

## Investore Property Limited

### Capital Raise to Provide Funding Flexibility to Further Growth Strategy

- Investore Property Limited (Investore) is commencing a capital raise (Offer) of up to \$100 million, comprising an \$85 million underwritten placement and a share purchase plan for up to \$15 million, with the ability to accept additional applications at Investore's discretion of up to a further \$5 million
- The net proceeds of the Offer will be used to provide funding flexibility to continue Investore's strategy to grow its portfolio, positioning it well to secure investment opportunities that may arise, and continue its objective of maximising distributions and total returns to investors over the medium to long term
- The Offer will also strengthen Investore's balance sheet, with the pro forma loan to value ratio (LVR) on completion of the Offer expected to reduce from 41.8% to 30.9% (Note 1)
- Guidance of 7.60 cps cash dividend for the year ended 31 March 2020 (FY20) remains unchanged, assuming no further economic deterioration due to COVID-19
- Following the Offer and resulting lower LVR, excluding the contribution arising from any future acquisitions, and assuming no further deterioration in economic conditions due to COVID-19, Investore currently expects to pay a minimum cash dividend of 7.60 cents per share for FY21, in accordance with its dividend policy of paying between 95 and 100% of distributable profit (Note 2)

Investore is pleased to announce that it is commencing a capital raising (Offer) to raise up to \$100 million, comprising an \$85 million placement and a \$15 million share purchase plan with the ability to accept additional applications under the share purchase plan of up to \$5 million at Investore's discretion. The Offer comprises:

- **Placement:** A placement of \$85 million to eligible investors. The placement price will be set through a bookbuild process during the course of today, with an underwritten floor price of \$1.59, which represents a discount of 10.2% to the last close (\$1.77) and 9.2% discount to the volume weighted average price for Investore shares over the preceding five business days (\$1.75). Stride Property Limited (SPL) has committed to participate in the placement to maintain

its 19.4% shareholding (post placement but prior to allotment of new shares under the share purchase plan). Any shares not taken up in the placement will be underwritten by Goldman Sachs New Zealand Limited at the underwritten floor price, pursuant to the terms of a placement agreement entered into with Investore today.

- **Share Purchase Plan:** A Share Purchase Plan (SPP) offer to all eligible shareholders with a registered address in New Zealand, under which each eligible shareholder can apply for up to \$50,000 worth of new shares, subject to a \$15 million overall cap with the discretion for Investore to accept additional applications of up to a further \$5 million. The issue price under the SPP will be the lower of (a) the price paid by investors in the placement and (b) the price that is a 2.5% discount to the volume weighted average price for Investore shares over the five business days prior to the closing of the SPP offer. The SPP has been structured to be as fair as possible to all existing shareholders, and enables almost all shareholders to participate through either the placement or the SPP (except where restricted due to legal constraints), and should scaling be required, it will be by reference to existing shareholdings. The SPP offer opens on 5 May 2020, with the offer document and application form in respect of the SPP offer also being available from that date.

Following the Offer Investore expects to be well positioned to take advantage of investment opportunities that arise, to further its strategy of targeted growth.

The new shares issued under the Offer will be eligible to participate in any future dividends declared by Investore after the relevant allotment date.

For additional information in relation to the Offer, please refer to the capital raising presentation attached to this announcement.

The Board looks forward to investors' support for the Offer.

Notes:

1. The pre Offer LVR of 41.8% is as at 31 March 2020, adjusted to include the \$133.8m value of the three large format retail assets to be acquired from SPL, as well as the debt to be drawn to fund the settlement of that acquisition. The post Offer LVR of 30.9% is calculated by taking the pre Offer LVR, and adjusting to reflect the net proceeds of the Offer, estimated to be \$97.7m (assuming gross proceeds of \$100m), being used to repay Investore's drawn bank facilities as at 31 March 2020. Refer pro forma balance sheet on page 22 of the presentation attached to this announcement.
2. The 7.60 cents per share dividend guidance for FY21 has been determined after allowing for the benefits of the acquisition of the three properties from SPL (due to settle on 30 April 2020), the tax effect of the new depreciation allowances of approximately \$2.2m for FY21, and after taking into account the impact of the Offer and resulting lower LVR.

## Ends

Attachments provided to NZX:

- Investore Property Limited – Capital Raise Announcement 290420
- Investore Property Limited – Capital Raise Presentation 290420
- Investore Property Limited – Corporate Action Notice 290420

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