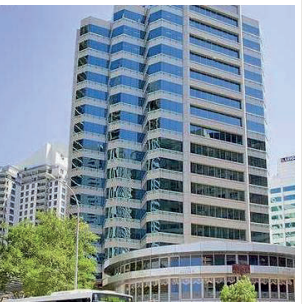

- As at 30 September 2018, including 2 Kendall Street, Williams Landing, VIC as if the development has been completed and prior to the disposal of industrial assets, being 149 Kerry Road, Archerfield, QLD and 13 Ferndell Street, Granville, NSW
- Gearing defined as drawn debt less cash divided by total tangible assets
- As at 30 June 2018 adjusted for the impact of the Acquisitions and Equity Raising. Pro forma gearing as at 30 June 2018 is 37.5% when adjusted for the impact of the Acquisitions and Equity Raising, the sale of 3 Carlingford Road, Epping, NSW for \$36.0 million (expected to complete in November 2018), completion of the development of 2 Kendall Street, Williams Landing, VIC (\$55.3 million payment at completion expected to occur in December 2018), and prior to the divestment of the remaining industrial assets, being 149 Kerry Road, Archerfield, QLD and 13 Ferndell Street, Granville, NSW (expected to occur in December 2018)
- Yield calculated on CMA issue price of \$2.43
- Based on CMA's market capitalisation of \$619 million on 9 October 2018 plus the Equity Raising size of \$276 million

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### OVERVIEW OF THE OFFER

## The Lederer Group is a major investor across CNI's real estate funds management platform

- Cornerstone investor in CMA's December 2014 Initial Public Offering
- Centuria manages over \$300 million on behalf of the Lederer Group with partnerships across both CMA and Centuria's unlisted business

201 Pacific Highway 50% Interest with CMA	80 Grenfell Street 50% Interest with unlisted fund	465 Victoria Avenue 75% Interest with CMA	Centuria Metropolitan REIT 5.7% co-investment <sup>2</sup>
			
\$172m <sup>1</sup> April 2018	\$185m <sup>1</sup> May 2018	\$167m <sup>1</sup> Expected November 2018 <sup>3</sup>	\$51m

- Represents 100% of asset value
- Lederer Group's interest in CMA calculated on CMA unit price of \$2.55 as at close of trading on 9 October 2018
- Acquisition due to complete in November 2018, subject to the acquisition contract

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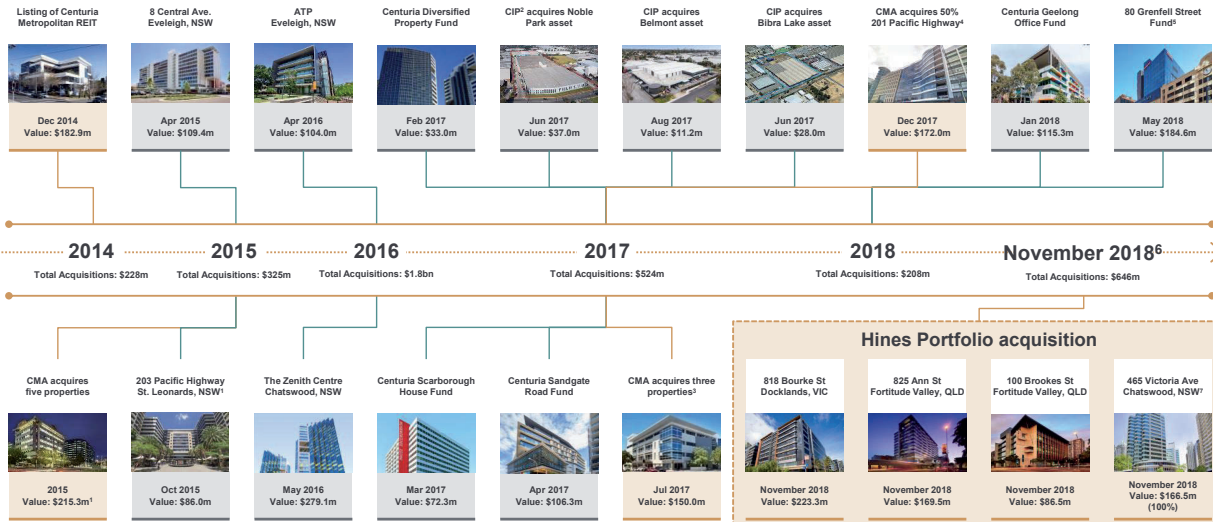


# Annexure B

## Investor Presentation

### MARKET UPDATE

## Major property acquisitions by Centuria entities over the past 5 years

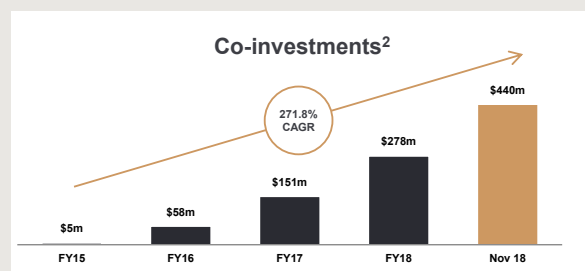
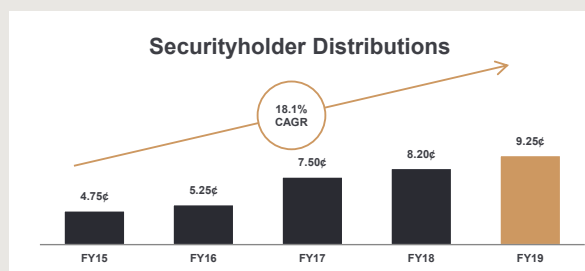
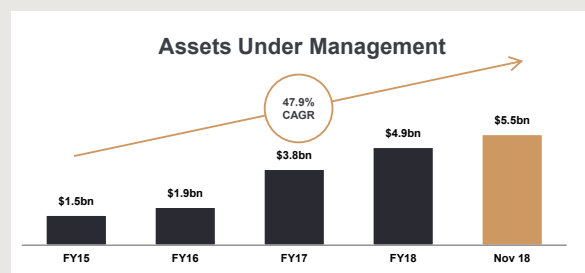
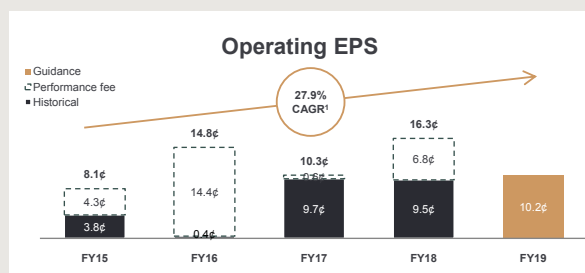


1. CNI unlisted fund and CMA each own a 50% interest in 203 Pacific Highway, NSW
2. CNI acquired the management rights to Centuria Industrial REIT (CIP) on 10 January 2017
3. \$150m asset valuation is on completion of the construction of the Target Head Office, Williams Landing, VIC, expected in Q1 2019 (\$2.9 million initial payment, with a \$55.3 million final payment on completion)
4. CMA acquired a 50% interest in the asset alongside the Lederer Group (which acquired the remaining 50%)
5. CNI's Grenfell Street Fund acquired a 50% interest in the asset alongside the Lederer Group (which acquired the remaining 50%)
6. Acquisitions are due to complete in November 2018, subject to the acquisition contracts
7. CMA will acquire a 25% interest in the asset alongside the Lederer Group (which will acquire the remaining 75%)

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### MARKET UPDATE

## Continued growth in operating results



1. Operating earnings compound annual growth rate (CAGR) calculated on operating earnings excluding performance fees
2. Co-investments calculated as financial assets under the co-investments reporting segment, except for FY15 which is total financial assets at fair value. November FY19 co-investments assumes 0% retail take-up on CNI's \$50 million sub-underwriting position for the CMA Equity Raising

Past performance is not indicative of future performance

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#### MARKET UPDATE

### Update on corporate activity in FY19

- On 13 September 2018, Propertylink Group announced to the market an unsolicited, non-binding and indicative proposal to acquire all of the outstanding units in CIP (**PLG Proposal**)
- Centuria is the largest unitholder in CIP, with an interest of more than 22.9%. Both Centuria and other major securityholders of PLG expressed a number of concerns regarding the PLG Proposal
- Subsequent to the Propertylink announcement, PLG received a non-binding indicative proposal from ESR Real Estate (Australia) Pty Limited (**ESR**) to acquire Propertylink (**ESR Proposal**) on the condition that PLG did not proceed with the PLG Proposal. The ESR Proposal highlighted their belief that the PLG Proposal was not in the best interests of PLG securityholders
- CNI as one of PLG's largest securityholders (with an interest of 12.9%) has also requisitioned a meeting of PLG securityholders to renew the PLG board for the following reasons:
  - PLG funds management platform has underperformed since listing
  - PLG Board has approved a strategy to excessively leverage PLG (estimated pro forma look-through gearing increase to approximately 49%) and attempt a hostile take-over of CIP, with PLG securities representing approximately 90% of the consideration
  - PLG Board has put PLG in an unsustainable position having increased its pro forma look-through gearing to pre-GFC levels in order to acquire its stake in CIP
  - PLG failed to disclose to the market the amended financing terms entered into to facilitate the acquisition of its stake in CIP
  - PLG Board has failed to disclose the impact of the PLG Proposal on PLG's pro forma NTA (estimated 13% negative impact)
- On 2 October 2018, the independent directors of Centuria Property Funds No. 2 Limited (**CPF2L**), the responsible entity of CIP, rejected the PLG Proposal
- There is no certainty that either the PLG Proposal or the ESR Proposal will proceed. Centuria, as a major securityholder of both CIP and PLG, continues to monitor the situation and will keep all CNI securityholders informed of developments

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#### SECTION THREE

## Equity Raising Details

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# Annexure B

## Investor Presentation

### EQUITY RAISING DETAILS

## Sources and uses of the proceeds

### Use of proceeds

- CNI's \$20 million contribution to the acquisition of the Hines Portfolio<sup>1</sup> and \$78 million commitment to participate in the CMA Equity Raising (by taking up its entitlement and sub-underwriting up to \$50 million of the retail component of the equity raising)
- Replenish CNI's working capital after CNI has invested a further \$64 million in co-investments:
  - To strengthen the alignment with CIP and CMA, CNI has increased its holdings to 22.9% and 23.4% respectively
  - Increased strategic investment in PLG to 12.9%
- CNI will have sufficient capacity for future investment opportunities that may include:
  - Continued support for co-investments in CNI's listed funds which are in a growth phase and may continue to seek additional capital to fund that growth
  - Growing its unlisted property funds management business by increasing CNI's capacity to co-invest in unlisted property funds
  - Providing seed capital to launch new wholesale funds management initiatives
  - Undertaking corporate M&A transactions to grow Centuria's property funds management platform and FUM
- CNI will also be launching a \$75 million corporate bond

1. Refer to Appendix A for details on the CNI contribution
2. CNI's maximum contribution to the CMA equity raising

Sources	\$m
Equity raising	100.0
Corporate Bond Issuance	75.0
<b>Total sources</b>	<b>175.0</b>

Uses	\$m
Participation in CMA equity raising <sup>2</sup>	78.3
Contribution to Hines Portfolio	20.0
Replenish working capital	64.3
Investment capacity	9.0
Transaction costs	3.4
<b>Total uses</b>	<b>175.0</b>

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### EQUITY RAISING DETAILS

## Additional details of the Equity Raising

Equity Raising Details	<ul style="list-style-type: none"> <li>• Issue of approximately 76.9 million new Securities to raise approximately \$100 million</li> </ul>
Entitlement Offer	<ul style="list-style-type: none"> <li>• \$79.7 million 1-for-5 accelerated non-renounceable entitlement offer and \$20.3 million institutional placement</li> <li>• Record date is 7:00pm (Sydney time) 12 October 2018<sup>1</sup></li> <li>• Entitlement Offer will comprise an accelerated Institutional Entitlement Offer and a Retail Entitlement Offer</li> <li>• New Securities in respect of institutional entitlements not subscribed for will be placed into an institutional bookbuild<sup>2</sup></li> <li>• Retail Entitlement Offer opens on 16 October 2018 and closes on 26 October 2018<sup>1</sup></li> <li>• Securityholders applying for Securities under the Retail Entitlement Offer may apply for additional Securities in excess of their entitlement<sup>3</sup></li> </ul>
Ranking	<ul style="list-style-type: none"> <li>• New Securities issued under the Equity Raising will rank equally with existing Securities</li> </ul>
Issue Price	<ul style="list-style-type: none"> <li>• The Issue Price of \$1.30 per new Security represents a 3.3% discount to the five day VWAP of \$1.345 from 9 October 2018</li> </ul>
Lead Managers	<ul style="list-style-type: none"> <li>• The Equity Raising is underwritten by Moelis Australia Advisory Pty Ltd (<b>Underwriter</b>)</li> <li>• Shaw &amp; Partners has been appointed as Co-lead Manager to the Equity Raising</li> </ul>
Directors' Intentions	<ul style="list-style-type: none"> <li>• The Directors who hold Securities intend to take up all or some of their entitlements in the Entitlement Offer. In addition, certain Directors (or entities associated with these Directors) have agreed to sub-underwriting commitments in connection with the Entitlement Offer as detailed in Appendix A</li> </ul>

1. All dates are indicative only and the timetable is subject to change at CNI's discretion with the prior written consent of the Underwriter (subject to the law and ASX listing rules)
2. The issue of the shortfall will be at the discretion of the Directors of CNI and the Underwriter
3. The issue of additional Securities will be at the discretion of the Directors of CNI and the Underwriter and may be subject to scale back

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#### EQUITY RAISING DETAILS

### Indicative timetable

Key event	Date <sup>1</sup>
Trading halt and announcement of the Entitlement Offer and Institutional Placement	10 October 2018
Institutional Entitlement Offer and Institutional Placement opens and closes	10 October 2018
Trading re-commences on an ex-entitlement basis	11 October 2018
Record Date for Retail Entitlement Offer (7:00pm Sydney time)	12 October 2018
Retail Entitlement Offer opens	16 October 2018
Early Retail Acceptance Due Date (5:00pm Sydney time)	19 October 2018
Settlement of the Institutional Entitlement Offer, Institutional Placement and Early Retail Entitlement Offer	22 October 2018
Allotment and ASX quotation of securities under Institutional Entitlement Offer, Institutional Placement and Early Retail Entitlement offer	23 October 2018
Retail Entitlement Offer Closes (5:00pm Sydney time)	26 October 2018
Final settlement of the Retail Entitlement Offer	1 November 2018
Allotment of the Retail Entitlement Offer	2 November 2018
ASX quotation of the retail entitlement offer securities and despatch of holding statements	5 November 2018

1. All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Australian Eastern Daylight Time (AEDT). Any changes to the timetable will be posted to CNI's website at [www.centuria.com.au](http://www.centuria.com.au)

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#### SECTION FOUR

### Conclusion

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# Annexure B

## Investor Presentation

### CONCLUSION

### Benefits to Centuria Recapped

- ✓ 12% increase in group AUM to \$5.5 billion in the four months since 30 June 2018
- ✓ Accelerates growth in recurring revenue from co-investments
- ✓ Supports step change transformation in CMA's asset profile
- ✓ Further strengthens relationship with Lederer Group
- ✓ Provides Centuria with the balance sheet strength to continue to grow its AUM across all divisions
- ✓ Market capitalisation has increased to over \$500 million

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## SECTION FIVE

# Appendices

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## APPENDICIES

# Appendix A: Underwriting, Director Sub-underwriting Commitments and CNI Contribution

### Underwriting Agreement

Moelis Australia Advisory Pty Ltd (**Underwriter**) is acting as lead manager, bookrunner and underwriter to the Equity Raising. Centuria has entered into an Underwriting Agreement with the Underwriter in respect of the Equity Raising. The Underwriter will receive an underwriting fee payable out of the proceeds of the Equity Raising. Subject to certain exceptions, Centuria has agreed to indemnify the Underwriter, its affiliates and related bodies corporate, and their respective directors, officers, employees, partners, agents, advisers and representatives (each an **Indemnified Party**) from and against all losses suffered or incurred by an Indemnified Party, directly or indirectly, arising out of or in connection with the Equity Raising or the Underwriting Agreement. The Underwriting Agreement also contains representations and warranties in favour of the Underwriter. The Underwriter may, in certain circumstances, terminate its obligations under the Underwriting Agreement on the occurrence of certain termination events including, but not limited to, where:

- the CMA Equity Raising is withdrawn (in whole or part) or the underwriting agreement between CMA and the underwriters of the CMA equity raising is terminated;
- Centuria is unable to issue the new Securities under the Entitlement Offer on the required allotment date (unless remedied in accordance with the terms of the Underwriting Agreement);
- Centuria alters its capital structure or its constitution without the prior written consent of the Underwriter; or
- Centuria, or any of its directors or officers engage in any fraudulent conduct or activity whether or not in connection with the Equity Raising.

If the Underwriter terminates the Underwriting Agreement, it will not be obliged to perform any of its obligations which remain to be performed under the Underwriting Agreement.

### Director Sub-underwriting

The Directors of CNI are supportive of the Entitlement Offer and certain Directors (or entities associated with these Directors) have agreed to sub-underwriting commitments in connection with the Entitlement Offer as set out below:

Director	Sub-underwriting Commitment Limit (\$)
Jason Huljich	12,500,000
Garry Charny	50,000

The Underwriter has entered into sub-underwriting arrangements with each of the above Directors (or entities associated with those Directors), pursuant to individual sub-underwriting agreements (**Sub-underwriting Agreements**). Pursuant to each Sub-underwriting Agreement, each of the above Directors (or entities associated with those Directors) has given a sub-underwriting commitment in favour of the Underwriter up to the Sub-underwriting Commitment Limits as set out above. In the event that there is a shortfall in the number of new Securities to be issued to existing securityholders under the Entitlement Offer, the terms of the Sub-underwriting Agreements require each Director to subscribe for the number of new Securities allocated to them by the Underwriter up to their respective Sub-underwriting Commitment Limit, at the issue price of \$1.30. Each Director who is providing a sub-underwriting commitment is entitled to a sub-underwriting fee of 1.0% in respect of their respective Sub-underwriting Commitment Limit.

In the event that the Underwriting Agreement is terminated, each Sub-underwriting Agreement will be terminated without any obligation to the relevant sub-underwriter. The sub-underwriters have no specific termination rights under the Sub-underwriting Agreements and have acknowledged and agreed that they will accept the decisions and actions of the Underwriter under the Underwriting Agreement.

## APPENDICIES

# Appendix A: Underwriting, Director Sub-underwriting Commitments and CNI Contribution

### CNI Contribution

The responsible entity of CMA, Centuria Property Funds Limited (**CPFL**), is wholly-owned by CNI. CNI has agreed to subscribe \$20 million for ordinary fully paid shares in CPFL. The subscription is subject to certain conditions: that completion of the Acquisitions occurs; and that CPFL agrees to contribute the subscription money to CMA, to be held upon trust for the CMA unitholders and to be used by CMA for the acquisition of the Hines Portfolio. CPFL has made a deed poll in favour of the CMA unitholders that subject to the conditions, it will contribute the \$20 million to CMA. If the acquisition of the Hines Portfolio has not occurred by 31 January 2019 the deed poll automatically terminates and CPFL will not be obliged to contribute the \$20 million.

# Annexure B

## Investor Presentation

### APPENDICIES

## Appendix B: Risks

All investments carry risk, including loss of some or all of the capital invested and failure of investments to generate a positive return. You should carefully consider whether an investment in CNI Securities is a suitable investment for you. Some of the risks investing in CNI include the following:

#### Risks specific to the equity raising:

##### **Underwriting risk**

- CNI has entered into an underwriting agreement with the Underwriter for the equity raising (other than in respect of the commitments received from certain Centuria entities) (**Underwriting Agreement**). The Underwriter's obligation to underwrite the equity raising is subject to customary terms and conditions, including termination rights for the Underwriter in specific circumstances.
- If the Underwriter is entitled to, and does, terminate the Underwriting Agreement, CNI may not otherwise be able to raise sufficient equity capital to meet its obligations and commitments in respect of the CMA Equity Raising and for all of the intended purposes as set out in this investor presentation. If the \$75 million bond issue is successful, CNI should have sufficient funding for its obligations and commitments in respect of the CMA Equity Raising. If however, the bond issue is also unsuccessful, this would likely mean CNI would default in its obligations and commitments to CMA and this would materially and adversely affect CNI's financial position and the market price for CNI securities.

#### General Risks:

##### **Economic Environment**

- General economic factors such as interest rates, exchange rates, inflation, business and consumer confidence and general market factors may have an adverse impact on Centuria's earnings or value of its assets. Aspects of the business that could be affected include reduced management and performance fees, reduced funds under management, Centuria's swap arrangements, reduced distribution income or other adverse consequences.

##### **ASX Market Volatility**

- The market price of Centuria's securities will fluctuate due to various factors, many of which are non-specific to Centuria, including recommendations by brokers and analysts, Australian and international general economic conditions, inflation rates, interest rates, exchange rates, changes in government, fiscal and monetary and regulatory policies (including APRA prudential requirements), changes to laws (particularly taxation laws), global investment markets, global geo-political events and hostilities, investor perceptions and other factors that may affect Centuria's financial performance and position. In the future, these factors may cause Centuria's securities to trade at or below their issue price. Factors such as those mentioned above may also affect the income, expenses and liquidity of Centuria. Additionally, the stock market can experience price and volume fluctuations that may be unrelated or disproportionate to the operating performance of Centuria.

##### **Liquidity and realisation risk**

- There can be no guarantee that there will be an active market in the CNI Securities or that their value will increase. There may be relatively few or many buyers or sellers of the CNI Securities on the ASX at any one time which may lead to increased price volatility and affect the price at which securityholders are able to sell their CNI Securities.

##### **Taxation**

- Future changes in Australian taxation law (including the goods and services tax and stamp duty), including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect the taxation treatment of your investment in Centuria securities or the holding and disposal of those securities. Further, changes in tax law (including the goods and services tax and stamp duty) or changes in the way tax law is expected to be interpreted in the jurisdictions in which Centuria operates, may impact the future tax liabilities of Centuria.

##### **Litigation**

- Centuria may, in the ordinary course of business, be involved in possible litigation disputes. Any such dispute may be costly and adversely affect the operational and financial results of Centuria.

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### APPENDICIES

## Appendix B: Risks

#### Industry Specific Risks

##### **Property Sector Risks**

- Centuria is subject to the prevailing property market conditions in the sectors in which each of the funds under the control of Centuria operate and the jurisdiction in which each of its funds' assets are located. The demand for property as an asset class changes over time and can be influenced by general economic factors such as interests rates and economic cycles. A deterioration in investment market conditions in the property sector due to a sustained downturn in the domestic and/or global economic climate could adversely impact on Centuria's earnings through directly reducing the value of Centuria's existing funds under management, reducing the value of property assets, and through reducing the attractiveness of the property sector to investors.
- The property market may be at or near the top of the investment value cycle and the value of properties may fluctuate relatively quickly (for property assets).

##### **Property Liquidity**

- The property assets to which Centuria and the funds managed by Centuria are exposed are, by their nature, illiquid investments. There is a risk that Centuria may not be able to realise property assets within a short period of time or may not be able to realise property assets at valuation including selling costs, which could materially adversely affect the financial performance of Centuria.

##### **Liquidity and realisation risk**

- The ongoing value of properties held by funds managed by Centuria may fluctuate due to a number of factors including rental levels, occupancy assumptions, vacancy periods, rental incomes, capitalisation rates and market sentiment, all of which may change for a variety of reasons including the risks outlined in this Presentation. Valuations represent only the analysis and opinion of qualified experts at a certain point in time. There is no guarantee that a property will achieve a capital gain on its sale or that the value of the property will not fall as a result of the assumptions on which the relevant valuations are based proving to be incorrect.

##### **Regulatory risk and changes in legislation**

- Centuria operates in a highly regulated environment and it, and the Centuria Funds Management business is subject to a range of industry specific and general legal and other regulatory controls (including Australian Financial Services Licensing and Anti Money Laundering / Counter Terrorism Funding requirements). Regulatory breaches may affect Centuria's operational and financial performance, through penalties, liabilities, restrictions on activities and compliance and other costs. ASIC routinely undertakes surveillance of Australian financial services licensees, and from time-to-time undertakes regulatory and enforcement action in relation to such licensees. If ASIC was to take such action against Centuria or Centuria's Funds Management business, then this action might result in Centuria or Centuria's Funds Management business being restricted or prohibited from providing financial services, including operating its Funds Management business, or might lead to the imposition of additional compliance costs or reputational damage. ASIC may make a public announcement of its regulatory action.
- Changes in government legislation and policy in jurisdictions in which Centuria and the Centuria Funds Management business operate may affect the value of funds managed by Centuria and the financial performance of Centuria. This may include changes in stamp duty or tenancy legislation, policies in relation to land development and zoning and delays in the granting of approvals or registration of subdivision plans.

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## APPENDICIES

# Appendix B: Risks

### Risks Specific To Centuria

#### Funds Management

- Centuria manages a number of funds on behalf of third party investors. The majority of Centuria's income is derived from fees calculated with reference to the value of funds under the control of the Centuria Funds Management business. Centuria's financial performance may be adversely affected if it was not able to appropriately respond to the following risks:
  - significant or prolonged underperformance of the Centuria Funds that may affect the ability of Centuria to retain existing funds and to attract new funds under management.
  - unitholder or competitor actions initiated to remove funds from the control of the Centuria Funds Management business.
  - a number of funds under the control of the Centuria Funds Management business are fixed term funds or funds where strategic review dates fall due in the short to medium term. Unitholder approval and/or endorsement is required for extensions to the term of these funds. There is a risk that investors may not approve or endorse such extensions or that key investors may terminate management arrangements or otherwise remove their funds from the control of Centuria Funds Management business at any time.
  - the direct property funds that Centuria Funds Management manages have exposure to a variety of entities that lease or otherwise occupy the properties owned by these funds. Insolvency or financial distress leading to a default by a major lessee or lessees across a number of leases, or failure to secure new leases on acceptable terms, could give rise to earnings volatility and breach of financial covenants within these funds.
  - to the extent that property values or income levels in a particular fund fall, there is a risk that the management fee income derived from that fund may be adversely impacted.

#### Reliance on third party equity

- As a fund manager, growth in Centuria's earnings may be impacted by the ability of Centuria to establish new listed or unlisted funds. Specifically such income growth is dependent on the ability of Centuria to continue to source and maintain equity from new and existing investors for current and future funds.

#### Co-Investments

- Centuria's long term strategy is to continue holding co-investments in a number of the funds it manages. Such investments are subject to the general investment risks outlined above. Factors influencing the financial performance of these managed funds may adversely impact the value of Centuria's assets or quantum of its earnings which may in turn impact the price of the Securities.

#### Funding

- Centuria and funds managed by the Centuria Funds Management business relies on access to various sources of capital, along with the refinancing and/or variation of existing debt facilities. An inability to obtain the necessary funding or refinancing on acceptable terms and at commercial rates or a material increase in the costs of such funding may have an adverse impact on Centuria's performance or financial position. Further, these debt facilities are subject to various covenants including interest coverage ratios and loan to valuation ratios. The use of debt funding may enhance returns and increase the number of assets that Centuria can acquire, but it may also substantially increase the risk of loss. Use of debt funding may adversely affect Centuria when economic factors such as rising interest rates and/or margins, severe economic downturns, availability of credit, reduction in asset values or further deterioration in the condition of debt and equity markets occur. If an investment is unable to generate sufficient cash flow to meet the principal and interest payments on its indebtedness, the value of Centuria's equity component could be significantly reduced.

#### Acquisition risks

- Centuria also has a significant potential acquisition pipeline that it is pursuing in order to drive future growth of the business. There is no guarantee that Centuria will be able to execute all current or future acquisitions. To the extent that or any current or future acquisitions are not successfully integrated with Centuria's existing business, the financial performance of Centuria could be materially adversely affected.
- There is a risk that Centuria will be unable to identify future acquisition opportunities that meet its investment objectives, or if such acquisition opportunities are identified, that they can be acquired on appropriate terms, thereby potentially limiting the growth of Centuria and its Funds Management business. Any failure to identify appropriate assets or successfully acquire such assets could materially adversely affect the growth prospects and financial performance of Centuria. While it is Centuria's policy to conduct a thorough due diligence process in relation to any such acquisition, risks remain that are inherent in such acquisitions.

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## APPENDICIES

# Appendix B: Risks

#### Dilution risk

- Centuria's securityholders who do not participate in the equity raising, or do not take up all of their entitlements under the equity raising, will have their investment in Centuria diluted and receive no value for their entitlement. Centuria's securityholders may have their investment in Centuria diluted by future capital raisings. Centuria may issue new securities to finance future acquisitions or pay down debt which may, under certain circumstances, dilute the value of an investor's interest. Centuria will only raise equity if it believes that the benefit to investors of acquiring the relevant assets or reducing gearing is greater than the short term detriment caused by the potential dilution associated with a capital raising.

#### Information system disruption

- Centuria relies on its infrastructure and information technology in order to operate its business. A severe disruption to or failure of Centuria's information technology systems may adversely impact the operations of Centuria and its current and future business and financial performance.

#### Personnel risk

- The ability of Centuria to successfully deliver on its strategy is dependent on retaining key employees (such as John McBain (Group Chief Executive Officer), Jason Huijich (Head of Real Estate and Funds Management) and Simon Holt (Chief Financial Officer)). The loss of senior management, or other key personnel, could adversely impact on Centuria's current and future business and financial performance.

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# Annexure B

## Investor Presentation

### APPENDICIES

## Appendix C: International Offer Restrictions

This document does not constitute an offer of Securities in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Securities may not be offered or sold, in any country outside Australia except to the extent permitted below

#### United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The New Securities have not been and will not be, registered under the US Securities Act of 1933 (US Securities Act) or the securities laws of any state or other jurisdiction in the United States. The New Securities may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US State securities laws.

#### Hong Kong

WARNING: This document has not been, and will not be, authorized by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (SFO). No action has been taken in Hong Kong to authorize this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Stapled Securities have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO). No advertisement, invitation or document relating to the Stapled Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Stapled Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance. The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

#### New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (FMC Act). The Stapled Securities are not being offered to the public within New Zealand other than to existing securityholders of Centuria with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. Other than in the Equity Raising, the Stapled Securities may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

#### Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore (MAS) and, accordingly, statutory liability under the Securities and Futures Act, Chapter 289 (SFA) in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. The issuer is not authorised or recognised by the MAS and the Stapled Securities are not allowed to be offered to the retail public. This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Stapled Securities may not be circulated or distributed, nor may the Stapled Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" (as defined in the SFA), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA. This document has been given to you on the basis that you are an "institutional investor" (as defined under the SFA). In the event that you are not an institutional investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore. Any offer is not made to you with a view to the Stapled Securities being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

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# Thank You

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# Glossary

Defined Term	Meaning
<b>Additional New Stapled Securities</b>	New Stapled Securities in excess of a Stapled Securityholder's Entitlement.
<b>Allotment Date</b>	means: <ul style="list-style-type: none"> <li>• Tuesday, 23 October 2018 in respect of the Placement, Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date; and</li> <li>• Friday, 2 November 2018 in respect of remaining New Stapled Securities issued under the Retail Entitlement Offer.</li> </ul>
<b>Application</b>	an application for New Stapled Securities under the Retail Entitlement Offer.
<b>Application Monies</b>	monies received from an applicant in respect of their Application.
<b>ASIC</b>	Australian Securities & Investments Commission.
<b>ASX</b>	ASX Limited (ABN 98 008 624 691) and, where the context requires, the financial market that it operates (i.e., the Australian Securities Exchange).
<b>ASX Announcement</b>	the announcement released to ASX on Wednesday, 10 October 2018 in relation to the Entitlement Offer and annexed as Annexure A to this Retail Offer Booklet.
<b>ASX Listing Rules</b>	the listing rules of ASX.
<b>Board</b>	the board of directors of both Centuria Capital Limited (ABN 22 095 454 336) and Centuria Funds Management Limited (ACN 607 153 588) as responsible entity of the Centuria Capital Fund (ARSN 613 856 358).
<b>Centuria or CNI</b>	Centuria Capital Group (ASX: CNI), which is comprised of Centuria Capital Limited (ABN 22 095 454 336) and Centuria Funds Management Limited (ACN 607 153 588) as responsible entity of the Centuria Capital Fund (ARSN 613 856 358).
<b>CMA</b>	Centuria Metropolitan REIT ARSN 124 364 718.
<b>CMA Offer</b>	means an underwritten \$276 million institutional placement and entitlement offer by CMA to fund the acquisition of four properties from a subsidiary of Hines Global REIT, Inc.
<b>CMA Underwriting Agreement</b>	means the underwriting agreement in respect of the CMA Offer, entered into between CMA and the underwriters of the CMA Offer, being Moelis Australia Advisory Pty Ltd and UBS AG, Australia Branch.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).

# Glossary

<b>Early Retail Acceptance Due Date</b>	5.00pm (Sydney time) Friday, 19 October 2018.
<b>Eligible Institutional Stapled Securityholder</b>	an Institutional Stapled Securityholder which has been invited to participate in the Institutional Entitlement Offer.
<b>Eligible Retail Stapled Securityholder</b>	<p>a Stapled Securityholder on the Record Date who:</p> <ul style="list-style-type: none"> <li>• has a registered address in Australia or New Zealand;</li> <li>• is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent such person holds Stapled Securities for the account or benefit of such person in the United States);</li> <li>• is not an Institutional Stapled Securityholder; and</li> <li>• is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.</li> </ul>
<b>Eligible Stapled Securityholder</b>	an Eligible Institutional Stapled Securityholder or an Eligible Retail Stapled Securityholder.
<b>Entitlement</b>	the entitlement to subscribe for 1 New Stapled Security for every 5 Stapled Securities held on the Record Date by Eligible Stapled Securityholders.
<b>Entitlement and Acceptance Form</b>	the Entitlement and Acceptance Form accompanying this Retail Offer Booklet upon which an Application can be made.
<b>Entitlement Offer</b>	the offer of New Stapled Securities under the Institutional Entitlement Offer and the Retail Entitlement Offer.
<b>Equity Raising</b>	the Placement and the Entitlement Offer.
<b>Hines Assets</b>	has the meaning given in the Chairman's letter.
<b>Ineligible Stapled Securityholder</b>	a Stapled Securityholder that is neither an Eligible Institutional Stapled Securityholder nor an Eligible Retail Stapled Securityholder.
<b>Institutional Entitlement Offer</b>	the offer of New Stapled Securities to Eligible Institutional Stapled Securityholders and Institutional Investors, as described in Section 1.2.
<b>Institutional Investor</b>	<p>a person:</p> <ol style="list-style-type: none"> <li>1. in the case of a person with a registered address in Australia, who is an "exempt investor" as defined in ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84; or</li> <li>2. if outside Australia, to whom offers for issue of Stapled Securities may lawfully be made without the need for a lodged product disclosure statement, prospectus or other disclosure document or other lodgement, registration, filing with or approval by a governmental agency (other than one with which Centuria is willing, in its absolute discretion, to comply).</li> </ol>
<b>Institutional Stapled Securityholder</b>	a holder of Stapled Securities on the Record Date who is an Institutional Investor.
<b>Investor Presentation</b>	the investor presentation dated 10 October 2018 in relation to the Entitlement Offer and annexed as Annexure B to this Retail Offer Booklet.

<b>Issue Price</b>	the issue price per New Stapled Security, being \$1.30 per New Stapled Security.
<b>New Stapled Securities</b>	Stapled Securities offered under the Entitlement Offer and/or the Placement as the context requires.
<b>Placement</b>	the placement of New Stapled Securities to eligible Institutional Investors as described in Section 1.2.
<b>Record Date</b>	7.00pm (Sydney time) on Friday, 12 October 2018.
<b>Registry</b>	Computershare Investor Services Pty Limited (ABN 48 078 279 277)
<b>Retail Closing Date</b>	5.00pm (Sydney time), Friday, 26 October 2018.
<b>Retail Entitlement Offer</b>	the offer of New Stapled Securities to Eligible Retail Stapled Securityholders, as described in Section 1.3.
<b>Retail Offer Booklet</b>	this booklet dated Friday, 12 October 2018, including the ASX Announcement and the Investor Presentation.
<b>Retail Offer Period</b>	the period from the date the Retail Entitlement Offer opens until the Retail Closing Date.
<b>Settlement Date</b>	means: <ul style="list-style-type: none"> <li>Monday, 22 October 2018 in respect of the Placement, Institutional Entitlement Offer and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date; and</li> <li>Thursday, 1 November 2018 in respect of remaining New Stapled Securities issued under the Retail Entitlement Offer.</li> </ul>
<b>Stapled Security</b>	a stapled security consisting of one share in Centuria Capital Limited (ABN 22 095 454 336) and one unit in the Centuria Capital Fund (ARSN 613 856 358).
<b>Stapled Securityholder</b>	the registered holder of a Stapled Security.
<b>Sydney Time</b>	Australian Eastern Daylight Time.
<b>Underwriter</b>	Moelis Australia Advisory Pty. Ltd. (ABN 72 142 008 446).
<b>Underwriting Agreement</b>	the underwriting agreement between Centuria and the Underwriter dated on or around 10 October 2018, as described in Section 5.11.
<b>US or United States</b>	United States of America, its territories and possessions, any state of the United States and the District of Columbia.
<b>U.S. Securities Act</b>	the U.S. Securities Act of 1933, as amended.

# Corporate Directory

**Centuria Capital Group Registered Office**

Level 39.01, 100 Miller Street  
North Sydney NSW 2060

**Offer Information Line**

1300 171 799 (toll free within Australia)  
+61 3 9415 4104 (outside Australia)

Open between 8.30am and 5.00pm (Sydney time) Monday to Friday during the Retail Offer Period

**Underwriter**

Moelis Australia Advisory Pty. Ltd.  
Level 27, Governor Phillip Tower  
One Farrer Place  
Sydney NSW 2000

**Legal Adviser**

HWL Ebsworth  
Level 14  
Australia Square  
264-278 George Street  
Sydney NSW 2000

**Registry**

Computershare Investor Services Pty Limited  
Level 4, 60 Carrington Street  
Sydney NSW 2000

## Notes

## Notes



# Notes





