

# Odin Investment Limited

## Replacement Product Disclosure Statement Replacing Product Disclosure Statement dated 5 February 2020



### Offer of up to 210 parcels of B Shares in Odin Investment Limited 13 February 2020

#### Important Information

This PDS gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this Offer on [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose) (Offer ref: 12814). Maat Consulting Limited has prepared this PDS in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you make an investment decision.

# 1 KEY INFORMATION SUMMARY

## ***What is this?***

This is an Offer of B Shares ("Shares").

The Shares give you a stake in the ownership of Odin Investment Limited ("Odin" or the "Issuer")

You may receive a return if dividends are paid or Odin increases in value and you are able to sell your Shares at a higher price than you paid for them.

If Odin runs into financial difficulties and is wound up, you will be paid only after all creditors have been paid. You may lose some or all of your investment.

## ***About Odin Investment Limited***

Odin has been established for the purpose of subscribing for subordinated convertible notes ("Notes") which are being issued by Magsons Hardware Limited ("Magsons"). The Notes are secured by a third ranking general security agreement held by Odin. Magsons will be the operator of the furniture superstore at 156-160 Central Park Drive, Waitakere, Auckland (the "Premises"), which will trade under the brand name 'Nido'. Commencement of trading by Magsons in a 'start-up mode' is scheduled for early March 2020, with the store planned to be fully operational in June 2020.

A convertible note is a loan to a company which can be converted into shares in the company.

Odin and Magsons have entered into three separate Convertible Note Agreements in respect of each tranche of Notes to be issued as described below. The executed Convertible Note Agreements can be found at <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: 12814) under "Other material information". The agreements provide for the following:

- i) The Notes to be issued by Magsons to Odin in three separate tranches, in line with the three tranches of capital to be raised from Investors in Odin under this Offer (which will be used to subscribe for the Notes).
- ii) A term expiring on 31 March 2023 for each separate issue of Notes ("Term").
- iii) The option for Odin to convert some or potentially all of the Notes to ordinary shares in Magsons at the end of the Term.
- iv) The option for Odin to redeem (i.e. require repayment of) some or all of the Notes at the end of the Term.
- v) Magsons to be valued by a party independent of both Magsons and Odin on the terms specified in the Convertible Note Agreement at a date not less than 90 days prior to the expiry of the Term. The purpose of the valuation is to ensure at the time of conversion the principal amount of the Notes is converted into shares in Magsons at an appropriate value.

At the end of the Term, Odin will hold a meeting of shareholders to discuss whether the Notes should be converted to shares in Magsons, or redeemed. The ultimate decision on whether to redeem or convert the Notes will be made by the Odin directors. If a decision is made to fully redeem the Notes, Odin will be put into liquidation after funds have been received from Magsons, and Investors will be paid their share of such funds after the payment of any creditors of Odin. The Convertible Note Agreements prevent Odin from being issued with more than 20% of the total shareholding in Magsons.

The amount paid to Magsons for the issue of the Notes will be applied by Magsons' for its general business purposes, including for the initial establishment of the Nido store. Other than the subscription for the Notes, and the potential conversion into shares in Magsons, it is not intended that Odin will undertake any other business activity.

The 'B' shareholders in Odin will be Investors who submit their applications for Shares in accordance with the terms of this Product Disclosure Statement and have their application accepted. The 100 A shares are held by Maat Consulting Limited, to enable Maat to register Odin as a company. The 'A' shareholding has no voting rights nor rights to receive dividends.

Odin has been set up by Maat Consulting Limited ("Maat"), with two of Maat's employees appointed as directors. Further information on Odin and Maat is provided in Section 2 "*The Issuer and what it does*".

Maat has previously raised capital for purposes related to the Magsons' business, including:

- a) In March 2019, Everest Central Investment Limited was established as the owner of the Premises and the landlord of Magsons. An equity offer was completed by Maat for the establishment of Central Park Property Investment Limited which has an 80% shareholding in Everest Central Investment Limited. The other 20% shareholder in Everest Central Investment Limited is Magsons Investments Limited.
- b) In December 2019, an equity offer was completed by Maat for the establishment of Central Assets Investment Limited which provided a \$6,250,000 term loan facility to Magsons for a 2-year period.

The sole director of both Magsons (the issuer of the Notes) and Magsons Investments Limited is Mr Vinod Kumar. The relationship between these companies is explained further in Section 2 "*The Issuer and what it does*".

## Purpose of this Offer

The purpose of this Offer is for Odin to subscribe for the subordinated Notes pursuant to the Convertible Note Agreements. Those agreements will be entered into between Odin and Magsons once the level of subscriptions in Shares by Investors is known, after each tranche of the capital raising pursuant to this Offer.

Odin is seeking a minimum of \$2,500,000 in 3 separate tranches of the Shares to be issued pursuant to this Offer, with the right to accept up to a further \$1,000,000 of over subscriptions in each of the three tranches. This capital is to be used by Odin for the purpose outlined above and the amount of the Notes issued by Magsons will match each tranche of Shares subscribed for by Investors. Odin will only subscribe for each of the issues of Notes if sufficient capital is raised to fund the amount required for each subscription.

The funds received by Magsons from the issue of the Notes are required by Magsons for its general business purposes because group funds available to the various companies in the Magsons group have been used to meet additional and unanticipated costs of completion of the Premises and establishment of the Nido business, and no bank funding has been available. The Directors understand that the trading banks approached by Magsons have not provided funding because Magsons has a risk profile which is outside the banks' current lending criteria.

Subject to Odin raising sufficient capital pursuant to this Offer, the Notes will be subscribed for in three separate Issues on the following dates, with the minimum and maximum for each Note subscription as per the table below:

Issue Date	Minimum Notes Value	Maximum Oversubscription Value	Maximum Notes Issued
25 February, 2020	\$2,500,000	\$1,000,000	\$ 3,500,000
20 March, 2020	\$2,500,000	\$1,000,000	\$ 3,500,000
20 April 2020	\$2,500,000	\$1,000,000	\$ 3,500,000
	<b>\$7,500,000</b>	<b>\$3,000,000</b>	<b>\$10,500,000</b>

Odin and Magsons have entered into the following Agreements:

- Three separate Convertible Note Agreements for each tranche. Those agreements set out the primary obligation of Magsons in relation to the offer of Notes under the terms outlined above.
- A third ranking General Security Agreement ("GSA"), whereby Odin takes security over all present and after acquired property of Magsons, as security for performance by Magsons of its obligations under the Convertible Note Agreements.
- A deed of priority and subordination between Central Assets Investments Limited (as first ranking security holder), Everest Central Investment Limited (as second ranking security holder), Odin (as third ranking security holder) and Magsons. The first and second ranking security holders have prior ranking security to the value of \$6,250,000 and \$10,000,000 respectively (plus 24 months interest and costs).

Further detail relating to the above agreements is set out in Section 2 "*The Issuer and what it does*".

The Offer is not a 'managed investment scheme' offer for the purposes of the Financial Markets Conduct Act 2013 ("FMC Act"). This Offer is an equity investment in Odin under the FMC Act, whereby:

- the holders of the Shares will have the right to appoint and remove Directors;
- Odin will not be bound by any form of management agreement; and
- there is no FMA licensed manager or FMA licensed independent supervisor to govern Central's investment activities

The purpose of the Offer is further described in Section 3 "*Purpose of the Offer*".

## Key terms of the Offer

Description of securities	Offer of ordinary Shares in Odin (being B Shares offered in accordance with the Issuer's Constitution).
Date of lodgement of PDS	13 February 2020
Offer Opening Date	14 February 2020
Offer Closing Date	The Offer of Shares is made in three tranches and there will be three corresponding, independent Share allotments. The three closing dates for the minimum subscriptions to be allocated for fully paid Shares (relating to the three tranches) will be as follows: Tranche One: 2,500,000 Shares, with a closing date of 24 February 2020. Tranche Two: 2,500,000 Shares, with a closing date of 18 March 2020 Tranche Three: 2,500,000 Shares, with a closing date of 16 April 2020 Odin reserves the right to alter or extend these dates by no more than 2 months for each tranche. Odin may also withdraw the Offer at any time before the allocation of Shares or accept late applications (either generally or in individual cases). NB: The allocation of subscriptions may vary for each tranche depending on the value of subscriptions (including oversubscriptions) received for each tranche.
Price of Shares	\$1.00 per Share

Minimum number of Shares per Investor	2 parcels of 50,000 (and thereafter in multiples of 50,000)
Maximum number of Shares per Investor	20% of the total number of Shares issued at any one time
Number of Shares being offered	The maximum number of Shares to be issued is 10,500,000
Percentage which initial subscription is to all Shares issued	33.3% (based on three equal tranches of subscriptions)

You can find more information about the use of proceeds from the Offer in Section 3 "*Purpose of the Offer*" and more information about the terms of the Offer in Section 5 "*Terms of the Offer*".

### ***How you can get your money out***

Odin does not intend to quote these Shares on a market licensed in New Zealand and there is no other established market for trading them. This means you may not be able to sell your Shares.

If you wish to sell your Shares, Maat will try to find a buyer from its own investment database.

There is no ability for you to redeem your Shares.

### ***Key drivers of returns***

Current and future aspects of Odin's business that have, or may have, the most impact on the financial performance of Odin and the key strategies and plans for the business are set out below.

Odin's sole asset will be, until the Maturity Date, the Notes issued by Magsons. After the Maturity Date, the following scenarios may occur:

- Odin may elect to convert all of the Notes into shares in Magsons. In this situation, Odin's sole asset will be its shareholding in Magsons.
- Odin may elect to redeem all of the Notes. In this situation, assuming Magsons is financially able to redeem all of the Notes, it is likely that the directors of Odin will decide to put the company into voluntary liquidation. Investors will be paid their share of the cash assets held by Odin after the repayment of any creditors. It is not expected that Odin will have any creditors.
- Odin may elect to partially convert the Notes into shares in Magsons, and to partially redeem the Notes. The consequences of this election to Investors being repaid from the redemption of the Shares is further explained in Section 3 "*Purpose of the Offer*".

Investors will never have any direct shareholding in Magsons.

#### *Interest payments / dividends:*

The sole source of income of Odin prior to the Maturity Date will be interest paid by Magsons under the Convertible Note Agreement during the Term. The interest rate payable is 11% per annum. After the Maturity Date, the sole source of income of Odin will be dividends paid on shares in Magsons which are held by Odin. On receipt of either interest or dividends paid by Magsons to Odin, that income is intended to be paid to Investors by way of dividends. There may be no returns if Magsons is unable to pay Odin. The decision by Odin to declare dividends will be made by the Directors of Odin.

Magsons' ability to pay interest or dividends to Odin will depend upon the successful establishment and operation of Magsons' business, being the 'Nido' store to be opened at the Premises. Magsons has supplied Odin with details of the projected cash flow forecasts for its business for the period 1 April 2019 - 31 March 2025. Those details (for the four years ended 31 March 2023) are set out in Section 2 "*The Issuer and what it does*".

#### *Repayment of debt after the Term and/or conversion of the Convertible Notes to shares in Magsons:*

In the event Odin elects to convert the Notes, the amount of Magsons shares to be acquired by Odin will be determined by reference to the value of Magsons at the date it is valued (90 days prior to the Maturity Date), although must not exceed 20% of the total shareholding in Magsons.

If Odin elects to redeem the Notes, repayment by Magsons will depend on its financial position or its ability to arrange refinancing of the Notes.

#### *Security value of Magsons' assets:*

If the business operated by Magsons is unsuccessful, and it is unable to pay interest and/or repay the Notes on redemption, the returns to Investors will depend on the ability of Odin to successfully enforce its security and recover monies owed (and the costs associated with enforcement) from the assets secured by the GSA.

The GSA is a third ranking GSA registered behind Central Assets Investment Limited and Everest Central Investment Limited, who's combined first ranking priority is \$16,250,000 plus 24 months interest and costs of enforcement. It will also rank behind suppliers of goods to Magsons that have not been fully paid for, provided those suppliers have a security interest (including a retention of title) in the goods supplied and have protected that interest through registration on the Personal Property Securities Register.

Given the third ranking of the GSA, the Directors of Odin consider it unlikely that in an enforcement situation there will be assets of a sufficient realisable value to enable Odin to recover the amounts owed through its security. This enforcement

situation will arise if Magsons is not able to maintain a financial performance level in the future which will allow it to reduce its start-up debt level and to cover business expenses including payments to suppliers.

Further information relating to the value of Odin's security under the GSA in an enforcement situation, is set out in Section 2 "*The Issuer and what it does*" and Section 8 "*Risks to Issuer's business and plans*".

**Key strategies:**

- a) The Odin Directors have analysed Magsons' updated financial forecasts for the 4 year period from 1 April 2019 to 31 March 2023, to determine that they are reasonable. These updated forecasts include provision for the payment of interest to Odin on a monthly basis and the repayment of the Notes to Odin by redemption on the Maturity Date. These forecasts are summarised in Section 2 "*The Issuer and what it does*".
- b) The directors of Odin will have the right to receive monthly financial management accounts from Magsons and to be informed of key strategies of Magsons, in order for the Directors to act in the best interests of the Odin investors.

**Key risks affecting this investment**

Investments in shares are risky. You should consider if the degree of uncertainty about the Issuer's future performance and returns is suitable for you. The price of these Shares should reflect the potential returns and the particular risks of these Shares. The Issuer considers that the most significant risk factors that would affect the value of the Shares are as set out below.

**a) *Insolvency/credit risk of Magsons and risk associated with third ranking subordinated security***

If Magsons is unable to pay the interest due during the Term of the Notes or becomes insolvent, there will be no dividends payable to Investors. While a failure to pay interest will trigger a right for Odin to require redemption of the Notes, it is unlikely if Magsons cannot pay interest that it will be able to redeem the Notes.

If Odin then seeks to enforce the third ranking, subordinated security provided by the GSA, it is unlikely that there will be surplus funds available after repayment of the prior ranking secured creditors.

If Magsons defaults in required payments to other creditors, including the prior ranked secured parties mentioned above, those parties may take enforcement action against Magsons. That could result in Magsons ceasing trading and having no revenues by which to make required payments to Odin under the Notes.

In the above scenarios, Investors could suffer a significant loss.

**b) *Magsons' business fails to commence trading, is delayed or trading is slower than forecasted***

The success of Magsons is also dependent on the success of the Magsons group of companies as a whole. There is currently a heightened credit risk for the Magsons business group as much of its capital is tied up in start-up costs, including stock purchase, fitout and building related costs and funding related costs including a requirement for Magsons to put in place a \$2,000,000 bank guarantee in favour of the landlord of the premises, Everest Central Investment Limited. Currently there is no revenue in the Magsons group and there won't be until trading commences.

Any delay related to the opening of the Nido store which causes business trading to be delayed will affect Magsons' cash flow and therefore its ability to pay the required interest pursuant to the Convertible Note Agreements in the short to intermediate term. This could also occur if trading at commencement is lower than forecasted. Further, a failure of Magsons to commence trading completely will result in Magsons being unable to meet its obligations under the Convertible Note Agreements.

**c) *The funds received from the Notes issue are used for purposes other than their intended use***

There is a risk that the funds received from the Convertible Notes Issue are applied by Magsons for purposes other than as approved by Odin. This will be an event of default under the terms of the Convertible Note Agreements and Odin may seek the repayment of the balance of the Notes issued. If Magsons is unable to repay the Notes, Investors will suffer a significant loss.

**Mitigation strategies**

Various strategies have been developed to mitigate the above risks. Some of those key strategies include the following:

- The duration of the Notes has been based on financial forecasts prepared by Magsons prior to the commencement of trading and reviewed by the Directors of Odin and Maat for reasonableness and accuracy. These forecasts show that a provision for the repayment of the Notes is included in March 2023.
- The Directors of Odin will receive quarterly financial reports from Magsons for their review. In addition, the Odin Directors will be supplied with information related to the future strategic direction of Magsons.

This summary does not cover all of the risks of investing in Odin. You should also read Section 2 "*The Issuer and what it does*" and Section 8 "*Risks to the Issuer's business and plans*".

**Where you can find the Issuer's Financial Information**

The financial position and performance of Odin are essential to an assessment of this offer. You should also read Section 7, *The Issuer's Financial Information*. Odin has been established to subscribe for the Notes issued by Magsons and therefore has no historical financial information. However, selected prospective financial information (including a summary of principal assumptions) has been provided.





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## 2 THE ISSUER AND WHAT IT DOES

### Overview

#### *Intended business of the Issuer*

Odin has been established to subscribe for the subordinated Notes issued by Magsons. The Notes are secured by a third ranking general security agreement held by Odin.

The funds received by Magsons will be used for the establishment and operation of its business, trading as 'Nido' in the furniture superstore which is under construction at 156-160 Central Park Drive, Waitakere, Auckland.

Odin's business operations will be limited to the subscription for the Notes issued by Magsons and the redemption of the Notes or conversion of the Notes into shares in Magsons and the holding of those shares. Odin does not intend to undertake any other business.

Odin has been incorporated by Maat, which is the sole holder of all of the A Shares in Odin. The incorporation date was 21 January 2020.

The characteristics of the Shares offered in this PDS and the characteristics of the A Shares are further described in Section 6 "*Key features of the Shares*".

Odin is seeking a minimum of \$7,500,000 (up to a maximum of \$10,500,000) of new capital collectively from the three tranches of Shares issued, to enable it to subscribe for the Notes issued by Magsons.

It is not intended that Odin will have any employees. Maat will assume the responsibility for providing secretarial services to Odin and dealing with the receipt of interest from Magsons and payment of dividends to Investors. Maat will not receive fees from Odin for providing those services to Odin, and there will be no management agreement entered into for the provision of those services. Odin will be free to contract with any other entity to provide those services at any time.

#### *Industry sector*

The subscription for the Notes by Odin will provide Magsons with business finance. The business finance sector provides working capital finance and takes security over business assets including stock, plant, vehicles and equipment.

#### *Key contracts entered into by Odin*

##### *Convertible Note Agreement*

Odin and Magsons have entered into three separate Convertible Note Agreements. Those agreements relate to each tranche of the Notes, and provide for Notes to be issued which correspond with the amount of Shares issued on each tranche of the capital raise under this Offer (as advised by Odin to Magsons).

Key provisions of the Convertible Note Agreement include:

- Principal amount: Equivalent to Shares issued for each tranche.
- Issue dates: 25 February 2020; 20 March 2020; and 20 April 2020 (respectively for each tranche, subject to extensions to the Offer Closing Dates in accordance with this PDS).
- Interest rate: 11% per annum. Interest payments are monthly in arrears.
- Term: Expiring on the Maturity Date (31 March 2023).
- Security: A third ranking General Security Agreement over all of Magsons' present and after-acquired property.
- Magsons will be valued at a date not less than 90 Days prior to the date of maturity of the first purchase of Convertible Notes by Odin. The valuation method will be in accordance with standard industry practice in place at the time for valuing retail businesses of Nido's size as determined by a valuer to be agreed upon between Odin and Magsons at the time. If they fail to agree on the valuer, that party will be appointed by the President of the New Zealand Law Society.
- Upon receipt of the valuation, Odin will elect whether to convert some or all of the Notes to shares in Magsons, with the restriction that the total percentage shareholding of Odin in Magsons will not exceed 20% at the time of conversion. If 20% of the assessed value of Magsons is less than the principal amount of all Notes to be converted to Shares, Odin will receive a lower value of shares in Magsons than the principal amount of the Notes (if it elects to proceed with conversion in this situation).

- There will be no right for Magsons to elect to convert the Notes to shares – the election will solely be the decision of Odin, based on the direction given by Investors at the time.
- Magsons will pay for all costs of implementation of the Convertible Note Agreement. Magsons will also pay all of Odin's ongoing audit, legal, valuation and other costs on an ongoing basis, including after conversion of the Notes to shares in Magsons.

A copy of the Convertible Note Agreements can be found at <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: 12814) under "Other material information".

#### *General Security Agreement*

Odin has entered into a third ranking General Security Agreement ("GSA") with Magsons, whereby Magsons has granted Odin a security interest over all of Magsons' present and after-acquired property for the performance by Magsons of its obligations under the Convertible Note Agreement.

If Magsons is in default under the Convertible Note Agreements, one of the powers granted to Odin under the GSA is the ability to appoint a Receiver, to take control over the business and assets of Magsons. The GSA will allow Odin to permit Magsons to continue to trade either itself or under the control of a Receiver. Either Odin, or the Receiver, will have the power to sell the assets of Magsons if it defaults.

Odin's security under the GSA will rank behind suppliers of goods to Magsons that have not been fully paid for, provided those suppliers have a security interest (including a retention of title) in the goods supplied and have protected that interest through registration on the Personal Property Securities Register.

The GSA will also rank behind the first ranking security held by Central Assets Investment Limited (for a loan of \$6,250,000 which is scheduled to be repaid by Magsons on 20 December 2021) and the second ranking security held by Everest Central Investment Limited to secure the payment by Magsons of rent and outgoings payable under the lease of the Premises. Odin has entered into a Deed of Priority with Central Assets Investment Limited and Everest Central Investment Limited. The Deed of Priority records that Central Assets Investment Limited will have first ranking priority (ahead of both Everest Central Investment Limited and Odin) up to \$6,250,000 plus 24 months interest and costs of enforcement. Everest Central Investment Limited will have second ranking priority (ahead of Odin) up to \$10,000,000 plus 24 months interest and costs of enforcement.

If Odin takes enforcement action against Magsons and sells the assets, the following costs and claims will need to be paid from the proceeds of sale before any money can be paid to Odin and returned to the Investors:

- costs to remove any plant, fixtures, fittings and equipment from the Premises;
- costs to store and insure the assets;
- costs to sell the assets, including any auctioneer's costs and valuation costs;
- amounts due to prior ranking creditors including Central Assets Investment Limited and Everest Central Investment Limited and suppliers who have a prior security interest over the relevant assets;
- preferential creditors of Magsons, such as Inland Revenue for any unpaid tax, if Magsons is in receivership or liquidation at the time;
- costs charged by a Receiver.

The third ranking nature of the GSA significantly impacts on the ability of Odin to get repaid by a sale of Magsons' assets following enforcement of the security. This risk to Investors is explained further in Section 8 "*Risks to the Issuer's Business and Plans*", as are the mitigation strategies in respect of this risk.

Copies of the General Security Agreement and the Deed of Priority can be found at <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: 12814) under "Other material information".

#### ***Factors impacting on the Issuer's business***

The current and future aspects of Odin's business that have or may have the most impact on the financial performance of Odin are (a) financial performance of Magsons, and its ability to pay interest on the Notes issued and to repay the principal amount of the Notes when required; and (b) if Magsons is unable to meet its payment obligations to Odin or other creditors, the security position of Odin, based on the assets secured under the GSA.

##### *(1) Financial performance of Magsons*

#### **(1) Magsons' responsibility to fund any construction costs above fixed price**

At the date of this PDS, there are 3 weeks remaining to complete the construction of the Premises, for the scheduled part opening in early March 2020. It is estimated that the construction costs will have escalated to \$42.8m, an increase of \$5m (13.22%) over the original estimate of \$37.8m. The total cost of the project is



estimated to be \$64m, including the \$21.2m paid to Magson Investments Limited for the purchase of the land at 156-160 Central Park Drive, Waitakere, Auckland. The original projection was for a completed cost of \$59m.

Magsons Investments Limited (a related company of Magsons) will be responsible for funding the costs over and above the fixed price paid by Everest Central Investment Limited of \$59,000,000. This increase in the construction costs has had a negative impact on the financial position of Magsons, as funds that were earmarked for use for Magsons in set up of the business have instead been used by Magsons Investments Limited for completion of the development. As at the date of this PDS, Magsons has provided an undertaking that all creditors are current in relation to the construction of the building; for the supply of product for the commencement of trading; and for the payment of all other set-up costs in preparation for the commencement of trading. A copy of that undertaking can be found at <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: 12814) under "Other material information".

## **(2) Magsons' financial performance and position**

The projected financial position of Magsons for the years ending 31 March 2020, 2021, 2022 and 2023, is set out below. Magsons is a start-up business with no trading experience and therefore Maat has had to rely on projected financial performance, previous retail experience and independent reports to assist in assessing the feasibility of Magsons financial projections as the borrower.

Given that the construction of the premises is not scheduled to be sufficiently completed until during March 2020, Magsons is scheduling for a limited opening during March and a full opening in June 2020. As Magsons has been in the process of 'setting up' for trading since 1 April 2019, it has incurred significant costs prior to commencement of trading. These costs have (and will be) met through a combination of capital introduced by Magsons, plus debt funding of \$6,250,000 already provided by Central Assets Investment Limited (with a first ranking security), and the current issue of Notes by Odin with a third ranking security.

Maat has reviewed the Magsons' projected financial statements for the years ending 31 March 2020, 2021, 2022 and 2023 for an assessment of the financial viability of Magsons as the tenant. This review included:

- a) An analysis of the assumptions used in Magsons' financial forecasts for the period 1 April 2019 to 31 March 2025. From this analysis, Maat requested confirmation and clarification from Magsons as to the validity of assumptions, in particular in relation to the following:
  - i) Sales forecasts - the forecasts are based on several factors including information obtained from 2 independent reports from Property Economics and First Retail Group as detailed in the table below, the purchasing strategy of Magsons' and the sales mix of products.
  - ii) the increasing stock holdings (including base display stock);
  - iii) the programme for purchase of fixed assets (as per a schedule provided by Magsons);
  - iv) the cost of increasing staff numbers from the current 34 to 160-180 in time for the June opening;
  - v) the interest expense paid to Odin on a monthly basis during the Term of the Notes, together with the repayment of the Notes on 31 March 2023;
  - vi) the interest expense paid to Central Assets Investment Limited on a monthly basis during the two-year period of its loan, together with the repayment of the loan in full, from cash flow on 20 December 2021;
  - vii) the repayment of the financing of the Dexion automated warehouse system over a three-year period ended 31 March 2022;
  - viii) the provision for the costs of leasing vehicles and mobile plant for the warehouse;
  - ix) the inclusion of a payment of \$2,000,000 for a rental bond prior to the commencement of trading in early March 2020;
  - x) the costs of employing consultants for various aspects of the business.

The achieving of the sales forecasts was identified by Maat as the greatest risk to the success of the business.

In gaining satisfaction that the forecasts used by Magsons were achievable, Maat referred to two independent reports received by Magsons which respectively supported the expected sales revenue and the positioning of Nido in the Auckland and New Zealand retail market.

- a) A report from Property Economics was commissioned by Magsons in 2015 which was updated in November 2018. In commenting on the indicative economic market, the report commented that "*with any novel large retail concept, there is a 'honeymoon period' of strong interest due to the intrigue factor. After a period, the market settles down and adjusts, but its unique and comprehensive offer and environment will ensure it maintains an ability to attract customers from an extensive area for a sustained period. This has been seen by other large retail developments such as The Base and Sylvia Park, which still attract significant customers from outside their respective cities.*"

A summary of the key conclusions included in the Property Economics report is detailed in the table below:

Key Measurement	Population Growth		Increase		Households Growth		Increase	
	2018	2038	No.	%	2018	2038	No.	%
<b>Population &amp; Households</b> Primary Catchment Area West Auckland (50%)	237,050	331,470	<b>94,420</b>	<b>39.83</b>	79,150	114,460	<b>35,310</b>	<b>44.61</b>
Secondary Catchment Area Rest of Auckland (45%)	1.463m	1.891m	<b>428,000</b>	<b>29.26</b>	499,300	673,400	<b>174,100</b>	<b>34.87</b>
<b>Estimated sales per square metre of retail space (20,000 m<sup>2</sup>)</b>	<b>\$3000 - \$3500</b>							
<b>Estimated annual Sales</b>	<b>\$60m-\$70m</b>							

Further information can be found in the Property Economics report, which may be viewed at <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: OFR12814) under "Other material information"

Having assessed the information in the report, Magsons has based its financial modelling on an annual sales base of \$53.5m for the first full year (ending 31 March 2021); \$60.5m for the year ended 31 March 2022 and \$65.2m for the year ended 31 March 2023. An analysis of the financial forecasts by Maat discloses that the 'break-even' financial performance provides for a reduction of 30% from these annual sales forecasts.

- (2) A further report was received, from the First Retail Group in March 2019, who assessed the store's Positioning and Competitor Impact, on which the report concluded:

### Positioning

*The proposed NIDO concept does not mirror any one retailer or anchor on a specific category. Instead it plans to deliver a synergistic, solution-set of products that people buy on a weekly, monthly or less frequent basis, along with services and shopping environments not available elsewhere. NZ consumers are tiring of the sameness in retail and increasingly craving new experiences & offers. NIDO'S proposed range differentiation would create a unique and defensible position by limiting comparison, while aspirational marketing themes and store experience strategies would create greater perceived value for consumers.*

### Competitor Outlook (Likely impacts if a competitor of scale enters the marketplace)

*NIDO'S positioning and range is different to IKEA, however its target consumer demographic is similar. If IKEA opened in North or West Auckland, impact would likely be similar to that experienced by home improvement stores, when a competitor launches. This typically impacts trade up to 20% initially, then returns to regular levels within 12 months. In this case, impacts could be lessened as both IKEA and*

*NIDO locating in the same area may create 'cluster value' – benefiting from each other's draw and attracting consumers from a wider catchment through combined convenience and proposition. If IKEA opened in South Auckland, we would anticipate the impact to be diffused given NIDO's broader offer, more frequent demand potential and geographical distance.*

*IKEA'S flat-pack, self-assembly model contrasts with the majority of NIDO's proposed range being completely built-up, but still available ex. stock. This could be a differentiating edge for the brand. IKEA'S limited opportunity to leverage scale in store numbers, or operational synergies of central warehousing in New Zealand may compromise their ability to deliver pricing comparative to their Australian business. More expensive products could challenge IKEA's value proposition and goodwill.*

*Given current progress on NIDO's site, the local brand will enjoy first-mover advantage – enabling it to engage its market, build recognition and develop goodwill ahead of others.*

Further information can be found in the Retail Property Group report, which may be viewed at <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: OFR 12814) under "Other material information"

A summary of the forecast financial performance and position of Magsons for the selected 4-year period is recorded below. This has been prepared in compliance with generally accepted accounting practice in New Zealand (NZ GAAP).

<b>Magsons Hardware Limited</b>		<b>Prospective (12 Months)</b>	<b>Prospective (12 Months)</b>	<b>Prospective (12 Months)</b>	<b>Prospective (12 Months)</b>
		<b>31/03/2020</b>	<b>31/03/2021</b>	<b>31/03/2022</b>	<b>31/03/2023</b>
<b>(Trading as 'Nido')</b>	<b>Note</b>				
<b>Revenue</b>					
Sales	<b>1</b>	3,155,341	53,567,500	60,535,063	65,174,192
Cost of Sales	<b>2</b>	1,491,090	25,712,400	29,056,830	31,283,612
<b>Gross Profit</b>	<b>3</b>	1,664,251	27,855,100	31,478,233	33,890,580
<b>Less Expenses</b>	<b>4</b>				
Operating		1,290,340	3,276,139	3,443,891	3,617,872
Marketing		415,143	583,886	659,832	710,399
Property Occupancy	<b>5</b>	1,150,456	491,372	495,445	508,220
Salary and Wages		3,140,794	8,972,556	10,139,623	10,916,677
		<b>5,996,733</b>	<b>13,323,953</b>	<b>14,738,791</b>	<b>15,753,168</b>
EBITDA (Earnings before interest, taxation, depreciation and amortisation)		(4,332,482)	14,531,147	16,739,442	18,137,412
Less					
Interest	<b>6</b>	483,433	5,139,611	3,801,717	3,094,386
Depreciation	<b>8</b>	588,740	5,161,757	4,742,486	4,484,011
Income Tax		-	-	1,733,444	3,334,626
		1,072,173	10,301,369	10,277,647	10,913,023
<b>Net Profit</b>		<b>(5,404,655)</b>	<b>4,229,778</b>	<b>6,461,795</b>	<b>7,224,389</b>
Interest Rate Cover		(8.96)	2.83	4.40	5.86
Cash and Cash Equivalents		1,691,646	1,498,416	3,495,921	5,149,748
Fixed Assets	<b>7</b>	8,742,329	7,210,303	6,097,549	5,243,270
Property Lease Asset		54,475,803	50,846,072	47,216,341	43,586,609
Total Assets		75,999,821	72,968,908	71,072,656	69,099,863
Property Lease Liability		54,475,803	52,351,571	50,260,902	47,971,533
Total Liabilities		72,452,254	71,139,563	62,829,516	53,680,335
Total Debt	<b>6</b>	13,913,965	15,063,389	7,708,433	208,433
Gearing Ratio		392.21%	823.43%	93.51%	1.35%
Total Equity		3,547,567	1,829,345	8,243,139	15,419,528
Net Cash Flow from Operating Activities		(10,750,366)	3,254,770	8,295,505	9,201,827

## Notes and Assumptions for the periods ending 31 March 2020, 2021, 2022 and 2023

The prospective financial information in this section is based on various best estimate assumptions provided by the tenant, Magsons Hardware Limited, which has been reviewed and analysed by Maat to gain assurance that the financial projections are reasonable in accordance with the generally acceptable compilation of such financial information, including the assumption of the relationship of expenses to sales revenue and volume; the financial impact of fixed costs; the programme to increase stock levels during the initial period of trading; and the ability to reduce debt to comply with Magsons' various loan obligations. The principal assumptions are summarised below:

### 1 Commencement of Trading

Magsons will commence trading from its premises on a soft opening basis from early March 2020. The sales for the 31 March 2020 year therefore assumes store sales for a 1 month period (plus 'other sales' during this inaugural full year from internet and customised sales), plus all costs incurred in setting up the store for trading.

### 2 Stock Value

That the cost price of stock on hand will be \$7.319m, \$8.985, \$9.385m and \$9.741m for the respective 4 accounting periods.

### **3 Gross Profit**

It has been assumed that a Gross Profit of 52% is maintained during the 4 annual accounting periods.

### **4 Expenses**

Expenses have been calculated in accordance with pre-determined ratios to sales revenue and volume; variable overhead costs, and a specifically calculated fixed cost structure.

### **5 Property Occupancy Expenses**

Property Operating Expenses include property management, rates, cleaning, repairs and maintenance and security.

### **6 Loan Values & Interest payments**

The debt value reduces in line with the loan repayment obligations over the 4 year period, together with the corresponding reduction in interest payable. The Interest payments for the years ending 31 March 2021, 2022 and 2023 include interest on the property lease. The split is as follows:

	<b>2021</b>	<b>2022</b>	<b>2023</b>
Interest on Loans	2,749,950	1,288,215	687,500
Interest on Property Lease	2,389,661	2,513,502	2,406,886
<b>Total Interest Expense</b>	<b>\$5,139,611</b>	<b>\$3,801,717</b>	<b>\$3,094,386</b>

### **7 Fixed Assets**

The fixed assets value at the end of each financial year are recorded at cost price, less provision for depreciation.

### **8 Depreciation Expense**

Depreciation on fixed assets is calculated at the maximum rates allowed by the Inland Revenue. The depreciation expense for the years ending 31 March 2021, 2022 and 2023 includes depreciation on the property lease. The split is as follows:

	<b>2021</b>	<b>2022</b>	<b>2023</b>
Depreciation on Fixed Assets	1,532,026	1,112,755	854,280
Depreciation on Property Lease	3,629,731	3,629,731	3,629,731
<b>Total Depreciation Expense</b>	<b>\$5,161,757</b>	<b>\$4,742,486</b>	<b>\$4,484,011</b>

### **9 Contingent Liabilities**

There will be no contingent liabilities as at 31 March 2020, 2021, 2022 or 2023.





Photos of nearly completed "Nido" building at 156-160 Central Park Drive (January 2020)



## Directors, Senior Management and individual relevant parties

The Directors of Odin as at the date of this PDS are Jodi Tuffin and Michelle Lomas. Both are also employees of Maat and have considerable experience:



**Jodi Tuffin, BA  
Director**

9 Rheingold Place  
Huapai, Kumeu 0810  
New Zealand

Jodi Tuffin is the investor relations manager for Maat Group and is the primary contact and liaison point for investors. As such she has a comprehensive overview of the 16 property and investing companies managed by Maat. Jodi joined Maat in 2015 and is responsible for making all investor distributions; marketing and communications; and oversees the general administration for Maat Group including its property management portfolios. Jodi is uniquely placed to offer the required oversight as a Director of Odin considering her involvement with the Nido Project since its inception. Jodi is a daughter in law of Maat Group Director, Neil Tuffin.



**Michelle Lomas, CA BBS  
Director**

68 Maire Road  
Orewa 0931  
New Zealand

Michelle is a chartered Accountant operating as the Maat Group's Finance Manager. A member of Chartered Accountants Australia and New Zealand since 2004, Michelle joined Maat Group in February 2018 bringing with her a wealth of knowledge in financial management systems. Assisted by the group's Directors and other accounting administration team members, Michelle oversees and completes all the annual reporting tasks for all of the Maat Group's property management portfolio. She is uniquely placed to offer the required oversight as a Director of Odin as she has been involved with the Nido Project since its inception. Michelle is a daughter of Maat Group Director, Neil Tuffin

The Directors of Maat as at the Date of the PDS are:



**Neil Tuffin**, Accountant, GDipBS. AFA  
**Director**

181 No 3 Line  
Wanganui 4500  
New Zealand

Neil Tuffin is an Accountant and Authorised Financial Advisor (under the Financial Advisers Act 2008.) He has been the managing director and shareholder of the Maat Group since its formation and is a director of the 16 property and investing companies managed by Maat. He also holds the positions of Chairman of the Boards of Remediation (NZ) Ltd and Central Landscape Systems Ltd, and Deputy Chairman of the Business North Harbour Association.

Neil has 40 years' experience in accountancy, retail businesses, management consulting and investment portfolio construction and management.



**Mark Hughson**, CA BBS Dip BS  
**Director**

65 Collins Street  
Hawera 4610  
New Zealand

Mark is a Chartered Accountant operating as the sole practitioner in his Hawera (Taranaki) practice. Mark provides strategic advice for a client base which extends across New Zealand. He also makes a significant contribution to the South Taranaki community. He is a director and shareholder of the Maat Group and the 16 property and investing companies managed by Maat.

The Nido management team consists of:



Vinod Kumar initially studied in Auckland as a civil engineer in 1975. During his early engineering career he worked at Fletchers Construction on several large infrastructure projects.

During the 1989 Recession with limited funds, Vinod took a leap of faith and bought into his first retail business, Mitre 10 Henderson. Vinod was the proud owner of two Mitre 10's and is extremely experienced in the ownership of this style of big box retail. He sold his interests in Mitre 10 to focus on delivering the Nido store.



Julian Bottaro is a dynamic and innovative executive and is the general manager of Nido Living Limited.

Julian's previous roles have been in retail, duty-free, luxury goods, e-commerce, project management and business transformation.

With over 25 years of multinational leadership experience across Asia, Europe, Australia and New Zealand he is looking forward to the opening of the first Nido store and is well equipped to manage the day to day business.



#### ***Maat Administration Staff***

The two Directors of Maat are Neil Tuffin and Mark Hughson whose profiles are summarised above.

#### **Management role of Maat**

Maat is the manager of 14 property owning companies and also manages Central Assets Investment Limited. Formed in early 2010, Maat has arranged investments in these property-owning companies during the last 10 years with a combined market price of \$340,000,000, ranging from \$4,000,000 to \$61,000,000. Approximately 47.5% of the purchase price of these properties has been funded by bank loans and the balance has been funded by investor subscriptions.

Maat will be responsible for (amongst other things):

- payment of distributions to Investors (which are intended to be paid monthly);
- maintaining proper accounting records for Odin; and
- preparing reports for Investors.

## Table of substantial shareholders and of relevant interests

Party	Relevant Interest	Number of A Shares in Odin before PDS	Number of A Shares in Odin after allotment of Shares in Odin
Maat	Ordinary A Shares in Odin	100 (100%)	100 (100%)

Relevant Party	Relevant Interest	Number of shares in Maat before PDS	Number of shares in Maat after allotment of Shares in Issuer
Mark Geoffrey Hughson	Director and shareholder of Maat Consulting Limited	389 shares (38.90%)	389 shares (38.90%)
Neil James Tuffin	Director and shareholder of Maat Consulting Limited	389 shares (38.90%)	389 shares (38.90%)
Neil Tuffin and Mark Hughson (jointly)	Directors and shareholders in Maat Consulting Limited	222 shares (22.20%)	222 shares (22.20%)

### Interests of directors

Odin does not have any employees and it does not intend to employ any persons.

There are no management fees payable by Odin.

### Other material governance disclosures

See the description of the Shares and the rights attaching to the Shares in Section 6 "Key features of the Shares".

## 3 PURPOSE OF THE OFFER

The purpose of this Offer is for Odin to raise a minimum of \$7,500,000 of new capital to be used to subscribe for the subordinated Notes from Magsons. Odin retains the authority to raise a further \$3,000,000 for the subscription for additional Notes through the over-subscriptions received for the Shares offered. The Notes are secured by a third ranking general security agreement held by Odin.

The funds received by Magsons for the issue of the Convertible Notes will be used by Magsons for its general business purposes. Under the Convertible Note Agreements, Odin has the right to approve the specific uses of those funds by Magsons. Any use of the funds in a manner which does not further the ability of Magsons to successfully commence and continue trading will not be approved by the Directors of Odin.

Odin will issue Shares of (at least) \$7,500,000 in three separate tranches in accordance with this Offer. Magsons will issue the Notes to Odin in three separate tranches which correspond with the three tranches of Shares issued. The projected return for Investors on their Shares will be 11% per annum during the Term of the Notes. In accordance with the terms of the Convertible Note Agreements, on the Maturity Date (31 March 2023) Odin will have the option to either:

- a) Require Magsons to redeem (i.e. repay to Odin) some or all of the Notes; or
- b) Require Magsons to convert some or all of the Notes to share capital in Magsons.

Before making an election, Odin will call a meeting of Shareholders to gauge whether they wish Odin to redeem or convert the Notes, and if so in which proportion. The decision whether to redeem or convert the Notes will be made by the Directors of Odin. If Odin elects to redeem some or all of the Notes, Odin may elect to redeem some or all of the Shares held by some or all of the Investors.

Odin will only be able to redeem the Shares if it receives sufficient money from Magsons by way of redemption of the Notes. If Odin does not receive sufficient money to redeem all of the Shares, it may elect to partially redeem all the Shares or redeem some Shares but not others. In that situation Odin may have the ability, pursuant to sections 69 to 72 of the Companies Act and the Constitution, to:

- a) exercise the option to redeem the Shares in a manner that will leave unaffected relative voting rights and distribution rights relating to the Shares;
- b) exercise an option to redeem the Shares in relation to one or more Shareholders and:
  - i) all Shareholders have consented in writing; or

- ii) the option to redeem is by way of a special redemption of the Shares permitted by the Constitution and is exercised in accordance with the procedure set out in section 71 of the Companies Act.

Prior to the Maturity Date Odin will contact the Investors with an information pack (including the valuation of Magsons pursuant to the Convertible Note Agreement) with information concerning Odin's proposals to redeem some or all of the Shares and Odin will arrange a meeting of its Shareholders. Redemption of the Shares is only possible following Odin's election to do so and Odin complies with its Constitution and sections 69 to 72 of the Companies Act, including the solvency of Odin, the redemption being fair to Odin and in its best interests and, in the case of special redemption, it is fair and reasonable to the remaining Shareholders in Odin.

The forecast dates for the issue of Shares in Odin (at \$1 per share) and the corresponding dates for Odin to subscribe for the Notes issued by Magsons (at \$1 per Note) are:

Date of Issue of Shares and subscription for Convertible Notes	Minimum Amount of Investment	Option to accept amount of Over-subscriptions	Total of Investment Offered
25 February 2020	\$2,500,000	\$1,000,000	\$ 3,500,000
20 March 2020	\$2,500,000	\$1,000,000	\$ 3,500,000
20 April 2020	\$2,500,000	\$1,000,000	\$ 3,500,000
	\$7,500,000	\$3,000,000	\$10,500,000

Under the Convertible Note Agreement, Magsons is required to meet all costs associated with this Offer, and with the preparation of the Convertible Note Agreement and associated documents.

The Offer is not underwritten.



*Example of proposed Nido Living display*

## 4 KEY DATES AND OFFER PROCESS

<b>Key dates</b>	
PDS lodged on the Disclose Register	13 February 2020
Opening Date for Applications	14 February 2020
Offer Closing Date	<p>The Offer of Shares is made in three separate tranches and there will be three corresponding Share allotments. The three closing dates for the subscription for (at least) the fully paid minimum Shares in each tranche are:</p> <p>Tranche One: 2,500,000 Shares (Minimum), with a closing date of 24 February 2020</p> <p>Tranche Two: 2,500,000 Shares (Minimum), with a closing date of 18 March 2020</p> <p>Tranche Three: 2,500,000 Shares (Minimum) with a closing date of 16 April 2020</p>
Date of the allotment of Shares in Odin and the simultaneous purchase of Convertible Notes	<p>The allotment of Shares in Odin and the simultaneous subscription for Convertible Notes issued by Magsons will be:</p> <p>1<sup>st</sup> Issue date: 25 February 2020</p> <p>2<sup>nd</sup> Issue date: 20 March 2020</p> <p>3<sup>rd</sup> Issue: 20 April 2020</p>
Intended date of first dividend payment	<p>Tranche One – 31 March 2020</p> <p>Tranche Two – 31 March 2020</p> <p>Tranche Three – 30 April 2020</p>

The above dates are indicative only and may change. Odin reserves the right to alter or extend these dates, but by no longer than 2 months from the dates mentioned above. Odin may also withdraw the Offer at any time before the allocation of Shares or accept late Applications (either generally or in individual cases). See the "*Key terms of the Offer*" within the Key Information Summary (in Section 1) for further information about these dates.

## 5 TERMS OF THE OFFER

<b>What is the Offer</b>	The Offer is for Shares in Odin. See Section 5 " <i>Key terms of the Offer</i> " in the Key Information Summary for an overview of what the Offer involves and Section 6 " <i>Key Features of the Issuer's Shares</i> " for an outline of the key features of the Shares. No person guarantees the value or liquidity of the Shares offered under this Offer. No person guarantees the future performance of Odin or any return on the Shares.
<b>Key dates</b>	See Section 4 " <i>Key dates and Offer process</i> " for information about the key dates for the Offer.
<b>Fixed Price</b>	\$1.00 per Share, minimum Application 100,000 Shares, with multiples of 50,000 shares thereafter. The price per share is linked to the amount that must be raised to meet Odin's intended subscription for Convertible Notes from Magsons. No other independent or objective mechanism has been used to set the price for the Shares.
<b>Structure of the Offer</b>	The number of Shares to be issued is a minimum of 7,500,000, with a maximum of \$10,500,000



	<p>The Offer of Shares is made in three tranches and there will be three corresponding Share allotments. The three closing dates for the subscription for fully paid Shares (relating to the three tranches) will be as follows:</p> <p>Tranche One: 2,500,000 Shares, with a closing date of 24 February 2020</p> <p>Tranche Two: 2,500,000 Shares, with a closing date of 18 March 2020</p> <p>Tranche Three: 2,500,000 Shares, with a closing date of 16 April 2020</p> <p>Odin reserves the right to accept oversubscriptions for up to 1,000,000 shares in each of the tranches. It also has the right to alter or extend the above Offer closing dates by no more than 2 months for each tranche. Odin may also withdraw the Offer at any time before the allocation of Shares or accept late applications (either generally or in individual cases).</p> <p>The minimum number of Share Parcels for an Investor is two parcels of 50,000 Shares each (100,000 Shares in total). The maximum number of Share Parcels per Investor is limited to no more than 20% of the total share capital issued in Odin.</p>
<p><b>Refunds</b></p>	<p>The Offer may be withdrawn by Odin at any time before the allocation of the Shares, at Odin's sole discretion. If the Offer is withdrawn, then the non-allotted subscription monies will be refunded.</p> <p>Odin may decline any Application, in its discretion. Money received in respect of Applications which are declined will be refunded. Refunds will be paid to unsuccessful Applicants within 10 business days of the allocation of Shares to successful Applicants or after the Applicant has been declined (as applicable). Refunds will be paid in the manner selected by the Applicant for future dividend payments in the Application Form.</p>
<p><b>Applications</b></p>	<p>An Application is an offer to subscribe for Shares at the value specified in the Application Form, on the terms and conditions set out in this PDS (including any replacement of it), and which may be found on the Disclose Register (at <a href="https://disclose-register.companiesoffice.govt.nz/">https://disclose-register.companiesoffice.govt.nz/</a> (Offer ref: 12814) and the Application Form. By submitting an Application Form an Applicant irrevocably agrees to subscribe for Shares on those terms, notwithstanding any variations to the Convertible Note Agreement, the GSA, the Deed of Priority or extensions to the anticipated dates for purchase of the Convertible Notes.</p> <p>Until the allotment of the Shares, subscription monies received will be held in the trust account of Anthony Harper, Solicitors, Auckland on escrow.</p> <p>The banking of subscription monies does not constitute confirmation of allotment of any Shares or the acceptance of an Application.</p> <p>This PDS is intended for use only in connection with the Offer of the Shares in New Zealand and does not constitute an offer or invitation in any place in which, or to any person whom, it would not be lawful to make such an offer or invitation. No action has been, or will be, taken to register this PDS in any jurisdiction other than New Zealand or otherwise permit the offering of the Shares outside of New Zealand. This PDS is not to be sent or given to any person outside New Zealand in circumstances in which the Offer or distribution of this PDS would be unlawful. Odin, Maat and the directors of Odin disclaim all liability to any person who is sent or receives this PDS outside New Zealand.</p>

<b>Allocation and Allotment</b>	<p>The allotment of Shares in Tranche One to successful Applicants is scheduled to take place on the date of the initial subscription by Odin for the first tranche of the Notes (anticipated to be 25 February 2020).</p> <p>The allotment of Shares in Tranche Two to successful Applicants is scheduled to take place on the date of the second subscription by Odin for the Notes (anticipated to be 20 March 2020).</p> <p>The allotment of Shares in Tranche Three to successful Applicants is scheduled to take place on the date of the third subscription by Odin for the Notes (anticipated to be 20 April 2020).</p> <p>The allotments will be recorded on Odin's share registry.</p>
<b>Constitution</b>	<p>The Constitution of Odin prescribes the rights attached to the Shares. These are more particularly described in Section 6 "<i>Key features of the Shares</i>".</p> <p>A copy of the Constitution can be found at <a href="https://disclose-register.companiesoffice.govt.nz/">https://disclose-register.companiesoffice.govt.nz/</a> (Offer ref: Offer ref: 12814) under "Other material information".</p>
<b>Management Fees</b>	<p>There are no management fees payable by Odin.</p>

See Section 11 "*How to apply*" for further information about Applications and how to apply for Shares.

## 6 KEY FEATURES OF THE SHARES

Under the Constitution, each Share and each A share gives the holder the right:

- To vote by special resolution to:
  - Adopt, revoke or alter the Constitution;
  - Approve a "major transaction" (as defined in the Companies Act) of Odin;
  - Approve any amalgamation of Odin under the Companies Act;
  - Place Odin into liquidation.

A special resolution is a resolution of shareholders approved by a majority of 75% of those shareholders entitled to vote and voting on the question.

- In the case of the Shares only to:
  - Vote by ordinary resolution, to appoint and remove Directors;
  - Receive an equal share in any cash distributions or other distributions paid or made on the Shares;
  - Receive an equal share in the distributions of surplus assets in a liquidation of Odin.

The A Shares (held by Maat) do not give any right to receive dividends or other distributions or to share in the distributions of surplus assets in a liquidation of Odin.

### *Dividend policy*

Shareholders will be paid by way of dividends, being 100% of the interest received by Odin from Magsons under the Convertible Note Agreement during the Term of the Notes. If Magsons does not pay interest on the Notes there will be no corresponding dividend to the Shareholders. It is intended that the projected gross dividend yield of 11% per annum for the Term of the Notes (approximately 3-years, maturing on 31 March 2023) will be paid (less tax) by monthly instalments on the last working day of each month. Investors should see the dividend information in Section 7 "*The Issuer's Financial Information*". The taxation of these dividends is set out in Section 9 "*Tax*".

All dividend payments will require that Odin satisfy the statutory solvency test at the relevant time. If Odin incurs costs to enforce the Convertible Note Agreement (including the costs of a Receiver) and/or has to pay creditors of Magsons with prior ranking claims (including Central Assets Investment Limited and Everest Central Investment Limited as first and second ranking security holders respectively), and those amounts are not recoverable from Magsons, then the Shareholders will not get full dividends at 11% per annum and will not get the full amount of their investment back.

After the Maturity Date, if Odin elects to convert the Notes to shares in Magsons, the shares then held by Odin in Magsons will carry equal rights to share in distributions made by that company to its shareholders. However, as Odin will be a minority shareholder in Magsons, it will not be able to influence when or if dividends are paid to it. If Magsons director(s) do not resolve to pay dividends (for instance if they decide to reinvest all profits in Magsons' business) then there will be no funds received by Odin to enable it to pay dividends to Shareholders.

Dividend statements will be sent to all shareholders after completion of Odin's annual financial statements.

Neither Odin, its directors, Maat nor any other person gives any guarantee or assurances as to the level or frequency of any dividend (or other distribution, if any) payable. Payment of dividends (if any) is at the discretion of the Board and dividends (if any) will only be declared after meeting appropriate solvency requirements. Should Odin pay dividends, it will expect to pay them on a fully imputed dividend basis. See Section 7 "*The Issuer's financial information*" for more information on dividends.



*Two Examples of Nido Living display*

## 7 THE ISSUER'S FINANCIAL INFORMATION

### *Selected Prospective Financial Information*

The table below provides key prospective financial information about Odin. Full prospective financial statements for Odin are available on the Disclose Register at <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: 12814). If you do not understand this financial information, you can seek advice from a financial adviser or an accountant.

Going forward, the Board will be responsible for the preparation and fair presentation of financial statements for Odin that comply with generally accepted accounting practice in New Zealand.

### **Financial Forecasts for Odin Investment Limited**

The sole income for Odin will be the interest paid by Magsons Hardware Limited on the Notes issued (\$7,500,000), scheduled to be subscribed for on:

25 February 2020	\$2,500,000
20 March 2020	\$2,500,000
20 April 2020	<u>\$2,500,000</u>
	<b><u>\$7,500,000</u></b>

Odin Investment Limited	Prospective (2 Months & 11 Days)	Prospective (12 Months)	Prospective (12 Months)
	31/03/2020	31/03/2021	31/03/2022
<b>Revenue</b>			
Interest Received	34,209	809,722	825,000
<b>Less Expenses</b>	-	-	-
<b>Net Profit</b>	<b>34,209</b>	<b>809,722</b>	<b>825,000</b>
Dividends	34,209	809,722	825,000
Cash and Cash Equivalents	-	-	-
Investments	5,000,000	7,500,000	7,500,000
Total Assets	5,000,000	7,500,000	7,500,000
Total Liabilities	-	-	-
Total Debt	-	-	-
Total Equity	5,000,000	7,500,000	7,500,000
Net Cash Flow from Operating Activities	-	-	-

### **Notes and Assumptions for the periods ending 31 March 2020, 2021 and 2022**

The prospective financial information in this section is based on various best estimate assumptions provided by the Issuer, Odin. Further information about this prospective financial information is contained in the prospective financial information on the Disclose Register <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: 12814) under "Other material information." The principal assumptions are summarised below and should be read in conjunction with the sensitivity analysis included with the prospective financial information statements available on the Disclose Register, the risk factors set out under the heading "What are my risks?" and the statement of Accounting Policies, also included in the prospective financial information available on the Disclose Register.

#### **1 Convertible Note Commencement Date**

Odin will subscribe for the 1<sup>st</sup> tranche of interest-bearing convertible loan notes no later than 25 February 2020. The first accounting period recorded for Odin is for a 2.35 month period but will represent only 1.14 months of interest income from 25 February 2020.

#### **2 Convertible Note Value**

The Convertible Note value of \$7,500,000 is assumed to be the fair value as at 31 March 2020, 2021 and 2022. Subscribing for the Convertible Notes in Magsons is assumed to occur on the 3 drawdown dates as per the schedule above.

### **3 Interest Received**

Interest received by Odin will be in accordance with the Convertible Note Agreement. No provision for bad debts has been made. The forecast assumes that interest received will commence from 25 February 2020.

### **4 Shareholder Distributions**

Distributions to shareholders in Odin and Inland Revenue are based on a 11% annual return on initial funds invested in line with the PDS.

### **5 Acquisition and Share Issue Costs**

No Odin Investors' funds will be used to pay for Share Issue Costs and associated costs of setting up the documentation relating to the Loan. These costs will be borne by Magsons.

### **6 Tax**

Odin plans to register as a PIE and therefore will not be subject to tax. Instead, Odin will attribute income to the investor and, where applicable, deduct tax at the individual investor's prescribed investor rate ("PIR") before it is paid to the investor. The tax deducted will be paid to the Inland Revenue.

### **7 Contingent Liabilities**

There will be no contingent liabilities as at 31 March 2020, 2021 or 2022.

### **8 Operating Environment and Taxation**

There will be no material changes in the economic environment, legal requirements or the current tax regulations and the Company qualifies as a Portfolio Investment Entity ("PIE").

### **9 Issue of Shares**

All 150 share parcels of 50,000 shares in Odin are issued for \$7,500,000. The Investors as holders of shares will be entitled to receive distributions as declared from time to time and are entitled to one vote per share at meetings of Odin and rank equally with regard to the Company's residual assets.

## 8 RISKS TO THE ISSUER'S BUSINESS AND PLANS

If the risks described below occur, you may not be able to recoup all or any of your investment or you may not receive the returns you expect to receive from holding the Shares. This could happen for a number of reasons.

### **Risk 1: *Insolvency/credit risk of Magsons***

#### **Assessment of Nature and Magnitude:**

If Magsons is unable to pay interest during the Term of the Notes or becomes insolvent, there will be no dividends payable to Investors. If Magsons gets into financial difficulty, it may also be unable to redeem the Notes.

Magsons is a start-up company, with no previous trading history in the furniture retail industry.

Magsons has considerable financial commitments in respect of another loan of \$6,250,000 from Central Assets Investment Limited (with interest payable on that loan at 10% per annum). That loan is secured by a first ranking General Security Agreement ("GSA") to Central Assets Investment Limited. This loan has been used to purchase stock plant, fixtures, fittings and equipment ('Business Assets') required for Magsons' commencement of trading. Central Assets Investment Limited has first ranking priority for \$6,250,000 plus 24 months interest and costs.

There is also has another second ranking GSA with priority ahead of Odin between Magsons and Everest Central Investment Limited which secures financial obligations relating to the lease and Premises. The priority in favour of Everest Central is \$10,000,000, plus 24 months interest and enforcement costs.

If Magsons does not achieve its projected financial performance, it may face financial difficulties, may be unable to pay its secured creditors (which could result in the forced sale of essential Business Assets) and as a result may be unable to pay interest on the Notes during the Term.

The security held by Odin for non-performance by Magsons of its obligations in the Convertible Notes Agreement is a further, third ranking GSA to be secured against the present and after acquired property of Magsons. This GSA will be subordinate to the other earlier registered GSAs. As those GSAs have a combined prior ranking of \$16,250,000 plus 24 months interest and costs, the only security left for Odin will be if the sale of assets of Magsons realises more than the amounts which Central Assets Investment Limited and Everest Central Investment Limited can claim as prior ranking security holders. That is considered to be unlikely.

The Convertible Note Agreement also provides the right to convert the Notes into shares in Magsons. However, if Magsons does face significant financial difficulties during the Term of the Notes, the value of Magsons may not meet the forecasted valuation and shares in Magsons could hold little or no value at all. In this situation Investors could suffer a significant loss.

#### **Mitigation strategies**

The sole director of Magsons is Vinod Kumar who has extensive retail experience, as the owner and operator of Mitre 10 stores in Auckland from 1989-2017 under the Magsons company name. This included two Mega Mitre 10 stores which Magsons owned and operated prior to selling those stores in order to focus on the establishment of the Nido superstore. Magsons established the first Mega Mitre 10 store in NZ. Vinod Kumar has demonstrated his ability as a successful retailer and 'employer of choice'.

The Convertible Note Agreement provides for the Directors of Odin to receive Magsons' quarterly management accounts so that the Directors can monitor Magsons' trading performance. The Directors of Odin and the Directors of Maat will have detailed knowledge of the financial performance of the 'Nido' store, the revenue from which will enable Magsons to pay the monthly interest to Odin and enable Magsons to meet its other working capital/credit commitments. If there are concerns about the financial performance of Magsons, it is likely that these will be identified in the short-term and a decision can be made through mutual consultation as to whether or not contingent action should be taken.

The Odin Directors will therefore be in a position to understand Magsons' business decisions and provide Investors with updates in respect to Magsons financial performance and strategies on a timely basis.



**Assessment of likelihood of circumstance arising:**

**Moderate.**

**Assessment of impact, if the circumstance were to arise:**

**Significant.**

**Risk 2: *Commencement of trading is delayed significantly, or trading does not start/effected by competitors.***

**Assessment of Nature and Magnitude:**

The business premises for Magsons' Nido furniture store are currently nearing completion, with a scheduled 'soft-opening' date in early March 2020, and a full opening scheduled for June 2020. Magsons' success is dependent on its ability to trade and create a net profit from sales turnover. Any delay to the proposed opening of the Nido store is likely to affect initial turnover and may create financial difficulties for Magsons. Further, if other similar competitors were to enter the market in competition with Nido before it establishes itself as a strong brand this could affect forecasted sales volumes and subsequent net profit. If this occurs Magsons may not be able to make the proposed distributions. In the event the Nido store does not begin trading at all, Magsons will be unable to meet any of its financial obligations. If Magsons cannot meet its financial obligations the previously described insolvency risks (Risk 1 above) will be more likely to eventuate with Investors suffering a significant loss.

**Mitigating Strategy**

The construction of the Premises is being undertaken by Vijay Holdings Limited, a company related to Magsons. As such, Magsons has a degree of control of the construction costs (at main contractor level) and a close oversight in respect to the constructions works. The initial target completion date of the building was 30 November 2019. The delays in construction have therefore been significant in terms of time and cost, although 85% of the construction costs were on the basis of fixed cost contracts. The majority of the building work has now been completed in readiness for a 'soft-opening' on 2 March 2020.

Magsons has already commenced trading in a limited capacity online via its Nido Living website (<https://www.nidoliving.co.nz>) and has also established a temporary retail store close to the construction site of the Premises. Both retail options are providing Magsons with sales, soft brand recognition and a regular, albeit small, cash flow. This will continue until trading can commence from the premises. On commencement of trading from the premises Magsons will be able to strengthen its brand and be in a strong position to compete with any future market competition.

**Assessment of likelihood of circumstance arising:**

**Low**

**Assessment of impact, if the circumstance were to arise:**

**Significant**

**Risk 3: *The proceeds of the Notes are used for purposes other than the intended use***

**Assessment of Nature and Magnitude:**

There is a risk that the funds received by Magsons from the issue of the Notes are applied by Magsons for purposes other than as approved by Odin under the terms of the Convertible Note Agreement. This will be an event of default under the Convertible Note Agreement and Odin may require that the Notes are repaid by Magsons. If Magsons is unable to repay the Notes, Investors may suffer a significant loss.

**Mitigating Strategy**

The Directors of Odin will be responsible for analysing Magsons' cash flow forecasts and approving the use by Magsons of the funds it receives for the Notes. Any use of the funds in a manner which does not further the ability of Magsons to successfully commence and continue trading will not be approved.

**Assessment of likelihood of circumstance arising:**

**Low**

**Assessment of impact, if the circumstance were to arise:**

**Significant**

**Risk 4: *The Notes are not redeemed (if demanded) on the expiry of the Term***

**Assessment of Nature and Magnitude:**

On the Maturity Date, Odin has the right to elect to convert some or all of Notes into shares in Magsons. Alternatively, at that time, Odin may require the redemption of some or all of the Notes.

If redemption is demanded and Magsons is unable to repay the Notes (or any part of the Notes as demanded by Odin) on the Maturity Date, Investors will suffer a significant loss.

**Mitigation strategies**

The Term of the Notes has been based on financial forecasts prepared by Magsons and analysed by the Odin Directors. The Directors are satisfied that there will be an acceptable level of cash reserves forecast to be retained by Magsons to enable repayment of the Notes on the Maturity Date, after providing for the continuing payment of interest throughout the Term and the payment of other loans, rent, stock purchases and all other business expenses.

**Assessment of likelihood of circumstance arising:**

**Low**

**Assessment of impact, if the circumstance were to arise:**

**Significant**

**Risk 5: *You do not agree with the decision by Odin to either redeem or convert the Notes***

**Assessment of Nature and Magnitude:**

On the Maturity Date, the Directors of Odin will have the right to elect whether to redeem the Notes, or require that they are converted into shares in Magsons (or elect for some Notes to be redeemed and some converted). That decision is made solely by the Directors of Odin.

The number of Notes redeemed or converted by Odin may not reflect the wishes of all Shareholders. If Notes are redeemed, any repayment to individual Investors by way of redemption of their Shares will also require Odin to satisfy the requirements of the Constitution and the Companies Act 1993 relating to the redemption by a company of its shares. If those requirements cannot be met there may be no repayment to individual Investors.

If Odin elects to convert the Notes into shares in Magsons, it will become a minority shareholder in Magsons. It will have very limited ability to influence the actions of Magsons, including any decisions regarding the payment of dividends.

**Mitigating strategies**

Before making an election to either convert or redeem the Notes and whether to redeem the Shares, Odin will send the Shareholders an information pack (including the valuation of Magsons pursuant to the Convertible Note Agreement) and arrange a meeting of all Shareholders to discuss the available options. However, the decision regarding redemption or conversion of the Notes and redemption of the Shares will be made solely by the Odin.

**Assessment of likelihood of circumstance arising:**

At the date of this PDS Odin cannot assess the likelihood of this risk occurring.

**Assessment of impact, if the circumstance were to arise:**

This will depend on the individual circumstances of each Investor.

**Risk 6: *Risks relating to market for Shares***

**Assessment of Nature and Magnitude:**

There is no established market for selling your Shares.

Odin has no obligation to redeem the Shares. You will only realise your investment in the Shares by selling the Shares, if Odin elects to redeem the Shares and complies with the Constitution and sections 69 to 72 of the Companies Act relating to redemption of shares or on the distribution of surplus assets on the liquidation of Odin. No assurance is given that any assets will be available for distribution on the liquidation of Odin.

**Mitigating strategies**

Maat operates a pre-emptive rights system where any sale of Shares in Odin is firstly offered to the other shareholders in Odin. If they are not purchased via this first option, Maat will offer them on the seller's behalf to the wider investment database which Maat holds.

**Assessment of likelihood of circumstance arising:**

**Low**

**Assessment of impact, if the circumstance were to arise:**

**This will depend on the individual circumstances of the Investor looking to sell.** If a sale of Shares was not able to be made within a preferred time frame, the seller would retain those Shares until they were eventually sold.

## 9 TAX

### NEW ZEALAND TAXATION

Tax can have significant consequences for investments. If an Investor has queries in relation to tax consequences, the Investor should obtain professional advice on these consequences.

Odin plans to register as a PIE and therefore, Odin itself will not be subject to tax. Instead, Odin will attribute income to the Investor and, where applicable, deduct tax at the individual Investor's prescribed investor rate ("PIR") before it is paid to the Investor. Odin will pay the tax deducted to Inland Revenue. For further information about:

- What you need to tell us about your PIR and IRD number;
- How Odin will account for tax on your investment;
- The potential taxation treatment outside the PIE regime; and
- The taxation of distributions

is contained on the Disclose Register [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose) (Offer ref: 12814) in the document entitled "**Taxation: What you Need to Know.**" In order to have Shares allotted to you, you must supply your IRD number.

## 10 WHERE YOU CAN FIND MORE INFORMATION

Further information relating to Odin, the Convertible Notes Agreement and the Shares is available on the Disclose Register (for example the Convertible Note Agreement, the General Security Agreement, the Deed of Priority and the Constitution of Odin). The Disclose Register can be accessed free of charge at <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: 12814). Information about Odin can also be found on the Companies Office website [www.companiesoffice.govt.nz/](http://www.companiesoffice.govt.nz/).

The information and documents provided on the Disclose Register, <https://disclose-register.companiesoffice.govt.nz/> (Offer ref: 12814), includes material provided by third parties. Investors should read information and documents provided by third parties such as the Valuer and make their own assessment as to its validity and reliability.

Copies of information on the Disclose Register are available on request from Odin at B4, 17 Corinthian Drive, Albany, Auckland 0632.

## 11 HOW TO APPLY

You may subscribe for Shares by completing the Application Form attached to this PDS. The minimum investment is two parcels of 50,000 Shares (i.e. 100,000 Shares). Thereafter, shares may be purchased in parcels of 50,000.

No Applications for this investment will be accepted unless you have completed the Application Form attached to this PDS.

All completed and signed Application Forms and cheques for the full subscription amount accompanied by all information as is set out on the Application Form, must be forwarded to the offices of Maat Property Group, PO Box 301848, Albany, Auckland 0752.

Alternatively, you may transfer the full subscription amount electronically to the Trust Account of Anthony Harper, Solicitors (banking details are provided in the Application Form). If paying by this method, the Application Form, together with all supporting identity verification must be scanned and emailed to [info@maat.co.nz](mailto:info@maat.co.nz). The original Application Form must then be sent to Maat at the address shown above.

All funds received from subscriptions for Shares in Odin (including interest earned on those funds) are to be held on escrow in the trust account of Anthony Harper, Solicitors, Auckland. Funds will be held in the Anthony Harper trust account until all conditions relating to the receipt of subscriptions are satisfied and all of the Shares are allotted. You will not be paid interest on your Application money from Anthony Harper. Once Anthony Harper receives all information required from you your application proceeds will be placed on escrow in an interest bearing account until they are withdrawn to enable purchase of the Convertible Notes.

Net interest earned (less RWT and Commission) on the investment amounts received will be paid in one lump sum from Anthony Harper to Odin, which intends to apportion the net interest amongst Investors according to the respective amounts and dates of investment. If the purchase of the Convertible Notes does not proceed, your Application amount will be returned and any net interest (less Commission) will be paid to Odin in one lump sum which, once again, Odin intends to apportion amongst Investors according to the respective amounts and dates of investment. You can advise us of your IRD number in the Application Form.

In the event that the Convertible Notes are not purchased within 2 months following the scheduled dates, your Application money will be promptly returned in full, unless you agree otherwise in writing,

Cheques must be made payable to "Anthony Harper Trust Account" and cannot be post-dated.

## 12 CONTACT INFORMATION

### Issuer

Odin Investment Limited  
B4, 17 Corinthian Drive,  
Albany, Auckland 0632  
P O Box 301848  
Albany  
Auckland 0752  
New Zealand  
Telephone: (09) 414 6078  
Email: [info@maat.co.nz](mailto:info@maat.co.nz); [ntuffin@maat.co.nz](mailto:ntuffin@maat.co.nz)

### Legal Advisors to the Offer

Anthony Harper, Lawyers  
Level 6, Chorus House  
66 Wyndham Street  
P O Box 2646  
Auckland 1140  
Telephone: (09) 920 6400  
Facsimile: (09) 920 9599

### Securities Register

Maat Consulting Limited  
B4, 17 Corinthian Drive,  
Albany, Auckland 0632  
P O Box 301848  
Albany  
Auckland 0752  
New Zealand  
Telephone: (09) 414 6078  
Email: [info@maat.co.nz](mailto:info@maat.co.nz); [ntuffin@maat.co.nz](mailto:ntuffin@maat.co.nz)

## GLOSSARY

"**Applicant**" means a person or other entity who makes an Application.

"**Application**" means an application for Shares on the form provided in this PDS.

"**Application Form**" means the form to apply for Shares attached to this PDS.

"**Attributed PIE Income**" means the amount of income attributed to you by all PIEs (including Odin) in an income year.

"**Board**" means Odin's Board of Directors.

"**Building**" means the buildings to be constructed at 156-160 Central Park Drive, Waitakere and forming part of the Premises

"**Business Day**" means a day on which all registered banks are open for business generally in Auckland and Wellington.

"**Odin**" and "**Issuer**" means Odin Investment Limited.

"**Commission**" means 5% of the gross interest earned on any investment funds held in escrow by Anthony Harper for the period between investment monies being deposited in cleared funds and monies are required to be withdrawn from deposit for advancement of the Loan, or the return of Application funds to an Investor.

"**Companies Act**" means the Companies Act 1993.

"**Constitution**" means the constitution of Odin.

"**Convertible Note Agreement**" means each separate Convertible Note Agreement entered into between Odin and Magsons, and dated on or about the date of this PDS, in respect of each tranche of the Notes.

"**Directors**" means the directors of Odin.

"**Disclose Register**" means the online register for offers of financial products under the FMC Act.

"**FMA**" means Financial Markets Authority.

"**FMC Act**" means the Financial Markets Conduct Act 2013.

"**FMC Regulations**" means the Financial Markets Conduct Regulations 2014.

"**General Security Agreement**" or "**GSA**" means the general security agreement between Magsons (as the debtor) and Odin (as the secured party) dated on or about the date of this PDS.

"**Investor**" means the holder, from time to time, of Shares in Odin and in the description of the Shares also referred to as the "Shareholder".

"**Maat**" means Maat Consulting Limited

"**Magsons**" means Magsons Hardware Limited.

"**Maturity Date**" means 31 March 2023.

"**Notes**" means the Convertible Notes to be subscribed for by Odin in Magsons pursuant to the Convertible Note Agreement.

"**PDS**" means this product disclosure statement issued under the FMC Act and the FMC Regulations.

"**PIE**" means a portfolio investment entity, as that term is defined in the Income Tax Act 2007.

"**PIR**" means the prescribed investor rate, which is the tax rate applicable to attributed PIE income, and is the rate that Odin will use to calculate and pay tax on a shareholder's proportion of Odin's taxable income.

"**Premises**" means the land and building being constructed at 156-160 Central Park Drive, Waitakere as is more particularly described and comprised in identifier 61871 (North Auckland Registry).

"**Share Parcel**" means each parcel of 50,000 Shares.

"**Shares**" means the B Shares in offered for subscription under this PDS.

"**Shareholders**" means the holders of A Shares and B Shares in Odin.

"**Tranche One**" means the initial capital raising of up to \$3,500,000 of B Shares in Odin

"**Tranche Two**" means the second capital raising of up to \$3,500,000 of B Shares in Odin.

"**Tranche Three**" means the third capital raising of up to \$3,500,000 of B Shares in Odin





Taxpayer's withholding tax rate: \_\_\_\_\_%

Please supply any relevant withholding tax exemption certificate.

4 Distribution Instructions												
<b>By Direct Credit to NZ Bank Account</b>												
Bank account number:												
Name of account:												
Branch:												

**5 Confirming Your Identity and Address**

To comply with anti-money laundering laws, we need to verify your identity and your address. Please tick to identify the certified documents you will provide to fulfil the requirements of *either* Identification Option 1 *or* Identification Option 2 *or* Identification Option 3 **and** in each case the Address Verification Requirement.

**Please note certification of documents must be by a “trusted referee”. See the description of who is a trusted referee below.**

Identification Option 1	Identification Option 2	Identification Option 3
<p style="text-align: center;">One of:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> NZ passport</li> <li><input type="checkbox"/> NZ certificate of identity</li> <li><input type="checkbox"/> NZ firearms licence</li> <li><input type="checkbox"/> emergency travel document</li> <li><input type="checkbox"/> overseas passport</li> <li><input type="checkbox"/> foreign-issued national identity document</li> <li><input type="checkbox"/> NZ refugee travel document</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> your NZ driver licence</li> </ul> <p style="text-align: center;"><b>and one of:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> a credit card, debit or EFTPOS card issued by a registered NZ bank (name and signature must be on the card)</li> <li><input type="checkbox"/> a bank account statement issued by a registered NZ bank addressed to you from the last 12 months</li> <li><input type="checkbox"/> a document issued by a NZ government agency containing your name and signature (e.g. a Super Gold card)</li> <li><input type="checkbox"/> an IRD statement or other NZ government agency statement addressed to you from the last 12 months</li> </ul>	<p style="text-align: center;">One of the following forms of photo ID:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> NZ driver licence</li> <li><input type="checkbox"/> 18+ card (Hospitality Association)</li> <li><input type="checkbox"/> a valid international driving permit</li> </ul> <p style="text-align: center;"><b>and one of:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> NZ full birth certificate</li> <li><input type="checkbox"/> certificate of NZ citizenship</li> <li><input type="checkbox"/> citizenship certificate issued by a foreign government</li> <li><input type="checkbox"/> birth certificate issued by a foreign government</li> </ul>

**Address Verification Requirement**

**In addition** to the above, you must supply a copy of **one** form of address verification documentation from the following list which cannot be more than 3 months old:

- utility bill
- IRD tax assessment notice (New Zealand)
- credit card/bank statements from an active account
- government valuation of Property (evidencing ownership)
- letter from a New Zealand employer on the employer’s letterhead (subject to separate verification process)
- tenancy Agreement for a New Zealand address

### Who is a Trusted Referee?

When supplying certified identification documents, the trusted referee must be at least 16 years of age and one of the following:

- Commonwealth Representative (as defined in the Oaths and Declarations Act 1957)
- an employee of the Police who holds the office of constable
- a justice of the peace
- a registered medical doctor
- Kaumātua
- a registered teacher
- a minister of religion
- a lawyer
- a notary public
- New Zealand Honorary Consul
- a Member of Parliament
- a Chartered Accountant

In addition, the trusted referee must not be:

- related to the Investor; for example, a trusted referee cannot be a parent, child, brother, sister, aunt, uncle or cousin of the Investor
- the spouse or partner of the Investor
- a person who lives at the same address as the Investor

The trusted referee must sight the original identification documentation and make a statement on the copy to the effect that the documents provided are a true copy and correctly represent the identity of the Investor.

The certification by the trusted referee must include the name, occupation and signature of the trusted referee and the date of certification. Certification must have been carried out in the three months preceding the presentation of the copied document.

## 6 Your Acknowledgements and Agreements

### Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT)

You must not knowingly do anything to put Odin or Maat Consulting Limited ('Maat') (collectively 'us') in breach of the AML/CFT.

You agree to provide all additional information and assistance requested by us and to comply with all reasonable requests from us to facilitate our compliance with the AML/CFT.

You represent and warrant that you are not aware and have no reason to suspect that:

- the money used to fund any investment by you is derived from or related to any criminal or other illegal activities, money laundering, terrorism financing or similar activities (Illegal Activities); or
- the proceeds of any investment will fund any Illegal Activities.

You agree that neither Odin nor Maat is liable for any losses incurred as a result of any action we take which either delays your investment or results in an application being declined, when these actions are necessary for us to comply with our obligations under the AML/CFT.

### Privacy Act 1993

This statement relates to personal information that you are providing to us by way of this application and any subsequent personal information which you may provide in the future. The personal information you have supplied may be used by us (and our related entities) for the purposes of enabling us to arrange and manage your investment, and to contact you in relation to your investment and other potential investments.

You authorise us to disclose your personal information to any third parties as needed to perform services on your behalf; to regulatory bodies or law enforcement agencies as required by law; to meet our legal or regulatory obligations; and to any party proposing to acquire an interest in us. We will provide you (on request) with the name and address of any entity to which information has been disclosed.

You have the right to access all personal information held about you by us. If any of the information is incorrect, you have the right to have it corrected. You acknowledge that you are authorised to provide this personal information. You agree that your name and address may be used by us to provide you with newsletters and other information about Issuer and other products and services.

### Power of Attorney

If you are signing for the Investor under a Power of Attorney, you have also attached:

- a certified copy of the power of attorney together with a certificate of non-revocation; and
- identification of the attorney as described above.

### Email Use

You consent to receiving financial statements, and other documents which we are required to send to you, electronically at the email address on this form, or another email address advised to us.

## 7 Disclosures

Are you a, or are you immediately related to any, senior member of NZ or foreign government, the judiciary, the military or an ambassador?  Yes  No

Are you a citizen or permanent resident of the United States?  Yes  No

Are you a tax resident in a country other than New Zealand  Yes  No

## 8 Declaration

I have read and retained a copy of the attached Product Disclosure Statement and agree to be bound by the terms and conditions of the Constitution. I agree to the terms outlined above in relation to the Privacy Act, the supply of personal information, email use and the AML/CFT. I understand that Odin is primarily intended as a vehicle for long-term investment and the value of my investment is liable to fluctuations and may rise and fall from time to time. I understand the manner in which fees will be deducted from my investment.

**I understand that investment in Odin is subject to investment risk, including possible delays in repayment and loss of income or principal invested. I understand that neither Odin, Maat, nor any other person, guarantees the performance of Issuer or the repayment of capital by Odin or any particular rate of return.**

Signature of Investor 1 (principal account holder):

Signature of Investor 2 (if applicable):

Date:        /        /

Date:        /        /

## Payment Methods (please tick)

### Option 1 — By Cheque

Please send the original Application Form together with certified proof of identity to Maat Group shown below.

Please make your cheque payable to 'Anthony Harper Trust Account', cross it 'Not Transferable' and send to:

**Maat Group  
PO Box 301848  
Albany  
Auckland 0752**

### Option 2 – By Direct Credit

Application money may be deposited into:

Name of account: Anthony Harper Trust Account  
Name of bank: Westpac New Zealand Limited  
Address: 83 Cashel St, Christchurch  
Bank account number: 03 0826 0103700 02  
Client reference: 285822-42

**If paying by this method the Application Form must be scanned and emailed to:**

**info@maat.co.nz**

The original Application Form together with certified proof of identity must then be sent to:

**Maat Group  
PO Box 301848  
Albany  
Auckland 0752**

## Odin Investment Limited

### Application Form — Companies, Trusts, Partnerships and Estates

1. Investor Information
Company, Trust, Partnership or Estate name:
Company registration number:
Registered address:
Postal address (if different from registered address):
Contact phone:
Email:

2. Tax Information	
Investor's IRD number:	
Is the Investor a New Zealand resident for tax purposes? <input type="checkbox"/> Yes <input type="checkbox"/> No	<i>If no, state the Investor's country of residence for tax purposes.</i>
Prescribed investor rate: <input type="checkbox"/> 0% <input type="checkbox"/> 10.5% <input type="checkbox"/> 17.5% <input type="checkbox"/> 28%	<i>If a prescribed investor rate is not selected, or no IRD number is provided, 33% will apply.</i>
Resident withholding tax rate: _____ %	
<small>A trustee can elect a resident withholding tax rate (see the description in the PDS). A company can elect a resident withholding rate (see the description in the PDS). Regardless of the rate selected, if you have not provided your IRD number in the "Investor Details" section of this Application Form, resident withholding tax will be deducted at 33% from interest payable to you in relation to your application money.</small>	

3. Investment Details
Amount you are investing (minimum \$50,000):        \$
Tranche you are investing in: <input type="checkbox"/> Tranche 1 <input type="checkbox"/> Tranche 2 <input type="checkbox"/> Tranche 3

4. Confirming the Identity and Address of Relevant Persons
<p>To comply with anti-money laundering rules, we need to verify the identity of various people associated with the Investor. In the case of companies, we must verify the identity of people owning more than 25% of the shares and people acting on behalf of the company (usually the directors). In the case of partnerships, we must verify the identity of the partners and anyone authorised to act on behalf of the partnership. In the case of trusts, we must identify persons acting on behalf of the trust (usually the trustees) and also any settled beneficiaries. <b>Each of these people described above is a "Relevant Person"</b>. If a trust has a range of beneficiaries, it is necessary to describe that range (for example "relatives of the settlor").</p> <p>Each Relevant Person must complete the information below and provide certified copies of documents to fulfil the requirements of <i>either</i> Identification Option 1 <i>or</i> Identification Option 2 <i>or</i> Identification Option 3 <b>and</b> in each case the Address Verification Requirement. <b>Please note certification of documents must be by a "trusted referee". See the description of who is a trusted referee below.</b></p>



**Description of range of beneficiaries for trusts (if applicable):**

<b>Identification Option 1</b>	<b>Identification Option 2</b>	<b>Identification Option 3</b>
<p style="text-align: center;">One of:</p> <ul style="list-style-type: none"> <li>• NZ passport</li> <li>• NZ certificate of identity</li> <li>• NZ firearms licence</li> <li>• emergency travel document</li> <li>• overseas passport</li> <li>• foreign-issued national identity document</li> <li>• NZ refugee travel document</li> </ul>	<ul style="list-style-type: none"> <li>• a NZ driver licence</li> </ul> <p style="text-align: center;"><b>and</b> one of:</p> <ul style="list-style-type: none"> <li>• a credit card, debit or EFTPOS card issued by a registered NZ bank (name and signature must be on the card)</li> <li>• a bank account statement issued by a registered NZ bank addressed to the Relevant Person from the last 12 months</li> <li>• a document issued by a NZ government agency containing the Relevant Person's name and signature (e.g. a SuperGold card)</li> <li>• an IRD statement or other NZ government agency statement addressed to the Relevant Person from the last 12 months</li> </ul>	<p style="text-align: center;">One of the following forms of photo ID:</p> <ul style="list-style-type: none"> <li>• NZ driver licence</li> <li>• 18+ card (Hospitality Association)</li> <li>• a valid international driving permit</li> </ul> <p style="text-align: center;"><b>and</b> one of:</p> <ul style="list-style-type: none"> <li>• NZ full birth certificate</li> <li>• certificate of NZ citizenship</li> <li>• citizenship certificate issued by a foreign government</li> <li>• birth certificate issued by a foreign government</li> </ul>

**Address Verification Requirement**

**In addition** to the above, each Relevant Person must supply a copy of **one** form of address verification documentation from the following list which cannot be more than 3 months old:

- utility bill
- IRD tax assessment notice (New Zealand)
- credit card/bank statements from an active account
- government valuation of Property (evidencing ownership)
- letter from a New Zealand employer on the employer's letterhead (subject to separate verification process)
- tenancy Agreement for a New Zealand address

**Who is a Trusted Referee?**

When supplying certified identification documents, the trusted referee must be at least 16 years of age and one of the following:

- Commonwealth Representative (as defined in the Oaths and Declarations Act 1957)
- an employee of the Police who holds the office of constable
- a justice of the peace
- a registered medical doctor
- Kaumātua
- a registered teacher
- a minister of religion
- a lawyer
- a notary public
- New Zealand Honorary Consul
- a Member of Parliament
- a Chartered Accountant

In addition, the trusted referee must not be:

- related to the Relevant Person; for example, a trusted referee cannot be a parent, child, brother, sister, aunt, uncle or cousin of the Relevant Person
- the spouse or partner of the Relevant Person
- a person who lives at the same address as the Relevant Person

The trusted referee must sight the original identification documentation, and make a statement on the copy to the effect that the documents provided are a true copy and correctly represent the identity of the relevant person.





**Privacy Act 1993**

This statement relates to personal information that you are providing to us by way of this application and any subsequent personal information which you may provide in the future. The personal information you have supplied may be used by us (and our related entities) for the purposes of enabling us to arrange and manage your investment, and to contact you in relation to your investment and for other investment opportunities.

You authorise us to disclose your personal information to any third parties as needed to perform services on your behalf; to regulatory bodies or law enforcement agencies as required by law; to meet our legal or regulatory obligations; and to any party proposing to acquire an interest in us. We will provide you (on request) with the name and address of any entity to which information has been disclosed.

You have the right to access all personal information held about you by us. If any of the information is incorrect, you have the right to have it corrected. You acknowledge that you are authorised to provide this personal information. You agree that your name and address may be used by us to provide you with newsletters and other information about Issuer and other products and services.

**Email Use**

You consent to receiving financial statements, and other documents which we are required to send to you, electronically at the email address on this form, or another email address advised to us.

**11. Disclosures**

- |  |                              |                             |
|--|------------------------------|-----------------------------|
| Are you a company incorporated in the United States?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are you an unincorporated association with a substantial number of members who are United States citizens or residents?          | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are you or any of the Relevant Persons senior members of NZ or foreign government, the judiciary, the military or an ambassador? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are you a tax resident in a country other than New Zealand   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

**12. Declaration**

I have read and retained a copy of the attached Product Disclosure Statement for Odin and agree to be bound by the terms and conditions of the Constitution. I agree to the terms outlined above in relation to the Privacy Act, the supply of personal information, email use and the AML/CFT. I understand that Odin is primarily intended as a vehicle for long-term investment and the value of my investment is liable to fluctuations and may rise and fall from time to time. I understand the manner in which fees will be deducted from my investment.

In addition, by signing this Application Form, companies, trusts and partnerships certify that:

- the trust/partnership/company has been duly established and is validly existing under the laws of New Zealand;
- the trust/partnership/company has not been terminated or liquidated and no event requiring the vesting of the trust's/partnership's/company's assets has occurred;
- the Relevant Persons are as shown on this Application Form; and
- this proposed investment will not cause any limitation on the powers of the trustees/partners/directors to be exceeded.

**I understand that investment in Odin is subject to investment risk, including possible delays in repayment and loss of income or principal invested. I understand that neither Odin, Maat nor any other person guarantees the performance of Odin or the repayment of capital by Odin or any particular rate of return.**

**Signed for Investor (attach additional pages if more signatures are required):**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Full Name

\_\_\_\_\_  
Full Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Full Name

\_\_\_\_\_  
Full Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**Payment Methods (please tick)**

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