

22 October 2020

Ms Melissa Lim
Listing Compliance (Sydney)
ASX Compliance Pty Ltd
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

CLEANSING NOTICE

Dear Ms Lim

Centuria Capital Group (ASX: CNI): Cleansing notice in respect of pro-rata non-renounceable entitlement offer

Notice under sections 708AA(2)(f) and 1012DAA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by Centuria Capital Limited ACN 095 454 336 (**Company**) and Centuria Funds Management Limited ACN 607 153 588 (**CFML**) as responsible entity of the Centuria Capital Fund ARSN 613 856 358 (**Fund**) (together with Centuria Capital, **CNI**).

This notice is given in accordance with sections 708AA(2)(f) and 1012DAA(2)(f) of the Corporations Act 2001 (Cth) (**Corporations Act**), as modified by Australian Securities and Investments Commission's Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**Legislative Instrument**).

Further details regarding the Entitlement Offer (as defined below) are set out in the ASX announcement and Investor Presentation released today by CNI.

Background

Each unit in the Fund is stapled to 1 share in the Company and the unit and share trade as a stapled security (**Stapled Security**).

CNI has today announced an accelerated pro-rata non-renounceable entitlement offer of Stapled Securities to raise approximately \$80.5 million (before costs) (**Entitlement Offer**).

Under the Entitlement Offer, the Issuers are offering 1 new Stapled Security (**New Stapled Security**) for every 15 Stapled Securities held by eligible CNI securityholders as at 7.00 pm on 26 October 2020 (**Eligible Securityholders**), at an issue price of \$2.25 per New Stapled Security.

CNI is also undertaking an institutional placement of approximately \$19.5 million (**Placement**).

Cleansing notice in respect of the Entitlement Offer

With respect to the Entitlement Offer, the Issuers advise that:

- (a) the New Stapled Securities will be offered without disclosure to investors under Part 6D.2 of the Corporations Act and without a product disclosure statement under Part 7.9 of the Corporations Act for the New Stapled Securities being prepared;
- (b) this notice is being given under sections 708AA(2)(f) and 1012DAA(2)(f) of the Corporations Act, as modified by the Legislative Instrument;
- (c) as disclosing entities, the Issuers are subject to regular reporting and disclosure obligations;
- (d) as at the date of this notice, the Issuers have complied with:

Centuria Capital Group

Centuria Capital Limited ABN 22 095 454 336
Centuria Capital Fund ARSN 613 856 358

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- (1) the provisions of Chapter 2M of the Corporations Act as they apply to each of the Fund and the Company respectively; and
- (2) section 674 of the Corporations Act as it applies to each of the Fund and the Company respectively;
- (e) as at the date of this notice, there is no excluded information in respect of the Issuers of the type referred to in sections 708AA(8), 708AA(9), 1012DAA(8) or 1012DAA(9) of the Corporations Act; and
- (f) the potential effect of the issue of the New Stapled Securities pursuant to the Entitlement Offer on the control of CNI and the consequences of that effect will depend on a number of factors, including the extent to which Eligible Securityholders take up New Stapled Securities under the Entitlement Offer and are described below.

Potential effect of the Entitlement Offer on the control of CNI

The Company is a "financial sector company" for the purposes of the Financial Sector (Shareholdings) Act 1998 (Cth) (**FSSA**). The FSSA regulates the acquisition of interests in financial sector companies and, in particular, generally limits the "stake" that a person may have in a financial sector company to 20%, which, in turn is defined by reference to the direct control interests of the person and their associates (which is broadly defined). Accordingly, under the FSSA, without the Commonwealth Treasurer's consent, the control of a stapled securityholder in CNI will be limited to 20%.

As at the date of this notice, the substantial holdings notified to CNI are as follows:

Substantial holder	Voting power
ESR Pte. Ltd, ESR Cayman Limited and each of its associates, WP OCIM ONE LLC, Warburg Pincus Private Equity X, LP, WP X Investment VI Ltd and Warburg Pincus X, LP and their associates	17.9%
Vanguard Group (The Vanguard Group, Inc and its controlled entities)	7.1%
Moelis Australia Asset Management Limited	5.5%

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

- (1) If all Eligible Securityholders take up their entitlements under the Entitlement Offer only, then new investors¹ will receive 8.7 million New Stapled Securities (being 1.5% of Stapled Securities on issue in CNI following the Placement and Entitlement Offer) and the interests of those Eligible Securityholders who do not take-up their entitlements under the Entitlement Offer will only be marginally diluted;
- (2) If 50% of Eligible Securityholders take up their entitlements under the Entitlement Offer only, then new investors² will receive 26.5 million New Stapled Securities (being 4.6% of Stapled Securities on issue in CNI following the Placement and Entitlement Offer) and the interests of those Eligible Securityholders who do not take-up their entitlements under the Entitlement Offer will be diluted accordingly;

¹ Potentially including the Underwriters and certain sub-underwriters appointed in relation to the Placement and Entitlement Offer.

² Potentially including the Underwriters and certain sub-underwriters appointed in relation to the Placement and Entitlement Offer.

- (3) If 25% of Eligible Securityholders take up their entitlements under the Entitlement Offer only, then new investors³ will receive 35.5 million New Stapled Securities (being 6.1% of Stapled Securities on issue in CNI following the Placement and Entitlement Offer) and the interests of those Eligible Securityholders who do not take-up their entitlements under the Entitlement Offer will be diluted accordingly; and
- (4) If no Eligible Securityholders take up their entitlements under the Entitlement Offer only, then new investors⁴ will receive 44.4 million New Stapled Securities (being 7.6% of the Stapled Securities on issue in CNI following the Placement and Entitlement Offer) and the interests of all Eligible Securityholders will be diluted accordingly.

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

- (a) the FSSA and the maximum "stake" of 20% that a person may hold in CNI;
- (b) the existing spread of substantial holders referred to above; and
- (c) the offer ratio of 1:15.

The Underwriter has at the date of this notice received sub-underwriting commitments for 53.4% of the New Stapled Securities to be issued under the Entitlement Offer.

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

Yours faithfully,



Anna Kovarik

Company Secretary of Centuria Capital Limited
and Centuria Funds Management Limited (as
responsible entity of the Centuria Capital Fund)

Important notice regarding future performance

This Notice contains certain 'forward-looking statements'. Forward looking statements can generally be identified by the use of forward looking words such as "anticipate", "likely", "expect", "intend", "should", "could", "may", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions. To the extent that certain statements contained in this Notice may constitute a 'forward-looking statement' or statements about forward-looking matters, then the information reflects CNI's (and no other party's) intent, belief or expectations as at the date of this Notice. Forward looking statements, opinions and estimates provided in this Notice are inherently uncertain and are based on assumptions and estimates which are subject to certain risks, uncertainties and change without notice, as are statements about market and industry trends, which are based on interpretation of market conditions. Actual results and performance may vary materially because events and actual circumstances frequently do not occur as forecast and future results are subject to known and

³ Potentially including the Underwriters and certain sub-underwriters appointed in relation to the Placement and Entitlement Offer.

⁴ Potentially including the Underwriters and certain sub-underwriters appointed in relation to the Placement and Entitlement Offer.

unknown risk such as changes in market conditions and in regulations. Investors should form their own views as to these matters and any assumptions on which any of the forward looking statements are based and not place reliance on such statements. To the maximum extent permitted by law, CNI and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.