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COMPLETION OF SHARE PURCHASE PLAN

Challenger Limited (ASX: CGF) (Challenger) advises that its retail Share Purchase Plan (SPP) has now closed, raising \$35 million. The final size of the SPP has been increased from the \$30 million originally targeted due to strong retail shareholder demand.

The SPP follows Challenger's successful \$270 million institutional placement on 23 June 2020.

The SPP closed on Tuesday 21 July 2020, with applications received totalling approximately \$40 million. Given the demand from eligible shareholders, Challenger has increased the SPP size by \$5 million, so that a total of \$35 million will be raised.

Due to the strong demand, a scale back of valid applications that Challenger received under the SPP was performed, consistent with the terms and conditions of the SPP Booklet lodged with the ASX on 1 July 2020. The scale back is being made on a pro-rata basis to eligible shareholders. All participating shareholders will receive an amount of shares that at least maintains the percentage holding after the equity raising that they held before, or their application amount if that was lower (except that approximately 0.5% of participating shareholders were restricted from applying for the amount that would maintain their percentage holding due to the \$30,000 maximum application amount).

Challenger expects to issue approximately 8.1 million new fully paid ordinary shares (New Shares) at an issue price of \$4.32 per New Share, representing a 2% discount (rounded down to the nearest cent) to the 5-day volume weighted average price of Challenger shares up to, and including, Tuesday 21 July 2020, of \$4.41 per share.

Managing Director and Chief Executive Officer Richard Howes said: "We are very pleased with the strong response shown by shareholders, allowing us to increase the size of the SPP.

"Together with our recent successful institutional placement, the capital raised will enable our business to remain strongly capitalised through this period of ongoing market uncertainty and provide flexibility to take advantage of selective investment grade opportunities to enhance earnings.

"We thank our shareholders for their ongoing support of Challenger."

The New Shares are expected to be issued to successful applicants on Thursday 30 July 2020 and commence trading on ASX on Friday 31 July 2020. Statements confirming the number of New Shares allotted to each participating shareholder are expected to be dispatched on Monday 3 August 2020 and refunds for application monies (due to invalid applications, scale backs or rounding to parcel amounts) will be processed in accordance with the terms and conditions of the SPP.

The New Shares will, from their date of issue, rank equally with existing fully paid Challenger ordinary shares.

For further 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.

This release is authorised 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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