

investore

Managed by Stride Investment
Management Limited

Consolidated Interim Financial Statements

for the six months ended
30 September 2024





Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2024

	Notes	Unaudited 6 months 30 Sep 24 \$000	Unaudited 6 months 30 Sep 23 \$000
Gross rental income		38,246	36,269
Direct property operating expenses		(7,055)	(5,894)
Net rental income	2.1	31,191	30,375
Less corporate expenses			
Asset management fee expense	4.0	(2,571)	(2,765)
Administration expenses		(1,327)	(1,383)
Total corporate expenses		(3,898)	(4,148)
Profit before net finance expense, other expense and income tax		27,293	26,227
Net finance expense	5.3	(10,160)	(8,618)
Profit before other expense and income tax		17,133	17,609
Other expense			
Net change in fair value of investment properties	2.2	(3,450)	(82,712)
Net change in fair value of derivative financial instruments		(153)	(2)
Profit/(loss) before income tax		13,530	(65,105)
Income tax expense	6.1	(3,868)	(1,428)
Profit/(loss) after income tax attributable to shareholders		9,662	(66,533)
Other comprehensive (loss)/income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Movement in cash flow hedges, net of tax		(646)	275
Total comprehensive income/(loss) after tax attributable to shareholders		9,016	(66,258)
Basic and diluted earnings per share (cents)	3.1	2.58	(18.10)

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

Consolidated Statement of Changes in Equity

For the six months ended 30 September 2024

	Cents per share	Number of shares 000	Share capital \$000	Retained earnings \$000	Cash flow hedge reserve \$000	Total \$000
Balance 31 Mar 24 (Audited)		373,822	564,073	22,162	816	587,051
Transactions with shareholders:						
Q4 2024 final dividend	1.625	-	-	(6,075)	-	(6,075)
Q1 2025 interim dividend	1.625	-	-	(6,075)	-	(6,075)
Total transactions with shareholders		-	-	(12,150)	-	(12,150)
Other comprehensive loss:						
Movement in cash flow hedges, net of tax		-	-	-	(646)	(646)
Total other comprehensive loss		-	-	-	(646)	(646)
Profit after income tax		-	-	9,662	-	9,662
Total comprehensive income/(loss)		-	-	9,662	(646)	9,016
Balance 30 Sep 24 (Unaudited)		373,822	564,073	19,674	170	583,917
Balance 31 Mar 23 (Audited)		367,503	557,219	117,133	668	675,020
Transactions with shareholders:						
Q4 2023 final dividend	1.975	-	-	(7,258)	-	(7,258)
Q1 2024 interim dividend	1.975	2,060	2,465	(7,258)	-	(4,793)
Total transactions with shareholders		2,060	2,465	(14,516)	-	(12,051)
Other comprehensive income:						
Movement in cash flow hedges, net of tax		-	-	-	275	275
Total other comprehensive income		-	-	-	275	275
Loss after income tax		-	-	(66,533)	-	(66,533)
Total comprehensive (loss)/income		-	-	(66,533)	275	(66,258)
Balance 30 Sep 23 (Unaudited)		369,563	559,684	36,084	943	596,711

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

Consolidated Statement of Financial Position

As at 30 September 2024

	Notes	Unaudited 30 Sep 24 \$000	Audited 31 Mar 24 \$000
Current assets			
Cash at bank		4,842	6,633
Trade and other receivables		1,018	558
Prepayments		2,269	1,048
Other current assets		2,569	2,287
Derivative financial instruments	5.2	502	-
		11,200	10,526
Investment properties classified as held for sale	2.4	54,250	-
		65,450	10,526
Non-current assets			
Investment properties	2.2	952,621	1,002,646
Deposits and other prepayments on investment properties	2.3	2,662	145
Derivative financial instruments	5.2	-	1,099
		955,283	1,003,890
Total assets		1,020,733	1,014,416
Current liabilities			
Borrowings	5.1	-	99,989
Trade and other payables	6.2	11,330	11,174
Current tax liability		1,790	1,262
Lease liabilities		108	100
Derivative financial instruments	5.2	-	173
		13,228	112,698
Non-current liabilities			
Borrowings	5.1	409,541	301,012
Lease liabilities		13,097	13,161
Deferred tax liability		392	494
Derivative financial instruments	5.2	558	-
		423,588	314,667
Total liabilities		436,816	427,365
Net assets			
		583,917	587,051
Share capital		564,073	564,073
Retained earnings		19,674	22,162
Reserve		170	816
Equity		583,917	587,051

For and on behalf of the Board of Directors of Investore Property Limited, who authorised these consolidated interim financial statements for issue on 14 November 2024:



Mike Allen
Chair of the Board



Gráinne Troute
Chair of the Audit and
Risk Committee

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

Consolidated Statement of Cash Flows

For the six months ended 30 September 2024

	Unaudited 6 months 30 Sep 24 \$000	Unaudited 6 months 30 Sep 23 \$000
Cash flows from operating activities		
Gross rental received	37,306	34,106
Bank interest received	94	88
Direct property operating and corporate expenses	(11,841)	(11,012)
Interest paid	(10,876)	(8,180)
Borrowings establishment costs	(409)	(196)
Income tax paid	(3,131)	(2,468)
Net cash provided by operating activities	11,143	12,338
Cash flows from investing activities		
Capital expenditure on investment properties	(5,021)	(11,219)
Interest paid capitalised to investment properties	(209)	(331)
Acquisition of investment properties	(1,336)	(1,106)
Deposit and other prepayments on investment properties	(2,662)	-
Net cash applied to investing activities	(9,228)	(12,656)
Cash flows from financing activities		
Drawdown of bank borrowings	270,800	12,700
Repayment of bank borrowings	(162,300)	-
Repayment of fixed rate bonds	(100,000)	-
Dividends paid net of dividends reinvested	(12,150)	(12,051)
Lease liabilities payments	(56)	(40)
Net cash (applied to)/provided by financing activities	(3,706)	609
Net (decrease)/increase in cash and cash equivalents held	(1,791)	291
Opening cash and cash equivalents	6,633	4,802
Closing cash and cash equivalents	4,842	5,093
Cash and cash equivalents comprises:		
Cash at bank	4,555	4,770
Cash held for retentions	287	323
Cash and cash equivalents at balance date	4,842	5,093

Certain comparative amounts have been reclassified to conform with the current period's presentation.

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

Consolidated Statement of Cash Flows (continued)

For the six months ended 30 September 2024

Reconciliation of profit/(loss) after income tax attributable to shareholders to net cash provided by operating activities

	Notes	Unaudited 6 months 30 Sep 24 \$000	Unaudited 6 months 30 Sep 23 \$000
Profit/(loss) after income tax attributable to shareholders		9,662	(66,533)
Add/(less) non-cash items:			
Movement in deferred tax	6.1	209	(1,389)
Net change in fair value of investment properties		3,450	82,712
Spreading of fixed rental increases		195	150
Capitalised lease incentives net of amortisation		(67)	39
Movement in loss allowance		106	1
Borrowings establishment costs amortisation		449	500
Accrued interest movement in derivative financial instruments		(128)	13
Net change in fair value of derivative financial instruments		153	2
		14,029	15,495
Less activities reclassified to operating activities:			
Movement in working capital items relating to investing activities		(1,198)	(1,178)
Movement in borrowings costs classified as operating activities		(409)	(196)
		12,422	14,121
Movement in working capital:			
Increase in trade and other receivables		(460)	(1,305)
Increase in prepayments and other current assets		(1,503)	(1,731)
Increase in trade and other payables		156	904
Increase in current tax liability		528	349
Net cash provided by operating activities		11,143	12,338

Certain comparative amounts have been reclassified to conform with the current period's presentation.

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

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1.0 General Information

This section sets out Investore Property Limited's accounting policies that relate to the unaudited consolidated interim financial statements (financial statements) as a whole.

1.1 Reporting entity

The financial statements presented are those of Investore Property Limited (the Parent) and its 100% owned subsidiary, Investore Property (Carr Road) Limited (the Subsidiary) (together referred to as Investore). Both companies are domiciled in New Zealand and registered under the Companies Act 1993. The Parent is also an FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013.

Investore's principal activity is property investment in New Zealand. Investore is managed by Stride Investment Management Limited (SIML).

The financial statements were approved for issue by the Board of Directors of the Parent (the Board) on 14 November 2024.

1.2 Basis of preparation

The financial statements have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013, the NZX Main Board Listing Rules and Generally Accepted Accounting Practice in New Zealand (GAAP). The financial statements comply with New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34) and International Accounting Standard 34 *Interim Financial Reporting* (IAS 34). Investore is a for-profit entity for the purposes of financial reporting.

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.

The financial statements do not contain all the disclosures normally included in an annual financial report and should be read in conjunction with the audited 2024 annual consolidated financial statements.

1.3 New standards, amendments and interpretations

In May 2023, the New Zealand Accounting Standards Board released an amendment to NZ IAS 1 *Presentation of Financial Statements* (NZ IAS 1) that is effective for the accounting period that begins on or after 1 January 2024. The amendment applies to the reporting and classification of liabilities containing covenants. This amendment has been adopted, although it has not materially impacted Investore's financial statements.

In May 2024, the External Reporting Board 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 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. Investore has not early adopted this standard and is yet to assess its impacts.

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

1.4 Significant judgements, estimates and assumptions

The accounting policies applied in these financial statements are the same as those applied in Investore's consolidated financial statements for the year ended 31 March 2024.

In applying Investore's accounting policies, the Board regularly evaluates significant judgements, estimates and assumptions that may have an impact on Investore. The significant judgements, estimates and assumptions made in the preparation of these financial statements were the same as those applied in respect of the consolidated financial statements as at and for the year ended 31 March 2024.

1.5 Significant events and transactions

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

Bond maturity

On 18 April 2024, the IPL010 fixed rate bonds of \$100.0 million matured and were repaid with bank debt.

Divestment of investment properties

On 22 August 2024, Investore entered into two unconditional agreements to sell the properties located at 172-186 Tay Street, Invercargill, and 53 Leach Street, New Plymouth, for an aggregate price of \$54.3 million (refer note 2.4).

Acquisition of investment property

On 22 August 2024, Investore entered into an unconditional agreement to acquire Bunnings Westgate, located at 21 Fred Taylor Drive, Auckland, for an initial purchase price of \$51.0 million, payable in cash (refer note 2.3).

Bank debt refinance

Effective from 30 September 2024, Investore refinanced its \$225.0 million syndicated bank facilities, extending the tenor on all facilities to November 2028. In accordance with Investore's Green Finance Framework, the new facilities are classified as green loan facilities (refer note 5.1).

1.0 General Information (continued)

1.6 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 Investore's financial performance.

Note 3.2 sets out Investore's net tangible assets (NTA) per share which is a non-GAAP measure and is a common investment metric.

Note 3.3 sets out Investore'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 Investore'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.

2.0 Property

This section covers property assets, being large format retail properties, which generate Investore's trading performance.

2.1 Net rental income

	Unaudited 6 months 30 Sep 24 \$000	Unaudited 6 months 30 Sep 23 \$000
Gross rental income		
Rental income	33,678	32,688
Service charge income recovered from tenants	4,688	3,760
Spreading of fixed rental increases	(195)	(150)
Capitalised lease incentives	197	88
Lease incentives amortisation	(122)	(117)
Total gross rental income	38,246	36,269
Direct property operating expenses		
Service charge expenses relating to tenants	(5,200)	(4,478)
Movement in loss allowance	(106)	(1)
Lease incentives amortisation	(8)	(10)
Other property operating expenses	(1,741)	(1,405)
Total direct property operating expenses	(7,055)	(5,894)
Net rental income	31,191	30,375

Certain comparative amounts have been reclassified to conform with the current period's presentation.

Other property operating expenses represent property maintenance and operating expenses not recoverable from tenants and property leasing expenses.

2.0 Property (continued)

2.2 Investment properties

The movement in Investore's investment properties during the six months to 30 September 2024 is as follows:

	Unaudited 30 Sep 24 \$000
Balance at 31 Mar 24 (Audited)	1,002,646
Property acquisitions	1,336
Recognition of deposits on investment properties	145
Capital expenditure	6,322
Spreading of fixed rental increases	(195)
Capitalised lease incentives net of amortisation	67
Transfer to investment properties classified as held for sale (refer note 2.4)	(54,250)
Net change in fair value	(3,450)
Balance at 30 Sep 24 (Unaudited)	952,621
Comprising:	
Investment properties per valuations or at cost	939,416
Lease liabilities	13,205
Balance at 30 Sep 24 (Unaudited)	952,621

All investment properties were valued by independent valuers as at 31 March 2024. The Board has reviewed the fair value of investment properties as at 30 September 2024 on an asset by asset basis after considering recent comparable transactional evidence of market sales, leasing activity and capital expenditure and is satisfied that there has been no significant change to the overall carrying value, other than the following investment properties, which were subject to an independent valuation due to capital expenditure works or leasing activity undertaken during the period.

	Unaudited 30 Sep 24 \$000
	Valuer
295 Penrose Road, Auckland	Savills (NZ) Limited
65 Chapel Street, Tauranga	Savills (NZ) Limited
40-50 Ivory Street, Rangiora	CVAS (NZ) Limited
	40,500
	48,500
	16,750

The above investment properties were valued using the same valuer (each being independent registered valuers who hold an annual practising certificate with the Valuers Registration Board and are members of the New Zealand Institute of Valuers) as valued the respective property for the 31 March 2024 independent valuations.

With regards to these investment properties, the valuers took into account the following:

- occupancy (leased area as a proportion of the total net lettable area) average was 98.5% at balance date;
- average lease term (weighted average lease term) was 3.9 years at balance date;
- discount rates ranged from 7.4% to 8.8%; and
- capital expenditure works.

Capitalisation rates ranged from 6.8% to 7.8% for the investment properties valued.

During the current period, \$3.8 million of capital expenditure has been further accrued in relation to the redevelopment and store refurbishment at 507 Pakuranga Road, Auckland, (refer note 2.3) taking the total value of the development asset to \$5.0 million as at 30 September 2024. As a result, after taking into account the value of land acquired in the year ended 31 March 2024 of \$1.9 million, a total liability of \$6.9 million has been included in trade and other payables (refer note 6.2) as at 30 September 2024.

2.0 Property (continued)

2.3 Capital expenditure commitments contracted for

As at 30 September 2024, Investore has committed to the following capital expenditure works:

- \$1.1 million (31 Mar 24: \$1.1 million) to complete stage one development at 6 & 21 Hakarau Road, Kaiapoi;
- \$1.1 million (31 Mar 24: \$4.9 million) towards the redevelopment and store refurbishment at 507 Pakuranga Road, Auckland, including a car park, improved customer access and a dedicated online pick-up area. The total cost of the development is \$8.0 million, including \$7.5 million that Investore has committed to reimburse General Distributors Limited (GDL) for the costs incurred by GDL in developing these works. Investore will receive an associated improvements rental on the amount reimbursed to GDL. Of the total development costs, \$6.9 million has been recognised as a payable (refer note 6.2) in the consolidated statement of financial position; and
- \$1.9 million (31 Mar 24: \$1.9 million) towards a dedicated online pick-up area at 326 Great South Road, Auckland.

On 22 August 2024, Investore entered into an unconditional agreement to acquire Bunnings Westgate, located at 21 Fred Taylor Drive, Auckland, for an initial purchase price of \$51.0 million, payable in cash. Up to a further \$7.0 million of Investore shares may be issued as part consideration to the vendor, with shares equal to half of this value being issued on 30 May 2025 if the value of Investore's NTA per share increases by at least 21% as at 31 March 2025, with the remainder being issued on 1 December 2025 if the value of Investore's NTA per share increases by at least 44% as at 30 September 2025, from a base NTA per share of \$1.57 as at 31 March 2024. As at 30 September 2024, Investore has paid a deposit of \$2.6 million and acquisition costs of \$0.1 million which are recognised as deposits and other prepayments on investment properties in the consolidated statement of financial position.

As at 31 March 2024, there was a commitment of \$1.1 million towards a dedicated online pick-up area at 40-50 Ivory Street, Rangiora, and \$1.2 million for various other capital expenditure. This capital expenditure has been incurred as at 30 September 2024.

Investore has no other material capital expenditure commitments as at 30 September 2024.

2.4 Investment properties classified as held for sale

On 22 August 2024, Investore entered into two unconditional agreements to sell the properties located at 172-186 Tay Street, Invercargill, and 53 Leach Street, New Plymouth, for an aggregate price of \$54.3 million.

Investore has reclassified these properties from investment properties to investment properties classified as held for sale at the aggregate sale price.

Subsequent to balance date, Investore settled on the disposal of the property at 172-186 Tay Street, Invercargill (refer note 6.5).

The settlement of 53 Leach Street, New Plymouth, is expected to occur late November 2024.

3.0 Investor Returns

This section sets out Investore's earnings per share, NTA per share and how distributable profit is calculated. Distributable profit is a non-GAAP measure and is used by Investore to calculate profit available for distribution to shareholders by way of dividends.

3.1 Basic and diluted earnings per share (EPS)

	Unaudited 6 months 30 Sep 24	Unaudited 6 months 30 Sep 23
	\$000	\$000
Profit/(loss) after income tax attributable to shareholders	9,662	(66,533)
Weighted average number of shares for the purpose of basic and diluted EPS	373,822	367,559
Basic and diluted EPS - weighted (cents)	2.58	(18.10)

3.2 Net tangible assets (NTA) per share

	Unaudited 30 Sep 24	Audited 31 Mar 24	Unaudited 30 Sep 23
Number of shares on issue (000)	373,822	373,822	369,563
Total assets (\$000)	1,020,733	1,014,416	1,014,731
Less total liabilities (\$000)	(436,816)	(427,365)	(418,020)
NTA (\$000)	583,917	587,051	596,711
NTA per share (cents)	156	157	161

3.3 Distributable profit

	Unaudited 6 months 30 Sep 24	Unaudited 6 months 30 Sep 23
	\$000	\$000
Profit/(loss) before income tax	13,530	(65,105)
Non-recurring, non-cash and other adjustments:		
Net change in fair value of investment properties	3,450	82,712
Reversal of lease liabilities movement in net change in fair value of investment properties	(56)	(40)
Net change in fair value of derivative financial instruments	153	2
Spreading of fixed rental increases	195	150
Capitalised lease incentives net of amortisation	(67)	39
Borrowings establishment costs amortisation	449	500
Distributable profit before current income tax	17,654	18,258
Current income tax	(3,659)	(2,817)
Adjusted for:		
Tax expense on capitalised interest	(58)	(93)
Distributable profit after current income tax	13,937	15,348
Adjustments to funds from operations		
Maintenance capital expenditure	(584)	(25)
Seismic upgrade works	(373)	(829)
Incentives and associated landlord works	(168)	(31)
Adjusted Funds From Operations (AFFO)	12,812	14,463
Weighted average number of shares for the purpose of basic and diluted distributable profit per share (000)	373,822	367,559
Basic and diluted distributable profit after current income tax per share - weighted (cents)	3.73	4.18
AFFO basic and diluted distributable profit after current income tax per share - weighted (cents)	3.43	3.93

Certain comparative amounts have been reclassified to conform with the current period's presentation.

4.0 Related Party Disclosures

This section sets out the transactions that have occurred during the relevant periods between Investore and SIML, as manager of Investore, and Stride Property Limited (SPL), which owns a cornerstone shareholding in Investore. The shares in each of SIML and SPL are stapled securities and together they comprise the Stride Property Group.

	Unaudited 6 months 30 Sep 24	Unaudited 6 months 30 Sep 23
	\$000	\$000
The following transactions with a related party took place		
SIML		
Asset management fee expense	(2,571)	(2,765)
Building management fee expense	(225)	(220)
Accounting fee expense	(125)	(125)
Leasing fee expense	(189)	(64)
Project management fee expense	(107)	(410)
Other fee expenses	(79)	(139)
Total	(3,296)	(3,723)
SPL		
Dividends paid	(2,288)	(2,733)
Dividends reinvested	-	475
	Unaudited 30 Sep 24	Audited 31 Mar 24
	\$000	\$000
The following balance was payable to a related party		
SIML	(34)	(103)

Other fee expenses include maintenance and sustainability fees (30 Sep 23: maintenance, sustainability and share buyback fees).

Investore has appointed SIML as its exclusive provider of ongoing real estate investment management services. Investore does not have any employees, and accordingly, there are no senior managers of Investore who have a relevant interest in the shares of Investore.

SIML did not receive a performance fee for the six months ended 30 September 2024 (30 Sep 23: \$ nil). The carried forward return for the performance fee calculation for the quarter ending 31 December 2024 is a 29.2% deficit (31 Mar 24: carried forward return for the quarter ended 30 June 2024 41.7% deficit) which has been calculated in accordance with the management agreement.

SPL's shareholding in the Parent is 18.8%, being 70.4 million shares (31 Mar 24: 18.8%, being 70.4 million shares).

5.0 Capital Structure and Funding

Investor'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 Investor's funding exposure to interest rate risk and related financing costs.

5.1 Borrowings

	Unaudited 30 Sep 24 \$000	Audited 31 Mar 24 \$000
Current		
Fixed rate bonds	-	100,000
Unamortised borrowings establishment costs	-	(11)
Total current	-	99,989
Non-current		
Bank facility drawn down	161,300	52,800
Fixed rate bonds	250,000	250,000
Unamortised borrowings establishment costs	(1,759)	(1,788)
Total non-current	409,541	301,012
Total net borrowings	409,541	401,001
Weighted average cost of debt (inclusive of current interest rate derivatives, bonds, bank margins and line fees) at balance date	4.55%	4.34%

30 Sep 24 (Unaudited)	Issue date	Expiry date	Interest rate	Total amount \$000	Undrawn facility \$000	Drawn amount \$000	Fair value \$000
Bank Facility A		30 Nov 2028	Floating	50,000	50,000	-	-
Bank Facility B		30 Nov 2028	Floating	42,500	-	42,500	42,500
Bank Facility C		30 Nov 2028	Floating	52,500	-	52,500	52,500
Bank Facility D		30 Nov 2028	Floating	80,000	13,700	66,300	66,300
Bonds IPL020	31 Aug 2020	31 Aug 2027	2.40%	125,000	-	125,000	114,170
Bonds IPL030	25 Feb 2022	25 Feb 2027	4.00%	125,000	-	125,000	120,760
				475,000	63,700	411,300	396,230

31 Mar 24 (Audited)							
	Issue date	Expiry date	Interest rate	Total amount \$000	Undrawn facility \$000	Drawn amount \$000	Fair value \$000
Bank Facility A		30 Nov 2025	Floating	70,000	57,200	12,800	12,800
Bank Facility D		16 Apr 2025	Floating	50,000	50,000	-	-
Bank Facility F		31 May 2026	Floating	40,000	-	40,000	40,000
Bank Facility G		31 May 2026	Floating	65,000	65,000	-	-
Bonds IPL010	18 Apr 2018	18 Apr 2024	4.40%	100,000	-	100,000	99,893
Bonds IPL020	31 Aug 2020	31 Aug 2027	2.40%	125,000	-	125,000	108,499
Bonds IPL030	25 Feb 2022	25 Feb 2027	4.00%	125,000	-	125,000	116,498
				575,000	172,200	402,800	377,690

5.0 Capital Structure and Funding (continued)

5.1 Borrowings (continued)

Bank borrowings

Investore's bank borrowings are via syndicated senior secured facilities with ANZ Bank New Zealand Limited, China Construction Bank Corporation, New Zealand Branch, Industrial and Commercial Bank of China Limited, Auckland Branch, and Westpac New Zealand Limited.

On 30 September 2024, Investore refinanced its \$225.0 million syndicated bank facilities, extending the tenor on all facilities to November 2028. In accordance with the Green Finance Framework (Framework) 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 (2023) and International Capital Market Association (ICMA) Green Bond Principles (2021 with June 2022 Appendix) and with consideration of the NZGBC Green Finance Guidance for Green Buildings (2024).

Fixed rate bonds

IPL010 fixed rate bonds of \$100.0 million matured in April 2024 and were repaid with bank debt.

The remaining fixed rate bonds are quoted on the NZX Debt Market and their fair value is based on their listed market price as at balance date. Interest on the 7 year fixed rate bonds issued in 2020 (IPL020) and the 5 year fixed rate bonds issued in 2022 (IPL030) are payable quarterly in August, November, February and May, in equal instalments.

Security

The bank borrowings and fixed rate bonds are managed through a security agent who holds a first registered mortgage on all the investment properties owned by the Parent and the Subsidiary and a registered first ranking security interest under a General Security Deed over substantially all the assets of the Parent and the Subsidiary.

5.2 Derivative financial instruments

	Unaudited 30 Sep 24	Audited 31 Mar 24
	\$000	\$000
Interest rate derivative contracts - fixed rate payer start dates commenced	30,000	30,000
Interest rate derivative contracts - fixed rate payer forward starting	75,000	25,000
Interest rate derivative contracts - fixed rate receiver	-	25,000
Total notional principal value of interest rate derivative contracts	105,000	80,000
Interest rate derivative assets - current	502	-
Interest rate derivative assets - non-current	-	1,099
Interest rate derivative liabilities - current	-	(173)
Interest rate derivative liabilities - non-current	(558)	-
Fair value of interest rate derivative contracts	(56)	926
Fixed interest rates payer (including forward starting interest rate derivatives)	2.84%-3.83%	2.84%-3.83%
Fixed interest rate receiver	-	4.40%
Weighted average fixed interest rate (excluding margins, including forward starting interest rate derivatives)	2.17%	2.12%
Percentage of drawn debt fixed	68%	88%

During the six months ended 30 September 2024, Investore entered into the following forward-starting interest rate agreements:

- two year fixed agreement with a notional value of \$25.0 million and an effective date of 31 July 2025; and
- two year fixed agreement with a notional value of \$25.0 million and an effective date of 28 February 2027.

Investore enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. As all critical terms matched during the period, the economic relationship was 100% effective, with the exception of a \$25 million fixed rate receiver interest rate swap which matured in April 2024.

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 (31 Mar 24: Level 2). Judgement is involved in determining the fair value by the independent treasury advisers. 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 30 September 2024 of between 4.87%, for the 90-day BKBM, and 3.90%, for the 10-year swap rate (31 Mar 24: 5.64% and 4.37%, respectively). There were no changes to these valuation techniques during the reporting period.

5.0 Capital Structure and Funding (continued)

5.3 Net finance expense

	Unaudited 6 months 30 Sep 24 \$000	Unaudited 6 months 30 Sep 23 \$000
Finance income		
Bank interest income	94	88
Total finance income	94	88
Finance expense		
Bank borrowings interest	(5,798)	(2,570)
Bank borrowings interest capitalised	209	331
Fixed rate bonds interest	(4,223)	(6,184)
Lease liabilities interest	(442)	(283)
Total finance expense	(10,254)	(8,706)
Net finance expense	(10,160)	(8,618)

During the current period, \$0.2 million (30 Sep 23: \$0.3 million) of bank borrowings interest expense was capitalised using an average rate of 4.25% (30 Sep 23: 3.94%).

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. Investore had 373,821,658 shares on issue as at 30 September 2024 (31 Mar 24: 373,821,658).

6.0 Other

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

6.1 Income tax

	Unaudited 6 months 30 Sep 24	Unaudited 6 months 30 Sep 23
	\$000	\$000
Income tax		
Current tax expense	(3,659)	(2,817)
Deferred tax (expense)/benefit	(209)	1,389
Income tax expense per the consolidated statement of comprehensive income	(3,868)	(1,428)
Profit/(loss) before income tax	13,530	(65,105)
Prima facie income tax using the company tax rate of 28%	(3,788)	18,229
(Increase)/decrease in income tax due to:		
Net change in fair value of investment properties	(966)	(23,159)
Reversal of lease liabilities movement in investment properties	16	11
Movement in fair value of derivative financial instruments	(43)	(1)
Non-taxable income	39	(50)
Other permanent differences	111	44
Depreciation	940	2,038
Non-deductible expenses	(137)	(17)
Expenditure deductible for tax	58	93
Temporary differences	26	(5)
Prior year adjustment	85	-
Current tax expense	(3,659)	(2,817)
Investment properties depreciation	(223)	1,386
Other	14	3
Deferred tax (charged)/credited to profit or loss	(209)	1,389
Income tax expense per the consolidated statement of comprehensive income	(3,868)	(1,428)

6.2 Trade and other payables

	Unaudited 30 Sep 24	Audited 31 Mar 24
	\$000	\$000
Trade payables	300	73
Related party payables (refer note 4.0)	34	103
Development and capital expenditure payables and accruals	7,410	6,212
Retention accruals	287	304
Interest expense accruals	785	1,728
Other accruals and payables	2,514	2,754
	11,330	11,174

Development and capital expenditure payables and accruals include a \$6.9 million commitment to GDL (31 Mar 24: \$3.1 million) (refer note 2.3).

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

6.0 Other (continued)

6.3 Operating segments

Investore is reported as a single operating segment, being large format retail properties, which is consistent with the internal reporting provided to the chief operating decision-maker, identified as the Board. Investore's revenue streams are earned from investment properties owned in New Zealand, with no specific exposure to geographical risk. Two tenants contributed more than 10% to Investore's portfolio contract rental as at 30 September 2024, GDL (Woolworths) contributes 65% (30 Sep 23: 64%) and Bunnings Limited contributes 12% (30 Sep 23: 13%).

6.4 Contingent liabilities

Investore has no contingent liabilities at balance date (31 Mar 24: \$ nil).

6.5 Subsequent events

On 31 October 2024, Investore settled on the disposal of the property at 172-186 Tay Street, Invercargill, and the proceeds were used to repay bank debt.

On 14 November 2024, the Parent declared a cash dividend for the period 1 July 2024 to 30 September 2024 of 1.625 cents per share, to be paid on 10 December 2024 to all shareholders on the Parent's register at the close of business on 22 November 2024. This dividend will carry imputation credits of 0.528628 cents per share. This dividend has not been recognised in the financial statements.

On 14 November 2024, the Parent resolved that the dividend reinvestment plan (DRP) will operate for the dividend for the period 1 July 2024 to 30 September 2024, with a 2% discount being applied when determining the issue price. The last date for receipt of an application for participation in the DRP in respect of this dividend is 5pm on 25 November 2024.

There have been no other material events subsequent to balance date.

Independent auditor's review report

To the shareholders of Investore Property Limited



Report on the consolidated interim financial statements

Our conclusion

We have reviewed the consolidated interim financial statements of Investore Property Limited (the Company) and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 30 September 2024, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended on that date, and selected explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that these accompanying consolidated interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 30 September 2024, and its financial performance and cash flows for the six months then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's responsibilities for the review of the consolidated interim financial statements* section of our report.

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. In addition to our role as auditor, our firm carries out other assurance services for the Group over operating expense statements. The provision of these other services has not impaired our independence.

Responsibilities of Directors for the consolidated interim financial statements

The Directors of the Company are responsible, on behalf of the Company, for the preparation and fair presentation of these consolidated interim financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the consolidated interim financial statements

Our responsibility is to express a conclusion on the consolidated interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34.

A review of consolidated interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these consolidated interim financial statements.

Who we report to

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

The engagement partner on the review resulting in this independent auditor's review report is Philip Taylor.

For and on behalf of:

A handwritten signature in dark ink that reads 'PricewaterhouseCoopers' in a cursive, flowing script.

PricewaterhouseCoopers
14 November 2024

Auckland

Corporate Directory

Board of Directors

Mike Allen (Chair)
Gráinne Troute
Adrian Walker
Tim Storey (SIML-appointed Director)
Ross Buckley (SIML-appointed Director)

Registered Office

Level 12, 34 Shortland Street, Auckland 1010
PO Box 6320, Victoria Street West
Auckland 1142, New Zealand

W investoreproperty.co.nz

Manager

Stride Investment Management Limited
Level 12, 34 Shortland Street, Auckland 1010
PO Box 6320, Victoria Street West
Auckland 1142, New Zealand

T +64 9 912 2690

Auditor

PwC
PwC Tower, Level 27, 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 8700

F +64 9 488 8787

E enquiry@computershare.co.nz

Legal Adviser

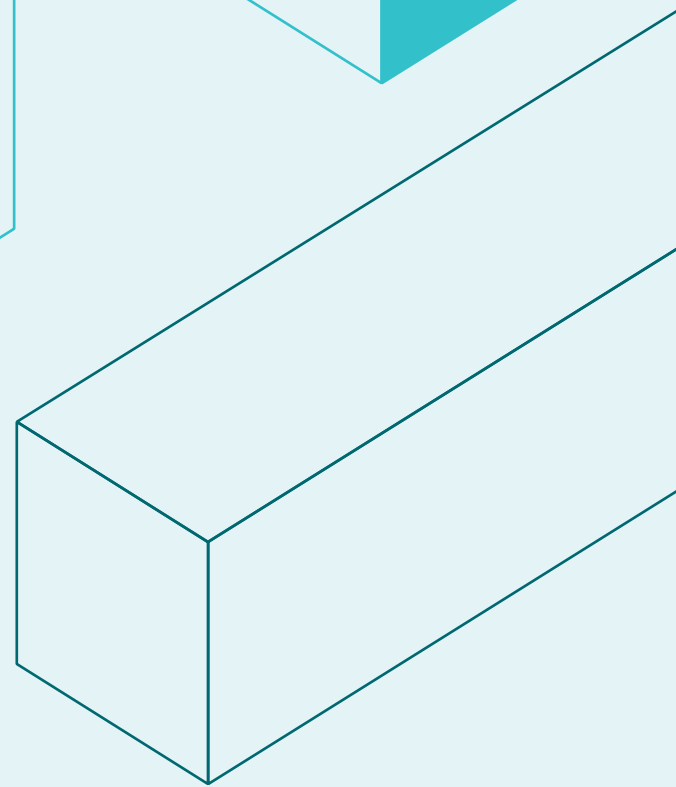
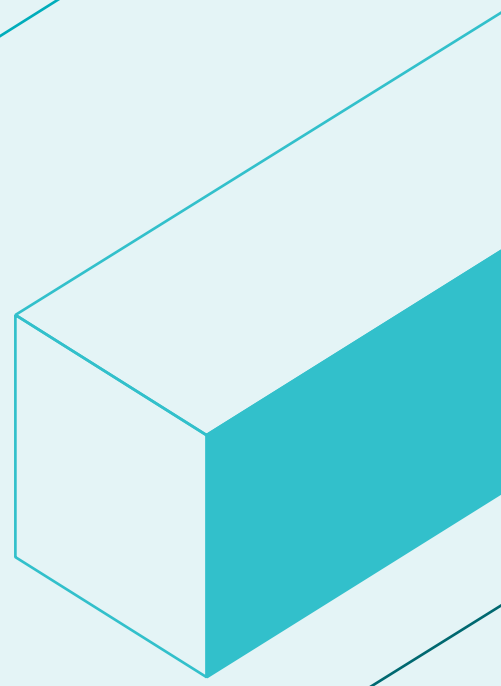
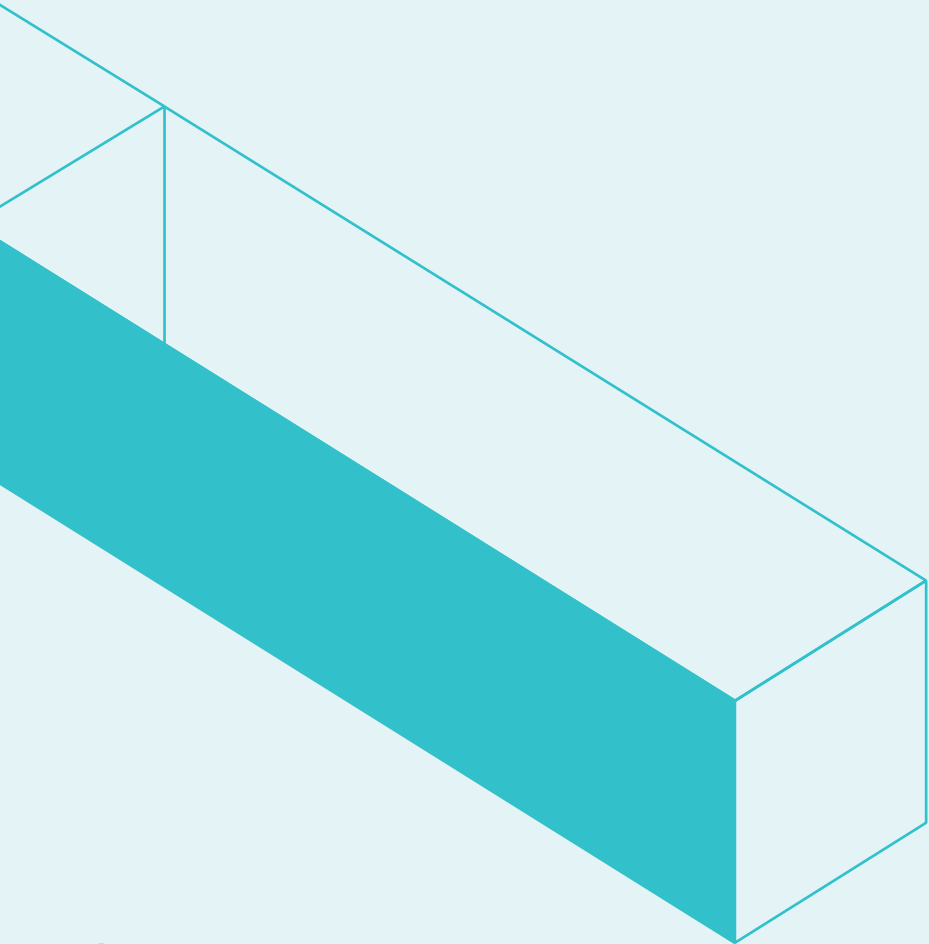
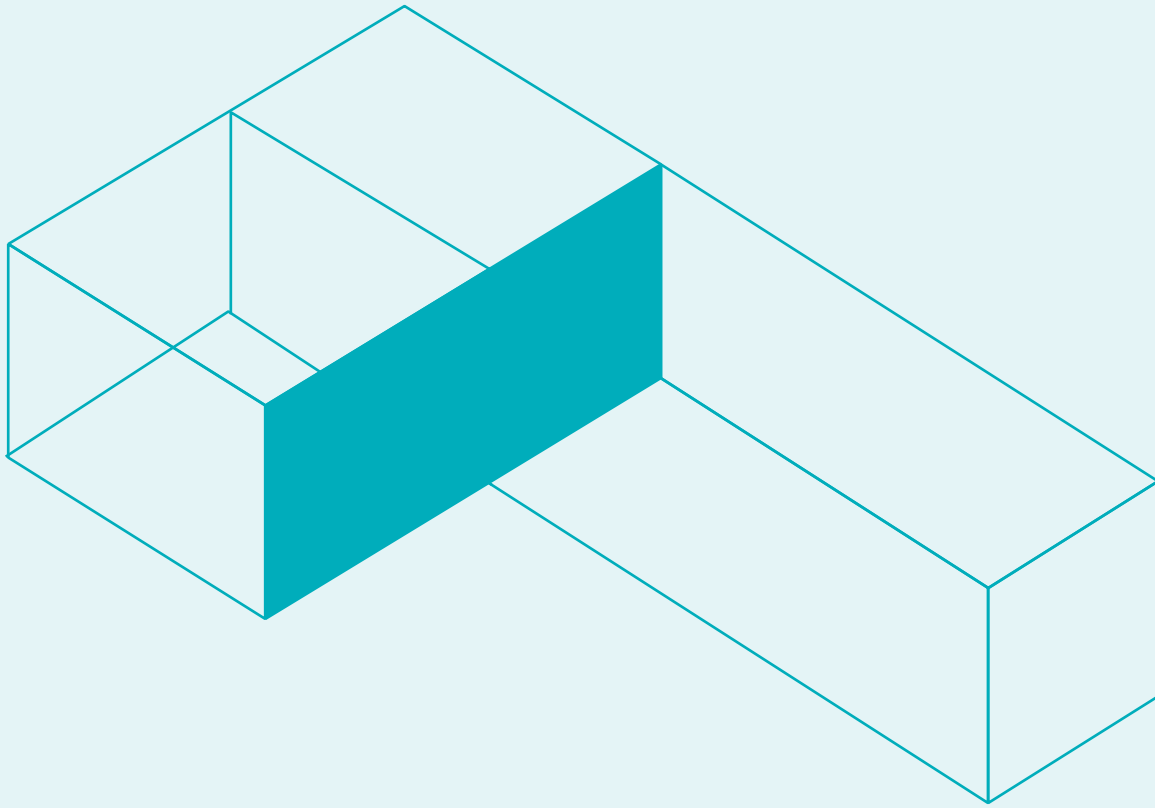
Bell Gully
Level 14, Deloitte Building
1 Queen Street, Auckland 1010
PO Box 4199, Auckland 1140

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

Bond Supervisor

Public Trust
Private Bag 5902
Wellington 6140



Investore Property Limited

Level 12, 34 Shortland Street
Auckland 1010

PO Box 6320
Victoria Street West,

Auckland 1142, New Zealand
T +64 9 912 2690

W investoreproperty.co.nz