investore

Managed by Stride Investment Management Limited

Capital Raising Announcement

29 April 2020

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- Eligible shareholders of Investore (**Share Purchase Plan**),

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Bunnings Rotorua

Countdown Meadowbank

Countdown Rolleston

226 Great South Road, Auckland

Contents

Investore has been designated as a "Non-Standard" (NS) issuer by NZX Limited (NZX). A copy of the waivers granted by NZX from the NZX Main Board Listing Rules dated 20 March 2020 (specifically, Listing Rules 2.2.1 to 2.8.1 and 2.10.1) in respect of Investore's "NS" designation can be found at www.nzx.com/companies/IPL/documents.

Overview

- Investore Property Limited (Investore) is seeking to raise up to $100m through a $85m underwritten placement and a $15m share purchase plan, with the ability to accept up to $5m of additional applications under the share purchase plan at Investore's discretion (the Offer)
- 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 pro forma loan to value ratio (LVR) on completion of the Offer expected to reduce from 41.8%[1] to 30.9%[2]
- As at 31 March 2020, Investore's portfolio (excluding the three properties to be acquired from SPL) was valued at $761.4m, representing a net 12 month revaluation gain of +1.0%. These valuations remain subject to audit finalisation as part of completing the financial statements for the year ended 31 March 2020 (FY20). The independent valuers engaged by Investore have included material valuation uncertainty clauses in their reports. These clauses highlight that less certainty, and consequently a higher degree of caution, should be attached to the valuations as a result of the COVID-19 pandemic (refer to page 20 for further details)
- The acquisition of the three properties from Stride Property Limited (SPL) as announced in November 2019 is now unconditional and is expected to settle on 30 April 2020. Investore has recently had these properties revalued in connection with the settlement arrangements, and, taking into account the impact of COVID-19, the valuations have decreased by $7.0m to $133.8m
- Upon acquisition of the three properties from SPL, the weighted average capitalisation rate for the Investore portfolio will be 6.1%
- COVID-19 has had a limited impact on Investore to date, as its portfolio comprises a high proportion of 'essential businesses' (as set out on the Government website covid19.govt.nz) and a small number of leases which contractually permit tenants to suspend or abate rental payments due to the Government lockdown restrictions
- The Board reconfirms that it currently expects the total cash dividend for FY20 to be maintained at 7.60 cents per share (assuming no further deterioration in economic conditions due to COVID-19)
- Following the Offer and resulting lower LVR, and after allowing for the benefits of the recent acquisition of the three properties from SPL, the tax effect of the new depreciation allowances of approximately $2.2m for FY21, 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[3]

Note: LVR calculated as drawn debt divided by investment property value (excluding land lease liability).

1. As at 31 March 2020, adjusted to include the $133.8m value of the three large format retail properties to be acquired from SPL, as well as the debt to be drawn to fund the settlement of that acquisition.
2. As at 31 March 2020, adjusted to include the $133.8m value of the three large format retail properties to be acquired from SPL, as well as the debt to be drawn to fund the settlement of that acquisition, and assuming that the net proceeds of the Offer, estimated to be $97.7m (assuming gross proceeds of $100m) is used to repay Investore's drawn bank facilities as at 31 March 2020. Refer pro forma balance sheet on page 22.
3. Distributable profit consists of net 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. Distributable profit is a non-GAAP measure and does not have a standard meaning prescribed by GAAP and therefore may not be comparable to information presented by other entities. See note 3.3 to Investore's interim financial statements for the period ended 30 September 2019 for further information on the method of calculation of distributable profit and for a reconciliation of distributable profit to NPAT.

Key metrics

Offer Overview	
Offer	$100m*
Key Offer Metrics	$85m Placement
	$15m* Share Purchase Plan

* With the ability to accept additional applications of up to $5m at Investore's discretion.

Investore Financial Overview	
Pro forma LVR[1] post Offer	30.9%
31 March 2020 valuations[2]	$761.4m (+1.0% net revaluation gain from 31 March 2019)
Pro forma portfolio valuation post acquisition[3]	$895.2m
Net Tangible Assets (NTA) per share[4] prior to Offer	$1.71 Up from $1.70 at 30 September 2019
Expected NTA per share post Offer[5]	$1.68
FY20 cash dividend guidance confirmed[6]	7.60cps

1. See footnote 2 on page 5.
2. These valuations remain subject to audit finalisation. The independent valuers have included material valuation uncertainty clauses in their reports as a result of COVID-19. These clauses highlight that less certainty, and consequently a higher degree of caution, should be attached to the valuations as a result of the COVID-19 pandemic (refer to page 20 for further details).
3. Calculated by taking the 31 March 2020 valuations (which remain subject to audit finalisation) of Investore's current portfolio plus the recent independent valuation of $133.8m of the three properties to be acquired from SPL.
4. Based on 31 March 2020 valuations (which remain subject to audit finalisation), adjusted to include the $133.8m value of the three properties to be acquired from SPL.
5. Assuming $100m of additional equity, at $1.59 per share, equating to an additional 62,893,083 shares issued.
6. Assuming no further deterioration in economic conditions due to COVID-19.

Offer overview

Offer	• Investore is undertaking the Offer which comprises:
	  • An underwritten institutional placement to eligible investors to raise $85m (Placement)
	  • A non-underwritten Share Purchase Plan to raise $15m, with the ability to accept additional applications of up to $5m at Investore's discretion (Share Purchase Plan)
	• New Shares to be issued under the Placement are underwritten at a price of $1.59 per share, representing a 10.2% discount to the closing price of $1.77 on 28 April 2020. The number and final pricing of New Shares being offered under the Placement will be determined via a bookbuild process today
	• The Placement represents ~17.6% of the pre-Placement shares on issue (subject to final pricing)
	• The Placement is underwritten by Goldman Sachs New Zealand Limited

Rationale	• The net proceeds from the Offer will be used to provide funding flexibility, positioning Investore 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 • Investore is the only NZX listed company focused on large format retail properties. These properties typically have long-lease terms, high occupancy rates, and leases to nationally recognised retailers such as Countdown and Bunnings • Investore's strategy of focusing on tenants that operate in the 'everyday needs' category means that a high proportion of its portfolio by Contract Rental[1] comprises 'essential businesses' based on Government advice published on the covid19.govt.nz website. Supermarket tenants in particular continue to trade strongly • The Offer will strengthen Investore's balance sheet, with post Offer pro forma LVR expected to be 30.9%[2], providing Investore with a strong balance sheet, enabling it to manage any unexpected downside scenarios and positioning it to continue its strategy of targeted growth. With over $143m in undrawn facilities expected on completion of the Offer[3], Investore will be well positioned to take advantage of any investment opportunities that arise

Financial impact	• The Offer is expected to have the following impacts:
	  • Pro forma LVR of 30.9%[2], down from 41.8% (pro forma as at 31 March 2020, excluding the Offer[4]) and below the Board's stated maximum LVR of 48%
	  • Pro forma NTA per share of $1.68[5], down from $1.71 (being NTA as at 31 March 2020, as if the acquisition from SPL had settled as at that date)
	  • Undrawn debt facilities are expected to increase to over $143m immediately following the Offer[3]
	• Investore currently expects the total cash dividend for FY20 to be maintained at 7.60 cents per share and the FY21 total cash dividend to be a minimum of 7.60 cents per share (assuming no further deterioration in economic conditions due to COVID-19, and, in relation to the FY21 dividend, after allowing for the benefits of the acquisition from SPL expected to settle on 30 April and the tax effect of the new depreciation allowances of approximately $2.2m for FY21, and excluding the contribution arising from any future acquisitions)

1. 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 as at 31 March 2020, 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.
2. See footnote 2 on page 5.
3. Undrawn facilities as at 31 March 2020 as if the new facility and extended facility announced on 28 April 2020 had been in place at that date, adjusted for the debt to be drawn to fund the settlement of the three large format retail properties to be acquired from SPL, and assuming that the net proceeds of the Offer, estimated to be $97.7m, is used to repay Investore's drawn bank facilities as at 31 March 2020. Refer pro forma balance sheet on page 22.
4. See footnote 1 on page 5.
5. See footnote 5 on page 6. Refer pro forma balance sheet on page 22 for further information.

Investore's strategy

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

Investore focusses on tenants which meet New Zealand consumers' everyday needs, making it well positioned to optimise returns, providing a secure income stream for investors

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

Key investment highlights

Investore's portfolio delivers resilient cash flows that support distributions

1	**Majority of tenants represent 'everyday needs'**	• Around 71% of Investore's portfolio[1] by Contract Rental[2] is categorised by Investore as 'everyday needs', drawing customers to the properties on a regular basis and providing a strong tenant proposition

2	**Anchor tenants with long lease terms**	• After the settlement of the acquisition of three properties from SPL (pro forma as at 31 March 2020):
		  • Anchor tenants comprise 87% of Investore's portfolio by Contract Rental
		  • Weighted average lease term (WALT) is 10.4 years and 71% of Contract Rental expiry is in 2030 or beyond

3	**Limited impact from COVID-19 to date**	• Investore's portfolio comprises a high proportion of 'essential businesses', as set out on the Government website covid19.govt.nz • A limited number of leases contain contractual rights for tenants to suspend or abate rental payments due to the Government lockdown restrictions • Investore currently expects the impact of COVID-19 to result in reduced gross rent for FY21 of between $1m and $2m
4	**Proactive capital management**	• Post the Offer, pro forma LVR is expected to be 30.9%[3], providing balance sheet flexibility • Investore has a weighted debt maturity of 3.3 years[4] with no banking facilities expiring until June 2021 • Investore expects to have undrawn debt facilities of over $143m following the Offer[5]
5	**Positioned for growth opportunities**	• Following the Offer Investore expects to be well positioned to take advantage of investment opportunities that arise, to further its strategy of targeted growth • Investore would be able to acquire ~$295m of additional properties while remaining within the Board's stated maximum LVR of 48%[6]

6	**Track record of delivering strong returns**	• Investore has delivered strong returns for shareholders since listing:
		  • Successful acquisition of over $225m of property over the last three years[7]
		  • Total shareholder returns of 36.3% since listing[8], outperforming the S&P/NZX All Real Estate Index of 29.2% for the same period

1. As at 31 March 2020, assuming that the acquisition of the three properties from SPL had settled as at that date.
2. See footnote 1 on page 7.
3. See footnote 2 on page 5.
4. 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.
5. See footnote 3 on page 7.
6. Based on Investore's existing banking facilities and portfolio valuations, and subject to being able to secure additional debt funding.
7. Includes three SPL properties to be settled on 30 April 2020 for $140.75m; three Bunnings operated properties acquired in February 2018 for $78.5m; Countdown New Brighton acquired in October 2019 for $5.75m; and smaller acquisitions of properties adjacent to existing properties for a total of $2.6m.
8. Total shareholder return calculated as cumulative share price and dividend return since listing date of 12 July 2016 until 28 April 2020.

1 Majority of tenants represent ‘everyday needs’

Around 71% of Investore’s portfolio[1] is categorised as ‘everyday needs’, drawing customers to the properties on a regular basis and providing a strong tenant proposition

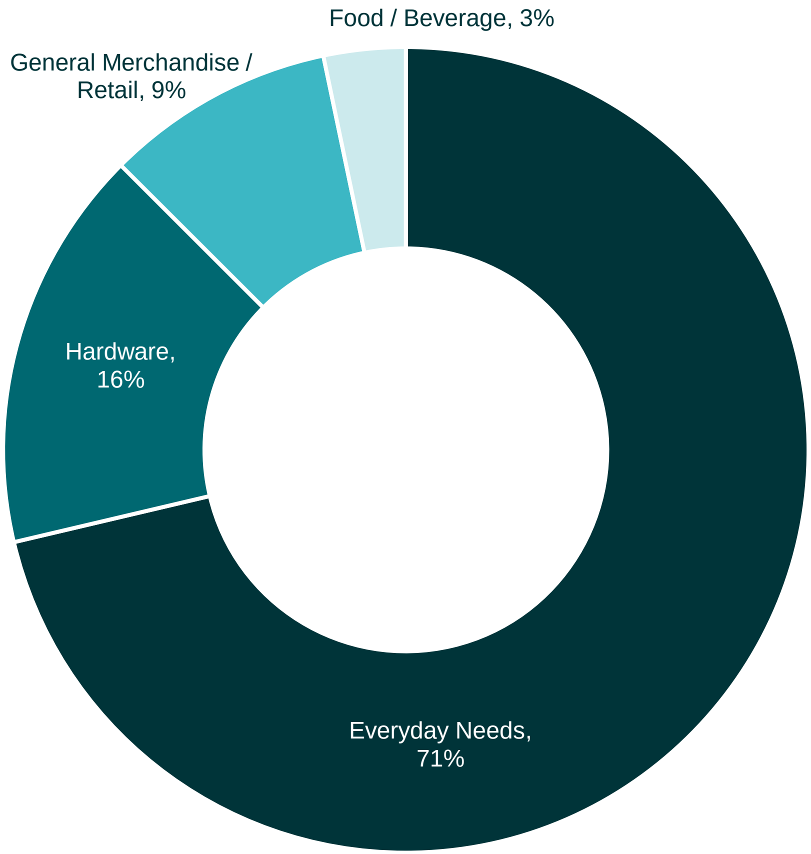
Everyday needs (71%)
Countdown
New World
Pak'nSave
Animates
Pet Essentials

Hardware (16%)
Bunnings
Resene
Mitre 10

General Merchandise / Retail (9%)
The Warehouse
Hunting & Fishing
Briscoes
Freedom Furniture

Food / Beverage (3%)
McDonald's
St Pierre's Sushi
Domino's
Columbus Coffee
Burger Fuel
Pita Pit

Not all tenants are reflected in the above

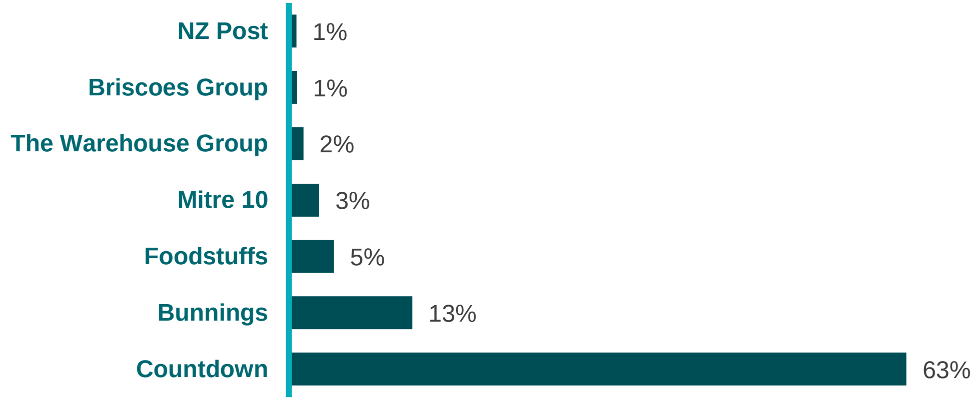


Note: Numbers may not sum due to rounding.
1. By Contract Rental (see footnote 1 on page 7), as at 31 March 2020, assuming that the acquisition of the three properties from SPL had settled as at that date.

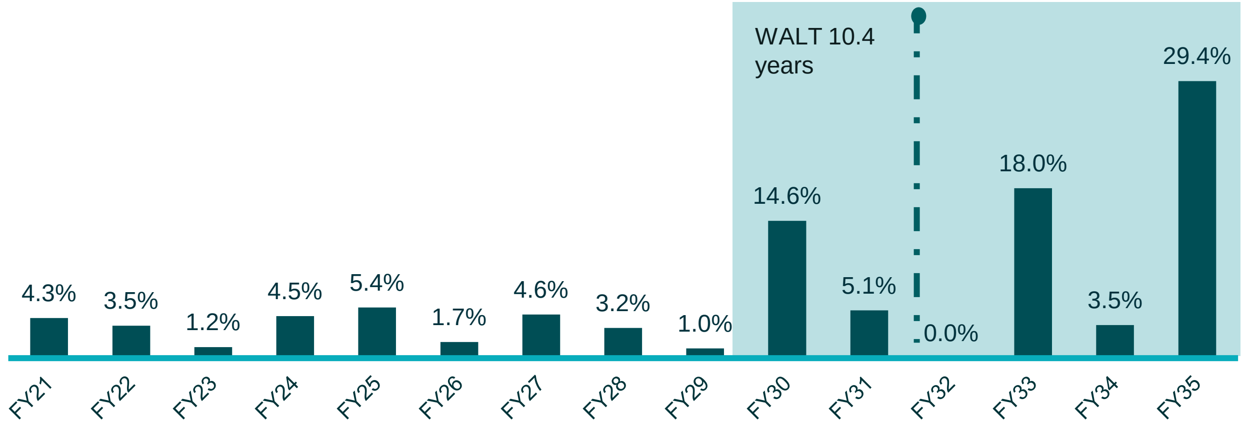
2 Anchor tenants with long lease terms

Investore's resilient portfolio[1] comprises a high proportion of anchor tenants (87% by Contract Rental[2]), long portfolio WALT of 10.4 years and 71% of Contract Rental expiring in 2030 or beyond

Anchor tenant concentration



Lease expiry profile



Note: Numbers in charts may not sum due to rounding

1. All figures are pro forma as at 31 March 2020, assuming that the acquisition of the three properties from SPL had settled as at that date.
2. See footnote 1 on page 7.

3 Limited impact from COVID-19 to date

Investore's portfolio comprises a high proportion of 'essential businesses', with a limited number of leases permitting tenants to suspend or abate rental payments due to Government restrictions

- Including the three properties to be acquired from SPL on 30 April 2020, over 80% of Investore's portfolio is classed as 'essential businesses' as set out on the Government website covid19.govt.nz, including supermarkets, pharmacies and hardware stores, a vital part of the supply chain for New Zealanders
- Investore has a limited number of leases (by Contract Rental[1]) which contain contractual rights for tenants to suspend or abate rental payments due to the Government lockdown restrictions
- Based on discussions to date with tenants, Investore currently[2] expects the impact of COVID-19 to result in reduced gross rent for FY21 of between $1m and $2m. Investore is also discussing deferred payment arrangements with other tenants, but expects almost all deferred rental will be received within FY21

1. See footnote 1 on page 7.
2. Assuming no further deterioration in economic conditions due to COVID-19.

4 Proactive capital management

Proceeds of the Offer will provide funding flexibility to continue Investore's strategy to grow the portfolio, positioning it well to secure investment opportunities that may arise

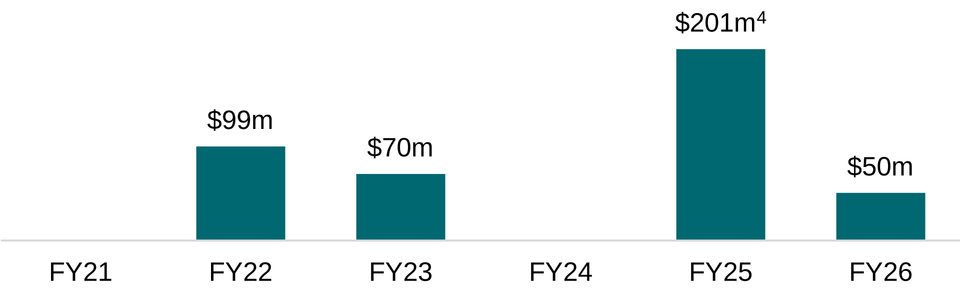
Overview

- Upon completion of the Offer, pro forma LVR is expected to be 30.9%[1], providing significant balance sheet flexibility up to the Board's stated maximum LVR of 48%
- Investore has extended the term of a $101m debt facility for a further three years to June 2024 and secured a new $50m, 5 year facility
- Investore has a weighted debt maturity of 3.3 years[2], with no banking facilities expiring until June 2021
- Investore is expected to have a strong liquidity position, with undrawn debt facilities of over $143m at completion of the Offer[3]

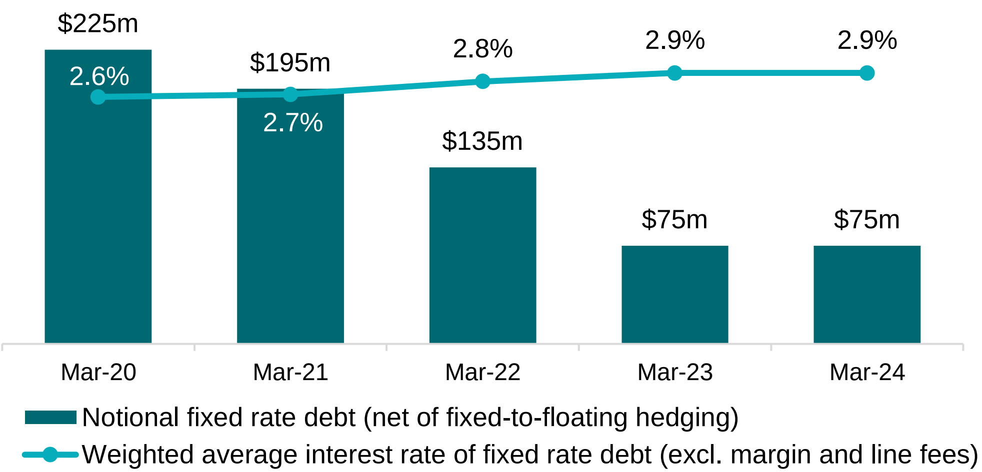
Debt metrics

	Pro forma post Offer[5]	30-Sep-2019
Facility limit ($m)	**$420m**	$370m
Drawn debt ($m)	**$276.4m**	$305m
Average debt maturity (yrs)	**3.3**[2]	2.7
LVR (%)	**30.9%**[1]	40.6%
WALT (yrs)	**10.4**	11.9
% debt fixed or hedged	**81%**	84%
Average fixed/hedged interest rate maturity (yrs)	**2.4**	3.0

Debt facilities expiry profile[2] ($m)



Fixed interest rate profile as at 31 March 2020



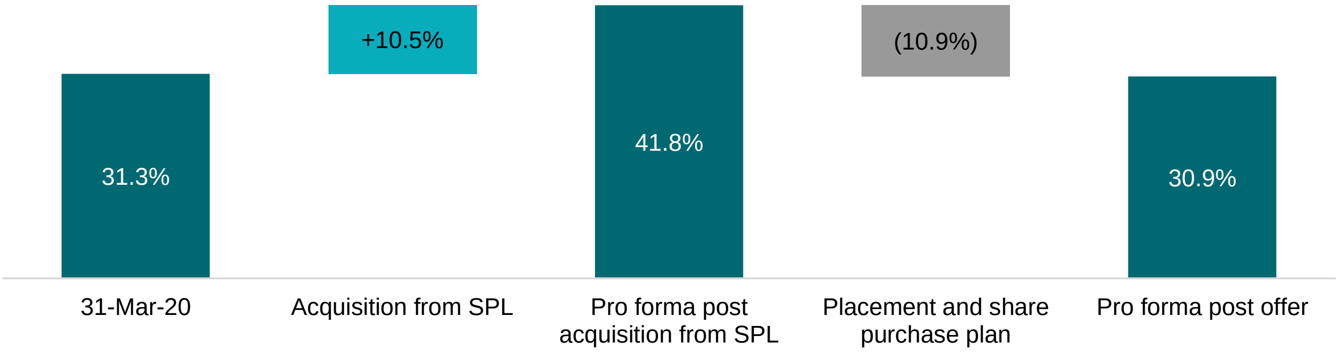
1. See footnote 2 on page 5.
2. See footnote 4 on page 9.
3. See footnote 3 on page 7.
4. Includes $100m of bonds expiring in FY25.
5. As at 31 March 2020, assuming that the acquisition of the three properties from SPL had settled and the Offer had completed as at that date, and as if the new facility and extended facility announced on 28 April 2020 had been in place at that date.

5 Positioned for growth opportunities

The Offer will position Investore well to take advantage of investment opportunities to further its strategy of targeted growth

- Following completion of the Offer:
    - Investore expects to have undrawn debt facilities of over $143m[1], enabling it to further its strategy of targeted growth, and undertake quality, earnings accretive opportunities as they arise
    - Investore's LVR is expected to be 30.9%[2], below the Investore Board's stated maximum of 48%, and well within the bank and bond covenant maximum of 65%
- Investore would be able to acquire ~$295m of additional properties while remaining within the Board's stated maximum LVR of 48%[3]

Pro forma LVR (%) – assuming $100m of new shares issued under the Offer



	31-Mar-20	Acquisition from SPL	Pro forma post acquisition from SPL	Placement and share purchase plan	Pro forma post offer
Investment property	761.4[4]	133.75	895.2	-	895.2
Total drawn borrowings	238.4	135.75[5]	374.2	(97.7)[6]	276.4

1. See footnote 3 on page 7.
2. See footnote 2 on page 5.
3. See footnote 6 on page 9.
4. See footnote 2 on page 6.
5. This represents the balance of the purchase price payable on settlement, being the purchase price less the $5m deposit already paid in relation to this acquisition.
6. Expected net proceeds of the Offer, assuming $85m of proceeds from the underwritten placement and $15m from the share purchase plan, less estimated costs of the Offer.

6 Track record of delivering strong returns

Investore has delivered strong returns for shareholders since listing, with a proven track record of delivering growth

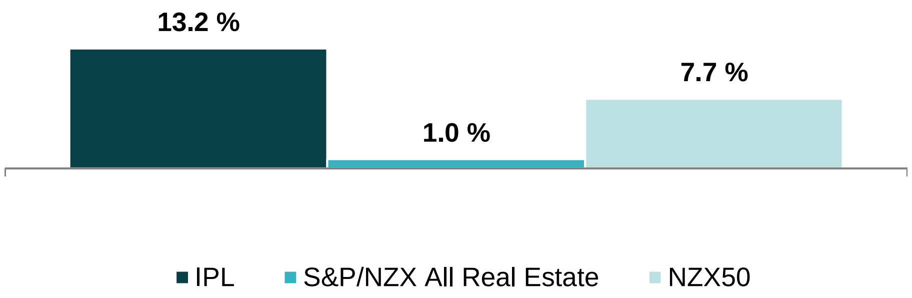
Growth drivers

- Focus on large format retail, with tenants that operate in non-discretionary or 'everyday needs' retail categories, supporting Investore's strategy of optimising returns and providing a secure income stream for investors
- Proven asset management capabilities, through the ongoing delivery of strong operational performance
- Successful acquisition of over $225m of properties over the last three years[1]
- Average net revaluation movement over FY17-FY20 of 2.2% p.a.

Total shareholder return

- Investore has delivered strong returns for shareholders over the last 12 months and to date has been relatively resilient in the volatile market conditions caused by COVID-19
- Total shareholder returns of 13.2% over the last 12 months[2], outperforming the NZX 50 Index of 7.7% and the S&P/NZX All Real Estate Index of 1.0%
- Since listing Investore has provided total shareholder returns of 36.3%, outperforming the S&P/NZX All Real Estate Index of 29.2% for the same period[3]

Total shareholder return (last 12 months)[2]



1. See footnote 7 on page 9.
2. Total shareholder return calculated as cumulative share price and dividend return over period from 26 April 2019 to 28 April 2020.
3. Total shareholder return calculated as cumulative share price and dividend return since listing date of 12 July 2016 to 28 April 2020.

Offer summary

Structure	• Underwritten Placement to eligible investors • Share Purchase Plan offer to all eligible shareholders with a registered address in New Zealand on the Record Date, under which each eligible shareholder can apply for up to $50,000 of New Shares • Structured to be as fair as possible for all existing shareholders. Almost all shareholders (unless restricted due to legal constraints) will be able to participate (through the Placement or Share Purchase Plan). If scaling is required for the Share Purchase Plan, it will be by reference to existing shareholdings on the Record Date for the Share Purchase Plan

Gross proceeds	• $100m comprising:
	  • Placement of $85m, which is ~17.6% of the pre-Placement shares on issue (at the underwritten floor price)
	  • Share Purchase Plan of $15m (with the ability to accept additional applications up to $5m at Investore's sole discretion)

Issue price	• New Shares under the Placement will be issued at a price determined via a bookbuild process with an underwritten floor price of $1.59
	• New Shares under the Share Purchase Plan will be issued at the lower of:
	  • The final Placement price
	  • A 2.5% discount to the 5-day volume weighted average price (VWAP) up to the end of the Share Purchase Plan offer period
	• The underwritten floor price in the Placement represents a discount of:
	  • 10.2% to the last close on 28 April 2020 of $1.77
	  • 9.2% to the 5 day VWAP up to and including 28 April 2020 of $1.75

Ranking	• New Shares will rank equally with Investore shares on issue at the date of issue of the New Shares • The New Shares under both the Placement and Share Purchase Plan will be entitled to any future distributions declared by Investore after the relevant allotment date
Underwriting	• The Placement is underwritten by Goldman Sachs New Zealand Limited
Stride Commitment	• 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)

Use of proceeds and outlook

- 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 net proceeds of the Offer will initially be used to pay down drawn debt facilities from $374.2m to $276.4m[1], with the result that Investore will have over $143m in undrawn bank facilities[2]
- Following the Offer, Investore expects pro forma LVR to reduce to 30.9%[3], well below the Investore Board's stated maximum LVR of 48% and bank and bond covenant maximum of 65%
- Investore expects to pay a minimum cash dividend of 7.60 cents per share for FY21[4], excluding the contribution arising from any future acquisitions
- Investore will continue to pursue investment opportunities as they arise, with an intention to improve shareholder returns over the medium to long term

1. Pro forma bank debt is as at 31 March 2020, adjusted to include the debt to be drawn down to fund the settlement of the three large format retail properties to be acquired from SPL, and assuming that the net proceeds of the Offer, estimated to be $97.7m (assuming gross proceeds of $100m), is used to repay Investore's drawn bank facilities.
2. See footnote 3 on page 7.
3. See footnote 2 on page 5.
4. Assuming no further deterioration in economic conditions due to COVID-19.

Offer timetable

Placement

Announcement of Offer and cleansing notice released to the NZX	Wednesday 29 April 2020
Investore enters trading halt and bookbuild undertaken, Placement price determined	Wednesday 29 April 2020
Trading halt lifted	Thursday 30 April 2020
Placement settlement date, allotment of New Shares under the Placement and trading commences on the NZX	Tuesday 5 May 2020

Share Purchase Plan

Share Purchase Plan Record Date – 5pm NZT	Tuesday 28 April 2020
Expected release of the Share Purchase Plan offer document and application form, Share Purchase Plan opens	Tuesday 5 May 2020
Share Purchase Plan closing date – 5pm NZT	Thursday 14 May 2020
Share Purchase Plan price announced	Friday 15 May 2020
Share Purchase Plan settlement date, allotment of New Shares under the Share Purchase Plan and trading commences on the NZX	Wednesday 20 May 2020

Dates above are subject to change and are indicative only. Investore reserves the right to amend this timetable subject to applicable laws and NZX Listing Rules. Investore reserves the right to withdraw the Offer at any time at its absolute discretion.

Key risks

Investore's business activities are subject to a number of risks which may, individually or in combination, affect the future operating performance of Investore and the value of an investment in Investore. Investors should carefully consider, and make their own assessment of these risks, including the risk factors described below, before deciding whether to invest in New Shares. This section does not set out all the risks related to an investment in Investore and has been prepared without reference to your personal circumstances. Some risks may be unknown and other risks, currently believed to be immaterial, could turn out to be material. You should seek independent advice before deciding whether to invest in New Shares.

Impact of COVID-19 and macroeconomic risks

- **Share price uncertainty:** Events relating to COVID-19 have resulted in significant market falls and volatility, including in the prices of securities trading on the NZX Main Board. There is continuing uncertainty as to the further impact of COVID-19, including in relation to the NZ Government response, work stoppages, lockdown, quarantines, travel restrictions and unemployment. Any of these events and resulting fluctuations (as well as other factors) may adversely impact the market price of Investore's shares, impacting the price at which investors are able to sell Investore shares, if at all. None of Investore, its Board, the Manager, the Underwriter, or any other person guarantees the market performance of the New Shares, and no assurances can be given that the New Shares will trade at or above the Offer Price.

- **Economic downturn:** In light of COVID-19 and other recent New Zealand and global macroeconomic events, New Zealand may experience an economic downturn of uncertain severity and duration, which may materially affect Investore's tenants or leasing demand for large format retail properties. This may have an adverse impact on rents and/or Investore's ability to lease premises. Although a significant majority of Investore's tenants operate supermarkets and other businesses focused on 'everyday needs', those businesses may still be adversely affected by COVID-19 and any consequential economic downturn.

- **Online purchases:** Due to the lockdown consumers have been encouraged to make purchases online. The extent to which this may continue, and the response of Investore's tenants to this change in behaviour is currently uncertain. It is possible that a structural change in shopping behaviour may lead to a reduction in the demand for large format retail properties in their current locations and/or may impact on rental income to Investore from its properties, including turnover rental. If Investore does not successfully adapt to change, this may have an adverse impact on its operating and financial performance.

- **Tax changes:** The Government has announced changes to support the economy during COVID-19, including reintroducing rules permitting tax deductibility of depreciation on buildings. This is currently expected to provide some financial benefit to Investore in FY21 and future years. However, there is no certainty that this new depreciation allowance on buildings will remain in place.

Due to the level of uncertainty, the full impact of COVID-19 on Investore is not yet able to be determined.

Tenants and rental income

Investore is dependent on relationships with its tenants. Investore is exposed to the risk that its tenants are unable to fulfil their contractual obligations, including payment of rent, which is heightened in the current economic environment. Reduced consumption, increased consumer uncertainty, possible changes in approach to supermarket and retail shopping, economic downturn, and Government lockdowns and market interventions and other, potentially unforeseeable, factors may result in substantial decreases to shopping traffic. Tenants may suffer reduced margins due to the activity of competitors or a need for greater discounting than usual to attract customers. A reduction in shopping traffic and margins would result in a deterioration of the financial position of some tenants and their ability to pay rent. If tenants default in the payment of rent or performance of other obligations under the lease it may not be possible to recover unpaid rent or replace those tenants on terms where Investore can achieve the same rental or lease provisions, including tenure, with new tenants. There may also be lower demand for commercial real estate in the current market. These factors may materially affect the operating and financial performance and prospects of Investore.

Key risks (cont)

Property valuations

Valuations ascribed to any property are influenced by a number of factors including:

- Supply and demand for property (in Investore's case, large format retail properties);
- General property market conditions, including prices of transactions in the market; and
- The ability to attract and implement economically viable rental arrangements.

Property values may change if the underlying assumptions on which the property valuations are based differ in the future. Due to COVID-19, Investore's 31 March 2020 valuations have been reported on the basis of 'material market uncertainty', meaning less certainty and a higher degree of caution should be applied. The opinion of value has been determined at the valuation date based on a certain set of assumptions, however these could change in a short period of time due to subsequent events. This is a new qualification that did not appear in any of the valuation reports provided to Investore for the year ended 31 March 2019.

As changes in valuations of investment properties are required to be reflected in Investore's income statement, any decreases in value will have a negative impact on Investore's income statement. A valuation fall would also impact the price at which Investore would be able to sell the property in the market (which may be significantly below the price paid for the property or current market values) and could affect Investore's capacity to borrow or its ability to comply with its banking covenants. In addition, while the independent valuations represent the best estimates of the independent valuers, they may not reflect the actual price a property would realise if sold.

FY21 dividend guidance is not guaranteed

The Board has provided its view of dividends that it expects Investore to be able to declare for the FY21 financial year of 7.60 cents per share. That view is based upon Investore's dividend policy and its business plan and internal forecasts, taking into account the currently expected effect on net rental income and total expenses as a result of COVID-19. The Board believes the assumptions underlying this guidance are reasonable given its discussions with tenants and contractual position, but the impact of COVID-19 is not fully known yet and a key factor will be the speed at which normal retail shopping will be permitted to return. Investors should note that dividends for FY21 or any other period are not certain, and dividends remain payable at the discretion of the Board. No return is guaranteed by Investore, its Board, the Manager, the Underwriter, or any other person.

Funding and interest rates

The ability of Investore to raise funds on favourable terms, or at all, for future activities is dependent on a number of factors including general economic, political, capital and credit market conditions. The inability of Investore to raise funds on favourable terms for future activities, or at all, could adversely affect its ability to acquire or develop new properties or refinance its debt. This risk is exacerbated by COVID-19.

Adverse fluctuations in interest rates, to the extent that they are not hedged or forecast, may impact Investore's earnings and asset values due to any impact on property markets in which IPL operates.

Refinancing requirements

Investore is exposed to risks relating to the refinancing of existing debt instruments and facilities. Investore has debt facilities maturing over the coming years and it may experience some difficulty in refinancing some or all of these debt maturities, which may be exacerbated by COVID-19. The terms on which they are refinanced may also be less favourable than at present.

Appendices

Pro forma balance sheet

$m	31 March 2020[1]	Acquisition from SPL	Pro forma post acquisition from SPL	Placement and Share Purchase Plan[2]	Pro forma post Offer
Cash and cash equivalents	4.2		4.2		4.2
Investment properties[3]	768.9[3]	126.3[4]	895.2		895.2
Other assets	9.9	2.5[4]	12.4		12.4
Total assets	**783.0**	**128.8**	**911.8**		**911.8**
Total borrowings[5]	236.9	135.8[6]	372.7	(97.7)	275.0
Other liabilities	19.4		19.4		19.4
Total liabilities	**256.3**	**135.8**	**392.1**	**(97.7)**	**294.4**
Net tangible assets (NTA)	**526.7**	**(7.0)**	**519.7**	**97.7**	**617.4**
Number of shares (m)	304.5		304.5	62.9	367.4
NTA per share ($)	**1.73**		**1.71**		**1.68**
LVR[7]	31.3%		41.8%		30.9%

1. Subject to audit finalisation.
2. Net proceeds of the Offer used to repay bank debt, assuming $85m of proceeds from the underwritten placement and $15m from the share purchase plan, less estimated costs of the Offer.
3. Investment properties value of $768.9m includes land lease liability of $7.5m.
4. Under the sale and purchase agreement SPL is to complete seismic works of $7m and has provided a rental guarantee of $0.5m. The $133.8m valuation of the three large format retail properties have been prepared on the basis that the seismic works had been completed. The seismic strengthening costs and rental guarantee have been recorded as a $7.5m non-current prepayment. A deposit of $5m has already been paid by Investore.
5. Borrowings are net of unamortised borrowing establishment costs.
6. This represents the balance of the purchase price payable on settlement, being the purchase price less the $5m deposit already paid in relation to this acquisition.
7. LVR calculated as total borrowings (issued bonds and drawn banking facilities) divided by the value of investment properties (excluding land lease liability).

International offer restrictions

United States

This document must not be distributed or released in the United States. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable state securities laws.

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Prospective investors should not construe anything in this document as legal, business or tax advice nor as financial product advice for the purposes of Chapter 7 of the Corporations Act. Investors in Australia should be aware that the offer of New Shares for resale in Australia within 12 months of their issue may, under section 707(3) of the Corporations Act, require disclosure to investors under Part 6D.2 if none of the exemptions in section 708 of the Corporations Act apply to the re-sale.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

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Singapore

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This document has been given to you on the basis that you are (i) an existing holder of Investore’s shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Thank you

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