

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.

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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