

investore

Managed by Stride Investment
Management Limited

Indicative Terms Sheet

Investore Property Limited

Up to \$75,000,000
5 Year Senior Secured
Fixed Rate Bonds
(plus up to \$50,000,000
oversubscriptions)

Dated 14 February 2022

Arranger & Joint Lead Manager



Joint Lead Managers



FORSYTH BARR



JARDEN

Indicative Terms Sheet

Dated 14 February
2022

Senior Secured
Fixed Rate Bonds due
25 February 2027

This indicative terms sheet (**Terms Sheet**) sets out the key terms of the offer by Investore Property Limited (**Investore**) of up to \$75,000,000 (with the ability to accept oversubscriptions of up to an additional \$50,000,000 at Investore's discretion), of 5 year senior secured fixed rate bonds maturing on 25 February 2027 (**Bonds**) under its bond master trust deed dated 2 March 2018 (as amended from time to time) (**Trust Deed**) as modified and supplemented by the supplemental deed dated 14 February 2022 entered into between Investore and Public Trust (**Supervisor**) (together with the Trust Deed, **Bond Trust Documents**).

Unless the context otherwise requires, capitalised terms used in this Terms Sheet have the same meaning given to them in the Bond Trust Documents.

Important notice

The offer of debt securities by Investore is made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**).

The offer contained in this Terms Sheet is an offer of bonds that have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as Investore's:

- \$100,000,000 senior secured fixed rate bonds maturing on 18 April 2024 (which have an interest rate of 4.40% p.a.), which are currently quoted on the NZX Debt Market under the ticker code IPL010; and
- \$125,000,000 senior secured fixed rate bonds maturing on 31 August 2027 (which have an interest rate of 2.40% p.a.), which are currently quoted on the NZX Debt Market under the ticker code IPL020,

(together the **Existing Bonds**).

Accordingly, the Bonds offered will be the same class as the Existing Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014.

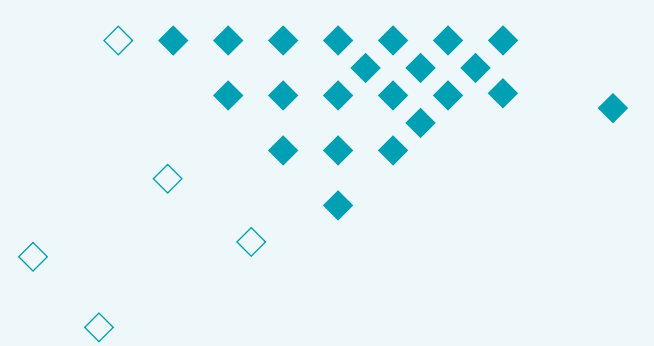
Investore is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (**NZX**) for the purpose of that information being made available to participants in the market and that information can be found by visiting www.nzx.com/companies/IPL.

The Existing Bonds are the only debt securities of Investore that are currently quoted in the same class as the Bonds.

Investors should look to the market price of the Existing Bonds referred to above to find out how the market assesses the returns and risk premium for those bonds. When comparing the yield of two debt securities, it is important to consider all relevant factors (including the credit rating (if any), maturity and the other terms of the relevant debt securities).

Issuer	Investore Property Limited
Description	5 year senior secured fixed rate bonds
Opening Date	Monday, 14 February 2022
Closing Date	11.00am on Friday, 18 February 2022
Rate Set Date	Friday, 18 February 2022
Issue Date	Friday, 25 February 2022
Expected Quotation on NZX Debt Market	Monday, 28 February 2022
Maturity Date	Thursday, 25 February 2027
Purpose	The net proceeds of the offer will be used to repay existing bank debt. The offer will also extend the tenor of Investore's debt and increase the proportion of Investore's debt that is hedged or is subject to a fixed rate of interest
Offer Amount	Up to \$75,000,000 (with the ability to accept oversubscriptions of up to an additional \$50,000,000 at Investore's discretion)
Security and Guarantees	The Bonds are guaranteed by the Subsidiaries of Investore as at the date of this Terms Sheet (the Guarantors)
	The Bonds are secured by first ranking mortgages (the Mortgages) granted from time to time by Investore and the Guarantors over their properties (the Mortgaged Properties) and by security interests granted from time to time over Investore's and the Guarantors' other assets under a general security deed (subject to limited exceptions) (the General Security Deed)
	The Security Trustee holds the Mortgages, the General Security Deed and the guarantees for all creditors entitled to their benefit, which currently includes (in addition to the Supervisor and the Bondholders) Investore's banking syndicate and its agent, on an equal ranking basis
Financial Covenant	Investore agrees to ensure that the total principal amount of all outstanding borrowed money secured by the Mortgages and the General Security Deed is not more than 65% of the total value of all Mortgaged Properties (including, in respect of any development, capital expenditure incurred during the development phase since the date of the most recent valuation) (the Loan to Value Ratio)
	A breach of the Loan to Value Ratio which is not remedied within (approximately) 13 months of that breach being disclosed to the Supervisor in a compliance certificate will be an Event of Default. Refer to the Bond Trust Documents for more detail on the covenant

Indicative Terms Sheet (cont.)



Distribution Stopper	Investore is not permitted to make any distribution, such as declaring a dividend to Investore shareholders, if an Event of Default is continuing or if it would result in an Event of Default. Full details of the Events of Default are set out in the Bond Trust Documents
No Credit Rating	The Bonds will not be rated
Issue Price	\$1.00 per Bond, being the Principal Amount of each Bond
Early Repayment	Holders have no rights to require Investore to redeem the Bonds early except through the Supervisor in the case of an Event of Default. Investore does not have the right to redeem the Bonds early
Further Indebtedness	Investore may, without the consent of the Holders of the Bonds, issue additional securities or other debt obligations on such other terms and conditions as Investore may think fit
Interest Rate	The sum of the Swap Rate plus the Issue Margin (which may be above or below the Indicative Issue Margin), subject to a minimum Interest Rate of 3.95% per annum The Interest Rate will be announced by Investore via NZX on or about the Rate Set Date
Indicative Issue Margin	1.15% - 1.30% per annum
Issue Margin	The Issue Margin (which may be above or below the Indicative Issue Margin range mentioned above), will be determined by Investore (in consultation with the Joint Lead Managers) following a bookbuild process and announced by Investore via NZX on or about the Rate Set Date
Swap Rate	The mid-market rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Arranger in consultation with Investore, according to market convention, with reference to Bloomberg page 'ICNZ4' (or any successor page) on the Rate Set Date and expressed on a quarterly basis (rounded to 2 decimal places, if necessary, with 0.005 being rounded up)
Interest Payments	Quarterly in arrear in equal payments
Interest Payment Dates	25 February, 25 May, 25 August and 25 November each year (or if that day is not a Business Day, the next Business Day) until and including the Maturity Date. The first Interest Payment Date will be 25 May 2022
Record Date	5.00pm on the date that is 10 days before the relevant scheduled Interest Payment Date or, if that is not a Business Day, the immediately preceding Business Day
Business Days	Days on which the NZX is open for trading
Firm Brokerage	0.75% on firm allocations to be paid by Investore
ISIN	NZIPLDT003C9

NZX Debt Market Quotation	Investore will take any necessary steps to ensure the Bonds are, immediately after issue, quoted on the NZX Debt Market. Application has been made to NZX for permission to quote the Bonds on the NZX Debt Market and all the requirements of NZX relating to that quotation that can be complied with on or before the distribution of this Terms Sheet have been duly complied with. However, NZX accepts no responsibility for any statement in this Terms Sheet. NZX is a licensed market operator, and the NZX Debt Market is a licensed market under the FMCA NZX ticker code IPL030 has been reserved for the Bonds
Minimum Application Amount and Denominations	\$5,000 and multiples of \$1,000 thereafter
Transfer Restrictions	Holders are entitled to sell or transfer their Bonds at any time subject to the terms of the Bond Trust Documents and applicable securities laws and regulations. Investore or the Securities Registrar may decline to accept or register a transfer of the Bonds for the reasons set out in the Bond Trust Documents No transfer may be made if the transfer would result in the transferee holding or continuing to hold Bonds with a Principal Amount of less than \$5,000 (other than zero) or not in multiples of \$1,000
Governing Law	New Zealand
Who May Apply & How to Apply	All of the Bonds, including oversubscriptions, will be reserved for clients of the Joint Lead Managers, institutional investors and other persons invited to participate in the bookbuild. There will be no public pool for the Bonds Retail investors should contact any Joint Lead Manager, their financial adviser or any Primary Market Participant for details on how they may acquire Bonds. You can find a Primary Market Participant by visiting www.nzx.com/services/market-participants/find-a-participant Whether in respect of oversubscriptions or generally, any allotment of Bonds will be at Investore's discretion, in consultation with the Joint Lead Managers. Investore reserves the right to refuse all or any part of an application without giving any reason Each investor's financial adviser will be able to advise them as to what arrangements will need to be put in place for the investors to trade the Bonds including obtaining a common shareholder number (CSN), an authorisation code (FIN) and opening an account with a Primary Market Participant, as well as the costs and timeframes for putting such arrangements in place
Arranger	Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch) (Westpac)
Joint Lead Managers	ANZ Bank New Zealand Limited, Forsyth Barr Limited, Jarden Securities Limited and Westpac
Supervisor	Public Trust

Indicative Terms Sheet (cont.)

Security Trustee	New Zealand Permanent Trustees Limited
Securities Registrar	Computershare Investor Services Limited
Selling Restrictions	Investore does not intend that the Bonds be offered for sale, and no action has been taken or will be taken to permit a public offering of Bonds, in any jurisdiction other than New Zealand. Bonds may only be offered for sale or sold in conformity with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered. This Terms Sheet may not be published, delivered or distributed in or from any country other than New Zealand
	By subscribing for or otherwise acquiring any Bonds, you agree to indemnify, among others, Investore, the Supervisor and the Joint Lead Managers for any loss suffered as a result of any breach by you of the selling restrictions referred to in this Terms Sheet

The dates set out in this Terms Sheet are indicative only and are subject to change. Investore may, in its absolute discretion and without notice, vary the timetable (including by opening or closing the offer described in this Terms Sheet early, accepting late applications and extending the Closing Date). If the Closing Date is extended, subsequent dates may be extended accordingly. Investore reserves the right to cancel the offer described in this Terms Sheet and the issue of the Bonds, in which case all application monies received will be refunded (without interest) as soon as practicable.

Any internet site addresses provided in this Terms Sheet are for reference only and, except as expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Terms Sheet.

Copies of the Bond Trust Documents are available on the website (managed by Investore) for the offer of the Bonds found at www.investoreproperty.co.nz/bondoffer. Investors should seek qualified, independent financial and taxation advice before deciding to invest. In particular, investors should consult their tax adviser in relation to their specific circumstances. Investors will be personally responsible for all tax return filing obligations in respect of their investment in the Bonds, compliance with the financial arrangements rules (if applicable) and payment of provisional or terminal tax (if required) on interest derived.

For further information regarding Investore, visit www.nzx.com/companies/IPL.

Investore has been designated as a “Non-Standard” (NS) issuer by NZX because Stride Investment Management Limited has the right to appoint two directors to the Investore Board. A copy of the waivers granted by NZX in respect of Investore can be found at www.nzx.com/companies/IPL.

Further waivers granted by NZX which relate to Investore’s manager can be found at www.nzx.com/companies/SPG.

Address Details

Issuer

Investore Property Limited
Level 12, 34 Shortland Street
Auckland 1010
investoreproperty.co.nz

Directors
Mike Allen – Independent Director (Chair)
Gráinne Troute – Independent Director
Adrian Walker – Independent Director
Tim Storey – SIML Appointed Director
John Harvey – SIML Appointed Director

Supervisor

Public Trust
Level 16, SAP Tower
151 Queen Street
Auckland 1010

Security Trustee

New Zealand Permanent Trustees Limited
Level 16, SAP Tower
151 Queen Street
Auckland 1010

Securities Registrar

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
Auckland 0622
09 488 8777

Legal Adviser

Bell Gully
Level 21, Vero Centre
Auckland 1010
Level 21, ANZ Centre
Wellington 6011

Arranger

Westpac Banking Corporation (ABN 33 007 457 141)
(acting through its New Zealand branch)
Westpac on Takutai Square
Level 8, 16 Takutai Square
Auckland 1010
0800 772 142

Joint Lead Managers

ANZ Bank New Zealand Limited
23-29 Albert Street
Auckland 1010
0800 269 476

Forsyth Barr Limited
Level 23, Shortland & Fort
88 Shortland Street
Auckland 1010
0800 367 227

Jarden Securities Limited
Level 32, PwC Tower
15 Customs Street West, Commercial Bay
Auckland 1010
0800 005 678

Westpac Banking Corporation (ABN 33 007 457 141)
(acting through its New Zealand branch)
Westpac on Takutai Square
Level 8, 16 Takutai Square
Auckland 1010
0800 772 142



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