

Takeover bid by Centuria for Primewest - Notice of completion of despatch of bidder's statement and offers

SYDNEY (Tuesday, 18 May 2021) - Centuria Capital Limited (ACN 095 454 336) and Centuria Funds Management Limited (ACN 607 153 588) as responsible entity for Centuria Capital Fund (ARSN 613 856 358) (together, **Centuria**) refers to its off-market takeover bid (**Takeover Bid**) under Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**) for all of stapled securities in Primewest Group Limited (ACN 636 344 137) and the Primewest Property Fund (ARSN 636 405 635) whose responsible entity is Primewest Management Ltd (ACN 091 415 833) (together, **Primewest**).

In accordance with section 633(1) item 8 of the Corporations Act, we hereby give notice that Centuria has today completed despatch of its bidder's statement dated 14 May 2021 (**Bidder's Statement**) which contains an offer dated 17 May 2021 (**Centuria Offer**), to all persons registered as the holder of fully paid ordinary stapled securities in Primewest as at 7:00pm (Sydney time) on 14 May 2021 (**Relevant Offerees**), being the date set by Centuria in the Bidder's Statement under section 633(2)(a) of the Corporations Act, as required by section 633(1) item 6 of the Corporations Act.

In accordance with section 633(6) of the Corporations Act, a copy of the Bidder's Statement which contains the Centuria Offer, together with all additional information sent to the Relevant Offerees is attached to this notice.

– Ends –

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

John McBain

Joint CEO

Centuria Capital Limited

Phone: 02 8923 8923

Email: john.mcbain@centuria.com.au

Tim Mitchell

Group Head of Investor Relations

Centuria Capital Limited

Phone: 02 8923 8923

Email: tim.mitchell@centuria.com.au

Alexandra Koolman

Group Communications Manager

Centuria Capital Limited

Phone: 02 8923 8923

Email: alexandra.koolman@centuria.com.au

Announcement authorised by Anna, Kovarik, Company Secretary.

About Centuria Capital Group

Centuria Capital Group (CNI) is a leading real estate funds manager with a unique Australasian focus and over \$10 billion 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 meaningful investments.

www.centuria.com.au

Bidder's Statement

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN DOUBT ABOUT HOW TO ACT, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER AS SOON AS POSSIBLE.

Morgan Stanley

FINANCIAL ADVISER

JONES
DAY

LEGAL ADVISER

Centuria Capital Limited acting in its own capacity and as nominee for the Centuria Capital Fund (ARSN 613 856 358) (whose responsible entity is Centuria Funds Management Limited (ACN 607 153 588)) to securityholders in Primewest, the ASX listed stapled entity comprising Primewest Group Limited (ACN 636 344 137) and the Primewest Property Fund (ARSN 636 405 635) whose responsible entity is Primewest Management Ltd (ACN 091 415 833) to acquire all of your stapled securities in Primewest.

Primewest Securityholders (other than Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders) who accept the Centuria Offer will be entitled to receive:

- 0.473 Centuria Securities; and
- A\$0.20 in cash, for each Primewest Security held.

If you have any questions about the Centuria Offer, please call the Centuria Offer Information Line on 1300 721 637 (callers in Australia) or +61 2 8023 5428

(callers outside Australia) between 8:30am and 5:00pm (Sydney time) on Business Days.

The Centuria Offer is dated 17 May 2021 and will close at 7:00pm (Sydney time) on 17 June 2021, unless extended or withdrawn. This Bidder's Statement was lodged with ASIC on 14 May 2021.

Primewest Securityholders can accept the Centuria Offer online at: www.centuriaprimewestoffer.com.au.

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Important Information

The Centuria Offer described within this Bidder's Statement is made by Centuria Capital Limited (ACN 095 454 336) (**CCL**) (acting in its own capacity and as nominee for the Centuria Capital Fund (ARSN 613 856 358 (**CNI Fund**)) (whose responsible entity is Centuria Funds Management Limited (ACN 607 153 588) (**CFML**)). The Centuria Offer relates to Primewest, the ASX listed stapled entity comprising Primewest Group Limited (ACN 636 344 137) and the Primewest Property Fund (ARSN 636 405 635) whose responsible entity is Primewest Management Ltd (ACN 091 415 833).

You should read this Bidder's Statement in its entirety. This Bidder's Statement is issued by CCL in relation to the offer of CCL Shares and by CFML as responsible entity for the CNI Fund in relation to the offer of CNI Units, as consideration for the Centuria Offer. This Bidder's Statement is dated 14 May 2021. The terms and conditions of the Centuria Offer are set out in Appendices 1 and 2 of this Bidder's Statement. This Bidder's Statement also contains certain disclosures required by the Corporations Act under Part 6.5 of the Corporations Act.

Australian Securities and Investments Commission and ASX

A copy of this Bidder's Statement was lodged with ASIC and ASX on 14 May 2021. The ASX, ASIC and their officers take no responsibility for the content of this Bidder's Statement.

Investment advice

The information in this Bidder's Statement is general information only, and does not take into account your individual investment objectives, financial situation or needs. You should consider whether the information in this Bidder's Statement is appropriate for you in light of your objectives, financial situation and needs. Accordingly, before making a decision whether or not to accept the Centuria Offer and whether Centuria Securities are an appropriate investment for you, please consult your professional adviser.

Notice to foreign Primewest Securityholders

Primewest Securityholders should note that part of the consideration under the Centuria Offer is Centuria Securities, which are fully paid ordinary stapled securities in Centuria comprising fully paid ordinary shares in CCL stapled to fully paid ordinary units in the CNI Fund. Those securities will be listed on ASX. The Centuria Offer is subject to disclosure requirements in Australia which are different from those applicable in other countries. Centuria Securities will only be issued under the Centuria Offer to Primewest Securityholders with registered addresses in Australia, its external territories or New Zealand, unless Centuria determines to the contrary.

The distribution of this Bidder's Statement in jurisdictions outside Australia may be restricted by law, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. For further information see Section 13.22.

Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders will not be entitled to Centuria Securities as part of the Offer Consideration. Instead, the Centuria Securities to which they would otherwise be entitled will be issued to the Nominee. Those Centuria Securities will be offered for sale and the net proceeds will be provided to the Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders in Australian dollars in accordance with Sections 2.2 and 6.3 of the Offer Terms in Appendix 1.

Disclosure regarding forward looking statements

This Bidder's Statement contains certain forward looking statements which have not been based solely on historical facts, but rather are based on Centuria's current expectations about future events and results. These forward looking statements are, however, subject to various inherent risks, uncertainties and assumptions, in that they may be affected by a variety of known and unknown risks, variables and other factors, many of which are beyond the control of Centuria and which could cause actual events or results to differ materially from the expectations described in such forward looking statements. These factors include, amongst other things, the risks identified in Section 12, as well as other matters not yet known to Centuria or not currently considered material by Centuria.

Actual events, results, values, performance or achievements may differ materially from the events, results, values, performance or achievements expressed or implied in any forward looking statement and deviations are both normal and to be expected. The past performance of Centuria and Primewest is no guarantee of future performance. Except to the extent required by law, neither Centuria nor any of its directors, officers or employees, or any persons named in this Bidder's Statement or any person involved in the preparation of this Bidder's Statement, make any representation, warranty, assurance or guarantee (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events, results, values, performance or achievements expressed or implied in any forward looking statement. Accordingly, you are cautioned not to place undue reliance on any forward looking statements.

The forward looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

No guarantee of capital or investment returns

Except as required by law, and only to the extent required, no person named in this Bidder's Statement, nor any other person, warrants or guarantees the performance of Centuria with or without the acquisition of Primewest or any return on investment (including any distribution) made pursuant to this Bidder's Statement. Acceptance of the Centuria Offer is not a deposit with or other liability of Morgan Stanley or any other related party or associate of Morgan Stanley. Morgan Stanley is not a Related Body Corporate of Centuria. The consideration to be received under the Centuria Offer is subject to investment risk including loss of income or principal invested. Neither Morgan Stanley, nor any of its related parties or associates, give any guarantee or assurance as to the performance of the Centuria Securities, any particular rate of return on the Centuria Securities or the repayment of capital or principal.

Information on Primewest

The information on Primewest, Primewest Securities and Primewest's business and assets and the Combined Group (to the extent that it incorporates or reflects information on Primewest) contained in this Bidder's Statement has been prepared based on a review of publicly available and non-public information received in due diligence and should not be considered comprehensive. Information in this Bidder's Statement concerning Primewest, Primewest Group, Primewest Securities and Primewest Group's business and assets and the Combined Group (to the extent that it incorporates or reflects information on Primewest) has not been independently verified by Centuria. Subject to the Corporations Act, neither Centuria nor any of its directors, officers or employees make any representation or warranty (express or implied) as to the accuracy or completeness of this information.

Further information relating to Primewest's business may be included in the Target's Statement which Primewest must provide to Primewest Securityholders in response to this Bidder's Statement.

Important Information

Privacy

Centuria has collected your information from the register of Primewest Securityholders for the purpose of making this Centuria Offer and, if accepted, administering your holding of Centuria Securities. The type of information Centuria has collected about you includes your name, address, contact details and information on your securities holding in Primewest. Without this information, Centuria will be hindered in its ability to carry out the Centuria Offer. The Corporations Act requires the names and addresses of Primewest Securityholders to be held in a public register. Your information may be disclosed on a confidential basis to Centuria's Related Bodies Corporate, and holders of securities in Centuria or its related bodies corporate and external service providers (for example, Boardroom Pty Limited and providers of print and mail services), and may be required to be disclosed to regulators, such as ASIC. If you would like details of information held about you by Centuria or Boardroom Pty Limited, please contact them at the addresses set out in the corporate directory.

Websites

Centuria maintains a website in relation to Centuria at centuria.com.au.

Information contained on, or otherwise accessible through this website or any other website does not form part of this Bidder's Statement. All references in this Bidder's Statement to these internet sites are inactive textual references to these sites and are for your information only.

Updated information

Information contained in this Bidder's Statement is subject to change from time to time. This information may be updated and made available to you on Centuria's website at <https://centuria.com.au/> where that information is not of a kind that is required to be included in a supplementary Bidder's Statement (that is, where that information is not material). Requests for free hard copies of any updated information may be made by contacting the Centuria Offer Information Line on 1300 721 637 (callers in Australia) or +61 2 8023 5428 (callers outside Australia) between 8:30am and 5:00pm (Sydney time) on Business Days.

Enquiries

If you are in any doubt as to how to deal with this Bidder's Statement, you should consult with your professional adviser.

If you have any questions about the Centuria Offer, please call the Centuria Offer Information Line on 1300 721 637 (callers in Australia) or +61 2 8023 5428 (callers outside Australia) between 8:30am and 5:00pm (Sydney time) on Business Days.

You may also access [Centuria.com.au/PWGOffer](https://centuria.com.au/PWGOffer) for further information.

Implied value of the Centuria Offer

As you are being offered Centuria Securities as part of the consideration for your Primewest Securities, the implied value to you of the Centuria Offer will vary with the ASX trading price of Centuria Securities. Further information on the implied value of the Centuria Offer is contained in this Bidder's Statement.

You are advised to exercise caution in relation to the Centuria Offer. If you are in any doubt about any of the contents of this Bidder's Statement, you should obtain independent professional advice.

Defined terms

Capitalised terms and certain abbreviations used in this Bidder's Statement are defined in the glossary in Section 14, along with certain rules of interpretation which apply to this Bidder's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined in Section 14, words and phrases in this Bidder's Statement have the same meaning and interpretation as in the Corporations Act. Unless otherwise indicated, all references to sections are references to sections of this Bidder's Statement.

How to Accept the Centuria Offer

Important Dates

KEY DATES FOR THE OFFER

Announcement of the Centuria Offer	19 April 2021
Date of this Bidder's Statement	14 May 2021
Date of the Centuria Offer	17 May 2021
Closing Date (unless extended or withdrawn)	7:00pm (Sydney time) on 17 June 2021

Note: the Closing Date for the Centuria Offer may change as permitted by the Corporations Act.

How to Accept the Centuria Offer

The Centuria Offer may only be accepted for all of your Primewest Securities.

You may accept the Centuria Offer during the Offer Period in the manner specified below. How you accept the Centuria Offer depends on whether your Primewest Securities are held in a CHESS Holding or an Issuer Sponsored Holding (your personalised Acceptance Form outlines which type of holding you have).

If you hold your Primewest Securities in a CHESS Holding (your HIN starts with an X), to accept the Centuria Offer you must comply with the ASX Settlement Operating Rules by doing one of the following:

- **Contact your Controlling Participant:** instruct your Controlling Participant (usually your Broker) to initiate acceptance of the Centuria Offer on your behalf in sufficient time for the Centuria Offer to be accepted before the end of the Offer Period. Acceptance must be received by 7:00pm (Sydney time) on the Closing Date, unless the Centuria Offer is extended; or
- **Online acceptance:** accept the Centuria Offer online, by logging into www.centuriaprimewestoffer.com.au, following the instructions, selecting the "Accept" option and submitting your acceptance before the Centuria Offer closes; or
- **Send the Acceptance Form by email:** complete and sign your personalised Acceptance Form and lodge it by sending a scanned copy by email to PWGOffer@CenturiaInvestor.com so that your acceptance is received before the end of the Offer Period, which is 7:00pm (Sydney time) on 17 June 2021, unless the Centuria Offer is extended; or
- **Send the Acceptance Form to your Controlling Participant:** complete and sign your personalised Acceptance Form and send it (together with all other documents required by the instructions on the form) directly to your Controlling Participant (usually your Broker) in sufficient time for the Centuria Offer to be accepted before the end of the Offer Period with instructions to initiate acceptance of the Centuria Offer on your behalf before the end of the Offer Period. Acceptance must be received by 7:00pm (Sydney time) on the Closing Date, unless the Centuria Offer is extended; or
- **Send the Acceptance Form to the address indicated on the Acceptance Form:** complete and sign your personalised Acceptance Form and lodge it by returning it in the reply paid envelope provided or to the address indicated on the form (and set out below) so that your acceptance is received before the end of the Offer Period, which is 7:00pm (Sydney time) on 17 June 2021, unless the Centuria Offer is extended. This will authorise Centuria to instruct your Controlling Participant to initiate acceptance of the Centuria Offer on your behalf.

If you are a Broker or an ASX Settlement Participant, to accept the Centuria Offer you must initiate acceptance in accordance with the requirements of the ASX Settlement Operating Rules before the end of the Offer Period. Acceptance Forms must be received by 7:00pm (Sydney time) on the Closing Date, unless the Centuria Offer is extended.

If you hold your Primewest Securities in an Issuer Sponsored Holding

(your SRN starts with an I), to accept the Centuria Offer you may accept the Centuria Offer online or by using a personalised physical Acceptance Form. You must complete and sign your personalised Acceptance Form in accordance with the instructions on it and lodge it by returning it (together with all other documents required by the instructions on your personalised Acceptance Form) by:

- **Online acceptance:** accept the Centuria Offer online, by logging into www.centuriaprimewestoffer.com.au, following the instructions, selecting the "Accept" option and submitting your acceptance before the Centuria Offer closes; or
- **Send the Acceptance Form by email:** complete and sign your personalised Acceptance Form and lodge it by sending a scanned copy by email to PWGOffer@CenturiaInvestor.com so that your acceptance is received before the end of the Offer Period, which is 7:00pm (Sydney time) on 17 June 2021, unless the Centuria Offer is extended; or
- **Send the Acceptance Form by Fax:** complete and sign your personalised Acceptance Form and lodge it by sending a copy by fax to 02 9279 0664 so that your acceptance is received before the end of the Offer Period, which is 7:00pm (Sydney time) on 17 June 2021, unless the Centuria Offer is extended; or
- **Send the Acceptance Form to the address indicated on the Acceptance Form:** complete and sign your personalised Acceptance Form and lodge it by returning it in the reply paid envelope provided or to the address indicated on the form (and set out below) so that your acceptance is received before the end of the Offer Period, which is 7:00pm (Sydney time) on 17 June 2021, unless the Centuria Offer is extended. This will authorise Centuria to instruct your Controlling Participant to initiate acceptance of the Centuria Offer on your behalf.

If some of your Primewest Securities are held in an Issuer Sponsored Holding and some in a CHESS Holding, you will need to accept the Centuria Offer separately for each holding if you wish to accept the Centuria Offer for all of your Primewest Securities across those holdings. Section 5 of the Offer Terms in Appendix 1 contains further information on how to accept the Centuria Offer.

If you are a beneficial owner of Primewest Securities which are registered in the name of a Broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting the Centuria Offer.

Acceptance Facility

Please refer to Section 13.9 for information on how to accept using the Acceptance Facility established by Centuria for certain Participating Acceptance Facility Securityholders.

Postal and delivery details

The postal and delivery addresses for your completed personalised Acceptance Forms are as follows.

Postal address: Boardroom Pty Limited
GPO BOX 3993
Sydney, NSW 2001

Hand delivery: Boardroom Pty Limited
Level 12, 225 George Street
Sydney, NSW 2000

A reply paid envelope (for use by Primewest Securityholders within Australia) is enclosed for your convenience.

The transmission of your personalised Acceptance Form and other documents and the use of the transaction-specific website at centuriaprimewestoffer.com.au to accept the Centuria Offer is at your own risk.

For full details see Section 5 of the Offer Terms in Appendix 1.



PRIMEWEST: 1 WILLIAM ST, PERTH

Chairman's Letter

14 May 2021

Dear Primewest Securityholder,

OFFER TO ACQUIRE ALL OF YOUR PRIMEWEST SECURITIES

On behalf of the board of Centuria Capital Group ("**Centuria**", or ASX:CNI), we are pleased to offer to acquire all of your Primewest Securities (the "**Centuria Offer**") in order to effect the proposed merger transaction between Centuria and Primewest ("**Primewest**" or ASX:PWG).

Centuria believes the Centuria Offer represents a compelling proposition for Primewest Securityholders, offering a combination of cash and Centuria Securities to combine two high quality and complementary real estate platforms that share similar investment philosophies and track records. Centuria believes that maintaining the highest levels of investor service is a critical criteria as the Combined Group grows and this will continue to be an area of strong focus and commitment.

On completion of the Centuria Offer, you would gain access to a substantially larger scale and more diverse Australasian real estate platform through holding securities in the merged entity ("Combined Group"). The Combined Group would manage assets of \$15.5 billion¹ and be amongst the largest real estate fund managers on the ASX.

The Primewest Board, whose founding directors represent 53% of Primewest Securities, have confirmed they intend to accept into the Centuria Offer, in the absence of a superior proposal. Equally, the Centuria Board is confident in the strategic merits of the merger and believes the Combined Group will be well placed for growth across a number of real estate sectors.

Offer Consideration

Under the Centuria Offer, you will receive an implied offer price of \$1.51 per Primewest Security ("**Implied Offer Price**"), consisting of:

- \$0.20 of cash per Primewest Security; and
- 0.473 Centuria Securities² per Primewest Security, equating to \$1.31 based on Centuria's closing price on 16 April 2021 ("**Undisturbed Date**")³.

The Implied Offer Price represents an attractive premium to trading prices of Primewest Securities as at the Undisturbed Date, including a:

- 3.1% premium to Primewest's close price of \$1.465 per Primewest Security on the Undisturbed Date;
- 7.0% premium to Primewest's 5-day VWAP of \$1.412 per Primewest Security on the Undisturbed Date;
- 11.8% premium to Primewest's 30-day VWAP of \$1.35 per Primewest Security on the Undisturbed Date; and
- 51.0% premium to Primewest's IPO offer price of \$1.00 per Primewest Security on 8 November 2019.

No Impact of 30 June 2021 half year distribution

Primewest Securityholders will be entitled to the expected distribution of 2.9 cents per Primewest Security for the period ending 30 June 2021. Primewest has set a record date for this distribution of 25 May 2021 so that the record date is before Centuria acquires Primewest Securities under the Centuria Offer. The Offer Consideration will not be affected by this distribution for the period ending 30 June 2021.

Key Reasons to Accept the Centuria Offer

Completion of the Centuria Offer is expected to provide a number of benefits to Primewest Securityholders, including:

1. Substantial increase in scale and relevance, with combined AUM of \$15.5 billion,⁴ representing a 209% increase compared to Primewest's current AUM and making the Combined Group amongst the largest real estate fund managers listed on the ASX;
2. Integration of two high performing management teams with the intended retention of Primewest staff and a strong focus on maintaining the high service levels that Primewest investors currently enjoy;
3. Access to new distribution channels, including exposure to two large listed REITs, together with a broader investment mandate;
4. Enhanced geographic diversification across Australia and new exposure to New Zealand, which provides Primewest Securityholders with access to an increased range of acquisition opportunities;
5. A financially compelling proposition with significant estimated earnings per security ("**EPS**") accretion of 19%, on a pro forma FY21 basis⁵. This is supported by expected material synergies to support growth of AUM, expansion of property services across both businesses, removal of duplicated corporate costs and expected tax related synergies; and
6. An Implied Offer Price that represents an attractive premium to trading levels of Primewest Securities as at the Undisturbed Date.

The Primewest Board unanimously recommends the Centuria Offer, and each Primewest director, including founding directors John Bond, David Schwartz and Jim Litis, who represent 53% of Primewest Securities, have confirmed they intend to accept into the Centuria Offer, in the absence of a superior proposal. Centuria is delighted that John, David and Jim have agreed to maintain their senior executive roles in the Combined Group.

Next steps

I encourage you to carefully read the Bidder's Statement for more details about the Centuria Offer, its terms and importantly the benefits you will receive from accepting the Centuria Offer. The Bidder's Statement also includes important information about a holding of Centuria Securities, including risks associated with Centuria, the Combined Group and the Centuria Offer.

If you have any questions about the Centuria Offer, please call the Centuria Offer Information Line on 1300 721 637 (callers in Australia) or +61 2 8023 5428 (callers outside Australia) between 8:30am and 5:00pm (Sydney time) on Business Days. You may also access Centuria.com.au/PWGOffer for further information.

Centuria believes that the Centuria Offer will deliver significant long term value for both existing Centuria Securityholders and Primewest Securityholders who accept the Centuria Offer. We look forward to your acceptance of the Centuria Offer and welcoming you as a Centuria Securityholder.

Yours sincerely,



GARRY CHARNY

Chairman, Centuria Capital Group.

1 Pro forma AUM as at 31 December 2020 adjusted for post balance date revaluations and acquisitions. Prepared on the basis of 100% acquisition of Primewest Securities by Centuria. Pro forma AUM includes \$0.3bn associated with Vitalharvest but excludes over \$1bn of opportunities under due diligence.

2 If you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder, you will not be provided with Centuria Securities. Instead, you will receive the net proceeds of the sale of the Centuria Securities you would have otherwise been entitled to. See Section 2.2 of the Offer Terms in Appendix 1 for further details.

3 16 April 2021 was the last day trading prior to the announcement of the Takeover Bid.

4 Pro forma AUM as at 31 December 2020 adjusted for post balance date revaluations and acquisitions. Prepared on the basis of 100% acquisition of Primewest Securities by Centuria. Pro forma AUM includes \$0.3bn associated with Vitalharvest but excludes over \$1bn of opportunities under due diligence.

5 Pro forma impact assuming Centuria acquired 100% of Primewest Securities on 1 July 2020. Based on the mid-point of Centuria's FY21 EPS guidance of 11.5–12.5cps; Primewest's FY21 EPS guidance of 5.8cps (as per Primewest announcement on 19 April 2021); aggregate estimated post-tax synergies of \$5.3 million per annum assuming Centuria acquired 100% of Primewest Securities; and assumes the Cash Consideration of \$0.20 is reinvested at Centuria's closing price of \$2.77 on the Undistributed Date (16 April 2021).

Why you Should Accept the Centuria Offer

Section 1

The Centuria Offer provides significant strategic and financial benefits to Primewest Securityholders who accept the offer. Reasons for why you should accept the Centuria Offer are set out below:

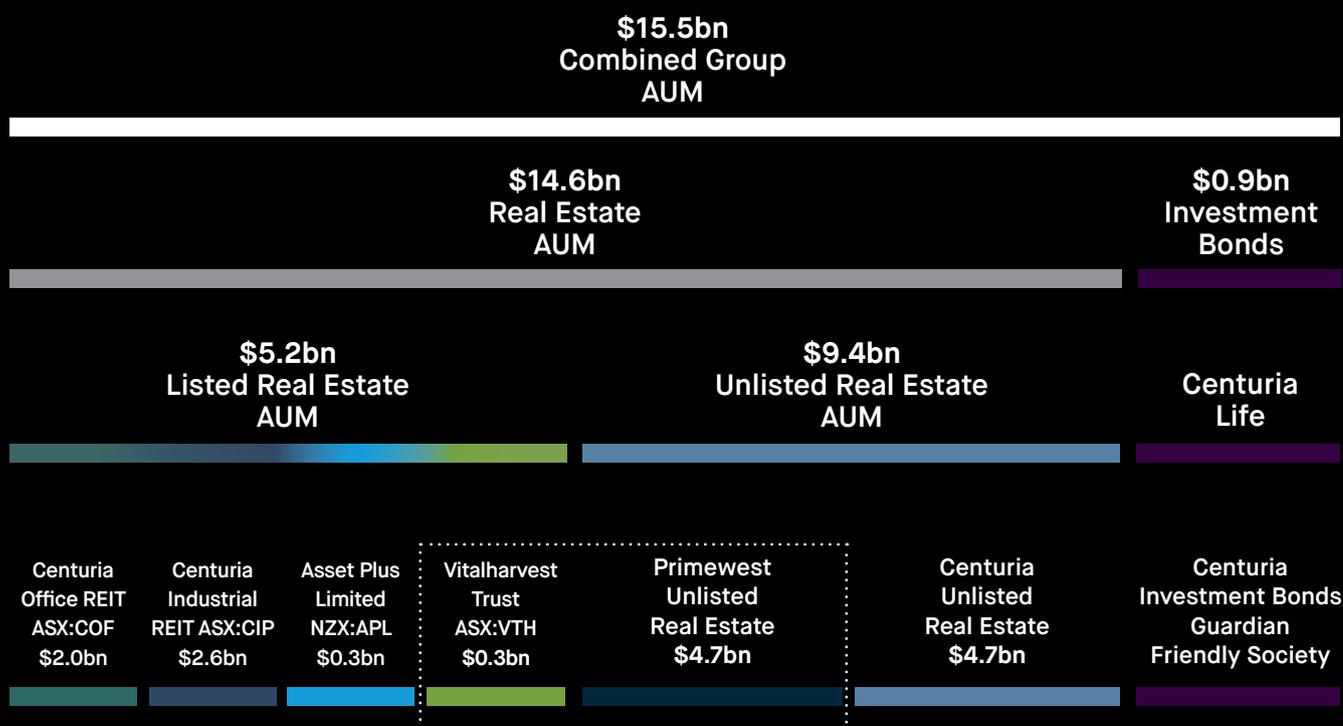
1.1 Substantial increase in scale and relevance

The Combined Group will represent the combination of two highly complementary real estate platforms with \$15.5bn of AUM diversified across listed real estate AUM, unlisted real estate AUM and investment bonds as illustrated in the graph below.

This represents a 209% increase in AUM for Primewest Securityholders, significantly increasing its scale and relevance, with the Combined Group amongst the largest real estate fund managers on the ASX, as illustrated in the graph on the following page.

Primewest Securityholders who receive Centuria Securities will benefit from the increased scale, relevance and liquidity that comes from the combination of Centuria and Primewest, and being in the S&P/ASX 300 Index.

In addition, the Combined Group is expected to be well placed for ASX/S&P 200 index inclusion with an estimated pro forma market capitalisation of \$2.2 billion.⁶



Source: Centuria merger announcement; Pro forma AUM figures as at 31 December 2020 adjusted for post balance date revaluations and acquisitions; Prepared on the basis of 100% acquisition of Primewest Securities by Centuria. Pro forma AUM includes \$0.3bn associated with Vitalharvest but excludes over \$1bn of opportunities under due diligence.

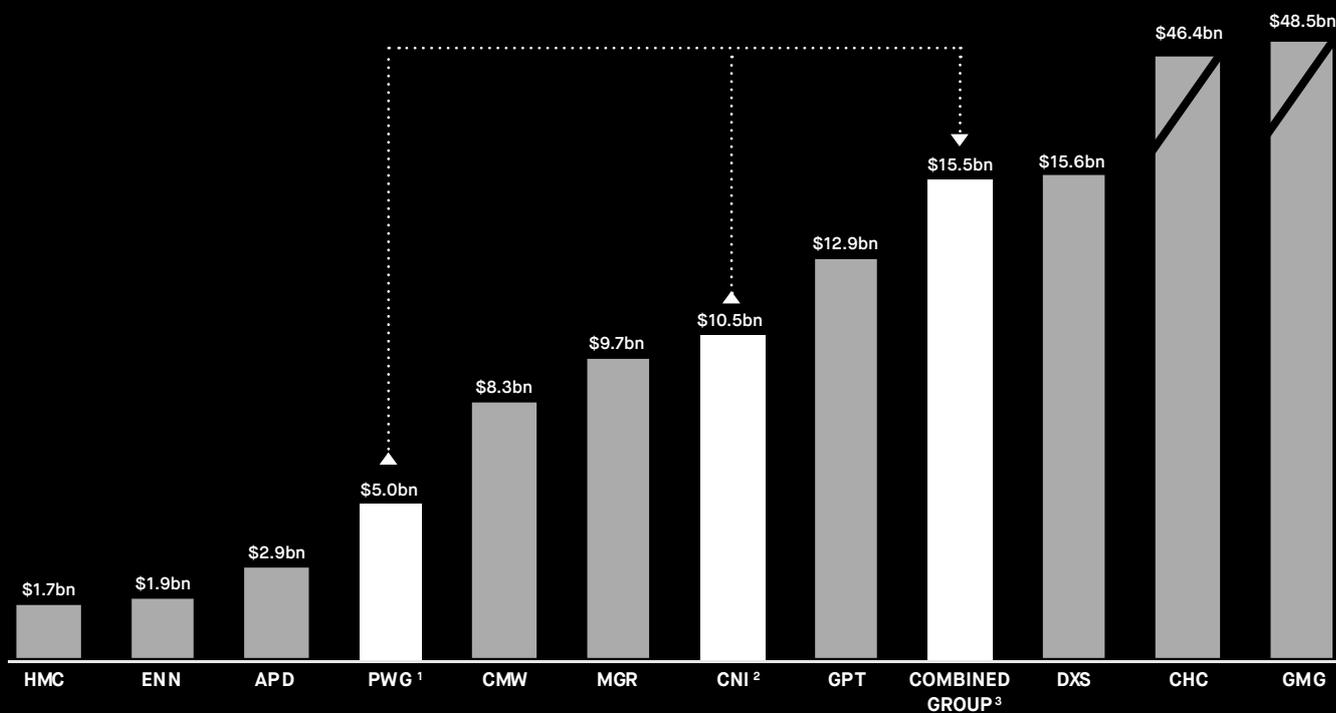
1.2 Integration of two high performing management teams

Centuria believes in the Primewest management team and will ensure continuity of leadership of the business with founding directors John Bond, David Schwartz and Jim Litis continuing to lead the Primewest funds management platform and joining, as key members, the Centuria executive team.

Centuria's current intention is to utilise Primewest's existing employees given the strong expertise across a range of geographies and sectors to continue to expand the combined platform. Additionally, Primewest Securityholders will gain access to a larger real estate portfolio which is predominantly diversified across core asset classes including office and industrial and would also gain new exposure to healthcare. The combined real estate platform can be seen on the following page.

⁶ Based on Centuria's close price of \$2.77 on the Undisturbed Date multiplied by securities on issue post-merger (assuming Centuria acquires 100% of Primewest Securities). There is no certainty that the Combined Group will be admitted to the ASX/S&P 200 index.

ASX Listed Real Estate Funds Manager Peer Set (External AUM \$bn)



Source: Company filings as at 31 December 2020; Based on external third party AUM, excluding directly owned property.

1 Pro forma AUM includes \$0.3bn associated with Vitalharvest.

2 Pro forma AUM as at 31 December 2020 adjusted for post balance date revaluations and acquisitions; Includes 6-8 Munroe Lane, Albany, Auckland, NZ valuation on an as if complete basis; Includes commenced development projects valued on an as if completed basis.

3 Pro forma AUM figures as at 31 December 2020 adjusted for post balance date revaluations and acquisitions; Prepared on the basis of 100% acquisition of Primewest Securities by Centuria. Pro forma AUM includes \$0.3bn associated with Vitalharvest but excludes over \$1bn of opportunities under due diligence.

\$14.6bn Combined Group Real Estate Platform

	OFFICE	INDUSTRIAL	DAILY NEEDS RETAIL ("DNR")	LARGE FORMAT RETAIL ("LFR")	HEALTHCARE	AGRICULTURE	OTHER
AUM	\$6.3bn	\$4.1bn	\$1.2bn	\$1.1bn	\$1.0bn	\$0.3bn	\$0.5bn
	Office assets located across, Sydney, Melbourne, Auckland, Perth, Brisbane, Adelaide (43%)	Industrial sites in well established locations in Sydney, Melbourne, New Zealand Perth, Brisbane, Adelaide (28%)	Coles, Woolworths, Countdown anchored centres across Perth, Adelaide, regional Australia and New Zealand (9%)	Large footprint and high traffic properties anchored by ASX listed covenants across Australia and New Zealand (8%)	High quality healthcare fund with ongoing transaction momentum (7%)	Agriculture assets under long term leases to established operators across Australia (2%)	Comprises tourism, shopping centres and land syndicates in the US, New Zealand and WA (3%)

Source: Primewest merger announcement; Pro forma AUM figures as at 31 December 2020 adjusted for post balance date revaluations and acquisitions. Prepared on the basis of 100% acquisition of Primewest Securities by Centuria. Pro forma AUM includes \$0.3bn associated with Vitalharvest but excludes over \$1bn of opportunities under due diligence.

Why you Should Accept the Centuria Offer

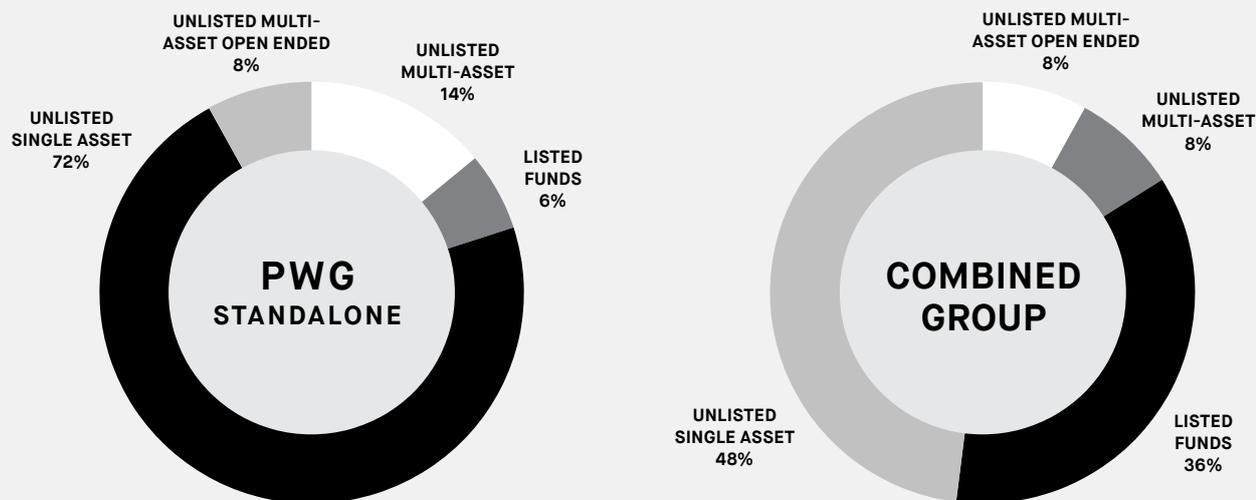
Section 1

1.3 Access to new distribution channels, including exposure to two large listed REITs

Through the merger, Primewest Securityholders will gain access to more diversified fund types and capital sources. Specifically, Primewest Securityholders will gain access to a combined listed portfolio of \$5.2 billion real estate AUM, including two large listed REITs, Centuria Industrial REIT and Centuria Office REIT, to complement significant unlisted real estate AUM of \$9.4 billion split across a total of 166 real estate funds.

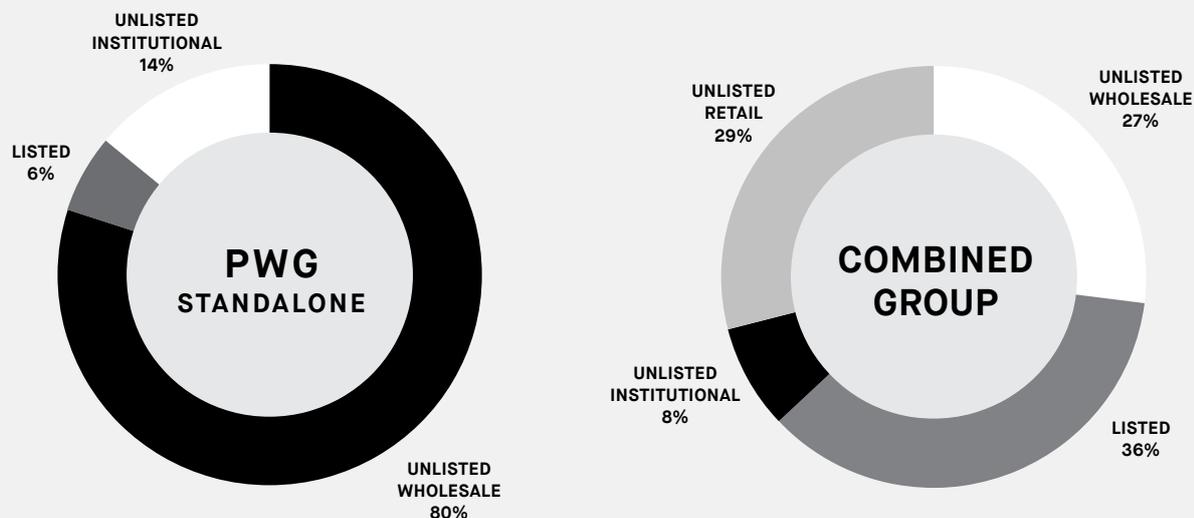
See below fund types and capital sources for Primewest standalone and pro forma for the Combined Group.

Real Estate Fund Types



Source: Primewest merger announcement; Pro forma AUM figures as at 31 December 2020 adjusted for post balance date revaluations and acquisitions. Prepared on the basis of 100% acquisition of Primewest Securities by Centuria. Pro forma AUM includes \$0.3bn associated with Vitalharvest but excludes over \$1bn of opportunities under due diligence.

Real Estate Capital Sources



Source: Primewest merger announcement; Pro forma AUM figures as at 31 December 2020 adjusted for post balance date revaluations and acquisitions. Prepared on the basis of 100% acquisition of Primewest Securities by Centuria. Pro forma AUM includes \$0.3bn associated with Vitalharvest but excludes over \$1bn of opportunities under due diligence.

Why you Should Accept the Centuria Offer

Section 1

1.4 Enhanced geographic diversification and a broader range of acquisition opportunities

The Combined Group will benefit from enhanced geographic diversification throughout Australia and provide Primewest with new exposure to New Zealand. This will allow for a broader range of investment opportunities for the Combined Group to expand.

See below geographic diversification for Primewest standalone and pro forma for the Combined Group.

Geographic Diversification



New South Wales - 19% (from 16%)

\$2.8bn

Queensland - 18% (from 11%)

\$2.7bn

Victoria - 16% (from 10%)

\$2.3bn

Western Australia - 23% (from 54%)

\$3.4bn

ACT - 3% (from 0%)

\$0.4bn

South Australia - 5% (from 6%)

\$0.8bn

Tasmania - 0% (from 1%)

\$41m

New Zealand - 14% (from 0%)

\$2bn

Other - 2% (from 3%)

\$0.3bn

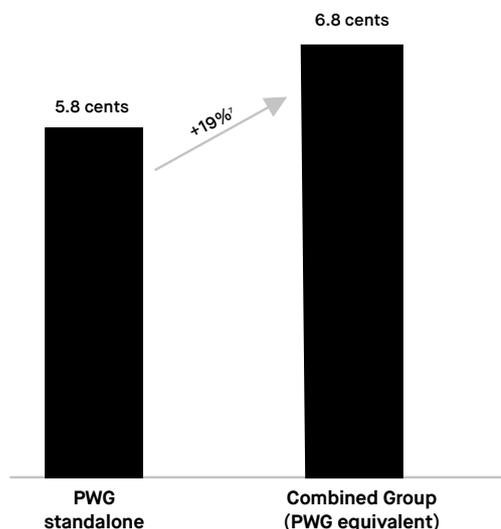
Source: Primewest merger announcement; Pro forma AUM figures as at 31 December 2020 adjusted for post balance date revaluations and acquisitions. Prepared on the basis of 100% acquisition of Primewest Securities by Centuria. Pro forma AUM includes \$0.3bn associated with Vitalharvest but excludes over \$1bn of opportunities under due diligence.

Why you Should Accept the Centuria Offer

Section 1

1.5 Financially compelling with significant EPS accretion

The Centuria Offer is significantly accretive for Primewest, generating estimated 19%⁷ EPS accretion on a pro forma FY21 basis with expected material synergies to support growth of AUM, expansion of property services across both businesses, removal of duplicated corporate costs and expected tax related synergies.



Note: Pro forma impact assuming Centuria acquired Primewest on 1 July 2020. Based on Primewest's FY21 EPS guidance of 5.8 cps; assumes the cash consideration is reinvested in Centuria Securities at the last close price of \$2.77 on 16 April 2021; and aggregate post-tax synergies of \$5.3 million per annum (assuming Centuria acquired 100% of Primewest).

1.6 Implied Offer Price of the Centuria Offer represents an attractive premium

Under the Centuria Offer, you will receive an Implied Offer Price of \$1.51 per Primewest Security consisting of:

- \$0.20 of cash per Primewest Security; and
- 0.473 Centuria Securities per Primewest Security, equating to \$1.31 based on the Undisturbed Date.

This Implied Offer Price represents an attractive premium to trading levels of Primewest Securities as at the Undisturbed Date.

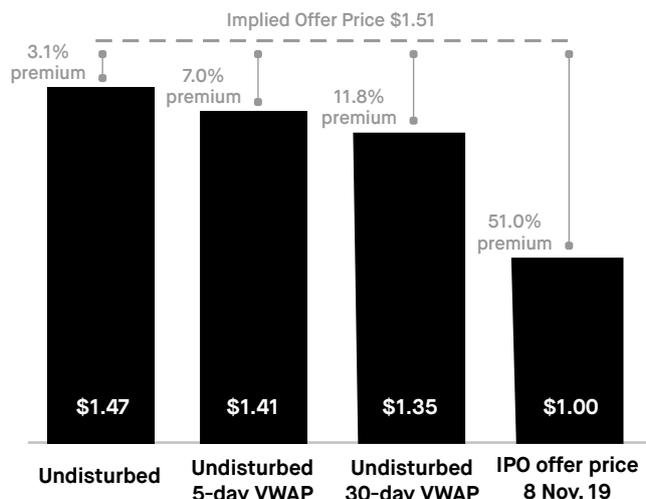


Source: IRESS from 7 November 2019 to Undisturbed Date, 16 April 2021.

As at the Undisturbed Date, Primewest Securities closed at all-time highs, with the Implied Offer Price representing a:

- 3.1% premium to Primewest's close price of \$1.47 per Primewest Security on the Undisturbed Date;
- 7.0% premium to Primewest's 5-day VWAP of \$1.41 per Primewest Security on the Undisturbed Date;
- 11.8% premium to Primewest's 30-day VWAP of \$1.35 per Primewest Security on the Undisturbed Date; and
- 51.0% premium to Primewest's IPO offer price of \$1.00 per Primewest Security on 8 November 2019.

See the below graph reflecting these premiums as at Undisturbed Date.



Source: IRESS from 7 November 2019 to Undisturbed Date, 16 April 2021.

1.7 The Primewest Board unanimously recommends the Centuria Offer

The Primewest Board of Directors have unanimously recommended that Primewest Securityholders ACCEPT the Centuria Offer, in the absence of a superior proposal.

Each Primewest director including founding directors John Bond, David Schwartz and Jim Litis which represent 53% of Primewest Securities, have confirmed they intend to accept the Centuria Offer, in the absence of a superior proposal.

John Bond, David Schwartz and Jim Litis and their associated securityholder entities have entered into two-year escrow arrangements in relation to the Centuria Securities they will be entitled to be issued under the Centuria Offer. Additionally, John Bond, David Schwartz and Jim Litis have entered into two-year employment contracts as senior executives of Centuria, which contracts are conditional on the Centuria Offer being declared unconditional.

⁷ Pro forma impact assuming Centuria acquired 100% of Primewest Securities on 1 July 2020; Based on the mid-point of Centuria's FY21 EPS guidance of 11.5–12.5cps; Primewest's FY21 EPS guidance of 5.8cps (as per Primewest announcement on 19 April 2021); aggregate estimated post-tax synergies of \$5.3 million per annum assuming Centuria acquired 100% of Primewest Securities; and assumes the cash proceeds of \$0.20 is reinvested at Centuria's closing price of \$2.77 on 16 April 2021.



Frequently Asked Questions

Section 2

You may have questions in relation to the Centuria Offer. The following set of questions and answers is intended to assist in your understanding of the Centuria Offer. They are qualified by, and should be read in conjunction with, the detailed information contained in this Bidder's Statement. You should read the Bidder's Statement in full before deciding whether or not to accept the Centuria Offer.

If you have any further questions about the Centuria Offer or how to accept it, please call the Centuria Offer Information Line on 1300 721 637 (callers in Australia) or +61 2 8023 5428 (callers outside Australia) between 8:30am and 5:00pm (Sydney time) on Business Days. You may also access www.Centuria.com.au/PWGOffer for further information.

Question	Answer	Section
What is the Centuria Offer?	<p>Centuria is offering to buy all of your Primewest Securities by way of an off-market takeover bid.</p> <p>If you accept the Centuria Offer, and the Centuria Offer is declared or becomes unconditional, you will receive the Offer Consideration, being A\$0.20 cash and 0.473 Centuria Securities, for each Primewest Security that you hold.</p> <p>If you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder, you will not be provided with Centuria Securities. Instead, you will receive the net proceeds of the sale of the Centuria Securities you would have otherwise been entitled to.</p>	Section 1 of the Offer Terms in Appendix 1
Who is making the Centuria Offer?	The Centuria Offer is being made by Centuria Capital Limited (ACN 095 434 336) (both in its own right and as nominee for the Centuria Capital Fund (ARSN 613 856 358), whose responsible entity is Centuria Funds Management Limited (ACN 607 153 588)).	Section 3.1
Who is Centuria?	Centuria is an ASX-listed specialist investment manager with a 35 year track record and a market capitalisation of \$1.7 billion ⁸ and \$10.5 billion ⁹ of AUM focused on property funds management and investment bonds.	Section 4
What is a Centuria Security?	Centuria Securities consist of one Centuria Capital Share and one Centuria Fund Unit, stapled together and jointly quoted on the ASX under the ASX code 'CNI'.	Section 5
What is the value of the Centuria Offer?	If you accept the Centuria Offer, you will receive an Implied Offer Price of \$1.51 for each Primewest Security, being \$0.20 cash and 0.473 Centuria Securities ¹⁰ (0.473 Centuria Securities equating to \$1.31 based on the closing price of Centuria Securities on 16 April 2021).	Section 1.6
What is the value of a Centuria Security?	<p>Based on the closing price of Centuria Securities on 16 April 2021, each Centuria Security is worth \$2.77.</p> <p>It is important to note that the value of a Centuria Security and therefore the Offer Consideration may fluctuate as a consequence of changes in the trading price of Centuria Securities.</p>	Section 5.3
Are there any circumstances in which I will not be entitled to receive Centuria Securities?	If you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder, you will not be provided with Centuria Securities. Instead, you will receive the net proceeds of the sale of the Centuria Securities you would have otherwise been entitled to.	Section 2.2 of the Offer Terms in Appendix 1
When does the Centuria Offer open and close?	<p>The Centuria Offer is open on 17 May 2021 and is scheduled to close at 7:00pm (Sydney time) on 17 June 2021.</p> <p>You should note that the Offer Period can be extended as permitted by the Corporations Act.</p>	Important Dates
How do I accept the Centuria Offer?	See the Section on 'How to Accept the Centuria Offer' above and the instructions on the accompanying Acceptance Form.	Section 3.2

⁸ Based on Centuria's close price of \$2.77 on 16 April 2021.

⁹ Pro forma AUM figures as at 31 December 2020 adjusted for post balance date revaluations and acquisitions; Includes 6-8 Munroe Lane, Albany, Auckland, NZ valuation on an as if complete basis; Includes commenced development projects valued on an as if completed basis.

¹⁰ If you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder, you will not be provided with Centuria Securities. Instead, you will receive the net proceeds of the sale of the Centuria Securities you would have otherwise been entitled to. See Section 2.2 of the Offer Terms in Appendix 1 for further details.

Frequently Asked Questions

Section 2

Question	Answer	Section
Why should I accept the Centuria Offer?	<ol style="list-style-type: none"> 1. Substantial increase in scale and relevance, with combined AUM of \$15.5 billion¹¹, representing a 209% increase compared to Primewest's current AUM and making the Combined Group amongst the largest real estate fund managers listed on the ASX; 2. Integration of two high performing management teams with the intended retention of Primewest staff; 3. Access to new distribution channels, including exposure to two large listed REITs, together with broader investment mandate; 4. Enhanced geographic diversification across Australia and new exposure to New Zealand, which provides Primewest Securityholders with access to a broader range of acquisition opportunities; 5. Financially compelling with significant estimated EPS accretion of 19% on a pro forma FY21 basis¹². This is supported by expected material synergies to support growth of AUM, expansion of property services across both businesses, removal of duplicated corporate costs and expected tax related synergies; 6. The Implied Offer Price represents an attractive premium to trading levels of Primewest Securities as at the Undisturbed Date; and 7. The Primewest Board unanimously recommends the Centuria Offer, and each Primewest director including founding directors John Bond, David Schwartz and Jim Litis which represent 53% of Primewest Securities, have confirmed they intend to accept into the Centuria Offer, in the absence of a superior proposal. 	Section 1
Are there any risks in accepting the Centuria Offer?	If you accept the Centuria Offer, you will be issued with Centuria Securities as part of the Offer Consideration (unless you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder). There are a number of risk factors associated with an investment in Centuria Securities and with the Centuria Offer itself.	Section 12
Will the Offer Consideration be reduced in respect of Permitted Primewest Distributions?	<p>Between the Announcement Date and the end of the Offer Period (each inclusive), Primewest must not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) to Primewest Securityholders, other than the following Permitted Primewest Distributions (as contemplated by the Bid Implementation Deed):</p> <ul style="list-style-type: none"> • the distribution of up to 2.9 cents per Primewest Security for the period ending 30 June 2021) which is payable to those Primewest Securityholders on the Primewest register as at the record date of 25 May 2021 (as set by Primewest); and • only if the Offer Period has not closed by 31 December 2021, for the period ending 31 December 2021, a distribution payable to Primewest Securityholders on the Primewest register, as at a future record date to be fixed, and otherwise in the ordinary course and in such amount and timing consistent with past practice. <p>Other than those permitted distributions contemplated above, if Primewest declares a distribution with a record date after 30 June 2021, the Offer Consideration may be reduced by the cash amount of value (excluding the value of any franking credits attached to the distributions) of any such distribution.</p>	Section 3.6
Is there a minimum acceptance condition?	<p>Yes, there is a minimum acceptance condition. The Condition requires Centuria to acquire a Relevant Interest in at least 90% of all Primewest Securities (on a fully diluted basis and including any acceptances received through the Acceptance Facility).</p> <p>Except with the prior written consent of Primewest, (after having consulted in good faith with the Centuria), Centuria must not waive or vary the minimum acceptance condition, if the effect of such waiver or variation would be to allow the Condition to be satisfied or waived at a level of acceptances of the Takeover Bid (including acceptances received through the Acceptance Facility) representing less than 80% of all Primewest Securities on a fully diluted basis.</p>	Section 8.4
What relevant interest does Centuria have in Primewest?	As at the date of this Bidder's Statement, Centuria does not have any Relevant Interest in Primewest.	

¹¹ Pro forma AUM as at 31 December 2020 adjusted for post balance date revaluations and acquisitions. Prepared on the basis of 100% acquisition of Primewest Securities by Centuria. Pro forma AUM includes \$0.3bn associated with Vitalharvest but excludes over \$1bn of opportunities under due diligence.

¹² Pro forma impact assuming Centuria acquired 100% of Primewest on 1 July 2020. Based on the mid-point of Centuria's FY21 EPS guidance of 11.5–12.5cps; Primewest's FY21 EPS guidance of 5.8cps (as per Primewest announcement on 19 April 2021); aggregate estimated post-tax synergies of \$5.3 million per annum assuming Centuria acquired 100% of Primewest; and assumes the Cash Consideration of \$0.20 is reinvested at Centuria's closing price of \$2.77 on 16 April 2021.

Frequently Asked Questions

Section 2

Question	Answer	Section
Does Centuria intend that Primewest continues to operate as a standalone group?	<p>It is the intention of Centuria at the date of this Bidder's Statement:</p> <ul style="list-style-type: none">to continue the operation of Primewest; andnot to make any major changes to the operation of Primewest and use Primewest's platform to continue to expand group AUM. <p>Notwithstanding the above, Centuria's intention is that Primewest will operate as a part of the Centuria group rather than as a standalone group.</p>	Section 8
Will my new Centuria Securities be listed on the ASX?	<p>Within seven days of the date of this Bidder's Statement, Centuria will apply to the ASX for quotation of the Centuria Securities to be issued in conjunction with the Centuria Offer.</p> <p>Quotation will depend on the ASX exercising its discretion to admit the new Centuria Securities to the Official List. However, as Centuria is already admitted to the Official List of the ASX and securities in Centuria in the same class or on the same terms as those to be issued under the Centuria Offer are already quoted, Centuria is of the view that the quotation of the Centuria Securities will be granted.</p>	Section 4 of the Offer Terms in Appendix 1
Will my Centuria Securities have the same rights and liabilities as all other Centuria Securities?	<p>Yes, the Centuria Securities issued under this Centuria Offer will rank equally with existing Centuria Securities, including for any distribution with a record date that falls on or after the date the Centuria Securities are issued under the Centuria Offer.</p>	Section 13.7
What are the Conditions of the Centuria Offer?	<p>The Centuria Offer is subject to a number of Conditions.</p> <p>As at the date of this Bidder's Statement, the following Condition has been satisfied:</p> <ul style="list-style-type: none">each of John Bond, David Schwartz and Jim Litis enters into an agreed form of escrow deed in respect of their Centuria Securities issued under the Takeover Bid; and <p>As at the date of this Bidder's Statement, the following Conditions have not been satisfied or waived:</p> <ul style="list-style-type: none">Centuria acquires a Relevant Interest in at least 90% of all Primewest Securities (on a fully diluted basis and including any acceptances received through the Acceptance Facility);all necessary regulatory approvals and consents are obtained before the end of the Offer Period;there is no adverse regulatory action taken by any Government Agency;each holder of Primewest Options enters into an agreement with Primewest, under which, conditional on the Takeover Bid being declared unconditional, Primewest will either cancel their Primewest Options in consideration for a cash payment from Primewest or pay the Primewest Option holder a cash payment to either not exercise their Primewest Options or transfer their Primewest Options to a Primewest nominee.no material adverse change occurs in respect of the Primewest Group during the Implementation Period;no prescribed occurrences occur in respect of the Primewest Group during the Implementation Period;no material acquisitions, disposals, capital expenditure or changes in the conduct of business occur in respect of the Primewest Group;no changes to responsible entities or trustees occur in respect of the Primewest Group;no litigation is commenced, threatened or announced in respect of the Primewest Group; andno change of control, unilateral termination right or material covenant is triggered in relation to any material financing arrangement or contract to which a fund Managed by a Primewest Group Member is a party.	Appendix 2

Frequently Asked Questions

Section 2

Question	Answer	Section
When will I receive the Offer Consideration?	<p>If you accept the Centuria Offer and the Centuria Offer is declared or becomes unconditional, Centuria will, in the usual case, pay or provide you the Offer Consideration within or on the later of:</p> <ul style="list-style-type: none"> • five Business Days of your acceptance of the Centuria Offer; and • if this Centuria Offer is subject to a defeating condition when accepted, within 5 Business Days after this Centuria Offer or the contract resulting from your acceptance of the Centuria Offer becomes unconditional, <p>provided that all relevant documents have been received and correctly completed. Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders will be provided with the net proceeds of sale to which they are entitled under the Centuria Offer at a different time (refer to Section 3.4 for further details).</p>	Section 3.1
Can I withdraw my acceptance?	Under the Offer Terms, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act. Such a withdrawal right will arise if, after you have accepted the Centuria Offer, Centuria varies the Centuria Offer in a way that postpones, for more than one month, the time Centuria has to meet its obligations under the Centuria Offer.	
Does a cooling off period apply to acceptances of the Centuria Offer?	No, cooling off rights do not apply to acceptances made under the Centuria Offer.	Section 13.20
Can I sell my Primewest Securities on the ASX?	Yes, you may sell your Primewest Securities, but you may incur brokerage and other transaction costs if you do. If you have already accepted the Centuria Offer, you will be unable to settle any subsequent sale of your Primewest Securities, unless you are entitled to withdraw your acceptance in accordance with the terms of the Centuria Offer.	
How will Ineligible Foreign Securityholders and Unmarketable Parcel Holders be treated?	Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders that accept the Centuria Offer will not receive Centuria Securities. Rather, the Centuria Securities that Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders would have been entitled to receive will be issued to, and sold by, a Nominee and the net cash proceeds attributable to each Ineligible Foreign Securityholder and Unmarketable Parcel Securityholder will be paid to them in Australian dollars.	Section 3.4
What are the tax implications of accepting this Centuria Offer?	The tax implications of the Centuria Offer will vary depending on your particular circumstances. If you accept the Centuria Offer, hold your Primewest Securities on capital account, and make a capital gain, you may elect for scrip-for-scrip rollover relief to apply which means that taxation of the capital gain in respect of the Securities Consideration (i.e. exchange for shares and units and not the Cash Consideration component) of the Offer Consideration is deferred until the disposal of the Centuria Securities received in exchange for Primewest Securities. The capital gain relating to the Cash Consideration should be immediately assessable to you as a capital gain.	Section 3.5
Will I need to pay brokerage or stamp duty if I accept the Centuria Offer?	<p>If your Primewest Securities are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Centuria, you will not incur any brokerage in connection with you accepting the Centuria Offer.</p> <p>If your Primewest Securities are in a CHESS Holding or you hold your Primewest Securities through a bank, custodian or other nominee, you should ask your Controlling Participant (usually, your Broker) whether it will charge any transaction fees or service charges in connection with you accepting the Centuria Offer.</p> <p>If you are an Ineligible Foreign Securityholder or Unmarketable Parcel Security holder, the cash proceeds that you will receive (following the sale by the Nominee of the Centuria Securities that you would otherwise be entitled to receive under the Centuria Offer) will be net of sale expenses. You will not pay stamp duty on the disposal of your Primewest Securities or acquisition of Centuria Securities if you accept the Centuria Offer.</p>	Section 3.7
What happens if I accept and then Centuria increases the Offer Consideration?	If Centuria improves the Offer Consideration, all Primewest Securityholders who accept the Centuria Offer (whether they have accepted the Centuria Offer before or after improvement of the Offer Consideration) will be entitled to receive the benefit of the improved Offer Consideration, should the Centuria Offer be declared or become unconditional.	
Can I accept the Centuria Offer for part of my holding?	No, you cannot accept the Centuria Offer for part of your holding. You may only accept the Centuria Offer for all of the Primewest Securities held by you.	Section 1 of the Offer Terms in Appendix 1

Frequently Asked Questions

Section 2

Question	Answer	Section
What if the Centuria Offer Conditions are not satisfied or waived?	If the Conditions are not satisfied or waived by the end of the Offer Period, then the Centuria Offer will lapse and your acceptance will be cancelled. You will continue to hold your Primewest Securities and be free to deal with your Primewest Securities as if the Centuria Offer had not been made, unless you have already sold your Primewest Securities to someone else.	Section 7 of Offer Terms in Appendix 1
What happens if I do not accept the Centuria Offer?	<p>You will remain a Primewest Securityholder and will not receive the Offer Consideration.</p> <p>If Centuria becomes entitled to compulsorily acquire your Primewest Securities, it intends to proceed with the compulsory acquisition. If your Primewest Securities are compulsorily acquired by Centuria, it will be on the same terms (including the same Offer Consideration for each Primewest Security acquired) as the Centuria Offer.</p> <p>If Centuria does not become entitled to compulsorily acquire your Primewest Securities, and the Centuria Offer is declared or becomes unconditional, there is a risk that holders who do not accept the Centuria Offer become holders in a less liquid investment (and consequently Primewest Securities may trade below their current pricing levels or the implied value of the Centuria Offer).</p>	Section 8
What other choices do I have as a Primewest Securityholder?	<p>As a Primewest Securityholder, you have the following choices in respect of your Primewest Securities:</p> <ul style="list-style-type: none">• accept the Centuria Offer;• sell your Primewest Securities on the ASX (unless you have already accepted the Centuria Offer for your Primewest Securities); or• do nothing.	
Where to go if you have any questions	If you have any questions in relation to the Centuria Offer, please call the Centuria Offer Information Line on 1300 721 637 (for callers in Australia) or +61 2 8023 5428 (for callers outside Australia), on Business Days between 8:30am and 5:00pm (Sydney time). This line will only be open from the date the Centuria Offer opens until 1 week after it closes. You may also access www.centuriaprimewestoffer.com.au for further information.	
How will Primewest Option holders be treated?	As contemplated by the Condition in section 5(e) of schedule 1 to the Bid Implementation Deed, if the Centuria Offer is declared or becomes unconditional, Primewest will either cancel the Primewest Options in consideration for a cash payment from Primewest or pay the Primewest Option holder a cash payment to either not exercise their Primewest Option or transfer their Primewest Option to a nominee of Primewest. This Condition may be waived by Centuria.	Section 2 of Appendix 2
Important notice	<p>The information in this Section is a summary only of the Centuria Offer and is qualified by the detailed information set out elsewhere in this Bidder's Statement.</p> <p>You should read this entire Bidder's Statement and the Target's Statement, before deciding whether to accept the Centuria Offer.</p>	



WESTSIDE PRIVATE HOSPITAL

WESTSIDE PRIVATE HOSPITAL

32 MORROW STREET

CENTURIA HEALTHCARE: 32 MORROW STREET, TARANGA, QLD

Overview of the Centuria Offer

Section 3

The following is a summary only of the Centuria Offer and is qualified by the detailed information contained in the rest of this Bidder's Statement.

You should read this Bidder's Statement in full before deciding how to deal with your Primewest Securities. The terms and conditions of the Centuria Offer are contained in Appendices 1 and 2.

3.1 Summary of the Centuria Offer Terms and Conditions

Centuria Offer

Centuria is offering to buy all of your Primewest Securities on the Offer Terms and subject to the Conditions set out in Appendices 1 and 2, respectively. The Centuria Offer is made by Centuria Capital Limited (ACN 095 454 336) (acting in its own capacity and as nominee for the Centuria Capital Fund (ARSN 613 856 358) (whose responsible entity is Centuria Funds Management Limited (ACN 607 153 588))).

You will receive consideration of 0.473 Centuria Securities and A\$0.20 cash for each Primewest Security acquired from you.

The Centuria Offer relates to Primewest Securities that exist or will exist as at the Register Date.

If you are an Ineligible Foreign Securityholders or an Unmarketable Parcel Securityholder, you will not receive Centuria Securities (see Sections 3.4 and 13.23 below and Section 6.3 of the Offer Terms in Appendix 1).

Offer Period

The Centuria Offer is scheduled to open on 17 May 2021 and close at 7:00pm (Sydney time) on 17 June 2021 (but it may be extended or withdrawn).

Payment Date

If you accept the Centuria Offer and the Centuria Offer is declared or becomes unconditional, in the usual case you will be provided with the Offer Consideration within or on the later of:

- five Business Days of your acceptance of the Centuria Offer; and
- if this Centuria Offer is subject to a defeating condition when accepted, within 5 Business Days after this Centuria Offer or the contract resulting from your acceptance of the Centuria Offer becomes unconditional,

provided that all relevant documents have been received and correctly completed.

Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders will be provided with the net proceeds of sale of the Centuria Securities to which they are entitled under the Centuria Offer at a different time (see Section 6.3 of the Offer Terms in Appendix 1).

3.2 How to accept the Centuria Offer?

Acceptances for the Centuria Offer must be received in sufficient time to be acted upon before the close of the Offer Period. To accept the Centuria Offer you should follow the instructions set out in Section 5 of the Offer Terms in Appendix 1 and on the relevant Acceptance Form.

3.3 Am I eligible to accept the Centuria Offer through the Acceptance Facility?

Centuria will separately contact persons identified by Centuria as being eligible to participate in the Acceptance Facility. Eligible persons will be persons identified by Centuria as a Primewest Securityholder who holds or beneficially owns at least A\$500,000 worth of Primewest Securities based on the Offer Consideration payable under the Centuria Offer.¹³

3.4 How will Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders be treated?

Generally speaking, if your address on Primewest's register of Securityholders is in a jurisdiction other than Australia, its external territories or New Zealand, you will be considered an Ineligible Foreign Securityholder.

If you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder, you are entitled to accept the Centuria Offer just like any other Primewest Securityholder. Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders that accept the Centuria Offer will not receive Centuria Securities. Rather, the Centuria Securities that Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders would have been entitled to receive will be issued to, and sold by, a Nominee and the net cash proceeds attributable to each Ineligible Foreign Securityholder and Unmarketable Parcel Securityholder will be paid to them in Australian dollars.

However, Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders should read Section 6.3 of the Offer Terms in Appendix 1, which provides further information on this process.

3.5 What will the tax consequences be?

Section 11 provides a brief guide of the Australian tax implications for Primewest Securityholders who accept the Centuria Offer. The information applies to resident and non-resident Primewest Securityholders who hold their Primewest Securities on capital account. Note that this information is general only and does not take into account your personal circumstances. In addition, Centuria recommends you seek independent professional advice in relation to your own particular circumstances.

¹³ The \$500,000 threshold is determined with reference to the Implied Offer Price multiplied by the number of Primewest Securities held.



PRIMWEST: FAIRVIEW GREEN SHOPPING CENTRE

3.6 Distributions

Between the Announcement Date and the end of the Offer Period (each inclusive), Primwest must not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) to Primwest Securityholders, other than the following Permitted Primwest Distributions (as contemplated by the Bid Implementation Deed):

- for the period ending 30 June 2021, a distribution in the amount disclosed by Primwest to the ASX prior to the date of the Bid Implementation Deed (being up to 2.9 cents per Primwest Security), which is payable to those Primwest Securityholders on the record date of 25 May 2021 (as set by Primwest); and
- only if the Offer Period has not closed by 31 December 2021, for the period ending 31 December 2021, a distribution payable to Primwest Securityholders on the Primwest register, as at a future record date to be fixed, and otherwise in the ordinary course and in such amount and timing consistent with past practice.

Other than those Permitted Primwest Distributions described above, if the record date occurs after 30 June 2021, the Offer Consideration may be reduced by the cash amount of value (excluding the value of any franking credits attached to the distributions) of any such distribution.

Centuria may declare or pay any distribution. If the record date of the distribution is before Centuria issues the Centuria Securities to Primwest Securityholders under the Centuria Offer, Primwest Securityholders will not be entitled to receive those distributions.

3.7 Do I pay brokerage or stamp duty if I accept?

You will not pay brokerage or stamp duty on the disposal of your Primwest Securities if you accept the Centuria Offer. If your Primwest Securities are in a CHESS Holding or you hold your Primwest Securities through a bank, custodian or other nominee, you should ask your Controlling Participant (usually, your Broker or the bank, custodian or other nominee) whether it will charge any transaction fees or services charges.

If you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder, the cash proceeds that you will receive (following sale by the Nominee of the Centuria Securities that you would otherwise be entitled to receive under the Centuria Offer) will be net of brokerage, costs and other sale expenses (see Section 6.3 of the Offer Terms in Appendix 1).

3.8 Further information

If you have any questions in relation to the Centuria Offer or how to accept it, or if you have lost your personalised Acceptance Form and require a replacement, please call the Centuria Offer Information Line on 1300 721 637 (callers in Australia) or +61 2 8023 5428 (callers outside Australia) between 8:30am and 5:00pm (Sydney time) on Business Days. You may also access [Centuria.com.au/PWGOffer](https://www.centuria.com.au/PWGOffer) which also contains further information in relation to the Centuria Offer.



Information About Centuria

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4.1 Overview of Centuria

The bidder under the Centuria Offer is Centuria Capital Limited ("**CCL**") acting in its own capacity and as nominee for Centuria Capital Fund ("**CNI Fund**"), whose responsible entity is Centuria Funds Management Limited ("**CFML**").

CCL and the CNI Fund are stapled entities forming Centuria (ASX:CNI). Centuria is an ASX-listed specialist investment manager with a 35 year track record and a market capitalisation of \$1.7 billion (as at 16 April 2021) and \$10.5 billion of AUM focused on property funds management and investment bonds.¹⁴

4.2 Corporate structure

The diagram on the following page is a diagram of the corporate structure of Centuria.

4.3 Board of directors

The Board of CCL is the same as CFML. The ordinary shares in CCL are stapled to the ordinary units in the CNI Fund forming the Centuria stapled group which is listed on ASX.

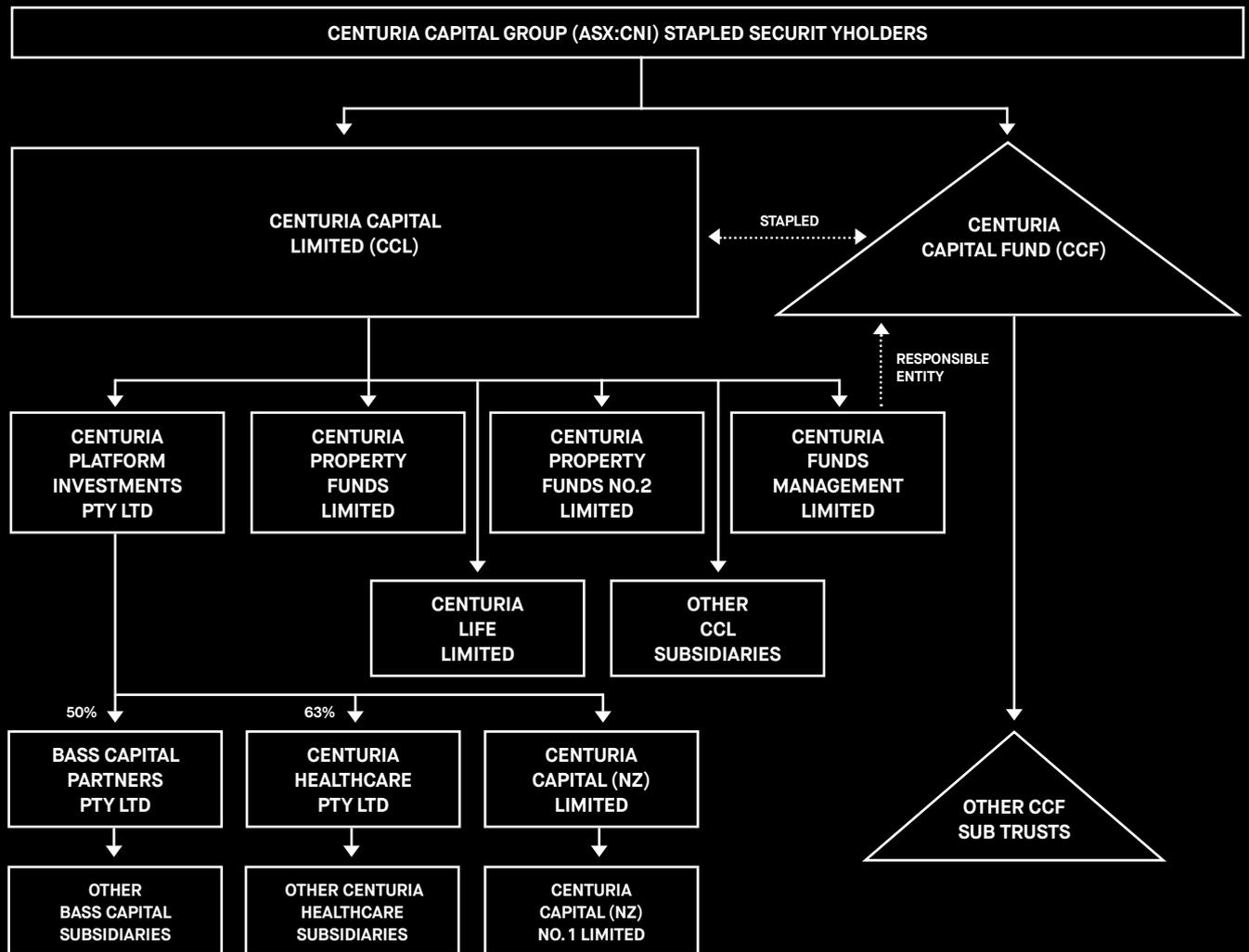
The Board members bring a variety of skills and experience, including industry and business knowledge, corporate governance, financial management and operational experience.

No current Director of CCL or CFML has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years, which is relevant or material to the performance of their duties as Director or which is relevant to an investor's decision as to whether to accept the Centuria Offer. No such Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer, or within a 12 month period after they ceased to be an officer.

¹⁴ Pro forma AUM figures as at 31 December 2020 adjusted for post balance date revaluations and acquisitions; Includes 6-8 Munroe Lane, Albany, Auckland, NZ valuation on an as if complete basis; Includes commenced development projects valued on an as if completed basis.



Centuria Diagram Structure



Information About Centuria

Section 4

4.3 Board of Directors

The Directors of Centuria are:



Garry Charny

NON-EXECUTIVE
CHAIRMAN

Garry was appointed to the Board on 23 February 2016 and appointed Chairman on 30 March 2016.

He is managing director and founding principal of Wolseley Corporate, an Australian based corporate advisory and investment house, which transacts both domestically and internationally.

He has had a broad range experience in both listed and unlisted companies across a diverse range of sectors including property, retail, technology and media. He formerly practised as a barrister in the fields of commercial and equity.



John McBain

EXECUTIVE DIRECTOR
AND JOINT CEO

John joined the Board on 10 July 2006. He was appointed as Chief Executive Officer in April 2008. John was also a founding director and major shareholder in boutique funds manager Century Funds Management, which was established in 1999 and acquired by Centuria Capital Group in July 2006.

Prior to forming Century, John founded property funds manager Waltus Investments Australia Limited and Hanover Group Pty Limited a specialised property consultancy. Waltus was formed in 1995 and was one of the first dedicated property funds managers in Australia.



Jason Huljich

EXECUTIVE DIRECTOR
AND JOINT CEO

Jason became the Joint CEO in June 2019 after previously leading Centuria's Real Estate and Funds Management business. Jason was also a founding director and major shareholder in boutique funds manager Century Funds Management, which was established in 1999 and acquired by Centuria Capital Group in July 2006.

Jason has extensive experience in the commercial property sector, with specialist skills in property investment and funds management. He is also a past President of the Property Funds Association (PFA), which represents the \$125 billion direct property investment body in Australia, and continues to serve on its National Executive Committee.



Susan Wheeldon

NON-EXECUTIVE
DIRECTOR

Susan was appointed to the Board on 31 August 2016. Susan is the Country Manager – Australia and New Zealand at Airbnb. She was previously the Head of Agency at Google where she worked with major national and global companies to develop and deliver growth strategies to future proof and build clients' businesses and brands in a constantly changing environment.

She has previous experience in retail property asset management at AMP Capital Shopping Centres, as Head of Brand & Retail.

Information About Centuria

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Nicholas Collishaw

NON-EXECUTIVE
DIRECTOR

Nicholas was appointed CEO - Listed Property Funds on 1 May 2013 and to the Board on 27 August 2013. Effective 1 January 2018, Nicholas resigned as CEO - Listed Property Funds and became a Non-Executive Director.

Prior to this role, Nicholas held the position of CEO and Managing Director at the Mirvac Group. He has held senior positions with James Fielding Group, Paladin Australia, Schroders Australia and Deutsche Asset Management.



Peter Done

NON-EXECUTIVE
DIRECTOR

Peter was appointed to the Board on 28 November 2007. Peter was a partner of KPMG for 27 years until retirement in June 2006.

He has extensive knowledge in accounting, audit and financial management in the property development and financial services industries, corporate governance, regulatory issues and board processes through his many senior roles.



John Slater

NON-EXECUTIVE
DIRECTOR

John was appointed to the Board on 22 May 2013 having been an adviser to the Centuria Life Investment Committees since 2011.

John was a senior executive in the KPMG Financial Services practice. In 2008, John founded boutique financial advisory firm Riviera Capital, subsequently sold in 2016, and has significant financial services experience.



Kristie Brown

NON-EXECUTIVE
DIRECTOR

Kristie was appointed to the Board on 15 February 2021. She is a founding partner of Couloir Capital, and established Danube View Investments after a 16 year legal career.

Information About Centuria

Section 4

4.4 Senior Executive Committee

The senior managers of Centuria, who form the Senior Executive Committee, are:



John McBain

EXECUTIVE DIRECTOR
AND JOINT CEO

John joined the Board on 10 July 2006. He was appointed as Chief Executive Officer in April 2008. John was also a founding director and major shareholder in boutique funds manager Century Funds Management, which was established in 1999 and acquired by Centuria Capital Group in July 2006.

Prior to forming Century, John founded property funds manager Waltus Investments Australia Limited and Hanover Group Pty Limited a specialised property consultancy. Waltus was formed in 1995 and was one of the first dedicated property funds managers in Australia.



Jason Huljich

EXECUTIVE DIRECTOR
AND JOINT CEO

Jason became the Joint CEO in June 2019 after previously leading Centuria's Real Estate and Funds Management business. Jason was also a founding director and major shareholder in boutique funds manager Century Funds Management, which was established in 1999 and acquired by Centuria Capital Group in July 2006.

Jason has extensive experience in the commercial property sector, with specialist skills in property investment and funds management. He is also a past President of the Property Funds Association (PFA), which represents the \$125 billion direct property investment body in Australia, and continues to serve on its National Executive Committee.



Simon Holt

CHIEF FINANCIAL
OFFICER

Simon joined as Chief Financial Officer in May 2016. He brings with him a wealth of local and global experience covering the corporate, treasury and listed securitisation areas.

He is accountable for financial and treasury management of Centuria Capital Group and, with the Joint CEOs, is also tasked with a specific focus on expanding Centuria Capital Group.

Simon was most recently Chief Financial Officer of WorleyParsons where he spent eight years. Previously, he held a range of senior finance positions at Westfield Group and Westfield Trust, again spanning eight years.

Simon is a registered real estate agent and auctioneer in NSW.

Information About Centuria

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Anna Kovarik

**GROUP CHIEF RISK OFFICER
AND COMPANY SECRETARY**

Anna joined Centuria in July 2018 in the role of General Counsel and Company Secretary. In July 2020 Anna was promoted to Group Chief Risk Officer and Company Secretary. Prior to joining Centuria, Anna held the position of Group Risk Manager at Mirvac Group and was previously Head of Group Insurance for AMP and General Counsel and Company Secretary at AMP Capital Brookfield.

Anna is qualified as a solicitor in both the UK and NSW and was a senior associate at Allens law firm in Sydney where she specialised in the areas of real estate and funds management.



Ross Lees

**HEAD OF FUNDS
MANAGEMENT**

Ross is the Head of Centuria's Real Estate Funds Management business, responsible for both listed and unlisted property funds.

Ross joined the company in 2017 as Centuria Industrial REIT (ASX:CIP) Fund Manager, transforming the REIT into Australia's largest domestic pure play industrial REIT.

He brings more than 16 years of industrial investment management experience to Centuria, having held senior transactional and portfolio management positions for peers including Dexus, LOGOS Group and Stockland.



Andrew Essey

**HEAD OF
TRANSACTIONS**

Andrew joined Centuria Capital Group in early 2013, and has held senior positions including National Leasing Manager, Fund Manager and, most recently, Head of Transactions.

Andrew is responsible for originating and managing the Group's property transactions and overseeing of the acquisitions team.

Prior to joining Centuria, he was a Director for DTZ's Sydney North Shore Agency, focused on leasing and sales within the North Shore industrial and office park markets.

Information About Centuria

Section 4



Victor Georos

HEAD OF PORTFOLIO
AND ASSET MANAGEMENT

Victor joined Centuria as Senior Portfolio Manager in April 2013 and was appointed Head of Portfolio and Asset Management in July 2015.

In his role he is responsible for overseeing portfolio and asset management of Centuria's portfolio, including the development and implementation of strategies to enhance value through active asset management and development. Victor also manages the Centuria Property Funds' Valuation program and is actively involved with the constant review of best practice policies and procedures.



Michael Blake

HEAD OF
CENTURIA LIFE

Michael joined Centuria in 2016 and is responsible for investment bond products provided by Centuria Life.

He is chiefly responsible for Centuria Life's P&L, strategic direction, funds under management growth and product development.

Michael joined Centuria after 12 years with a prominent international real estate investor and manager, where he secured several industry awards including Fund Manager of the Year and Direct Property and A-REIT of the Year. Prior to this, he held various National Sales Manager and State Manager roles for financial institutions across a 21-year period.



Andrew Hemming

MANAGING DIRECTOR OF
CENTURIA HEALTHCARE

Andrew was appointed Managing Director in August 2013 and is responsible for the day-to-day leadership and management of Centuria Healthcare.

Prior to his appointment he was Investment Specialist – Real Estate Funds with Folkestone Limited. Andrew previously worked at Heathley from 2007 to 2011.

He has had 11 years' experience in investment markets with leading international financial institutions and stockbroking houses in both Sydney and London.



Mark Francis

GEO OF CENTURIA
NEW ZEALAND

Mark has a Bachelor of Commerce in Finance from the University of Otago and a background in finance and property in roles with Hendry Hay MacIntosh, Force Corporation Limited and Village Roadshow Australia Pty Limited. Mark formed Augusta Group Limited in 2001 and began property syndication through Augusta Funds Management in 2003. Mark is also a director of a number of private companies.



LAING O'ROURKE

CENTURIA: 825 ANN ST, FORTITUDE VALLEY, QLD

Information About Centuria

Section 4

4.5 Centuria history

Centuria is a leading real estate funds manager with an Australasian focus and is included in the S&P/ASX300 (GICS code Diversified Real Estate). Centuria currently manages \$10.5 billion¹⁵ of assets and offers a range of investment opportunities, predominantly listed and unlisted real estate funds. Centuria also holds significant co-investment stakes in a number of listed and unlisted funds.

As at 16 April 2021, Centuria had a market capitalisation of \$1.7 billion.¹⁶

For over 20 years, Centuria has maintained a strong focus on its in-house real estate expertise to create and manage property investment vehicles. Centuria is classed as an "external" manager of real estate, that is Centuria Capital Group manages external property funds with separate equity investors. Occasionally, Centuria Capital may hold properties directly on its balance sheet.

4.6 Principal activities of Centuria

Real estate funds management is the largest component of Centuria's business with \$9.6 billion of assets under management. Centuria Capital Group has exposure to the industrial, healthcare and de-centralised office real estate markets in Australasia and has an extensive range of property fund types ranging from listed funds to unlisted fixed-term and open-ended funds.

Across its real estate business in Australasia, Centuria manages 216 assets with more than 945 tenants as at 31 December 2020.

Centuria manages the ASX-listed Centuria Industrial REIT (ASX:CIP) and Centuria Office REIT (ASX:COF) which are Australia's largest domestic pure play industrial and office real estate investment trusts, respectively. CIP is a constituent of the S&P/ASX200, whilst COF is a constituent of the S&P/ASX300. Centuria Capital Group also manages the NZX-listed Asset Plus (NZX:APL), as well as a range of unlisted real estate funds comprising 63 single asset funds, 4 multi asset open-ended funds, and 5 institutional funds and mandates as at 31 December 2020.

Centuria Capital Group has maintained a dual strategy of growth by both direct real estate transactions as well as corporate acquisitions.

Recent corporate acquisitions include:

- the purchase of a 63% interest in Heathley Limited (September 2019), which has since re-branded to Centuria Healthcare. Centuria Healthcare is a specialist funds manager in the healthcare property sector, which provides unlisted healthcare property investment to individual, wholesale and institutional investors; and
- the full takeover of Augusta Capital Limited in 2020 (which has since re-branded to Centuria), a leading New Zealand property funds manager with \$1.7 billion in assets under management. Augusta Capital was recently de-listed from the New Zealand Exchange and is now a 100% subsidiary of the Centuria Capital Group; and
- the purchase of a 50% interest in Bass Capital Partners Pty Ltd (April 2021), a real estate debt fund provider. Bass Capital has a c. \$270 million committed loan book with over \$300 million of pipeline opportunities.

Centuria Life Limited (**Centuria Life**) is a wholly-owned subsidiary of Centuria Capital Limited. Centuria Life operates as a friendly society and offers a range of retirement planning investment products. It also manages the Over Fifty Guardian Friendly Society, which offers pre-paid funeral plans. Both friendly societies are regulated by Australian Prudential Regulation Authority (**APRA**) and are authorised to issue insurance bonds and prepaid funeral plans. This is a longstanding business unit, which has recently launched a contemporary investment product called "Centuria LifeGoals".

As at 31 December 2020, Centuria Life had total funds under management of \$0.9 billion and approximately 87,000 policy holders.

Further information on Centuria's property funds management and investment bond businesses are set out below.

A summary of the Centuria Capital Group is outlined below.

The table on the following page outlines historical growth in assets under management (AUM) of Centuria Capital Group.

Centuria Capital Group (CNI)



Note: All figures above are in Australian dollars (currency exchange ratio of AU\$1.000:NZ\$1.088). Numbers presented may not add up precisely to the totals provided due to rounding.

1 Based on CNI closing price at 16 April 2021

2 Includes 6-8 Munroe Lane, Albany, Auckland, NZ valuation on an as if complete basis.

3 Includes commenced development projects valued on an as if completed basis.

4 Based on the respective close prices for COF, CIP and APL at 16 April 2021. Includes ownership by associates of Centuria Capital Group.

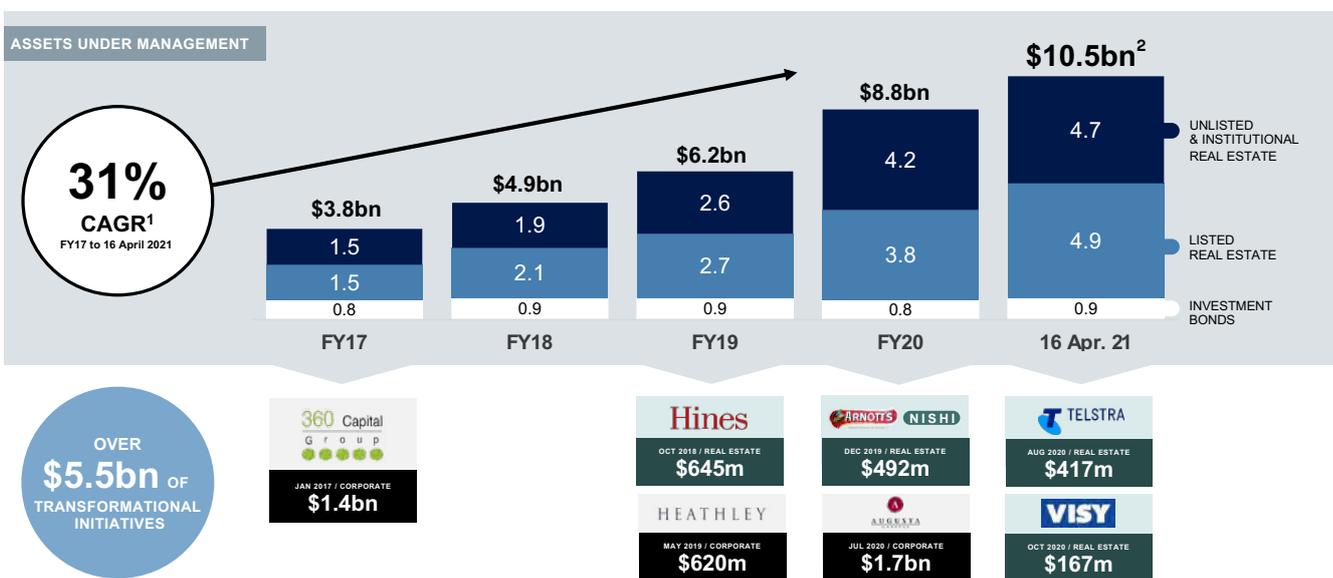
15 Pro forma AUM figures as at 31 December 2020 adjusted for post balance date revaluations and acquisitions; Includes 6-8 Munroe Lane, Albany, Auckland, NZ valuation on an as if complete basis; Includes commenced development projects valued on an as if completed basis.

16 Based on Centuria's close price of \$2.77 on 16 April 2021. Pro forma AUM figures as at 31 December 2020 adjusted for post balance date revaluations and acquisitions. Includes 6-8 Munroe Lane, Albany, Auckland, NZ valuation on an as if complete basis. Includes commenced development projects valued on an as if completed basis.



CENTURIA: 33 BDWY, NEWMARKET, AUCKLAND

Assets Under Management



1 CAGR calculated from 30 June 2017 to 16 April 2021.

2 Pro forma AUM figures as at 31 December 2020 adjusted for post balance date revaluations and acquisitions; Includes 6-8 Munroe Lane, Albany, Auckland, NZ valuation on an as if complete basis; Includes commenced development projects valued on an as if completed basis.

Information About Centuria

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4.6.1 Property Funds Management

The table and graph below outlines the location of Centuria's managed properties, the weighting toward the various sectors in which it operates, the various types of funds it operates and sources of capital by investor type.

Property Funds Management AUM



\$9.6bn¹ of Australasian real estate (~80% Australia and ~20% New Zealand geographic diversification)

New South Wales - 20%	Western Australia - 8%	Tasmania - 0%
\$1,970m ACROSS 43 PROPERTIES	\$781m ACROSS 22 PROPERTIES	\$6m ACROSS 1 PROPERTY
Queensland - 22%	ACT - 4%	Auckland - 16%
\$2,126m ACROSS 61 PROPERTIES	\$389m ACROSS 5 PROPERTIES	\$1,498m ACROSS 28 PROPERTIES
Victoria - 18%	South Australia - 5%	Other - 7%
\$1,727m ACROSS 29 PROPERTIES	\$450m ACROSS 9 PROPERTIES	\$666m ACROSS 27 PROPERTIES

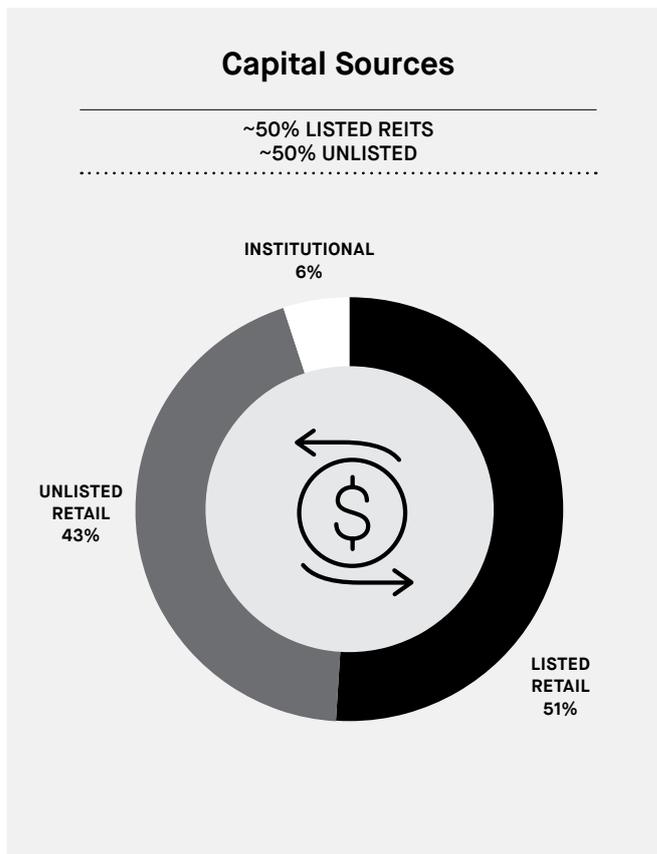
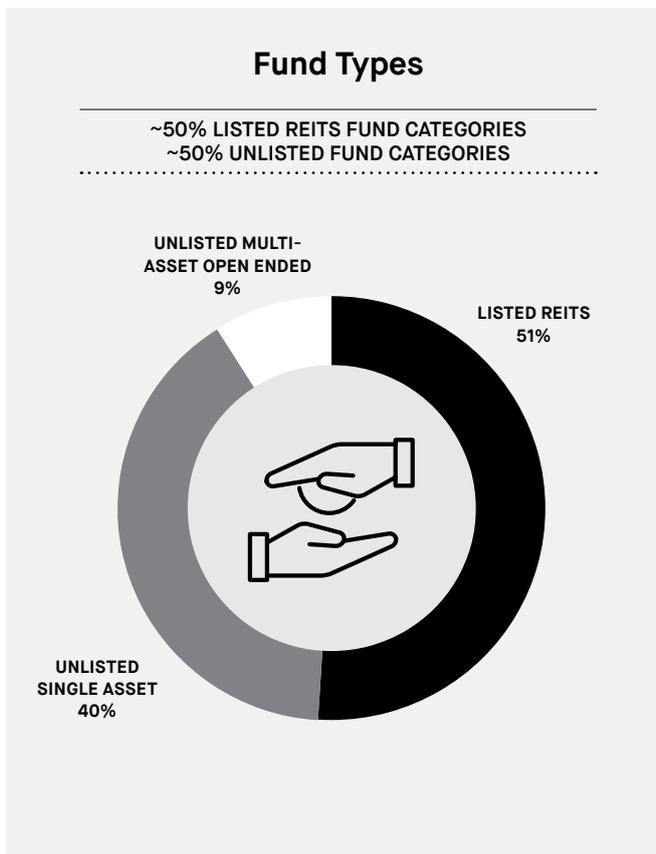
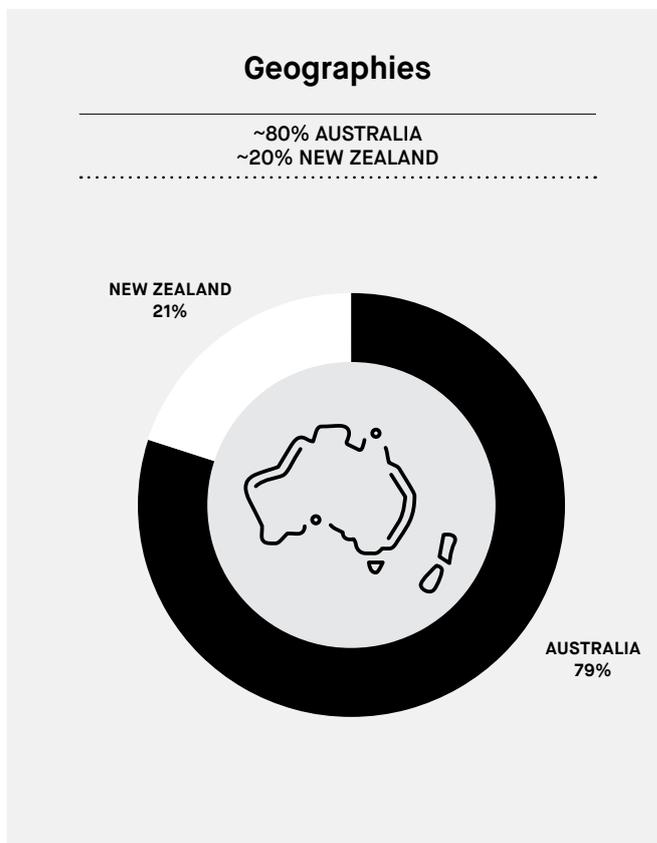
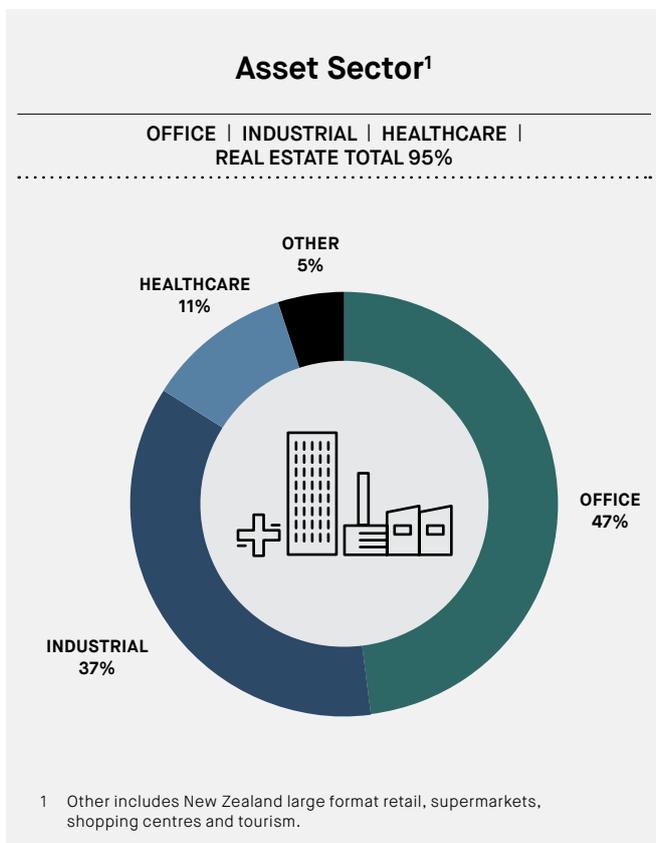
Note: All figures above are in Australian dollars (currency exchange ratio of AU\$1.000:NZ\$1.088). Numbers presented may not add up precisely to the totals provided due to rounding.

¹ Pro forma AUM figures as at 31 December 2020 adjusted for post balance date revaluations and acquisitions; Includes 6-8 Munroe Lane, Albany, Auckland, NZ valuation on an as if complete basis; Includes commenced development projects valued on an as if completed basis

Information About Centuria

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Property Funds Management Diversification



Information About Centuria

Section 4

4.6.2 Investment Bonds

Centuria is a long-standing provider of insurance or investment bonds in the Australian market. Through Centuria Life, Centuria offers a broad investment menu and provides access to a wide range of active investment managers and low cost specialised index investments. Centuria Life's investment bond funds invest in the major asset classes of cash, fixed interest, Australian shares, International shares, property and infrastructure along with a range of diversified, balanced and growth strategies.

Centuria Life provides investors with alternative structures for tax-effective investing, supplementing superannuation, estate planning, investing for children and goal-based investments.

Centuria Life's assets under management by investment type are outlined below.

PORTFOLIO SNAPSHOT	AS AT 31 DEC. 2020 (\$)
Prepaid Funeral Plans (Guardian)	551.0
Capital Guaranteed (Centuria Life)	159.8
Unitised Bonds (Centuria Life)	132.5
Centuria LifeGoals	23.2
TOTAL	866.5

4.7 Historical financial information of Centuria

The historical financial information of Centuria presented in this section relates to Centuria on a stand-alone basis and accordingly does not reflect any impact of the Centuria Offer. The financial information presented in this section comprises:

- the historical consolidated income statements of Centuria for the years ended 30 June 2019 and 30 June 2020 and for the six months ended 31 December 2020, see Section 4.7.2;
- the historical segment income statement of Centuria for the six months ended 31 December 2020, see Section 4.7.3;
- the historical consolidated balance sheets of Centuria as at 30 June 2019, 30 June 2020 and 31 December 2020, see Section 4.7.4; and
- the historical segment balance sheet of Centuria as at 31 December 2020, see Section 4.7.5,

(together, the **Centuria Historical Financial Information**).

4.7.1 Basis of preparation

The Centuria Historical Financial Information included in this section is intended to provide Primewest Securityholders with information to assist them in understanding the historical financial performance and financial position of Centuria. The Directors of Centuria are responsible for the preparation and presentation of the Centuria Historical Financial Information. The Centuria Historical Financial Information has been prepared on a going concern basis.

The Centuria Historical Financial Information should be read in conjunction with the risk factors described in Section 12 as well as the accounting policies of Centuria as disclosed in its respective financial statements lodged with ASIC for the years ended 30 June 2019 and 30 June 2020 and the six-month period ended 31 December 2020.

Primewest Securityholders should also note that past performance is not a reliable indicator of future performance.

The Centuria Historical Financial Information as at and for the years ended 30 June 2019 and 30 June 2020 has been derived from the consolidated financial statements of Centuria for those respective years, which were audited in accordance with Australian Auditing Standards. Unqualified audit opinions were issued on these financial statements. The Centuria Historical Financial Information as at, and for the six months ended, 31 December 2020 has been derived from the interim financial statements of Centuria for this period, which were reviewed and on which an unqualified limited assurance conclusion was issued.

The consolidated financial statements of Centuria for the years ended 30 June 2019 and 30 June 2020 and the interim consolidated financial statements of Centuria for the six months ended 31 December 2020 have been lodged with ASIC and are available at centuria.com.au/centuria-capital/shareholder-centre/financial-annual-reports/.

The Centuria Historical Financial Information presented below has been prepared in accordance with the measurement and recognition principles contained in the AAS.

The Centuria Historical Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures, presentation, statements or comparative information as required by the AAS applicable to annual financial reports prepared in accordance with the Corporations Act.

Primewest Securityholders should also be aware that certain Centuria Historical Financial Information is 'non-IFRS financial information' under ASIC Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC in December 2011. Primewest Securityholders are cautioned, therefore, not to place undue reliance on any non-IFRS financial information and ratios included in this Bidder's Statement.

All amounts disclosed in the tables are presented in Australian dollars and unless otherwise noted, are rounded to the nearest \$1,000. Rounding of figures provided in the Centuria Historical Financial Information may result in some immaterial differences between the sum of components and the totals outlined within tables and percentage calculations.

4.7.2 Historical consolidated income statements

The following table sets out Centuria's historical consolidated income statements for the financial years ended 30 June 2019 and 30 June 2020 and for the six months ended 31 December 2020 as derived from Centuria's financial statements:

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Table 4.7.2 – Centuria historical consolidated income statements

	Year ended 30 Jun. 19 (\$'000)	Year ended 30 Jun. 20 (\$'000)	6 mths ended 31 Dec. 20 (\$'000)
Revenue	115,977	162,373	116,335
Share of net profit of equity accounted investments	30,213	8,310	608
Net movement in policyholder liability	17,370	34,445	(3,293)
Fair value movements of financial instruments and property	(2,262)	(48,280)	21,702
Expenses	(79,844)	(97,723)	(44,459)
Cost of sales	(848)	(17,320)	(29,248)
Finance costs	(20,262)	(18,602)	(9,083)
Profit before tax	60,344	23,203	52,562
Income tax expense	(9,403)	(1,116)	(9,808)
Profit after tax	50,941	22,087	42,754
PROFIT AFTER TAX IS ATTRIBUTABLE TO:			
Centuria Capital Group securityholders	50,795	21,105	41,388
External non-controlling interests	146	982	1,366
Profit after tax	50,941	22,087	42,754

4.7.3 Historical segment income statement

Centuria's Directors and Senior Management consider the operating income statement to be the most appropriate method of assessing underlying performance to Centuria's securityholders as it excludes material non-cash movements from fair value gains and losses, the impact of Benefit Funds and property funds consolidated due to accounting requirements.

As at the date of this Bidder's Statement, Centuria has four reportable operating segments. These reportable operating segments are the divisions which report to the Centuria's Joint Chief Executive Officers and Board of Directors for the purpose of resource allocation and assessment of performance. The reportable operating segments are as follows:¹⁷

OPERATING SEGMENTS	DESCRIPTION
Property Funds Management	Management of listed and unlisted property funds and rendering of services in social and affordable housing developments
Investment Bonds Management	Management of the Benefit Funds of Centuria Life Limited and management of the Over Fifty Guardian Friendly Society Limited. The Benefit Funds include a range of financial products, including single and multi-premium investments
Co-Investments	Direct interest in property funds, properties held for development and other liquid investments
Corporate	Overheads for supporting Centuria operating segments and management of a reverse mortgage lending portfolio

In addition, Centuria also provides disclosures in relation to a further four non-operating segments, which are:¹⁸

NON-OPERATING SEGMENTS	DESCRIPTION
Non-Operating Items	Comprises transaction costs, mark-to-market movements in property and derivative financial instruments, share of equity accounted net profit in excess of distributions received and all other non-operating activities
Benefit Funds	Represents the operating results and financial position of the Benefit Funds of Centuria Life Limited which are required to be consolidated in the Group's financial statements in accordance with accounting standards
Controlled Property Funds	Represents the operating results and financial position of property funds which are managed by the group and consolidated under accounting standards. The group's principal activities do not include direct ownership of these funds for the purpose of measuring control under accounting standards and deriving rental income. Therefore, the results attributable to the controlled property funds are excluded from operating profit. However, the performance management of the controlled property funds is included in operating profit, aligned with how performance of the business is assessed by management of the Group
Eliminations	Elimination of transactions between the operating segments and the other non-operating segments above, including transactions between the operating entities within the Group, the property funds controlled by the Group and the benefit funds

The accounting policies of reportable segments are the same as Centuria's accounting policies.

The following table sets out Centuria's historical segment income statement for the six months ended 31 December 2020 including Centuria's operating and statutory financial performance as derived from Centuria's financial statements for the period:

¹⁷ Extracted from Centuria's financial accounts.

¹⁸ Extracted from Centuria's financial accounts.



CENTURIA: 201-203 PACIFIC HIGHWAY, ST LEONARDS, NSW

Information About Centuria

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Table 4.7.3 – Centuria historical segment income statement for the six months ended 31 December 2020

	Property Funds Management (\$'000)	Investment Bonds Management (\$'000)	Co- Investments (\$'000)	Corporate (\$'000)	Operating Profit (\$'000)	Non operating items (\$'000)	Benefit Funds (\$'000)	Controlled Property Funds (\$'000)	Eliminations (\$'000)	Statutory Profit (\$'000)
Management fees	34,313	3,959	-	-	38,272	-	-	-	(2,172)	36,100
Property acquisition fees	4,786	-	-	-	4,786	-	-	-	-	4,786
Property performance fees	13,632	-	-	-	13,632	-	-	-	-	13,632
Development revenue	31,983	-	-	-	31,983	-	-	-	-	31,983
Property sales fees	115	-	-	-	115	-	-	-	-	115
Interest revenue	148	11	67	1,411	1,637	-	419	1	(30)	2,027
Rental income	-	-	-	87	87	-	-	5,233	-	5,320
Recoverable outgoings	-	-	-	-	-	-	-	1,677	-	1,677
Distribution/ dividend revenue	-	-	17,658	-	17,658	(804)	2,374	-	(1,302)	17,926
Premiums- discretionary participation features	-	-	-	-	-	-	659	-	-	659
Other income	465	183	40	1,354	2,042	-	30	38	-	2,110
Total Revenue	85,442	4,153	17,765	2,852	110,212	(804)	3,482	6,949	(3,504)	116,335
Share of net profit of equity accounted investments	-	-	-	-	-	608	-	-	-	608
Net movement in policyholder liabilities	-	-	-	-	-	-	(3,293)	-	-	(3,293)
Fair value of financial instruments and property	-	-	-	-	-	9,036	12,776	1,636	(1,746)	21,702
Expenses	(21,947)	(3,586)	(370)	(7,846)	(33,749)	(445)	(9,089)	(3,348)	2,172	(44,459)
Cost of sales	(29,248)	-	-	-	(29,248)	-	-	-	-	(29,248)
Finance costs	(361)	(1)	(5,837)	(1,252)	(7,451)	(568)	(2)	(1,092)	30	(9,083)
Profit/(Loss) before tax	33,886	566	11,558	(6,246)	39,764	7,827	3,874	4,145	(3,048)	52,562
Income tax benefit/ (expense)	(10,428)	(194)	(112)	4,995	(5,739)	(195)	(3,874)	-	-	(9,808)
Profit/(Loss) after tax	23,458	372	11,446	(1,251)	34,025	7,632	-	4,145	(3,048)	42,754

Information About Centuria

Section 4

4.7.4 Historical statutory consolidated balance sheets

The following table sets out Centuria's historical consolidated balance sheets as at 30 June 2019, 30 June 2020 and 31 December 2020 as derived from Centuria's financial statements for the respective periods:

Table 4.7.4 – Centuria historical consolidated balance sheets

	30 Jun. 19 (\$'000)	30 Jun. 20 (\$'000)	31 Dec. 20 (\$'000)
ASSETS			
Cash and cash equivalents	124,673	174,458	202,515
Receivables	69,862	68,729	119,110
Income tax receivable	-	755	4,936
Financial assets	356,114	773,417	839,665
Other assets	5,741	10,795	10,305
Investment properties held for sale	-	861	-
Property held for development	-	31,295	32,340
Deferred tax assets	-	39,519	37,614
Equity accounted investments	386,713	32,955	33,353
Investment properties	177,500	167,110	155,750
Right of use asset	-	21,393	19,977
Intangible assets	157,663	280,120	280,955
Total assets	1,278,266	1,601,407	1,736,520
LIABILITIES			
Payables	42,232	76,532	53,049
Provisions	1,878	2,201	3,041
Borrowings	303,110	265,051	277,214
Provision for income tax	813	5,998	-
Interest rate swap at fair value	28,814	33,388	34,695
Benefit Funds policy holders' liability	339,557	311,535	315,694
Deferred tax liability	10,494	35,825	45,207
Call/Put option liability	-	17,167	21,138
Lease liability	-	22,564	21,703
Total liabilities	726,898	770,261	771,741
Net assets	551,368	831,146	964,779
Total equity	551,368	831,146	964,779

Information About Centuria

Section 4

4.7.5 Historical segment balance sheet

The following table sets out Centuria's historical segment balance sheet as at 31 December 2020, including Centuria's operating and statutory balance sheet position as derived from Centuria's financial statements for the period:

Table 4.7.5 – Centuria historical segment balance sheet as at 31 December 2020

	Property Funds Management (\$'000)	Investment Bonds Management (\$'000)	Co-Investments (\$'000)	Corporate (\$'000)	Operating Balance sheet (\$'000)	Benefit Funds (\$'000)	Controlled Property Funds (\$'000)	Eliminations (\$'000)	Statutory Balance sheet (\$'000)
ASSETS									
Cash and cash equivalents	47,817	7,182	91,061	21,892	167,952	33,090	1,473	-	202,515
Receivables	79,671	615	31,234	9,196	120,716	430	14	(2,050)	119,110
Income tax receivable	(2,418)	-	-	6,335	3,917	1,019	-	-	4,936
Financial assets	-	-	525,834	58,977	584,811	285,071	-	(30,217)	839,665
Other assets	208	210	-	9,887	10,305	-	-	-	10,305
Property held for development	-	-	32,340	-	32,340	-	-	-	32,340
Deferred tax assets	32,038	95	-	5,481	37,614	-	-	-	37,614
Equity accounted investments	-	-	33,353	-	33,353	-	-	-	33,353
Investment properties	-	-	-	-	-	-	155,750	-	155,750
Right of use asset	-	-	-	19,977	19,977	-	-	-	19,977
Intangible assets	280,955	-	-	-	280,955	-	-	-	280,955
Total assets	438,271	8,102	713,822	131,745	1,291,940	319,610	157,237	(32,267)	1,736,520
LIABILITIES									
Payables	6,728	1,461	24,043	18,612	50,844	222	4,033	(2,050)	53,049
Provisions	1,503	-	-	1,538	3,041	-	-	-	3,041
Borrowings	20,268	-	167,138	7,112	194,518	-	83,873	(1,177)	277,214
Interest rate swap at fair value	-	-	-	33,881	33,881	-	814	-	34,695
Benefit Funds policy holders' liability	-	-	-	-	-	315,694	-	-	315,694
Deferred tax liability	35,439	-	-	6,074	41,513	3,694	-	-	45,207
Call/Put option liability	-	-	-	21,138	21,138	-	-	-	21,138
Lease liability	-	-	-	21,703	21,703	-	-	-	21,703
Total liabilities	63,938	1,461	191,181	110,058	366,638	319,610	88,720	(3,227)	771,741
Net assets	374,333	6,641	522,641	21,687	925,302	-	68,517	(29,040)	964,779
Total equity	374,333	6,641	522,641	21,687	925,302	-	68,517	(29,040)	964,779

Information About Centuria

Section 4

4.8 Publicly available information

Centuria is a listed "disclosing entity" for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Among other things, Centuria is subject to the Listing Rules which require continuous disclosure of any information that a reasonable person would expect to have a material effect on the price or value of Centuria's securities (subject to some exceptions).

The ASX maintains files containing publicly disclosed information about all listed entities. Centuria's file is available for inspection on the ASX website (www.asx.com.au).

In addition, Centuria is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Centuria may be obtained from, or inspected at, an ASIC office.

On request to Centuria and free of charge, Primewest Securityholders may obtain a copy of:

- the annual financial report of Centuria for the year ended 30 June 2020 (being the last audited annual financial report most recently lodged with ASIC before lodgement of this Bidder's Statement with ASIC);

- the half-year financial report of Centuria lodged with ASIC in respect of the 6 month period ended 31 December 2020 (being the last half-year report before lodgement of this Bidder's Statement with ASIC); and
- any continuous disclosure notice given to the ASX by Centuria after 30 June 2020 and before lodgement of this Bidder's Statement with ASIC.

A list of announcements made by Centuria to the ASX since 12 August 2020 (being the date on which Centuria lodged its 2020 annual financial report with ASIC) is contained in Annexure A.

A substantial amount of information about Centuria is available on its website: centuria.com.au.

4.9 Announcements in relation to the Centuria Offer

On 19 April 2021, Centuria made an announcement to the ASX in relation to the Centuria Offer. A copy of that announcement can be found at: centuria.com.au/asx-announcements.



Information About Centuria Securities

Section 5

5.1 Capital Structure

As at the date of this Bidder's Statement, the issued securities in Centuria consisted of:

- 600,236,123 fully paid ordinary shares in Centuria Capital Limited; and
- 600,236,123 fully paid ordinary units in Centuria Capital Fund.

Each fully paid ordinary share in Centuria Capital Limited is stapled to one fully paid ordinary unit in Centuria Capital Fund. The securities trade together on the ASX under the code 'CNI'.

In addition, Centuria has 8,960,092 performance rights on issue under its Executive Incentive Plan. Refer to Section 5.6 below for further information.

If Centuria acquires 100% of the Primewest Securities under the Centuria Offer, it would involve the issuance of 187,567,084 additional Centuria Securities and the escrow arrangements described in Section 13.2 would be in respect of approximately 12.4% of Centuria Securities on a consolidated basis.¹⁹

5.2 Substantial Securityholders

Based on information lodged with the ASX or known to Centuria, as at 16 April 2021, the substantial Centuria Securityholders are as follows:

SUBSTANTIAL HOLDER	NUMBER OF CENTURIA SECURITIES	% OF TOTAL ISSUED CENTURIA SECURITIES
ESR Pte. Ltd	102,676,434	17.78%
Vanguard Group	48,902,063	8.15%
Blackrock Group	38,658,027	6.55%
TOTAL	190,236,524	32.48%

5.3 Recent security price performance

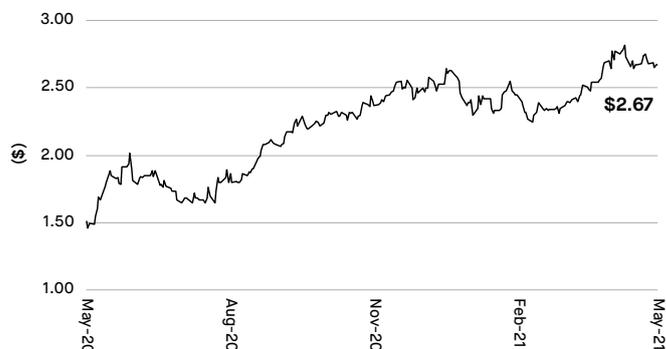
The close price of a Centuria Security on the ASX as at the Undisturbed Date on 16 April 2021, being the close date prior to which Centuria announced that it entered into a Bid Implementation Deed with Primewest, was \$2.77.

The close price of a Centuria Security on 13 May 2021, being the ASX price on the last trading day before the date on which this Bidder's Statement was lodged with ASIC was \$2.67. The highest recorded sale price of a Centuria Security on the ASX in the 4 months before the date on which this Bidder's Statement was lodged with ASIC was \$2.91. The lowest recorded sale price of a Centuria Security on the ASX in the 4 months before the date on which this Bidder's Statement was lodged with ASIC was \$2.22.

The recent volume weighted average price (VWAP) of Centuria Securities on the ASX has been as follows:

- \$2.57 for the one month period ending on the Undisturbed Date;
- \$2.45 for the three month period ending on the Undisturbed Date;
- \$2.45 for the six month period ending on the Undisturbed Date.

The following chart shows the close price of Centuria Securities on the ASX over the 12 months up to 13 May 2021.



Source: IRESS from 13 May 2020 to 13 May 2021.

5.4 Distributions

The following table sets out the distributions paid (or proposed to be paid) per Centuria Security in respect of financial periods since 1 July 2018. Centuria has declared a distribution of 5.5 cents per Centuria Security with a record date of 25 May 2021 and with a payment date of 30 July 2021. The record date has been set at a date before Primewest Securityholders will receive Centuria Securities under the Centuria Offer and hence will only be paid to existing Centuria Securityholders who hold Centuria Securities on the record date.

PERIOD	COMPANY DIVIDEND (CENTS PER SECURITY)	TRUST DIVIDEND (CENTS PER SECURITY)	AGGREGATE DISTRIBUTION FOR PERIOD (CENTS PER SECURITY)
Final 2021 distribution (proposed)	2.10 (fully franked)	3.40	5.50
Interim 2021 distribution	1.20 (fully franked)	3.30	4.50
Final 2020 distribution	1.80 (fully franked)	3.40	5.20
Interim 2020 distribution	1.70 (fully franked)	2.80	4.50
Final 2019 distribution	0.50 (fully franked)	4.50	5.00
Interim 2019 distribution	0.85 (fully franked)	3.40	4.25

¹⁹ See also Section 13.11 regarding the potential creation of Class A units by CNI Fund and issue of them to CCL.

Information About Centuria Securities

Section 5



CENTURIA: 1 LAHRS RD., ORMEAU, QLD

5.5 Directors' interests in Centuria Securities

As at the date of this Bidder's Statement, the directors of Centuria have the following relevant interests in Centuria Securities:

DIRECTOR	CENTURIA SECURITIES	PERFORMANCE RIGHTS
John McBain	7,044,102	2,298,002
Jason Huljich	4,046,556	2,165,023
Nicholas Collishaw	4,360,037	
John Richard Slater	3,110,677	
Peter Done	1,506,182	
Garry Sam Charny	377,319	

Neither Kristie Brown or Susan Wheeldon hold any Centuria Securities or Performance Rights.

5.6 Centuria Executive Incentive Plan

Centuria has an Executive Incentive Plan which forms a key element of Centuria's incentive and retention strategy for senior management under which performance rights ("Rights") are issued.

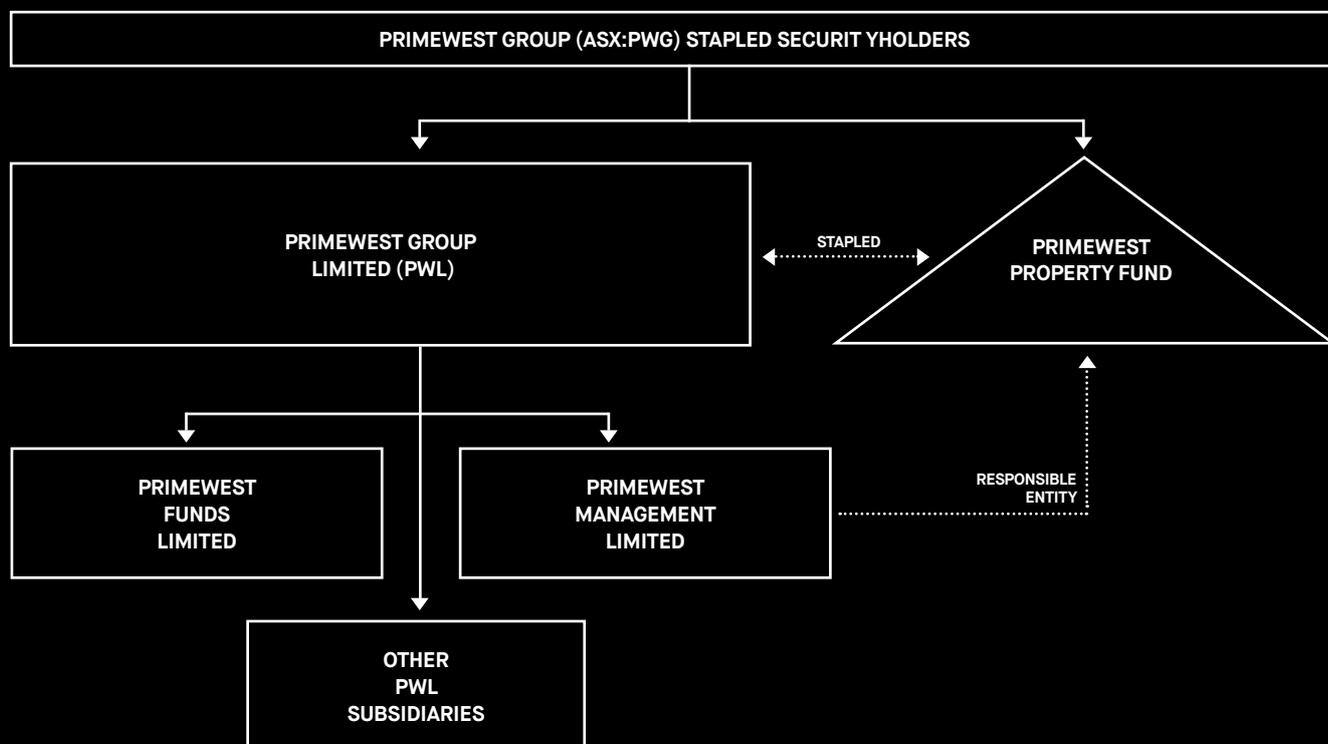
Each Right is a right to receive a fully paid ordinary Centuria Security, subject to meeting various performance conditions including growth in assets under management and total shareholder return (TSR) performance. Upon meeting those conditions, the Rights vest and securities are allocated. Rights do not carry a right to vote or to dividends or, in general, a right to participate in other corporate actions such as bonus issues.

Centuria currently has 8,960,092 outstanding Rights on issue.

Information About Primewest

Section 6

Primewest Diagram Structure



6.1 Disclaimer

The information about Primewest, Primewest Securities and Primewest Group contained in this Section 6 has been prepared based on a review of publicly available information and Centuria's due diligence investigations on Primewest.

Subject to the Corporations Act, neither Centuria nor any of its directors, officers or employees make any representation or warranty (express or implied) as to the accuracy or completeness of this information.

Further information relating to Primewest Group's businesses may be included in Primewest's Target Statement.

6.2 Overview

ASX listed Primewest (ASX:PWG) is an Australian property fund manager with \$5.0 billion²⁰ of assets under management across all mainland states of Australia and on the west coast of the USA. Established in 1995, Primewest is a value-add and often counter-cyclical manager, operating in the retail, industrial, commercial, residential, large format retail and agricultural property sectors with a focus to achieve maximum returns for holders of its stapled securities and investors in the underlying funds it manages.

6.3 Corporate structure

Primewest is structured as a stapled group comprising Primewest Group Limited and Primewest Property Fund (a trust established on 24 September 2019) and their controlled entities. Primewest Management Limited (ACN 091 415 833) (AFSL 250963) is the responsible entity of Primewest Property Fund.

²⁰ Pro forma AUM includes \$0.3bn associated with Vitalharvest.

Information About Primewest

Section 6

6.4 Board of Directors



John Bond

**EXECUTIVE
CHAIRMAN**

John is a founding Director of Primewest and has been instrumental in its growth and development. His background spans law, investment banking as well as property investment and development. As a professional property investor, he has over 30 years' experience in negotiating acquisitions, overseeing the development of properties and asset management.

Along with his fellow Directors, John guides the Primewest team in all aspects of the business. John's hands on approach affords Primewest a competitive and agile approach to delivering high quality outcomes. Since 1990 John has been instrumental in delivering exceptional property and commsecurity outcomes across residential and commercial sectors.

John is a qualified solicitor and also holds a Bachelor of Commerce degree and is a Corporate Member of the Property Council. He is Chairman of two charities, being Australian Doctors for Africa and The Fathering Project. John is also a Board member of the Art Gallery of Western Australia Foundation.

John is a responsible manager under the AFSL.



Erin Flaherty

**INDEPENDENT
NON-EXECUTIVE DIRECTOR**

Erin is an experienced company director. Her business career has spanned 30 years in both private and Government sectors. She commenced practice as a lawyer in Western Australia in 1983 specialising in resources and finance before joining the finance and commercial property group at international law firm Baker & McKenzie in 1985.

In 1992, Erin was appointed Australian director for Parker & Parsley Petroleum and continued in that role until her appointment as commercial manager for Reliance Rail in 2008. In 2012, Erin joined the newly formed advisory body, Infrastructure NSW and was a founding member of the Sydney Metro Authority Board.

Erin recently joined the Board of Moorebank Intermodal Company and is also a Trustee of the Sydney Cricket Ground Trust. She sits on the Board of the NSW Police Citizens Youth Clubs and is a Guardian of Board of the Future Fund.

Erin joined the Board in October 2019.



David Schwartz

**MANAGING
DIRECTOR**

David is a founding Director of Primewest and has been instrumental in its growth and development. David is a professional property investor with 25 years' experience in negotiating acquisitions and overseeing the development of properties. He is a Non-Executive Director of Schaffer Corporation Ltd.

Over the past 40 years David has been involved in many different businesses including retail, manufacturing and distribution. His property investments have been strongly focused on retail and commercial developments.

David is a responsible manager under the AFSL.

Information About Primewest

Section 6



Hamish Beck

**INDEPENDENT
NON-EXECUTIVE DIRECTOR**

Hamish is the Managing Director of Beck Advisory and Property Australia Management (PAM), the dedicated asset management division of Beck Advisory. He founded Beck Advisory in 2000 and PAM in 2008, following a successful career in the Australian property industry for some of WA's largest development and construction companies.

Hamish is also Chairperson of the Swan River Trust, Deputy Chairperson of the Rottnest Island Authority, Member of the Central Perth Planning Committee, and Board Member of the Western Australian Maritime Museum Advisory Committee. In addition, he is an advisor to various institutional groups.

Hamish joined the Board in October 2019.



Jim Litis

**EXECUTIVE
DIRECTOR**

Jim is a founding Director of Primewest. Having experienced forty years in the property industry in Australia, Jim is an influential and well respected figure and mentor. His expertise include the acquisition, development and management of retail and large format retail properties, and purchasing and renovating heritage buildings in Perth's CBD. His vast knowledge of the retail industry has given him a unique insight and outlook when sourcing investment properties and opportunities for investors. Jim's first foray into retail was opening his own Hi Fi store in the early 70's.

Jim is involved in a number of philanthropic organisations including Ear Science Institute Australia, The Leukaemia Foundation and The Perron Institute (Neurological and Translational Science). His support includes funding Post Graduate students and research. Jim's passion for Music, Sport and the Arts have led to his involvement in a number of successful West Australian enterprises including founding one of the first specialist sound system stores in Perth, Douglas HiFi, the Floreat Athena Soccer Club (The Litis Stadium), Venn Gallery, a contemporary art gallery and most recently The Rechabite, an entertainment venue hosting live music, theatre and performance.

Jim is a responsible manager under the AFSL.

Information About Primewest

Section 6

6.5 Senior Management Team



David Schwartz

**MANAGING
DIRECTOR**

David is a founding Director of Primewest and has been instrumental in its growth and development. David is a professional property investor with 25 years' experience in negotiating acquisitions and overseeing the development of properties. He is a Non-Executive Director of Schaffer Corporation Ltd.

Over the past 40 years David has been involved in many different businesses including retail, manufacturing and distribution. His property investments have been strongly focused on retail and commercial developments.

David is a responsible manager under the AFSL.



David Creasy

**CHIEF FINANCIAL OFFICER &
COMPANY SECRETARY**

David is the Chief Financial Officer of Primewest and has over 25 years' experience of financial, strategic and operational leadership in the property, hospitality and retail industries. Within the property industry David has significant experience in the development of residential, commercial and mixed-use properties across North America and in the management and operation of diverse investment property portfolios.

David leads the internal business operations of Primewest and is responsible for accounting, treasury, finance, information technology, human resources, compliance and administration.

David is a Chartered Professional Accountant (Canada).

David has been with Primewest since 2018.

Information About Primewest

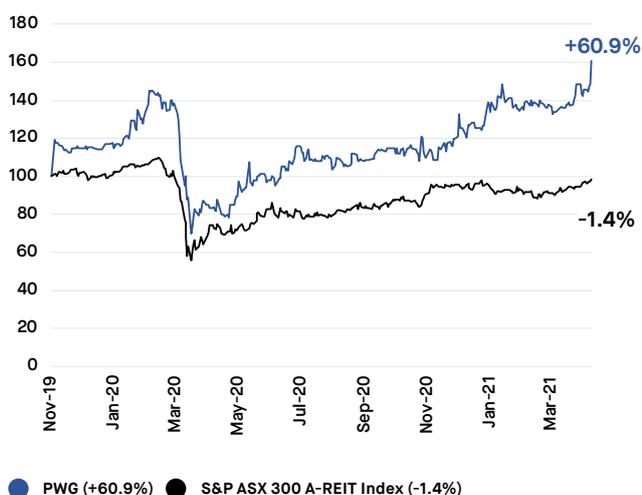
Section 6

6.6 Primewest Performance Since Listing on the ASX

Primewest has delivered significant value to Primewest Securityholders since IPO in November 2019:

- Increased AUM from \$3.9 billion to \$5.0 billion (+28%)
- Increased share price from \$1.00 to \$1.51²¹ (+51%)
- Increased market capitalisation from \$349 million to \$599 million (+72%)
- Delivered a total securityholder return of 60.9%, outperforming the ASX300 A-REIT index by 62.2%

Primewest TSR since listing



Note: Represents Primewest Security performance vs S&P ASX300 A-REIT Accumulation Index up to 16 April 2021, indexed to 100. Includes distributions and assumes Primewest expected 2.9 cps distribution is paid on 16 April 2021. Source: IRESS as at 16 April 2021.

Other key initiatives and milestones since the IPO include:

- Launch of 8 new unlisted funds since IPO;
- Launch of Primewest Agricultural Fund in April 2020, with an initial fund target of \$100 million that was later expanded to \$350 million in February 2021;
- Launched new Daily Needs Trust in June 2020, with an initial \$300 million institutional mandate that was later expanded to \$930 million in December 2020;
- Acquired a stake in the ASX listed Vitalharvest Freehold Trust (ASX:VTH) and 100% interest in the manager of the trust. Vitalharvest is currently the subject of the Vitalharvest Transaction (which may result in Primewest selling the management rights and co-investment stake in Vitalharvest); and
- Launched Primewest Bespoke, a new service offering high level asset management to wholesale investors.

²¹ Based on the Implied Offer Price.

²² Pro forma AUM includes \$0.3bn associated with Vitalharvest.

6.7 Principal activities of Primewest

6.7.1 Strategy

Primewest is one of Australia's leading real estate funds management businesses, operating over 84 separate funds across 7 different asset classes. The management of these funds and syndicates involves sourcing, acquiring, managing and disposing of real estate assets on behalf of investors. Real estate funds management is attractive to private high net worth and institutional investors because it allows for investors to acquire an interest in larger assets or diversify their investment exposure, options which may not be available in the case that an investor invests directly.

Primewest primarily generates revenue through fees charged to the funds that it manages including:

- Asset management fees;
- Property service fees including leasing fees, development management fees and finance fees;
- Transactional fees including establishment fees earned on the acquisition of new assets and sales fees on the disposal of assets; and
- Performance fees.

Primewest's growth strategy has included:

- Launching new income and development funds;
- Entering into additional wholesale partnerships
- Establishing new funds in alternative real estate sectors, for example Primewest Agricultural fund;
- Co-investing in funds alongside fund investors; and
- Exploring corporate mergers and acquisitions.

6.7.2 Portfolio Overview

Sector diversification

Primewest's portfolio is diversified across multiple asset classes:

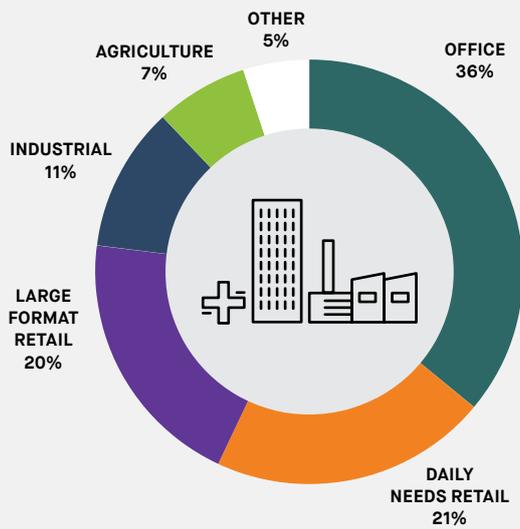
- **Office (\$1.8bn):** Office assets located across Perth, Brisbane and Melbourne
- **Daily Needs Retail (\$1.1bn):** 23 Coles or Woolworths anchored centres across Perth, Adelaide and regional Australia
- **Large Format Retail (\$1.0bn):** Large footprint and high traffic properties anchored by ASX listed covenants across Australia
- **Industrial (\$0.6bn):** Industrial sites in well-established locations in Perth, Brisbane, Sydney, Adelaide and Melbourne
- **Agriculture (\$0.3bn)²²:** Agriculture assets under long term leases to established operators across Australia (includes management of the ASX listed Vitalharvest Freehold Trust)
- **Other (\$0.3bn):** Including retail, tourism and land syndicates in the US and Western Australia.

Information About Primewest

Section 6

Asset Sectors

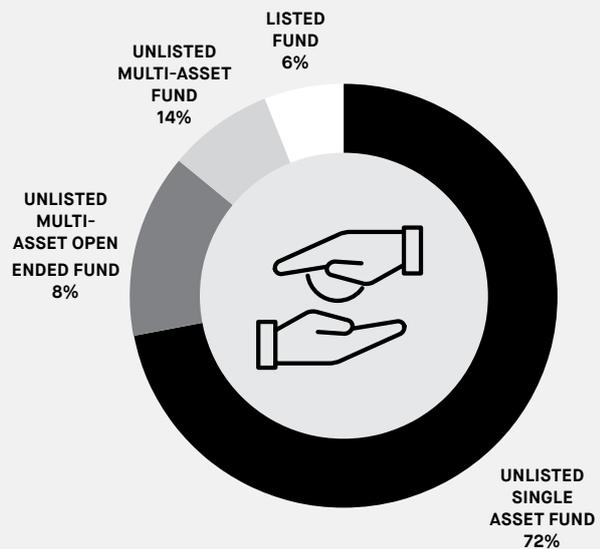
OFFICE | INDUSTRIAL | DAILY NEEDS RETAIL |
LARGE FORMAT RETAIL | AGRICULTURE



Note: Pro forma AUM includes \$0.3bn associated with Vitalharvest.

Fund Types

Syndicate funds include 900 active high net worth investors, holding over \$1.5bn in equity across 84 syndicates. Mandate refers to institutional mandates.



Note: Pro forma AUM includes \$0.3bn associated with Vitalharvest.

AUM Growth since June 2015



Note: Pro forma AUM includes \$0.3bn associated with Vitalharvest.

Information About Primewest

Section 6

Primewest Geographic Diversification



New South Wales - 16%

\$0.8bn

Queensland - 11%

\$0.5bn

Other (USA) - 3%

\$0.1bn

Victoria - 9%

\$0.5bn

South Australia - 6%

\$0.3bn

Tasmania - 1%

\$0.04bn

Western Australia - 54%

\$2.7bn

Information About Primewest

Section 6

6.8 Historical financial information of Primewest

The historical financial information of Primewest presented in this section relates to Primewest on a stand-alone basis and accordingly does not reflect any impact of the Centuria Offer. The historical financial information presented in this section comprises:

- the historical consolidated income statements of Primewest for the years ended 30 June 2019 and 30 June 2020 and for the six months ended 31 December 2020, see Section 6.8.2;
- the historical consolidated balance sheets of Primewest as at 30 June 2019, 30 June 2020 and 31 December 2020, see Section 6.8.3; and

(together, the **Primewest Historical Financial Information**).

6.8.1 Basis of preparation

The Primewest Historical Financial Information should be read in conjunction with the risk factors described in Section 12 as well as the accounting policies of Primewest as disclosed in its respective financial statements lodged with ASIC for the year ended 30 June 2020 and the six-month period ended 31 December 2020.

Primewest Securityholders should also note that past performance is not a reliable indicator of future performance.

The Primewest Historical Financial Information as at and for the years ended 30 June 2019 and 30 June 2020 has been derived from the consolidated financial statements of Primewest for 30 June 2020, (which included comparative information for Primewest for the year ended 30 June 2019), which were audited in accordance with Australian Auditing Standards. This included comparative information for Primewest for the year ended 30 June 2019 which has been represented in this section. An unqualified audit opinion was issued on these financial statements. The Primewest Historical Financial

Information as at, and for the six-months ended, 31 December 2020 has been derived from the interim financial statements of Primewest for this period, which were reviewed and on which an unqualified limited assurance conclusion was issued.

The consolidated financial statements of Primewest for the year ended 30 June 2020 and the interim consolidated financial statements of Primewest for the six months ended 31 December 2020 have been lodged with ASIC and are available at:

primewest.biz/investor-centre/financial-and-annual-reports.

The Primewest Historical Financial Information presented below has been prepared in accordance with the measurement and recognition principles contained in the AAS.

The Primewest Historical Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures, presentation, statements or comparative information as required by the AAS applicable to annual financial reports prepared in accordance with the Corporations Act.

All amounts disclosed in the tables are presented in Australian dollars and unless otherwise noted, are rounded to the nearest \$1,000. Rounding of figures provided in the Primewest Historical Financial Information may result in some immaterial differences between the sum of components and the totals outlined within tables and percentage calculations.

6.8.2 Historical consolidated income statements

The following table sets out Primewest's historical consolidated income statements for the financial years ended 30 June 2019 and 30 June 2020 and for the six months ended 31 December 2020.

Table 6.8.2 – Primewest historical consolidated income statements

	Year ended 30 Jun. 19 (\$'000)	Year ended 30 Jun. 20 (\$'000)	6 mths ended 31 Dec. 20 (\$'000)
REVENUE			
Revenue	18,240	32,184	16,334
Interest revenue	46	538	582
	18,286	32,722	16,916
EXPENSES			
Employee costs	(3,778)	(6,107)	(4,527)
General and administration	(2,825)	(4,154)	(2,253)
Amortisation of right of use assets	-	(305)	(204)
Amortisation of management rights	-	(3,082)	(2,197)
Depreciation and amortisation	(1)	(154)	(76)
Interest expense on lease liability	-	(45)	(26)
Initial listing expenses and restructuring costs	-	(2,451)	-
	11,682	16,424	7,633
Income tax expense	(3,206)	(4,989)	(2,424)
	8,476	11,435	5,209

Information About Primewest

Section 6

6.8.3 Historical consolidated balance sheets

The following table sets out Primewest's historical consolidated balance sheets as at 30 June 2019, 30 June 2020 and 31 December 2020.

Table 6.8.3 – Primewest historical consolidated balance sheets

	30 Jun. 19 (\$'000)	30 Jun. 20 (\$'000)	31 Dec. 20 (\$'000)
ASSETS			
Cash and cash equivalents	3,498	54,146	39,279
Trade and other receivables	539	8,035	2,473
Financial assets at fair value through profit and loss	-	3,750	3,750
Assets held for sale	-	-	46,216
Total current assets	4,037	65,931	91,718
Financial assets at fair value through other comprehensive income	104	21,748	7,533
Property, plant and equipment	1	371	336
Right of use asset	-	1,317	1,113
Intangibles	-	130,534	119,942
Deferred tax assets	-	1,429	1,252
Other	37	87	81
Total non-current assets	142	155,486	130,257
Total assets	4,179	221,417	221,975
LIABILITIES			
Trade and other payables	631	1,939	945
Lease liability	-	369	280
Dividend payable	-	-	7,332
Provisions	464	3,382	3,778
Total current liabilities	1,095	5,690	12,335
Lease liability	-	1,000	900
Provisions	-	33	51
Total non-current liabilities	-	1,033	951
Total liabilities	1,095	6,723	13,286
Net assets	3,084	214,694	208,689
EQUITY			
Contributed equity	1	207,362	207,361
Reserves	-	(2,006)	3,888
Retained profits / (accumulated losses)	3,083	9,338	(2,560)
Total Equity	3,084	214,694	208,689

6.9 Publicly available information

Primewest is a listed "disclosing entity" for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Among other things, Primewest is subject to the Listing Rules which require continuous disclosure of any information that a reasonable person would expect to have a material effect on the price or value of Primewest's securities (subject to some exceptions).

The ASX maintains files containing publicly disclosed information about all listed entities. Primewest's file is available for inspection on the ASX website asx.com.au. In addition, Primewest is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Primewest may be obtained from, or inspected at, an ASIC office. A substantial amount of information about Primewest is available on its website primewest.biz.

Information About Primewest Securities

Section 7

7.1 Capital Structure

As at the date of this Bidder's Statement, the issued securities in Primewest consisted of:

- 396,547,747 fully paid ordinary shares in Primewest Group Limited; and
- 396,547,747 fully paid ordinary units in Primewest Property Fund.

Each fully paid ordinary share in Primewest Group Limited is stapled to one fully paid ordinary unit in Primewest Property Fund. The securities trade together on the ASX under the code 'PWG'.

In addition, Primewest has 1,213,423 options on issue. As contemplated by the Condition in section 5(e) of schedule 1 to the Bid Implementation Deed, if the Centuria Offer is declared or becomes unconditional, Primewest will either cancel the Primewest Options in consideration for a cash payment from Primewest or pay the Primewest Option holder a cash payment to either not exercise their Primewest Option or transfer their Primewest Option to a nominee of Primewest. This Condition may be waived by Centuria.

7.2 Substantial Securityholders

Based on information lodged with the ASX, as at 16 April 2021, the substantial Primewest Securityholders are as follows:

SUBSTANTIAL HOLDER	NUMBER OF PRIMEWEST SECURITIES	% OF TOTAL ISSUED PRIMEWEST SECURITIES
Jim Litis	71,461,944	18.0%
John Bond	70,504,939	17.8%
David Schwartz	69,265,697	17.5%
TOTAL	211,232,580	53.3%

7.3 Recent security price performance

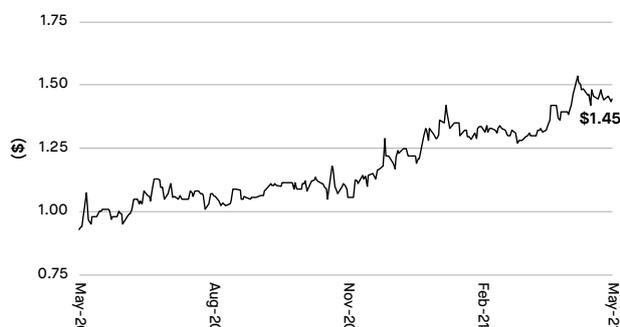
The close price of a Primewest Security on the ASX as at the Undisturbed Date on 16 April 2021, being the close date prior to which Centuria announced that it entered into the Bid Implementation Deed with Primewest ('Undisturbed Date') was \$1.47.

The close price of a Primewest Security on the ASX on 13 May 2021, being the last trading day before the date on which this Bidder's Statement was lodged with ASIC, was \$1.45. The highest recorded sale price of a Primewest Security on the ASX in the four months before the date on which this Bidder's Statement was lodged with ASIC was \$1.57. The lowest recorded sale price of a Primewest Security on the ASX in the four months before the date on which this Bidder's Statement was lodged with ASIC was \$1.27.

The recent volume weighted average price (VWAP) of Primewest securities on the ASX has been as follows:

- \$1.35 for the 30-day period ending on the Undisturbed Date;
- \$1.34 for the three month period ending on the Undisturbed Date; and
- \$1.31 for the six month period ending on the Undisturbed Date.

The following chart shows the last recorded sale price of Primewest Securities on the ASX over the 12 months up to 13 May 2021.³³



Source: IRESS from 13 May 2020 to 13 May 2021.

7.4 Distributions

The following table sets out the distributions paid (or proposed to be paid) per Primewest Security in respect of financial periods since the date of IPO on 8 November 2019.

PERIOD	COMPANY DIVIDEND (CENTS PER SECURITY)	TRUST DIVIDEND (CENTS PER SECURITY)	AGGREGATE DISTRIBUTION FOR PERIOD (CENTS PER SECURITY)
Final 2021 distribution (not yet paid)	1.87 (fully franked)	1.03	2.90
Interim 2021 distribution	2.10 (fully franked)	Nil	2.10
Final 2020 distribution	2.57 (fully franked)	0.23	2.80

Primewest Securityholders will be entitled to the expected distribution of 2.9 cents per security for the half year ending 30 June 2021. Primewest Securityholders who are on the Primewest register as at the record date of 25 May 2021 (as set by Primewest) will be entitled to the expected distribution of 2.9 cents per Primewest Security for the period ending 30 June 2021. The Offer Consideration will not be affected by this distribution for the period ending 30 June 2021.

As contemplated by the Condition in section 5(e) of schedule 1 to the Bid Implementation Deed, if the Centuria Offer is declared or becomes unconditional, Primewest will either cancel the Primewest Options in consideration for a cash payment from Primewest or pay the Primewest Option holder a cash payment to either not exercise their Primewest Option or transfer their Primewest Option to a nominee of Primewest. This Condition may be waived by Centuria.

Centuria's Intentions

Section 8

8.1 Introduction

The intentions of Centuria are set out in this section and elsewhere in this Bidder's Statement. Those intentions have been formed on the basis of facts and information concerning Primewest, and the general business environment, which are known at the time of preparing this Bidder's Statement. Final decisions will only be reached by Centuria in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section and elsewhere in this Bidder's Statement are statements of current intention only and accordingly may vary as new information becomes available or circumstances change.

The articulation and formulation of Centuria's intentions are necessarily limited due to the fact that it has only had access to publicly available information, and, through Centuria's due diligence process, certain limited non-public information, about Primewest and its affairs.

8.2 Intentions for Primewest as a wholly owned controlled entity

8.2.1 Context

This section describes Centuria's intentions if Centuria acquires a 90% interest or more of the Primewest Securities, and so becomes entitled to proceed to compulsory acquisition of outstanding Primewest Securities in accordance with Part 6A.1 of the Corporations Act. In that circumstance, Centuria's intentions are as follows.

8.2.2 Compulsory Acquisition and Delisting

Centuria intends to:

- proceed with compulsory acquisition of the outstanding Primewest Securities in accordance with Part 6A.1 of the Corporations Act; and
- following completion of the compulsory acquisition of the outstanding Primewest Securities, cause Primewest to apply for termination of official quotation of the Primewest Securities on the ASX and arrange for Primewest to be removed from the official list of the ASX.

8.2.3 General Operational Review

After the end of the Offer Period, Centuria intends to conduct a broad based review of Primewest's portfolio and management on both a strategic and financial level to:

- evaluate Primewest's performance, profitability and prospects;
- actively manage the assets of Primewest with a view to maximising returns to holders of Centuria Securities; and
- continue to grow the Combined Group's business and enhance the returns to holders of Centuria Securities.

Centuria's current intention is to retain Primewest's existing employees to enhance its geographic and sector diversification.

Centuria's current intention is also to retain PML as responsible entity of the PWG Fund.

In the ordinary course of its management, Centuria will continually review the assets of the Combined Group and the way in which they are developed and managed to evaluate performance, profitability and prospects.

8.3 Intentions for Primewest as a part owned controlled entity

8.3.1 Context

This section describes Centuria's intentions if Centuria acquires control of Primewest but Centuria does not become entitled to compulsorily acquire any outstanding Primewest Securities under Part 6A.1 of the Corporations Act. In that circumstance, Centuria's intentions are as follows.

8.3.2 Compulsory Acquisition and Delisting

It is possible that, even if Centuria is not entitled to proceed to compulsory acquisition of any outstanding Primewest Securities under Part 6A.1 of the Corporations Act, Centuria may subsequently become entitled to exercise rights of general compulsory acquisition under Part 6A.2 of the Corporations Act; for example, as a result of acquisitions of Primewest Securities in reliance on the '3% creep' exception in item 9 of section 611 of the Corporations Act (which, in summary, allows a person to increase their voting power by 3% every six months provided that the person has at least 19% in the 6 months prior to the acquisition). If so, Centuria intends to exercise those rights of compulsory acquisition. In this scenario, following completion of the compulsory acquisition of the outstanding Primewest Securities, Centuria intends to cause Primewest to apply for termination of official quotation of the Primewest Securities on the ASX and to arrange for Primewest to be removed from the official list of the ASX.

8.3.3 General Operational Review

After the end of the Offer Period, Centuria intends to conduct a general operation review along similar lines to that described in Section 8.2.

8.4 Intentions upon acquisition of less than 90% of Primewest Securities

Centuria has no current intention of freeing the Centuria Offer from the 90% minimum acceptance condition and may not waive or vary the minimum acceptance condition to reduce the acceptance level (including acceptances through the Acceptance Facility) below 80%, without the consent of Primewest, after good faith consultation with Centuria.

Centuria reserves its right to declare the Centuria Offer free from any other Condition to the Centuria Offer.

8.5 Other intentions

Subject to the matters described above in this section and elsewhere in this Bidder's Statement, it is the intention of Centuria on the basis of the facts and information concerning Primewest that are known to it and the existing circumstances affecting the assets and operations of Primewest at the date of this Bidder's Statement:

- to continue the operation of Primewest; and
- not to make any major changes to the operation of Primewest and use Primewest's platform to continue to expand AUM.

8.6 Limitations in Giving Effect to Intentions

The ability of Centuria to implement the intentions set out in this section will be subject to neither Centuria nor Primewest being or becoming subject to any legal and/or contractual requirements which may restrict or prohibit the intentions as set out in this Bidder's Statement.

Furthermore, the ability of Centuria to implement the intentions set out in this section will be subject to the legal obligations of the responsible entity of Primewest to have regard to the interests of Primewest and all Primewest Securities (not just the interests of Centuria), and the requirements of the Corporations Act and the Listing Rules relating, among other things, to transactions between related parties.

Centuria will only make a decision on the abovementioned courses of action in this section following legal and financial advice in relation to those requirements, including in relation to any requirements for approvals from holders of Primewest Securities.

In addition, it is possible that Centuria or Primewest may be or become subject to other legal and/or contractual requirements which may restrict or prohibit the intentions as set out in this Bidder's Statement.

Financial Effect of the Centuria Offer & Profile of the Combined Group

Section 9

9.1 Introduction

This Section 9 provides a profile of the Combined Group and the effect of the Centuria Offer on Centuria, assuming that Primewest becomes a wholly-owned subsidiary of Centuria. If Centuria does not acquire at least 90% of the Primewest Securities during the Offer Period, and therefore does not become entitled to compulsorily acquire the remaining Primewest Securities on issue, some of the benefits that would otherwise accrue to Centuria if Primewest were to become a wholly-owned subsidiary of Centuria may not be fully realised.

9.2 Centuria strategy and rationale for making the Centuria Offer

The acquisition of all the Primewest Securities by Centuria will create the Combined Group with a diversified portfolio of assets under management both geographically and across real estate sectors. The Combined Group will have assets under management of approximately \$15.5 billion²³ and a market capitalisation of approximately \$2.2 billion.²⁴

Centuria Securityholders, which will include former Primewest Securityholders who choose to retain the Centuria Securities issued to them, will benefit from the following (amongst other things):

- the combination of two highly complementary platforms with similar investment philosophies and strong track records, and enhanced distribution channels including a leading private client base and substantial institutional mandates;
- an increase in scale and relevance with increased assets under management and market capitalisation as well as strong prospects of inclusion in the S&P/ASX 200 Index;²⁵
- enhanced geographic and sector diversification allowing the Combined Group to take advantage of a broader range of opportunities;
- estimated FY21 pro forma earnings per security accretion of 4% for Centuria Securityholders and 19% for Primewest Securityholders;²⁶ and
- expected material synergies to support the growth of AUM, expansion of property services across both businesses and the removal of duplicated corporate costs and expected tax related synergies.

See Section 1 for further information on the benefits of the Centuria Offer.

9.3 Financial Profile of the Combined Group

The pro forma financial information included in this section comprises the following:

- the pro forma forecast operating income statement of the Combined Group for the year ending 30 June 2021 (**Pro Forma Forecast Financial Information**), see Section 9.3.2; and
- the pro forma historical balance sheet of the Combined Group as at 31 December 2020 (**Pro Forma Historical Balance Sheet**), see section 9.3.7.

The Pro Forma Forecast Financial Information and the Pro Forma Historical Balance Sheet are collectively referred to as the Pro Forma Financial Information.

9.3.1 Basis of preparation

9.3.1.1 Overview

The Directors of Centuria are responsible for the preparation and presentation of the Financial Information.

All amounts disclosed in this section are presented in Australian dollars and unless otherwise noted, are rounded to the nearest \$1,000. Rounding of figures provided in the financial information may result in some immaterial differences between the sum of components and the totals outlined within tables and percentage calculations.

The Pro Forma Financial Information has been presented in an abbreviated form. It does not contain all the presentation, disclosures and comparative information that are usually provided in an annual report (or half yearly report) prepared in accordance with the Corporations Act.

Primewest Securityholders should also be aware that certain Pro Forma Financial Information is 'non-IFRS financial information' under ASIC Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC in December 2011. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information and ratios included in this Bidder's Statement.

9.3.1.2 Pro Forma Historical Balance Sheet

The Pro Forma Historical Balance Sheet is prepared on the assumption that the Offer was implemented as at 31 December 2020 and that Centuria acquires 100% of Primewest Securities.

The Pro Forma Historical Balance Sheet has been prepared based on Centuria's accounting policies and in line with Centuria's segment balance sheet reporting as shown in section 4.7.5 which is prepared in accordance with AASB 8 Operating Segments. The Pro Forma Historical Balance Sheet has been prepared in accordance with the measurement and recognition principles contained in the AAS effective at the time of preparation of this Bidder's Statement, other than it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they occurred as at 31 December 2020.

The Pro Forma Historical Balance Sheet is provided for illustrative purposes only and is not presented as being necessarily indicative of the Combined Group's future financial position.

9.3.1.3 Pro Forma Forecast Financial Information

The Pro Forma Forecast Financial Information is prepared on the assumption that the Offer was implemented on 1 July 2020 and that Centuria acquires 100% of the Primewest Securities.

The Pro Forma Forecast Financial Information relating to Centuria, Primewest and the Combined Group has been prepared based on Centuria's accounting policies and in line with Centuria's segment income statement reporting as shown in table 4.7.3 which is prepared in accordance with AASB 8 Operating Segments. The Pro Forma Forecast Financial Information has been prepared in accordance with the measurement and recognition principles contained in the AAS effective at the time of preparation of this Bidder's Statement other than it includes the impact of certain adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they occurred as at 1 July 2020.

²³ Pro forma AUM figures as at 31 December 2020 adjusted for post balance date revaluations and acquisitions; Prepared on the basis of 100% acquisition of Primewest Securities by Centuria. Pro forma AUM includes \$0.3bn associated with Vitalharvest but excludes over \$1bn of opportunities under due diligence.

²⁴ Based on Centuria's close price of \$2.77 on the Undisturbed Date multiplied by securities on issue post-merger (assuming Centuria acquires 100% of Primewest Securities).

²⁵ There is no certainty that the Combined Group will be admitted to the ASX/S&P 200 index.

²⁶ Pro forma impact assuming Centuria acquired 100% of Primewest Securities on 1 July 2020; Based on the mid-point of Centuria's FY21 EPS guidance of 11.5–12.5cps; Primewest's FY21 EPS guidance of 5.8cps (as per Primewest announcement on 19 April 2021); aggregate estimated post-tax synergies of \$5.3 million per annum assuming Centuria acquired 100% of Primewest Securities; and assumes the Cash Consideration of \$0.20 is reinvested at Centuria's closing price of \$2.77 on 16 April 2021.

Financial Effect of the Centuria Offer & Profile of the Combined Group

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The Pro Forma Forecast Financial Information and other forward looking statements are based on information available to Centuria at the date of this Bidder's Statement and should be read in conjunction with the best estimate assumptions and pro forma adjustments underlying their preparation as set out in Sections 9.3.4 and 9.3.8.

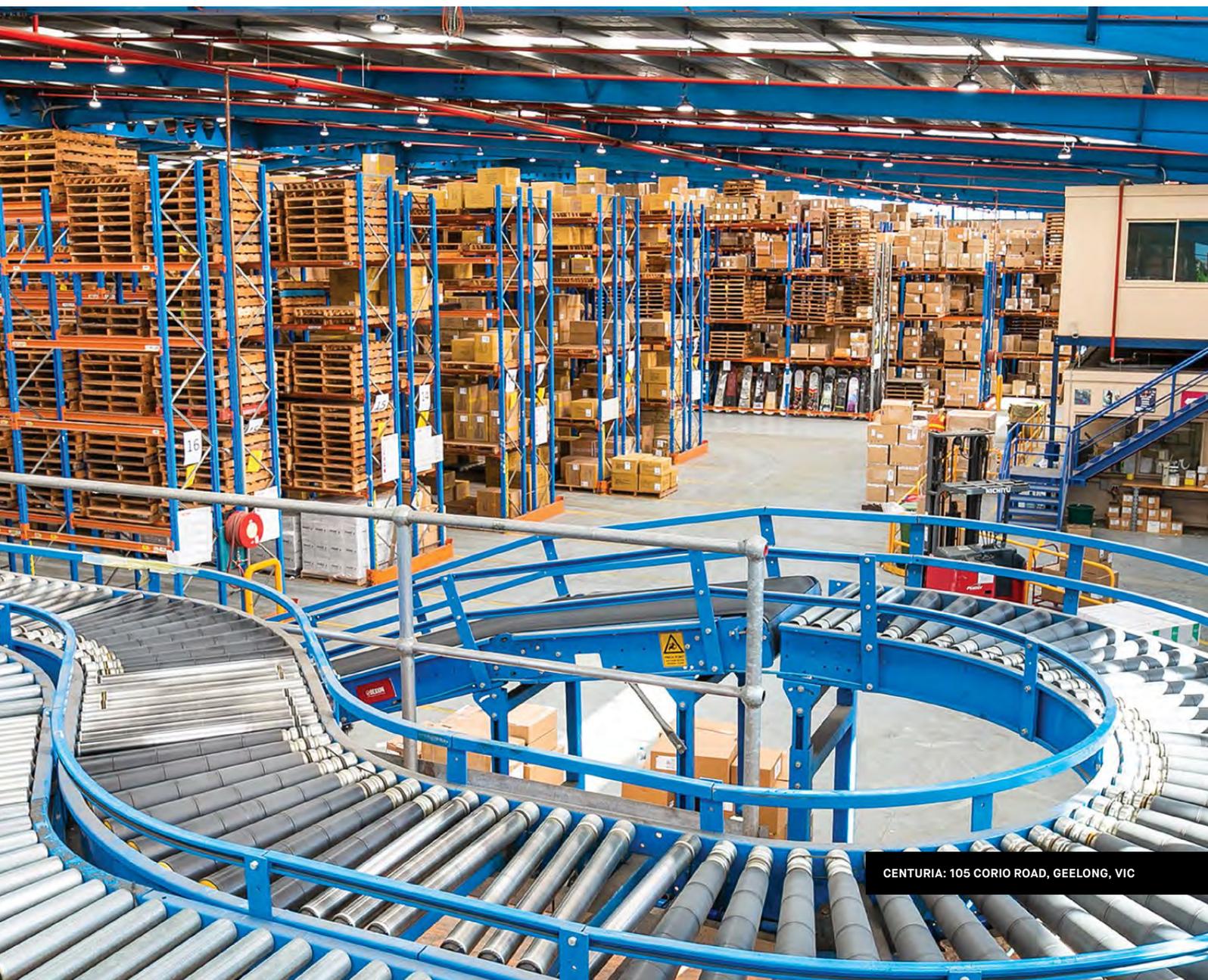
The Pro Forma Forecast Financial Information and other forward looking statements (including the information in this Section 9.3.1) involve known and unknown risks, uncertainties and other important factors which may materially impact on actual outcomes, many of which are outside the control of Centuria. These factors may cause the actual results, performance or achievements of Centuria, Primewest and the Combined Group to materially differ from the results, performance or achievements expressed or implied by those forecasts or forward looking statements. Such risks, uncertainties and other important factors include, among other things, those matters set out in section 10. Accordingly, you are cautioned not to place undue reliance on such financial information.

The Pro Forma Forecast Financial Information and other forward looking statements (including the information in this Section 9.3) do not constitute an express or implied representation that future financial performance (or any other matter) will be achieved in the amounts or by the dates indicated and are presented merely as a guide to assist Primewest Securityholders in assessing the Offer.

9.3.2 Pro forma forecast operating income statement of the Combined Group for the year ending 30 June 2021

The pro forma forecast operating income statement of the Combined Group for the year ending 30 June 2021 has been compiled from:

- the forecast operating income statement of Centuria (on a stand-alone basis) for the year ending 30 June 2021;
- the forecast operating income statement of Primewest (on a stand-alone basis) for the year ending 30 June 2021; and
- the pro forma adjustments as set out in Section 9.3.6.



Financial Effect of the Centuria Offer & Profile of the Combined Group

Section 9

Table 9.3.2 – Pro forma forecast operating income statement for the Combined Group for the year ending 30 June 2021

	Centuria forecast (\$'000)	Primewest forecast (\$'000)	Pro forma adj. (\$'000)	Pro forma forecast Combined Group (\$'000)
Management fees	75,248	29,289	1,000	105,537
Property acquisition fees	12,870	9,185	-	22,055
Property performance fees	18,111	-	-	18,111
Development revenue	46,811	-	-	46,811
Distribution/dividend revenue	34,652	2,025	-	36,677
Interest and other income	13,120	125	-	13,245
Total Revenue	200,812	40,624	1,000	242,436
Expenses	(66,751)	(12,971)	710	(79,012)
Cost of sales	(39,810)	-	-	(39,810)
Finance costs	(15,590)	-	-	(15,590)
Profit before tax	78,661	27,653	1,710	108,024
Income tax benefit/(expense)	(9,569)	(6,392)	3,587	(12,374)
Profit after tax	69,092	21,261	5,297	95,650
Weighted average number of securities on issue	574,264	368,490	187,546	761,810
Centuria EPS (cents)	12.0	-	-	12.6
Centuria EPS accretion (%)				4.3%
Primewest EPS (cents)		5.8		6.8
Primewest EPS accretion (%)				18.7%

9.3.3 General assumptions

The key best estimate general assumptions made in preparing the pro forma income statement of the Combined Group for the year ending 30 June 2021 are outlined below:

- no material change in the management arrangements;
- no material change in the economic environment; and
- no material disposal of assets

9.3.4 Key assumptions underlying the Centuria forecast operating income statement

The forecast operating income statement of Centuria is prepared on the basis of actual results for the period from 1 July 2020 to 31 March 2021 and the forecast result for the period from 1 April 2021 to 30 June 2021 (on a standalone basis).

The key best estimate assumptions made by Centuria in preparing the Centuria forecast operating income statement for the year ending 30 June 2021 are outlined below.

Management fees

Forecast management fees mainly comprise of income from the management of listed and unlisted property funds and their underlying properties. Forecast management fees are based on contractually agreed rates and amounts with the respective property fund, reflecting property acquisitions/disposals and changes in property valuations

during the year which could materially increase/decrease forecast management fees. The management fees have been recognised taking into account the actual timing of acquisitions/disposals and changes in valuations.

Significant assumptions reflected in the forecast are the impacts of a \$192 million revaluation uplift in the underlying portfolio of Centuria Industrial REIT (CIP) announced in March 2021.

Property acquisition fees

Forecast property acquisition fees relate to income generated from the acquisition of underlying properties in property funds managed by Centuria.

Property performance fees

Centuria receives performance fees for providing management services where the property fund outperforms a set IRR benchmark at the time the property is sold. Consideration is due upon successful sale of the investment property if the performance hurdles are satisfied.

Consideration is given to the expected circumstances of the forecast property performance fees with respect to each investment property including external factors such as its expected valuation, passage of time and outlook of the property market.

Financial Effect of the Centuria Offer & Profile of the Combined Group

Section 9

Development revenue

In 2019, Centuria entered into agreements to develop four social affordable housing dwellings in the greater Newcastle, NSW area. Centuria recognises development revenue based on satisfaction of performance obligations on an over-time basis as its customers control the land on which the developments are being delivered. Forecast development revenue considers expected completion dates of each development, it is expected that the developments will be substantially complete in the year ending 30 June 2021.

Distribution/dividend revenue

Centuria holds significant co-investment stakes in its managed funds including COF and CIP (17.04% and 17.06% respectively at 16 April 2021), and other unlisted funds. The forecast considers significant co-investment stake increases/decreases during the year.

Interest and other income

Centuria expects to earn interest revenue from cash deposits and its reverse mortgage receivables during the forecast period. Other income mainly relates to underwriting fees earned on the Visy Glass industrial facility acquisition in New Zealand during the year.

Expenses

Forecast operating costs include staff costs, consulting and professional fees, external property management fees, administration, rent and other expenses.

Cost of sales

Cost of sales relate to development costs incurred in relation to the four social affordable housing dwellings in the greater Newcastle, NSW area. It is expected that the social affordable housing developments will be substantially complete in the year ending 30 June 2021.

Finance costs

Forecast finance costs are based on Centuria's existing wholesale notes and listed notes currently outstanding, none of which have maturities during the forecast period. These estimates factor into account forecast BBSY rates for the floating portion of Centuria's borrowings.

On 21 April 2021, Centuria successfully completed its offer of listed secured, redeemable notes, raising a total of \$198.7 million with an interest rate of 4.25% + the bank bill rate. Centuria repaid \$73.5 million of wholesale notes in April 2021. Finance costs have been recognised taking into account the date of completion of the offering and repayment of the wholesale notes.

Income tax benefit/(expense)

Centuria Capital Fund (CCF) is not liable to pay Australian income tax on the basis that unitholders will be attributed the entirety of the net income of CCF during the forecast period. Hence, no allowance for income tax has been made by CCF.

Centuria Capital Limited (CCL), Centuria Healthcare Pty Ltd and Centuria New Zealand Holdings Limited (and its New Zealand subsidiaries) are required to pay income tax on their respective net taxable income amounts.

9.3.5 Key assumptions and accounting policies underlying the Primewest forecast operating income statement

The forecast operating income statement of Primewest is prepared on the basis of actual results for the period from 1 July 2020 to 31 March 2021 and the forecast result for the period from 1 April 2021 to 30 June 2021 (on a standalone basis).

The key best estimate assumptions made by Centuria in preparing the Primewest forecast income statement for the year ending 30 June 2021 are outlined below.

Management fees

Forecast management fees mainly comprise of income from the management of listed and unlisted property funds and their underlying properties. Forecast management fees are based on contractually agreed rates and amounts with the respective property fund, reflecting property acquisitions/disposals and changes in property valuations during the year which could materially increase/decrease forecast management fees.

Property acquisition fees

Forecast property acquisition fees relate to income generated from the acquisition of underlying properties in property funds managed by Primewest. Significant assumptions reflected in the forecast include the impact of the acquisition of 140 St George's Terrace, Perth WA with an acquisition value of approximately \$260.0 million and a 0.50% transaction fee for the year ending 30 June 2021.

Distribution/dividend revenue

Primewest holds co-investment stakes in its managed fund Vitalharvest Freehold Trust (VTH) and various unlisted funds. The forecast considers significant co-investment stake increases/decreases during the year.

Expenses

Forecast operating costs include staff costs, consulting and professional fees, external property management fees, administration, rent and other expenses.

Income tax benefit/(expense)

Primewest Property Fund (PPF) is not liable to pay Australian income tax on the basis that unitholders will be presently entitled to the net income of PPF during the forecast period. Hence, no allowance for income tax has been made by PPF.

Primewest Group Limited (PGL), is required to pay income tax on its net taxable income.

9.3.6 Key specific assumptions underlying the Combined Group pro forma forecast operating income statement

The key best estimate assumptions made by Centuria in preparing the Combined Group pro forma forecast operating income statement for the year ending 30 June 2021 are outlined below.

Net cost savings and synergies are assumed to be approximately \$5.3 million per annum, reflecting:

- cost savings associated with the removal of duplicated corporate costs;
- additional income from the expansion of property services across both businesses; and
- income tax related synergies.

There is a risk that not all of these potential cost savings and synergies will be realised. Accordingly, you are cautioned not to place undue reliance on this information (see Section 12 including "Risks with realising anticipated synergies").

9.3.7 Pro forma historical balance sheet of the Combined Group as at 31 December 2020

The pro forma historical balance sheet of the Combined Group as at 31 December 2020 has been compiled from:

- the historical operating balance sheet of Centuria (on a stand-alone basis) as at 31 December 2020, as set out in Section 4.7.5;
- the historical consolidated balance sheet of Primewest (on a stand-alone basis) as at 31 December 2020, as set out in Section 6.8.3; and
- the pro forma adjustments, as set out in Section 9.3.8.

Financial Effect of the Centuria Offer & Profile of the Combined Group

Section 9

Table 9.3.7A – Pro forma historical balance sheet for the Combined Group as at 31 December 2020

Table 9.3.7B – Impact of post-balance date events

	Table 9.3.7A Pro forma historical balance sheet				Table 9.3.7B Impact of post balance date events		
	Centuria historical (\$'000)	Primewest historical (\$'000)	Pro forma adj. (\$'000)	Pro forma historical (\$'000)	Centuria historical post bal. date (\$'000)	Primewest historical post bal. date (\$'000)	Pro forma historical incl. post bal. date (\$'000)
ASSETS							
Cash and cash equivalents	167,952	39,279	(88,800)	118,431	38,186	56,215	212,831
Receivables	120,716	2,473	-	123,189	(14,900)	-	108,289
Income tax receivable	3,917	-	-	3,917	-	-	3,917
Financial assets	584,811	11,283	-	596,094	23,700	24,104	643,898
Other assets	10,305	417	-	10,722	-	-	10,722
Assets held for sale	-	46,216	-	46,216	-	(29,250)	16,966
Property held for development	32,340	-	-	32,340	20,000	-	52,340
Deferred tax assets	37,614	1,252	-	38,866	-	-	38,866
Equity accounted investments	33,353	-	-	33,353	-	-	33,353
Right of use asset	19,977	1,113	-	21,090	-	-	21,090
Intangible assets	280,955	119,942	331,713	732,610	24,000	-	756,610
Total assets	1,291,940	221,975	242,913	1,756,828	90,986	51,069	1,898,883
LIABILITIES							
Payables	50,844	8,277	-	59,121	(27,014)	(7,331)	24,776
Provisions	3,041	3,829	-	6,870	-	-	6,870
Borrowings	194,518	-	-	194,518	118,675	-	313,193
Interest rate swap at fair value	33,881	-	-	33,881	-	-	33,881
Deferred tax liability	41,513	-	-	41,513	-	-	41,513
Call/Put option liability	21,138	-	-	21,138	-	-	21,138
Lease liability	21,703	1,180	-	22,883	-	-	22,883
Total liabilities	366,638	13,286	-	379,924	91,661	(7,331)	464,254
Net assets	925,302	208,689	242,913	1,376,904	(675)	58,400	1,434,629
Total equity	925,302	208,689	242,913	1,376,904	(675)	58,400	1,434,629

Financial Effect of the Centuria Offer & Profile of the Combined Group

Section 9

9.3.8 Pro forma adjustments to the Pro Forma Historical Balance Sheet

The pro forma adjustments made by Centuria to the Pro Forma Historical Balance Sheet of the Combined Group as at 31 December 2020 are outlined below.

Cash and equivalents

Cash reserves of Centuria will be used to fund the cash component of the Offer Consideration totalling \$79.3 million, assuming the acquisition of 100% of Primewest Securities.

Centuria and Primewest will also use cash reserves to fund their respective portions of transaction costs associated with the Offer estimated to be \$9.5 million in total.

Intangible assets

The acquisition of Primewest by Centuria will result in the recognition of incremental intangible assets which are estimated to be \$331.7 million.

Preliminary purchase price accounting

Australian Accounting Standard AASB 3 Business Combinations allows the acquirer under a business combination a period of twelve months from the acquisition date to finalise the identification and valuation process of all assets and liabilities and any resultant accounting adjustments. Centuria has not finalised the identification and valuation of Primewest's assets and liabilities, with finalisation to take place after successful completion of the Centuria Offer. For the purpose of preparing the Combined Group Pro-Forma Historical Balance Sheet, it has been assumed that the historical carrying value of assets and liabilities is equal to their fair value.

For the purposes of preparing the Combined Group Pro Forma Historical Balance Sheet, it has been assumed that there will be no resetting of the Combined Group's tax cost bases following the acquisition. It is, however, likely that the allocable cost amount calculation will result in a deferred tax position which is different to the position presented in the Combined Group's Pro Forma Historical Balance Sheet. Any resulting adjustment to deferred tax assets and liabilities will have an equal but opposite impact on the amount of intangible assets recognised in the Combined Group's Pro Forma Historical Balance Sheet.

9.3.9 Post balance date events

This Section outlines the post-balance date events for both Centuria and Primewest which Centuria's Directors believe are material in providing Primewest Securityholders a relevant and accurate presentation of the financial position of the Combined Group.

Centuria post balance date events comprise the following:

- \$194.9 million net receipt of cash from the successful retail notes offer completed in April 2021, net of transaction costs;
- \$16.7 million receipt of cash from settlement of a short-term loan balance to support the launch of a managed unlisted fund;
- \$7.7 million net receipt of cash from completion of a social and affordable housing development;
- \$73.5 million repayment of wholesale notes in April 2021;
- \$40.4 million purchase of additional co-investment stakes in COF and CIP;
- \$27.0 million payment of Centuria's interim dividend for the year ending 30 June 2021, in January 2021;
- \$24.0 million payment for the acquisition of a 50% interest in Bass Capital Partners Pty Limited, a real estate debt fund provider, in April 2021; and
- \$20.0 million payment for property acquisitions.

Primewest post balance date events comprise the following:

- \$58.4 million net receipt of cash from equity raise completed in January 2021, net of transaction costs;
- \$29.3 million receipt of cash from the sale of units in VTH in May 2021;
- \$24.1 million purchase of additional co-investment stakes; and
- \$7.3 million payment of Primewest's interim dividend for the year ending 30 June 2021, in February 2021.

9.4 Capital structure

Set out below is the current capital structure of Centuria, and the immediate post-Centuria Offer capital structure under the scenario whereby Primewest becomes a wholly-owned subsidiary of Centuria.

	AMOUNT
Current Centuria Securities on issue	600,236,123
Current Primewest Securities on issue	396,547,747
Merger ratio	0.473
Centuria Securities to be issued as consideration for Primewest Securities	187,567,084
TOTAL CENTURIA SECURITIES ON ISSUE POST-OFFER	787,803,207

Funding

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10.1 Consideration under the Centuria Offer

The consideration for the acquisition of Primewest Securities to which the Centuria Offer relates will be satisfied partly in cash (in Australian dollars) and partly by the issue of Centuria Securities.

10.2 Securities Consideration

Based on the number of Primewest Securities on issue as at the date of this Bidder's Statement, the maximum number of Centuria Securities which may need to be issued in accordance with the Centuria Offer if acceptances were received for all Primewest Securities is approximately 187.5 million. This is on the basis that all Primewest Options will be cancelled on completion of the Centuria Offer.

10.3 Cash Consideration

Based on the number of Primewest Securities on issue as at the date of this Bidder's Statement, the maximum amount of Cash Consideration which may need to be paid in accordance with the Centuria Offer if acceptances were received for all Primewest Securities is approximately \$79.3 million.

10.4 Sources of cash funding

Centuria's intention is to fund the cash component of the Offer Consideration and its portion of associated transaction costs with existing cash reserves on its balance sheet.





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PRIMEWEST: EXCHANGE TOWER, PERTH

Taxation Considerations

Section 11

11.1 Australian tax considerations

The following summary is based upon Australian taxation law, established legislative interpretation and administrative practice in effect at the date of this Bidder's Statement. It is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of every Primewest Securityholder. Primewest Securityholders should seek independent professional advice in relation to their own particular circumstances.

This taxation summary is applicable to resident and non-resident Primewest Securityholders that hold their stapled securities on capital account and therefore are subject to the Australian Capital Gains Tax ("CGT") rules. This summary does not apply to Primewest Securityholders who hold their Primewest Securities as revenue assets, as trading stock, or if the Taxation of Financial Arrangements provisions in Division 230 of the ITAA 1997 apply to the Primewest Securities.

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

This summary is confined to Australian taxation issues and is only one of the matters you need to consider when making a decision about your investments.

11.2 CGT consequences for resident Primewest Securityholders' disposal of Primewest Securities

CGT

Acceptance of the Centuria Offer will involve the disposal by Primewest Securityholders of their Primewest Securities for Australian CGT purposes.

Each Primewest security is a stapled security comprising of a share and a unit which cannot be traded separately, being a share in Primewest Group Limited ("PGL Share") and a unit in Primewest Property Fund ("PWG Unit"). However, each PGL Share and PWG Unit should remain separate assets for Australian CGT purposes. The transfer of a Primewest Security should therefore give rise to a separate CGT event in respect of each PGL Share and PWG Unit, respectively.

Time of CGT event

The time of the CGT event in respect of the transfer of Primewest Securities should be the time when the contract of sale is entered into (ordinarily, upon acceptance of the Centuria Offer).

Capital gains and losses

Australian resident Primewest Securityholders may make a capital gain or capital loss on the transfer of each PGL Share and PWG Unit. A capital gain should arise where the capital proceeds from the disposal of each PWL share and PPF unit are more than the CGT cost base of the PGL Share and PWG Unit, respectively. A capital loss should arise where the capital proceeds for each PGL Share and PWG Unit are less than the reduced cost base of each PGL Share and PWG Unit, respectively.

The capital proceeds received by the Primewest Securityholders will be comprised of both Cash Consideration and Securities Consideration. The capital proceeds received for the disposal of PGL Shares will be equal to the cash received and the value of the CCL shares acquired in respect of the disposal of the PGL Shares, while the capital proceeds received in respect of the PWG Units will be equal to the cash received and the value of the CNI Units acquired in exchange for the disposal of PGW Units.

Australian tax resident individuals, complying superannuation entities or trustee that have held their Primewest Securities for at least 12 months may be entitled to discount the amount of any capital gain (after application of capital losses) from the disposal by 50% in the case of individuals and trusts, or by 33.3% for complying superannuation funds.

Where a capital gain arises, eligible Primewest Securityholders may elect for scrip-for-scrip rollover relief to apply to the scrip component of the bid consideration as outlined below at paragraph 11.4. The capital gain relating to the cash component of consideration should be immediately assessable to Primewest Securityholders as a capital gain (subject to availability of capital losses and/or the CGT discount).

11.3 CGT consequences for non-resident Primewest Securityholders' disposal of Primewest Securities

Primewest Securityholders who are not Australian residents for income tax purposes are generally not subject to Australia capital gains tax on the disposal of Primewest Securities provided they and their "associates" do not hold 10% or more of the Primewest Securities on issue at the time of disposal, and have not (together with their "associates") held 10% or more of the Primewest Securities on issue throughout a 12 month period in the 24 months prior to the disposal of their Primewest Securities.

Where the 10% or more threshold is breached, a non-resident Primewest Securityholder may be subject to Australian CGT on the sale of their PWG Units if, at the time of disposal under the Centuria Offer, its underlying value is principally derived from Australian real property.

In the event that a non-resident Primewest Securityholder derives a taxable capital gain on the sale of its units in PWG units, the CGT discount is not available.

11.4 Scrip for scrip roll-over relief

Scrip for scrip rollover relief may be available to defer a capital gain made by a taxpayer to the extent that, amongst other things, under an arrangement, a taxpayer exchanges an interest (i.e. a share or unit in an entity) for a like interest (i.e. share or unit in another entity) ("scrip component"). Scrip for scrip rollover relief is not applicable to capital losses. It is also not applicable to the extent that Cash Consideration is provided for the shares and units.

Primewest Securityholders who make a capital gain in respect of the disposal of their PGL Shares or PWG Units may choose for the scrip-for-scrip rollover relief from CGT to apply.

In summary:

- a. The capital gain in respect of the disposal of the PGL Shares or the PWG Units attributable to the scrip component of the bid consideration is effectively deferred until the future disposal of the Centuria Securities which are received;
- b. The first element of the Primewest Securityholder's cost base in the CCL shares and CNI Units that are received under the exchange should be equal to the relevant component of the historical cost base in their Primewest Securities (reduced by the portion of that historical cost base that is attributable to the cash component of consideration).
- c. The Primewest Securityholder's date of acquisition for CGT purposes of the Centuria Securities that they receive will be treated as the date that their Primewest Securities were acquired.

For completeness, we note that scrip for scrip rollover relief will only be available once the eligibility requirements are met, including the key requirement that 80% of the Primewest Securities are acquired by Centuria under the Centuria Offer.

The relative benefit of electing CGT rollover relief is dependent on each Primewest Securityholder's particular circumstances. Primewest Securityholders should obtain their own independent tax advice as to the most appropriate course of action.

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11.5 Application for Class Ruling – Scrip-for-Scrip Roll-over Relief

Primewest Group has sought a Class Ruling from the Commissioner of Taxation ("Commissioner") on behalf of the Primewest Securityholders in relation to the availability of scrip-for-scrip rollover relief. The Class Ruling sought by Primewest Group reflects the abovementioned tax outcomes. Accordingly, if the Commissioner confirms the outcomes described in the Class Ruling, the tax consequences in relation to scrip-for-scrip roll-over relief should be in accordance with those outlined above.

11.6 Non-resident Capital Gain Withholding Tax

Foreign resident capital gains withholding tax applies to a transaction involving the acquisition of the legal ownership of an asset that is an Australian indirect real property interest from a 'relevant foreign resident'.

If you are a Primewest Securityholder who has a registered address outside of Australia, or Centuria, as purchaser of your Primewest Securities under the Centuria Offer, reasonably believes you to be a 'relevant foreign resident', you will be provided (with this Bidder's Statement) a foreign resident capital gains withholding tax declaration form.

In the foreign resident capital gains withholding tax declaration form, a Primewest Securityholder may provide Centuria with a declaration that:

- a. the registered holder of the relevant Primewest Securities is an Australian tax resident; or
- b. the registered holder of the relevant Primewest Securities, together with its associates, has not held an interest of 10% or more in Primewest as at the time when the contract of sale is entered into (ordinarily, upon acceptance of the Centuria Offer) or for a twelve month period during the last two years preceding the time when the contract of sale is entered into.

If you are a Primewest Securityholder who has a registered address outside of Australia, or Centuria, as purchaser of your Primewest Securities under the Centuria Offer, reasonably believes you to be a 'relevant foreign resident', you may be treated as being a relevant foreign resident for the purposes of the Centuria Offer and Centuria may withhold, and remit to the ATO, an amount equal to 12.5% of your Offer Consideration, unless you provide a signed foreign resident capital gains withholding tax declaration form to Centuria on or before the day of settlement of the sale of the Primewest Securities.

11.7 Goods and Services Tax ("GST")

Primewest Securityholders should not be liable to GST in respect of the disposal of their Primewest Securities.

11.8 Stamp Duty

There should be no stamp duty payable by Primewest Securityholders on disposal of their Primewest Securities pursuant to the Centuria Offer.

11.9 Taxation of Centuria Securities for former Primewest Securityholders

Future distributions made in respect of Centuria Securities for former Primewest Securityholders should generally be subject to the same income tax treatment as distributions made in respect of their Primewest Securities. That is, franked, partially franked or unfranked dividends paid from Centuria Capital Limited will be assessable (with a franking credit potentially available) to Australian resident securityholders, and subject to Australian dividend withholding tax (to the extent unfranked) or exempt from Australian dividend withholding tax (to the extent franked) for non-resident securityholders. Trust distributions from Centuria Capital Fund will generally be comprised of income, capital and tax deferred distributions.

11.10 Taxation on disposal of Centuria Securities

Upon a future disposal of Centuria Securities, the tax implications for resident and non-resident shareholders will depend on the facts and circumstances at the time of disposal. Broadly, the implications should be similar to those described above (in relation to the disposal of Primewest Securities) by resident and non-resident securityholders.



Potential Risk Factors

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12.1 Overview

In deciding whether or not to accept the Centuria Offer, you should read this entire Bidder's Statement carefully. You should also carefully consider the risk factors outlined in this Section 12 and your personal circumstances. This Section 12 is general only and does not take into account your individual objectives, financial situation or needs.

If the Centuria Offer becomes unconditional, Primewest Securityholders who accept the Centuria Offer (other than an Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders) will become Centuria Securityholders.

This Section 12 outlines:

- the specific risks that are common to the existing businesses of Centuria and Primewest, and which will therefore be risks to which the Combined Group will be exposed (see Section 12.2);
- the risks that arise from the Centuria Offer and the creation of the Combined Group (see Section 12.3);
- other sector risks (see Section 12.4); and
- other general risks (see Section 12.5).

Many of these risks are outside the control of Centuria and Primewest. Although the Combined Group will have in place a number of strategies to minimise exposure to, and mitigate the effects of, some of the risks outlined in this section, there can be no guarantee that such arrangements will protect the Combined Group from these risks.

A number of risks and uncertainties, which are both specific to Centuria and the Combined Group and of a more general nature, may affect the future operating and financial performance of Centuria (including the Combined Group) and the value of Centuria Securities. Centuria's ability to pay distributions to its security holders is dependent upon underlying earnings and cashflow generated by its business and may be adversely affected upon the risks materialising.

There is no guarantee or assurance that the risks will not change or that other risks or matters that may adversely affect the business of Centuria and the sectors in which it operates will not emerge. Before accepting the Centuria Offer, you should be satisfied that you have a sufficient understanding of the risks involved having regard to your investment objectives, financial circumstances and taxation position and seek advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

12.2 Risks specific to the Combined Group

This section identifies the key risks that may affect the future operating and financial performance of the Combined Group. These risk factors are not exhaustive of the risks faced by potential investors in Centuria Securities.

If any of the following risks materialise, the Combined Group's business, financial condition and operational results are likely to suffer. In this case, the trading price of Centuria Securities may fall and you may lose all or part of your investment, and/or the distributable income of Centuria may be lower than expected or zero, with distributions being reduced or being cut to zero.

Property liquidity

The property assets to which the Combined Group and the funds managed by the Combined Group are exposed are, by their nature, illiquid investments. There is a risk that the Combined Group 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 and/or position of the Combined Group.

Realisation risk

The ongoing value of properties held by funds managed by the Combined Group may fluctuate due to a number of factors including rental levels, occupancy assumptions, vacancy periods, rental incomes and capitalisation rates, all of which may change for a variety of reasons. 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

Centuria and Primewest operate in a highly regulated environment and they are 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 the Combined Group'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 the Combined Group, then this action might result in the Combined Group's 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 the Combined Group operate may affect the value of funds managed by the Combined Group and the financial performance and/or position of the Combined Group. Additionally, legislative changes may arise including 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.

Changes in relevant taxation laws, accounting standards, other legal, legislative and administrative regimes, and government policies (including Government fiscal, monetary and regulatory policies), may have an adverse effect on the assets, operations and, ultimately, the financial performance of the Combined Group. These factors may ultimately affect the value of funds managed by the Combined Group, the Combined Group's financial position and performance and the market price of Centuria Securities.

Funds management

Centuria and Primewest respectively manage a number of funds on behalf of third party investors. The majority of the Combined Group's income is derived from fees calculated with reference to the value of funds under the control of the Centuria's and Primewest's respective funds management business. The Combined Group's financial performance and/or position may be adversely affected if it is not able to appropriately respond to the following risks:

- significant or prolonged underperformance of the Centuria or Primewest funds that may affect the ability of Centuria or Primewest (as applicable) to retain existing funds and to attract new funds under management;
- unitholder or competitor actions initiated to remove funds from the control of Centuria or Primewest's funds management business;
- a number of funds under the control of the Centuria's or Primewest's 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 or key investors may terminate management arrangements or otherwise remove their funds from the control of Centuria or Primewest's funds management business at any time;

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- the direct property funds that Centuria or Primewest's funds management business 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; and
- 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 the Combined Group's earnings may be impacted by the ability of the Combined Group to establish new listed or unlisted funds. Specifically, such income growth is dependent on the ability of the Combined Group 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-investment positions in a number of the funds it manages. 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 market price of the Centuria Securities. If the Centuria Offer completes, this co-investment risk will apply to the Combined Group.

Funding

The Combined Group and funds managed by the Centuria and Primewest funds management businesses rely 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 (including interest rates) may have an adverse impact on the Combined Group'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 the Combined Group can acquire, but it may also substantially increase the risk of loss. Use of debt funding may adversely affect the Combined Group 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.

Acquisition risks

The Combined Group has a significant potential acquisition pipeline that it is pursuing in order to drive future growth of the Combined Group's business. There is no guarantee that the Combined Group will be able to execute all current or future acquisitions, or execute any such acquisitions within its intended timeframe, which may adversely affect the Combined Group's financial performance. If current or future acquisitions are not successfully integrated with the existing business of the Combined Group or planned synergies and efficiencies are not otherwise realised, the financial performance of the Combined Group could be materially adversely affected.

Information system disruption

The Combined Group relies on its infrastructure and information technology in order to operate its business. A severe disruption to or failure of the Combined Group's information technology systems may adversely affect the operations of the Combined Group and its current and future business and financial performance and/or position.

Personnel risk

The ability of the Combined Group to successfully deliver on its strategy is dependent on retaining key employees. The loss of senior management, or other key personnel, could adversely affect the Combined Group's current and future business and financial performance. There is no guarantee that the Primewest executives (John Bond, David Schwartz and Jim Litis) will continue as employees of the Combined Group after two years.

12.3 Risks relating to the Centuria Offer and the creation of the Combined Group

In addition to the risk factors set out in Section 12.2, the following risks may arise as a result of the Centuria Offer and/or the creation of the Combined Group.

Acquisition of less than 100% of Primewest

If Centuria acquires less than 90% of all of the Primewest Securities on issue under the Centuria Offer, this would prevent Centuria compulsorily acquiring all remaining Primewest Securities.

Primewest Securityholders should note that there is a risk that if the Centuria Offer completes and Centuria does not acquire 100% of Primewest Securities, holders who do not accept the Centuria Offer become holders in a less liquid investment (and consequently Primewest Securities may trade below their current pricing levels or the implied value of the Centuria Offer).

Issue of Centuria Securities as consideration

Primewest Securityholders are being offered Centuria Securities as consideration under the Centuria Offer. As a result, the value of the consideration will fluctuate depending upon the market value of Centuria Securities.

Accordingly, the market value of Centuria Securities at the time you receive them may vary significantly from their market value on the date of your acceptance of the Centuria Offer.

Sale of Centuria Securities

Under the Centuria Offer, Centuria will issue a significant number of new Centuria Securities. Some Primewest Securityholders may not intend to continue to hold their Centuria Securities and may wish to sell them. There is a risk that increased sales of Centuria Securities may adversely impact on the price of, and demand for, Centuria Securities. Furthermore, under the sale facility there will be a sale of Centuria Securities. Such sale may adversely impact the price of, and demand for, Centuria Securities.

Tax

The potential availability of scrip for scrip rollover relief to capital gains arising to Primewest Securityholders is discussed above at Section 11.4. The availability of scrip for scrip rollover relief is subject to various requirements, a number of which depend on the Primewest Securityholder's individual facts and circumstances.

Further, a general requirement of the scrip for scrip rollover relief is that Centuria must acquire at least 80% of all the Primewest Securities as a result of the Centuria Offer. This requirement should be met as the Centuria Offer requires a minimum acceptance of 90%. While Centuria may waive the minimum acceptance condition, it may not waive or vary to reduce the acceptance level (including acceptances through the Acceptance Facility) below 80%, without the consent of Primewest, after good faith consultation with Centuria. If Primewest consents to waiving the minimum acceptance condition in circumstances where Centuria has not received acceptances of at least 80% of Primewest Securities (including acceptances under the Acceptance Facility) and Centuria does not ultimately acquire 80% or more of the Primewest Securities under the Centuria Offer, rollover will not be available.

As noted at section 11.5 of this Bidder's Statement, a Class Ruling application for rollover relief has been lodged with the ATO on behalf of the Primewest Securityholders. The ATO has not yet issued a ruling in draft or final, however no concerns have been raised by the ATO in relation to the application to date.

Where rollover relief is not available, Primewest Securityholders who make a capital gain would have to pay tax on their gain, whilst Cash Consideration received may be insufficient to fund their tax liability (unless they also sell the requisite number of Centuria Securities).

Counterparty change of control risk

Primewest entities are parties to agreements that may contain pre-emptive or default rights or change of control provisions that may be triggered if Centuria acquires Primewest Securities representing a

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majority of the voting rights of Primewest, Primewest is delisted or there is a change in the responsible entity of Primewest.

The operation of these provisions, if triggered, could have negative consequences including enabling a counterparty to terminate a contract, accelerate payment obligations or require a Primewest Group entity to renegotiate a contract or sell joint venture interests. These provisions may be waived or a change of control consented to by the counterparty. Centuria will seek such consents and waivers as it considers are necessary. In the absence of counterparty consent or appropriate waivers, the operation of any of these change of control provisions could adversely affect the operations and/or financial position and performance of the Combined Group.

The bid Condition contained in item 11 of Appendix 2 relates to change of control provisions. As at the date of this Bidder's Statement, Centuria understands that a number of the change of control consents or approvals contemplated by that bid Condition have been satisfied, waived or obtained.

Integration risks

There is a risk that implementation and other one-off costs of integration may be substantial or greater than reasonably anticipated. This could have a material adverse impact on the Combined Group's financial position and performance.

The transition of information systems and data, technical, financial and legal information and resources may not proceed smoothly and may divert management's attention from managing the Combined Group's businesses. There is a risk that revenue streams or operations could be disrupted or that costs associated with the transition may be greater than expected, which could adversely affect the Combined Group's financial position and performance.

Risks with realising anticipated synergies

The performance of the Combined Group will be affected by, among other factors, the successful integration of the businesses of Centuria and Primewest. There is no guarantee that the businesses of the Combined Group will be able to be integrated successfully without any unexpected delays or incurring additional costs. There is a risk that the operating and financial performance and future prospects of the Combined Group could be adversely impacted if the businesses of Centuria and Primewest are not integrated effectively. Additionally, such integration may take longer than expected and anticipated efficiencies, benefits and potential synergies of that integration may be less than targeted.

Further, as discussed in Section 12.2, there is a risk that the implementation of the Takeover Bid may not result in realisation of the estimated potential synergies (either on time or at all) due to, a variety of possible factors including:

- forecast cost savings not being achieved;
- forecast additional income amounts not being achieved;²⁷ and
- income tax related synergies not being achieved due to, for example, the methodology used to determine value between the two sides of the Centuria stapled structure (i.e. between CCL and CNI Fund) being challenged by the Australian Taxation Office including after completion of the Centuria Offer.

If the integration of the businesses of Centuria and Primewest is not achieved in an effective manner and within a reasonable time, the full benefits of the potential synergies may be achieved only in part, or not at all.

Assumptions by Centuria

Centuria has made certain assumptions in estimating EPS and EPS accretion of the Combined Group for the year ending 30 June 2021 as set out in Section 9.3.5.

There is a risk that the assumptions may not be accurate and the EPS and EPS accretion per security for the year ending 30 June 2021 may be higher or lower than estimated.

Centuria may not successfully integrate recent and future acquisitions.

Centuria has expanded through acquisitions in the past and expects to continue to expand through acquisitions in the future. Centuria has successfully integrated each of these acquisitions. There is a risk that Centuria fails to integrate successfully future acquisitions with its existing businesses, experiences higher than anticipated integration costs, or realises lower than anticipated synergies, or there is a significant delay in achieving the successful integration of these acquisitions, which could have a material adverse effect on Centuria's earnings from the acquisition.

Impairment of goodwill and other intangible assets

The financial statements of the Combined Group will be prepared in conformity with AAS and consistent with the current accounting policies of Centuria. Under AAS, intangible assets that have an indefinite useful life including goodwill, are not subject to amortisation and are reviewed annually for impairment. Individual assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an individual asset may not be recoverable. Changes to the carrying amounts of intangible assets of the Combined Group could have an adverse impact on the reported financial performance of the Combined Group.

Accounting revisions may be required

Primewest has particular accounting policies and methods which are fundamental to how it records and reports its financial position and results of operations. The management of Primewest may have exercised judgement in selecting and applying certain accounting policies or methods which might have been reasonable under the circumstances yet might have resulted in reporting materially different outcomes than would have been reported under Centuria's policies and methods.

While no material differences between Centuria's and Primewest's policies and methods have been identified to date, it is not certain that those policies have been applied in the same way. The integration of Primewest's accounting functions may lead to revisions of these accounting policies, which may adversely impact the Combined Group's reported results of operations and/or financial position and performance.

Reliance on public information and information given access by Primewest

In preparing the information relating to Primewest contained in this Bidder's Statement, Centuria has relied on publicly available information relating to Primewest and information regarding the Primewest Group given access by Primewest. Risks may exist in relation to Primewest (which may affect the Combined Group) of which Centuria may be unaware. However, as Primewest is an ASX listed entity, any substantial threats to Primewest's business should have been disclosed pursuant to Primewest's periodic and continuous disclosure obligations.

If any material risks are known to Primewest's directors, they must be disclosed in the target's statement to be issued by Primewest.

²⁷ Forecast cost savings based on pro forma impact assuming Centuria acquired 100% of Primewest Securities on 1 July 2020.

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12.4 Other sector risks

In addition to the other risk factors set out in Section 12, the business activities of the Combined Group will be subject to various industry specific risks that may impact on the future performance of the Combined Group. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Combined Group and cannot be mitigated.

The general risks to which participants in the property investment and development industry are exposed include the following (which you are currently exposed to through your holding of Primewest Securities and will continue to be exposed to as a Centuria Securityholder).

Property sector risks

Centuria and Primewest are subject to the prevailing property market conditions in the sectors in which each of the funds under the control of Centuria and/or Primewest operate and the jurisdiction in which each of their 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 interest rates, economic cycles and risk appetite, as well as volume of sales, the ability to procure tenants, contracted rental returns, operating, maintenance and refurbishment expenses and the funding environment. 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 the Combined Group's earnings through directly reducing the value of the Combined Group's existing funds under management, reducing the value of property assets, and reducing the attractiveness of the property sector to investors. In addition, property assets are by their nature relatively illiquid, and consequently the Combined Group may not be able to achieve the disposal of the property asset(s) in a timely manner or at an optimal sale price. The above could adversely affect the fees the Combined Group receives from its funds.

Returns from investments

The value, expectations of capital growth, and returns from the Combined Group's property assets will fluctuate depending on property market conditions. The demand for property and listed property securities may change as investor preferences for particular sectors and asset classes change. The demand for property as an asset class, and correspondingly, rental and occupancy levels, change over time and can be influenced by general economic factors such as interest rates, property market trends, stock market cycles and exchange rates. These may affect the distributions paid by Centuria and the market price of Centuria Securities.

The ability to procure tenants (including timing and rental paid), demand from investors into funds, expenses in operating, refurbishing and maintaining properties, and timing of receiving sale proceeds may influence the value of the Combined Group's assets. The supply of competing buildings, both existing and new, may also affect the ability to secure lease renewals, retain existing tenants or obtain new tenants. If it becomes not possible to negotiate lease renewals or maintain existing lease terms, income and book values may be adversely impacted.

Competition

The Combined Group will face competition from other property groups active in Australia. Such competition could lead to, among others, the following adverse outcomes:

- an inability to retain existing funds and attract new funds under management;
- the termination of management arrangements or removal of funds from the control of the Combined Group's funds management business;
- the reduction of management fee income derived from the fund;
- non-renewal of fixed terms funds or funds where strategic renewal dates fall due in the short to medium term; and
- an inability to source and acquire appropriate assets for new or existing funds.

12.5 Other general risks

In addition to the other risk factors set out in Section 12, the business activities of the Combined Group will be subject to various general economic risks that may impact on the future performance of the Combined Group. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Combined Group and cannot be mitigated.

Infectious disease, including COVID-19

The outbreak of an infectious disease (such as MERS, Ebola, the avian flu, H1N1, SARS, the Zika virus and the coronavirus disease (COVID-19) pandemic) in Asia, Australia, New Zealand, Europe, the U.S., the Middle East and/or elsewhere, together with any resulting restrictions on travel and/or imposition of quarantines, restrictions on and or closure of businesses and other changes to laws or social and business interaction, could have a negative impact on the economy and business activities of the Combined Group including on each of the risks identified in this section. There can be no assurance that any precautionary measures taken against infectious diseases would be effective. A future outbreak of an infectious disease or any other serious public health concerns in Asia, Australia, New Zealand, Europe, the U.S. the Middle East and/or elsewhere could adversely affect the business, financial condition, results of operations and prospects of the Combined Group.

COVID-19 relief measures

Due to the COVID-19 pandemic, the Commonwealth, state and territory parliaments implemented a variety of relief measures. Relief measures were legislated separately by the Commonwealth, state and territory parliaments, with the relief offered varying between jurisdictions. As a result, different legislation with different requirements have been implemented across each state and territory in which Centuria and Primewest operate.

Some relief measures have been targeted at tenants of residential and commercial property. Examples of relief available to tenants has included a temporary moratorium on evictions, restrictions on rent increases, entitlements to rent renegotiations and obligations to act in good faith. Other relief measures have been made available more broadly, including to qualifying landlords. Examples have included reductions in land tax, reductions in or deferral of payroll tax and the JobKeeper wage subsidy scheme. Relief measures available to landlords have often been linked to the actual rental relief they pass onto their tenants, or payments they pass onto their employees.

The timing of the expiry of these relief measures varies between the Commonwealth, states and territories. Although some relief measures have already expired, or are due to expire soon, it is not possible to predict this timing with certainty, as the Commonwealth, state and territory parliaments may legislate to vary, renew, extend, or shorten the relief measures in response to the ongoing COVID-19 pandemic. It is not possible to determine at the date of this Bidder's Statement the extent of the adverse impact that these relief measures and the expiry of these measures may have on the financial position of the Combined Group. The relief measures may individually or collectively have an adverse impact on the financial performance of Centuria and Primewest. It is also possible that the expiry of relief measures will have an adverse impact on the Australian economy, with a flow on adverse impact on the financial performance of the Combined Group.

Equity market conditions

The market price of Centuria Securities will be affected by the financial performance of the Combined Group and other varied and often unpredictable factors influencing equity and credit markets generally. These factors include international stock markets, interest rates, domestic and international economic conditions, domestic and international political stability, investor sentiment, and the demand for equities generally.

Potential Risk Factors

Section 12

General economic conditions

The operating and financial performance of the Combined Group is influenced by a variety of general economic conditions and business conditions, including the level of inflation, interest rates and exchange rates and Government fiscal, monetary and regulatory policies. Higher than expected inflation rates generally or specific to the property sector could be expected to increase costs. A prolonged deterioration in general economic conditions could materially and adversely affect the Combined Group's operations and/or financial position and performance.

Taxation changes may occur

Changes in tax law (including goods and services taxes and stamp duties), or changes in the way taxation laws are interpreted may impact the tax liabilities of the Combined Group or the tax treatment of a Centuria Securityholder's investment. In particular, both the level and basis of taxation may change. In addition, an investment in Centuria Securities involves tax considerations which may differ for each Centuria Securityholder. Each prospective securityholder is encouraged to seek professional tax advice in connection with any investment in Centuria.

Litigation and disputes

Disputes or litigation may arise from time to time in the course of business activities. There is a risk that material or costly disputes or litigation could adversely affect the Combined Group's financial performance and the value of Centuria Securities.

Insurance

Centuria will carry a range of insurance cover for various assets. However, there are certain events for which Centuria may not be able to maintain insurance cover for. These events may include, but are not limited to, acts of war or political instability and catastrophic events such as floods. In the event of an uninsured loss or a loss in excess of the relevant insured limit, Centuria could suffer damage to its reputation and Centuria and the relevant funds it manages could lose all or a portion of their future revenues.

Climate Risk

The long-term implications of climate change may impact Centuria or Primewest on several fronts and in the future, climate change may be a long term driver of both financial and non-financial risks.

Occupational health and safety

Failure to comply with the necessary occupational health and safety legislative requirements across the jurisdictions in which the Combined Group operates could result in fines, penalties and compensation for damages as well as reputational damage.

Other factors

Other factors may impact on an entity's performance including natural disasters, changes or disruptions to political, regulatory, legal or economic conditions or to the national or international financial markets including as a result of epidemics, terrorist attacks or war.

Additional Information

Section 13

13.1 Bid Implementation Deed

Centuria and Primewest have entered into the Bid Implementation Deed, which sets out arrangements in relation to the conduct of the Takeover Bid. The Bid Implementation Deed, dated 18 April 2021, was annexed to Centuria's ASX Announcement of 19 April 2021.

The formal terms of the Centuria Offer as agreed by Centuria and Primewest in the Bid Implementation Deed are summarised in Appendix 1. The Conditions to the Centuria Offer formalised in the Bid Implementation Deed are summarised in Appendix 2.

The Bid Implementation Deed provides Centuria with exclusivity until the end of the Offer Period and includes conditions customary for a transaction of this nature, including no shop, no talk, no due diligence, notification and matching rights in favour of Centuria, subject to appropriate exceptions. The Bid Implementation Deed includes provision for payment of a break fee of \$2 million to Centuria in certain circumstances.

Centuria or Primewest may terminate the Bid Implementation Deed by written notice to the other party if Centuria withdraws the Takeover Bid, or the Takeover Bid lapses for any reason including non-satisfaction of a Condition, among other termination rights.

13.2 Other agreements

Restraint deeds

Each of John Bond (Primewest Executive Chairman), David Schwartz (Primewest Managing Director) and Jim Litis (Primewest Executive Director) (**Covenantors**) have entered into restraint deeds. The restraints are to apply for a period of 3 years from the date the Centuria Offer is declared or becomes unconditional and are not limited by any restraint area.

Under each restraint deed, the Covenantors covenant in favour of Primewest that they will not, for the period of the restraint:

- sell or dispose of any legal or economic interest in any trusts or funds of which Centuria and Primewest is the responsible entity, trustee or manager (**Combined Group Funds** and the manager being the **Manager**) other than Centuria Securities or on winding up of a fund;
- be involved in any real estate funds management business or fund, debt funding business or fund (in the property sector) or property development business or fund, which competes with the Combined Group (with certain exceptions for existing investments, holding 10% or less in listed vehicles and holding a passive investment in an unlisted vehicle of 25% or less);
- take any action, or give effect to any action, which would lead to the termination of the Manager's management rights (or related or similar rights) in respect of any Combined Group Fund or would in any way result in a Manager's interest in any management contract, being affected adversely. There is an exception for certain specified funds (15 in total) where the minority Investors have voted in favour of the termination of the Manager's management rights by the requisite majority approval (after excluding any voting requirement by the Covenantors);
- doing or saying anything harmful to the reputation Combined Group or adversely affecting the Combined Group's management rights or interests.

Furthermore, each Covenantor must also vote in favour of any extension of a management contract in respect of a Manager and vote in accordance with the Manager's recommendation for any other matter.

The obligations require a Covenantor to procure that certain related entities comply with the restrictions. Each restraint deed also has a cascading waterfall providing for a shorter restraint period than 3 years in the event it is not enforceable for 3 years.

Escrow deeds

A Condition of the Centuria Offer is that each of John Bond (Primewest Executive Chairman), David Schwartz (Primewest Managing Director) and Jim Litis (Primewest Executive Director) (or their respective nominees) must enter into a form of escrow deed in customary form determined by Centuria and Primewest, acting reasonably, in respect of their Centuria Securities issued under the Centuria Offer as follows:

BIDDER SECURITIES	% OF NEW ESCROW PERIOD
12 months from the date the Centuria Securities are issued	50%
24 months from the date the Centuria Securities are issued	50%

An escrowed party may allow the first tranche of restricted securities (i.e. 50% of their Centuria Securities) to be encumbered by a genuine third-party lender in respect of a margin loan or other secured financing arrangement provided to that holder by the lender (and the escrow will be released to the extent the third-party lender enforces its encumbrance). The securities will cease to be subject to escrow if the lender validly enforces its security in connection with its loan to a holder. There are also customary carve-outs under each escrow deed including in connection with a takeover or scheme of arrangement involving a change of control of Centuria. Each escrow deed has been executed.

Variation to employment agreements

Each of John Bond (Primewest Executive Chairman), David Schwartz (Primewest Managing Director) and Jim Litis (Primewest Executive Director) have agreed to amendments to their employment contracts. In addition to varying requirements around physical attendance arrangements, other amendments include imposing a minimum fixed term of 2 years from the date the Centuria Offer is declared or becomes unconditional and each of the relevant individuals will adopt the title of "Senior Executive".

13.3 Structure of the Centuria Offer and Information about the Bidder

Primewest Securities transferred to Centuria under the Centuria Offer will be held in the following ways:

- CCL will hold all PGL Shares absolutely in its own capacity and for itself; and
- CCL will hold all PWG Units as nominee for CFML, absolutely and on behalf of CFML as the responsible entity for the CNI Fund, and act as directed by CFML in respect of those PWG Units.

Centuria will issue Centuria Securities under the Centuria Offer. Centuria's contact details are:

**Level 41, Chifley Tower
2 Chifley Square
Sydney NSW 2000**

13.4 Date for determining holders of Primewest Securities

For the purposes of section 633(2) of the Corporations Act, the time and date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) of the Corporations Act is the Register Date, being 7:00pm (Sydney time) on 14 May 2021.

13.5 Broker handling fees

Centuria does not intend to pay a commission to brokers for acceptances of the Centuria Offer by Primewest Securityholders. However, Centuria reserves its rights in this regard.

Additional Information

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13.6 Centuria is a disclosing entity

Centuria Securities form part of the Offer Consideration and accordingly the Corporations Act requires that this Bidder's Statement includes all information that would be required for a prospectus or product disclosure statement (as applicable) for an offer of Centuria Securities.

Centuria is a listed disclosing entity for the purposes of the Corporations Act and, therefore, it is subject to regular reporting and disclosure obligations. Specifically, like all listed entities, Centuria is required to continuously disclose to the market any information of which it is aware that a reasonable person would expect to have a material effect on the price or the value of Centuria Securities.

Copies of documents lodged with ASIC in relation to Centuria (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an ASIC office.

Centuria will provide a copy of each of the following documents, free of charge, to any person on request during the Offer Period:

- the most recent annual financial statement lodged with ASIC by Centuria for the year ended 30 June 2020;
- the half-year financial report of Centuria lodged with ASIC in respect of the 6 month period ended 31 December 2020 (being the last half-year report before lodgement of this Bidder's Statement with ASIC); and
- all continuous disclosure notices given by Centuria after 30 June 2020 and before the date of this Bidder's Statement.

Requests for free copies of these documents may be made by contacting the Centuria Offer Information Line on 1300 721 637 (callers in Australia) or +61 2 8023 5428 (callers outside Australia) between 8:30am and 5:00pm (Sydney time) on Business Days. In addition, copies of all documents lodged with the ASX in relation to Centuria

can be inspected at the registered office of Centuria during normal business hours. Centuria's website at centuria.com.au also includes a wide range of information on Centuria (including copies of the above documents) and its activities.

13.7 Rights and liabilities attaching to Centuria Securities

The Centuria Securities issued under the Centuria Offer will be issued fully paid and will rank equally for distributions and other rights in all respects with existing Centuria Securities from the date of issue.

Since the Centuria Securities issued as consideration under the Centuria Offer will be issued credited as fully paid, no monetary liability attaches to them.

The rights and liabilities attaching to Centuria Securities are determined by the Centuria Constitutions, applicable law and the Listing Rules. Section 13.8 contains a summary of the rights and liabilities attaching to Centuria Securities under the Centuria Constitutions and the Corporations Act. In the absence of any amendment to the Centuria Constitutions or changes in applicable law or the Listing Rules, these rights and liabilities will attach to Centuria Securities issued under the Centuria Offer. This is not an exhaustive summary or definitive statement of the rights and liabilities attaching to Centuria Securities.

13.8 Summary of Centuria governance documents

A Centuria Security consists of a CCL Share stapled to a CNI Unit.

The rights, protections and obligations attaching to Centuria Securities are set out in the Centuria Constitutions, applicable law (particularly the Corporations Act) and the ASX Listing Rules. A non-exhaustive summary of the rights and liabilities attaching to Centuria Securities.

	CCL	CNI FUND
Issuer	CCL.	CFML as the responsible entity of CNI Fund.
Security	CCL Share.	CNI Units - each CNI Unit confers an equal undivided interest in the CNI Fund.
Stapling	To form a Centuria Security, a CCL Share and a CNI Unit, are 'stapled'. This means they are linked together so that one component cannot be sold, transferred or otherwise dealt with without the other.	
Unstapling	CCL may by written notice declare that, or holders of CCL Shares may by special resolution, resolve that stapling ceases to apply to CCL Shares. Stapling will automatically cease if CCL or the CNI Fund is terminated by winding up, the CNI Units to which the CCL Shares are stapled cease for any reason to be transferable only with CCL Shares, or the law prohibits the stapling.	
Trading	Centuria Securities may be traded through ASX and may also be transferred off-market, subject to compliance with applicable Australian law.	
ASX Listing	While Centuria is admitted to the ASX's Official List, if the ASX Listing Rules prohibit or require an act being done, the act must not or must be done. If the ASX Listing Rules require the Centuria Constitutions to contain a provision they are deemed to contain that provision.	
General rights	Subject to the Centuria Constitutions, Centuria Securities have the following rights: <ul style="list-style-type: none">• to receive notice and to attend and vote at all general meetings of Centuria;• to receive dividends / distributions; and• on a winding up / termination to participate equally in the net proceeds.	
Voting rights (subject to ASX Listing Rules, the Corporations Act and the Centuria Constitutions)	Each CCL Share confers the right to cast one vote on a show of hands and one vote per CCL Share on a poll at a meeting of the holders of CCL Shares, including on a resolution to appoint or remove a director and an auditor of CCL; appoint a liquidator to CCL; and amend the constitution of CCL.	A holder of CNI Units has one vote on a show of hands and one vote per dollar of value of their CNI Units on a poll. Subject to the Corporations Act, at any general meeting on a show of hands, each holder of a CNI Unit or a CCL Share has one vote; and on a poll, each holder of a CNI Unit has one vote for each dollar value of the total CNI Units they have in the CNI Fund and one vote for each CCL Share held.

Additional Information

Section 13

	CCL	CNI FUND
Distribution rights	A CCL Share confers the right to an equal share in dividends authorised by the board of CCL; and an equal share in the distribution of surplus assets on the liquidation of CCL.	<p>Holders of CNI Units are generally entitled to an undivided share of the distributions out of the CNI Fund in proportion to the number of CNI Units they hold.</p> <p>CFML may at any time also distribute capital pro rata according to the number of CNI Units held.</p>
Appointment and removal of directors /RE	<p>In accordance with CCL's constitution, the minimum number of directors of CCL is five and the maximum number of directors is 13. However, there must be a majority of non-executive directors.</p> <p>CCL may, subject to the Corporations Act, by an ordinary resolution passed in general meeting remove any director before the end of the director's term of office and appoint another person in the director's place.</p>	CFML as responsible entity can be removed by ordinary resolution of holders of CNI Units.
Issue of new securities (subject to ASX Listing Rules, the Corporations Act and the Centuria Constitutions	The board of CCL may approve the issue of CCL Shares or other securities in CCL at any time and in any number the board thinks fit.	CFML may allot and issue unissued CNI Units (including in different classes) to any person, on any terms (including as to fees) at any time and in any numbers and having attached thereto such preferred, deferred or other rights, restrictions and obligations as CFML thinks fit in its absolute discretion and further with power to classify or reclassify or designate or re-designate the same in any manner which CFML thinks fit (including into classes of into a different class).
	The ASX Listing Rules require Centuria to obtain the prior approval of the holders of Centuria Securities by ordinary resolution to the issue of Centuria Securities, unless an exception applies, for example pro-rata offers of CCL Shares to existing holders and non-pro-rata placements of Centuria Securities (where the number of Centuria Securities issued does not exceed 15% of the pre-issue number of Centuria Securities).	
Buy-backs (subject to ASX Listing Rules and the Corporations Act)	CCL may buy back CCL Shares on terms and at times determined by the directors in their discretion.	The ASX Listing Rules however require that CFML cannot be under an obligation to redeem CNI Unit's whilst the CNI Fund is listed. However it can make an on market buy-back.
Takeovers and compulsory acquisition	<p>Takeover offers: CCL is subject to the Financial Sector (Shareholdings) Act 1998 (FSS Act) and the Corporations Act. CNI Fund is subject to the Corporations Act.</p> <p>Under the FSSA in general terms, a person is restricted from holding a "stake" (generally direct control interests in CLL by a person and the person's associates) in CCL of more than 20% unless a higher percentage limit has been approved by the Australian Treasurer.</p> <p>The Corporations Act prohibits a person from acquiring voting securities if that acquisition would result in that person's, or any other person's, voting power in the company or listed managed investment scheme exceeding 20%, unless an exception applies.</p> <p>The key exceptions are for increases in voting control by way of a takeover offer or a court approved scheme of arrangement; with the prior approval of the holders of voting securities in the target; or a 'creep' of up to 3% more of the voting power held as at a date 6 months before the date of the acquisition, in each case in compliance with the Corporations Act.</p> <p>A takeover offer can be an off-market bid (in which an individual offer is made to each target securityholder) or a market bid (in which the bidder acquires target securities on-market).</p> <p>The takeover offer must be for all or a proportion of the securities in the bid class.</p> <p>Compulsory acquisition: A bidder can compulsorily acquire the voting securities of a minority if a takeover offer has been made for all of those securities and during or at the end of the offer period, the bidder and associates have relevant interests in 90% or more of the securities by number in the relevant class, and the bidder and associates have acquired at least 75% by number of the securities that the bidder offered to acquire under the bid.</p> <p>Takeover by scheme of arrangement: A takeover by scheme of arrangement involving Centuria would require the approval of an Australian Federal or State Supreme Court and Centuria Securityholder approval which must satisfy the following voting thresholds of a 75% majority of the votes cast and a majority of holders voting.</p>	
Transfer of shares / Transfer of units	Subject to the rules applicable while CCL and CNI Fund are admitted to an uncertificated trading system and to their terms of issue, Centuria Securities may be transferred on-market or off-market by a written transfer form.	

Additional Information

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	CCL	CNI FUND
Dissolution	CCL in general meeting may appoint a liquidator or liquidators for the purpose of winding up the affairs and distributing the property of the company. The liquidator may, with the sanction of a special resolution of CCL divide among the members in kind all or any of CCL's assets and for that purpose determined how they will carry out the division between the different classes of members, but may not require a member to accept any shares or other securities in respect of which there is any liability.	CNI Fund terminates on the earlier of the day before 80 years after CNI Fund was established; the date specified by CFML as the date the CNI Fund is to terminate in a notice given to holders of CNI Units; a date of termination fixed by holders of CNI Units, or by a special resolution; or the occurrence of an event requiring the winding up of CNI Fund under a provision of the Corporations Act or of any other applicable law. The net proceeds of realisation will be distributed in proportion to the number of CNI Units held at the date of the distribution.
Notice of security holder meetings (subject to ASX Listing Rules, the Corporations Act and the Centuria Constitutions)	Each holder of a CCL Share is entitled to receive at least 28 days' prior written notice of meetings of the holders of CCL Shares; and attend and vote at such meetings, or appoint a proxy to attend and vote in place of the holder.	CFML may convene a meeting of unitholders or unitholders of a class at any time and may determine the time and place and the manner in which the meeting will be conducted. CFML must give at least 21 days' prior written notice of each meetings of the holders of CNI Units.
Annual meeting	CCL directors must call an AGM.	CNI Fund is not required to hold an AGM.
Special meetings	The quorum for a meeting of shareholders is two shareholders. The directors of CCL must call and arrange to hold a general meeting pursuant to the requirements of the Corporations Act.	According to the CNI Fund constitution, the responsible entity may convene a meeting of members or members of a class at any time. The quorum for a meeting of members or members of a class is two members present in person or represented by proxy or represented by body corporate representative holding, between them, not less than 5% of all issued units or units of a class (as the case may be).
Where to find further information	The above information regarding Centuria and Centuria Securities is general information only, and is not intended to be legal, financial, taxation or investment advice. If you have any questions about Centuria or Centuria Securities, you are encouraged to seek your own professional advice. Further information can be found at the following websites: <ul style="list-style-type: none"> • ASIC (for the Centuria Constitutions and other corporate information): asic.gov.au • ASX (for Centuria continuous disclosure announcements and other information) : asx.com.au • Centuria (for annual and interim reports, information about dividends and information about Centuria's business: centuria.com.au. 	

Centuria Corporate Governance

Role of the Board

The Board of Directors (**Board**) is responsible for setting the strategic direction and establishing the policies of the Centuria Capital Group. It is responsible for overseeing the financial position, and for monitoring the business and affairs of the Centuria Capital Group on behalf of the security holders to whom they are accountable. It also addresses issues relating to internal controls and approaches to risk management.

The role of the Joint Chief Executive Officers (**Joint CEOs**) and Senior Executives is to manage the Centuria Capital Group in accordance with the directions given by the Board. The Joint CEOs responsibilities include:

- Formulating and reviewing, with the Board, the vision and strategy for Centuria;
- Developing actions and plans to achieve the vision and implement the strategy and to report to the Board on the progress against those plans;
- Appointing a management team and negotiating terms and conditions of their employment; and
- Approving the remuneration levels of all staff.

Nomination and remuneration of the Board

The Board currently consists of a majority of independent Directors. Directors are selected and appointed in accordance with documented procedures.

The Nomination and Remuneration Committee is responsible for remuneration including:

- Recommending fees for Directors;
- Recommending a competitive remuneration and reward program for the Joint CEOs and other senior management; and
- Ensuring that other human resource management programs, including performance assessment programs and incentive schemes, are in place.

Directors and Employees Code of Conduct

The Centuria Code of Conduct is available on Centuria's website at: centuria.com.au/governance. The Centuria Code of Conduct sets expectations for the maintenance of standards and honesty, integrity, care, diligence and fair dealing by directors and Centuria employees in the performance of their duties and responsibilities.

Additional Information

Section 13

Disclosure obligations

Centuria is committed to fair and open disclosure and has adopted policies and procedures to ensure that the Centuria meets its disclosure obligations under the Corporations Act and the ASX Listing Rules. The focus of these policies and procedures is to effect the Centuria's commitment to:

- Comply with the general and continuous disclosure principles contained in the ASX Listing Rules and the Corporations Act;
- Prevent the selective or inadvertent disclosure of price sensitive information;
- Ensure that security holders and the market are provided with full and timely information about its activities; and
- Ensure that all market participants have equal opportunity to receive externally available information issued by the Centuria.

Information rights of the security holders

Centuria aims to provide prompt, accurate and accessible information to its security holders. It has established a Communications Policy detailing steps to be taken to achieve this objective, a copy of which can be viewed at centuria.com.au/governance.

Risk management and internal control

Centuria has established an Audit, Risk & Compliance Committee (**ARCC**). The ARCC consists of three independent Directors and is chaired by an independent chair who is not the chair of the Centuria's Board. All members are financially literate either holding financial or accounting qualifications and/or having professional experience in a financial or accounting related field.

13.9 Acceptance Facility and broker handling fees

Centuria has established an acceptance facility for certain Primewest Securityholders (Participating Acceptance Facility **Securityholders**) (**Acceptance Facility**) in order to facilitate receipt of acceptances of the Centuria Offer. Primewest Securityholders who are not Participating Acceptance Facility Securityholders cannot participate in the Acceptance Facility.

A Participating Acceptance Facility Securityholder is a person identified by Centuria as a Primewest Securityholder who holds or beneficially owns at least A\$500,000 worth of Primewest Securities based on the consideration payable under the Centuria Offer.²⁸

Centuria recognises that certain Primewest Securityholders may be unable or unwilling to accept the Centuria Offer until the Centuria Offer becomes or is declared unconditional. The Acceptance Facility has therefore been established to provide Participating Acceptance Facility Securityholders with the ability to register their support for the Centuria Offer and their intention to accept the Centuria Offer before the Centuria Offer becomes or is declared unconditional.

The Acceptance Facility collection agent for the Acceptance Facility is Ord Minnett Limited ABN 86 002 733 048 (AFSL 237121) (Facility Agent).

Before making a decision whether or not to participate in the Acceptance Facility, Participating Acceptance Facility Securityholders are encouraged to consult with their financial or other professional adviser.

In summary, the Acceptance Facility will operate in the following way.

- A Participating Acceptance Facility Securityholder who wishes to participate in the Acceptance Facility must provide to the Facility Agent duly completed and executed documentation appointing the Facility Agent as the Acceptance Facility collection agent, together with a signed Acceptance Form and/or direction to its custodian, nominee or trustee (Custodian Direction) to accept the Centuria Offer (each, **Acceptance Instructions**).

- The Facility Agent will hold the Acceptance Instructions as the Acceptance Facility collection agent and bare trustee only and will not acquire a relevant interest in any of the Primewest Securities the subject of the Acceptance Instructions.

• The Facility Agent must:

- deliver all Acceptance Forms to Centuria or its share registry, Boardroom Pty Limited (ACN 003 209 836), in accordance with the instructions on the relevant Acceptance Forms or, in the case of Primewest Securities held in a CHESS Holding, give the Acceptance Forms to the relevant Controlling Participant;
- deliver all Custodian Directions to Centuria or to the relevant custodians, nominees or trustees; and/or
- direct the relevant Participating Acceptance Facility Securityholder to initiate acceptance of the Centuria Offer in accordance with rule 14.14 of the ASX Settlement Operating Rules,

immediately after Centuria confirms to the Facility Agent by written notice (**Confirmation Letter**) that Centuria has:

- declared the Centuria Offer free of all Conditions; or
- will declare the Centuria Offer free of all Conditions no later than the time that all Acceptance Instructions are processed; and
- the Primewest Securities in which Centuria and its associates have a relevant interest combined with the Primewest Securities that are the subject of the Acceptance Facility exceeds the specified percentage contained in the minimum acceptance condition of all Primewest Securities in the bid class.

Centuria is under no obligation to give the Confirmation Letter to the Facility Agent.

- Participating Acceptance Facility Securityholders retain all rights and control over their Primewest Securities and will be able to withdraw their Acceptance Instructions at any time prior to the Facility Agent receiving the Confirmation Letter from Centuria.
- Centuria reserves the right to declare the Centuria Offer free from all defeating conditions (other than the minimum acceptance condition, which Centuria may not waive or vary to reduce the acceptance level (including acceptances through the Acceptance Facility) below 80%, without the consent of Primewest, after good faith consultation with Centuria) at any time (subject to the Corporations Act), irrespective of the number of acceptances held by Centuria, or the number of Primewest Securities that are the subject of Acceptance Instructions held by the Facility Agent.

A copy of the documentation underlying the Acceptance Facility will be provided to persons identified by Centuria as being Participating Acceptance Facility Securityholders and will also be provided to persons Centuria is satisfied are Participating Acceptance Facility Securityholders on request to the Facility Agent by email to corporate-actions@ords.com.au (addressed to Jonathan Haslam).

Before 8.30am on each Business Day (or at any other time upon request from Centuria), the Facility Agent will notify Centuria of the number of Primewest Securities in respect of which Acceptance Instructions have been received as at 7:00pm (Sydney time) the previous day, with the expectation that Centuria will release this information to the ASX.

Following receipt of this information from the Facility Agent, Centuria will disclose this information to the ASX by 9.30am (Sydney time) on the Business Day following any movement of at least 1% in the aggregate level of Centuria's voting power during the Offer Period and the votes attached to Primewest Securities the subject of the valid Acceptance Instructions held subject to the Acceptance Facility.

28 The \$500,000 threshold is determined with reference to the Implied Offer Price multiplied by the number of Primewest Securities held.

Additional Information

Section 13

13.10 Due diligence

For the purpose of confirming its assessment whether or not to acquire all of the Primewest Securities, Centuria was given access by Primewest to certain information concerning the Primewest Group which has not been disclosed generally to Primewest Securityholders.

Except as disclosed in this Bidder's Statement, none of the information to which Centuria was given access is, in the opinion of Centuria, of such a nature and quality which, if the information were generally available, a reasonable person would expect to have a material effect on the price or value of Primewest Securities. Further, in the opinion of Centuria and except as disclosed in this Bidder's Statement, none of that information would otherwise be material to a decision by a Primewest Securityholder whether or not to accept the Centuria Offer.

However, the fact that Centuria's decision to make the Centuria Offer was confirmed by its review of the information to which it has access may itself be regarded as information material to the decision of a Primewest Securityholder whether or not to accept this Centuria Offer.

13.11 Regulatory matters

Approval of Nominee

Centuria has received ASIC approval for the appointment of Morgan Stanley Australia Securities Limited ABN 55 078 652 276 (AFSL 233741) as nominee for the purposes of section 619(3) of the Corporations Act, with regard to the proposed sale of Centuria Securities that would have otherwise been issued to Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders. The requirement to seek approval from ASIC to appoint a nominee in this way is a procedural step required by section 619(3) of the Corporations Act.

Potential issuance of Class A Units

Centuria has sought ASIC relief to effectively vary ASIC Instrument 16-0805 (the 2016 Stapling Instrument) by issue of a supplementary instrument or a modification or reissue of the 2016 Stapling Instrument, to permit the proposed issue by CNI Fund of a special class of units with limited rights (the Class A Units) to CCL (i.e. internal to the stapled group). If the relevant relief is obtained, CNI Fund will likely issue the Class A Units to CCL as a new class of units. The proposed issue of Class A Units does not affect voting by Centuria Securityholders or control of the CNI Fund. The redemption amount for the Class A Units would be offset against existing debt obligations in favour of the CNI Fund, and accordingly has minimal impact or ramifications outside the stapled entities themselves. This application is not critical to the Takeover Bid nor a requirement for completion of the Centuria Offer.

13.12 Potential for waiver of defeating conditions

The Centuria Offer is subject to limited and customary conditions set out in Appendix 2. Under the terms of the Centuria Offer and the Corporations Act, any or all of those defeating conditions may be waived by Centuria (other than the minimum acceptance condition, which Centuria may not waive or vary to reduce the acceptance level (including acceptances through the Acceptance Facility) below 80%, without the consent of Primewest, after good faith consultation with Centuria).

If an event occurs which results (or would result) in the non-fulfilment of a defeating condition, Centuria might not make a decision as to whether it will either rely on that occurrence, or instead waive the defeating condition in respect of that occurrence, until the date for giving notice as to the status of the conditions of the Centuria Offer under section 630(3) of the Corporations Act. If Centuria decides that it will waive a defeating condition, it will announce that decision to the ASX in accordance with section 650F of the Corporations Act.

If any of the defeating conditions is not fulfilled, and Centuria decides to rely on that non-fulfilment, then any contract resulting from acceptance of the Centuria Offer will become void at (or, in some cases, shortly after) the end of the Offer Period, and the relevant Primewest Securities will be returned to the holder.

13.13 Status of defeating conditions

This Centuria Offer is subject to a number of Conditions set out in Appendix 2. Centuria will provide updates on any material developments relating to the status of these Conditions during the Offer Period.

As at the date of this Bidder's Statement, Centuria is currently not aware of any events or circumstances which may lead to a breach or non-fulfilment of a defeating condition in Appendix 2. If the defeating conditions in Appendix 2 are not fulfilled or waived, then no contract will be capable of arising at all from the acceptance of the Centuria Offer.

As at the date of this Bidder's Statement, the Condition on "escrow" specified in Section 1 of Appendix 2 (and contained in section 5(d) of schedule 1 to the Bid Implementation Deed) have been satisfied.

13.14 Consents

Morgan Stanley and Morgan Stanley Australia Securities Limited ABN 55 078 652 276 (AFSL 233741) (together, **MS**) have given, and not withdrawn before the lodgement of this Bidder's Statement with ASIC, their written consent to be named in this Bidder's Statement as, in the case of Morgan Stanley, Centuria's financial adviser, and in the case of Morgan Stanley Australia Securities Limited, as entity appointed by Centuria as nominee in relation to the sale facility for Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders, in the form and context they are so named. MS has not caused or authorised the issue of this Bidder's Statement, does not make or purport to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than any reference to its name.

Jones Day has given, and not withdrawn before the lodgement of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement as Centuria's Australian legal adviser (other than in relation to taxation) in the form and context it is so named. Jones Day has not advised on the laws of any foreign jurisdiction. Jones Day has not caused or authorised the issue of this Bidder's Statement, does not make or purport to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than any reference to its name.

Boardroom Pty Limited has given, and not withdrawn before the lodgement of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement as Centuria's share registry in the form and context it is so named. Boardroom Pty Limited has not caused or authorised the issue of this Bidder's Statement, does not make or purport to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than any reference to its name.

Additional Information

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Ord Minnett Limited has given, and not withdrawn before the lodgement of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement as Centuria's facility agent in the form and context it is so named. Ord Minnett Limited has not caused or authorised the issue of this Bidder's Statement, does not make or purport to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than any reference to its name.

As permitted by ASIC Class Order 13/521, this Bidder's Statement contains statements which are made, or based on statements made, in documents lodged by Primewest with ASIC or given to the ASX or, announced on the company announcements platform of the ASX, by Primewest. Pursuant to the Class Order, the consent of Primewest is not required for the inclusion of such statements in this Bidder's Statement. Any Centuria Securityholder who would like to receive a copy of any of those documents may obtain a copy (free of charge) during the Offer Period by contacting the Centuria Offer Information Line on 1300 721 637 (callers in Australia) or +61 2 8023 5428 (callers outside Australia) (any telephone calls to these numbers will, as required by the Corporations Act, be tape recorded, indexed and stored).

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72 (Corporations Instrument 2016/72), this Bidder's Statement may include or be accompanied by certain statements:

- which fairly represent what purports to be a statement by an official person;
- which are a correct and fair copy of, or extract from, what purports to be a public official document; or
- which are a correct and fair copy of, or extract from, a statement which has already been published in a book, journal or comparable publication.

In addition, as permitted by Corporations Instrument 2016/72, this Bidder's Statement contains security price trading data sourced from IRESS and FactSet without its consent.

13.15 Approvals for payment of consideration

Centuria is not aware of any Primewest Securityholders who require any approval referred to in Section 6.7 of the Offer Terms in Appendix 1 in order to be entitled to receive any consideration under the Centuria Offer.

13.16 Disclosure of interests of certain persons

Other than as set out elsewhere in this Bidder's Statement, no:

- Centuria Director or proposed Centuria Director;
- person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- promoter of Centuria; or
- underwriter to the issue of Centuria Securities (if any) or financial services licensee named in this Bidder's Statement as being involved in the issue of Centuria Securities (if any),

(together, the Interested Persons) holds at the date of this Bidder's Statement or held at any time during the last two years, any interest in:

- the formation or promotion of Centuria;
- property acquired or proposed to be acquired by Centuria in connection with its formation or promotion, or the offer of Centuria Securities under the Centuria Offer; or
- the offer of Centuria Securities under the Centuria Offer.

13.17 Fees and other expenses of the Centuria Offer

Centuria Group has appointed legal, accounting, tax and financial advisers. Each adviser is entitled to receive the usual professional fees in accordance with either time-based or success-based charges.

13.18 Expiry date

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

13.19 No pre-offer benefits

During the period of 4 months before the date of this Bidder's Statement, neither Centuria nor any Associate of Centuria gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an Associate of the other person, to:

- accept the Centuria Offer; or
- dispose of Primewest Securities,

and which is not offered to all holders of Primewest Securities under the Centuria Offer.

13.20 Cooling off period

Cooling off rights **do not** apply to acceptances made under the Centuria Offer.

13.21 Complaints

Centuria aims to provide each Centuria Securityholder with a professional and high level of client service in managing the CNI Fund. If you have a complaint, you may contact Centuria in writing to its registered address or by email (compliance@centuria.com.au), detailing the complaint. Centuria aims to provide responses within 5 Business Days (a final response may take longer, depending on the particular circumstances of the complaint). All complaints should be addressed to "Centuria Capital Limited: Complaints Resolution Process".

If your complaint relates to a financial product or financial service offered by Centuria, and the issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority ("AFCA"). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Online: www.afca.org.au
Email: info@afca.org.au
Phone: 1800 931 678 (free call)
Mail: Australian Financial Complaints Authority
GPO Box 3 Melbourne VIC 3001.

Additional Information

Section 13

13.22 Foreign jurisdictions

The distribution of this Bidder's Statement outside Australia or New Zealand may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of, and observe, those restrictions.

The Centuria Offer is being proposed and will be conducted in accordance with the laws in force in Australia and with the Listing Rules. The disclosure requirements in relation to the Centuria Offer in Australia will differ from those applying in other jurisdictions (including the United States). The financial statements included in this Bidder's Statement have been prepared in accordance with generally accepted accounting principles in Australia that will differ from those in other jurisdictions (including the United States). Substantially all of the directors of Centuria and the assets of Centuria are located in Australia and New Zealand. As a result, investors who reside in places other than Australia and New Zealand may have difficulties in enforcing their rights and any claims they may have arising under the laws of the jurisdiction in which they are resident (including, for United States investors, the United States federal securities laws) against Centuria or any of its directors, officers or employees. It may be difficult to compel Centuria and its affiliates to subject themselves to a judgment of a court outside Australia.

This Bidder's Statement is neither an offer to sell to, nor a solicitation of an offer to buy, securities (as such terms are defined under the US Securities Act) other than Primewest Securities from Ineligible Foreign Securityholders. The Centuria Securities to be issued pursuant to the Centuria Offer have not been, and will not be, registered under the US Securities Act or the securities laws of any United States state or other jurisdiction and therefore may not be offered or sold to persons resident in or located in the United States without registration or an applicable exemption from the registration requirements of the US Securities Act.

None of the U.S. Securities and Exchange Commission, any United States state securities commission or any other United States regulatory authority has passed comment upon or endorsed the merits of the Centuria Offer or the accuracy, adequacy or completeness of this Bidder's Statement. Any representation to the contrary is a criminal offence.

This Bidder's Statement is not a New Zealand product disclosure statement or other similar offering or disclosure document under New Zealand law and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 (NZ) or any other relevant New Zealand law. The offer of Centuria Securities under the Centuria Offer is being made to existing Primewest Securityholders with registered addresses in New Zealand in reliance upon an exemption from the relevant New Zealand securities regime and accordingly, this Bidder's Statement may not contain all the information that a product disclosure statement under New Zealand law is required to contain.

13.23 Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder

Primewest Securityholders who are Ineligible Foreign Securityholders or Unmarketable Parcel Securityholders will not be entitled to receive Centuria Securities as consideration for their Primewest Securities pursuant to the Centuria Offer, unless Centuria otherwise determines in its absolute discretion.

A Primewest Securityholder is an Ineligible Foreign Securityholder for the purposes of the Centuria Offer if their address as shown in the register of securityholders of Primewest is in a jurisdiction other than Australia or its external territories or New Zealand. However, such a Primewest Securityholder will not be an Ineligible Foreign Securityholder if Centuria otherwise determines (in its absolute discretion) that it is:

- not unlawful, onerous or impracticable to make the Centuria Offer in the relevant jurisdiction and to issue Centuria Securities to such a Primewest Securityholder on acceptance of the Centuria Offer; and
- not unlawful for such a Primewest Securityholder to accept the Centuria Offer in such circumstances in the relevant jurisdiction.

Notwithstanding anything else in this Bidder's Statement, Centuria is not under any obligation to spend any money, or undertake any action, in order to satisfy itself concerning any of these matters.

A Primewest Securityholder is an Unmarketable Parcel Securityholder for the purposes of the Centuria Offer if, were they to accept the Centuria Offer, Centuria Securities would be issued to them which would not constitute a Marketable Parcel. A Marketable Parcel is a parcel of securities that (among other things) has a value of not less than \$500.²⁹

The Centuria Securities which would otherwise have been issued to any such Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders will instead be issued to a Nominee approved by ASIC, who will sell these Centuria Securities. The net cash proceeds of the sale of such securities will then be remitted to the relevant Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders.

13.24 No escalation agreements

Neither Centuria nor any of its associates has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

13.25 Social security and superannuation implications of the Centuria Offer

Acceptance of the Centuria Offer may have implications under your superannuation arrangements or on your social security entitlements. If in any doubt, you should seek specialist advice.

²⁹ The \$500 value is determined with reference to the close price of Centuria Securities on 16 April 2021 of \$2.77, multiplied by the number of Centuria Securities that would have been issued under the Centuria Offer.

Additional Information

Section 13

13.26 Fees

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your fund, rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website moneysmart.gov.au has a managed investment funds fee calculator to help you check out different fee options.

This Section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the CNI Fund as a whole.

Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

All fees and costs in this table are inclusive of GST and take into account expected input tax credits or reduced input tax credits for GST on fees and costs where applicable.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the Fund		
Establishment fee: The fee to open your investment.	Nil	N/A
Contribution fee: The fee on each amount contributed to your investment.	Nil	N/A
Withdrawal fee: The fee on each amount you take out of your investment.	Nil	N/A
Termination fee: The fee to close your investment.	Nil	N/A
Management costs		
The fees and costs for managing your investment	CFML is entitled to a fee of \$200,000 per annum, plus reimbursement of actual administration costs. The total costs that are paid from the CNI Fund are estimated to be 0.02% per annum of gross asset value.	
Service Fees		
Switching Fee The fee for changing investment options.	Nil	There is no switching fee.

Example of annual fees and costs for the CNI Fund

This table gives an example of how the fees and costs for the CNI Fund can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products.

Additional explanation of fees and costs

CNI Fund costs and expenses

CFML, as the responsible entity of CNI Fund is entitled to a fee of \$200,000 per annum and to be reimbursed for any costs or expenses it incurs in the proper performance of its duties or the exercise of its

powers, in the course of its office or in relation to the management of the CNI Fund. Such expenses include registry and audit fees, taxes compliance costs, valuation fees and management fees.

The CNI Fund constitution contains provisions regarding the amount of management fees and expenses that CFML is entitled to charge as responsible entity. While CFML remains responsible entity of CNI Fund, CFML does not intend to charge any amount for fees and costs other than the fee of \$200,000 plus reimbursement of actual administration costs.

EXAMPLE - THE CNI FUND		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.00.
Plus Management Costs	Nil	And, for every \$50,000 you have in the CNI Fund, you will be charged \$10 each year.
Equals Cost of CNI Fund	Nil	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of from \$10 to \$11.

Additional Information

Section 13

13.27 Certain investment considerations

Centuria does take into account relevant labour standards or environmental, social or ethical considerations for the purpose of selecting, retaining or realising Centuria's investments. However, sometimes these matters may indirectly affect the economic factors upon which investment decisions are based.

13.28 Other material information

Except as disclosed elsewhere in this Bidder's Statement, there is no other information that is:

- material to the making of a decision by a Primewest Securityholder whether or not to accept the Centuria Offer; and
- known to Centuria,

which has not previously been disclosed to Primewest Securityholders.

Glossary

Section 14

14.1

The following defined terms are used throughout this Bidder's Statement unless the contrary intention appears or the context requires otherwise:

TERM	DEFINITION
AAS	Australian Accounting Standards.
Acceptance Facility	has the meaning given in Section 13.9.
Acceptance Form	means your personalised form of acceptance and transfer accompanying the Centuria Offer or any replacement or substitute acceptance form provided by or on behalf of Centuria.
Announcement Date	means Monday, 19 April 2021, being the date of announcement of the Centuria Offer.
ASIC	means the Australian Securities and Investments Commission.
Associate	has the meaning given in section 12 of the Corporations Act.
ASX	means ASX Limited (ABN 98 008 624 691) or Australian Securities Exchange, as appropriate.
ASX Listing Rules	means the official listing rules of ASX, as amended and waived by ASX from time to time.
ASX Settlement	means ASX Settlement Pty Ltd (ABN 49 008 504 532).
ASX Settlement Rules	means the operating rules of the settlement facility provided by ASX Settlement.
AUM	means assets under management.
Bid Implementation Deed	means the Bid Implementation Deed entered into between Centuria and Primewest on 18 April 2021.
Broker	means a person who is a stock broker and a participant in CHES.
Cash Consideration	means the portion of the Offer Consideration that will be paid in cash.
CCL	means Centuria Capital Limited (ACN 095 454 336).
CCL Shares	means fully paid ordinary shares in CCL.
Centuria or Centuria Capital Group	means: a. when used in connection with the Centuria Offer, CCL (acting in its own capacity and as nominee for the CNI Fund); b. otherwise, the ASX listed entity consisting of CCL and CFML as responsible entity for the CNI Fund and their subsidiaries as the context requires.
Centuria Constitutions	means the constitutions of CCL and the CNI Fund as amended from time to time.
Centuria Life	means Centuria Life Limited.
Centuria Offer	means the offer described in Section 3.1.
Centuria Security	means a fully paid ordinary stapled security in Centuria, comprising a CCL Share stapled to a CNI Unit.
Centuria Securityholders	means the holder of one or more Centuria Securities.
CFML	means Centuria Funds Management Limited (ACN 607 153 588) as responsible entity of the CNI Fund.
CGT	means capital gains tax.
CHES	means the Clearing House Electronic Subregister System, which provides for electronic transfer, settlement and registration of securities in Australia.
CHES Holding	means a holding of Primewest Securities on the CHES Subregister of Primewest.
CHES Subregister	has the meaning given in the ASX Settlement Operating Rules.
Closing Date	means the last day of the Offer Period, being 17 June 2021 (unless extended or withdrawn).
CNI Fund	means Centuria Capital Fund (ARSN 613 856 358) whose responsible entity is CFML.
CNI Units	means fully paid ordinary units in the CNI Fund.
Combined Group	means Centuria and its Related Bodies Corporate following Centuria acquiring control of Primewest, and including Primewest.
Conditions	means the conditions to the Centuria Offer as set out in Appendix 2.

Glossary

Section 14

The following defined terms are used throughout this Bidder's Statement unless the contrary intention appears or the context requires otherwise:

TERM	DEFINITION
Control	has the meaning given in section 50AA of the Corporations Act, disregarding subsection 50AA(4).
Controlling Participant	has the meaning given in the ASX Settlement Operating Rules. Usually your Controlling Participant is a person, such as a Broker, with whom you have a sponsorship agreement (within the meaning of the ASX Settlement Operating Rules).
Corporations Act	means the Corporations Act 2001 (Cth).
Participating Acceptance Facility Securityholder	means a person identified by Centuria as a Primewest Securityholder who holds or beneficially owns at least A\$500,000 worth of Primewest Securities based on the consideration payable under the Centuria Offer.
Encumbrance	means any: <ul style="list-style-type: none">a. security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, option, right of pre-emption, power, title retention, or flawed deposit arrangement; orb. right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off; orc. right that a person (other than the owner) has to remove something from land (known as a profit à prendre), easement, public right of way, restrictive or positive covenant, lease, or licence to use or occupy; ord. third party right or interest or any right arising as a consequence of the enforcement of a judgment, or any agreement to create any of them or allow them to exist.
FY	financial year ended 30 June.
Government Agency	means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.
HIN	means a Holder Identification Number, which is the number that starts with an "X", allocated by your Controlling Participant to identify a Primewest Securityholder on the CHESSE Subregister of Primewest.
HY	six-month period ended 31 December.
Implementation Period	means the period from the date of the Bid Implementation Deed (being 18 April 2021) until the end of the Offer Period (inclusive of those dates).
Implied Offer Price	means the implied Offer Consideration of \$1.51 per Primewest Security payable based on Centuria's last close of \$2.77 per Centuria Security on 16 April 2021.
Ineligible Foreign Securityholder	means a Primewest Securityholder whose address as shown on the register of members of Primewest is in a jurisdiction other than Australia or its external territories and New Zealand, unless Centuria otherwise determines after being satisfied that it is not unlawful, not unduly onerous and not unduly impracticable to make the Centuria Offer to a Primewest Securityholder in the relevant jurisdiction and for Centuria Securities to be issued to such Primewest Securityholder on acceptance of the Centuria Offer, and that is not unlawful for such a Primewest Securityholder to accept the Centuria Offer in such circumstances in the relevant jurisdiction.
Issuer Sponsored Holding	means a holding of Primewest Securities on Primewest's Issuer Sponsored Subregister.
Issuer Sponsored Subregister	has the meaning given in the ASX Settlement Operating Rules.
Manages	means, in respect of a fund or entity, a fund or entity of which the relevant person is the responsible entity or trustee, or in respect of which the relevant person has a management contract or management rights.
Marketable Parcel	has the meaning given in the ASX Operating Rules Procedures which, among other things, includes a parcel of Centuria Securities, the value of which is not less than A\$500.
Morgan Stanley	means Morgan Stanley Australia Limited.
Offer Consideration	means the Securities Consideration and the Cash Consideration as set out in section 2.1 of Appendix 1.

Glossary

Section 14

TERM	DEFINITION
Offer Document	means this offer document.
Offer Period	means the period of time during which the Centuria Offer is open for acceptance.
Offer Terms	means the terms of the Centuria Offer set out in Appendix 1 of the Offer Document.
Official List	means the Official List of ASX.
Nominee	means Morgan Stanley Australia Securities Limited ABN 55 078 652 276 (AFSL 233741).
Permitted Primewest Distribution	means, in respect of Primewest: a. for the period ending 30 June 2021, a distribution in the amount disclosed by Primewest to the ASX prior to the date of the Bid Implementation Deed (being up to 2.9 cents per Primewest Security); and b. if the Offer Period has not closed by 31 December 2021, for the period ending 31 December 2021, a distribution in the ordinary course and in such amount and timing consistent with past practice.
Primewest	means the ASX listed stapled entity comprising PGL and the PWG Fund and their subsidiaries as the context requires.
Primewest Group	means: a. each of PGL and the PWG Fund (and, where applicable, PML acting in its capacity as responsible entity of the PWG Fund); b. each entity that is a Subsidiary of any of PGL or PWG Fund; and c. each entity that one or more of PGL and PWG Fund directly or indirectly, through one or more intermediaries, Controls. A reference to a Primewest Group Member is to any member of the Primewest Group.
Primewest Option	means an option over an unissued Primewest Security.
Primewest Securityholder	means the holder of one or more stapled Primewest Securities.
Primewest Security	means a fully paid ordinary security in Primewest, comprising a PGL Share stapled to a PWG Unit.
PGL	means Primewest Group Limited (ACN 636 344 137).
PGL Shares	means fully paid ordinary shares in PGL.
PML	means Primewest Management Ltd (ACN 091 415 833) as responsible entity for the PWG Fund.
PWG Fund	means Primewest Property Fund (ARSN 636 405 635) whose responsible entity is PML.
PWG Units	means fully paid ordinary units in the PWG Fund.
Register Date	means the date set by Centuria under section 633(2) of the Corporations Act, being 7:00pm (Sydney time) on 14 May 2021.
Related Body Corporate	has the meaning given to that term in the Corporations Act.
Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act.
Rights	means all accretions, rights or benefits of whatever kind attaching to or arising from Primewest Securities directly or indirectly at or after the Announcement Date, including, but not limited to, all dividends or other distributions and all rights to receive or subscribe for shares, stock units, notes, bonds, options or other securities, declared, paid or issued made by Primewest or any of its subsidiaries, other than in respect of the Permitted Primewest Distributions.
Section	means a section of this Bidder's Statement.
Securities Consideration	means the Centuria Securities that a Primewest Securityholder is entitled to receive under the Centuria Offer as part of the Offer Consideration.
Takeover Bid	means a takeover bid by Centuria for the Primewest Securities pursuant to the Bid Implementation Deed.
Takeovers Panel	means the Australian Takeovers Panel from time to time.

Glossary

Section 14

TERM	DEFINITION
Undisturbed Date	means Friday, 16 April 2021, being the close date prior to the Announcement Date.
Unmarketable Parcel Securityholder	means a Primewest Securityholder to whom, if they accept the Centuria Offer, Centuria Securities would be issued which would not constitute a Marketable Parcel.
US Securities Act	means United States Securities Act of 1933 (as amended).
Vitalharvest Transaction	means the transaction originally announced to the ASX by Vitalharvest Freehold Trust (VTH) on 24 March 2021 under which Macquarie Agricultural Funds Management Limited as trustee of Macquarie Agriculture Fund proposes to acquire all of the fully paid ordinary units in VTH from VTH unitholders by way of a trust scheme of arrangement, or a transaction involving the disposal of ordinary units in VTH to a different acquirer.
VWAP	means volume weighted average price.

14.2 General Interpretation

The following rules of interpretation apply unless the contrary intention appears or the context requires otherwise:

- A reference to time is a reference to Sydney time.
- Headings are for convenience only and do not affect interpretation.
- The singular includes the plural and the plural includes the singular.
- A reference to a Section is to a section of this Bidder's Statement.
- A gender includes all genders.
- Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- \$, or cents is a reference to the lawful currency in Australia, unless otherwise stated.
- A reference to a Business Days means a day on which banks are open for general banking business in Sydney, Australia (not being a Saturday, Sunday or public holiday in that place).
- A reference to a person includes a body corporate, an unincorporated body or other entity and conversely.
- the meaning of general words is not limited by using the words "including", "for example" or similar expressions.
- A reference to a person includes a reference to the persons executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assignors.
- A reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it.
- A reference to any instrument or document includes any variation or replacement of it.
- A term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act or the ASX Settlement Operating Rules, as the case may be.
- A reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually.
- A reference to you is to a person to whom the Centuria Offer is made under Appendix 1 to this Bidder's Statement.

Approval of Bidder's Statement

Section 15

The copy of this Bidder's Statement that is to be lodged with ASIC has been approved by a unanimous resolution passed by all of the directors of Centuria on 14 May 2021.

Signed by John McBain in accordance with section 351 of the Corporations Act.



John McBain
Executive Director

14 May 2021.

Formal Terms of the Centuria Offer

Appendix 1

1 Centuria Offer

Centuria offers to acquire all (but not some) of your Primewest Securities, together with all Rights attaching to them, on and subject to the terms and conditions set out in the Appendices to this Bidder's Statement.

This Centuria Offer relates to Primewest Securities that exist or will exist at the Register Date and extends to any Primewest Securities that are issued between that date and the end of the Offer Period as a result of the conversion of, or exercise of Rights attached to, other securities that are convertible into Primewest Securities that are on issued at the Register Date.

You may only accept this Centuria Offer for all of your Primewest Securities.

By accepting this Centuria Offer, you undertake to transfer to Centuria not only the Primewest Securities to which this Centuria Offer relates but also all Rights attached to those Primewest Securities (see Section 8.2 of Appendix 1).

2 Consideration

2.1 Consideration offered

The consideration offered is \$0.20 in cash and 0.473 Centuria Securities for each Primewest Security ("Offer Consideration").

Other than those Permitted Primewest Distributions described in Section 3.6, if the record date occurs after 30 June 2021, the Offer Consideration may be reduced by the cash amount of value (excluding the value of any franking credits attached to the distributions) of any such distribution.

2.2 Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders

If at the time this Centuria Offer is made to you, you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder, then, despite any other provision of this Centuria Offer, you are not entitled to be offered or to receive Centuria Securities as consideration under the Centuria Offer. Instead, if you accept this Centuria Offer, you will receive a cash amount determined in accordance with Section 6.3 of Appendix 1.

2.3 Rounding of securities

If you become entitled to a fraction of one Centuria Security, that fraction will be rounded down to the nearest whole Centuria Security (even if the result is zero).

2.4 Ranking of Centuria Securities

The Centuria Securities to be issued under the Centuria Offer will be issued fully paid and will rank equally in all respects with all other Centuria Securities currently on issue.

2.5 Distribution and entitlements

Centuria will be entitled to all Rights (including distributions and entitlements declared, paid or made by Primewest or which arise or accrue after the Announcement Date) in respect of Primewest Securities which Centuria acquires pursuant to this Centuria Offer, other than the following permitted distributions (as contemplated by the Bid Implementation Deed):

- the distribution of 2.9 cents per Primewest Security which is payable to those Primewest Securityholders on the Primewest register as at the record date described in Section 7.4; and
- only if the Offer Period has not closed by 31 December 2021, for the period ending 31 December 2021, a distribution payable to Primewest Securityholders on the Primewest register, as at a future record date to be fixed, and otherwise in the ordinary course and in such amount and timing consistent with past practice.

If for any reason Centuria does not receive any such distribution or entitlement, Centuria will, to the extent permitted by applicable law, be entitled, pursuant to section 1(h) of Schedule 1 to the Bid

Implementation Deed, to reduce the amount of Offer Consideration to which you would otherwise be entitled in accordance with this Centuria Offer by the amount or value (as reasonably determined by Centuria) of the distribution or entitlement. This may involve a reduction in the cash amount and/or the number of Centuria Securities to which you may otherwise be entitled.

3 Offer Period

This Centuria Offer will, unless withdrawn, remain open for acceptance during the period commencing on the date of this Centuria Offer, being 17 May 2021, and ending at 7:00pm (Sydney time) on the later of:

- 17 June 2021; or
- any date to which the period of this Centuria Offer is extended in accordance with the Corporations Act

4 Official quotation of Centuria Securities

Centuria has been admitted to the Official List of ASX. Securities of the same class as those to be issued as Offer Consideration have been granted official quotation by ASX. This Centuria Offer and any contract that results from your acceptance of this Centuria Offer are subject to Centuria applying to ASX within seven days after this Bidder's Statement has been sent to Primewest, for the admission of the new Centuria Securities to official quotation in accordance with section 625(3) of the Corporations Act. If quotation is not granted, any contract that results from your acceptance of this Centuria Offer will be automatically void. Official quotation of securities by ASX is not granted automatically on application. However, Centuria has no reason to believe that the new Centuria Securities to be issued under the Centuria Offer will not be admitted to quotation by ASX.

5 How to accept this Centuria Offer

5.1 All of your holding

This Centuria Offer is for all of your Primewest Securities.

5.2 Acceptance procedure for Primewest Securityholders

You may accept the Centuria Offer during the Offer Period in the manner specified below. How you accept the Centuria Offer depends on whether your Primewest Securities are held in a CHESS Holding or an Issuer Sponsored Holding (your personalised Acceptance Form outlines which type of holding you have).

If you hold your Primewest Securities in a CHESS Holding (your HIN starts with an X), to accept the Centuria Offer you must comply with the ASX Settlement Operating Rules by doing one of the following:

- **Contact your Controlling Participant:** instruct your Controlling Participant (usually your Broker) to initiate acceptance of the Centuria Offer on your behalf in sufficient time for the Centuria Offer to be accepted before the end of the Offer Period. Acceptance must be received by 7:00pm (Sydney time) on the Closing Date, unless the Centuria Offer is extended; or
- **Online acceptance:** accept the Centuria Offer online, by logging into www.centuriaprimewestoffer.com.au, following the instructions, selecting the "Accept" option and submitting your acceptance before the Centuria Offer closes; or
- **Send the Acceptance Form by email:** complete and sign your personalised Acceptance Form and lodge it by sending a scanned copy by email to PWGOffer@CenturiaInvestor.com so that your acceptance is received before the end of the Offer Period, which is 7:00pm (Sydney time) on 17 June 2021, unless the Centuria Offer is extended; or
- **Send the Acceptance Form to your Controlling Participant:** complete and sign your personalised Acceptance Form and send it (together with all other documents required by the instructions on the form) directly to your Controlling Participant (usually your Broker) in sufficient time for the Centuria Offer to be accepted before the end of the Offer Period with instructions to initiate acceptance of the

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Centuria Offer on your behalf before the end of the Offer Period. Acceptance must be received by 7:00pm (Sydney time) on the Closing Date, unless the Centuria Offer is extended; or

- **Send the Acceptance Form to the address indicated on the Acceptance Form:** complete and sign your personalised Acceptance Form and lodge it by returning it in the reply paid envelope provided or to the address indicated on the form (and set out below) so that your acceptance is received before the end of the Offer Period, which is 7:00pm (Sydney time) on 17 June 2021, unless the Centuria Offer is extended. This will authorise Centuria to instruct your Controlling Participant to initiate acceptance of the Centuria Offer on your behalf.

If you are a Broker or an ASX Settlement Participant, to accept the Centuria Offer you must initiate acceptance in accordance with the requirements of the ASX Settlement Operating Rules before the end of the Offer Period. Acceptance Forms must be received by 7:00pm (Sydney time) on the Closing Date, unless the Centuria Offer is extended.

If you hold your Primewest Securities in an Issuer Sponsored Holding (your SRN starts with an I), to accept the Centuria Offer you may accept the Centuria Offer online or by using a personalised physical Acceptance Form. You must complete and sign your personalised Acceptance Form in accordance with the instructions on it and lodge it by returning it (together with all other documents required by the instructions on your personalised Acceptance Form) by:

- **Online acceptance:** accept the Centuria Offer online, by logging into www.centuriaprimewestoffer.com.au, following the instructions, selecting the "Accept" option and submitting your acceptance before the Centuria Offer closes; or
- **Send the Acceptance Form by email:** complete and sign your personalised Acceptance Form and lodge it by sending a scanned copy by email to PWGOffer@CenturiaInvestor.com so that your acceptance is received before the end of the Offer Period, which is 7:00pm (Sydney time) on 17 June 2021, unless the Centuria Offer is extended; or
- **Send the Acceptance Form by Fax:** complete and sign your personalised Acceptance Form and lodge it by sending a copy by fax to 02 9279 0664 so that your acceptance is received before the end of the Offer Period, which is 7:00pm (Sydney time) on 17 June 2021, unless the Centuria Offer is extended; or
- **Send the Acceptance Form to the address indicated on the Acceptance Form:** complete and sign your personalised Acceptance Form and lodge it by returning it in the reply paid envelope provided or to the address indicated on the form (and set out below) so that your acceptance is received before the end of the Offer Period, which is 7:00pm (Sydney time) on 17 June 2021, unless the Centuria Offer is extended. This will authorise Centuria to instruct your Controlling Participant to initiate acceptance of the Centuria Offer on your behalf.

If some of your Primewest Securities are held in an Issuer Sponsored Holding and some in a CHES Holding, you will need to accept the Centuria Offer separately for each holding if you wish to accept the Centuria Offer for all of your Primewest Securities across those holdings. Section 5 of the Offer Terms in Appendix 1 contains further information on how to accept the Centuria Offer.

If you are a beneficial owner of Primewest Securities which are registered in the name of a Broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting the Centuria Offer.

Acceptance Facility

Please refer to Section 13.9 for information on how to accept using the Acceptance Facility established by Centuria for certain Participating Acceptance Facility Securityholders.

Postal and delivery details

The postal and delivery addresses for your completed personalised Acceptance Forms are as follows.

Postal address: Boardroom Pty Limited
GPO BOX 3993
Sydney, NSW 2001

Hand delivery: Boardroom Pty Limited
Level 12, 225 George Street
Sydney, NSW 2000

A reply paid envelope (for use by Primewest Securityholders within Australia) is enclosed for your convenience.

The transmission of your personalised Acceptance Form and other documents and the use of the transaction-specific website at www.centuriaprimewestoffer.com.au to accept the Centuria Offer is at your own risk.

5.3 Power of attorney, deceased estate

When accepting this Centuria Offer, you should also forward for inspection:

- if your personalised Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
- if your personalised Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Primewest Securityholder, a certified copy of the relevant grant of probate or letters of administration.

5.4 When acceptance is complete

Acceptance of this Centuria Offer will not be complete until a completed Acceptance Form has been received at one of the addresses set out in Section 5.2 of Appendix 1 and the requirements of Section 5 of Appendix 1 have otherwise been met, provided that:

- Centuria may in its sole discretion and without notice to you waive any or all of those requirements at any time (including but not limited to requirements in relation to the manner or method of acceptance, or the deadline for receipt of acceptances specified under Section 5.2 of Appendix 1); and
- where the requirements in this Section 5 of Appendix 1 have been complied with in respect of some but not all of your Primewest Securities, Centuria may, in its sole discretion, deem your acceptance of this Centuria Offer complete in respect of those Primewest Securities for which the requirements have been complied with but not in respect of the remainder (unless Centuria waives those requirements in accordance with Section 5.4 of Appendix 1).

Where Centuria elects to waive any requirement of this Section 5, your acceptance of this Centuria Offer will be complete regardless of any failure by you to comply with the waived requirement.

Formal Terms of the Centuria Offer

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6 Payment for your Primewest Securities

6.1 How payment for your Primewest Securities will be made

Securities Consideration: The obligation of Centuria to issue and allot any Centuria Securities to which you are entitled as Securities Consideration under the Centuria Offer will be satisfied by Centuria:

- a. either by:
 - i. entering your name on Centuria's register; or
 - ii. if your name is entered into the issuer sponsored subregister of Centuria, by no later than five Business Days after your name is entered in the register of members of Centuria, despatching or procuring the despatch to you of a holding statement in accordance with ASX Listing Rule 8.6; and
- b. despatching or procuring the despatch to you of a transaction confirmation statement in your name.

Cash Consideration: Payment of any cash amount to which you are entitled as Cash Consideration under the Offer will be made by cheque or to your bank account (if bank account details are provided on the Acceptance Form) (or otherwise as determined by Bidder) in Australian currency.

Address: Anything to be despatched to you under this Section 6 of Appendix 1 will be sent at your risk by pre-paid ordinary mail or airmail (as appropriate) to your address as shown on your personalised Acceptance Form, as shown on the Register or any other address you notify to Centuria in writing before despatch.

Joint holdings: If your Primewest Securities are held in joint names and those names are entered into the issuer sponsored subregister of Centuria, anything to be issued under this Section 5 of Appendix 1 will be issued in the name of, and forwarded to, the holder whose name appears first in the Register.

6.2 When consideration is paid

Subject to Section 6.4 of Appendix 1, if the contract resulting from your acceptance of this Offer becomes unconditional, Centuria will provide, or procure the provision of, the Offer Consideration to which you are entitled on acceptance of this Offer on or before the later of:

- a. 5 Business Days after the date this Offer is validly accepted by you; and
- b. if this Offer is subject to a defeating condition when accepted, within 5 Business Days after this Offer or the contract resulting from your acceptance of this Offer becomes unconditional.

6.3 Payments to Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders

If you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder, you will not be entitled to receive Centuria Securities as part of the Offer Consideration as a result of accepting the Centuria Offer, and Centuria will:

- a. arrange for the issue to the Nominee of the number of Centuria Securities to which all Ineligible Foreign Securityholders and all Unmarketable Parcel Securityholders (including you) would have been entitled but for Section 2.2 of Appendix 1. Centuria may arrange for the Centuria Securities to be issued to the Nominee in tranches. Centuria has the sole and complete discretion as to when and in how many tranches to aggregate the Centuria Securities to be issued to the Nominee as a result of acceptances of the Centuria Offer;
- b. cause the Centuria Securities so issued to be offered for sale by the Nominee (in one or more tranches) on the ASX as soon as practicable and otherwise in the manner, at the price and on such other terms and conditions as are determined by the Nominee, and the Nominee will remit the proceeds of such sale to Centuria; and

- c. arrange for payment to you of the amount ascertained in accordance with the following formula, being your pro rata share of the proceeds from the Centuria Securities sold in the relevant sale tranche, less brokerage and sale expenses:

(N x YS) / TS

where:

'N' is the amount which is received by the Nominee upon the sale of the Centuria Securities in the relevant tranche under this Section 6.3 of Appendix 1 less brokerage and sale expenses;

'YS' is the number of Centuria Securities which would, but for Section 2.2 of Appendix 1, otherwise have been allotted to you; and

'TS' is the total number of Centuria Securities allotted to the Nominee in the relevant tranche under this Section 6.3 of Appendix 1.

You will be sent your share of the proceeds of the sale of Centuria Securities by Boardroom, as agent for Centuria, in Australian currency, by cheque drawn on an Australian bank or to your bank account (if bank account details are provided on the Acceptance Form).

Payments made by cheque will be posted to you, at your risk, by ordinary mail (or in the case of overseas unitholders, by airmail) at either the address as shown on your Acceptance Form or the address shown on the relevant register within the period required by the Corporations Act.

Under no circumstances will interest be paid on your share of the proceeds of the sale of Centuria Securities by Centuria or the Nominee, regardless of any delay in remitting these proceeds to you.

The Nominee may sell the Centuria Securities in such manner, at such price or prices and on such terms as the Nominee determines, and at the risk of the Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders. The Nominee will sell the Centuria Securities on ASX following the issue of those securities to it and the Nominee has sole and complete discretion with regards to the number of tranches in which to sell the Centuria Securities that are issued to it.

As the market price of Centuria Securities will be subject to change from time to time, the sale price of the Centuria Securities sold by the Nominee and the proceeds of those sales cannot be guaranteed. Neither Centuria nor the Nominee gives any assurance as to the price that will be achieved for the sale of the Centuria Securities by the Nominee.

The Nominee will be appointed by, and will provide the Nominee services to, Centuria. In acting as Nominee, the Nominee will not be acting as agent or sub-agent of any Ineligible Foreign Securityholder or Unmarketable Parcel Securityholder, does not have duties or obligations (fiduciary or otherwise) to any Ineligible Foreign Securityholder or Unmarketable Parcel Securityholder and does not underwrite the sale of the Centuria Securities.

6.4 Where additional documents are required

Where your personalised Acceptance Form or any subsequent request from Centuria requires additional documents to be given with your acceptance (such as a certified copy of a power of attorney, grant of probate or letters of administration, or any other document requested by Centuria to give better effect to your acceptance):

- a. if the documents are given with your acceptance, Centuria will provide, or procure the provision of, the Offer Consideration in accordance with Sections 6.1 or 6.3 of Appendix 1;
- b. if the documents are given after acceptance and before the end of the Offer Period and this Centuria Offer is subject to a defeating condition at the time that Centuria is given the documents, Centuria will provide, or procure the provision of, the Offer Consideration by the end of whichever of the following periods ends earlier:

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- i. 10 Business Days after the contract resulting from your acceptance of this Centuria Offer becomes unconditional; and
 - ii. 10 Business Days after the end of the Offer Period; or
- c. if the documents are given after acceptance and before the end of the Offer Period and this Centuria Offer is unconditional at the time that Centuria is given the documents, Centuria will provide, or procure the provision of, the Offer Consideration by the end of whichever of the following periods ends earlier:
- i. 10 Business Days after Centuria is given the documents; and
 - ii. 10 Business Days after the end of the Offer Period; or
- d. if the documents are given after the end of the Offer Period, Centuria will provide, or procure the provision of, the Offer Consideration within 10 Business Days after the documents are given; but if at the time Centuria is given the documents, the contract resulting from your acceptance of this Centuria Offer is still subject to one or more of the conditions titled "No Prescribed Occurrences" in Appendix 2, Bidder will provide, or procure the provision of, the Offer Consideration within 10 Business Days after that contract becomes unconditional (to the extent the condition is the same as the conditions set out in sections 652(c)(1) and (2) of the Corporations Act, as modified by section 604 of the Corporations Act).

If you do not provide Centuria with the required additional documents within one month after the end of the Offer Period, Centuria may, in its sole discretion, rescind the contract resulting from your acceptance of this Centuria Offer.

6.5 Where Centuria is entitled to any Rights

If Centuria becomes entitled to any Rights as a result of your acceptance of this Centuria Offer, it may require you to give Centuria all documents necessary to vest those Rights in Centuria or otherwise to give Centuria the benefit or value of those Rights. If you do not give those documents to Centuria, or if you have received the benefit of those Rights, then Centuria may deduct from the Offer Consideration otherwise due to you the amount (or value, as reasonably assessed by Centuria) of those Rights in accordance with Section 2.5 of Appendix 1.

6.6 Rights generally

If:

- a. you have (or any previous holder of your Primewest Securities has) received the benefit of any Rights (whether in respect of non-cash benefits or otherwise); or
 - b. you are (or any previous holder of your Primewest Securities is) entitled to receive the benefit of any Rights under the terms that provide for or otherwise apply to those Rights (for example, if the Right is to receive a distribution, if you are (or any previous holder of your Primewest Securities is) the registered holder of the security at the specified time for determining those entitled to the distribution); or
 - c. your Primewest Securities were issued (or otherwise came into existence) on or after the specified time for determining entitlements in respect of any Rights to Primewest Securityholders,
- then:
- d. in the case of Rights to non-cash benefits, Centuria may deduct the value (as reasonably assessed by Centuria) of the Rights from any Offer Consideration otherwise payable to you; or
 - e. in the case of Rights to cash benefits, Centuria may deduct the amount of the Rights from any Offer Consideration otherwise payable to you.

If Centuria does not, or cannot, make the deduction, you must pay the value or amount to Centuria.

6.7 Clearances for offshore residents

If at the time of acceptance of this Centuria Offer, any consent, authority or clearance is required for you to receive any consideration

under this Centuria Offer including, but not limited to consent, authority or clearance of:

- a. the Minister for Foreign Affairs (whether under the Charter of the United Nations Act 1945 (Cth), the Charter of the United Nations (Terrorism and Dealings with Assets) Regulations 2002 or any other regulations made thereunder, or otherwise);
- b. the Reserve Bank of Australia (whether under the Banking (Foreign Exchange) Regulations 1959 (Cth) or otherwise); or
- c. the Australian Taxation Office,

then acceptance of this Centuria Offer will not create or transfer to you any right (contractual or contingent) to receive (and you will not be entitled to receive) any consideration under this Centuria Offer unless and until all those consents, authorities or clearances have been obtained by Centuria.

7 Conditions of this Centuria Offer

7.1 Conditions

This Centuria Offer and the contract that results from acceptance of this Centuria Offer are subject to fulfilment of the Conditions set out in Appendix 2.

7.2 Nature of Conditions

Each of the Conditions set out in each paragraph and subparagraph of Appendix 2:

- a. constitutes and will be construed as a separate, several and distinct Condition;
- b. is a condition subsequent; and
- c. until the expiration of the Offer Period will be for the benefit of Centuria alone and may be relied on only by Centuria.

7.3 Effect of breach or non-fulfilment

The breach or non-fulfilment of any of the conditions subsequent set out in Appendix 2 does not, until the end of the Offer Period, prevent a contract arising to acquire your Primewest Securities resulting from your acceptance of this Centuria Offer but, if at the end of the Offer Period in respect of any Condition in Appendix 2:

- a. Centuria has not declared this Centuria Offer (and it has not become) free from that Condition; and
- b. that Condition has not been fulfilled,

all contracts resulting from the acceptance of the Centuria Offer and all acceptances that have not resulted in binding contracts are void. In that case, Centuria will notify ASX of the lapse of the Centuria Offer in accordance with Rule 14.19 of the ASX Settlement Operating Rules.

7.4 Reasonable endeavours in relation to Conditions

Centuria and Primewest:

- a. must each use reasonable endeavours to satisfy the Conditions as soon as practicable after the date of the Bid Implementation Deed (other than, in the case of Primewest, the minimum acceptance condition); and
- b. agree not to do, or omit to do, anything which will, or is likely to, result in any of the Conditions being breached.

7.5 Centuria may decide Centuria Offer is free from all or any of the Conditions

Centuria may at any time at its sole discretion, but in compliance with the Corporations Act, declare the Centuria Offer free from all or any of the Conditions.

However, except with the prior written consent of Primewest, (after having consulted in good faith with the Centuria), Centuria must not waive or vary the bid Condition relating to minimum acceptance, if the effect of such waiver or variation would be to allow the Condition to be satisfied or waived at a level of acceptances of the Takeover Bid

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(including acceptances received through the Acceptance Facility) representing less than 80% of all Primewest Securities on a fully diluted basis.

7.6 Date for giving notice on status of Conditions

The date for giving a notice on the status of the Conditions as required by section 630(1) of the Corporations Act is 3 June 2021 subject to variation in accordance with section 630(2) of the Corporations Act in the event that the Offer Period is extended.

8 Effect of Acceptance

8.1 Revocation of acceptance

Once you have accepted this Centuria Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you. In addition, you will be unable to withdraw your acceptance of this Centuria Offer or otherwise dispose of your Primewest Securities, except as follows:

- a. if, before the end of the Offer Period, the Conditions in Appendix 2 have not all been fulfilled or waived, then this Centuria Offer will automatically terminate and your Primewest Securities will be returned to you; or
- b. if the Offer Period is varied in a way that postpones for more than one month the time when Centuria has to meet its obligations under the Centuria Offer and, at that time, this Centuria Offer is subject to one or more of the Conditions in Appendix 2, then you may be able to withdraw your acceptance in accordance with section 650E of the Corporations Act.

8.2 Your agreement

By signing and returning your personalised Acceptance Form, or otherwise accepting this Centuria Offer, you will be deemed to have:

- a. irrevocably authorised Centuria to alter your personalised Acceptance Form on your behalf by:
 - i. inserting correct details of your Primewest Securities;
 - ii. filling in any blanks remaining on your personalised Acceptance Form; and
 - iii. rectifying any errors in, and omissions from, your personalised Acceptance Form,

as may be necessary to make your personalised Acceptance Form a valid acceptance of this Centuria Offer and to enable registration of the transfer of your Primewest Securities to Centuria, and agreed to provide any document reasonably requested by Centuria to make your personalised Acceptance Form a valid acceptance of this Centuria Offer or to otherwise give better effect to your acceptance; and

- b. if any of your Primewest Securities are in a CHESS Holding, irrevocably authorised Centuria to:
 - i. instruct your Controlling Participant to initiate acceptance of this Centuria Offer in respect of all those Primewest Securities in accordance with the ASX Settlement Operating Rules; and
 - ii. give any other instructions in relation to those Primewest Securities to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant; and
- c. agreed to indemnify Centuria in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your HIN or SRN or in consequence of the transfer of your Primewest Securities to Centuria being registered by Primewest without production of your HIN or SRN;

- d. irrevocably accepted this Centuria Offer in respect of all your Primewest Securities despite any difference between that number and the number of Primewest Securities shown on your personalised Acceptance Form;

- e. agreed to the terms and conditions of this Centuria Offer and, subject to the Conditions contained in Appendix 2 being fulfilled or waived, agreed to transfer (or consented to the transfer in accordance with the ASX Settlement Operating Rules) to Centuria of your Primewest Securities;

- f. represented and warranted to Centuria, as a fundamental condition of the contract resulting from your acceptance of this Centuria Offer, that at the time of acceptance and at the time of transfer of your Primewest Securities to Centuria:

- i. you have paid to Primewest all amounts which are due for payment in respect of your Primewest Securities; and
- ii. all of your Primewest Securities are fully paid and free from all Encumbrances and restrictions on transfer of any nature;
- iii. and you have full power and capacity to sell and transfer those Primewest Securities; and

- g. on this Centuria Offer or any takeover contract becoming unconditional:

- i. irrevocably appointed Centuria and each of its directors from time to time individually as your agent and attorney on your behalf to:

- A. attend and vote in respect of your Primewest Securities at all general meetings of Primewest;
- B. at Centuria's discretion, pay Centuria, or any other party, all or part of any amounts contemplated by Section 6.1 of Appendix 1 of these terms;
- C. receive from Primewest or any other party, and retain, any unit certificates which were held by Primewest, or any other party, whether pursuant to the terms of any employee incentive scheme (including, without limitation, any employee security scheme) or otherwise; and
- D. sign all documents (including an instrument appointing one of Centuria's directors as a proxy in respect of any or all of your Primewest Securities and any application to Primewest for a replacement certificate in respect of any unit certificate which has been lost or destroyed) and resolutions relating to your Primewest Securities, and generally to exercise all powers and rights which you may have as a Primewest Securityholder and perform any actions as may be appropriate in order to vest good title in your Primewest Securities in Centuria, and to have agreed that, in exercising any powers, any director of Centuria is entitled to act in Centuria's interests as the beneficial owner and intended registered holder of your Primewest Securities; and

- ii. agreed not to vote in person at any general meeting of Primewest or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on the directors of Centuria by Section (g)(i) above; and

- iii. unless you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder, irrevocably authorised Centuria to apply for the issue to your account of that number of Centuria Securities corresponding to your entitlement under this Centuria Offer at the date of application; and

- iv. unless you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder, agreed to accept the Centuria Securities to which you have become entitled by acceptance of this Centuria Offer subject to the terms of this Centuria Offer and the Centuria Constitutions, agreed that you will be bound by the Centuria Constitutions, and authorised Centuria to place your name on its securityholder register in respect of those Centuria Securities; and

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- v. irrevocably authorised and directed Centuria to direct Primewest to pay to Centuria, or to account to Centuria for, all Rights in respect of your Primewest Securities, subject to Centuria accounting to you for any Rights received by Centuria if this Centuria Offer is withdrawn or any contract resulting from your acceptance to this Centuria Offer is rescinded or rendered void; and
- vi. in accordance with Section 7.5 of Appendix 1, irrevocably authorised Centuria to adjust the Offer Consideration payable to you by the amount (or value, as reasonably assessed by Centuria) of all Rights in respect of your Primewest Securities; and
- vii. irrevocably authorised Centuria to notify Primewest on your behalf that your place of address for the purposes of serving notices on you in respect of your Primewest Securities is the address specified by Centuria in the notification; and
- viii. acknowledged and agreed that, except as permitted by and in accordance with applicable law, you will not knowingly offer or resell in, or to persons in, the United States of America any Centuria Securities which you acquire at any time; and
- ix. if you are an Ineligible Foreign Securityholder or Unmarketable Parcel Securityholder (or if Centuria believes that you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder):
 - A. acknowledged and agreed to Centuria undertaking the process set out in Section 6.3 of Appendix 1 in respect of any Centuria Securities which you would have become entitled to receive under Section 2.1 but for Section 2.2 of Appendix 1; and
 - B. irrevocably authorised Centuria to apply for the issue to the account of the Nominee of that number of Centuria Securities which you would have become entitled to receive under Section 2.1 but for Section 2.2 of Appendix 1;
- x. where, at that time, you have a right to be registered as a holder of the Primewest Securities the subject of your acceptance as the result of an on-market purchase (but are not a Primewest Securityholder):
 - A. agreed to use best endeavours to procure the delivery of the Primewest Securities the subject of your acceptance to Centuria in accordance with your acceptance (including giving Centuria all documents necessary to vest those Primewest Securities in Centuria or otherwise to give Centuria the benefit or value of those Primewest Securities);
 - B. agreed not to do or omit to do anything which may frustrate your acceptance of this Centuria Offer, or otherwise obstruct registration of the transfer of the Primewest Securities the subject of your acceptance to Centuria;
 - C. irrevocably assigned to Centuria all contractual rights and recourse against the vendor in respect of your on-market purchase which contractual rights and recourse may arise by reason of that person's failure to complete that trade;
 - D. agreed to assign to Centuria (without any further action being required) all rights in respect of your on-market purchase immediately on any failure by you to complete that trade, including irrevocably assigning to Centuria the right to (at Centuria's ultimate discretion) complete that trade on your behalf, and agreed that Centuria may deduct from the consideration otherwise payable to you (pursuant to a valid acceptance of this Centuria Offer and the delivery of the Primewest Securities the subject of that acceptance) any amount paid by Centuria in order to settle that onmarket purchase on your behalf. If Centuria does not, or cannot, make the deduction, you must pay the amount to Centuria; and
 - E. agreed that if you are unable to assign to Centuria any of the rights and recourse specified under paragraphs (C) and (D), you will assign those rights and recourse as soon as you are legally able to; and

- h. if at the time of acceptance of this Centuria Offer your Primewest Securities are in a CHESS Holding, authorised, with effect from the date that this Centuria Offer or any contract resulting from acceptance of this Centuria Offer is declared free from all its Conditions or those Conditions are satisfied, Centuria to cause a message to be transmitted to ASX Settlement Pty Ltd in accordance with Rule 14.17.1 of the ASX Settlement Operating Rules so as to transfer all of your Primewest Securities to Centuria's Takeover Transferee Holding. Centuria will be so authorised even though at the time of transfer it has not provided the Offer Consideration due to you.

By accepting this Centuria Offer you will be deemed to have agreed to the matters set out in paragraphs (a) to (h), notwithstanding where this Centuria Offer has been caused to be accepted in accordance with the ASX Settlement Operating Rules.

Except in relation to Primewest Securities in a CHESS Holding, Centuria may at any time deem the receipt of a signed Acceptance Form to be a valid acceptance of this Centuria Offer even though you omit to include your unit certificate(s) (if any) or there is non-compliance with any one or more of the other requirements for acceptance. However, if Centuria does so, Centuria is not obliged to make the Offer Consideration available to you until all of the requirements for acceptance have been met.

9 Withdrawal

Centuria may withdraw unaccepted Centuria Offers at any time in accordance with the written consent of ASIC.

10 Variation

Centuria may vary this Centuria Offer in accordance with the Corporations Act.

11 Acceptances by transferees and nominees

11.1 Who may accept this Centuria Offer

During the Offer Period:

- a. any person who is able to give good title to a parcel of your Primewest Securities may accept this Centuria Offer (if they have not already accepted an offer in the form of this Centuria Offer) as if an offer on terms identical with this Centuria Offer has been made to them; and
- b. any person who holds one or more parcels of Primewest Securities as trustee, nominee, or otherwise on account of another person, may accept as if a separate and distinct offer had been made in relation to:
 - i. each of those parcels; and
 - ii. any parcel they hold in their own right.

11.2 Holding securities

- a. A person is taken to hold Primewest Securities if the person is, or has a right to be registered as, the holder of those Primewest Securities.
- b. A person who has a right to be registered as a holder of Primewest Securities may accept this Centuria Offer by completing and signing the Acceptance Form in accordance with the instructions on it and lodging it by returning it (together with all other documents required by the instructions on your personalised Acceptance Form) to an address indicated under "Postal and delivery details" in Section 5.2 of Appendix 1 so that the acceptance is received before the end of the Offer Period.

11.3 Holding securities on trust or as a nominee

A person is taken to hold Primewest Securities on trust for, as nominee for, or on account of, another person if they:

- a. are entitled to be registered as the holder of particular Primewest Securities; and
- b. hold their interest in the Primewest Securities on trust for, as nominee for, or on account of, that other person.

Formal Terms of the Centuria Offer

Appendix 1

11.4 Effective acceptance

An acceptance of an offer under Section 11.1 of Appendix 1 is ineffective unless:

- a. the person who holds on account of another person, gives Centuria a notice stating that the Primewest Securities consist of a separate parcel; and
- b. the acceptance specifies the number of Primewest Securities in that parcel.

References in this Centuria Offer to your Primewest Securities will be treated as relating to that separate parcel.

11.5 Notice of acceptance

A notice under Section 11.4 of Appendix 1 of these terms must be made:

- a. if it relates to Primewest Securities entered on a CHESS subregister – in an electronic form approved by the ASX Settlement Operating Rules; or
- b. otherwise – in writing.

A person may, at the one time, accept for 2 or more parcels under this Section 11 of Appendix 1 as if there had been a single offer for a separate parcel consisting of those parcels.

12 Other matters

12.1 Notices and other communications

Subject to the Corporations Act, a notice or other communication given by Centuria to you in connection with this Centuria Offer is deemed to be duly given if it is in writing and:

- a. is delivered at your address as recorded on the register of members of Primewest or the address shown in your personalised Acceptance Form; or
- b. is sent by pre-paid ordinary mail, or in the case of an address outside Australia by pre-paid airmail, to you at either of those addresses.

12.2 Return of documents

If:

- a. this Centuria Offer is withdrawn after your personalised Acceptance Form has been sent to Centuria, but before it has been received; or
- b. for any other reason Centuria does not acquire the Primewest Securities to which your personalised Acceptance Form relates,

you may request Centuria by notice in writing to despatch (at your risk) your personalised Acceptance Form together with all other documents forwarded by you, to the address you nominate by pre-paid ordinary mail or airmail (as appropriate).

12.3 Costs and expenses

All costs and expenses of the preparation, despatch and circulation of the Bidder's Statement and this Centuria Offer and all stamp duty payable in respect of a transfer of Primewest Securities in respect of which Centuria Offers are accepted, will be paid by Centuria.

12.4 Foreign laws

This Centuria Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Centuria Offer and to receive Centuria Securities (if any) as Offer Consideration.

12.5 Governing law

This Centuria Offer and any contract resulting from acceptance of it is governed by the law in force in New South Wales.

Conditions of the Centuria Offer

Appendix 2

The completion of the Centuria Offer and any contract that results from an acceptance of the Centuria Offer, are subject to the fulfilment of various Conditions.

As at the date of this Bidder's Statement, the following conditions have been satisfied:

1 Escrow

Each of John Bond (Primewest Executive Chairman), David Schwartz (Primewest Managing Director) and Jim Litis (Primewest Executive Director) (or their respective nominees) enters into a form of non-regulatory escrow deed in customary form determined by Centuria and Primewest, acting reasonably, in respect of their Centuria Securities issued under the Centuria Offer as follows:

BIDDER SECURITIES	% OF NEW ESCROW PERIOD
12 months from the date the Centuria Securities are issued	50%
24 months from the date the Centuria Securities are issued	50%

As at the date of this Bidder's Statement, the following Conditions have not been satisfied or waived:

2 Primewest Option holders

Each holder of Primewest Options enters into an agreement with Primewest under which, conditional on the Takeover Bid being declared unconditional, Primewest will either:

- cancel their Primewest Options in consideration for a cash payment from the Primewest; or
- pay the Primewest Option holder a cash payment to either not exercise their Primewest Options or transfer their Primewest Options to a Primewest nominee.

3 Regulatory approvals

Before the end of the Offer Period, any approvals, consents, waivers, exemptions or declarations that are required by law, the ASX Listing Rules or by any Government Agency, to permit:

- the Centuria Offer to be lawfully made to and accepted by Primewest Securityholders; and
- the Takeover Bid to be completed,

are granted, given, made or obtained on an unconditional basis and remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

4 No restraints

During the Implementation Period:

- there is not in effect any preliminary or final decision, order or decree issued by any Government Agency;
- no action or investigation is announced, commenced or threatened by any Government Agency; and
- no application is made to any Government Agency (other than by Centuria or any Associate of Centuria),

in consequence of or in connection with the Centuria Offer (other than an application to, or a decision or order of, or action or investigation by, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Centuria Offers and the completion of the Takeover Bid or which requires the divestiture by the Centuria of any Primewest Securities or any material assets of the Primewest Group.

5 Minimum acceptance

At the end of the Offer Period, Centuria has a Relevant Interest in at least 90% of all Primewest Securities (on a fully diluted basis). Acceptances received through the Acceptance Facility will count towards the 90%.

6 No material adverse change

During the Implementation Period, none of the following occurs:

- an event, change, condition, matter or thing occurs or will or is reasonably likely to occur;
- information is disclosed or announced by Primewest concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur; or
- information concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur becomes known to Centuria (whether or not becoming public),
(each of (a), (b) and (c), a **Specified Event**) which, whether individually or when aggregated with all such events, changes, conditions, matters or things of a like kind that have occurred, will occur or are reasonably likely to occur, has had or would be considered reasonably likely to have:
 - a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Primewest Group, taken as a whole; or
 - without limiting the generality of paragraph (d) above:
 - the effect of a diminution in the value of the consolidated net assets of the Primewest Group, taken as a whole, by at least \$40,000,000 against what it would reasonably have been expected to have been but for such Specified Event;
 - the effect of a diminution in the consolidated earnings before interest, tax, fair value movements and one-off performance fees of the Primewest Group, taken as a whole, by at least \$2,700,000 in any financial year for the Primewest Group against what they would reasonably have been expected to have been but for such Specified Event;
 - the effect of a diminution in the distributable earnings of at least \$2,100,000 in any financial year for the Primewest Group against what they would reasonably have been expected to have been but for such Specified Event;
 - a material adverse effect on any Australian Financial Services Licence held by a Primewest Group Member, including the revocation, cancellation, suspension, or materially adverse modification of the terms of, such licence,

other than those events, changes, conditions, matters, circumstances or things:

- agreed to in writing by the Centuria;
- arising as a result of any change in law or governmental policy;
- arising as a result of any change in Australian accounting standards or their application to the Primewest Group;
- arising from changes in economic (including interest rates) or political conditions generally; or
- arising from changes in business conditions that affect the Primewest Group and other businesses in the commercial real estate investment and management sectors in a similar manner.

For the purposes of this bid Condition, Centuria shall not be taken to know of information concerning any event, change, condition, matter or thing before the date of this deed, unless the information has been fairly disclosed by Primewest in its public filings with ASX, or in the Disclosure Materials (as that term is defined in the Bid Implementation Deed), before the date of the Bid Implementation Deed.

Conditions of the Centuria Offer

Appendix 2

7 No Prescribed Occurrences

During the Implementation Period (other than with the prior written consent of Centuria), none of the following happen:

- a. PGL or PWG Fund (or where applicable, PML acting through its responsible entity) converting all or any of its shares or units (as applicable) into a larger or smaller number of securities;
- b. PGL, PWG Fund, or any other Primewest Group Member (where applicable, acting through its responsible entity or trustee) resolving to reduce its capital in any way, other than a return of capital to Primewest or to a Primewest Group Member directly or indirectly wholly-owned by Primewest;
- c. PGL, PWG Fund or any other Primewest Group Member (where applicable, acting through its responsible entity):
 - i. entering into a buyback agreement; or
 - ii. resolving to approve the terms of a buyback agreement, other than in respect of a buyback of securities held by Primewest or by a Primewest Group Member directly or indirectly wholly-owned by Primewest;
- d. PGL, PWG Fund or any other Primewest Group Member (where applicable, acting through its responsible entity) issuing securities (including Primewest Securities), or granting an option over securities or a performance right convertible into securities, or agreeing to make such an issue or grant such an option or performance right, other than:
 - i. the issue of securities by one Primewest Group Member to Primewest or to another Primewest Group Member that is directly or indirectly wholly-owned by Primewest;
 - ii. upon an exercise of Primewest Options on issue at the date of the Centuria Offer;
 - iii. the issue of securities in a Primewest Group Member to an investor for the purpose of the establishment, provision of initial funding for, or recapitalisation (where all third party capital is bought back or redeemed such that PWG Fund becomes a Primewest Group Member immediately before the issue of new capital) of PWG Fund;
- e. PGL, PWG Fund, or any other Primewest Group Member (where applicable, acting through its responsible entity or trustee) issuing, or agreeing to issue, convertible notes;
- f. PGL, PWG Fund, or any other Primewest Group Member (where applicable, acting through its responsible entity or trustee) disposing or agreeing to dispose, of the whole, or a substantial part, of the business or property of the Primewest Group as a whole (other than the Vitalharvest Transaction and the Takeover Bid contemplated by the Bid Implementation Deed);
- g. PGL, PWG Fund, or any other Primewest Group Member (where applicable, acting through its responsible entity or trustee) granting, or agreeing to grant, a Security Interest (as that term is defined in the Bid Implementation Deed) in the whole, or a substantial part, of the business or property of the Primewest Group as a whole;
- h. PGL or PWG Fund (where applicable, acting through its responsible entity) resolving that any of them be wound up or any other Primewest Group Member resolving to be wound up;
- i. the appointment of a liquidator or provisional liquidator of PGL, PWG Fund, PML or any other Primewest Group Member or any responsible entity or trustee of any other Primewest Group Member;

- j. the making of an order by a court for the winding up of PGL, PWG Fund, PML or any other Primewest Group Member or any responsible entity or trustee of any other Primewest Group Member; or
- k. the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of PGL, PWG Fund, PML or any other Primewest Group Member or any responsible entity or trustee of any other Primewest Group Member.

8 No material acquisitions, disposals, capital expenditure or changes in the conduct of business

During the Implementation Period (other than with the prior written consent of Centuria):

- a. other than acquisitions or agreements to acquire real estate in the ordinary course of business, the PWG Fund (acting through its responsible entity or trustee) must not acquire or dispose of, or enter into or announce any agreement for the acquisition or disposal of, any asset or business, or enter into any corporate transaction, which would or would be likely to involve a material change in:
 - i. the manner in which Primewest or the Primewest Group as a whole, conducts its business; or
 - ii. the nature (including balance sheet classification), extent or value of the assets or liabilities of Primewest or the Primewest Group as a whole, with the exception of the Vitalharvest Transaction;
- b. except with the consent of Centuria (which is not to be unreasonably withheld or delayed), PGL and any other Primewest Group Member must not enter into or agree to enter into or announce any transaction which would, or would be likely to, involve PGL or any other Primewest Group Member:
 - i. disposing of, or agreeing to dispose of, one or more trusts, companies or businesses (or any interest therein) other than a disposal of one or more trusts in connection with the disposal of an indirect interest in the underlying assets held by those trusts and where the value of the gross assets held directly or indirectly by those trusts is in aggregate less than \$15,000,000;
 - ii. other than acquisitions or disposals of co-investment assets, acquiring or disposing of, or agreeing to acquire or dispose of, any assets (including any real property, units in trusts or shares in companies) which has an aggregate value in excess of \$500,000;
 - iii. other than a contract, commitment or arrangement relating to a co-investment, entering into any other contract or commitment (including the acquisition of, or agreement to acquire, any asset or entering into a lease or agreement for lease) that is not in the ordinary course of business, other than a contract or commitment in relation to a Competing Proposal (as that term is defined in the Bid Implementation Deed) where permitted or a contract or commitment entered into to reasonably and prudently respond to an emergency or disaster (including a situation giving rise to a risk of personal injury or damage to property), with the exception of the Vitalharvest Transaction.

Conditions of the Centuria Offer

Appendix 2

9 Responsible entity, trustee and other changes

During the Implementation Period, none of the following occurs (other than with the prior written consent of Centuria):

- a. PGL or PWG Fund (where applicable, acting through its responsible entity) implements, or agrees or proposes to implement or otherwise participate in, any transaction, proposal or arrangement under which (if implemented) management of PWG Fund is or would be 'externalised' in any way;
- b. PML is removed or replaced as responsible entity of PWG Fund or an agreement is entered into, or there is any intention announced by Primewest to remove or replace PML as responsible entity of PWG Fund;
- c. the responsible entity or trustee of any Primewest Group Member (other than PWG Fund) ceases to be the responsible entity or trustee of that Primewest Group Member, unless the outgoing responsible entity or trustee is replaced as responsible entity or trustee by a Primewest Group Member;
- d. a change of Control occurs or is agreed to occur in respect of PGL, PWG Fund, or PML, other than as a result of the Centuria Offer;
- e. a change is made or agreed to be made to any of the constitutional documents of PGL or PWG Fund that is material in the context of the Takeover Bid; or

- f. any special or extraordinary resolution is passed or agreed to be passed in respect of PGL or PWG Fund.

10 No litigation on foot or pending

During the Implementation Period, no litigation against any Primewest Group Member which may reasonably result in a judgement of \$2,000,000 or more is commenced, is threatened to be commenced, is announced, or is made known to Centuria (whether or not becoming public) or Primewest, other than that which is in the public domain or is fairly disclosed in the Disclosure Materials (as that term is defined in the Bid Implementation Deed) as at the date of the Bid Implementation Deed.

11 Change of control

No fund or entity which is Managed by a Primewest Group Member is a party to any material financing arrangement, contract, or instrument, under which any change of control provision, unilateral termination right, material covenant or related event of default may be triggered or exercised in response to, or as a result of, the announcement of, or acceptances under, the Takeover Bid, for which counterparty approval, consent or waiver has not been obtained as at the end of the Offer Period.

ASX Announcements in Relation to Centuria

Appendix A

A list of the public announcements Centuria has released since 30 June 2020 is summarised below. This information may be relevant to your assessment of the Centuria Offer.

NO	DATE	ANNOUNCEMENT TITLE
1	14 May 2021	Takeover bid by Centuria for Primewest
2	14 May 2021	Dividend/Distribution - CNI
3	22 April 2021	Centuria expands into real estate debt space
4	21 April 2021	Centuria Completes Listed Note Offer - \$199m Raised
5	19 April 2021	Primewest Investor Presentation on Proposed Takeover
6	19 April 2021	Directors' Statement re Takeover
7	19 April 2021	CNI: Centuria to merge with Primewest - CNI Investor Pres
8	19 April 2021	CNI: Centuria to merge with Primewest combining over \$15b AUM
9	1 April 2021	Centuria Board Resignation
10	30 March 2021	Centuria Capital No2 Fund Note Replacement Prospectus
11	30 March 2021	Listed Note Offer Opens to Securityholders
12	26 March 2021	\$190 million Listed Note Institutional Bookbuild Completed
13	22 March 2021	Centuria Capital No2 Fund Note Prospectus
14	22 March 2021	Centuria Capital No2 Fund Notes Offer Presentation
15	22 March 2021	Centuria Launches Listed Notes Offer
16	22 March 2021	Trading Halt
17	15 March 2021	Centuria to Build hospital for doctor-led JV with Medibank
18	15 March 2021	Change in substantial holding
19	1 March 2021	Acquisition of NZ\$178m Visy Glass Plant
20	16 February 2021	Appendix 3X - Wee Peng Cho
21	16 February 2021	Appendix 3X - Kristie Brown
22	15 February 2021	Centuria Board Appointments
23	10 February 2021	CNI HY21 Results Presentation
24	10 February 2021	CNI HY21 Results Announcement
25	10 February 2021	CNI HY21 Financial Report
26	10 February 2021	CNI HY21 Appendix 4D
27	18 December 2020	Cleansing Notice
28	18 December 2020	Appendix 2A
29	16 December 2020	Establishment of a New Unlisted Industrial Fund
30	16 December 2020	CNI December 2020 Interim Distribution Declaration
31	16 December 2020	Dividend/Distribution - CNI
32	2 December 2020	Change in substantial holding
33	1 December 2020	Ceasing to be a substantial holder
34	30 November 2020	Appendix 3Y - John McBain
35	30 November 2020	Appendix 3Y - Jason Huljich

ASX Announcements in Relation to Centuria

Appendix A

NO	DATE	ANNOUNCEMENT TITLE
36	30 November 2020	Appendix 3G
37	23 November 2020	Appendix 3Y - John Slater
38	23 November 2020	Appendix 3Y - John McBain
39	23 November 2020	Appendix 3Y - Jason Huljich
40	23 November 2020	Appendix 3Y - Peter Done
41	23 November 2020	Appendix 3Y - Nicholas Collishaw
42	23 November 2020	Appendix 3Y - Garry Charny
43	20 November 2020	Results of 2020 Annual General Meeting
44	20 November 2020	AGM 2020 Chairman and Joint CEO's address
45	17 November 2020	Appendix 2A
46	17 November 2020	Appendix 3G
47	13 November 2020	Successful completion of retail entitlement offer
48	5 November 2020	Change in substantial holding
49	4 November 2020	Cleansing Notice
50	3 November 2020	Appendix 2A
51	2 November 2020	Becoming a substantial holder
52	29 October 2020	Confirmation of despatch of Retail Offer Booklet
53	23 October 2020	Notification to Ineligible Retail Stapled Securityholders
54	23 October 2020	Retail Entitlement Offer Booklet
55	23 October 2020	Completion of Placement and Institutional Entitlement Offer
56	22 October 2020	Cleansing Notice
57	22 October 2020	Investor Presentation
58	22 October 2020	NZ Asset Acquisition, Guidance Upgrade and Equity Raising
59	22 October 2020	Proposed issue of Securities - CNI
60	22 October 2020	Trading Halt
61	20 October 2020	2020 AGM Notice of Meeting and Proxy Form
62	20 October 2020	Centuria Capital Group 2020 Annual Report
63	20 October 2020	Appendix 4G and Corporate Governance Statement
64	19 October 2020	Ceasing to be a substantial holder
65	14 October 2020	Citi Australia and NZ Investment Conference Presentation
66	24 September 2020	Change in substantial holding
67	22 September 2020	Notification of revised Annual General Meeting Date
68	10 September 2020	Market Update New Zealand
69	8 September 2020	Appendix 2A
70	4 September 2020	Becoming a substantial holder

ASX Announcements in Relation to Centuria

Appendix A

A list of the public announcements Centuria has released since 30 June 2020 is summarised below. This information may be relevant to your assessment of the Centuria Offer.

NO	DATE	ANNOUNCEMENT TITLE
71	2 September 2020	Appendix 2A
72	1 September 2020	Change in substantial holding from CNI
73	1 September 2020	Change to Real Estate GICS Classification
74	31 August 2020	Appendix 2A
75	28 August 2020	Appendix 2A
76	28 August 2020	Centuria launches \$133m Open-ended, Unlisted Healthcare Fund
77	24 August 2020	Appendix 2A
78	20 August 2020	Appendix 3Y - John McBain
79	20 August 2020	Appendix 3Y - Jason Huljich
80	20 August 2020	Appendix 3Y - Nicholas Collishaw
81	19 August 2020	Appendix 2A
82	13 August 2020	Appendix 2A
83	12 August 2020	Appendix 2A
84	12 August 2020	CNI FY20 Results Presentation
85	12 August 2020	CNI FY20 Results Announcement
86	12 August 2020	CNI FY20 Financial Report
87	12 August 2020	CNI FY20 Appendix 4E
88	10 August 2020	Appendix 2A
89	7 August 2020	Full Takeover of Augusta Capital Limited
90	6 August 2020	Appendix 2A
91	5 August 2020	Centuria Capital Market Update
92	3 August 2020	Appendix 2A
93	31 July 2020	Appendix 2A
94	30 July 2020	Centuria Announces Board Changes
95	27 July 2020	Appendix 2A
96	24 July 2020	Appendix 2A
97	20 July 2020	Appendix 2A
98	16 July 2020	Change in substantial holding - ESR
99	14 July 2020	Appendix 2A
100	14 July 2020	Augusta Directors Unanimously Recommend Centuria Offer
101	13 July 2020	Notification of AGM and FY20 Reporting Dates
102	8 July 2020	Centuria Declares Augusta Takeover Offer Unconditional
103	2 July 2020	Variation Notice pursuant to NZ Takeovers Code
104	1 July 2020	Appendix 2A
105	30 June 2020	Updated Augusta Capital Takeover Offer
106	30 June 2020	Despatch Notice Pursuant to New Zealand Takeovers Code

Corporate Directory

Centuria Capital Limited and Centuria Capital Fund

Level 41, Chifley Tower
2 Chifley Square
Sydney, NSW, 2000

Phone: +61 2 8923 8923
Fax: +61 2 9460 2960

Financial Adviser

MORGAN STANLEY AUSTRALIA LIMITED
Level 39, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Legal Adviser

JONES DAY
Level 41, Aurora Place
88 Phillip Street
Sydney NSW 2000

Centuria Offer Information Line

If you have any questions in relation to the Centuria Offer or how to accept it, or if you have lost your Acceptance Form and require a replacement, please call the Centuria Offer Information Line:

Phone: 1300 721 637 (within Australia)
+61 2 8023 5428 (outside Australia)

Please note that, for legal reasons, calls to these numbers will be recorded.

You may also access www.Centuria.com.au/PWGOffer for further information.

Share Registry for the Centuria Offer

You can contact the share registry, Boardroom Pty Limited, at the addresses set out below:

Postal: Boardroom Pty Limited
GPO BOX 3993
Sydney NSW 2001

Hand delivery: Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

17 May 2021

Dear Primewest Securityholder

Centuria's off-market takeover bid for Primewest is now OPEN for acceptance

We refer to the conditional off market takeover bid by Centuria Capital Group (ASX: CNI) (**Centuria**) to acquire Primewest (ASX: PWG)¹ which was announced on 19 April 2021 (**Centuria Offer**). The terms of the Centuria Offer are contained in Centuria's bidder's statement which is dated 14 May 2021 (**Bidder's Statement**), enclosed with this letter.

The Primewest Board unanimously recommends the Centuria Offer, in the absence of a superior proposal.

Each Primewest director, including founding directors John Bond, David Schwartz and Jim Litis, who collectively own 53% of Primewest Securities, have confirmed they intend to accept into the Centuria Offer, in the absence of a superior proposal.

Before deciding whether or not to accept the Centuria Offer you should read the Target's Statement (enclosed with this letter) in full, which sets out the reasons for the Board's recommendation and includes an Independent Expert's Report on the Centuria Offer. The independent expert concluded that the Centuria Offer is fair and reasonable, in the absence of a superior proposal.

You can accept the Centuria Offer online at: www.centuriaprimewestoffer.com.au

This will take Primewest Securityholders to the online acceptance facility.

What will Primewest Securityholders receive under the Centuria Offer?

You will receive \$0.20 of cash **and** 0.473 Centuria Securities² per Primewest Security.³

If you accept the Centuria Offer and the Centuria Offer is declared or becomes unconditional, you will be provided with your payment within or on the later of: 5 Business Days of your acceptance of the Centuria Offer; **and** if the Centuria Offer is subject to a defeating condition when accepted, within 5 Business Days after this Centuria Offer (or the contract resulting from your acceptance) becomes unconditional.⁴

The Bidder's Statement and Target's Statement for the Centuria Offer are available to view online at: www.Centuria.com.au/PWGOffer

¹ The Takeover Bid is for Primewest Group Limited (ACN 636 344 137) and the Primewest Property Fund (ARSN 636 405 635) whose responsible entity is Primewest Management Ltd (ACN 091 415 833).

² If you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder, you will not be provided with Centuria Securities. Instead, you will be paid by the Nominee appointed by Centuria the net proceeds of the sale of the Centuria Securities you would have been entitled to. See Section 2.2 of the Offer Terms in Appendix 1 of the Bidder's Statement for further details.

³ Based on Centuria's closing price on 16 April 2021, being the last day trading prior to the announcement of the Takeover Bid. The implied value of the Offer Consideration is \$1.51 per Primewest Security.

⁴ Provided that all relevant documents have been received and correctly completed.

The Bidder's Statement sets out the terms and conditions of the Centuria Offer, as well as risks associated with the Centuria Offer and other important information. The Target's Statement sets out Primewest's response to the Bidder's Statement, including Primewest's directors' unanimous recommendation to accept the Centuria Offer in the absence of a superior proposal, and the Independent Expert's Report.

You should read the Bidder's Statement and the Target's Statement carefully in their entirety before deciding whether to accept the Centuria Offer.

Other information in relation to acceptance of the Centuria Offer

Acceptances through the online acceptance facility must be received before the end of the Offer Period, which will close at 7:00PM (Sydney time) on Thursday, 17 June 2021, unless extended or withdrawn.

If you hold your Primewest Securities in a CHESS Holding (your HIN starts with an X), the quickest way for your acceptance to be processed is likely to be by contacting your Controlling Participant (usually your stockbroker) to initiate acceptance of the Centuria Offer on your behalf. You must contact your Controlling Participant in sufficient time for the Centuria Offer to be accepted before the end of the Offer Period.

If you hold your Primewest Securities in an Issuer Sponsored Holding you may have been issued with a new SRN for the sole purpose of accepting the Centuria Offer. The new SRN can be found on the Acceptance and Transfer Form enclosed with the Bidder and Target Statements.

If you hold or beneficially own at least A\$500,000 worth of Primewest Securities based on the consideration payable under the Centuria Offer,⁵ you may participate in the Acceptance Facility as set out in Section 13.9 of the Bidder's Statement. The documentation to participate in the Acceptance Facility will be provided to Participating Acceptance Facility Securityholders (as identified by Centuria). Participating Acceptance Facility Securityholders may also request this documentation by contacting corporate-actions@ords.com.au (addressed to Jonathan Haslam).

For full details, including other methods of submitting your acceptance, see Section 5 of the Offer Terms in Appendix 1 of the Bidder's Statement. If you use one of these other methods, you must take care to ensure your acceptance will be received before the end of the Offer Period. Capitalised terms not defined in this letter have the meaning given to them in the Bidder's Statement.

Any questions?

If you have any questions in relation to the Centuria Offer, please contact the Primewest Securityholder Information Line on 1300 943 885 (within Australia) or +61 2 8072 1488 (outside Australia) between 9.00am and 5.00pm (Sydney time), Monday to Friday (excluding public holidays).

Yours faithfully

John Bond
Executive Chairman
Primewest Group Limited
Primewest Management Ltd

⁵ Offer Consideration is determined with reference to the implied offer price (of \$1.51) multiplied by the number of Primewest Securities held.



Target's Statement

ACCEPT

This Target's Statement has been issued by Primewest in relation to a proposed merger with Centuria Capital Group, which is to be implemented via an off-market takeover offer (Offer)

Your directors unanimously recommend that you ACCEPT the Offer in the absence of a superior proposal.

THIS IS AN IMPORTANT DOCUMENT
AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about how to deal with this document, you should consult your financial, legal, taxation or other professional adviser immediately.

Financial Adviser



Legal Adviser



IMPORTANT NOTICES

Nature of this document

This document is a Target's Statement issued by Primewest (a stapled group consisting of Primewest Group Limited (ACN 636 344 137) and Primewest Management Ltd (ABN 63 091 415 833, AFSL 250963), as responsible entity of Primewest Property Fund (ARSN 636 405 635)) under Part 6.5, Division 3 of the Corporations Act in response to the Offer made on 17 May 2021 by Centuria to acquire all Primewest Securities pursuant to the Bidder's Statement dated 14 May 2021.

ASIC and ASX disclaimer

A copy of this Target's Statement has been lodged with ASIC and sent to Centuria and ASX on 14 May 2021. None of ASIC, ASX or any of their respective officers takes any responsibility for the content of this Target's Statement.

Defined terms

Capitalised terms used in this Target's Statement are defined in the Glossary in Section 11. The rules of interpretation that apply to this Target's Statement are also set out in Section 11. In addition, unless the contrary intention appears or the context requires otherwise, words and phrases used in this Target's Statement have the same meaning and interpretation as in the Corporations Act.

No account of personal circumstances

The information contained in this Target's Statement does not constitute personal advice. In preparing this Target's Statement, Primewest has not taken into account the objectives, financial situation or needs of individual Primewest Securityholders. It is important that you consider the information in this Target's Statement in light of your particular circumstances. You should seek advice from your financial, legal or other professional adviser before deciding whether to **ACCEPT** or reject the Offer.

Forward-looking statements

This Target's Statement contains forward-looking statements, including statements of current intention or expectation. As such forward-looking statements relate to future matters, they are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by such forward-looking statements. None of Primewest or its directors, officers and advisers give any representation, assurance or guarantee to Primewest Securityholders or any other person as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Target's Statement (including in the Independent Expert's Report) reflect views held only as at the date of this Target's Statement. Except as required by applicable law or the ASX Listing Rules, Primewest does not undertake to update or revise these forward-looking statements nor any other statements (written or oral) that may be made from time by or on behalf of Primewest, whether as a result of new information, future events or otherwise.

Disclaimer as to information

The information on Centuria contained in this Target's Statement has been prepared by Primewest using publicly available information (including information contained in the Bidder's Statement) and has not been independently verified by Primewest. Accordingly, subject to the Corporations Act, Primewest does not make any representation or warranty (express or implied) as to the

accuracy or completeness of such information.

Independent Expert's Report

The Independent Expert's Report has been prepared by the Independent Expert for the purposes of this Target's Statement and the Independent Expert takes sole responsibility for that report. Neither Primewest nor any of its officers, employees or advisers assumes any responsibility for the accuracy or completeness of the Independent Expert's Report, save for in relation to the information which it has provided to the Independent Expert.

Foreign jurisdictions

The release, publication or distribution of this Target's Statement may be restricted by law or regulation in some jurisdictions outside Australia. Accordingly, persons outside Australia who come into possession of this Target's Statement should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with laws and regulations outside Australia.

Diagrams

Diagrams appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in charts, graphs and tables is based on information available at the Last Trading Date.

Privacy

Primewest has collected your information from the share registry for the purpose of providing you with this Target's Statement. Such information may include the

name, contact details and security holdings of Primewest Securityholders. Without this information, Primewest would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of securityholders and option holders to be held in a public register. Personal information of the type described above may be disclosed to Primewest, Centuria and their registries, print and mail and other service providers, authorised securities brokers, related bodies corporate and affiliates of Primewest and Centuria, and may be required to be disclosed to regulators, such as ASIC. Primewest Securityholders have certain rights to access personal information that has been collected. Primewest Securityholders should contact the Primewest share registry in the first instance, if they wish to access their personal information. Primewest Securityholders who appoint a named person to act as their proxy, attorney or corporate representative should ensure that they inform that person of these matters.

Rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Target's Statement.

Primewest Securityholder Information Line

If you have any questions in relation to the Offer, please contact the Primewest Securityholder Information Line on 1300 943 885 (within Australia) or +61 2 8072 1488 (outside Australia) between 9.00am and 5.00pm (Sydney time), Monday to Friday (excluding national public holidays). Any telephone calls to these numbers will, as required by the Corporations Act, be tape recorded, indexed and stored.

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PRIMEWEST CHAIRMAN'S LETTER

14 May 2021

Dear Primewest Securityholder,

ACCEPT the Offer for your Primewest Securities, in the absence of a superior proposal

On 19 April 2021, Primewest (ASX:PWG) announced that it had entered into a bid implementation deed (**BID**) in relation to a proposed merger with Centuria Capital Group (ASX:CNI) (**Centuria**) to be implemented via an off-market takeover offer to be made by Centuria for Primewest (the **Offer**). Centuria has today simultaneously released the Bidder's Statement which contains further details of the Offer.

Under the Offer terms, Primewest Securityholders (other than Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders)¹ are being offered an implied \$1.51 per Primewest Security (**Implied Offer Price**), consisting of:

- \$0.20 of cash per Primewest Security; and
- 0.473 Centuria Securities per Primewest Security, equating to \$1.31 based on Centuria's closing price of \$2.77 per Centuria Security on 16 April 2021² (**Undisturbed Date**).

In addition to the consideration offered by Centuria, Primewest Securityholders will also be entitled to the declared 2H21 distribution of 2.9 cents per Primewest Security if they are on the register at the record date for the distribution which Primewest has set as 25 May 2021. The Offer Price will not be reduced for the amount of the 2H21 distribution.

The directors of Primewest (**Directors**) unanimously recommend that you **ACCEPT** the Offer, in the absence of a superior proposal. In addition, each of the Directors intend to **ACCEPT** the Offer in relation to all Primewest Securities they or their associates own or control, in the absence of a superior proposal. At the date of this Target's Statement, Directors and their associates own or control 53% of Primewest Securities.

The Directors established an Independent Board Committee (**IBC**), comprising independent non-executive directors Erin Flaherty and Hamish Beck, to consider the merits of the Offer on behalf of minority Primewest Securityholders. The IBC concurs with the Directors recommendation to **ACCEPT** the Offer.

The Directors appointed Deloitte to provide an Independent Expert's Report (**IER**) on the Offer. The IER is contained in Appendix 1 to this Target's Statement. You are encouraged to read that report in full. In it, the Independent Expert has concluded that the Offer is fair and reasonable in the absence of superior proposal.

This Target's Statement sets out the reasons for the Directors' unanimous recommendation to **ACCEPT** the Offer. The Directors recommend this because:

1. The Implied Offer Price of \$1.51 per Primewest security is above its all time high trading price as at 16 April 2021 and represents an attractive premium:
 - 3.1% premium to Primewest's last close of \$1.465 per Primewest Security on the Undisturbed Date;
 - 7.0% premium to Primewest's 5-day VWAP of \$1.412 per Primewest Security on the Undisturbed Date;
 - 11.8% premium to Primewest's 30-day VWAP of \$1.35 per Primewest Security on the Undisturbed Date; and
 - 51.0% premium to Primewest's IPO offer price of \$1.00 per Primewest Security on 8 November 2019.
2. The Offer delivers Primewest Securityholders material earnings per security (**EPS**) accretion of an estimated 19% on a pro forma FY21 basis³.
3. The Offer provides new exposure to an enlarged Combined Group with multiple benefits.
4. The Independent Expert has concluded that the Offer is fair and reasonable, in the absence of a superior proposal.
5. No superior proposal has emerged as at the date of this Target's Statement.

The Offer is subject to a number of conditions, including Centuria acquiring a relevant interest in at least 90% of all Primewest Securities and other conditions as outlined in the Bidder's Statement. In deciding whether and when to **ACCEPT** the Offer, you should consider the conditions remaining to be satisfied.

PRIMEWEST CHAIRMAN'S LETTER

To **ACCEPT** the Offer, you should carefully follow the instructions in Section 5 of the Offer Terms in Appendix 1 of the Bidder's Statement and instruct your broker to do so or complete the acceptance form enclosed within the Bidder's Statement (depending on the nature of your holding).

The offer period is due to end at 7:00pm (Sydney time) on 17 June 2021 unless extended or withdrawn.

I urge you to read this Target's Statement in its entirety and carefully consider the Offer, having regard to your own personal risk profile, investment strategy and tax position. You should seek independent financial, legal, taxation or other professional advice if you are in any doubt as to what you should do in response to the Offer.

The Directors will keep you fully informed if there are any material developments through further ASX announcements of other supplementary documents.

I would like to take this opportunity to thank you for your support of Primewest.

Yours sincerely



John Bond
Executive Chairman

1. Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders will instead receive the net cash proceeds of sale of the Centuria Securities to which they otherwise would have been entitled, which may be more or less than \$1.31 per Centuria Security
2. 16 April 2021 was the last trading day prior to the announcement of the Offer
3. Pro forma impact assuming the proposed merger had occurred on 1 July 2020. Based on the mid-point of Centuria's FY21 EPS guidance of 11.5–12.5cps; Primewest's FY21 EPS guidance of 5.8cps (as per Primewest announcement on 19 April 2021); Centuria's aggregate estimated post-tax synergies of \$5.3 million per annum assuming Centuria acquired 100% of Primewest Securities; and assumes cash consideration of \$0.20 is reinvested at Centuria's closing price of \$2.77 on 16 April 2021

KEY DATES

Date of this Target's Statement	14 May 2021
Date of the Offer	17 May 2021
Record Date for Primewest's 2H21 distribution	25 May 2021
Close of the Offer (unless extended or withdrawn)	7:00pm (Sydney time) on 17 June 2021

EVALUATION OF THE OFFER

The Directors unanimously recommend that you **ACCEPT** the Offer, in the absence of a superior proposal.

The reasons for this recommendation are:

1

The Implied Offer Price represents an attractive premium to the trading price of Primewest Securities

2

The Offer delivers Primewest Securityholders material EPS accretion of an estimated 19% on a pro forma FY21 basis

3

The Offer provides continued exposure to Primewest and new exposure to an enlarged Combined Group with multiple benefits

4

The Independent Expert has concluded that the Offer is fair and reasonable, in the absence of a superior proposal

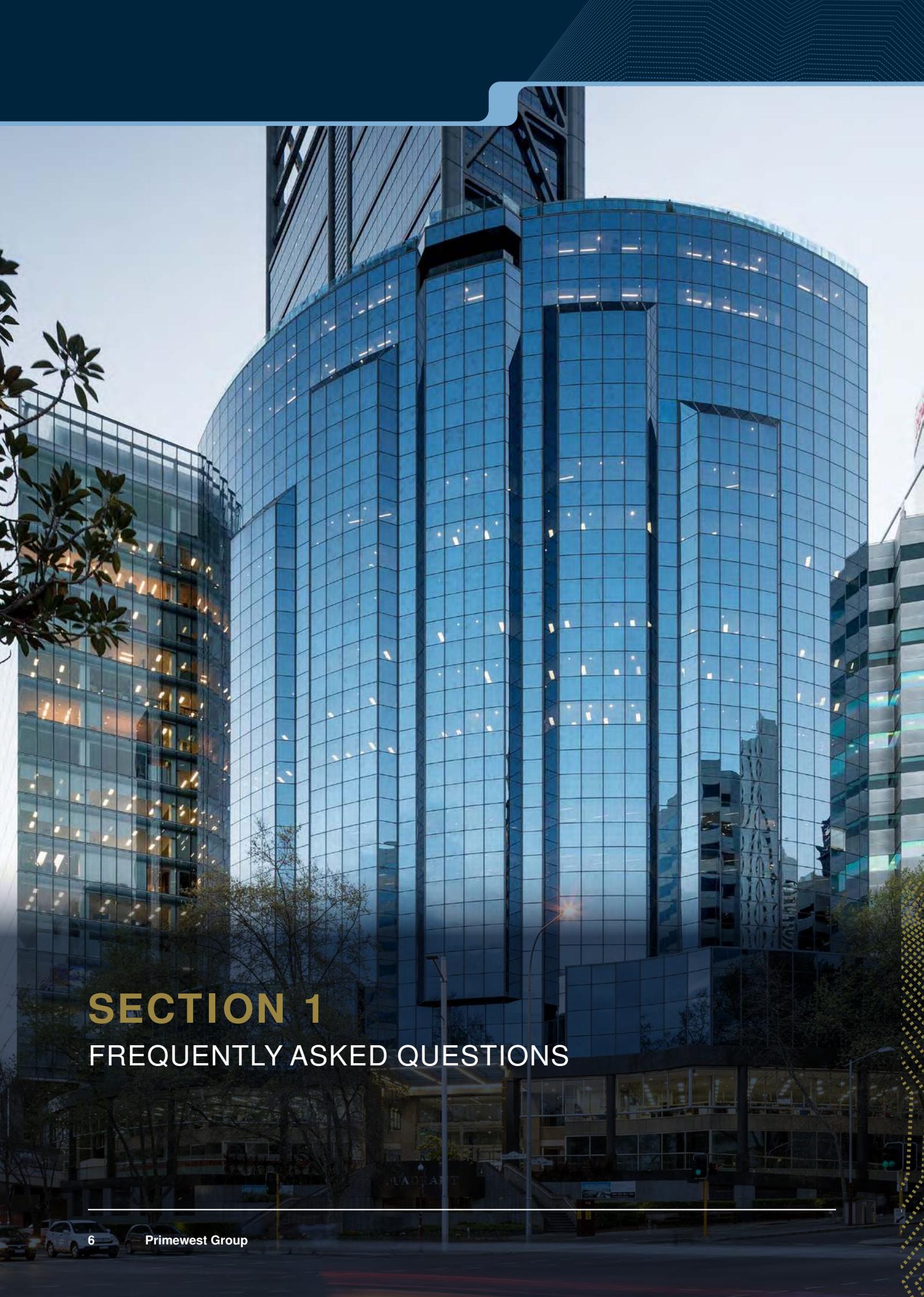
5

No superior proposal has emerged as at the date of this Target's Statement

6

The Offer has the unanimous support of the Directors, who together hold 53% of Primewest Securities

The decision as to whether or not to ACCEPT the Offer depends on your circumstances, including risk profile, portfolio strategy, tax position, financial circumstances and investment time horizon.



SECTION 1

FREQUENTLY ASKED QUESTIONS

1. FREQUENTLY ASKED QUESTIONS

Question	Answer	For more information
<p>What is this Target's Statement and why have I received this document?</p>	<p>This Target's Statement is Primewest's formal response to the Bidder's Statement issued by Centuria as required by the Corporations Act. This document contains important information regarding the Offer and should be read in its entirety.</p> <p>You have received this Target's Statement because you are a Primewest Securityholder.</p> <p>This Target's Statement includes the recommendation of the Directors to ACCEPT the Offer, in the absence of a superior proposal.</p>	
<p>Who is making the Offer?</p>	<p>Centuria is making the Offer.</p> <p>Centuria is an ASX-listed specialist investment manager with a 35 year track-record of delivering a range of products and services to investors, advisers and securityholders.</p> <p>Based on pro forma AUM as at 31 December 2020 and adjusted for post balance date revaluations and acquisitions, Centuria has \$10.5 billion in AUM, centred around property funds management and investment bonds.</p> <p><i>Please see Section 4 of the Bidder's statement for further details.</i></p>	<p>Section 5.2</p>
<p>Does Centuria already have an interest in Primewest Securities?</p>	<p>No, Centuria has no pre-existing interest in Primewest Securities.</p>	
<p>What is the Bidder's Statement?</p>	<p>The Bidder's Statement is a document prepared by Centuria stating the terms of the Offer. The Bidder's Statement was lodged with ASIC and ASX and released to the ASX today, being the 14 May 2021.</p>	
<p>What is the Offer?</p>	<p>Centuria is offering to buy all of your Primewest Securities by way of an off-market takeover bid.</p>	<p>Section 5.1</p>
<p>What is Centuria offering per Primewest Security?</p>	<p>Centuria is offering a mixed consideration of \$0.20 cash per Primewest Security and 0.473 Centuria Securities per Primewest Security. Based on the Centuria last close of \$2.77 per security as at 16 April 2021, the Implied Offer Price is \$1.51 per Primewest Security, representing a:</p> <ul style="list-style-type: none"> • 3.1% premium to Primewest's last close of \$1.465 per Primewest Security on the Undisturbed Date; • 7.0% premium to Primewest's undisturbed 5-day VWAP of \$1.412 per Primewest Security on the Undisturbed Date; • 11.8% premium to Primewest's undisturbed 30-day VWAP of \$1.35 per Primewest Security on the Undisturbed Date; and • 51.0% premium to Primewest's initial public offer price of \$1.00 per Primewest Security on 8 November 2019. <p>Primewest Securityholders will also be entitled to the declared 2H21 distribution of 2.9 cents per Primewest Security if they are on the register at the record date for the distribution which Primewest has set as 25 May 2021. The Offer Price will not be reduced for the amount of the 2H21 distribution.</p> <p>If you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder, you will not be provided with Centuria Securities. Instead, you will be paid by the Nominee the net proceeds of the sale of the Centuria Securities you would have been entitled to.</p>	<p>Section 5.1</p>

1. FREQUENTLY ASKED QUESTIONS

Question	Answer	For more information
What are the key dates?	<ul style="list-style-type: none"> • Transaction announced 19 April 2021 • Offer period opens 17 May 2021 • Record date for Primewest's full year distribution 25 May 2021 • Offer period closes 17 June 2021 (unless extended or withdrawn) 	
What is the Offer period?	There is a minimum 1 month offer period, with potential for extension to a maximum of 12 months. The offer period will open 17 May 2021 and close 17 June 2021 (unless extended or withdrawn).	Section 5.1
What are the conditions of the Offer?	<p>The Offer is conditional upon a number of matters set out in the Bidder's Statement including:</p> <ul style="list-style-type: none"> • minimum acceptance of at least 90% of all Primewest Securities; • no material adverse change in relation to Primewest; • no prescribed occurrence in relation to Primewest; • receipt of certain regulatory approvals; • no regulatory actions; and • other customary conditions. <p><i>Please see Appendix 2 of the Bidder's Statement for further information.</i></p>	Section 5.6
Can the Offer be withdrawn?	Centuria may only withdraw the Offer with written consent of ASIC which may be given subject to conditions.	Section 5.1
What happens if the conditions of the Offer are not satisfied or waived?	<p>You do not get paid for your Primewest Securities while the Offer is subject to conditions. If the conditions are not satisfied or waived before the Offer closes, the Offer will lapse. You would then be free to deal your Primewest Securities even if you had accepted the Offer.</p> <p><i>Please see Section 7.3 of Appendix 1 of the Bidder's Statement for further information.</i></p>	
Can Centuria vary the Offer?	<p>Yes. Centuria can vary the Offer by extending the Offer Period or increasing the Offer Price in accordance with the Corporations Act.</p> <p>Centuria can waive the conditions to the Offer. However, Centuria has no obligation to do so. Centuria has agreed that the 90% minimum acceptance condition in the Offer will not be waived or reduced below 80% without the consent of the Primewest.</p>	
What happens if Centuria increases the Offer Price?	<p>If you ACCEPT the Offer and Centuria subsequently increases the Offer Price, you will receive the increased consideration for your Primewest Securities.</p> <p>However, any increase in Offer Price will not be available to Primewest Securityholders who have already sold their Primewest Securities on the ASX.</p>	Section 5.4
What happens if there is a superior proposal from a third party?	<p>If there is a superior proposal from a third party, the Directors will reconsider their recommendation in relation to the Offer and advise Primewest Securityholders accordingly.</p> <p>If you have already accepted the Offer at that time, you may be unable to withdraw your acceptance in which case you will be unable to accept the superior proposal if one arises.</p>	Section 5.4

1. FREQUENTLY ASKED QUESTIONS

Question	Answer	For more information
When will I be updated about the status of the Offer conditions?	If a condition is satisfied or waived, Centuria must, as soon as practicable, give the ASX and Primewest a notice that states that the particular condition has been satisfied or waived.	
What choices do I have as Primewest Securityholder?	As a current Primewest Securityholder you can take the following actions: <ul style="list-style-type: none"> • ACCEPT the Offer; • Sell your Primewest Securities on market (transaction fees may apply); • Reject the Offer by doing nothing (noting that if Centuria acquires a relevant interest in at least 90% of all Primewest Securities by the end of the Offer Period, Centuria will be entitled and intends to compulsorily acquire any Primewest Securities it does not already own). <p>There are several implications in relation to each of the above choices.</p> <p><i>A summary of these implications is set out in Section 4 of this Target's Statement.</i></p>	Section 4
How will Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders be treated?	Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders that ACCEPT the Offer will not receive Centuria Securities. Rather, the Centuria Securities that Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders would have been entitled to receive will be issued to, and sold by, the Nominee and the net cash proceeds attributable to each Ineligible Foreign Securityholder and Unmarketable Parcel Securityholder will be paid to them in Australian dollars.	Section 5.3
What is the Primewest board's recommendation?	The Primewest board unanimously recommends you ACCEPT the Offer from Centuria, in the absence of a superior proposal.	Section 7.3
	The reasons for your Directors' recommendation are set out in Sections 2 and 7 of this Target's Statement.	
What do the Directors intend to do with their Primewest Securities?	Each of the Directors intends to ACCEPT the Offer for any Primewest Securities that they or their associates own or control, in the absence of a superior proposal.	Section 7.4
	The Directors' interests in Primewest Securities are set out in Section 7.5 of this Target's Statement.	
What is the Independent Expert's recommendation?	The Independent Expert considered the Offer to be fair and reasonable, in the absence of a superior proposal.	Section 7.2
	You are encouraged to read the Independent Expert's Report in full.	
	<i>Please see Appendix 1 for the full report.</i>	
How do I ACCEPT the Offer?	To ACCEPT the Offer, you need to follow the instructions outlined in Section 5 of the Offer Terms in Appendix 1 of the Bidder's Statement and on the acceptance form.	
	<i>Please see Appendix 1 of the Bidder's Statement for further information.</i>	
How do I reject the Offer?	To reject the Offer, simply do nothing. Please note if Centuria acquires a relevant interest in at least 90% of all Primewest Securities by the end of the Offer Period, Centuria will be entitled and intends to compulsorily acquire any Primewest Securities it does not already own.	Section 4.3

1. FREQUENTLY ASKED QUESTIONS

Question	Answer	For more information
If I ACCEPT the Centuria Offer, can I withdraw my acceptance?	You may only withdraw your acceptance if, while the Offer remains subject to the Offer conditions, Centuria varies the Offer in a way that postpones the time when Centuria is required to satisfy its obligations by more than one month.	Section 5.4
Are there any fees if I ACCEPT the Offer?	No brokerage fees or stamp duty will be payable by you as a result of your acceptance of the Offer. If you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder, the cash proceeds that you will receive (following sale by the Nominee of the Centuria Securities that you would otherwise be entitled to receive under the Offer) will be net of sale expenses. <i>see Section 12.3 of the Offer Terms in Appendix 1 of the Bidder's Statement.</i>	Section 5.3
What are the tax implications if I ACCEPT the Offer?	A general outline of tax implications is outlined in Section 10. It is noted that these implications may be materially different if Centuria does not acquire an 80% or more interest in Primewest. Primewest Securityholders should seek professional advice in relation to specific tax implications relevant to their personal circumstances.	Section 10
Can I ACCEPT the Offer for only some of my Primewest Securities?	No. You can only ACCEPT the offer for all of your Primewest Securities. However, if you hold one or more parcels of Primewest Securities as trustee or nominee, you may ACCEPT the Offer as if a separate offer had been made in relation to each of those parcels and any parcel you hold in your own right.	Section 5.1
Can I sell my Primewest Securities on market on the ASX?	You can only sell all or some of your Primewest Securities on market on the ASX if you have not accepted the Offer in respect to those Primewest Securities. However, you will likely incur brokerage charges and, if you sell on market, will not be able to participate in any superior proposal for Primewest Securities if such a proposal is made, or in any increase in the Offer consideration that may be made by Centuria. Additionally, the tax outcome from selling some or all of your Primewest Securities on market for cash may be different to accepting the Offer.	
Can I be forced to sell my Primewest Securities?	You cannot be forced to sell your Primewest Securities unless Centuria acquires a relevant interest in at least 90% of all Primewest Securities by the end of the Offer Period, in which case Centuria will be entitled and intends to compulsorily acquire any Primewest Securities it does not already own at the close of the Offer. If your Primewest Securities are compulsorily acquired, you will receive the same consideration for your Primewest Securities that you would have received under the Offer. However, you may not receive the consideration for your Primewest Securities until up to approximately 6 to 8 weeks, or potentially longer, after the end of the Offer Period.	Section 4.3

1. FREQUENTLY ASKED QUESTIONS

Question	Answer	For more information
<p>What are the consequences of not accepting the Offer?</p>	<p>If you choose to reject the Offer and retain your holding in Primewest, you should simply do nothing.</p> <p>However, if Centuria holds a relevant interest in at least 90% of all Primewest Securities on issue during or at the end of the Offer Period, Centuria will be entitled under Part 6A.1 of the Corporations Act to compulsorily acquire the Primewest Securities that it does not already own, at the Offer Price.</p> <p>If Centuria acquires less than 90% but more than 50% of Primewest Securities and declares the Offer unconditional, you will be exposed to the risks of being a minority securityholder in Primewest.</p>	<p>Section 9.2</p>
<p>What are the risks associated with becoming a Centuria Securityholder?</p>	<p>Accepting the Offer and becoming a holder of Centuria Securities (unless you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder) involves a number of risks, many of which Primewest Securityholders are already exposed to.</p>	<p>Section 8.2</p>
<p>How can I get updates on the Primewest Security or Centuria Security prices?</p>	<p>It is likely that the market trading price of Primewest Securities and Centuria Securities will vary during the Offer Period.</p> <p>You can check the market price for all ASX listed securities by visiting www.asx.com.au. The ticker for Primewest Securities on ASX is PWG and the ticker for Centuria Securities on ASX is CNI.</p>	
<p>Who should I contact for further information?</p>	<p>If you have any further questions in relation to the Offer, you can call the Primewest Securityholder Information Line on 1300 943 885 (within Australia) or +61 2 8072 1488 (outside Australia) between 9.00am and 5.00pm (Sydney time), Monday to Friday (excluding national public holidays). Any telephone calls to these numbers will, as required by the Corporations Act, be tape recorded, indexed and stored.</p> <p>If, however, you are in any doubt about how to deal with this document, you should contact your broker, financial adviser or legal adviser.</p>	



NOVA 106.9

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EVION

NOVA STORE

HYDRANT BOOSTER

SPRING BOOB

SECTION 2

REASONS TO ACCEPT THE OFFER

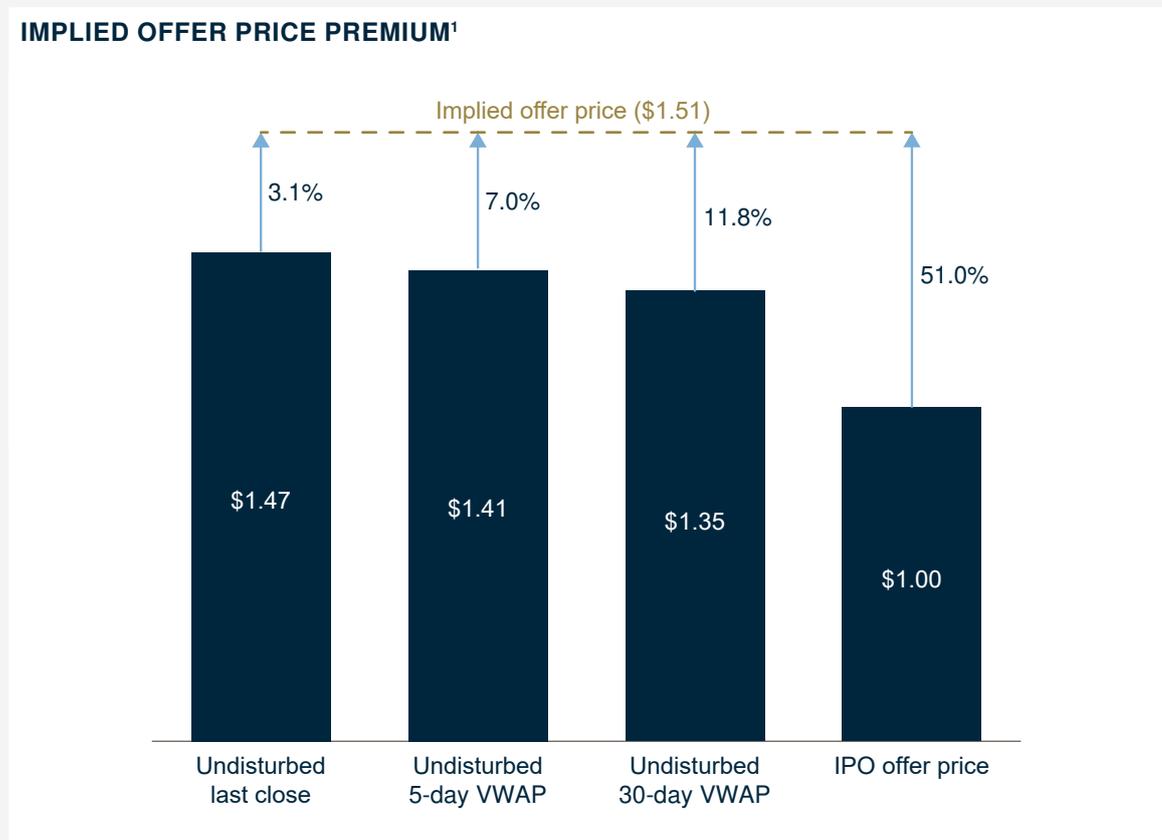
2. REASONS TO ACCEPT THE OFFER

1. The Implied Offer Price of \$1.51 per Primewest Security represents an attractive premium

Under the Offer terms, Primewest Securityholders (other than Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders) are being offered an implied \$1.51 per Primewest Security consisting of:

- \$0.20 of cash per Primewest Security; and
- 0.473 Centuria Securities per Primewest Security, equating to \$1.31 based on Centuria's closing price of \$2.77 per Centuria Security on the Undisturbed Date.

The Implied Offer Price of \$1.51 per Primewest Security represents an attractive premium as illustrated in the chart below:



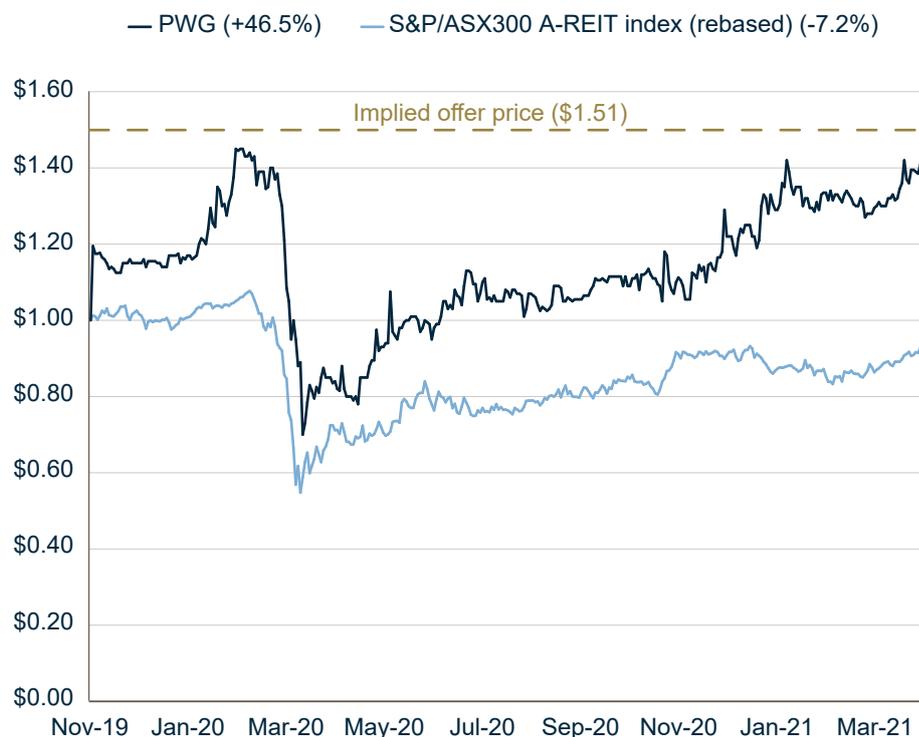
1. Undisturbed prices as at 16 April 2021; Implied Offer Price equals cash consideration of \$0.20 plus implied scrip consideration of \$1.31 based on merger ratio of 0.473x and Centuria's close price as at 16 April 2021 of \$2.77

2. REASONS TO **ACCEPT** THE OFFER

The Implied Offer Price of \$1.51 per Primewest Security is at a premium to any historical trading price of Primewest Securities since its IPO in November 2019². Primewest Securityholders who acquired their Primewest Securities in the IPO of Primewest and who **ACCEPT** the Offer will recognise a:

- 51.0% premium to the IPO price for Primewest Securities;
- 60.9% total shareholder return;³
- 38.6% per annum internal rate of return;⁴ and
- 53.7% share price outperformance against the S&P/ASX 300 A-REIT index (see chart below).⁵

IMPLIED OFFER PRICE PREMIUM TO HISTORICAL TRADING PRICE⁶



2. As at 16 April 2021, being the last trading day prior to the announcement

3. Source: IRESS, as at 16 April 2021. Total shareholder return calculation is to the Implied Offer Price and includes all distributions paid by Primewest since IPO up until the date of this Target's Statement, inclusive of the declared 2H21 distribution of 2.9 cents per Primewest Security

4. Internal rate of return calculation includes all distributions paid by Primewest since IPO up until the date of this Target's Statement, inclusive of the declared 2H21 distribution of 2.9 cents per Primewest Security. Initial cost based on the IPO price of \$1.00 per Primewest Security and exit price based on the Implied Offer Price of \$1.51 per Primewest Security

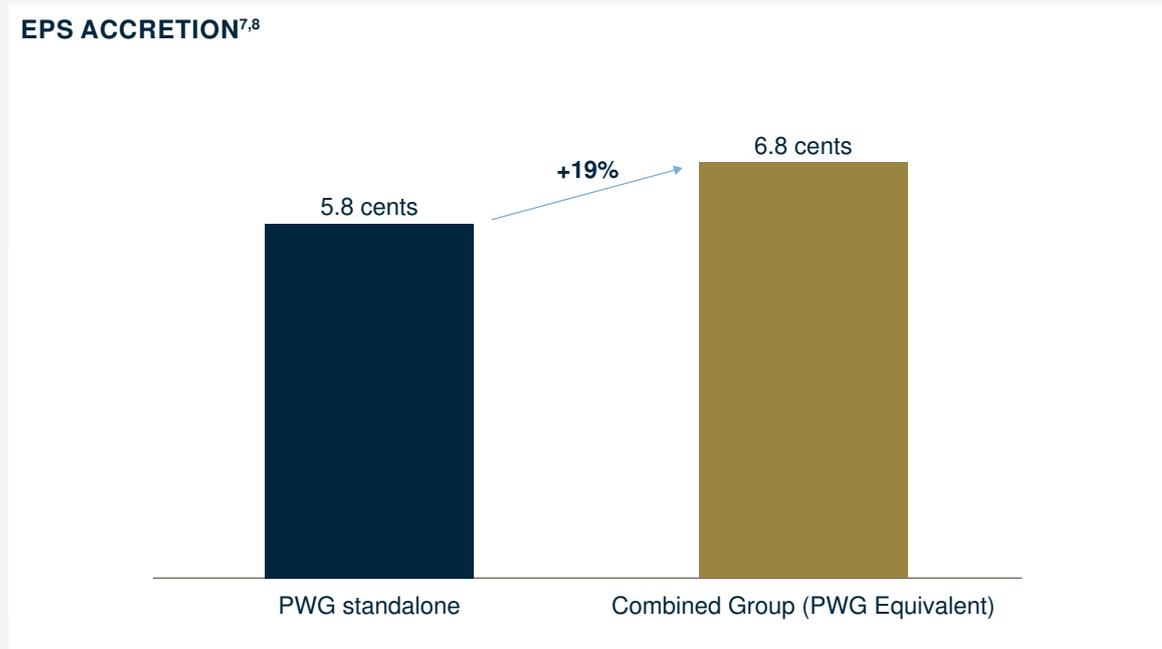
5. Source: FactSet

6. Source: FactSet, as at 16 April 2021. S&P/ASX 300 A-REIT index rebased to Primewest IPO offer price of \$1.00. Primewest starts at \$1.00 IPO offer price rather than last close on 8 November 2019

2. REASONS TO ACCEPT THE OFFER

2. The Offer delivers Primewest Securityholders material EPS accretion of an estimated 19% on a pro forma FY21 basis

The Offer is materially earnings accretive for Primewest Securityholders, delivering an estimated 19% EPS accretion on a pro forma FY21 basis with expected material synergies to support growth of AUM, expansion of property services across both businesses, removal of duplicated corporate costs and expected tax related synergies.



7. Pro forma impact assuming the proposed merger had occurred on 1 July 2020. Based on the mid-point of Centuria's FY21 EPS guidance of 11.5–12.5cps; Primewest's FY21 EPS guidance of 5.8cps (as per Primewest announcement on 19 April 2021); and Centuria's aggregate estimated post-tax synergies of \$5.3 million per annum assuming Centuria acquired 100% of Primewest Securities
8. Assumes cash consideration of \$0.20 is reinvested at Centuria's closing price of \$2.77 on 16 April 2021

2. REASONS TO ACCEPT THE OFFER

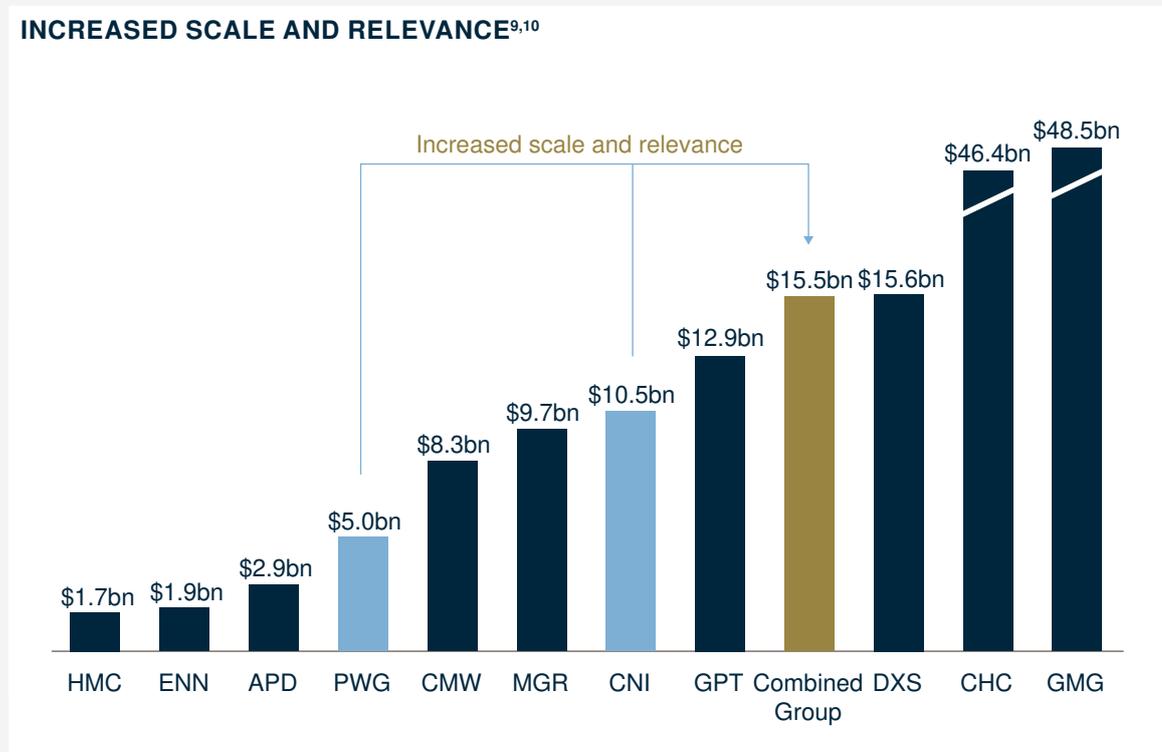
3. The Offer provides continued exposure to Primewest and new exposure to an enlarged Combined Group

Primewest and Centuria are high-quality, complementary funds management platforms that share similar investment philosophies and strong track records.

The Offer provides Primewest Securityholders with an enhanced investment proposition relative to Primewest on a standalone basis, given the reasons below:

(a) Substantial increase in scale and relevance

Substantial increase in scale and relevance with combined AUM of \$15.5 billion⁹, representing a 209% increase for Primewest and making the Combined Group one of the largest real estate fund managers listed on the ASX.



9. Combined Group pro forma AUM figures as at 31 December 2020 adjusted for post balance date revaluations and acquisitions. Prepared on the basis of 100% acquisition of Primewest Securities by Centuria

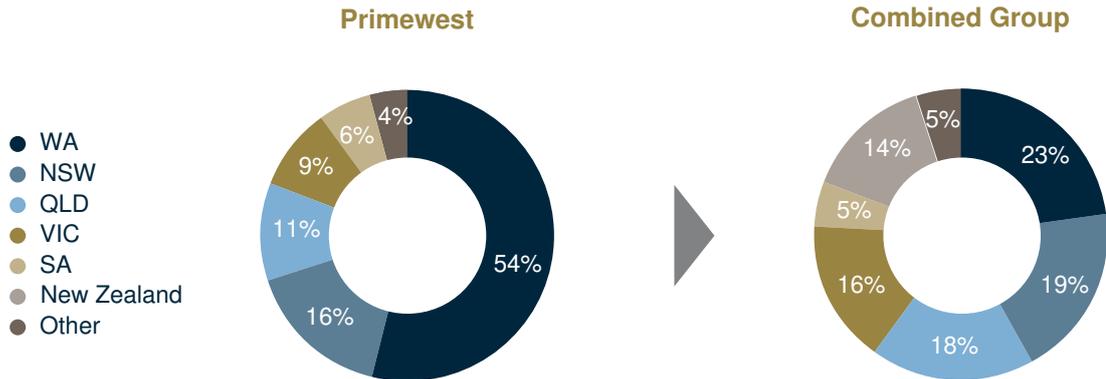
10. Source: Company filings

2. REASONS TO ACCEPT THE OFFER

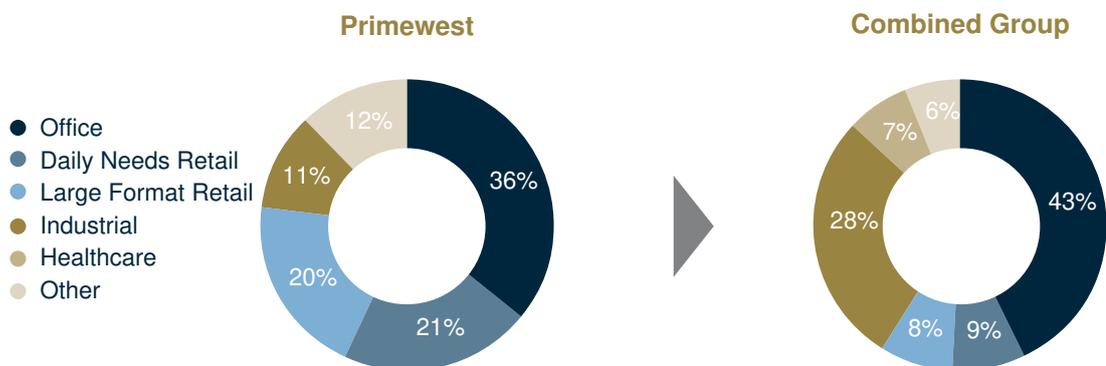
(b) Enhanced geographic and sector diversification

Enhanced geographic and sector diversification, which allows the Combined Group to take advantage of a broader range of acquisition opportunities.

COMBINED GROUP GEOGRAPHIC BREAKDOWN



COMBINED GROUP SECTOR BREAKDOWN



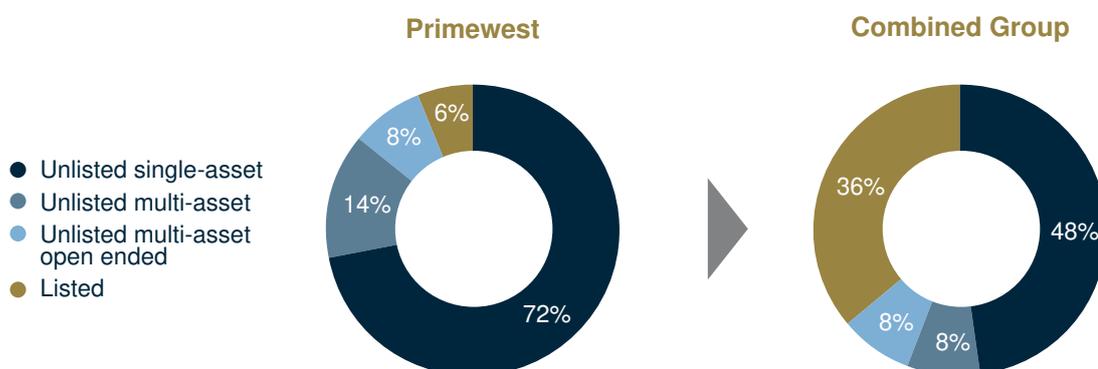
2. REASONS TO ACCEPT THE OFFER

(c) Access to new distribution channels, including exposure to two large listed REITs

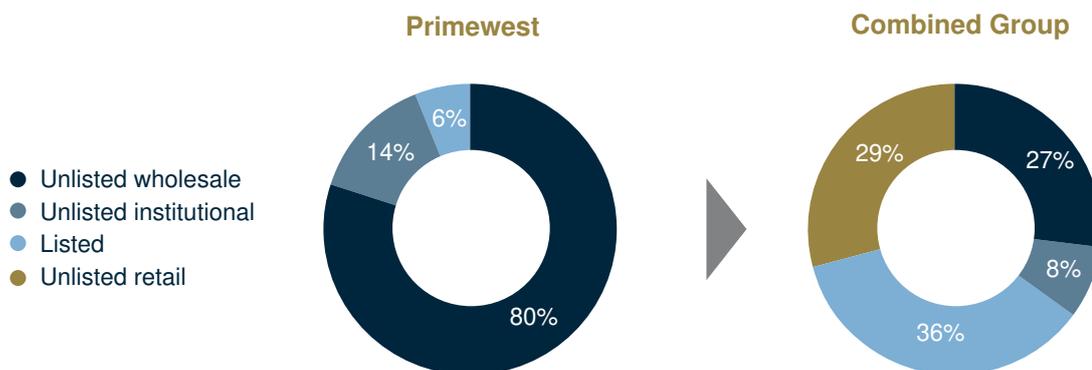
The merger will diversify fund types and fund sources for Primewest Securityholders. Specifically, Primewest Securityholders will gain access to a combined listed portfolio of \$5.2 billion real estate AUM, including two large listed REITs, Centuria Industrial REIT and Centuria Office REIT, to compliment significant unlisted real estate AUM of \$9.4 billion split across a total of 166 real estate funds.

See below fund types and capital sources for Primewest standalone and pro forma for the Combined Group.

REAL ESTATE FUND TYPES



REAL ESTATE CAPITAL SOURCES



2. REASONS TO **ACCEPT** THE OFFER

(d) Integration of two high-performing management teams

Founding directors John Bond, David Schwartz and Jim Litis will continue to lead the Primewest funds management platform and will join, as key members, the Centuria executive team.

Centuria's current intention is to utilise Primewest's existing employees given the strong expertise across a range of geographies and sectors to continue to expand the combined platform.

(e) Potential cost savings and synergies

Potential cost savings and synergies to support growth of AUM, expansion of property services across both businesses, removal of duplicated corporate costs and tax related synergies.

(f) Well placed for S&P/ASX 200 index inclusion

Combined Group expected to be well placed for S&P/ASX 200 index inclusion with an estimated pro forma market capitalisation of \$2.2 billion¹².

4. The Independent Expert has concluded that the Offer is fair and reasonable, in the absence of a superior proposal

The Directors appointed Deloitte to prepare an Independent Expert's Report.

The Independent Expert's Report has concluded that the Offer is fair and reasonable, in the absence of a superior proposal. Primewest Securityholders are encouraged to read the entire Independent Expert's Report which is set out in full at Appendix 1.

Deloitte explains in the Independent Expert's Report the factors that it has taken into account in reaching the above conclusion.

5. No superior proposal has emerged as at the date of this Target's Statement

As at the date of this Target's Statement, Primewest has not received any superior proposal from a third party, nor have any discussions occurred that the Directors believe are likely to lead to any superior proposal being made.

Were Primewest to receive a competing proposal after the date of this Target's Statement, the Directors would need to consider all aspects of the proposal in determining whether it is superior to the Offer.

6. The Offer has the unanimous support of the Directors

At the date of this Target's Statement, Directors and their associates own or control 53% of Primewest Securities.

12. Based on Centuria's close price of \$2.77 on 16 April 2021 multiplied by securities on issue post-merger (assuming Centuria acquires 100% of Primewest Securities)



SECTION 3

POSSIBLE REASONS FOR NOT FOLLOWING THE DIRECTORS' RECOMMENDATION

3. POSSIBLE REASONS FOR NOT FOLLOWING THE DIRECTORS' RECOMMENDATION

This section sets out some reasons why you may choose not to follow the unanimous recommendation of the Directors to **ACCEPT** the Offer and instead reject the Offer.

1. You may believe that the Implied Offer Price is inadequate

You may disagree with the unanimous recommendation from the Directors to **ACCEPT** the Offer in the absence of a superior proposal and the Independent Expert's finding that the Offer is both fair and reasonable. You may believe that the value of the Implied Offer Price under the Offer terms is inadequate.

2. You may want to sell your Primewest Securities on market

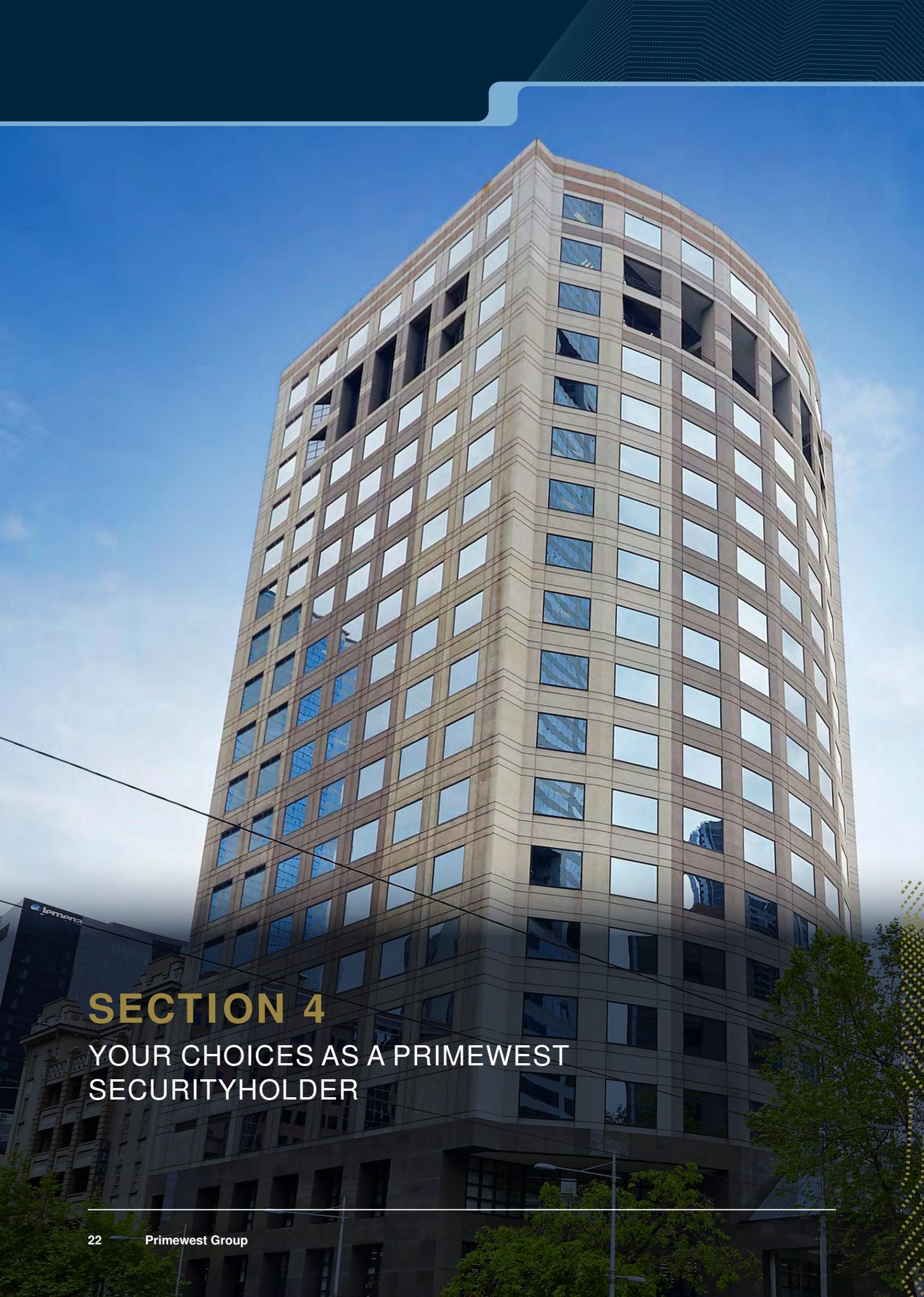
You may wish to realise your investment in Primewest through sale on the ASX if you expect proceeds may be higher, that you will be paid sooner, or if you prefer sale proceeds to be entirely comprised of cash.

If you sell your Primewest Securities on market, you:

- will lose the ability to **ACCEPT** the Offer or any other offer which may eventuate;
- will not be entitled to receive any increased consideration if Centuria subsequently increases the Offer Price;
- may incur brokerage;
- will have a tax outcome that may be different to accepting the Offer; and
- may not obtain sufficient buyers to complete a trade above the Implied Offer Price of \$1.51 per Primewest Security (including because Primewest Securities may be affected by reduced liquidity).

3. You may consider there is the potential for a superior proposal to emerge in the foreseeable future

It is possible that a superior proposal for Primewest could emerge in the future. However, as at the date of this Target's Statement, no such alternative proposal has been received.



SECTION 4

YOUR CHOICES AS A PRIMEWEST SECURITYHOLDER

4. YOUR CHOICES AS A PRIMEWEST SECURITYHOLDER

The Directors of Primewest unanimously recommend that you **ACCEPT** the Offer, in the absence of a superior proposal, for the reasons set out in Section 1.

The Primewest board encourages you to consider your personal risk profile, investment objectives and tax and financial circumstances before making any decision in relation to your Primewest Securities. As a Primewest Securityholder, you have the following three choices available to you in relation to the Offer:

Option 1 – ACCEPT the Offer

If you **ACCEPT** the Offer, you must **ACCEPT** the Offer in relation to all of your Primewest Securities.

Refer to Section 10 of this Target's Statement and Section 11 of the Bidder's Statement for further details of the tax consequences of the proposed merger.

This course of action is unanimously recommended by the Directors of Primewest in the absence of a superior proposal. Primewest Securityholders who wish to **ACCEPT** the Offer should refer to Section 5 of the Offer Terms in Appendix 1 of the Bidder's Statement for instructions on how to do so.

Option 2 – Sell your Primewest Securities on market

You can sell your Primewest Securities on market at any time if you have not already accepted the Offer.

If you sell your Primewest Securities on market, you:

- will lose the ability to **ACCEPT** the Offer;
- will not receive the benefits of any potential higher competing offer for your Primewest Securities, (though no forecast is made as to whether such events will occur);
- may receive more or less for your Primewest Securities than the Implied Offer Price;
- may incur a brokerage charge; and
- may be liable for capital gains tax or income tax on the sale.

Primewest Securityholders who wish to sell their Primewest Securities on market should contact their broker for information on how to effect a sale. You should also seek your own specific professional advice regarding the taxation consequences of selling your Primewest Securities on market

Option 3 – Reject the Offer by doing nothing

If you do not wish to **ACCEPT** the Offer and want to retain your Primewest Securities, simply do nothing and take no action in relation to documents sent to you from Centuria. However, if Centuria acquires a relevant interest in at least 90% of all Primewest Securities by the end of the Offer Period, Centuria will be entitled and intends to compulsorily acquire any Primewest Securities it does not already own.



SECTION 5

IMPORTANT INFORMATION ABOUT THE OFFER

5. IMPORTANT INFORMATION ABOUT THE OFFER

5.1 Summary of the Offer

Centuria is offering mixed consideration consisting of \$0.20 cash per Primewest Security and 0.473 Centuria Securities per Primewest Security.

If you are an Ineligible Foreign Securityholders or an Unmarketable Parcel Securityholder, you will not receive Centuria Securities. Instead, you will be entitled to receive the net cash sale proceeds of the Centuria Securities that you would otherwise have been entitled to receive in accordance with the process outlined below.

The Implied Offer Price is \$1.51 per Primewest Security, based on Centuria's close price of \$2.77 per security on 16 April 2021.

The Offer is open for acceptance from 17 May 2021 until 7.00 pm (Sydney time) on 17 June 2021. Centuria may extend the Offer Period at any time before the end of the Offer Period.

If, within the last 7 days of the Offer Period:

- Centuria improves the Offer Price; or
- Centuria's voting power in Primewest increases to more than 50%,

then the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.

Before you **ACCEPT** the Offer, Centuria may withdraw the Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

You may **ACCEPT** the Offer only in respect of all (and not just a proportion of) your Primewest Securities.

5.2 The bidder

The bidder under the Offer is Centuria Capital Limited, acting in its own capacity and as nominee for Centuria Capital Fund. The directors of Centuria are listed in Section 4 of the Bidder's Statement.

Centuria Capital Limited and the Centuria Capital Fund together constitute Centuria Capital Group (ASX: CNI), under an ASX listed stapled entity structure. Centuria's funds management platform includes Centuria Property Funds, which specialises in unlisted and listed property funds, and Centuria Investment Bonds.

Centuria's portfolio comprises over 215 properties with a value of \$10.5 billion (as at 16 April, 2021) located in each of Australia's States and the Australian Capital Territory in addition to New Zealand and diversified across sectors including healthcare, industrial and office.

Real estate funds management forms the largest component of Centuria's business with \$9.6 billion of assets under management. Centuria has exposure to the industrial, healthcare and de-centralised office real estate markets in Australasia and has an extensive range of property fund types ranging from listed funds to unlisted fixed-term and open-ended funds.

Centuria manages the ASX-listed Centuria Industrial REIT (ASX:CIP) and Centuria Office REIT (ASX:COF) which are Australia's largest domestic pure play industrial and office real estate investment trusts, respectively. Centuria also manages the NZX-listed Asset Plus (NZX:APL), as well as a range of unlisted real estate funds comprising 63 single asset funds, 4 multi asset open-ended funds, and 5 institutional funds and mandates.

Centuria has maintained a dual strategy of growth by both direct real estate transactions as well as corporate acquisitions.

Refer to Section 4 of the Bidder's Statement for further detail on Centuria.

5.3 How will Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders

Generally speaking, if your address on Primewest's register of Securityholders is in a jurisdiction other than Australia, its external territories or New Zealand, you will be considered an Ineligible Foreign Securityholder.

5. IMPORTANT INFORMATION ABOUT THE OFFER

If you are an Ineligible Foreign Securityholder or an Unmarketable Parcel Securityholder, you are entitled to **ACCEPT** the Offer just like any other Primewest Securityholder. Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders that **ACCEPT** the Offer will not receive Centuria Securities. Rather, the Centuria Securities that Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders would have been entitled to receive will be issued to, and sold by, the Nominee and the net cash proceeds attributable to each Ineligible Foreign Securityholder and Unmarketable Parcel Securityholder will be paid to them in Australian dollars.

5.4 Effect of acceptance

If the Offer is unconditional, your acceptance of the Offer is irrevocable and you are not entitled to withdraw your acceptance.

If you **ACCEPT** the Offer, you will lose your ability to **ACCEPT** a superior proposal, if one emerges, even if you consider the superior proposal to be more attractive. However, if Centuria were to increase its Offer Price to a higher sum as a result of a competing proposal being publicly announced at a time after you have accepted the Offer, you will be entitled to receive the improved consideration.

If you **ACCEPT** the Offer you will still be entitled to the declared 2H21 distribution of 2.9 cents per Primewest Security provided you are on the register at the record date for the distribution which Primewest has set as 25 May 2021. The Offer Price will not be reduced for the amount of the 2H21 distribution.

5.5 Receipt of consideration

If the Offer becomes unconditional, the Centuria will provide the consideration under the Offer to accepting Primewest Securityholders within 5 Business Days of the later of acceptance and the Offer becoming unconditional.

Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders will be provided with the net proceeds of sale to which they are entitled under the Offer at a different time.

5.6 Offer conditions

The Offer is subject to a number of Offer conditions. In summary, the Offer conditions which are yet to be satisfied or waived include the following:

- **(Regulatory Approvals)** All necessary approvals that are required by law, or from any Government Agency have been approved on an unconditional basis before the end of the Offer Period.
- **(No Restraints)** No regulatory action is taken in consequence of or in connection with the Offer between 14 May 2021 and the end of the Offer Period.
- **(Minimum Acceptance)** Centuria having a Relevant Interest in at least 90% of the Primewest Securities (on a fully diluted basis).
- **(No Prescribed Occurrences)** No prescribed occurrence between the Announcement Date of the Offer and the date three Business Days after the end of the Offer Period.
- **(No Material Adverse Change)** No material adverse change to Primewest, its assets and business occurs.
- **(Conduct of business)** Primewest Management Ltd conducting Primewest's business in a certain manner between the Announcement Date of the Offer and the end of the Offer Period, including no material acquisitions, disposals, capital expenditure or changes in the conduct of business, with the exception of the Vitalharvest Transaction.
- **(Responsible entity, trustee and other change)** During the Implementation Period, no material changes to responsible entity, trustee and control of Primewest, unless with the written consent of Centuria.
- **(Litigation)** No litigation on foot or pending during the Implementation Period which may reasonably result in a judgement of \$2,000,000 or more is commenced, threatened to be commenced, announced or made known to Centuria or Primewest.

The above is only a summary of the Offer conditions of the Offer. Please refer to Sections Appendix 2 and Section 7 of Appendix 1 of the Bidder's Statement for a full description of the conditions of the Offer.



SECTION 6

INFORMATION RELATING TO PRIMEWEST

6. INFORMATION RELATING TO PRIMEWEST

6.1 Overview

ASX listed Primewest (ASX:PWG) is an Australian property fund manager with \$5.0 billion¹ of assets under management across all mainland states of Australia and on the west coast of the USA. Established in 1995, Primewest is a value-add and often counter-cyclical manager, operating in the retail (daily needs retail and large format retail), industrial, commercial, residential and agricultural property sectors with a focus to achieve maximum returns for Primewest Securityholders and investors in the underlying funds it manages.

6.2 Strategy

Primewest operates over 84 separate funds across 7 different real estate sectors. The management of these funds and syndicates involves sourcing, acquiring, managing and disposing of real estate assets on behalf of investors. Real estate funds management is attractive to private high net worth and institutional investors because it allows for investors to acquire an interest in larger assets or diversify their investment exposure, options which may not be available for direct investment.

Primewest primarily generates revenue through fees charged to the funds that it manages including:

- Asset management fees;
- Property service fees including leasing fees, development management fees and finance fees;
- Transactional fees including establishment fees earned on the acquisition of new assets and sales fees on the disposal of assets; and
- Performance fees.

Primewest's growth strategy has included:

- Launching new income and development funds;
- Entering into additional wholesale partnerships;
- Establishing new funds in alternative real estate sectors, for example the Primewest Agricultural Fund;
- Co-investing in funds alongside fund investors; and
- Exploring corporate mergers and acquisitions.

6.3 Overview of Primewest since listing on the ASX

Primewest has delivered significant value to Primewest Securityholders since IPO in November 2019:

- Increased AUM from \$3.9 billion to \$5.0 billion (+28%)
- Increased share price from \$1.00 to \$1.51² (+51%)
- Increased market capitalisation from \$349 million to \$599 million² (+72%)
- Delivered a total shareholder return of 60.9%, outperforming the S&P/ASX300 A-REIT index by 62.2%³

Other key initiatives and milestones since the IPO include:

- Launched 8 new unlisted funds since IPO
- Launched Primewest Agricultural Fund in April 2020, with a fund target of \$100 million
- Launched new Daily Needs Trust in June 2020, with an initial \$300 million institutional mandate that was later expanded to \$930 million in December 2020
- Acquired a stake in the ASX listed Vitalharvest Freehold Trust (ASX:VTH) and 100% interest in the manager of the trust
- Launched Primewest Bespoke, a new service offering high level asset management to wholesale investors

1. AUM as at 31 December 2020 adjusted for post balance date revaluation and acquisitions

2. Based on the Implied Offer Price

3. Source: IRESS, as at 16 April 2021. Total shareholder return calculation is to the Implied Offer Price and includes all distributions paid by Primewest since IPO up until the date of this Target's Statement, inclusive of the declared 2H21 distribution of 2.9 cents per Primewest Security

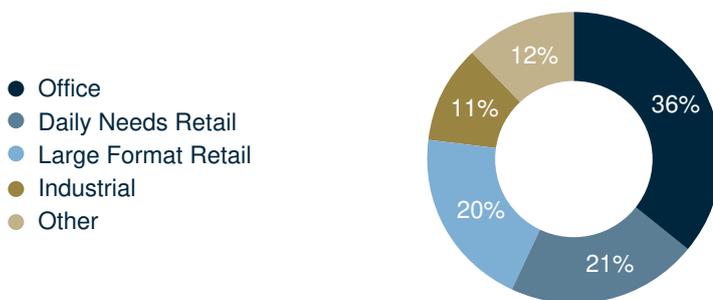
6. INFORMATION RELATING TO PRIMEWEST

6.4 Sector Diversification

Primewest's portfolio is diversified across multiple real estate sectors:

- **Office (\$1.8bn):** Office assets located across Perth, Brisbane, Melbourne
- **Daily Needs Retail (\$1.1bn):** 23 Coles or Woolworths anchored centres across Perth, Adelaide and regional Australia
- **Large Format Retail (\$1.0bn):** Large footprint and high traffic properties anchored by ASX listed covenants across Australia
- **Industrial (\$0.6bn):** Industrial sites in well-established locations in Perth, Brisbane, Sydney, Adelaide and Melbourne
- **Other (\$0.6bn):** Including retail, tourism, land syndicates in the US and Western Australia, and agriculture. Agriculture includes agriculture assets under long term leases to established operators across Australia (includes management of the ASX listed Vitalharvest Freehold Trust)

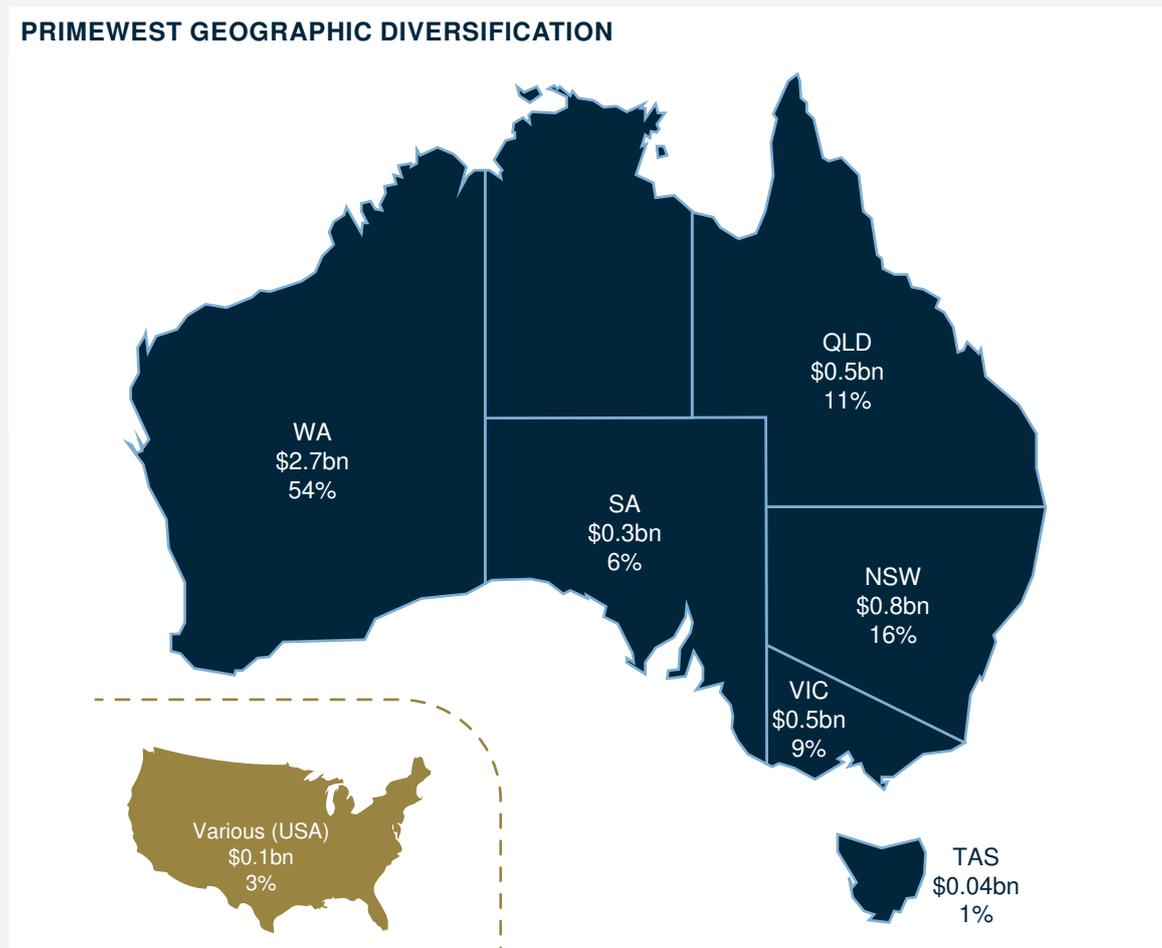
PRIMEWEST SECTOR DIVERSIFICATION



6. INFORMATION RELATING TO PRIMEWEST

6.5 Geographic Diversification

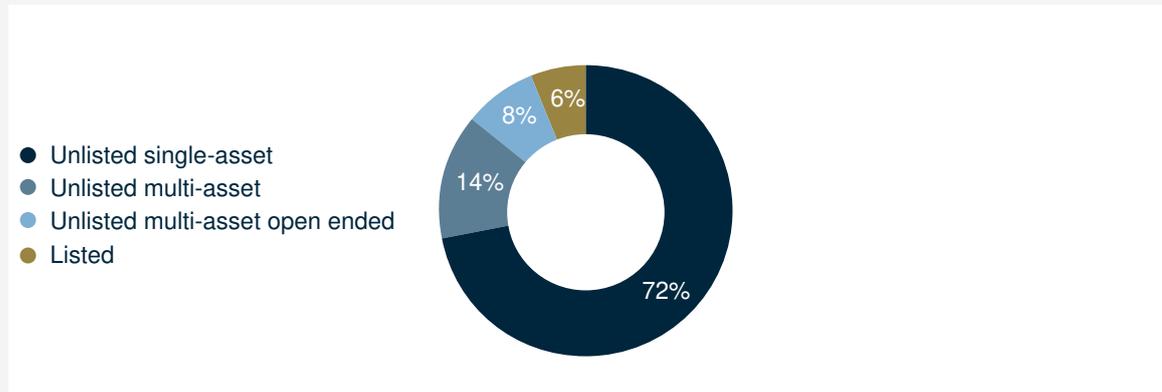
Primewest's funds are diversified by geography, contributing to a lower correlation to specific market risks. Western Australia constitutes 54% of assets, with the remainder of assets mostly diversified across Australia's major states. Various includes assets in the US.



6. INFORMATION RELATING TO PRIMEWEST

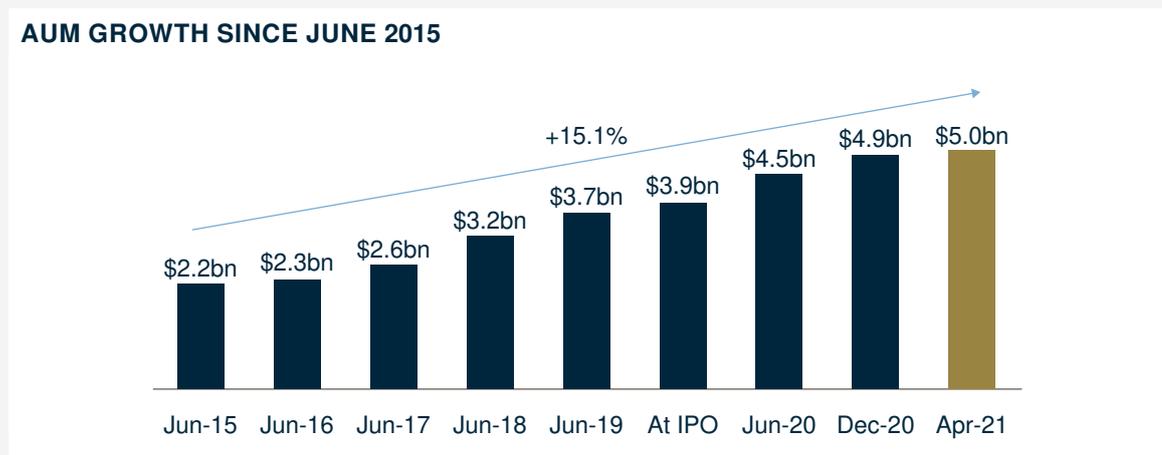
6.6 Fund Type

Syndicate funds include 900 active high net worth investors, holding over \$1.5bn in equity across 84 syndicates. Mandate refers to institutional mandates.



6.7 AUM Growth

Since June 2015, Primewest has grown AUM by 127%, representing a 15.1% CAGR.





SECTION 7

DIRECTOR'S RECOMMENDATION
AND INFORMATION RELATING TO
PRIMEWEST'S DIRECTORS

7. DIRECTOR'S RECOMMENDATION AND INFORMATION RELATING TO PRIMEWEST'S DIRECTORS

7.1 Directors of Primewest

As at the date of this Target's Statement, the Directors of Primewest are:

- John Bond, Executive Chairman;
- Erin Flaherty, Independent Non-Executive Director;
- Hamish Beck, Independent Non-Executive Director;
- David Schwartz, Managing Director; and
- Jim Litis, Executive Director.

The Independent Directors are Erin Flaherty and Hamish Beck. They together comprise the Independent Board Committee (IBC) that was formed to consider the terms of the BID and the waiver of existing escrow restrictions on the executive Directors.

Subsequently, Primewest has agreed to release the existing escrow agreements which applied to the Primewest Securities held by each of the executive Directors so as to permit each executive Director to **ACCEPT** the Offer.

7.2 Independent Expert's Report

In order to assist with assessment of the Offer, the Directors engaged the Independent Expert to undertake an independent assessment of the Offer.

A copy of the Independent Expert's Report is attached in Appendix 1 to this Target's Statement. The Directors recommend that you read the report in full.

The Independent Expert has concluded that the Offer is fair and reasonable to Primewest Securityholders.

7.3 Directors' recommendation

The Directors unanimously recommend that Primewest Securityholders **ACCEPT** the Offer, in the absence of a superior proposal.

The reasons for this recommendation are set out in Section 2 of this Target's Statement.

The decision as to whether or not to **ACCEPT** the Offer depends on the circumstances for each individual Primewest Securityholder, including risk profile, portfolio strategy, tax position, financial circumstances and investment time horizon.

In considering whether or not to **ACCEPT** the Offer, your Directors encourage you to:

- read the whole of this Target's Statement (including the Independent Expert's Report) and the Bidder's Statement;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- consider the alternative of selling on the ASX as outlined in Section 4 of this Target's Statement; and
- obtain financial advice from your broker or financial adviser about the Offer and obtain taxation advice on the effect of accepting the Offer.

7.4 Directors' intentions in relation to the Offer

Each Director who owns or controls Primewest Securities intends to **ACCEPT** the Offer in relation to the Primewest Securities they or their associates own or control, in the absence of a superior proposal.

Details of the relevant interests of each Director in Primewest Securities are set out in Section 7.5 of this Target's Statement.

7. DIRECTOR'S RECOMMENDATION AND INFORMATION RELATING TO PRIMEWEST'S DIRECTORS

7.5 Interest and dealings of directors in Primewest Securities

As at the date immediately before the date of this Target's Statement, the Directors and their associates had the following number of Primewest Securities:

Director	Number of Primewest Securities
John Bond	70,504,939
Erin Flaherty	30,000
Hamish Beck	273,740
David Schwartz	69,265,697
Jim Litis	71,461,944

No Director has acquired or disposed of a relevant interest in any Primewest Securities in the 4 month period ending on the date immediately before the date of this Target's Statement.

7.6 Interest and dealings of directors in Centuria Securities

As at the date immediately before the date of this Target's Statement, no Director had a relevant interest in any Centuria Securities.

No Director has acquired or disposed of a relevant interest in any Centuria Securities in the 4 month period ending on the date immediately before the date of this Target's Statement.

7.7 Benefits and agreements

Benefits to Directors

As a result of the proposed merger, no Director has been or will be given any benefit (other than a benefit which can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from the board, managerial office or related body corporate of Primewest.

No Director has agreed to receive, or is entitled to receive, any benefit from Centuria which is related to or conditional on the proposed merger, other than in their capacity as a holder of Primewest Securities.

Agreements in connection with or conditional on the proposed merger

Except as set out below, no agreement has been made between any Director and any other person in connection with, or conditional upon, the outcome of the proposed merger, other than in their capacity as a holder of Primewest Securities.

Interests in contracts with Centuria

No Director has any interest in any contract entered into by Centuria, except as set out below.

7.8 Restraints, escrow and senior executive employment agreements with Centuria and Primewest

Each of the executive Directors, John Bond, Jim Litis and David Schwartz has entered into a Voluntary Escrow Deed in relation to the Centuria Securities they will receive under the Offer, the terms of the Deeds restrict dealing with the Centuria Securities for 12 months from issue (in respect of 50% of the securities), and 24 months from issue (in respect of the remaining 50% of the securities). The Deeds contain customary exceptions to permit acceptance of a genuine takeover bid for or scheme of arrangement in respect of Centuria, and also allow security to be granted over the first 50% of Centuria Securities.

7. DIRECTOR'S RECOMMENDATION AND INFORMATION RELATING TO PRIMEWEST'S DIRECTORS

Each of the executive Directors has also entered into a Restraint Deed with Primewest in relation to their personal investments and interests in the private funds managed by Primewest. The restrictions in these Deeds last for up to three years and include obligations:

- not to dispose of those managed fund investments,
- not to be involved in a business which competes with the Combined Group's real estate funds management, property sector debt funding, or property development businesses (other than certain passive investments),
- not to cause the termination of management rights or management contracts in relation to funds managed by the Combined Group, and to vote in favour of the extension of such contracts and other matters recommended by the manager, and
- not to disparage or harm the management rights or reputation of the Combined Group

Each executive Director has also agreed with Primewest to remain as a senior executive for a period of at least two years, on the same remuneration as currently provided.

These arrangements are considered to be disadvantageous overall to the executive Directors, and are obligations that other Primewest Securityholders are not required to enter into in relation to the Offer.

7. DIRECTOR'S RECOMMENDATION AND INFORMATION RELATING TO PRIMEWEST'S DIRECTORS

7.9 Primewest Board of Directors



John Bond
Executive
Chairman

John is a founding Director of Primewest and has been instrumental in its growth and development. His background spans law, investment banking as well as property investment and development. As a professional property investor, he has over 30 years' experience in negotiating acquisitions, overseeing the development of properties and asset management.

Along with his fellow Directors, John guides the Primewest team in all aspects of the business. John's hands on approach affords Primewest a competitive and agile approach to delivering high quality outcomes. Since 1990 John has been instrumental in delivering exceptional property and community outcomes across residential and commercial sectors.

John is a Corporate Member of the Property Council. He is Chairman of two charities, being Australian Doctors for Africa and The Fathering Project. John is also a Board member of the Art Gallery of Western Australia Foundation.

John is a responsible manager under the AFSL.



Erin Flaherty
Independent
Non-Executive
Director

Erin's business career has spanned over 30 years on both private and government sectors. She holds a Masters in Law, a Diploma in Applied Corporate Governance and is a member of the Australian Institute of Directors. Erin is a member of the board of Moorebank Intermodal Company and a Guardian of the Commonwealth Future Fund. She is also a Trustee of the Sydney Cricket Ground, and a member of the board of the NSW Police Citizens Youth Clubs.

Erin was appointed a director on 11 October 2019.



Hamish Beck
Independent
Non-Executive
Director

Hamish is the Managing Director of Beck Advisory and Property Australia Management (PAM), the dedicated asset management division of Beck Advisory. He founded Beck Advisory in 2000 and PAM in 2008, following a successful career in the Australian property industry for some of WA's largest development and construction companies.

Hamish is also Chairperson of the Swan River Trust, Deputy Chairperson of the Rottne Island Authority, Member of the Central Perth Planning Committee, and Board Member of the Western Australian Maritime Museum Advisory Committee. In addition, he is an advisor to various institutional groups.

Hamish joined the Board in October 2019.

7. DIRECTOR'S RECOMMENDATION AND INFORMATION RELATING TO PRIMEWEST'S DIRECTORS



David Schwartz
Managing Director

David is a founding Director of Primewest and has been instrumental in its growth and development. David is a professional property investor with 25 years' experience in negotiating acquisitions and overseeing the development of properties. He is a Non-Executive Director of Schaffer Corporation Ltd.

Over the past 40 years David has been involved in many different businesses including retail, manufacturing and distribution. His property investments have been strongly focused on retail and commercial developments.

David is a responsible manager under the AFSL.



Jim Litis
Executive Director

Jim is a founding Director of Primewest. Having experienced forty years in the property industry in Australia, Jim is an influential and well respected figure and mentor. His expertise include the acquisition, development and management of retail and large format retail properties, and purchasing and renovating heritage buildings in Perth's CBD. His vast knowledge of the retail industry has given him a unique insight and outlook when sourcing investment properties and opportunities for investors. Jim's first foray into retail was opening his own Hi Fi store in the early 70's.

Jim is involved in a number of philanthropic organisations including Ear Science Institute Australia, The Leukaemia Foundation and The Perron Institute (Neurological and Translational Science). His support includes funding Post Graduate students and research. Jim's passion for Music, Sport and the Arts have led to his involvement in a number of successful West Australian enterprises including founding one of the first specialist sound system stores in Perth, Douglas HiFi, the Floreat Athena Soccer Club (The Litis Stadium), Venn Gallery, a contemporary art gallery and most recently The Rechabite, an entertainment venue hosting live music, theatre and performance.

Jim is a responsible manager under the AFSL.

7.10 Primewest audited financial statements

The latest published financial statements for Primewest are the audited consolidated financial statements for the financial year ended 30 June 2020 and the reviewed interim consolidated financial statements for the six months ended 31 December 2020.

Copies of Primewest's published financial statements can be obtained, free of charge, from Primewest's website, <https://primewest.biz/investor-centre/financial-and-annual-reports>.

7.11 Primewest continuous disclosure obligations

Primewest is subject to the continuous disclosure obligations contained in the ASX Listing Rules. Under those obligations, subject to limited exceptions, Primewest must disclose material information to ASX immediately on becoming aware of that information.

Copies of all disclosures made by Primewest to ASX can be obtained, free of charge, at ASX's website (www.asx.com.au) under the ASX code "PWG".



SECTION 8

RISK FACTORS

8. RISK FACTORS

Primewest has summarised below what it believes to be the key risks for you to consider. There are risks which are specific to Primewest and other risks which apply to investments generally, which may materially and adversely affect the future operating and financial performance of Primewest and the value of Primewest Securities. Those risks (and other risks) will continue to be relevant to Primewest Securityholders who do not **ACCEPT** the Offer and retain their current investment in Primewest. These risks will also continue to be relevant to all Primewest Securityholders if the Offer lapses. While some of these risks can be mitigated, some are outside the control of Primewest and cannot be mitigated.

Centuria's Bidder's Statement separately sets out key risks involved in accepting the Offer and receiving Centuria Securities in exchange for your Primewest Securities (other than an Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders). You should consider those key risks carefully before deciding to **ACCEPT** the Offer.

This summary does not consider risks arising from your individual investment objectives, financial situation or needs.

You should seek your own professional advice about the Offer and the risks associated with receiving Centuria Securities as consideration.

8.1

Risks associated with Primewest and remaining a Primewest Securityholder

Primewest manages over 80 funds on behalf of third-party investors. The majority of Primewest's income is derived from fees calculated with reference to the value of properties under the control of the Primewest funds management business or from additional services provided to those funds. Primewest's financial performance may be adversely affected if one or more of the following risks were to occur:

Asset acquisition risk	The growth in asset management fees is dependent on Primewest acquiring new assets. There is no guarantee that Primewest will be able to execute current or future asset acquisitions. To the extent that future asset acquisitions are not successfully executed, the financial performance of Primewest could be materially adversely affected. Any failure to identify appropriate assets or successfully acquire such assets could materially adversely affect the growth prospects and financial performance of Primewest.
Increase in competition and reliance on third party equity	Primewest's ability to establish new listed or unlisted funds requires continual sourcing of equity from existing and new investors. Increased competition for investor equity, underperformance of funds managed by Primewest, changes in market conditions and other factors may together, or in isolation, result in limited availability of investor capital and make it difficult for Primewest to execute its growth strategy, which would have a material adverse impact on Primewest's ability to generate growth.
Funding for Primewest and the funds managed by Primewest	Both Primewest, and the underlying funds managed by Primewest, rely on access to debt financing to execute the business strategy. An inability to obtain the necessary funding or refinancing on acceptable terms and at commercial rates, a material increase in the costs of such funding or a breach of various covenants including interest coverage ratios and loan to valuation ratios by a fund could have an adverse impact on Primewest's debt financing capacity and also that of the funds managed by Primewest.
Underperformance of funds managed by Primewest	There is a risk that one or more of the Funds managed by Primewest underperform in a material way or for a prolonged period of time in a way that either results in a reduction of fees paid to Primewest or has a negative effect on Primewest's ability to retain existing funds and to attract new assets under management. Where Primewest has co-invested in the relevant underperforming fund that could also have an adverse impact on Primewest.

8. RISK FACTORS

Risks associated with Primewest and remaining a Primewest Securityholder	
Funds move to new management	There is a risk that competitors or existing fund investors initiate actions with the intention to replace Primewest with a different management entity. Large investors within a particular fund managed by Primewest may, from time to time, have the ability to terminate the Primewest management arrangement, or otherwise remove the funds they are invested in from the control of Primewest.
Funds are closed	Funds under the control of the Primewest funds management business are fixed term funds and a number have strategic review dates in the short to medium term. Investor 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 and whilst selling the assets held by these funds to close the fund can lead to significant transactional fees for Primewest in the short term, once the assets are sold, Primewest would no longer receive ongoing fees.
Reputation may diminish in value	Primewest could be adversely impacted by a number of factors which, if they occurred could negatively impact the Primewest brand and consequently the business and the financial performance of Primewest. Such factors include failure to provide investors with the quality of service they expect, disputes or litigation with third parties, employees (including in relation to their employment arrangements) or suppliers, and adverse media coverage.
Corporate M&A	Primewest seeks to acquire complimentary real estate funds management businesses. There is no guarantee that appropriate businesses will be identified for acquisition and that transactions of this nature will successfully close.
Ability to attract and retain key staff	The loss of senior management, or other key employees, and/or the inability to hire new employees could adversely impact Primewest's current and future business and financial performance.
Compliance with laws and regulation	Primewest Management Ltd and Primewest Funds Ltd operate under an AFSL. Under the Corporations Act, Primewest Management Ltd and Primewest Funds Ltd must hold an AFSL to engage in certain activities in relation to the funds management business (and, in respect of Primewest Management Ltd, to operate Primewest Property Fund). Compliance with the obligations of an AFSL is the responsibility of the licensee. If the relevant Primewest entities do not meet regulatory requirements, or authorised representatives breach their obligations under authorised representative agreements, they may suffer penalties, such as fines, obligations to pay compensation, enforceable undertakings, impositions of (or variations to) licence conditions or, ultimately, the cancellation or suspension of their AFSL. If the Primewest AFSL holders are unable to retain their AFSL they would be unable to engage in certain activities required to operate the funds management business. Primewest is also subject to other industry specific and general legal and other regulatory controls (including anti money laundering/counter terrorism funding requirements). Any past or future violations of applicable laws and regulations may result in reputational damage, fines and penalties, or the loss of licences which could have a material adverse effect on Primewest's financial condition, cash flows and operational outcomes. There is also a risk that future changes to laws and regulations may increase the costs of operations or adversely affect Primewest's ability to conduct its business.

8. RISK FACTORS

Risks associated with Primewest and remaining a Primewest Securityholder	
Security breach and data privacy	Primewest's internal database contains confidential and proprietary information, including intellectual property, confidential business information, information regarding its employees or suppliers, information relating to investors in funds managed by Primewest, and other confidential information. Primewest's business could be materially impacted by security breaches, either by unauthorised access, theft, destruction, loss of information or misappropriation or release of confidential investor data, any of which could materially adversely impact Primewest's reputation and its financial performance.
Insurance	Primewest will carry a range of insurance cover for various assets. However, there are certain events for which Primewest may not or may not be able to maintain insurance cover for. These events may include, but are not limited to, acts of war or political instability and catastrophic events such as floods. In the event of an uninsured loss or a loss in excess of the relevant insured limit, Primewest could suffer damage to its reputation and Primewest and the relevant funds it manages could lose all or a portion of their future revenues.
Property liquidity	The property assets in Primewest's Funds are, by their nature, illiquid investments. Primewest may not be able to realise the properties within a short period of time or may not be able to realise the properties at a reasonable valuation.
COVID-19	COVID-19 was declared a worldwide pandemic by the World Health Organisation in March 2020. COVID-19, as well as measures to slow the spread of the virus, have since had a significant impact on global financial markets. Despite government measures such as economic stimulus packages, there is still considerable economic uncertainty. The real estate sector specifically has been impacted by concerns surrounding security of income and uncertainty around property valuations. In addition, this uncertainty and associated market volatility has resulted in a significant slowdown of transactional activity and investment in most real estate markets. As a result of COVID-19, there is significant valuation uncertainty due to an inactive property investment market, a lack of relevant transactional evidence as well as uncertainties in relation to the potential impact of the pandemic on the future cash flows of Primewest.
Climate Risk	The long-term implications of climate change may impact Primewest on several fronts and in the future, climate change may be a long term driver of both financial and non-financial risks.

8. RISK FACTORS

Investment risks associated with Primewest and remaining a Primewest Securityholder	
<i>Any investment is accompanied by a host of market or sector risks, general to its universe.</i>	
Economic factors	Primewest is exposed to changes in general economic conditions in Australia and globally. Adverse changes in inflation rates, interest rates, employment rates, government policies (including fiscal, monetary and regulatory policies), other structural changes and other factors driving global macroeconomic conditions are outside the control of Primewest and are not reliably predictable. Any of these factors may have an adverse impact on Primewest's business and financial performance.
Price of Primewest Securities	The price of Primewest Securities quoted on ASX may rise or fall due to a number of factors, including fluctuations and general volatility in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, inclusion in or removal from market indices, the nature of the markets in which Primewest operates and general operational and business risks. Other factors which may negatively affect investor sentiment and influence Primewest specifically or the stock market more generally include acts of terrorism, an outbreak of international hostilities or fires, floods, droughts, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences. Further, the share and unit prices for many listed entities have in recent times, been subject to wide fluctuations, which in many cases may reflect a diverse range of non-entity specific influences. Such market fluctuations may materially adversely affect the market price of the Primewest Securities. No assurances can be given that the performance of the Primewest Securities will not be adversely affected by any such market fluctuations or factors. Primewest does not guarantee the performance of the Primewest Securities.
Significant retained holding by the founders of Primewest	The founders of Primewest (David Schwartz, John Bond and Jim Litis) hold in aggregate approximately 53% of Primewest. As such, they may have the capacity to influence the election of Directors, the approval of significant corporate transactions and the success of a takeover or similar offer for Primewest Securities.
Liquidity	There can be no guarantee that there will be an active market in Primewest Securities or that their value will increase. There may be relatively few or many buyers or sellers of the Primewest Securities on the ASX at any one time which may lead to increased price volatility and affect the price at which Primewest Securityholders are able to sell their Primewest Securities.
Future distributions	No assurances can be provided in relation to the payment of future distributions. Future determination as to the payment of distributions by Primewest will be at the discretion of Primewest and will depend upon the availability or profits, the operating results and financial condition of Primewest, future capital requirements, covenants in relevant debt facilities, general business and financial conditions and other factors considered relevant by Primewest.
Dilution	In the future, Primewest may elect to issue new Primewest Securities or engage in capital raisings to fund investments that Primewest may decide to undertake. While Primewest will be subject to the constraints of ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12-month period (other than where exceptions apply), Primewest Securityholders at the time may be diluted as a result of such issues of Primewest Securities and capital raisings.

8. RISK FACTORS

Investment risks associated with Primewest and remaining a Primewest Securityholder	
Accounting standards	Changes to Australian Accounting Standards issued by the AASB or changes to the commonly held views on the application and interpretation of those standards could materially adversely affect the value of Primewest Securities.
Taxation changes	Future changes in Australian taxation law (including 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 Primewest Securities or the holding and disposal of those Primewest Securities. Further, changes in tax law (including goods or services tax and stamp duty) or changes in the way tax law is expected to be interpreted in the jurisdictions in which Primewest operates, may impact the future tax liabilities of Primewest.

8.2

Risks associated with the Offer and the Combined Group	
<i>There are risks inherent to merging two entities and becoming a Centuria Securityholder of the Combined Group.</i>	
The market price of the Centuria Securities will vary from time to time	<p>The market price of Centuria Securities on ASX varies from time to time. The market price at the time at which you receive Centuria Securities under the Offer may vary from the market price on the date that you ACCEPT the Offer or the market price used for the calculation of the Offer Price.</p> <p>The market price of Centuria Securities may fall at any time, including before or after Centuria Securities are issued to you. Accordingly, you may be unable to sell your Centuria Securities at a price equivalent to the market price when you accepted the Offer, the market price used for the calculation of the Offer Price or the market price when you receive your Centuria Securities.</p>
There are business acquisition and integration risks	Any business acquisition and integration (such as will be required by the Combined Group) carries with it uncertainty and risk, including as to whether the benefits of the acquisition will meet expectations and whether integration of processes and systems can be achieved.
There may be adverse tax consequences for you of accepting the Offer and receiving Centuria Securities as consideration	<p>The tax consequences for you of accepting the Offer and receiving Centuria Securities as consideration will depend on your specific circumstances.</p> <p>If you have any questions regarding the tax consequences of accepting the Offer and receiving Centuria Securities as consideration, you should obtain your own taxation advice.</p>

8. RISK FACTORS

Risks associated with the Offer and the Combined Group	
<p>An exposure to risks associated with Centuria's existing businesses and the industries in which those businesses operate</p>	<p>Centuria has a substantial existing business in Australia as a specialist investment and property funds manager. Centuria's key businesses are the management of listed and unlisted property funds in Australia and the issue of investment bonds. Accordingly, if you receive Centuria Securities, you will be exposed to risks associated with Centuria's businesses, including the operation of those businesses in Australia.</p> <p>Some risks specific to Centuria include: the potential for reduction in fund management fees due to adverse factors affecting funds managed by Centuria subsidiaries (including due to fund underperformance, action taken by fund holders to remove Centuria subsidiaries as manager, the expiry of fixed term funds or the reduction in property values), the risk that Centuria may not be able to launch new managed funds in the future, the potential for external funding to be unavailable to finance property purchases, the risk that Centuria may not be able to properly integrate Primewest or other businesses acquired by Centuria, the potential for severe disruption to Centuria's information systems and the risk that senior managers may leave Centuria.</p> <p>Centuria has disclosed information to the ASX regarding its assessment of applicable general risks and risk factors specific to the industries within which Centuria operates, as well as risks that are specific to Centuria.</p>
<p>Integration of Primewest</p>	<p>There is a risk that implementation and other one-off costs of integration may be substantial or greater than reasonable anticipated. This could have a material adverse impact on the Combined Group's financial position and performance.</p>
<p>Risks specific to REITs</p>	<p>Exposure to Centuria Industrial REIT (ASX: CIP) and Centuria Office REIT (ASX: COF) exposes Primewest Securityholders to the risks specific to REITs, including:</p> <ul style="list-style-type: none"> • Counterparty/credit risk – REITs are exposed to the risk that third parties, such as tenants, developers, service providers and financial counterparties to derivatives (including interest rate hedging instruments) and other contracts may not be willing or able to perform their obligations; • Fixed nature of costs – Many costs associated with the ownership and management of property assets are fixed in nature. The value of properties (and the value attributed to the Combined Group) may be adversely affected if the income from the asset declines and these fixed costs remain unchanged; • Land values – Events may occur from time to time that affect the value of land which may then impact the financial returns generated from particular property related investment businesses or projects. For example, unanticipated environmental issues may adversely affect the future earnings of Centuria; and • Trust taxation status – Changes in taxation law (including goods and services taxes and stamp duties), or changes in the way tax laws are interpreted in the various jurisdictions in which Centuria operates, may affect the tax liabilities of Centuria, as well as the tax liabilities of Primewest Securityholders who become holders of Centuria Securities, due to the flow-through tax treatment associated with trusts.
<p>Accounting standards</p>	<p>Changes to Australian Accounting Standards issued by the AASB or changes to the commonly held views on the application and interpretation of those standards could materially adversely affect the value of Centuria Securities.</p>

8. RISK FACTORS

Risks associated with the Offer and the Combined Group

Taxation changes	Future changes in Australian taxation law (including 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 Centuria Securities. Further, changes in tax law (including goods or 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.
Interest rate risk	Adverse fluctuations in interest rates, to the extent that they are not hedged, may impact Centuria's funding costs adversely, resulting in a decrease in distributable income. Where interest rates are hedged by way of financial instruments, the value of those instruments can vary substantially which can impact on both earnings and net assets.
Foreign exchange/ currency risk	All information in this Target's Statement is presented in Australian dollars. Centuria Security holders who reside outside Australia, or who rely on funding denominated in a currency other than the Australian dollar, should be aware of the impact that fluctuations in exchange rates may have on the value of their investments in, and returns from, Centuria.



SECTION 9

ADDITIONAL INFORMATION

9. ADDITIONAL INFORMATION

9.1 Bid Implementation Deed

Under the Bid Implementation Deed entered into with Centuria, Primewest has agreed:

- **(No shop)** not to solicit, invite, encourage or initiate any inquiry, expression of interest, offer, proposal or discussion with a view of obtaining a competing proposal.
- **(No talk and no due diligence)** not to participate in negotiations or discussions, enter any agreement, arrangement or understanding, or provide non-public information about Primewest to any third party in response to any inquiry, expression of interest, offer, proposal or discussion in relation to an actual, proposed or potential competing proposal.
- **(Notification)** to notify Centuria as soon as possible if it becomes aware of any approach, proposal, or attempt to initiate negotiations or discussions regarding an actual, proposed or potential competing proposal.
- **(Matching right)** to give Centuria 5 business days to match a proposed competing proposal, which the Directors consider to be an actual or potential superior proposal, before Primewest is able to enter into an agreement to implement such competing proposal or the Directors are able to recommend such competing proposal.

The no talk and no due diligence restriction does not apply to the extent that it restricts Primewest from taking or refusing to take any action with respect to an actual or potential superior proposal (which was not solicited, invited, encouraged or initiated by Primewest) where the Directors have determined that it would or would be likely to be a breach of their fiduciary or statutory duties to do so.

For further information regarding the exclusivity arrangements see Section 10 of the Bid Implementation Deed, which was released to ASX on 19 April 2021.

Primewest has further agreed to pay a break fee of \$2 million to Centuria in certain circumstances, including one or more of the Directors failing to recommend that Primewest Securityholders **ACCEPT** the Offer (in the absence of a superior proposal), withdrawing or adversely revising such recommendation, or recommending acceptance of a competing proposal, or if a competing proposal for control of Primewest is made and is ultimately successful. For further information regarding the break fee see Section 11 of the Bid Implementation Deed.

9.2 Minimum acceptance condition

In the Bid Implementation Deed Centuria has agreed that the 90% minimum acceptance condition in the Offer will not be waived or reduced below 80% without the consent of the Primewest Directors (after having consulted in good faith with Centuria). Primewest Securityholders should be aware that the Primewest Directors may consent to such a waiver or variation in appropriate circumstances, and will take into consideration matters including but not limited to:

- the impact on Primewest Securityholders as a whole of the Offer not proceeding;
- whether or not rollover relief is potentially available to Primewest Securityholders as a result of giving (or not giving) consent; and
- the commercial implications of Centuria not being entitled to compulsorily acquire Primewest.

9.3 Issued capital

As at 2 February 2021, the following Primewest Securities on issue are:

Class	Number
Primewest Securities	396,547,747 fully paid ordinary securities
Primewest Options ¹	1,213,423

1. Primewest will enter into agreements with each Primewest Option holder that, from the date the Offer becomes or is declared unconditional, the Primewest Options will be cancelled and each Primewest Option holders will receive cash consideration for the cancellation of their Options

9. ADDITIONAL INFORMATION

9.4 Substantial holders

As at 29 January 2021, following Primewest's recent equity raising, the substantial Primewest Securityholders are set out below:

Substantial Primewest Securityholder	Number of Primewest Securities	Interest of Primewest Securityholder and its associates
Jim Litis	71,461,944	18.0%
John Bond	70,504,939	17.8%
David Schwartz	69,265,697	17.5%

9.5 Material Litigation

Primewest is not involved in any litigation or disputes which are material in the context of Primewest taken as a whole.

9.6 Consents

Deloitte has given, and not withdrawn before the lodgement of this Target's Statement with ASIC, its written consent to be named in this Target's Statement as the Independent Expert in the form and context it is so named and to the inclusion of its Independent Expert's Report as Attachment 1 to this Target's Statement. Deloitte has not caused or authorised the issue of this Target's Statement, does not make or purport to make any statement in this Target's Statement (other than the Independent Expert's Report) or any statement on which a statement in this Target's Statement is based (other than extracts from the Independent Expert's Report) and takes no responsibility for any part of this Target's Statement other than any reference to its name and its Independent Expert's Report.

Moelis Australia (Moelis) has given, and not withdrawn before the lodgement of this Target's Statement with ASIC, its written consent to be named in this Target's Statement as Primewest's financial adviser in the form and context it is so named. Moelis has not caused or authorised the issue of this Target's Statement, does not make or purport to make any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based and takes no responsibility for any part of this Target's Statement other than any reference to its name.

Hamilton Locke has given, and not withdrawn before the lodgement of this Target's Statement with ASIC, its written consent to be named in this Target's Statement as Primewest's Australian legal adviser (other than in relation to taxation) in the form and context it is so named. Hamilton Locke has not advised on the laws of any foreign jurisdiction. Hamilton Locke has not caused or authorised the issue of this Target's Statement, does not make or purport to make any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based and takes no responsibility for any part of this Target's Statement other than any reference to its name.

PwC has given, and not withdrawn before the lodgement of this Target's Statement with ASIC, its written consent to be named in this Target's Statement as Primewest's tax adviser in the form and context it is so named. PwC has not caused or authorised the issue of this Target's Statement, does not make or purport to make any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based and takes no responsibility for any part of this Target's Statement other than any reference to its name.

As permitted by ASIC Class Order 13/521, this Target's Statement contains statements which are made, or based on statements made, in documents lodged by Centuria with ASIC or given to the ASX or, announced on the company announcements platform of the ASX, by Centuria. Pursuant to the Class Order, the consent of Centuria is not required for the inclusion of such statements in this Target's Statement. Any Primewest Securityholder who would like to receive a copy of any of those documents may obtain a copy (free of charge) during the Offer Period by contacting the Primewest Securityholder Information Line on 1300 943 885 (within Australia) or +61 2 8072 1488 (outside Australia) between 9.00am and 5.00pm (Sydney time), Monday to Friday (excluding national public holidays). Any telephone calls to these numbers will, as required by the Corporations Act, be tape recorded, indexed and stored.

9. ADDITIONAL INFORMATION

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72 (Corporations Instrument 2016/72), this Target's Statement may include or be accompanied by certain statements:

- which fairly represent what purports to be a statement by an official person;
- which are a correct and fair copy of, or extract from, what purports to be a public official document; or
- which are a correct and fair copy of, or extract from, a statement which has already been published in a book, journal or comparable publication.

In addition, as permitted by Corporations Instrument 2016/72, this Target's Statement contains security price trading data sourced from IRESS and FactSet without its consent.

9.7 No other material information

This Target's Statement is required to include all the information that Primewest Securityholders and their professional advisers would reasonably require to make an informed assessment whether to **ACCEPT** the Offer, but:

- only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- only if the information is known to any Director.

The Directors are of the opinion that the information that Primewest Securityholders and their professional advisers would reasonably require to make an informed assessment whether to **ACCEPT** the Offer is:

- the information contained in the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);
- the information contained in Primewest's releases to the ASX, and in the documents lodged by Primewest with ASIC before the date of this Target's Statement; and
- the information contained in this Target's Statement (including the information contained in the Independent Expert's Report).

The Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, the Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements contained in it.

In deciding what information should be included in this Target's Statement, the Directors have had regard to:

- the nature of the Primewest Securities;
- the matters that Primewest Securityholders may reasonably be expected to know;
- the fact that certain matters may reasonably be expected to be known to Primewest Securityholders' professional advisers; and
- the time available to Primewest to prepare this Target's Statement.

9.8 Regulatory Matters

Primewest has sought a waiver from ASX of ASX Listing Rule 6.23.3 to allow Primewest Option holders to be paid cash consideration for the cancellation of their Primewest Options as part of the proposed merger. This is a standard form waiver under ASX Guidance Note 17 and is expected to be granted under the powers granted to ASX to do so under ASX Listing Rule 18.1.



SECTION 10

TAXATION CONSEQUENCES

10. TAXATION CONSEQUENCES

10.1 Introduction

This section is a brief guide only in respect of certain Australian tax considerations of transferring Primewest Securities to Centuria under the Offer based on the law and the administrative practices of Australian revenue authorities as at the date of this Target's Statement. It is not advice to any particular Primewest Securityholder and does not set out all tax considerations that may be applicable. Primewest Securityholders should seek their own tax advice that takes into account their personal circumstances.

This Section is not applicable for Securityholders who do not hold their Primewest Securities as capital assets (for example Securityholders who hold their Primewest Securities as trading stock, revenue assets for the purposes of resale or profit or are subject to the operation of Division 230 of the Income Tax Assessment Act 1997).

Primewest has applied for a class ruling on behalf of Primewest Securityholders confirming the Australian income tax outcomes for Primewest Securityholders in relation to the disposal of their Primewest Securities. Primewest expects this draft class ruling to be finalised shortly after the issue of this Target's Statement and to be finalised following completion of the proposed merger. A link to the finalised class ruling will be made available on Primewest's website following publication by the ATO.

The comments below reflect the anticipated outcomes of the proposed merger and the class ruling.

10.2 Disposal of Primewest Securities and issuance of Centuria Securities

A Primewest Securityholder who transfers their Primewest Securities to Centuria under the Offer will dispose of two separate assets for Australian capital gains tax (CGT) purposes. That is, the shares in Primewest Group Limited and units in Primewest Property Fund. Each of these disposals will constitute a CGT event.

For Primewest Securityholders who **ACCEPT** the Offer, the date of this CGT event will be the date that the Primewest Securityholder accepts the Offer. If a Primewest Securityholder does not **ACCEPT** the Offer but a compulsory acquisition occurs, the CGT event should take place on the date the ownership of the Primewest Securities changes to Centuria.

A Primewest Securityholder will derive a capital gain on the disposal of the shares and/or units to the extent that the capital proceeds received on disposal of the relevant asset exceeds the CGT cost base of the shares or units respectively. A Primewest Securityholder will incur a capital loss on the disposal of a share and/or unit to the extent that the capital proceeds on disposal are less than the CGT reduced cost base of the shares or units held.

The capital proceeds for each Primewest Group Limited share will be 13.33 cents and 0.473 Centuria Capital Limited shares.

The capital process for each Primewest Property Fund unit will be 6.67 cents and 0.473 Centuria Capital Fund units.

10.3 Scrip for scrip rollover relief

Rollover relief will only be available to the extent that Centuria acquires at least 80% of Primewest in connection with the Offer. The following discussion proceeds on the basis that this will occur.

A portion of any capital gain arising for Primewest Securityholders in respect of either or both of the CGT Events as a result of the proposed merger, may be disregarded if scrip for scrip rollover relief is available and chosen in respect of their shares and units. Rollover relief is not available in respect of a capital loss.

Where a Primewest Securityholder realises a capital gain in respect of one of the CGT Events but realises a capital loss in respect of the other CGT Event, the Primewest Securityholder could offset the capital loss against the capital gain instead of choosing scrip for scrip rollover in respect of the capital gain. We recommend that Primewest Securityholders seek independent financial advice before making any decision about choosing scrip for scrip rollover relief.

If scrip for scrip rollover is chosen by the Primewest Securityholders, the cost base and reduced cost base of each share or unit in Centuria Capital Limited and Centuria Capital Fund Limited (as applicable) will be equal to the amount which is reasonably attributable to the cost base of each Primewest Group Limited share and Primewest Property Fund unit (as applicable) for which it was exchanged and for which scrip for scrip rollover relief is obtained (refer further comments below in respect of cost base and reduce cost base implication of the cash component of the Offer).

10. TAXATION CONSEQUENCES

For CGT discount purposes, if rollover relief is chosen then the Centuria Capital Limited shares and/or Centuria Capital Fund units (as applicable) will be taken to have been acquired at the time the original Primewest Group Limited shares and Primewest Property Fund unit (as applicable) for which they were exchanged were originally acquired.

10.4 Ineligible proceeds

Roll-over relief does not apply to the cash component of the consideration under the Offer. This consideration is referred to as 'ineligible proceeds'. Where a capital gain in respect of a share or unit is eligible for rollover relief and that relief is chosen to apply, the Primewest Securityholder must apportion the cost base of its share or unit based on the eligible and ineligible proceeds on a reasonable basis. The generally accepted basis is to use the following formula:

$$\text{Ineligible Proceeds} / \text{Total Proceeds} \times \text{Total Cost base of Share/Unit disposed of.}$$

This portion of cost base and reduced cost base is then compared with the cash consideration applicable to each of the Primewest Group Limited share and Primewest Property Fund unit to determine the capital gain or loss referable to those disposals.

10.5 CGT Discount

An Australian resident Primewest Securityholder who is an individual, a trust or a complying superannuation fund may be entitled to reduce their capital gain (after first reducing the capital gain by any available capital losses) by the CGT discount, provided that the Primewest Securities were acquired (for CGT purposes) at least 12 months before their disposal to Centuria (excluding the date of acquisition and the date of disposal) and the Primewest Securityholder did not choose to index the cost base of their Primewest Securities (where applicable).

The applicable CGT discount is generally as follows:

- 50% for individuals and trustees (except a trust that is a complying superannuation entity); and
- 33 1/3% for a complying superannuation entity.

The CGT discount is not available to any Primewest Securityholder that is a company.

10.6 Where roll-over is not available or not chosen

Where roll-over is not available or not chosen by a Primewest Securityholder, the CGT provisions provide that first element of cost base for the acquisition of the Centuria Securities is equal to the sum of any money paid plus the market value of any other property provided, in respect of the acquisition, worked out at the time of the acquisition. The first element of reduced cost base is similarly determined.

The date of acquisition of the shares and units in Centuria (as applicable) will be the date on which the shares and units in Centuria (as applicable) are issued to Primewest Securityholders.

As such, the cost base and reduced cost base of shares and units issued by Centuria (as applicable) to the Primewest Securityholders under the Offer will be equal to the value of the Centuria Securities at the date of issuance.

10.7 Non-resident Primewest Securityholders

Any Primewest Securityholder that is not a resident for Australian income tax purposes should generally not have to pay Australian income tax on any capital gain arising on the disposal of their Primewest Securities, unless both of the following requirements are satisfied:

- the Primewest Securityholder, together with its associates, held a combined interest of at least 10% in Primewest either at the time the Primewest Securities were disposed of (for CGT purposes) or for at least 12 months during the 24 months before the Primewest Securities were disposed of (for CGT purposes); and
- 50% or more of the market value of the assets of Primewest is represented by real property in Australia (Principal Asset Test).

Non-resident Primewest Securityholders may be liable to Australian income tax and be required to lodge an Australian income tax return in connection with the disposal of Primewest Securities even if Centuria does not withhold any tax as described below.

10. TAXATION CONSEQUENCES

10.8 Withholding Tax

Centuria may be required by Subdivision 14-D of the *Taxation Administration Act 1953 (Cth)* to pay amounts to the ATO in respect of the acquisition of Primewest Securities from certain Primewest Securityholders, namely 'relevant foreign residents.' In this case, Centuria is permitted to deduct the relevant amounts from the payment of the consideration to those Primewest Securityholder and remit such amounts to the ATO.

No withholding will be made if the Primewest Securityholder in question provides a declaration in writing that the Primewest Securities to be disposed of or a component of them is not indirect taxable Australian property. If the Declaration only applies to a component of the Primewest Securities, then no withholding will only apply to that component.

10.9 Stamp duty

A Primewest Securityholder who disposes of its Primewest Securities to Centuria should not be liable for stamp duty on the transfer.

10.10 GST

A Primewest Securityholder who disposes of its Primewest Securities to Centuria should not be subject to the goods and services tax on the transfer. However, it may be denied credits in respect of any GST it incurs in relation to costs associated with the transfer (such as any adviser fees).

10.11 Consequences of holding Centuria Securities

The Bidder's Statement sets out a summary of the Australian income tax implications for Primewest Securityholder in respect of their ownership of Centuria Securities.



SECTION 11

GLOSSARY AND INTERPRETATION

11. GLOSSARY AND INTERPRETATION

11.1

Term	Meaning
2H21	Second half of the 2021 financial year, six month period ending on 30 June 2021
\$, A\$ or AUD	Australian Dollar
Acceptance Form	The acceptance form included with the Bidder's Statement dated 14 May 2021
AFSL	Australian Financial Services Licence
Announcement Date	17 April 2021
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited or the financial market operated by it as the context requires
ASX Listing Rules	The official listing rules of ASX, as amended or replaced from time to time
AUM	Assets under management
Bid Implementation Deed or BID	Bid implementation deed dated 18 April 2021
Bidder's Statement	The Bidder's Statement issued by Centuria dated 14 May 2021
Business Day	A day that is not a Saturday, Sunday, bank holiday or public holiday in Sydney, Australia
CAGR	Compounded annual growth rate
Centuria or Centuria Capital Group	(a) when used in connection with the Offer, Centuria Capital Limited (acting in its own capacity and as nominee for the Centuria Capital Fund); (b) otherwise, the ASX listed entity consisting of Centuria Capital Limited and Centuria Funds Management Limited as responsible entity for the Centuria Capital Fund and their subsidiaries as the context requires
Centuria Capital Limited	Centuria Capital Limited (ACN 095 454 336)
Centuria Capital Fund	Centuria Capital Fund (ARSN 613 856 358), of which Centuria Funds Management Limited (ACN 607 153 588) is the responsible entity
Centuria Funds Management	Centuria Funds Management Limited (ACN 607 153 588)
Centuria Investment Bonds	Centuria's investment bonds through Centuria Life, comprising \$0.9bn of AUM. Centuria Life's investment bond funds invest in the major asset classes of cash, fixed interest, Australian shares, international shares, property and infrastructure along with a range of diversified, balanced and growth strategies
Centuria Property Funds	Centuria's property funds, being extensive range of property fund types ranging from listed funds to unlisted fixed-term and open-ended funds

11. GLOSSARY AND INTERPRETATION

Term	Meaning
Centuria Securities	In each case, one fully paid ordinary share in Centuria Capital Limited stapled to one fully paid ordinary unit in Centuria Capital Fund (ARSN 613 856 358)
Combined Group	The combined businesses of Centuria and Primewest, assuming Centuria acquires 100% of Primewest
Corporations Act	<i>Corporations Act 2001</i> (Cth)
cps	Cents per share
Deloitte	Deloitte Corporate Finance Pty Limited, ABN 19 003 833 127, AFSL 241457 of Level 1 Grosvenor Place, 225 George Street, Sydney NSW 2000
Directors	Directors of Primewest
EBIT	Earnings before interest and tax
EPS	Earnings per share
FY21	Full 2021 financial year, ending 30 June 2021
Government Agency	Means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australian or any State, and any other federal, state, provincial, or local government, whether foreign or Australian
IBC	Independent board committee established by Primewest
Implied Offer Price	The mixed consideration payable based on Centuria's last close of \$2.77 per Centuria Security on 16 April 2021
Independent Expert	Deloitte
Independent Experts Report	The report prepared by the Independent Expert dated 14 May 2021 set out in Appendix 1 to the Target's Statement
Ineligible Foreign Securityholder	a Primewest Securityholder whose address as shown on the register of members of Primewest is in a jurisdiction other than Australia or its external territories and New Zealand, unless Centuria otherwise determines after being satisfied that it is not unlawful, not unduly onerous and not unduly impracticable to make the Offer to a Primewest Securityholder in the relevant jurisdiction and for Centuria Securities to be issued to such Primewest Securityholder on acceptance of the Offer, and that is not unlawful for such a Primewest Securityholder to ACCEPT the Offer in such circumstances in the relevant jurisdiction
Implementation Period	Has the meaning given in the Bid Implementation Deed
IPO	Initial public offer

11. GLOSSARY AND INTERPRETATION

Term	Meaning
Last Trading Date	16 April 2021
Marketable Parcel	has the meaning given in the ASX Operating Rules Procedures which, among other things, includes a parcel of Primewest Securities, the value of which is not less than \$500
Nominee	Morgan Stanley Australia Securities Limited ABN 55 078 652 276 (AFSL 233741), which Centuria has sought ASIC approval for its appointment as nominee for the purposes of section 619(3) of the Corporations Act, with regard to the proposed sale of Centuria Securities that would have otherwise been issued to Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders
Offer	The offer by Centuria for all Primewest Securities according on the terms contained in the Bidder's Statement
Offer Period	The period during which the Offer will remain open for acceptance in accordance with Section 3 of Appendix 1 of the Bidder's Statement
Offer Price	The mixed consideration of \$0.20 cash per Primewest Security and 0.473 Centuria Securities per Primewest Security
Primewest	Primewest, a stapled group comprising Primewest Group Limited and Primewest Property Fund and their subsidiaries as the context requires
Primewest Funds Ltd	Primewest Fund Ltd (ACN 134 321 216)
Primewest Group Limited	Primewest Group Limited (ACN 636 344 137)
Primewest Management Ltd	Primewest Management Ltd (ABN 63 091 415 833)
Primewest Option	Unquoted options issued pursuant to the Primewest Employee Securities Option Plan
Primewest Property Fund	Primewest Property Fund (ARSN 636 405 635), Primewest Management Ltd (ABN 63 091 415 833) acting as responsible entity
Primewest Securityholders	A person who is registered as a holder of Primewest Securities
Primewest Securities	In each case, one fully paid ordinary share in PWG stapled to one fully paid ordinary unit in Primewest Property Fund (ARSN 636 405 635)
PwC	PricewaterhouseCoopers (ABN 52 780 433 757)
REIT	Real estate investment trust

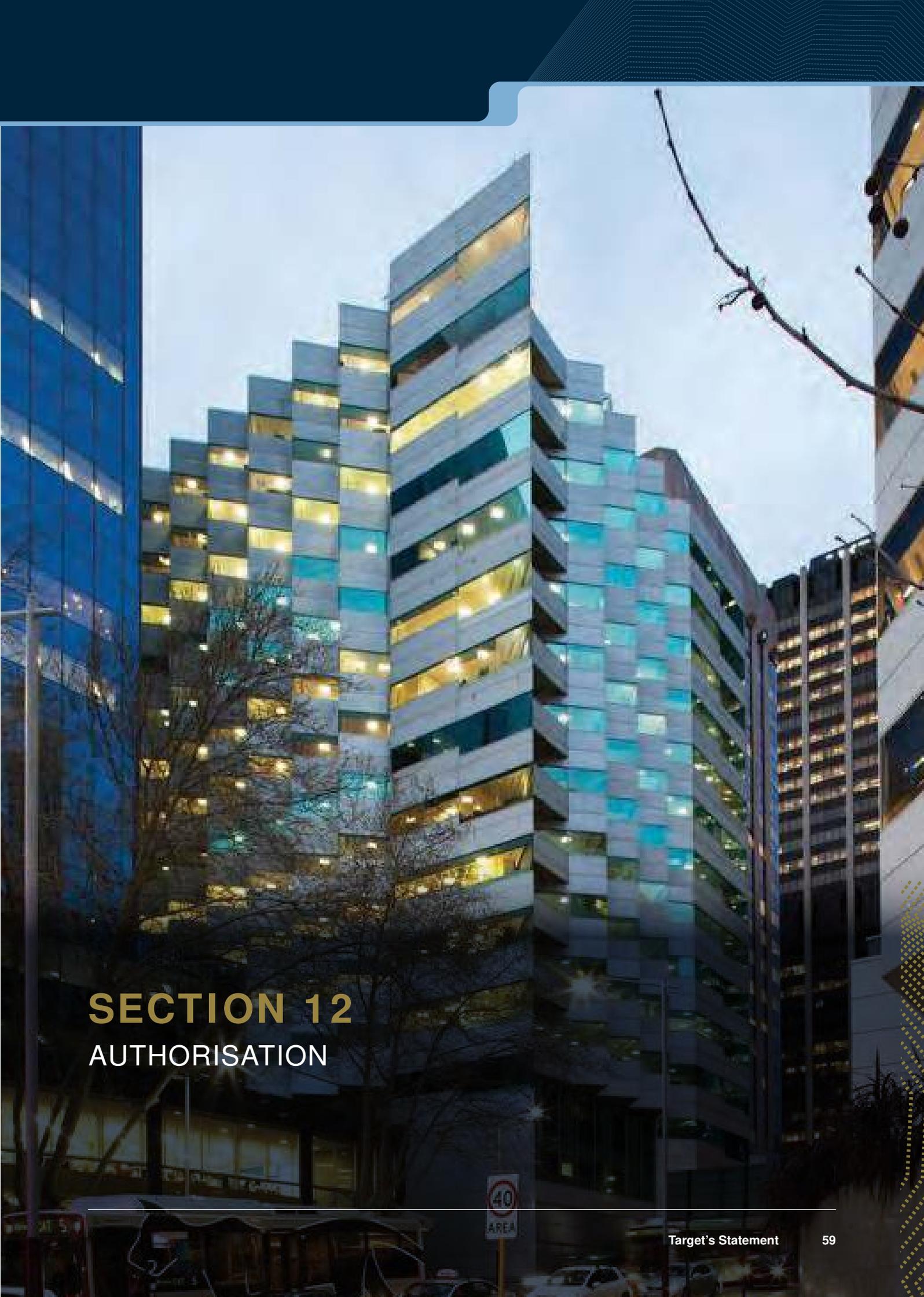
11. GLOSSARY AND INTERPRETATION

Term	Meaning
Restraint Deed	The restraint deed into which each of John Bond, David Schwartz and Jim Litis have entered, applying for a period of 3 years from the date the Centuria Offer is declared or becomes unconditional <i>Please see Section 13.2 of the Bidder's Statement for further information</i>
Target's Statement	This document which is issued by Primewest under Part 6.5, Division 3 of the Corporations Act in response to the Offer made on 19 April 2021 by Centuria
TSR	Total shareholder return
Undisturbed Date	16 April 2021
Unmarketable Parcel Securityholder	a Primewest Securityholder to whom, if they ACCEPT the Offer, Centuria Securities would be issued which would not constitute a Marketable Parcel
Vitalharvest Transaction	The scheme of arrangement to be implemented between the Trust Company (RE Services) Limited (ACN 003 278 831) as responsible entity of Vitalharvest Freehold Trust (ARSN 626 537 362) and Macquarie Agricultural Funds Management Limited (ACN 122 169 368) as trustee of Macquarie Agriculture Fund – Crop Australia 2
Voluntary Escrow Deed	The condition of the Centuria Offer by each of the executive directors of Primewest, being John Bond, David Schwartz and Jim Litis must enter into a form of non-regulatory escrow deed in customary form determined by Centuria and Primewest <i>Please see Appendix 2 of the Bidder's Statement for further information</i>
VWAP	Volume weight average price
WALE	Weighted average lease expiry

11.2 Interpretation

In this Target's Statement:

- Other words and phrases have the same meaning (if any) given to them in the Corporations Act.
- Words of any gender include all genders.
- Words importing the singular include the plural and vice versa.
- An expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa.
- A reference to a section, clause, attachment and schedule is a reference to a section of, clause of and an attachment and schedule to this Target's Statement as relevant.
- A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re enactments of any of them.
- Headings and bold type are for convenience only and do not affect the interpretation of this Target's Statement.
- A reference to time is a reference to AEST.
- A reference to dollars, \$, A\$, AUD, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.
- Specifying anything in this document after the words 'includes' or 'for example' or similar expressions does not limit what else is included.



SECTION 12

AUTHORISATION

12. AUTHORISATION

This Target's Statement has been approved by resolutions passed by the directors of Primewest. All Primewest directors voted in favour of that the resolution.

Date: 14 May 2021

Signed for and on behalf of Primewest Management Limited and Primewest Group Limited:



John Bond
Executive Chairman
Primewest Group Limited



David Schwartz
Managing Director
Primewest Group Limited



APPENDIX 1

INDEPENDENT EXPERT'S REPORT



Primewest Group Limited

Independent expert's report and Financial Services Guide

13 May 2021

APPENDIX 1. INDEPENDENT EXPERT'S REPORT

Deloitte.

Financial Services Guide (FSG)

What is an FSG?

An FSG is designed to provide information about the supply of financial services to you.

Why are we providing this FSG to you?

Deloitte Corporate Finance Pty Limited (AFSL 241457) has been engaged by Primewest Group Limited (PWG) to prepare an independent expert's report (our Report) in connection with Centuria Capital Limited's takeover offer of PWG. PWG will provide our Report to you.

Our Report provides you with general financial product advice. This FSG informs you about the use of general financial product advice, the financial services we offer, our dispute resolution process and our remuneration. Our contact details are in the document that accompanies this FSG.

What financial services are we licensed to provide?

We are authorised to provide financial product advice and to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds, to retail and wholesale clients. We are also authorised to provide personal and general financial product advice and deal by arranging in derivatives and regulated emissions units to wholesale clients, and general financial product advice relating to derivatives to retail clients.

We are providing general financial product advice

In our Report, we provide general financial product advice as we have not taken into account your personal objectives, financial situation or needs, and you would not expect us to have done so. You should consider whether our general advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is in connection with the acquisition of a financial product, you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we remunerated?

Our fees are usually determined on a fixed fee or time cost basis plus reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us. You are not responsible for our fees.

We will receive a fee of approximately \$260,000 exclusive of GST in relation to the preparation of our 13 May 2021

Deloitte Corporate Finance Pty Limited, ABN 19 003 833 127, AFSL 241457 of Level 1 Grosvenor Place, 225 George Street, Sydney NSW 2000

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms and their affiliated entities are legally separate and independent entities. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Member of Deloitte Asia Pacific Limited and the Deloitte Network.

Report. This fee is not contingent on the outcome of the Proposed Transaction.

Apart from these fees, Deloitte Corporate Finance Pty Limited, our directors and officers, and any related bodies corporate, affiliates or associates, and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary, and, while eligible for annual salary increases and bonuses based on overall performance, they do not receive any commissions or other benefits as a result of the services provided to you.

The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

The Deloitte member firm in Australia (Deloitte Touche Tohmatsu) controls Deloitte Corporate Finance Pty Limited. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

We, and other entities related to Deloitte Touche Tohmatsu, do not have any formal associations or relationships with any entities that are issuers of financial products. However, we may provide professional services to issuers of financial products in the ordinary course of business.

What should you do if you have a complaint?

If you have a concern about our Report, please contact us:

The Complaints Officer
PO Box N250
Grosvenor Place
Sydney NSW 1220
complaints@deloitte.com.au
Phone: +61 2 9322 7000

If an issue is not resolved to your satisfaction, you can lodge a dispute with the Australian Financial Complaints Authority. The Australian Financial Complaints Authority provides fair and independent financial services dispute resolution free to consumers.

www.afca.org.au
1800 931 678 (free call)
Australian Financial Complaints Authority Limited
GPO Box 3 Melbourne VIC 3001

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services we provide. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

APPENDIX 1. INDEPENDENT EXPERT'S REPORT



Deloitte Corporate Finance Pty Limited
A.B.N. 19 003 833 127
AFSL 241457
Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

DX: 10307SSE
Tel: +61 2 9322 7000
Fax: +61 2 9254 1198
www.deloitte.com.au

The Independent Directors
Primewest Group Limited
Level 1, 307 Murray Street
Perth WA 6000

The Independent Directors
Primewest Management Limited
as responsible entity for
Primewest Property Fund
Level 1, 307 Murray Street
Perth WA 6000

13 May 2021

Dear Directors

Re: Independent expert's report

Introduction

On 19 April 2021, Centuria Capital Group (CNI)¹ announced a conditional off-market takeover offer (the Proposed Transaction) to acquire all of the securities in Primewest Group (PWG)².

Under the Proposed Transaction, for each PWG stapled security, PWG securityholders will receive:

- \$0.20 cash
- 0.473 CNI securities, which are also stapled securities

(collectively, the Consideration).

An overview of the Proposed Transaction is provided in Section 1 of our detailed report.

PWG has established an Independent Board Committee comprising independent non-executive directors Erin Flaherty and Hamish Beck to represent the interests of minority securityholders and assess whether the Proposed Transaction is in the best interests of those securityholders.

The full details of the Proposed Transaction are included in a Bidder's Statement. The directors of PWG will issue a Target's Statement, which will include their recommendation as to whether PWG securityholders should accept the Proposed Transaction.

Purpose of the report

Whilst there is no legal requirement for an independent expert's report in respect of the Proposed Transaction, the directors of PWG (the Directors) have requested that Deloitte Corporate Finance Pty Limited (Deloitte Corporate Finance) provide an independent expert's report advising whether, in our opinion, the Proposed Transaction is fair and reasonable to PWG securityholders.

This report will be included in a Target's Statement to be sent to PWG securityholders and has been prepared for the exclusive purpose of assisting PWG securityholders in their consideration of the Proposed Transaction.

¹ A stapled group consisting of Centuria Capital Limited and Centuria Funds Management Limited as responsible entity of Centuria Capital Fund

² A stapled group consisting of Primewest Group Limited and Primewest Management Ltd, as responsible entity of Primewest Property Fund

APPENDIX 1. INDEPENDENT EXPERT'S REPORT



Neither Deloitte Corporate Finance, Deloitte Touche Tohmatsu, nor any member or employee thereof, undertakes to be responsible to any person, other than the PWG securityholders and PWG, in respect of this report, including for any errors or omissions however caused.

Basis of evaluation

In undertaking the work associated with this report, we have had regard to Australian Securities and Investments Commission (ASIC) Regulatory Guide (RG) 111 in relation to the content of an expert's report and ASIC RG 112 in respect of the independence of experts. The Regulatory Guides prescribe standards of best practice in the preparation of independent expert's reports.

To assess whether or not the Proposed Transaction is fair and reasonable to PWG securityholders, we have adopted the test of whether the Proposed Transaction is either fair and reasonable, not fair but reasonable, or neither fair nor reasonable, as set out in ASIC Regulatory Guide 111.

Summary and conclusion

In our opinion the Proposed Transaction is fair and reasonable. In arriving at this opinion, we have had regard to the following factors.

The Proposed Transaction is fair

According to ASIC RG 111, in order to assess whether the Proposed Transaction is fair, the independent expert is required to compare the market value of a security in PWG on a control basis with the market value of the Consideration under the Proposed Transaction. The Proposed Transaction is fair if the value of the Consideration is equal to or greater than the value of the securities subject to the offer.

Set out in the table below is a comparison of our assessment of the market value of a PWG security with the consideration offered by CNI.

Table 1: Assessment of fairness

\$	Low	High
Estimated market value of a PWG security (Section 6)	1.41	1.52
Estimated market value of Consideration offered (Section 7)	1.43	1.52
Premium of Consideration over market value of a PWG security	0.02	0.00

Source: Deloitte Corporate Finance analysis

The value of the consideration offered by CNI is above the low end, and equal to the top end of the range of our estimate of the market value of a PWG security. Accordingly, it is our opinion that the Proposed Transaction is fair.

We have assessed the fairness of the value of the Consideration offered based on our assessment of the current fair market value of a security in the Proposed Merged Entity (PME) with reference to the trading in CNI securities post the announcement of the Proposed Transaction.

The price of the PME securities will vary in the future based on, market movements, expectations of underlying real estate valuations, future performance fees and earnings generated by co-investments. Similarly, these variables could also impact the underlying market value of a PWG security.

APPENDIX 1. INDEPENDENT EXPERT'S REPORT



Valuation of PWG

In estimating the market value of a PWG security, we have adopted a sum of the parts approach. We have assessed the enterprise value of PWG's core operations using the market multiples as our primary methodology. This method involves applying a multiple to an estimate of maintainable earnings.

Our valuation of a PWG security is summarised in the table below:

Table 2: Summary of valuation of PWG security

	Unit	Low	High
Selected maintainable EBITDA	\$m	29.0	30.0
Maintainable EBITDA multiple on a control basis	times	14.0	15.0
Enterprise value of PWG on a control basis	\$m	406.0	450.0
Co-investments	\$m	41.2	41.2
Non-operating assets	\$m	46.1	46.1
Net cash as at 30 June 2021	\$m	66.9	66.9
Equity value on a control basis	\$m	560.2	604.2
Outstanding securities	m	396.5	396.5
Equity value per PWG security	\$	1.41	1.52

Source: Deloitte Corporate Finance analysis

In considering maintainable earnings we have reviewed and adjusted (where applicable) the FY21 earnings as set out in the pro forma financial statements to derive an appropriate level of maintainable earnings for the purposes of the valuation of PWG's business operations. The assessment of maintainable earnings (and that disclosed in the pro forma financial statements) is substantially higher than historical reported earnings of the business reflecting the growth the business has experienced in its recent history.

In selecting the appropriate multiple to apply in the valuation of a PWG security we have had regard to the EBITDA multiples implied by the trading in comparable companies.

In our selection of an appropriate multiple to apply to PWG, we have considered listed real estate entities involved in property funds management (as noted in Table 29). However, we do not consider these entities provide the best evidence of an appropriate multiple for a stand-alone property funds management business, such as PWG, due to the following:

- the significantly smaller, or larger scale, of the real estate entities, in comparison to PWG, in terms of both market capitalisation and AUM
- more diversified earnings streams in comparison to PWG, including significant co-investments and development income
- larger proportion of co-investments, in comparison to market capitalisation, relative to PWG
- the market's tendency to focus on the two points above when assessing the risk and return profile of the entities and consequently pricing their securities
- inability to identify, accurately, current stand-alone earnings (revenue and expenses) directly attributable to funds management operations from financial statements or broker consensus.

We have also considered equities funds managers in our selection of an appropriate multiple for PWG. The earnings, and therefore multiples implied by the trading in securities of equities funds managers are less affected by earnings from co-investments than the real estate entities. We therefore consider equities funds managers provide a more directly comparable reference point to value PWG in comparison to the majority of the real estate entities. However, the implied valuation multiples of the equities funds managers can only form a starting point and appropriate adjustment needs to be made to recognise differences between equities funds management markets and property funds management markets, including factors such as the nature of the AUM, fee structures and returns vs real estate fund investments.

As CNI has a substantial funds management business, we considered whether CNI is a suitable comparable company.

APPENDIX 1. INDEPENDENT EXPERT'S REPORT



Whilst aspects of CNI's activities are operationally comparable to those of PWG, there are some distinct differences:

- CNI's funds management platform is significantly larger than that of PWG, with approximately double the AUM (\$10.5bn in comparison to \$5.0bn)
- CNI's AUM is more geographically diversified with operations in New Zealand in addition to Australia. Whereas PWG's geographic exposure is significantly more concentrated in the Western Australia market (54% of the funds management portfolio), however, PWG has a broader range of sector exposures
- PWG is heavily reliant on the Founding Directors (Jim Litis, John Bond and David Schwartz) to source and acquire new properties for its funds as well as their relationships with investors who invest in the underlying funds
- CNI has substantial property investments and property development investments compared to PWG which has a much smaller proportion of property investments and no major property development investments.

Taking into account these factors we consider that PWG should be valued at a discount to CNI.

Our assessment of the selected multiple for PWG also had regard to recent transactions involving property funds management businesses and property funds management rights. These transactions are operationally comparable to PWG, however the transactions identified involved smaller or less diversified businesses (i.e. single fund/platform businesses). Given this, in our opinion, PWG should be valued at a premium to the multiples implied in these transactions.

Having regard to the above, we formed the view PWG should be valued using an EBITDA multiple that represents a premium to the comparable transactions and the listed equities funds management companies we identified but at a discount to CNI.

After calculating the enterprise value of PWG's core operations we adjusted for co-investments held by PWG, other non-operating assets and incorporated the net cash position of PWG.

We cross-checked our estimate of the enterprise value of PWG using the percentage of AUM method (AUM multiple), based on the AUM multiples observed in comparable listed companies and transactions in the funds management sector, and a high level capitalisation of earnings method (which is a method under the income approach and is akin to the discounted cash flow method).

We also considered the security price of PWG, notwithstanding illiquid trading in PWG securities. The PWG security price on the day prior to the announcement of the Proposed Transaction sits within, but at the low end of, our assessed valuation range. Furthermore, since the announcement of the Proposed Transaction, PWG securities have not traded at a price above our valuation range.

Having regard to all of these factors, we consider our valuation range for a PWG security is supported by these cross checks.

Refer to Section 6 for further discussion of our valuation of PWG.

APPENDIX 1. INDEPENDENT EXPERT'S REPORT



Valuation of consideration

The valuation of a security in the PME has been assessed on a minority interest basis because, if the Proposed Transaction is successful, PWG securityholders will hold a portfolio interest and will therefore become minority securityholders in the PME.

We have valued the Consideration offered to PWG securityholders under the Proposed Transaction at between \$1.43 and \$1.52 per security as set out in the table below.

Table 3: Summary of the valuation of the Consideration

	Unit	Low	High
Cash Consideration per PWG security	\$	0.20	0.20
<i>Scrip Consideration</i>			
Value of a security in PME ¹	\$	2.60	2.80
CNI securities for 1 PWG security (Merger Ratio)	ratio	0.473	0.473
Implied scrip Consideration per PWG security	\$	1.23	1.32
Total Consideration per PWG security	\$	1.43	1.52

Note:

1. The value of a security in PME has been determined with reference to the analysis of trading in the securities of CNI post the announcement of the Proposed Transaction.

Source: Deloitte Corporate Finance analysis

To provide additional evidence of the market value of a security in the PME, we cross-checked the valuation of the PME with reference to market multiples implied by trading in listed companies, and transactions in comparable companies. We consider the resulting implied multiples reasonable relative to the comparable listed companies and transactions in comparable companies.

The Proposed Transaction is reasonable

In accordance with ASIC RG 111 an offer is reasonable if it is fair. On this basis, in our opinion the Proposed Transaction is reasonable. We have also considered the following factors.

The Founding Directors, who own 53% of PWG securities, have agreed to vend their PWG securities into the Proposed Transaction

Whilst the Proposed Transaction is subject to some conditions, one of which is 90% of PWG securityholders accepting the Proposed Transaction, the Founding Directors, who own 53% of PWG securities have agreed to vend their PWG securities into the Proposed Transaction.

Whilst PWG securityholders are receiving control value, they are not receiving a control premium relative to recent market trading in the securities

Our assessment of the market value of a PWG security has been undertaken on a control basis and consequently includes the value of control (although we do highlight that relative to minority securityholders, the Founding Directors have effective joint control with their 53% ownership interest).

The consideration offered under the Proposed Transaction of \$1.43 to \$1.52 per PWG security, based on our valuation range of a security in the PME, represents a premium of between nil and 1.2% over our assessed value of a PWG security, which has been assessed inclusive of control.

PWG securityholders are, therefore, not receiving a substantial premium relative to the recent market trading in PWG securities. This could be explained by several factors including:

- PWG is a well-managed business with limited opportunities to run it more efficiently or profitably
- there are limited synergies that could be realised in a market transaction.

It is worthwhile noting that trading in PWG securities is illiquid. Therefore, the market trading price prior to the announcement of the Proposed Transaction may not provide strong evidence of the fundamental value of a PWG security.

In the absence of the Proposed Transaction or an alternative proposal, PWG's securities may trade below the prices achieved since the announcement of the Proposed Transaction and our assessed valuation range, which was undertaken on a control basis.

APPENDIX 1. INDEPENDENT EXPERT'S REPORT



The Consideration results in PWG securityholders receiving securities in the PME and therefore retaining exposure to a real estate funds management business but with increased scale and diversification

The PME is anticipated to have \$15.5bn of AUM, a 209% increase in AUM for PWG securityholders, across a range of asset classes and geographic locations. In particular, after the Proposed Transaction, PWG securityholders will have diversified exposure to the industrials sector (increasing from 11% to 28%) and gain exposure to a health care real estate platform, which PWG does not have.

This increased scale and diversification may provide access to a broader range of acquisition opportunities across Australia and New Zealand.

In addition, the PME is expected to be well placed for ASX/S&P 200 index inclusion, with an estimated pro forma market capitalisation of \$2.2 billion³.

Following completion of the Proposed Transaction, PWG securityholders will hold up to 23% of the total issued securities in the PME. Given this, PWG securityholders will have their exposure to the potential upside and value of PWG's funds management portfolio significantly diluted. In particular, PWG securityholders' exposure to the high growth potential of the 'daily needs' and 'agriculture' platforms will be diluted from 21% to 9% and 7% to 2%, respectively.

Approximately 54% of PWG's current AUM is associated with property in Western Australia creating a concentration risk for the group. The Proposed Transaction provides PWG securityholders with increased scale and diversification of categories and locations, which would have, in the absence of the Proposed Transaction, taken time to achieve through organic growth. If the Proposed Transaction is successful, exposure to the Western Australia property market will decrease to 23%.

Refer to Section 5.1 for further details on the AUM of the PME.

PWG securityholders will benefit from earnings per security (EPS) accretion

Should the Proposed Transaction proceed, it is anticipated that the PME would deliver pro forma EPS of 6.8 cents in FY21 as disclosed in the Bidder's Statement⁴. This implies a 19% increase in EPS for PWG securityholders. Further details of the basis of calculation are set out in the Bidder's Statement.

PWG securityholders will be exposed to leverage

The Proposed Transaction is expected to result in PWG securityholders being exposed to leverage (currently nil in PWG as compared to 7.5% in PME). PWG has traditionally funded operations and acquisitions through cash reserves.

PWG securityholders will gain greater exposure to co-investments, property investments and development property investments

PME will hold a greater level of co-investment, property investment and property development investments on the balance sheet in comparison to PWG on a stand-alone basis, as CNI holds a disproportionately greater level of such positions (37%⁵) relative to PWG (14%⁶). This is evidenced through the increase in NTA per security from \$0.37 on a stand-alone PWG basis to \$0.86 in PME.

PWG securityholders will have greater exposure to performance fees

Under the PME, PWG securityholders will be exposed to a higher proportion of performance fees as a percentage of total revenue. Accounting recognition policies aside, performance fees are dependent on a range of variables, including asset specific performance and market performance, and thus this revenue stream is considered more risky than other revenue streams. Despite this risk, it also presents the opportunity for larger upside in earnings compared to those of PWG on a stand-alone basis.

³ Based on CNI's last close price of \$2.77 on 16 April 2021 multiplied by securities on issue post the completion of the Proposed Transaction (assuming CNI acquires 100% of PWG)

⁴ Pro forma impact assuming the Proposed Transaction had occurred on 1 July 2020. Based on PWG's FY21 EPS guidance of 5.8 cents per security; assumes the cash consideration is reinvested in CNI securities at the last close price of \$2.77 on 16 April 2021; and aggregate post-tax synergies of \$5.3m p.a. (assuming CNI acquired 100% of PWG)

⁵ Based on our mid-point valuation

⁶ Based on our midpoint valuation, and including VTH

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The key executives of PWG who are familiar with the operations will assume roles within PME

Each of the Founding Directors of PWG (who are also executives of PWG) have agreed to remain a senior executive of the PME for a period of at least two years, on the same remuneration as currently provided by PWG. CNI's current intention is to utilise PWG's existing employees given the strong expertise across a range of geographies and sectors to continue to expand the combined platform.

In addition, the Founding Directors have entered into restraint and escrow agreements with CNI, as set out in Section 1 of this report. Whilst the Founding Directors were subject to escrow arrangements since the initial public offering (IPO) of PWG (33.3% of securities held at the IPO continuing until June 2022, and 33.3% continuing until June 2023), the restraint agreements under the PME provide greater protection than is the case under PWG on a stand-alone basis.

The Proposed Transaction provides some liquidity to PWG securityholders

Currently PWG securities are thinly traded on the ASX due to the minimal free float, as the Founding Directors hold approximately 53% of the securities outstanding. By way of example, it would take 4.3 years for the 47% of PWG securities held by all other securityholders (i.e. free float) to be traded on the ASX based on the number of securities traded over the last 12 months.

By accepting the Proposed Transaction, securityholders will receive cash of \$0.20 and 0.473 CNI securities per PWG security. The cash component provides some liquidity to PWG securityholders for their current holdings.

In addition, given the greater trading liquidity in CNI securities, there is greater opportunity for PWG securityholders to sell their CNI securities without price disruption from illiquid trading. As an example, the CNI securities that the 47% of PWG securityholders will receive would take 0.3 years to trade based on the number of CNI securities traded over the last 12 months. In addition, there is potential for this time period to decrease (i.e. liquidity to increase further) should CNI could be included in the S&P/ASX 200 Index.

Distributions

PWG securityholders will also be entitled to a distribution of 2.9 cents per security for the half year ending 30 June 2021. The Consideration will not be affected by this distribution (if the record date for the distribution is prior to 30 June 2021). The intended record date is set for 25 May 2021.

Conclusion on reasonableness

In accordance with ASIC RG 111, the Proposed Transaction is reasonable as it is fair.

Opinion

In our opinion, the Proposed Transaction is fair and reasonable to PWG securityholders.

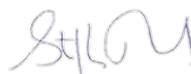
An individual securityholder's decision in relation to the Proposed Transaction may be influenced by his or her particular circumstances. If in doubt the securityholder should consult an independent adviser, who should have regard to their individual circumstances.

This opinion should be read in conjunction with our detailed report which sets out our scope and findings.

Yours faithfully



Tapan Parekh
Authorised Representative Number: 461009
Deloitte Corporate Finance Pty Limited



Stephen Reid
Authorised Representative Number: 461011
Deloitte Corporate Finance Pty Limited

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Glossary

Reference	Definition
\$	Australian dollars and numbers may be subject to rounding
1HYxx	First 6 months of the financial year ending 30 June 20xx
A-REIT	Australian real estate investment trust
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AUM	Assets under management
Bidder's Statement	Bidders statement issued by CNI in relation to the Proposed Transaction
bn	Billion
c	Cents
CNI	Centuria Capital Group
Consideration	The offer consideration of \$0.20 cash, plus 0.473 CNI securities per PWG security
Deloitte Corporate Finance	Deloitte Corporate Finance Pty Limited
Directors	Executive Directors, John Bond, David Schwartz and Jim Litis, and Independent Directors, Erin Flaherty and Hamish Beck
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPS	Earnings per security
EV	Enterprise value
Founding Directors	John Bond (Executive Chairman), David Schwartz (Managing Director) and Jim Litis (Executive Director), who are the only Executive Directors of PWG
FYxx	Financial year ended 30 June 20xx
GAV	Gross asset value
Independent Directors	Non-Executive Directors, Erin Flaherty and Hamish Beck
IPO	PWG initial public offering on 8 Nov 2019
IRR	Internal rate of return
m	Million
Management	Management of PWG
n/a	Not applicable
nmf	Not meaningful
NPAT	Net profit after tax
NTA	Net tangible assets
NZ\$	New Zealand dollars
p.a.	Per annum
PME, Proposed Merged Entity	The entity established following the completion of the Proposed Transaction, comprised of CNI and PWG
Proposed Transaction	CNI's proposed off-market takeover of PWG
PWG	Primewest Group Limited (including Primewest Property Fund as a stapled group)
REIT	Real estate investment trust
Target's Statement	Target statement issued by PWG in relation to the Proposed Transaction
VTH	ASX listed A-REIT Vitalharvest Freehold Trust
VWAP	Volume weighted average price
WALE	Weighted average lease expiry

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1 Overview of the Proposed Transaction

1.1 Background to the Proposed Transaction

On 19 April 2021, PWG announced that it had entered into a Bid Implementation Deed in relation to a merger with CNI. The Proposed Transaction is to be implemented by of an off-market takeover offer made by CNI to PWG securityholders.

Under the Proposed Transaction, for each PWG stapled security, PWG securityholders will receive Consideration of:

- \$0.20 cash
- 0.473 CNI securities, which are also stapled securities.

PWG has established an Independent Board Committee comprising independent non-executive directors Erin Flaherty and Hamish Beck to represent the interests of minority securityholders and assess whether the Proposed Transaction is in the best interests of those securityholders.

Full details of the Proposed Transaction are provided in the Target's Statement.

1.2 Rationale for the Proposed Transaction

The Directors are of the view the Proposed Transaction provides PWG securityholders with an enhanced investment proposition in the PME relative to PWG on a standalone basis, due to⁷:

- an increase in scale and relevance with a combined AUM of \$15.5bn
- increased geographic and sector diversification, allowing PWG securityholders to be exposed to a broader range of opportunities
- access to new distribution channels
- earnings accretion of 19% as estimated by management of PWG and CNI
- material synergies to support growth of AUM, expansion of services across the businesses, removal of duplicate corporate costs and tax synergies. Management of CNI and PWG have disclosed estimated post-tax synergies of \$5.3m p.a.

The Directors have unanimously recommended that PWG securityholders accept the Proposed Transaction in the absence of a superior proposal and subject to an independent expert opinion that the Proposed Transaction is fair and reasonable to PWG securityholders.

Each of the PWG Directors, including the Founding Directors, who collectively hold 53% of the total securities in PWG, have confirmed their intention to accept the Proposed Transaction.

1.3 Key conditions of the Proposed Transaction

The Proposed Transaction is subject to certain conditions, the most significant are as follows:

- minimum acceptance of at least 90% of PWG securities
- holders of PWG options agreeing to their options being cancelled or otherwise transferred to PWG for a cash amount
- no material adverse change in relation to PWG
- change of control consents in relation to downstream funds.

Further detail on the conditions that the Proposed Transactions is subject to are set out in the Target's Statement.

⁷ As disclosed in the PWG ASX announcement on 19 April 2021

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The Founding Directors of PWG have entered into a voluntary escrow deed in relation to the CNI Securities they will receive under the Proposed Transaction. Under the deed, the Founding Directors will be restricted in dealing with the CNI Securities for 12 months from issue (in respect of 50% of the securities), and 24 months from issue (in respect of the remaining 50% of the securities). Each of the Founding Directors have also entered into restraint deeds with PWG in relation to their personal investments and interests in the private funds managed by PWG. The restrictions in these deeds last for up to three years and include restrictions on disposing of managed fund investments or being involved in the business of a competitor to the PME. For further details on the voluntary escrow deed or restraint deed, refer to the "Directors' recommendation" section of the Target's Statement.

CNI has exclusivity until the end of the offer period (being a minimum of 1 month from 19 April 2021, and this exclusivity can be extended to a maximum of 12 months) with a break fee of \$2.0m payable by PWG to CNI in certain circumstances. Refer to Section 11 of the Bid Implementation Deed or the Section 10 of the Target's Statement for full details of the break fee arrangements.

1.4 Intentions if the Proposed Transaction is accepted

If the Proposed Transaction is successful, PWG will become a wholly owned subsidiary of CNI and be delisted from the ASX.

Following full acceptance of the Proposed Transaction, PWG securityholders would own approximately 23.8% of the PME, as illustrated in the table below.

Table 4: Securities in CNI and the PME

m	Number of securities	% in PME
CNI securities prior to the Proposed Transaction	600.2	76.2%
Securities issued as part of the Consideration	187.6 ¹	23.8%
Pro forma securities in the PME	787.8	100.0%

Note:

1. Represents 0.473 securities for each of the 397m PWG securities.

Sources: CNI Financial Report FY20, CNI investor presentation on the Proposed Transaction

PWG securityholders will receive full entitlement to any PWG distributions declared, with a record date prior to 30 June 2021. However, to the extent that PWG declares any distributions, with a record date after 30 June 2021, CNI may deduct from the Consideration the cash amount or value of any distributions (or other rights) attaching to the PWG security, which the PWG securityholder receives or is entitled to receive.

2 Basis of evaluation

2.1 Guidance

In evaluating whether the Proposed Transaction is fair and reasonable to PWG securityholders, we had regard to ASIC RG 111 in relation to the content of expert's reports and ASIC RG 112 in relation to the independence of experts.

ASIC RG 111

This regulatory guide provides guidance in relation to the content of independent expert's reports prepared for a range of transactions.

ASIC RG 111 refers to a 'control transaction' as being the acquisition (or increase) of a controlling interest in a company that could be achieved, for example, by way of a takeover offer, scheme of arrangement, approval of an issue of shares using item 7 of s611, a selective capital reduction or selective buy back under Chapter 2J.

The Proposed Transaction is a control transaction being executed by a takeover offer.

In respect of control transactions, under ASIC RG 111 an offer is:

- fair, when the value of the consideration is equal to or greater than the value of the securities subject to the proposed transaction. The comparison must be made assuming 100% ownership of the target company (i.e. including a control premium)
- reasonable, if it is fair, or, despite not being fair, after considering other significant factors, securityholders should accept the offer under the proposed transaction, in the absence of any higher bids before the close of the offer.

To assess whether the Proposed Transaction is fair and reasonable to PWG securityholders, we have adopted the tests of whether the Proposed Transaction is either fair and reasonable, not fair but reasonable, or neither fair nor reasonable, as set out in ASIC Regulatory Guide 111.

ASIC RG 112

RG 112 primarily focuses on the independence of experts and provides little guidance on evaluating transactions.

2.2 Evaluation of fairness and reasonableness

In evaluating whether or not the Proposed Transaction is fair and reasonable to PWG securityholders, we have made a separate assessment of whether, or not, the Proposed Transaction is 'fair' and 'reasonable' as required by RG 111.56. The criteria used to assess the fairness and reasonableness of the Proposed Transaction is set out below.

Fairness

We have assessed whether the Proposed Transaction is fair by comparing the consideration per security being offered by CNI with the assessed market value of a PWG security on a control basis. If PWG securityholders are receiving equal to, or more than, our assessment of the market value of PWG securities, then the Proposed Transaction would be fair. If the consideration is less than our assessment of the market value of PWG securities, then the Proposed Transaction would be not fair.

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Reasonableness

ASIC RG 111 considers an offer in respect of a control transaction, to be reasonable if either:

- the offer is fair
- despite not being fair, but considering other significant factors, securityholders should accept the offer in the absence of any higher bid before the close of the offer.

To assess the reasonableness of the Proposed Transaction we considered the following significant factors in addition to determining whether the Proposed Transaction is fair:

- the existing securityholding of the Founding Directors in PWG and their intentions with respect to accepting the consideration
- the alternatives available to PWG securityholders
- the likely market price and liquidity of PWG securities in the absence of the Proposed Transaction
- other implications associated with PWG securityholders accepting or rejecting the Proposed Transaction.

3 Profile of PWG

3.1 Overview of PWG

PWG is an ASX-listed real estate fund manager and developer with 397m stapled securities on issue and a market capitalisation of approximately \$581m based on the closing price of \$1.465 per security as at 16 April 2021 (the day prior to the announcement of the Proposed Transaction).

PWG has \$5.0bn of AUM comprising over 84 separate listed and unlisted property syndicates and funds across several asset classes. The management of these funds involves sourcing, acquiring, managing, and disposing of real estate assets on behalf of its investors.

PWG employs a value-add and counter cyclical⁸ investment strategy to deliver value to its securityholders. Its strategy involves generating a portfolio that achieves diversification of geography, sectors and lease expiry through investment in existing properties and potential future acquisitions. PWG continues to scale its existing platforms by launching new income and development funds, enhancing its institutional mandate offering and expanding its investor base through new distribution networks.

In addition to its core real estate funds management operation, PWG holds the following investments:

- listed equities, including a 19.9% equity interest in VTH⁹
- interests in unlisted property funds managed by the stapled group.

3.2 Assets under management

A breakdown of PWG's portfolio by sector and fund type is shown below:

Figure 1: PWG property funds management sector exposure

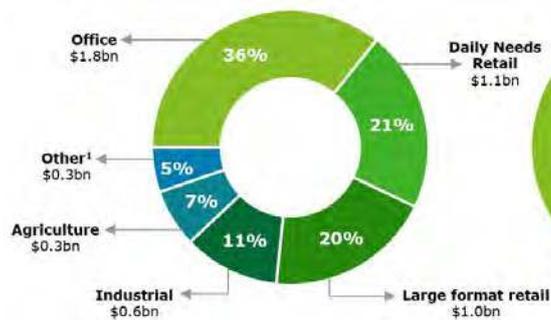
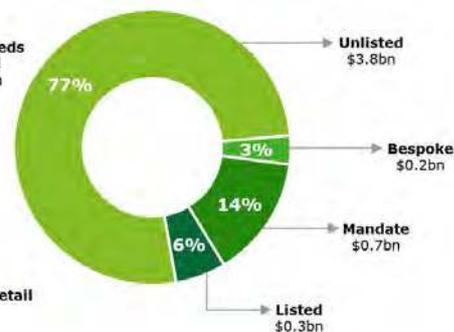


Figure 2: PWG property funds management fund types



Note:

1. Other includes tourism, land, indirect holdings and developments.

Sources: Target's Statement, Deloitte Corporate Finance analysis

PWG's AUM can be broken down into four major fund types:

- **Unlisted:** syndicate funds comprising assets across a range of sectors. Unlisted funds include multi-asset, multi-asset open ended and single-asset funds
- **Listed:** aims to establish listed real estate investment trusts which PWG would manage. As part of this strategy, goFARM Asset Management Pty Ltd, the asset manager of VTH, was acquired. VTH is the largest aggregation of berry and citrus farms in Australia and its current portfolio is 100% occupied with a WALE of 6.0 years

⁸ Involves acquiring undervalued assets and investing against the property cycle

⁹ As at the date of this report, VTH is the subject of a takeover from an entity associated with Macquarie. This is discussed in further detail in Section 3.7

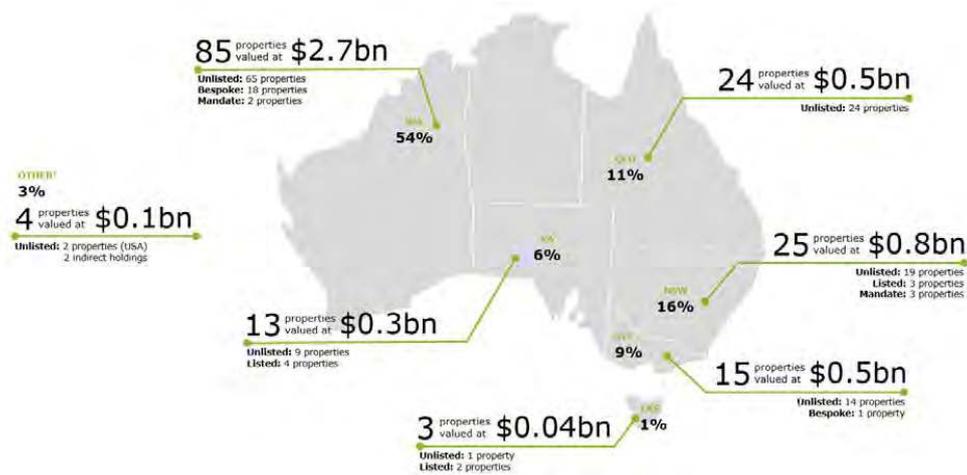
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- Mandate:** comprises the Office mandate and Daily Needs Convenience Retail mandate with \$580m and \$126m AUM, respectively. PWG continues to expand its mandate portfolio by furthering its relationships with both local and offshore institutional investors:
 - the Office mandate strategy involves identifying and acquiring undervalued office assets in Perth and Brisbane. PWG completes capital works whilst leasing these assets to increase WALE and occupancy
 - the Daily Needs Convenience Retail mandate was established in 2020 and focuses on non-discretionary retailers such as supermarkets and chemists
- Bespoke:** the Primewest Bespoke model was established in 2020 and aims to offer asset management and property services to high net worth families and corporates who have large property portfolios. PWG is currently expanding this service across the country.

All properties within the PWG portfolio are located within Australia, with the exception of two properties located on the west coast of the United States of America. The majority of the properties are situated in Western Australia, with 85 properties making up approximately 54% of total AUM. The figure below shows the geographical breakdown of the portfolio.

Figure 3: PWG AUM by geography



Note:

1. Other includes two properties located in the USA (\$98m) and two indirect holdings (\$44m).

Sources: Target's statement, Deloitte Corporate Finance analysis

3.3 Recent acquisitions and disposals

PWG, on behalf of underlying funds, has made the following property acquisitions and disposals since November 2019 when it listed on the ASX:

Figure 4: PWG AUM changes (as a result of acquisitions and disposals) timeline¹



Note:

1. Only completed acquisitions and disposals over \$1m since November 2019 disclosed.
Sources: ASX releases, Deloitte Corporate Finance analysis

PWG is constantly seeking to grow the AUM within existing and new funds that it manages and has a pipeline of assets under review. In particular, PWG has placed a focus on expanding its agriculture exposure through its unlisted agriculture fund. In this regard, PWG is currently pursuing several agriculture assets which are at various stages of the acquisition process. PWG expects that these transactions would add approximately \$395m to AUM before the close of FY21.

On 28 April 2021 PWG announced that it had formed a joint venture with a fund advised by Blackrock Real Assets and has successfully exchanged contracts to acquire the Perth office tower, 140 St Georges Terrace. PWG noted that it will provide property management services and acquire a co-investment interest consistent with other real estate mandates. PWG is in the process of acquiring two additional assets on behalf of its institutional mandates which are expected to increase AUM by \$104m.

3.4 Management agreements

PWG holds individual management agreements with each fund or trust that it provides services to. These agreements outline the services provided, fee structure and tenure of the manager, including circumstances under which the manager may be removed. The structure and key terms of these agreements are similar across the funds/trusts.

The following table provides a summary of the key terms contained in the management agreements.

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Table 5: Key terms of management agreements

Service type	Description	Fees charged	Fees received ¹ (\$m)
Asset management fees	<ul style="list-style-type: none"> Services include asset strategy, financial reporting, appointment and supervision of property managers and leasing agents, and development/ refurbishment strategies 	<ul style="list-style-type: none"> 0.35% to 0.65% of GAV p.a. 	16.3
Property services fees	<ul style="list-style-type: none"> Comprises leasing fees, development management fees and financing fees Leasing services include services to secure new tenants or retain existing tenants such as marketing, stakeholder responses, inspections, negotiations, lease documentation and tenant coordination Development management services include development of property, capital refurbishment and project management of tenancy work Financing services relate to debt financing for a fund, either at acquisition or subsequently on renewal or extension of existing loan facilities 	<ul style="list-style-type: none"> 8.5% to 15.5% of average annual rent for leasing fees 4.0% of construction cost for development management fees 0.25% for arranging the renewal or replacement of financing facilities, as well as debt financing for new acquisitions (assuming 50/50 debt/equity financing) 	4.5
Transaction fees	<ul style="list-style-type: none"> Includes establishment fees earned on the acquisition of new assets and sales fees on the disposal of assets Payable on settlement of the property Services include originating a purchase or preparing for sale, negotiating and executing the transaction, and establishing or winding up the fund 	<ul style="list-style-type: none"> 1.5% to 2.5% acquisition fee on new assets 2.0% sales fee payable on sale value of the assets on disposal 	5.5
Performance fees	<ul style="list-style-type: none"> Paid if the fund has outperformed the agreed performance hurdle 	<ul style="list-style-type: none"> 20.0% on excess return above a hurdle rate of 8.0% to 12.0% 	5.6
Rights to remove trustee/manager	<ul style="list-style-type: none"> May be removed through the passing of a special resolution of investors that the trustee should be removed or resolution by a majority of investors 	<ul style="list-style-type: none"> n/a 	n/a

Note:

1. Fees received in FY20.

Sources: PWG Product disclosure statement and prospectus, PWG 30 June 2020 annual report

PWG's revenue is predominantly generated from asset management fees, property services fees, transaction fees and performance fees. At the time of PWG's listing on the ASX in November 2019, approximately 48% of AUM had asset management fees calculated on 0.65% of GAV, whilst fees for a further 29% of AUM were calculated on 0.50% of GAV.

The fee arrangements can generally be amended by the manager/trustee with the agreement of more than 75% of investors.

The term of the funds generally ranges between three and ten years. These can normally be amended by the manager/trustee with the agreement of the majority of investors. Under normal circumstances, PWG would seek an extension of its funds, six months before expiry.

3.5 Key drivers to performance

Fee income is ultimately driven by the value and operating performance of the underlying properties held by the funds and trusts for which PWG holds management rights.

3.5.1 Property values

Asset management fees were the largest component of revenue in FY20, which is directly driven by the value of the underlying fund properties. Since June 2015, PWG has steadily grown AUM from \$2.2bn to \$4.9bn as at December 2020. This has been achieved through acquisitions as well as property revaluations.

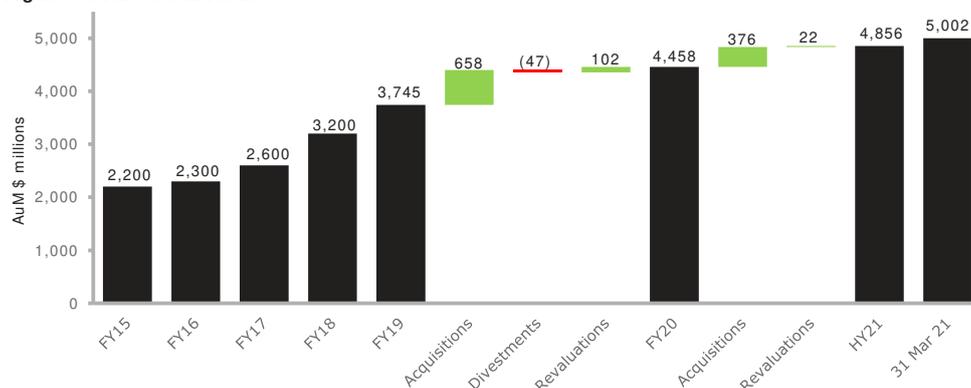
As shown in the below figure, PWG made approximately \$1bn worth of acquisitions between 30 June 2019 and 31 December 2020, whilst divesting \$47m in property. These acquisitions and disposals

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generated transaction fees which totalled \$5.5m in FY20. Revaluations over this same period increased AUM by \$124m.

Figure 5: Historical AUM



Sources: Management, PWG FY20 results presentation, PWG HY21 results presentation

PWG has noted that its exposure to the impact of COVID-19 has been limited due to its largest revenue segment, asset management fees, being calculated on the value of underlying properties. The independent valuations conducted as at 30 June 2020 did not result in any significant changes to property values, whilst independent valuations undertaken at 31 December 2020 largely related to refinancing requirements. In addition, across the portfolio, management of PWG do not anticipate any material movement in property values through to 30 June 2021.

3.5.2 Lease profile

Leasing fees are payable at 8.5% to 15.5% of average annual rent. Management has noted that a significant portion of leasing fees are generated from the renewal or releasing of current properties rather than the acquisition of additional properties.

PWG has a diverse tenant base across the portfolio with major tenants including Bunnings, Woolworths and Coles. As PWG continues to increase the number of properties under its management, fees earned from leasing services continue to grow.

3.5.3 Development management

Development management fees are generally 4.0% of construction cost and include development of property, capital refurbishment and project management. Set out in the table below is a summary of projects being developed by PWG, with anticipated development timeframes and projected construction costs to be incurred:

Table 6: Development summary

Project size	Number of projects	Construction cost (\$m)	Construction fee (%)	Construction fee (\$m)
< \$0.25m	27	2.1	4%	0.2
\$0.25m to \$1m	26	11.5	4%	0.5
\$1m to \$5m	4	8.3	4%	0.3
\$5m to \$10m	-	-	4%	-
> \$10m	2	24.4	4%	1.0
Total	59	46.4	4%	2.0

Source: Management

3.5.4 Financing fees

Financing services relate to debt financing for the underlying funds either at acquisition or extension of existing loan facilities. This is generally calculated at 0.25% of the debt arranged. As a result of the COVID-19 pandemic, PWG observed that banks and other financial institutions reduced the average

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term of the facilities which resulted in increased fees due to higher frequency of arranging debt. Management does not expect this trend to continue going forward.

3.5.5 Performance fees

Performance fees are agreed individually with the fund and are payable when the fund outperforms the agreed performance hurdle, however not all funds managed by PWG have performance fee arrangements. Performance fees received have a lumpy profile historically due to the varying hurdles that need to be achieved or the reliance on the property needing to be sold. PWG received \$5.6m in performance fees in FY20 and did not receive any performance fees in FY19. In respect of FY21, Management does not anticipate any performance fees will be earned.

3.6 Management team

PWG key staff and roles are summarised in the below table.

Table 7: PWG management team

Function	Responsibilities	Key personnel	Tenure (years)
Key executives and directors	<ul style="list-style-type: none"> Overseeing and monitoring the overall operation and stewardship of PWG including long-term growth, profitability, strategies, policies and financial objectives Sourcing acquisition opportunities including pursuing and maintaining institutional and syndicate relationships 	John Bond (Executive chairman)	25
		David Schwartz (Managing Director)	25
		Jim Litis (Executive Director)	25
		Erin Flaherty (Non-Executive Director)	1.5
		Hamish Beck (Non-Executive Director)	1.5
Asset and property management	<ul style="list-style-type: none"> Managing tenant engagement and dialogue to understand tenants' medium to long term occupancy requirements Assessment of external property managers' performance Maximisation of rental income through effective negotiation and avoidance of impending vacancies through the effective re-leasing of space 	Bruce McCully (Head of Asset and Property Management)	1
		Richard Mulroney (Head of Property Finance)	2
Investment	<ul style="list-style-type: none"> Identifying and delivering investment opportunities whilst working closely with the asset management team to deliver desired outcomes 	Julian Lodge (Chief Investment Officer)	19
Distribution	<ul style="list-style-type: none"> Identifying and delivering business-to-business growth opportunities as well as growth in PWG's Bespoke offering Oversight and management of investor relations 	Adam O'Donoghue (Head of Distribution)	1 / 13 ¹
Finance and support	<ul style="list-style-type: none"> Internal and external financial reporting requirements including preparation of budgets for the entity and individual properties, internal monitoring and reporting, external statutory reporting and audits 	David Creasy (Chief Financial Officer)	3

Note:

1. Previously Head of Asset Management at PWG for 13 years.

Sources: Management, PWG website, PWG 30 June 2020 annual report

3.7 Investments

PWG holds the following direct investments:

- listed ordinary shares: as at 31 March 2021, PWG held shares in Clime Investment Management Limited, which is listed on the ASX, with a market value of \$3.0m (this was valued at \$3.2m as at 31 December 2020)

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- property funds managed by the stapled group: as at 31 March 2021, PWG held interests in unlisted funds of \$32.2m, being a substantial increase from its holdings as at 31 December 2020 which were \$4.3m (primarily due to additional investments made by PWG)
- Vitalharvest Freehold Trust: PWG, via Primewest Property Fund, previously held a 19.9% interest in VTH (36.8m units), which itself is the subject a takeover from entities associated with Macquarie. At the date of this report, Macquarie had exercised a call option over 30.0m units held by PWG in VTH for net proceeds of \$29.3m. PWG's remaining interest (6.8m units) in VTH was valued at \$8.5m based on the takeover offer. We note that no capital gains tax is payable by PWG upon the realised gain on the sale of these units as the returns are distributed to individual unitholders of the Primewest Property Fund.

3.8 Securities in PWG

3.8.1 Stapled security

PWG is structured as a stapled group comprising Primewest Group Limited and Primewest Property Fund and their controlled entities.

Shares in Primewest Group Limited and units in Primewest Property Fund are stapled together to form a stapled security, such that a share in Primewest Group Limited and a unit in Primewest Property Fund must be purchased or sold together¹⁰.

As at 31 March 2021, the substantial holders of PWG comprised Jim Litis, John Bond and David Schwartz who accounted for 53.3% of securities on issue.

Table 8: Substantial PWG securityholders as at 31 March 2021

Holder	Securities held (m)	Ownership (%)
Jim Litis	71.5	18.0
John Bond	70.5	17.8
David Schwartz	69.3	17.5
Subtotal – Substantial holders	211.2	53.3
Others	185.3	46.7
Total securities	396.5	100.0

Source: Management

3.8.2 PWG capital structure

PWG's capital structure as at 19 April 2021 is summarised in Table 9.

Table 9: PWG Capital Structure

Security type	Total number of securities
PWG Stapled Securities (including 28,000 restricted issued securities ¹)	396,547,747
Unlisted options (at listing price of \$1.00) ²	245,474
Unlisted options (3 year vesting at 20% above VWAP) ²	257,500
Unlisted options (5 year vesting at 50% above VWAP) ²	257,500
Unlisted options (3 year vesting at \$1.05) ²	450,000

Notes:

1. Restricted issued securities refers to the securities issued to PWG employees as part of the IPO. These securities are subject to a restriction on disposal for a minimum period of 3 years
2. These options will be dealt with separately to the Proposed Transaction as per Schedule 2 of the Bid Implementation Deed for CNI-PWG takeover.

Sources: PWG Product disclosure statement and prospectus, Bid Implementation Deed for CNI-PWG takeover

3.8.3 PWG security issuance

Prior to listing on the ASX, PWG had 238.6m issued securities. As a result of the IPO, 85m securities were issued to new securityholders at a price of \$1.00 per security. In connection with listing on the ASX, 25.5m securities were issued to fund investors through the exercise of options. On completion of

¹⁰ As defined in the PWG Product disclosure statement and prospectus, 21 October 2019

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the IPO, the total number of securities increased to 349.1m of which 60.5% were owned by the Founding Directors.

On 3 February 2021, PWG completed a \$60m equity raise to support its underwriting capacity for new funds and co-investments. 47.4m securities were issued at a price of \$1.27 per security.

Table 10: PWG securities issuance

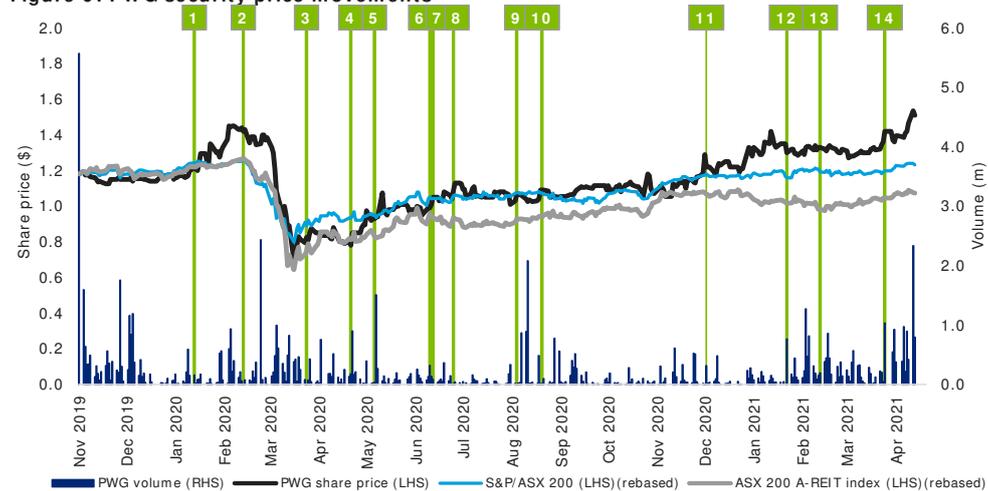
Issuance date	Event	Securities issued (m)	Price per security	Total number of securities (m)
21 October 2019	Existing securityholders pre-IPO	-	-	238.6
8 November 2019	Options exercised upon IPO	25.5	\$1.00	264.1
8 November 2019	New securities issued at IPO	85.0	\$1.00	349.1
3 February 2021	Capital raise through equity placement	47.4	\$1.27	396.5

Sources: Management, PWG Product disclosure statement and prospectus, ASX releases

3.8.4 Trading in PWG securities

The figure below illustrates movements in PWG's security price on the ASX since its listing date.

Figure 6: PWG security price movements



Sources: S&P Capital IQ, ASX releases and Deloitte Corporate Finance analysis

As at 16 April 2021, liquidity in the trading of PWG securities over the previous twelve-month period was 11.9%¹¹. This is considerably lower than the trading in PWG's comparable peers, which average 81.4% over the same period. Factors impacting the low levels of liquidity in PWG securities include the substantial holdings of Founding Directors and other securityholders who are subject to voluntary escrow arrangement following the IPO of PWG (representing approximately 56% of securities on issue), and the interests of strategic and corporate investors. As such, only 34.3% of securities on issue are considered "free-float"¹².

¹¹ Calculated as the total volume of shares traded over the period over the average number of shares outstanding

¹² S&P Capital IQ as at 6 May 2021

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Key announcements identified in the chart above are set out in the following table.

Table 11: Key events and announcements

#	Date	Announcement
1	Jan 20	Acquired West Perth Office Building and Mandurah Greenfields Shopping Centre
2	Feb 20	PWG reported unaudited consolidated earnings results for the half-year ended December 2019. For the period, PWG reported total revenue from continuing operations of \$12.5m compared to \$10.2m a year prior. Profit after tax was \$3.1m compared to \$5.0m a year prior
3	Mar 20	PWG announced that in light of the uncertainties surrounding the impact of the COVID-19 pandemic, it was withdrawing its fiscal year 2020 forecast earnings and distribution guidance. Despite withdrawing its distribution guidance, PWG intended to pay a fiscal year 2020 distribution per security based on a payout ratio of between 90%-95% of operating earnings per security which was in line with its distribution policy
4	Apr 20	Primewest Agricultural Trust No.1 managed by PWG acquired Pinegetta Farm from Rennie family for \$4.8m
5	May 20	PWG agreed to acquire Osborne Park Facility from Seven West Media Limited for \$75m
6	Jun 20	PWG acquired Spring Farm Shopping Centre from Woolworths Group Limited
7	Jun 20	PWG acquired an 11.8% strategic interest in VTH as well as a right of first refusal over a further 6.2% interest. PWG confirms that the total consideration paid to acquire the strategic interest and right of first refusal was approximately \$19.3m. Further, PWG acquired GoFARM, the manager of VTH Australia Pty Ltd, for \$10m on 18 June 2020. The transaction was funded out of cash reserves and left PWG with \$43m in available cash. The Transaction increased PWG's AUM by 7% to \$4.4bn
8	Jul 20	PWG acquired Pemulwuy Marketplace and West Ryde Marketplace from Charter Hall Retail Partnership No.1 for \$91.5m
9	Aug 20	PWG secured a second property in its recently established Primewest Agricultural Trust No 1 purchasing "Lamattina" on Victoria's Mornington Peninsula. The trust paid \$42m for the 385 hectare property, which is one of the largest land holdings and most significant "high value food" producers on the Peninsula
10	Aug 20	PWG reported earnings results for FY20. For the year, PWG reported core earnings per security of 5.5 cents against 5.4 cents a year ago. Proforma operating earnings after tax of \$19.2m
11	Dec 20	PWG's Daily Needs Retail Property trust acquired Melbourne Square Shopping Centre from Yarra Park City Pty Ltd for \$70m
12	Feb 21	PWG completed an equity placement in the amount of \$60.2m
13	Apr 21	PWG reported consolidated earnings results for the half-year ended 31 December 2020. For the period, the company reported total revenues of \$16.9m against \$12.5m a year prior. Profit after income tax from continuing operations was \$5.2m against \$3.1m a year prior
14	Apr 21	PWG acquired Robina Home + Life Large Format Retail complex from QIC Limited for \$66m

Sources: S&P Capital IQ, ASX releases

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3.9 Financial performance

The table below summarises PWG's profit and loss statements for the financial years ended 30 June 2019 and 30 June 2020 and the half yearly accounts ended 31 December 2020 (1HY21).

Table 12: PWG financial performance

\$000 (unless otherwise stated)	FY19¹ Audited	FY20² Audited	1HY21 Reviewed
Asset management fees	8,431	16,335	11,039
Project services fees	2,579	4,459	3,389
Transaction fees	7,224	5,463	1,819
Performance fees	-	5,640	-
Other revenue	7	287	87
Total operating revenue	18,241	32,184	16,334
Employee costs	(3,778)	(6,107)	(4,527)
General and administration	(2,825)	(4,154)	(2,254)
Initial listing expenses & restructuring costs	-	(2,451)	-
Operating EBITDA	11,637	19,473	9,553
Depreciation and amortisation	(1)	(3,542)	(2,477)
Net interest revenue/(expense)	46	493	556
Income tax expense	(3,206)	(4,989)	(2,424)
Gain/(loss) from financial assets	-	(2,098)	5,869
NPAT	8,476	9,338	11,078
<i>AUM (end of period) (\$bn)</i>	<i>3.7</i>	<i>4.5</i>	<i>4.9</i>
<i>Revenue growth (%)</i>	<i>nmf</i>	<i>nmf</i>	<i>1.5%³</i>
<i>EBITDA margin (%)</i>	<i>63.8%</i>	<i>60.5%</i>	<i>58.5%</i>
<i>Operating EPS (cents)</i>	<i>nmf</i>	<i>3.7</i>	<i>2.0</i>

Notes:

1. On 1 October 2019, PWG completed a business combination whereby it acquired all of the outstanding shares of Primewest Funds Limited, Primewest Management Limited, Primewest P/Q Pty Ltd, PWG Property Pty Ltd and Primewest (USA) Trust and certain other corporate trustee entities as part of a corporate restructure. For the purposes of the business combination, Primewest Funds Limited has been treated as the acquiring entity. As such, comparative information for the year ended 30 June 2019 has been presented for Primewest Funds Limited

2. Includes three months of Primewest Funds Limited and nine months of PWG (the combined entity)

3. Annualised.

Sources: PWG 30 June 2020 annual report, PWG 31 December 2020 interim financial report, Deloitte Corporate Finance analysis

Total operating revenue was \$32.2m in FY20, which largely comprised asset management fees of \$16.3m. Asset management fees are positively correlated with the total AUM which increased from \$3.7bn to \$4.5bn over the prior twelve months.

Performance fees are agreed with the individual fund and are paid when the fund outperforms the agreed performance hurdle. In FY20, PWG received \$5.6m in performance fees.

Transaction fees totalled \$5.5m in FY20, however Management observed reduced 1HY21 transaction fees due to a reduction in acquisition activity in the market because of the COVID-19 pandemic.

Revenue relating to project service fees was \$4.5m in FY20 driven by the number of properties managed by PWG. PWG has observed that because of the COVID-19 pandemic, banks and other financial institutions have been offering loan extensions and renewals on shorter terms resulting in an increase in the frequency of debt financing fees collected by PWG.

PWG's largest operating expense is employee costs which amounted to \$6.1m in FY20.

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General and administration expenses totalled \$4.2m in FY20 and largely comprised commissions (\$1.3m), office and administration (\$0.9m), professional and consulting fees (\$0.9m) and advertising and promotion costs (\$0.7m).

3.10 Financial position

We have summarised in the table below the financial position of PWG as at 30 June 2019, 30 June 2020 and 31 December 2020.

Table 13: PWG financial position

\$000 (unless otherwise stated)	FY19 Audited	FY20 Audited	1HY21 Reviewed
Trade and other receivables	539	8,035	2,473
Trade and other payables	(631)	(1,939)	(945)
Net working capital	(92)	6,097	1,528
Intangible assets	-	130,535	119,942
Provisions	(464)	(3,415)	(3,829)
Other funds employed	-	-	(7,332)
Funds employed	(464)	127,120	108,781
Financial assets at fair value	104	25,498	57,498
Right-of-use assets	-	1,317	1,113
Deferred tax assets	-	1,429	1,252
Other assets	38	458	417
Co-investments & other	142	28,701	60,281
Borrowings	-	-	-
Borrowings – lease liabilities	-	(1,370)	(1,180)
Less: cash and cash equivalents	3,498	54,146	39,279
Net cash/ (debt)	3,498	52,776	38,099
Net assets	3,084	214,694	208,689
Ordinary securities outstanding	10	349,136	349,136
Net assets per security	nmf	\$0.61	\$0.60
NTA ¹	3,084	82,731	87,495
NTA per security (\$)	nmf	\$0.24	\$0.25

Note:

1. NTA is calculated as net assets less intangibles, deferred tax assets and deferred tax liabilities.

Sources: PWG 30 June 2018 annual report, PWG 30 June 2020 annual report, PWG 31 December 2020 interim financial report, Deloitte Corporate Finance analysis

Cash and cash equivalents at June 2020 were \$54.1m. This strong cash balance was primarily due to proceeds from the IPO (\$82.8m), offset by the purchase of the initial 11.8% interest in VTH (as well as right of first refusal over an additional 6.2%) (\$19.3m) and the associated management rights (\$10.4m) as well as the required co-investment in the new Daily Needs Convenience Retail mandate. This balance decreased to \$39.3m at December 2020 as PWG utilised the capital to finance investing activities including asset acquisitions and one-off corporate restructure costs. In February 2021, PWG completed an equity placement which raised \$60.4m of cash.

Trade and other receivables largely relate to asset management, property service and performance fees from managed funds. As at June 2020, trade and other receivables totalled \$8.0m of which \$6.2m were related to unpaid performance fees and \$1.5m to outstanding asset management and property service fees. A portion of these asset management and property service fees were related to the deferral of fees

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in certain funds for the period April to June 2020 whilst rent collections in those funds were uncertain. Trade and other receivables balance decreased to \$2.5m as at December 2020.

Intangibles as at June 2020 comprised management rights (\$101.4m) and goodwill (\$29.2m) and was recognised on the restructure of the group. The \$10.6m decrease as at December 2020 was primarily attributed to the management rights of VTH restated as an asset held for sale.

As at December 2020, financial assets held at fair value totalled \$57.5m which can be summarised in the table below.

Table 14: PWG financial asset summary

	\$m
Loan receivable (from a fund managed by PWG)	3.8
Investment in listed equities	3.2
Investment in unlisted property funds managed by the stapled group	4.3
19.9% equity interest in VTH (including associated management rights)	46.2
Total financial assets	57.5

Sources: PWG 30 June 2018 annual report, PWG 30 June 2020 annual report, PWG 31 December 2020 interim financial report, Deloitte Corporate Finance analysis

3.11 PWG broker coverage

The table below shows the average broker consensus estimates available to us for PWG.

Table 15: Summary of broker consensus estimates (mean FY21 to FY22)

\$m (unless otherwise stated)	Actual ¹ FY20	Forecast ² FY21	Forecast ² FY22
Revenue	32.2	37.9	41.9
EBITDA	19.5	24.3	29.6
EPS (cents)	3.7	5.4	6.7
<i>Revenue growth (%)</i>	<i>n/a</i>	<i>n/a</i>	<i>18%</i>
<i>EBITDA margin (%)</i>	<i>69%</i>	<i>64%</i>	<i>71%</i>

Notes:

1. PWG full year 30 June 2020 audited accounts

2. Broker consensus. Revenue and EBITDA forecasts have been adjusted for co-investments.

Sources: S&P Capital IQ, Broker reports, Deloitte Corporate Finance analysis

Broker consensus estimate revenue will grow 18% in FY22 to \$41.9m whilst the EBITDA margin over the same period is expected to increase from 64% to 71%.

Whilst broker consensus can provide a valuable datapoint, there are only two brokers following PWG. Neither of these brokers have issued reports in the last 2 months and specifically since the announcement of the Proposed Transaction.

PWG has recently released guidance that they expect FY21 earnings to be 5.8 cents¹³ per security, which is underpinned by management's forecast FY21 EBITDA of \$25.5m (excluding co-investments and other income).

¹³ As announced on 19 April 2021 in the PWG ASX announcement in respect to the Proposed Transaction



4 Profile of CNI

4.1 Overview of CNI

CNI is an ASX-listed specialist investment manager with 600.2m stapled securities on issue and a market capitalisation of approximately \$1.7bn based on the closing price of \$2.77 per security as at 16 April 2021 (the day prior to the announcement of the Proposed Transaction). CNI specialises in the external management of property funds and investment bonds. CNI also holds strategic co-investments in the funds it manages, and recently acquired a 50% interest in Bass Capital, a real estate debt fund provider.

CNI's stated vision is to build a leading listed external real estate funds management platform. CNI has a dual growth strategy underpinned by acquisition of direct real estate as well as corporate acquisitions.

4.2 Assets under management

As at 31 December 2020, CNI managed a combined \$10.5bn in AUM, and held \$0.7bn in co-investments, as set out below.

Table 16: CNI AUM and co-investments as at 31 December 2020

	Property Funds Management		Investment bonds	Co-Investments
	Listed property	Unlisted property		
AUM	\$4.9bn	\$4.7bn	\$0.9bn	\$0.7bn
Composition	<ul style="list-style-type: none"> Centuria Office REIT: \$2.0bn Centuria Industrial REIT: \$2.6bn Asset Plus Ltd: \$0.3bn¹ 	<ul style="list-style-type: none"> Unlisted NZ single asset funds & Augusta Property Fund: \$1.5bn NZ Industrial Fund: \$0.4bn Centuria Fixed term funds: \$1.7bn Centuria Diversified Property Fund: \$0.2bn Centuria Healthcare Real Estate: \$0.7bn² Centuria Healthcare Property Fund: \$0.2bn 	<ul style="list-style-type: none"> Centuria Investment Bonds Guardian Friendly Society 	<ul style="list-style-type: none"> Centuria Office REIT: \$0.2bn³ (19.9%) Centuria Industrial REIT: \$0.3bn³ (15.1%) Asset Plus Ltd: \$0.02bn³ (19.99%) Unlisted property and debt investments: \$0.1bn Properties held for development: \$0.03bn

Notes:

1. Includes 6-8 Munroe Lane, Auckland, Albany, New Zealand valuation on an "as if complete" basis

2. Includes commenced development projects on an "as if complete" basis

3. Based on the close price as at 31 December 2020. Includes ownership by associates of CNI.

Source: CNI 1HFY21 results presentation

CNI's co-investments represent holdings in property assets managed by the group. Of the listed property assets, the value of the co-investments represents the value implied by closing share prices as at 31 December 2020. The value of unlisted property, and properties held for development are assessed by reference to external valuations.

CNI's operating segments include:

- **Property Funds Management:** management of listed and unlisted property funds and the completion of property developments
- **Investment Bonds Management:** operating through Centuria Life, a friendly society that offers a range of retirement planning investment products. Centuria Life also manages the Over Fifty Guardian Friendly Society, which offers pre-paid funeral plans
- **Co-Investments:** direct interests in property funds and other liquid investments
- **Corporate:** overheads which support the operating segments of CNI and management of the reverse lending portfolio.

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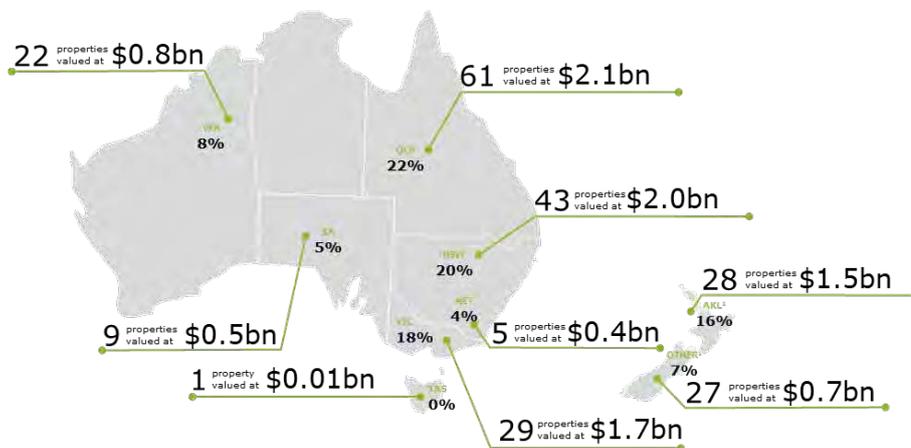
CNI's main non-operating segments include:

- **Benefits Funds:** includes the results of the Benefit Funds of Centuria Life, which are required to be consolidated to comply with accounting standards
- **Controlled Property Funds:** includes the results of property funds which are managed by the group and consolidated per accounting standards. The group's principal activities do not include direct ownership of these funds for the purposes of control and deriving rental income, therefore the results are excluded from operating profit.

CNI's Property Funds Management portfolio is geographically focused in Australia and New Zealand. It is primarily exposed to the office and industrial property subsectors, with most of its portfolio largely comprised of listed REITs and unlisted single asset funds.

Set out in the figures below is the split by geography, sector and fund type and capital source of CNI's property funds management portfolio.

Figure 7: CNI property funds management AUM by geography as at 16 April 2021



Note:

1. New Zealand dollar values converted to Australian dollars at an exchange rate of \$/NZ\$1.088.

Sources: Bidder's Statement, Deloitte Corporate Finance analysis

Figure 8: CNI property funds management sector exposure

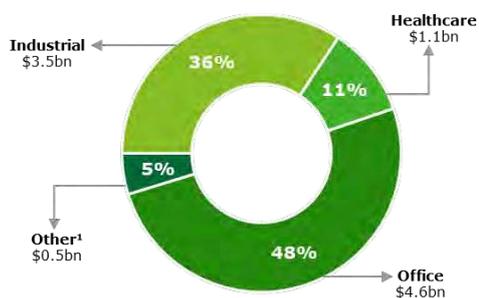
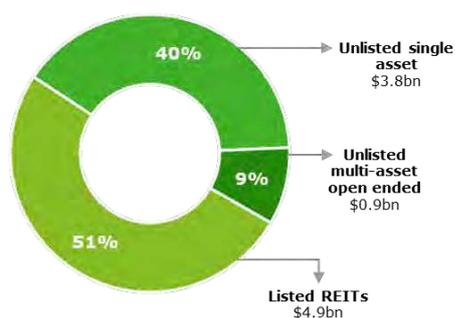


Figure 9: CNI property funds management fund types



Notes:

1. Other includes New Zealand large format retail, supermarkets, shopping centres and tourism

2. Numbers may differ due to rounding.

Sources: Bidder's Statement, Deloitte Corporate Finance Analysis

The Augusta Capital acquisition (detailed in Section 4.2.2) shifted CNI's geographical and sector exposures. It increased CNI's exposure to the New Zealand market, as well as the sector exposure to the tourism and large format retail subsectors (included in the "other" categorisation in Figure 8 above).

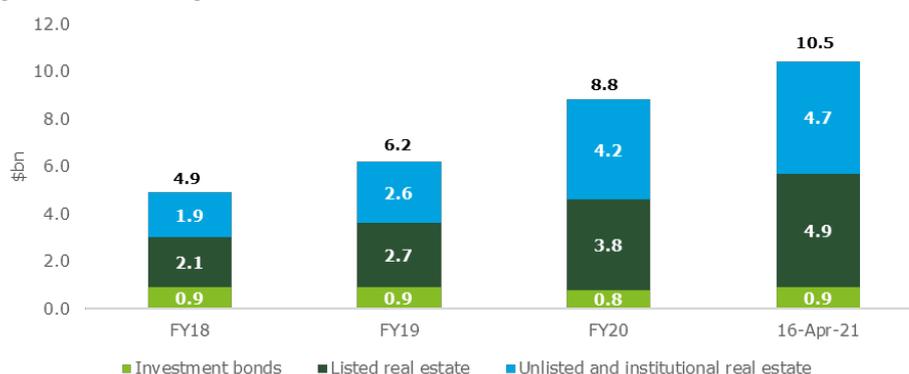
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4.2.2 AUM growth strategy

CNI's dual growth strategy is based on acquisitions in direct real estate as well as corporate acquisitions. Since FY18 CNI's property funds management and investment bonds AUM grew at a compound annual growth rate of 32%, largely driven by the acquisition of two external property fund managers and their accompanying AUM and various real estate assets, as set out below.

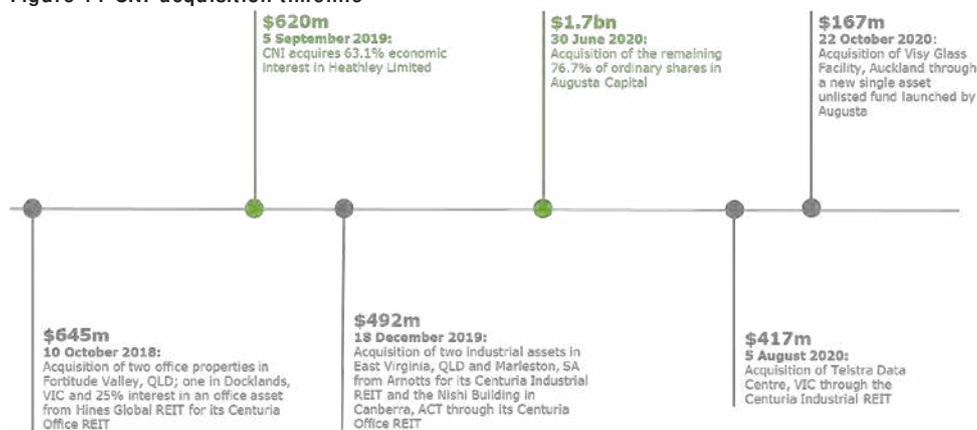
Figure 10: CNI AUM growth



Source: Bidder's Statement

CNI's AUM growth through business and larger real estate acquisitions are set out in the figure below.

Figure 11 CNI acquisition timeline



Source: ASX announcements

Heathley Limited – corporate acquisition

On 20 May 2019, CNI announced it would acquire a 50% voting interest and 63.1% economic interest in specialist healthcare property funds manager Heathley to form Centuria Heathley, for a total consideration of \$24.4m.

Heathley is a specialist healthcare property fund manager with a portfolio of eight unlisted funds, consisting of 42 properties and AUM of \$620m. The acquisition introduced CNI to the healthcare real estate sector. Based on a normalised FY18 EBIT of \$3.2m the implied EBIT multiple for the transaction (adjusted for NTA) was 10.0x. CNI gained control of Centuria Heathley on 5 September 2019.

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Augusta Capital – corporate acquisition

On 15 June 2020, CNI announced the acquisition of the remaining ordinary shares in the Augusta real estate platform for an implied offer value of NZ\$133m.

Augusta was one of New Zealand's largest listed real estate funds managers with NZ\$1.8bn AUM across listed and unlisted real estate funds, 72.0% of AUM were made up of office and industrial assets. It was the fund manager of the Augusta Industrial Fund (NZ\$347m AUM), Single assets Australia (NZ\$175m AUM), Single assets New Zealand (\$1.1bn AUM), Asset Plus (NZ\$147m AUM) and held NZ\$29m worth of properties on its balance sheet.

The offer consideration of NZ\$0.22 plus 0.392 CNI securities per Augusta share implies an adjusted FY20 EBIT multiple of 10.6x. CNI achieved effective control on 30 June 2020 and reached the compulsory acquisition threshold in July 2020.

4.3 Securities in CNI

CNI is a stapled group comprising Centuria Capital Limited and Centuria Capital Fund and their controlled entities. Shares in Centuria Capital Limited and units in Centuria Capital Fund are stapled together to form a stapled security, such that both can only be purchased or sold together.

CNI has 600.2m stapled securities on issue. The substantial holders account for 31.7% of securities on issue.

Table 17: Substantial holders

Holder	Securities held (m)	Ownership (%)
ESR Pte. Ltd	102.7	17.8%
Vanguard	48.9	8.2%
BlackRock, Inc	38.7	6.6%
Subtotal – Substantial holders	190.2	32.5%
Others	410.0	68.3%
Total securities	600.2	100.0%

Source: Bidder's Statement

Of the issued securities, 72.8% is considered "free-float"¹⁴, with the balance comprised of certain non-substantial and substantial (i.e. ESR Pte. Ltd) executive or strategic corporate investors.

CNI has 9.0m performance rights outstanding as at 16 April 2021.

Since January 2020, \$200m has been raised in securities issuances by CNI. Key details of these issuances are set out below.

Table 18: CNI securities issuances

Issuance date	Securities issued (m)	Price per security	Amount raised on issue (m)
January 2020	34.2	\$2.34	\$80.0
3 November 2020 and 17 November 2020	53.3	\$2.25	\$120.0

Sources: ASX releases, Deloitte Corporate Finance analysis

Due to strong demand from institutional investors, the January 2020 placement increased in size from \$60m to \$80m. \$60m of the issuance was used as a source of funding for CNI's takeover of Augusta, with the remaining \$20m used to support growth in its listed and unlisted business.

The issuances in November 2020 was increased from \$100m to \$120m due to strong investor demand. The funds raised were used to support the working capital requirements of CNI, including underwriting the acquisition of the Visy facility in Auckland, New Zealand, transaction costs and debt repayment. The Visy investment forms part of a newly formed New Zealand single asset fund launched by Augusta Capital and underwritten by CNI. This issuance was comprised of a retail entitlement offer (\$28.4m), an institutional placement (\$39.5m) and an institutional entitlement offer (\$52.1m).

¹⁴ S&P Capital IQ sourced on 6 May 2021

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4.3.1 Liquidity analysis

Relative to larger fund management counterparts and diversified real estate groups, CNI's securities traded at lower volumes, when measured by percentage of total securities traded. 293m securities traded (53% of total securities on issue on a weighted average basis) in on-market transactions during the 12 months prior to the announcement of the Proposed Transaction on 19 April 2021.

Table 19: Average volume traded in securities

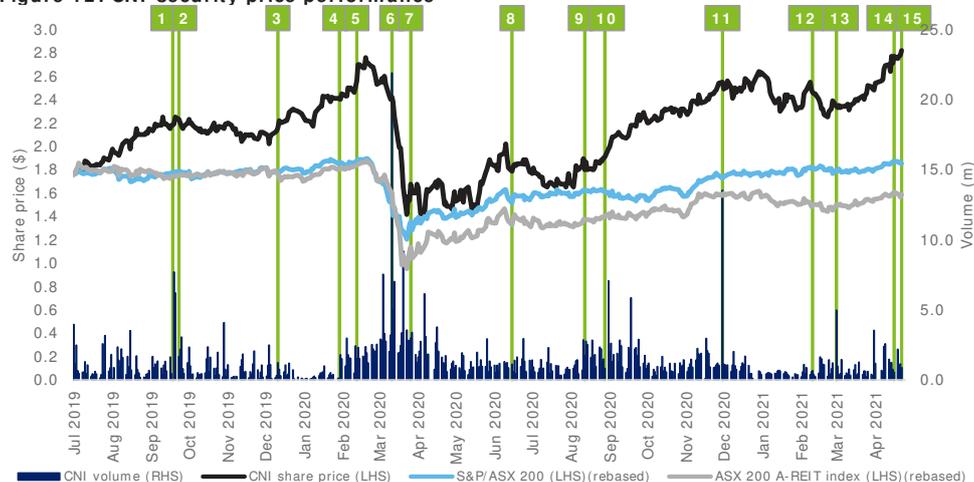
Company	12 months	6 months	1 month	1 week	After Proposed Transaction announcement
CNI	53.4%	21.0%	3.5%	0.9%	0.5%
PWG	11.9%	6.7%	1.8%	0.7%	0.8%
Listed companies					
360 Capital	36.2%	16.7%	1.5%	0.3%	0.1%
APN Property	15.5%	6.8%	1.6%	0.4%	0.1%
Charter Hall	91.1%	35.9%	6.4%	1.3%	0.3%
Goodman	58.9%	25.3%	4.1%	1.0%	0.4%
Platinum	57.1%	25.1%	3.6%	0.9%	0.4%

Sources: S&P Capital IQ, Deloitte Corporate Finance analysis

4.3.2 Trading in CNI securities

The security price of CNI has generally outperformed the broader Australian real estate market as depicted by the ASX 200 A-REIT index, over the past two years, with the exception of certain periods where the share price was impacted by announcements relating to earnings. During the period March to April 2020, CNI and the broader equity market experienced a steep decline as the market initially reacted to the COVID-19 pandemic. This is summarised in the figure and table below.

Figure 12: CNI security price performance



Sources: S&P Capital IQ, ASX announcements, Deloitte Corporate Finance analysis

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Table 20: Key events and announcements

#	Date	Announcement
1	Sep 19	Announced a \$100m equity raise at \$2.10 per security to support co-investments in Centuria Metropolitan REIT to fund its acquisition of office properties valued at \$381m and increase working capital to support capital management initiatives
2	Sep 19	CNI was included into the S&P/ASX 300 index
3	Dec 19	Centuria Industrial REIT acquired two industrial property assets which are 100% leased to Arnott's Biscuits. In addition, Centuria Metropolitan REIT acquired the Nishi building in Canberra. The transactions increased CNI's AUM by \$492m
4	Jan 20	CNI issued a takeover offer to acquire Augusta Capital for NZ\$ 180m
5	Feb 20	CNI released 1HY20 results, delivering operating NPAT of 8.1 cents per security, representing a 1.6c increase on the prior corresponding period
6	Mar 20	On market purchase by ESR Pte. Ltd
7	Mar 20	CNI management revised its FY20 operating NPAT down to 11.5 cents per security, from 12.5 cents per security, in response to emerging uncertainties related to the COVID-19 pandemic. CNI also terminated its bid for Augusta Capital
8	Jun 20	CNI issued a revised takeover offer to acquire Augusta Capital for NZ\$ 133m, for the 76.7% interest that they did not already own
9	Aug 20	CNI announced an operating NPAT of 12.0 cents per security, ahead of their market guidance of 11.5 cents per security
10	Aug 20	CNI announced the launch of an unlisted open-ended healthcare fund worth \$133m with a starting distribution yield of 5.75%
11	Nov 20	On market purchase by Blackrock, Inc
12	Feb 21	CNI announced 1HFY21 financial results. Operating EPS decreased from 8.1 cents per security to 6.5 cents per security, largely driven by lower acquisition and performance fees relative to the prior corresponding period
13	Mar 21	CNI announced the completion of the NZ\$ 178m acquisition of Visy Glass Plant in New Zealand through a newly created single asset fund managed by Augusta Capital
14	Apr 21	Proposed Transaction is announced
15	Apr 21	CNI acquired a 50% interest in Bass Capital, a provider of real estate debt financing for \$24m.

Sources: ASX announcements, Deloitte Corporate Finance analysis

The volume weighted average prices based on the trading in CNI securities over the 12 months leading up to the Proposed Transaction are set out in the figure below.

Table 21: Volume weighted average price analysis

\$	VWAP
12 months	2.12
6 months	2.45
1 month	2.58
1 week	2.70
Close price prior to the announcement of the Proposed Transaction ¹	2.77

Note:

1. As at 16 April 2021.

Sources: S&P Capital IQ, Deloitte Corporate Finance analysis



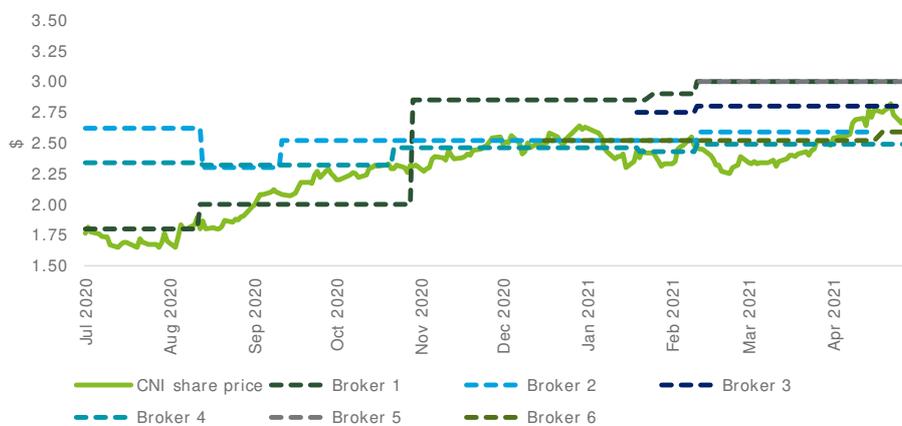
4.4 CNI broker coverage

CNI is covered by six equity research brokerage houses, between them, issuing 22 broker reports since July 2020. The brokers assess the value of CNI based on a range of approaches, including fundamental discounted cash flow analysis and sum-of-the parts based on market multiples or net asset value approaches.

As at 30 April 2021 target broker prices ranged from \$2.49 to \$3.00 per security, with an average of \$2.78 per security. This compares to the last sale as at 30 April 2021 of \$2.67.

The figure below shows the target CNI security price as estimated by equity research brokers since July 2020.

Figure 13: CNI broker target security price



Sources: S&P Capital IQ, Broker reports, Deloitte Corporate Finance analysis

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4.5 Financial performance

Set out in the table below is the operating segment (as described in Section 4.2) financial performance for the years ended 30 June 2019, 30 June 2020 and the half year ended 31 December 2020.

Table 22: CNI operating segment financial performance

\$m (unless otherwise stated)	Audited FY19	Audited FY20	Reviewed 1HY21
Management fees	49.7	63.1	38.3
Acquisition fees	1.1	6.9	4.8
Performance fees	22.5	21.5	13.6
Other income	3.1	5.8	2.2
Total operating revenue	76.4	97.3	58.9
Expenses	(38.2)	(51.1)	(31.4)
Development profit	0.7	1.8	2.7
Operating segment EBITDA	38.9	47.9	30.2
Co-investments EBITDA	28.2	31.7	17.3
Depreciation	(0.5)	(2.9)	(2.0)
Net finance costs	(11.6)	(10.8)	(5.8)
Tax	(9.4)	(12.6)	(5.7)
Operating NPAT	45.7	53.3	34.0
<i>AUM (end of period) (\$bn)</i>	<i>6.2</i>	<i>8.8</i>	<i>10.2</i>
<i>Revenue growth (%)</i>	<i>(1%)</i>	<i>27%</i>	<i>21%¹</i>
<i>EBITDA margin² (%)</i>	<i>50%</i>	<i>47%</i>	<i>47%</i>
<i>Operating EPS (cents)</i>	<i>12.7</i>	<i>12.0</i>	<i>6.2</i>

Notes:

1. Annualised

2. Excluding development profit.

Sources: FY20 and 1HY21 financial report, Deloitte Corporate Finance analysis

Revenue in FY20 increased largely due to the increase in AUM, on the back of significant acquisitions including the Nishi building acquired by the Centuria Office REIT and two Arnott's assets acquired by the Centuria Industrial Fund, with AUM across these two acquisitions totalling \$492m. Furthermore, FY20 represents the first full year of earnings contributions following the settlement of the Heathley acquisition in September 2019.

The annualised growth in 1HY21 is largely driven by the acquisition of Augusta Capital, whereby control was gained by CNI on 30 June 2020. As such the financial performance of the business has only been fully consolidated in CNI's financials in the 1HY21 results.

Performance fees are earned for providing management services where a property fund outperforms a set IRR benchmark at the time that the property is sold. Performance fees are recognised over time when they are deemed highly probable and the amount of performance fees will not result in a significant reversal in future periods.

Development revenue reflects the contractual arrangements to manage development projects. CNI owns development properties in Auckland, Queenstown and Gosford, and also manages development projects on behalf of the funds/trusts managed by CNI. Development revenue is recognised over time based on the satisfaction of performance obligations.

EBITDA margins decreased across the periods, largely driven by the impacts of the COVID-19 pandemic on investment markets, impacting the AUM of the Benefit Funds, and therefore impacting the management fees received.

CNI's operating financial performance (as presented above), excludes the results from the consolidated Benefits Funds and Controlled Property Funds, and excludes:

- gains and losses on properties and investments arising from the mark-to-market recognition of property and other assets at fair value.
- corporate restructure and transaction costs largely relate to the costs associated with the acquisition and integration of Heathley and Augusta Capital.

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4.6 Financial position

The following table sets out CNI's financial position as at 30 June 2019, 30 June 2020 and 31 December 2020.

Table 23: CNI financial position

\$m (unless stated otherwise)	Audited FY19 ¹	Audited FY20	Reviewed 1HY21
Receivables	49.7	65.5	116.3
Payables	(35.7)	(70.7)	(50.8)
Net working capital	14.1	(5.1)	65.5
Intangible assets	157.7	280.1	281.0
Provisions	(1.9)	(2.2)	(3.0)
Other funds employed	0.1	15.9	9.2
Funds employed	155.9	293.8	287.1
Financial assets	112.3	523.1	584.8
Equity accounted investments	360.4	33.0	33.4
Other assets	16.0	32.2	36.7
Co-investments & other	488.7	588.2	654.9
Cash and cash equivalents	87.8	149.5	168.0
Borrowings	(210.8)	(180.3)	(194.5)
Lease liability	-	(22.6)	(21.7)
Interest rate swaps at fair value	(28.1)	(32.8)	(33.9)
Net debt	(151.1)	(86.2)	(82.2)
Net operating assets	507.5	790.7	925.3
Non-operating net assets	43.9	40.5	39.5
Total net assets	551.4	831.1	964.8
Non-controlling interests	(46.2)	(98.0)	(41.0)
Net assets attributable to CNI securityholders	505.2	733.1	923.8
Securities outstanding (m)	383.6	510.0	600.2
Net assets per security	\$1.32	\$1.44	\$1.54
Net tangible assets	347.5	453.0	642.9
NTA per security (\$)	\$0.91	\$0.89	\$1.07

Sources: CNI FY20 financial report, CNI 1HY21 financial report, Deloitte Corporate Finance analysis

Net working capital increased in 1HY21, primarily driven by increases in accrued performance fees and an increase in contract assets (unbilled receivables) on development contracts.

Intangible assets comprise goodwill arising from business acquisitions (\$281.0m as at 1HY21), including 360 Capital (\$12.5m in FY17), Augusta Capital (\$68.3m in FY19) and Heathley (\$34.0m in 1HY19) and indefinite life management rights (\$112.2m).

During 1HY21, CNI issued 24.8m securities in relation to the Augusta Capital acquisition, in addition to 53.3m securities in relation to the \$120m equity raising at a price of \$2.25 completed in November 2020.

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Financial assets represents CNI's investments in trusts, shares and other financial instruments, where CNI is below the significant influence threshold of 20%, and include:

- investment in Centuria Industrial REIT
- Centuria Office REIT
- Asset Plus
- investments in trusts, shares and other financial instruments
- reverse mortgage and other loans receivable.

Listed investments are valued by reference to securities prices, whereas unlisted investments are assessed by reference to external property valuations.

The significant increase in financial assets in FY20 relates to the reclassification of CNI's interest in the Centuria Office REIT and Centuria Industrial REIT from equity accounted investments to financial assets when CNI's interest reduced below the significant influence threshold.

Equity accounted investments relate to property fund investments where CNI holds an interest of between 20% and 50% of issued capital, including 25% in QT Lakeview Developments and 24% in Centuria Diversified Property Fund as at 31 December 2021.

Net debt decreased in FY20 on account of the proceeds of security issuances being used to pay down debt facilities and top up cash reserves. CNI adopted AASB 16 *Leases* from FY20, and did not recognise lease liabilities (or right-of-use assets) prior to this period.

Non-operating net assets relates to the Benefits Funds and Controlled Property Funds operating segments, and elimination adjustments.

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5 Profile of the Proposed Merged Entity

If the Proposed Transaction proceeds, PWG securityholders will collectively own 23.8% of the securities outstanding in the PME. The PME will comprise of the operations and co-investments of PWG and CNI, and any synergies achieved.

5.1 Assets under management

On a pro forma basis, the PME will manage a combined \$15.5bn in AUM, and hold \$1.0bn in co-investments, as set out below.

Table 24: PME AUM and co-investments as at 16 April 2021^{1,2}

	Property Funds Management		Investment bonds	Co-Investments
	Listed property	Unlisted property		
AUM	\$5.2bn	\$9.4bn	\$0.9bn	\$1.0bn
Composition	<ul style="list-style-type: none"> Centuria Office REIT Centuria Industrial REIT Asset Plus Ltd VTH 	<ul style="list-style-type: none"> Unlisted NZ single asset funds & Augusta Property Fund NZ Industrial Fund Centuria Fixed term funds Centuria Diversified Property Fund Centuria Healthcare Real Estate Centuria Healthcare Property Fund PWG unlisted funds PWG mandates PWG Bespoke 	<ul style="list-style-type: none"> Centuria Investment Bonds Guardian Friendly Society 	<ul style="list-style-type: none"> Centuria Office REIT Centuria Industrial REIT Asset Plus Ltd Unlisted property and debt investments Properties held for development VTH PWG unlisted funds

Notes:

- The green boxes denote AUM and co-investments contributed by PWG
- Pro forma AUM numbers are based on 31 December 2020 figures, adjusted for post balance date revaluations and acquisitions.

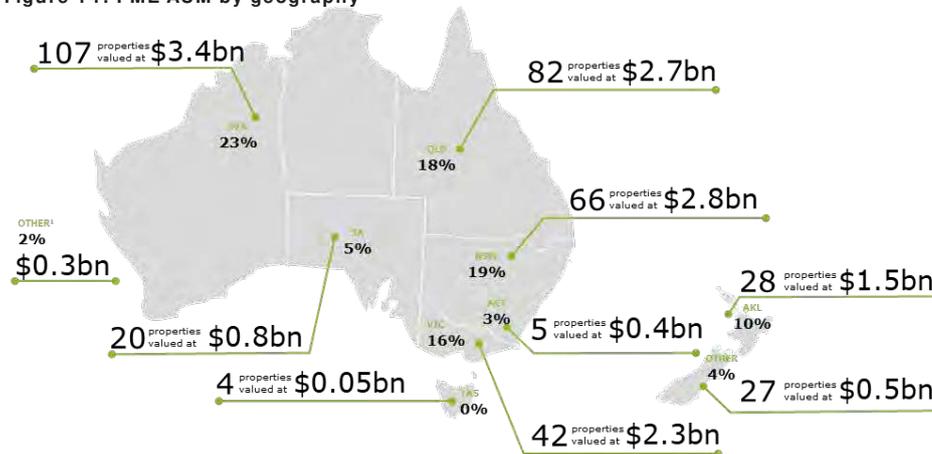
Source: Bidder's Statement

Following the Proposed Transaction, PWG securityholders will be exposed to a significantly larger portfolio, from \$5.0bn in AUM in PWG to a share in \$15.5bn in the PME. Furthermore, the sector, fund type and capital sources that PWG Securityholders will be exposed to will change substantially under ownership in the PME, as set out in the figures below.

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Figure 14: PME AUM by geography



Note:

1. Other includes two properties located in the USA (c. \$98m) and two indirect holdings with no geographic location
Sources: Bidder's Statement, Deloitte Corporate Finance analysis

Figure 15: Sector exposure (\$bn)

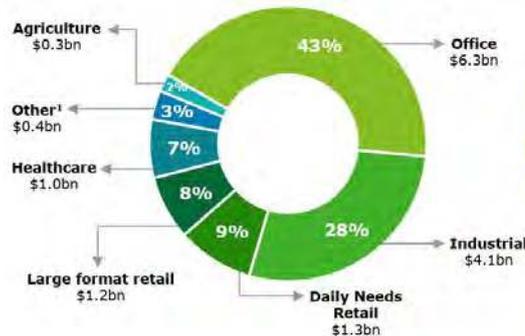
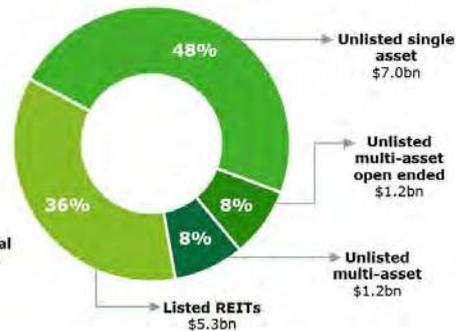


Figure 16: Fund types (\$bn)



Note:

1. Comprises NZ supermarkets and shopping centres plus hotel and land syndicates in the USA and WA.
Sources: Target's Statement, Bidder's Statement, Deloitte Corporate Finance analysis

As set out in the figures above, and when compared with Figure 1 to Figure 3 from Section 3.2, PWG securityholders will expand their portfolio to the New Zealand market in addition to a re-weighting of the portfolio away from Western Australia, and toward the Eastern seaboard of Australia. Western Australia represents 54% of AUM in the PWG portfolio, however, this will decrease to 23% in the PME.

Under the PME, there will be a new exposure to the health care sector and an increase in exposure to the office and industrial sectors. Weighting to the agriculture, daily needs retail and large format retail will reduce in the PME as CNI manages little to no funds in these sectors.

The heavy weighting towards unlisted funds in PWG will be re-balanced towards a more diversified mix of listed and unlisted fund types and capital sources in the PME.

5.2 Management team

CNI intends to integrate the PWG management team into CNI's operations. The Founding Directors will continue to lead the PWG funds management platform and will also join the CNI executive management team. Each of the Founding Directors has agreed to remain as a senior executive for a period of at least two years.

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5.3 Synergies

The PME is expected to realise synergies on integration of the PWG and CNI businesses, including:

- supporting the growth of AUM across the two platforms
- expansion of property services across the two businesses
- removal of duplicated corporate costs, specifically, audit and tax consulting fees, ASX listing costs, Directors' fees, marketing and investor relations costs
- tax related synergies concerning the structuring of the Proposed Transaction, resulting in a cross-staple loan which provides a tax shield.

Management of PWG and CNI expect to realise post-tax synergies of \$5.3m p.a.

5.4 Securities in PME

Securities in the PME will be comprised of the securities on issue in CNI prior to the Proposed Transaction plus securities issued to PWG securityholders as part of the Consideration, as set out in the table below.

Table 25: Pro forma securities in the PME

	Number of securities (m)	% in PME
CNI securities prior to the Proposed Transaction	600.2	76.2%
Securities issued as part of the Consideration	187.6 ¹	23.8%
Pro forma securities in the PME	787.8	100.0%

Note:

1. Represents 0.473 securities for each of the 397m PWG securities.

Sources: CNI Financial Report FY20, CNI investor presentation on the Proposed Transaction

PWG securityholders are expected to comprise 23.8% of the total issued capital of the PME following the Proposed Transaction. 12.7% of the securities of PME will be held by the Founding Directors. The holdings of the Founding Directors will be subject to a two-year escrow.

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5.5 Pro forma financials

Set out below is the pro forma income statement of the PME for the 12 months ended 30 June 2021.

Table 26: FY21 pro forma income statement

\$m	CNI	PWG	Merger adjustments	PME
Management fees	74.7	29.3	1.0	105.0
Acquisition fees	12.9	9.2	-	22.1
Performance fees	18.7	-	-	18.7
Distribution/dividend revenue	34.7	2.0	-	36.7
Revenue	140.9	40.5	1.0	182.4
Expenses	(66.8)	(13.0)	0.7	(79.0)
EBIT	74.1	27.5	1.7	103.4
Development EBIT	7.0	-	-	7.0
Interest income / (expense)	(2.5)	0.1	-	(2.3)
Tax	(9.6)	(6.4)	3.6	(12.4)
NPAT	69.1	21.3	5.3	95.7
Weighted securities on issue	574.3	368.5	187.6	761.8
EPS (cents)	12.0	5.8	-	12.6

Analysis per PWG security

Earnings per PWG security		5.8		6.8¹
PWG accretion/dilution				18.7%

Note:

1. Notional earnings per PWG security, using a conversion ratio of 0.473 CNI securities per PWG security, and assuming that the \$0.20 cash component of the Consideration is reinvested at CNI's closing price of \$2.77 on 16 April 2021.

Sources: Target's Statement, Deloitte Corporate Finance analysis

The pro forma income statement represents CNI and PWG management's projections for their respective businesses for FY21, adjusted for certain pro forma merger adjustments including:

- synergies as discussed in Section 5.3 above
- the additional CNI securities to be issued as part of the scrip Consideration, calculated as 0.473 CNI securities issued for each of the 397m PWG securities outstanding.

Assuming reinvestment of the cash component of the Consideration, the analysis above suggests that PWG securityholders would recognise earnings accretion of 18.7% under the PME.

For further details behind the pro forma income statement adjustments, refer to Section 9.3.7 of the Bidder's Statement.

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Table 27: Pro forma operating balance sheet

\$m	CNI Pro forma	PWG Pro forma	Merger adjustments	PME Pro forma
Cash and cash equivalents	206	66	(89)	184
Receivables	110	2	-	112
Financial assets	609	35	-	644
Assets held for sale	-	46	-	46
Property held for development	52	-	-	52
Equity accounted investments	33	-	-	33
Intangible assets	305	120	332	757
Other assets	68	3	-	71
Total assets	1,383	273	243	1,899
Payables	(24)	(1)	-	(25)
Borrowings	(313)	-	-	(313)
Other liabilities	(121)	(5)	-	(126)
Total liabilities	(458)	(6)	-	(464)
Net assets	925	267	243	1,435
Securities outstanding (m)	600	397	188	788
Net asset value per security (\$)	1.54	0.67		1.82
NTA per security (\$)	1.03	0.37		0.86
Operating gearing ratio (%) ¹	9.1%	-		7.6%

Note:

1. Gearing is calculated based on borrowings less cash, divided by total assets (excluding cash).

Sources: Bidder's Statement, Deloitte Corporate Finance analysis

The CNI and PWG operating balance sheets reflect 31 December 2020 balance sheets modified for certain pro forma adjustments to reflect the payment of the 1HFY21 distributions, issuance of listed notes or equity and acquisition of co-investment stakes. For further details behind the pro forma adjustments, refer to the Target's Statement.

Merger adjustments reflect a decrease in cash to fund the cash component of the Consideration (of \$0.20 per PWG security), incremental intangible assets associated with the expected acquisition of PWG, and the issuance of an additional 188m securities to PWG securityholders.

As a result of the Proposed Transaction, the net asset per security for PWG securityholders will increase from \$0.67 per security to \$1.82 per security. However, a large portion of the increase relates to goodwill recognised as a result of the Proposed Transaction. Excluding intangible assets, NTA per security attributable to PWG securityholders would increase from \$0.37 per security to \$0.86 per security in the PME.

The gearing of the PME will reflect the combined net debt of CNI (9.0%), PWG (0%) and the cash outflow used to fund the cash component of the Consideration paid by CNI to PWG securityholders as part of the Proposed Transaction.

6 Valuation of PWG

6.1 Selection of valuation methodology

For the purposes of assessing the market value of a PWG security, we have defined market value as the amount at which the securities in PWG would be expected to change hands in a hypothetical transaction between a knowledgeable willing, but not anxious, buyer and a knowledgeable willing, but not anxious, seller acting at arm's length.

Special purchasers may be willing to pay higher prices to reduce or eliminate competition, to ensure a source of material supply or sales, or to achieve cost savings or other synergies arising on business combinations, which could only be enjoyed by the special purchaser. Our valuation has not been premised on the existence of a special purchaser.

In selecting an appropriate methodology to estimate the market value of a PWG security, we have considered common market practice and the valuation methodologies recommended by RG 111. Further information on the methodologies is set out at Appendix 2. In estimating the market value of a PWG security, we have used a sum of the parts approach. In this regard, we have:

- assessed the enterprise value of PWG's core operations using the market multiples method under the market approach as our primary methodology. This method involves applying a multiple to an estimate of maintainable earnings. In this regard, we note:
 - earnings are expected to be relatively stable for PWG, albeit reflective of underlying growth expectations, given they are based on fixed fee rates and (indirectly) the value of the underlying properties under management
 - there are an adequate number of publicly listed companies and transactions involving companies with operations sufficiently comparable to PWG from which a meaningful comparison can be undertaken and an appropriate multiple can be derived. We determined the multiple based on earnings and enterprise values which exclude co-investments on the basis that such assets can differ significantly between businesses and transactions
 - such an approach is commonly used to value funds management businesses such as PWG
- valued the co-investments currently held by PWG based on their assessed market value
- valued the VTH co-investment/non-operating assets held by PWG based on the realisable value of the investment
- incorporated the estimated net cash position of PWG as at 30 June 2021, as a proxy for the estimated cash upon completion of the Proposed Transaction.

We also cross-checked our estimate of the enterprise value of PWG using the percentage of AUM method, based on the AUM multiples observed in comparable listed companies and transactions in the funds management sector, and a high level capitalisation of earnings method (which is a method under the income approach and is akin to the discounted cash flow method).

We note based on our experience as indicated through other independent expert reports, it is common in the industry to value entities such as PWG using the market multiples methodology. In addition, we consider it appropriate to use this approach despite the fact that a large proportion of the funds managed by PWG are subject to agreements with discrete time periods, as PWG and executives of PWG have a track record of growing AUM and establishing new funds (which is also their intention).

We do not consider the cost approach appropriate as such a methodology ignores the value of intangible assets held by PWG such as its management agreements.

6.2 Application of the market multiples methodology

The market multiples method estimates the enterprise value of PWG by applying a multiple to the future maintainable earnings of the entity. In applying the market multiples approach, we have considered the following:

- the level of earnings that the existing operations could reasonably be expected to generate. We have selected EBITDA as an appropriate measure of earnings because earnings multiples based on EBITDA are less sensitive to different financing structures, depreciation and amortisation accounting policies and effective tax rates than multiples based on EBIT or NPAT. This allows a better comparison with the earnings multiples of other companies. For these types of businesses

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however, EBITDA and EBIT are not generally dissimilar due to low levels of depreciation and amortisation

- the enterprise value per dollar of EBITDA (EBITDA multiple) observed from recent transactions involving companies comparable to PWG and the trading multiples of listed companies comparable to PWG. Given we are assessing the multiple exclusive of co-investments, we have adjusted the enterprise values of these comparable listed companies and transactions by deducting their co-investments as well as adjusted earnings for any income generated by the co-investments.

6.2.1 Future earnings

Future earnings represent the level of earnings that the existing operations of PWG could reasonably be expected to generate. In determining our assessed EBITDA range, we had regard to the pro forma financial statements of PWG, as discussed above in Section 5.5.

We have considered the following in selecting the maintainable EBITDA range attributable to PWG:

- asset management, project services, transaction and performance fees adopted in the pro forma financial statements disclosed in the Bidder's Statement to ensure they reflect a reasonable estimate of maintainable level of the operations of PWG
- whilst we considered historical earnings of PWG, we have not placed substantial weight on them because of the significant underlying growth that has been achieved in recent years
- the expectation that PWG will shortly commence collecting fees on recently completed acquisitions, recently completed developments as well as recommence collecting fees on two properties that previously had fees suspended for commercial reasons
- Management's current expectation of potential performance fees over the next ten years. More specifically, we note the following:
 - performance fees are agreed with the individual fund and can either be tied to the sale of the property or agreed performance hurdles. Having regard to the best interests of fund investors, PWG's general strategy is to continue to earn fees from managing properties, rather than realising performance fees through disposals of properties, at which point all the other fees generated by PWG from that fund would cease. Consequently, we have only considered performance fees whereby the fee would be payable as a result of a hurdle (and subject to that hurdle being achieved)
 - performance fee profile is difficult to project given it can change significantly based on future property valuations. PWG generated performance fees of \$5.6m in FY20, however did not receive any in FY19
 - Management has estimated future potential performance fees over the next ten years based on current independent property valuations and current internal rates of return. Given the recent compression in property capitalisation rates, the current forecast of performance fees could be viewed as conservative. On the other hand, the level of anticipated performance fees over the next ten year period is uncertain and dependent upon the future returns of the funds driven by underlying valuations. Due to this inherent uncertainty in realising performance fees, we have selected a range to reflect the potential earnings from performance fees
 - the performance fee profile should be considered in the maintainable EBITDA as it is a significant potential revenue stream for PWG. In this regard, performance fees have been included in our analysis of selected comparable companies and transactions, where applicable
- transaction fees relate to the value of property acquisitions facilitated in the financial year, which makes them difficult to forecast as the value and number of completed acquisitions may differ year on year. Transaction fees in FY20 totalled \$5.5m, whilst Management expects the FY21 figure to be \$9.2m. We have adjusted the transactions fees having regard to the historical fees generated as well as the anticipated level of acquisitions going forward as Management expects the growth in AUM to continue
- cost savings that could be realised by a number of market participants such as listing, audit and directors fees
- the loss of revenues from the cessation of the VTH management rights.

Based on the above, we have selected a maintainable EBITDA range of \$29.0m to \$30.0m as summarised in the below table.

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Table 28: Maintainable EBITDA

\$m	Low	High
FY21 pro forma EBITDA	27.7	27.7
Co-investment/other income	(2.1)	(2.1)
FY21 EBITDA from fund management activities	25.5	25.5
Asset management fee adjustment	2.9	2.9
Performance fee adjustment	2.0	3.0
Transaction fee adjustment	(1.2)	(1.2)
General corporate cost savings	0.7	0.7
Reduction in earnings associated with management of VTH	(0.5)	(0.5)
Maintainable EBITDA	29.4	30.4
Selected maintainable EBITDA	29.0	30.0

Sources: Management, Deloitte Corporate Finance analysis

This level of EBITDA implies an average EBITDA margin of approximately 71%, which is broadly in line with PWG's FY20 EBITDA margin of 68% (after adjusting for one-off listing costs).

6.2.2 EBITDA multiple selection

In selecting an appropriate earnings multiple, we have considered multiples observed from share market trading of listed companies with operations comparable to PWG and the implied multiples paid to acquire companies with operations comparable to PWG.

Earnings multiples derived from share market trading may not reflect the market value for control of a company as they are based on portfolio holdings in the subject companies. The difference between the market value of a controlling interest and a minority interest is referred to as the premium for control.

The owner of a controlling interest has the ability to do many things that the owner of a minority interest does not, enabling the owner to extract greater value for its interest. These include:

- control the cash flows of the company, such as dividends, capital expenditure and compensation for directors and managers
- determine and change the strategy and policies of the company
- attempt to extract synergies via acquisitions, restructure the business or divest operations
- control the composition of the board of directors.

Whilst Australian studies indicate control premiums tend to fall in a range between 20% and 40% of the portfolio holding values, the premium actually implied in a particular transaction involving a listed company is ultimately dependent on a variety of factors specific to the particular entity and the transaction.

In comparison, the acquisition price achieved in mergers or acquisitions of companies (particularly where control is transferred) represents the market value of a controlling interest in that company.

The criteria against which we have selected comparable listed companies and transactions are as follows:

- comparable listed companies whose primary operations involve the provision of fund management services across both real estate and equity investments
- in the case of comparable transactions, we have sought to identify those transactions relating to an internalisation or sale of management rights in the property sector, including real estate funds management businesses.

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Comparable listed companies

Outlined in the following table are the implied EBITDA multiples and relevant metrics of the comparable listed companies.

Table 29: Comparable listed companies summary

Company name	EV ¹ (\$m)	Current EBITDA Margin ^{4,5}	AUM (\$m)	LTM EBITDA ³ / AUM	Current EBITDA multiple ^{4,5}	EV / AUM
CNI	1,022 ²	38% ²	10,200	0.4% ²	17.3x ²	10.0% ²
Real estate entities with fund management operations						
Charter Hall	6,609	74%	46,400	n/a	19.2x	n/a
APN Property	284	53%	2,900	n/a	20.0x	n/a
Equity fund managers						
Platinum	2,445 ²	73% ²	23,598	0.8% ²	12.6x ²	10.4% ²
Perpetual	1,991 ²	32% ²	89,200	0.2% ²	10.1x ²	2.2% ²
Pendal	1,771 ²	37% ²	101,700	0.2% ²	9.0x ²	1.7% ²
Australian Ethical	959 ²	n/a	5,046	0.3% ²	n/a	19.0% ²

Notes:

- Market capitalisation as at 11 May 2021, with the exception of CNI which is as at 16 April 2021 (being the last trading day before the transaction was announced)
- EV has been adjusted to exclude co-investments. The adjusted enterprise value is used to calculate EBITDA and AUM multiples
- For the 12 months to 31 December 2020, with the exception of Pendal which is 30 September 2020
- Financial year ended 30 June 2021, with the exception of Pendal which is 30 September 2021
- Current and Forward EBITDA multiples are based on broker projections, adjusted to exclude co-investment income in CNI and PWG.

Sources: S&P Capital IQ, Deloitte Corporate Finance analysis

We note the following in respect of the comparable listed companies summarised above and detailed in Appendix 3:

- we do not consider the real estate entities with fund management operations provide good evidence of an appropriate multiple for a stand-alone funds management business, such as PWG, due to the following:
 - the smaller (APN Property Group), or significantly larger scale (Charter Hall), of the real estate entities, in comparison to PWG, in terms of both market capitalisation and AUM
 - more diversified earning streams in comparison to PWG, including significant co-investments and development income
 - larger proportion of co-investments, in comparison to market capitalisation, relative to PWG
 - the market's tendency to focus on the two points above when assessing the risk and return profile of the entities and consequently pricing their securities
 - inability to identify, accurately, current stand-alone earnings (revenue and expenses) directly attributable to funds management operations from financial statements or broker consensus.

Specific to the two entities in the table above, we also note:

- APN Property Group is one of the smaller real estate fund managers identified and whilst its operations are aligned to PWG, it has limited liquidity and substantial co-investments (NTA represents approximately 47% of its current market capitalisation). It is currently trading on a current EBITDA multiple of 20.0x which reflects the influence of a takeover offer from Dexus. Prior to the announcement of the takeover offer, APN Property Group was trading at a current EBITDA multiple of 13.3x
- Charter Hall is less impacted by the factors noted above as it derives approximately 70% of total revenue from its funds management operations, although it is significantly larger than PWG (market capitalisation of \$6.6bn). Charter Hall's current EBITDA multiple is 19.2x, however, similar to the other real estate entities this also includes their property

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investment and development operations (NTA represents approximately 32% of its current market capitalisation)

- we also considered the comparability of equities fund managers in our selection of an appropriate multiple for PWG. The earnings, and therefore multiples implied by the trading in securities of equities fund managers, are less affected by co-investments than the real estate entities. As such we consider equities fund managers provide a more directly comparable reference point to value PWG in comparison to the majority of the real estate entities. However, the implied valuation multiples of the equities funds managers can only form a starting point and appropriate adjustment needs to be made to recognise differences between equities funds management markets and property funds management markets, including factors such as associated fee structures and returns vs real estate fund investments. The average and median current EBITDA multiples for the comparable equities funds management companies are 10.5x and 10.2x, respectively. In calculating these multiples, for comparability we have removed the impact of co-investment (where disclosures have allowed us to do this with reasonable accuracy).

More specifically, we note the following:

- all the comparable equities funds management companies are larger than PWG in terms of AUM and therefore revenue. In addition, several of the equity funds management companies derive management fees from a variety of asset classes, including equities, fixed income, cash and other diversified assets across a number of different funds. This can create challenges because of differences in fee structures and client base
- whilst Australian Ethical's current EBITDA multiple is not available (due to the lack of equity research analyst coverage), the group achieved substantial growth in the last year which is providing scale economies and greater growth in earnings. As such, its EV / AUM percentage is very high
- the multiple for Perpetual is at the low end of the range reflecting, in our opinion, their exposure to the financial planning sector, which has been adversely impacted by the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry
- PWG's current EBITDA margin of 64% is significantly higher than that of the funds management companies which average 47%. This would partially explain why PWG trades on a much higher multiple (notwithstanding the illiquidity in PWG securities)
- in our opinion, CNI could be considered operationally most comparable to PWG, being largely a real estate funds manager focused on the Australian and New Zealand property sectors. However, CNI is significantly larger than PWG, with approximately double the AUM, and is more geographically diversified with operations in New Zealand in addition to Australia. PWG's operations are significantly more concentrated in the Western Australia market (54% of PWG's AUM are located in Western Australia), however, it has a broader range of sector exposure. Additionally, we note that PWG is heavily reliant on its Founding Directors and current management team to source and acquire new properties for its funds through their personal relationships as well as having significant interests in the underlying funds through family and associates
- whilst CNI's EBITDA margin is significantly lower than that of PWG, it reflects lower margin activities such as development operations and investment bonds management. CNI's EBITDA margin related to its funds management business is more aligned to that of PWG
- PWG and CNI's LTM EBITDA per AUM percentage of 0.5% and 0.4%, respectively, are higher than the median of the equities funds management companies. This means that for every dollar of AUM that PWG and CNI manage they are able to generate a greater level of earnings compared to their peers and thus, all things being equal, should command a higher multiple
- before the announcement of the Proposed Transaction, CNI traded at multiple of 17.3x current EBITDA and a percentage of AUM of 10.0%.

Recent transactions

We considered the comparable transactions outlined in Appendix 4. These transaction values were also adjusted to remove the impact of co-investments (where specifically disclosed) to ensure our evaluation of each transaction is aligned with our assessment of the Proposed Transaction.

All the comparable transactions relate to the acquisition of a controlling interest in a funds management business largely focused on the property sector.

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There is limited publicly available data in relation to the EBITDA (compared to EBIT) for these transactions and therefore we placed greater reliance on the EBIT multiples for the comparable transactions. Whilst EBIT multiples are generally higher than EBITDA multiples, it is uncommon for funds managers to have high levels of depreciation and amortisation and therefore EBIT and EBITDA multiples tend to be similar.

Of the comparable transactions included in Appendix 4, we consider the transactions set out in the table below to be most comparable given the focus of the target company on managing office and industrial property portfolios.

Table 30: Selected comparable transactions

Date	Target	Consideration paid ¹ (\$m)	AUM (\$m)	EBIT(DA) / AUM	Implied EBIT multiple	Implied % of AUM
Post-COVID 19 pandemic declaration						
Mar-21	Precinct Properties New Zealand	197	3,203	0.4%	14.7x	6.1%
Oct-20	Investec Australia Property Fund	40	1,385	0.3%	9.1x	2.9%
Jun-20	GoFARM Asset Management	10	283	n/a	n/a	3.5%
Jun-20	Augusta Capital Limited	49	1,723	0.6%	5.0x	2.8%
Pre-COVID 19 pandemic declaration						
Sep-19	Garda Capital Group	31	404	0.8%	9.1x	7.6%
May-19	Heathley Limited	39	620	0.8%	12.1x ²	6.2%
Aug-18	Folkestone	56	1,609	0.5%	7.7x	3.5%
Nov-16	360 Capital listed property platform	102	1,395	0.7%	11.2x	7.3%
Jul-16	GPT Management	9	439	0.3%	6.9x	2.0%
Mar-16	Investa Office Management Platform	90	8,500	0.1%	9.4x	1.1%

Notes:

1. Consideration paid is on a 100% interest acquisition basis and excludes any amounts paid for co-investments at the completion of the transaction. This adjusted consideration is used to calculate EBIT and AUM multiples

2. Adjusted to include NTA.

Sources: S&P Capital IQ, Deloitte Corporate Finance analysis

With respect to the above transactions, we note the following:

- in March 2021, Precinct Properties New Zealand Limited announced it reached an agreement with the Manager, AMP Haumi Management Limited, to internalise management. Consideration of NZ\$ 215m (\$197m) was paid for the termination of the Management Services Agreement with AMP and the acquisition of certain assets and liabilities. Based on a normalised EBIT of \$13.4m, the fund management rights were valued at 14.7x EBIT
- in October 2020, Investec Property Limited, as responsible entity of Investec Australia Property Fund, announced that it had entered an implementation deed with Investec Group in relation to internalisation of the fund's management rights for consideration of \$40m
- in June 2020, PWG acquired GoFARM Asset Management Pty Ltd, the manager of VTH for \$10m. VTH is a listed real estate investment trust providing investors with exposure to real agricultural property assets. At the time of the acquisition, VTH held approximately \$283m in assets.
- in June 2020, CNI acquired Augusta Capital, one of New Zealand's largest listed real estate funds management companies, with investments in office and industrial property located primarily in Auckland. We referred to an adjusted FY20 EBIT (having regard to historical performance) to calculate the multiple given the negative EBIT incurred for the year, because no deal fee income was generated (as compared to prior periods when deal fees were generated)
- in September 2019, Garda internalised its management by acquiring Garda Capital Group, for total consideration of \$62m, with \$32.4m attributed to the management platform. Garda Capital Group's responsibilities as manager included both management of 14 established properties and development activity in respect of 4 locations, diversified across commercial and industrial sites. The underlying funds management business – outside of some one-off fees that were expected to be generated in the following year – was valued by the independent expert or the transaction on a multiple of 8x to 9x EBIT. The funds management platform of Garda was small with less than \$500m of funds under management and it was also much less diversified

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- in May 2019, CNI acquired a 63.1% economic interest in Heathley Limited for \$24.4m. Heathley Limited is a specialist healthcare funds manager that had \$620m AUM in healthcare assets at the time of the transaction, including medical centres, day hospital and tertiary aged care. Based on a normalised EBIT of \$3.2m, Heathley Limited was valued at 12.1x EBIT including NTA of \$6.9m
- in August 2018, Charter Hall Limited acquired all the issued share capital in ASX-listed Folkstone Limited. Folkstone Limited was a real estate funds manager and developer that engaged in residential and commercial development projects throughout Australia. At the time of the acquisition, Folkstone Limited had \$1.6bn AUM and a 12% interest in the largest A-REIT that invested in early learning properties
- in November 2016, CNI and associated entities acquired the 360 Capital Group real estate platform. At the time, 360 Capital Group's platform managed \$1.4bn in assets including two ASX listed REITs
- in April 2016, Growthpoint announced the proposed acquisition of GPT Metro Office Fund, which included a separate transaction with GPT to acquire the management rights to the fund. At the time of the acquisition, GPT Metro Office Fund had six properties located across New South Wales, Victoria and Queensland
- in February 2016, an entity stapled to the Investa Commercial Property Fund agreed to purchase Investa Office Management Holdings. At the time of the acquisition, the management entity was responsible for 22 office investments in CBD markets across Australia.

Selected multiple

Having regard to the comparable listed companies and the comparable transactions outlined above, we have applied an earnings multiple ranging from 14.0x to 15.0x, on a control basis for the following reasons:

- on the whole, the listed diversified real estate funds managers are of differing scales when compared to PWG and have substantial co-investment portfolios (along with other business activities) making it increasingly difficult in most cases to accurately isolate the value and earnings associated with the funds management business
- the listed equities funds management companies focus on other asset classes and have more diversified operations and differing growth outlooks. Whilst multiples for the funds management businesses are easier to accurately ascertain, the nature of their businesses and the returns generated by them, along with factoring control, suggest that PWG should be valued at a premium to those businesses
- the average and median multiples of the specific transactions identified in Table 30 are 9.5x and 9.1x respectively. However, the transactions identified involved smaller or less diversified businesses (i.e. single fund/platform businesses) and so, in our opinion, PWG should be valued at a premium to such multiples. More specifically:
 - PWG should command a higher multiple when compared to the transaction multiples because it is:
 - well diversified through its sector exposure compared to the transaction targets
 - the manager of numerous funds rather than being reliant on one or two major funds. This reduces the risk of significant lost revenue from being removed as manager
 - the Precinct Properties transaction provides a relevant datapoint due to the transaction recently completing in March 2021
 - the Augusta transaction occurred in the midst of the initial economic fallout from the COVID-19 pandemic and thus the multiple implied by that transaction could be viewed as reflecting a poor economic outlook including exposure of the fund manager to specific sectors that had substantial potential negative exposure to COVID-19 at the time. The business was impacted by the pandemic and the transaction price was adjusted to reflect this
 - whilst other transactions were prior to the COVID-19 pandemic, the 360 Capital listed property platform was largely focussed on the management of funds in the metropolitan office and industrial property sectors
- PWG's risk of removal as manager is lower due to the number of funds that it manages. Each fund has an individual agreement with PWG for management services. Generally, to be removed as manager, a special resolution would need to be passed by a majority of investors. Further to this, the Founding Directors and their family and associates hold underlying investments in the majority of the funds

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- CNI is operationally most comparable to PWG, being largely a real estate funds manager focused on the Australian property sector.

We consider that PWG should be valued at a multiple which is a discount to the CNI trading multiple of 17.3x. Quantifying the level of discount that would apply, with certainty, is difficult, but based on our experience we consider that a discount of 10% to 20% would not be inappropriate. In arriving at this assessment, we had particular regard to the following:

- CNI is significantly larger than PWG, with approximately double the AUM at \$10.5bn compared to PWG's AUM of \$5.0bn
- PWG's geographic exposure is more concentrated in the Western Australia market (54% of PWG's AUM is located in Western Australia), whereas CNI is more diverse (properties located across Australia and New Zealand with largest concentration of 22% and 20% in Queensland and New South Wales, respectively)
- PWG is heavily reliant on its Founding Directors and current management team to source and acquire new properties for its funds through their personal relationships as well as having significant interests in the underlying funds through associates. As mentioned above, the Founding Directors of PWG hold 53.3% of securities on issue (as at 31 March 2021)
- notwithstanding that CNI is largely focused on real estate funds management, it does have substantial property investment activities. This is evident from observing its NTA as a percentage of market capitalisation, which is 41%. The higher the percentage observed, the less comparable the company may be to a pure real estate funds manager, as a result of substantial co-investments and development properties held.

6.2.3 Co-investments

We have valued the co-investments currently held by PWG based on their fair value as at 30 April 2021 of \$41.2m¹⁵. These investments largely comprise PWG's holdings in unlisted funds as well as a holding in Clime Investment Management Limited. Listed investments are held at quoted prices in active markets whilst unlisted investments are based on the underlying assets fair values which are independently valued annually and recorded in the financial statements.

6.2.4 Non-operating assets

We have identified the following non-operating assets which relate to PWG's interest in VTH. We note that VTH is the subject of competing takeover offers from entities associated with ROC Private Equity and Macquarie.

At the date of this report, PWG's interest in VTH (held through Primewest Property Fund) was valued at \$37.9m (reflecting the exercised call option over 30m units in VTH as well as the remaining units held) plus a facilitation payment of \$8.0m for the management rights of VTH. We understand from discussions with PWG Management that no capital gains tax is payable by PWG upon the realised gain on the sale of these units as these proceeds are distributed to individual unitholders in Primewest Property Fund.

Table 31: Summary of non-operating assets

	\$m
VTH management rights facilitation payment	8.0
VTH 30m units – exercised under call option	29.3
VTH 6.8m remaining units	8.6
VTH 2.5 cent dividend payable on remaining units	0.2
Non-operating assets	46.1

Sources: Management, Deloitte Corporate Finance analysis

¹⁵ Co-investments have been valued based on their fair value as at 30 April 2021, with the exception of the investment in ASX-listed Clime Investment Management Limited which has been valued as at the date of this report

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6.2.5 Net cash

PWG's forecast net cash position at 30 June 2021, being a proxy for the anticipated cash balance upon completion of the Proposed Transaction is estimated at \$66.9m. This is summarised below.

Table 32: Summary of net cash

	\$ m
Lease liability	(1.2)
Cash	68.0
Net cash	66.9

Sources: Management, Deloitte Corporate Finance analysis

6.2.6 Conclusion on value

A summary of the application of the market multiples method is set out below:

Table 33: Summary of PWG valuation outcome

	Unit	Low	High
Selected maintainable EBITDA	\$m	29.0	30.0
Selected maintainable EBITDA multiple on a control basis	times	14.0	15.0
Enterprise value of PWG on a control basis	\$m	406.0	450.0
Co-investments	\$m	41.2	41.2
Non-operating assets	\$m	46.1	46.1
Net cash as at 30 June 2021	\$m	66.9	66.9
Equity value on a control basis	\$m	560.2	604.2
Outstanding securities	m	396.5	396.5
Equity value per PWG security	\$	1.41	1.52

Source: Deloitte Corporate Finance analysis

6.3 Cross-checks of our assessed valuation

6.3.1 Percentage of AUM approach

As a cross-check of our valuation of PWG under the market multiples method, we have determined the implied percentage of AUM metrics of our assessed market value of PWG (excluding co-investments) on a control basis and compared this to the implied percentage of AUM metrics observed for the comparable listed companies and transactions.

The implied percentage of AUM metrics of our assessed market value of PWG on a control basis range from 8.1% to 9.0%, as calculated in the table below:

Table 34: Implied percentage of AUM

	Unit	Low	High
Assessed value of PWG on a control basis	\$m	406.0	450.0
AUM	\$bn	5.0	5.0
Value as a % of AUM	%	8.1%	9.0%

Source: Deloitte Corporate Finance analysis

A key driver of the percentage of AUM metric is the earnings generated from the underlying AUM. Companies that have a higher percentage of operating earnings per AUM (i.e. generate higher earnings from AUM) generally have a higher percentage of AUM metric. In this regard, PWG's EBITDA per AUM percentage of 0.5% is higher than the median of comparable listed companies and median of comparable transactions, and therefore supports PWG having a higher percentage of AUM metric than the median for the comparable listed companies.

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6.3.2 Capitalisation of earnings method

We have also used the capitalisation of earnings method as a cross-check of our valuation of PWG. In using it as a cross-check, we determined the IRR implied by our valuation, and then assessed the reasonableness of this IRR having regard to the discount rates applicable for comparable funds management businesses.

As we were not provided with forecast cash flows beyond FY21, we prepared a high level, capitalisation of earnings calculation using the Gordon Growth method and the following assumptions:

- maintainable pre-tax earnings of \$29.5m, being the mid-point of the range adopted in our valuation
- 30% company tax rate
- no adjustment for capital expenditure, depreciation and working capital on the basis that historical evidence and our own experience suggests these are likely to be insignificant
- earnings growth of 2% into perpetuity.

These capitalised cash flows imply an internal rate of return of 7% based on the mid-point of our valuation range for PWG. This is also often described as a discount rate. Such a discount rate is not unreasonable based on our experience of the cost of capital that is typically ascribed to a fund management business that generates a significant portion of fee income from base management fees derived from the value of completed and well tenanted properties.

Consequently, we consider this high level capitalisation of earnings analysis supports our valuation range determined under the primary market multiples method.



7 Valuation of the Consideration

7.1 Introduction

We have estimated the market value of the Consideration to be in the range from \$1.43 to \$1.52 per PWG security, as set out in the table below.

Table 35: Value of the Consideration

\$	Low	High
Cash component of the Consideration	\$0.20	\$0.20
Scrip component of the Consideration	\$1.23	\$1.32
Total value of the Consideration	\$1.43	\$1.52

Source: Deloitte Corporate Finance analysis

We have estimated the market value of a security in the PME (on a minority basis) to be in the range of \$2.60 to \$2.80 per security. When applied to the merger conversion ratio of 0.473, this results in a value of \$1.23 to \$1.32. This valuation has been performed on a minority interest basis because if the Proposed Transaction proceeds, PWG securityholders will become minority securityholders in the PME.

We have selected the market based method to assess the market value of a security in the PME, having regard to recent market trading activity in CNI securities. In selecting the market based method, we have taken into account that PWG securityholders will collectively only hold 23.8% of the PME subsequent to the implementation of the Proposed Transaction.

7.2 Analysis of recent share trading in CNI securities

The trading price of a listed company security should provide an objective assessment of the market value of the entity's equity where the market is well informed and liquid. Market prices incorporate the influence of all publicly known information relevant to the value of an entity's securities.

In the six months and twelve months prior to the announcement of the Proposed Transaction, 124.0m and 293.5m CNI securities were traded respectively, representing 22.0% and 55.0% of CNI's outstanding securities on issue. Approximately 3.3% of CNI's securities on issue have traded since the announcement of the Proposed Transaction. We consider that there is modest but adequate liquidity in CNI securities.

CNI periodically releases reports detailing operational activities as well as financial information regarding CNI's financial performance and position. Further, both CNI and PWG released several announcements to the market detailing the terms and the strategic rationale underpinning the Proposed Transaction.

CNI is covered by six equity research brokerage houses, between them adopting a range of fundamental valuation approaches to assess the value of CNI on an ongoing basis. As at 11 May 2021 at least five of the brokerage houses had released reports detailing the Proposed Transaction.

If the Proposed Transaction is successful, the new CNI securities received by PWG securityholders will effectively be securities in the PME. CNI's securities trading since the announcement of the Proposed Transaction on 19 April 2021 effectively incorporates the market's view of the prospects of the PME, to the extent that the market expects the Proposed Transaction will be implemented.

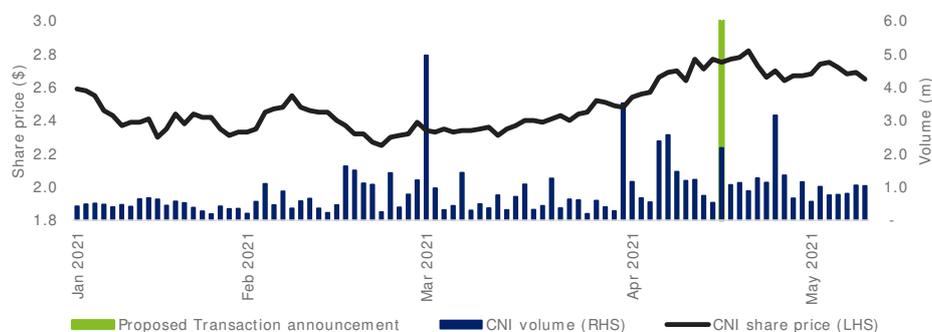
Due to the moderate liquidity of CNI's securities and the amount of information available to the market regarding both CNI and PWG and the Proposed Transaction, we are of the view that the market price of a CNI security after the announcement of the Proposed Transaction provides good evidence of the market price of the consideration offered.

The figure below illustrates CNI's security price history for the period starting 1 January 2021 until 11 May 2021.

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Figure 17: CNI security price performance



Note:

1. The Proposed Transaction was announced on 19 April 2021.

Sources: S&P Capital IQ, ASX announcements, Deloitte Corporate Finance analysis

The closing security price of a CNI security on the day prior to the announcement of the Proposed Transaction was \$2.77 per security, whilst its most recent closing price was \$2.65 per security on 11 May 2021. CNI securities initially decreased by 2 cents on the day of the transaction to \$2.75, followed by a period of price volatility with closing prices ranging from \$2.64 to \$2.82 with a VWAP of \$2.72 per security, as the market traded based on the new information. Post the announcement of the Proposed Transaction, broker target prices are in the range of \$2.49 to \$3.00 per security.

Set out below is the market trading of CNI securities since the announcement of the Proposed Transaction.

Table 36: Trading in CNI securities since the announcement of the Proposed Transaction

\$	Price
Security Price Trading Range from 19 April 2021 to 11 May 2021	2.64 to 2.82
VWAP from 19 April 2021 to 11 May 2021	2.72
Most recent trading price as at 11 May 2021	2.65

Sources: S&P Capital IQ, Deloitte Corporate Finance analysis

The following factors are likely to have an impact on the market's view around the PME, hence having an impact on CNI's security price since the announcement of the Proposed Transaction:

- the Proposed Transaction is perceived to be value accretive to both CNI and PWG securityholders as set out in the analysis presented in Section 5.5
- the Proposed Transaction will change the profile of CNI, as the PME is a larger and more diversified portfolio when compared to CNI on a standalone basis
- the Directors of PWG have already announced their intentions to vote in favour of the Proposed Transaction subject to certain conditions.

Based on this, we have assessed the value of a security in PME to be in the range of \$2.60 to \$2.80.

7.3 Valuation cross-check

We have cross-checked the valuation of the PME by reference to market multiples implied by trading in listed companies, and transactions in comparable companies.

The EBITDA and AUM multiple implied by our valuation of the PME is set out in the table below.

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Table 37: Cross-check of the PME valuation

	Unit	Low	High
Value per PME security	\$	2.60	2.80
Pro forma number of securities	m	787.8	787.8
Equity value of the PME	\$m	2,048.2	2,205.7
less: VTH co-investment	\$m	(37.9)	(37.9)
less: VTH management rights	\$m	(8.0)	(8.0)
add: value of net debt	\$m	129.6	129.6
less: value of co-investments	\$m	(797.1)	(797.1)
Enterprise value of the PME	\$m	1,410.6	1,568.1
AUM ¹	\$bn	15.2	15.2
EV/ AUM	%	9.3%	10.3%
EBITDA ²	\$m	79.7	79.7
EBITDA multiple	Times	17.7	19.7

Notes:

- AUM comprises the total PME AUM of \$15.5bn, less the AUM of VTH (\$0.3bn)
- Pro forma EBIT of the PME (as set out in Table 26), excluding co-investment and interest income, and adjusted for estimated depreciation (using FY20 depreciation as a proxy), and earnings from the VTH management rights.

Sources: S&P Capital IQ, Deloitte Corporate Finance analysis

The cross-check eliminates the contribution of co-investments and other assets in order to imply the multiples of the core funds management business. Surplus assets, including the value attributable to the management rights of VTH and the value of the VTH co-investment have been excluded, based on the most recent offer made between Macquarie and VTH. The value of other unlisted co-investments was estimated by reference to the most recent assessment for fair value accounting, and listed co-investments were assessed by reference to recent security trading prices.

In relation to the cross-check set out above, we had regard to the following:

- the PME represents a larger, more diversified (as measured by geography, sector and fund type exposure) real estate funds manager than either PWG or CNI on a stand-alone basis. The Management teams from both entities will continue to run the operations of the combined business, and furthermore, expect to realise revenue and cost synergies across the combined businesses
- with reference to our analysis and discussion in Section 6, we consider that PME is likely to trade at a multiple substantially higher than that implied by the listed equities fund managers and also the recent transactions and closer to the multiples of the real estate investment entities.

We consider the observed market parameters to broadly support our valuation of the PME.



Appendix 1: Context to the report

Individual circumstances

We have evaluated the Proposed Transaction for PWG securityholders as a whole and have not considered the effect of the Proposed Transaction on the particular circumstances of individual investors. Due to their particular circumstances, individual investors may place a different emphasis on various aspects of the Proposed Transaction from the one adopted in this report. Accordingly, individuals may reach different conclusions to ours on whether the Proposed Transaction is fair and reasonable. If in doubt investors should consult an independent adviser, who should have regard to their individual circumstances.

Limitations, qualifications, declarations and consents

Our opinion is based on the prevailing economic, market and other conditions as at the date of this report. Such conditions can change significantly over relatively short periods of time. Recent volatility in capital markets and the current economic outlook have created significant uncertainty with respect to the valuation of assets. Recognising all of these factors, our valuation and therefore our opinion may be more susceptible to change than would normally be the case.

The report has been prepared at the request of the Independent Directors of PWG and is to be included in the Target's Statement to be given to PWG securityholders for approval of the Proposed Transaction.

Accordingly, it has been prepared only for the benefit of the Independent Directors and those persons entitled to receive the Target's Statement in their assessment of the Proposed Transaction outlined in the report and should not be used for any other purpose. Neither Deloitte Corporate Finance, Deloitte Touche Tohmatsu, nor any member or employee thereof, undertakes responsibility to any person, other than the PWG securityholders and PWG, in respect of this report, including any errors or omissions however caused.

This engagement has been conducted in accordance with professional standard APES 225 Valuation Services issued by the Accounting Professional and Ethical Standards Board Limited.

Statements and opinions contained in this report are given in good faith but, in the preparation of this report, Deloitte Corporate Finance has relied upon the completeness of the information provided by PWG and CNI and its officers, employees, agents or advisors (as set out below in 'Sources of Information'). Deloitte does not imply, nor should it be construed, that it has carried out any form of audit or verification on the information and records supplied to us.

Drafts of our report were issued to PWG and CNI management, and their advisors, for confirmation of factual accuracy.

In recognition that Deloitte Corporate Finance may rely on information provided by PWG and its officers, employees, agents or advisors, PWG has agreed that it will not make any claim against Deloitte Corporate Finance to recover any loss or damage which PWG may suffer as a result of that reliance and that it will indemnify Deloitte Corporate Finance against any liability that arises out of either Deloitte Corporate Finance's reliance on the information provided by PWG and its officers, employees, agents or advisors or the failure by PWG and its officers, employees, agents or advisors to provide Deloitte Corporate Finance with any material information relating to the Proposed Transaction.

To the extent that this report refers to prospective financial information we have considered the prospective financial information and the basis of the underlying assumptions. The procedures involved in Deloitte's consideration of this information consisted of enquiries of PWG personnel and analytical procedures applied to the financial data. These procedures and enquiries did not include verification work nor constitute an audit or a review engagement in accordance with standards issued by the AUASB or equivalent body and therefore the information used in undertaking our work may not be entirely reliable.

APPENDIX 1. INDEPENDENT EXPERT'S REPORT



Based on these procedures and enquiries, Deloitte considers that there are reasonable grounds to believe that the prospective financial information for PWG and CNI included in this report has been prepared on a reasonable basis in accordance with ASIC RG 111. In relation to the prospective financial information, actual results may be different from the prospective financial information of PWG and CNI referred to in this report since anticipated events frequently do not occur as expected and the variation may be material. The achievement of the prospective financial information is dependent on the outcome of the assumptions. Accordingly, we express no opinion as to whether the prospective financial information will be achieved.

Deloitte Corporate Finance holds the appropriate Australian Financial Services licence to issue this report and is owned by the Australian Partnership Deloitte Touche Tohmatsu. The employees of Deloitte Corporate Finance principally involved in the preparation of this report were Tapan Parekh, Partner, M.Com, B.Bus, F.Fin, CA (BV Specialist) and Stephen Reid, Partner, M App. Fin. Inv., B.Ec, CA. Each has many years experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports.

Consent to being named in disclosure document

Deloitte Corporate Finance Pty Limited (ACN 003 833 127) of 225 George Street, Sydney, NSW, 2000 acknowledges that:

- PWG proposes to issue a disclosure document in respect of the Proposed Transaction (the Target's Statement)
- the Target's Statement will be issued in hard copy and be available in electronic format
- it has previously received a copy of the draft Target's Statement for review
- it is named in the Target's Statement as the 'independent expert' and the Target's Statement includes its independent expert's report in Appendix 1 of the Target's Statement.

On the basis that the Target's Statement is consistent in all material respects with the draft Target's Statement received, Deloitte Corporate Finance Pty Limited consents to it being named in the Target's Statement in the form and context in which it is so named, to the inclusion of its independent expert's report in Appendix 1 of the Target's Statement and to all references to its independent expert's report in the form and context in which they are included, whether the Target's Statement is issued in hard copy or electronic format or both.

Deloitte Corporate Finance Pty Limited has not authorised or caused the issue of the Target's Statement and takes no responsibility for any part of the Target's Statement, other than any references to its name and the independent expert's report as included in Appendix 1 of the Target's Statement.

Sources of information

In preparing this report we have had access to the following principal sources of information:

- draft copy of the Target's Statement and Bidder's Statement
- financial reports for FY18, FY19, FY20 and 1HY21 for both PWG and CNI
- CNI and PWG merger announcement presentations dated 19 April 2021
- PWG company website
- CNI company website
- publicly available information on comparable companies and market transactions published by ASIC, Thomson Research, S&P Capital IQ and Mergermarket
- ASX announcements
- other publicly available information, media releases and brokers reports on PWG and CNI and the real estate funds management industry / sectors.

In addition, we have had discussions and correspondence with certain directors and executives, including Erin Flaherty, Independent Non-Executive Director; Hamish Beck, Independent Non-Executive Director; David Creasy, Chief Financial Officer; as well as their advisers Moelis, in relation to the above information and to current operations and prospects.

Appendix 2: Valuation methodologies

Common market practice and the valuation methodologies which are applicable to corporate entities and businesses can be categorised under one of the following three approaches.

Market approach

The market approach involves the determination of fair value having regard to pricing and other metrics implied by market trading or transactions of comparable assets. Such methods commonly include:

- earnings multiples
- analysis of an entity's recent share trading history
- industry specific methods.

The earnings multiple method estimates fair value as the product of an entity's earnings and appropriate earnings multiple. An appropriate earnings multiple is derived from market trading and/or transactions involving comparable companies. The earnings multiple method is appropriate where the entity's earnings are relatively stable.

The most recent share trading history provides evidence of the fair value of the shares in an entity where they are publicly traded in an informed and liquid market.

Industry specific methods estimate market value using rules of thumb for a particular industry. Generally, rules of thumb provide less persuasive evidence of the market value of an entity than other valuation methods because they may not account for entity specific factors.

Income approach

The income approach involves the determination of fair value based on the present value of future amounts. Discounted cash flow methods estimate fair value by discounting an entity's future cash flows using an appropriate cost of capital to reflect the risks of the cash flows, to a net present value. These methods are appropriate where a projection of future cash flows can be made with a reasonable degree of confidence. Discounted cash flow methods are commonly used to value early stage companies or projects with a finite life.

Cost approach

The cost approach involves the determination of fair value based on the cost of replacement. Such methods estimate the fair value of an entity's shares based on the realisable value of its identifiable net assets, and typically comprise:

- orderly realisation of assets method
- liquidation of assets method
- net assets on a going concern basis.

The orderly realisation of assets method estimates fair value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not necessarily be appropriate. The net assets on a going concern basis method estimates the market values of the net assets of an entity but does not take account of realisation costs.

These asset-based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they ignore the value of intangible assets such as customer lists, management, supply arrangements and goodwill. Asset based methods are appropriate when companies are not profitable, a significant proportion of an entity's assets are liquid, or for asset holding companies.



Appendix 3: Comparable companies

The table below sets out our selected comparable listed companies. We have attempted to identify those companies whose primary operations are in the provision of funds management services to property funds, however, there are no listed Australian pure-play property funds managers (of scale) and therefore we have considered companies that are in the broader funds management industry. We recognise that there are other Australian listed real estate entities which operate as real estate investment managers, however, considering the substantial co-investment portfolios of these managers (along with, in some cases, other business activities) it is difficult to isolate metrics for the fund management component to allow for suitable and accurate comparison to PWG, CNI and PME.

Table 38: Comparable listed companies

Company name	Market cap ¹ (\$m)	EV ² (\$m)	Gearing	EBITDA multiple			EBITDA margins			AUM (\$m)	EV / AUM	LTM Revenue / AUM	LTM EBITDA / AUM
				LTM ³	Current ^{4,5}	Forward ^{4,5}	LTM ³	Current ^{4,5}	Forward ^{4,5}				
CNI	1,663	1,022 ²	6.2%	23.9x ²	17.3x ²	16.7x ²	29%	38%	38%	10,200	10.0% ²	1.4%	0.4%
Real estate fund managers													
Charter Hall	6,553	6,609	0.8%	22.9x	19.2x	16.1x	51%	74%	75%	46,400	n/a	n/a	n/a
APN Property	296	284	0.0%	20.7x	20.0x	19.6x	53%	53%	51%	2,900	n/a	n/a	n/a
Equity fund managers													
Platinum	2,735	2,445 ²	0.0%	12.2x ²	12.6x ²	12.7x ²	74%	73%	71%	23,598	10.4% ²	1.1%	0.8%
Perpetual	1,943	1,991 ²	2.4%	14.3x ²	10.1x ²	8.5x ²	27%	32%	33%	89,200	2.2% ²	0.6%	0.2%
Pendal	2,182	1,771 ²	0.0%	10.0x ²	9.0x ²	8.0x ²	37%	37%	40%	101,700	1.7% ²	0.5%	0.2%
Australian Ethical	981	959 ²	0.0%	n/m	n/a	n/a	28%	n/a	n/a	5,046	19.0% ²	1.0%	0.3%

Notes:
 1. Market capitalisation is as at 11 May 2021, with the exception of CNI which is as at 16 April 2021 (being the last trading day before the transaction was announced)
 2. EV has been adjusted to exclude co-investments. The adjusted enterprise value is used to calculate EBITDA and AUM multiples
 3. For the 12 months to 31 December 2020, with the exception of Pendal which is 30 September 2020
 4. Financial year ended 30 June 2021, with the exception of Pendal which is 30 September 2021
 5. Current and Forward EBITDA multiples are based on broker projections, adjusted to exclude co-investment income in CNI and PWG.
 Sources: S&P Capital IQ, Deloitte Corporate Finance analysis



Appendix 4: Comparable transactions

Table 39: Comparable transactions

Announcement date	Target	Acquirer	Consideration ¹ (\$m)	AUM consideration as % of AUM ¹	Implied EBIT multiple ¹	Implied EBIT/DA multiple ¹	Implied EBIT/DA / AUM	
Mar-21	Precinct Properties New Zealand Limited	Precinct Properties New Zealand Limited	197	3,203	6.1%	14.7x	n/a	0.4%
Oct-20	Investec Australia Property Fund	Investec Property Limited	40	1,385	2.9%	9.1x	9.1x	0.3%
Jun-20	GoFARM Asset Management	Primewest	10	283	3.5%	n/a	n/a	n/a
Jun-20	Augusta Capital Limited	Centuria Capital Group	49	1,723	2.8%	5.0x	n/a	0.6%
Sep-19	GARDA Capital Group	GARDA Diversified Property Fund	31	404	7.6%	9.1x	9.0x	0.8%
May-19	Heathley Limited	GNI	39	620	6.2%	12.1x ²	n/a	0.8%
Aug-18	Folkestone	Charter Hall Group	56	1,609	3.5%	7.7x	n/a	0.5%
Aug-18	Aventus Property Group Pty Limited	AHL	148	2,000	7.4%	n/a	9.1x	0.8%
Aug-17	Astro Japan Property Group	Blackstone	22	1,163	1.9%	8.0x	n/a	0.2%
May-17	Armada Real Estate Asset Management	Moelis Australia	30	800	3.7%	n/a	n/a	n/a
Nov-16	360 Capital listed property platform	Centuria Capital Group and associated entities	102	1,395	7.3%	11.2x	n/a	0.7%
Jul-16	GPT Management Holding Limited	Growthpoint Properties Australia Trust	9	439	2.0%	6.9x	n/a	0.3%
Jun-16	Generation Healthcare management platform	Northwest Healthcare Properties REIT	36	2,000	1.8%	n/a	n/a	n/a
Mar-16	Investa Office Management Platform	Investa Commercial Property Fund	90	8,500	1.1%	9.4x	8.7x	0.1%
Jan-15	Valad Europe property management platform	Cromwell Property Group	158	7,600	2.1%	n/a	6.4x	0.3%
Nov-14	Arena Investment Management	Arena	12	384	3.0%	10.5x	n/a	0.3%
Jun 14 / Dec 13	Westfield Australia and New Zealand real estate	Westfield Retail Trust (Scentre Group)	2,158 ³	38,600	5.6%	11.1x	n/a	0.5%
Dec-13	Commonwealth Property Office Fund (CPA)	DEXUS	41	3,700	1.1%	n/a	n/a	n/a
Dec-13	Commonwealth Managed Investments	CFS Retail Property Trust	475	13,939	3.4%	12.4x	n/a	0.3%
Average			195	4,724	3.8%	9.8x	8.5x	0.5%
Median			41	1,609	3.4%	9.4x	9.0x	0.4%

Notes:

1. Consideration paid is on a 100% interest acquisition basis and excludes any amounts paid for co-investments at the completion of the transaction. This adjusted consideration is used to calculate EBIT and AUM multiples
2. Adjusted to include NTA
3. The consideration is based on the implied value of the management platform set out in the securityholder booklet dated April 2014.

Sources: S&P Capital IQ, Deloitte Corporate Finance analysis

APPENDIX 1. INDEPENDENT EXPERT'S REPORT



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DIRECTORY

Issuer of Centuria Securities

Centuria Capital Group
Level 41, Chifley Tower
2 Chifley Square
Sydney NSW 2000
Australia

Offeror

Centuria Capital Limited,
acting in its own capacity and
as nominee for Centuria Capital Fund
Level 41, Chifley Tower
2 Chifley Square
Sydney NSW 2000
Australia

Financial Adviser

Moelis Australia
Level 27, Governor Philip Tower
One Farrer Place
Sydney, NSW 2000
Australia

Tax Adviser

PwC
One International Towers
Watermans Quay
Barangaroo NSW 2000

Share Registry of the Offeror

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Australia

Australian Legal Advisers

Hamilton Locke Pty Ltd
Australia Square
Level 42/ 264 George Street
Sydney NSW 2000
Australia

