

# Augusta Industrial Fund Limited

Other material information relating to the offer of ordinary shares in Augusta Industrial Fund Limited

11 May 2021

## 1 GENERAL

This information contained in this document should be read in conjunction with Augusta Industrial's product disclosure statement dated 11 May 2021 (the *PDS*) and other information presented on the Offer Register.

Capitalised terms in this document have the same meaning as the terms defined in the PDS. This document contains the following information:

- A description of the total estimated costs of the Offer and issue;
- A statement that consent has been provided to the inclusion of:
  - The Independent Limited Assurance Report on the Offer Register from Ernst & Young Strategy and Transactions Limited;
  - The Valuation Report for Tidal Road on the Offer Register from Jones Lang LaSalle Limited; and
  - The market overview of the industrial property market in the PDS from Bayleys Research, a division of Bayleys Realty Group Limited.
- A summary of certain material contracts in relation to the Offer.

## 2 TOTAL ESTIMATED COSTS OF THE OFFER AND ISSUE

The total estimated costs of the Offer and the issue of new Shares are approximately \$4,797,817 (which assumes \$80 million is raised under the Offer from investors). Of this, \$1,260,000 is an estimate of the total amount to be paid by Augusta Industrial to Bayleys Real Estate Limited (*Bayleys*) as brokerage fees for the sole selling agent services provided by it. The amount to be paid to Bayleys will depend on the amount raised under the Offer, with brokerage payable at a rate of 1.75% of the gross proceeds of the Offer that are not received from CPIPL under its underwriting or loan commitments or from Centuria Capital NZ under its firm commitment for \$8 million of Shares.

The total estimated costs of the Offer also include (i) \$70,000 as an estimate of the total amount to be paid by Augusta Industrial to Ernst and Young Strategy and Transactions Limited in respect of its preparation of the Independent Limited Assurance Report; and (ii) \$4,750 as the total amount to be paid to Jones Lang LaSalle Limited in respect of its preparation of the Valuation Report for Tidal Road.

## 3 EXPERT CONSENTS

Ernst & Young Strategy and Transactions Limited has consented in writing to the inclusion on the Offer Register of the Investigating Accountant's Independent Limited Assurance Report dated 11 May 2021 in the form and context in which it appears on the Offer Register.

Jones Lang LaSalle Limited has consented in writing to the inclusion on the Offer Register of the Valuation Report for Tidal Road dated 31 March 2021 in the form and context in which it appears on the Offer Register.

Bayleys Realty Group Limited has consented in writing to the inclusion in the PDS of the market overview of the industrial property market prepared by Bayleys Research, a

division of Bayleys Realty Group Limited in the form and context in which it appears in the PDS.

#### 4 MATERIAL CONTRACTS

##### **Underwriting Agreement**

Augusta Industrial and CPIPL have entered into an underwriting agreement, dated 10 May 2021 pursuant to which CPIPL has agreed to:

- underwrite an amount (the *Total Underwritten Amount*) equal to the lesser of:
  - up to 20% of the total number of Shares on issue immediately following the issue of Offer Shares less the number of Shares held by Centuria Capital NZ (and any other associate of CPIPL or Centuria Capital NZ) immediately following the issue of the Offer Shares; and
  - up to 25% of the Shares on issue immediately following the issue of Offer Shares, less the number of Shares held by Centuria Capital NZ (and any other associate of CPIPL or Centuria Capital NZ) immediately following the issue of Offer Shares and less the number of Shares held by investors who are “overseas persons” for the purposes of the Overseas Investment Act 2005 immediately following the issue of Offer Shares,

provided that in no circumstances shall the total underwritten amount, together with the amount advanced under the Subordinated Loan exceed NZ \$72,000,000; and

- subscribe for all shortfall shares (being the difference between 60,150,376 Shares and the number of Shares validly applied for by investors in Augusta Industrial before 23 June 2021) at the Issue Price up to a maximum that is equal to the Total Underwritten Amount divided by the Issue Price.

##### **Loan Commitment and Fee Agreement**

CPIPL and Augusta Industrial have entered into a loan commitment and fee agreement, on or about 10 May 2021 which records CPIPL’s subordinated loan commitment and the fees payable to CPIPL for its \$72,000,000 commitment (*Loan Commitment and Fee Agreement*).

The key terms of the Loan Commitment and Fee Agreement are:

<b>Subordinated Loan Agreement and Deed of Priority and Subordination</b>	In the event that subscriptions for less than 60,150,376 Shares are received under the Offer in the Offer Period (including any amount received from CPIPL pursuant to its underwriting commitment) Augusta Industrial may give notice to CPIPL requiring CPIPL to enter into a subordinated loan agreement with Augusta Industrial Fund No.1 in the form attached to the Loan Commitment and Fee Agreement ( <i>Subordinated Loan Agreement</i> ) and a deed of subordination and priority in the form agreed with Augusta Industrial and its lenders ( <i>Deed of Priority and Subordination</i> ) and to advance the amount it requires under the Subordinated Loan Agreement.
<b>Fees</b>	In consideration for agreeing to perform its obligations under the underwriting agreement and the Subordinated Loan Agreement, Augusta Industrial has agreed with CPIPL that it will receive a fee

	of \$2,160,000 including GST if any (being 3% of the total amount of NZ \$72,000,000 committed by CPIPL).
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The key terms of the Subordinated Loan Agreement, and the key terms that are expected to apply under the Deed of Priority and Subordination, are:

<b>Borrower</b>	Augusta Industrial Fund No. 1
<b>Lender</b>	CPIPL
<b>Guarantor</b>	Augusta Industrial Fund No. 2 Limited
<b>Loan Amount</b>	\$72 million less the amount raised by Augusta Industrial under the Offer (including any amount received from CPIPL pursuant to its underwriting commitment).
<b>Repayment</b>	<p>The Subordinated Loan will be repaid from the proceeds of the Follow-On Offer Shares. There is no final repayment date.</p> <p>Augusta Industrial Fund No.1 may make other repayments at its discretion (but subject to the Deed of Priority and Subordination).</p>
<b>Interest Rate</b>	4.75% per annum payable monthly
<b>Security</b>	A second ranking general security agreement granted in favour of CPIPL over the assets of Augusta Industrial Fund No.1 Limited and Augusta Industrial Fund No.2 Limited, other than property which is sensitive land as defined in the Overseas Investment Act 2005 and assets which may not be subject to security.
<b>Subordination</b>	<p>CPIPL will be subordinated to Westpac and ASB in right of payment and will be restricted from enforcing its security.</p> <p>Permitted payments will be:</p> <ul style="list-style-type: none"> <li>a) those consented to by ASB Bank Limited as the facility agent;</li> <li>b) payments of interest where no event of default is continuing or will occur as a result of the payment; or</li> <li>c) payments of principal from the proceeds of the Follow-On Shares.</li> </ul> <p>The Subordinated Loan will rank ahead of the Shares.</p>
<b>Financial Covenants</b>	None.