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PRIMEWEST (ASX:PWG)
ASX RELEASE
28 JANUARY, 2021

PRIMEWEST LAUNCHES \$55 MILLION PLACEMENT TO SUPPORT GROWTH

- AUM increased to \$4.9 billion as at 31 December 2020 with a further \$134 million under contract.
- Primewest announces a \$55.0 million fully underwritten equity raising to fund cornerstone investments in two unlisted funds managed by Primewest, and provide underwriting capacity for new funds.
- Primewest provides FY21 distribution guidance of 5.0 cents per security.¹

1H21 HIGHLIGHTS

Following a period of high transaction activity, Primewest Group Limited ("**Primewest**" or "**PWG**") is pleased to announce the following 1H21 highlights:

- 1H21 AUM growth of 8.9% from \$4.5 billion at 30 June 2020 to over \$4.9 billion with a further \$134 million under contract;
- Unaudited 1H21 Operating EPS of 2.1 cents per security; and
- Unaudited 31 Dec 2020 Pro Forma cash balance of \$26.5 million with no debt.²

John Bond, Chairman of Primewest, said "Primewest has continued to deliver on its strategy over 1H21, with consistent growth in assets under management ("**AUM**") following a period of high transaction activity. In particular, we achieved a number of milestones during the past six months including the expansion of our institutional daily needs mandate to over \$930 million and launch of Primewest Bespoke which currently manages \$170 million in assets."

NEW INITIATIVES

Primewest recently launched the Primewest Property Income Fund ("**PPIF**"). PPIF is an open ended investment trust with \$30 million in assets under contract. Primewest is targeting to secure \$150 million in assets in the next 12 months for this fund.

Primewest will also expand the mandate of its existing Primewest Agricultural Trust No.1 ("**PAF**"). Previously PAF had a target asset size of \$100 million. Having regard to the opportunities available in the market, the target fund size for PAF has been increased to \$350 million. Primewest will also explore the potential to list this fund on the ASX in due course.

¹ Primewest maintains a target distribution pay-out ratio of between 60% and 95% of Operating Earnings. There are no performance fees assumed in the distribution guidance for FY21.

² Primewest unaudited 31 Dec 20 cash balance adjusted for the 1H20 distribution payment, co-investments in funds and tax provision already paid.

David Schwartz, Managing Director of Primewest, said “We have been exploring the launch of an open ended investment fund for some time. The launch of Primewest Property Income Fund will provide our investors with the benefits of the Primewest investment process whilst having access to liquidity over time.”

“Further, since launching the Primewest Agricultural Fund in April 2020, we have sought to expand this fund through high quality acquisitions. We are now in active discussions with a number of vendors in a wider range of agricultural classes including almonds, tomatoes and vineyards. PAF will seek to acquire these assets in the coming months should they satisfy our due diligence protocols.”

“We are confident that these funds will be attractive to our existing investors and will also provide an opportunity to attract a broader investor universe over time.”

EQUITY RAISING

Primewest announces a fully underwritten institutional placement to raise \$55.0 million through the issue of approximately 43 million new securities (the “**Equity Raising**”).

New securities will be offered at an issue price of \$1.27 per security, representing:

- 5.9% discount to the last close price of \$1.35 per security on 27 January 2021; and
- 8.6% discount to the 5 day VWAP of \$1.39 per security on 27 January 2021.

Primewest will use the proceeds from the Equity Raising to become a cornerstone investor in both PPIF and PAF, investing approximately \$40 million in aggregate. Primewest will also have an additional \$40 million in cash on the balance sheet to provide underwriting capacity to support the growth of these funds and other initiatives in the next six months.³

DISTRIBUTION GUIDANCE

Primewest announces FY21 distribution guidance of 5.0 cents per security.¹

Primewest has traditionally delivered strong AUM growth over the second half of the financial year and, given 1H21’s strong unaudited results, is looking to continue its performance.

³ Primewest is the largest investor in Vital Harvest Freehold Trust with a 19.9% interest which is subject to a Scheme proposal from funds associated with Macquarie Group. In the event that the scheme proceeds, Primewest anticipates receiving a further \$45m in cash proceeds

TIMETABLE

Key event	Date
Trading halt and announcement of the Equity Raising	Thursday, 28 January 2021
Equity Raising bookbuild	Thursday, 28 January 2021
Normal trading resumes	Friday, 29 January 2021
Settlement of securities issued under the Equity Raising	Tuesday, 2 February 2021
Issue and ASX quotation of new securities	Wednesday, 3 February 2021

All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Australian Eastern Daylight Time (AEDT).

ADDITIONAL INFORMATION

The new securities will rank equally with existing Primewest securities on issue and will be entitled to any distribution paid for the six months ending 30 June 2021.

Primewest confirms that, pursuant to ASX Listing Rule 7.1, the institutional placement is within its existing placement capacity, representing approximately 12.4% of Primewest's existing issued share capital and does not require securityholder approval.

Moelis Australia Advisory Pty Ltd is acting as underwriter and sole lead manager to the Equity Raising. Euroz Hartleys Limited is acting as the co-lead manager to the Equity Raising. Hamilton Locke is acting as legal adviser.

Additional information about the Equity Raising, including key risks, is contained in the investor presentation released to the ASX today. All dollar amounts are in Australian dollars unless otherwise indicated.

– Ends –

This release is authorised by the Board of Directors of Primewest.

John Bond
Chairman

David Schwartz
Managing Director

About Primewest

ASX listed Primewest (ASX:PWG) is an Australian property fund manager with \$4.9 billion of assets under management across all mainland states of Australia and on the west coast of the USA. Established in 1995, PWG is a value-add and often counter-cyclical manager, operating in the retail, industrial, commercial, residential, large format retail and agricultural property sectors with a focus to achieve maximum returns for holders of its stapled securities and investors in the underlying funds it manages.

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