



Managed by Stride Investment  
Management Limited

# Retail Bond Presentation

Investore Property Limited

14 February 2022

Arranger



Joint Lead Managers



FORSYTH BARR



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# Overview of the Offer

- Investore is offering up to \$75m (with up to an additional \$50m in oversubscriptions able to be accepted at Investore's discretion) of 5 year senior secured fixed rate Bonds
- The net proceeds of the Offer will be used to repay existing bank debt, extending the tenor of Investore's debt and increasing the proportion of Investore's debt that is hedged or subject to a fixed rate of interest
- The Bonds are secured by first ranking mortgages granted by Investore and the Guarantors<sup>1</sup> over their properties and by security interests over Investore's and the Guarantors' other assets under a General Security Deed (subject to limited exceptions)
- The Offer is expected to open on 14 February 2022 and close on 18 February 2022
- The Interest Rate on the Bonds is expected to be set on 18 February 2022
- The Bonds are expected to be issued on 25 February 2022 and quoted on the NZX Debt Market on 28 February 2022

1. The Bonds are guaranteed by the subsidiaries of Investore as at the date of this presentation.



# Business Summary



# A Strong, Resilient Portfolio



Proactive capital management

**29.8%**  
Loan to Value Ratio<sup>1</sup>

**\$225m**  
retail bonds currently  
on issue

**3.7x**  
interest coverage ratio

Strong portfolio delivering dependable income streams

**\$1,148.6m**  
portfolio value<sup>2</sup>  
across 44 properties

**9.5 years**  
WALT<sup>3</sup>

**88%**  
Contract Rental<sup>4</sup> from  
anchor tenants

**99%**  
portfolio occupancy  
by net lettable area

**73%**  
of Contract Rental<sup>4</sup>  
expires in FY30 or beyond

**0.3%**  
average lifecycle costs  
by asset value per annum

Data above is as at 30 September 2021

1. LVR is calculated based on independent valuations, which include the value of seismic works and rental guarantee to be funded by Stride Property Limited (SPL) in relation to the three properties acquired from SPL and settled on 30 April 2020.
2. Portfolio value based on independent valuations as at 30 September 2021, excluding (1) the seismic works to be completed by SPL and rental guarantee provided by SPL (total \$5.6m) in relation to the three properties acquired from SPL and settled on 30 April 2020; and (2) lease liabilities.
3. Weighted Average Lease Term.
4. Contract Rental is the amount of rent payable by each tenant, plus other amounts payable to Investore by that tenant under the terms of the relevant lease, annualised for the 12-month period on the basis of the occupancy level of the relevant property as at the relevant date, and assuming no default by the tenant.

# Large Format Retail

Investore's strategy is to invest in quality, large format retail (LFR) properties throughout New Zealand, and actively manage investors' capital, to maximise distributions and total returns over the medium to long term

Long lease term 9.5 years WALT <sup>1</sup>	High occupancy 99.0% <sup>1</sup>	Nationally recognised tenants
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Investore characterises LFR property as:

- Generally large, freehold retail centres tenanted by national brands
- Sites are usually located in urban or fast-growing regional locations
- Generally free-standing, rectangular single floor structures on a concrete slab
- Typically building improvements and maintenance of the asset require straightforward enhancement and/or upkeep, with low lifecycle maintenance
- Sites are conveniently located and highly accessible, with plenty of carparking on site
- Generally occupied by a single anchor tenant and a limited number of tenants with the majority of rental income received from lease arrangements with nationally recognised brands and companies
- Leases are structured in order to ensure Investore has the security of long lease terms and a stable income stream, net of operating costs



1. As at 30 September 2021.

# Our Strategic Principles

Our strategy is based on four principles – active portfolio management, targeted growth, continued optimisation of the portfolio, and proactive capital management



1.

## Active Portfolio Management

Focus on owning well-located properties with long lease terms and high occupancy, with nationally recognised quality tenant brands, and maintaining strong and enduring tenant relationships that support the portfolio

2.

## Targeted Growth

Considered acquisitions and developments which deliver growth, while continuing to enhance geographical and/or tenant portfolio diversification

3.

## Continued Portfolio Optimisation

Development of existing properties to meet the needs of tenants and the surrounding catchment, which may include acquiring sites adjacent to existing properties, to provide development options for the future

4.

## Proactive Capital Management

Proactive capital management to maintain a healthy and flexible balance sheet for growth, while preserving sustainable returns to investors

# Portfolio Highlights



4 Carr Road,  
Mt Roskill

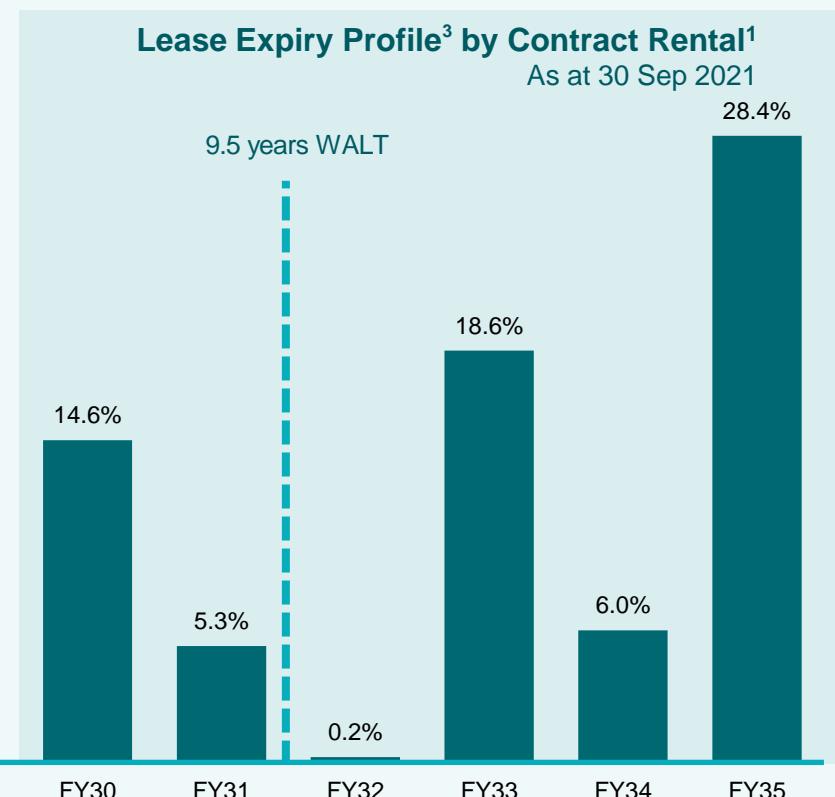
# Portfolio Summary



## Portfolio Metrics

	As at 30 Sep 21
Number of properties	<b>44</b>
Number of tenants	<b>140</b>
Net lettable area (NLA) (sqm)	<b>249,784</b>
Net Contract Rental <sup>1</sup> (\$m)	<b>58.8</b>
Weighted Average Lease Term (WALT) (years)	<b>9.5</b>
Occupancy by net lettable area (%)	<b>99.0</b>
Portfolio value <sup>2</sup> (\$m)	<b>1,148.6</b>
Average site coverage (%)	<b>40.8</b>

**Long portfolio WALT of 9.5 years and 73% of Contract Rental<sup>1</sup> expiring in FY30 or beyond**



1. See footnote 4 on page 6.

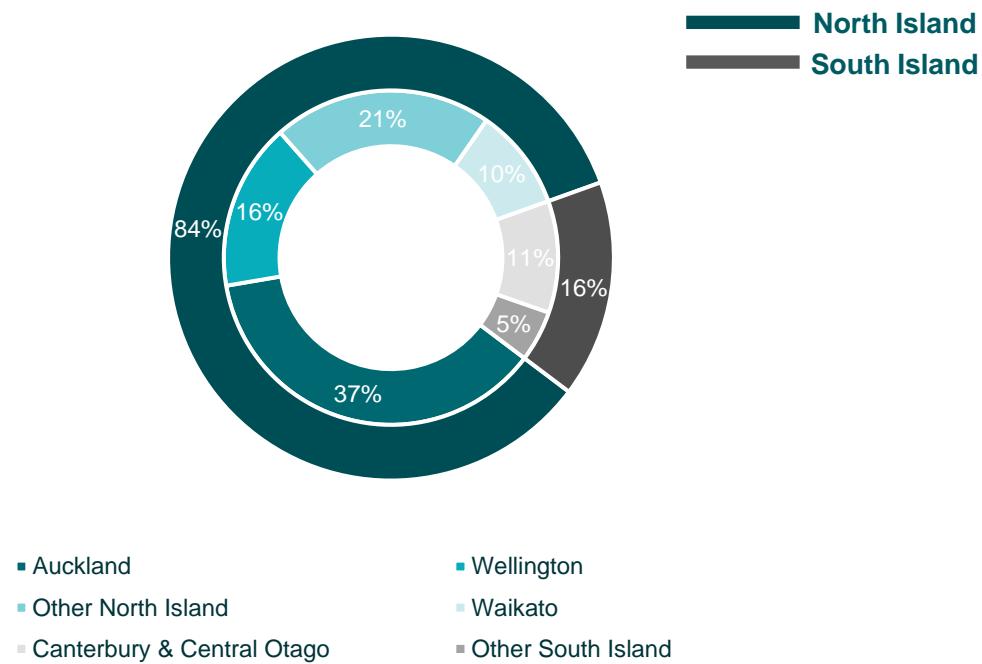
2. Portfolio value based on independent valuations as at 30 September 2021, excluding (1) the seismic works to be completed by SPL and rental guarantee provided by SPL (total \$5.6m) in relation to the three properties acquired from SPL and settled on 30 April 2020; and (2) lease liabilities.

3. Represents the scheduled expiry for each lease, excluding any rights of renewal that may be granted under each lease, for the entire portfolio as at 30 September 2021 as a percentage of Contract Rental.

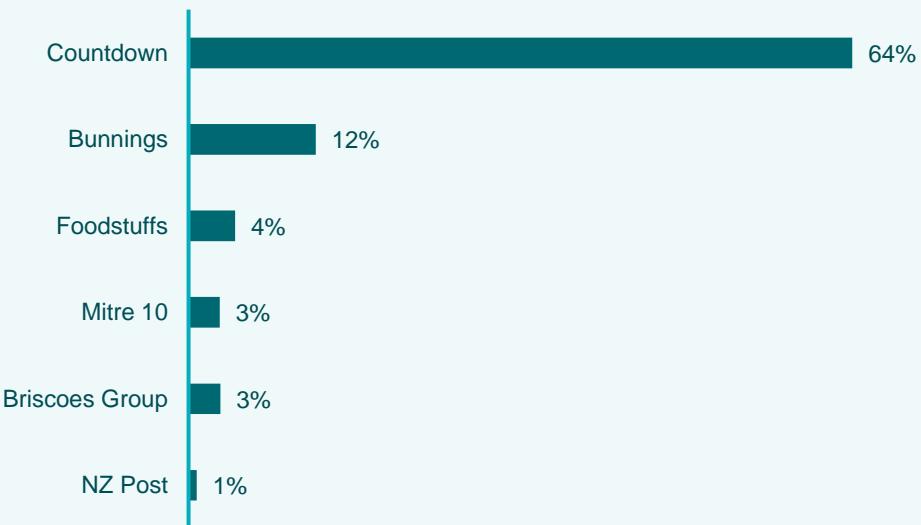
# Anchor Tenants Underpin Income

Investore's resilient portfolio comprises a high proportion of anchor tenants (88% by Contract Rental<sup>1</sup>) and is geographically diverse, reflective of the population spread across NZ

**Geographic diversification by Contract Rental<sup>1</sup>**  
(as at 30 Sep 2021)



**Anchor tenant classification by Contract Rental<sup>1</sup>**  
(as at 30 Sep 2021)



Note: Numbers may not sum due to rounding.

1. See footnote 4 on page 6. Percentages represent percentage of Contract Rental of whole portfolio.

# Targeted Growth

**Investore continues to deliver on its strategy of targeted growth, focussed on opportunities that enhance its existing portfolio**

- During the six months to 30 September 2021, Investore completed \$73.3m of acquisitions, and has a further conditional agreement to acquire a development property at Waimak Junction<sup>1</sup>, Kaiapoi, for \$10.5m, on which it has agreed to build a new Countdown supermarket
- Investore has also committed a further \$24.5m for expansion and portfolio improvement initiatives agreed with tenants
- Investore is currently exploring a number of potential growth opportunities with a combined value of approximately \$50m
- These opportunities, if they proceed, are expected to be funded through Investore's existing debt facilities, which would result in a pro forma LVR of approximately 36%
- There is no certainty that any opportunities will proceed, and if such opportunities do progress, then they would be subject to satisfactory completion of due diligence and other conditions that may be negotiated

1. Investore has a conditional agreement to acquire 3.5ha of development land at Waimak Junction, Kaiapoi, North Canterbury, for \$10.5m. The total commitment, including the cost of the land and the Stage 1 development, is expected to be \$31m. The agreement to acquire land at Waimak Junction remains conditional on receipt of resource consents. The grant of certain resource consents for the development is currently the subject of an application for judicial review, which will take time, and if successful, Investore may not proceed with the acquisition. Investore is not a party to these proceedings.



# Sustainability

**Investore continues to focus on ensuring a sustainable future for its business, its community and the environment, guided by its Sustainability Strategic Plan**



## Sustainability Strategic Plan Objectives

**Contribute to a resilient community** - ensure leading health and safety performance and support a connected and inclusive society

**Develop shared prosperity** - foster long-term prosperity by investing in outstanding places that reward everyone connected with them

**Protect the planet** - create efficient, climate-resilient places that deliver long term value and support a low carbon future

## Recent Achievements

- Sustainability principles considered as part of developments and refurbishments – Investore is targeting a four Green Star design rating for the planned Countdown supermarket at Waimak Junction
- Greenhouse gas emissions are being measured through the BraveGen software system implemented by SIML, Investore's Manager
- Climate risk assessment underway, as part of preparations for reporting against the principles of the Taskforce for Climate-Related Financial Disclosures
- Investore is in discussions with its major tenants to trial solar panels on the roof of single tenant stores and other sustainability initiatives
- Tesla superchargers installed at Johnsonville, with other locations under investigation

# Financial Overview



Countdown, Stoke

# Financial Highlights



**For the 6-month period ended  
30 September 2021**

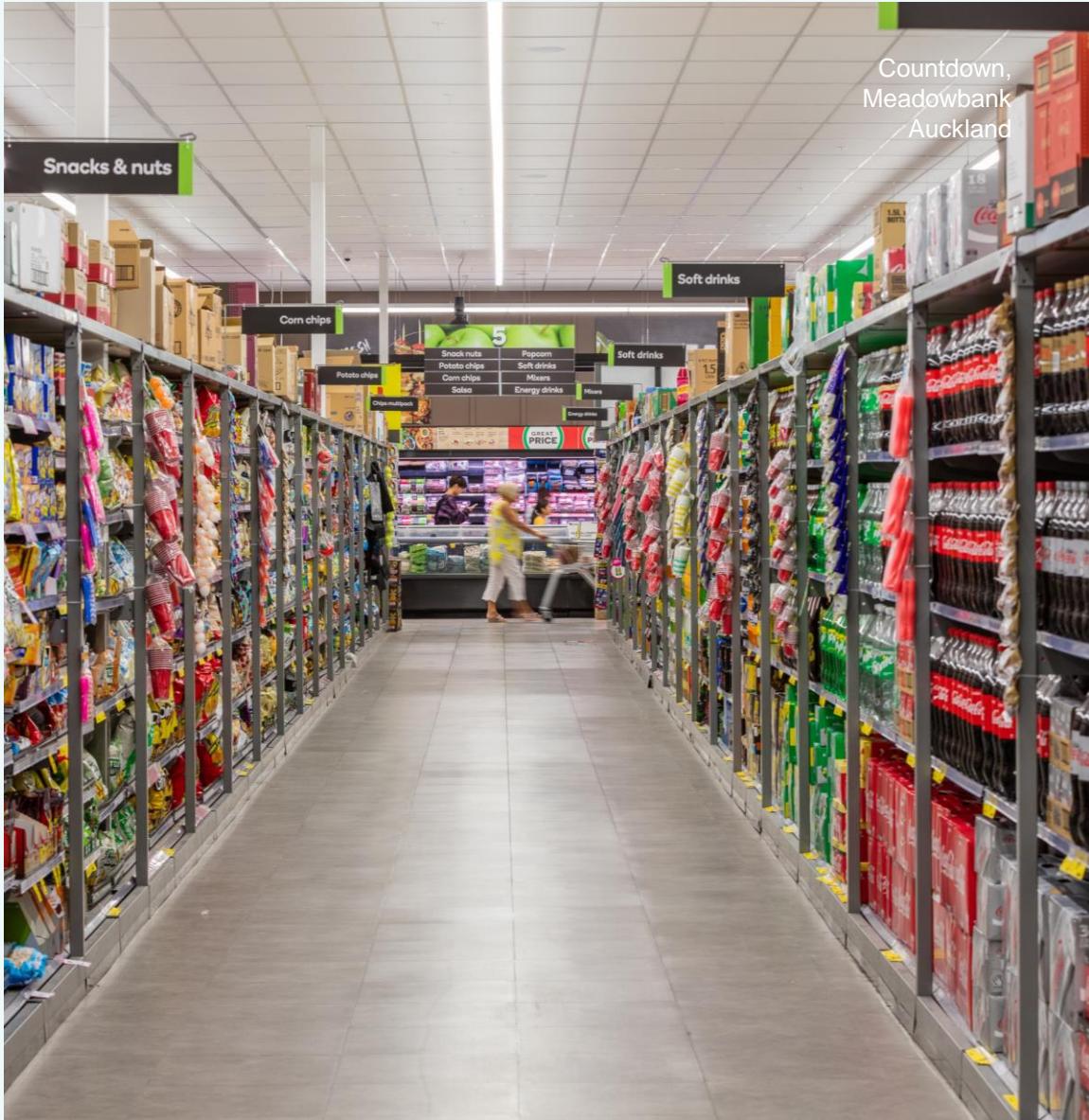
- Net rental income of \$28.0m (HY21: \$27.4m)
- Corporate expenses of \$5.7m (HY21: \$5.0m)
- Profit before other income / (expense) and income tax of \$15.4m (HY21: \$12.2m)
- Profit after income tax of \$56.9m (HY21: \$91.0m) due to lower net revaluation gains compared with the prior period
- Distributable profit<sup>1</sup> after income tax of \$13.3m (HY21: \$13.7m)



1. Distributable profit is a non-GAAP measure and consists of profit/(loss) before income tax, adjusted for determined non-recurring and/or non-cash items (including non-recurring adjustments for incentives payable to anchor tenants for lease extensions) and current tax. Further information, including the calculation of distributable profit and the adjustments to profit before income tax, is set out in note 3.2 to the Consolidated Interim Financial Statements ended 30 September 2021.

# COVID-19

- Investore has a high proportion of tenants that were classified as “essential businesses” and were able to remain open and trading under the previous COVID-19 Alert Level System
- The introduction by the Government of legislation mandating that landlords abate a fair proportion of rent will result in Investore incurring rent abatement costs for those tenants unable to trade under the COVID-19 Alert Level System
- Investore expects the total cost for COVID-19 rent abatements for FY22 to be within the provision of \$1m previously advised to the market (assuming no further lockdowns)
- Investore expects all current tenants to remain open and trading under the New Zealand Government’s COVID-19 Protection Framework (traffic light system) implemented in December 2021

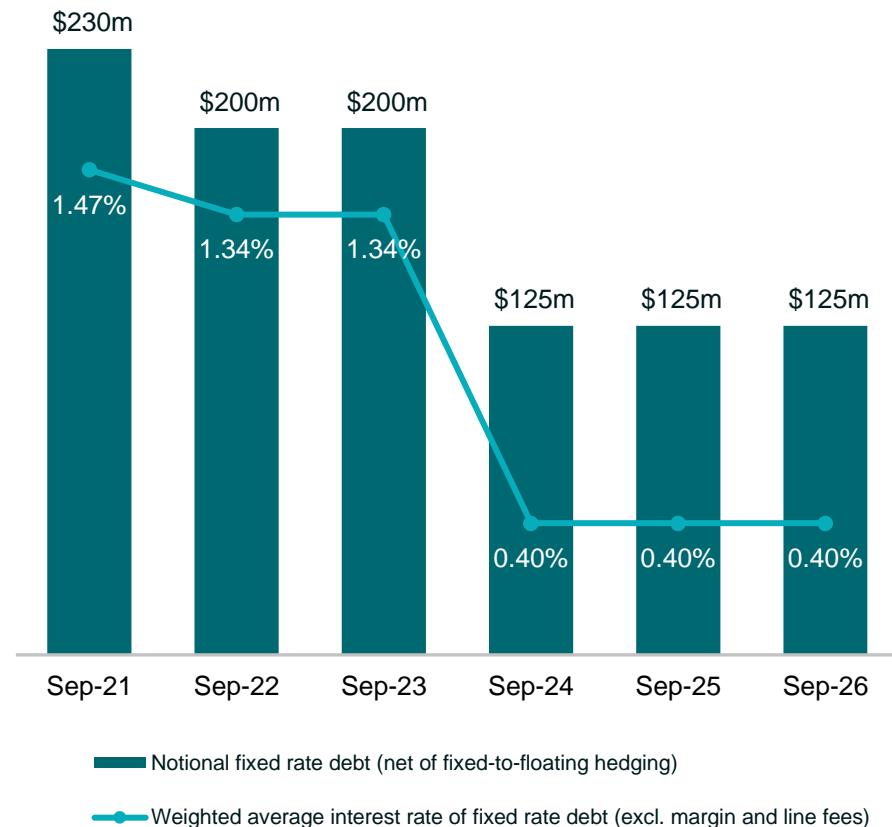


Countdown,  
Meadowbank  
Auckland

# Proactive Capital Management

As at 30 Sep 21	
<b>Debt facilities</b>	
Bank debt facilities available (ANZ, CCB <sup>1</sup> , Westpac, ICBC <sup>2</sup> ), plus \$225m of existing bonds	\$476m
Debt facilities drawn	\$344m
Weighted average maturity of debt facilities	3.5 years
<b>Debt covenants</b>	
LVR (Drawn Debt / Property Values)	29.8%
Covenant: ≤ 65%; board policy target: 30% - 40%	
Interest Cover Ratio (EBIT/Interest and Financing Costs)	3.7x
Covenant: ≥ 1.75x	
WALT <sup>3</sup>	9.4 years
Covenant: > 6.0 years	

**Fixed rate interest profile**  
as at 30 Sep 2021



1. China Construction Bank, New Zealand Branch (CCB).

2. Industrial and Commercial Bank of China Limited, Auckland Branch (ICBC).

3. The unexpired lease term in a property or portfolio, assuming the property or portfolio is fully leased. This is weighted by the income applicable to each lease and a current market rental with nil term for vacant space.

# Leverage

- The Investore Board has recently reviewed its policy regarding its loan to value ratio, reducing its target LVR to between 30% and 40% on a long term basis
- Investore's LVR was 29.8% as at 30 September 2021, and would increase to 33.0% on a pro forma basis taking into account the following intended future acquisition and developments:
  - The conditional acquisition of land and the first stage of the development at Waimak Junction<sup>1</sup>, Kaiapoi, totalling \$31m
  - Committed capital projects with key tenants at Investore's existing properties of approximately \$24.5m
- Investore is exploring a number of potential growth opportunities with a total value of approximately \$50m, which, if they proceed, would increase the LVR to 35.7% on a pro forma basis



1. Investore has a conditional agreement to acquire 3.5ha of development land at Waimak Junction, Kaiapoi, North Canterbury, for \$10.5m. The total commitment, including the cost of the land and the Stage 1 development, is expected to be \$31m. The agreement to acquire land at Waimak Junction remains conditional on receipt of resource consents. The grant of certain resource consents for the development is currently the subject of an application for judicial review, which will take time, and if successful, Investore may not proceed with the acquisition. Investore is not a party to these proceedings.

# Offer Outcomes

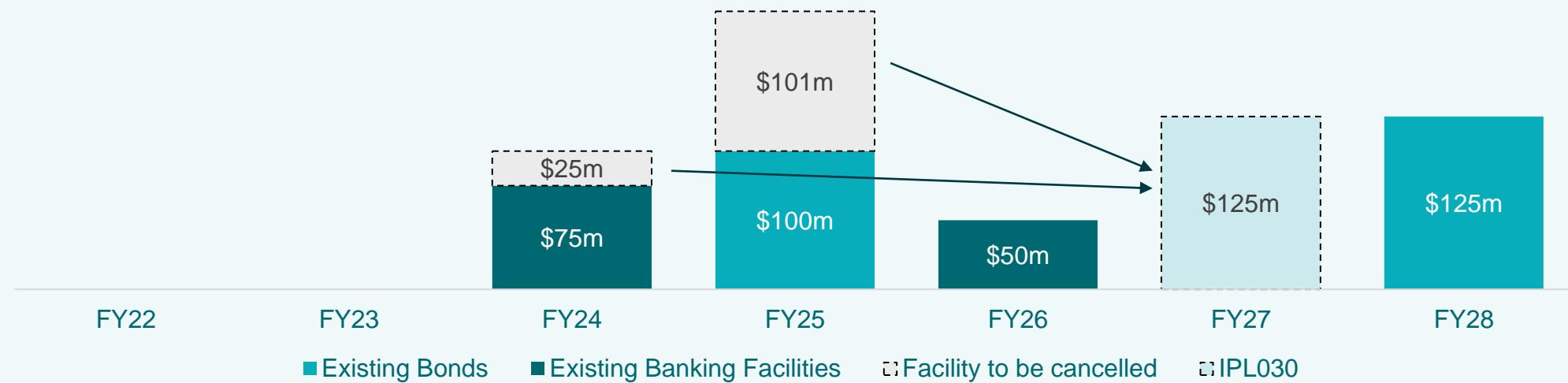
**Net proceeds of the Offer will be used to repay bank debt, with a portion of Investore's bank facilities being cancelled**

- ✓ Extended tenor – average tenor of debt extended to 4.1 years upon the issue of the Bonds<sup>1,2</sup>
- ✓ Increases the level of drawn debt that is hedged or is subject to a fixed rate of interest

	As at 30 Sep 2021 pro forma <sup>1</sup>	As at 30 Sep 2021
<b>Debt facilities</b>		
Banking facility limit (ANZ, CCB, ICBC, Westpac)	\$125m	\$251m
Retail bonds	\$350m	\$225m
Total debt facilities	\$475m	\$476m
Weighted maturity of debt facilities	4.1 years	3.5 years

## Debt maturity profile post issue<sup>2</sup>

As at 30 September 2021



1. As at 30 September 2021, as if IPL030 (\$125m, 5-year fixed rate bond), had been issued and \$126m of bank facilities expiring in FY24 and FY25 had been cancelled at that time.

2. Assumes \$125m (including oversubscriptions of \$50m) of Bonds are issued and \$126m of existing banking facility is cancelled.

# Bond Offer



Mitre 10 MEGA  
Botany-Auckland

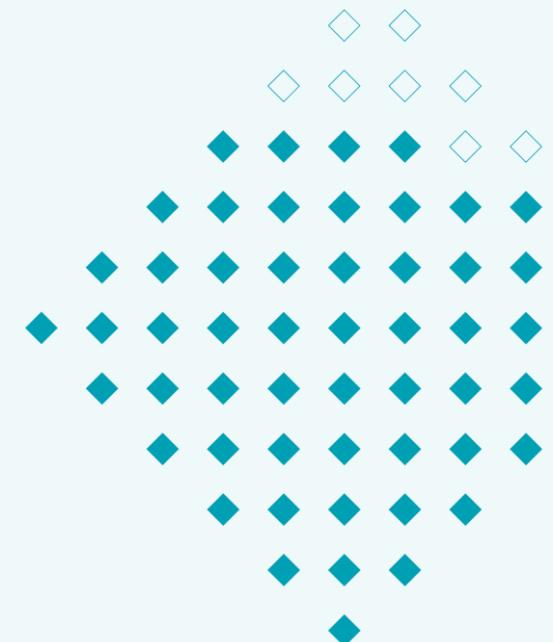
# Security

- The Bonds are secured by first ranking mortgages granted by Investore and the Guarantors over their properties and by security interests over Investore's and the Guarantors' other assets under a General Security Deed (subject to limited exceptions)
  - As at 30 September 2021, assuming the Bonds had been issued at that time, liabilities that would have been secured by the mortgages and the General Security Deed (including the Bonds, existing IPL010 / IPL020 bonds, bank facilities and hedging arrangements) were approximately \$345m
  - As at the date of this presentation, all properties owned by Investore and the Guarantors are mortgaged properties
  - Security over the mortgaged properties is held by the Security Trustee (New Zealand Permanent Trustees Limited) for the benefit of the beneficiaries under the Security Trust Deed, including the Supervisor, Bondholders, Investore's banking syndicate and its agent, Investore's swap counterparties and any other creditor that may become entitled to the benefit of the mortgages, on an equal ranking basis
  - There are restrictions on Investore granting further security over its properties or its assets, except in certain permitted instances



# Covenants and Default

- The Loan to Value Ratio under the Trust Deed for the Bonds limits the ability of Investore to borrow money which is secured by the mortgages and the General Security Deed to no more than 65% of the total value of the mortgaged properties (including, in respect of any development, capital expenditure incurred during the development phase since the date of the most recent valuation)
- Investore will have approximately 13 months to remedy a breach of the Loan to Value Ratio covenant, reflecting:
  - 6 months to correct breach
  - 20 business day notice period
  - A further 6 months to remedy before event of default occurs
- Other events of default include (not an exhaustive list):
  - Failure to make payments on the Bonds
  - Insolvency
  - Cross-acceleration
- Investore may not make any distribution (which would include paying a dividend to Investore's shareholders) if an event of default is continuing or if it would result in an event of default



# Key Terms of the Offer

Summary	Detail
<b>Issuer</b>	Investore Property Limited
<b>Description of the Bonds</b>	5 year senior secured fixed rate bonds
<b>Security and Guarantees</b>	<p>The Bonds are guaranteed by the Subsidiaries of Investore as at the date of this presentation. The Bonds are secured by first ranking mortgages granted by Investore and the Guarantors over the mortgaged properties and by security interests over Investore's and the Guarantors' other assets under a General Security Deed (subject to limited exceptions)</p> <p>The Security Trustee holds the guarantees, mortgages and the General Security Deed 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</p>
<b>Tenor &amp; Maturity Date</b>	5 years, maturing Thursday, 25 February 2027
<b>Offer Amount</b>	Up to \$75m (with the ability to accept oversubscriptions of up to an additional \$50m at Investore's discretion)
<b>Interest Rate</b>	<p>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</p> <p>The Interest Rate will be announced by Investore via NZX on or about the Rate Set Date</p>
<b>Indicative Issue Margin</b>	1.15% to 1.30% per annum
<b>Interest Payments</b>	Quarterly in arrear in equal payments
<b>Bond Financial Covenant (Loan to Value Ratio)</b>	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)
<b>Purpose</b>	The net proceeds of the Offer will be used to repay existing bank debt, extend the tenor of Investore's debt and increase the proportion of Investore's debt that is hedged or subject to a fixed rate of interest
<b>Minimum Application Amount</b>	\$5,000 and multiples of \$1,000 thereafter
<b>Firm Brokerage</b>	0.75% on firm allocations to be paid by Investore
<b>Quotation</b>	It is expected that the Bonds will be quoted on the NZX Debt Market under the ticker code IPL030
<b>Credit Rating</b>	The Bonds will not be rated

Capitalised terms have the same meaning given to that term in the Terms Sheet.

# Key Dates of the Offer

Key event	Date
Pre-offer announcement	Tuesday, 8 February 2022
Offer opens	Monday, 14 February 2022
Offer closes	11.00am on Friday, 18 February 2022
Rate Set Date	Friday, 18 February 2022
Issue Date	Friday, 25 February 2022
Expected date of Quotation on the NZX Debt Market	Monday, 28 February 2022
Interest Payment Dates	25 February, 25 May, 25 August and 25 November
First Interest Payment Date	Wednesday, 25 May 2022
Maturity Date	Thursday, 25 February 2027

# Investment Highlights

**NZX listed with focus on large format retail property**

**Geographically diversified portfolio totalling \$1,148.6m<sup>1</sup>**

**Long term leases – WALT of 9.5 years<sup>2</sup>**

**Dependable income streams**

**Nationally recognised quality tenant brands**

**High occupancy rate - 99%<sup>2</sup>**

**Strong management and corporate governance**

1. See footnote 2 on page 6.
2. See footnote 1 on page 7.

# Q&A



# Appendices



# Board of Directors



**Mike Allen**  
*Chair of the Board  
Independent,  
Non-Executive Director*

Mike has considerable governance experience and is currently a director of Taumata Plantations Limited and Chair of QuayStreet Asset Management. Prior to his governance career, he had an executive career in investment banking and general management experience in New Zealand and the United Kingdom.



**Gráinne Trouté**  
*Chair of the Audit and Risk Committee  
Independent,  
Non-Executive Director*

Gráinne has over 30 years' experience in listed and unlisted organisations, in highly competitive and customer-focussed sectors, including McDonald's New Zealand and SKYCITY Entertainment Group. Gráinne is currently a director of Tourism Holdings Limited, Summerset Group Holdings Limited and Chair of Tourism Industry Aotearoa.



**Adrian Walker**  
*Independent, Non-Executive Director*

Adrian is a very experienced commercial property executive, with over 30 years' experience in the property sector, including 20 years as the General Manager of Property at Woolworths NZ (owner of Countdown brand supermarkets). Adrian brings to Investore a deep knowledge of the property industry in New Zealand, as well as the supermarket sector, a sector that makes up a significant portion of Investore's property portfolio. Adrian has a strong background in property, financial planning and strategic management.



**Tim Storey**  
*SIML Nominee and Non-Executive Director*

Tim has more than 30 years of experience across a range of business sectors, and has practised as a lawyer in Australia and New Zealand. Tim was a partner in the Bell Gully partnership, having retired in 2006, and is Chairman of Stride Property Limited, Stride Investment Management Limited and ASX listed LawFinance Limited.



**John Harvey**  
*SIML Nominee and Non-Executive Director*

John has over 35 years' professional experience as a chartered accountant, including at PricewaterhouseCoopers (PWC) where he was a partner for 23 years and held a number of management and governance roles. John retired from PWC in 2009 to pursue a career as a professional independent director. He is currently a director of Stride Property Limited, Stride Investment Management Limited, Kathmandu Holdings Limited, Heartland Bank Limited and Port of Napier Limited.



**Emma McDonald**  
*Future Director*

Emma has been appointed as a future director programme participant by Investore under the Institute of Directors' future directors programme. Emma is a director of Pragmatix, a project management business, and has considerable experience in project management, having previously been in project management and bid management roles with Fletcher Construction and Shell International. Emma brings valuable experience and insights to the Investore Board, and participates in Investore Board meetings but does not vote or have any role as a director.

# Management Team



**Philip Littlewood**  
Chief Executive Officer

20 years' experience in property investment management in New Zealand and overseas. Highlights include six years in the United Kingdom, spread between Morgan Stanley's real estate merchant banking division and a partnership in a large private-equity real estate firm.



**Louise Hill**  
General Manager  
Corporate Services

More than 20 years' legal experience, Louise is responsible for a range of corporate functions including legal, governance, compliance, IT, health and safety, sustainability and risk.

**Adam Lilley**  
General Manager  
Investment

9 years' experience across the property investment sector. Adam was previously an Investment Manager at Stride, and prior to rejoining Stride was an Institutional Equities Research Analyst, focusing on the listed property sector.

**Jennifer Whooley**  
Chief Financial  
Officer

More than 25 years' experience in the property industry, responsible for Stride's overall financial plans and policies. In 2018, Jennifer was named the EY CFO of the Year.

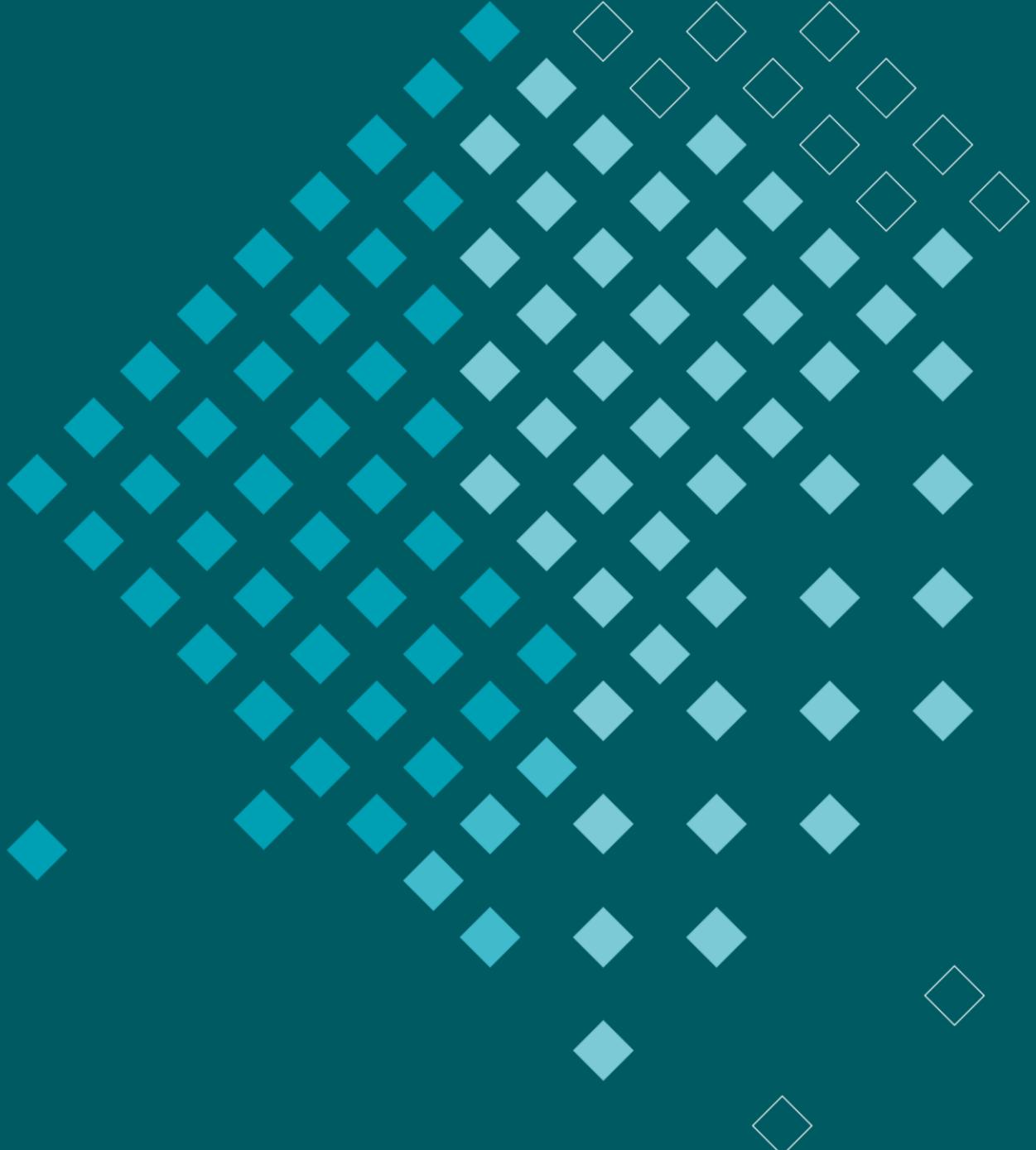
**Fabio Pagano**  
Fund Manager –  
Investore

Over 15 years' international experience in retail management, including at Coles Group in Australia. Fabio also recently held senior roles in the New Zealand Government across property and infrastructure areas.

**Mark Luker**  
General Manager  
Development

Over 25 years' experience in the property development and investment industry. Prior to joining Stride, Mark was the GM Development for Kiwi Property Group and Project Director, Sylvia Park.

# Thank You



Level 12, 34 Shortland Street  
Auckland 1010, New Zealand

PO Box 6320, Victoria Street  
West, Auckland 1142, New  
Zealand

P +64 9 912 2690  
W [investoreproperty.co.nz](http://investoreproperty.co.nz)

# investore

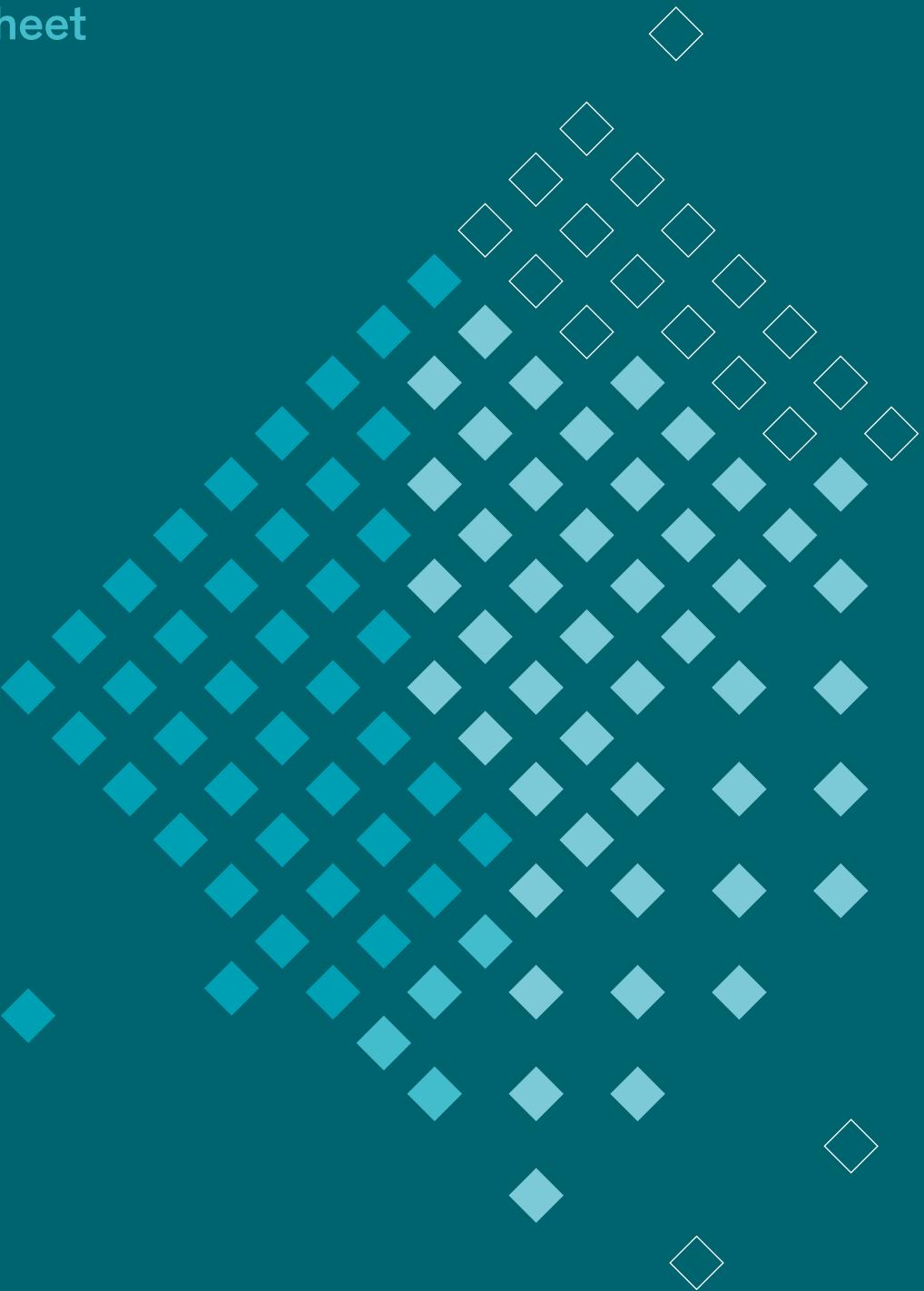
Managed by Stride Investment Management Limited

## 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,

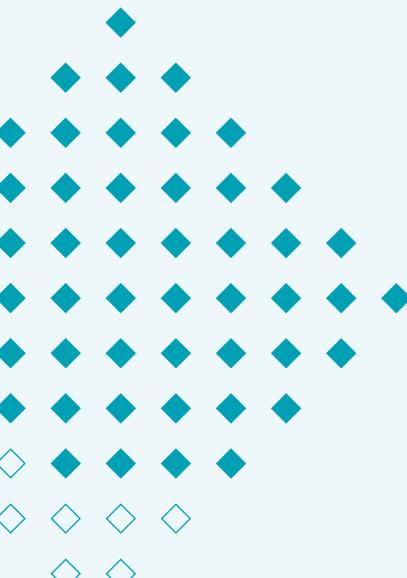
(together the **Existing Bonds**).

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](http://www.nzx.com/companies/IPL).

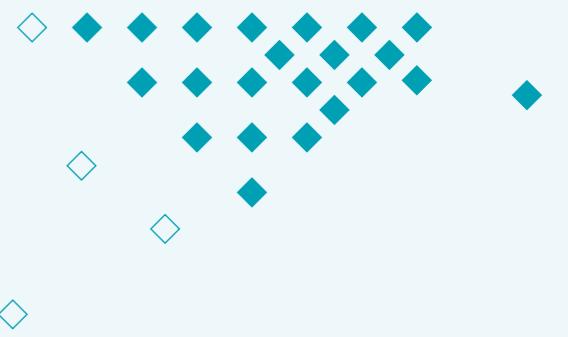
The Existing Bonds are the only debt securities of Investore that are currently quoted in the same class as the Bonds.

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).



<b>Issuer</b>	Investore Property Limited
<b>Description</b>	5 year senior secured fixed rate bonds
<b>Opening Date</b>	Monday, 14 February 2022
<b>Closing Date</b>	11.00am on Friday, 18 February 2022
<b>Rate Set Date</b>	Friday, 18 February 2022
<b>Issue Date</b>	Friday, 25 February 2022
<b>Expected Quotation on NZX Debt Market</b>	Monday, 28 February 2022
<b>Maturity Date</b>	Thursday, 25 February 2027
<b>Purpose</b>	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
<b>Offer Amount</b>	Up to \$75,000,000 (with the ability to accept oversubscriptions of up to an additional \$50,000,000 at Investore's discretion)
<b>Security and Guarantees</b>	The Bonds are guaranteed by the Subsidiaries of Investore as at the date of this Terms Sheet (the <b>Guarantors</b> ).  The Bonds are secured by first ranking mortgages (the <b>Mortgages</b> ) granted from time to time by Investore and the Guarantors over their properties (the <b>Mortgaged Properties</b> ) 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 <b>General Security Deed</b> ).  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
<b>Financial Covenant</b>	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 <b>Loan to Value Ratio</b> ).  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.)



<b>Distribution Stopper</b>	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
<b>No Credit Rating</b>	The Bonds will not be rated
<b>Issue Price</b>	\$1.00 per Bond, being the Principal Amount of each Bond
<b>Early Repayment</b>	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
<b>Further Indebtedness</b>	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
<b>Interest Rate</b>	<p>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</p> <p>The Interest Rate will be announced by Investore via NZX on or about the Rate Set Date</p>
<b>Indicative Issue Margin</b>	1.15% - 1.30% per annum
<b>Issue Margin</b>	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
<b>Swap Rate</b>	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)
<b>Interest Payments</b>	Quarterly in arrear in equal payments
<b>Interest Payment Dates</b>	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
<b>Record Date</b>	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
<b>Business Days</b>	Days on which the NZX is open for trading
<b>Firm Brokerage</b>	0.75% on firm allocations to be paid by Investore
<b>ISIN</b>	NZIPLDT003C9

<b>NZX Debt Market Quotation</b>	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
<b>Minimum Application Amount and Denominations</b>	\$5,000 and multiples of \$1,000 thereafter
<b>Transfer Restrictions</b>	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
<b>Governing Law</b>	New Zealand
	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 <a href="http://www.nzx.com/services/market-participants/find-a-participant">www.nzx.com/services/market-participants/find-a-participant</a>
<b>Who May Apply &amp; How to Apply</b>	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
<b>Arranger</b>	Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch) ( <b>Westpac</b> )
<b>Joint Lead Managers</b>	ANZ Bank New Zealand Limited, Forsyth Barr Limited, Jarden Securities Limited and Westpac
<b>Supervisor</b>	Public Trust

# Indicative Terms Sheet (cont.)

# Address Details

<b>Security Trustee</b>	New Zealand Permanent Trustees Limited
<b>Securities Registrar</b>	Computershare Investor Services Limited
<b>Selling Restrictions</b>	
	<p>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</p> <p>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</p>

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](http://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](http://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](http://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](http://www.nzx.com/companies/SPG).

## Issuer

**Investore Property Limited**  
Level 12, 34 Shortland Street  
Auckland 1010  
[investoreproperty.co.nz](http://investoreproperty.co.nz)

## Directors

Mike Allen – Independent Director (Chair)  
Gráinne Trouté – 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



# Investore Property Limited

Level 12, 34 Shortland Street

Auckland 1010

PO Box 6320

Victoria Street West,

Auckland 1142, New Zealand

**T** +64 9 912 2690

**F** +64 9 303 1239

**W** [investoreproperty.co.nz](http://investoreproperty.co.nz)

