

PRIMEWEST (PWG)
ASX RELEASE
29 JANUARY 2020

PROPOSED INITIAL PUBLIC OFFERING AND ASX LISTING OF PRIMEWEST COMMERCIAL REIT

- Since 1 July 2019, Primewest has grown assets under management by \$163 million with a strong pipeline into 2H20
- Primewest is preparing for an IPO and ASX listing of a new commercial real estate investment trust
- If the Transaction proceeds, the Fund will initially own four investment grade commercial properties independently valued at approximately \$285 million
- Primewest will be the largest investor in the Fund with a 15.0% interest and will pay the establishment costs associated with the Offer

Transaction overview

Primewest (**ASX:PWG**) is pleased to announce that it is preparing for an Initial Public Offering (**IPO**) and ASX listing of a new real estate investment trust, the Primewest Commercial REIT (**PCR** or **the Fund**).

It is intended that the Fund will initially own a portfolio of four office buildings, independently valued at approximately \$285 million. These assets are currently held in single-asset funds managed by Primewest. The initial proposed portfolio is strategically weighted towards the recovering Perth office market.

At IPO, the Fund will have an indicative market capitalisation of approximately \$288 million. The Fund will initially be unlevered which will provide significant debt capacity to grow and enhance the portfolio with the potential to deliver earnings growth.

John Bond, Executive Chairman of Primewest said: “The Primewest Commercial REIT will offer new and existing investors an opportunity to invest in a diversified investment grade portfolio of office assets located within the Perth CBD and broader Brisbane area. The initial portfolio is concentrated in Perth which has significant potential upside and represents compelling value to equivalent assets across Australia. Primewest is an experienced funds manager that has an excellent track record in these markets. The Fund will continue Primewest’s tradition of acquiring assets that provide strong cash distributions and potential for solid capital growth

for investors. We are excited about the growth potential of the Fund and look forward to progressing the transaction”.

Primewest contribution

Primewest will be the largest securityholder of the Fund with a 15.0% initial interest and will pay all the establishment costs and fees related to the Offer. The acquisition of the initial interest and payment of costs will be paid out of Primewest’s cash reserves. As a result of Primewest’s contribution, the Net Tangible Assets (**NTA**) per security is equal to the offer price of the Securities in the IPO.

David Schwartz, Managing Director of Primewest commented: “Primewest strives to be closely aligned with its investors across all its funds. Consistent with this philosophy, Primewest intends to make a \$43 million cornerstone investment in Primewest Commercial REIT and bear the costs of the offer. This will allow new investors to acquire securities in the Fund at its NTA per security whilst existing fund investors’ NTA will not be impacted”.

Transaction steps

The Transaction is subject to a number of conditions, including approval from the existing investors within each fund. Existing investors will be given the opportunity to participate in the IPO or redeem their securities at their respective NTA.

PDS availability

Subject to market conditions, the Fund is targeting the lodgement of a Product Disclosure Statement (**PDS**) with the Australian Securities and Investments Commission (**ASIC**) for an offer of securities in the Fund in March 2020. Any offer of securities in the Fund will be made pursuant to the PDS to be lodged by Primewest with ASIC in due course (and made available on Primewest’s website) and you should consider the PDS in deciding whether to invest in the Fund.

Advisers

Primewest has appointed Moelis Australia Advisory Pty Ltd as the financial adviser and sole lead manager to the IPO and Hamilton Locke as legal adviser.

For further information please contact David Schwartz or John Bond on (08) 9321 7133.

About Primewest

ASX listed Primewest (ASX:PWG) is an Australian property fund manager with over \$4 billion of assets under management across all mainland states of Australia and in the west coast of the USA. Established in 1995, PWG is a property manager, operating in the retail, industrial, commercial, residential and large format retail property sectors with a focus to achieve maximum returns for holders of its stapled securities and investors in the underlying funds it manages.