

investore

Managed by Stride Investment
Management Limited

Investore Property Limited

Retail Bond Presentation

17 August 2020

Arranger & Joint
Lead Manager



Joint Lead
Managers



FORSYTH BARR



JARDEN

Disclaimer and Important Notice

This presentation has been prepared by Investore Property Limited (Investore) in relation to the offer of senior secured fixed rate bonds by Investore (New Bonds) under clause 19 of Schedule 1 to the Financial Markets Conduct Act 2013 (FMCA) (the Offer). The New Bonds have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as Investore's bonds maturing on 18 April 2024, which have a fixed rate of 4.40 percent per annum and are currently quoted on the NZX Debt Market under the ticker code IPL010.

Information

The information in this presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Investore or that would be required in a product disclosure statement for the purposes of the FMCA. Investore is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (NZX). This presentation should be read in conjunction with Investore's other periodic and continuous disclosure announcements released to NZX. No information set out in this presentation will form the basis of any contract.

NZX

The New Bonds will be quoted on the NZX Debt Market following completion of allotment procedures. However, NZX accepts no responsibility for any statement in this document. NZX is a licensed market operator, and the NZX Main Board is a licensed market under the FMCA. Investore has been designated as a "Non-Standard" (NS) issuer by NZX.

Not financial product advice

This presentation does not constitute legal, financial, tax, financial product advice or investment advice or a recommendation to acquire Investore securities, and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and consult an NZX Firm or solicitor, accountant or other professional advisor if necessary.

Investment risk

An investment in securities in Investore is subject to investment and other known and unknown risks, some of which are beyond the control of Investore. Investore does not guarantee any particular rate of return or the performance of Investore.

Not an offer

This presentation is not a prospectus or product disclosure statement or other offering document under New Zealand law or any other law (and will not be lodged with the Registrar of Financial Service Providers). This presentation is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction. This presentation does not constitute investment or financial advice (nor tax, accounting or legal advice) or any recommendation to acquire New Bonds and does not and will not form any part of any contract for the acquisition of New Bonds. This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The distribution of this presentation outside New Zealand may be restricted by law. Any recipient of this presentation who is outside New Zealand must seek advice on and observe any such restrictions.

Disclaimer

None of Investore, Stride Investment Management Limited (SIML), the Arranger, the Joint Lead Managers or their related companies and affiliates including, in each case, their respective shareholders, directors, officers, employees, affiliates, agents or advisors, as the case may be (Specified Persons), have independently verified or will verify any of the content of this presentation and none of them are under any obligation to you if they become aware of any change to or inaccuracy in the information in this presentation.

To the maximum extent permitted by law, each Specified Person disclaims and excludes all liability whatsoever for any loss, damage or other consequence (whether foreseeable or not) suffered by any person from the use of the content of this presentation, from refraining from acting because of anything contained in or omitted from this presentation or otherwise arising in connection therewith (including for negligence, default, misrepresentation or by omission and whether arising under statute, in contract or equity or from any other cause). No Specified Person makes any

representation or warranty, either express or implied, as to the accuracy, completeness or reliability of the information contained in this presentation. None of the Arranger or Joint Lead Managers, nor any of their related companies and affiliates including, in each case, their respective shareholders, directors, officers, employees, affiliates, agents or advisors, authorised or caused the issue of, or made any statement in, any part of this presentation. You agree that you will not bring any proceedings against or hold or purport to hold any Specified Person liable in any respect for this presentation and content of this presentation and waive any rights you may otherwise have in this respect.

Past performance

Past performance information provided in this presentation may not be a reliable indication of future performance. No guarantee of future returns is implied or given.

Forward-looking statements

This presentation may contain certain forward-looking statements with respect to the financial condition, results of operations and business of Investore. Forward-looking statements can generally be identified by use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. This also includes statements regarding the timetable, conduct and outcome of the Offer and the use of proceeds thereof, statements about the plans, objectives and strategies of the management of Investore, statements about the industry and the markets in which Investore operates and statements about the future performance of Investore's business. Any indications of, or guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. All such forward-looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies, and other factors, many of which are outside the control of Investore, which may cause the actual results or performance of Investore to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such forward-looking statements speak only as of the date of this presentation. Except as required by law or regulation (including the NZX Listing Rules), Investore undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such dates or to update or keep current any of the information contained herein. Any estimates or projections as to events that may occur in the future (including projections of revenue, expense, net income and performance) are based upon the best judgement of Investore from the information available as of the date of this presentation. A number of factors could cause actual results or performance to vary materially from the projections. Investors should consider the forward-looking statements in this presentation in light of those risks and disclosures. You are strongly cautioned not to place undue reliance on any forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19.

For purposes of this Disclaimer and Important Notice, "presentation" shall mean the slides, any oral presentation of the slides by Investore, any question-and-answer session that follows that oral presentation, hard copies of this document and any materials distributed at, or in connection with, that presentation.

The information and opinions contained in this presentation are provided as at the date of this presentation and are subject to change without notice. Investore reserves the right to withdraw, or vary the timetable for, the Offer without notice.

Acceptance

By attending or reading this presentation, you agree to be bound by the foregoing limitations and restrictions and, in particular, will be deemed to have represented, warranted, undertaken and agreed that: (i) you have read and agree to comply with the contents of this Disclaimer and Important Notice; (ii) you are permitted under applicable laws and regulations to receive the information contained in this presentation; (iii) you will base any investment decision solely on information released by Investore via NZX; and (iv) you agree that this presentation may not be reproduced in any form or further distributed to any other person, passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Contents



Overview of the Offer	04
Business Summary	05
COVID-19 Update	09
Portfolio Highlights	10
Sustainability	16
Financial Overview	17
Bond Offer	21
Investment Highlights	26

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 senior secured fixed rate 7 year Bonds
- The net proceeds of the Offer will be used to repay a portion of Investore's existing bank debt, providing further diversification of funding sources and extending the tenor of Investore's debt
- The Bonds will be secured by first ranking mortgages granted by Investore over all of its properties as at the Issue Date and by security interests over Investore's other assets under a General Security Deed (subject to limited exceptions)
- The Offer is expected to open on 17 August 2020 and close on 21 August 2020
- The Interest Rate on the Bonds is expected to be set on 21 August 2020
- The Bonds are expected to be issued on 31 August 2020 and quoted on the NZX Debt Market on 1 September 2020

Business Summary



Bay Central
Shopping Centre
Tauranga

A Strong, Resilient Portfolio

	<p>\$895.2m Portfolio value¹ across 43 properties</p>	<p>87% Gross rental from anchors</p>	<p>0.3% Average lifecycle costs by asset value per annum</p>
 <p>Dependable income streams</p>	<p>10.4 years WALT by Contract Rental²</p>	<p>71% of Contract Rental² expires in FY30 or beyond</p>	<p>99.7% Portfolio occupancy by area</p>
 <p>Proactive capital management</p>	<p>30.4% Loan to Value Ratio</p>	<p>\$182.7m Total equity capital raised over last 12 months</p>	<p>2.7x Interest coverage ratio</p>

All metrics above, except for the interest coverage ratio, are as at 31 March 2020, as if the capital raise announced on 29 April 2020 had been completed, and the settlement of the three properties acquired from Stride Property Limited (SPL) on 30 April 2020 had taken place, as at that date. The interest coverage ratio is the actual metric for FY20 (year ended 31 March 2020).

1. Excludes lease liabilities of \$11.1m

2. 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 for the relevant property as at 31 March 2020 and assuming no default by the tenant.

Large Format Retail

Investore Property Limited'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 terms
10.4 years WALT¹

High occupancy
99.7%¹

Nationally
recognised tenants

Investore defines LFR property as:

- Large, free-standing, usually rectangular single floor structure on a concrete slab
- The site is well serviced by convenient vehicle access and plenty of carparking on site
- Building improvements and maintenance of the asset require straightforward enhancement and/or upkeep, with typically low lifecycle maintenance
- Sites generally have a single anchor or limited number of tenants and the majority of rental income is 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
- Typical anchor tenants include non-discretionary or 'everyday needs' retail such as supermarkets.



1. As at 31 March 2020, as if the capital raise announced on 29 April 2020 had been completed, and the settlement of the three properties acquired from SPL on 30 April 2020 had taken place, as at that date.

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

Business Impacts from COVID-19

Investore's portfolio comprises a high proportion of businesses that continued to trade during the April 2020 Government lockdown ('essential businesses') and a limited number of leases permitting tenants to suspend or abate rental payments as a result of Government Alert Level restrictions

- Investore has worked collaboratively with its tenants to support them through the ongoing impact of COVID-19
- Investore's approach in assisting tenants has been focussed on providing rental support through a combination of abatements and deferrals in return for granting extensions to lease terms, providing Investore with additional contracted future rental revenue wherever possible
- During the lockdown which commenced on 26 March 2020, over 80% of Investore's portfolio was classified as 'essential businesses' as defined on the Government's website covid19.govt.nz, including supermarkets, pharmacies and hardware stores, a vital part of the supply chain for New Zealanders
- Investore has completed 98% of tenant negotiations in relation to the first lockdown period. While there remains some uncertainty regarding the current Government Alert Level restrictions, including their duration and the regions impacted, Investore continues to expect the impact of COVID-19 to result in reduced gross rent receivable for FY21 of approximately \$1m - \$2m. This assumes Alert Level 3 or 4 restrictions are not in place for an extended period of time during the balance of FY21



Portfolio Highlights

Countdown
Greenlane,
Auckland



Targeted growth

- Investore continues to explore acquisition and development opportunities to deliver on its strategy of targeted growth, focussed on opportunities that enhance its existing portfolio
- Investore is currently considering portfolio opportunities, including an acquisition and other growth opportunities, with a combined value of approximately \$100m
- These opportunities, if they proceed, are expected to be funded through Investore's existing debt facilities, which would result in an LVR of approximately 37.4%, leaving \$48m of remaining debt facility headroom
- 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

Debt facilities	As at 31 March 2020 pro forma¹	Potential portfolio opportunities	As at 31 March 2020 pro forma, plus potential portfolio opportunities
Investment properties	\$895m ²	+\$100m	\$995m ²
Drawn debt	\$272m	+\$100m	\$372m
Loan to Value Ratio	30.4%		37.4%
Available debt facility (before bond issuance)	\$148m		\$48m

1. See footnote 1 on page 7.

2. Excludes lease liabilities of \$11.1m.

Portfolio Summary

Portfolio Metrics

	As at 31 Mar 2020 pro forma ¹
Number of properties	43
Number of tenants	130
Net lettable area (NLA) (sqm)	246,176
Net Contract Rental ² (\$m)	56.2
WALT (years)	10.4
Occupancy rate by area	99.7
Portfolio value (\$m)	895.2 ³
Average site coverage (%)	41.5

**Long portfolio WALT of 10.4 years
and 71% of Contract Rental² expiring
in FY30 or beyond¹**

Lease Expiry Profile by Contract Rental² As at 31 March 2020¹

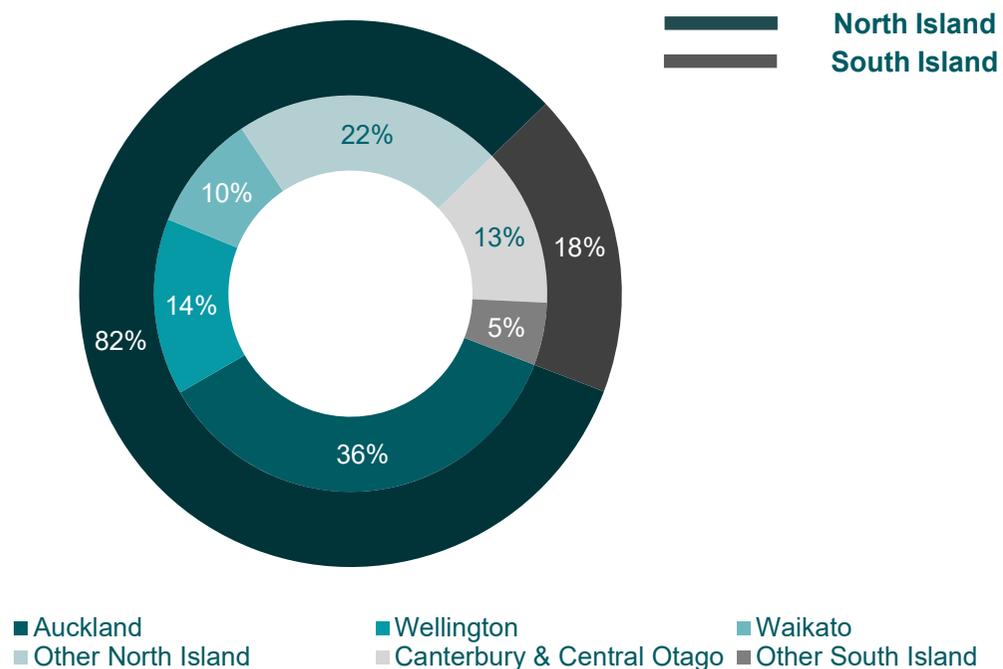


1. See footnote 1 on page 7.
2. See footnote 2 on page 6.
3. Excludes lease liabilities of \$11.1m.

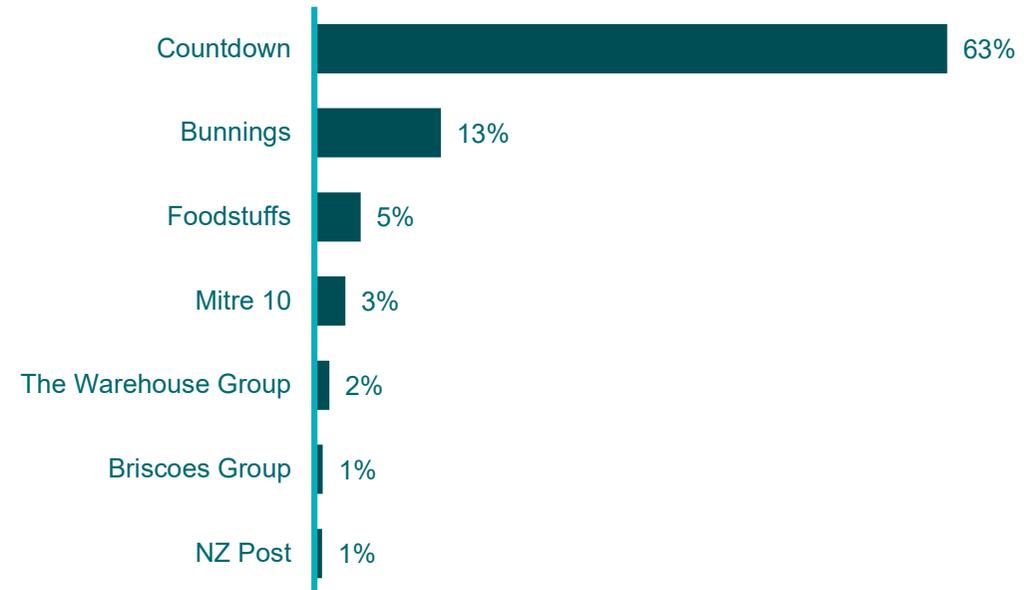
Anchor tenants underpin income

Investore's resilient portfolio comprises a high proportion of anchor tenants (87%¹ by Contract Rental²) and is geographically diverse, reflective of the population spread across NZ

Geographic diversification by Contract Rental^{1,2}
As at 31 March 2020



Anchor tenant classification by Contract Rental²
As at 31 March 2020



Note: Numbers may not sum due to rounding.

1. See footnote 1 on page 7.

2. See footnote 2 on page 6. Includes The Warehouse Group leased premises at Johnsonville. The tenant has confirmed they will vacate this site upon lease expiry in October 2020.

Diversified portfolio locations

\$895m

Portfolio Value¹

82%

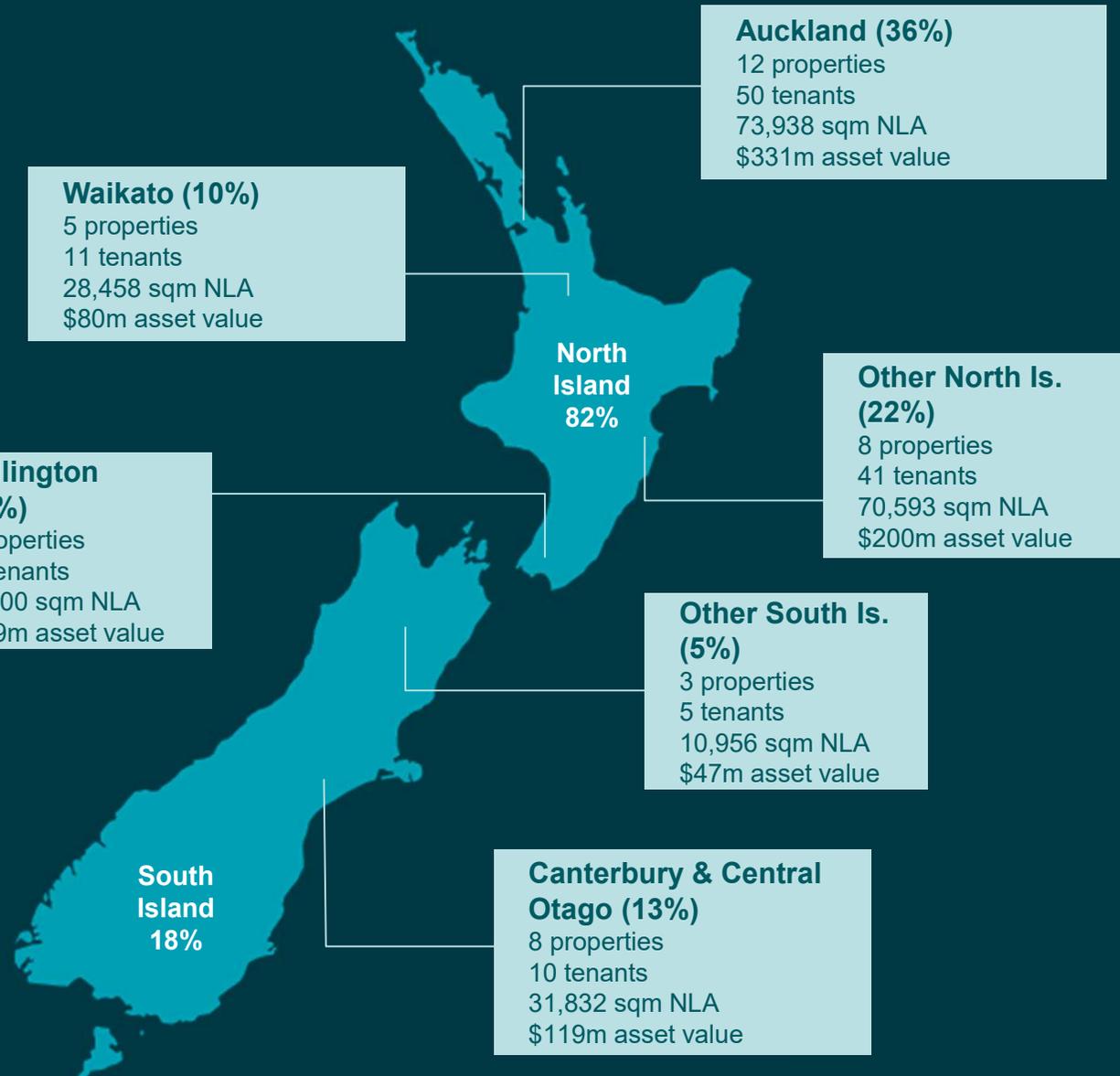
North Island

43

Properties

130

Tenants



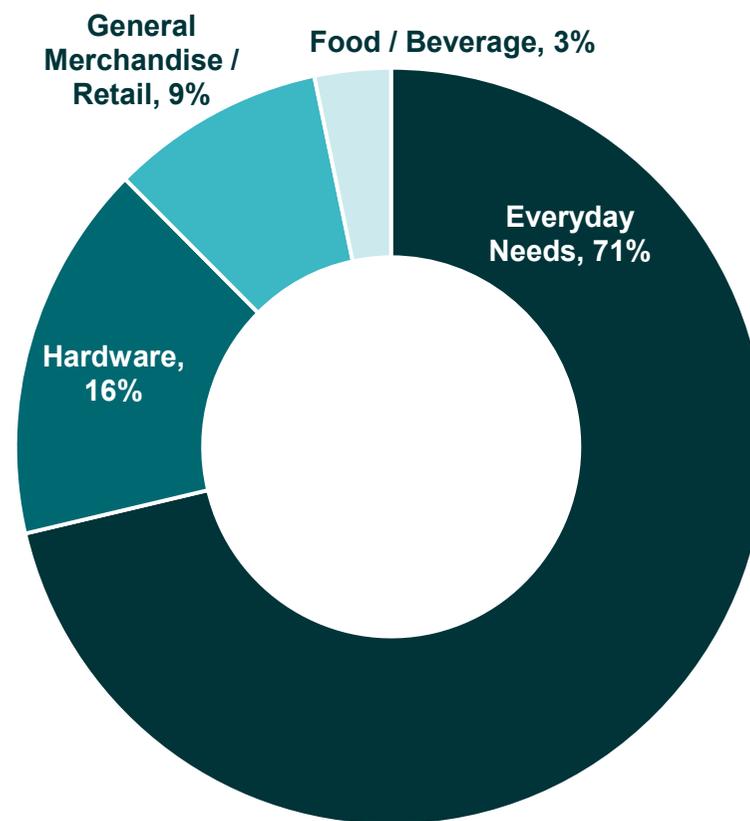
All metrics above are based on Contract Rental (see footnote 2 on page 6) and are as at 31 March 2020, as if the capital raise announced on 29 April 2020 had been completed, and the settlement of the three properties acquired from SPL on 30 April 2020 had taken place, as at that date. Numbers may not sum due to rounding.

1. Excludes lease liabilities of \$11.1m.

Majority of tenants represent everyday needs

Around 71% of Investore's portfolio¹ is categorised as 'everyday needs', drawing customers to the properties on a regular basis and providing a strong tenant proposition

	Everyday needs	<ul style="list-style-type: none"> Countdown New World Pak'nSave Animates Unichem Pharmacy Pet Essentials Snap Fitness NZ Post
	Hardware	<ul style="list-style-type: none"> Bunnings Mitre 10 MEGA Resene
	General Merchandise / Retail	<ul style="list-style-type: none"> The Warehouse Briscoes Rebel Sport Kitchen Things Hunting and Fishing Supercheap Auto Lighting Direct Freedom Furniture
	Food / Beverage	<ul style="list-style-type: none"> McDonald's Burger Fuel Columbus Coffee Pizza Hut Domino's Pizza Pita Pit Super Liquor Noodle Canteen St Pierre Sushi



Note: Numbers may not sum due to rounding.

1. By Contract Rental (see footnote 2 on page 6), as at 31 March 2020, as if the settlement of the three properties acquired from SPL had taken place as at that date.

Sustainability

Investore has developed a sustainability strategic plan which addresses each of its sustainability objectives under three key pillars of **people, planet/places and prosperity**

Sustainability initiatives undertaken by Investore include:

- ✓ New energy efficient HVAC systems installed as part of refurbishment programmes
- ✓ Supported Countdown Rototuna, Hamilton, in a trial launched in November 2018 with the installation of electric vehicle charging stations which are available free of charge for shoppers
- ✓ Supported tenants' refurbishment programmes with installation of energy efficient LED lighting at several stores, including Mitre 10, Bunnings and Countdown
- ✓ Entered into a Supercharger Partnership with energy company Tesla for the installation of three charging stations at Countdown Johnsonville
- ✓ Tracking of carbon emissions commenced



Financial Overview

Countdown
Warkworth,
Auckland



Financial Highlights

For the year ended 31 March 2020

- Net rental income of \$48.1m (FY19: \$47.4m)
- Corporate expenses of \$7.5m (FY19: \$6.0m)
- Profit before other income and tax of \$26.7m (FY19: \$27.0m)
- Profit after income tax of \$28.6m (FY19: \$38.6m) due to lower net revaluation gains as a result of COVID-19
- Distributable profit¹ after income tax of \$21.1m (FY19: \$20.9m)
- Total cash dividend of 7.60 cps

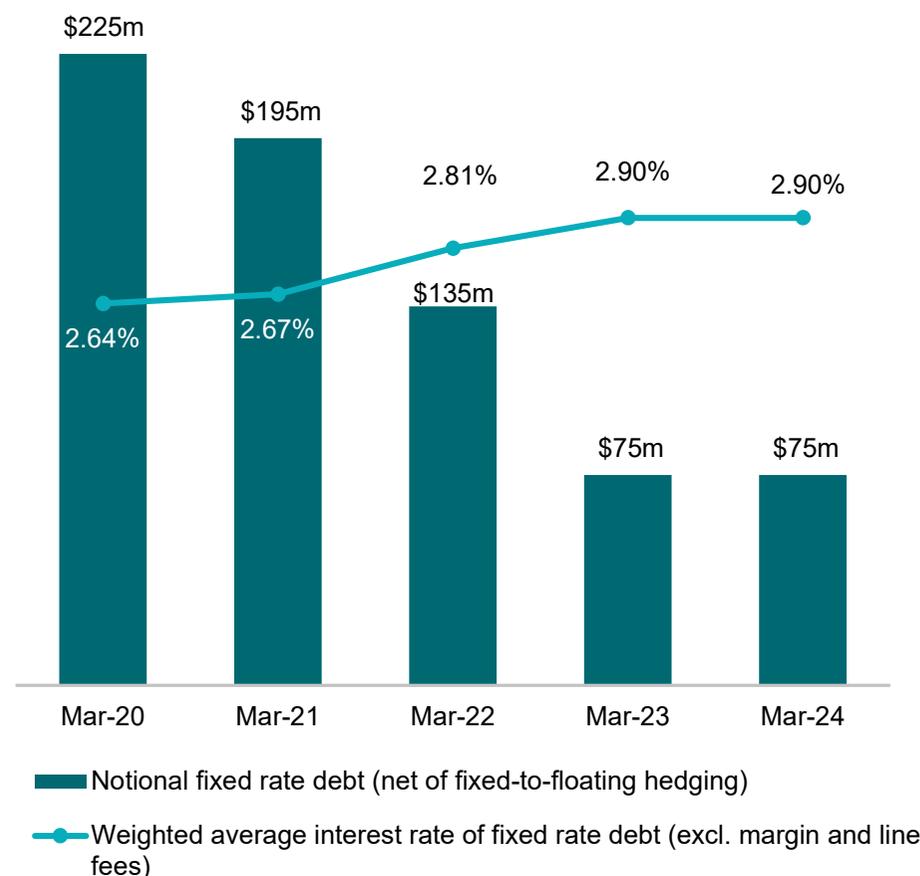


1. Distributable profit is a non-GAAP financial measure adopted by Investore to assist Investore and its investors in assessing Investore's profit available for distribution. It is defined as profit/(loss) before income tax adjusted for non-recurring and/or non-cash items (including non-recurring adjustments 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 annual financial statements ended 31 March 2020.

Proactive Capital Management

	As at 31 Mar 2020 pro forma ¹
Debt facilities	
Banking facility limit (ANZ, BNZ, CBA, CCB, Westpac), plus IPL010 bond	\$420m
Debt facilities drawn	\$272m
Weighted maturity of debt facilities	3.3 years
Bank debt covenants	
LVR (Drawn Debt / Property Values) Covenant: ≤ 65%; board stated max: 48%	30.4%
Interest Cover Ratio (EBIT/Interest and Financing Costs) Covenant: ≥ 1.75x	2.7x²
WALT ³ Covenant: > 6.0 years	10.4 years

Fixed rate interest profile As at 31 March 2020



1. See footnote 1 on page 7.

2. Actual ICR value for FY20, unadjusted for the items in footnote 1.

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.

Offer Outcomes

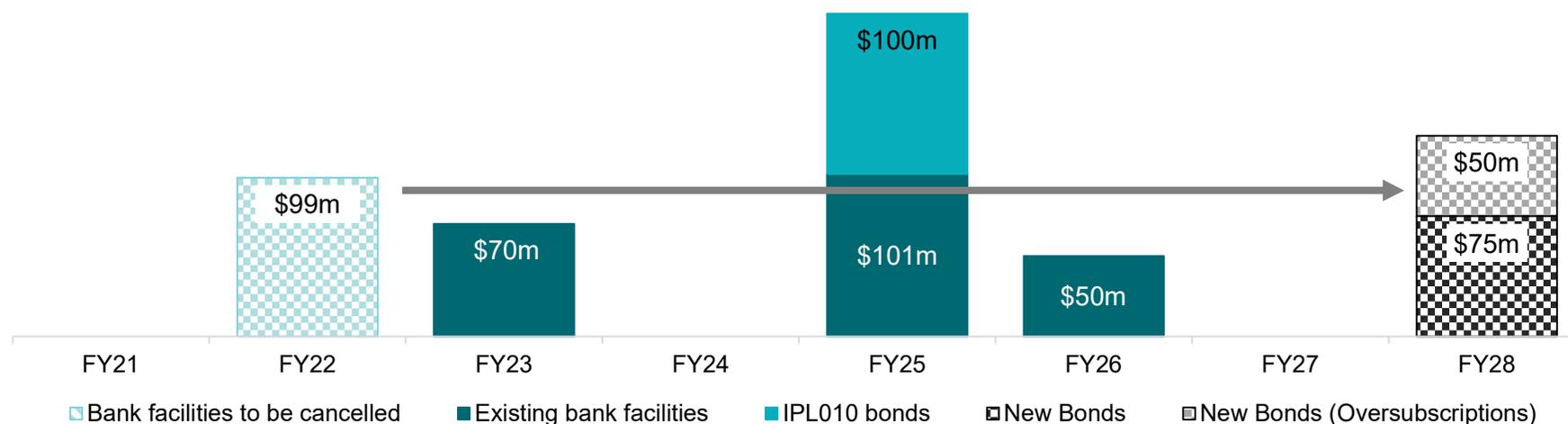
Net proceeds of the Offer will be used to repay and cancel a portion of Investore's existing bank debt

- ✓ Further diversification of funding sources – 50% of debt facilities from non-bank funding following the issue of the Bonds²
- ✓ Extended tenor – average tenor of debt extended to 4.8 years upon the issue of the Bonds^{1,2}

Debt facilities	As at 31 Mar 2020 pro forma ¹	As at 31 Mar 2020 pro forma, plus new Bonds ²
Banking facility limit (ANZ, BNZ, CBA, CCB, Westpac)	\$320m	\$221m
Retail bonds	\$100m	\$225m
Total debt facilities	\$420m	\$446m
Weighted maturity of debt facilities	3.3 years	4.8 years

Debt maturity profile post issue²

As at 31 March 2020



1. As at 31 March 2020, as if the new facility and extended facility announced on 28 April 2020 had been in place at that time.

2. Assumes \$125m (including oversubscriptions of \$50m) of Bonds are issued and \$99m of existing banking facility is cancelled. If less than \$125m of bonds are issued, it may be that less than \$99m of facility is cancelled.

Bond Offer



Mitre 10 MEGA
Botany, Auckland

Security

- The Bonds will be secured by first ranking mortgages granted by Investore over its properties and by security interests over Investore's other assets under a General Security Deed (subject to limited exceptions)
 - As at 31 March 2020¹, 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 bonds, bank facilities and hedging arrangements) were approximately \$277m
 - All properties owned by Investore 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 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

1. See footnote 1 on page 7.

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)
- The Board's stated maximum Loan to Value Ratio is 48%
- 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
 - 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
Issuer	Investore Property Limited
Description of the Bonds	Senior secured, fixed rate bonds 7 year bonds
Security	<p>The Bonds are secured by first ranking mortgages granted by Investore over the mortgaged properties and by security interests over Investore's other assets under a General Security Deed (subject to limited exceptions)</p> <p>The Security Trustee holds the 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>
Tenor & Maturity Date	7 years, maturing 31 August 2027
Offer Amount	Up to \$75m (with the ability to accept oversubscriptions of up to \$50m at Investore's discretion)
Interest Rate	<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 2.40% per annum</p> <p>The Interest Rate will be announced by Investore via NZX on or about the Rate Set Date</p>
Indicative Issue Margin	2.00% to 2.20% per annum
Interest Payments	Quarterly in arrear in equal payments
Bond Financial Covenant (Loan to Value Ratio)	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)
Purpose	The net proceeds of the offer will be used to repay a portion of existing bank debt. The offer will also provide further diversification of funding sources and extend the tenor of Investore's debt
Minimum Application Amount	\$5,000 and multiples of \$1,000 thereafter
Firm Brokerage	0.75% on firm allocations to be paid by Investore
Quotation	It is expected that the Bonds will be quoted on the NZX Debt Market under the ticker code IPL020
Credit Rating	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	Monday, 10 August 2020
Offer opens	Monday, 17 August 2020
Offer closes	11:00am, Friday, 21 August 2020
Interest Rate set	Friday, 21 August 2020
Issue Date	Monday, 31 August 2020
Expected date of initial quotation on the NZX Debt Market	Tuesday, 1 September 2020
Interest Payment Dates	28 February, 31 May, 31 August and 30 November
First Interest Payment Date	Monday, 30 November 2020
Maturity Date	Tuesday, 31 August 2027

Investment Highlights

NZX listed with focus on large format retail property

Geographically diversified portfolio totalling \$895.2m¹

Long term leases – WALT of 10.4 years¹

Dependable income streams

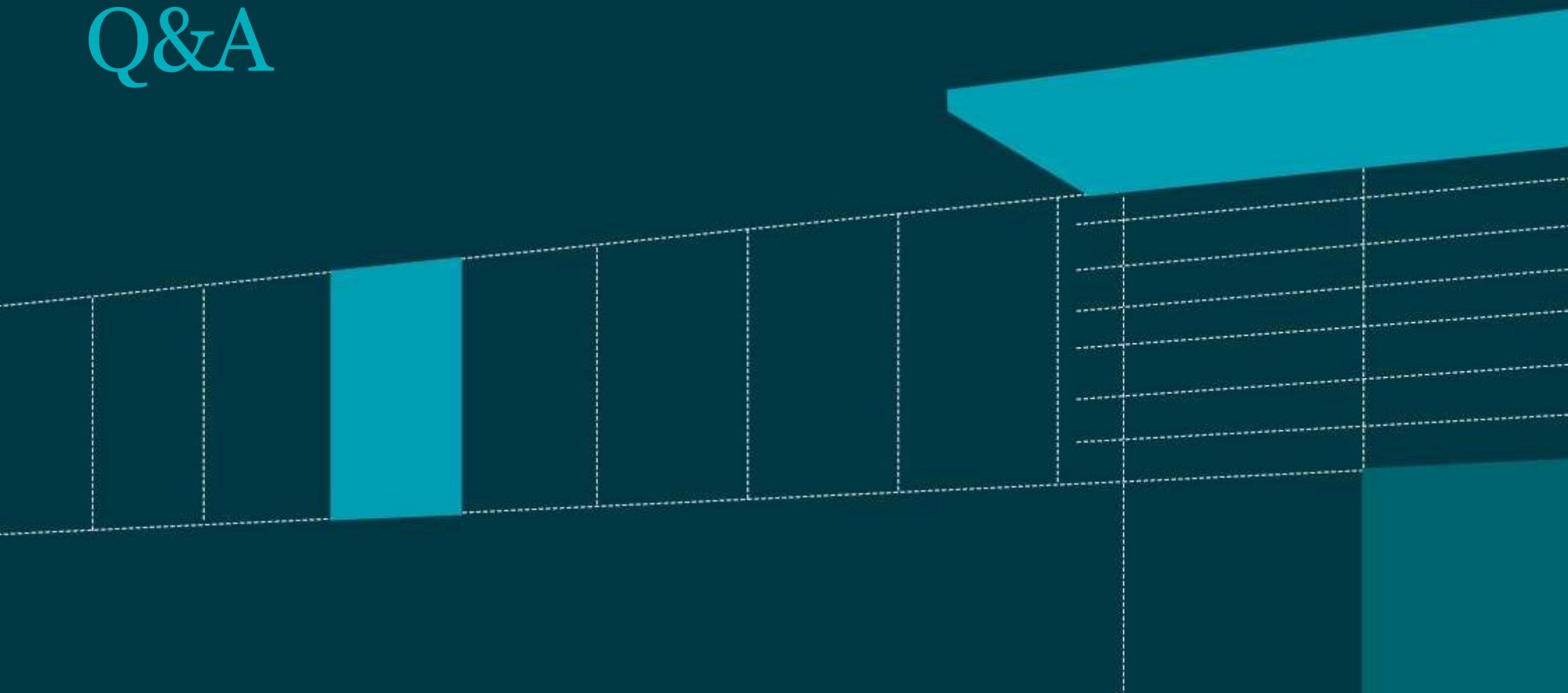
Nationally recognised quality tenant brands

High occupancy rate - 99.7%¹

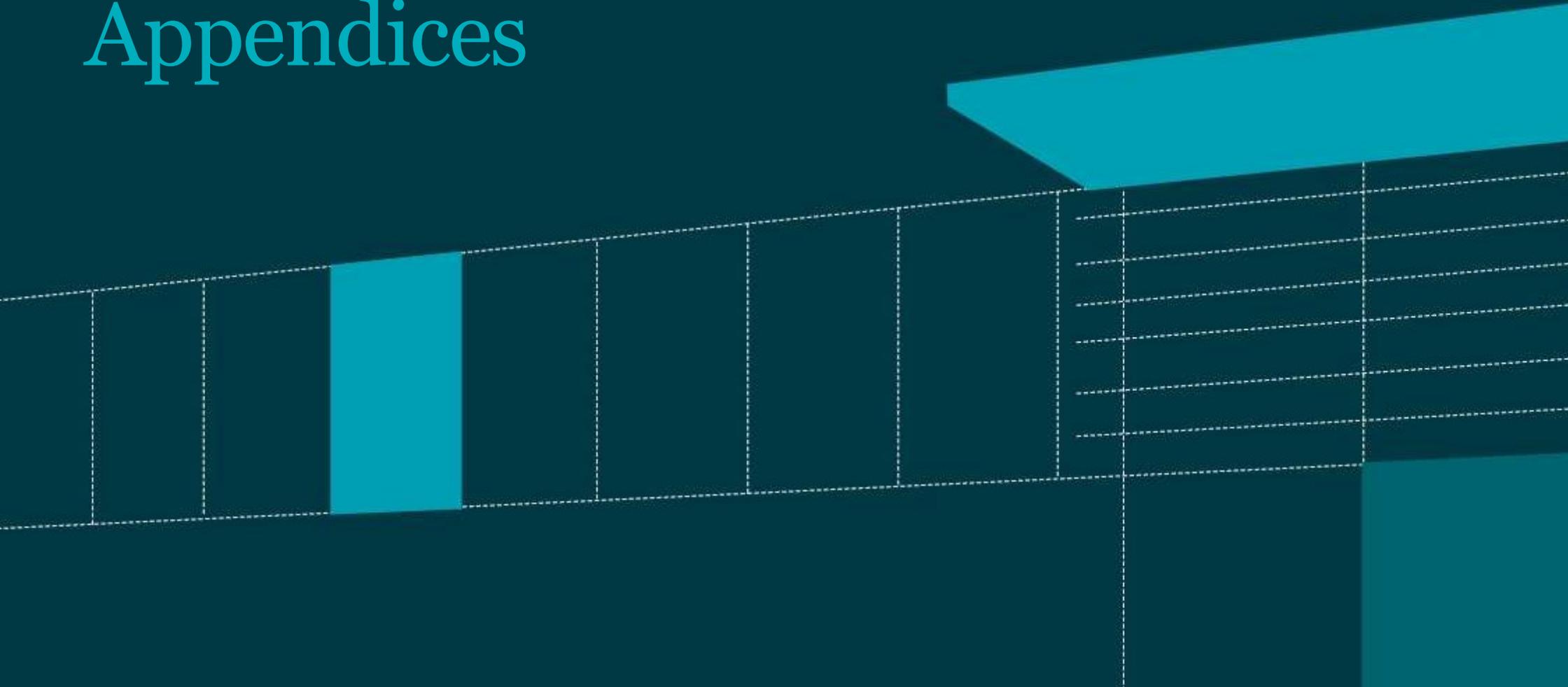
Strong management and corporate governance

1. 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 China Construction Bank (New Zealand) Limited and Taumata Plantations Limited. 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 Troute
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 thirty years' experience in the property sector, including twenty 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*

- Over 20+ years experience in property investment management
- Prior experience includes working in Morgan Stanley's real estate merchant banking division in the UK and a partnership in a large private-equity real estate firm
- BCom (Finance), BProp, MBA (Imperial College London)



Jennifer Whooley
*Chief Financial
Officer*

- 25+ years experience in the property industry
- Previously Chief Accountant for Fletcher Property
- Chartered Accountant (CA) and NZ CFO of the year for 2018



Fabio Pagano
*Fund Manager
Investore*

- 15+ years experience in retail and property.
- Previously Strategic Director, Ministry of Education
- Prior experience includes Coles Group Australia property team, leading portfolio properties and activities across states.
- MBA (Curtin University)



Steve Penney
*General Manager
Investment*

- 15+ years experience in investment and asset management across property and infrastructure
- Previously Investment Director and partner, HRL Morrison & Co
- Chartered Accountant (CA)



Andrew Hay
*General Manager
Commercial &
Industrial*

- 20+ years property industry experience
- Auckland Branch President of the Property Council
- MBA (Victoria University)



Roy Stansfield
*General Manager
Shopping Centres*

- 30 years experience in the retail shopping centre industry
- Prior experience includes property accountancy, centre management and retail leasing
- Previously head of leasing at Sylvia Park for Kiwi Property



Mark Luker
*General Manager
Development*

- 25+ years retail and commercial property development experience
- Formerly General Manager Development and Project Director, Sylvia Park at Kiwi Property



Louise Hill
*General Manager
Corporate Services*

- 20+ years experience, with 6 years experience in the construction industry
- Previously Head of Legal, and Head of Commercial Risk & Governance at Fletcher Construction
- Senior Associate at Bell Gully

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

investore

Managed by Stride Investment
Management Limited

Indicative Terms Sheet

Investore Property Limited

Up to \$75,000,000 7 Year
Senior Secured Fixed Rate Bonds
(plus up to \$50,000,000 oversubscriptions)

Dated 17 August 2020

Arranger & Joint Lead Manager



Joint Lead Managers



FORSYTH BARR



JARDEN

Indicative Terms Sheet

Dated 17 August 2020

Senior Secured Fixed Rate Bonds due 31 August 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 7 year senior secured fixed rate bonds maturing on 31 August 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 17 August 2020 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 (**IPL010 Bonds**).

Accordingly, the Bonds offered will be the same class as the IPL010 Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014.

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

The IPL010 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 IPL010 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).

Indicative Terms Sheet (cont.)

Issuer	Investore Property Limited
Description	Senior secured fixed rate 7 year bonds
Opening Date	Monday, 17 August 2020
Closing Date	11.00am on Friday, 21 August 2020
Rate Set Date	Friday, 21 August 2020
Issue Date	Monday, 31 August 2020
Expected Quotation on NZX Debt Market	Tuesday, 1 September 2020
Maturity Date	Tuesday, 31 August 2027
Purpose	The net proceeds of the offer will be used to repay a portion of existing bank debt. The offer will also provide further diversification of funding sources and extend the tenor of Investore's debt
Offer Amount	Up to \$75,000,000 (with the ability to accept oversubscriptions of up to an additional \$50,000,000 at Investore's discretion)
Security	<p>The Bonds are secured by first ranking mortgages (the Mortgages) granted by Investore over its properties (the Mortgaged Properties) and by security interests over Investore's other assets under a general security deed (subject to limited exceptions) (the General Security Deed)</p> <p>The Security Trustee holds the 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>
Financial Covenant	<p>Investore agrees to ensure that the total principal amount of all outstanding borrowed money secured by the Mortgages and the General Security Deed is not more than 65% of the total value of all Mortgaged Properties (including, in respect of any development, capital expenditure incurred during the development phase since the date of the most recent valuation) (the Loan to Value Ratio)</p> <p>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</p>
Distribution Stopper	Investore is not permitted to make any distribution, such as declaring a dividend to Investore shareholders, if an Event of Default is continuing or if it would result in an Event of Default. Full details of the Events of Default are set out in the Bond Trust Documents

Indicative Terms Sheet (cont.)

No Credit Rating	The Bonds will not be rated
Issue Price	\$1.00 per Bond, being the Principal Amount of each Bond
Early Repayment	Holder's have no rights to require Investore to redeem the Bonds early except through the Supervisor in the case of an Event of Default. Investore does not have the right to redeem the Bonds early
Further Indebtedness	Investore may, without the consent of the Holders of the Bonds, issue additional securities or other debt obligations on such other terms and conditions as Investore may think fit
Interest Rate	The sum of the Swap Rate plus the Issue Margin (which may be above or below the Indicative Issue Margin), subject to a minimum Interest Rate of 2.40% per annum The Interest Rate will be announced by Investore via NZX on or about the Rate Set Date
Indicative Issue Margin	2.00% to 2.20% per annum
Issue Margin	The Issue Margin (which may be above or below the Indicative Issue Margin range mentioned above), will be determined by Investore (in consultation with the Joint Lead Managers) following a bookbuild process and announced by Investore via NZX on or about the Rate Set Date
Swap Rate	The mid-market rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Arranger in consultation with Investore, according to market convention, with reference to Bloomberg page 'ICNZ4' (or any successor page) on the Rate Set Date and expressed on a quarterly basis (rounded to 2 decimal places, if necessary, with 0.005 being rounded up)
Interest Payments	Quarterly in arrear in equal payments
Interest Payment Dates	28 February, 31 May, 31 August and 30 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 30 November 2020
Record Date	5.00pm on the date that is 10 days before the relevant scheduled Interest Payment Date or, if that is not a Business Day, the immediately preceding Business Day
Business Days	Days on which the NZX is open for trading
Firm Brokerage	0.75% on firm allocations to be paid by Investore
ISIN	NZIPLDT002C1

Indicative Terms Sheet (cont.)

NZX Debt Market Quotation	<p>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 IPL020 has been reserved for the Bonds)</p>
Minimum Application Amount and Denominations	<p>\$5,000 and multiples of \$1,000 thereafter</p>
Transfer Restrictions	<p>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</p> <p>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</p>
Governing Law	<p>New Zealand</p>
Who May Apply & How to Apply	<p>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</p> <p>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 https://www.nzx.com/services/market-participants/find-a-participant</p> <p>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</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>
Arranger	<p>Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch) (Westpac)</p>
Joint Lead Managers	<p>ANZ Bank New Zealand Limited, Forsyth Barr Limited, Jarden Limited and Westpac</p>
Supervisor	<p>Public Trust</p>

Indicative Terms Sheet (cont.)

Security Trustee	New Zealand Permanent Trustees Limited
-------------------------	--

Securities Registrar	Computershare Investor Services Limited
-----------------------------	---

Selling Restrictions

Investore does not intend that the Bonds be offered for sale, and no action has been taken or will be taken to permit a public offering of Bonds, in any jurisdiction other than New Zealand. Bonds may only be offered for sale or sold in conformity with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered. This Terms Sheet may not be published, delivered or distributed in or from any country other than New Zealand

By subscribing for or otherwise acquiring any Bonds, you agree to indemnify, among others, Investore, the Supervisor and the Joint Lead Managers for any loss suffered as a result of any breach by you of the selling restrictions referred to in this Terms Sheet

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

Any internet site addresses provided in this Terms Sheet are for reference only and, except as expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Terms Sheet. Copies of the Bond Trust Documents are available on the website (managed by Investore) for the offer of the Bonds www.investoreproperty.co.nz/bondoffer. Investors should seek qualified, independent financial and taxation advice before deciding to invest. In particular, investors should consult their tax adviser in relation to their specific circumstances. Investors will be personally responsible for all tax return filing obligations in respect of their investment in the Bonds, compliance with the financial arrangements rules (if applicable) and payment of provisional or terminal tax (if required) on interest derived.

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

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

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

Address Details

Issuer

Investore Property Limited

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

Directors

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

Supervisor

Public Trust

Level 9, 34 Shortland Street
Auckland 1010

Security Trustee

New Zealand Permanent Trustees Limited

Level 9, 34 Shortland 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 6140

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 942 822

Joint Lead Managers

ANZ Bank New Zealand Limited

23-29 Albert Street
Auckland 1010
0800 269 476

Forsyth Barr Limited

Level 23, Lumley Centre
88 Shortland Street
Auckland 1010
0800 367 227

Jarden 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 942 822

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

W investoreproperty.co.nz

