

Centuria NZ Healthcare Property Fund Limited

Other material information relating to the offer of
ordinary shares in Centuria NZ Healthcare
Property Fund Limited

1 March 2022

1 GENERAL

The information contained in this document should be read in conjunction with Centuria NZ Healthcare's product disclosure statement dated 1 March 2022 (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 the Initial Properties on the Offer Register from CBRE Limited (*CBRE*); and
 - the market overview of the retirement village 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 \$14,688,000 which assumes \$121 million is raised under the Offer from investors). Of this, \$2,118,000 is an estimate of the total amount to be paid by Centuria NZ Healthcare 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.

The total estimated costs of the Offer also include (i) \$170,000 as an estimate of the total amount to be paid by Centuria NZ Healthcare to Ernst and Young Strategy and Transactions Limited in respect of its preparation of the Independent Limited Assurance Report; and (ii) \$171,000 as the total amount to be paid to CBRE in respect of its preparation of the Valuation Report for the Initial Properties.

3 VALUER & 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 1 March 2022 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 retirement village 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*.

Valuation Report

CBRE has consented in writing to the inclusion on the Offer Register of the Valuation Report for the Initial Properties dated 22 December 2021 in the form and context in which it appears on the Offer Register.

None of the PDS, the marketing materials of the offer or any information on the Offer Register constitutes a recommendation by CBRE or any of its directors, officers, employees, agents or advisors to subscribe for, or purchase, any securities. You must make your own independent investigation and assessment before deciding whether or not to apply for the Shares.

The Valuation Report is strictly limited to the matters contained within those documents and are not to be read as extending, by implication or otherwise, to any other matter in respect of the offer or the securities. Without limitation to the above, to the maximum extent permitted by law, no liability is accepted for any loss, harm, cost or damager (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the real estate market subsequent to the date of valuation.

CBRE has prepared the Valuation Report on the basis of, and limited to, the financial and other information (including market information and third party information) and have proceeded on the basis that the information is accurate, reliable and complete and confirms that it has not tested the information in that respect.

Certain references to property value within the PDS have been extracted from a Valuation Report prepared for CPIPL. The Valuation Report draws attention to the key issues and considerations impacting value and provides a detailed assessment and analysis as well as key critical assumptions, assumptions, disclaimers, limitations and qualifications and recommendations. As property investments of this nature are inherently complex and market conditions can be subject to volatility, we require that any extracts must be read in concert with the Valuation Report. No responsibility is accepted for any loss or damage arising as a result of reliance upon these extracts.

The Valuation Report may not be reproduced in whole or in part without prior written approval of CBRE.

CBRE confirms that the valuer does not have a pecuniary interest that would conflict with a proper valuation of the Initial Properties.

Use by, or reliance upon the Valuation Report by, anyone other than CPIPL is not authorised by CBRE and CBRE is not liable for any loss arising from such unauthorised use or reliance.

4 MATERIAL CONTRACTS

Underwriting Agreement

Centuria NZ Healthcare and CPIPL have entered into an underwriting agreement, dated 25 February 2022, 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 any other associate of CPIPL 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 any associate of CPIPL 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\$121 million; and

- subscribe for all shortfall shares (being the difference between 121 million Shares and the number of Shares validly applied for by investors in Centuria NZ Healthcare before 12 April 2022) 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 Centuria NZ Healthcare have entered into a loan commitment and fee agreement, on or about 25 February 2022 which records CPIPL’s subordinated loan commitment and the fees payable to CPIPL for its \$121 million commitment (*Loan Commitment and Fee Agreement*).

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

Underwriting Loan and Deed of Subordination	In the event that subscriptions for less than 121 million Shares are received under the Offer in the Offer Period (including any amount received from CPIPL pursuant to its underwriting commitment) Centuria NZ Healthcare may give notice to CPIPL requiring CPIPL to enter into an underwriting loan with Centuria NZ Healthcare in the form attached to the Loan Commitment and Fee Agreement (<i>Underwriting Loan</i>) and a deed of subordination in a form to be agreed with Centuria NZ Healthcare and its lenders (<i>Deed of Subordination</i>) and to advance the amount it requires under the Underwriting Loan.
Fees	In consideration for agreeing to perform its obligations under the underwriting agreement and the Underwriting Loan, Centuria NZ Healthcare has agreed with CPIPL that it will receive a fee of \$3,630,000 including GST if any (calculated at 3% of \$121 million).

The key terms of the Underwriting Loan, and the key terms that are expected to apply under the Deed of Subordination, are:

Borrower	Centuria NZ Healthcare
Lender	CPIPL
Loan Amount	\$121 million less the amount raised by Centuria NZ Healthcare under the Offer (including any amount received from CPIPL pursuant to its underwriting commitment).
Repayment	The Underwriting Loan will be repaid from the proceeds of the Follow-On Offer Shares. There is no final repayment date.

	Centuria NZ Healthcare may make other repayments at its discretion (but subject to the Deed of Subordination).
Interest Rate	4.75% per annum payable monthly
Security	Unsecured
Subordination	CPIPL will be subordinated to ICBC and ANZ in right of payment and will be restricted from enforcing its security. The Underwriting Loan will rank ahead of the Shares.
Financial Covenants	None.