

25 August 2023

Dear Shareholder

On behalf of the Board of Directors, I am pleased to advise that Precinct Properties New Zealand Limited (**Precinct NZ**) has today registered a Product Disclosure Statement (**PDS**) for an offer (**Offer**) of up to \$150 million of two series of subordinated convertible notes (the **2026 Notes** and the **2027 Notes**, and together the **Notes**) with the ability to accept oversubscriptions of up to an additional \$50 million at Precinct NZ's discretion across the two series of Notes. The Offer amount above is inclusive of a shareholder priority offer (**Shareholder Priority Offer**) of up to \$25 million (or such other amount as Precinct NZ may determine in its discretion).

Capitalised terms used but not defined in this letter have the meanings given to them in the PDS.

Subject to a Cash Election by Precinct NZ as described below, the Notes will convert into ordinary shares in Precinct NZ. If Precinct NZ issues shares on Conversion, Precinct Properties Investments Limited (**Precinct Investments**) must issue a corresponding number of fully paid ordinary shares for no consideration. The Precinct NZ and Precinct Investments shares will be stapled under the Stapling Deed (**Stapled Shares**). The Notes have a conversion date of 21 September 2026 for the 2026 Notes and 21 September 2027 for the 2027 Notes.

The Offer consists of:

- a Shareholder Priority Offer open to eligible retail shareholders who are resident in New Zealand; and
- a General Offer open to investors resident in New Zealand and certain overseas institutional investors.

Existing eligible shareholders can apply for the 2026 Notes and/or the 2027 Notes.

The Notes will pay a fixed rate of interest (expected to be indicatively announced via NZX on 4 September 2023 and set on 8 September 2023), with quarterly interest payments over two series of Notes of 3-year and 4-year terms subject to meeting the Payment Condition (as described in the PDS).

In addition to interest payments, the number of Stapled Shares to be issued following Conversion of each holding of Notes will be determined by dividing their Principal Amount (together with any Unpaid Interest (and any interest thereon)) by the Conversion Price, which is the lesser of:

1. the Conversion Price Cap of:
 - for the 2026 Notes: \$1.42; and
 - for the 2027 Notes: \$1.46; and
2. the Market Price (calculated as per the PDS)



Rather than converting the Notes into Stapled Shares, Precinct NZ may elect to instead pay a cash amount to Noteholders at the end of the term (**Cash Election**) (as set out in the PDS).

The Offer is expected to open on 4 September 2023 where existing eligible shareholders may apply for Notes at www.precinctnotesoffer.co.nz

The Shareholder Priority Offer is expected to close at 5pm on 7 September 2023 while the General Offer is expected to close at 12pm on 8 September 2023.

Further details of the Offer are contained in the PDS which has been lodged with the Registrar of Financial Service Providers. The PDS is also available for view at www.precinctnotesoffer.co.nz, or by contacting a Joint Lead Manager or our registrar Computershare Investor Services Limited on 09 488 8777. You must receive a copy of the PDS before deciding to acquire any Notes.

The Offer is being made in accordance with the Financial Markets Conduct Act 2013 and the Notes are expected to be quoted on the NZX Debt Market.

We encourage you to read the PDS and to seek financial, investment or other professional advice from a qualified professional advisor when considering the Offer. **Please note, due to the short Offer period, no further communication will be sent to you. As such, please ensure you visit the website during the Offer period to submit an application in time before the Offer closes.**

Thank you.

Kind regards,

CRAIG STOBO

Independent Director and Chair
Precinct Properties Group