

NZX announcement – 25 August 2023

Precinct NZ lodges product disclosure statement for offer of two series of subordinated convertible notes

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 in aggregate across both series of Notes (or such other amount as Precinct NZ may determine in its discretion).

Capitalised terms used but not defined in this announcement 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 is expected to open on 4 September 2023 and:

- the Shareholder Priority Offer (open to eligible retail shareholders who are resident in New Zealand) is expected to close on 7 September 2023 at 5pm (New Zealand time); and
- the General Offer (open to investors resident in New Zealand and certain overseas institutional investors) is expected to close on 8 September 2023 at 12pm (New Zealand time)

Investors may apply for the 2026 Notes and/or the 2027 Notes.

During their term, 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).

The indicative issue margin range and any applicable minimum interest rate will be determined by Precinct NZ in conjunction with the Joint Lead Managers and will be announced when the Offer opens. The issue margin is expected to be set following a bookbuild process and will be announced to the market on or about 8 September 2023.

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 statement below)

The Market Price is determined based on the arithmetic average of the daily volume weighted average price of Stapled Shares on the NZX Main Board in the 20 Business Days prior to (but not including) each Conversion Announcement Date, as described in section 6 of the PDS (Key features of the Notes).

The Conversion Announcement Date is 5 Business Days before the relevant Conversion Date.

The Conversion Price Cap may be adjusted in certain circumstances as further described in the PDS. Please refer to the PDS for example scenarios of Conversion at different Market Prices.

Rather than converting a series of Notes into Stapled Shares, Precinct NZ may elect to instead pay a cash amount to Noteholders at the end of the relevant term (**Cash Election**). In this case, Noteholders would be paid an amount

equal to the Market Price (calculated as set out above) of all the Stapled Shares that would have otherwise been issued to them following Conversion of their Notes, so that they receive an equivalent value to those Stapled Shares (as determined under the terms of the Notes) and will similarly benefit from any appreciation of the Stapled Share price above the relevant Conversion Price Cap prior to the Conversion Date.

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.

Further details of the Offer are contained in the PDS lodged today with the Registrar of Financial Service Providers. The PDS is available through www.precinctnotesoffer.co.nz or by contacting a Joint Lead Manager, and must be obtained by investors before they decide to acquire any Notes.

Copies of the PDS, Precinct NZ's investor presentation and terms sheet are also attached and available at www.precinctnotesoffer.co.nz.

A copy of the Shareholder letter for the Shareholder Priority Offer which will be mailed out to Shareholders also accompanies this announcement.

After the Offer opens, Precinct NZ's New Zealand resident retail shareholders may apply for Notes in the Shareholder Priority Offer at www.precinctnotesoffer.co.nz. There is no public pool for the Offer with all of the Notes in the General Offer being reserved for clients of the Joint Lead Managers, NZX participants and other approved financial intermediaries.

Interested investors should contact a Joint Lead Manager as listed below, or their financial advisor, for more details.

Arranger and Joint Lead Manager

Jarden Securities Limited



Phone: 0800 805 584

Joint Lead Managers

Craigs Investment Partners Limited



Phone: 0800 226 263

Forsyth Barr Limited



Phone: 0800 367 227

Ends

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About Precinct Properties Group

Listed on the NZX Main Board under the ticker code PCT and ranked in the NZX top 20, the Precinct Properties Group is the largest owner, manager and developer of premium inner-city real estate in Auckland and Wellington. The Precinct Properties Group is predominantly invested in office buildings and also includes investment in Generator, Commercial Bay retail, third party capital partnerships, and a multi-unit residential development business. For information visit: www.precinct.co.nz

On 1 July 2023, Precinct NZ effected a restructuring to create a stapled group structure. A stapled group comprises two listed parent companies whose shares are held by the same shareholders in equal proportions. The shares in each parent company can only be transferred or dealt with together.

Shareholders in Precinct Properties Group hold an equal number of shares in Precinct Properties New Zealand Limited and Precinct Properties Investments Limited and these shares can only be dealt with together. The stapled issuers are described as "Precinct Properties NZ Ltd & Precinct Properties Investments Ltd (NS)" on NZX systems and the ticker code for the stapled shares remains PCT.

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