



Summerset on the Landing (Kenepuru, Wellington)



Retail Bond Presentation

Summerset Group Holdings Limited

27 February 2023

Joint Lead Managers



Co-Manager



Disclaimer

This presentation has been prepared by Summerset Group Holdings Limited (**SGHL** or the **Issuer**) in relation to the offer of Bonds described in this presentation (**Bonds**). The offer of the Bonds is made in reliance upon the exclusion in Clause 19 of schedule 1 of the Financial Market Conduct Act 2013 (**FMCA**). The offer of SGHL's fixed rate, guaranteed, secured, unsubordinated Bonds is an offer of Bonds that have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as SGHL's Bonds maturing on 11 July 2023, which have a fixed interest rate of 4.78 percent per annum, Bonds maturing on 24 September 2025, which have a fixed interest rate of 4.20 percent per annum, and Bonds maturing on 21 September 2027, which have a fixed interest rate of 2.30 percent per annum (the **Existing Bonds**). The Existing Bonds are currently quoted on the NZX Debt Market under ticker code SUM010, ticker code SUM020 and ticker code SUM030 respectively.

SGHL 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. That information can be found by visiting www.nzx.com/companies/SUM. The Existing Bonds are the only debt securities of SGHL that are currently quoted and in the same class as the Bonds. Investors should look to the market price of the Existing Bonds to find out how the market assesses the returns and risk premium for those Bonds.

The information in this presentation is of general nature and does not constitute financial product advice, investment advice or any recommendation by the Issuer, the Bond Supervisor, the Arranger, the Joint Lead Managers, the Co-Manager or any of their respective directors, officers, employees, affiliates, agents or advisers to subscribe for, or purchase, any of the Bonds. Nothing in this presentation constitutes legal, financial, tax or other advice.

The information in this presentation does not take into account the particular investment objectives, financial situation, taxation position or needs of any person. You should make your own assessment of an investment in the Issuer or the Bonds and should not rely on this presentation. In all cases, you should conduct your own research on the Issuer and analysis of any offer, the financial condition, assets and liabilities, financial position and performance, profits and losses, prospects and business affairs of the Issuer, and the contents of this presentation. An indicative terms sheet dated 27 February 2023 (**Terms Sheet**) has been prepared in respect of the offer of the Bonds. You should read the Terms Sheet before deciding to purchase the Bonds.

The information in this document has been obtained from sources which the Issuer believes to be reliable and accurate at the date of preparation, but its accuracy, correctness and completeness cannot be guaranteed.

None of the Arranger, Joint Lead Managers, Co-Manager nor any of their respective directors, officers, employees and agents: (a) accept any responsibility or liability whatsoever for any loss arising from this presentation or its contents or otherwise arising in connection with the offer of Bonds; (b) authorised or caused the issue of, or made any statement in, any part of this presentation; and (c) make any representation, recommendation or warranty, express or implied regarding the origin, validity, accuracy, adequacy, reasonableness or completeness of, or any errors or omissions in, any information, statement or opinion contained in this presentation and accept no liability (except to the extent such liability is found by a court to arise under the Financial Markets Conduct Act 2013 or cannot be disclaimed as a matter of law).

This presentation contains certain forward-looking statements with respect to the Issuer. All of these forward-looking statements are based on estimates, projections and assumptions made by the Issuer about circumstances and events that have not yet occurred. Although the Issuer believes these estimates, projections and assumptions to be reasonable, they are inherently uncertain. Therefore, reliance should not be placed upon these estimates or forward-looking statements and they should not be regarded as a representation or warranty by the Issuer, the directors of the Issuer or any other person that those forward-looking statements will be achieved or that the assumptions underlying the forward-looking statements will in fact be correct. It is likely that actual results will vary from those contemplated by these forward-looking statements and such variations may be material.

The Bonds may only be offered for sale or sold in New Zealand in conformity with all applicable laws and regulations in New Zealand. This presentation may not be distributed and no Bonds may be offered for sale or sold in any other country or jurisdiction except with the prior consent of the Issuer and in conformity with all applicable laws and regulations of that country or jurisdiction and the selling restrictions contained in the Terms Sheet. Persons who receive this presentation and/or the Terms Sheet outside New Zealand must inform themselves about and observe all such restrictions. Nothing in this presentation is to be construed as authorising its distribution, or the offer or sale of the Bonds, in any jurisdiction other than New Zealand and the Issuer accepts no liability in that regard.

Application has been made to NZX for permission to quote the Bonds on the NZX Debt Market and all the requirements of NZX relating thereto that can be complied with on or before the distribution of the Terms Sheet have been duly complied with. However, NZX accepts no responsibility for any statement in this document. NZX is a licensed market operator, and the NZX Debt Market is a licensed market under the FMCA.

Certain financial information contained in this presentation is prepared on a non-GAAP basis. "Underlying profit" is a non-GAAP measure and differs from NZ IFRS profit. Underlying profit does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. The underlying profit measure is intended to assist readers in determining the realised and non-realised components of fair value movement of investment property and tax expense in the Summerset Group's income statement. The measure is used internally in conjunction with other measures to monitor performance and make investment decisions. Underlying profit is a measure which the Summerset Group uses consistently across reporting periods.

Refer to Note 2 of the 2022 Financial Statements for a reconciliation of non-GAAP underlying profit to GAAP net profit after tax.

Agenda

- 01 Offer Highlights
- 02 Business Overview
- 03 Financial Performance
- 04 Funding & Security Structure
- 05 Offer Terms and Timetable
- 06 Questions
- 07 Appendix



Offer highlights

Bond offer further diversifies funding sources and provides tenor

- Total bank debt facilities of approximately \$1.2b and total retail bonds of \$375m before the offer
- Net debt of \$1.05b as at 31 December 2022
- This bond will be used to repay a portion of existing drawn bank debt, refinance the SUM010 bonds and for general corporate purposes, whilst also providing further diversification of funding sources and tenor
- The existing bank debt facilities will remain in place providing funding headroom to continue our strong, well-managed development growth

Retail bond offer	Details
Issuer	Summerset Group Holdings Limited (listed on the NZX and ASX)
Bonds	Fixed rate, guaranteed, secured, unsubordinated bonds of the Issuer
Guarantee and Security	Provided by the Issuer and each of the other Guarantors Equal ranking with Summerset's bank lenders and existing bondholders
Issue Size	Up to \$125m, with the ability to accept oversubscriptions of up to an additional \$50m at Summerset's discretion
Maturity	6 year bonds, maturing Friday 9 March 2029
Credit Rating	The bonds will not be rated
Quotation	Application to quote the bonds on the NZX Debt Market (NZDX) has been made
Joint Lead Managers	ANZ, Craigs Investment Partners, Forsyth Barr, and Jarden
Co-Manager	Hobson Wealth Partners



Business Overview

Investment highlights

1

Compelling fundamentals in the retirement village and aged care sector, driven by an ageing population and increasing market penetration

2

Well positioned for growth with largest New Zealand land bank for a retirement village operator and a successful track record of delivering new retirement units and care beds

3

Victoria is a substantial opportunity to replicate the growth and success in NZ with capacity to build over 2,070 units across seven Australian villages

4

Strong corporate governance and experienced management team with a 25-year track record of consistent delivery in both operational and development capability

5

Strong balance sheet with quality assets and a prudent approach to capital management

6

Funding is primarily used as working capital to fund developments through their lifecycle, with debt recycled out of villages into new developments as they are built and sold down



Summerset snapshot

Diversified portfolio and land bank throughout New Zealand and Australia



Our people

7,400+

Residents

2,400+

Staff members



Our care

1,161

Care units in portfolio¹

1,379

Care units in land bank



Our portfolio

5,518

Retirement units in portfolio

5,985

Retirement units in land bank

\$5.8b

Total assets



Our capital

\$2.1b

Market capitalisation²

Dual Listed

NZX / ASX since 2011

32.4%

Gearing³

1. Care units includes care suites, memory care apartments and care beds

2. Market capitalisation is NZD at 31 December 2022

3. Gearing is defined as net debt divided by net debt plus equity

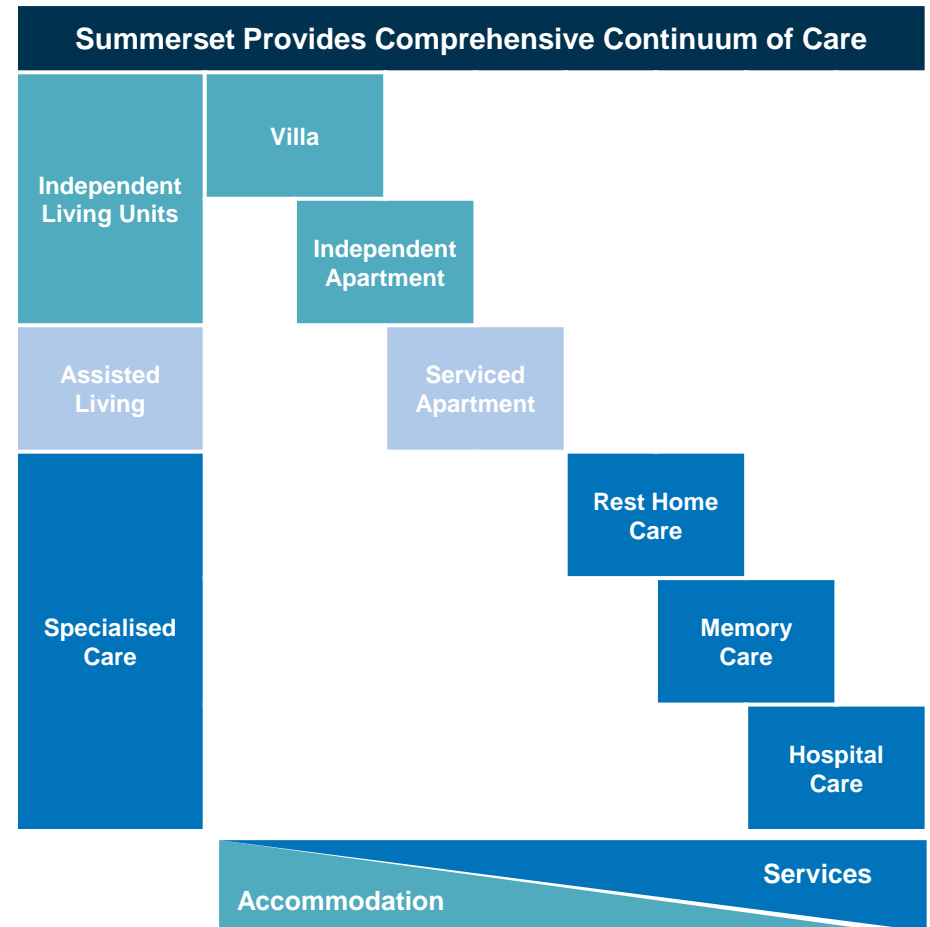
Information as at 31 December 2022 unless otherwise stated



Summerset background

Continuum of care continues to offer a compelling proposition to our residents

- Continuum of care provides peace of mind for our residents as they will be cared for when their health needs change in the future
- Align quality care and facilities across all our villages with a focus on quality not scale
- Industry-leading dementia strategy, memory care centres and support throughout our villages
- Offering care attracts older residents in our retirement units leading to a shorter average tenure
- In NZ, Summerset's aged care offering is focused on providing care for its own retirement village residents to age in place – and as such has a lower proportion of aged care than its NZ peers (who typically also provide aged care to the wider community)
- The continuum of care model is less common in Australia and has an advantage when entering the Victorian market. New residents are conscious of their future care needs and consider this when choosing retirement villages



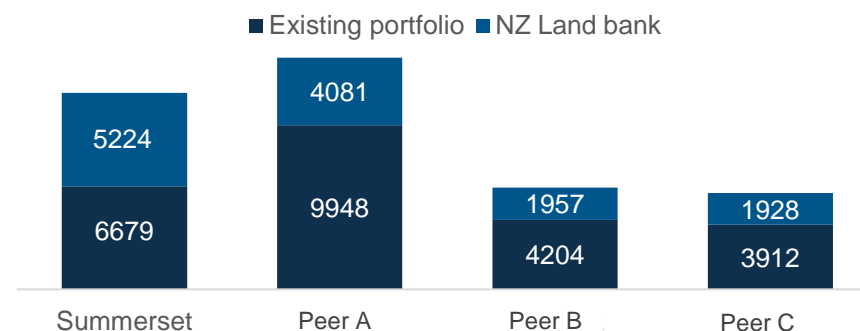
Well positioned for growth

Summerset is the second largest and fastest growing operator in the New Zealand retirement sector

- Land bank with capacity to build up to 5,224 retirement units in New Zealand positions us well for further delivery growth beyond FY22
- A large and geographically diverse land bank allows delivery over a greater number of sites, providing flexibility to capitalise on positive market opportunities
- Twenty-one greenfield sites in New Zealand including St Johns, Cambridge, Lower Hutt, Milldale, Prebbleton and Waikanae
- Seven greenfield sites in Australia at Cranbourne North, Chirnside Park, Torquay, Mernda, Drysdale, Craigieburn and Oakleigh South
- Secured “approved provider” status from the Department of Health in Australia to deliver residential aged care and home care services

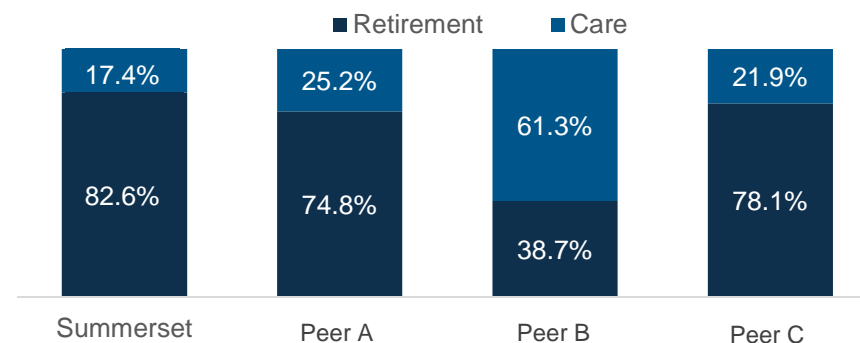
New Zealand portfolio by main operator

Summerset has the second largest existing portfolio and the largest Land bank of NZ listed peers



Portfolio weighting by main operator

Summerset has the lowest weighting towards aged care of NZ listed peers



Operational overview

A design, build, own, operate model. Cash flows are generated from three key sources

	Operations	Cash flows
1. Retirement village development	<p>Design and construction of integrated retirement and aged care communities</p> <ul style="list-style-type: none"> ■ Cost efficient quality construction of villages specifically designed for older residents ■ Build villages that integrate into the local environment, providing residents with warm, welcome and vibrant communities 	<ul style="list-style-type: none"> ■ Occupation Right sales ■ Development margin
2. Asset management	<p>Daily operation of integrated retirement and aged care communities</p> <ul style="list-style-type: none"> ■ Manage a portfolio of retirement village and aged care assets ■ Manage ongoing sales of Occupation Rights ■ Refurbish periodically to maintain economic value 	<ul style="list-style-type: none"> ■ Deferred Management Fees (DMF) – primary source of income for established villages ■ Gains on resale of Occupation Rights ■ Weekly resident levies and village service fees – stable cash flows, contribute to operational costs
3. Aged care services	<p>Provision of care in serviced apartments, memory care apartments, rest home and hospital facilities</p> <ul style="list-style-type: none"> ■ Provide a high standard of quality aged care services 	<ul style="list-style-type: none"> ■ Rest home, hospital and memory care fees ■ Stable cash flows ■ Includes Government funding for specified contracted services

Our environment

Environmental performance and sustainability

- Summerset is a market leader in sustainability within the retirement and aged care sector
- Our ESG performance is strong and we continue to perform well on key rating indices
- We continue to be the only retirement village operator in New Zealand to be carbonzero™ certified and were the first to align our financing arrangements to sustainability linked lending
- To further our sustainability practices we have aligned with other key organisations, including the Climate Leaders Coalition and the New Zealand Green Building Council
- Continued to advance integrating solar into our villages, including on all new main buildings delivered from 2023 onwards - first village being Summerset Mount Denby in Whangārei
- Progressed the switch to electric vehicles (EVs), and retrofitted EV charging solutions into eight existing villages - all new villages having them installed during construction
- Named as a finalist in the Sustainable Business Network Outstanding Collaboration Awards 2022 for our construction waste diversion programme
 - In FY22 we diverted over 1,250 tonnes of construction waste from landfill

Our sustainability achievements



1ST
NET CARBONZERO™
RETIREMENT VILLAGE
OPERATOR IN NZ



16%
REDUCTION IN tCO₂e
PER \$MILLION OF REVENUE
AGAINST 2017 BASELINE



1.5°
SCIENCE ALIGNED
TARGET



3
NEW LIGHTWEIGHT
SUSTAINABLE MAIN
BUILDINGS PLANNED



1276
TONNES OF
CONSTRUCTION
WASTE DIVERTED
FROM LANDFILL



A-
CDP SUPPLIER
ENGAGEMENT
RATING SCORE

Our sustainability affiliations



DISCLOSURE INSIGHT ACTION



TE KAUNIHERA HANGANGA TAUTAIAO

Member 2022–2023



TOITŪ



ISO 14064-1
ORGANISATION



CLIMATE LEADERS COALITION
ON A MISSION TO REDUCE EMISSIONS IN NEW ZEALAND

Our product



Summerset by the Dunes (Pāpāmoa Beach, Tauranga)



Summerset at Monterey Park (Hobsonville, Auckland)



Summerset at Pōhutukawa Place (Bell Block, New Plymouth)



Summerset at Avonhead (Christchurch)

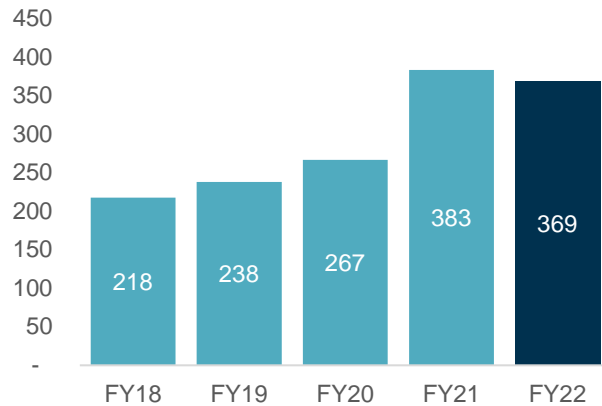


Financial Performance

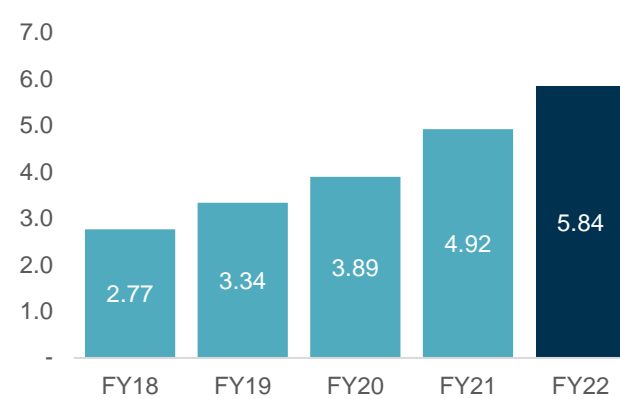
Summary financial metrics

Consistent cash flows, profitability & resilient balance sheet

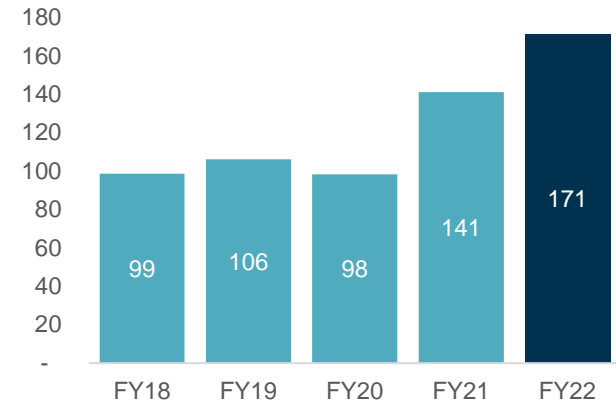
Net operating cash flows (\$m)



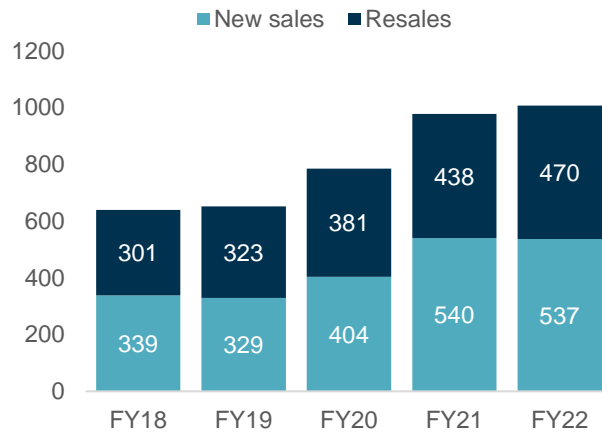
Total assets (\$b)



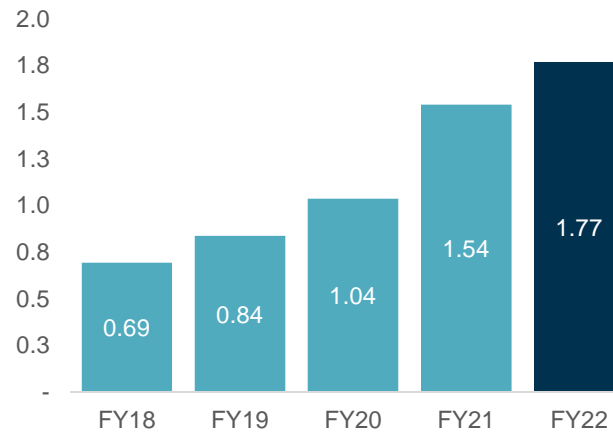
Underlying profit (\$m)



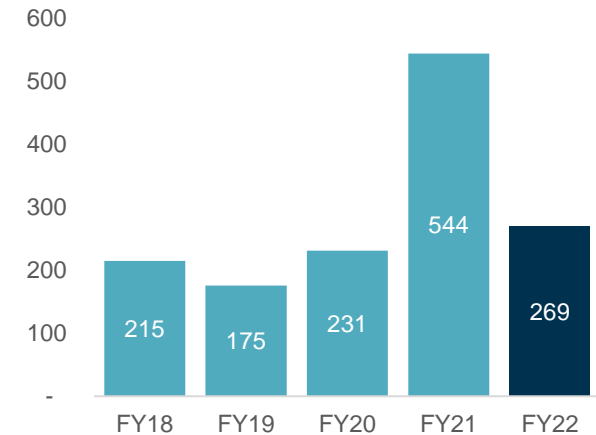
Sale of Occupation Rights



Retained earnings (\$b)



IFRS NPAT (\$m)



Underlying profit

- Underlying profit of \$171.4m, a full year record and up 21% on FY21
- Realised development margin of \$104.9m, a 34% increase, average margin of \$195k per unit
- The result also includes record performance in operating earnings across our core business functions in FY22:
 - Care fees and village services of \$144.6m, up 14%
 - Deferred management fee of \$92.3m, up 23%
 - Realised gain on resales of \$70.2m, up 17% and benefitting from good unit price growth over a resident's occupancy period

\$171.4m

Underlying profit

21%

Increase on FY21 ▲

NZ\$m	FY22	FY21	Variance	FY20
Care fees and village services	144.6	126.9	14%	111.6
Deferred management fees	92.3	75.2	23%	60.8
Realised gain on resales	70.2	59.9	17%	46.1
Realised development margin	104.9	78.5	34%	48.2
Other income & interest received	1.7	3.3	(47%)	0.1
Total income	413.8	343.8	20%	266.7
Operating expenses	211.8	179.0	18%	146.8
Depreciation and amortisation	13.6	11.6	18%	8.1
Net finance costs	17.0	12.0	41%	13.5
Total expenses	242.4	202.6	20%	168.4
Underlying profit	171.4	141.1	21%	98.3

Underlying profit is a non-GAAP measure and differs from NZ IFRS profit for the period. Underlying profit does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. The Directors have provided an underlying profit measure in addition to IFRS profit to assist readers in determining the realised and unrealised components of fair value movement of investment property, impairment and tax expense in the Group's income statement. The measure is used internally in conjunction with other measures to monitor performance and make investment decisions and has been audited by Ernst & Young. Underlying profit is a measure which the Group uses consistently across reporting periods. Underlying profit is used to determine the dividend payout to shareholders.

Cash flows

- Net operating cash flows of \$369.2m, down 4% from \$383.4m at FY21 with key movements being:
 - Increased expenses due to portfolio growth and inflationary cost pressures
 - Timing of resale cash flows
- Net operating business cash flows of \$14.5m in 2H22 were up 95% on 1H22
- Investing cash out flows of \$651.7m, up 53% on FY21, reflecting the following:
 - Land settlements in New Zealand and Australia
 - Includes Milldale, Chirnside Park and Torquay - purchased in prior periods
 - Main building spend at Bell Block, Kenepuru, Pāpāmoa Beach, Te Awa and Whangārei
 - Construction progress at St Johns and Boulcott
 - Civils works at our new villages including Blenheim, Cambridge, Prebbleton and Cranbourne North (Melbourne)
- Net financing cash flows of \$299.5m, up \$265.3m on FY21 driven by higher net proceeds from borrowings

\$369.2m

Net operating cash flows

4%

Decrease on FY21 ▼

NZ\$m	FY22	FY21	Variance	FY20
Net operating business cash flow	21.9	45.8	(52%)	29.8
Receipts for residents' loans - new sales	347.3	337.6	3%	237.0
Net operating cash flow	369.2	383.4	(4%)	266.8
Sale and purchase of land	(179.1)	(72.0)	149%	(43.2)
Construction of new IP & care facilities	(427.9)	(318.3)	34%	(245.9)
Refurb of existing IP & care facilities	(11.0)	(8.5)	28%	(9.4)
Other investing cash flows	(9.5)	(9.7)	(2%)	(8.4)
Capitalised interest paid	(24.2)	(16.5)	47%	(11.9)
Net investing cash flow	(651.7)	(425.0)	53%	(318.8)
Net proceeds from borrowings	342.2	67.1	410%	78.5
Net dividends paid	(28.2)	(23.7)	19%	(19.4)
Other financing cash flows	(14.6)	(9.2)	58%	(12.8)
Net financing cash flow	299.5	34.2	776%	46.3

Balance sheet

- Total assets of \$5.8b, up 19% on FY21 driven by portfolio growth and the underlying value in our existing villages
- Investment property valuation of \$5.4b, up 18% on FY21
- Retained earnings are now \$1.8b, up 15% from \$1.5b at FY21. This continues to positively impact balance sheet strength and company gearing ratios
- Other assets include buildings, primarily care centres which are valued annually
- Net tangible assets per share of \$9.44

Gearing

- Gearing ratio of 32.4%, up from 29.4% at 1H22
- New Zealand gearing ratio with Australian growth related debt excluded is 26.4%

\$5.8b

Total assets ▲ 19%

\$1.8b

Retained earnings ▲ 15%

NZ\$m	FY22	FY21	Variance	FY20
Investment property	5,418	4,580	18%	3,639
Other assets	422.3	343.5	23%	254.4
Total assets	5,840	4,924	19%	3,893
Residents' loans	2,165	1,847	17%	1,520
Face value of bank loans & bonds*	1,074	749.9	43%	672.6
Other liabilities	407.2	402.1	1%	345.5
Total liabilities	3,647	2,999	22%	2,538
Net assets**	2,193	1,925	14%	1,355
NTA (cents per share)	943.9	835.9	13%	594.1

* Face value of drawn bank debt and retail bonds. Excludes capitalised and amortised transaction costs for loans and borrowing, and fair value movement on hedged borrowings

** Net assets includes share capital, reserves, and retained earnings

*** Net debt to net debt + equity



Summerset Mt Denby (Whangārei, Northland)

Funding and Security Structure

Purpose of debt and maturity profiles

Bank facility as at 31 December 2022 approximately \$1.2b, plus existing \$375m of retail bonds

Summerset uses debt to fund the acquisition of land for future development, and the development of land into villages

Debt is recycled out of completed village developments, into new developments, as Occupation Right sales occur

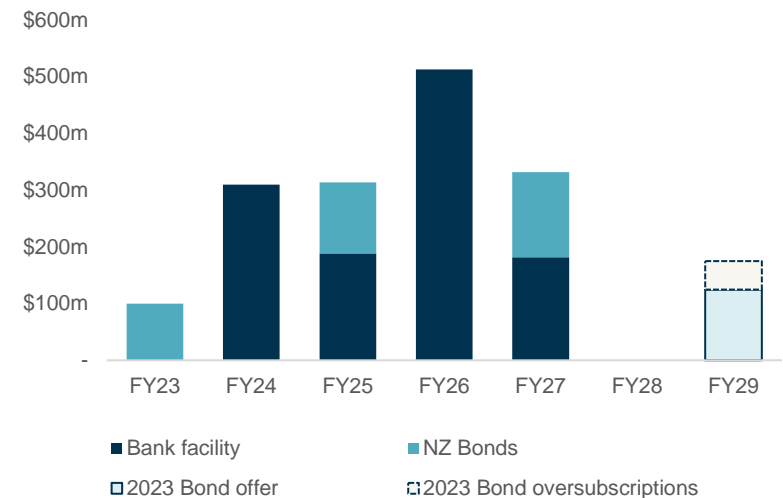
The proposed bond issue will provide further diversification of funding sources and tenor, whilst also pre-funding the maturity of the SUM010 Bonds

Total facility (including bonds) has an average tenure of 3.0 years

- Summerset has three NZ\$ retail bonds on issue totalling \$375m
- NZ bank facility consists of five tranches totalling \$675m provided by six banks
- Australian bank facility consists of three AUD tranches totalling NZ\$518m¹ provided by six banks
- Bank facility has undrawn capacity of \$493.5m as at Dec 22

Summerset debt maturity profile

No debt maturing before 2H23



Retail bonds outstanding

Code	Issue Date	Maturity	Size
SUM010	Jul-17	Jul-23	NZ\$100m
SUM020	Sep-18	Sep-25	NZ\$125m
SUM030	Sep-20	Sep-27	NZ\$150m

1. Denoted in NZD for the purpose of demonstrating debt maturity profile

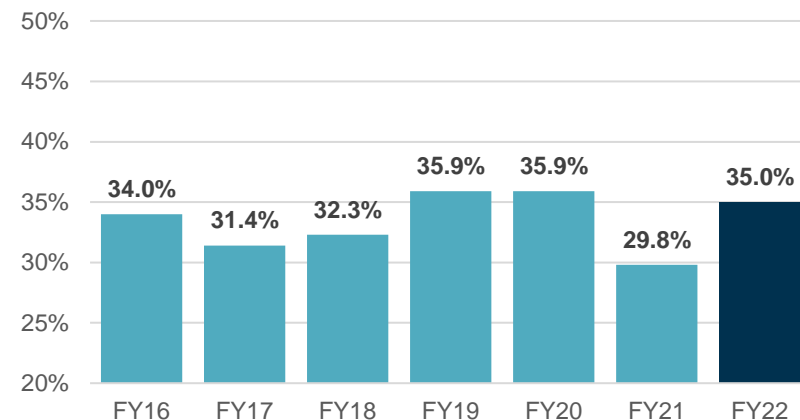
Loan to value ratio covenant

Significant headroom on loan to value ratio (LVR) covenant

Key terms of bond LVR covenant*:

- LVR must not exceed 50%
- Reported breach of LVR on a test date is an Event of Review
- If an Event of Review occurs, Summerset must follow a process specified in the Trust Deed to attempt to remedy the breach. If the breach has not been remedied at the end of this process, an Event of Default occurs
- During any Event of Review or Event of Default, Guarantors are not permitted to make any distributions to non-Guarantors
- Bondholders benefit from cross acceleration provisions
- Management remain comfortable with the current level of headroom to all bank and bond covenant ratios

Loan to value ratio



NZ\$m	FY22	FY21	Variance	FY20
Total debt	1,074	749.9	43%	672.6
Property value	3,070	2,514	22%	1,875
Loan to value ratio	35.0%	29.8%	17%	35.9%

*LVR covenant (Total debt/Property value) is less than or equal to 50%, being the ratio of:

(a) Total Debt (which is effectively principal amounts outstanding under Summerset's bank facilities, bonds and any other secured facilities); to

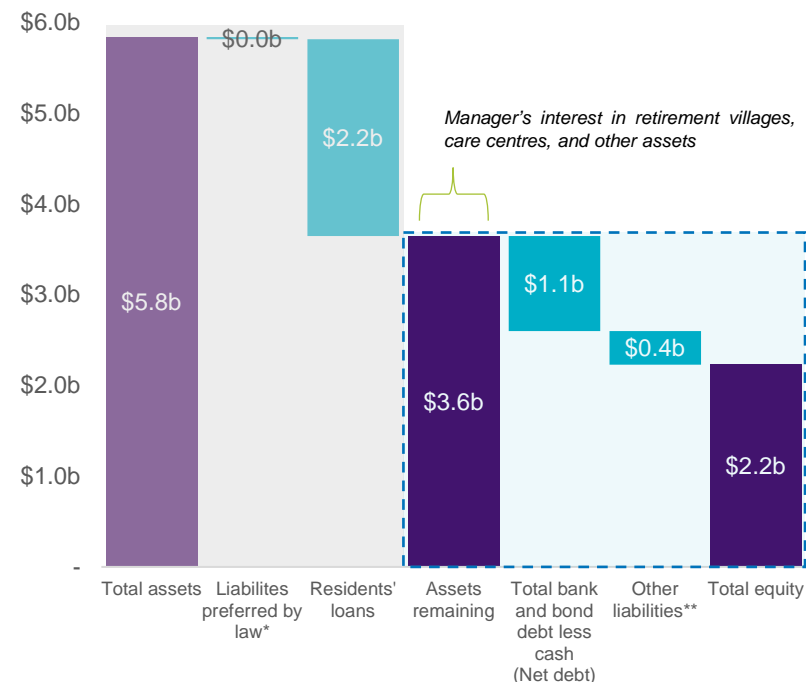
(b) Property Value of the Guaranteeing Group's land and permanent buildings that have been mortgaged to the Security Trustee

Security

Assets of \$3.6b available as security for financiers as at 31 December 2022 excluding residents' loans

- Total assets as at 31 December 2022 of \$5.8b, including investment property (\$5.4b) and PP&E (\$0.3b)
- Liabilities that rank in priority to the bank debt and bonds include liabilities preferred by law* and liabilities secured by Statutory Supervisors' First Ranking Mortgages (Residents' loans)
- Assets of \$3.6b remaining available after these claims as security for current bank debt and bonds
- Bank debt, bonds and other unsubordinated liabilities that have the benefit of the Security rank on an equal ranking security basis total \$1.1b as at 31 December 2022
- Bank debt and bonds have the benefit of first ranking mortgages over undeveloped land owned by the group (land owning entities not yet registered retirement villages) that more than cover the amount of net debt as of 31 December 2022 (see chart)
- ANZ is Security Trustee for both the bonds and the bank debt
- The New Zealand Guardian Trust Company Limited is the Bond Supervisor

Financial Position as at 31 December 2022

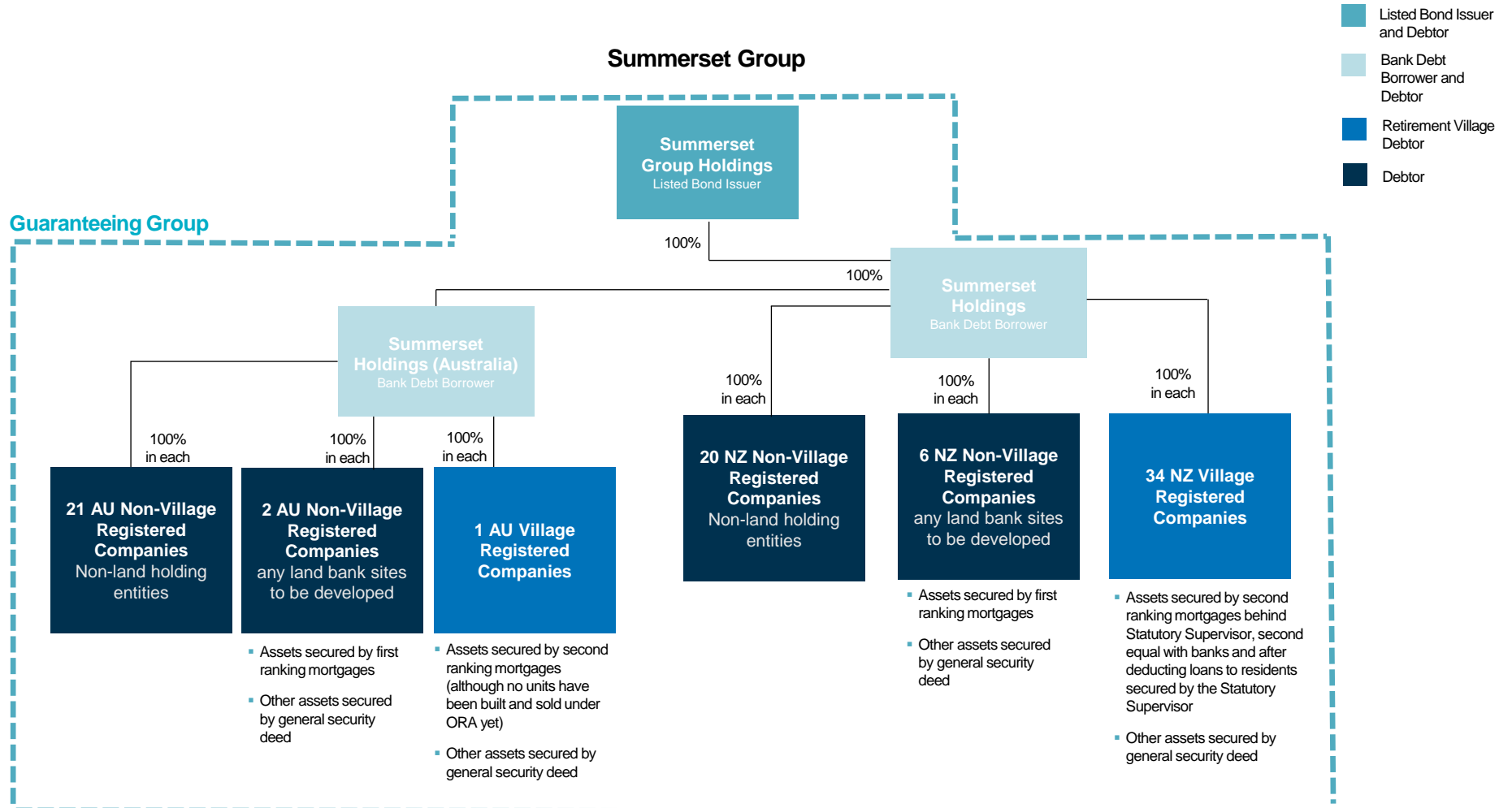


* Liabilities preferred by law include employee entitlements, Inland Revenue and rights of creditors preferred by law

** Other liabilities include items such as trade and other payables, revenue received in advance, deferred tax liabilities and lease liabilities

Security structure

Summerset Group syndicated lending structure simplified - at 31 December 2022





Offer Terms and Timetable

Key terms of the offer

Summary	Detail
Issuer	Summerset Group Holdings Limited
Instrument	Fixed rate, guaranteed, secured, unsubordinated bonds of the Issuer
Security	<p>Bondholders share the benefit of the same security package as bank lenders. In New Zealand, the Statutory Supervisor has first rights to the proceeds of security enforcement against all assets of the Village Registered Companies in New Zealand, and the bank lenders and bondholders share the remaining proceeds to which the Security Trustee is entitled on a pro rata basis</p> <p>In Australia, a Statutory Charge against the land and permanent buildings of any Village Registered Companies in Victoria secures the rights of village residents and ranks ahead of the Security Trustee's mortgage. The Security Trustee holds first ranking security over all other assets of any Village Registered Companies in Victoria</p> <p>Bank lenders and bondholders have first rights to the proceeds of security enforcement against all assets of Guarantors that are Non-Village Registered Companies, in both Australia and New Zealand. The proceeds of enforcement available to the Security Trustee may be reduced by the claims of certain creditors (described as 'other liabilities' on slide 21)</p>
Guarantee	Guaranteed by the Guaranteeing Group, consistent with bank lenders and existing bonds. Total assets of the Guarantors must be at least 90% of Summerset Group's assets and EBITDA of the Guarantors must be at least 90% of the EBITDA of the Summerset Group
Tenor and Maturity Date	6 years, maturing 9 March 2029
Offer Amount	Up to \$125,000,000, with the ability to accept oversubscriptions of up to an additional \$50,000,000 at the discretion of the Issuer
Credit Rating	The Bonds will not be rated
Interest Rate	Sum of the Issue Margin and the Base Rate, but in any case will be no less than the minimum Interest Rate. The Interest Rate will be announced by the Issuer via NZX on or shortly after the Rate Set Date
Interest Payment	Quarterly in arrear in four equal payments
Early Redemption	Neither Holders nor the Issuer are able to redeem the Bonds before the Maturity Date. However, the Issuer may be required to repay the Bonds early if there is an Event of Default
Financial Covenant	The Issuer to ensure the LVR* Covenant: Total Debt / Property Value <=50% A reported breach of the LVR Covenant on a test date will be an Event of Review, which if not remedied at the end of the testing process will result in an Event of Default
Distribution Stopper	Guarantors are not permitted to make a distribution to non-Guarantors if an Event of Review or Event of Default is continuing
Brokerage	0.50% of the amount issued plus 0.25% on firm allocations, paid by the Issuer
Issue Price & Applications	Issue price of par \$1.00. The minimum application is \$5,000 and in multiples of \$1,000 thereafter
Listing	Application has been made to NZX to quote the Bonds on the NZX Debt Market under the ticker code SUM040

*LVR=Loan to Value Ratio

Key dates of the offer

Retail bond offer	Date
Opening Date	Monday, 27 February 2023
Firm Bids Due	12pm, Thursday, 2 March 2023
Closing Date and Rate Set Date	Thursday, 2 March 2023
Issue Date and Allotment Date	Thursday, 9 March 2023
Expected Date of Initial Quotation on the NZX Debt Market	Friday, 10 March 2023
Interest Payment Dates	9 March, 9 June, 9 September, 9 December
First Interest Payment Date	Friday 9 June 2023
SUM010 Maturity	Tuesday, 11 July 2023
Maturity Date	Friday, 9 March 2029



Questions



Summerset Richmond Ranges (Tasman)

Appendix

Board of Directors



Mark Verbiest
Chair, Independent
LLB CFInstD

Mark is Chair of the Board. Mark is a lawyer by training, having spent many years in private practice as partner of a large national law firm. He subsequently joined the senior executive team at Telecom New Zealand as Group General Counsel, also having executive responsibility for other corporate groups and two business units. He is currently the Chair of listed company Meridian Energy. He recently retired as Chair of Freightways and from the Board of ANZ Bank New Zealand. Mark has previously been Chair of Spark, Transpower NZ, Willis Bond Capital and a director of a number of other companies and entities, including the inaugural board of the Financial Markets Authority and the advisory board to NZ Treasury. Mark has been Chair of Summerset since July 2021.



Dr Marie Bismark
Independent
MBChB, LLB, MBHL, MPH, MD, MPsyCh,
FAICD, FAFPHM

Marie is Chair of Summerset's Clinical Governance Committee. She holds degrees in law, medicine, bioethics and public health, and has completed a Harkness Fellowship in Healthcare Policy at Harvard University. Marie works as a psychiatry registrar with Te Whatu Ora/Health New Zealand, and as a Professor at Melbourne University. Her research focuses on patients' rights, quality of care, and medical regulation. Marie is an experienced company director, serving on the boards of GMHBA Health Insurance, The Royal Women's Hospital in Melbourne, and on the Veterans' Health Advisory Panel. Marie has been a director of Summerset since 2013.



Stephen Bull
Independent
BCom, BPsych (Hons), MAICD

Stephen is the Chair of Summerset's Development and Construction Committee. He has over 25 years' experience in real estate, community creation and finance roles. He has held executive roles at Westfield, AMP and Stockland. Stephen finished executive work in 2018 and for the last five years of his executive career was a Group Executive at Stockland and CEO of their retirement village business. Prior to his real estate career in Australia, Stephen spent several years working in investment banking in London. Stephen holds a Bachelor of Commerce and a Bachelor of Psychology (Honours) and is a member of Chartered Accountants (Australia and New Zealand). In addition, he is a Member of the Australian Institute of Company Directors (MAICD). He is currently a non-executive director of Bridge Housing Ltd and sits on the investment committees for the NSW Government's Transport Holding (TAHE), the MaxCap Industrial Opportunities Fund and the Wingate Direct Property business. Stephen has been a director of Summerset since 2022.



Venasio-Lorenzo Crawley
Independent
MBA, BA

Vena's vast business career enables him to contribute as a member of Summerset's Audit & Risk, People & Culture and the Development & Construction committees. Vena is well known for his unique combination of experiences in Organisational Transformation, Customer Experience, ICT and New Technologies with in-depth specialties in Culture and Change Management, Operation's Optimisation, Digital and Data Monetisation. Vena is also an independent member of Te Whatu Ora/Health NZ – People, Culture, Development and Change Committee. He is the Chair of the AUT Business School Advisory Board and a member of the IOD - Pacific Governance Advisory Board. He was also the Future Director for The Warehouse Group contributing to their transformation programme and set-up of the digital platform, The Marketplace. Vena recently completed his executive career as the Divisional CEO, Retail/Chief Customer Officer where he led the successful business turnaround and transformation of Contact Energy's Retail, LPG, Broadband, Commercial and Industrial businesses. He has held senior executive positions at ASB Group and IAG in both New Zealand, Australia and the United Kingdom. Venasio-Lorenzo has been a director of Summerset since 2020.

Board of Directors



Gráinne Troute

Independent
BA, Grad Dip Bus Studs, CMinstD

Gráinne is Chair of Summerset's People and Culture Committee. She is a Chartered Fellow of the Institute of Directors and is also Chair of Tourism Industry Aotearoa and a director of Tourism Holdings, Investore Property and Duncan Cotterill. Gráinne is a professional director with many years' experience in senior executive roles. She was General Manager, Corporate Services at SKYCITY Entertainment Group and Managing Director of McDonald's Restaurants (NZ). She also held senior management roles with Coopers and Lybrand (now PwC) and HR Consultancy Right Management. Gráinne has vast expertise in operating customer-focused businesses in highly competitive sectors. She has also spent many years as a trustee and Chair in the not-for-profit sector, including having been the Chair of Ronald McDonald House Charities New Zealand for five years. Gráinne has been a director of Summerset since 2016.



Anne Urlwin

Independent – retires from the Board on 28 February 2023
BCom, FCA, CFInstD, MAICD, ACIS, FNZIM

Anne is the Chair of Summerset's Audit Committee. She is a professional director with experience in a diverse range of sectors including construction, property development, health, infrastructure, telecommunications, regulation and financial services. She is a director of Precinct Properties New Zealand, Ventia Services Group and Vector. Her other directorships include City Rail Link and Queenstown Airport Corporation. Anne is a former director of Tilt Renewables, Southern Response Earthquake Services and Chorus, and a former Chair of national commercial construction group Naylor Love Enterprises and of the New Zealand Blood Service. Anne is a Chartered Accountant with experience in senior finance management roles in addition to her governance roles. Anne has been a director of Summerset since 2014. Anne joined the board of Infratil in January 2023 and will retire as a director of Summerset and Queenstown Airport Corporation on 28 February 2023.



Dr Andrew Wong

Independent
BHB, MBChB, MPH

Dr Andrew Wong is the Managing Director of HealthCare Holdings Ltd, a private healthcare investment company. He qualified as a specialist medical practitioner with a Masters in Public Health, and with a Fellowship of the New Zealand College of Public Health Medicine. He has extensive experience in strategic planning and implementation, business development, leadership and operational management. This has been gained over a 30 year career in public and private health both in New Zealand and overseas. He is a director of a number of companies through his HealthCare Holdings role. These include Auckland Radiation Oncology, MercyAscot hospitals, Kensington Hospital and Mercy Radiology. Other present and past directorships include companies providing services in the areas of interventional cardiology, healthcare property development, medical supplies, day and inpatient surgery and endoscopy, and veterinary medicine. He has held government appointments with Health Workforce New Zealand and the Health Innovation Hub, as well as sitting on the Executive of the New Zealand Private Hospitals Association. Andrew is an Adjunct Professor of AUT. Andrew has been a director of Summerset since 2017.



Fiona Oliver

Independent – joins the Board on 1 March 2023
LLB.BA, CFInstD

Fiona is an experienced professional director with a governance career spanning a variety of sectors, including renewable energy, natural gas, technology, commercial property, financial services, professional services, and sport. These roles ranging from Board Member to Audit & Risk Committee Chair, have been in commercial, public sector and not-for-profit entities including Freightways (NZX), First Gas/First Gas Services, Gentrack (NZX/ASX), and Tilt Renewables (NZX/ASX). She was awarded the New Zealand Shareholders Association's Beacon Award in 2021. Fiona has held Executive leadership roles in funds management for Westpac (BT Funds Management) and AMP in New Zealand. She has also held commercial roles in asset management and private equity in Sydney and London. Prior to her management career, Fiona practised as a senior corporate and commercial lawyer in New Zealand and overseas, specialising in mergers and acquisitions. Fiona joins the Board as a non-executive independent director on 1 March 2023.

Management



Scott Scoullar
Chief Executive Officer
CA, FCPA, BCA

Scott has overall responsibility for Summerset and is focused on developing and operating vibrant villages, and ensuring that respect for our customers is always at the core of everything we do. Prior to becoming Chief Executive Officer in 2021, Scott was Summerset's Chief Financial Officer after joining Summerset in 2014. Before joining Summerset, Scott held CFO roles at Housing New Zealand and Inland Revenue. Scott was named CFO of the Year at the New Zealand CFO Summit Awards in 2019 and was NZICA's Public Sector CFO of the Year in 2011. Scott is also a Fellow of CPA Australia, and a CPA New Zealand Council Board Member.



Will Wright
Chief Financial Officer | MBA (Hons.),
PGDip BusAdmin, BA (Eco), DipPOM,
DipGM

Will is our Chief Financial Officer and GM Corporate Services. He is responsible for Finance and Corporate Services including IT, Legal, Property and the Project Management Office. Before joining Summerset in 2021, Will was Chief Financial Officer of the Building Products division at Fletcher Building. He has previously been Fletcher Building's General Manager Strategy and Portfolio, and Chief Financial Officer of the Residential & Land Development division. Prior to his roles at Fletcher Building, Will held various roles in corporate finance. He holds an MBA from the University of Auckland, a Post Graduate Diploma in Business Administration from the University of Auckland Business School, and an Economics degree from the University of New South Wales.



Kay Brodie
General Manager Marketing
and Communications | BCA, BSc
DipGM

Kay joined Summerset in 2018 and is responsible for leading the marketing and communications team based in the Wellington office. Her marketing and advertising experience has been gained over 25 plus years across a range of industries including retail, loyalty programmes, government and insurance; both within advertising agencies and client organisations.



Dave Clegg
General Manager People and Culture
MBA

Dave is responsible for leading Summerset's People and Culture and Health and Safety teams to build and grow Summerset's people capability, wellbeing and engagement. Before joining Summerset in 2018, Dave was the General Manager of People and Culture at Steel & Tube. Dave has over 25 years' experience in human resources leadership roles in New Zealand and overseas. Dave holds an MBA from Southern Cross University in Australia.



Fay French
General Manager Sales
RNZcmpN

Fay leads our national sales team and can be found at Summerset's Wellington office or at one of our many New Zealand villages. Fay has a breadth of experience across sales, hospitality and the health sector. Prior to joining Summerset in 2015, she held a sales leadership role at a leading New Zealand e-commerce platform where she was responsible for leading a team of business development managers. Trained as a registered nurse, Fay has worked in various nursing roles and medical sales for Roche Pharmaceuticals.

Management



Aaron Smail
General Manager Development
BE (Civil), BBS

Aaron leads Summerset's development team in New Zealand, covering site acquisitions, project feasibilities, consents, and design for villages. Previous roles in his 25 plus years of property and development experience include senior positions at Todd Property Group and Kiwi Property. Aaron has been with Summerset since 2015.



Dean Tallentire
General Manager Construction
BSc (Hons), HND, RICS

Dean leads our procurement, cost management, construction management and administration support teams in the construction team. Dean has extensive construction and development experience and has led teams in the public and private sectors within developer and main contractor environments. Dean has been with Summerset since 2015.



Eleanor Young
General Manager Operations
and Customer Experience | BSc (Hons)

Eleanor oversees the operational performance across all Summerset villages. Her focus on service experience and delivery ensures Summerset's residents receive the highest quality facilities and care. Before joining Summerset in 2016, Eleanor held senior roles at Inland Revenue. This included four years as the Group Manager of Customer Services, managing over 2,000 staff across New Zealand to deliver services to customers. Eleanor has a background in human resources within both the public and private sector, having worked in managerial roles for the Ministry of Social Development, Mighty River Power and Air New Zealand.



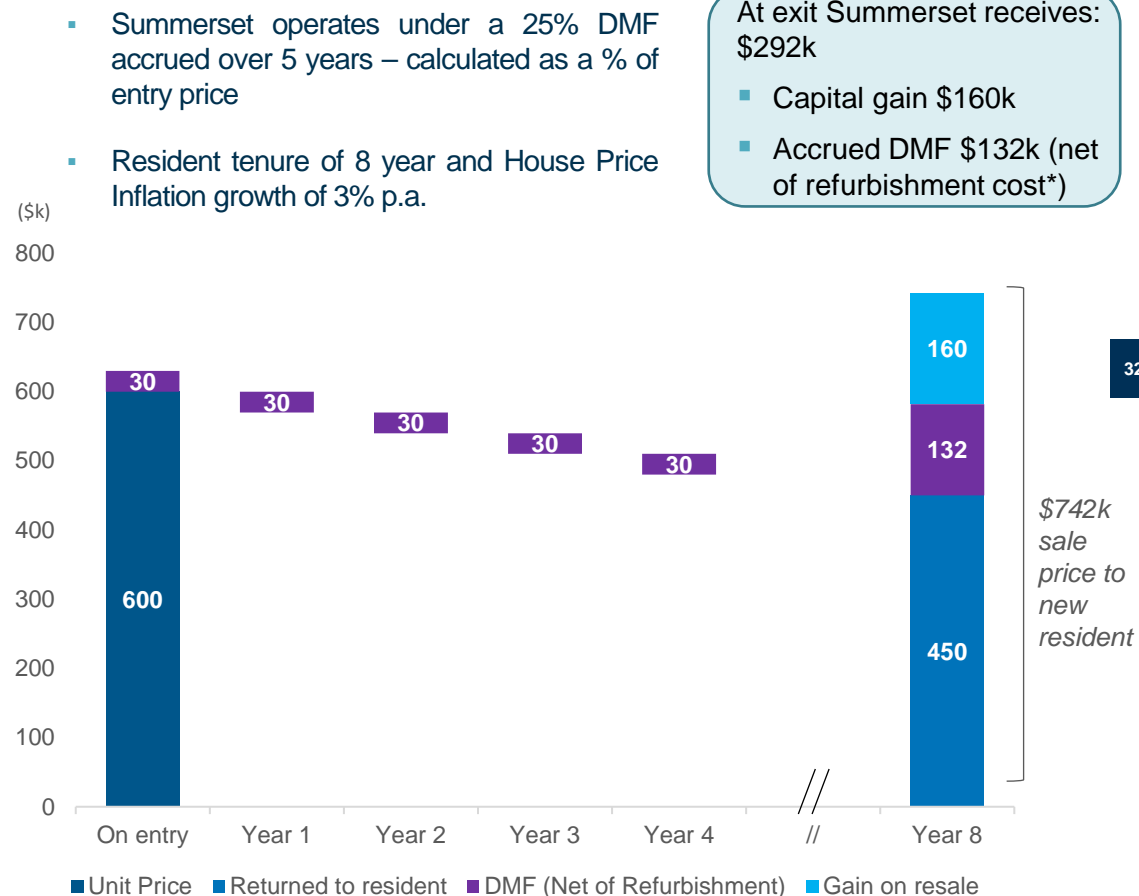
Stewart Scott
General Manager Development –
Australia | Masters Property (UNSW)
BLArch (UNSW)

Stewart leads Summerset's development activities in Australia including feasibilities, approvals, design and construction. Stewart has over 25 years' experience in the property and development industry. He has previously held senior executive positions in development, sales and operations within aged care and retirement sector.

How an Occupation Right Agreement works

Summerset earns a deferred management fee (percentage of incoming price) and all capital gains on resale of the Occupation Right

- Residents moving into a retirement village in New Zealand enter into an Occupation Right Agreement (ORA) and in Victoria enter into a Residence Contract
- Both an ORA and a Residence Contract grant the resident the right to occupy a retirement unit in exchange for a lump sum payment (Purchase Price) to the operator (recorded as residents' loans on the balance sheet). Legal ownership of the retirement unit remains with the retirement village operator
- A deferred management fee (DMF) is accrued over a resident's tenure and realised in cash on the resale of the Occupation Right. For Summerset, this is typically a maximum of 25% of the Purchase Price
- When a resident vacates their unit, they are entitled to be repaid the Purchase Price less the accrued DMF. This payment is required to be paid to the resident:
 - In New Zealand, when Summerset resells the Occupation Right for that unit
 - In Victoria, within six months of the resident vacating the unit or when Summerset resells the Residence Contract (whichever is earlier)



*Refurbishment costs have been calculated as 3% of entry price. Accrued DMF is used to cover the cost of refurbishment at exit

Security

Bondholders on an equal ranking security basis with bank lenders

- The bonds share the security provided by the Guaranteeing Group on an equal ranking basis with Summerset's bank lenders as per the Security Trust Deed
- The Statutory Supervisor's mortgage is for the protection of residents' rights and does not give the Statutory Supervisor discretion to demand repayment of residents' loans
- The security ranking of the bonds and bank lenders is outlined in the table below

Entity type	Assets	New Zealand security*	Australia security*
Village Registered Companies	Land and permanent buildings	Second ranking mortgage (behind a first mortgage in favour of the Statutory Supervisor)	Second ranking mortgage (behind a Statutory Charge protecting amounts owing to village residents)
	Other assets	General security deed** (Statutory Supervisor has first rights to proceeds of enforcement)	First ranking rights to proceeds of enforcement**
Non-Village Registered Companies	All assets (including any land and permanent buildings, and other assets)	First ranking mortgage and general security deed**	First ranking mortgage and general security deed**

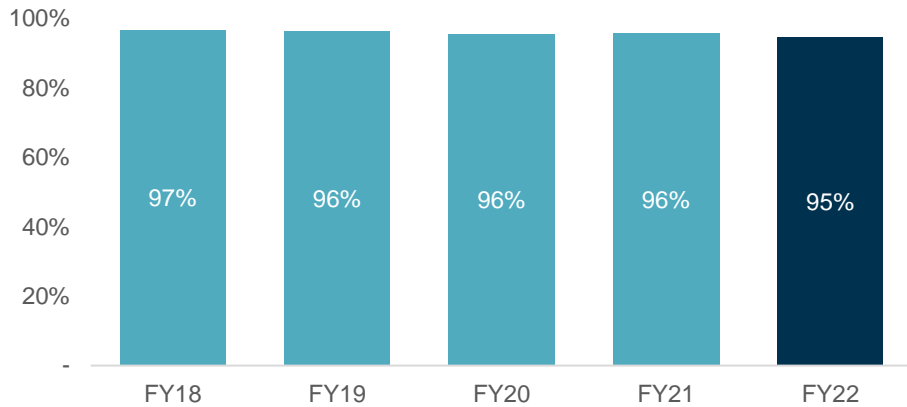
* Subject to the rights of creditors preferred by law, as detailed on slide 21

** The interests of certain other creditors (described as 'other liabilities' on slide 21) may also rank ahead of the bonds and Summerset's bank lenders

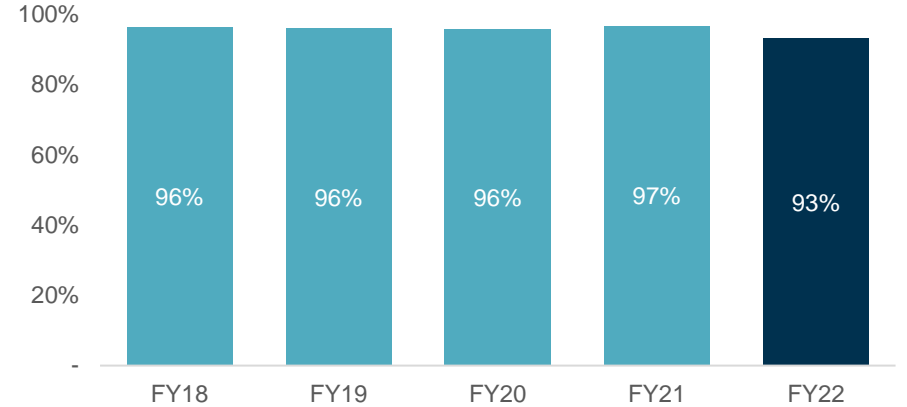
Customer profile & occupancy

Occupancy, tenure and resident demographic statistics

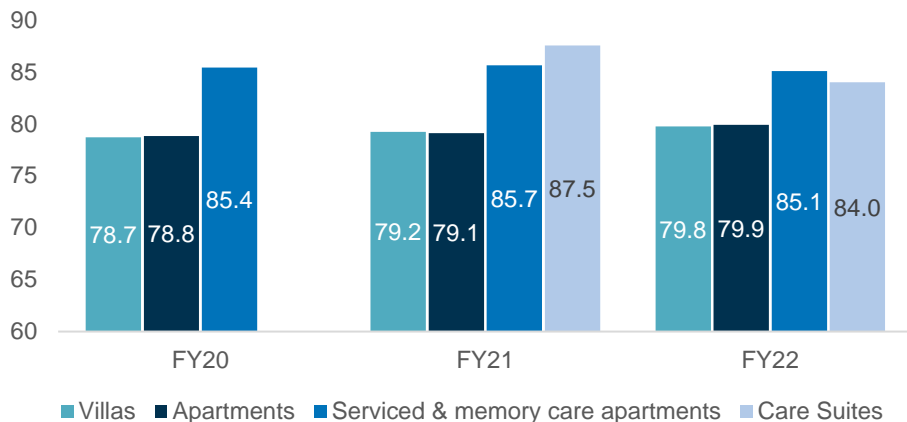
Occupancy – retirement villages



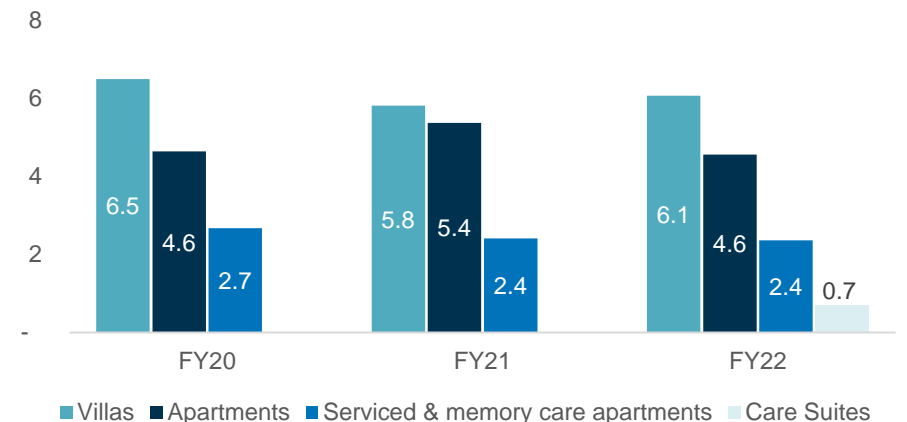
Occupancy – established care centres



Average entry age of residents (years)



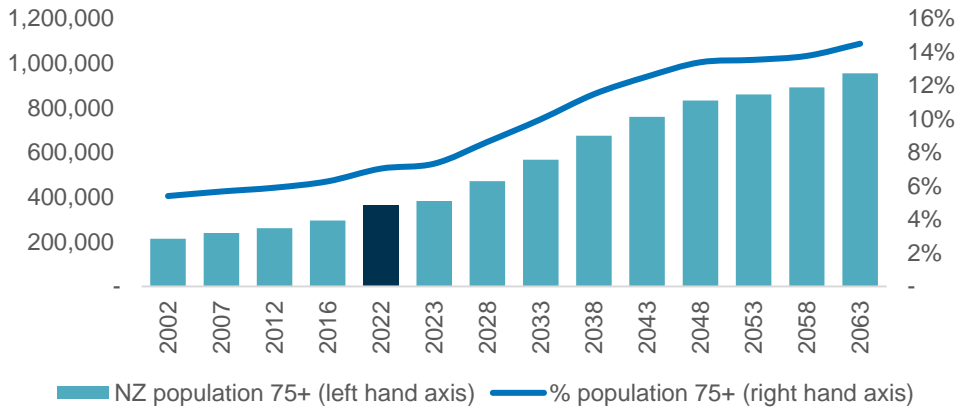
Average resident tenure (years)



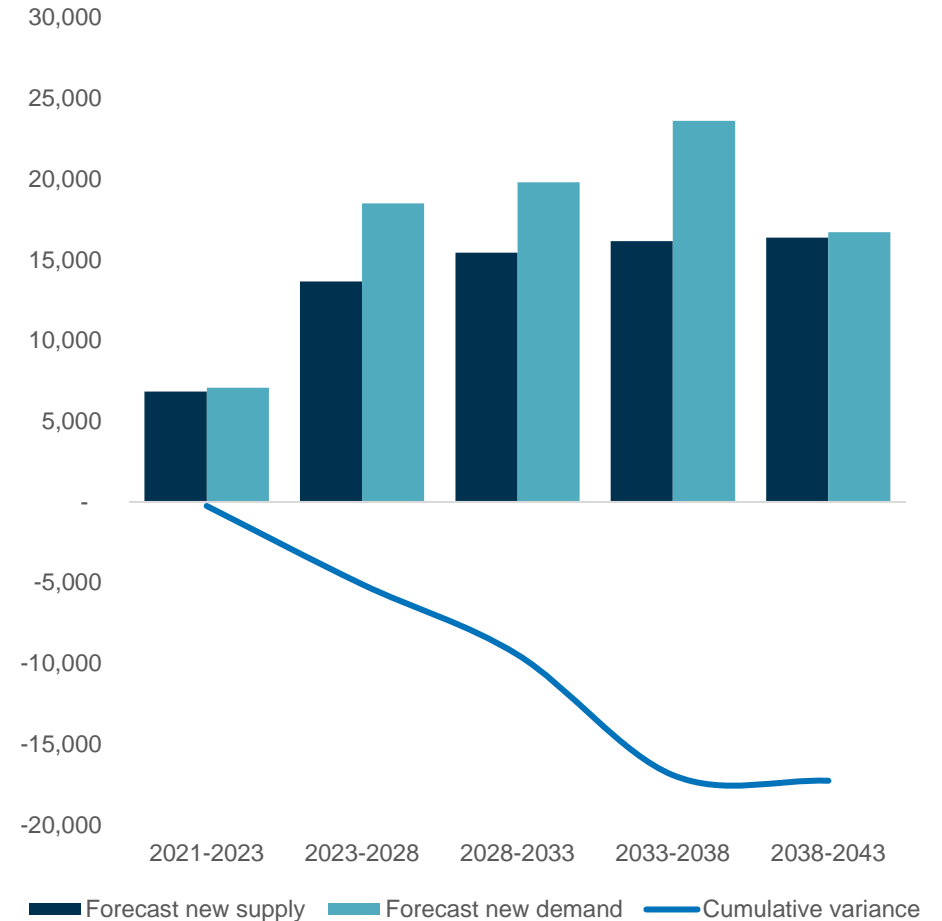
Compelling demographic and undersupply opportunity

New Zealand expected to see strong population growth and substantial undersupply over the next 35 years

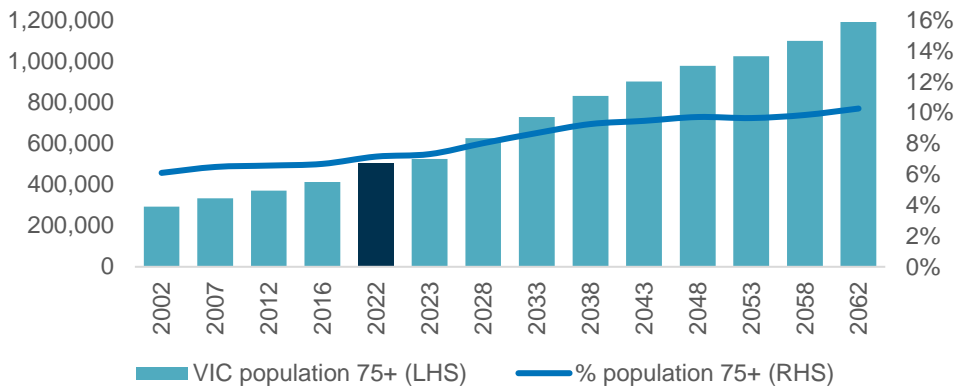
New Zealand population growth 75 years and over



New Zealand Independent Living Unit (ILU) net build rate



Victoria population growth 75 years and over



Source: Australian Bureau of Statistics and Statistics New Zealand

Source: Analyst reports, company reports, Statistics New Zealand, CBRE



Ngā mihi

For more information:

Will Wright
Chief Financial Officer
will.wright@summerset.co.nz
021 490 251

Indicative Terms Sheet

Summerset Group Holdings Limited
27 February 2023



Artist impression of Summerset St Johns

Joint Lead
Managers:



Co-Manager:

HOBSON
WEALTH
PARTNERS

Indicative Terms Sheet

This Indicative Terms Sheet sets out the key terms of the offer (“**Offer**”) by Summerset Group Holdings Limited (“**Summerset**”) of up to \$125,000,000 (with the ability to accept up to an additional \$50,000,000 of oversubscriptions at Summerset’s discretion) of guaranteed, secured, unsubordinated fixed rate bonds maturing on 9 March 2029 (“**Bonds**”) under its master trust deed dated 30 May 2017 (as amended from time to time) (“**Trust Deed**”) as modified and supplemented by a supplemental trust deed dated 27 February 2023 (together, “**Trust Documents**”) entered into between Summerset and The New Zealand Guardian Trust Company Limited (“**Supervisor**”). Unless the context otherwise requires, capitalised terms used in this Indicative Terms Sheet have the same meaning given to them in the Trust Documents.

Investors should refer to the Trust Documents for the full terms of the Bonds.

Important Notice

The Offer of debt securities by Summerset 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 Indicative Terms Sheet is an offer of bonds that have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as:

- Summerset’s bonds maturing on 11 July 2023, which have a fixed interest rate of 4.78% per annum and are currently quoted on the NZX Debt Market under the ticker code SUM010;
- Summerset’s bonds maturing on 24 September 2025, which have a fixed interest rate of 4.20% per annum and are currently quoted on the NZX Debt Market under the ticker code SUM020; and
- Summerset’s bonds maturing on 21 September 2027, which have a fixed interest rate of 2.30% per annum and are currently quoted on the NZX Debt Market under the ticker code SUM030,

(together the “**Existing Bonds**”).

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

Summerset 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. That information can be found by visiting www.nzx.com/companies/SUM.

The Existing Bonds are the only debt securities of Summerset that are currently quoted and 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.

Key Terms of the Bonds

Issuer	Summerset Group Holdings Limited (“ Summerset ”).
Instrument	Fixed rate, guaranteed, secured, unsubordinated bonds (“ Bonds ”).
Status	The Bonds will be issued under the Trust Documents described above. Principal and interest amounts in respect of the Bonds will be direct, secured, unsubordinated obligations of the Issuer and rank <i>pari passu</i> with all other unsubordinated obligations of the Issuer, except indebtedness preferred by law.
Guarantors	<p>Consistent with the Guarantors for Summerset’s bank facilities.</p> <p>Holders will have the benefit of the following coverage ratios:</p> <ul style="list-style-type: none"> • Total Assets of the Guaranteeing Group must comprise at least 90% of the Total Assets of the Summerset Group; and • EBITDA of the Guaranteeing Group for each rolling 12 month period must not be less than 90% of EBITDA of the Summerset Group for that period.
Purpose	<p>The proceeds of the Offer will be used to repay a portion of existing drawn bank debt, for the refinancing of the SUM010 bonds, and for general corporate purposes of the Summerset Group. The Offer will provide diversification of funding sources and tenor for the Summerset Group.</p> <p>More broadly, the Summerset Group’s principal use of debt is to facilitate the acquisition of land for development and the development and construction of retirement villages.</p>
Security	<p>Holders will share the benefit of the same security package as Summerset’s banks on a pro rata basis. The security is held by the Security Trustee.</p> <p>The key securities that Summerset’s banks and Holders will have the benefit of are set out below.</p> <p>New Zealand Securities</p> <ul style="list-style-type: none"> • A second ranking mortgage over the land and permanent buildings of each Village Registered Company incorporated in New Zealand, which are the entities that operate Summerset’s registered retirement villages in New Zealand. This ranks behind a first ranking mortgage in favour of Public Trust (as the Statutory Supervisor of the relevant retirement village) securing amounts and obligations owing to village residents. • A first ranking mortgage over land and permanent buildings owned by other Summerset Group companies (described as Non-Village Registered Companies) incorporated in New Zealand, being undeveloped land and land under development. • A General Security Deed, which grants security over all assets of the Guaranteeing Group companies incorporated in New Zealand. However, the Statutory Supervisor has first rights to the proceeds of security enforcement against the assets of the Village Registered Companies incorporated in New Zealand.

**Security
(continued)**

The Statutory Supervisor is entitled to the proceeds of security enforcement against all assets of the Village Registered Companies incorporated in New Zealand, in priority to Summerset's banks and Holders. Summerset's banks and Holders (including Holders of the Existing Bonds) will share the remaining proceeds of security enforcement against the assets of Village Registered Companies incorporated in New Zealand to which the Security Trustee is entitled on a pro rata basis.

Australian Securities

- A second ranking mortgage over the land and permanent buildings of any Village Registered Company incorporated in Australia. This ranks second in priority behind a statutory charge against the land and permanent buildings under s29 of the *Retirement Villages Act 1986 (Vic)* securing amounts owing to village residents. Note that Summerset has one Village Registered Company in Australia, and continues to progress a number of village developments in Victoria.
- A first ranking mortgage over any land and permanent buildings owned by Non-Village Registered Companies incorporated in Australia, being undeveloped land and land under development.
- A General Security Deed, which grants security over all assets of the Guaranteeing Group companies incorporated in Australia.

There is no requirement to appoint a Statutory Supervisor or equivalent for each Registered Village in Australia.

**Financial
Covenant****Loan to Value (LVR) Covenant**

Summerset will ensure, on each Test Date, that the ratio of:

- a. Total Debt (which is effectively principal amounts outstanding under Summerset's bank facilities, bonds and any other secured facilities); to
- b. Property Value of the Guaranteeing Group's land and permanent buildings that have been mortgaged to the Security Trustee,

is less than or equal to 50%.

A reported breach of the LVR Covenant in respect of a Test Date will be an Event of Review. Summerset must then follow a process specified in the Trust Deed to attempt to remedy the breach. If the breach has not been remedied at the end of this process, an Event of Default occurs.

Distribution stopper

Guarantors are not permitted to make any Distributions to non-Guarantors if an Event of Default or Event of Review is continuing.

Refer to the Trust Deed for more detail on Covenants that will apply to the Bonds.

Credit Rating

The Bonds will not be rated.

Issue Amount	Summerset is offering up to \$125,000,000 of Bonds with the ability to accept additional oversubscriptions of up to \$50,000,000 at Summerset's discretion. The Offer is not underwritten.
Interest Rate	The Interest Rate will be the sum of the Issue Margin and the Base Rate, but in any case will be no less than the minimum Interest Rate of 6.45% per annum. The Interest Rate will be announced by Summerset via NZX on or shortly after the Rate Set Date.
Indicative Issue Margin	The indicative range of the Issue Margin is 1.85% - 2.00% per annum.
Issue Margin	The Issue Margin (which may be above or below the indicative Issue Margin range) will be determined by Summerset in consultation with the Joint Lead Managers following completion of the book-build process and announced via NZX on or shortly after the Rate Set Date.
Base Rate	A mid-market rate for an NZD interest rate swap (adjusted to a quarterly basis as necessary), for a term matching the period from the Issue Date to the Maturity Date as calculated by the Arranger in consultation with Summerset, according to market convention, with reference to Bloomberg page 'ICNZ4' (or any successor page) on the Rate Set Date (rounded to 2 decimal places, if necessary, with 0.005 being rounded up).
Interest Payments & Interest Payment Dates	Interest will be payable quarterly in arrear in equal amounts on 9 March, 9 June, 9 September and 9 December of each year up to and including the Maturity Date. The first Interest Payment Date will be 9 June 2023. If an Interest Payment Date is not a business day, the due date for the payment to be made on that date will be the next following business day and no adjustment will be made to the amount payable as a result of the delay in payment.
Early Redemption	Neither Holders nor Summerset are able to redeem the Bonds before the Maturity Date. However, Summerset may be required to repay the Bonds early if there is an Event of Default.

Brokerage	Summerset will pay brokerage of 0.50% of the aggregate principal amount of the amount issued plus 0.25% on firm allocations. Such amounts will be paid to the Arranger who will distribute as appropriate to Primary Market Participants and approved financial intermediaries.
Record Date	5.00pm on the tenth calendar day before the due date for that payment or, if that day is not a business day, the preceding business day.
Issue Price	\$1.00 per Bond.
Minimum Application	The minimum application is \$5,000, with multiples of \$1,000 thereafter.
Minimum Holding	Bonds with an aggregate principal amount of \$5,000.
How to Apply	<p>All of the Bonds, including oversubscriptions, are reserved for clients of the Joint Lead Managers, institutional investors and other primary market participants invited to participate in the book-build. There will be no public pool for the Offer. Accordingly, retail investors should contact a 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 https://www.nzx.com/services/market-participants.</p> <p>In respect of oversubscriptions or generally, any allotment of Bonds will be at Summerset's discretion, in consultation with the Joint Lead Managers. Summerset reserves the right to refuse all or any part of an application without giving any reason.</p> <p>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.</p>
ISIN	NZSUMD0040L5.
Transfers	<p>Holders are entitled to sell or transfer their Bonds at any time subject to the terms of the Trust Documents, the selling restrictions set out below and applicable securities laws and regulations. Summerset may decline to register a transfer of Bonds for the reasons set out in the Trust Documents.</p> <p>The minimum amount of Bonds a Holder can transfer is \$1,000, and integral multiples of \$1,000 thereafter. No transfer of Bonds or any part of a Holder's interest in a Bond will be registered if the transfer would result in the transferor or the transferee holding or continuing to hold Bonds with an aggregate principal amount of less than the minimum holding of \$5,000 (other than zero).</p>

NZX Quotation Summerset will take any necessary steps to ensure that 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 thereto that can be complied with on or before the distribution of this Indicative Terms Sheet have been duly complied with. However, NZX accepts no responsibility for any statement in this Indicative Terms Sheet. NZX is a licensed market operator and the NZX Debt Market is a licensed market under the FMCA.

NZX Debt Market Ticker Code SUM040.

Selling Restrictions The Bonds may only be offered for sale or sold in New Zealand in conformity with all applicable laws and regulations in New Zealand. No Bonds may be offered for sale or sold in any other country or jurisdiction except with the prior consent of Summerset and in conformity with all applicable laws and regulations of that country or jurisdiction and the selling restrictions contained in this Indicative Terms Sheet.

This Indicative Terms Sheet may not be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations in that country or jurisdiction and the selling restrictions contained in this Indicative Terms Sheet.

By purchasing the Bonds, each Holder agrees to indemnify Summerset, the Bond Supervisor, the Arranger, the Joint Lead Managers and their respective directors, officers, employees and agents in respect of any loss, cost, liability or expense sustained or incurred as a result of the breach by the Holder of the selling restrictions set out above.

Governing Law New Zealand.

Important Dates

Opening Date Monday, 27 February 2023.

Closing Date 12:00pm, Thursday, 2 March 2023.

Rate Set Date Thursday, 2 March 2023.

Issue Date and Allotment Date Thursday, 9 March 2023.

Expected Date of Initial Quotation Friday, 10 March 2023.

Maturity Date Thursday, 9 March 2029.

The dates set out in this Indicative Terms Sheet are indicative only and are subject to change. Summerset has the right in its absolute discretion and without notice to close the Offer early, to accept late applications, to extend the Closing Date or to choose not to proceed with the Offer. If the Closing Date is extended, subsequent dates may be extended accordingly.

The Arranger, the Joint Lead Managers and their respective directors, officers, employees and agents:

- a. have not authorised or caused the issue of, or made any statement in, any part of this Indicative Terms Sheet;
- b. do not make any representation, recommendation or warranty, express or implied regarding the origin, validity, accuracy, adequacy, reasonableness or completeness of, or any errors or omissions in, any information, statement or opinion contained in this Indicative Terms Sheet; and
- c. to the extent permitted by law, do not accept any responsibility or liability for this Indicative Terms Sheet or for any loss arising from this Indicative Terms Sheet or its contents or otherwise arising in connection with the offer of Bonds.

This Indicative Terms Sheet does not constitute financial advice or a recommendation from the Arranger, any Joint Lead Manager or any of their respective directors, officers, employees, agents or advisers to purchase any Bonds.

You must make your own independent investigation and assessment of the financial condition and affairs of Summerset before deciding whether or not to invest in the Bonds.

Other Information

Copies of the Trust Documents are available at Summerset's website at www.summerset.co.nz/bondoffer.

Any internet site addresses provided in this Indicative 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 Indicative Terms Sheet.

Investors should seek qualified independent financial and taxation advice before deciding to invest. In particular, you should consult your tax adviser in relation to your specific circumstances. Investors will also be personally responsible for ensuring compliance with relevant laws and regulations applicable to them (including any required registrations).

For further information regarding Summerset, visit www.nzx.com/companies/SUM.

Contact Information

Issuer

Summerset Group Holdings Limited
Level 27, Majestic Centre
100 Willis Street
PO Box 5187
Wellington 6140

Registrar

Link Market Services Limited
Level 30, PwC Tower
15 Customs Street West
Auckland 1010

Arranger and Joint Lead Manager

ANZ Bank New Zealand Limited
Level 10, ANZ Centre
171 Featherston Street
Wellington 6011

Joint Lead Manager

Craigs Investment Partners Limited
158 Cameron Road
Tauranga 3110

Joint Lead Manager

Forsyth Barr Limited
Level 22, NTT Tower
157 Lambton Quay
Wellington 6011

Joint Lead Manager

Jarden Securities Limited
Level 14, ANZ Centre
171 Featherston Street
Wellington 6011

Co-Manager

Hobson Wealth Partners Limited
Level 4, Australis Nathan Buildings
37 Galway Street, Britomart
Auckland 1010

Bond Supervisor

The New Zealand Guardian Trust Company Limited
Level 2, 99 - 105 Customhouse Quay
Wellington 6011

Statutory Supervisor

Public Trust
Level 9, 34 Shortland Street
Auckland 1010

Legal Adviser to Summerset

Russell McVeagh
Level 24, NTT Tower
157 Lambton Quay
Wellington 6011

Security Trustee

ANZ Bank New Zealand Limited
Level 25, ANZ Centre
23 - 29 Albert Street
Auckland 1010