

Investore Property Limited

Annual Shareholder Meeting 2025 Address

Slide 1 – Annual Shareholder Meeting 2025

Good morning all, and welcome to the 2025 Annual Shareholder Meeting for Investore Property Limited (Investore).

My name is Mike Allen, and I am an independent Director and Chair of the Board of Investore.

On behalf of the Board of Directors it is my pleasure to welcome you to this meeting, and I thank you for your attendance here today.

Before we proceed any further, I would like to address your safety in the event of an emergency, along with other housekeeping matters. The bathrooms are located through the door to your right, down the hall and beside the elevators.

In the event of an emergency, the nearest fire exit is also located beside the elevators. This exit leads down to the assembly point located outside McDonald's on Lower Queen Street.

Finally, as a matter of courtesy, please ensure your mobile phones are switched to silent.

Thank you.

Slide 2 – Board of Directors

Joining me today are the other Investore Directors:

- **Gráinne Troute**, an independent Director and Chair of the Audit and Risk Committee;
- **Adrian Walker**, also an independent Director;
- **Tim Storey**, a Stride Investment Management Limited or SIML-appointed Director of Investore and Chair of Stride Property Group; and
- **Ross Buckley**, also a SIML-appointed Director of Investore and Chair of Stride Property Group's Audit and Risk Committee.

Investore participates in the Institute of Directors Future Directors Programme and Caroline Plowman was appointed as a future director pursuant to that programme in April of this year. Caroline observes the Investore Board processes as part of her development as a potential director of companies in the future.

You can view each of the Director's profiles in more detail and their other directorships on Investore's website or on pages 8 and 9 of the FY25 Investore Annual Report.

Slide 3 – The Manager

Alongside the Directors we are also joined today by representatives of SIML, the Manager of Investore:

- **Philip Littlewood**, Chief Executive Officer;
- **Adam Lilley**, Investore Fund Manager – Adam will be presenting on behalf of SIML today; and
- **Jennifer Whooley**, Chief Financial Officer and Company Secretary of Investore.

Investore's audit partner from PwC, Philip Taylor, is also present to answer any questions on the audit report. In addition, we have with us today representatives from Bell Gully, Investore's solicitors, and from Computershare, the share registrar for Investore.

Slide 4 – Agenda

I record that the Notice of Meeting was dispatched to Investore's shareholders on 14 August 2025. I am pleased to confirm that we have a quorum present for the meeting here today, and accordingly I declare the Investore 2025 Annual Shareholder Meeting open.

The order of events for this morning will be as follows:

- Firstly, Adam and I will provide a general overview of Investore's financial and business performance for the year ended 31 March 2025.
- Following that we will address questions and comments from shareholders in relation to the presentation and the annual financial statements of Investore.
- We will then move to the formal business of the Annual Shareholder Meeting, to consider the three resolutions proposed in the Notice of Meeting. Shareholders will be invited to ask questions on each of the resolutions and will have a final opportunity at the end of the meeting for any other general questions.

After the meeting concludes I invite you to please join us for light refreshments which will be located outside the door to your right.

Slide 5 – Chair's address

I am pleased to be able to share with you today an overview of Investore's financial performance, portfolio metrics and capital management initiatives for the year ended 31 March 2025.

Slide 6 – Financial overview

Investore's portfolio of high quality, well located large format retail properties continues to deliver resilient operating earnings, with net rental income up \$1.0 million to \$62.3 million, primarily due to the acquisition of Bunnings Westgate in December 2024, the completed development of the 5 Green Star Design & As Built rated Woolworths supermarket at Waimakariri Junction and rental increases from rent review transactions completed.

Profit before other income and income tax of \$35.2 million, was broadly in line with FY24 at \$35.1 million.

Profit after income tax of \$38.4 million was up \$105.5 million from FY24, resulting from the net change in fair value of the portfolio.

Distributable profit after current income tax at \$28.4 million was down \$(2.6) million from FY24, largely as a result of the removal of the tax deduction for depreciation on commercial buildings. This resulted in distributable profit per share of 7.58 cents, which was down from FY24 at 8.39 cents per share.

Consistent with guidance, Investore delivered a total cash dividend for FY25 of 6.50 cents per share.

Slide 7 – Portfolio highlights

Investore's portfolio continues to demonstrate strong metrics, with a weighted average lease term (or WALT) of 6.8 years and occupancy by area across the portfolio at 99% as at 31 March 2025.

Investore's portfolio was valued at \$1.0 billion, reflecting a net gain in fair value of \$12.1 million or 1.2%, which reflects a stabilising average portfolio capitalisation rate of 6.3% as at 31 March 2025, compared to 6.4% as at 31 March 2024. The portfolio initial yield is 6.5%.

This stabilisation in valuation is primarily a result of resilient rental income and transactional market evidence supported by lower interest rates. We are seeing these trends continuing to improve post balance date.

Investore benefits from turnover rent from Woolworths supermarkets, once they achieve a certain sales threshold. The proportion of Woolworths' supermarkets above the turnover threshold was 37%, largely in line with 39% as at 31 March 2024. During FY25, turnover rent at six Woolworths stores crystallised into base rent. Although there is a drop in the stores that were in turnover, crystallising this rent provides Investore with certainty of income as the income is converted from a variable income stream to a fixed income stream.

Slide 8 – Proactive capital management

Turning now to capital management, the Board continues to take a proactive approach to capital management, maintaining a flexible balance sheet for growth.

During FY25, Investore applied the Dividend Reinvestment Plan to the second and third quarter dividends, resulting in the retention of \$4.2 million, which was used to manage Investore's leverage.

Investore refinanced \$225 million of bank debt facilities during FY25 which resulted in lower debt funding costs. Investore's weighted average cost of debt was 4.1% as at 31 March 2025, which decreased to 4.0% on a pro forma basis following the post-balance date refinancing. This post-balance date refinancing resulted in the introduction of two new lenders to Investore's banking syndicate, further diversifying Investore's funding sources.

As at 31 March 2025, 74% of Investore's debt was hedged or subject to a fixed rate of interest, which helps to manage interest rate risk and stabilise Investore's earnings.

Slide 9 – Proactive capital management (cont)

The weighted average maturity of Investore's debt, including bonds, was 2.9 years as at 31 March 2025, which increased to 3.3 years on a pro forma basis as if the post balance date refinance had

occurred as at 31 March 2025. Investore now has no bank debt maturing until FY30, with its retail bonds maturing in FY27 and FY28.

For FY25, Investore's loan to value ratio, or LVR, decreased to 38.5% as at 31 March 2025, which is well within the LVR banking covenant of 60%. Recently, Investore's banking syndicate agreed to increase the bank LVR covenant from 55% to 60% providing additional headroom, however the Board's policy remains an LVR target of 30% to 40% over the long term. Post the divestment of Woolworths Browns Bay, and the acquisition of Bunnings New Lynn, both of which occurred post balance date, the pro forma LVR increases to 39.4%.

I now invite Adam Lilley, the SIML Investore Fund Manager, to speak.

Slide 10 – Manager's review

Thank you, Mike, and good morning everyone.

Slide 11 – Portfolio optimisation

Investore enjoys a strong relationship with Woolworths, which fosters collaboration across the portfolio.

We have previously announced a number of portfolio improvement projects with Woolworths, and I'm pleased to advise that these projects have now been successfully completed. We are happy with the additional amenity provided to our stores, and note the incremental earnings generated from these projects when compared against our incremental cost of funding.

We continue to work with Woolworths on further projects across the portfolio, and I look forward to providing you with an update on these when terms have been finalised.

Slide 12 – Key tenants meeting daily needs

Investore's properties are predominantly occupied by quality, nationally recognised tenants such as Woolworths, Bunnings, Mitre 10, Briscoes Group and Foodstuffs. These key tenants represent a high proportion of Investore's total Contract Rental income, attracting repeat visitation from customers, and providing Investore with security of income across varying market conditions.

The portfolio also has a number of specialty tenants which are often located adjacent to supermarkets or other anchor tenants, and the regular, repeat visitation to these anchors supports patronage for specialty tenants, which helps drive demand for Investore's properties.

With 87% of Investore's contract rental coming from these nationally recognised anchor tenants, Investore has a high quality, defensive income stream that can be relied on throughout varying market cycles. This has been of particular value over the past few years in what has been a challenging economic environment.

Slide 13 – Long lease expiry profile by Contract Rental

Investore's portfolio has a WALT of 6.8 years as at 31 March 2025, with 84% of contract rental expiring in FY30 and beyond.

This long WALT provides Investore with income certainty over the medium to long term, and a manageable set of lease expiries over the coming years, with the two greatest expiries in the current financial year equating to 0.5% of contract rental each.

Slide 14 – Improving portfolio through asset recycling

Our key strategic focus for Investore is to improve the portfolio's tenant diversification and growth profile. So we are pleased to report we have successfully executed on a number of transactions over the past year in line with this strategy, in particular:

- The acquisition of Bunnings Westgate, Auckland for \$51m with a 6.2% initial yield, funded by recycling out of two regional properties, being Pak'nSave New Plymouth and Woolworths Invercargill for a combined sales price of \$54m and a 6.4% initial yield.
- The acquisition of Bunnings New Lynn, Auckland for \$43m with a 6.1% initial yield, funded by recycling out of Woolworths Stoddard Road and subsequently Woolworths Browns Bay for a combined sales price of \$49m and a 5.6% initial yield.

In both cases, Investore was able to recycle out of older properties with inferior growth outlooks and at a combined premium to book value, into newer, Auckland located properties with a stronger long term rental growth outlook.

Slide 15 – Bunnings Westgate acquisition

I'll take the chance to provide a quick overview of the two most recent additions to the Investore portfolio, starting with Bunnings Westgate.

The property is situated on a high-profile corner site in Westgate that is fully leased to Bunnings and has a WALT of 8 years, with an initial yield of 6.2%. Westgate is a location with expected high population growth, and so Investore considers that dynamic, alongside the structured rental growth profile makes it an attractive addition to the portfolio.

Slide 16 – Bunnings New Lynn acquisition

Looking now at Bunnings New Lynn. This property is also situated on a high-profile corner site that is fully leased to Bunnings. The property has a WALT of 7 years, with an initial yield of 6.1%.

The building provides approximately 11,000 square metres of net lettable area and is situated on 2.2 hectares of Metropolitan Centre zoned land which helps underpin the value of the property.

Similar to Bunnings Westgate, the lease also delivers a structured rental growth profile which is supportive of Investore's medium to long term earnings outlook.

Slide 17 – Sustainability

Investore considers that it has very low scope 1 and 2 greenhouse gas emissions, which are the emissions that directly relate to Investore's business, including those from electricity that Investore consumes.

Investore's key initiative is a programme to replace air conditioning units across the portfolio which use R22 refrigerant with units that use a refrigerant with lower global warming potential to help reduce our emissions.

For further information on sustainability initiatives, please refer to Investore's Sustainability Report for FY25 which can be found on Investore's website.

I would now like to hand you back to Mike who will provide an overview of Investore's strategic focus and what shareholders can expect for FY26 and beyond.

Slide 18 – Strategic focus

Thanks Adam.

As shareholders will know, Investore's strength lies in its resilient operating earnings which is underpinned by its exposure to properties occupied by tenants which provide non-discretionary "everyday needs" to customers. This exposure to defensive tenants and long-WALT leases provides surety of income but also means that Investore's rental income has been slower to react to market changes than other commercial property sectors which can limit earnings growth in an inflationary environment.

While achieving market rental reversion is ultimately a matter of timing, increased exposure to a variety of tenants and rent review mechanisms would help deliver Investore more consistent rental growth. Therefore, a key strategic focus for Investore is to increase the portfolio's tenant diversification to complement its strong core of Woolworths' anchored supermarkets.

To enable Investore to execute on this strategic focus, asset recycling plays an important role, and as Adam mentioned, we have continued to execute on this strategy in FY25 and into FY26.

We will also continue to focus on identifying and delivering value accretive initiatives for our existing assets, and continue collaborating with our tenants to optimise and add value to our portfolio.

Slide 19 – Capital Raise & Silverdale Centre acquisition

As shareholders will be aware, on 8 September 2025, Investore announced an offer of up to \$62.5 million of subordinated, unsecured convertible notes with a 4 year term. Investore also announced the conditional acquisition of the Silverdale Centre from Stride Property Limited.

The convertible notes are expected to be issued on 26 September and subject to a cash election, the notes will convert into ordinary shares in Investore in September 2029. The proceeds will provide Investore with strategic capital management benefits and enable investors to potentially share in upside from share price growth. Further information on the convertible notes is contained in the Product Disclosure Statement which can be obtained from our website and also from Forsyth Barr and Craigs Investment Partners, the Joint Lead Managers for the offer.

The net proceeds of the offer are expected to be used to initially repay bank debt, providing Investore with the flexibility and additional debt capacity to fund future acquisitions, including the acquisition of the Silverdale Centre.

Investore's conditional agreement to acquire the Silverdale Centre at an acquisition price of \$114 million, represents a 6.8% initial yield. This transaction is considered a Material Transaction with a Related Party under the NZX Listing Rules, and therefore requires shareholder approval. The Board considers that Silverdale Centre is a compelling opportunity which is aligned with Investore's strategic focus of acquiring properties in key metro locations that improve Investore's tenant diversification and growth profile and the Independent Directors recommend Shareholders support this acquisition.

Investore is also proposing to amend the Management Agreement with its Manager, Stride Investment Management Limited. The proposed amendments, which are explained in the Notice of Meeting and accompanying Independent Appraisal Report, are to expand Investore's investment mandate to include convenience-based retail properties and amend the capital management provisions and the building management fee structure to align with market practice. The Management Agreement amendments are being proposed to ensure that Investore is well-positioned to pursue a wider range of strategically aligned investment opportunities to deliver a resilient and growing income stream, optimising returns for Shareholders.

The Special Meeting of Shareholders will take place virtually on 20 October 2025 and Shareholders will have the opportunity to vote on the resolutions and ask any questions associated with the Silverdale Centre and the Management Agreement amendments at that meeting.

Slide 20 - Looking ahead

Turning to what investors can expect for FY26.

While macroeconomic conditions have been challenging, we have been seeing some clear signs of improvement in investor sentiment and Investore's underlying portfolio metrics remain resilient, with a defensive rental income stream from non-discretionary everyday needs tenants. Falling interest rates mean these types of properties become attractive alternatives to other yield investments, such as term deposits and bonds.

We are of the view that it is an attractive time to invest, and it is a market where opportunities to acquire high quality assets at attractive pricing exist.

The Board also remains committed to ensuring the Investore portfolio remains sustainable into the future, which includes the transition to a lower carbon future and the continued pursuit of Investore's sustainability targets and objectives.

The Investore Board currently expects to pay an annual cash dividend for FY26 of 6.50 cents per share.

This brings to an end the presentation addressing Investore's performance for FY25 and our priorities for FY26.

Now to the formal business of the meeting.

Ends

For further information please contact:

Mike Allen, Chairman, Investore Property Limited

Mobile: 021 606 134 - Email: mike.allen@investoreproperty.co.nz

Philip Littlewood, Chief Executive Officer, Stride Investment Management Limited as manager of Investore

Mobile: 021 230 3026 - Email: philip.littlewood@strideproperty.co.nz

Adam Lilley, Fund Manager, Stride Investment Management Limited as manager of Investore

Mobile: 021 024 99198 - Email: adam.lilley@strideproperty.co.nz

Jennifer Whooley, Chief Financial Officer, Stride Investment Management Limited as manager of Investore
Mobile: 021 536 406 - Email: jennifer.whooley@strideproperty.co.nz