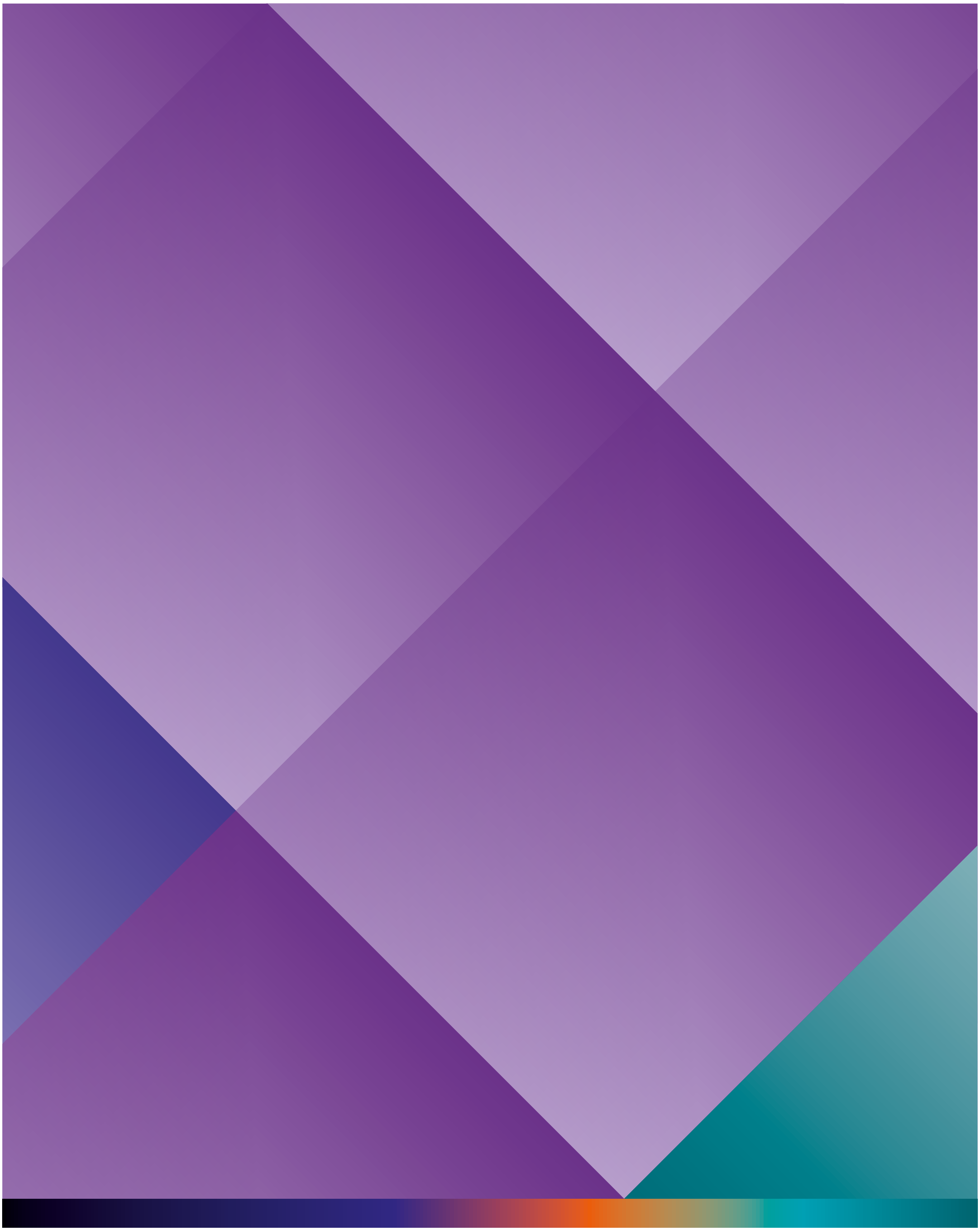
Stride Property Group



Annual Report 2024

This document comprises the Annual Report for each of Stride Investment Management Limited (SIML) and Stride Property Limited (SPL), which are members of Stride Property Group (Stride).

Each of SPL, SIML and Stride has been designated as "Non-Standard" (NS) by NZX. The implications of investing in stapled securities of Stride are set out at page 137 of this report.

A copy of the waivers granted by NZX in respect of SPL, SIML and Stride's "NS" designation can be found at **www.nzx.com/companies/SPG/documents**

Contents

Financial Overview

for 12 months ended 31 March 2024 (FY24)

$72.3m

net rental income

up $1.2m or 1.7% from FY23 ($71.1m)

$59.1m

distributable profit[1] after current income tax

up $1.5m or 2.6% from FY23 (FY23: $57.6m)

$(56.1)m

loss after income tax

reduced by $60.6m (FY23: $(116.7)m loss after income tax), largely due to a smaller net portfolio valuation reduction of $(75.8)m compared with FY23 of $(118.5)m

8.0cps

combined cash dividend for FY24

representing a combined payout ratio of 74% of Stride's distributable profit[1]

Assets under management

$3.2bn

as at 31 March 2024 including commitments[2], with $2.2bn of external assets under management on a committed[2] basis

Portfolio Overview

as at 31 March 2024

$1.2bn

portfolio value[3]

down from $1.3bn as at 31 March 2023[4] due to portfolio valuation movement and disposal of 22 The Terrace, Wellington

Stride's portfolio includes $1.0bn of directly held office and town centre assets

SPL's look through portfolio is valued at $1.6bn, including its interests in the portfolios of each of Investore, Diversified and Industre, which are managed by SIML

Proactive Capital Management

36.7% bank LVR[1] as at 31 March 2024, or 37.2% on a committed[5] basis, with balance sheet LVR[6] of 27.6%

Dividend reinvestment plan operated during FY24, with an average participation rate of 45%, resulting in $20m reinvested

75% of SPL's drawn debt as at 31 March 2024 was hedged

4.22% weighted average cost of debt as at 31 March 2024, an increase of only +26 basis points since 31 March 2023, due to SPL's strong hedging position

1. See glossary on page 138.
2. Commitments include: (1) SPL: building upgrades at 34 Shortland Street, Auckland, and 215 Lambton Quay, Wellington (committed post balance date), and various capital expenditure commitments contracted for (refer note 3.4 to the consolidated financial statements); (2) IPL: various capital expenditure commitments; and (3) Industre: development of the property at 16A Wickham Street, Hamilton, and the purchase price of the property at 160 Higgins Road, Hamilton, which was committed to and settled post balance date.
3. Excludes lease liabilities. Includes: (1) SPL's 51.7% interest in the joint operation component of the Industre Property Joint Venture as at 31 March 2024 (for more information, refer note 3.2 to the consolidated financial statements); (2) the value of Stride's office at 34 Shortland Street, Auckland, which is shown in the consolidated financial statements as 'Property, plant and equipment'; and (3) the value of the rental guarantee receivable in relation to 110 Carlton Gore Road, Auckland.
4. Excludes lease liabilities. Includes: (1) SPL's 51.7% interest in the joint operation component of the Industre Property Joint Venture as at 31 March 2023; (2) the value of 'Assets classified as held for sale'; and (3) the value of Stride's offices at 34 Shortland Street, Auckland, and 22 The Terrace, Wellington, which are shown in Stride's FY23 consolidated financial statements as 'Property, plant and equipment' and 'Assets classified as held for sale' respectively.
5. Commitments include: (1) building upgrades at 34 Shortland Street, Auckland, and 215 Lambton Quay, Wellington (committed post balance date); and (2) various capital expenditure commitments contracted for (refer note 3.4 to the consolidated financial statements).
6. Balance sheet LVR includes SPL's office and town centre properties as well as the value of SPL's interests in each of the Stride Products, and SPL's direct debt.

Strategic Overview

Stride has delivered on a number of portfolio initiatives during FY24 to position its office portfolio for the future, and has continued to develop high quality, sustainable new buildings for the Stride Products[1]

Building upgrades at 34 Shortland Street, Auckland, are transforming this asset into a more modern, sustainable office property

Stride completed the acquisition of the 6 Green Star Design rated office property at 110 Carlton Gore Road, Auckland, and also completed the sale of 22 The Terrace, Wellington

92% of Stride's office portfolio[2] by value is green rated[3], with 73% having a 5 Green Star rating or better and 83% being Prime or A grade assets

Stride developed a new Woolworths supermarket at Waimakariri Junction for Investore. This building is 5 Green Star Design rated, with a number of sustainability initiatives implemented during construction

Stride also developed a new industrial building for Industre at 34 Airpark Drive, Auckland, targeting a 5 Green Star As Built rating, and delivering a 15% development margin at completion

1. See glossary on page 138.
2. Excludes properties categorised as 'Development and Other' in the consolidated financial statements.
3. Green rated buildings for SPL's office properties comprise buildings that have a NABERSNZ rating or Green Star (Design and/or As Built) rating.

Chair and CEO’s Report

Dear Shareholders,

The Boards of Directors of Stride Property Limited (SPL) and Stride Investment Management Limited (SIML) (which together form Stride Property Group (Stride)) are pleased to deliver Stride’s annual report for FY24. Stride has continued to benefit from its diversified business model, which incorporates a property investment business with a real estate investment management business, to deliver positive underlying earnings.

Economic conditions have continued to remain challenging during FY24, with elevated inflation rates driving higher interest rates which, in turn, impact property capitalisation rates and result in lower portfolio values for SPL and the Stride Products. Despite these conditions, Stride’s underlying earnings for FY24, as measured by distributable profit[1], have remained resilient, with FY24 distributable profit after current income tax being 2.6% up on FY23 and 0.9% up on FY23 on a weighted per share basis. Stride’s more conservative dividend policy has enabled it to utilise higher levels of retained earnings to repay bank debt and further strengthen its balance sheet.

The challenging economic conditions have also resulted in a lower overall level of activity across the New Zealand real estate industry, with both commercial property transactional activity and development activity being affected. This has resulted in lower management fees for SIML. The Board is pleased to have seen property valuations stabilising over the second half of FY24, but is conscious of elevated interest rates and a softer economy which are expected to persist for the remainder of this year.

Positive portfolio activity across the SPL portfolio, including strong rental growth from rent reviews and renewals of +4.9% on prior rentals, partly driven by the higher inflationary environment, has helped to deliver positive benefits for Stride’s financial results.

Financial performance

Net rental income for FY24 at $72.3 million was $1.2 million higher than FY23 at $71.1 million, largely due to the net rental income from the office property at 110 Carlton Gore Road, Auckland, which was acquired in May 2023, partially offset by the sale of the property at 22 The Terrace, Wellington, in July 2023. As noted, the subdued real estate market drove lower management fee income for FY24, with management fee income of $19.9 million, compared with FY23 of $23.3 million. Overall, the additional net rental income, together with guarantee income relating to 46 Sale Street, Auckland, has offset the reduced management fee income.

Stride kept corporate overhead expenses consistent with FY23 at $18.3 million, despite the current inflationary environment. Due to the higher interest rate environment, net finance expense at $19.8 million for FY24 was $2.7 million higher than FY23 (FY23: $17.1 million). This has resulted in profit before other expense and income tax of $50.8 million, $2.7 million lower than FY23 (FY23: $53.5 million).

The higher interest rate environment has impacted portfolio capitalisation rates during FY24, thus reducing portfolio values, resulting in SPL having a net reduction in fair value of investment properties for FY24 of $(75.8) million, lower than for FY23 where SPL experienced a $(118.5) million net reduction. The economic conditions have similarly impacted the portfolio valuations of the Stride Products, which has flowed through to a share of loss in equity accounted investments of $(23.7) million (FY23: $(42.4) million loss). Overall, this has contributed to a loss after income tax of $(56.1) million, compared with a loss after income tax of $(116.7) million for FY23.

Distributable profit[1] after current income tax, which the Boards consider is more reflective of the underlying earnings of Stride, was $59.1 million for FY24, $1.5 million or 2.6% higher than FY23 at $57.6 million.

The reduced portfolio value due to the higher interest rate environment has impacted Stride’s net tangible assets, with net tangible assets of $1.78 per share as at 31 March 2024, down from $1.98 per share as at 31 March 2023.

Portfolio

SPL owns a portfolio of office and town centre properties, as well as its interests in the Stride Products of Industre Property Joint Venture (Industre), Investore Property Limited (Investore) and Diversified NZ Property Trust (Diversified). Over the past few years SPL has focussed on transforming its office portfolio into a high quality, sustainable portfolio of newer assets.

As indicated in our annual report for FY23, during FY24 SPL has progressed a number of improvements at 34 Shortland Street, Auckland, which also houses Stride’s head office, to modernise the building while at the same time improving the building’s energy efficiency. The lobby has been redeveloped into a bright, modern, spacious and inviting space, with the quality finishes mirrored in the on-floor lobbies on the refurbished floors of the building. Stride has also installed new end of trip facilities in the basement, encouraging workers in the building to actively commute to the office and reduce their carbon emissions. Stride is in the process of upgrading the mechanical systems to improve the building’s energy efficiency, targeting a minimum 4 star NABERSNZ rating upon completion of the upgrades.

As a result of SPL’s improvement activities across its office portfolio, 92% of the office portfolio[2] by value is green rated[3], with 73% by value rated 5 Green Star or higher. In addition, 83% of the portfolio[2] by value comprise Prime or A grade assets. SPL considers its high quality portfolio will continue to attract tenant demand given the recent “flight to quality” trend among office occupiers.

Stride has now transformed two older office properties into quality, sustainable buildings, following its redevelopment of 22 The Terrace, Wellington (which SPL has now sold), and the refurbishment of 34 Shortland Street, Auckland. Stride plans to use these skills to undertake improvements at the office property at 215 Lambton Quay, Wellington, to improve tenant amenities and the building’s energy efficiency.

SPL’s town centre assets of Silverdale Centre and NorthWest Shopping Centre are both located in fast-growing regions of Auckland, and both have benefited from strong population growth in their catchment areas, with moving annual turnover increasing at both centres during FY24. This has contributed to higher rents across the portfolio, and, together with SIML’s keen focus on managing costs, has resulted in specialty gross occupancy cost[1] across the portfolio[2] remaining at 11.0% of store sales for FY24. In addition, SPL also owns a 50% interest in Johnsonville Shopping Centre, which remains a development asset.

FY24 has seen a number of leasing transactions completed across SPL’s office and town centre portfolios[2], with 166 rent reviews and lease renewals completed across these portfolios, delivering a 4.9% uplift on prior rentals.

Real estate investment management business

SIML is proud to have continued to deliver quality outcomes for each of the Stride Products during FY24. This has included strong leasing activity across all portfolios, as well as the completion of new buildings for each of Investore and Industre.

SIML continues to build on its expertise in creating sustainable, quality buildings, and has consistently delivered new developments on time and within budget for SPL and the Stride Products. This provides the Stride Products with opportunities to secure new, quality buildings in a market that may not otherwise support these opportunities.

During FY24 SIML, on behalf of Investore, completed a new supermarket at Waimakariri Junction, tenanted by Woolworths. This property has obtained a 5 Green Star Design rating, and is targeting a 5 Green Star As Built rating. SIML also completed a new industrial property at 34 Airpark Drive, Auckland, for Industre. This property is now leased by DHL on a 10 year lease. Industre is targeting a 5 Green Star As Built rating for this building, which is currently in progress. A 5 Green Star rating equates to “New Zealand excellence” and is the standard that Stride targets for all new developments.

Both Woolworths Waimakariri Junction, Kaiapoi, and 34 Airpark Drive, Auckland, incorporate a number of sustainability initiatives, including solar panels, rainwater harvesting, electric vehicle parking and active transport facilities, together with energy and water metering systems which enable monitoring of consumption.

Although direct property market conditions during FY24 have been challenging, this also creates opportunities. As an example, SIML negotiated the acquisition of 7.9 hectares of land on behalf of Industre in the Hamilton region for $19 million, with settlement occurring post balance date, in early May 2024. This land will provide future development opportunities for Industre to continue to grow its industrial portfolio.

1. See glossary on page 138.
2. Excluding properties categorised as ‘Development and Other’ in the consolidated financial statements.
3. Green rated buildings for SPL’s office properties comprise buildings that have a NABERSNZ rating or Green Star (Design and/or As Built) rating.

Chair and CEO's Report

FY24 has seen subdued activity in the real estate market across New Zealand, and this has flowed through into SIML's management fees, with management fee income of $19.9 million down on FY23 of $23.3 million. A reduction in activity based fees has been a key driver of this, with these fees down to $3.7 million, from $5.7 million in FY23, due to lower portfolio transaction and development activity as well as no performance fees earned for FY24.

SIML is proud to manage a diversified portfolio of quality commercial property, and intends to continue to work towards growth in these portfolios, while also monitoring market conditions to establish a new Stride Product when conditions are conducive.

Capital management

Capital management has continued to be a focus for the Stride Boards and Stride has successfully executed a number of capital management initiatives announced during FY23 to ensure that Stride's balance sheet remains robust:

- The dividend reinvestment plan has continued to be in operation during FY24, resulting in $20 million being reinvested during FY24.
- SPL completed the sale of the office property at 22 The Terrace, Wellington, with the net proceeds of the sale used to pay down debt.
- SPL received a distribution from Industre of $15 million following the sale by Industre of two properties during FY24. This evidences the ability of SPL to access sources of capital beyond its direct property investments. The distribution was used to pay down debt.

These initiatives have helped to offset the decline in investment property values experienced during FY24 and, as a result, SPL has managed to maintain its loan to value ratio (LVR) at 36.7% consistent with 31 March 2023, or 37.2% when taking into account commitments. This LVR is calculated based on the value of SPL's directly held portfolio and direct debt, and does not include any value for SPL's interests in the Stride Products or the value of SIML's management contracts. Taking into account SPL's interests in the Stride Products, SPL's LVR on a balance sheet basis (which includes the value of SPL's interests in each of the Stride Products as additional assets) is 27.6%. The composition of Stride's balance sheet is a key point of difference relative to its peers, and as the Industre distribution highlighted, Stride has access to other sources of capital on its balance sheet beyond direct property.

SPL continues to take a prudent approach to interest rate management, which has benefited SPL to date through its strong hedging position. As at 31 March 2024, 75% of SPL's drawn debt is hedged, providing a level of resilience in a higher interest rate environment. As at 31 March 2024, SPL's weighted average cost of debt was 4.22%, an increase of only 26 basis points since 31 March 2023, compared with an increase of 75 basis points in the Official Cash Rate over the same period.

While Stride has had a strong hedging position which has benefited it since the onset of the current higher interest rate environment, this hedging is beginning to mature and reprice at prevailing market rates which is expected to impact FY25 earnings. Stride will seek to enter into further hedging when it sees relative value in order to manage the impact of interest rate variability on future earnings.

People

SIML is committed to supporting and developing its people. This year SIML is pleased to introduce additional parental leave benefits to support our people as they become parents:

- Full pay for primary carers for 14 weeks as a top up to the Government-provided parental leave financial contribution
- Employer KiwiSaver contributions for 14 weeks for primary carers
- Annual leave taken in the 12 months after returning from parental leave paid at the higher of average weekly earnings or ordinary weekly pay

SIML supports the development of its people and seeks to promote internally where possible. During FY24, we were pleased to appoint six internal candidates to new positions, demonstrating the growth of our people through SIML's commitment to development and learning.

In late April 2024, Andrew Hay, our Fund Manager Industre and member of the SIML Executive Team, resigned from SIML. Andrew has been with SIML for over 20 years, and during that time has helped to transform the business to the company it is today, including supporting the growth of Industre over the past four years. On behalf of the Board and SIML management, we would like to thank Andrew for his hard work and dedication and wish him well in his new endeavours.

Governance

The Stride Boards strive to ensure a high level of efficiency and effectiveness in their operations so as to provide the best corporate governance for a successful real estate investment business. To that end, during FY24 the Stride Boards conducted a comprehensive Board review utilising the Institute of Directors of New Zealand's Evaluate tool. The Boards considered the outcome of the review and are implementing the recommendations in order to continue to maintain a best practice governance standard for the benefit of investors and all stakeholders.

Sustainability

During FY23 Stride set a number of ambitious climate-related targets, including reducing our greenhouse gas emissions by 42% by 2030 from our FY20 baseline year. We are pleased with the progress that has been made in relation to these targets during FY24, with our scope 1 and 2 greenhouse gas emissions declining by 26.4% from FY23 and by 18.7% from our FY20 baseline year[1]. Progress has also been made on refining and developing our carbon transition plan, which will provide us with a roadmap to transition the existing office and shopping centre properties owned and managed by Stride to a low carbon future, consistent with Stride's strategy.

Stride is pleased to deliver its first mandatory climate-related disclosures for FY24, which form part of our separate Sustainability Report. Stride's FY24 Sustainability Report and Climate-Related Disclosures can be found here: **www.strideproperty.co.nz/investor-centre/**. As our climate-related disclosures for FY24 show, a great deal of work has been invested in further developing and understanding our climate-related risks and opportunities, including integrating these into Stride's overall enterprise risk management process. While we acknowledge there is further work to do, the Stride Boards are pleased with progress to date, which provides a strong platform for integrating climate risk into our business strategy and processes.

Outlook

Stride expects the challenging macroeconomic conditions to continue during FY25, which may result in continued reduced levels of activity, thus impacting SIML's activity based management fees. The Government has implemented changes to the tax deductibility of depreciation on commercial buildings, and this will negatively impact Stride's FY25 earnings compared with FY24.

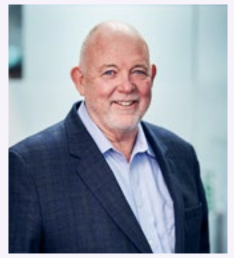
For these reasons, we expect FY25 to continue to present challenging conditions for the commercial property sector. However, as these challenging conditions persist, this can create opportunities for SIML's real estate investment management business.

Stride will continue to take a conservative approach to capital management in the current economic environment, including close management of our balance sheet and costs.

We will focus on ensuring our assets continue to demonstrate enduring demand through upgrades, and where we are refurbishing an asset, we will always consider upgrades to improve the commercial and sustainability performance of the asset.

The Boards confirm they currently intend to pay a combined cash dividend for SPL and SIML for FY25 of 8.00 cents per share, consistent with our policy of targeting a total cash dividend that is between 80% and 100% of SPL's distributable profit[2] and between 25% and 75% of SIML's distributable profit.

On behalf of the Boards and staff, thank you for your continued support of Stride Property Group.



Tim Storey
Chair,
SPL and SIML

Philip Littlewood
Chief Executive Officer,
SIML

1. Stride's FY20 baseline year has been recalculated during FY24 in line with Stride's baseline recalculation policy which requires the baseline to be recalculated when there is a movement of more than 10% of total portfolio net lettable area. See Stride's FY24 Sustainability Report for further information.
2. See glossary on page 138.

Board of Directors

Tim Storey
LLB, BA

Independent Director, Chair of the Board and Chair of the Remuneration and Nomination Committee

Term of Office: Appointed to SPL on 1 April 2009 and to SIML on 16 February 2016; last elected 2022 annual meeting

Tim was appointed Chair of Stride in 2009. He has more than 30 years' experience across a range of sectors and has practiced as a lawyer in New Zealand and Australia, retiring from the Bell Gully partnership in 2006. Tim is a member of the Institute of Directors in New Zealand (Inc), a director of Investore Property Limited, and director of a number of private companies.

Ross Buckley
BBS, FCA, FCPA, CMInstD

Independent Director and Chair of the Audit and Risk Committee

Term of Office: Appointed to SPL and SIML on 9 August 2021; elected 2021 annual meeting

Ross has a strong background in auditing and management, with 27 years as a partner at the global accounting and consulting firm KPMG, including nine years as Executive Chairman of KPMG in New Zealand and a member of KPMG's Asia Pacific Board and KPMG's Global Council. During his career with KPMG he managed the firm's Audit, Risk and Tax practices, in addition to the firm's People, Performance and Culture function. Ross is a director of ASB Bank Limited, Investore Property Limited, and Chair of Service Foods NZ Limited. Ross also currently chairs the National Board, is a National Council Member, and Auckland Branch Committee Member of the Institute of Directors of New Zealand. Ross is on the Council of Massey University, and is the Chair of the Auditor Oversight Committee of the Financial Markets Authority.

Jacqueline Cheyne
BAcc, FCA, CMInstD

Independent Director and Chair of the Sustainability Committee

Term of Office: Appointed to SPL and SIML on 13 March 2019; last elected 2022 annual meeting

Jacqueline has 25 years of experience in financial audit and advisory services, including 11 years as a partner at Deloitte in audit and assurance. Jacqueline led Deloitte's Corporate Responsibility and Sustainability services function for Deloitte New Zealand for nine years. Jacqueline is currently a Member of the External Reporting Board, and the recently established Sustainability Reporting Board, a member of the Audit Oversight Committee of the Financial Markets Authority, chair of Snow Sports NZ, and a director of New Zealand Green Investment Finance Limited, Queenstown Airport Corporation and Pioneer Energy Limited.

Michelle Tierney
GAICD, BA, MBA

Independent Director

Term of Office: Appointed to SPL on 17 July 2014 and to SIML on 16 February 2016; last elected 2023 annual meeting

Michelle has more than 30 years' experience in the property industry, with a background in funds management, real estate investment, property and asset management, and sustainability. Michelle is currently a director of ASX listed Growthpoint Properties Australia, ASX listed PEET Ltd, Cotton Research and Development Corporation, and Uniting NSW & ACT, one of the largest not-for-profit organisations in Australia. Michelle was previously Chief Operating Officer of ASX 100 company Region Property Group (formerly SCA Property Group) in Australia, General Manager of Business Development and Strategy for the National Australia Bank Global Institutional Bank, Fund Manager of the $3.8b GPT Wholesale Shopping Centre Fund and Head of Property and Asset Management for ASX50 company The GPT Group. Michelle is a graduate and member of the Australian Institute of Company Directors and Women on Boards Australia.

Tracey Jones
BCom, CA, CMInstD

Independent Director

Term of Office: Appointed to SPL and SIML on 11 April 2023; elected 2023 annual meeting

Tracey has considerable experience in accounting and finance, as well as funds management. Tracey worked for 15 years with Tappenden Holdings, including as COO and CFO, managing a large investment portfolio that included a number of property interests. Tracey moved into a governance career in 2016, and is currently an independent director of Partners Life, and independent chair of Nikko Asset Management NZ, and Welcome Limited.

Nick Jacobson
LLB, BCom

Independent Director

Term of Office: Appointed to SPL and SIML on 18 July 2019; last elected 2021 annual meeting

Nick has over 30 years' experience with leading global investment banks and global financial services companies, specialising in real estate advisory and capital markets across Australia, Europe, and Asia. Nick is currently Managing Director at Wingate in Sydney, Australia, responsible for investing in significant CRE private credit transactions. Nick was previously Managing Director and Head of Investment Banking Services at Goldman Sachs Australia, and Chairman of Goldman Sachs' Real Estate Investment Banking division.

People

> Stride's people are essential to its success, and we demonstrate this through internally promoting our people, providing a favourable benefit package, and seeking to support the wellbeing of our people

Stride seeks to promote its people to fill vacant internal positions where possible. During FY24 this resulted in six SIML people being appointed to new positions internally, providing our people with development opportunities and demonstrating the value we place on our people.

SIML offers a number of benefits to our people, focussed on wellbeing, recognition and reward, social benefits, and learning and development. SIML regularly reviews these benefits to ensure that we are supporting our employees in areas that matter to them. This year, the SIML Board reviewed SIML's parental leave benefits and determined to provide further support:

- Full pay for primary carers for 14 weeks, as a top up to the Government-provided parental leave financial contribution
- Employer KiwiSaver contributions for 14 weeks for primary carers
- Annual leave taken in the 12 months after returning from parental leave paid at the higher of average weekly earnings or ordinary weekly pay

Stride's head office is located in its office building at 34 Shortland Street, Auckland, which is undergoing a refurbishment and upgrade. The works have included the installation of modern and convenient end of trip facilities, encouraging workers at the building, including SIML's people, to take active modes of transport to work – walking, running and cycling. Over FY24 SIML undertook two employee commuting surveys, and the most recent survey, completed in March 2024 when the end of trip facilities had been completed, showed that SIML head office staff were driving less and cycling or walking to work more.

At the same time as upgrading the public amenities at 34 Shortland Street, SIML has refurbished its office, to provide a modern and inviting space for our people to work and enjoy.

Stride is proud to sponsor the Graeme Dingle Foundation, which is focussed on inspiring young people across New Zealand to realise their potential through school and community-based programmes that help build self-esteem, promote good values and teach valuable life, education and health skills. In addition to its sponsorship of the Graeme Dingle Foundation, during FY24 SIML staff participated in a volunteer day with the Graeme Dingle Foundation at Te Hōnonga a Iwi restoration site at Rosedale Park, Auckland, to help build a fence for the chicken enclosure and clear pest plants. The day comprised hard work, learning and social engagement, with opportunities to understand how the Graeme Dingle Foundation lives by the values it teaches to young people throughout New Zealand, and to learn more about the Te Hōnonga a Iwi restoration site.

Executive Team

Philip Littlewood
BProp, BCom, MBA

Chief Executive Officer

Philip joined Stride in 2014, being appointed as Chief Executive Officer in 2017, and is responsible for the overall strategy and management of Stride. Philip has extensive experience in property investment, funds management, development, asset management and financing.

Philip previously worked in property investment management in New Zealand and England, including roles in private equity, and with Morgan Stanley and AMP Capital Investors.

Jennifer Whooley
CA

Chief Financial Officer

Jennifer has more than 25 years' experience in the property industry and is responsible for Stride's overall financial plans and policies, ensuring the compliance of its accounting practices. Jennifer is also responsible for the people and culture function within Stride. Prior to joining Stride, Jennifer was Chief Accountant for Fletcher Property. Jennifer was named the EY CFO of the Year for 2018.

Mark Luker
Dip.Val.Prop

General Manager Development

Mark is responsible for Stride's development activities. He has over 25 years of experience in the property development and investment industry, acquired through complex large-scale retail and commercial development projects, both within New Zealand and Australia. Mark joined Stride from Kiwi Property Group, where he held the roles of General Manager Development and Project Director, Sylvia Park.

Louise Hill
BCom, LLB

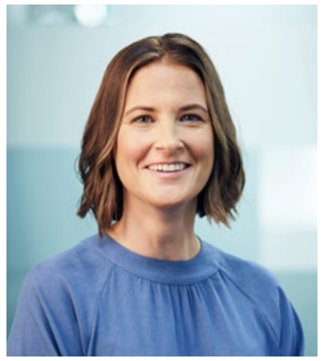
General Manager Corporate Services

Louise has more than 20 years' legal experience and is responsible for a range of corporate functions within Stride, including legal, governance, compliance, IT, insurance, health and safety, sustainability and risk. Louise's previous roles included Head of Legal (NZ) for Fletcher Building and senior associate in the corporate/commercial team at Bell Gully.

Adam Lilley
BCom, LLB, CA

General Manager Investment / Investore Fund Manager

Adam has over 10 years' experience in the property and finance industries, and was previously an Institutional Equities Research Analyst at Craigs Investment Partners, specialising in the NZ listed property sector. Prior to that, Adam was an Investment Manager at Stride and rejoined in 2021 to lead Stride's Investment team. In FY23 Adam also took responsibility for managing the Investore business as Investore Fund Manager.



Jessica Rod
BProp, BA

General Manager Office

Jessica is the General Manager Office and is responsible for growing and managing Stride's office portfolio. Jessica has been with Stride for over 20 years, and prior to her current role was an Investment Manager. Jessica has been responsible for a number of recent office acquisitions, including the acquisition of the property at 110 Carlton Gore Road, Auckland.

Roy Stansfield
ACA

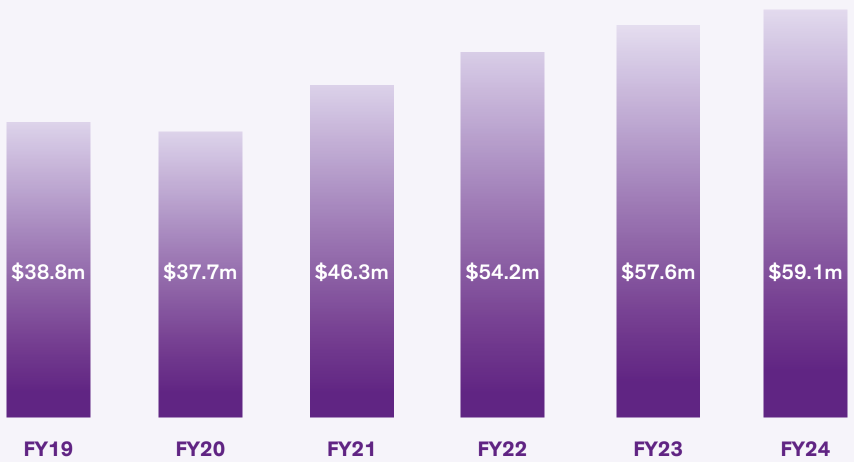
General Manager Shopping Centres

Roy is responsible for the shopping centre portfolios owned and managed by Stride. His role includes all aspects of asset management, retail leasing and planning. Roy has 30 years' experience in the retail shopping centre industry. Prior to joining Stride, he was employed by Challenge Properties, St Lukes Group and Kiwi Property Group.

Performance

Stride has continued to grow its distributable profit[1] in FY24, including as a result of acquisition and leasing activity, despite challenging economic conditions which have impacted SIML's asset management fees

Distributable profit[1] growth

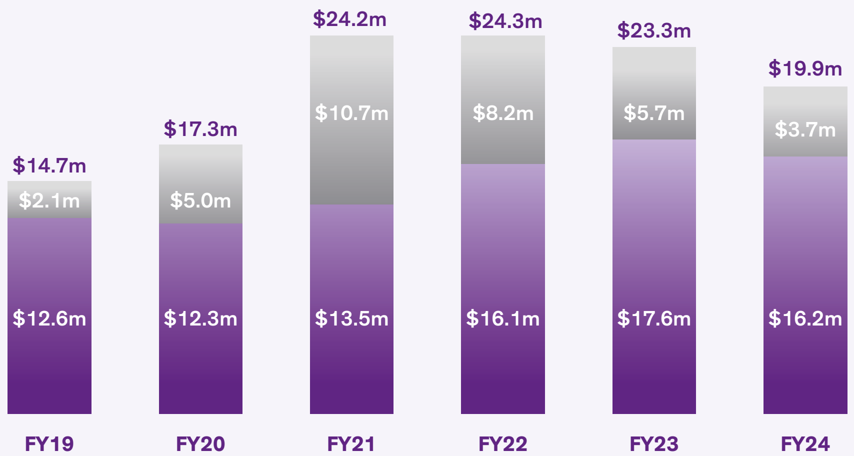


SIML management fees[2]

Challenging market conditions have led to a fall in activity across the Stride Products during FY24, impacting SIML's activity-based management fees. In addition, the higher interest rate environment has led to higher capitalisation rates which has resulted in lower portfolio valuations across the Stride Products, leading to lower asset management or recurring fees, which are based on asset values. Activity based fees are directly impacted by economic cycles and will therefore be expected to improve as the economy recovers.

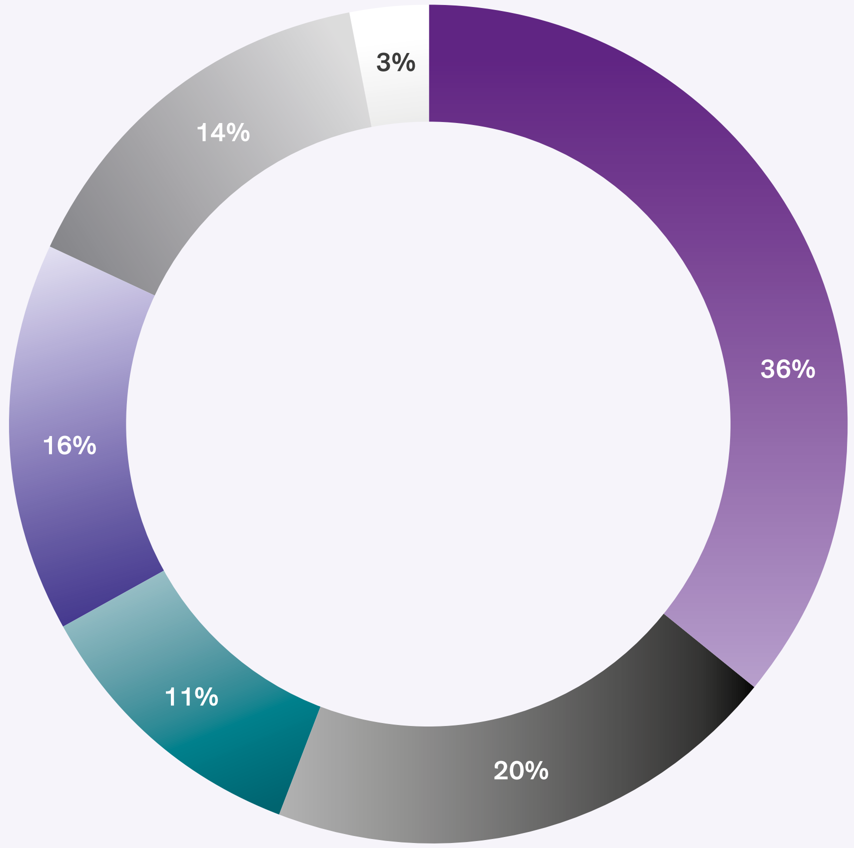
Activity and performance fees

Recurring fees



FY24 look-through revenue sources[3]

Stride's exposure to a range of commercial asset classes, together with its real estate investment management business, means that Stride has diversification in its revenue sources, providing a level of resilience across varying market conditions.



Office

Large Format Retail

Industrial

Retail Shopping Centres/Town Centres

Recurring management fees

Activity and performance fees

1. See glossary on page 138.
2. Net of management fees received from SPL.
3. Stride's revenue comprises SIML management fees and SPL income derived from its directly held property plus revenue derived from its interests in the Stride Products, which is calculated based on net Contract Rental on a look-through basis as at 31 March 2024. Management fees comprise FY24 management fees from Stride Products (i.e. excluding fees from SPL).

Developments

SIML has an experienced development team that has continued to deliver high quality, sustainable developments for SPL and the Stride Products during FY24, delivered on time and within budget.

Three major projects were completed or progressed during FY24, which builds on the successful projects completed by the SIML development team in prior years, including the award-winning development of the Waste Management Auckland Headquarters, which won the New Zealand Property Council Supreme Award and the redevelopment of 22 The Terrace, Wellington, which was awarded an Excellence in Green Building Award at the 2022 Property Industry Awards.

The SIML development team delivers quality projects for the Stride Products, providing investors with investments they might not otherwise have been able to access. The delivery of successful projects creates a capability within SIML which ensures ongoing development management fee income for SIML, and additional assets under management.

New industrial development at 34 Airpark Drive, Auckland – delivered on time and within budget for Industre, and targeting a 5 Green Star As Built rating. This property was leased on completion to DHL for a 10 year term, and delivers a yield on cost of 5.8% (including land).

New Woolworths supermarket at Waimakariri Junction, created for Investore – delivered on time and within budget, achieved a 5 Green Star Design rating and targeting a 5 Green Star As Built rating. This property has been leased to Woolworths for an initial term of 12 years, and a total term of 35 years if all rights of renewal are exercised. The development will deliver a yield on cost of 5.5% (including land).

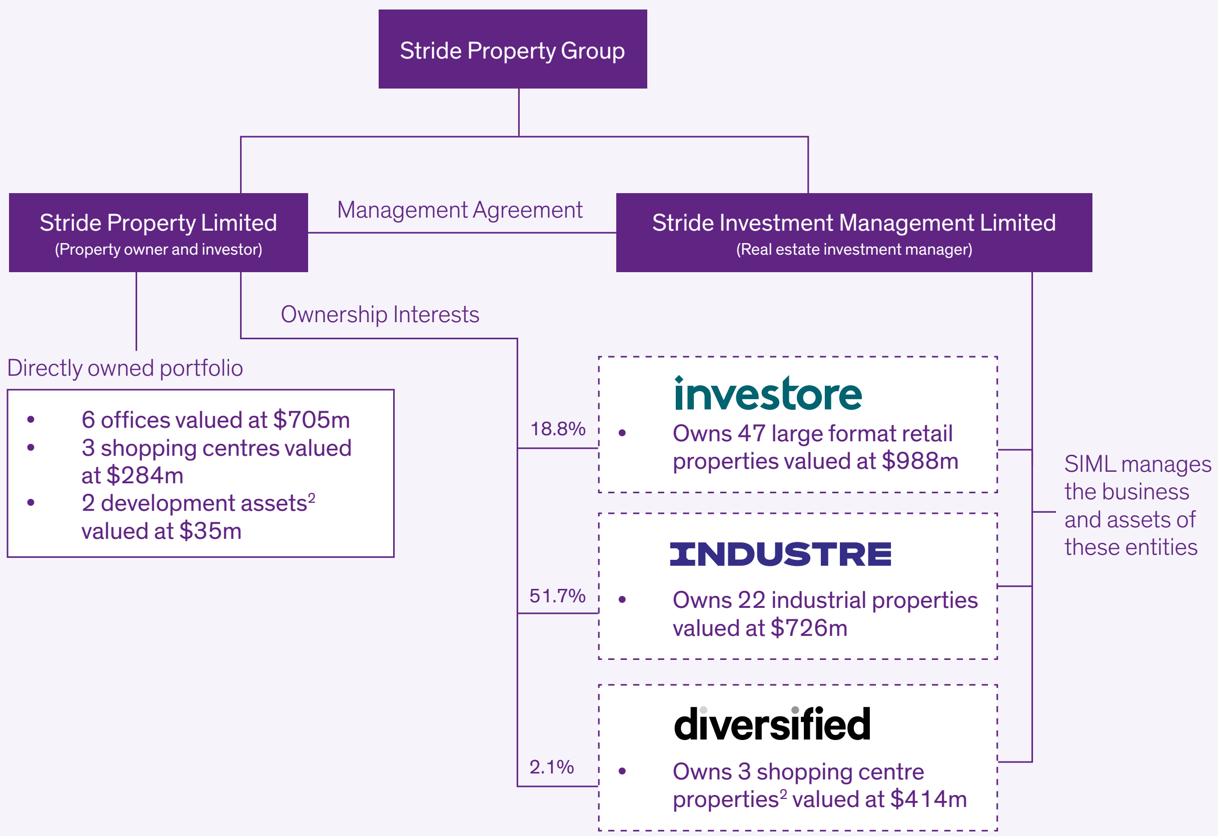
Completion of lobby and end of trip **refurbishment projects** forming part of the ongoing upgrade of the office property at 34 Shortland Street, Auckland. The next phase of the upgrade, involving heating and cooling efficiency upgrades, is expected to enable this building to achieve a minimum 4 star NABERSNZ rating.

Products

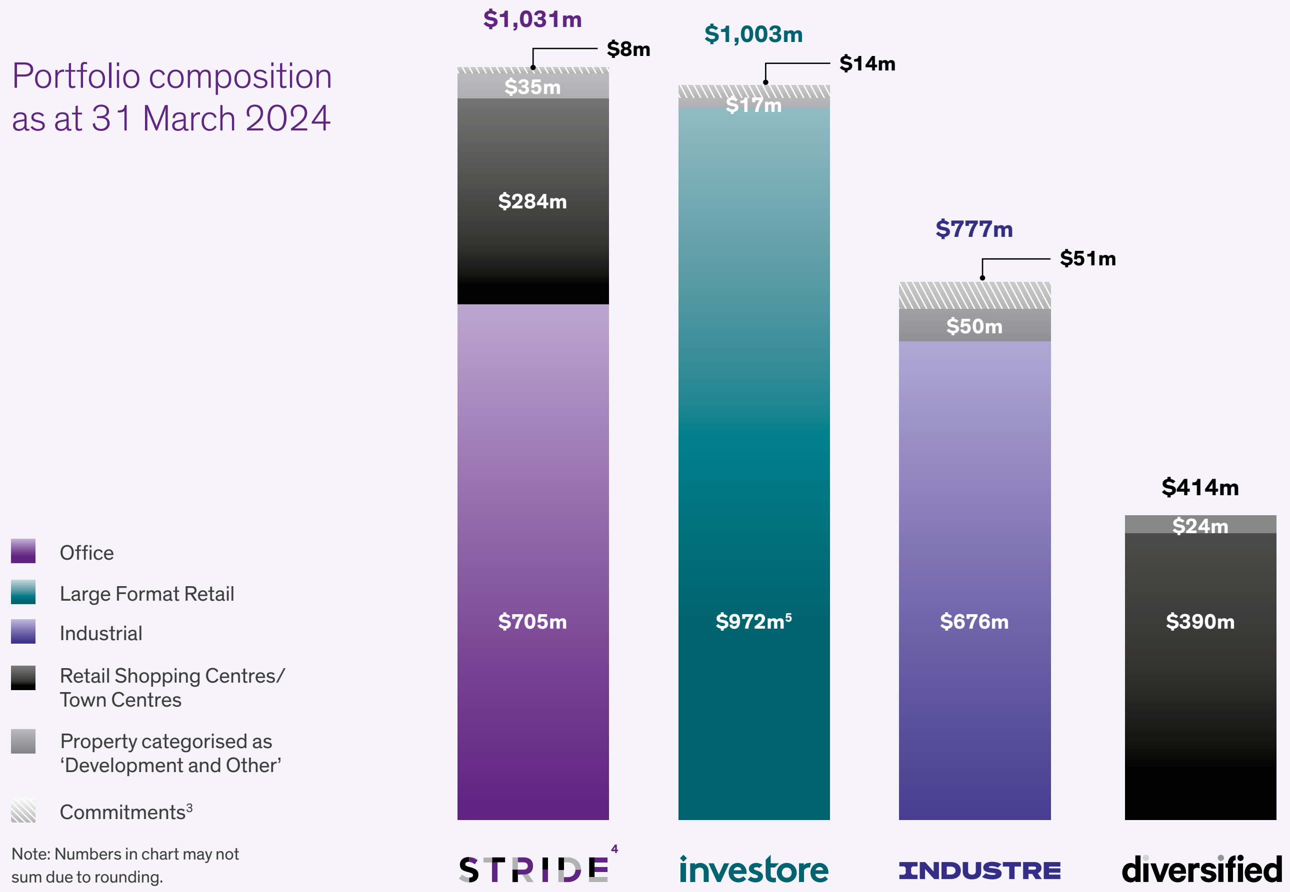
SIML manages a group of entities that invest in commercial property, which we call the Stride Products. The Stride Products comprise both listed and unlisted entities, providing diversification of opportunities in varying market conditions. Stride will continue to build portfolios of assets within SPL that could be used for the establishment of future Stride Products, when market and economic conditions are conducive.

STRIDE	**Stride is an NZX listed entity which comprises SPL and SIML. SPL is the property owning entity, directly owning a portfolio of office and town centre assets as well as an interest in each of the Stride Products. SIML is the manager of the Stride Products**
investore	**Investore is an NZX listed entity and owns a portfolio of large format retail properties**
INDUSTRE	**Industre is a joint venture between Stride and JPMAM[1] and owns a portfolio of industrial assets primarily located in the Auckland region**
diversified	**Diversified is a trust that is primarily owned by two Australian superannuation entities, with SPL owning 2.1%. Diversified owns shopping centre assets in New Zealand**

Stride structure as at 31 March 2024



Portfolio composition as at 31 March 2024



Note: Numbers in chart may not sum due to rounding.

SIML management platform as at 31 March 2024 (including development properties)

	Value of investment properties ($m)	Number of investment properties	SPL investment in Stride Products
STRIDE Office and town centre portfolio[4]	1,023.3	11[2]	100%
investore	988.2[5]	47	18.8%
INDUSTRE	726.0	22	51.7%
diversified	414.0	3[2]	2.1%

1. See glossary on page 138.
2. Includes Johnsonville Shopping Centre, which is owned 50:50 by SPL and Diversified.
3. Commitments include: (1) SPL: building upgrades at 34 Shortland Street, Auckland, and 215 Lambton Quay, Wellington (committed post balance date), and various capital expenditure commitments contracted for (refer note 3.4 to the consolidated financial statements); (2) IPL: various capital expenditure commitments; and (3) Industre: development of the property at 16A Wickham Street, Hamilton, and the purchase price of the property at 160 Higgins Road, Hamilton, which was committed to and settled post balance date.
4. Excludes: (1) SPL's 51.7% interest in the joint operation component of the Industre Property Joint Venture which is reported as part of the assets of SPL in the consolidated financial statements (refer note 3.2 to the consolidated financial statements); and (2) lease liabilities. Stride's office portfolio value includes: (1) the value of Stride's office at 34 Shortland Street, Auckland, which is shown in the consolidated financial statements as 'Property, plant and equipment'; and (2) the value of the rental guarantee receivable in relation to 110 Carlton Gore Road, Auckland.
5. Excludes lease liabilities.

SPL Look-Through Portfolio

As at 31 March 2024, SPL's commercial property interests comprise:

100%
ownership interest in office and town centre assets

51.7%
ownership interest in Industre's industrial portfolio

18.8%
ownership interest in Investore's large format retail portfolio

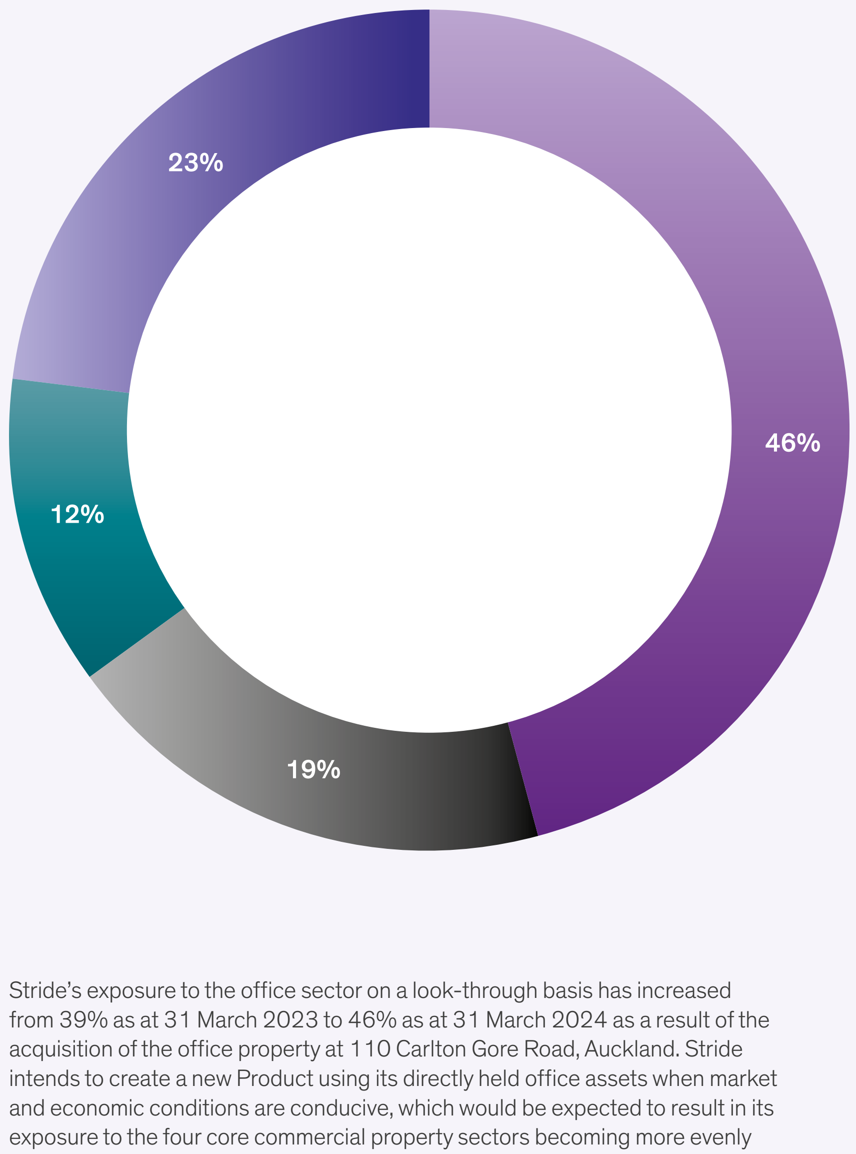
2.1%
ownership interest in Diversified's shopping centre assets

These interests provide SPL with a diversified portfolio[1] with strong metrics, while also ensuring alignment of interests between Stride and the Stride Products

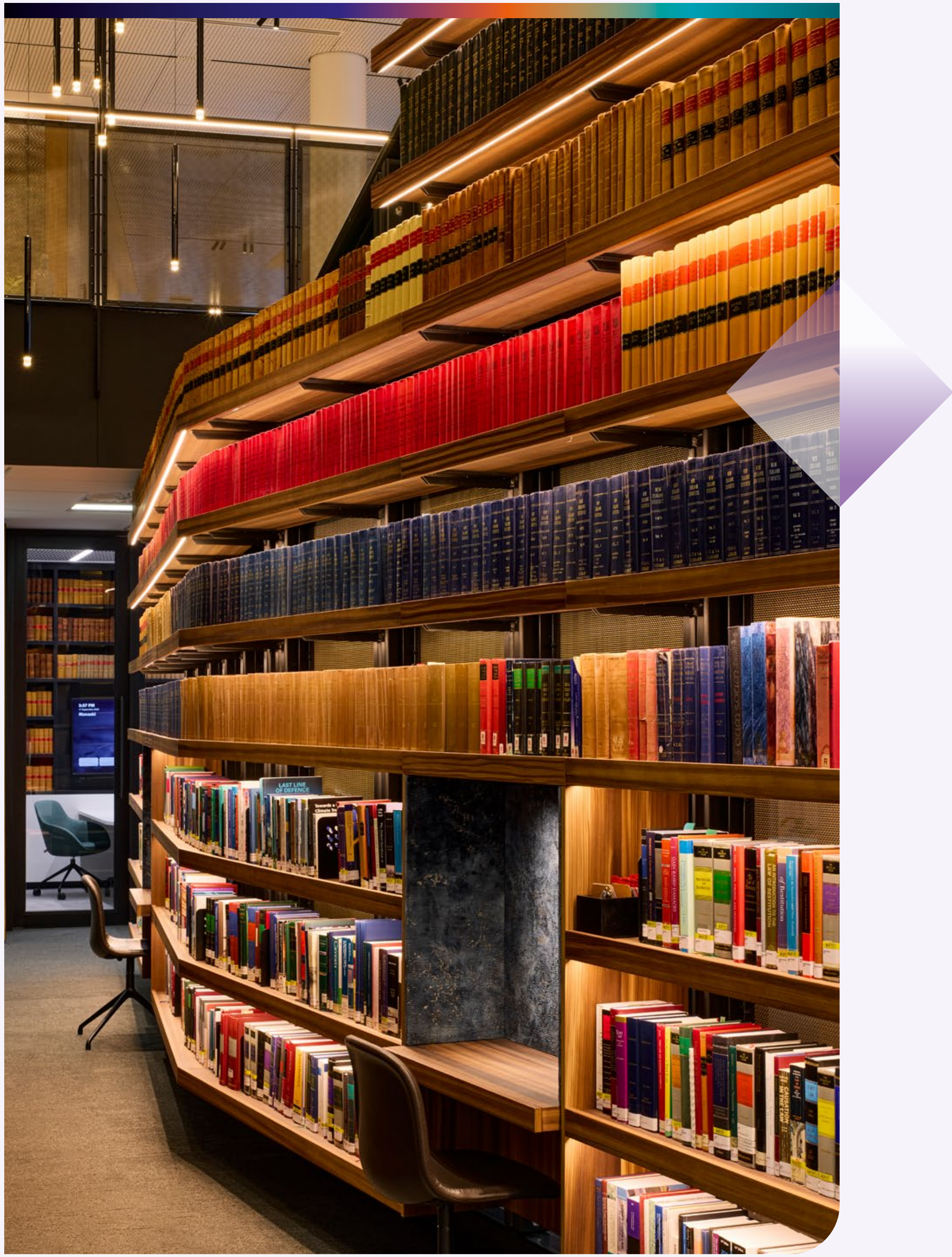
Look-through value[2] ($m)	1,529.2
Look-through WALT[3] (years)	6.8
Look-through occupancy (%)	97.2

1. All metrics relate to the stabilised investment portfolio, and exclude properties categorised as 'Development and Other' in the respective financial statements.
2. Excludes lease liabilities. Includes the value of Stride's office at 34 Shortland Street, Auckland, which is shown in the consolidated financial statements as 'Property, plant and equipment', and the value of the rental guarantee receivable in relation to 110 Carlton Gore Road, Auckland.
3. See glossary on page 138.
4. Excludes committed acquisitions and developments, and lease liabilities.

SPL's weighted look-through portfolio[1,4] as at 31 March 2024



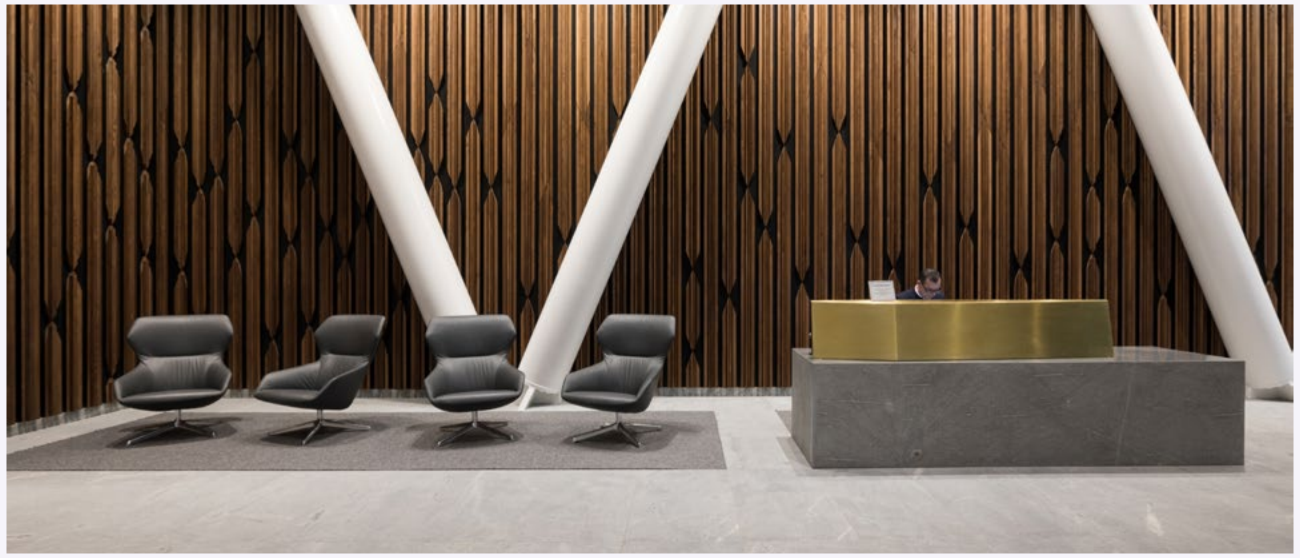
Stride's exposure to the office sector on a look-through basis has increased from 39% as at 31 March 2023 to 46% as at 31 March 2024 as a result of the acquisition of the office property at 110 Carlton Gore Road, Auckland. Stride intends to create a new Product using its directly held office assets when market and economic conditions are conducive, which would be expected to result in its exposure to the four core commercial property sectors becoming more evenly balanced over time.



SPL Portfolio

SPL's directly held portfolio[1] comprises office and town centre properties with enduring demand

	31 March 2024	31 March 2023[2]
Properties (no.)	9	8
Tenants (no.)	230	233
Net Lettable Area (sqm)	131,213	117,063
Net Contract Rental[3] ($m)	61.9	51.9
WALT[3] (years)	5.9	5.5
Occupancy Rate[4] (% by area)	96.0	97.3
Weighted Average Age[5] (years)	11.1	12.0
Weighted Average Capitalisation Rate (%)	6.3	6.2
Portfolio Value[6] ($m)	988.0[7]	846.6



1. Excludes: (1) SPL's 51.7% interest in the joint operation component of the Industre Property Joint Venture which is reported as part of the assets of SPL in the consolidated financial statements (refer note 3.2 to the consolidated financial statements); and (2) properties categorised as 'Development and Other' in the consolidated financial statements.
2. Excludes properties categorised as 'Assets classified as held for sale' in Stride's FY23 consolidated financial statements.
3. See glossary on page 138.
4. Occupancy has been calculated including casual licences with an initial term greater than three months, and excluding units held for committed redevelopment or remix works.
5. Property age measured since construction or last major refurbishment.
6. Excludes lease liabilities. Includes the value of Stride's office at 34 Shortland Street, Auckland, which is shown in the consolidated financial statements as 'Property, plant and equipment'.
7. Includes the value of the rental guarantee receivable in relation to 110 Carlton Gore Road, Auckland.

Office

SPL has continued to transform its office portfolio[1] to meet market demand for high quality, sustainable buildings

During FY24 SPL completed the acquisition of the new, 6 Green Star Design rated office property at 110 Carlton Gore Road, Auckland, while also progressing a number of upgrade works at its property at 34 Shortland Street, Auckland, as described on pages 28 and 29 of this report.

FY24 also saw the sale of the property at 22 The Terrace, Wellington, which Stride had redeveloped, upgrading it into a 5 Green Star rated building, with the building being awarded a Green Building Excellence Award at the 2022 New Zealand Property Industry Awards, and an Excellence in Sustainability Award at the 2021 Wellington Property People Awards.

Stride is developing expertise in taking older buildings, such as 22 The Terrace and 34 Shortland Street and transforming them into more modern, high quality, energy efficient and sustainable buildings. We believe this expertise will be valuable given the need to transition to a low carbon future.

As at 31 March 2024:

92% of the office portfolio by value is green rated[2], with 73% by value rated 5 Green Star or higher

83% of the office portfolio by value are Prime or A grade assets

51% of the office portfolio by value is located in Auckland, with the remainder in Wellington

SPL has continued to see strong rental growth in its office portfolio during FY24, with 42 rent reviews and renewals completed across 36,000 sqm, resulting in a 4.4% increase on prior rentals.

Post balance date, an anchor tenant at SPL's Prime grade quality office building at 20 Customhouse Quay, Wellington, has elected to exercise a renewal right early, extending the current lease term to 2039. This is a positive statement of intention from a material tenant at this location, and has a significant impact on the WALT[3] for the office portfolio, taking WALT on a pro forma basis as at 31 March 2024, to 7.4 years.

Net market rental for SPL's office portfolio also moved favourably during the period, increasing by 2.2% across the office portfolio from 31 March 2023, partly offsetting the capitalisation rate movement of +26 basis points. This resulted in a net reduction in fair value for the whole office portfolio[4] of $(61.0) million or (7.8)% from 31 March 2023.

Key investment portfolio[1] metrics

	31 March 2024	31 March 2023[5]
Properties (no.)	6	5
Tenants (no.)	72	73
Net Lettable Area (sqm)	72,538	58,384
Net Contract Rental[3] ($m)	41.1	31.4
WALT[3] (years)	6.9	6.2
Occupancy Rate (% by area)	94.6	95.4
Weighted Average Capitalisation Rate (%)	5.9	5.7
Portfolio Value[6] ($m)	704.5[7]	553.1

1. Unless otherwise stated, all metrics relate to the SPL office portfolio as set out in note 3.2 to the consolidated financial statements, and exclude properties categorised as 'Development and Other' in the consolidated financial statements.
2. Green rated buildings for SPL's office properties comprise buildings that have a NABERSNZ rating or Green Star (Design and/or As Built) rating.
3. See glossary on page 138.
4. Includes 55 Lady Elizabeth Lane, Wellington, which is classified as 'Development and Other' in the consolidated financial statements.
5. Excludes properties categorised as 'Assets classified as held for sale' in the FY23 consolidated financial statements.
6. Includes the value of Stride's office at 34 Shortland Street, Auckland, which is shown in the consolidated financial statements as 'Property, plant and equipment'.
7. Includes the value of the rental guarantee receivable in relation to 110 Carlton Gore Road, Auckland.

Transforming 34 Shortland Street

Lobby redeveloped into a bright and welcoming space, regenerating the building entrance and providing a high quality place for people to gather

End of trip facilities installed, providing a modern, convenient and comfortable changing space for workers, encouraging more active modes of transport

Thoroughfare from Fort Street to Shortland Street refurbished, including installation of new, efficient escalators

Renovation of on-floor lift lobbies continues, together with floor refurbishments to create modern, high quality turnkey fitouts

Upgrade of mechanical systems to improve the energy efficiency of the building in progress, targeting a minimum 4 star NABERSNZ rating upon completion

Seismic strengthening completed, taking the building to 100% NBS

SPL acquired the office building at 34 Shortland Street, Auckland, in 2020, and since that time has undertaken a number of improvements to ensure that the building continues to have enduring demand. Net market rentals for this property increased 15% since September 2022, which was prior to works commencing.

This property still has gas boilers, and SPL plans to upgrade these boilers over the coming years. Once this work has been completed, 34 Shortland Street will have been transformed into a high quality, energy efficient property, demonstrating the improvements that can be made to an older building while still retaining the structure.

Town Centres

SPL's town centre portfolio[1] continues to benefit from strong growth in the catchment areas of the centres, with moving annual turnover increasing, contributing to higher rents across the portfolio

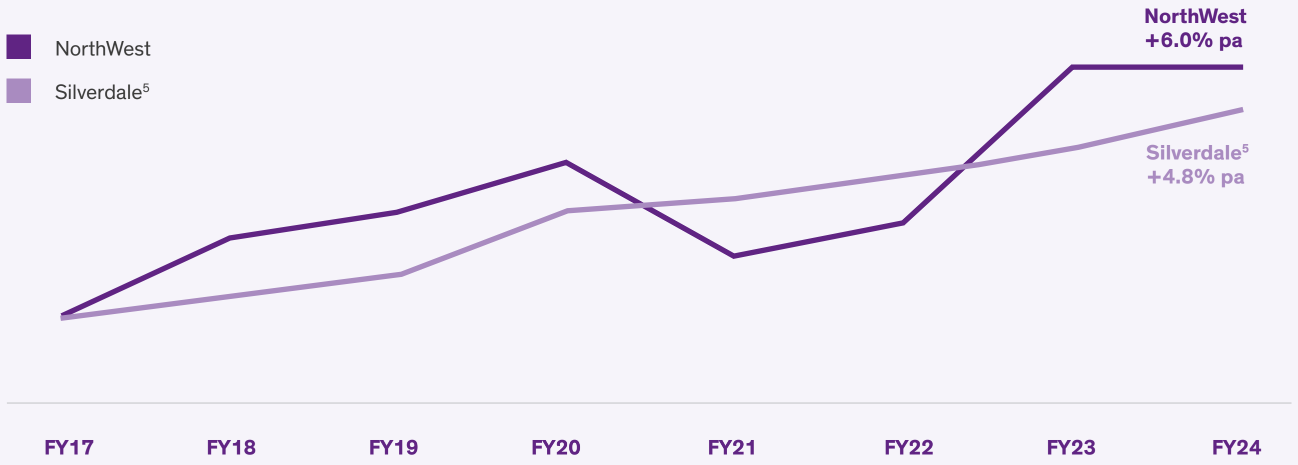
SPL's town centre assets are located at NorthWest and Silverdale, both Auckland suburbs which are growing strongly, and forecast to have continued growth.

There have been 27,978 residential building consents issued in the NorthWest catchment between 2020 and 2023[2]. The population in the NorthWest primary catchment area is forecast[2] to increase by 133% between 2018 and 2048, delivering strong demand for the NorthWest town centre. Moreover, the growing population has average household spending per capita 8% higher than the Auckland average[2].

The Silverdale area is similarly demonstrating strong growth, with 6,899 residential building consents issued between 2020 and 2023[3], and the Silverdale primary catchment population forecast[3] to increase by 44% between 2018 and 2048. As with the NorthWest catchment, the Silverdale catchment shows strong spending trends, with average household spending per capita 11% higher than the Auckland average[3].

Across the SPL town centres, specialty moving annual turnover[4] (MAT) was up 2.9% in the 12 months to 31 March 2024. Both NorthWest town centre and Silverdale Centre have delivered strong growth since FY17, with NorthWest town centre delivering average moving annual turnover or MAT[4] growth of 6.0% per annum since FY17, while Silverdale Centre[5] has delivered average MAT growth of 4.8% per annum over the same period – a period that includes the years affected by Covid-19.

SPL MAT[4] growth since 2017



1. Unless otherwise stated, all metrics relate to the SPL town centre portfolio as set out in note 3.2 to the consolidated financial statements, and exclude SPL's 50% interest in Johnsonville Shopping Centre, which is classified as 'Development and Other' in the consolidated financial statements.
2. Retail Catchment Analysis NorthWest Shopping Centre, prepared by Colliers for Stride and dated November 2023.
3. Retail Catchment Analysis Silverdale Centre, prepared by Colliers for Stride and dated November 2023.
4. See glossary on page 138.
5. Sales data is not collected for all tenants at Silverdale Centre as not all tenants are obliged to provide this information under the terms of their lease.
6. Includes SPL's 50% interest in Johnsonville Shopping Centre, which is owned 50:50 by SPL and Diversified and is classified as 'Development and Other' in the consolidated financial statements.
7. Occupancy has been calculated including casual licences with an initial term greater than three months, and excluding units held for committed redevelopment or remix works.
8. Excludes lease liabilities.

The SPL town centres have also seen strong rent reviews as a result of this sales performance, with 124 rent reviews and renewals completed across the portfolio during FY24, delivering a 5.8% increase on prior rentals, primarily driven by CPI-linked rent reviews.

While we have seen an increase in council rates and insurance during FY24, SIML's management of costs, together with increased sales, has resulted in specialty gross occupancy cost[4] across the portfolio remaining steady at 11.0% of store sales for FY24.

Market rents have remained stable over FY24, increasing 0.6% across the town centre portfolio, which have partially offset a 33 basis point increase in capitalisation rates, largely as a result of the higher interest rate environment. This has led to a total portfolio[6] net valuation movement of $(11.3)m or (3.5)% over the 12 months to 31 March 2024.

Key investment portfolio[1] metrics

	31 March 2024	31 March 2023
Properties (no.)	3	3
Tenants (no.)	158	160
Net Lettable Area (sqm)	58,675	58,679
Net Contract Rental[4] ($m)	20.7	20.5
WALT[4] (years)	3.8	4.5
Occupancy Rate[7] (% by area)	97.8	99.2
Weighted Average Capitalisation Rate (%)	7.3	7.0
Portfolio Value[8] ($m)	283.5	293.5

investore

Investore's investment portfolio of large format retail properties continued to deliver resilient operating earnings during FY24. The value of the portfolio continues to be impacted by a higher interest rate environment placing upwards pressure on property capitalisation rates

$61.2m

net rental income

Up $1.0m from FY23

$(67.1)m

loss after income tax

Compared to a loss after income tax of $(150.2)m for FY23

$31.0m

distributable profit[1] after current income tax

In line with FY23 at $31.0m

The Investore portfolio is valued[2] at $1.0bn as at 31 March 2024, representing a net valuation decrease of $(98.7)m or (9.1)% from 31 March 2023. This decrease is primarily due to the sustained high interest rate environment which has resulted in the average portfolio[3] capitalisation rate increasing to 6.37%, up 67 basis points from 31 March 2023.

Investore has continued to implement its core strategic pillars of targeted growth, portfolio optimisation and active portfolio management during FY24 to strengthen and enhance the Investore portfolio through the following initiatives:

Completion of the development of the 5 Green Star Design rated Woolworths Waimakariri Junction, on time and within budget at a cost of $26.1m (including land)

Agreement with Woolworths to fund the expansion of the online fulfilment facilities at Woolworths Greenlane, including an online room and eight new drive-through pick up bays, delivering a 7.5% per annum return on cost over the life of the lease

SIML, on behalf of Investore, completed 65 rent reviews across the portfolio, representing more than 96,000 sqm, delivering a rental increase of 3.1% on prior rentals

Portfolio[3] overview

Investore's portfolio comprises 45 large format retail properties, from standalone supermarkets to large format retail centres, with a high concentration of nationally recognised brands and tenants that provide 'everyday needs'.

45 properties

144 tenants

7.4 years weighted average lease term

99.1% portfolio occupancy by area, rising to 99.4% including leases agreed post balance date

78% of leases by Contract Rental[4] expiring in FY30 and beyond

43% of portfolio by value has a green rating[5]

1. 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/(loss) before income tax, is set out in note 3.2 to Investore's consolidated financial statements.
2. Excludes lease liabilities. Includes all properties in Investore's portfolio, including assets classified as 'Development and Other' in Investore's consolidated financial statements.
3. Unless otherwise stated, all metrics exclude properties categorised as 'Development and Other' in note 2.2 to the Investore consolidated financial statements.
4. See glossary on page 138.
5. 16 properties have a Green Star Performance rating and one property has a Green Star Design rating.
6. Vacant tenancies with current or pending development works are excluded from occupancy statistics. As at 31 March 2023, metric excluded 2,947 sqm at Bay Central Shopping Centre, Tauranga.

Key investment portfolio[3] metrics

	31 March 2024	31 March 2023
Properties (no.)	45	44
Tenants (no.)	144	143
Net Lettable Area (sqm)	255,898	249,906
Net Contract Rental[4] ($m)	63.7	61.8
WALT[4] (years)	7.4	8.1
Occupancy Rate (% by area)	99.1	99.5[6]
Weighted Average Capitalisation Rate (%)	6.4	5.7
Portfolio Value[2] ($m)	971.9	1033.2

investore

Capital management

Investore remains committed to a proactive approach to capital management, which, during FY24, included the adoption of a dividend reinvestment plan, and the revision of its dividend policy to balance income returns for investors while retaining additional capital to improve balance sheet resilience.

88% debt hedged or subject to a fixed rate of interest as at 31 March 2024

4.3% weighted average cost of debt as at 31 March 2024

40.8% loan to value ratio[1] as at 31 March 2024, up from 36.5% as at 31 March 2023 primarily due to a net investment property devaluation

$8.2m cash retained as a result of the adoption of the dividend reinvestment plan and reduction in dividend guidance[2]

2.1 years weighted average maturity of debt facilities as at 31 March 2024

Investore's fixed rate bond IPL010 was repaid post balance date using $100m of new bank debt. Post the maturity of this bond, Investore now has no debt maturing until FY26

1. LVR is calculated based on independent valuations, which exclude lease liabilities, and excludes 507 Pakuranga Road, Development asset (see note 2.2 to the Investore consolidated financial statements).
2. Reflects dividends reinvested for Q1 to Q3 of FY24 under the dividend reinvestment plan, and the reduced dividend for Q3 of FY24.

Sustainable development – Woolworths Waimakariri Junction

Investore targets all new developments to achieve a 5 Green Star rating. Consistent with this commitment, SIML was proud to have delivered a new Woolworths supermarket at Waimakariri Junction for Investore during FY24. This development was a collaboration between Investore and Woolworths New Zealand, with a number of sustainability initiatives implemented to achieve a 5 Green Star Design rating, which equates to a standard of "New Zealand excellence". SIML and Investore expect this building to achieve a 5 Green Star As Built rating, currently in progress.

Sustainable construction

- Utilisation of low carbon concrete and low embodied carbon materials where appropriate
- 82% of waste by weight diverted from landfill during construction through demolition and construction waste being reused, recycled or aided by low waste prefabrication

Operational efficiency

- 480 sqm of solar panels installed on the roof
- Energy efficient refrigeration systems with low global warming potential used to cool produce
- Heat generated from store fridges is recycled to regulate the overall store temperature
- Thermal insulation and double glazing installed to reduce heat loss and gain
- 100% low energy LED lighting installed
- Reduction of typical water consumption (when compared to a reference building) through the installation of low water use plumbing fittings

Benefits to people

- Durable, low toxicity materials used throughout the development where appropriate, including adhesives, paints, sealants, carpets, ceiling tiles, and composite timber board products
- Electric vehicle chargers installed for customer convenience
- 16% of parking spaces reserved for fuel-efficient vehicles
- End of trip facilities installed, including designated bicycle parking for staff and customer bicycle storage facilities to encourage cycling to the store

INDUSTRE

Industre has continued its focus on new developments and acquisitions, and continues to see strong growth in rentals across its portfolio[1] of industrial properties

During FY24, SIML, on behalf of Industre, completed the development of a new industrial building at 34 Airpark Drive, Auckland. This development, now tenanted by DHL on a 10 year lease (which also tenants the neighbouring Industre property at 30 Airpark Drive), incorporates a number of sustainability initiatives, targeted to achieve a 5 Green Star As Built rating (currently in progress). This project delivered a development margin of 15% on completion.

Industre has also agreed to construct a new development at its property at 16A Wickham Street, Hamilton. On completion, the property will be leased to an existing Industre tenant for a 15 year term. This new development ensures that Industre retains its valuable tenant, as its existing premises no longer suit the tenant's needs.

The total cost of the new development is expected to be approximately $31m (excluding land), and will provide a yield on cost of between 6.0% and 6.75% (including land), depending on final scope and metrics. The development is expected to be complete in the second half of FY26. SIML will manage the development of the new facility on behalf of Industre. Consistent with previous growth activity, JPMAM[2] have agreed to fund the equity required for this development.

Post balance date, Industre has acquired 7.9 hectares of land at Hamilton, which it has agreed to lease back to the vendor for clean fill operations for a 5 year term. This property provides future development opportunities for Industre, consistent with its strategy of targeted acquisitions providing development opportunities.

Industre's approach is to identify properties with underutilised sites in preferred locations, and where the existing assets provide short term income until the asset can be redeveloped. Industre, through its manager, SIML, then redevelops these sites, often in collaboration with tenants, to provide investors with prime industrial assets with enduring tenant demand and enhanced returns.

During FY24 Industre also sold two properties, at 22 Ha Crescent and 15 Ride Way, both in Auckland, at an aggregate sale price of $43.5m, 10% above the combined book value for the assets, evidencing the strong Auckland industrial market. Industre was able to make a distribution to SPL and JPMAM as a result of the sale of these properties.

In addition to the development activity in the portfolio, SIML has also concluded a number of rent reviews and renewals, with rent reviews across the Industre portfolio delivering an increase of 3.9% on prior rentals, while renewals have delivered an increase of 23.5% on prior rentals.

Net market rental for the Industre portfolio has increased by 6.7% over the 12 months to 31 March 2024. These market rental movements have resulted in the Industre portfolio having a potential reversion to market[3] of +18.8%. With 28.9% of Contract Rental[2] subject to market review or expiry over FY25 and FY26, this provides the potential for Industre to capture these higher market rents.

Higher market rents across the industrial portfolio offset some of the capitalisation rate movement, resulting in a total portfolio[4] net valuation movement for the 12 months to 31 March 2024 of $(29.0)m or (3.8)%.

Key investment portfolio[1] metrics

	31 March 2024	31 March 2023
Properties (no.)	19	19
Tenants (no.)	53	70
Net Lettable Area (sqm)	181,528	185,049
Net Contract Rental[2] ($m)	33.7	33.3
WALT[2] (years)	10.0	9.7
Occupancy Rate (% by area)	97.8	99.9
Weighted Average Capitalisation Rate (%)	5.8	5.2
Portfolio Value ($m)	676.4	715.9

1. Unless otherwise stated, all metrics refer to Industre's portfolio of investment assets and exclude properties categorised as 'Development and Other' in Industre's financial statements.
2. See glossary on page 138.
3. Based on Industre's valuation reports as at 31 March 2024 and comparing passing rent to market rent on a face rental basis.
4. Includes properties categorised as 'Development and Other' in Industre's financial statements.

INDUSTRE

34 Airpark Drive – Sustainable development

SIML is proud to have managed the development of a new industrial property at 34 Airpark Drive, Auckland, for Industre. This new development incorporates a number of sustainability initiatives, consistent with the sustainability objectives of Stride and Industre.

Solar panel array installed, delivering on-site renewable generation

Rainwater harvesting facilities provide a water reuse system for toilets and irrigation

Energy, water metering and building management system installed to enable accurate monitoring of energy efficiency

Dedicated carparks provided for electric vehicles and low emission vehicles, together with electric vehicle chargers

End of trip amenities installed, encouraging active forms of transport for workers

Reduction of whole-of-life embodied carbon of 48% compared to a reference industrial building

82% of construction waste by weight diverted from landfill

Targeting 5 Green Star As Built rating (in progress)

Financial Information

Summarised statement of financial position as at 31 March 2024 ($000)

	Industre			SPL's interests		
	Joint Venture 2024	**Joint Operations 2024**	**Total 2024**	**Joint Venture 2024**	**Joint Operations 2024**	**Total 2024**
Assets						
Current assets	7,759	1,120	8,879	**4,014**	**579**	**4,593**
Investment properties	438,315	287,650	725,965	**226,768**	**148,819**	**375,587**
Other non-current assets	81,005	-	81,005	**41,910**	**-**	**41,910**
Total assets	527,079	288,770	815,849	**272,692**	**149,398**	**422,090**
Liabilities						
Current liabilities	(3,906)	(482)	(4,388)	**(2,021)**	**(250)**	**(2,271)**
Borrowings	(273,496)	(77,888)	(351,384)	**(141,497)**	**(40,297)**	**(181,794)**
Other non-current liabilities	(1,227)	-	(1,227)	**(635)**	**-**	**(635)**
Total liabilities	(278,629)	(78,370)	(356,999)	**(144,153)**	**(40,547)**	**(184,700)**
Net assets	248,450	210,400	458,850	**128,539**	**108,851**	**237,390**

Summarised statement of comprehensive income for the year ended 31 March 2024 ($000)

	Industre			SPL's interests		
	Joint Venture 2024	**Joint Operations 2024**	**Total 2024**	**Joint Venture 2024**	**Joint Operations 2024**	**Total 2024**
Income	23,549	15,760	39,309	**12,177**	**8,154**	**20,331**
Expenses	(18,656)	(8,669)	(27,325)	**(9,646)**	**(4,485)**	**(14,131)**
Other income/(expense)*	(26,375)	(2,640)	(29,015)	**(13,645)**	**(1,366)**	**(15,011)**
Net loss	(21,482)	4,451	(17,031)	**(11,114)**	**2,303**	**(8,811)**

Numbers may not sum due to rounding.
*Includes gain on disposal of investment properties and net change in fair value of investment properties.
For further information refer to note 7.0 to the consolidated financial statements.

diversified

Diversified's shopping centre portfolio[1] saw strong sales growth through the early part of FY24, although this has weakened towards the end of the financial year, which is starting to impact tenant demand. However, we continue to see demand for space from Australian-based retailers, and the leisure apparel category remains strong, with a number of retailers seeking additional or larger stores

The strong sales growth in the early part of the financial year has resulted in specialty moving annual turnover or MAT[2] increasing during FY24, up 3.4% on FY23.

Sales growth influenced rental activity across the Diversified portfolio[1], with 113 rent reviews across 35,000 sqm of the portfolio delivering an increase of 5.9% on prior rentals.

New lettings and renewals drove an improvement in the WALT[2] for the Diversified portfolio, from 2.9 years as at 31 March 2023, to 3.0 years as at 31 March 2024. Lease renewals during FY24 included a number of key tenants, such as H&M, BNZ, ASB and Westpac.

SIML's focus on cost management, together with higher sales, has resulted in specialty gross occupancy cost[2] for the portfolio remaining constant at 12.9% for FY24.

The portfolio has also seen improved market rents, up 4.2% from 31 March 2023, which has partially offset a slight softening in capitalisation rates (+25 basis points), resulting in a total portfolio[3] net valuation movement of (0.4)% over the 12 months to 31 March 2024.

Key investment portfolio[1] metrics

	31 March 2024	31 March 2023[4]
Properties (no.)	2	2
Tenants (no.)	243	233
Net Lettable Area (sqm)	85,713	84,424
Net Contract Rental[2] ($m)	34.1	32.3
WALT[2] (years)	3.0	2.9
Occupancy Rate[5] (% by area)	96.6	97.5
Weighted Average Capitalisation Rate (%)	8.1	7.8
Portfolio Value ($m)	390.0	387.0

1. Unless otherwise stated, all metrics refer to Diversified's portfolio of investment assets and exclude properties categorised as 'Development and Other' in the Diversified financial statements.
2. See glossary on page 138.
3. Includes Diversified's 50% interest in Johnsonville Shopping Centre, which is owned 50:50 by SPL and Diversified, and categorised as 'Development and Other' in the Diversified financial statements.
4. Excludes properties categorised as 'Investment properties classified as held for sale' in the Diversified FY23 financial statements.
5. Occupancy has been calculated including casual licences with an initial term greater than three months, and excluding units held for committed redevelopment or remix works.

Capital Management

SPL has continued to take a prudent approach to capital management given the current higher interest rate environment. This careful approach has enabled SPL to maintain its LVR[1] largely in line with 31 March 2023 on a committed basis

SPL's bank LVR[1] as at 31 March 2024 is 36.7% or 37.2% on a committed[2] basis, in line with 31 March 2023, when the LVR was 36.4% or 37-38% on a committed basis. This LVR reflects only SPL's directly held office and town centre properties, and does not take into account SPL's interests in the Stride Products. Taking into account SPL's investments in the Stride Products, SPL's committed[3] gearing is 28.1% on a balance sheet basis[4] or 37.8% on a look-through basis[5].

SPL has benefited from a number of initiatives during FY24 to manage its LVR, including:

Continued operation of the dividend reinvestment plan, with an average participation rate of 45%, resulting in $20m being reinvested during FY24

Receipt of a distribution from Industre of $15m, following the sale of two properties by Industre, demonstrating Stride's sources of liquidity over and above its directly held property portfolio

Sale of the office property at 22 The Terrace, Wellington

	31 March 2024	31 March 2023
Banking Facility Limit ($m)	460	525
Debt Facilities Drawn ($m)	375	402
Weighted Average Debt Maturity (years)	3.1	2.3
Weighted Average Cost of Debt (%)	4.22	3.96
Percentage of Drawn Debt Hedged (%)	75	80
LVR[1] (%) (Covenant: ≤ 50%)	36.7	36.4
Interest Cover Ratio (Covenant: ≥2.125×)	3.4×	3.6×
Weighted Average Lease Term[6] (years) (Covenant: >3.0 years)	5.5	4.9

Debt maturity profile

During FY24 SPL refinanced its bank debt facilities and reduced total facility size by $65m as part of its cost management initiatives. Following this refinancing, SPL now has no debt expiring until FY27 and a weighted average maturity of debt facilities of 3.1 years.

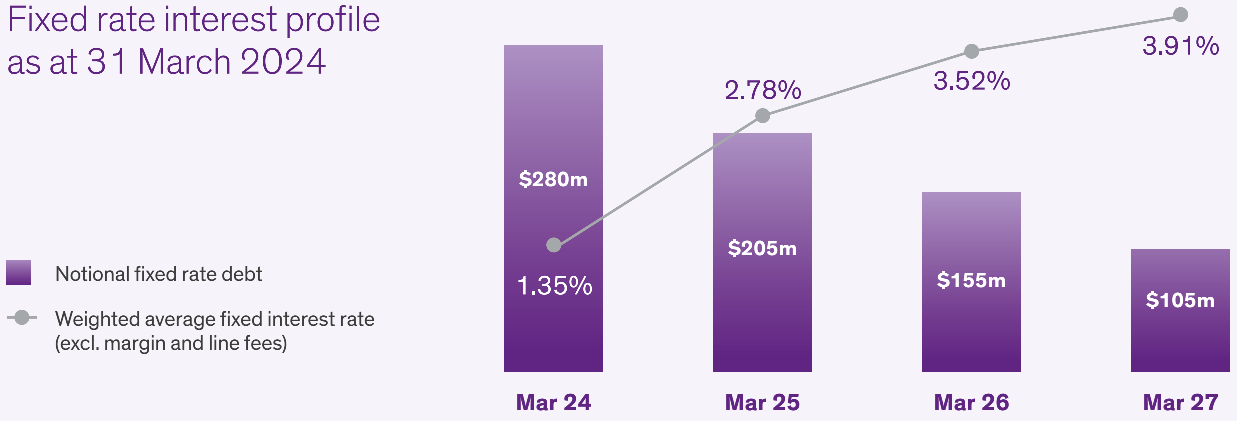
Debt maturity profile as at 31 March 2024

Interest rate management

SPL takes an active approach to interest rate management, given the risks and uncertainty of the current higher interest rate environment. As at 31 March 2024, SPL had $280m of active interest rate swaps, representing 75% of drawn debt.

SPL's weighted average cost of debt is 4.22% as at 31 March 2024, an increase of only 26 basis points over FY24, compared to a 75 basis point increase in the Official Cash Rate over this time, as a result of SPL's strong hedging position and cancellation of excess bank debt facility.

Fixed rate interest profile as at 31 March 2024



1. Calculated as bank debt as a percentage of the value of investment property for mortgage security purposes. Includes: (1) SPL's office and retail properties; and (2) debt associated with these properties; and excludes SPL's interest in the Industre joint operation and associated bank debt which are reported as part of the assets and liabilities of SPL (refer note 7.3 to the consolidated financial statements for further information).
2. Commitments include: (1) building upgrades at 34 Shortland Street, Auckland, and 215 Lambton Quay, Wellington (committed post balance date); and (2) various capital expenditure commitments contracted for (refer note 3.4 to the consolidated financial statements).
3. Commitments include: SPL: (1) building upgrades at 34 Shortland Street, Auckland, and 215 Lambton Quay, Wellington (committed post balance date); and (2) various capital expenditure commitments contracted for (refer note 3.4 to the consolidated financial statements); IPL: (1) various capital expenditure commitments; and (2) the reduced FY24 Q4 dividend; Industre: (1) development of the property at 16A Wickham Street, Hamilton; (2) the purchase price of the property at 160 Higgins Road, Hamilton, committed post balance date; and (3) the equity contribution from JPMAM (see glossary) associated with these transactions.
4. Balance sheet LVR includes SPL's office and town centre properties as well as the value of SPL's interests in each of the Stride Products, and SPL's direct debt.
5. Look-through LVR includes SPL's directly held property and debt, as well as its proportionate share of the property and debt of each of the Stride Products.
6. 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.
7. Green loan facilities are made in accordance with the Green Finance Framework of Fabric Property Limited (Fabric, a wholly owned subsidiary of SPL), which requires that the value of Fabric's green assets (defined as properties rated at least 4 star NABERSNZ or 5 Green Star) exceeds the value of Fabric's green loans. The Framework complies with the Green Loan Principles (2023) published by the Asia Pacific Loan Market Association, the Loan Market Association and the Loan Syndication and Trading Association.

Five Year Financial Summary

The five year financial summary table reflects the numbers in the consolidated financial statements for each respective year

On 1 July 2020, Industre commenced operations. Industre is a joint arrangement between SPL and a group of international institutional investors, through a special purpose vehicle, advised by J.P. Morgan Asset Management (JPMAM). As at 31 March 2024, SPL held a 51.7% interest in Industre (2023: 51.7%).

The accounting for the arrangements by SPL is a combination of a joint operation (proportionate share of assets, liabilities, revenue and expenses) and joint venture (equity accounted). Only JPMAM's special purpose vehicle's participating interest was treated as discontinued in respect of the joint operation as SPL retained a partial direct ownership interest in the properties. All of the financial performance and cash flows pertaining to the properties that were transferred to the Industre joint venture were treated as discontinued. The financial performance for the discontinued operations are for the period ended 30 June 2020 (2021 column) and the year ended 31 March 2020 (2020 column) and have been presented as "(Loss)/profit from discontinued operations".

Five Year Financial Summary	2024 ($m)	2023 ($m)	2022 ($m)	2021 ($m)	2020 ($m)
Net rental income[1]	**72.3**	71.1	65.8	50.7	50.4
Guarantee income	**2.4**	-	-	-	-
Management fee income[1]	**19.9**	23.3	24.3	24.2	18.3
Profit before net finance expenses, other (expense)/income and income tax from continuing operations	**70.6**	70.7	62.7	53.9	46.3
Net finance expenses	**(19.8)**	(17.1)	(16.1)	(13.4)	(16.5)
Profit before other (expense)/income and income tax from continuing operations	**50.8**	53.5	45.6	40.4	29.8
Other (expense)/income	**(102.8)**	(163.3)	78.1	100.9	(28.9)
(Loss)/profit before income tax from continuing operations	**(52.0)**	(109.7)	124.7	141.3	0.9
Income tax expense	**(4.1)**	(7.0)	(12.4)	(9.4)	(1.0)
(Loss)/profit after income tax from continuing operations	**(56.1)**	(116.7)	112.3	132.0	(0.1)
(Loss)/profit from discontinued operations	**-**	-	-	(0.1)	25.4
(Loss)/profit attributable to shareholders	**(56.1)**	(116.7)	112.3	131.9	25.3
Basic earnings per share - weighted from continuing and discontinued operations	**(10.22) cents**	(21.60) cents	22.70 cents	32.99 cents	6.93 cents
Distributable profit before current income tax[2]	**66.5**	68.1	62.6	52.4	47.7
Distributable profit after current income tax	**59.1**	57.6	54.2	46.3	37.7
Basic distributable profit after current income tax per share - weighted	**10.76 cents**	10.66 cents	10.95 cents	11.58 cents	10.32 cents
Property values[3]	**1,171.8**	1,254.1	1,244.6	1,050.5	996.1
Total assets	**1,458.5**	1,590.5	1,642.3	1,383.6	1,150.3
Bank debt drawn	**375.0**	402.4	305.5	261.0	386.2
Loan to value ratio[4]	**36.7%**	36.4%	28.7%	29.3%	39.1%
Total equity	**992.4**	1,075.7	1,231.1	1,017.8	698.2
NTA per share	**$1.78**	$1.98	$2.28	$2.15	$1.91
Adjusted NTA per share[5]	**$1.77**	$1.95	$2.25	$2.15	$1.93

1 2021 figure has been restated to eliminate the building management fees charged from SIML to SPL.
2 Distributable profit definition is outlined in the glossary, see page 138.
3 Excludes lease liabilities. Includes assets classified as held for sale and SPL's 51.7% interest in the joint operation component of the Industre joint arrangement. For more information, refer note 3.2 in the consolidated financial statements. Includes the value of Stride's offices located at 34 Shortland Street, Auckland, which is recognised in the consolidated financial statements as property, plant and equipment refer note 8.7.
4 Excludes lease liabilities and SPL's 51.7% interest in the joint operation component of the Industre joint arrangement. Includes assets classified as held for sale and the value of Stride's offices located at 34 Shortland Street, Auckland, which is recognised as property, plant and equipment in the consolidated financial statements, refer note 8.7.
5 Excludes after tax fair value of interest rate derivatives.

Financial Statements

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2024

	Notes	2024 $000	2023 $000
Gross rental income		98,857	94,600
Direct property operating expenses		(26,555)	(23,518)
Net rental income	3.1	72,302	71,082
Guarantee income		2,421	-
Management fee income		19,853	23,312
Less corporate expenses			
Corporate overhead expenses	8.2	(18,340)	(18,311)
Administration expenses	8.2	(5,634)	(5,424)
Total corporate expenses		(23,974)	(23,735)
Profit before net finance expense, other expense and income tax		70,602	70,659
Net finance expense	5.3	(19,771)	(17,116)
Profit before other expense and income tax		50,831	53,543
Other expense			
Net change in fair value of investment properties	3.2	(75,779)	(118,491)
Share of loss in equity-accounted investments	7.2	(23,676)	(42,392)
Loss on disposal of investment properties	1.9	(2,472)	(2,038)
Hedge ineffectiveness of cash flow hedges	5.2	(880)	(369)
Loss before income tax		(51,976)	(109,747)
Income tax expense	8.1	(4,148)	(7,000)
Loss after income tax attributable to shareholders		(56,124)	(116,747)
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss			
Deferred tax on share based payment expense		144	(391)
Movement in cash flow hedges, net of tax	5.6	(6,608)	2,752
Changes in cash flow hedge reserve in equity-accounted investments	7.2	(1,148)	751
Items that will not be reclassified to profit or loss			
Revaluation surplus/(deficit)	8.7	2,800	(700)
Total other comprehensive (loss)/income after tax		(4,812)	2,412
Total comprehensive loss after tax attributable to shareholders		(60,936)	(114,335)
Stride Property Limited (SPL) total comprehensive loss after tax attributable to shareholders		(67,965)	(123,156)
Stride Investment Management Limited (SIML) total comprehensive income after tax attributable to shareholders	5.5	7,029	8,821
Total comprehensive loss after tax attributable to shareholders		(60,936)	(114,335)
Earnings per share (EPS)	4.1		
Basic EPS (cents)		(10.22)	(21.60)
Diluted EPS (cents)		(10.22)	(21.60)

The attached notes form part of and are to be read in conjunction with these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

	Notes	Number of shares 000	Share capital $000	Retained earnings $000	Other reserves $000	Total $000
Balance at 31 Mar 23		543,321	863,309	192,279	20,149	1,075,737
Transactions with shareholders:						
Dividends reinvested/(paid)	4.3	14,888	19,509	(43,030)	-	(23,521)
Transfer to share capital on vesting of employee incentive rights	5.6	199	1,204	-	(1,917)	(713)
Lapsed employee incentive rights	5.6	-	-	528	(528)	-
Forfeited employee incentive rights	5.6	-	-	-	(51)	(51)
Share based payment expense	5.6	-	-	-	1,917	1,917
Total transactions with shareholders		15,087	20,713	(42,502)	(579)	(22,368)
Total other comprehensive income		-	-	-	(4,812)	(4,812)
Loss after income tax		-	-	(56,124)	-	(56,124)
Total comprehensive loss		-	-	(56,124)	(4,812)	(60,936)
Balance at 31 Mar 24		558,408	884,022	93,653	14,758	992,433
Balance at 31 Mar 22		540,189	858,740	355,454	16,890	1,231,084
Transactions with shareholders:						
Dividends reinvested/(paid)	4.3	2,990	3,942	(46,667)	-	(42,725)
Transfer to share capital on vesting of employee incentive rights	5.6	142	627	-	(627)	-
Lapsed employee incentive rights	5.6	-	-	239	(239)	-
Forfeited long term incentive rights	5.6	-	-	-	(74)	(74)
Share based payment expense	5.6	-	-	-	1,787	1,787
Total transactions with shareholders		3,132	4,569	(46,428)	847	(41,012)
Total other comprehensive income		-	-	-	2,412	2,412
Loss after income tax		-	-	(116,747)	-	(116,747)
Total comprehensive (loss)/income		-	-	(116,747)	2,412	(114,335)
Balance at 31 Mar 23		543,321	863,309	192,279	20,149	1,075,737

The attached notes form part of and are to be read in conjunction with these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 March 2024

	Notes	2024 $000	2023 $000
Current assets			
Cash at bank		**14,762**	16,833
Trade and other receivables	**8.5**	**4,248**	7,729
Prepayments		**176**	212
Derivative financial instruments	**5.2**	**6,535**	1,761
Other current assets		**-**	98
		25,721	26,633
Assets classified as held for sale		**-**	30,500
		25,721	57,133
Non-current assets			
Investment properties	**3.2**	**1,190,883**	1,233,767
Equity-accounted investments	**7.2**	**222,354**	268,096
Loan to associate	**8.4**	**3,398**	3,398
Other investments		**250**	250
Property, plant and equipment	**8.7**	**9,058**	6,238
Derivative financial instruments	**5.2**	**6,879**	21,581
		1,432,822	1,533,330
Total assets		**1,458,543**	1,590,463
Current liabilities			
Trade and other payables	**8.6**	**16,096**	42,630
Lease liability	**3.3**	**7**	7
Current tax liability		**1,755**	1,880
		17,858	44,517
Non-current liabilities			
Bank borrowings	**5.1**	**374,598**	401,769
Borrowings (joint operation participating interest)	**7.3**	**40,297**	40,400
Lease liability	**3.3**	**27,607**	15,903
Deferred tax liability	**8.1**	**5,686**	12,012
Derivative financial instruments	**5.2**	**64**	125
		448,252	470,209
Total liabilities		**466,110**	514,726
Net assets		**992,433**	1,075,737
Share capital		**884,022**	863,309
Retained earnings		**93,653**	192,279
Reserves	**5.6**	**14,758**	20,149
Equity		**992,433**	1,075,737
SPL equity		**971,730**	1,060,691
SIML equity (non-controlling interest)	**5.5**	**20,703**	15,046
Equity		**992,433**	1,075,737

For and on behalf of the Boards of Directors of SPL and SIML, who authorised these consolidated financial statements for issue on 28 May 2024:

Tim Storey
Chair of the Boards

Ross Buckley
Chair of the Audit and Risk Committee

The attached notes form part of and are to be read in conjunction with these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	Notes	2024 $000	2023 $000
Cash flows from operating activities			
Gross rental received		**100,722**	89,856
Guarantee income in relation to 46 Sale Street, Auckland		**2,421**	-
Management fee income		**19,459**	24,008
Bank interest received		**799**	422
Direct property operating and corporate expenses		**(47,384)**	(46,337)
Interest paid		**(20,165)**	(16,710)
Borrowings establishment costs		**(485)**	-
Share based payment costs		**(168)**	-
Income tax paid		**(7,939)**	(11,371)
Net cash provided by operating activities		**47,260**	39,868
Cash flows from investing activities			
Dividend income from equity-accounted investments net of dividends reinvested	**8.4**	**5,830**	9,032
Distribution from equity-accounted investments	**8.4**	**15,374**	-
Interest received in relation to the loan advance on 110 Carlton Gore Road, Auckland	**1.9**	**1,556**	6,859
Acquisition of investment properties	**1.9**	**(35,366)**	(177,865)
Net proceeds from disposal of investment properties	**1.9**	**28,966**	83,452
Capital expenditure on investment properties		**(13,693)**	(12,863)
Property, plant and equipment purchased		**(1,071)**	(74)
Purchase price adjustment paid on disposal of investment property		**-**	(5,730)
Seismic and other works on investment properties disposed of		**-**	(604)
Net cash provided by/(applied to) investing activities		**1,596**	(97,793)
Cash flows from financing activities			
Drawdown on bank borrowings		**36,000**	179,800
Repayment of bank borrowings		**(63,400)**	(82,900)
Lease liabilities payments		**(6)**	(38)
Dividends paid net of dividends reinvested	**4.3**	**(23,521)**	(42,725)
Net cash (applied to)/provided by financing activities		**(50,927)**	54,137
Net decrease in cash and cash equivalents held		**(2,071)**	(3,788)
Opening cash and cash equivalents		**16,833**	20,621
Closing cash and cash equivalents		**14,762**	16,833
Cash and cash equivalents consists of:			
Cash at bank		**14,506**	16,833
Cash held for retentions		**256**	-
Cash and cash equivalents at balance date		**14,762**	16,833

The attached notes form part of and are to be read in conjunction with these consolidated financial statements.

Consolidated Statement of Cash Flows (continued)

For the year ended 31 March 2024

Reconciliation of loss after income tax attributable to shareholders to net cash provided by operating activities

	Notes	2024 $000	2023 $000
Loss after income tax attributable to shareholders		**(56,124)**	(116,747)
(Less)/add non-cash items:			
Movement in deferred tax	8.1	**(3,666)**	(5,175)
Net change in fair value of investment properties		**75,779**	118,491
Share of loss in equity-accounted investments		**23,676**	42,392
Loss on disposal of investment properties		**2,472**	2,038
Hedge ineffectiveness of cash flow hedges		**880**	369
Spreading of fixed rental increases		**(1,967)**	(1,052)
Capitalised lease incentives net of amortisation		**711**	485
Movement in loss allowance		**(50)**	(220)
Share based payment expense net of forfeited employee incentive rights	8.2	**1,866**	1,713
Non-cash movements in property, plant and equipment recognised in profit and loss	8.2	**489**	211
Borrowings establishment costs amortisation		**714**	474
Non-cash interest income received	8.4	**(294)**	(214)
Accrued interest movement in derivative financial instruments		**(138)**	(225)
		44,348	42,540
Add/(less) activity reclassified to/(from) operating activities:			
Movement in working capital items relating to investing activities		**26,609**	(20,954)
Movement in borrowings establishment costs classified as operating activities		**(485)**	-
Movement in share based payment costs classified as operating activities		**(168)**	-
		70,304	21,586
Movement in working capital:			
Decrease/(increase) in trade and other receivables		**3,481**	(3,500)
Decrease in prepayments and other current assets		**134**	895
(Decrease)/increase in trade and other payables		**(26,534)**	20,083
(Decrease)/increase in current tax liability		**(125)**	804
Net cash provided by operating activities		**47,260**	39,868

The attached notes form part of and are to be read in conjunction with these consolidated financial statements.

Notes to the Financial Statements

For the year ended 31 March 2024

1.0 General Information

This section sets out Stride Property Group's accounting policies that relate to the consolidated financial statements (financial statements) as a whole. Where an accounting policy is material and specific to a note, the policy is described within the note to which it relates.

1.1 Reporting entity

The financial statements presented are those of Stride Property Limited and its 100% owned subsidiaries, Fabric Property Limited (Fabric), Stride Holdings Limited, and Stride Industrial Property Limited (together referred to as SPL), and Stride Investment Management Limited (SIML), each of SPL and SIML being a 'Stapled Entity' and together the Stride Property Group (Stride). For accounting purposes, stapling gives rise to the combination of the Stapled Entities into a consolidated group. For the purposes of financial reporting, one of the combining entities is required to be identified as the parent entity of the consolidated group. In the case of Stride, SPL has been identified as the parent for the purposes of preparing the financial statements and consequently SIML's equity is presented as the non-controlling interest in the financial statements (refer note 5.5).

SPL is principally involved in the ownership of investment properties in New Zealand and SIML is principally involved in the management of real estate investment entities in New Zealand. SPL and SIML are both domiciled in New Zealand, are both registered under the Companies Act 1993 and are both FMC reporting entities under Part 7 of the Financial Markets Conduct Act 2013 (FMCA).

Shares of SPL and SIML are stapled and quoted on the Main Board equity securities market of NZX under the ticker code SPG.

The financial statements were approved for issue by the Board of Directors of SPL (SPL Board) and the Board of Directors of SIML (SIML Board), together the 'Boards', on 28 May 2024.

1.2 Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (GAAP). Stride is a for-profit entity for the purposes of financial reporting. The financial statements comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS), other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS. The financial statements also comply with International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards). The financial statements were prepared in accordance with the Financial Markets Conduct (Stride Property Group) Exemption Notice 2022 and waivers granted to Stride from certain of the NZX Listing Rules in May 2020, which each permit SPL and SIML, subject to the conditions of the exemption notice and waivers (respectively), to prepare financial statements in respect of Stride in place of separate financial statements of each Stapled Entity. The Financial Markets Conduct (Stride Property Group) Exemption Notice 2022 applies to accounting periods, up to and including the accounting period ending 31 March 2026.

The financial statements have been prepared under the historical cost basis except for assets and liabilities stated at fair value as disclosed. The financial statements have been presented in New Zealand dollars and have been rounded to the nearest thousand, unless stated otherwise.

1.3 Basis of consolidation

The financial statements have eliminated in full all intra-group transactions and balances between group companies on consolidation.

1.4 New standards, amendments and interpretations

In December 2022, the External Reporting Board (XRB) issued the following standards:

- Aotearoa New Zealand Climate Standard 1 Climate-related Disclosures (NZ CS 1);
- Aotearoa New Zealand Climate Standard 2 Adoption of Aotearoa New Zealand Climate Standards (NZ CS 2); and
- Aotearoa New Zealand Climate Standard 3 General Requirements for Climate-related Disclosures (NZ CS 3).

NZ CS 1 contains the climate-related disclosure requirements for each of the four thematic areas (Governance, Strategy, Risk Management and Metrics and Targets) and the assurance requirements for greenhouse gas emissions disclosures. NZ CS 2 provides optional adoption provisions. NZ CS 3 contains the principles, the underlying concepts such as materiality, and the general requirements.

SPL and SIML are climate reporting entities and are each required under Part 7A of the FMCA to prepare climate-related disclosures. The entities have been granted an exemption from certain provisions of Part 7A of the FMCA by the Financial Markets Authority to permit SPL and SIML, as stapled entities, to prepare a single document comprising consolidated climate-related disclosures in respect of Stride. Stride is releasing its first climate-related disclosures as required by Part 7A of the FMCA and in compliance with the standards described above at the same time as these financial statements.

In May 2024, the XRB introduced NZ IFRS 18 *Presentation and Disclosure in Financial Statements* (NZ IFRS 18) (effective for annual reporting periods beginning on or after 1 January 2027). This standard replaces NZ IAS 1 *Presentation of Financial Statements* (NZ IAS 1) and primarily introduces a defined structure for the statement of comprehensive income, disclosure of management-defined performance measures (a subset of non-GAAP measures) in a single note together with reconciliation requirements. Stride has not early adopted this standard and is yet to assess its impacts.

At the date of authorisation of these financial statements, Stride has not applied any new and revised NZ IFRS standards and amendments that have been issued but are not yet effective.

1.0 General Information (continued)

1.5 Changes to accounting policies and disclosure of material accounting policies

No changes to accounting policies have been made during the year and policies have been consistently applied to all years presented.

The New Zealand Accounting Standards Board amended NZ IAS 1 to require entities to disclose their material rather than their significant accounting policies, effective for periods commencing on or after 1 January 2023. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. The Boards and management have performed an assessment, and based on their judgement, removed certain policies and retained only the material accounting policies in accordance with NZ IAS 1.

1.6 Significant judgements, estimates and assumptions

In the application of NZ IFRS, the Boards and management are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from the judgements, estimates and assumptions made by the Boards and management.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by the Boards and management in the application of NZ IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements as follows:

- Investment properties (note 3.2);
- Lease liabilities (note 3.3);
- Derivative financial instruments (note 5.2);
- Interests in associates - Investore Property Limited (Investore) (note 7.2);
- Interests in joint venture - Industre joint venture (note 7.2); and
- Deferred tax (note 8.1).

1.7 Fair value estimation

Stride classifies its fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making measurements. The fair value hierarchy has the following levels:

Level 1	quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2	inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
Level 3	inputs for the asset or liability that are not based on observable market data.

The Boards and management review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Boards and management assess the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of NZ IFRS, including the level of the fair value hierarchy in which such valuations should be classified.

1.8 Non-GAAP measures

The consolidated statement of comprehensive income includes two non-GAAP measures: Profit before net finance expense, other expense and income tax; and Profit before other expense and income tax. These non-GAAP measures have been presented to assist investors in understanding the different aspects of Stride's financial performance.

Note 4.2 sets out Stride's calculation of distributable profit and Adjusted Funds From Operations (AFFO), which are both non-GAAP measures. Distributable profit is presented to provide an earnings measure which more closely aligns to Stride's underlying and recurring earnings from its operations. AFFO 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 reflect cash earnings for the period.

These non-GAAP measures do not have a standard meaning prescribed by GAAP and therefore may not be comparable to information presented by other entities.

1.0 General Information (continued)

1.9 Significant events and transactions

The financial position and performance of Stride was affected by the following events and transactions that occurred during the reporting period:

Dividend reinvestment plan (DRP)

During the reporting period14,888,221 (2023: 2,989,536) Stapled Securities were issued in accordance with the DRP.

Acquisition of 110 Carlton Gore Road, Auckland

On 31 May 2023, SPL's wholly owned subsidiary, Fabric, completed the acquisition of 110 Carlton Gore Road, Auckland, for a total consideration of $213.8 million. Fabric provided funding for the development of the property and as at 31 March 2023 the loan advanced to the vendor was $178.7 million which was recognised as $170.3 million of development investment property and $8.4 million of interest ($6.9 million received and $1.5 million receivable). For the period 1 April 2023 to 31 May 2023 Fabric received $1.6 million in relation to the interest on the loan advanced to the vendor. The interest received from the vendor is considered underlying earnings from operations and is included in distributable profit (refer note 4.2).

The vendor has provided a rental guarantee over certain unleased space for a period of six years from settlement date. Subsequent to settlement, part of this space has been leased and the remaining rental guarantee receivable of $0.3 million, based on an expected leasing period of approximately two years from settlement, has been recognised in trade and other receivables in the consolidated statement of financial position (refer note 8.5).

Divestment of investment property

On 26 May 2023, Fabric entered into an unconditional agreement to divest the office property at 22 The Terrace, Wellington, for a gross sale price of $29.4 million, resulting in a loss on disposal of $(2.5) million. Settlement occurred on 31 July 2023. This property had been classified as held for sale in the consolidated statement of financial position as at 31 March 2023. Additional capital works were completed between 1 April 2023 and 31 July 2023, which were considered usual and customary for this transaction in accordance with SPL's accounting policy for 'Assets classified as held for sale'.

Bank refinancing

In November 2023, SPL refinanced its syndicated bank facilities, reducing the total available facilities by $65.0 million to $460.0 million and extending the expiry dates to between November 2026 and November 2027 (refer note 5.1).

Revaluation of investment properties

SPL undertook independent valuations of the portfolio as at 31 March 2024 which resulted in a net reduction in fair value of $(75.8) million (2023: $(118.5) million net reduction) (refer note 3.2) and a revaluation surplus on property, plant and equipment of $2.8 million (2023: $(0.7) million deficit) (refer note 8.7).

2.0 Operating Segments

This section sets out how Stride's revenue streams are reported internally, reflecting the two operating segments, being SPL and SIML.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, identified as the respective Board of each of SPL and SIML.

SPL's revenue streams are earned from investment properties owned in Auckland and Wellington in New Zealand. Given SPL's diverse client base, no one tenant represents greater than 10% of the portfolio contract rental. SPL also generates revenue from its share of profit/(loss) in equity associates and the joint venture being Investore, Industre joint venture and Diversified NZ Property Trust (Diversified) (refer note 7.2).

SIML's revenue streams are earned from the management of the real estate investments of Investore, Industre joint arrangement (Industre) (refer note 7.1), Diversified and SPL (including Fabric). For the revenue earned from Investore, Industre and Diversified, refer to note 8.4 on related party disclosures.

The following is an analysis of Stride's results, by reportable segments.

Segment profit	SPL $000	SPL eliminations $000	SIML $000	SIML eliminations $000	2024 $000
Net rental income	69,535	2,767	-	-	72,302
Guarantee income	2,421	-	-	-	2,421
Management fee income	-	-	30,961	(11,108)	19,853
Total corporate expenses	(9,344)	6,808	(22,028)	590	(23,974)
Profit before net finance expense, other expense and income tax	62,612	9,575	8,933	(10,518)	70,602
Net finance expense	(20,881)	778	1,029	(697)	(19,771)
Profit before other expense and income tax	41,731	10,353	9,962	(11,215)	50,831
Other expense					
Net change in fair value of investment properties	(76,499)	720	-	-	(75,779)
Share of loss in equity-accounted investments	(23,676)	-	-	-	(23,676)
Loss on disposal of investment properties	(2,624)	152	-	-	(2,472)
Hedge ineffectiveness of cash flow hedges	(880)	-	-	-	(880)
(Loss)/profit before income tax	(61,948)	11,225	9,962	(11,215)	(51,976)
Income tax expense	(1,071)	-	(3,077)	-	(4,148)
(Loss)/profit after income tax attributable to shareholders	(63,019)	11,225	6,885	(11,215)	(56,124)
Total other comprehensive income after tax	(4,956)	-	144	-	(4,812)
Total comprehensive (loss)/income after tax attributable to shareholders	(67,975)	11,225	7,029	(11,215)	(60,936)

Transactions between SPL and SIML include management fees, interest charged on the loan from SIML to SPL and net rental income charged from SPL to SIML (refer note 8.4 for details on the composition of the transactions).

2.0 Operating Segments (continued)

Segment profit	SPL $000	SPL eliminations $000	SIML $000	SIML eliminations $000	2023 $000
Net rental income	68,421	2,661	-	-	71,082
Management fee income	-	-	34,814	(11,502)	23,312
Total corporate expenses	(9,645)	7,318	(22,045)	637	(23,735)
Profit before net finance expense, other expense and income tax	58,776	9,979	12,769	(10,865)	70,659
Net finance expense	(17,358)	9	149	84	(17,116)
Profit before other expense and income tax	41,418	9,988	12,918	(10,781)	53,543
Other expense					
Net change in fair value of investment properties	(118,858)	367	-	-	(118,491)
Share of profit in equity-accounted investments	(42,392)	-	-	-	(42,392)
Loss on disposal of investment properties	(2,504)	466	-	-	(2,038)
Hedge ineffectiveness of cash flow hedges	(369)	-	-	-	(369)
(Loss)/profit before income tax	(122,705)	10,821	12,918	(10,781)	(109,747)
Income tax expense	(3,294)	-	(3,706)	-	(7,000)
(Loss)/profit after income tax attributable to shareholders	(125,999)	10,821	9,212	(10,781)	(116,747)
Total other comprehensive income/(loss) after tax	2,803	-	(391)	-	2,412
Total comprehensive (loss)/income after tax attributable to shareholders	(123,196)	10,821	8,821	(10,781)	(114,335)

Segment assets and liabilities	SPL $000	SPL eliminations $000	SIML $000	SIML eliminations $000	Total $000
Balance at 31 Mar 24					
Total assets	**1,447,261**	**-**	**26,287**	**(15,005)**	**1,458,543**
Total liabilities	**475,708**	**(13,897)**	**5,584**	**(1,285)**	**466,110**
Balance at 31 Mar 23					
Total assets	1,580,045	-	20,048	(9,630)	1,590,463
Total liabilities	519,521	(8,096)	5,002	(1,701)	514,726

As at 31 March 2024, SPL had assets of $225.8 million (2023: $271.5 million) relating to equity-accounted investments (refer note 7.2) and loan to associate (refer note 8.4).

3.0 Property

This section covers property assets which generate Stride's trading performance.

3.1 Net rental income

Accounting policy

Investment property is leased by SPL to tenants under operating leases with rent payable monthly. Rental income from investment properties is recognised on a straight-line basis over the lease term. Lease incentives provided in relation to letting the investment properties are capitalised to the respective investment properties or assets classified as held for sale in the consolidated statement of financial position and amortised on a straight-line basis over the non-cancellable portion of the lease to which they relate, as a reduction of net rental income. Where a lease provides for fixed rental increases over the term of the lease, they are amortised on a straight-line basis over the non-cancellable portion of the lease to which they relate.

Income generated from service charges recovered from tenants are included in gross rental income with the service charge expenses to tenants shown in the direct property operating expenses. Such revenue is recognised in the accounting period the underlying expenses are incurred in accordance with the contractual terms. The recovery of employee related expenses from SIML managed entities are included in the gross rental income (as service charges recovered from tenants) with the employee related expenses included in corporate overhead expenses.

Leases are classified at their inception as either an operating or finance lease based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Properties leased out under operating leases are included in investment properties and assets classified as held for sale as separately disclosed in the consolidated statement of financial position.

SPL	2024 $000	2023 $000
Gross rental income		
Rental income	**77,097**	75,402
Service charge income recovered from tenants	**20,439**	18,720
Spreading of fixed rental increases	**1,967**	1,052
Capitalised lease incentives	**316**	935
Lease incentives amortisation	**(962)**	(1,509)
Total gross rental income	**98,857**	94,600
Direct property operating expenses		
Rates and insurance	**(14,302)**	(12,749)
Property maintenance costs	**(6,253)**	(5,545)
Utilities	**(2,434)**	(1,957)
Other property operating expenses	**(3,551)**	(3,576)
Lease incentives capitalised	**30**	177
Lease incentives amortisation	**(95)**	(88)
Movement in loss allowance	**50**	220
Total direct property operating expenses	**(26,555)**	(23,518)
Net rental income	**72,302**	71,082

Other property operating expenses include operating expenses not recoverable from tenants and property leasing expenses. Salaries and wages expenses of $1.7 million (2023: $1.6 million) (refer note 8.4) charged by SIML to SPL have been eliminated in the direct property operating expenses.

SPL has determined that it retains all significant risks and rewards of ownership of properties and has therefore classified the leases as operating leases. The future aggregate minimum rentals receivable under non-cancellable operating leases (2023: excluded the development property 110 Carlton Gore Road, Auckland) are as follows:

	2024 $000	2023 $000
Within one year	**67,880**	57,197
Between one and two years	**59,975**	49,374
Between two and three years	**53,869**	40,714
Between three and four years	**48,227**	34,596
Between four and five years	**42,271**	28,709
Later than five years	**188,015**	136,482
Future rentals receivable	**460,237**	347,072

3.0 Property (continued)

3.2 Investment properties

Accounting policy

Investment properties are held either to earn rental income or for capital appreciation or both. Investment property is initially stated at cost, including related transaction costs, and then at fair value as determined at least every 12 months by an independent registered valuer. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to SPL and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed to the consolidated statement of comprehensive income during the period in which they are incurred.

The fair value of an investment property represents the estimated price for which a property could be sold for at the date of valuation in an orderly transaction between willing market participants. Any gain or loss arising from a change in the fair value of the investment property is recognised in the consolidated statement of comprehensive income within net change in fair value of investment properties.

Investment properties are de-recognised when they have been disposed of. The net gain or loss on disposal is calculated as the difference between the carrying amount at the time of the disposal and the net proceeds on the disposal and is included in the consolidated statement of comprehensive income in the reporting period in which the disposal occurs.

Right-of-use assets are measured on initial recognition as the initial lease liability, plus any initial indirect costs incurred, less any lease incentives received. Right-of-use assets that meet the definition of investment property are presented within investment properties and assets classified as held for sale at fair value.

Investment property is adjusted for cash flows relating to lease liabilities already recognised separately in the consolidated statement of financial position and also reflected in the investment property valuations.

SIML does not hold investment properties but provides management services in respect of SPL's investment property portfolio.

SIML has an office located in the SPL owned office building at 34 Shortland Street, Auckland (2023: 34 Shortland Street, Auckland, and 22 The Terrace, Wellington). The value attributable to this floor area has been recognised as property, plant and equipment (refer note 8.7).

Valuations are performed by independent registered valuers who hold an annual practising certificate with the Valuers Registration Board and are members of the New Zealand Institute of Valuers. Valuers are engaged on terms ensuring that no valuer values the same investment property for more than three consecutive years. The investment properties were valued either by Jones Lang LaSalle Limited (JLL), CBRE Limited (CBRE), CVAS (NZ) Limited (CVAS (NZ)), CVAS (WLG) Limited (CVAS (WLG)), Savills (NZ) Limited (Savills) or Bayleys Valuations Limited (Bayleys). All valuations are dated effective 31 March 2024.

At each reporting date, SIML's asset managers verify all major inputs to the independent valuation reports and assess property valuation movements when compared to the prior year valuation reports. SIML's executive team review the valuations performed by the independent valuers for financial reporting purposes. This team reports directly to SIML's Chief Executive Officer. Discussions of valuation processes and results are held between members of SIML's executive team and the independent valuers. Discussions of valuation processes and results are also held between SIML's Chief Executive Officer and the Audit and Risk Committee, at least once every six months, in line with SPL's reporting dates. This review includes a review of specific independent valuations and discussions with the independent valuers as considered necessary. Ultimately, the SPL Board is responsible for reviewing and approving the investment property valuations.

Investment property measurements are categorised as Level 3 in the fair value hierarchy. There were no transfers of investment properties between levels of the fair value hierarchy (2023: nil transfers) during the year.

3.0 Property (continued)

3.2 Investment properties (continued)

SPL	Office $000	Town Centre $000	Industrial $000	Development and Other $000	Total $000
Balance at 31 Mar 22	649,050	340,413	181,854	-	1,171,317
Addition				200,786	200,786
Capital expenditure	7,484	2,073	91	465	10,113
Spreading of fixed rental increases	980	(199)	282	(11)	1,052
Capitalised lease incentives	617	415	64	16	1,112
Lease incentives amortisation	(382)	(1,121)	(48)	(46)	(1,597)
Transfer to property, plant and equipment	(450)	-	-	-	(450)
Reclassification	(14,250)	(26,250)	-	40,500	-
Transfer to assets classified as held for sale	(30,075)	-	-	-	(30,075)
Net change in fair value	(65,574)	(5,921)	(32,233)	(14,763)	(118,491)
Balance at 31 Mar 23	**547,400**	**309,410**	**150,010**	**226,947**	**1,233,767**
Additions	**-**	**-**	**-**	**4,483**	**4,483**
Capital expenditure	**14,144**	**1,243**	**59**	**-**	**15,446**
Spreading of fixed rental increases	**1,804**	**2**	**161**	**-**	**1,967**
Capitalised lease incentives	**91**	**255**	**-**	**-**	**346**
Lease incentives amortisation	**(211)**	**(799)**	**(47)**	**-**	**(1,057)**
Reclassification	**195,143**	**-**	**-**	**(195,143)**	**-**
Re-measurement of lease liability (note 3.3)	**-**	**11,710**	**-**	**-**	**11,710**
Net change in fair value	**(62,671)**	**(10,707)**	**(1,364)**	**(1,037)**	**(75,779)**
Balance at 31 Mar 24	**695,700**	**311,114**	**148,819**	**35,250**	**1,190,883**
Comprised of:					
Investment properties at valuation	547,400	293,500	150,010	226,947	1,217,857
Lease liability (note 3.3)	-	15,910	-	-	15,910
Balance at 31 Mar 23	547,400	309,410	150,010	226,947	1,233,767
Investment properties at valuation	**695,700**	**283,500**	**148,819**	**35,250**	**1,163,269**
Lease liability (note 3.3)	**-**	**27,614**	**-**	**-**	**27,614**
Balance at 31 Mar 24	**695,700**	**311,114**	**148,819**	**35,250**	**1,190,883**

Stride is conscious of the need to identify the impact of managing and responding to climate risk. During the year, SPL committed to and invested in a number of sustainability initiatives across its portfolio. These works included: upgrades of heating and cooling equipment at 20 Customhouse Quay, Wellington, and 34 Shortland Street, Auckland, to provide improved efficiency and reduce energy usage; installation of equipment to improve the efficiency of building operations at 215 Lambton Quay, Wellington; installation of electric vehicle charging stations at 46 Sale Street, Auckland; and completion of end of trip facilities at 34 Shortland Street, Auckland, which will encourage more active forms of transport for workers at this office property, reducing usage of private vehicles. The cost of these sustainability initiatives, which are all related to the transition to a low carbon future, is included in the capital expenditure for the year ended 31 March 2024.

During the year ended 31 March 2024, no property owned by SPL suffered any material damage due to the physical impacts of climate change.

The independent valuers that valued SPL's investment properties have considered climate risk and environmental factors and the associated impact on the value of a property. The valuers are not climate risk experts but consider market transactional data as part of their valuation assessment and that market values may be impacted by climate risk factors, for example, higher green rated properties or properties with sustainable features or which are less vulnerable to climate risk potentially having higher market values than an equivalent property without such features. Accordingly, valuations can take these factors into account as part of the overall assessment of a property's market value. Apart from the consideration of the factors above, the valuers have made no explicit adjustment in respect of climate risks.

Capital expenditure consists of base-build fit-outs and other physical enhancements to the investment properties, with ownership of such capital amounts being retained by SPL.

A revaluation movement of $0.7 million (2023: $0.4 million) arising from the elimination of fees charged by SIML to SPL (refer note 2.0) has been reflected in the consolidated statement of comprehensive income.

3.0 Property (continued)

3.2 Investment properties (continued)

The following tables provide a summary of the valuation of the individual investment properties, their net lettable area (NLA), market capitalisation rate (cap rate), contract yield, occupancy and weighted average lease term (WALT) for the purpose of providing further detail of the assets which are considered to be the most relevant to the operations of SPL.

The cap rate %, contract yield %, occupancy % and WALT years for the property class totals and the total of investment properties are weighted averages. For investment properties classified as 'Development and Other', the NLA, cap rate %, contract yield %, occupancy % and WALT years are not applicable. The totals may not sum due to rounding.

As at 31 Mar 24	Valuer	NLA m²	$000	Cap rate %	Contract yield %	Occupancy %	WALT years
Office							
34 Shortland Street, Auckland	Savills	8,124	49,500	6.75	3.54	57.3	2.3
46 Sale Street, Auckland	Bayleys	11,352	119,000	5.75	6.98	100.0	4.7
110 Carlton Gore Road, Auckland	Bayleys	14,174	180,700	5.50	5.77	100.0	10.2
1 Grey Street, Wellington	JLL	10,449	62,000	6.75	6.87	99.9	3.6
215 Lambton Quay, Wellington	CBRE	10,935	69,000	6.50	6.79	95.9	2.6
20 Customhouse Quay, Wellington	CBRE	17,505	215,500	5.50	5.28	100.0	9.5
Office total		**72,538**	**695,700**	**5.85**	**5.84**	**94.6**	**6.9**
Town Centre							
61 Silverdale Street, Auckland	CVAS (NZ)	23,008	102,500	7.00	7.20	100.0	4.2
NorthWest Shopping Centre, Auckland	JLL	27,762	141,000	7.63	7.35	96.1	4.1
NorthWest Two, Auckland	JLL	7,904	40,000	7.25	7.47	97.5	2.1
Town Centre total		**58,675**	**283,500**	**7.35**	**7.31**	**97.8**	**3.8**
Industrial (51.7% interest in Industre joint operation refer note 7.3)							
30 Airpark Drive, Auckland	Savills	8,162	24,704	5.50	3.55	100.0	5.7
20 Rockridge Avenue, Auckland	JLL	4,488	13,089	6.00	4.47	100.0	4.5
25 O'Rorke Road and 15 Rockridge Avenue, Auckland	CVAS (NZ)	18,626	60,842	5.87	5.02	95.9	5.4
318 East Tamaki Road, Auckland	CVAS (NZ)	5,062	50,184	5.38	5.32	100.0	20.7
Industrial total		**36,337**	**148,819**	**5.65**	**4.83**	**97.9**	**11.1**
Development and Other							
55 Lady Elizabeth Lane, Wellington	CVAS (WLG)		11,250				
Johnsonville Shopping Centre, Wellington (50%)	JLL		24,000				
Development and Other total			**35,250**				
		167,550	**1,163,269**	**6.20**	**6.07**	**96.8**	**6.4**

3.0 Property (continued)

3.2 Investment properties (continued)

As at 31 Mar 23	Valuer	NLA m²	$000	Cap rate %	Contract yield %	Occupancy %	WALT years
Office							
34 Shortland Street, Auckland	JLL	8,121	49,300	6.13	5.02	68.7	1.6
46 Sale Street, Auckland	JLL	11,352	135,800	5.38	6.16	100.0	5.5
1 Grey Street, Wellington	CBRE	10,472	62,950	7.00	6.97	100.0	4.2
215 Lambton Quay, Wellington	CBRE	10,935	78,600	6.25	6.20	98.7	2.8
20 Customhouse Quay, Wellington	CBRE	17,505	220,750	5.25	4.99	100.0	10.2
Office total		58,384	547,400	5.71	5.68	95.4	6.2
Town Centre							
61 Silverdale Street, Auckland	CVAS (NZ)	23,008	106,000	6.63	6.82	100.0	5.0
NorthWest Shopping Centre, Auckland	JLL	27,766	145,500	7.38	7.11	98.4	4.5
NorthWest Two, Auckland	JLL	7,904	42,000	6.75	6.91	100.0	2.9
Town Centre total		58,679	293,500	7.02	6.98	99.2	4.5
Industrial (51.7% interest in Industre joint operation refer note 7.3)							
30 Airpark Drive, Auckland	Savills	8,162	21,471	5.50	4.00	100.0	1.7
20 Rockridge Avenue, Auckland	JLL	4,488	14,176	5.38	4.04	100.0	1.5
25 O'Rorke Road and 15 Rockridge Avenue, Auckland	CVAS (NZ)	18,626	61,463	5.37	4.93	100.0	6.6
318 East Tamaki Road, Auckland	CVAS (NZ)	5,062	52,900	4.88	4.91	100.0	21.7
Industrial total		36,337	150,010	5.21	4.71	100.0	11.1
Development and Other							
110 Carlton Gore Road, Auckland	JLL		190,660				
55 Lady Elizabeth Lane, Wellington	CVAS (WLG)		11,750				
Johnsonville Shopping Centre, Wellington (50%)	JLL		24,537				
Development and Other total			226,947				
		153,400	1,217,857	6.02	5.91	98.0	6.2

3.0 Property (continued)

3.2 Investment properties (continued)

A valuation is determined based on a range of unobservable inputs, which are not freely available or explicit in the market and are developed by analysing transactional data. Key unobservable inputs are the cap rate, discount rate, gross market rental, rental growth rates and terminal yield. The following table details the key unobservable inputs and the ranges adopted across the various investment property classes (excluding properties classified as 'Development and Other'):

	Cap rate %	Discount rate %	Gross market rental $/m²	Rental growth rate %	Terminal yield %
As at 31 Mar 24					
Office	**5.50-6.75**	**6.75-8.00**	**630-1,003**	**2.08-2.95**	**5.75-7.00**
Town Centre	**7.00-7.63**	**8.25-8.63**	**381-672**	**2.31-2.85**	**7.38-7.75**
Industrial	**5.38-6.00**	**7.50-8.13**	**182-223**	**2.82-3.00**	**5.75-6.35**
Total portfolio	**5.38-7.63**	**6.75-8.63**	**182-1,003**	**2.08-3.00**	**5.75-7.75**
As at 31 Mar 23					
Office	5.25-7.00	6.50-8.00	579-906	2.12-2.57	5.50-7.25
Town Centre	6.63-7.38	8.00-8.38	380-661	2.15-2.32	7.00-7.63
Industrial	4.88-5.50	7.13-7.35	162-209	2.94-3.05	5.63-5.79
Total portfolio	4.88-7.38	6.50-8.38	162-906	2.12-3.05	5.50-7.63

The estimated sensitivity of the fair value of the total investment property portfolio to changes in the cap rate or discount rate, assuming the cap rate or discount rate move equally on all the properties (excluding properties classified as 'Development and Other') is provided below. The metrics chosen are those where movements are likely to have the most significant impact on fair value.

	Cap rate %		Discount rate %	
Impact on fair value	**-0.25**	**+0.25**	**-0.25**	**+0.25**
As at 31 Mar 24				
Change $000	**49,260**	**(44,625)**	**21,221**	**(20,534)**
Change %	**4**	**(4)**	**2**	**(2)**
As at 31 Mar 23				
Change $000	44,926	(41,365)	19,251	(18,682)
Change %	5	(4)	2	(2)

Predominant valuation methods used:

- **Income Capitalisation approach** - is based on the current contract and market rental and an appropriate market yield or return for the particular investment property. Adjustments are then made to the value to reflect under or over renting, pending capital expenditure, and upcoming lease expiries, including allowance for lessee incentives and leasing expenses.
- **Discounted Cash Flow approach** - adopts a ten-year investment horizon and makes appropriate allowances for rental income growth and leasing expenses on expiries, with an estimated terminal value at the end of the investment period. The terminal yield is used to derive the terminal value. Terminal yield rate estimates are based on comparable transaction data and also consider matters such as building age and the market environment at the end of the investment period. The present value reflects the market based rental and expenditure projections, discounted at a rate of return referred to as a discount rate. In selecting the discount rate many factors are considered, including the degree of apparent risk, market attitudes toward future inflation, the prospective rates of return for alternative investments and the rates of return earned by comparable properties in the past.

The adopted market value is a combination of both the Income Capitalisation and the Discounted Cash Flow approaches, other than those as described following.

Works are required to improve the seismic performance of the office property at 55 Lady Elizabeth Lane, Wellington. The works required are complex in nature, due to stabilisation required in the ground and a number of remedial options are being considered. The cost to complete stated in the 31 March 2024 valuation was determined by a registered quantity surveyor in March 2022 and has been escalated to the date of valuation together with management estimates of the 'on cost' elements (design, consultant, legal, contingency and profit and risk allowances) and is the best available information at the date of valuation. The final cost could be higher or lower and this could impact the fair value of the property. This property has been fair valued utilising the **Residual approach**, calculating what the property is expected to be worth on completion of the works and deducting all expected costs to complete the works, including a profit and risk allowance. SPL has discussed the seismic status of the building and the potential works required with tenants and all of the office tenants have surrendered or terminated their leases.

3.0 Property (continued)

3.2 Investment properties (continued)

The valuation for Johnsonville Shopping Centre, Wellington, utilises the **Land Value approach,** which involves direct comparison with other property sales. This approach reflects the highest and best use for the property, in addition to the **Income Capitalisation approach**.

All properties were valued on a consistent approach to 31 March 2023, with the exception of 110 Carlton Gore Road, Auckland, which was under development as at 31 March 2023 and consequently the **Residual approach** was utilised to determine the fair value.

The significant inputs used to measure fair value of investment properties, along with their sensitivity to significant increase or decrease, are stated below:

		Fair value measurement sensitivity to significant:		
Significant input	**Description**	**Increase in input**	**Decrease in input**	**Valuation method**
Cap rate	The cap rate is applied to the market rental to assess an investment property's value. It is derived from detailed analysis of factors such as comparable sales evidence and leasing transactions in the open market, taking into account location, tenant covenant – lease term and conditions, WALT, size and quality of the investment property.	Decrease	Increase	Income Capitalisation
Discount rate	The discount rate is applied to future cash flows of an investment property to provide a net present value equivalent. The discount rate adopted takes into account recent comparable market transactions, prospective rates of return for alternative investments and apparent risk.	Decrease	Increase	Discounted Cash Flow
Gross market rental	The valuer's assessment of gross market rental for both occupied and vacant areas of the investment property.	Increase	Decrease	Income Capitalisation and Discounted Cash Flow
Rental growth rate	The rental growth rate applied to the market rental in the 10-year cash flow projection.	Increase	Decrease	Discounted Cash Flow
Terminal yield	The rate used to assess the terminal value of the property.	Decrease	Increase	Discounted Cash Flow
Forecast development costs	All costs associated with the development of the property. This cost typically includes construction costs, consultancy costs and financing.	Decrease	Increase	Residual
Profit and risk allowance	This allowance reflects the risk and surety surrounding cost of remedial works, timing of works as well as assumed future occupancy arrangements following completion of all required works.	Decrease	Increase	Residual

When calculating fair value using the Income Capitalisation approach, the gross market rental has a strong interrelationship with the adopted cap rate, given the methodology involves assessing the total gross market rental receivable from the investment property and capitalising this in perpetuity to derive a capital value. An increase in the gross market rent and an increase (softening) in the adopted cap rate could potentially offset the impact to the fair value. A decrease in the gross market rental and a decrease (tightening) in the adopted cap rate could also potentially offset the impact to fair value. A directionally opposite change in the gross market rental and the adopted cap rate could potentially magnify the impact to the fair value.

When assessing a discounted cash flow, the adopted discount rate and adopted terminal yield have a strong interrelationship in deriving a fair value, given the discount rate will determine the rate at which the terminal value is discounted to the present value. An increase (softening) in the adopted discount rate and a decrease (tightening) in the adopted terminal yield could potentially offset the impact to the fair value. A decrease (tightening) in the adopted discount rate and an increase (softening) in the adopted terminal yield could also potentially offset the impact to fair value. A directionally similar change in the adopted discount rate and the adopted terminal yield could potentially magnify the impact to the fair value.

3.0 Property (continued)

3.3 Lease liabilities

Accounting policy

Lease liabilities are measured based on the present value of the fixed and variable lease payments, less any cash lease incentives receivable. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated statement of comprehensive income over the lease period so as to produce a constant rate of interest on the remaining balance of the liability for each period.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

SIML has an operating lease for its offices at 34 Shortland Street, Auckland, where SIML is the lessee and SPL is the lessor. SIML has recognised a right-of-use asset within property, plant and equipment and corresponding lease liability within interest bearing liabilities in relation to this lease. The lease liability and right-of-use asset is eliminated in the financial statements.

SPL is committed under two operating leases where SPL is the lessee. The SPL leases relate to ground rent on leasehold properties and contain renewal and termination options exercisable only by SPL. There is one at each of the following properties:

- 55 Lady Elizabeth Lane, Wellington; and
- NorthWest Shopping Centre, Auckland.

Included in the investment property valuation of 55 Lady Elizabeth Lane is an implicit right-of-use asset of $9.1 million (2023: $9.1 million) in relation to a peppercorn ground lease with an associated immaterial lease liability.

The lease liability of $27.6 million (2023: $15.9 million) is in respect of the ground lease at NorthWest Shopping Centre, Auckland, and was re-measured during the year due to a market rent review on 1 April 2023.

Lease liability	2024 $000	2023 $000
Opening balance	**15,910**	15,913
Re-measurement	**11,710**	-
Cash lease payments	**(1,723)**	(992)
Finance lease interest	**1,717**	989
Closing balance	**27,614**	15,910
Current liability	**7**	7
Non-current liability	**27,607**	15,903
Total lease liability	**27,614**	15,910

3.4 Capital expenditure commitments contracted for

As at 31 March 2024, SPL has the following commitments:

- $1.5 million (2023: $8.4 million) for further building upgrades at 34 Shortland Street, Auckland; and
- $1.2 million (2023: $1.5 million) for various other capital expenditure to be undertaken.

As at 31 March 2023, SPL also had commitments of $34.3 million for further loan advances and final settlement payments to be made in relation to the acquisition of 110 Carlton Gore Road, Auckland. These advances and payments were made in the current year.

Stride has no other material capital commitments as at 31 March 2024.

Subsequent to balance date, SPL has committed to a further $5.3 million for capital expenditure works for 215 Lambton Quay, Wellington, and a further $0.1 million for various other capital works.

4.0 Investor Returns

This section sets out Stride's earnings per share, dividends paid and how distributable profit is calculated. Distributable profit is a non-GAAP measure (refer note 1.8) and is used by Stride to calculate profit available for distribution to shareholders by way of dividends.

4.1 Basic and diluted earnings per share (EPS)

	2024	2023
Loss after income tax attributable to shareholders ($000)	**(56,124)**	(116,747)
Weighted average number of shares for the purpose of basic EPS (000)	**549,184**	540,407
Basic EPS - SPL (cents)	**(11.47)**	(23.30)
Basic EPS - SIML (cents)	**1.25**	1.70
Basic EPS - weighted (cents)	**(10.22)**	(21.60)
Weighted average number of shares for the purpose of diluted EPS (000)	**552,835**	542,847
Diluted EPS - SPL (cents)	**(11.47)**	(23.30)
Diluted EPS - SIML (cents)	**1.25**	1.70
Diluted EPS - weighted (cents)	**(10.22)**	(21.60)

Basic and diluted earnings per share amounts are calculated by dividing (loss)/profit after income tax attributable to shareholders by the weighted average number of shares on issue.

Weighted average number of shares for the purpose of diluted EPS has been adjusted for 3.65 million (2023: 2.49 million) rights issued under SIML's employee incentive schemes.

SPL has reported a loss after income tax attributable to shareholders for the year ended 31 March 2024. As a loss after income tax attributable to shareholders results in an anti-dilutive position for SPL diluted EPS, the diluted EPS is reported as Basic EPS of (11.47) cents.

4.0 Investor Returns (continued)

4.2 Distributable profit

Accounting policy

Stride's dividend policy is to target a total cash dividend to shareholders that is equivalent to the sum of 25% to 75% of SIML's distributable profit and 80% to100% of SPL's distributable profit. Distributable profit is presented to enable investors to see an earnings measure which more closely aligns with Stride's underlying and recurring earnings from its operations. 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, share of profit/(loss) in equity-accounted investments, dividends received from equity-accounted investments and current tax.

Adjusted Funds From Operations (AFFO) is also a non-GAAP measure and is intended as a supplementary measure of operating performance. Although there is no standard meaning or measure per GAAP, AFFO has been determined based on guidelines established by the Property Council of Australia. 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 investors to see the cash generating ability of the business.

	2024 $000	2023 $000
Loss before income tax	**(51,976)**	(109,747)
Non-recurring, non-cash, and other adjustments:		
Net change in fair value of investment properties	**75,779**	118,491
Reversal of the lease liability movement in net change in fair value of investment properties and loss on disposal of investment properties	**(6)**	(39)
Share of loss in equity-accounted investments	**23,676**	42,392
Loss on disposal of investment properties	**2,472**	2,038
Project management and disposal fees eliminated in SIML	**872**	833
Rental surrender income received/(non-cash)	**3,750**	(3,750)
Rental guarantee income	**829**	-
Dividend income from equity-accounted investments	**7,135**	9,032
Interest received/earned in relation to loan advance on 110 Carlton Gore Road, Auckland	**1,556**	6,859
Spreading of fixed rental increases	**(1,967)**	(1,052)
Capitalised lease incentives net of amortisation	**711**	485
Share based payment expense net of forfeited employee incentive rights	**1,866**	1,713
Non-cash movements in property, plant and equipment recognised in profit and loss	**489**	211
Borrowings establishment costs amortisation	**714**	474
Non-cash interest income	**(294)**	(214)
Hedge ineffectiveness of cash flow hedges	**880**	369
Distributable profit before current income tax	**66,486**	68,095
Current tax expense	**(7,814)**	(12,175)
Adjusted for:		
Tax expense on depreciation recovered on disposal of investment properties	**437**	1,713
Distributable profit after current income tax	**59,109**	57,633
Adjustments to funds from operations:		
Maintenance capital expenditure	**(3,306)**	(1,802)
Incentives and associated landlord works	**(2,944)**	(4,256)
Adjusted Funds From Operations (AFFO)	**52,859**	51,575
Weighted average number of shares for the purpose of basic distributable profit per share (000)	**549,184**	540,407
Basic distributable profit after current income tax per share - weighted (cents)	**10.76**	10.66
AFFO basic distributable profit after current income tax per share - weighted (cents)	**9.62**	9.54
Weighted average number of shares for the purpose of diluted distributable profit per share (000)	**552,835**	542,847
Diluted distributable profit after current income tax per share - weighted (cents)	**10.69**	10.62
AFFO diluted distributable profit after current income tax per share - weighted (cents)	**9.56**	9.50

4.0 Investor Returns (continued)

4.3 Dividends paid

	2024 $000	2023 $000
The following dividends were declared and paid by SPL during the period:		
Q4 2023 final dividend 1.7808 cents (Q4 2022 1.8455 cents)	**9,680**	9,972
Q1 2024 interim dividend 1.7375 cents (Q1 2023 2.0702 cents)	**9,500**	11,186
Q2 2024 interim dividend 1.7375 cents (Q2 2023 1.39532 cents)	**9,561**	7,539
Q3 2024 interim dividend 1.7375 cents (Q3 2023 1.68083 cents)	**9,629**	9,082
Total dividends paid - SPL	**38,370**	37,779
The following dividends were declared and paid by SIML during the period:		
Q4 2023 final dividend 0.060 cents (Q4 2022 0.632 cents)	**326**	3,415
Q1 2024 interim dividend 0.2625 cents (Q1 2023 0.4073 cents)	**1,435**	2,201
Q2 2024 interim dividend 0.2625 cents (Q2 2023 0.44552 cents)	**1,444**	2,407
Q3 2024 interim dividend 0.2625 cents (Q3 2023 0.16 cents)	**1,455**	865
Total dividends paid - SIML	**4,660**	8,888
Total dividends paid - Stride	**43,030**	46,667

Dividends are recognised as a liability in the financial statements in the period in which the dividends are approved.

Supplementary dividends of $0.32 million (2023: $0.56 million) were paid to SPL shareholders not resident in New Zealand for which SPL received a foreign investor tax credit entitlement.

Supplementary dividends of $0.10 million (2023: $0.22 million) were paid to SIML shareholders not resident in New Zealand for which SIML received a foreign investor tax credit entitlement.

During the year, $19.58 million ($17.41 million in SPL and $2.17 million in SIML) (2023: $4.01 million, $3.66 million in SPL and $0.35 million in SIML) of gross dividends paid were reinvested in Stride as part of the DRP (refer note 1.9) and 14,888,221 (2023: 2,989,536) Stapled Securities were issued.

5.0 Capital Structure and Funding

Stride's capital structure includes debt and equity, comprising shares and retained earnings, as shown in the consolidated statement of financial position. This section sets out Stride's funding exposure to interest rate risk and related financing costs (excluding borrowings within Industre joint operation, refer note 7.3).

5.1 Borrowings

Accounting policy

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless SPL has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

	2024 $000	2023 $000
Non-current		
Bank facilities drawn down	**375,000**	402,400
Unamortised borrowing establishment costs	**(402)**	(631)
Total net borrowings	**374,598**	401,769
Weighted average cost of debt (inclusive of current interest rate derivatives, margins and line fees) at balance date	**4.22%**	3.96%

	Expiry date	Total $000	Undrawn facility $000	Drawn amount $000
As at 31 Mar 24				
Facility A	30 Nov 2026	**60,000**	**-**	**60,000**
Facility B	30 Nov 2027	**50,000**	**10,000**	**40,000**
Facility F1	30 Nov 2026	**100,000**	**-**	**100,000**
Facility F2	30 Nov 2027	**150,000**	**-**	**150,000**
Facility F4	30 Nov 2026	**100,000**	**75,000**	**25,000**
		460,000	**85,000**	**375,000**
As at 31 Mar 23				
Facility A	15 Dec 2024	100,000	-	100,000
Facility B	15 Dec 2025	25,000	12,500	12,500
Facility F1	15 Dec 2024	100,000	-	100,000
Facility F2	15 Dec 2025	100,000	-	100,000
Facility F3	15 Dec 2026	100,000	10,100	89,900
Facility F4	15 Dec 2024	100,000	100,000	-
		525,000	122,600	402,400

SPL's bank borrowings are via syndicated senior secured facilities with ANZ Bank New Zealand Limited (ANZ), China Construction Bank Corporation (New Zealand Branch), Industrial and Commercial Bank of China Limited, Auckland Branch, and Westpac New Zealand Limited. The bank security on the facilities is managed through a security agent who holds a registered first mortgage on all the investment properties directly owned by SPL and a registered first ranking security interest under a General Security Deed over substantially all the assets of SPL.

Due to the net reduction in fair value of investment properties recognised in respect of the office portfolio as at 31 March 2023, the total value of assets of Fabric were less than its total liabilities as at that date. This resulted in a deemed representation provided to the banking syndicate on 1 April 2023 that the value of Fabric's assets is greater than its liabilities being incorrect. No action was taken by the banking syndicate in respect of this deemed representation, and a waiver was provided by the banking syndicate which disapplied this deemed representation for the period 31 March 2023 to 31 March 2024. On 23 May 2023, Fabric issued 150.0 million new shares to its parent company, SPL, for total consideration of $150.0 million, which was set off against $150.0 million of the advance provided by SPL to Fabric. This share issue has resulted in Fabric's assets being greater than its liabilities as at 31 March 2024.

5.0 Capital Structure and Funding (continued)

5.1 Borrowings (continued)

In accordance with the Green Finance Framework (Framework) of Fabric, $350.0 million of the facilities are classified as green loan facilities. The Framework has been developed to be consistent with the Asia Pacific Loan Market Association (APLMA) Green Loan Principles (2021).

SIML does not have any bank borrowings (2023: $ nil) however it does have a $3.0 million overdraft facility with ANZ which has not been utilised during the current year.

Summary of net debt	2024 $000	2023 $000
Cash and cash equivalents	**14,762**	16,833
Borrowings - non-current	**(374,598)**	(401,769)
Lease liability	**(27,614)**	(15,910)
Net debt	**(387,450)**	(400,846)

5.2 Derivative financial instruments

Accounting policy

Interest rate derivatives (derivative financial instruments) are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value at each reporting date. Fair value of over-the-counter derivatives, such as interest rate derivatives, is determined using valuation techniques which maximise the use of observable data and rely as little as possible on entity-specific estimates.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within the consolidated statement of comprehensive income.

When a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss.

SPL	2024 $000	2023 $000
Active interest rate derivative contracts	**280,000**	320,000
Forward dated interest rate derivative contracts	**130,000**	80,000
Total notional principal value of interest rate derivative contracts	**410,000**	400,000
Interest rate derivative assets - current	**6,535**	1,761
Interest rate derivative assets - non-current	**6,879**	21,581
Interest rate derivative liabilities - non-current	**(64)**	(125)
Fair values of interest rate derivative contracts	**13,350**	23,217
Fixed interest rates ranges on active interest rate derivative contracts (excluding margins and line fees)	**0.53% - 1.80%**	0.53% - 1.80%
Weighted average fixed interest rate on active interest rate derivative contracts (excluding margins and line fees)	**1.35%**	1.28%
Percentage of drawn debt fixed	**75%**	80%

During the year ended 31 March 2024, Fabric entered into the following forward-starting interest rate agreements:

- three year fixed agreements with a total notional value of $25.0 million and an effective date of 31 December 2024; and
- two year fixed agreement with a notional value of $25.0 million and an effective date of 31 December 2025.

SPL typically designates its interest rate derivatives as cash flow hedges of the interest flows on its variable rate borrowings. SPL enters into interest rate derivatives that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount.

5.0 Capital Structure and Funding (continued)

5.2 Derivative financial instruments (continued)

During the year, SPL had interest rate derivative contracts with a notional value of $20.0 million (2023: $20.0 million) that had no drawn bank borrowings hedged against them. Consequently, the fair value movement of $(0.9) million (2023: $(0.4) million) has been recognised in other income in the consolidated statement of comprehensive income.

The fair values of interest rate derivatives are determined from valuations prepared by independent treasury advisors using valuation techniques classified as Level 2 in the fair value hierarchy (2023: Level 2). Judgement is involved in determining the fair value by the independent treasury advisors. The fair values are based on the present value of estimated future cash flows based on the terms and maturities of each contract and the current market interest rates as at balance date. Fair values also reflect the current creditworthiness of the derivative counterparties. The valuations were based on market rates at 31 March 2024 of between 5.64%, for the 90-day BKBM, and 4.37%, for the 10-year swap rate (2023: 5.23% and 4.30% respectively). There were no changes to these valuation techniques during the reporting period. As at 31 March 2024, the fair value of the interest rate derivatives includes an accrued interest asset of $0.4 million (2023: $0.3 million).

The following sensitivity illustrates the impact on equity and profit as a result of the change in fair value of the interest rate derivatives and shows the effect if the market interest rates had been 0.25% lower or higher, with other variables remaining constant.

	2024		2023	
	Gain/(loss) on -0.25% $000	Gain/(loss) on +0.25% $000	Gain/(loss) on -0.25% $000	Gain/(loss) on +0.25% $000
Impact on equity	**(1,434)**	**1,422**	(1,773)	1,757
Impact on profit	**-**	**-**	(35)	35

SPL does not hold derivative financial instruments for trading purposes.

SIML does not hold any interest rate derivatives (2023: $ nil).

5.3 Net finance expense

Accounting policy

Interest income is recognised on a time-proportional basis using the effective interest rate.

Interest costs charged on borrowings are recognised as incurred. Costs associated with the establishment of borrowings are amortised over the term of the relevant borrowings.

	2024 $000	2023 $000
Finance income		
Bank interest income	**799**	422
Other finance income	**294**	214
Total finance income	**1,093**	636
Finance expense		
Bank borrowings interest	**(19,147)**	(16,370)
Lease liability interest	**(1,717)**	(1,382)
Total finance expense	**(20,864)**	(17,752)
Net finance expense	**(19,771)**	(17,116)

5.0 Capital Structure and Funding (continued)

5.4 Share capital

There is only one class of shares, being ordinary shares, and they rank equally with each other. All issued shares are fully paid and have no par value. SPL and SIML shares are 'stapled' and jointly listed on the NZX (Stapled Securities).

Stapling of shares is a contractual and constitutional arrangement between the two Stapled Entities whereby each Stapled Entity's equity securities are combined with (or stapled to) the equity securities issued by the other Stapled Entity. The Stapled Entities have the same shareholders, and their shares cannot be traded or transferred independently of one another. The Stapled Securities are traded as a single economic unit with a single quoted price.

On 12 April 2023, the Boards of SPL and SIML issued 199,248 Stapled Securities pursuant to employee share incentive schemes operated by SIML.

During the year, 14,888,221 (2023: 2,989,536) Stapled Securities were issued in accordance with the DRP (refer note 4.3).

Each of SPL and SIML has 558,407,945 shares on issue as at 31 March 2024 (2023: 543,320,476).

5.5 SIML equity (non-controlling interest)

	Notes	2024 $000	2023 $000
Opening balance		**15,046**	13,083
Transactions with shareholders:			
Dividends paid	**4.3**	**(4,660)**	(8,888)
Dividends reinvested net of costs	**4.3**	**2,135**	317
Transfer to share capital on vesting of employee incentive rights		**1,204**	627
Other movements in reserves		**(51)**	1,086
Total transactions with shareholders		**(1,372)**	(6,858)
Total other comprehensive income		**144**	(391)
Profit after income tax		**6,885**	9,212
Total comprehensive income		**7,029**	8,821
Closing balance		**20,703**	15,046

5.0 Capital Structure and Funding (continued)

5.6 Reserves

Reserves consist of the following Stride reserves	2024 $000	2023 $000
Cash flow hedge reserve	9,184	15,792
Share option reserve	969	1,404
Associate reserve - cash flow hedge	1,805	2,953
Revaluation surplus	2,800	-
Closing balance	14,758	20,149
Cash flow hedge reserve - SPL		
Opening balance	15,792	13,040
Movement in fair value of interest rate derivatives	(9,124)	3,536
Deferred tax on fair value movements	2,516	(784)
Closing balance	9,184	15,792
Share option reserve - SIML		
Opening balance	1,404	948
Share based payment expense	1,917	1,787
Deferred tax on share based payment expense	144	(391)
Transfer to share capital on vesting of employee incentive rights	(1,917)	(627)
Lapsed employee incentive rights	(528)	(239)
Forfeited employee incentive rights	(51)	(74)
Closing balance	969	1,404
Associate reserve - cash flow hedge - SPL		
Opening balance	2,953	2,202
Changes in reserves of associate	(1,148)	751
Closing balance	1,805	2,953
Revaluation surplus - SPL		
Opening balance	-	700
Revaluation surplus/(deficit)	2,800	(700)
Closing balance	2,800	-

Gains and losses recognised in the cash flow hedge reserve on interest rate derivative contracts will be reclassified in the same period in which the hedged forecast cash flows affect profit or loss until the repayment of the bank borrowings.

5.7 Capital risk management

Stride's objectives when managing capital are to safeguard Stride's ability to continue as a going concern in order to provide returns for shareholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, Stride may adjust the amount of dividends paid to shareholders, operate a dividend reinvestment plan, return capital to shareholders, buy back shares, issue new shares or sell assets to reduce borrowings. As part of its capital risk management, SPL is required to comply with covenants imposed under its banking facilities. The SPL Board regularly monitors these covenants and provides six-monthly compliance certificates to the banking syndicate as part of this process. SPL has complied with these covenants during the relevant periods.

6.0 Risk Management

This section sets out Stride's exposure to financial assets and liabilities that potentially subject Stride to financial risk and how Stride manages those risks.

6.1 Financial instruments

A financial instrument is recognised if Stride becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised if Stride's contractual rights to the cash flows expire, or if Stride transfers them without retaining control or substantially all risks and rewards of the asset. Financial liabilities are de-recognised if Stride's obligations specified in the contract are extinguished.

Stride classifies its financial assets and financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortised cost.

Classification is determined at initial recognition and this designation is re-evaluated at every reporting date. The carrying values of all financial assets and liabilities in the consolidated statement of financial position approximate their estimated fair values.

The following financial assets and liabilities that potentially subject Stride to financial risk, have been recognised in the financial statements:

Summary of financial instruments	2024 $000	2023 $000
Financial assets at amortised cost		
Cash at bank	14,762	16,833
Trade and other receivables	4,248	7,729
NZX bond	-	75
Total financial assets at amortised cost	19,010	24,637
Financial assets at fair value through profit or loss		
Loan to associate	3,398	3,398
Total non-derivative financial assets at fair value through profit or loss	3,398	3,398
Derivative financial instruments		
Used for hedging	13,414	23,342
Total financial assets	35,822	51,377
Financial liabilities at amortised cost		
Trade and other payables recognised as financial liabilities	6,544	34,289
Lease liability	27,614	15,910
Borrowings (joint operation participating interest)	40,297	40,400
Bank borrowings	374,598	401,769
Total financial liabilities at amortised cost	449,053	492,368
Derivative financial instruments		
Used for hedging	64	125
Total financial liabilities	449,117	492,493

6.2 Financial risk management

Stride's activities expose it to a variety of financial risks: credit risk, interest rate risk and liquidity risk. Stride's overall risk management strategy focuses on minimising the potential negative economic impact of unpredictable events on its financial performance.

Risk management is the responsibility of the Boards. The Boards identify and evaluate financial risks in close co-operation with management. The Boards provide written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investing excess liquidity.

6.0 Risk Management (continued)

6.3 Credit risk

Stride incurs credit risk from trade receivables, accrued income receivable, loan to associate and transactions with financial institutions including cash balances and interest rate derivatives. Stride is not exposed to any concentrations of credit risk apart from the loan to associate.

The risk associated with trade receivables is managed with a credit policy which includes performing credit evaluations on customers requiring credit and ensures that only those customers with appropriate credit histories are provided with credit. In addition, receivable balances are monitored on an ongoing basis, with the result that Stride's exposure to bad debts is not significant.

During the year, SPL called upon an underlying guarantee provided over the lease of a tenant that went into voluntary administration resulting in $2.4 million being recognised in the consolidated statement of comprehensive income.

As SPL has a wide spread of tenants over different industry sectors, it is not exposed to any significant concentration of credit risk.

The risk from financial institutions is managed by placing cash and deposits with high credit quality financial institutions only. Stride has placed its cash and deposits with ANZ and Westpac New Zealand Limited, both AA- rated (Standard & Poor's).

With respect to the credit risk arising from interest rate derivative agreements, there is limited risk as all counterparties are registered banks in New Zealand whose credit ratings are all AA- (Standard & Poor's).

The maximum exposure to credit risk is the carrying amount of each class of financial assets as reported in note 6.1.

6.4 Interest rate risk

As Stride has no significant interest bearing assets, its operating income is substantially independent of changes in market interest rates.

SPL's interest rate risk arises from bank borrowings (note 5.1) which are issued at variable rates and expose SPL to cash flow interest rate risk. SPL's long term interest rate hedging policy provides bands that are applied on a rolling basis, which provide for both a high level of fixed interest rate cover over the near term, as well as a lengthy period of known fixed interest rate cover for a portion of term debt. SPL manages its cash flow interest rate risk by using floating to fixed interest rate derivatives which have the economic effect of converting borrowings from floating to fixed rates.

As SPL holds interest rate derivatives, there is a risk that their economic value will fluctuate because of changes in market interest rates. The value of interest rate derivatives is disclosed in note 5.2. As at 31 March 2024, SPL had fixed 75% of its drawn debt (2023: 80%).

SPL's exposure to interest rate fluctuations is limited to the extent of all the non-hedged portions of bank borrowings which at balance date was $95.0 million (2023: $82.4 million). If floating interest rates were 0.25% higher or lower, with other variables remaining constant, the impact on total comprehensive income after tax attributable to shareholders would be $0.2 million (2023: higher or lower by $0.1 million) on an annualised basis. SPL's exposure to variable interest rate risk and the weighted average interest rate for interest bearing financial assets and liabilities is as follows:

Interest rates applicable at balance date:	2024	2023
Cash at bank	**0.00% - 4.50%**	0.00% - 4.25%
NZX bond	**-**	4.95%
Loan to associate	**8.72%**	7.73%
Bank borrowings	**2.45%**	2.08%
Borrowings (joint operation participating interest)	**3.89%**	3.53%
Weighted average cost of debt (inclusive of current interest rate derivatives, margins and line fees) of the bank borrowings	**4.22%**	3.96%

Trade and other receivables and payables are interest free and have settlement dates within one year. All other assets and liabilities are non-interest bearing.

6.0 Risk Management (continued)

6.5 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Stride's liquidity position is monitored by management on a regular basis and is reviewed quarterly by the Boards to ensure compliance with internal policies and banking covenants as per SPL's banking facilities.

SPL generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has the bank facilities available to cover potential shortfalls (refer note 5.1).

The following table outlines Stride's liquidity profile, as at 31 March, based on contractual undiscounted cash flows.

	Total $000	0-6 mths $000	6-12 mths $000	1-2 yrs $000	2-5 yrs $000	>5 yrs $000
As at 31 Mar 24						
Trade and other payables recognised as financial liabilities	**6,544**	**6,544**	**-**	**-**	**-**	**-**
Secured bank borrowings	**424,571**	**6,025**	**6,334**	**17,032**	**395,180**	**-**
Lease liability	**153,403**	**862**	**862**	**1,724**	**5,171**	**144,784**
Derivative financial instruments	**18,223**	**1,887**	**2,489**	**5,645**	**8,202**	**-**
	602,741	**15,318**	**9,685**	**24,401**	**408,553**	**144,784**
As at 31 Mar 23						
Trade and other payables recognised as financial liabilities	34,289	34,289	-	-	-	-
Secured bank borrowings	437,479	5,929	5,929	211,088	214,533	-
Lease liabilities	90,359	599	601	1,206	3,481	84,472
Derivative financial instruments	21,459	2,044	3,617	6,498	9,300	-
	583,586	42,861	10,147	218,792	227,314	84,472

SPL's portion of the borrowings in the Industre joint operation are with Industre Property Finance Limited (FinCo), which is part of the Industre joint venture. This loan is on the same terms as FinCo's bank facility agreement, however is payable on demand if called on by FinCo (refer note 7.3).

7.0 Investments in Property Entities

This section sets out how the investments in property entities held by SPL are accounted for in Stride.

7.1 Industre joint arrangement (Industre)

Accounting policy

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Industre is a joint arrangement between SPL and a group of international institutional investors through a special purpose vehicle advised by J.P. Morgan Asset Management (JPMAM). As at 31 March 2024, SPL held a 51.7% interest in Industre (2023: 51.7%). Over the long term, the strategy is for JPMAM to fund further portfolio growth until the respective economic contributions to the portfolio are 75%/25% (JPMAM/SPL). Subsequent to balance date, SPL's participating interest reduced to 49.6% (refer note 8.9).

The accounting for the arrangement by SPL is a combination of a joint venture (equity-accounted) (refer note 7.2) and a joint operation (proportionate share of assets, liabilities, revenue and expenses) (refer note 7.3). SIML is the manager of the joint arrangement.

7.2 Interests in associates and joint venture

Accounting policy

Interests in associates and the joint venture are accounted for using the equity method and are initially recognised in the consolidated statement of financial position at cost, adjusted for the post-acquisition change in SPL's share of their net assets and liabilities. Under this method, SPL's share of profits and losses after tax of associates and profit and loss before tax of the joint venture are included in SPL's profit before taxation. Adjustments to the carrying amount are also made for SPL's share of changes in the associates' and the joint venture's other comprehensive income. SPL's accounting policy is not to take account of the effects of transactions recorded directly in equity outside profit or loss and other comprehensive income.

Under the equity method, gain or loss resulting from transfer of investment properties to associates and the joint venture in exchange for cash or shares is recognised only to the extent of the other investors' interest in the associates or the joint venture, however when cash and shares are received, the portion of the gain or loss relating to cash is recognised in full.

At each reporting date, SPL assesses its equity-accounted investments to determine whether there is any indication of impairment. If any such indication exists, then the investments' recoverable amount is estimated as a single asset by comparing its recoverable amount with its carrying amount.

The recoverable amount is the greater of its value in use (VIU) and its fair value less costs of disposal (FVLCD). VIU is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit. FVLCD is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date, less the costs of disposal and includes a strategic premium that is associated with collectively owning more than the sum of the individual shares.

If the carrying amount of an equity-accounted investment exceeds its recoverable amount, an impairment loss is recognised in profit or loss and is applied to the carrying amount of equity-accounted investment. Such impairment loss is not allocated to the underlying assets that make up the carrying amount of the equity-accounted investment. Impairment loss is subsequently reversed only to the extent that the recoverable amount of the investment subsequently increases.

Set out below are the associates and the joint venture of SPL as at 31 March which, in the opinion of the directors, are material to SPL. The associates and joint venture are principally involved in the ownership of investment properties in New Zealand. They are equity-accounted investments in SPL.

				Ownership interest		Carrying amount	
Entity	**Country of incorporation**	**Ownership**	**Nature of relationship**	**2024**	**2023**	**2024 $000**	**2023 $000**
Investore[1]	New Zealand	Shares	Associate	**18.8%**	18.8%	**93,023**	109,561
Diversified[2]	Australia	Units	Associate	**2.1%**	2.1%	**1,657**	1,334
Industre joint venture[2]	New Zealand	Shares	Joint venture	**51.7%**	51.7%	**127,674**	157,201
						222,354	268,096

1 Fair value, based on Investore's quoted closing share price on the NZX Main Board on the last business day for the year ended 31 March 2024, was $81.7 million (2023: $97.6 million).
2 These equity-accounted investments do not have quoted market prices as they are not listed.

7.0 Investments in Property Entities (continued)

7.2 Interests in associates and joint venture (continued)

Investore
Given the extent of SPL's equity investment as at balance date of 18.8% (2023: 18.8%), the appointment of SIML as manager, and that two of SIML's current directors are also directors of Investore, the SPL Board has concluded that SPL has 'significant influence' over Investore. As such, SPL's investment in Investore has been treated as an interest in an associate. SPL is not subject to any escrow arrangements that prevent it from selling or otherwise disposing of any shares that it holds.

On 31 March 2024, the market value of the investment in Investore, based on the quoted closing market price of Investore's ordinary shares of $1.16, was below the investment's carrying amount under the equity method of accounting which is considered an impairment indicator. SPL performed an impairment test using the FVLCD approach (2023: FVLCD).

The key inputs and assumptions in determining the recoverable amount of this investment through the FVLCD approach are a strategic investment premium of 17.5% (as determined by a third party), the quoted closing share price on the NZX Main Board on the last business day for the year ended at 31 March 2024 and brokerage costs of 0.2%. The determination of the recoverable amount is considered to be Level 3 in the fair value hierarchy. The result of the impairment test was that the investment's recoverable amount was greater than the carrying amount as at 31 March 2024 but less than the recoverable amount as at 31 March 2022 (which included impairment losses). As a result, SPL has not recognised a reversal of previous impairment losses.

The difference between the closing net assets and share at carrying percentage for Investore largely relates to the $18.5 million impairment loss recognised in the year ended 31 March 2022.

The estimated sensitivity on the recoverable amount under the FVLCD approach, if the strategic investment premium and quoted closing market price of Investore's ordinary shares were to (decrease)/increase, is provided below:

	Strategic investment premium %		Market share price (% change)	
	-2.50	**+2.50**	**-2.50**	**+2.50**
As at 31 Mar 2024				
Change $000	**(2,041)**	**2,041**	**(2,399)**	**2,399**
Change %	**(2)**	**2**	**(3)**	**3**
As at 31 Mar 2023				
Change $000	(2,439)	2,439	(2,866)	2,866
Change %	(2)	2	(3)	3

Due to the continued share price volatility in the equity markets since balance date, if the impairment assessment was performed as at 24 May 2024, the recoverable amount would be $85.8 million which is lower than the carrying amount at 31 March 2024 by $7.2 million.

Diversified
Given the appointment of SIML as manager, and that one of SIML's current directors is also on Diversified's Investment Committee, the SPL Board has concluded that SPL retains 'significant influence' over Diversified. As such, SPL's investment in Diversified has been treated as an interest in an associate. As at 31 March 2024, SPL has an interest-bearing loan receivable of $3.4 million (2023: $3.4 million) with Diversified. The weighted average interest rate for the current year was 8.67% (2023: 6.30%) and the interest was payable quarterly. Interest earned on this loan was $0.3 million (2023: $0.2 million) (refer note 8.4). This loan is due for repayment on 12 August 2026.

Industre joint venture
Industre joint venture comprises Industre Property Tahi Limited (Tahi), Industre Property Rua Limited (Rua) and FinCo. SPL has rights to the net assets of these entities, and consequently these entities are classified as a joint venture.

Tahi and Rua hold legal and beneficial ownership of certain properties. FinCo is a funding vehicle established to obtain bank borrowings and on-lend the funds to Tahi, Rua and Industre joint operation. SPL's wholly owned subsidiary, Stride Industrial Property Limited (SIPL), is a guarantor under the Industre banking arrangements as SIPL is a beneficial owner of property owned through the unincorporated joint venture of Industre and as such is jointly and severally liable for Industre's bank borrowings. SIPL has the benefit of, and bears obligations under, a cross indemnity with JPMAM by way of the joint venture arrangements. As at 31 March 2024, the value of the financial guarantee was $ nil (2023: $ nil).

Tahi and Rua are eligible and have elected to be multi-rate Portfolio Investment Entities of which the income tax liability arises to the investors. Accordingly, SPL recognises current and deferred tax as part of its taxes in note 8.1 (rather than as part of the investment in the joint venture).

Summarised financial information for associates and joint venture
The following tables provide summarised financial information for the associates and the joint venture of SPL and reflect the amounts presented in the financial statements of the relevant associates, not SPL's share of those amounts.

All investment properties held by Investore, Industre joint venture and Diversified were valued by independent registered valuers as at 31 March 2024. SPL's share of the valuation (loss)/gains are reflected in share of (loss)/profit in equity-accounted investments.

The difference between the closing net assets and share at carrying percentage for Industre joint venture relates to the $(0.9) million loss on sale of properties in exchange for cash received from Industre joint venture in the financial year ended 31 March 2021. This difference has carried forward to the balance as at 31 March 2024 and will be recognised over time when there are future changes in the participating interest.

7.0 Investments in Property Entities (continued)

7.2 Interests in associates and joint venture (continued)

Summarised statement of comprehensive income	Investore 2024 $000	Industre joint venture 2024 $000	Diversified 2024 $000
Net rental income	**61,246**	**18,598**	**34,370**
Corporate expenses	**(8,135)**	**(3,129)**	**(4,393)**
Finance income	**194**	**84**	**267**
Finance expense	**(18,174)**	**(10,660)**	**(25,648)**
Other expense	**(98,757)**	**(26,375)**	**(1,788)**
Income tax (expense)/benefit	**(3,487)**	**-**	**732**
(Loss)/profit	**(67,113)**	**(21,482)**	**3,540**
Other comprehensive income/(loss)	**148**	**(2,221)**	**(1,871)**
Total comprehensive (loss)/profit	**(66,965)**	**(23,703)**	**1,669**
Summarised statement of financial position			
Assets			
Current assets	**10,526**	**7,759**	**5,879**
Investment properties	**1,002,646**	**438,315**	**414,000**
Other non-current assets	**1,244**	**81,005**	**2,560**
	1,014,416	**527,079**	**422,439**
Liabilities			
Current liabilities	**(12,709)**	**(3,906)**	**(20,638)**
Borrowings - current	**(99,989)**	**-**	**-**
Borrowings - non-current	**(301,012)**	**(273,496)**	**(152,718)**
Other non-current liabilities	**(13,655)**	**(1,227)**	**(169,883)**
	(427,365)	**(278,629)**	**(343,239)**
Net assets	**587,051**	**248,450**	**79,200**
Reconciliation to carrying amounts			
Opening net assets	**675,020**	**305,522**	**64,923**
(Loss)/profit	**(67,113)**	**(21,482)**	**3,540**
Other comprehensive income	**148**	**(2,221)**	**(1,871)**
Reinvestment of unitholder funds	**-**	**-**	**12,608**
Dividends paid	**(27,858)**	**(3,652)**	**-**
Dividends reinvested	**6,854**	**-**	**-**
Distribution paid	**-**	**(29,717)**	**-**
Closing net assets	**587,051**	**248,450**	**79,200**

	Total 2024 $000	Investore	Industre joint venture	Diversified
SPL's share in %		**18.8%**	**51.7%**	**2.1%**
SPL's share in investees' closing net assets	**240,774**	**110,544**	**128,539**	**1,692**
Opening carrying amount	**268,096**	**109,561**	**157,201**	**1,334**
Movement in cash flow hedges net of tax	**(1,148)**	**41**	**(1,149)**	**(40)**
(Loss)/profit	**(23,676)**	**(12,639)**	**(11,114)**	**77**
Reinvestment of unitholder funds	**286**	**-**	**-**	**286**
Dividends paid	**(7,135)**	**(5,245)**	**(1,890)**	**-**
Dividends reinvested	**1,305**	**1,305**	**-**	**-**
Distribution paid	**(15,374)**	**-**	**(15,374)**	**-**
Closing carrying amount	**222,354**	**93,023**	**127,674**	**1,657**

7.2 Interests in associates and joint venture (continued)

Summarised statement of comprehensive income	Investore 2023 $000	Industre joint venture 2023 $000	Diversified 2023 $000
Net rental income	60,257	17,361	34,317
Corporate expenses	(8,855)	(4,310)	(5,711)
Finance income	92	34	102
Finance expense	(16,287)	(7,550)	(25,405)
Other expense	(185,279)	(32,496)	(4,099)
Income tax expense	(128)	-	(7,708)
Loss	(150,200)	(26,961)	(8,504)
Other comprehensive income	302	1,281	1,919
Total comprehensive loss	(149,898)	(25,680)	(6,585)
Summarised statement of financial position			
Assets			
Current assets	8,280	4,083	72,328
Investment properties	1,070,451	496,025	411,538
Other non-current assets	1,557	85,549	3,733
	1,080,288	585,657	487,599
Liabilities			
Current liabilities	(9,052)	(7,035)	(22,283)
Borrowings - non-current	(385,037)	(270,744)	(229,821)
Other non-current liabilities	(11,179)	(2,356)	(170,572)
	(405,268)	(280,135)	(422,676)
Net assets	675,020	305,522	64,923
Reconciliation to carrying amounts			
Opening net assets	855,042	338,093	63,545
Loss	(150,200)	(26,961)	(8,504)
Other comprehensive income	302	1,281	1,919
Reinvestment of unitholder funds	-	-	7,963
Share buyback	(1,074)	-	-
Dividends paid	(29,050)	(6,891)	-
Closing net assets	675,020	305,522	64,923

	Total 2023 $000	Investore	Industre joint venture	Diversified
SPL's share in %		18.8%	51.7%	2.1%
SPL's share in investees' closing net assets	286,547	127,109	158,067	1,371
Opening carrying amount	318,586	143,248	174,051	1,287
Movement in cash flow hedges net of tax	751	46	663	42
Loss	(42,392)	(28,266)	(13,948)	(178)
Reinvestment of unitholder funds	183	-	-	183
Dividends paid	(9,032)	(5,467)	(3,565)	-
Closing carrying amount	268,096	109,561	157,201	1,334

7.0 Investments in Property Entities (continued)

7.3 Joint operations

Industre joint operation

SPL holds a 51.7% interest in a joint arrangement with JPMAM relating to the investment properties denoted in note 3.2. The Industre joint operation holds the beneficial ownership of these properties. The agreement between SPL and JPMAM in relation to their co-ownership requires unanimous consent from both parties for all relevant activities. The two parties have direct rights to the assets and are jointly and severally liable for the liabilities incurred in relation to the co-owned properties. This arrangement is therefore classified as a joint operation and SPL recognises its direct right to the jointly held assets, liabilities, revenues and expenses as described below.

	2024 100%	2024 participating interest	2023 100%	2023 participating interest
Summarised statement of comprehensive income	**$000**	**$000**	**$000**	**$000**
Income	**15,760**	**8,154**	15,557	8,049
Expenses	**(8,669)**	**(4,485)**	(8,754)	(4,529)
Net change in fair value of investment properties	**(2,640)**	**(1,366)**	(62,311)	(32,238)
Net profit/(loss)	**4,451**	**2,303**	(55,508)	(28,718)
Summarised statement of financial position				
Assets				
Current assets	**1,120**	**579**	1,395	722
Investment properties	**287,650**	**148,819**	289,950	150,010
	288,770	**149,398**	291,345	150,732
Liabilities				
Current liabilities	**(482)**	**(250)**	(472)	(244)
Borrowings	**(77,888)**	**(40,297)**	(78,088)	(40,400)
	(78,370)	**(40,547)**	(78,560)	(40,644)
Net assets	**210,400**	**108,851**	212,785	110,088

SPL's portion of the borrowings in the Industre joint operation are with FinCo, which is part of the Industre joint venture. This loan is on the same terms as Finco's banking facility, however is payable on demand if called on by FinCo. As at 31 March 2024, SPL and JPMAM, as the participants, have agreed these borrowings will not be called by FinCo in the next 12 months, unless called on by FinCo's banking syndicate (which is a non-current borrowing). As such, SPL's portion of the borrowings in the Industre joint operation have been classified as non-current in the consolidated statement of financial position.

Johnsonville joint operation

SPL holds a 50% interest in a joint arrangement with Diversified relating to the investment property at Johnsonville Shopping Centre, Wellington. The agreement between SPL and Equity Trustees Limited (as trustee of Diversified) in relation to their co-ownership requires unanimous consent from all parties for all relevant activities. The two parties have direct rights to the asset and are jointly and severally liable for the liabilities incurred in relation to the co-owned asset. This arrangement is therefore classified as a joint operation and SPL recognises its direct right to the jointly held assets, liabilities, revenues and expenses as described below. SIML is the manager of the joint arrangement.

	2024 50% interest	2023 50% interest
Summarised statement of comprehensive income	**$000**	**$000**
Share of rental income	**2,866**	2,785
Share of expenses	**(1,883)**	(1,704)
Net share of profit	**983**	1,081
Summarised statement of financial position		
Assets		
Current assets	**81**	176
	81	176
Liabilities		
Current liabilities	**(349)**	(342)
	(349)	(342)
Net liabilities	**(268)**	(166)

8.0 Other

This section contains additional information to assist in understanding the financial performance and position of Stride.

8.1 Tax

Accounting policy

Income tax expense comprises current and deferred tax and is recognised in the consolidated statement of comprehensive income for the year. Current and deferred tax is calculated on the basis of the laws enacted or substantively enacted at the reporting date.

SPL is a listed Portfolio Investment Entity (PIE) for the purposes of the Income Tax Act 2007 and is required to pay tax to Inland Revenue in accordance with the Income Tax Act 2007.

	2024	2023
Income tax	**$000**	**$000**
Current tax expense	**(7,814)**	(12,175)
Deferred tax benefit	**3,666**	5,175
Income tax expense per the consolidated statement of comprehensive income	**(4,148)**	(7,000)
Loss before income tax	**(51,976)**	(109,747)
Prima facie income tax using the company tax rate of 28%	**14,553**	30,729
(Increase)/decrease in income tax due to:		
Net change in fair value of investment properties	**(21,217)**	(33,178)
Share of loss in equity-accounted investments	**(6,631)**	(11,870)
Loss on disposal of investment properties	**(692)**	-
Assessable income	**(1,106)**	(2,369)
Depreciation	**8,084**	6,872
Depreciation recovered on disposal of investment properties	**(437)**	(1,713)
Non-deductible expenses	**(903)**	(1,150)
Expenditure deductible for tax	**185**	111
Temporary differences	**(124)**	317
Other adjustments	**379**	(130)
Over provision in prior period	**95**	206
Current tax expense	**(7,814)**	(12,175)
Investment property depreciation	**2,942**	5,141
Other	**724**	34
Deferred tax charged to profit or loss	**3,666**	5,175
Income tax expense per the consolidated statement of comprehensive income	**(4,148)**	(7,000)
Imputation credits available for use in subsequent reporting periods	**6,763**	5,690

Income tax expense arising from the Industre joint venture (Tahi and Rua) is $0.7 million (2023: $0.3 million).

Imputation credits available for use in subsequent reporting periods are based on a rate of 28% (2023: 28%) and represent the balance of the imputation account as at the end of the reporting period, adjusted for imputation credits arising from provisional income tax paid.

8.0 Other (continued)

8.1 Tax (continued)

Accounting policy

Deferred tax is provided, using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Temporary differences include:

- tax liability arising from accumulated depreciation claimed on investment properties, where applicable;
- tax asset arising from the allowance for impairment;
- tax liability arising from certain prepayments and other assets; and
- tax asset/liability arising from the unrealised gains/losses on the revaluation of interest rate derivatives.

For deferred tax liabilities or assets arising on investment property measured at fair value, it is assumed that the carrying amounts of the investment property will be recovered through sale. Investment properties are independently valued each year and the valuation includes a split between the land and building components. Deferred tax is provided on the depreciation claimed to date on the building component of the investment properties and this places reliance on the valuation split provided by the valuers.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

	2023 $000	Recognised in profit or loss $000	Recognised in other comprehensive income $000	2024 $000
Deferred tax assets				
Other temporary differences	**1,659**	**358**	**144**	**2,161**
	1,659	**358**	**144**	**2,161**
Deferred tax liabilities				
Derivative financial instruments	**(6,501)**	**248**	**2,516**	**(3,737)**
Depreciation on investment properties	**(6,742)**	**2,942**	**-**	**(3,800)**
Other	**(428)**	**118**	**-**	**(310)**
	(13,671)	**3,308**	**2,516**	**(7,847)**
Net deferred tax liabilities	**(12,012)**	**3,666**	**2,660**	**(5,686)**

	2022 $000	$000	$000	2023 $000
Deferred tax assets				
Other temporary differences	1,971	79	(391)	1,659
	1,971	79	(391)	1,659
Deferred tax liabilities				
Derivative financial instruments	(5,551)	(166)	(784)	(6,501)
Depreciation on investment properties	(11,883)	5,141	-	(6,742)
Other	(549)	121	-	(428)
	(17,983)	5,096	(784)	(13,671)
Net deferred tax liabilities	(16,012)	5,175	(1,175)	(12,012)

8.0 Other (continued)

8.2 Total corporate expenses

	2024 $000	2023 $000
Corporate overhead expenses include:		
Salaries and other short-term benefits	**15,984**	15,606
Depreciation	**180**	186
Loss on disposal of property, plant and equipment	**309**	-
Administration expenses include:		
Auditors' remuneration		
- Audit and review of financial statements	**446**	443
- Audit and review of financial statements 2022	**-**	15
- Other assurance and related services - tenancy marketing and operating expenditure audits	**23**	21
	469	479
Share based payment expense	**1,917**	1,787
Forfeited employee incentive rights	**(51)**	(74)
Feasibility expenses	**642**	-

8.3 Remuneration

	2024 $000	2023 $000
Key management personnel expenses		
Salaries and other short-term benefits	**4,236**	3,760
Share based payment expense	**1,675**	1,596
Forfeited employee incentive rights	**-**	(74)
	5,911	5,282

Key management personnel includes the Chief Executive Officer and the members of the executive team. In the current year, key management personnel received dividends of $0.1 million (2023: $0.1 million).

8.3 Remuneration (continued)

Long term incentive plan

SIML operates a long term incentive plan for its executive team that is intended to align the interests of key employees with the interests of shareholders and provide a continuing incentive to key employees over the long term horizon. SIML receives services from the employees in exchange for the employees receiving share based payments only if specified hurdles, relating to the performance of Stride, are achieved.

SIML has a number of schemes in place. The table below summarises the types of schemes and movement of the share performance rights during the year:

	Schemes for performance rights issued (000)				
	FY22 (3 year)	FY23 (3 year)	FY24 (3 year)	2024 Total	2023 Total
Opening balance	625	705	-	1,330	1,209
Rights granted	-	-	1,063	1,063	774
Rights exercised	(235)	-	-	(235)	(50)
Rights forfeited	-	-	-	-	(149)
Rights lapsed	(390)	-	-	(390)	(454)
Closing balance	-	705	1,063	1,768	1,330

The key features of the plan are as follows:

- the rights are granted for nil consideration and have a nil exercise price;
- rights do not carry any dividend or voting rights prior to vesting;
- each right that vests entitles the employee to receive one fully paid ordinary share in each of SPL and SIML. The shares issued on vesting carry full voting and dividend rights; and
- the individual must remain an employee of SIML as at the relevant vesting date for any rights to vest.

Under the schemes 50% of the rights are subject to a relative Total Shareholder Return (TSR) hurdle and 50% are subject to an achievement of strategic initiatives hurdle to be met before they will vest. Under the FY22 scheme 37% of the performance conditions were met as at 31 March 2024 and consequently 37% of the rights were exercised and vested and 63% lapsed.

The share performance rights are measured at fair value at grant date, which is in reference to the fair value of the instruments granted rather than the fair value of the services from the employees. The key features of the relative TSR performance conditions are as follows:

- the benchmark comparator is seven companies;
- the proportion of the rights subject to the relative TSR performance condition which vest is dependent on Stride's TSR performance relative to the TSR performance of the seven benchmarked companies making up the NZX Property Index; and
- the percentage of the TSR related rights which vest scales according to the relative ranking of Stride's TSR.

The fair value of rights granted in relation to the FY24 TSR performance proportion was independently determined using the Monte Carlo simulation model. The key assumptions adopted were:

- a risk free rate of 4.37%;
- a TSR testing start price of $1.34 (being the average 20 day share price up to 1 April 2023, the start of the performance period);
- volatility (standard deviation) for Stride and the comparator companies was based on the annualised volatility for the three years prior to grant date with the volatility for Stride being 22.4% and the average for the comparator group being 19.1%; and
- all data used to derive the valuation was pre-tax (to Stride and the employee).

The key features of achievement of the strategic initiatives component of the FY24 scheme are as follows:

- the proportion of rights which vest is dependent on certain Key Performance Indicators (KPI) being met over the performance period; and
- the percentage of the strategic initiatives related rights which vest scales according to the level of KPI's achieved. A 70% probability of achieving this component has been assumed.

Further share performance rights under the long term incentive plan may be issued on an annual basis. However, the terms of the plan, eligible participants and offers of further share performance rights may be modified by the SIML Board from time to time, subject to the requirements of the NZX Listing Rules and applicable laws.

Short term incentive plan

During the year, the SIML Board granted 483,331 rights to executives and other employees of SIML as part of the FY23 short term incentive compensation for these employees in connection with their performance during FY23. Of those rights granted, 24,313 were forfeited due to ceased employment. These rights will vest after the 31 March 2025 balance date, if the relevant employee remains employed by SIML.

8.4 Related party disclosures

Accounting policy

SIML's revenue streams are earned from the management of the real estate investments of Investore, Industre, Diversified and SPL. Under the various management agreements, SIML is entitled to receive management fees for various services performed including; asset management, building management, project management, leasing fees, accounting services fees and performance fees. In addition, SIML is entitled to certain acquisition fees under the Industre management agreement. SIML recognises all fees except performance fees, acquisition fees and disposal fees on a monthly basis in accordance with the pattern of service and as performance obligations are met. Acquisition and disposal fees are recognised on the settlement of the property transactions. Performance fees are recognised when earned in accordance with the contractual agreements.

SIML recovers employee related expenses from the managed entities.

	Diversified 2024 $000	Investore 2024 $000	Industre joint venture 2024 $000	Diversified 2023 $000	Investore 2023 $000	Industre joint venture 2023 $000
The following transactions with a related party took place:						
Asset management fee income	2,926	5,376	2,069	3,093	6,158	2,027
Salaries and wages recovery	2,392	-	-	2,518	-	-
Project management fee income	208	776	730	545	430	1,652
Building management fee income	1,562	443	117	1,783	440	72
Leasing fee income	1,045	257	354	1,281	46	191
Accounting fee income	175	250	-	175	250	-
Performance fee income	-	-	-	-	-	886
Other fee income	95	224	89	70	97	23
Total fee income	8,403	7,326	3,359	9,465	7,421	4,851
Rent paid	(107)	-	-	(117)	-	-
Interest income received	294	-	-	214	-	-
Reinvestment of unit holder interest	(286)	-	-	(183)	-	-
Reinvestment of unit holder distributions	(159)	-	-	(131)	-	-
Dividend income	-	5,245	1,890	-	5,467	3,565
Dividend reinvested	-	(1,305)	-	-	-	-
Distribution received	-	-	15,374	-	-	-
Consideration paid on the purchase price adjustment on the disposal of 2 Carr Road, Auckland	-	-	-	-	(5,730)	-
Interest expense	-	-	(2,332)	-	-	(1,854)
The following balances were receivable from/ (payable to) a related party:						
Related party receivable	604	103	67	109	258	164
Interest-bearing loan	3,398	-	-	3,398	-	-
Borrowings	-	-	(40,297)	-	-	(40,400)

Other fee income includes licencing, disposal, maintenance, sustainability and share buyback fees (2023: licencing, disposal, maintenance and sustainability fees).

The below fee income earned and receivable by SIML from the Industre joint operation represents the participating interest held by the participant AP SG 17 Pte. Limited.

	2024 $000	2023 $000
Asset management fee income	612	661
Leasing fee income	80	58
Performance fee income	-	627
Other fee income	63	56
	755	1,402
The following balance was receivable from Industre joint operation to SIML:		
Fee income receivable	1	13

8.0 Other (continued)

8.4 Related party disclosures (continued)

The following table details the transactions between SPL and SIML, which are eliminated on consolidation (refer note 2.0).

	2024 $000	2023 $000
Charged from SIML to SPL:		
Asset management fee	**6,558**	6,396
Salaries and wages recovery	**1,692**	1,617
Project management fee	**720**	415
Building management fee	**1,116**	781
Leasing fee	**547**	888
Accounting fee	**250**	250
Performance fee	**-**	672
Maintenance fee	**73**	65
Disposal fee	**152**	418
Total fees charged	**11,108**	11,502
Interest on loan	**778**	9
Charged from SPL to SIML:		
Rental and service charges for head office	**661**	690
The following balances were receivable/(payable) between SPL and SIML:		
SPL - related party receivable (recognised in SIML)	**97**	96
SIML - related party payable (recognised in SPL)	**(97)**	(96)
SPL - related party loan receivable (recognised in SIML)	**13,800**	8,000
SIML - related party loan payable (recognised in SPL)	**(13,800)**	(8,000)

SIML provides ancillary services in accordance with the management agreement between SPL and SIML to ensure proper management of SPL. Payment for these services by SPL to SIML is included in the total asset management fee paid.

A loan agreement, based on commercial terms, exists between SIML and SPL under which SIML can loan funds up to $20.0 million to SPL for general corporate purposes. As at 31 March 2024, SIML had loaned $13.8 million (2023: $8.0 million) to SPL. The average interest rate charged for the year ended 31 March 2024 was 8.12% (2023: 7.62%). On consolidation, the loan and interest earned/paid are eliminated.

Directors' benefits
Directors' fees recognised in administration expenses comprise the following:

	2024 $000	2023 $000
Directors' fees	**517**	524
Chair's fees	**175**	173
	692	697

In the current year, Tim Storey, Jacqueline Cheyne, Nick Jacobson, Tracey Jones, Michelle Tierney and Ross Buckley received dividends of $21,453 (2023: $23,354 Tim Storey, Jacqueline Cheyne, Nick Jacobson, Philip Ling and Ross Buckley). No other benefits have been provided by Stride to a Director for services as a Director or in any other capacity (2023: nil).

Key management personnel benefits
Key management personnel compensation, which are related party transactions, are disclosed in note 8.3.

8.0 Other (continued)

8.5 Trade and other receivables

Accounting policy

Trade and other receivables are recognised at their fair value and subsequently measured at amortised cost using the effective interest rate method. Stride has applied the simplified approach to measuring expected credit loss as prescribed by NZ IFRS 9 *Financial Instruments*, which uses a lifetime expected loss allowance. A loss allowance is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that Stride will not be able to collect all of the amounts due under the original terms of the invoice.

	2024 $000	2023 $000
Current		
Trade and other receivables	**3,817**	2,642
Less loss allowance	**(653)**	(703)
Trade and other receivables net of loss allowance	**3,164**	1,939
Rental guarantee receivable in relation to 110 Carlton Gore Road, Auckland (refer note 1.9)	**276**	-
Related party receivable (refer note 8.4)	**775**	544
Interest receivable - in relation to 110 Carlton Gore Road, Auckland	**33**	1,496
Rental surrender income receivable	**-**	3,750
	4,248	7,729
Less than 30 days due	**3,956**	6,951
Over 30 days due	**292**	778
Carrying amount	**4,248**	7,729

8.6 Trade and other payables

Accounting policy

Trade and other payables represent unsecured liabilities for goods and services provided to Stride prior to the end of the financial year which are unpaid. Trade and other payables are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are assumed to be the same as their fair values due to their short-term nature.

	2024 $000	2023 $000
Trade payables	**1,127**	1,458
Development and capital expenditure payables and accruals	**4,769**	2,127
Seismic work accruals	**151**	162
Retention accruals	**256**	209
Rent in advance	**804**	1,183
Operating expense recovery accruals	**241**	178
Tenant deposits held	**821**	736
Employee entitlements	**3,605**	2,339
Other accruals and payables	**4,322**	4,083
Rental guarantee in relation to 80 Greys Avenue, Auckland	**-**	462
Settlement payable in relation to 110 Carlton Gore Road, Auckland	**-**	29,693
	16,096	42,630

Other accruals and payables include Goods and Services Tax, direct property operating expense accruals and other corporate expense accruals.

8.0 Other (continued)

8.7 Property, plant and equipment

Accounting policy

Land and buildings are recognised at fair value as determined by an independent registered valuer. A revaluation surplus/(deficit) is credited/(debited) to other reserves in shareholders' equity. All other property, plant and equipment is recognised at historical cost less depreciation.

SIML has an office at 34 Shortland Street, Auckland, (2023: 34 Shortland Street, Auckland, and 22 The Terrace, Wellington) which is a property owned by SPL and therefore held as investment property (refer note 3.2) (2023: investment property and assets classified as held for sale respectively). The value attributable to this premise of $8.5 million (2023: $6.1 million) has been recognised as property, plant and equipment (2023: $5.7 million property, plant and equipment and $0.4 million assets classified as held for sale) with a revaluation surplus of $2.8 million recognised within other comprehensive income (2023: $(0.7) million deficit recognised within other comprehensive income) in the consolidated statement of comprehensive income. SPL sold 22 The Terrace, Wellington, to a third party on 31 July 2023.

	2024 $000	2023 $000
Opening balance	**6,238**	7,050
Purchases	**1,071**	74
Depreciation	**(180)**	(186)
Revaluation surplus/(deficit)	**2,800**	(700)
Disposals	**(871)**	-
Revaluation deficit recognised in profit and loss	**-**	(25)
Transfer from investment property	**-**	450
Transfer to assets classified as held for sale	**-**	(425)
Closing balance	**9,058**	6,238

8.8 Contingent liabilities

SPL's wholly owned subsidiary, SIPL, is a guarantor under the Industre banking arrangements as SIPL is a beneficial owner of property owned through the Industre joint venture (refer note 7.2). The total facility under the Industre banking arrangement is $355.0 million (2023: $355.0 million) and as at 31 March 2024, $273.9 million (2023: $271.4 million) of bank debt had been drawn down.

Stride has no other contingent liabilities at balance date (2023: $ nil).

8.9 Subsequent events

On 16 April 2024, the Boards of SIML and SPL issued 630,993 ordinary shares in each of them (i.e. 630,993 Stapled Securities) under the employee incentive schemes operated by SIML.

On 16 April 2024, the SIML Board granted 1,128,998 rights under the executive long term incentive scheme for FY25 (the period 1 April 2024 to 31 March 2027) and granted 644,264 rights to executives and other employees of SIML as part of the FY24 short term incentive compensation for these employees in connection with their performance during FY24. These rights vest after 31 March 2026 if the relevant employee remains employed by SIML at that time.

On 30 April 2024, JPMAM contributed $20.0 million equity into the Industre joint arrangement resulting in SPL's participating interest reducing from 51.7% to 49.6%.

On 28 May 2024, SPL declared a cash dividend for the period 1 January 2024 to 31 March 2024 of 1.94 cents per share, to be paid on 13 June 2024 to all shareholders on SPL's register at the close of business on 6 June 2024. At 1.94 cents per share, the total dividend payment will be $10,845,355. This dividend will carry imputation credits of 0.194660 cents per share. This dividend has not been recognised in the financial statements.

On 28 May 2024, SIML declared a cash dividend for the period 1 January 2024 to 31 March 2024 of 0.06 cents per share, to be paid on 13 June 2024 to all shareholders on SIML's register at the close of business on 6 June 2024. At 0.06 cents per share, the total dividend payment will be $335,423. This dividend will carry imputation credits of 0.023333 cents per share. This dividend has not been recognised in the financial statements. SIML's equity (non-controlling interest) consists largely of retained earnings and the declared dividend represents 1.6% of SIML's equity as at 31 March 2024.

On 28 May 2024, the Boards of SIML and SPL resolved that the DRP will not operate for the fourth quarter dividends for the period 1 January 2024 to 31 March 2024.

Independent auditor's report

To the shareholders of Stride Property Limited and Stride Investment Management Limited

Our opinion

In our opinion, the accompanying consolidated financial statements of Stride Property Group, which consists of Stride Property Limited and its controlled entities (SPL) and Stride Investment Management Limited (SIML) (together Stride), present fairly, in all material respects, the financial position of the Group as at 31 March 2024, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

What we have audited

Stride's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 March 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Stride in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out tenancy marketing and operating expenditure audits for Stride. In addition, certain partners and employees of our firm may deal with Stride on normal terms within the ordinary course of trading activities of Stride. The provision of these other services and relationships have not impaired our independence as auditor of Stride.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

PricewaterhouseCoopers, PwC Tower, 15 Customs Street West, Private Bag 92162, Auckland, 1142, New Zealand
T: +64 9 355 8000, www.pwc.co.nz

Independent auditor's report (continued)

To the shareholders of Stride Property Limited and Stride Investment Management Limited

Description of the key audit matter

Valuation of investment property

As disclosed in Note 3.2 of the consolidated financial statements, SPL's investment property portfolio comprising: office, town centre and industrial properties was valued at $1,163 million (excluding lease liabilities) as at 31 March 2024.

The valuation of SPL's investment property portfolio is inherently subjective due to, amongst other factors, the individual nature of each property, location and the expected future rental income for each property. A small percentage difference in any one of the key individual assumptions used in the property valuations, when aggregated, could result in a material misstatement of the overall valuation of investment properties and considering the significance of investment property to Stride, this is a key audit matter.

The valuations were performed by independent registered valuers, Jones Lang LaSalle Limited (JLL), CBRE Limited (CBRE), CVAS (NZ) Limited, CVAS (WLG) Limited, Savills (NZ) Limited and Bayleys Valuations Limited (the Valuers) as engaged by SIML, the Manager. The Valuers engaged by SIML are experienced in the markets in which SPL operates and are rotated across the portfolio on a three-yearly cycle.

In determining a property's valuation, the Valuers predominantly used two approaches to determine the fair value of an investment property: the Income Capitalisation approach and the Discounted Cash Flow approach to arrive at a range of valuation outcomes, from which the Valuers derive a point estimate. For the property at 55 Lady Elizabeth Lane, Wellington (Lady Elizabeth Lane), the Residual approach has been used. For the Johnsonville Shopping Centre, Wellington, the Land Value approach has been used.

For each property, the Valuers take into account property specific information such as the current tenancy agreements and rental income earned by the asset. They then apply assumptions in relation to capitalisation rate, discount rate, gross market rental, rental growth rate and terminal yield. For Lady Elizabeth Lane, the valuation incorporates deductions for estimated costs to complete and a profit and risk allowance.

Due to the unique nature of each property, the assumptions applied take into consideration the individual property characteristics at a granular tenant by tenant level, as well as the qualities of the property as a whole.

How our audit addressed the key audit matter

The valuation of investment properties is inherently subjective given that there are alternative assumptions and valuation methods that may result in a range of values.

We held discussions with the Manager to understand the movements in SPL's investment property portfolio; changes in the condition of each property; the controls in place over the valuation process; and tenant occupancy risk arising from changes in the estimated churn on lease renewal.

In assessing the individual valuations, we read the valuation reports for all properties. We also held separate discussions with each of the Valuers in order to gain an understanding of the assumptions and estimates used and the valuation methodology applied. We also sought to understand and consider restrictions imposed on the valuation process (if any) and the market conditions at the balance date.

We confirmed that the valuation approach for each property was in accordance with accounting standards and suitable for use in determining the fair value of investment properties at 31 March 2024.

Our work over the assumptions focused on the largest properties in the portfolio where the assumptions used and/or year-on-year fair value movement suggested a possible outlier versus market data. We engaged our own in-house valuation expert to critique and independently assess the work performed and assumptions used by the Valuers on a sample basis. In particular, we obtained an understanding of the key inputs in the valuation, agreed contractual rental and lease terms to lease agreements with tenants, considered whether seismic assessments and/or capital maintenance requirements had been taken into account in the valuations with reference to supporting documentation and that changes in tenant occupancy risks were also incorporated. In addition, for Lady Elizabeth Lane, we obtained evidence to support the estimated cost to complete and assessed the reasonableness of profit and risk allowance deducted from the 'as if complete' valuation.

With regards to the impact of climate-related risks on the property valuations, while the Valuers confirmed in our discussions that these were considered, the Valuers made no explicit adjustments to their valuations as at 31 March 2024 in respect of climate-related matters.

We considered whether or not there was a bias in determining significant assumptions in individual valuations and found no evidence of bias.

We also assessed the Valuers' qualifications, expertise and their objectivity and we found no evidence to suggest that the objectivity of any Valuer, in their performance of the valuations, was compromised.

It was also evident from our discussions with the Manager and the Valuers and from our review of the valuation reports that close attention had been paid to each property's individual characteristics and its overall quality, geographic location and desirability as a whole.

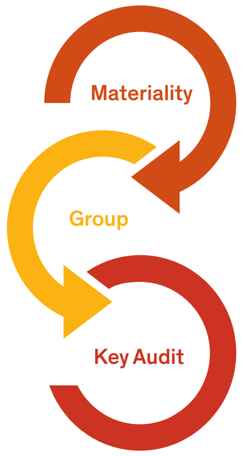
We considered the appropriateness of disclosures made in the consolidated financial statements.

Independent auditor's report (continued)

To the shareholders of Stride Property Limited and Stride Investment Management Limited

Our audit approach

Overview



Overall group materiality: $2.9 million, which represents approximately 5% of profit before tax excluding the net change in fair value of investment properties (including Stride's share of loss in equity-accounted investments arising from valuation movements of investment properties).

We chose this benchmark because, in our view, it is reflective of the metric against which the performance of Stride is most commonly measured by users.

We selected transactions and balances to audit based on the overall group materiality to Stride rather than determining the scope of procedures to perform by auditing only specific subsidiaries or entities.

As reported above, we have one key audit matter, being valuation of investment property.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of Stride, the accounting processes and controls, and the industry in which Stride operates.

Independent auditor's report (continued)

To the shareholders of Stride Property Limited and Stride Investment Management Limited

Other information

The Directors of SPL and SIML are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the consolidated financial statements

The Directors of SPL and SIML are responsible, on behalf of Stride, for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS Accounting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors of SPL and SIML are responsible for assessing Stride's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate SPL or SIML or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board's website at:

https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/

This description forms part of our auditor's report.

Who we report to

This report is made solely to the shareholders of SPL and SIML, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Stride and the shareholders of SPL and SIML, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Samuel Shuttleworth.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
28 May 2024

Auckland

Corporate Governance

Corporate Governance

The Boards of SIML and SPL are committed to maintaining high standards of corporate governance. The Boards regularly review and assess Stride's governance structures and processes to ensure compliance with best practice standards.

This section of the Annual Report provides an overview of the corporate governance policies and practices adopted and followed by the Boards of Directors of SPL and SIML. This statement is current as at 1 May 2024.

Overview of Stride and its Governance Framework

SPL and SIML are both companies incorporated in New Zealand under the Companies Act. SPL and SIML are 'Stapled Entities', with the ordinary shares of SPL and SIML stapled together and quoted on the Main Board equity securities market of NZX under a single ticker code 'SPG'. This means that one share of SIML and one share of SPL must be traded together as a single parcel. SPL and SIML are together referred to as "Stride Property Group" or "Stride".

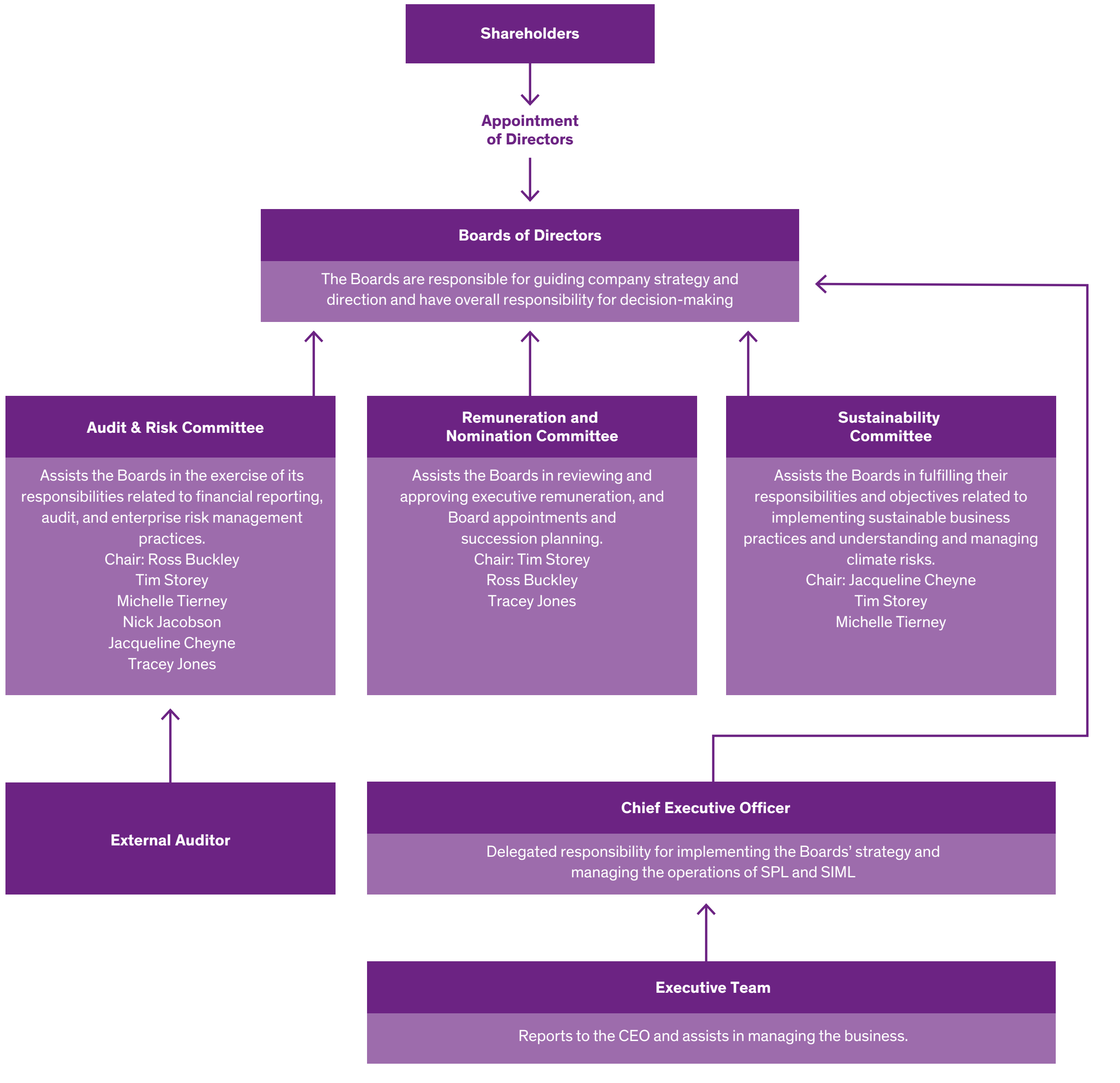
Stride has a 'non-standard' (NS) designation due to its stapled structure. The waivers from the Listing Rules that have been granted by NZX to give effect to that stapled structure are described on pages 135 and 136. The implications of investing in the stapled securities of SPL and SIML are described on page 137.

This section of the Annual Report provides an overview of Stride's corporate governance framework and includes commentary on how Stride complies with each of the eight corporate governance principles and recommendations of the NZX Corporate Governance Code (NZX Code) for the year ended 31 March 2024, together with other statutory disclosures.

For the reporting period, Stride considers that its corporate governance practices are materially consistent with the NZX Code.

Stride's governance framework is set out in Diagram 1.

Diagram 1 – Governance Framework



Key governance documents are available on Stride's website:
www.strideproperty.co.nz/investor-centre/

NZX Principle 1: Code of Ethical Behaviour

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.

The Stride Boards set high standards of ethical behaviour which inform the overall corporate governance and business practices of SPL and SIML. There are four key behaviours that guide Stride's business operations and inform Stride's culture:

People centred

The success of every place we are involved with ultimately depends on satisfying the wants and needs of people. At Stride we imagine ourselves in our tenant's shoes and create the environment they will enjoy and prosper in.

Discipline driven

Stride people go to great lengths to do the basics of our business incredibly well. That means getting all the details right and having a rigorous process to evaluate every opportunity. We astutely navigate risk, managing downside and seizing opportunities.

Nimble performers

Our flat, tight structure and our size allow Stride and our people to be highly responsive to changing conditions and make fast decisions.

Fresh thinkers

Stride people are at the forefront of new thinking on capturing the optimum value for people from properties. Our feet are firmly on the ground while our heads continuously scan new horizons for better ways of doing things.

Stride celebrates employees who demonstrate these behaviours through regular "In Stride" awards at company-wide meetings. All employees are able to nominate their colleagues for an "In Stride" award, with the awards decided by the SIML Executive Team. This encourages employees to think about how these behaviours guide them and their colleagues in their work practices.

Recommendation 1.1 – The board should document minimum standards of ethical behaviour to which the issuer's directors and employees are expected to adhere (a code of ethics).

To support and reinforce the Stride behaviours, Stride has adopted a Code of Ethics which sets the standard expected by the Stride Boards and the employees of SIML when conducting Stride's business. The Code of Ethics sets the following standards for Directors and employees:

- Act with honesty, integrity and fairness, and demonstrate respect for others
- Adhere to all legal and compliance obligations
- Protect Stride's assets and resources, including its confidential or sensitive information
- Make every effort to protect the reputation and brand of SPL and SIML and avoid a conflict between an individual's private activities and the business activities of Stride
- Make health and safety a priority

The Stride Boards review the Code of Ethics regularly to ensure it remains appropriate and continues to set the standard of ethical behaviour expected by Stride of its Directors and employees. The Code of Ethics was last reviewed by the Stride Boards in March 2024.

The Code of Ethics is supported by other policies, including the Stride Conflicts Policy, Protected Disclosures Policy, Securities Trading Policy, Gifts and Hospitality Policy, and Stride's Market Disclosure Policy. In addition, during FY24 the Stride Boards adopted a Human Rights Policy which further supports the Code of Ethics and sets out the commitment of Stride to respecting and promoting human rights in all aspects of its business and operations.

Employees can access Stride's Code of Ethics, together with other supporting policies, on the company intranet, and are regularly provided with training in relation to the Code of Ethics and supporting policies.

Recommendation 1.2 – An issuer should have a financial product dealing policy which applies to employees and directors.

The Stride Boards have adopted a Securities Trading Policy which governs trading in SPL and SIML stapled securities by Stride Directors and SIML employees. The Securities Trading Policy raises awareness about the insider trading provisions within the FMCA and reinforces those requirements with additional internal compliance requirements.

Stride Directors and employees of SIML who wish to trade in stapled securities of SPL and SIML must comply with the Securities Trading Policy, which sets limited trading windows and requires all persons to whom the policy applies to obtain approval prior to trading.

Speculative trading is not permitted, and Directors and employees are required to hold stapled securities for a minimum of six months, except in exceptional circumstances and with the prior approval of the Company Secretary.

Investore, a Stride Product, has also adopted a Securities Trading Policy, and Stride Directors and employees of SIML are bound by this policy.

Employees are regularly reminded of the obligations regarding trading in financial products of both Stride and Investore and given notification of the trading windows when applicable.

Conflicts Policy

Stride is conscious of the potential for conflicts of interest given its role as property investor and manager, and takes a conservative approach to conflicts of interest. The principles that govern the management of conflicts of interest are addressed in a number of governance documents, including the Constitutions of each of SPL and SIML, the Stride Boards' charter, the Code of Ethics, and other internal policies.

The Boards have adopted a Conflicts Policy which guides Directors and SIML employees when a conflict of interest may arise and sets out procedures for managing conflicts of interest. The purpose of the Conflicts Policy is to protect the integrity of decision-making within SPL and SIML, as well as the Stride Products, the reputation of each of those entities, those who work within them, and those who own them. As part of the Conflicts Policy, SIML has adopted an Acquisition and Leasing Protocol which assists SIML management and employees in making decisions in the event of any conflict between the interests of the portfolios managed by SIML, being SPL, Investore, Diversified and Industre.

All transactions in which SIML has, or may be perceived to have, a conflict of interest (which can include personal, related party and fund conflicts) will be conducted in accordance with the Conflicts Policy. SIML's conflicts manager, who is the Company Secretary of SIML, oversees the application of the Conflicts Policy and reports to the SIML Board to ensure that all conflicts are managed in an appropriate manner.

Protected Disclosures Policy

Stride has a Protected Disclosures Policy which provides a safe process for employees to make an allegation of serious wrongdoing within Stride. The following procedure is specified in the policy for employees to report wrongdoing:

- The wrongdoing is reported to the Disclosure Officer (the Company Secretary), or where the employee believes the Disclosure Officer is or may be involved in the wrongdoing or where it is inappropriate to make the disclosure to the Disclosure Officer due to the nature of the information, the information may be reported to the Chief Executive Officer or Chief Financial Officer of SIML, a Director of SPL or SIML, or to an appropriate authority such as the Police or Serious Fraud Office.
- The employee should specify that they believe on reasonable grounds that the information is true, that they wish to disclose the information so that the wrongdoing can be investigated, and that they wish the disclosure to be protected in terms of the policy.

All reports of wrongdoing will be investigated within 20 working days of the disclosure being made (where practicable) and the findings of the report will be communicated to the disclosing employee. The Disclosure Officer will use best endeavours to keep the identity of the disclosing employee confidential, subject to limited exceptions, such as where the disclosing employee consents to their identity being disclosed or where required for the investigation.

An employee who makes a disclosure of information in accordance with the policy will be protected from civil or criminal liability, disciplinary proceedings, or unfavourable treatment in respect of the disclosure, provided the disclosing employee acts in good faith and reasonably believes the information disclosed to be true.

Regular training is provided in relation to the Protected Disclosures Policy, the steps to be taken where employees wish to make a protected disclosure, and the protections provided when a disclosure is made in accordance with the Policy.

NZX Principle 2: Board Composition and Performance

To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives.

Recommendation 2.1 – The board of an issuer should operate under a written charter which sets out the roles and responsibilities of the board. The board charter should clearly distinguish and disclose the respective roles and responsibilities of the board and management.

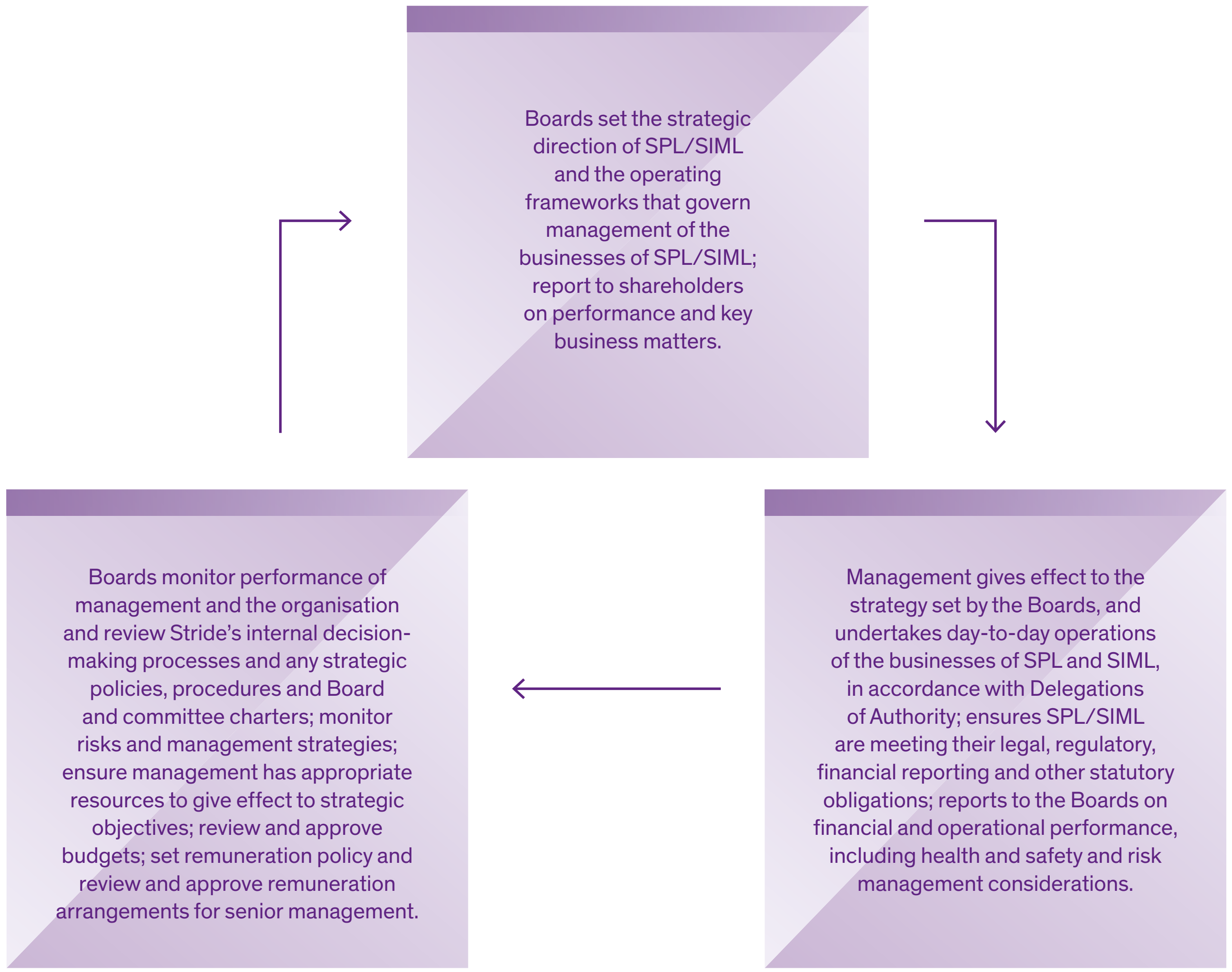
The Stride Boards have adopted a charter which sets out the Boards' roles and responsibilities. This charter is available on Stride's website. As part of the charter, each of the Stride Boards commit to maintaining the highest standards of governance, operational quality and accountability in order to promote investor confidence.

The SPL Board and the SIML Board are each responsible for overseeing the effective management and operation of SPL and SIML respectively. The Boards' role is to represent the interests of Stride's shareholders and ensure that the operations of Stride are managed so as to achieve Stride's strategic and business objectives, within a framework of regulatory and ethical compliance.

The Boards' charter notes that the Board of SPL has appointed SIML as its manager, and the Board of SIML has delegated authority to the Chief Executive Officer of SIML for the operations and administration of Stride, in accordance with the Delegations of Authority. Directors review the Boards' charter annually, to ensure it remains consistent with the Boards' objectives and responsibilities.

A summary of the principal responsibilities of the Boards and management and how they interact is set out in Diagram 2.

Diagram 2 – Boards and Management Roles and Responsibilities



Recommendation 2.2 – Every issuer should have a procedure for the nomination and appointment of directors to the board.

The Boards have established a Remuneration and Nomination Committee which assists the Boards in the identification of candidates for appointment to fill a vacancy. The responsibilities of the Committee include:

- evaluating the balance of skills, knowledge and experience on the Boards, and, in light of the evaluation, determining the skill set and capabilities required for a new Board appointment; and
- identifying and nominating, for the approval of the Boards, external candidates to fill Board vacancies as and when they arise.

Potential candidates for appointment as a Director are nominated by the SIML Board or the Stride Remuneration and Nomination Committee or a SIML shareholder, and are voted on by the shareholders of SIML. Under SPL's Constitution, persons who are appointed as Directors of SIML are automatically appointed as Directors of SPL.

The Boards have an established process for selecting suitable candidates for appointment and reappointment to the Boards. The process commences with an evaluation of the current composition of the Boards and Director skills matrix and ensures that:

- proper background checks are done, including background checks on education, employment experience, criminal history, and bankruptcy; and
- shareholders are provided with key information about a candidate to help in their decision-making on whether to elect or re-elect them (this includes any material adverse information the checks have revealed).

To be eligible for selection, candidates must demonstrate the appropriate qualities and experience for the role of Director and will be selected on a range of factors, including property industry knowledge, business acumen, financial markets, and governance experience. Other factors include background, professional expertise, and qualifications, measured against the Boards' assessment of its overall skills and needs at the time and having regard to the strategy of Stride and Director succession planning.

The Boards may appoint Directors to fill a casual vacancy, but where a Director is appointed to fill a casual vacancy, the Director is required to retire and stand for election at the first Annual Shareholder Meeting after his or her appointment.

Director Tracey Jones was appointed as a Director of SIML and SPL on 11 April 2023, on the retirement of Director Philip Ling. Tracey subsequently retired and was elected at the 2023 Annual Shareholder Meeting of SIML.

Recommendation 2.3 – An issuer should enter into written agreements with each newly appointed director establishing the terms of their appointment.

All new Directors are appointed by way of a formal letter of appointment setting out the key terms and conditions of their appointment, including expected time commitment, remuneration entitlements, and indemnity and insurance arrangements. The letter of appointment also requires Directors to comply with all corporate policies and charters, including the Boards' and Committee Charters, Code of Ethics, Securities Trading Policy, and Market Disclosure Policy, advises Directors of their right to access corporate information, and sets out confidentiality obligations.

As part of their appointment process, new Directors are asked to advise of their interests to be entered into the Boards' interests register, and are advised of Stride's approach to conflicts of interest. New Directors are provided with an induction pack containing key governance information, policies and charters, and relevant information necessary to prepare new Directors for their role. New Directors also meet key members of management of SIML as part of an induction programme, designed to provide new Directors with an overview of Stride, its strategy and operations, and the markets in which it operates.

Recommendation 2.4 – Every issuer should disclose information about each director in its annual report or on its website, including (a) a profile of experience, length of service, and ownership interests; (b) the director's attendance at board meetings; and (c) the board's assessment of the director's independence, including a description as to why the board has determined the director to be independent if one of the factors listed in table 2.4 applies to the director, along with a description of the interest, relationship or position that triggers the application of the relevant factor.

Director biographies can be found on Stride's website at **www.strideproperty.co.nz/#board**. In addition, an overview of each of the Directors of SPL and SIML, their status and date of appointment is set out on pages 10 and 11, with their attendance at meetings set out on page 113, and the interests of each Director in Stride securities at page 132. Stride does not have a policy which requires Directors to own stapled securities in Stride, but notes that each Director does own stapled securities, helping to ensure alignment of interests between the Directors and shareholders of Stride.

Independence of Directors

All of the SPL and SIML Directors are considered to be 'Independent Directors' under the Listing Rules, which in summary means that they are free of any direct or indirect interest, position, association or relationship that could reasonably influence, or could reasonably be perceived to influence, in a material way, the Director's capacity to bring an independent view to decisions in relation to Stride, act in the best interests of Stride, and represent the interests of Stride's shareholders generally, including having regard to the factors described in the NZX Code.

The Boards have reviewed the status of each of the Directors and, taking into account the waiver granted by NZX Regulation in relation to the independence of Directors that is summarised on page 135, confirm that, as at the date of the release of this Annual Report and after considering the relevant factors set out in the NZX Code, all Directors are 'Independent Directors'.

Director Tim Storey, the Chair of the Boards, has been a Director of SPL since 2009. The Boards have considered this length of tenure and do not consider that it prejudices the independence of Director Tim Storey given his governance experience, approach to Board duties, and the fact that none of the other factors that may influence independence apply. The Boards consider that Stride benefits from Tim's history with Stride, given the changes to the business over this time, including its listing on the NZX and the establishment of the current stapled structure.

Recommendation 2.5 – An issuer should have a written diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving diversity (which, at a minimum, should address gender diversity) and to assess annually both the objectives and the entity's progress in achieving them[1]. An issuer should disclose its diversity policy or a summary of it.

The Stride Boards recognise that different perspectives, which often arise due to diverse experiences and backgrounds, contribute to a more successful business. Stride is committed to promoting diversity on the SPL and SIML Boards and SIML, which is the employing entity of Stride, is committed to promoting diversity within the workplace by attracting, recruiting, developing, promoting and retaining the best employees from a diverse pool of individuals.

Stride has adopted a Diversity Policy which sets out its commitment to diversity within the organisation.

Stride considers that diversity and inclusion embodies a wide range of individual attributes, including gender, experiences, capabilities, ethnicity, age, national origin, sexual orientation, disability, race, family status, cultural heritage, and religious belief. Stride's Diversity Policy embraces four key principles:

Merit

Individuals are evaluated based on their individual skills, performance and capabilities

Fairness & Equity

Stride does not tolerate any discrimination or harassment in the workplace of any kind, including, but not limited to, in recruitment, promotion and remuneration

Promotion of Diverse Ideas

Stride values diversity in skills, backgrounds, and ideas which come from a diverse workforce

Culture

Stride believes that diversity is a strong contributor to a rich workplace culture, where individuals are free to be themselves and thrive within Stride

Stride has conducted its annual assessment of its diversity objectives for FY24 and its progress towards achieving these objectives. Stride believes that a focus on diversity and inclusion is an ongoing endeavour and will be a constant consideration and focus for the Stride Boards.

1. Note that recommendation 2.5 also includes specific requirements for issuers within the NZX 20 Index, but this does not apply to Stride.

Table 1 – Diversity Objectives and FY24 Performance

Policy	Objective	FY24 Performance
Stride is committed to promoting diversity on its Boards by attracting, developing and retaining the highest calibre of Directors from a diverse pool of individuals	Improve representation of women on the Boards	**Gender split:** **FY24:** Male: 50% Female: 50% **FY23:** Male: 67% Female: 33% In April 2023 Director Tracey Jones was appointed to the Boards following a thorough review of Board requirements and a comprehensive search. This appointment was made in anticipation of Director Philip Ling's retirement. In conducting a search for a new Director, Stride considers diversity as one of the factors for consideration. Stride utilises a variety of channels to identify appropriate candidates, including external recruiting agencies and referrals. The Directors of Stride considered that Director Tracey Jones was the best candidate to fulfil its requirements, including appropriate skills and experience, and accordingly she was appointed on 11 April 2023. As a result, the Boards now have equal male and female gender representation.
Stride is committed to promoting diversity within the workplace by attracting, recruiting, developing, promoting and retaining the highest calibre of employees from a diverse pool of individuals	Improve representation of women in the Executive and Leadership Team (being those managers that report directly to the Executive Team)	**Executive Team:** **FY24:** Male: 62.5% Female: 37.5% **FY23:** Male: 62.5% Female: 37.5% The Executive gender split has remained constant during FY24. **Leadership Team:** **FY24:** Male: 67% Female: 33% **FY23:** Male: 64% Female: 36% There has been a slight change in the gender composition of the Leadership Team during FY24 as a result of one existing male team member taking on managerial responsibilities which has resulted in his inclusion in the Leadership Team. **Staff:** **FY24:** Male: 38% Female: 62% **FY23:** Male: 39% Female: 61% SIML comprises a head office and a number of staff based at shopping centres managed by SIML. The shopping centre teams have a higher proportion of female staff, with 16% male and 84% female, and with the centre managers comprising 33% male and 67% female. For employees at head office, the gender composition is 56% male and 44% female, which is slightly more balanced than the gender composition of the Executive and Leadership teams. Stride will continue to work towards ensuring the gender split of the Executive and Leadership teams more closely reflects the overall gender composition of employees, particularly those at head office.

Table 1 – Diversity Objectives and FY24 Performance (cont)

Policy	Objective	FY24 Performance
Stride believes that diversity is an essential component of a successful business and acknowledges and values the role that diversity plays in strengthening Stride and its performance	Establish a diversity and inclusion programme to improve understanding of diversity in the workplace	During FY23 Stride established an employee Diversity, Equity and Inclusion Committee. The Committee has implemented a number of initiatives during FY24, including ongoing diversity training and unconscious bias training, as well as establishing a programme for assessing diversity metrics among Stride employees. For FY24, metrics related to average age and gender composition have been monitored. The implementation of Stride's new human resources software during FY24 will enable a wider range of diversity metrics to be assessed and monitored during FY25. As it will be voluntary for employees to provide diversity metrics, during FY25 the Diversity, Equity and Inclusion Committee will implement a communication strategy for employees to increase awareness on why the data is being collected, how it will be used, and how it will be protected, to encourage employees to provide their data to enable a richer and more complete picture of diversity at Stride.

SIML is committed to a fair and balanced approach when deciding reward and remuneration outcomes for employees. Methodologies adopted to enable a robustly tested and balanced outcome include:

- External benchmarking of salaries
- Completion of an internal equal pay assessment of selected comparative roles and levels
- SIML's performance management framework includes an objective review of KPIs and performance measures for individuals and teams, resulting in an overall performance rating for each employee

Gender composition of the Boards and Officers of SPL and SIML

	As at 31 March 2024		As at 31 March 2023	
	Directors	Officers (1)	Directors	Officers (1)
Male	3 (50%)	5 (63%)	4 (67%)	5 (63%)
Female	3 (50%)	3 (37%)	2 (33%)	3 (37%)

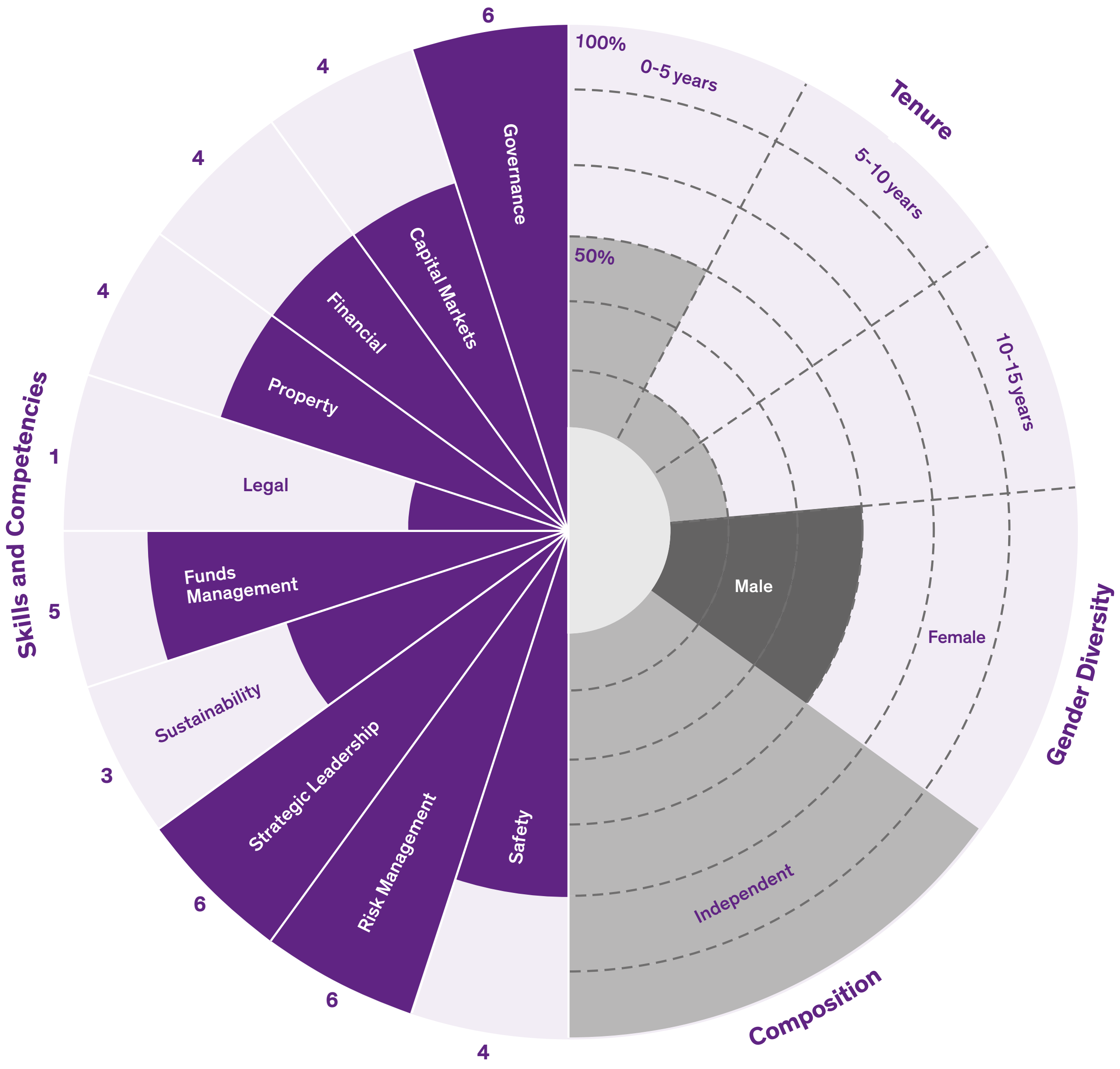
1. Officer is defined in Listing Rule 3.8.1(c) to mean a person, however designated, who is concerned or takes part in the management of the issuer's business and reports directly to the Board or a person who reports to the Board. Stride considers the Executive Team of SIML, which consists of the Chief Executive Officer (who reports directly to the Board) plus his direct reports to comprise the Officers of SIML.

Directors' Skills and Experience

The Boards include Directors who collectively have a mix of skills, knowledge, experience, and diversity that enhance the Boards' operations and assist the Boards to meet their responsibilities and objectives. A balance is maintained between long serving Directors with experience and knowledge of the property sector and Stride's history, and new Directors who bring fresh perspective and insight. The Boards consider that the current Directors collectively have the depth of expertise, understanding and experience necessary to govern Stride.

Set out in Diagram 3 is a summary of the skills and experience among Directors of the Boards. Individual Director profiles are set out on the Stride website and on pages 10 and 11 of this Annual Report.

Diagram 3 – Boards' Skills Matrix



Recommendation 2.6 – Directors should undertake appropriate training to remain current on how to best perform their duties as directors of an issuer.

The Boards understand the importance of ensuring they remain current in the knowledge and skills required to be a Director of SPL and SIML, particularly focussed on knowledge specific to the property industry, funds management business, macroeconomic factors and regulatory and governance practices, all of which may impact Stride's business and operations.

Director development and education is primarily focussed on briefings from senior SIML managers and industry experts as appropriate and site visits to properties owned by SPL, Industre, Diversified or Investore. Directors also have access to external education and professional development training at Stride's expense.

Directors are entitled to access such information and to seek such independent advice as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgement in decision-making.

Recommendation 2.7 – The board should have a procedure to regularly assess director, board and committee performance.

The Boards undertake an annual evaluation of their performance, utilising a range of approaches, both internal and external. During FY24, the Boards conducted a review utilising the Institute of Directors of New Zealand's Evaluate tool, a comprehensive Board evaluation process. The recommendations have been reviewed by the Boards as a whole and are being implemented. The recommendations will assist the Boards in their ongoing development and in the effective functioning of the Boards.

Recommendation 2.8 – A majority of the board should be independent directors.

As set out in the commentary to recommendation 2.4, the Boards have considered the status of the Directors and have confirmed that all directors are independent, having regard to the factors set out in the NZX Code.

Recommendation 2.9 – An issuer should have an independent chair of the board.

The Chair of the Boards is Tim Storey, an Independent Director, as noted in relation to the commentary on recommendation 2.4.

Recommendation 2.10 – The chair and the CEO should be different people.

The Chief Executive Officer of SIML is Philip Littlewood, and accordingly there is separation between the Chair and the Chief Executive Officer of SIML.

Company Secretary

The Stride Company Secretary, Louise Hill, is an employee of SIML and a member of the Executive Team reporting directly to the Chief Executive Officer of SIML. As a member of the Executive Team, the Company Secretary participates in the SIML executive long term incentive scheme. The Company Secretary has a legal background and understands the need to apply impartiality in the role, including the need to ensure appropriate Board oversight of the business of SPL and SIML. The Company Secretary has direct access to the Boards' Chair and the Chair of the Audit and Risk Committee where needed.

NZX Principle 3: Board Committees

The board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility.

Committees play an important role in Stride's governance framework, allowing a subset of the Boards to focus on a particular area of importance for the Stride Boards, while still ensuring the Boards as a whole remain responsible for decision-making.

The Stride Boards have established three permanent Committees.

Boards of Directors

Audit and Risk Committee	Remuneration and Nomination Committee	Sustainability Committee
Chair: Ross Buckley Members: Tim Storey, Michelle Tierney, Jacqueline Cheyne, Nick Jacobson, Tracey Jones	Chair: Tim Storey Members: Ross Buckley, Tracey Jones	Chair: Jacqueline Cheyne Members: Tim Storey, Michelle Tierney
The role of the Audit and Risk Committee is to assist in the exercise of the Boards' financial oversight and risk functions.	The Committee assists with overseeing Executive and Board remuneration, as well as Board composition and succession.	The Committee assists with progressing the sustainability objectives of the Boards across SPL and SIML, including climate risk assessment and reporting.

Recommendation 3.1 – An issuer's audit committee should operate under a written charter. Membership on the audit committee should be majority independent and comprise solely of non-executive directors of the issuer. The chair of the audit committee should be an independent director and not the chair of the board.

The Audit and Risk Committee provides assistance to the Boards in fulfilling their responsibility to investors in relation to the reporting practices of Stride, ensuring the quality, integrity and transparency of the financial reports of Stride, and overseeing the risk management framework implemented by SIML management to effectively identify, manage and monitor key business risks. The role and responsibilities of the Audit and Risk Committee are summarised in Diagram 4 on page 110.

Stride's Audit and Risk Committee operates under a written charter, which is regularly reviewed to ensure that it remains appropriate and current. The Audit and Risk Committee charter is available on Stride's website: **www.strideproperty.co.nz/investor-centre/**.

The charter requires that the Audit and Risk Committee is comprised solely of non-executive Directors, and has at least three members, with the majority of members being Independent Directors. The Chair of the Audit and Risk Committee is to be an Independent Director and may not be the Chair of the Boards. All Committee members must be financially literate and at least one member must have accounting or related financial management expertise. All Directors are members of the Audit and Risk Committee, with Director Ross Buckley the Chair of the Committee.

The Boards consider that the Audit and Risk Committee has the appropriate level of financial acumen and risk management experience necessary for the Committee to fulfil its responsibilities. The Chair of the Committee, Director Ross Buckley, has considerable audit experience and financial acumen suitable for this role, given his background as an audit partner with KPMG for 27 years. Ross has no prior relationship with PwC, Stride's auditor.

Meetings of the Audit and Risk Committee are held at least twice a year, and are generally held four times per year, having regard to Stride's reporting and audit cycle. Additional meetings are held at the discretion of the Chair, or if requested by any Audit and Risk Committee member, the Chief Executive Officer of SIML, the Chief Financial Officer of SIML, or the external auditor.

Recommendation 3.2 – Employees should only attend audit committee meetings at the invitation of the audit committee.

The Chief Executive Officer and senior management of SIML, and the external auditor, have a standing invitation to attend Audit and Risk Committee meetings. The Audit and Risk Committee are free to, and do, meet separately with the external auditor, without senior management of SIML present, to discuss audit matters.

Diagram 4 – Role and Responsibilities of Audit and Risk Committee

Financial Reporting	Audit Functions	Risk Management
Review the financial statements of Stride with management and the external auditor and obtain the external auditor's views on the accuracy, disclosure and content of the financial statements to be presented to investors	Meet with the external auditor and SIML financial management to review the proposed scope of the audit and half year review and the procedures to be utilised	Ensure that management has established a risk management framework to effectively identify, monitor, manage and report key business risks
Review with management and the external auditor the results of analysis of significant financial reporting issues and practices, including changes of accounting principles	Review the internal audit functions undertaken by SIML and receive a summary of findings from completed internal audits	Review the procedures for identifying key business risks and controlling their financial impact
Review judgements about the quality of accounting principles and clarity of financial disclosure used in Stride's financial reporting	Report the results of the annual audit to the Boards, including whether the financial statements comply with legal and regulatory requirements	Review management's reports on the effectiveness of systems for internal control, financial reporting and risk management
Review and recommend financial reports to the Boards	Review the nature and scope of other professional services provided by the external auditor to consider the risk of these services to the auditor's independence	Review key business risks and controls
	Assess and confirm to the Boards the independence of the external auditor	Review insurance policy terms and cover adequacy and recommend the adoption of cover to the Boards
	Recommend the appointment or discharge of the external auditor and establish the external auditor's fees, subject to shareholder approval	

Recommendation 3.3 – An issuer should have a remuneration committee which operates under a written charter (unless this is carried out by the whole board). At least a majority of the remuneration committee should be independent directors. Management should only attend remuneration committee meetings at the invitation of the remuneration committee.

Stride's Remuneration and Nomination Committee has been established to assist the Boards with the determination, implementation and oversight of appropriate executive remuneration practices to enable the recruitment, motivation and retention of top talent at all levels, to assist the Boards in planning the Boards' composition and succession, and to identify and nominate for approval of the Boards external candidates to fill Board vacancies as they arise.

The role and responsibilities of the Remuneration and Nomination Committee, its composition, and the procedures that govern the operation of the Committee, are set out in a written charter, which is available on the Stride website: **www.strideproperty.co.nz/investor-centre/**. The Remuneration and Nomination Committee comprises three Directors, all of whom are Independent Directors.

Employees are only entitled to attend meetings at the invitation of the Committee.

The role and responsibilities of the Remuneration and Nomination Committee include:

Remuneration

- Set and review the remuneration policies and practices of SIML and the Boards
- Set and review all components of the remuneration of the Chief Executive Officer and such other senior Executives as the SIML Board may determine, including base salary, short and long term incentive plans, company share schemes and all other entitlements and benefits
- Set and review the short and long term incentive plans for employees, including share schemes
- Make recommendations to the Boards on setting and reviewing all components of the remuneration of non-executive Directors

Nomination

- Evaluate the balance of skills, knowledge and experience of the Boards and determine the skill set and capabilities required for a new Board appointment
- Identify and nominate potential candidates to fill Board vacancies
- Formulate succession plans for non-executive Directors
- Regularly review the structure, size and composition of the Boards and make recommendations to the Boards regarding any changes

Recommendation 3.4 – An issuer should establish a nomination committee to recommend director appointments to the board (unless this is carried out by the whole board), which should operate under a written charter. At least a majority of the nomination committee should be independent directors.

Stride has established a Remuneration and Nomination Committee to assist the Boards in the areas of remuneration and nomination. Information on the Committee, its role, responsibilities, composition, and operation are set out in the commentary to recommendation 3.3.

Recommendation 3.5 – An issuer should consider whether it is appropriate to have any other board committees as standing board committees. All committees should operate under written charters. An issuer should identify the members of each of its committees, and periodically report member attendance.

The Stride Boards have established a Sustainability Committee to identify and consider all relevant environmental, social and governance (ESG) matters as they relate to the business of Stride, and assist the Boards to integrate environmental and social principles into the governance of the business. The Stride Boards benefit from the focus on sustainability and climate risk that can be achieved through a dedicated Committee.

The Sustainability Committee comprises three Board members, being Jacqueline Cheyne (Chair of the Committee), Tim Storey and Michelle Tierney. The Sustainability Committee operates under a charter which is available on the Stride website: **www.strideproperty.co.nz/investor-centre/**. The Committee meets at least twice a year, and meetings are generally held four times per year. Additional meetings are held at the discretion of the Chair, or if requested by any Committee member or the Chief Executive Officer of SIML. The primary roles of the Sustainability Committee are set out in Diagram 5.

Diagram 5 – Role and Responsibilities of Sustainability Committee

Boards and Committee Meetings and Attendance

The Boards' charter sets out the meeting requirements and process for each of SPL and SIML. Due to the nature of the business of each Board, different meeting frequencies are scheduled. The Board of SIML meets a minimum of 8 times per year and the Board of SPL a minimum of 5 times per year, with additional meetings and conference calls scheduled as deemed necessary throughout the year for Directors to undertake their duties.

Directors attend briefings with senior management of SIML on an ad-hoc basis and attend investor briefings in connection with their role as a Director of SPL and SIML. These attendances are not included in the disclosure in Table 2, but comprise an important element of Stride Director responsibilities.

In addition to the Board and Committee meetings outlined in Table 2, all Stride Directors attended a strategy day in August 2023 and a sustainability and climate risk workshop in December 2023.

At each Board meeting, the Boards receive written reports and presentations from SIML's Chief Executive Officer and senior management covering a review of operations and financial results for the period in review, an overview of matters for Board approval, an outline of key health, safety and sustainability matters and, as appropriate, risk and governance reports. The Boards regularly consider performance against strategy, set strategic plans, and approve initiatives to meet each of SPL's and SIML's strategic objectives.

The number of board and committee meetings held during FY24 and details of Directors' attendance at those meetings are disclosed in Table 2.

Table 2 – Directors' Meeting Attendance for FY24

	SPL Board	SIML Board	Audit and Risk Committee	Sustainability Committee	Remuneration and Nomination Committee
Number of Meetings FY24	**6**	**8**	**4**	**4**	**2**
Tim Storey	6	8	4	4	2
Ross Buckley	6	8	4	N/A	2
Michelle Tierney	6	8	4	4	N/A
Jacqueline Cheyne	6	8	4	4	N/A
Nick Jacobson	6	8	4	N/A	N/A
Tracey Jones (1)	6	8	4	N/A	2

Note 1: Tracey Jones was appointed a Director of SPL and SIML on 11 April 2023.

Director Philip Ling ceased as a Director of SPL and SIML on 11 April 2023, and so was a director for part of the FY24 financial year. However, as there were no meetings held in the period that Philip Ling was a director, we have not included his attendances in the table above.

A list of the members of each committee is set out on page 99.

Recommendation 3.6 – The board should establish appropriate protocols that set out the procedure to be followed if there is a takeover offer for the issuer including any communication between insiders and the bidder. The board should disclose the scope of independent advisory reports to shareholders. These protocols should include the option of establishing an independent takeover committee, and the likely composition and implementation of an independent takeover committee.

The Boards have adopted a Takeover Protocol, available on Stride's website, which sets out the procedure to be followed in the event a takeover offer for Stride is made or it is foreseeable that an offer may be imminent. The Protocol provides for an independent takeover committee to be formed, comprising Independent Directors of Stride, to oversee the takeover process and ensure compliance with Stride's obligations under the Takeovers Code. The Protocol also governs the procedure for communications with the bidder, the market, and investors.

NZX Principle 4: Reporting and Disclosure

The board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.

Recommendation 4.1 – An issuer's board should have a written continuous disclosure policy.

Stride has a written Market Disclosure Policy which can be found on Stride's website: **www.strideproperty.co.nz/investor-centre/**. This Policy ensures Stride meets its obligations to keep the market informed of all material information promptly and without delay. Both SPL and SIML are committed to:

- ensuring that shareholders and the market are provided with full and timely information about their activities;
- complying with the general and continuous disclosure principles contained in statute and in the Listing Rules; and
- ensuring that all market participants have equal opportunities to receive externally available information issued by Stride.

Stride believes that high standards of reporting and disclosure are essential for proper accountability between the company and its investors, employees and stakeholders. The Market Disclosure Policy obliges all Directors of SPL and SIML and Executive Team members of SIML to inform the Chief Executive Officer of SIML or the SIML General Manager Corporate Services (who is also the Disclosure Officer under the Policy) of any potentially material information or proposal, immediately after the relevant person becomes aware of that information or proposal.

No one is permitted, until adequate public disclosure has been made, to communicate any material information concerning the business and affairs of Stride to a third party, except in accordance with the Market Disclosure Policy.

A Disclosure Committee, comprising the Stride Chair and SIML's Chief Executive Officer, Chief Financial Officer and General Manager Corporate Services, is responsible for making decisions about what information is material information and ensuring that appropriate disclosures are made in a timely manner to the market.

In addition, the Boards consider at each meeting matters for disclosure and ensure that any material decisions made at Board meetings are announced on a timely basis.

Recommendation 4.2 – An issuer should make its code of ethics, board and committee charters and the policies recommended in the NZX Code, together with any other key governance documents, available on its website.

The Boards' charter and the charters of the standing Board Committees, as well as key policies, annual and interim reporting, announcements, and other investor-related material are available on the Stride website: **www.strideproperty.co.nz/investor-centre/**. SIML does not presently include its remuneration policy on the Stride website, as the policy contains commercially sensitive information pertaining to how employees are remunerated.

Recommendation 4.3 – Financial reporting should be balanced, clear and objective.

Stride is committed to maintaining appropriate financial reporting, and adopts processes and procedures to ensure that reporting is clear, balanced and objective. Stride publishes interim and audited full year financial statements that are prepared in accordance with relevant financial standards, with the Audit and Risk Committee overseeing preparation of these financial statements, consistent with its responsibilities as described in relation to recommendation 3.1.

Recommendation 4.4 – An issuer should provide non-financial disclosure at least annually, including considering environmental, social sustainability and governance factors and practices. It should explain how operational or non-financial targets are measured. Non-financial reporting should be informative, include forward looking assessments, and align with key strategies and metrics monitored by the board.

Stride's annual report provides both financial and non-financial information, including an outline of progress in each of our strategic pillars of Performance, People, Portfolio and Products. Alongside our annual and interim financial reporting, we also prepare an investor presentation which outlines activity and key metrics for the period in review, as well as providing forward looking information on strategic initiatives.

In addition to our annual and interim reporting, Stride prepares an annual Sustainability Report which outlines progress against our sustainability strategic objectives and targets, and includes reporting on climate change risks, which, for FY24, complies with the Aotearoa New Zealand Climate Standards. Stride's Sustainability Report, which is available on its website, **www.strideproperty.co.nz/investor-centre/**, also includes its greenhouse gas inventory report.

NZX Principle 5: Remuneration

The remuneration of directors and executives should be transparent, fair and reasonable.

Recommendation 5.1 – An issuer should have a remuneration policy for the remuneration of directors. An issuer should recommend director remuneration to shareholders for approval in a transparent manner. Actual director remuneration should be clearly disclosed in the issuer's annual report.

Directors are remunerated in the form of Directors' fees, approved by shareholders, including a higher level of fees for the Chair of the Boards, Chair of the Audit and Risk Committee, and Chair of the Sustainability Committee, to reflect the additional time and responsibilities that these positions involve.

Directors are paid through a contribution from both SIML and SPL. However, under waivers granted by NZX, there is no requirement that Directors' remuneration be authorised by separate resolutions of SPL and SIML.

The Boards are conscious of their obligation to ensure Directors' fees are set and managed in a manner which is fair, flexible and transparent. At the same time, the Boards seek to ensure that Directors' fees are set at an appropriate level to assist Stride to secure and maintain the skills and experience at Board level necessary to govern the business and enhance the long term value of Stride for shareholders.

Stride has a Remuneration and Nomination Committee which is responsible for considering and recommending Directors' remuneration to shareholders, as well as overseeing Executive remuneration. The Remuneration and Nomination Committee is chaired by the Chair of the Boards, Tim Storey, and Directors Ross Buckley and Tracey Jones are members of the Committee. All members of the Committee are Independent Directors. More information on the role, responsibilities and processes of the Remuneration and Nomination Committee can be found in the commentary to recommendation 3.3.

Shareholders approved an increase in Directors' remuneration at the shareholder meeting held in 2023. The Boards sought and considered independent advice from Ernst & Young, which reviewed the remuneration of directors of comparable listed companies in New Zealand. A copy of the Remuneration Summary Report was provided to shareholders and can be found at **www.strideproperty.co.nz/investor-centre/**.

In proposing the increase in remuneration, the Boards took into account the Ernst & Young independent Remuneration Summary Report, as well as Directors' workloads and responsibilities. The amount of the proposed increase in remuneration was consistent with the recommendation of Ernst & Young.

The Boards have an allowance for additional work and attendance, which remains at the level that has applied for the past 5 years of $144,500. The Boards may determine the allocation of all or part of this allowance to remunerate Directors for significant extra attendances and work. For the year in review this allowance was not utilised.

No Director of SPL or SIML is entitled to any remuneration from Stride other than by way of Directors' fees and the reasonable reimbursement of travelling, accommodation and other expenses incurred in the course of performing their duties or exercising their role as a Director.

Directors do not participate in any Stride share or option plan. Directors have no retirement benefit and do not receive any share options or rights or other form of remuneration, except as set out in Table 3.

No director of a subsidiary company of Stride (a list of subsidiary companies and directors is set out in the Statutory Disclosures on page 131) received any remuneration or other benefits during the period in relation to their duties as directors of a subsidiary company.

All Directors of SPL and SIML and their subsidiary companies are entitled to the benefit of an indemnity from each of SPL and SIML and the benefit of insurance cover in respect of all liabilities (to the extent permitted by law) which arise out of the performance of their normal duties as Directors, subject to certain exceptions such as deliberate breach of duty.

Table 3 – Director Remuneration FY24

Director	Remuneration	Remuneration for Committee Roles or Additional Attendances	Total FY24 Fees
Tim Storey (Chair of Boards)	$175,125		$175,125
Ross Buckley (Chair of Audit and Risk Committee)	$98,625	$14,625	$113,250
Jacqueline Cheyne (Chair of Sustainability Committee)	$98,625	$9,375	$108,000
Michelle Tierney	$98,625		$98,625
Nick Jacobson	$98,625		$98,625
Tracey Jones (See Note)	$95,620		$95,620
Philip Ling (See Note)	$2,938		$2,938
Total			**$692,183**

Note: Total Directors' fees exclude GST and reimbursed costs directly associated with carrying out Director duties. Total Directors' fees include fees paid by SPL and SIML. Director Tracey Jones was appointed as a Director on 11 April 2023, and Director Philip Ling resigned as a Director on 11 April 2023.

Executive Remuneration

SIML is committed to a fair and reasonable remuneration framework for its Executive Team, being those persons described on pages 14 and 15 of the Annual Report. In determining an Executive's total remuneration, external benchmarking is undertaken by independent remuneration advisors every two years to ensure comparability and competitiveness, along with consideration of the individual's performance, skills, expertise and experience.

Total Executive remuneration can be made up of three components: fixed remuneration, a short term incentive scheme, and an executive long term share incentive scheme.

It is SIML's policy to pay fixed remuneration at the market median, and for short and long term incentives to be set at or above the upper quartile, such that total potential remuneration is at the upper quartile. This enables SIML to attract and retain talented people, while also rewarding high performance when appropriate.

Fixed remuneration	Fixed remuneration consists of base salary, KiwiSaver and other benefits. Fixed remuneration is externally benchmarked against NZX-listed property entities on a biannual basis by independent advisers.
Short term incentive scheme	SIML operates a short term incentive scheme under which selected permanent, full time employees may be eligible to receive an incentive on an annual basis in addition to their base salary. Entitlement to the incentive is subject to pre-agreed hurdles being met, which are aligned with Stride's performance targets and sustainability objectives for the year.
Executive long term share incentive scheme	SIML operates a long term share incentive scheme for the Executive Team, intended to align the interests of key employees with the interests of shareholders and provide a continuing incentive to key employees over the long term, while also seeking to retain Executive employees. The long term incentive scheme drives longer term decision-making and encourages the creation of sustainable value for Stride's shareholders. In addition, ownership of Stride shares by Executives over time helps to ensure alignment of interests between Executives and shareholders.

Short Term Incentive

SIML operates a short term incentive scheme under which selected permanent, full time employees may be eligible to receive an incentive on an annual basis in addition to their base salary. The purpose is to provide incentives to achieve certain annual objectives which are aligned with achieving Stride's strategic goals, including sustainability objectives and targets.

Key performance indicators are set on an annual basis at the start of the financial year for each individual who has been invited to participate in the short term incentive scheme. Achievement of these key performance indicators is considered at the end of each financial year, with individual short term incentive awards dependent on the level of achievement of the key performance indicators.

Performance measures include:

- Earnings measures
- Key portfolio metrics such as occupancy and WALT
- Advancing key strategic objectives and projects, including ESG objectives and treasury and capital management projects
- Delivery of major leasing and development projects

Short term incentive awards are entirely discretionary. Short term incentive awards for the Executive Team are reviewed by the Remuneration and Nomination Committee, which then makes a recommendation to the Board of SIML for approval.

Short term incentives can be cash only, or a combination of cash and share performance rights. Share performance rights are awarded for outperformance. Where share performance rights are granted, one share will be issued by each of SIML and SPL in respect of each share performance right two years after the grant of the right, provided that the recipient remains employed at the vesting date.

Long Term Incentive

Share performance rights under the SIML long term share incentive scheme may be issued on an annual basis at the discretion of the Board.

The scheme provides for selected employees to be granted rights to be issued shares for nil consideration if certain performance hurdles are met. The key features of the plan for rights awarded in FY24 are as follows:

- The rights are granted for nil consideration and have a nil exercise price
- Rights do not carry any dividend or voting rights prior to vesting
- Each right that vests entitles the employee to receive one fully paid ordinary share in each of SPL and SIML. The shares issued on vesting carry full voting and dividend rights
- The individual must remain an employee of SIML at the relevant vesting date for any rights to vest

Performance is determined over a three year vesting period, and the vesting of rights depends on certain hurdles being met. For the rights granted during FY24, those hurdles comprised a relative total shareholder return metric and a condition related to achievement of strategic initiatives, as more particularly described below.

Hurdle	Description	Requirement for Vesting
Relative Total Shareholder Return (TSR)	50% of rights are subject to Stride's TSR growth performance, relative to constituents of the NZX Property Index	No rights for this component vest if Stride's TSR is negative at the end of the performance period. For vesting of rights to occur, Stride's TSR over the three year performance period would need to outperform the TSR of the bottom two constituents of the comparator group, at which point 20% of the rights to which the condition relates (i.e. 20% of 50% of the total rights) would vest. For 100% of the rights to which this condition relates to vest, Stride would need to have a TSR over the three year performance period equal to or greater than the TSR of the second best performer in the comparator group over the period
Achievement of Strategic Initiatives Condition	50% of rights are subject to Stride achieving certain strategic initiatives during FY24	50% of the rights to which this condition relates will vest if Stride achieves certain specified performance targets as set by the Board, with 100% vesting for outperformance. The strategic initiatives include growth targets (acquisitions and developments), strategically identified disposals, capital management initiatives, investment fund metrics, financial targets, and sustainability objectives

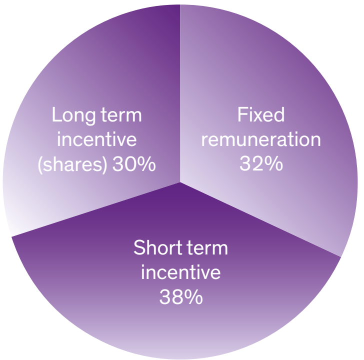
If an employee is made redundant due to a change of control event occurring in relation to SIML or the employee's role is restructured following such an event, all unvested rights at the relevant date will vest.

Further details of the SIML long term share incentive scheme can be found in note 8.3 to the consolidated financial statements.

Chief Executive Officer Remuneration

Philip Littlewood is the Chief Executive Officer of SIML. The Chief Executive Officer's remuneration, like all Executive Team members, comprises a combination of fixed remuneration, discretionary short term incentive and participation in the long term incentive scheme. The following sets out the mix of these components, assuming achievement of all hurdles for all performance-based pay:

Performance based remuneration



Details of the value of each component received by the Chief Executive Officer during FY24 is set out in Table 4, while Table 5 contains further information on performance based remuneration.

The Chief Executive Officer remuneration detail provided in Table 4 relates to salary and other benefits paid, incentive payments accrued, KiwiSaver, and the value of share rights vesting in favour of Philip Littlewood in relation to the period ended 31 March 2024.

The Chief Executive Officer is not entitled to any redundancy, retirement or termination payments, except as may be provided to other staff. As noted in relation to the terms of the Executive long term share incentive scheme, if the Chief Executive Officer is made redundant or his role is restructured as a result of a change of control event of SIML, all unvested rights will vest. This term applies to all rights issued in accordance with the Executive long term share incentive scheme and accordingly is not specific to the Chief Executive Officer.

Table 4 – Chief Executive Officer Remuneration

Year	Fixed Remuneration		Short term incentive (cash) (STI)			Short term incentive (rights) (STI) (1)		Long term incentive (LTI)			Total
	Base salary	Other benefits	Earned	Amount Earned as % of Maximum Award	Total cash based remuneration earned	Awarded	Amount Earned as % of Maximum Award	Number of shares vested	% of Maximum Awarded	Market price at vesting date	(Fixed rem + STI earned + LTI vested)
FY24	$615,000	$57,992	$467,400 (2)	83%	$1,140,391	198,400	83%	105,947	37.5%	1.28	$1,529,956
FY23	$615,000	$40,059	$309,750	51%	$964,809	104,421	51%	20,111	10.0%	1.34	$1,096,113

(1) Short term incentive share performance rights reflect the value of rights vesting in relation to the relevant period. Short term incentive performance rights vest two years after being granted, subject to continued employment.
(2) $295,000 has been paid in cash, with the balance, which is for outperformance during FY24, to be paid prior to the end of FY25.

Table 5 – Chief Executive Officer Pay for Performance Outcomes

Philip Littlewood	Description	Performance measures		
Short term incentive	Set at 80-120% of at-risk pay, with payout based on a combination of financial and non-financial performance measures	**Performance hurdle**	**Short term incentive weighting**	**Weighted outcome**
		Advancing key strategic objectives	40%	32%
		Earnings measures (distributable profit, free cash flow targets)	40%	48%
		Delivery of development projects	10%	12%
		Delivery of key sustainability objectives	10%	8%
		Total	100%	100%
Long term incentive	Vesting of rights granted under the long term incentive scheme for FY22, should the performance hurdles be met	**Performance hurdle**	**Long term incentive weighting**	**Weighted outcome**
		Relative TSR	50%	0%
		Strategic initiatives	50%	37.5%
		Relative TSR: 50% of rights vest subject to Stride's TSR growth performance, relative to constituents of the NZX Property Index. 20% of the rights to which this condition relates will vest if Stride's TSR outperforms the bottom two constituents of the comparator group, with straight line increases of 20% increments, and 100% of the rights to which this condition relates vesting when Stride's TSR equals or exceeds the second ranked comparator company. **Strategic Initiatives:** 50% of the rights to which this condition relates will vest if Stride achieves certain specified performance targets as set by the Board, with 100% vesting for outperformance. The strategic initiatives include growth targets (acquisitions and developments), strategically identified disposals, capital management initiatives, investment fund metrics, financial targets, and sustainability objectives.		

Chief Executive Officer Share Rights

				Rights awarded during FY24		Shares vesting and lapsed during FY24			
Scheme	**Grant date**	**Vesting date**	**Opening balance 2023**	**Number**	**Market price at grant date**	**Number vested**	**Market price at vesting date**	**Lapsed**	**Closing balance 2024**
FY22 LTI Rights	20 April 2021	31 March 2024	282,526		$2.26	105,947	$1.28	176,579	-
FY22 STI Rights	14 April 2022	31 March 2024	198,400		$1.96	198,400	$1.28	-	-
FY23 LTI Rights	14 April 2022	31 March 2025	307,500		$1.96				307,500
FY23 STI Rights	12 April 2023	31 March 2025	59,773		$1.32				59,773
FY24 LTI Rights	12 April 2023	31 March 2026	460,082		$1.32				460,082
FY24 STI Rights	16 April 2024	31 March 2026	-	114,295	$1.28				114,295
FY25 LTI Rights	16 April 2024	31 March 2027	-	476,223	$1.28				476,223
Total									**1,417,873**

Remuneration of employees

There were 51 SIML employees who received remuneration and benefits in excess of $100,000 (not including Directors) in their capacity as employees during the year ended 31 March 2024, as set out in Table 6.

KiwiSaver

All employees are eligible to contribute to KiwiSaver and receive SIML contributions. SIML contributes 5% of gross taxable earnings (including short-term incentives) provided employees are contributing at a rate of 4% or higher (which will increase to 5% should this be an option for employee contributions in the future). This increased benefit (well in excess of the statutory minimum of 3%) is intended to attract and retain the highest calibre of employees. As at 31 March 2024, 90% of eligible employees are contributing at or above 4% of their gross taxable earnings and therefore qualify for SIML to contribute 5% of gross taxable earnings.

Table 6 – Remuneration Range*

	Number of employees		Number of employees		Number of employees
$100,000–$109,999	7	$210,000–$219,999	4	$430,000–$439,999	1
$110,000–$119,999	2	$220,000–$229,999	1	$460,000–$469,999	1
$120,000–$129,999	3	$240,000–$249,999	1	$540,000–$549,999	1
$130,000–$139,999	4	$250,000–$259,999	2	$590,000–$599,999	1
$140,000–$149,999	5	$270,000–$279,999	1	$610,000–$619,999	1
$150,000–$159,999	3	$290,000–$299,999	1	$620,000–$629,999	1
$160,000–$169,999	1	$300,000–$309,999	1	$670,000–$679,999	1
$180,000–$189,999	1	$310,000–$319,999	1	$1,520,000–$1,529,999	1
$190,000–$199,999	1	$330,000–$339,999	1		
$200,000–$209,999	2	$370,000–$379,999	1		

*This includes salary and benefits paid, short term incentive earned for FY24, the value of short term incentive share rights vesting in relation to the period ended 31 March 2024, employer KiwiSaver contributions, and the value of share rights vesting in relation to the period ended 31 March 2024 under the Executive long term incentive scheme.

NZX Principle 6: Risk Management

Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.

Recommendation 6.1 – An issuer should have a risk management framework for its business and the issuer's board should receive and review regular reports. An issuer should report the material risks facing the business and how these are being managed.

The Stride Boards consider effective management of risks to the operations and business of Stride to be an essential part of their responsibilities. The Boards are responsible for overseeing and approving the Stride risk management strategy and policies, as well as ensuring effective risk management and compliance systems are in place. The Audit and Risk Committee assists the Boards in fulfilling their business risk management and financial reporting responsibilities.

Stride has a business risk management framework in place, supported by a set of risk-based policies appropriate for the business, including a Treasury Policy, Conflicts Policy, Investment Mandates across each Stride Product where relevant, and Delegations of Authority. The principal purpose of this framework is to integrate risk management into Stride's operations, and to formalise risk management as part of Stride's internal control and corporate governance arrangements.

Stride adopts a managed approach to risk that sets tolerances for appropriate risk taking, depending on the consequences and likelihood of the risk occurring, and the potential associated benefits or opportunities. When assessing risk, Stride considers the potential impact on its business across a number of categories as set out on the right.

People
Includes physical and mental impacts on all people impacted by Stride's activities, as well as demands on Stride's employees

Environmental
Includes environmental damage and associated impacts

Financial
Includes impacts on capital expenditure, portfolio value, loss of revenue, share price, and LVR

Operational
Includes impacts on properties owned and/or managed by Stride, damage to infrastructure impacting the portfolio, and loss of data or ability to access systems

Governance
Includes threats of litigation, reputational impact, and shareholder confidence

As part of the risk management framework, SIML management maintains a comprehensive business risk register for the Stride business and for each of the Stride Products, recording the key risks to the relevant business and operations, and assigning each risk a risk rating based on the likelihood and impact of the risk, as well as mitigation strategies and the risk rating after implementation of the mitigation strategies. All identified risks have specific mitigation strategies where appropriate, and the effectiveness of these strategies are regularly reviewed.

The Stride Boards receive a business risk update from SIML management twice annually, describing changing risk trends, emerging or critical risks, and comparing current risk ratings against the Boards' stated risk appetite for key risks, enabling the Boards to monitor where risks may be diverging from the appetite of the Boards for that particular risk, such that additional focus or mitigatory measures should be considered.

During FY24, Stride began integrating consideration of climate risks into its overall business risks, and has assessed identified climate risks against the same criteria used to assess business risks. A description of the material climate risks faced by Stride, together with an overview of their risk rating, is set out in Stride's Sustainability Report, which can be found at **www.strideproperty.co.nz/investor-centre/**.

Set out in Table 7 is a high level summary of key business risks faced by Stride that are reported to, and monitored by, the Audit and Risk Committee and the Stride Boards as part of Stride's risk management framework. This table does not include climate risks, which are disclosed separately as part of Stride's climate risk reporting in its Sustainability Report: **www.strideproperty.co.nz/investor-centre/**. This table does not contain all of the risks faced by Stride. Some risks may be unknown and other risks, currently believed to be immaterial, could turn out to be material.

For FY24 the key risk continues to be the impact of the current challenging macroeconomic conditions. The continued high inflationary environment and high interest rates impacts portfolio valuations, while at the same time, the current macroeconomic conditions are impacting activity in the property market, including development activity as a result of high construction costs impacting the feasibility of developments. This impacts Stride's activity fees earned from its real estate investment management business.

Table 7 – Key Risks to Stride's Business

Key Risk	Description	Control
Risks arising due to high interest rates in the current inflationary environment	The impact of high interest rates affects not only Stride's debt funding costs, but also results in higher capitalisation rates, which can reduce the value of properties owned and managed by Stride if rents are not rising at the same rate to offset the higher capitalisation rates. The reduced value of properties owned by Stride impacts the LVR and impacts Stride's net profit after tax. In addition, if the value of properties managed by Stride reduces, then this results in reduced asset management fees, which are based on the value of the managed portfolios.	Stride is conscious of the impact of rising interest rates in the current environment and has taken a proactive approach to interest rate hedging, to manage the impact of this risk. Stride has also taken steps to reduce its LVR, which mitigates against the impact of lower property valuations. Stride seeks to maximise rentals across its owned and managed portfolios in order to offset, to the extent possible, any movement in capitalisation rates.
Rising operational costs	Rising operational costs, such as insurance and local council rates, impacts Stride's operating costs, and also impacts tenants' total cost of occupancy, resulting in potentially lower rents, impacting valuations of properties.	Stride seeks to manage the impact of rising costs where possible, particularly the costs of rates and insurance, which materially impact operating expenses for tenants.
Online shopping impacts	Increased online shopping may impact retailers, reducing demand for space and impacting the ability of retailers to pay rent.	Stride proactively monitors market and competitor activity and implements long term plans for shopping centres to maximise the retail performance of existing sites. Stride also takes a prudent approach to investments, investing in town centres that are located in areas of high population or strong population growth, thus ensuring ongoing demand.
Financing availability and cost	An inability to refinance debt funding could require Stride to sell assets or may inhibit Stride's ability to grow. Both of these will impact Stride's profitability and growth strategy.	Stride has a policy of renewing its financing facilities at least 12 months before they are due to mature. There has been no issue with refinancing facilities to date.
Demand for office space reduces due to more people working from home	If demand for office space reduces, this could result in reduced rents for office space, impacting office valuations. In addition, tenants with extra space may downsize, resulting in surplus office space in the market, leading to higher incentives required to attract tenants to spaces. We are seeing a flight to quality with employers seeking to have attractive spaces for employees to work, so as to retain employees and encourage them to the office. If offices owned by Stride fail to meet these requirements, then they may not be attractive to tenants.	Stride has focussed on improving the quality of its office portfolio to meet what it considers are key demands from tenants for office space, in order to position its portfolio to attract the greatest demand. Stride is seeing a trend of more people returning to work in the office.
Risk of portfolio requiring seismic strengthening due to changing assessment guidelines	As the guidelines and regulations regarding seismic risk and how this is determined change, this could result in the seismic rating of buildings reducing over time. Tenants may then require seismic strengthening upgrades to occupy property, which may have a material cost to Stride.	Stride monitors changes in seismic regulations and standards, and the approach of engineers to seismic assessments, and seeks to ensure that its properties remain seismically resilient. Stride proactively obtains seismic assessments of its properties when it considers appropriate, which enables Stride to understand and manage this risk.
Cyber attack	Cyber attack can result in the risk of loss of data or inability to operate if critical systems are subject to a ransom attack.	Over the last five years Stride has implemented a strategy of moving to cloud based services which results in less risk of server failure, and reliance on cloud-provider security. Stride continually monitors its cyber security performance and takes a conservative approach to cyber risk. Stride regularly conducts penetration testing and has recently undertaken a cyber audit across the business. Stride has also incepted cyber insurance.
Health and safety risk	Stride is aware of the ongoing risk of identified or unidentified critical health and safety risks eventuating. Stride's critical health and safety risks include driving for work, violence / abuse and working at height.	Stride takes a conservative approach to this risk. SIML has a health and safety team which implements processes to manage health and safety risk, and monitors the implementation of these processes to ensure documented procedures are being undertaken to manage risk. SIML monitors all health and safety incidents, as well as near misses, and investigates the root causes of the serious incidents and near misses to identify learnings, which should lead to prevention of future incidents.
Risk of termination of SIML's management agreements with Stride Products	If SIML performs poorly and breaches the management agreements related to the Stride Products, this could ultimately result in termination, impacting Stride's management fee income and its reputation.	Stride has a governance and legal team that monitor compliance with its legal obligations, including the management agreements. There are limited grounds for termination contained in the agreements.

Recommendation 6.2 – An issuer should disclose how it manages its health and safety risks and should report on its health and safety risks, performance and management.

The Boards acknowledge that effective governance of health and safety is essential for the continued success of Stride and its operations, and the wellbeing of our people and others who occupy or visit properties that are owned or managed by Stride. Stride's Health and Safety Policy (which is available on the Stride website: **www.strideproperty.co.nz/investor-centre/**) defines our approach to health and safety and underpins our health and safety strategy.

Health and safety risks at all sites, whether owned or managed, are assessed and reported to the Boards using the same risk assessment methodology used to assess and report on other risks. Health and safety risks are identified and considered in terms of their impact, likelihood and overall risk rating, with specific mitigating plans in place for each risk. SIML works closely with tenants and contractors to minimise and, where practicable, eliminate all property related risks.

Health and safety is considered by the Boards at every Board meeting. Metrics reported to the Boards cover both lead and lag indicators, including training, risk reviews completed, the number and type of incidents occurring since the last report, and the hazards linked to the incidents. The Boards consider and address any systemic issues indicated by incidents and hazards, to ensure continual improvement in health and safety performance.

Contractor management remains a key health and safety risk faced by Stride. Stride has implemented a comprehensive contractor management framework that seeks to embed the principles of consultation, cooperation and coordination in the management of risks related to works on SIML-managed sites. SIML continues to work with contractors to ensure that appropriate health and safety practices are employed, and that contractors are minimising risk to staff, public and tenants in undertaking their activities. For major developments, SIML will engage an external firm to audit health and safety practices on site on a monthly basis, with the results of that review reported to the Board.

As an owner and manager of properties, Stride strives to ensure that its properties do not cause a health and safety risk to those persons occupying or visiting them. To support this objective, Stride has a policy of regularly undertaking external risk assessments of its properties, with any recommendations promptly closed out, starting with the highest priority recommendations.

Further information on Stride's health and safety performance during FY24 can be found in Stride's FY24 Sustainability Report on its website, **www.strideproperty.co.nz/investor-centre/**.

NZX Principle 7: Auditors

The board should ensure the quality and independence of the external audit process.

Recommendation 7.1 – The board should establish a framework for the issuer's relationship with its external auditors. This should include procedures: (a) for sustaining communication with the issuer's external auditors; (b) to ensure that the ability of the external auditors to carry out their statutory audit role is not impaired, or could reasonably be perceived to be impaired; (c) to address what, if any, services (whether by type or level) other than their statutory audit roles may be provided by the auditors to the issuer; and (d) to provide for the monitoring and approval by the issuer's audit committee of any service provided by the external auditors to the issuer other than in their statutory audit role.

PwC is the auditor of Stride. The key framework for the relationship between the issuer and its external auditor is comprised in the Audit and Risk Committee charter, which includes the audit independence guidelines. The Audit and Risk Committee charter can be found on the Stride website: **www.strideproperty.co.nz/investor-centre/**.

The external auditor is invited to every meeting of the Audit and Risk Committee, which ensures regular communication between the Audit and Risk Committee and the external auditor, in addition to the regular contact between management and the external auditor. Directors are also free to make direct contact with the external auditor as necessary to obtain independent advice and information.

Stride's audit independence guidelines contain a description of the non-audit services that may be provided by the external auditor without compromising the external auditor's independence. All non-audit services provided by the external auditor must be approved in advance by the Chair of the Audit and Risk Committee and SIML's Chief Financial Officer. The Audit and Risk Committee regularly monitors non-audit services provided by the external auditor and confirms whether these services prejudice the maintenance of independence of the auditor. The purpose of the audit independence framework is to ensure that audit independence is maintained, both in fact and appearance, so that Stride's external financial reporting is reliable and credible. For FY24, PwC, as auditor, did not provide any services other than audit and review of financial statements and other assurance services.

The audit independence guidelines that form part of the charter require compliance with the Listing Rules, which require rotation of the lead audit partner at least every five years. The current lead audit partner has been in this role since the audit of the Stride financial statements for FY22. The Audit and Risk Committee has decided against implementing a policy of rotating Stride's audit firm, on the basis that there is a limited pool of external audit firms within New Zealand and Stride engages the other major firms for non-audit services, meaning they would be conflicted if approached to act as auditor.

Recommendation 7.2 – The external auditor should attend the issuer's Annual Meeting to answer questions from shareholders in relation to the audit.

In the interests of encouraging active participation by shareholders at the Annual Shareholder Meetings, Stride's external auditor is in attendance to answer any questions shareholders may have in relation to the audit of the annual financial statements.

Recommendation 7.3 – Internal audit functions should be disclosed.

Stride does not employ internal auditors. Instead, Stride adopts a process of project-specific internal audits, through engaging consultants to undertake internal reviews or assessments on a project-by-project basis. Selected consultants are engaged to assess, amongst other things, Stride's internal control systems, financial reporting system, risk management and the integrity of the financial information reported to the Boards. Project based reviews or assessments can operate both with and independently from management, with all findings reported to the relevant Board or Committee.

NZX Principle 8: Shareholder Rights and Relations

The board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.

The Boards believe transparent and open communication with shareholders is important to ensure effective participation by shareholders in the business of Stride. Shareholders deserve to be provided with all relevant information about the performance of their investment and to be informed on any significant matters relating to their investment in Stride.

Recommendation 8.1 – An issuer should have a website where investors and interested stakeholders can access financial and operational information and key corporate governance information about the issuer.

Stride's website contains information regarding its strategy and its business, along with relevant corporate governance information relating to its business. The Stride website has copies of all announcements, presentations and reports released by Stride, and shareholders are encouraged to refer to the website **www.strideproperty.co.nz** for information on SPL and SIML. Stride's annual reports and interim reports are available electronically on Stride's website and investors can request hard copies (where available) by contacting Stride's Share Registrar (whose contact details can be found in the Corporate Directory at the back of this Annual Report).

Recommendation 8.2 – An issuer should allow investors the ability to easily communicate with the issuer, including by designing its shareholder meeting arrangements to encourage shareholder participation and by providing shareholders the option to receive communications from the issuer electronically.

SPL and SIML hold their Annual Shareholder Meetings at the same time, with separate votes held in relation to shareholder resolutions of SIML and shareholder resolutions of SPL. SIML and SPL shareholders have one vote per share they hold in SIML and SPL respectively, and have the right to vote on major decisions in accordance with the Companies Act and the Listing Rules.

SPL and SIML have recently held physical-only meetings in Auckland. SPL and SIML's experience was that virtual meetings held during the period impacted by Covid-19 resulted in very low shareholder attendance. For this reason, SPL and SIML have not held hybrid meetings to date, but will continue to consider this option and to weigh up the likely benefits to shareholders from the additional cost of holding hybrid meetings. SPL and SIML welcome shareholder feedback on the form of the meeting and whether there is demand for a hybrid meeting. Shareholders may, at any time, direct questions or requests for information through Stride's website (**www.strideproperty.co.nz**), or by directly contacting Stride by emailing **admin@strideproperty.co.nz**.

Stride provides options for shareholders to receive and send communications electronically to and from both Stride and Stride's Share Registrar. Stride encourages investors to receive investor communications by electronic means where possible as this saves money for Stride and supports Stride's sustainability initiatives by avoiding the use of resources for printed documents.

Recommendation 8.3 – Quoted equity security holders should have the right to vote on major decisions which may change the nature of the issuer in which they are invested.

Stride is committed to ensuring that stapled security holders have the right to vote on major decisions and follows the mandatory listing rule requirements relating to changes in the essential nature of the business, including major transactions under the Companies Act. No major decisions were put to shareholders for approval during FY24.

Recommendation 8.4 – If seeking additional equity capital, issuers of quoted equity securities should offer further equity securities to existing equity security holders of the same class on a pro rata basis, and on no less favourable terms, before further equity securities are offered to other investors.

Stride has not sought additional equity capital during FY24, but offers a Dividend Reinvestment Plan to all eligible shareholders, unless the Boards resolve that the Dividend Reinvestment Plan should not operate for one or more dividends.

Recommendation 8.5 – The board should ensure that the notice of annual or special meeting of quoted equity security holders is posted on the issuer's website as soon as possible and at least 20 working days prior to the meeting.

To enable shareholders to fully participate in shareholder meetings, the Boards will endeavour where possible to distribute the Notice of Meetings at least 20 working days prior to any shareholder meetings. Each notice of meeting for shareholder meetings and transcripts of those meetings are made available on Stride's website and on the NZX.

During FY24, shareholders were given at least 20 working days' notice of the Annual Shareholder Meetings of SPL and SIML held on 29 June 2023.

Statutory Disclosures

Disclosures of Interest

The general disclosures of interest made by Directors of the Boards during the period 1 April 2023 to 31 March 2024 pursuant to section 140 of the Companies Act are shown in Table 8. Directors' interests in shares are shown on page 132.

Table 8 – Interests Register Entries

Director	Company	Position
Tim Storey	Investore Property Limited	Director
	Prolex Limited	Director
	Prolex Investments Limited	Director
	Prolex Management Limited	Director
	LawFinance Limited	Chair
Ross Buckley	Investore Property Limited	Director
	ASB Bank Limited	Director
	Service Foods NZ Limited	Chair
	Institute of Directors	Chair of National Board, National Council Member, Auckland Branch Committee Member
	Massey University	Council Member
	Auditor Oversight Committee of the Financial Markets Authority	Chair
Jacqueline Cheyne	Auditor Oversight Committee of the Financial Markets Authority	Member
	Risk and Assurance Committee MBIE	Member
	Broader Perspectives Limited	Director
	External Reporting Board	Member
	New Zealand Green Investment Finance Limited	Director
	Christchurch City Council Audit and Risk Management Committee (2)	Independent Member
	Snow Sports NZ	Chair
	PaySauce Limited (2)	Director
	Pioneer Energy Limited	Director
	Queenstown Airport Corporation (1)	Director
Michelle Tierney	Growthpoint Properties Australia (1)	Director
	Peet Limited (1)	Director
	Cotton Research & Development Corporation Australia (1)	Director
	Uniting NSW.ACT(1)	Director
Nick Jacobson	Atmos Capital Partners Pty Limited	Director
	Capstra Pty Limited	Director
	Wingate Group and related entities	Director
	Saxonwold Pty Limited	Director
Tracey Jones	Partners Life Limited and related companies (1)	Director
	Nikko Asset Management NZ Limited (1)	Chair
	Punakaiki Fund Limited (1)	Director
	LamCam Limited (1)	Director
	RC Custodian Limited (1)	Director
	N'Godwi Trust (1)	Trustee
	Welcome Limited (1)	Chair
Philip Ling	Skymark Capital Limited (2)	Director / Shareholder
	Jones Lang LaSalle (2)	Shareholder

(1) Entries added by notices given by Directors during the year ended 31 March 2024. (2) Entries removed by notices given by Directors during the year ended 31 March 2024.

Directors of Subsidiary Companies

The subsidiaries of SPL and their directors as at 31 March 2024 are as set out in Table 9. All subsidiaries are wholly owned direct subsidiaries of SPL.

No additional fees were paid to any director of a subsidiary in respect of that directorship.

SIML had no subsidiaries as at 31 March 2024.

Table 9 – Stride Property Limited Subsidiaries and their Directors as at 31 March 2024

Subsidiary	Directors
Stride Holdings Limited	Tim Storey, Michelle Tierney, Jacqueline Cheyne, Nick Jacobson, Ross Buckley, Tracey Jones
Stride Industrial Property Limited	Tim Storey, Philip Littlewood
Fabric Property Limited	Tim Storey, Jacqueline Cheyne

Indemnity and Insurance

In accordance with section 162 of the Companies Act and the Constitutions of each of SIML and SPL, each of SIML and SPL has entered into a deed of access, indemnity and insurance to indemnify its Directors and the Directors of its subsidiaries for liabilities or costs they may incur for acts or omissions in their capacity as a Director to the extent permitted under the Companies Act. The indemnity does not cover wilful default or fraud, criminal liability, liability for failure to act in good faith and in the best interests of the relevant company, or liabilities that cannot be legally indemnified.

SIML and SPL also have a Directors' and Officers' Liability Insurance Policy in place. Among other things, the Directors' and Officers' Liability Insurance Policy excludes cover for deliberate dishonesty, insider trading, fines and penalties (except for legally indemnifiable civil fines or civil penalties), liability arising out of a breach of professional duty other than as a professional director, and liability for which the insured is legally indemnified.

In authorising any insurance to be effected, each Director signs a certificate stating that, in their opinion, the cost of the insurance is fair to SIML and SPL.

Use of Group Information

No notices have been received by the SIML Board or SPL Board under section 145 of the Companies Act with regard to the use of Stride information received by Directors in their capacities as Directors of Stride or any subsidiary company of SPL.

Loans to Directors

There are no loans to Directors.

Directors' Interests in Shares and Share Transactions

Set out in the table below are the interests of each Director in shares in each of SIML and SPL as at 31 March 2024.

Director	Number of shares as at 31 March 2023	Change in shareholding in SIML and SPL during FY24	Number of shares as at 31 March 2024
Tim Storey	159,916	Nil	159,916
Ross Buckley	25,000	Nil	25,000
Jacqueline Cheyne	10,500	Nil	10,500
Michelle Tierney	0	+10,000	10,000
Nick Jacobson	65,000	Nil	65,000
Tracey Jones	N/A	+7,235	7,235

Set out in the table below are disclosures made by Directors in respect of changes in shareholdings in SPL and SIML during the period 1 April 2023 to 31 March 2024 for the purposes of section 148(2) of the Companies Act:

Name of Director	Date of Transaction	Nature of Transaction	Number and Class of Shares	Nature of Interest	Consideration Paid or Received
Tracey Jones	4 July 2023	Acquisition of shares through Sharesies	7,235 stapled securities	Beneficial owner	$10,273.70
Michelle Tierney	26 July 2023	Acquisition of shares on-market	10,000 stapled securities	Legal and beneficial owner	$14,500.00

Directors are not required to hold shares in Stride, but may choose to do so in order to demonstrate alignment of interests in the performance of Stride with shareholders.

Twenty Largest Registered Shareholders as at 31 March 2024

Name	Number of ordinary shares	% of ordinary shares
Accident Compensation Corporation – NZCSD	64,865,514	11.62
ANZ Wholesale Trans-Tasman Property Securities Fund – NZCSD	57,669,627	10.33
HSBC Nominees (New Zealand) Limited – NZCSD	41,180,010	7.37
BNP Paribas Nominees (NZ) Limited – NZCSD	29,040,815	5.20
JBWere (NZ) Nominees Limited	24,922,608	4.46
Forsyth Barr Custodians Limited	22,420,252	4.02
New Zealand Depository Nominee Limited	19,817,139	3.55
FNZ Custodians Limited	19,698,581	3.53
Generate KiwiSaver Public Trust Nominees Limited – NZCSD	19,440,603	3.48
JPMorgan Chase Bank NA NZ Branch - Segregated Clients Acct – NZCSD	15,908,621	2.85
TEA Custodians Limited Client Property Trust Account – NZCSD	15,056,044	2.70
HSBC Nominees (New Zealand) Limited A/C State Street – NZCSD	15,014,532	2.69
Citibank Nominees (New Zealand) Limited – NZCSD	13,272,947	2.38
Custodial Services Limited	10,584,926	1.90
ANZ Wholesale Property Securities – NZCSD	10,271,180	1.84
MFL Mutual Fund Limited – NZCSD	9,113,315	1.63
PT (Booster Investments) Nominees Limited	8,397,326	1.50
Adminis Custodial Nominees Limited	6,994,931	1.25
Hobson Wealth Custodian Limited	6,381,189	1.14
Simplicity Nominees Limited - NZCSD	5,771,563	1.03
Total	**415,821,723**	**74.47**

Substantial Product Holders as at 31 March 2024*

As at 31 March 2024, the names of all persons who are substantial product holders in SIML and SPL pursuant to sub-part 5 of part 5 of the FMCA are noted below:

	Date of substantial product holder notice	Number of shares held at date of notice	% of ordinary shares held at date of notice
Accident Compensation Corporation	25 January 2024	63,361,650	11.43
ANZ New Zealand Investments Limited and related bodies corporate	3 October 2023	73,875,703	13.43

* The number of ordinary shares listed in the table are as per the last substantial product holder notice filed by the relevant shareholder on or before 31 March 2024. As substantial product holder notices are required to be filed only if the total holding of a shareholder changes by 1% or more since the last notice filed, the number noted in this table may differ from that shown in the list of the 20 largest shareholdings.

Distribution of Ordinary Shares and Shareholdings as at 31 March 2024

Range	Total holders	% of holders	Shares	% of shares
1 - 499	79	1.65	15,017	0.00
500 - 999	56	1.17	39,663	0.01
1,000 - 1,999	166	3.47	245,759	0.04
2,000 - 4,999	657	13.72	2,251,867	0.40
5,000 - 9,999	1,129	23.58	7,996,872	1.43
10,000 - 49,999	2,147	44.85	46,593,830	8.34
50,000 - 99,999	333	6.96	22,661,495	4.06
100,000 - 499,999	175	3.66	29,940,187	5.36
500,000 - 999,999	15	0.31	10,122,272	1.81
1,000,000 and over	30	0.63	438,540,983	78.53
Total	**4,787**	**100.00**	**558,407,945**	**100.00**

Numbers may not sum due to rounding.

Donations

During FY24 neither SPL nor SIML made any donations.

SPL is a sponsor of the Graeme Dingle Foundation, and SIML is a sponsor of the Keystone New Zealand Property Education Trust and the Tania Dalton Foundation.

During the year SPL paid $35,000 in sponsorship to the Graeme Dingle Foundation. SIML paid $10,500 to Keystone New Zealand Property Education Trust and $6,500 to the Tania Dalton Foundation by way of sponsorship.

Credit Rating

As at the date of this Annual Report, Stride does not have a credit rating.

Exercise of NZX Disciplinary Powers

The NZX did not exercise any of its powers under Listing Rule 9.9.3 in relation to Stride during FY24.

Auditor's Fees

PwC has continued to act as auditor for Stride and the amounts payable by Stride and its subsidiaries to PwC for audit fees and non-audit work fees undertaken in respect of FY24 are set out in note 8.2 to the consolidated financial statements.

NZX Waivers

During FY24 Stride was granted or relied on certain waivers from the Listing Rules, which are described below. A copy of these waivers is available at:
www.nzx.com/companies/SPG/documents.

NZX Regulation Decision dated 28 May 2020 – Non-Standard Designation Waiver

Ruling on the Definition of "Associated Person"

A ruling that, for the purposes of the definition of "Associated Person" in the Listing Rules, Investore is not an "Associated Person" of SIML and accordingly, Investore is not a "Related Party" of SIML.

Ruling on definition of "Disqualifying Relationship"

A ruling that, for the purposes of the definition of "Disqualifying Relationship" in the Listing Rules, any reference to "Issuer" shall be a reference to the "Stapled Group" (Stride).

Listing Rules 2.2 to 2.5 and 2.7 to 2.8

This waiver permits:

- the SPL Board and the SIML Board to be made up of the same people;
- an SPL Board member to be deemed to be appointed (or removed) to the SPL Board if appointed to (or removed from) the SIML Board; and
- the SPL Board members to retire from the SPL Board by rotation at the same time as they retire from the SIML Board.

Listing Rule 2.10.1

This waiver permits the Directors of one Stride company to vote on matters in which they are "interested" due to being a Director of the other Stride company. Directors will not be permitted to vote on matters in which they are "interested" by virtue of a relationship or interest other than their directorship of the Stapled Entities.

Listing Rule 2.11

This waiver permits the pooling of Director remuneration for Stride, and the approval of Director remuneration by way of a single resolution of SIML shareholders.

Listing Rules 2.14.1, 2.14.2, 7.8 and 7.9

This waiver permits Stride to provide consolidated notices, reports and communications (including notices of meetings) to shareholders. This will not affect the obligation for each of SPL and SIML to hold separate meetings (albeit that they will occur one after the other).

Listing Rule 4.6.1

This waiver permits SPL to issue shares to SIML employees under a SIML employee share plan (if any), in order to ensure that the number of SPL shares on issue is the same as the number of SIML shares on issue at all times.

Listing Rules 3.13.1, 3.14.2 and 3.15

This waiver permits the Stride companies to announce, via NZX, issues, acquisitions, conversions or redemptions of securities on a consolidated basis. Dividends will be separately announced by each of SPL and SIML.

Listing Rule 5.2.1

This waiver permits:

- each of SPL and SIML to enter into one or more Material Transactions (as defined in the Listing Rules) for the purposes of enabling SPL and/or SIML to establish or acquire new property investment vehicles without shareholder approval; and
- SPL and SIML to enter into one or more "Material Transactions" for the purposes of enabling SIML to establish or acquire new property management opportunities without shareholder approval.

Ruling on definition of "Average Market Capitalisation" and "Average Market Price"

A ruling that the term "Issuer" in the definition of "Average Market Price" refers to the "Stapled Group" (Stride) and the term "Quoted Equity Securities" in the definition of "Average Market Capitalisation" refers to the stapled securities of SPL and SIML.

Ruling on the definition of "Material Information"

A ruling that the reference to "price of quoted financial products of the listed issuer" in the definition of "Material Information" should be read as applying to the price of the stapled securities of SPL and SIML. This ruling requires that any announcement must explain whether the information is material to SPL or SIML.

Listing Rules 3.5, 3.6.1(a), 3.7 and 3.8

This waiver permits the Stride companies to provide certain information required in annual and half year reports on a consolidated basis, rather than by and in respect of each Stride company individually. This waiver is subject to the additional condition that each of the Stride companies release individual financial statements to the extent required by applicable financial reporting legislation.

Listing Rule 8.3

This waiver permits the Stride companies to provide consolidated statements of shareholdings to shareholders which shows their overall Stride holding, rather than their shareholding in each Stride company separately.

Financial Reporting Exemptions

The financial statements for each Stride company were prepared in accordance with the Financial Markets Conduct (Stride Property Group) Exemption Notice 2022. This exemption allows SPL and SIML, subject to conditions set out in the exemption notice, to prepare financial statements in respect of Stride, while they remain stapled (in place of separate financial statements for each company).

The climate statement for each Stride company was prepared in accordance with the Financial Markets Conduct (Climate Statements – Stride Property Group) Exemption Notice 2023, which permits SPL and SIML, subject to conditions set out in the exemption notice, to prepare climate statements in respect of Stride, while they remain stapled (in place of separate climate statements for each company).

Implications of Investing in Stapled Securities

The practical implications of a shareholder holding a stapled security include that:

- The shareholder is a shareholder of both SPL and SIML
- In order to sell a SPL share or a SIML share, the corresponding SIML share or SPL share, as applicable, also needs to be sold to the same purchaser
- Market disclosures via NZX may be made in respect of the Stride companies as a whole, but each of SPL and SIML will continue to be obliged to make announcements under the Listing Rules according to the nature of the disclosure (for example, announcements about the declaration of a dividend or the passing of a resolution at a meeting of shareholders would be made by the relevant company)
- The only quoted price of a SPL share and/or a SIML share on the NZX Main Board will be the quoted price for the stapled security
- The materiality of "Material Information" for continuous disclosure purposes under the Listing Rules will be assessed against the potential effect on the price of stapled securities as there will not be a separate quoted price available for each of SPL and SIML. Any disclosure of "Material Information" made by Stride will explain whether the information is material to SPL and/or SIML
- New stapled security issues will result in equal numbers of SPL shares and SIML shares being issued
- Shareholders are entitled to attend, or vote by proxy, at separate meetings of shareholders of each of SPL and SIML. For some transactions involving both Stride companies (for example, an issuance of stapled securities being made with shareholder approval under the Listing Rules), resolutions might be required from shareholders in respect of the same matter. In that case, the relevant transaction will only be able to proceed if the respective resolutions are approved at shareholder meetings of both SPL and SIML
- Distributions will be received, to the extent declared, from each of SPL and SIML

Directors' Statement

This Annual Report is dated 28 May 2024 and is signed for and on behalf of the Boards of Directors of Stride Property Limited and Stride Investment Management Limited by:

Tim Storey
Chair of
the Boards

Ross Buckley
Chair of the Audit and
Risk Committee

Glossary

Companies Act	Companies Act 1993
Contract Rental	Contract Rental is the amount of rent payable by each tenant, plus other amounts payable to SPL (or the relevant landlord) by that tenant under the terms of the relevant lease as at the relevant date, annualised for the 12-month period on the basis of the occupancy level for the relevant property as at the relevant date, and assuming no default by the tenant
Distributable profit	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, share of profit/(loss) in equity accounted investments, dividends received from equity accounted investments and current tax. Further information including the calculation of distributable profit and the adjustments to (loss)/profit before income tax, is set out in note 4.2 to the consolidated financial statements
Diversified	Diversified NZ Property Trust, a Stride Product
Fabric	Fabric Property Limited, a wholly owned subsidiary of SPL, formerly Stride Office Property Limited
FMCA	Financial Markets Conduct Act 2013
FY	The financial year ended on 31 March of the relevant year
Gross occupancy cost	Total gross occupancy costs (excluding GST) expressed as a percentage of MAT
Industre or Industre Property Joint Venture	The joint arrangement between SPL (through its wholly owned subsidiary, Stride Industrial Property Limited) and JPMAM (through its special purpose vehicle, AP SG 17 Pte Ltd). Industre is a Stride Product
Investore	Investore Property Limited, a Stride Product
JPMAM	A group of international institutional investors, through a special purpose vehicle, and advised by J.P. Morgan Asset Management
Lease Expiry Profile	Represents the scheduled expiry for each lease, excluding any rights of renewal that may be granted under each lease, for the portfolio as at 31 March 2023, as a percentage of Contract Rental
Listing Rules	The main board listing rules of NZX
LVR	Loan to value ratio
MAT or moving annual turnover	Moving annual turnover, which is annual sales on a rolling 12 month basis, including GST
NLA	Net Lettable Area
NZX	NZX Limited
NZX Code	NZX Corporate Governance Code 2023
SIML	Stride Investment Management Limited
SIML Board	The Board of Directors of SIML
SPL	Stride Property Limited
SPL Board	The Board of Directors of SPL
Stride	Stride Property Group, comprising the stapled entities of SPL and SIML
Stride Boards or Boards	The Boards of SPL and SIML together
Stride Product	Any or all, as the context may require, of Diversified, Investore, and Industre, being entities or funds managed by SIML
WALT	Weighted Average Lease Term, which is the lease term remaining to expiry across a property or portfolio and weighted by rental income

Corporate Directory

Board of Directors

Tim Storey (Chair)
Ross Buckley
Jacqueline Cheyne
Michelle Tierney
Nick Jacobson
Tracey Jones (appointed 11 April 2023)
Philip Ling (retired effective 11 April 2023)

Registered Office

Level 12, 34 Shortland Street, Auckland 1010
PO Box 6320, Victoria Street West
Auckland 1142, New Zealand

T +64 9 912 2690
W strideproperty.co.nz

Auditor

PwC
PwC Tower
15 Customs Street West, Auckland 1010
Private Bag 92162, Auckland 1142

Share Registrar

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road, Takapuna
Private Bag 92119, Victoria Street West
Auckland 1142

T +64 9 488 8777
F +64 9 488 8787
E enquiry@computershare.co.nz

Legal Adviser

Bell Gully
Level 14, Deloitte Building
1 Queen Street, Auckland 1010
PO Box 4199, Auckland 1140

Bankers

ANZ Bank New Zealand Limited
China Construction Bank Corporation
(New Zealand Branch)
Industrial and Commercial Bank of China Limited, Auckland Branch
Westpac New Zealand Limited

Stride Property Group

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Annual Report 2024