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SUCCESSFUL COMPLETION OF INSTITUTIONAL PLACEMENT

Challenger Limited (ASX CGF) (Challenger) today successfully completed the \$270 million fully underwritten institutional placement (Placement) announced Monday 22 June 2020.

Under the Placement, Challenger will issue approximately 55 million new fully paid ordinary shares (New Shares) to institutional investors at a price of \$4.89 per share, representing an 8.1% discount to Challenger's last traded price on Friday 19 June 2020.

Challenger received significant interest in the Placement from both domestic and offshore institutional investors, with the Placement significantly oversubscribed.

Eligible institutional shareholders who bid for an amount less than or equal to their pro rata share¹ of New Shares under the Placement have been allocated their full bid, on a reasonable endeavours basis.

The New Shares will rank equally with Challenger ordinary shares. The New Shares are expected to settle on Thursday 25 June 2020, and be issued and commence trading on the ASX on Friday 26 June 2020.

Challenger shares are expected to resume normal trading on the ASX from market open today.

Managing Director and Chief Executive Officer Richard Howes said: "We are very pleased with the strong support shown by institutional shareholders for Challenger's commitment to maintaining a strong capital position while at the same time providing flexibility to enhance earnings.

"This raise supports the business to remain strongly capitalised through this period of ongoing market uncertainty."

It is Challenger's intention that the capital raised will be prudently and progressively deployed, primarily backing investment grade fixed income opportunities that provide compelling risk adjusted returns.

Details of the Share Purchase Plan

As announced on Monday 22 June 2020, Challenger will offer existing eligible shareholders the opportunity to apply for up to \$30,000 in new, fully paid Challenger ordinary shares (SPP Shares) without incurring brokerage or transaction costs.

¹ An eligible institutional shareholder's 'pro rata' share of Placement Shares was estimated by reference to Challenger's beneficial register on Friday 19 June 2020 but without undertaking any reconciliation processes and ignoring shares that may be issued under the SPP. Unlike in a rights issue, this may not truly reflect the participating shareholder's actual pro rata share of the Placement Shares. Nothing in this announcement gives a shareholder a right or entitlement to participate in the Placement and Challenger has no obligation to reconcile assumed holdings when determining a shareholder's pro rata share of Placement Shares. The register was also used on a reasonable endeavours basis to assess whether institutional and sophisticated investors were existing shareholders. Institutional investors who do not reside in Australia or other eligible jurisdictions were not able to participate in the Placement. Challenger and the Underwriters disclaim any duty or liability (including for negligence) in respect of the determination of a shareholder's pro rata share of Placement Shares.

Eligible shareholders will be shareholders with a registered address in Australia or New Zealand on Challenger's register as at 7:00pm (Sydney time) on 19 June 2020.

The issue price of the SPP Shares will be the lower of:

- the Placement Price, being \$4.89; and
- a 2% discount to the 5-day VWAP of Challenger shares up to, and including, the closing date of the SPP.

The SPP Shares will rank equally with existing fully paid Challenger ordinary shares.

Depending on the level of demand, Challenger may decide to accept applications (in whole or in part) that result in the SPP raising more or less than \$30 million at its absolute discretion.

Full details of the SPP will be set out in the SPP offer booklet, which is expected to be released to the ASX and dispatched to eligible shareholders on 1 July 2020. The SPP offer is scheduled to close on Tuesday 21 July 2020.

For more information about the SPP, Challenger shareholders can call the Challenger SPP information line on 1800 780 782 (within Australia) or +61 3 9415 4065 (outside Australia) between 8.30am to 5.00pm (Sydney time) Monday to Friday.

Equity raising timetable

An indicative timetable of key dates in relation to the Placement and SPP is set out below. All dates and times are references to Sydney, Australia.

Event	Date (Sydney time)
Announcement of the outcome of the Placement	Tuesday, 23 June 2020
Trading halt lifted – trading resumes on the ASX	Tuesday, 23 June 2020
Settlement of New Shares issued under the Placement	Thursday, 25 June 2020
Allotment and normal trading of New Shares issued under the Placement	Friday, 26 June 2020
SPP offer opens and SPP offer booklet is dispatched	9:00am Wednesday, 1 July 2020
SPP offer closes	5:00pm Tuesday, 21 July 2020
Announcement of results of SPP	Friday, 24 July 2020
SPP allotment date	Thursday, 30 July 2020
Normal trading of SPP shares	Friday, 31 July 2020
Despatch of allotment confirmation	Monday, 3 August 2020

Note: The timetable above is indicative only and may be subject to change. Challenger reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Challenger reserves the right to extend the closing date of the Equity Raising, to accept late applications under the Equity Raising (either generally or in particular cases) and to withdraw the Equity Raising without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares.

Disclaimer

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. The New Shares have not been, nor will be, registered under the U.S. Securities Act of 1933 (Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares offered and sold in the Placement may not be offered or sold to any person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. The New Shares to be offered and sold in the SPP may not be offered and sold to any person in the United States or to any person that is acting for the account or benefit of a person in the United States.

Forward looking statements

This announcement contains certain 'forward-looking statements'. The words 'forecast', 'expect', 'guidance', 'intend', 'will' and other similar expressions are intended to identify forward-looking statements. Forecasts or indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. You are cautioned not to place undue reliance on forward looking statements. While due care and attention has been used in the preparation of forward-looking statements, forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Challenger. Actual results, performance or achievements may vary materially from any forward-looking statements and the assumptions on which statements are based. Challenger disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

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This release is authorised by Challenger's Continuous Disclosure Committee.

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About Challenger

Challenger Limited (Challenger) is an investment management firm focusing on providing customers with financial security for retirement.

Challenger operates two core investment businesses, a fiduciary Funds Management division and an APRA-regulated Life division. Challenger Life Company Limited is Australia's largest provider of annuities.

For more information contact:

Stuart Kingham

Head of Investor Relations
Tel (02) 9994 7125
Mob 0401 139 067

Jane Keeley

Corporate Affairs
Tel (02) 9994 7300
Mob 0402 663 522

Mark Chen

Senior Investor Relations Manager
Tel (02) 9994 7815
Mob 0423 823 209

Sean Aylmer

Corporate Affairs
Tel (02) 9994 7300
Mob 0409 817 039