



investore

Managed by Stride Investment
Management Limited

Annual Results Presentation

For the year ended 31 March 2021

18 May 2021

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Highlights



Key highlights

\$37.3m

acquisition of Countdown
Petone¹ announced

\$10.5m

acquisition of Waimak
Junction¹ land announced

\$0.9m

gross rent relief for COVID-19,
average negotiated lease extension
of 7 months

Financial highlights

Profit after income tax

\$161.3m

up \$132.6m from FY20

Distributable profit²

after current tax

\$29.1m

up \$8.0m on FY20

\$2.08

NTA³ per share,

up \$0.35 or 20.2% from 31 March 2020

Capital management

\$105m

Equity capital raised
during April and May 2020

\$125m

7-year listed bond
at 2.40% interest rate

26.8%

Loan to Value Ratio⁴
as at 31 March 2021

1. Post-balance date Investore has announced it has entered into two agreements (1) an unconditional agreement to acquire Countdown Petone for \$37.3m, due to settle on 21 May 2021; and (2) a conditional agreement to acquire 3.5ha of development land at Waimak Junction, Kaiapoi, North Canterbury, for \$10.5m. The agreement to acquire land at Waimak Junction remains conditional on receipt of resource consents and entering into a final documented agreement to lease with Woolworths NZ to construct a Countdown supermarket on the site.
2. Distributable profit is a non-GAAP measure and consists of profit/(loss) before income tax, adjusted for determined non-recurring and/or non-cash items (including non-recurring adjustments for incentives payable to anchor tenants for lease extensions) and current tax. Further information, including the calculation of distributable profit and the adjustments to profit before income tax, is set out in note 3.2 in the financial statements.
3. Net Tangible Assets (NTA) as at 31 March 2021.
4. LVR is calculated based on independent valuations, which include seismic works and rental underwrites to be funded by SPL in relation to the three properties acquired from SPL and settled in April 2020.

Portfolio metrics

\$1.038bn

Portfolio value¹,
net valuation gain of 15.5% over
12 months from 31 March 2020²

5.23%

Average portfolio
capitalisation rate

9.8 years

WALT

99.1%

Portfolio occupancy
(by area)



1. As at 31 March 2021. Portfolio value includes 35 MacLaggan Street, Dunedin, which is classified as property held for sale, and excludes (1) the seismic works and rental underwrites (total \$7.1m) to be completed by SPL in relation to the three properties acquired from SPL and settled on 30 April 2020; and (2) lease liabilities.
2. Compared to Investore's property portfolio as at 31 March 2020, and including the three properties acquired from SPL as if those properties had been acquired as at that date, based on independent valuations of those three properties obtained in preparation for the acquisition in April 2020.

Our strategy

Maximising distributions and total shareholder returns over the medium to long term by investing in quality, large format retail properties throughout New Zealand

Targeted Growth

Considered acquisitions and developments which deliver growth, while continuing to enhance geographical and/or tenant portfolio diversification



Active Portfolio Management

Focus on owning well-located properties with long lease terms and high occupancy, with nationally recognised quality tenant brands, and maintaining strong and enduring tenant relationships that support the portfolio



Optimisation of the Portfolio

Development of existing properties to meet the needs of tenants and the surrounding catchment, which may include acquiring sites adjacent to existing properties, to provide development options for the future



Proactive Capital Management

Proactive capital management to maintain a healthy and flexible balance sheet for growth, while preserving sustainable returns to investors



Delivering on our strategy

Targeted Growth	<ul style="list-style-type: none"> Portfolio valuation¹ of \$1.038bn, representing a \$139.3m or 15.5% net revaluation gain² since 31 March 2020 Post-balance date Investore has entered into an unconditional agreement to acquire a Countdown-anchored property at Petone, Wellington, for \$37.3m, with settlement expected 21 May 2021 Post-balance date, Investore has entered into a conditional agreement to acquire a 3.5 ha parcel of land at Waimak Junction, Kaiapoi, North Canterbury, for \$10.5m. Investore has reached agreement in principle with Woolworths NZ to construct a new Countdown supermarket on part of the land. The total commitment, including the cost of the land and the Stage 1 development, is expected to be \$31m
Active portfolio management	<ul style="list-style-type: none"> Weighted average lease term (WALT) 9.8 years 99.1% occupancy by area 59 lease extensions and renewals completed, including COVID-19 related deals, with a weighted average lease extension of 16 months 72% of leases by Contract Rental³ expiring in 2030 or beyond
Continued portfolio optimisation	<ul style="list-style-type: none"> Portfolio average market capitalisation rate of 5.23%, 85 basis point compression since 31 March 2020⁴ Property acquired adjacent to existing Investore-owned Countdown Papakura in March 2020 for \$1.2m, with works now complete on expansion of Countdown carpark and improved customer access to the property Tesla EV supercharger stations installed at Johnsonville Countdown, becoming operational in May 2021 and enabling Tesla vehicles to be recharged in approximately 30 minutes
Proactive capital management	<ul style="list-style-type: none"> \$105m new equity raised in April and May 2020, with net proceeds used to repay bank debt and provide funding flexibility for future growth, such as the post balance date acquisitions at Petone and Waimak Junction \$125m 7-year listed bonds issued in August 2020 at a fixed 2.4% interest rate \$80m new bank facilities secured and \$101m of bank facilities extended to June 2024 Loan to Value Ratio (LVR) 26.8%⁵, compared to 31.3% as at 31 March 2020

1. See footnote 1 on page 4.

2. See footnote 2 on page 4.

3. Contract Rental is the amount of rent payable by each tenant, plus other amounts payable to Investore by that tenant under the terms of the relevant lease, annualised for the 12-month period on the basis of the occupancy level of the relevant property as at 31 March 2021, and assuming no default by the tenant.

4. Compared to Investore's property portfolio as at 31 March 2020, and including the three properties acquired from SPL as if those properties had been acquired as at that date, based on independent valuations of those three properties obtained in preparation for the acquisition in April 2020.

5. See footnote 4 on page 3

Update on COVID-19

Countdown, Rotorua

Investore's portfolio continues to demonstrate resilience given the high proportion of tenants that are essential businesses

- Investore has worked with its tenants to support them through the impact of COVID-19 throughout the year
- Investore's gross rent receivable for FY21 has reduced by \$0.9m as a result of COVID-19 deals
- Investore has achieved a weighted average lease extension of seven months across all COVID-19 arrangements
- Balanced against the reduced gross rent receivable for FY21, Investore has benefited from reintroduced building depreciation deduction claims for property owners with commercial properties at a level of 2% of diminishing value a year, starting in April 2020. This has provided a reduction in current tax of \$2.2m for FY21, more than offsetting the rent reduction related to COVID-19 deals



Portfolio

Countdown, Papakura



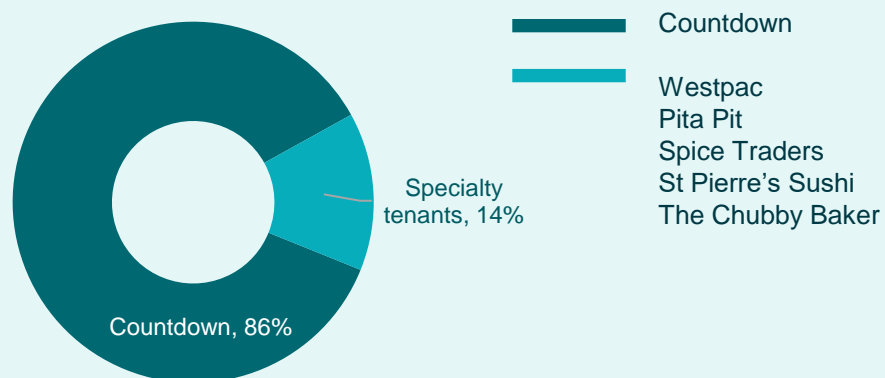
Targeted growth – Countdown Petone acquisition

Investore is delivering on its strategy of targeted growth with the announcement post balance date of entry into an unconditional agreement to acquire Countdown Petone for \$37.3m

Countdown Petone, 45 - 49 Jackson Street, Petone, Wellington

Key Tenants	Countdown, Westpac, Pita Pit, St Pierre's
Occupancy	100%
NLA	4,603 sqm
Land area	12,190 sqm
WALT	11 years
Purchase price	\$37.3m
Passing yield	4.6%
Expected settlement	21 May 2021

Tenant mix by Contract Rental



Targeted growth – Waimak Junction land

Waimak Junction Concept Plan



Investore has a conditional agreement to acquire 3.5ha of land at Waimak Junction, Kaiapoi, North Canterbury, for \$10.5m

Investore has reached agreement in principle to construct a Countdown on part of the site, adjacent to an existing McKeown's service station. The total commitment, including the cost of the land and the Stage 1 development, is expected to be \$31m

Once the Countdown has been developed, there will be 1.6ha of remaining land for future development

Development land, Waimak Junction, Kaiapoi

Stage 1 – development of Countdown

Land area	1.9 ha
Stage 1 land cost	\$5.5m
Tenants	Countdown McKeown fuel station
WALT	10 years on completion of Countdown
Total Stage 1 cost	\$26m
Yield on cost	5.2%

Stage 2

Vacant land (Stage 2)	1.6 ha
Vacant land cost	\$5m

Active portfolio management

Key portfolio activities

- ✓ Portfolio value¹ increased to \$1,037.9m, representing a net valuation gain of \$139.3m or 15.5%²
- ✓ 56 rent reviews completed over 77,500 sqm, resulting in a 2.3% increase to previous rentals
- ✓ 97% of the rent reviews completed were structured reviews – CPI or fixed
- ✓ Increase in turnover rent, up \$0.45m to \$1.0m for FY21, based on unaudited sales
- ✓ Countdown exercised 6-year right of renewal at Mt Wellington Shopping Centre, improving the overall property's WALT from 2.7 years to 5.1 years
- ✓ 6 new lettings completed during the period, achieving an average of 5.2 years tenure
- ✓ Investore's portfolio comprises 59 hectares of commercial property with an average site coverage of 41.4%, providing future development opportunities

Portfolio metrics

	As at 31 Mar 21	Adjusted ³ 31 Mar 20	As at 31 Mar 20
Number of properties	43	43	40
Number of tenants	130	130	78
Net lettable area (NLA) (sqm)	246,272	246,176	208,125
Net Contract Rental ⁴ (\$m)	57.1	56.2	47.5
WALT (years)	9.8	10.4	11.5
Market capitalisation rate (%)	5.23	6.08	6.06
Occupancy rate by area	99.1	99.7	99.7
Portfolio value ⁵ (\$m)	1,037.9 ¹	895.2 ⁶	761.4
Total site area (sqm)	594,660	593,456	507,411
Average site coverage (%)	41.4	41.5	41.0
Car parking ratio (bays per 100sqm of NLA)	4.3	4.3	3.9

1. See footnote 1 on page 4.

2. See footnote 2 on page 4.

3. As at 31 March 2020, as if the acquisition of the three properties from SPL on 30 April 2020 had settled as at that date.

4. See footnote 3 on page 6.

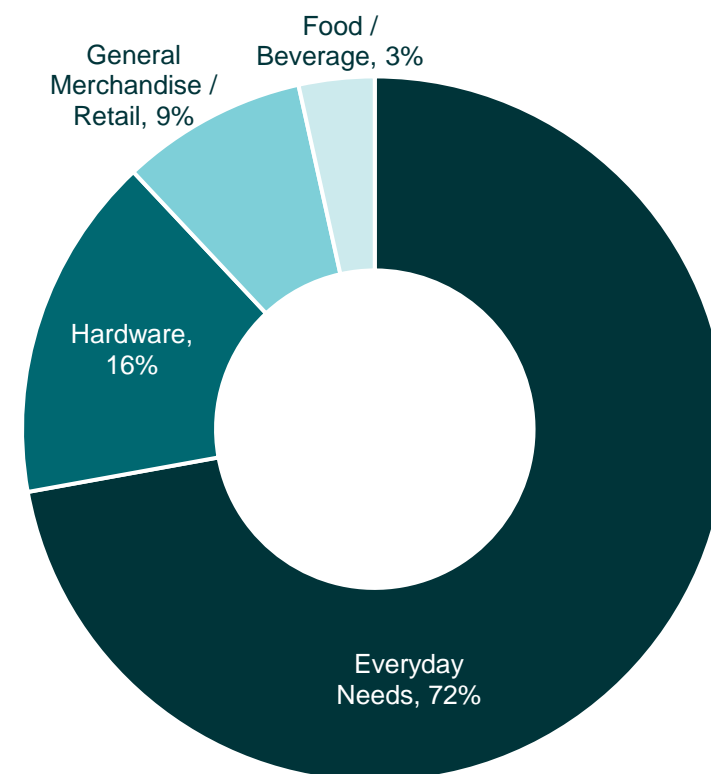
5. Excludes lease liabilities.

6. Valuation assumes that the seismic works to be undertaken by SPL, at a value of \$7.0m, have been completed.

Majority of tenants represent everyday needs

Investore's portfolio continues to have a high proportion (around 72% by Contract Rental) of tenants that represent 'everyday needs', providing regular, repeat visitation to properties, and enabling Investore to benefit from the market conditions created by COVID-19 during FY21

	Everyday needs	Countdown New World Pak'nSave Animates Unichem Pharmacy Pet Essentials Snap Fitness NZ Post
	Hardware	Bunnings Mitre 10 MEGA Resene
	General Merchandise / Retail	The Warehouse Briscoes Rebel Sport Kitchen Things Hunting and Fishing Supercheap Auto Lighting Direct Freedom Furniture
	Food / Beverage	McDonald's Burger Fuel Columbus Coffee Pizza Hut Domino's Pizza Pita Pit Super Liquor Noodle Canteen St Pierre Sushi

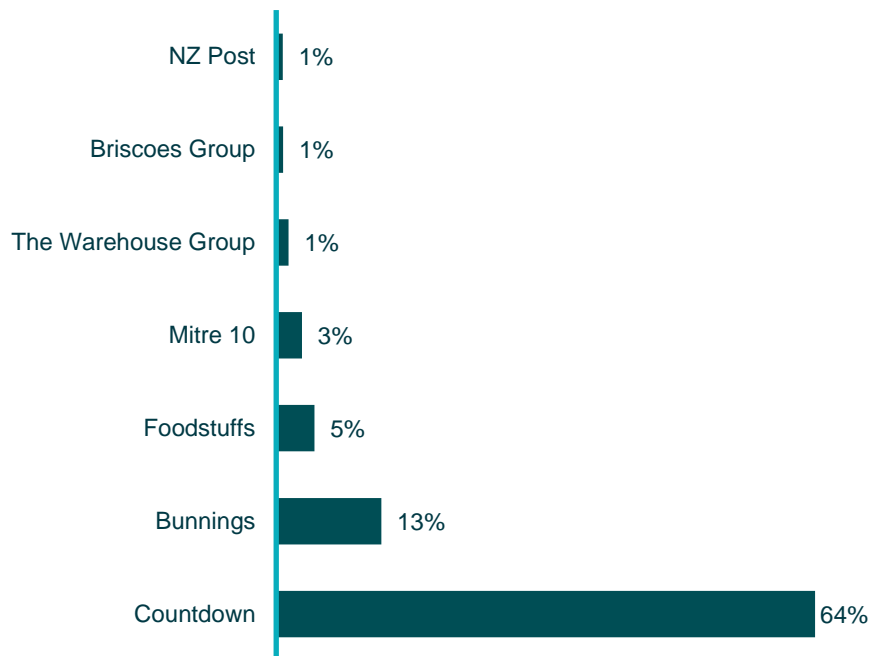


Note: Numbers may not sum due to rounding.

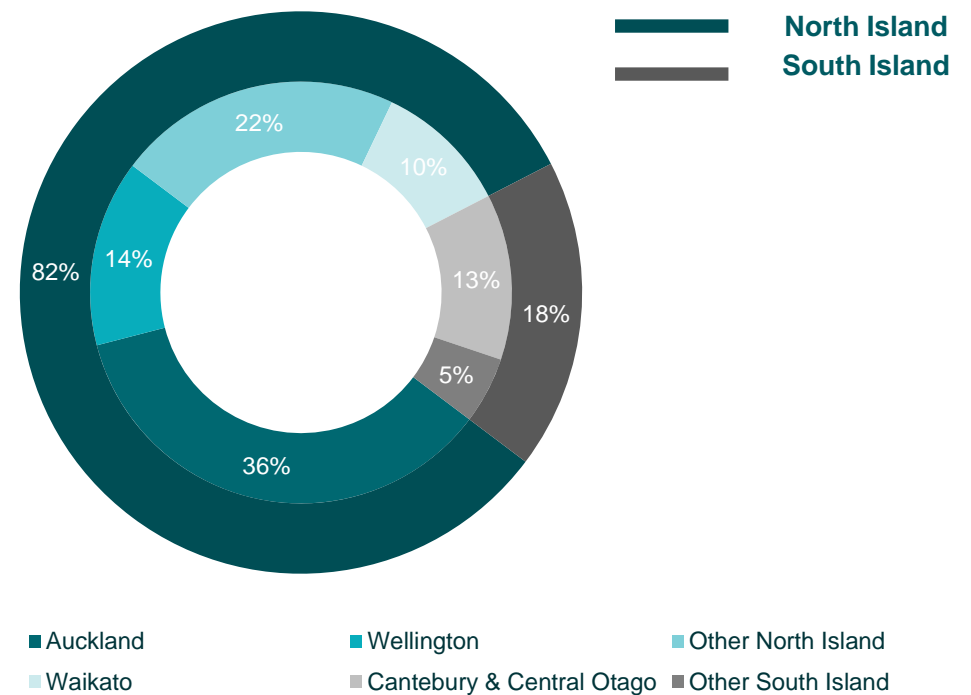
Anchor tenants underpin income

Anchor tenants continue to represent a high proportion (88%) of Investore's total Contract Rental, resulting in a resilient portfolio in difficult market conditions, as demonstrated by the strong valuation growth over FY21

Anchor tenant classification by Contract Rental¹



Geographic diversification by Contract Rental¹



1. See footnote 3 on page 6.

Long dated lease expiry profile

Long portfolio WALT of 9.8 years and 72% of Contract Rental² expiring in 2030 or beyond

FY22

3.1% Contract Rental expiring:

- The Warehouse, 35 MacLaggan Street, Dunedin (1.5%)
- NZ Post, Bay Central Shopping Centre, Tauranga (0.8%)
- Other expiries total 0.8% across 8 tenants

FY23

1.3% Contract Rental expiring across 10 tenants with no major expiries

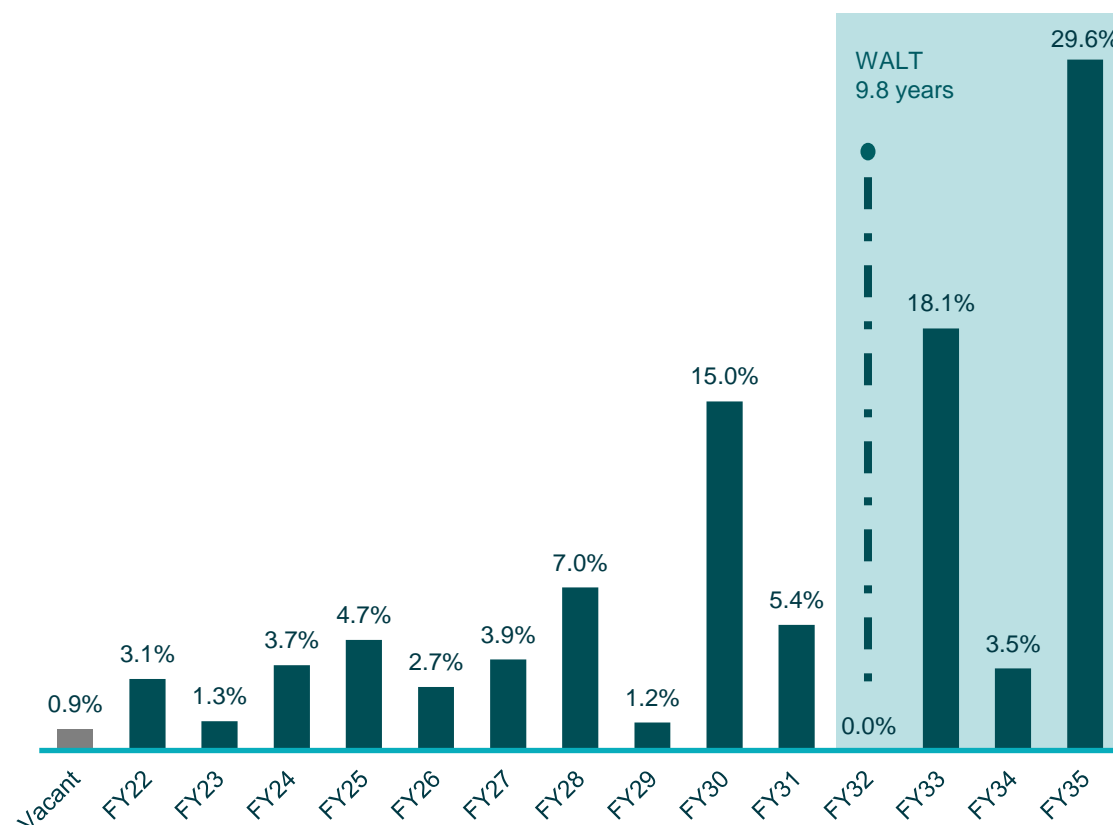
FY24

3.7% Contract Rental expiring:

- Countdown, Cnr Anglesea & Liverpool Streets, Hamilton (2.4%)
- Other expiries total 1.3% across 11 tenants

Lease Expiry Profile¹ by Contract Rental²

As at 31 March 21



1. Represents the scheduled expiry for each lease, excluding any rights of renewal that may be granted under each lease, for the entire portfolio as at 31 March 2021 as a percentage of Contract Rental.
 2. See footnote 3 on page 6.

Sustainability

In the past year Investore has continued to develop its sustainability practices, including developing the key objectives of its Sustainability Strategic Plan, and commencing a climate risk assessment



Sustainability Strategic Plan:

Objective	Contribute to a resilient community	Develop shared prosperity	Protect the planet
Description	We want to ensure leading health and safety performance and support a connected and inclusive society	We want to foster long-term prosperity by investing in and managing outstanding places that reward everyone connected with them	We want to create efficient, climate-resilient places that deliver long term value and support a low carbon future

FY22 Achievements

- Commenced measuring greenhouse gas emissions through the BraveGen software system implemented by the Manager, SIML
- Prepared initial list of climate related risks which are reported in the FY21 Annual Report. During FY22 Investore will formalise this climate risk assessment
- Installed Tesla superchargers at Johnsonville Countdown supermarket, operational in May 2021

Financial performance

Mitre 10 Mega Botany, Auckland



Financial performance

	31 Mar 21 \$m	31 Mar 20 \$m	Change	
			\$m	%
Net rental income	55.8	48.1	+7.7	+16.1
Corporate expenses	(9.2)	(7.5)	(1.8)	(23.8)
Profit before net finance expense, other income and income tax	46.6	40.6	+6.0	+14.7
Net finance expense	(16.6)	(13.9)	(2.8)	(19.9)
Profit before other income/(expense) and income tax	29.9	26.7	+3.2	+12.0
Other income/(expense) ¹	139.0	7.7	+131.3	+1705.9
Profit before income tax	169.0	34.4	+134.5	+390.5
Income tax expense	(7.7)	(5.8)	(1.9)	(32.1)
Profit after income tax attributable to shareholders	161.3	28.6	+132.6	+463.6

1. Other income/(expense) includes net change in fair value of investment properties.

Values in the table above are calculated based on the numbers in the financial statements for each respective financial period and may not sum due to rounding.

Distributable profit¹

	31 Mar 21 \$m	31 Mar 20 \$m	Change	
			\$m	%
Profit before income tax	169.0	34.4	+134.5	+390.5
Non-recurring, and/or non-cash items, and other adjustments:				
- Net change in fair value of investment properties	(139.3)	(7.7)	(131.6)	(1705.2)
- Loss on rental guarantee	0.3	-	+0.3	+100.0
- Reversal of lease liabilities movement in investment properties	(0.1)	-	(0.0)	(51.2)
- Spreading of fixed rental increases	(0.2)	(1.1)	+0.9	+83.7
- Capitalised lease incentives	(0.9)	(0.1)	(0.9)	(1786.0)
- Lease incentives amortisation	0.1	-	+0.1	+1725.0
- Borrowings establishment cost amortisation	0.7	0.5	+0.2	+40.5
- Swap break expenses	3.6	0.2	+3.4	+1685.4
Distributable profit before current income tax	33.1	26.3	+6.9	+26.2
Current income tax	(4.0)	(5.2)	+1.1	+21.7
Distributable profit after current income tax	29.1	21.1	+8.0	+38.0
Adjustments to funds from operations:				
- Maintenance capital expenditure	(1.3)	(3.2)	+1.9	+59.8
Adjusted Funds From Operations (AFFO)²	27.8	17.9	+9.9	+55.7
Weighted average number of shares (millions)	361.5	275.2		
Basic and diluted distributable profit after current income tax per share - weighted (cents)	8.05	7.66		
AFFO basic and diluted distributable profit after current income tax per share - weighted (cents)	7.69	6.49		

1. Distributable Profit – refer footnote 2 on page 3 for definition.

2. AFFO is a non-GAAP measure and is intended as a supplementary measure of operating performance. Cash spent during the period on capital expenditure as part of maintaining a building's grade/quality, but not expensed as part of distributable profit after current income tax, is adjusted to enable the investors to see the cash generating ability of the business.

Values in the table above are calculated based on the numbers in the financial statements for each respective financial period and may not sum due to rounding.

Financial summary

	As at 31 Mar 21	As at 31 Mar 20	Change
Investment property value (\$m)	1,037.9	761.4	+276.4
Drawn debt (\$m)	(280.0)	(238.4)	(41.6)
Loan to Value Ratio (LVR)	26.8%¹	31.3%	+4.5
Equity (\$m)	765.7	526.7	+239.0
Shares on issue (millions)	368.1	304.5	+63.6
Net Tangible Assets (NTA) per share	\$2.08	\$1.73	+\$0.35
Adjusted NTA² per share	\$2.08	\$1.74	+\$0.35

1. LVR is calculated based on independent valuations, which include seismic works and rental underwrites to be funded by SPL in relation to the three properties acquired from SPL and settled in April 2020. The independent valuations also exclude lease liabilities.
2. Excludes the after tax fair value of interest rate derivatives.

Capital management

Bay Central Shopping Centre, Tauranga



Proactive capital management

Key debt transactions

- \$50m new 5-year bank facility secured June 2020 with the introduction of CCB¹ into the syndicate
- \$101m of bank facilities extended to June 2024
- \$125m 7-year fixed rate bonds issued August 2020 with fixed 2.40% interest rate
- \$99m bank facility cancelled following bond issue
- \$30m new 3-year bank facility secured November 2020 with the introduction of ICBC² into the syndicate

Equity transaction

- \$105m equity capital raised in April and May 2020

	As at 31 Mar 21	As at 31 Mar 20
Debt facilities		
Debt facilities limit (ANZ, BNZ, CBA, CCB ¹ , Westpac, ICBC ²), including \$225m bonds	\$476m	\$370m
Debt facilities drawn	\$280m	\$238m
Weighted average maturity of debt facilities	3.8 years	2.2 years

Debt covenants

LVR (Drawn Debt / Property Values) Covenant: ≤ 65%; internal policy max: 48%	26.8%³	31.3%
Interest Cover Ratio (EBIT/Interest and Financing Costs) Covenant: ≥ 1.75x	3.1x	2.7x
WALT ⁴ Covenant: > 6.0 years	9.7 years	11.4 years

1. China Construction Bank, New Zealand Branch (CCB).

2. Industrial and Commercial Bank of China Limited, Auckland Branch (ICBC).

3. See footnote 4 on page 3.

4. The unexpired lease term in a property or portfolio, assuming the property or portfolio is fully leased. This is weighted by the income applicable to each lease and a current market rental with nil term for vacant space.

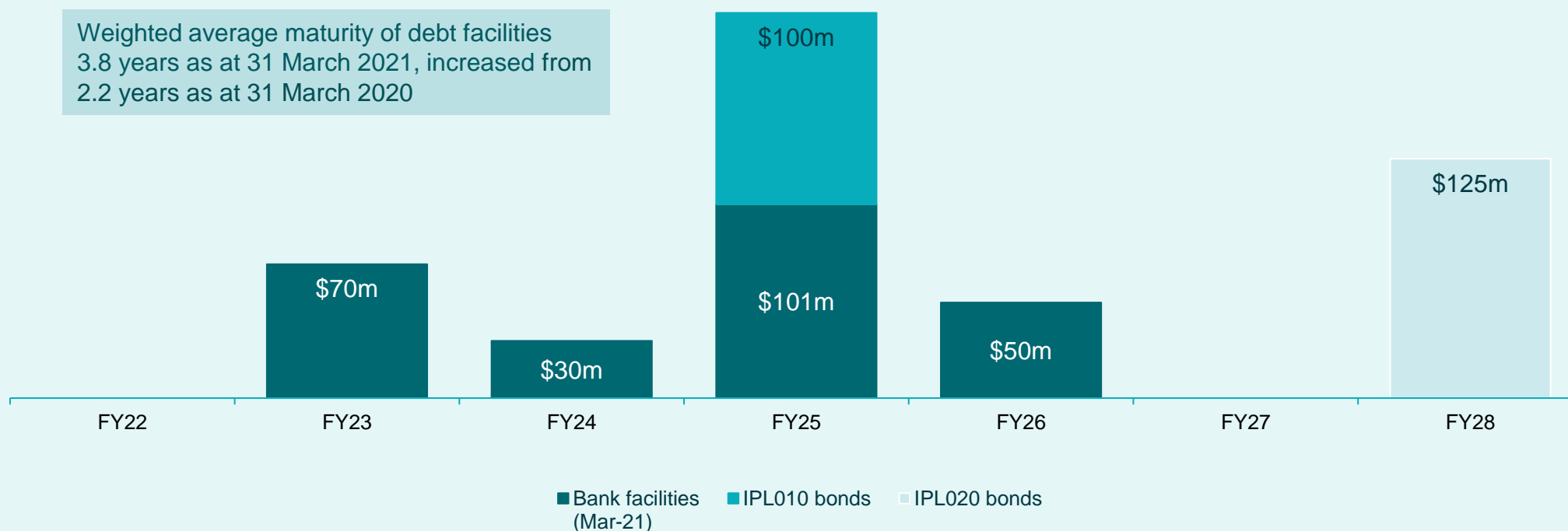
Improved debt profile

Total debt facilities \$476m with \$280m drawn, leaving \$196m undrawn and available to fund future growth (or \$128m after committed acquisitions and developments)¹

Debt maturity profile

As at 31 March 2021

Weighted average maturity of debt facilities 3.8 years as at 31 March 2021, increased from 2.2 years as at 31 March 2020



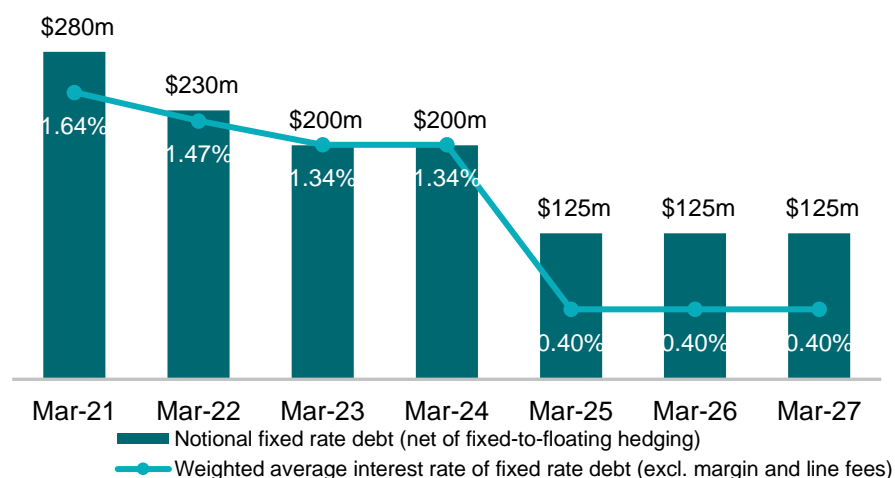
1. Committed acquisitions and developments comprise the acquisition of Countdown Petone (\$37.3m) and the acquisition of the land at Waimak Junction (which acquisition remains conditional) and the completion of Stage 1 of the development with an estimated total cost (including land) of \$31m.

Hedging and cost of debt

Hedging Update

- 100% drawn debt hedged, including fixed bonds
- Weighted average cost of debt at 4.04%, expected to fall as interest rate swaps mature - a tailwind to earnings
- \$125m 7-year fixed rate bonds issued August 2020 at a 2.40% coupon
- \$30m swaps expired and \$40m swaps cancelled following the bond issuance
- No new hedging entered into given “lower for longer” interest rate environment

Fixed rate interest profile



Cost of debt	As at 31 Mar 21	As at 31 Mar 20
Weighted average cost of debt (incl. current interest rate derivatives, bonds and bank margins, and line fees)	4.04%	4.63%
Weighted average fixed interest rate (excl. margins)	1.64%	2.64%
Weighted average fixed interest rate maturity (incl. bonds, active and forward starting swaps)	3.9 years	2.4 years
% of drawn debt fixed	100%	94%

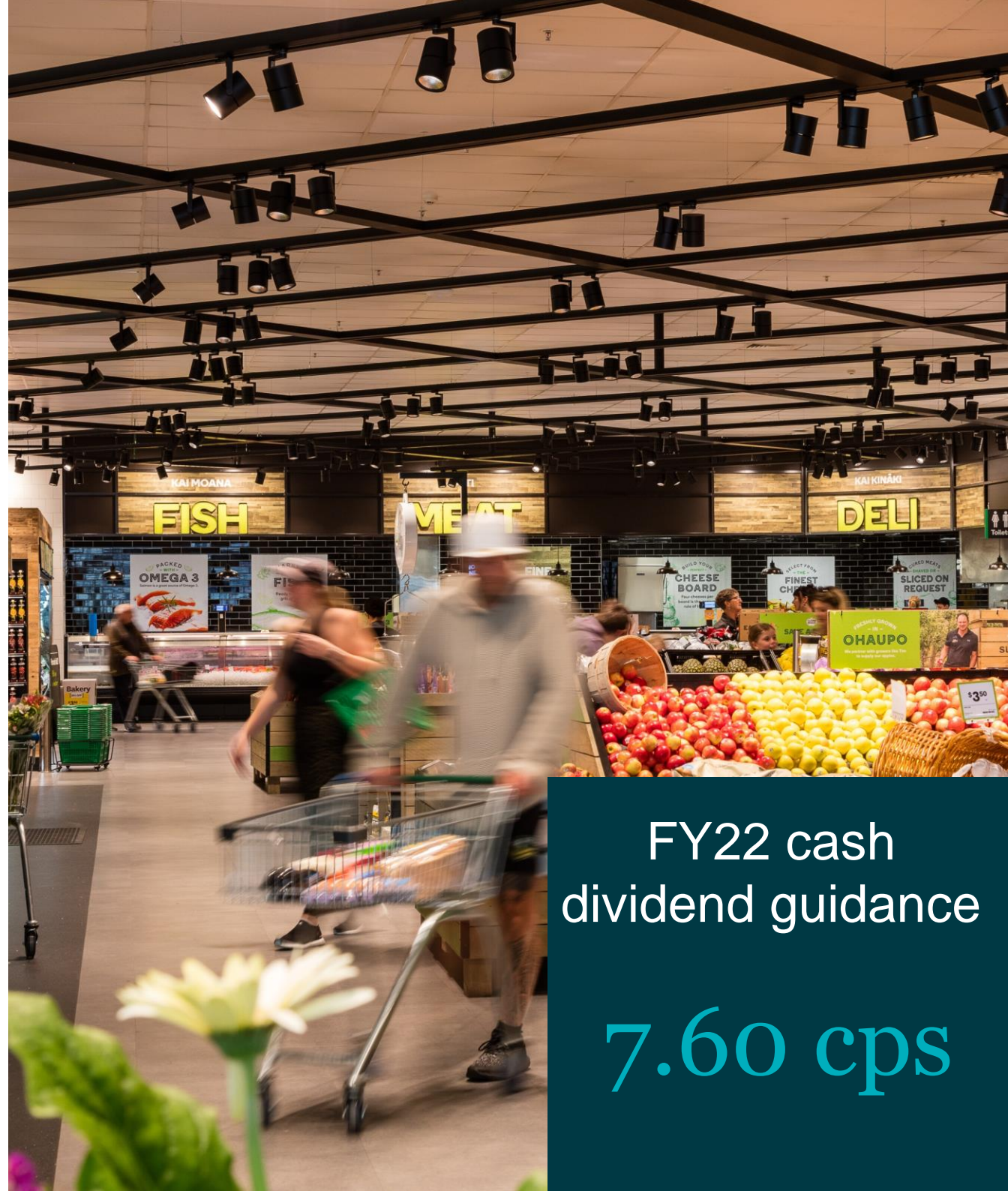
Looking ahead

Countdown, Palmerston North



Looking ahead

- Continued focus on targeted growth to enhance the portfolio and maximise returns
- Ensure disciplined delivery of development opportunity at Waimak Junction
- Continue refurbishment projects across the portfolio with Countdown and other key tenants
- Cash dividend guidance for FY22 of 7.60 cents per share. The Board will continue to review dividend guidance as and when acquisitions occur

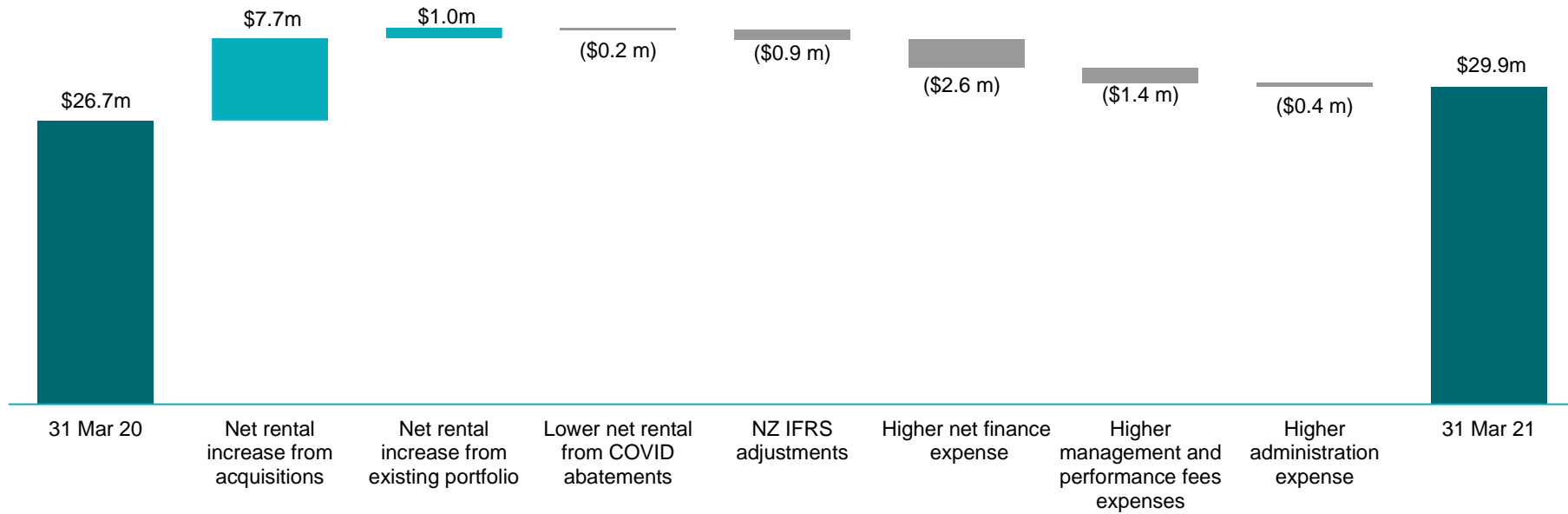


FY22 cash
dividend guidance

7.60 cps

Appendix A

Profit before other income/(expense) and income tax

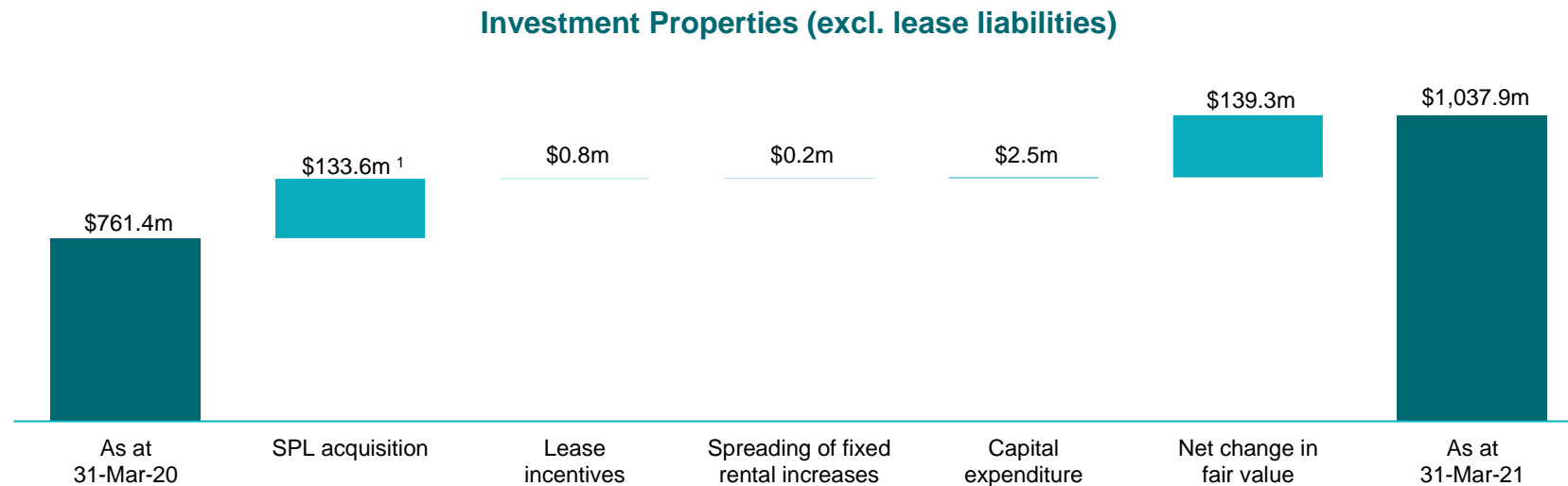


Net Tangible Assets



Values in the tables above are calculated based on the numbers in the financial statements for each respective financial period and may not sum due to rounding.

Appendix B



Values in the tables above are calculated based on the numbers in the financial statements for each respective financial period and may not sum due to rounding.

1. The SPL acquisition excludes the seismic works \$7.0m to be completed by Stride Property Limited (SPL) on the three large format retail properties acquired from SPL on 30 April 2020, and the balance of the rental guarantee of \$0.1m from SPL.

Thank you

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Important Notice: The information in this presentation is an overview and does not contain all information necessary to make an investment decision. It is intended to constitute a summary of certain information relating to the performance of Investore for the year ended 31 March 2021. Please refer to Investore's Annual Report 2021 for further information in relation to the year ended 31 March 2021. The information in this presentation does not purport to be a complete description of Investore. In making an investment decision, investors must rely on their own examination of Investore, including the merits and risks involved. Investors should consult with their own legal, tax, business and/or financial advisors in connection with any acquisition of securities.

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