

CHALLENGER CAPITAL NOTES REPURCHASE INVITATION

Challenger Limited (ASX: CGF) (Challenger) today announced an invitation to eligible holders of Challenger Capital Notes (ASX: CGFPA) (Challenger Capital Notes 1 or CCN1) to have their Challenger Capital Notes 1 repurchased for their face value of \$100 each, payable in cash (Repurchase Invitation).

Repurchase Invitation

Under the Repurchase Invitation, Eligible CCN1 Holders may elect for all of their Challenger Capital Notes 1 to be repurchased for \$100 each, payable in cash on 25 November 2020. The Repurchase Invitation opens on 21 October 2020 and closes at 5:00pm (Sydney time) on 18 November 2020. After 13 November 2020, applications under the Repurchase Invitation must be submitted via the online Application Form (not paper).

Full details of the Repurchase Invitation are included in the Repurchase Booklet, which can be accessed via www.challengercapitalnotes.com.au. If you currently hold Challenger Capital Notes 1, you should read the Repurchase Booklet in full.

Reinvestment Offer

In addition to the Repurchase Invitation, Challenger has today announced its intention to issue a new subordinated, unsecured, perpetual convertible security, Challenger Capital Notes 3. Eligible CCN1 Holders will have the opportunity to have their Challenger Capital Notes 1 reinvested into Challenger Capital Notes 3 under the Reinvestment Offer. Eligible CCN1 Holders who choose to reinvest only some (and not all) of their Challenger Capital Notes 1 under the Reinvestment Offer will be deemed to have tendered their remaining Challenger Capital Notes 1 for repurchase under the Repurchase Invitation.

Full details of the Challenger Capital Notes 3 Offer is included in the Prospectus which can be accessed via www.challengercapitalnotes.com.au.

Remaining Challenger Capital Notes 1

Participation in the Repurchase Invitation or the Reinvestment Offer is optional. Challenger Capital Notes 1 Holders who do not participate in the Repurchase Invitation or the Reinvestment Offer will continue to receive distributions on their Challenger Capital Notes 1, subject to the satisfaction of the distribution payment conditions in the CCN1 Terms.

Under the CCN1 Terms, Challenger must convert any Challenger Capital Notes 1 that are outstanding on 25 May 2022 into Challenger ordinary shares, provided that the mandatory conversion conditions are satisfied.

Amendments to the CCN1 Terms

To facilitate the Repurchase Invitation, Challenger has made certain amendments to the CCN1 Terms. The amended CCN1 Terms were lodged with the ASX today and are also available at www.challengercapitalnotes.com.au.

Further Information on the Repurchase Invitation and how to participate is contained in the Repurchase Booklet. The Repurchase Booklet can be accessed online at www.challengercapitalnotes.com.au. Eligible CCN1 Holders can obtain a paper copy of the Repurchase Booklet and a personalised paper Application Form after the Repurchase Invitation opens on 21 October 2020 (free of charge) by calling the Offer & Repurchase Information Line on 1800 780 782 (within Australia) or +61 3 9415 4065 (outside Australia) Monday to Friday 8:30am to 5:00pm (Sydney time).

For further enquiries

Offer & Repurchase Information Line

1800 780 782 (within Australia) or
+61 3 9415 4065 (outside Australia)
Monday to Friday, 8:30am to 5:00pm (Sydney time)

Website

www.challengercapitalnotes.com.au

This document has been authorised for release by Challenger's Continuous Disclosure Committee.

ENDS

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.

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Further information about the Repurchase Invitation

Terms used but not defined in this announcement are defined in the Repurchase Booklet.

Indicative timetable

| Key dates | Date |
|---|------------------|
| Record date for determining Eligible CCN1 Holders | 8 October 2020 |
| Opening Date for the Repurchase Invitation | 21 October 2020 |
| Closing Date for the Repurchase Invitation (5:00pm Sydney time) | 18 November 2020 |
| Repurchase Date | 25 November 2020 |

Dates may change

These dates are indicative only and may change without notice.

You are encouraged to apply as soon as possible after the Opening Date.

Disclaimer

This announcement does not constitute an offer of any securities for sale or issue. In particular, this announcement does not constitute an offer of securities for sale in the United States. The Repurchase Invitation is open to Eligible CCN1 Holders only.