

Market Update – New Zealand

- **\$60.2m equity raise by Asset Plus Limited (NZX: APL or “Asset Plus”)**
- **\$12.1m placement (“Placement”)**
- **\$48.1m 1 for 1.01 accelerated non-renounceable entitlement offer (“Entitlement Offer”)**
- **Funding for NZ \$120m commercial development with a 15-year pre-commit from Auckland City Council**
- **Centuria, via Augusta Capital, seeks to increase its Asset Plus holding to 19.99%**
- **Augusta Capital Limited de-listed from the NZX and acquisition of outstanding securities complete**

SYDNEY (10 September 2020) – Centuria Capital Group (ASX: **CNI** or “Centuria”) reports that Asset Plus is undertaking a \$60.2m equity raise through an underwritten Placement and Entitlement Offer. (NZX release attached). Asset Plus is managed by Augusta Capital Limited.

The equity raise provides funding under the Agreement to Develop and Lease for the 6-8 Munroe Lane, Albany, Auckland project. The development is being undertaken with a substantial pre-commitment from Auckland Council for an initial 15-year lease.

APL shareholders will meet to consider the approval of the Munroe Lane development on Tuesday, 29 September 2020. Centuria Capital, via Augusta Capital, is supportive of the Munroe Lane Development and is seeking to increase its stake in Asset Plus from 18.85% to 19.99% through participation in the equity raise.

John McBain, Centuria Joint CEO, said “Augusta Capital has continued to undertake logical initiatives for platform growth. Following the Augusta Property Fund launch and oversubscribed raise for the NZ\$55m Anglesea Medical Centre within Augusta Capital Limited, the Munroe Lane initiative, when complete, will constitute a major asset backed by a long lease commitment to a quality government tenant and is a clear opportunity for the Asset Plus REIT to expand its portfolio through a blend of growth and yield.

“Augusta Capital was recently de-listed from the NZX and the compulsory acquisition of their remaining securities has been completed. We intend to operate the business as a 100% subsidiary and are focused on completing the integration of the business. We are supportive of APL’s Munroe Lane opportunity and continue to work closely with the team to expand Centuria’s presence across the New Zealand market.”

– Ends –

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Authorised for release by Anna Kovarik, Company Secretary.

About Centuria Capital Group

Centuria Capital Group (CNI) is an ASX-listed specialist investment manager with AU\$9.5 billion¹ of assets under management. We offer a range of investment opportunities including listed and unlisted real estate funds as well as tax-effective investment bonds. Our drive, allied with our in-depth knowledge of these sectors and intimate understanding of our clients, allows us to transform opportunities into rewarding investments.

www.centuria.com.au

¹ Subject to the completion of asset acquisitions in Centuria Healthcare Property Fund



NZX RELEASE

10 September 2020

Asset Plus announces \$60 million equity raising in connection with funding the Munroe Lane Development

Asset Plus Limited (NZX: APL) has today announced an equity raising of approximately \$60.2 million via a \$12.1 million underwritten placement ("**Placement**") and a \$48.1 million underwritten 1 for 1.01 accelerated non-renounceable entitlement offer ("**Entitlement Offer**") (together the "**Equity Raise**"). This follows the announcement on 20 December 2019 when Asset Plus entered into a conditional Agreement to Develop and Lease ("**ADL**") with Auckland Council to construct an office building in Munroe Lane, Albany, 63% pre-leased to Auckland Council on a 15 year lease (the "**Munroe Lane Development**").

Asset Plus announced a \$100 million equity raising in March 2020 which included funding for the Munroe Lane Development but, given global volatility and uncertainty at that time, this offer was withdrawn and the shareholder meeting to approve the offer and the Munroe Lane Development that had been scheduled for 31 March 2020 was cancelled. Since that time Auckland Council has reconfirmed its desire for Asset Plus to progress the Munroe Lane Development, and as previously announced has agreed to extend the funding and shareholder approval condition associated with the development to 30 October 2020. Asset Plus obtained resource consent in relation to the Munroe Lane Development in May 2020.

The \$60.2 million Equity Raise announced today, along with a restructuring of Asset Plus' existing banking facility, is intended to allow the funding and shareholder approval condition under the ADL to be satisfied (subject to shareholder approval also being obtained). The proceeds from the Equity Raise will be applied to repay all existing outstanding debt with remaining cash and restructured bank facilities being drawn upon as required throughout the duration of the development period for Munroe Lane. If the Munroe Lane Development is completed in accordance with Asset Plus' current indicative development timetable and cost plan, the value of Asset Plus' investment properties is expected to increase by approximately \$134.5 million¹.

The Chair of Asset Plus, Bruce Cotterill said "Asset Plus has clear objectives of increasing the scale of its portfolio and setting a strong platform for sustainable growth. The Equity Raise, along with the restructuring of our bank facility, is expected to provide the necessary funding to complete the Munroe Lane Development and deliver on those objectives."

Asset Plus will hold a shareholder meeting to approve the Munroe Lane Development at 2.00pm on Tuesday, 29 September 2020 online at www.virtualmeeting.co.nz/APL20 and, subject to Government restrictions, at Link Market Services Limited, Level 11 Deloitte Centre, 80 Queen Street, Auckland (the "**Special Meeting**"). Details for the Special Meeting can be found in the accompanying Notice of Meeting released on the NZX today.

Asset Plus' major shareholder, Augusta Capital, continues to be supportive of the Munroe Lane Development and has committed to take up 100% of its entitlement and its pro-rata portion of the placement and will seek to increase its shareholding from 18.85% up to 19.99% through taking up part of any shortfall in the Entitlement Offer. Augusta

¹ Assumes no sale of existing properties



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Capital intends to vote all shares held by it in favour of the Munroe Lane Development at the Special Meeting. Augusta Capital is now a wholly owned subsidiary of Centuria Capital Group.

The Munroe Lane Development

On 20 December 2019, Asset Plus announced the entry into the ADL with Auckland Council to construct the Munroe Lane Development. Auckland Council will be the anchor tenant for the new office building, agreeing to lease nearly two thirds of the total office net lettable area of 15,900m² on a 15-year lease from completion in December 2022.

Munroe Lane is in the heart of the Albany basin. It is located in close proximity to the Albany Lifestyle Centre and Westfield shopping mall, key transport links including the park-and-ride which is expected to see increased utilisation once the dedicated bus lane into Albany is completed. Leisure amenities including the North Harbour stadium, are also nearby.

Key details for the Munroe Lane Development include:

- The bare land at 6-8 Munroe Lane was acquired on the 2nd of December 2019 for \$7.25 million (current book value of \$7.5 million as at 31 August 2020)
- Remaining costs to completion for the Munroe Lane Development are estimated at approximately \$120 million as at 31 August 2020
- Construction is expected to commence in November 2020, with an anticipated completion date of 14 November 2022 and a targeted completion date of 16 December 2022 under the Agreement to Develop and Lease with Auckland Council
- Early Contractor Involvement (ECI) Agreement awarded to Icon after competitive procurement process – to be converted to construction contract (based on NZS 3910 form) subject to shareholder approval
- Approximately 39% of estimated construction cost to completion fixed as at August 2020, with ~80% anticipated to be fixed at the time of award of the construction contract. Balance (~20%) to be competitively tendered by Icon with Asset Plus oversight as design packages become available to take advantage of competitive sub-contractor market conditions
- The Manager of Asset Plus, Augusta Funds Management Limited, and its specialist development team will oversee the development
- Auckland Council have signed an initial 15-year lease, commencing on completion of the development, with two 6-year rights of renewal over 63% of the net lettable area

Further details regarding the Munroe Lane Development can be found in the accompanying Investor Presentation released on the NZX today.



Equity Raise

The \$60.2 million Equity Raise comprises a \$12.1 million underwritten Placement and a \$48.1 million underwritten pro-rata accelerated Entitlement Offer. Both the Placement and Entitlement Offer will be undertaken at a fixed price of \$0.30 per new share ("**New Shares**") which represents a discount of 17.8% to the last close price of \$0.365 per share on Wednesday, 9 September 2020, and an 8.8% discount to the theoretical ex-rights price (TERP) of \$0.33².

The Equity Raise is supported by Asset Plus' largest shareholders, including Augusta Capital, with pro rata pre-commitments amounting to \$25.4 million received in total which has been excluded from the underwrite. The balance of the Equity Raise is fully underwritten by Jarden Partners Limited.

Placement

The underwritten Placement will be conducted through a bookbuild in which institutional and other select investors in New Zealand, Australia, Hong Kong, and Singapore will be invited to participate. A trading halt has been granted by NZX prior to the market opening today.

The Placement will raise gross proceeds of approximately \$12.1 million and is underwritten at a fixed price of \$0.30 per share. The Placement will comprise the issue of approximately 40.5 million New Shares which represents 11.2% of Asset Plus' shares on issue following completion of the Equity Raise.

Settlement of the Placement is scheduled to take place on Wednesday, 16 September 2020 with commencement of trading of New Shares on the NZX taking place shortly after on the same day. New Shares issued under the Placement will not be granted entitlements under the Entitlement Offer.

Entitlement Offer

The underwritten 1 for 1.01 Entitlement Offer will raise a total of approximately \$48.1 million at the same application price as the Placement of \$0.30 per New Share. The Entitlement Offer comprises the issue of approximately 160.3 million New Shares which represents 44.2% of Asset Plus' shares on issue following completion of the Equity Raise.

The Entitlement Offer will be conducted in two parts, a component to institutional investors ("**Institutional Offer**") and a component to retail shareholders ("**Retail Offer**"). The Entitlement Offer is non-renounceable, and entitlements will not be tradeable or otherwise transferrable.

Eligible shareholders under the Institutional Offer include sophisticated, professional and other institutional shareholders located in New Zealand, Australia, Hong Kong, and Singapore as at 5.00pm (NZST) on the Record Date of Monday, 14 September 2020 ("**Record Date**"). The Institutional Offer will be accelerated and will close at 5.00pm on Thursday, 10 September 2020.

² The TERP is the Theoretical Ex-Rights and Placement Adjusted Price at which Asset Plus ordinary shares would trade immediately after the ex-rights date for the Entitlement Offer. TERP is calculated with reference to Asset Plus' closing share price of \$0.365 on 9 September 2020 and includes all new shares issued under the Equity Raise. TERP is a theoretical calculation only and the actual price at which Asset Plus ordinary shares will trade immediately after the ex-rights date for the Entitlement Offer will depend on many factors and may not be equal to TERP.



The Retail Offer will be offered to eligible retail shareholders with a registered address in New Zealand or New Caledonia as at 5.00pm (NZST) on the Record Date. The Retail Offer will open on Tuesday, 15 September 2020, and close on Tuesday, 29 September 2020 (unless extended). Eligible retail shareholders who take up their entitlement in full will not have their percentage shareholding in Asset Plus reduced as a result of the Entitlement Offer. However, even eligible retail shareholders who take up their entitlement under the Entitlement Offer in full (but do not acquire any New Shares under the Placement or any additional New Shares under the oversubscription facility) will be diluted as a consequence of the Placement.

The Offer Document, containing full details of the Entitlement Offer, will be sent to Eligible Shareholders on Tuesday, 15 September 2020. Eligible shareholders should go to www.assetplusoffer.co.nz from Tuesday, 15 September 2020 to 5.00pm on Tuesday, 29 September 2020 if they wish to apply.

Key Dates

The key dates* for the Equity Raise are:

Equity Raise timetable	
Placement and Institutional Offer undertaken	10 September 2020
Record date for determining entitlements	5.00pm on 14 September 2020
Application forms sent to eligible shareholders and Retail Offer opens	15 September 2020
Settlement and allotment of New Shares issued under the Placement and Institutional Offer	16 September 2020
Retail Offer closes	5.00pm on 29 September 2020
Settlement and allotment of New Shares issued under the Retail Offer	2 October 2020

Special Meeting of Shareholders timetable	
Notice of Meeting released on the NZX	10 September 2020
Voting record date for Special Meeting of Shareholders	5.00pm on 25 September 2020
Special Meeting of Shareholders	2.00pm on 29 September 2020
Results from the Special Meeting of Shareholders	29 September 2020

*These dates are subject to change and are indicative only.

Additional Information

A conference call will be held at 10.45am, New Zealand time on 10 September 2020 regarding Asset Plus' \$60 million Equity Raise in connection with funding the Munroe Lane Development.

Participants can register for the conference by navigating to: <https://s1.c-conf.com/diamondpass/10009904-invite.html>. The Conference ID is 10009904.

Please note that registered participants will receive their dial in number upon registration.

Additional information regarding the Equity Raise is contained in the Investor Presentation accompanying this announcement. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Equity Raise.



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Nothing contained in this announcement constitutes investment, legal, tax or other advice. Investors are encouraged to seek appropriate professional advice before making any investment decision.

For any questions in respect of the Retail Offer, please visit www.assetplusoffer.co.nz or call Link Market Services Limited on +64 9 375 5998 between 8:30am and 5.00pm (NZST) Monday to Friday during the Retail Offer period. For other questions, investors should contact a professional adviser.

- ENDS -

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OVERVIEW <https://www.assetplusnz.co.nz/>

Asset Plus invests in real estate assets throughout New Zealand, with a focus on the attractive Auckland market, where the risk adjusted returns support the overall outperformance objectives of the fund. Asset Plus shareholders voted on 19 March 2018 to externalise the management of Asset Plus, to Augusta. Under Augusta's management, Asset Plus focuses on a 'Yield Plus Growth' investment strategy, targeting long term total returns that are greater than the benchmark return threshold detailed by the S&P/NZX All Real Estate Index through value add and active management initiatives. Augusta externally manage Asset Plus, report to the Asset Plus Board and provide shared service functions.

This announcement is not a product disclosure statement or offering document under New Zealand law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in Asset Plus in any jurisdiction. This announcement does not constitute financial product advice or investment advice and does not and will not form part of any contract for the acquisition of Asset Plus securities.

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The information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with Asset Plus' other market announcements lodged with NZX, which are available at www.nzx.com/companies/APL.