

investore

Managed by Stride Investment
Management Limited



Annual Report 2024

Investore has been designated as a “Non-Standard” (NS) issuer by NZX. A copy of the waivers granted by NZX from NZX Listing Rules 2.2.1 to 2.8.1 and 2.10.1 in respect of Investore’s “NS” designation can be found at www.nzx.com/companies/IPL/documents

Capitalised terms have the meaning given in the glossary on page 98.

Contents

2	Financial Overview
4	Portfolio Overview
6	Chair’s Letter
10	Board of Directors
12	Manager’s Report
14	Portfolio
18	Geographical Diversification
20	Delivering Rental Growth
22	Woolworths Waimakariri Junction
24	Sustainable New Development
26	Proactive Capital Management
30	Financial Summary
32	Consolidated Financial Statements
61	Independent Auditor’s Report
65	Corporate Governance
90	Statutory Disclosures
98	Glossary
99	Corporate Directory

Financial Overview

For the 12 months ended
31 March 2024 (FY24)

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

\$61.2m

net rental income

Up \$1.0m or 1.6% from FY23

primarily due to the completion of the Woolworths Waimakariri Junction development and rent review transactions

\$35.1m

profit before other
expense and income tax

In line with FY23 at \$35.2m

\$(67.1)m

loss after income tax

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

\$31.0m

distributable profit¹ after
current income tax

In line with FY23 at \$31.0m

8.39 cents

distributable profit¹ per share

In line with FY23 at 8.44 cents per share

7.20 cents

per share cash dividend
for FY24

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 ratio² 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 DRP and
reduced dividend³

1. See glossary on page 98.

2. Loan to Value Ratio (LVR) is calculated based on independent valuations, which exclude lease liabilities and 507 Pakuranga Road, Auckland, Development asset. See note 2.2 to the consolidated financial statements.

3. Reflects dividends reinvested for Q1 to Q3 of FY24 under the DRP and the reduced dividend for Q3 of FY24.

Portfolio Overview

As at 31 March 2024

The Investore portfolio is valued¹ at \$1.0 billion as at 31 March 2024, representing a net valuation decrease of \$99 million or 9.1% from 31 March 2023. This decrease is primarily due to the sustained higher interest rate environment which has resulted in the average portfolio² capitalisation rate increasing to 6.37%, up 0.67% from 31 March 2023.

Key investment portfolio metrics²

45 properties

144 tenants

7.4 years

weighted average lease term (WALT)

99.1%

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

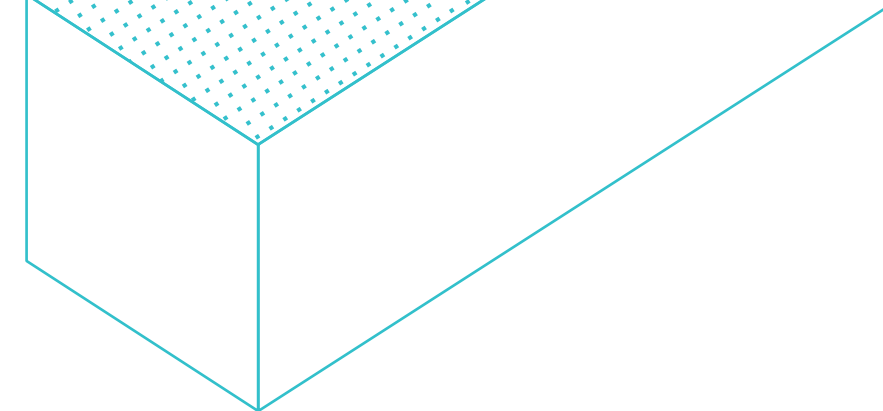
78%

of leases by Contract Rental³ expiring in FY30 and beyond

43%

of portfolio² by value has a green rating⁴

1. Excludes lease liabilities.
2. Excludes properties categorised as 'Development and Other' in note 2.2 to the consolidated financial statements.
3. See glossary on page 98.
4. 16 properties have a Green Star Performance rating and one property has a Green Star Design rating.



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 Woolworths-tenanted 5 Green Star Design rated supermarket in Waimakariri Junction, on time and within budget at a cost of \$26.1 million (including land)
- Agreement with Woolworths to fund the expansion of online fulfilment facilities at Woolworths Greenlane, which will include 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
- 65 rent reviews completed across 96,000 sqm, delivering a rental increase of 3.1% on prior rentals



Chair's Letter



Dear Investors,

The Board of Directors of Investore is pleased to present the Annual Report for the year ended 31 March 2024 (FY24). Investore continued to deliver resilient operating earnings during FY24, due to its quality large format retail portfolio that serves everyday needs and attracts repeat visitation. During FY24 Investore implemented a number of capital management initiatives to proactively manage its balance sheet given the current challenging macroeconomic environment. The Board continues to take a proactive approach to capital management to assist in managing the risks posed by these conditions.

Financial Results

Profit before other expense and income tax for FY24 was \$35.1 million, broadly in line with FY23 at \$35.2 million. Net rental income was up \$1.0 million (or 1.6%) to \$61.2 million, primarily due to the completion of the development of Woolworths Waimakariri Junction and rental increases from rent review transactions completed during the period.

Asset management fee expense at \$5.4 million was \$0.8 million lower than FY23 reflecting the lower portfolio valuations. Net finance expense at \$(18.0) million was \$1.8 million higher than FY23 and reflects the cost of debt to fund the development of Woolworths Waimakariri Junction.

Loss after income tax attributable to shareholders of \$(67.1) million (FY23: \$(150.2) million loss) was a result of a \$(98.7) million net reduction in the fair value of the investment property portfolio over the 12 months to 31 March 2024 (FY23 \$(185.2) million net reduction). The portfolio devaluation is due to a softening of capitalisation rates across the portfolio which is a reflection of the higher interest rate environment.

Net Tangible Assets (NTA) per share as at 31 March 2024 is \$1.57, a decrease of \$0.27 from 31 March 2023 NTA per share of \$1.84, due primarily to the portfolio valuation movement.

Growth and Optimisation of the Portfolio

Investore's portfolio consists of large format retail properties with a total portfolio value¹ of \$1.0 billion, with a large proportion of tenants that comprise nationally recognised brands, and tenants that provide 'everyday needs' or non-discretionary items. The portfolio continues to demonstrate strong, attractive metrics, which support resilient underlying earnings. These metrics include a high occupancy rate of 99.1%² and a WALT³ of 7.4 years. 78% of leases by Contract Rental³ expire in FY30 and beyond, contributing to a secure income stream for shareholders.

Investore has undertaken a number of projects during FY24 designed to enhance and improve its overall portfolio, including a new sustainable supermarket development and site improvement projects.

Investore completed the development of a new Woolworths-anchored supermarket at Waimakariri Junction in late 2023. This development is a highly sustainable new building, having achieved a 5 Green Star Design rating (which equates to 'New Zealand Excellence' standard). The Woolworths supermarket occupies part of Investore's land at Waimakariri Junction, with the balance of the land being held for future retail development. The Waimakariri Junction site is located close to State Highway 1, making it convenient for commuters from both Christchurch and Rangiora, as well as the wider Waimakariri District.

Investore also actively seeks to optimise its current portfolio through collaborating with key tenants to undertake capital projects. These projects aim to enhance the overall portfolio and improve customer experience, driving growth through increased asset value or rentalised returns, delivering value to shareholders.

Proactive Capital Management

The Board is cognisant of the challenging current macroeconomic environment and takes a proactive approach to capital management. During FY24, Investore implemented a Dividend Reinvestment Plan (DRP) providing all investors the opportunity to reinvest some or all of their dividends to acquire shares in Investore without paying brokerage fees. The introduction of the DRP resulted in \$6.9 million being reinvested from the first three dividends in FY24 (\$8.2 million when including the Q3 FY24 reduced dividend), which was used to fund maintenance capital expenditure, managing leverage.

As part of Investore's Interim Results released in November 2023, the Board announced key capital management initiatives to manage Investore's balance sheet. Investore widened its dividend policy to pay between 80-100% of distributable profit³ (previously 90-100%) and revised its full year cash dividend guidance for FY24 to 7.20 cents per share (down from the previous full year cash dividend guidance of 7.90 cents per share). The FY24 cash dividend of 7.20 cents per share represents an 86% payout of Investore's FY24 distributable profit.

1. Excludes lease liabilities.
2. Excludes properties categorised as 'Development and Other' in note 2.2 to the consolidated financial statements.
3. See glossary on page 98.

Chair's Letter (cont)

During FY24, Investore also renegotiated its bank LVR¹ covenant, increasing the maximum LVR¹ from 52.5% to 55.0%, providing Investore with additional balance sheet headroom. The development of Woolworths Waimakariri Junction was funded from available debt facilities and this, combined with the revaluation of the portfolio, has resulted in Investore's LVR¹ increasing to 40.8%² as at 31 March 2024, well within the LVR¹ banking covenant of 55.0%.

Investore, in keeping with its proactive approach to capital management, secured additional bank facilities of \$100 million during FY24. These additional bank facilities were arranged well in advance of the maturity date of the IPL010 bonds in April 2024 to ensure sufficient liquidity was available for the repayment of these bonds.

Following the maturity of the IPL010 bonds, Investore now has no debt maturing until FY26. Investore's weighted average maturity of debt was 2.1 years as at 31 March 2024, which increases to 2.5 years on a pro forma basis as if the IPL010 bonds had been repaid as at 31 March 2024. Investore's weighted average cost of debt was 4.3% as at 31 March 2024, a favourable metric when compared to wholesale market interest rates and a result of Investore's high level of debt that is hedged or subject to a fixed rate of interest, which, as at 31 March 2024, was 88% (reducing to 70% on a pro forma basis as if the IPL010 bonds had been repaid as at 31 March 2024). The weighted average cost of debt increases to 4.8% on a pro forma basis as if the IPL010 bonds had been repaid as at 31 March 2024.

Sustainability

The Board works closely with the Manager, Stride Investment Management Limited (SIML), to ensure the Investore portfolio remains sustainable for the future, and is focussed on investing in and developing high quality and sustainable properties.

As Investore's portfolio consists of properties that are large format retail properties, many of which are single tenanted, and the management of this portfolio has been outsourced to SIML, Investore considers that it has very low scope 1 and 2 greenhouse gas emissions. Investore seeks to reduce these emissions where possible and during FY24 implemented a plan to replace air conditioning units across its portfolio which use R22 refrigerant, a gas that has a relatively high global warming potential.

During FY24, Woolworths Waimakariri Junction achieved a 5 Green Star Design rating and is targeting a 5 Green Star As Built rating. The construction process was focussed on lowering the environmental impact from the development through the reduction of construction waste to landfill and the use of low environmental impact materials to reduce emissions.

In addition, a number of initiatives were implemented during the development with the aim of facilitating a reduction in the consumption of energy and water for the life of the building, including the installation of solar panels, energy efficient refrigerant systems, thermal insulation, and low water use plumbing fittings. Woolworths Waimakariri Junction is the first Investore property to have solar panels installed.

Investore also completed the Global Real Estate Sustainability Benchmark (GRESB) assessment in FY24, scoring 63%, an increase of 12% from FY23. This is a significant increase given Investore's portfolio consists mainly of single-tenanted, existing properties and consequently the sustainability features of these properties are difficult for Investore to directly influence.

Investore has prepared a separate Sustainability Report which includes reporting against the Aotearoa New Zealand Climate Standards. This report will be available from 28 May 2024 and can be found on Investore's website www.investoreproperty.co.nz when released.

Governance

The Board typically conducts a full external Board performance review biannually, to review the Board's performance and its engagement with SIML management. During FY24, the Board utilised the Institute of Directors of New Zealand's Evaluate tool, a comprehensive Board evaluation process, to review and report on the Board's operations with a view to ensuring the Board is functioning effectively through strong governance and leadership. The review confirmed that the Board continues to have a healthy and open dialogue, and enjoys a high level of collaboration which promotes dynamic and insightful discussions and effective decision making at Board meetings.

Consistent with the Board's commitment to optimising the operations and value of the company for the benefit of its shareholders, the Board held a strategy day during FY24 to review and assess the strategic direction of Investore.

In conjunction with the Stride Property Group board, the Board also undertook a sustainability workshop during the year, in preparation for Investore's first mandatory climate report in accordance with the Aotearoa New Zealand Climate Standards.

During FY24, the Board was proud to initiate a sponsorship programme for the Graeme Dingle Foundation, a child and youth development charity which aims to help young New Zealanders achieve their potential. During the year in review \$35,000 was paid in sponsorship to the Foundation. The Foundation is very effective in its objectives, with every dollar invested yielding a \$10.50 return to New Zealand's economy³.

The Manager and Management Fees

Investore's manager, SIML, has continued to provide strong support to Investore during FY24, including managing the successful completion of the development of Woolworths Waimakariri Junction, which was completed on time and within budget, as well as undertaking various other capital works programmes and rent review transactions.

Total management fees incurred to SIML during FY24 were \$7.3 million, in line with FY23 management fees which were \$7.4 million.

Investore undertakes an independent review of SIML's management fees every two years and the Board intends to appoint an external independent consultant to undertake a review of the management fees in FY25 to ensure they remain in accordance with the terms of the Management Agreement with SIML, and to provide comfort to the Board that they remain consistent and in line with fees charged for similar services in the market.

Outlook

The current macroeconomic conditions remain challenging, and external economic commentary suggests that these conditions will continue into FY25. The rapid rise in interest rates since August 2021 has caused an increase in capitalisation rates which in turn has resulted in a reduced value of the Investore portfolio, and is flowing through to a higher weighted average interest rate on Investore's debt. This, combined with the removal of tax deductibility for depreciation on commercial buildings, effective from 1 April 2024, will pose headwinds to after tax earnings in FY25 and beyond.

The Board proactively amended the distribution policy during FY24 to reflect these headwinds while also balancing income returns for investors. Consistent with the reduced dividend announced with Investore's Interim Results in November 2023 of 6.50 cents per share on an annualised basis⁴, Investore currently expects to pay a cash dividend of 6.50 cents per share for FY25, in accordance with the revised dividend policy of paying between 80-100% of Investore's distributable profit¹.

The Board will remain focussed on proactive capital management initiatives that actively manage Investore's overall leverage position to ensure balance sheet capacity and optionality.

We intend to continue our objective of optimising the portfolio, including through collaborating with key tenants to undertake value-add initiatives and capital expenditure programmes that improve customer experience and maximise returns to shareholders over the medium to long term.

The Board intends to pursue its strategy of targeted growth if appropriate acquisition and development opportunities present themselves and will also consider strategic divestments, provided that appropriate value can be realised.

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

On behalf of the Board, I would like to thank investors for their continued support of Investore.



Mike Allen

Mike Allen
Independent Director
and Chair of the Board

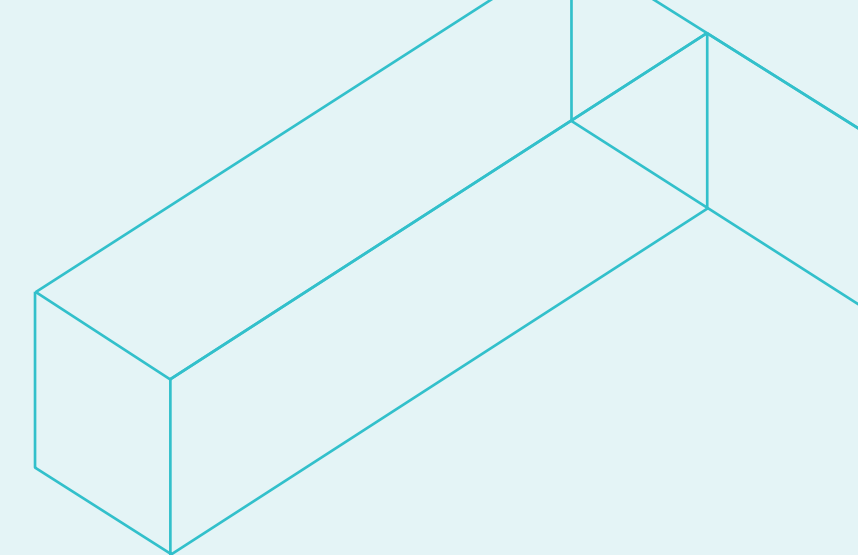
1. See glossary on page 98.

2. Loan to Value Ratio (LVR) is calculated based on independent valuations, which exclude lease liabilities and 507 Pakuranga Road, Auckland, Development asset. See note 2.2 to the consolidated financial statements.

3. According to a report prepared by Infometrics for the Graeme Dingle Foundation on "Updating the contribution of the Foundation's work to the New Zealand economy" dated February 2024.

4. Investore revised its FY24 full year cash dividend guidance for Q3 and Q4 to 6.50 cents per share on an annualised basis resulting in a full year cash dividend guidance of 7.20 cents per share (previously 7.90 cents per share).

Board of Directors



Mike Allen
Chair of the Board
Independent, Non-Executive Director
Appointed 9 June 2016, last elected 2022

Mike has considerable governance experience and is currently a director of Taumata Plantations Limited and Wool Research Organisation of New Zealand, as well as Chair of Vincent Capital Advisory Board. Prior to his governance career, he had an executive career in investment banking and general management experience in New Zealand and the United Kingdom.



Gráinne Troute
Chair of the Audit and Risk Committee
Independent, Non-Executive Director
Appointed 19 April 2018, last elected 2021

Gráinne has over 30 years' experience in listed and unlisted organisations, in highly competitive and customer-focussed sectors, including McDonald's New Zealand and SKYCITY Entertainment Group. Gráinne is currently a director of Tourism Holdings Limited and Summerset Group Holdings Limited, Chair of Montana Group and an independent board member of Duncan Cotterill. Gráinne is also a member of the NZX Corporate Governance Institute.



Adrian Walker
Independent, Non-Executive Director
Appointed 3 April 2020, last elected 2023

Adrian is a very experienced commercial property executive with a strong background in property, financial planning and strategic management from over 30 years' experience in the property sector, including 20 years as the General Manager of Property at Woolworths NZ. Adrian brings to Investore a deep knowledge of the property industry in New Zealand, as well as the supermarket sector.



Tim Storey
SIML Nominee and Non-Executive Director

Tim has more than 30 years of experience across a range of business sectors, and has practised as a lawyer in Australia and New Zealand. Tim was a partner in the Bell Gully partnership, having retired in 2006, and is Chair of Stride Property Limited and Stride Investment Management Limited.



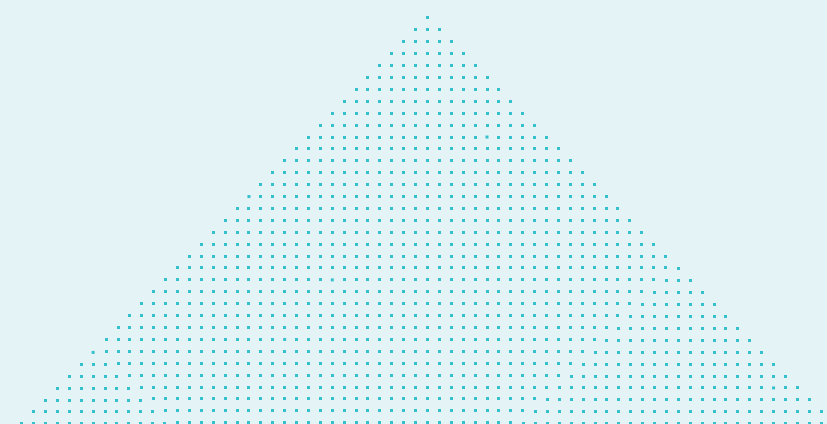
Ross Buckley
SIML Nominee and Non-Executive Director

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. Ross is a director of Stride Property Limited, Stride Investment Management Limited, ASB Bank 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.



Erika McDonald
Future Director

Erika was appointed as a future director of Investore in FY23. Erika leads the Auckland office for ENGEO, an engineering and environmental consultancy. Erika specialises in the assessment, remediation and management of contaminated land and groundwater. Erika brings valuable industry knowledge and understanding to the Investore Board, and participates in the Investore Board but does not vote or have any role as a director.



Manager's Report

Dear Investors,
Stride Investment Management Limited (SIML) is proud to manage the business of Investore and continue to deliver projects that enhance and optimise the Investore portfolio.

FY24 has been a busy and productive year, with SIML delivering a number of key projects for Investore designed to enhance the portfolio.

SIML was pleased to have successfully managed the development of the new 5 Green Star Design rated Woolworths supermarket at Waimakariri Junction as part of Stage 1 of the Kaiapoi development. This development was completed within budget and on time and is New Zealand's first newly constructed Woolworths-branded supermarket.

SIML continues to undertake a number of projects designed to support Investore's sustainability objectives, such as progressing the removal of R22 air conditioning units across the portfolio. During FY24, Investore replaced six R22 air conditioning units (bringing the total to 14 units since the R22 air conditioning replacement programme was introduced). A further 38 R22 air conditioning units are planned for replacement during FY25 and FY26.

Investore also collaborates with its tenants to improve their energy efficiency and lower their greenhouse gas emissions (scope 3 emissions for Investore) including through contributing to the installation of LED lights by tenants as part of store refurbishments. More information on these initiatives as well as other key sustainability activities undertaken during FY24 can be found in Investore's FY24 Sustainability Report, which can be found on Investore's website and will be available from 28 May 2024.

SIML, on behalf of Investore, collaborates with tenants to add value to Investore's existing assets through initiatives to improve customer amenities and the overall customer visitation experience. During FY24, SIML was pleased to have negotiated an agreement with Woolworths where Investore will provide a \$1.9 million capital contribution towards an expanded online fulfilment room and eight drive-through pick up bays at Woolworths Greenlane. These improvement works will deliver additional rent at 7.5% per annum on cost, and are also expected to generate additional sales, driving higher turnover rent over time and improving the value of Investore's portfolio.

As part of the negotiation process to fund the online expansion works at Woolworths Greenlane, an agreement was also reached to extend the lease of Woolworths Hamilton (Anglesea Street) for an additional 6 years, with a further 6 year right of

renewal. This lease extension drove a 23.4% increase in the valuation of Woolworths Hamilton as at 31 March 2024, when compared to the 31 March 2023 valuation.

SIML also negotiated 65 rent reviews on behalf of Investore during the period in review, which resulted in a 3.1% increase on previous rentals. Of these 65 rent reviews, 34 were CPI¹-linked reviews, delivering a 6.2% increase on prior rentals.

SIML was also pleased to have managed a number of capital management projects on behalf of Investore during FY24, which included:

- the introduction of a dividend reinvestment plan;
- securing \$100 million of additional bank debt facilities to ensure sufficient liquidity for the repayment of the IPL010 bonds, which matured post balance date in April 2024; and
- negotiating an increase in Investore's LVR¹ bank covenant from 52.5% to 55.0% to provide additional balance sheet headroom.

SIML is proud to support Investore in its strategic objectives and will continue to support Investore's strategy of targeted growth, together with actively managing and optimising its portfolio in FY25 and into the future.

Thank you for your continued support of Investore and SIML as Manager.



Philip Littlewood

Chief Executive Officer
Stride Investment Management Limited



Adam Lilley

Investore Fund Manager
Stride Investment Management Limited

1. See glossary on page 98.

Portfolio

Investore's portfolio¹ comprises 45 large format retail properties, from standalone supermarkets and hardware stores to large format retail centres, consisting of anchor and specialty retail tenants with a high concentration of nationally recognised brands and tenants that provide 'everyday needs'.

The continued higher interest rate environment has resulted in a further softening of the portfolio¹ market capitalisation rate to 6.37% as at 31 March 2024, up 0.67% from 31 March 2023. This softening has resulted in Investore's portfolio valuation² reducing by \$99 million to \$1.0 billion as at 31 March 2024.

The movement in the capitalisation rate was partially offset by positive rental growth across the Investore portfolio with 65 rent reviews being completed across the portfolio during FY24, delivering an increase of 3.1% on prior rentals. Of these 65 rent reviews, 34 were CPI³-linked reviews which delivered an increase in rental of 6.2% on prior rentals.

Investore added an additional property to its portfolio during FY24, due to the completion of the 5 Green Star Design rated Woolworths supermarket at Waimakariri Junction. The portfolio now comprises 62.8 hectares of commercial land holdings with an average site coverage of approximately 40%, providing scope for future site development over the long term, and demonstrating the high proportion of land value underpinning the portfolio.



Auckland Night Markets operates from the Woolworths underground carpark at Mt Wellington Shopping Centre every Tuesday evening. Through the Auckland Night Markets, Investore is able to provide a place for the Auckland community to come together and experience a wide variety of global culinary dishes and wares.

	As at 31 March 2024 ¹	As at 31 March 2023 ⁴
Number of properties	45	44
Number of tenants	144	143
Net lettable area (NLA) (sqm)	255,898	249,906
Net Contract Rental ³ (\$m)	63.7	61.8
WALT ³ (years)	7.4	8.1
Market capitalisation rate (%)	6.4	5.7
Occupancy by area (%)	99.1	99.5 ⁵
Land area (sqm)	627,677	611,077
Portfolio value ² (\$m)	972	1,033

Benefits of Large Format Retail Property

Lower total occupancy costs for tenants compared with other forms of retail in New Zealand

A high concentration of tenants focussed on 'everyday needs' means demand for tenants' goods and services tends to be resilient despite challenging macroeconomic factors

Anchor tenants draw customers to sites on a regular basis, driving visitation for associated specialty tenants

1. Excludes properties categorised as 'Development and Other' in note 2.2 to the consolidated financial statements.
 2. Excludes lease liabilities.
 3. See glossary on page 98.
 4. Excludes properties categorised as 'Development and Other' in note 2.2 to the consolidated financial statements for FY23.
 5. Vacant tenancies with current or pending development works are excluded from occupancy statistics and, as at 31 March 2023, metric excluded 2,947 sqm at Bay Central, Tauranga.

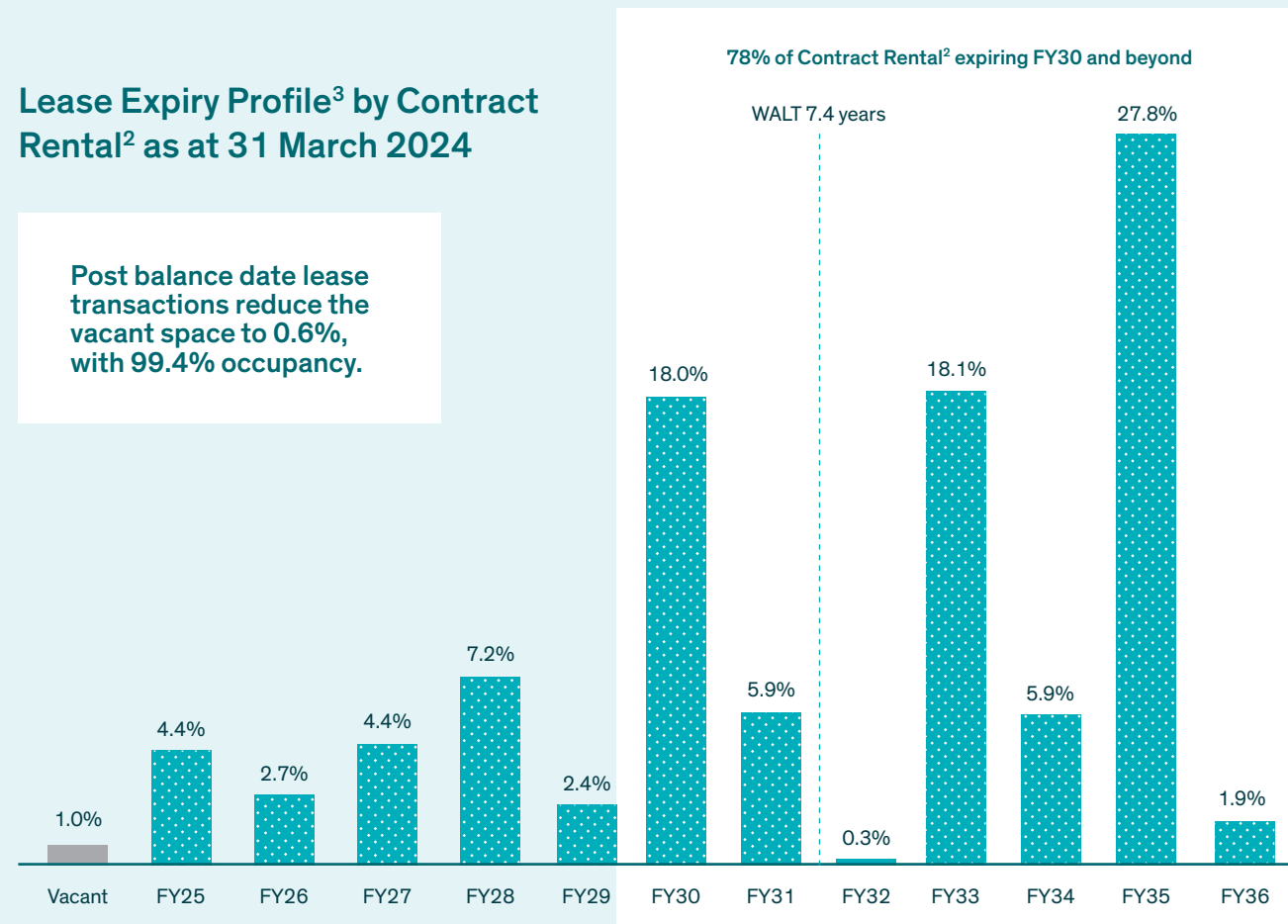
Portfolio (cont)

High Occupancy and Long Lease Expiry Profile

Investore's portfolio¹ continues to demonstrate strong metrics, with high occupancy (99.1%) and a long weighted average lease expiry of 7.4 years, with approximately 78% of Contract Rental² expiring in FY30 and beyond. This high occupancy and long weighted average lease expiry profile provides Investore with certainty of income over the medium to long term.

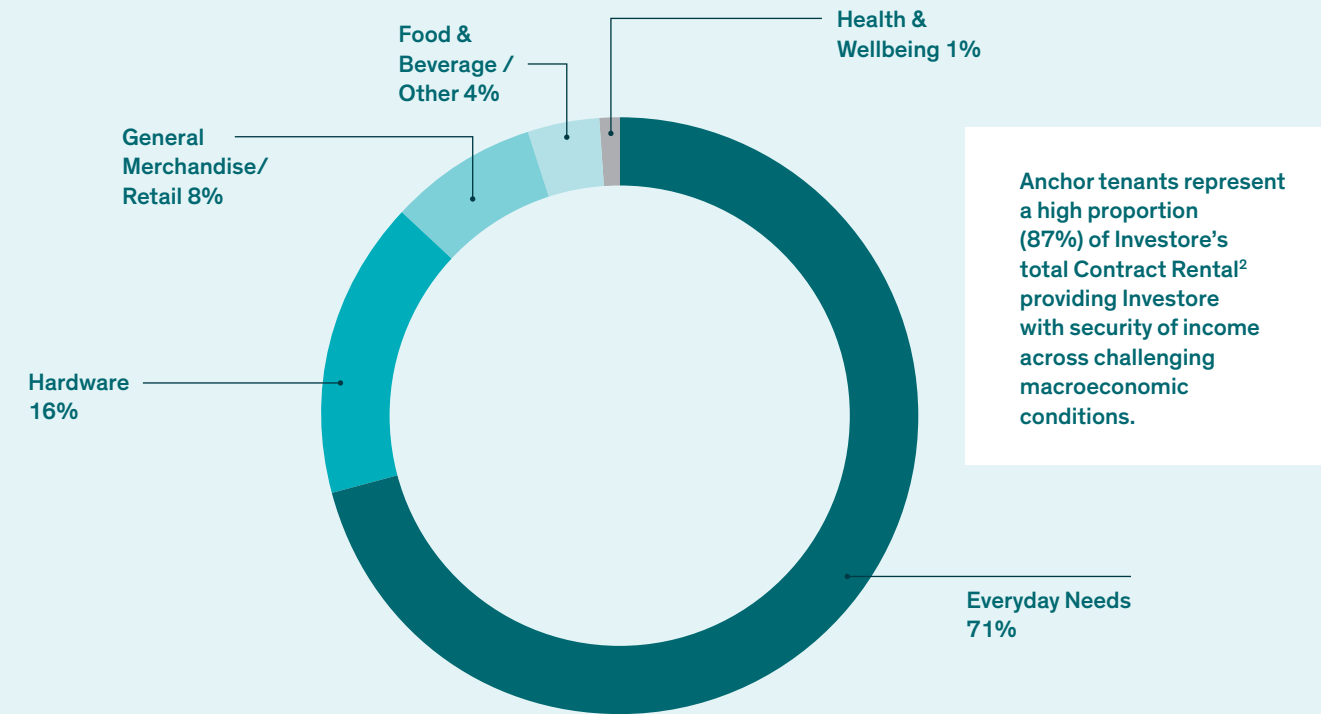
Lease Expiry Profile³ by Contract Rental² as at 31 March 2024

Post balance date lease transactions reduce the vacant space to 0.6%, with 99.4% occupancy.

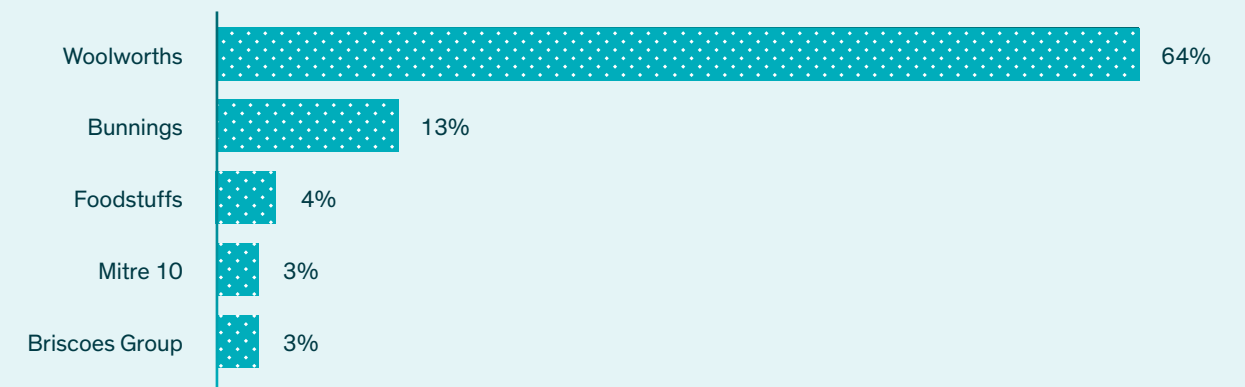


Note: Numbers in charts may not sum due to rounding.

Portfolio Tenant Classification by Contract Rental² as at 31 March 2024



Anchor Tenant Concentration by Contract Rental² as at 31 March 2024



Investore's large format retail portfolio consists of a large proportion of tenants that focus on everyday needs. Investore's tenants include nationally recognised brands such as Woolworths, New World, Pak'nSave, Bunnings, Mitre 10, Rebel Sport, Briscoes, Hunting & Fishing, Freedom Furniture,

Baby City, McDonald's, Resene, and Animates. These tenants tend to be resilient over the economic cycle due to their products comprising non-discretionary categories of expenditure for consumers.

1. Excludes properties categorised as 'Development and Other' in note 2.2 to the consolidated financial statements.

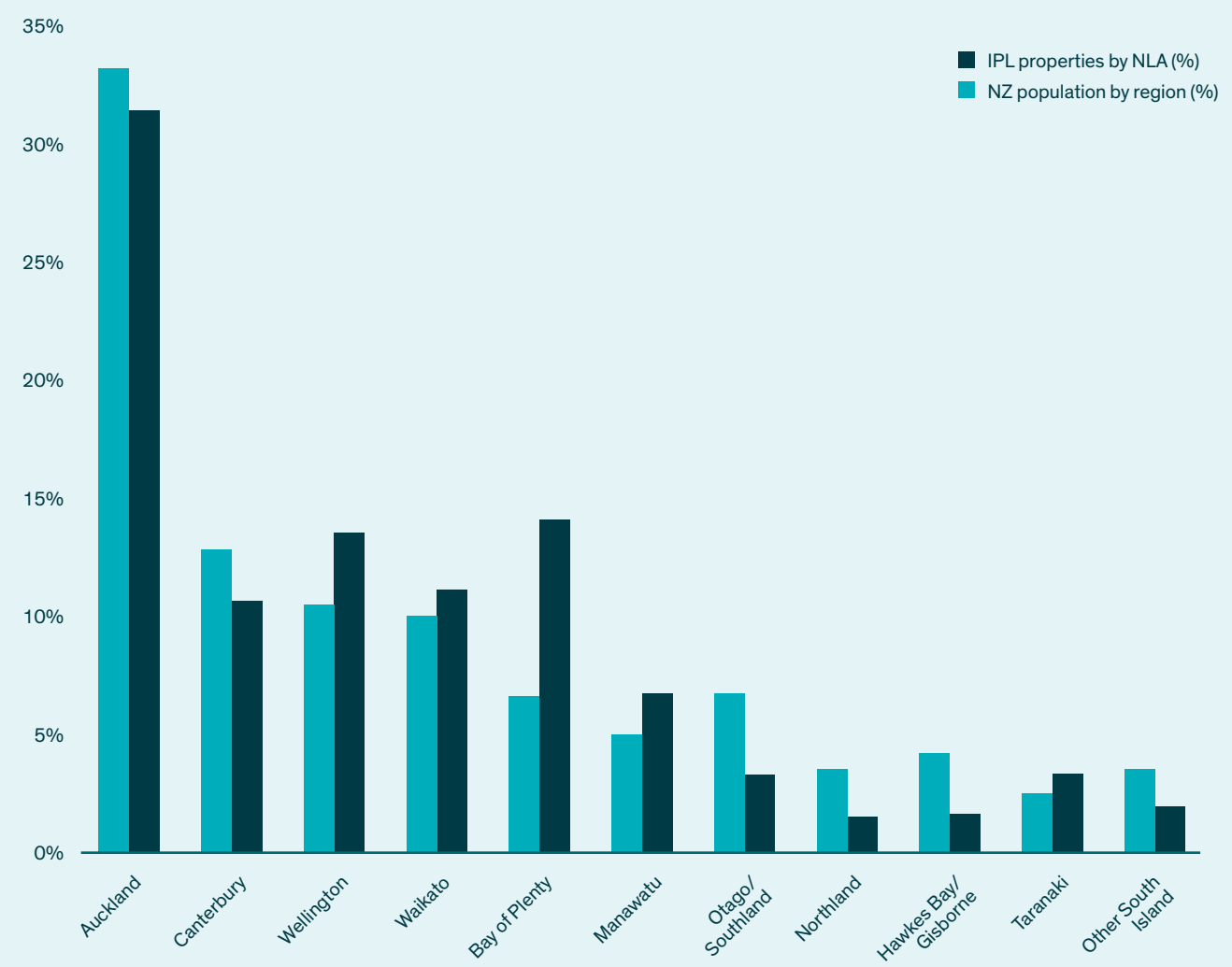
2. See glossary on page 98.

3. Represents the scheduled expiry for each lease, excluding any rights of renewal that may be granted under each lease, for the entire portfolio as at 31 March 2024 as a percentage of Contract Rental (see glossary on page 98 for definition).

Geographical Diversification

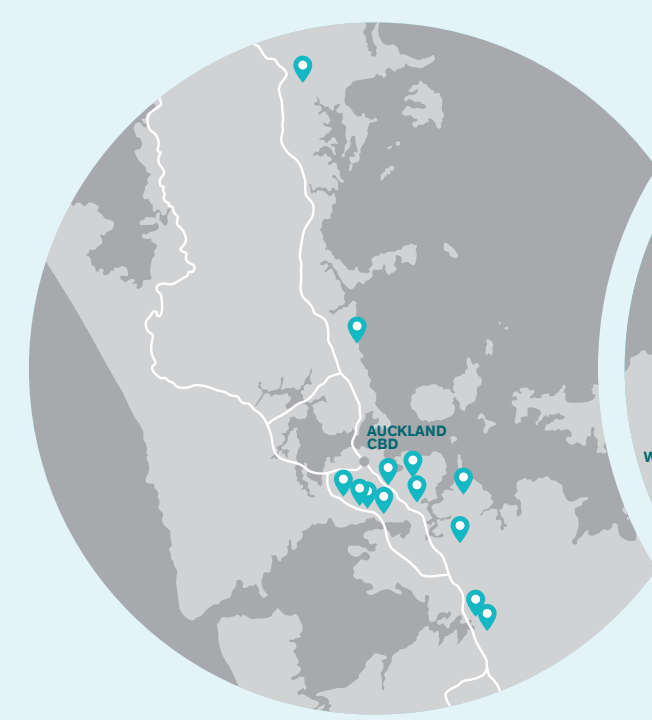
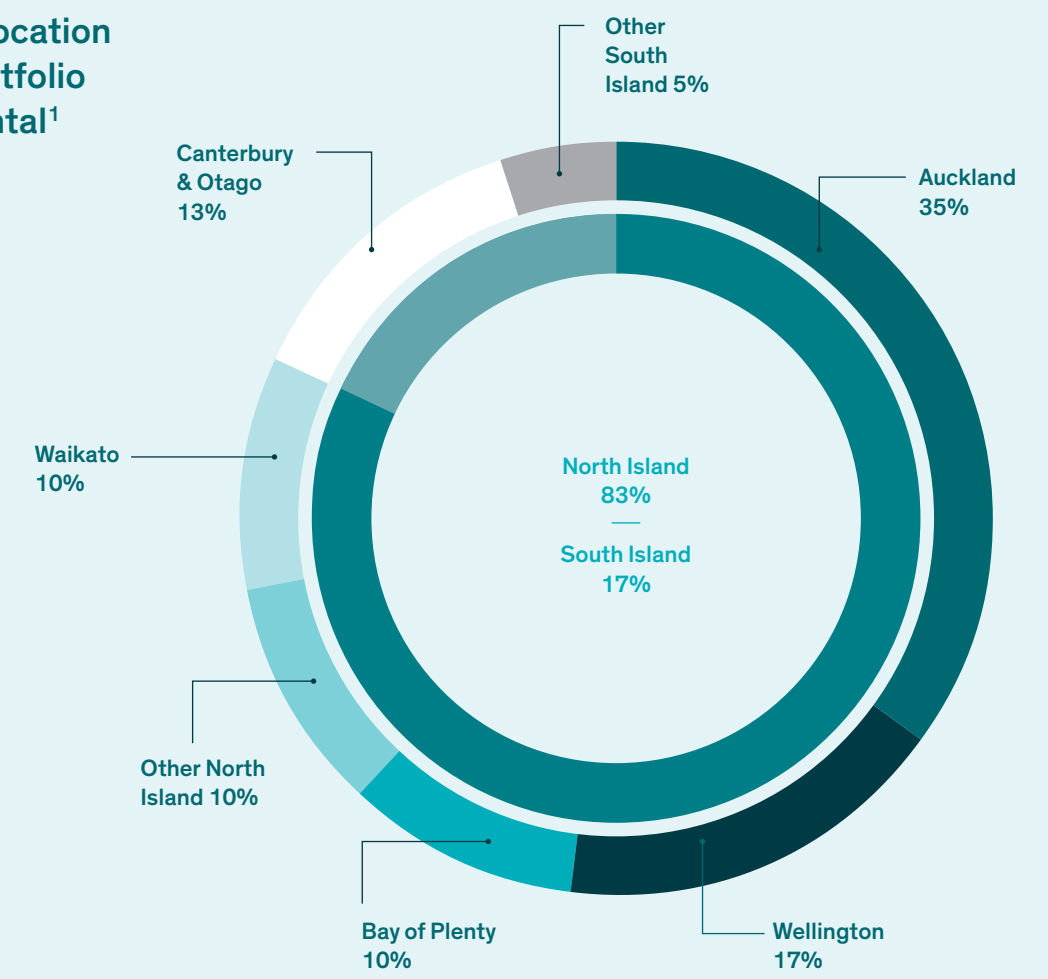
Investore's portfolio is geographically diversified across New Zealand, with the majority of the portfolio located in highly populated urban areas such as Auckland, Wellington, Canterbury, Waikato and the Bay of Plenty.

Spread of New Zealand population vs Investore properties as at 31 March 2024



Note: Numbers in charts may not sum due to rounding.
 1. See glossary on page 98.
 2. Map excludes 20-26 Neville Road located in Warkworth and which is classified as an Auckland asset.

Geographical Location of Investore Portfolio by Contract Rental¹



35% of properties by Contract Rental¹ are located in Auckland²

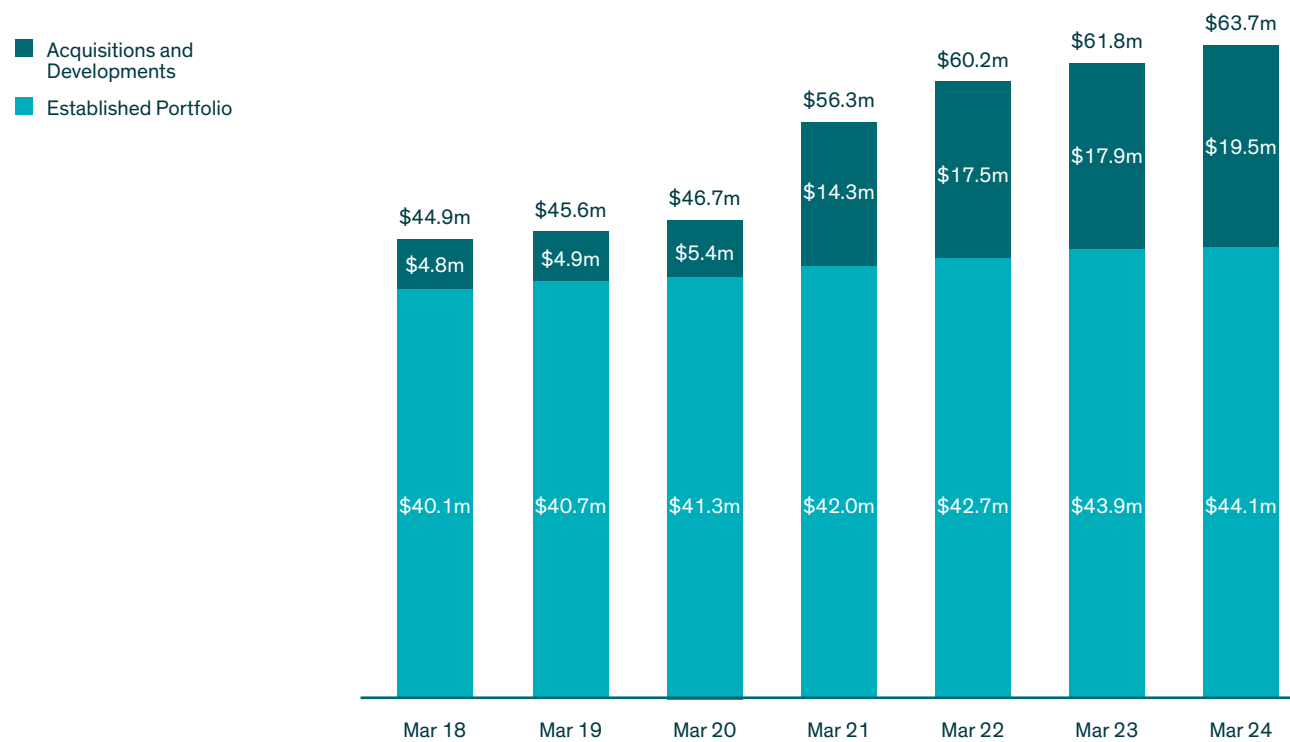


17% of properties by Contract Rental¹ are located in Wellington

Delivering Rental Growth

Investore focusses on improving portfolio performance and overall investor returns through maximising rental growth in its existing portfolio. This rental growth comes from acquisitions, developments, rent review transactions, and turnover rental from its Woolworths-tenanted properties.

Net Contract Rental¹ as at 31 March



1. See glossary on page 98.
 2. Moving Annual Turnover (MAT) is determined by calculating the net sales over a 12 month period from April to March, with the calculation being completed on a rolling basis.
 3. Investore's Woolworths supermarket portfolio on a like-for-like basis between 31 March 2018 and 31 March 2024.

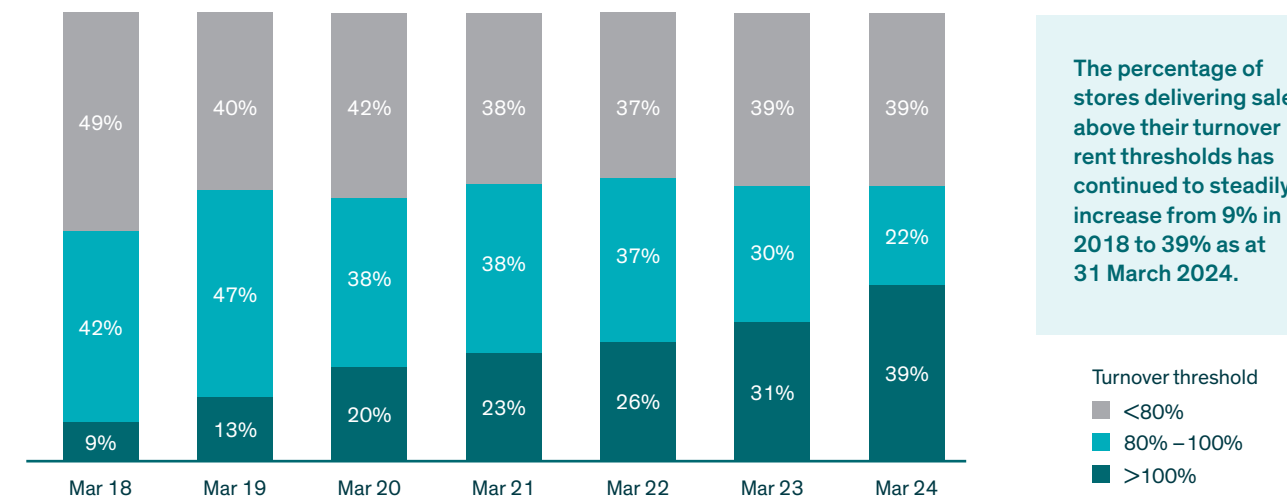
Turnover Rental

Woolworths leases, which comprise 64% of the Investore portfolio by Contract Rental¹, contain turnover-linked rental mechanisms which entitle Investore to additional turnover rent when moving annual turnover (MAT) at a store exceeds a specific threshold.

High inflationary environments typically produce higher MAT growth which in turn drives incremental turnover rental.

The higher MAT at Investore's Woolworths-tenanted supermarkets during FY24 resulted in an additional 8% of stores reaching the turnover threshold. 39% of stores are now paying turnover rent as at 31 March 2024 compared with 31% of stores as at 31 March 2023. Sales at some stores have only recently exceeded the turnover threshold, resulting in the full benefit of the turnover rent from these stores not being reflected in turnover rent for FY24.

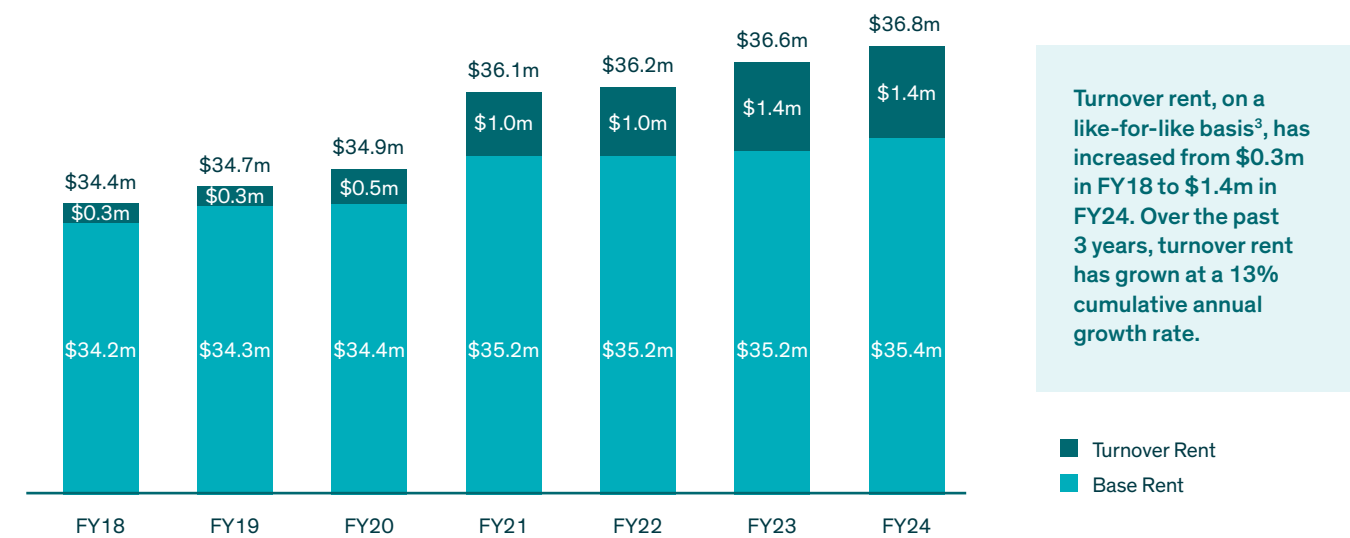
Woolworths Portfolio Turnover Mix as at 31 March (weighted by MAT²)



The percentage of stores delivering sales above their turnover rent thresholds has continued to steadily increase from 9% in 2018 to 39% as at 31 March 2024.

Turnover threshold
 ■ <80%
 ■ 80% - 100%
 ■ >100%

Woolworths Supermarket Base and Turnover Rent (like-for-like³)



Turnover rent, on a like-for-like basis³, has increased from \$0.3m in FY18 to \$1.4m in FY24. Over the past 3 years, turnover rent has grown at a 13% cumulative annual growth rate.

■ Turnover Rent
 ■ Base Rent

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

Woolworths Waimakariri Junction

Investore successfully completed the development of the new Woolworths-anchored supermarket at Waimakariri Junction in Kaiapoi, for \$26.1 million (including land) in November 2023. This development was delivered within budget and on time as part of Stage 1 of the development at Waimakariri Junction.

The building has achieved a 5 Green Star Design rating and is targeting a 5 Green Star As Built rating. The sustainability features of this development can be found on pages 24 and 25 of this Annual Report. The supermarket has been designed to elevate and enhance the customer experience with a new purpose-built facility consisting of eight dedicated parks for 'Direct to Boot', a grocery pick up service initiative by Woolworths where customers can have their groceries loaded directly into their boot rather than getting out of the car to collect them.

Woolworths has entered into a lease with an initial term of 12 years, and a further 23 years if all rights of renewal are exercised.

The site is located close to State Highway 1, making it convenient for commuters from both Christchurch and Rangiora as well as the wider Waimakariri District. Statistics New Zealand has forecast the Waimakariri District to be in the top decile of New Zealand districts for population growth between 2018 and 2048¹.

The remainder of the site, being 1.8 hectares, will be developed as part of Stage 2 and will provide further large format retail opportunities.

Woolworths in development, Waimakariri Junction



1. <https://www.stats.govt.nz/information-releases/subnational-population-projections-2018base2048-update/>

Sustainable New Development

Woolworths Waimakariri Junction

In partnership with Woolworths, Investore focussed heavily on sustainability when designing the 5 Green Star Design rated Woolworths supermarket.



Use of low carbon concrete and low embodied carbon materials where appropriate

Reduction of typical water consumption (when compared to a reference building) through the installation of low water use plumbing fittings

Reduction of construction waste to landfill through demolition and construction waste being reused, recycled or aided by low waste prefabrication

480sqm of solar panels installed on the roof, the first property in the Investore portfolio to have solar panels installed

Durable, low toxicity materials used throughout the development where appropriate, including adhesives, paints, sealants, carpets, ceiling tiles, and composite timber board products

Energy efficient refrigeration systems with low global warming potential used to cool produce

Electric vehicle chargers installed for customer convenience

16% of parking spaces reserved for fuel-efficient vehicles

Heat generated from store fridges is recycled to regulate the overall store temperature

End of trip facilities installed, including dedicated bicycle parking for staff and customer bicycle storage facilities to encourage cycling to the store

Thermal insulation and double glazing installed to reduce heat loss and gain

100% low energy LED lighting installed

Proactive Capital Management

Investore takes a proactive approach to capital management, managing its balance sheet in response to the challenging macroeconomic environment.

88%

Debt that is hedged or subject to a fixed rate of interest

4.3%

Weighted average cost of debt

2.1 years

Weighted average maturity of debt facilities

All figures are as at 31 March 2024

1. See glossary on page 98.
 2. LVR is calculated based on independent valuations, which exclude lease liabilities and 507 Pakuranga Road, Auckland, Development asset. See note 2.2 to the consolidated financial statements.
 3. Taking into account the reduced Q4 FY24 dividend and capital commitments as at 31 March 2024. See note 2.4 to the consolidated financial statements.



Investore's \$100 million IPL010 senior secured fixed rate bonds matured in April 2024 and were repaid using bank debt facilities. As at 31 March 2024, Investore's weighted average tenor remaining on its debt facilities was 2.1 years, which, following the maturity of the IPL010 bonds, increased to 2.4 years. Investore now has no debt maturing until FY26.

Investore has a weighted average cost of debt of 4.3% as at 31 March 2024. This figure increases to 4.8% following the IPL010 bonds maturing post balance date.

Investore negotiated an increase in its bank LVR¹ covenant from 52.5% to 55.0% during FY24. The increase in the LVR¹ covenant provides Investore more balance sheet capacity and flexibility to take advantage of opportunities to maximise the value of the Investore portfolio as they arise.

As at 31 March 2024, Investore has an LVR¹ of 40.8%² with a committed LVR¹ of 41.4%³.

226 Great South Road, Auckland



Proactive Capital Management (cont)

Proactive Approach to Capital Management during FY24

Dividend reinvestment plan adopted

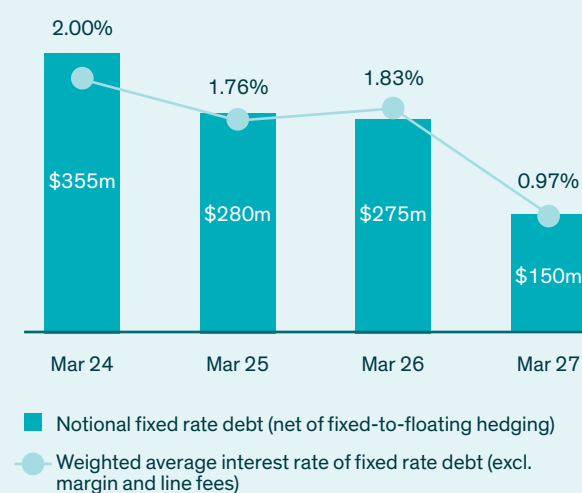
Bank LVR¹ covenant increased to 55.0% (previously 52.5%)

Dividend policy widened to paying 80-100% of distributable profit¹ (previously 90-100% of distributable profit)

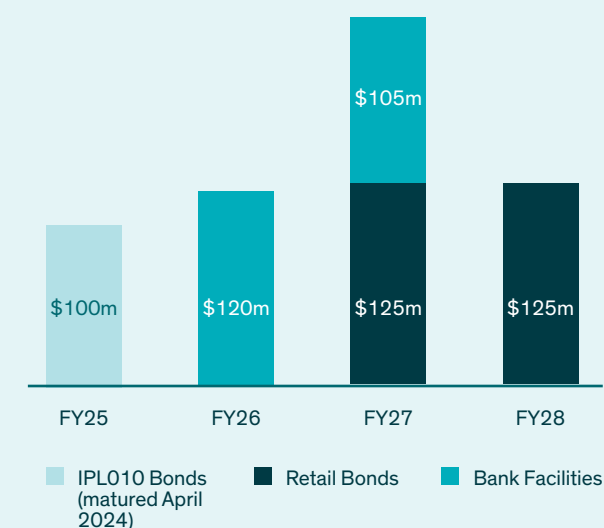
\$100 million of additional bank debt secured in advance of IPL010 bond maturity date

Revised full year cash dividend guidance for FY24 to 7.20cps (previously 7.90cps)

Fixed rate interest profile as at 31 March 2024



Debt maturity profile as at 31 March 2024



Resene ColourShop, Takanini



	Pro Forma 31 March 2024 ²	As at 31 March 2024	As at 31 March 2023
Facility limit (\$m)	475	575	475
Debt facilities drawn (\$m)	403	403	388
Weighted average debt maturity (years)	2.5	2.1	3.0
LVR (%) (Covenant: FY24: ≤55.0%; FY23: ≤52.5%)	40.8 ³	40.8 ³	36.5 ⁴
Weighted average cost of debt (%)	4.8	4.3	4.0
Interest cover ratio (Covenant: ≥1.75x)	N/A	2.9x	3.2x
% of drawn debt fixed	70	88	92
Weighted average fixed rate maturity (years) ⁵	2.9	2.3	3.3

1. See glossary on page 98.

2. Pro forma as at 31 March 2024, as if the \$100m IPL010 bonds which matured on 18 April 2024, had been repaid as at that date.

3. Loan to Value Ratio (LVR) is calculated based on independent valuations, which exclude lease liabilities and 507 Pakuranga Road, Auckland, Development asset. See note 2.2 to the consolidated financial statements.

4. Loan to Value Ratio (LVR) is calculated based on independent valuations, which exclude lease liabilities.

5. Includes bonds and interest rate swaps.

Financial Summary

The Five Year Financial Summary table reflects the numbers in the financial statements for each respective year.

	2024	2023	2022	2021	2020
Five Year Financial Summary	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)
Net rental income	61.2	60.3	58.3	55.8	48.1
Profit before net finance expense, other (expense)/income and income tax ¹	53.1	51.4	48.3	46.6	40.6
Net finance expense	(18.0)	(16.2)	(14.0)	(16.6)	(13.9)
Profit before other (expense)/income and income tax ¹	35.1	35.2	34.3	29.9	26.7
Other (expense)/income	(98.8)	(185.3)	91.5	139.0	7.7
(Loss)/profit before income tax	(63.6)	(150.1)	125.8	169.0	34.4
Income tax expense	(3.5)	(0.1)	(7.6)	(7.7)	(5.8)
(Loss)/profit after income tax	(67.1)	(150.2)	118.2	161.3	28.6
Basic earnings per share - weighted	(18.17) cents	40.85 cents	32.10 cents	44.60 cents	10.40 cents
Distributable profit before income tax ²	36.4	36.0	34.8	33.1	26.3
Distributable profit after income tax	31.0	31.0	29.9	29.1	21.1
Basic distributable profit after income tax per share - weighted	8.39 cents	8.44 cents	8.11 cents	8.05 cents	7.66 cents
Investment properties value ³	989.4	1,062.1	1,201.3	1,037.9	761.4
Drawn debt facilities and bonds	402.8	387.6	355.0	280.0	238.4
Borrowings loan to value ratio ⁴	40.8%	36.5%	29.5%	26.8%	31.3%
NTA per share	\$1.57	\$1.84	\$2.32	\$2.08	\$1.73
Adjusted NTA per share ⁵	\$1.57	\$1.84	\$2.32	\$2.08	\$1.74

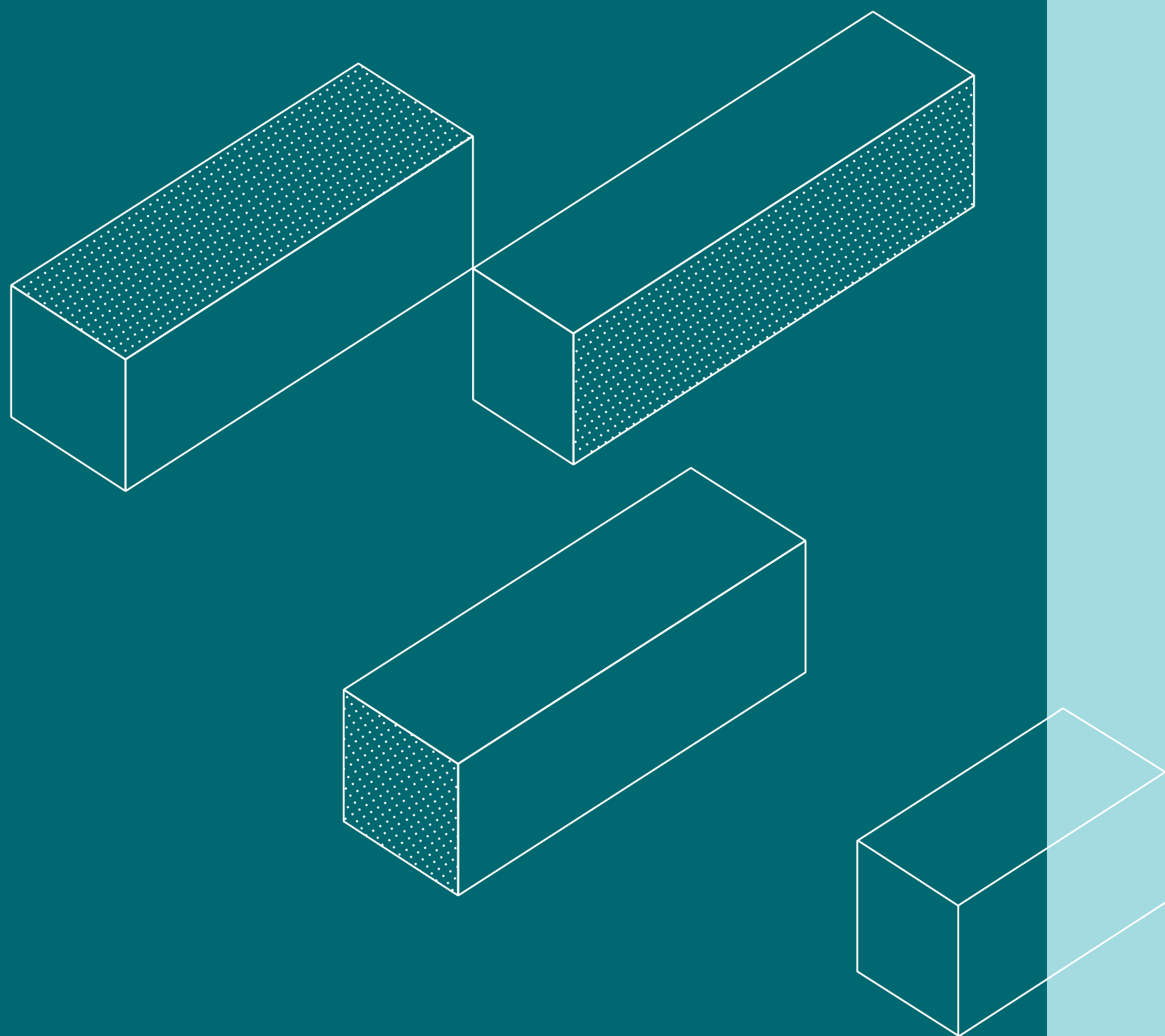
Values in the tables above are calculated based on the numbers in the financial statements for each respective financial year and may not sum accurately due to rounding.

The Five Year Financial Summary contains certain information which is contained in the audited financial statements of each respective year. Further information can be obtained by referring to those audited financial statements.

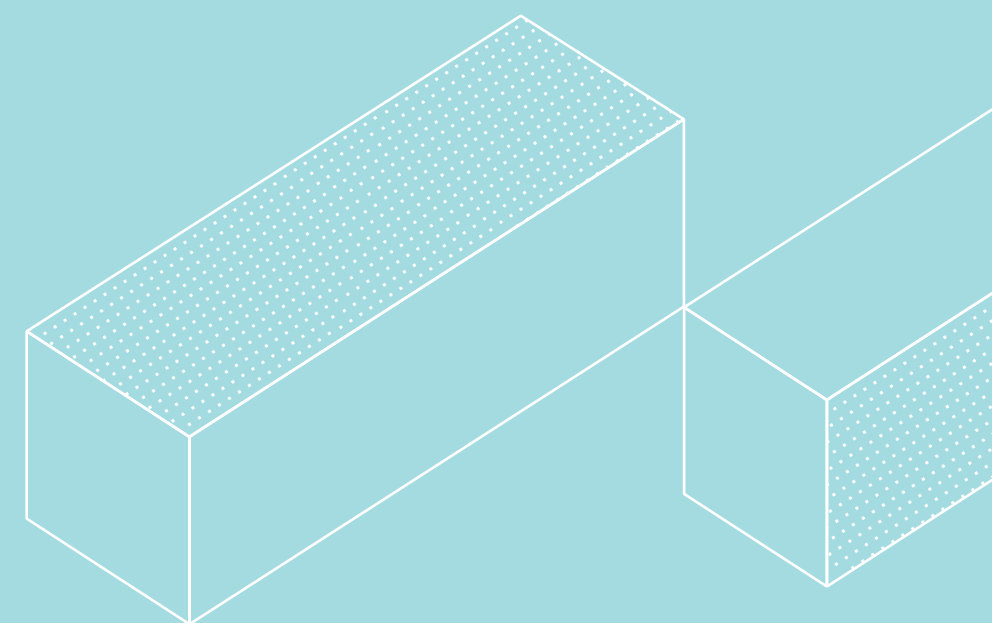
1. Profit before net finance expense, other (expense)/income and income tax and Profit before other (expense)/income and income tax are non-GAAP measures and have been presented to assist investors in understanding the different aspects of Investore's financial performance.
2. See glossary on page 98.
3. Excludes lease liabilities.
4. Calculated based on independent valuations, which excludes lease liabilities and 507 Pakuranga Road, Auckland, Development asset. See note 2.2 to the consolidated financial statements.
5. Excludes after tax fair value of interest rate derivatives.



Consolidated Financial Statements



34	Consolidated Statement of Comprehensive Income
35	Consolidated Statement of Changes in Equity
36	Consolidated Statement of Financial Position
37	Consolidated Statement of Cash Flows
39	Notes to the Financial Statements
61	Independent Auditor's Report



Consolidated Statement of Comprehensive Income

For the year ended 31 March 2024

	Notes	2024 \$000	2023 \$000
Gross rental income		72,823	70,987
Direct property operating expenses		(11,577)	(10,730)
Net rental income	2.1	61,246	60,257
Less corporate expenses			
Asset management fee expense	4.0	(5,376)	(6,158)
Administration expenses		(2,759)	(2,697)
Total corporate expenses		(8,135)	(8,855)
Profit before net finance expense, other expense and income tax		53,111	51,402
Net finance expense	5.2	(17,980)	(16,195)
Profit before other expense and income tax		35,131	35,207
Other expense			
Net change in fair value of investment properties	2.2	(98,733)	(185,246)
Net change in fair value of derivative financial instruments		(24)	(33)
Loss before income tax		(63,626)	(150,072)
Income tax expense	7.3	(3,487)	(128)
Loss after income tax attributable to shareholders		(67,113)	(150,200)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Movement in cash flow hedges, net of tax	5.5	148	302
Total comprehensive loss after tax attributable to shareholders		(66,965)	(149,898)
Basic and diluted earnings per share (cents)	3.1	(18.17)	(40.85)

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

Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

	Notes	Cents per share	Number of shares 000	Share capital \$000	Retained earnings \$000	Cash flow hedge reserve \$000	Total \$000
Balance 31 Mar 23			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)
Q2 2024 interim dividend		1.975	2,292	2,318	(7,299)	-	(4,981)
Q3 2024 interim dividend		1.625	1,967	2,071	(6,043)	-	(3,972)
Total transactions with shareholders	5.4		6,319	6,854	(27,858)	-	(21,004)
Other comprehensive income:							
Movement in cash flow hedges, net of tax	5.5		-	-	-	148	148
Total other comprehensive income						148	148
Loss after income tax			-	-	(67,113)	-	(67,113)
Total comprehensive (loss)/income					(67,113)	148	(66,965)
Balance 31 Mar 24			373,822	564,073	22,162	816	587,051
Balance 31 Mar 22			368,135	558,293	296,383	366	855,042
Transactions with shareholders:							
Q4 2022 final dividend		1.975	-	-	(7,272)	-	(7,272)
Q1 2023 interim dividend		1.975	-	-	(7,262)	-	(7,262)
Q2 2023 interim dividend		1.975	-	-	(7,258)	-	(7,258)
Q3 2023 interim dividend		1.975	-	-	(7,258)	-	(7,258)
Share buyback			(632)	(1,074)	-	-	(1,074)
Total transactions with shareholders			(632)	(1,074)	(29,050)	-	(30,124)
Other comprehensive income:							
Movement in cash flow hedges, net of tax	5.5		-	-	-	302	302
Total other comprehensive income						302	302
Loss after income tax			-	-	(150,200)	-	(150,200)
Total comprehensive (loss)/income					(150,200)	302	(149,898)
Balance 31 Mar 23			367,503	557,219	117,133	668	675,020

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

Consolidated Statement of Financial Position

As at 31 March 2024

	Notes	2024 \$000	2023 \$000
Current assets			
Cash at bank		6,633	4,802
Trade and other receivables	7.4	558	608
Prepayments		1,048	909
Other current assets		2,287	1,961
		10,526	8,280
Non-current assets			
Investment properties	2.2	1,002,646	1,070,451
Deposits on investment properties		145	79
Derivative financial instruments	5.3	1,099	1,478
		1,003,890	1,072,008
Total assets		1,014,416	1,080,288
Current liabilities			
Borrowings	5.1	99,989	-
Trade and other payables	7.5	11,174	8,355
Current tax liability		1,262	622
Lease liabilities	2.3	100	75
Derivative financial instruments	5.3	173	-
		112,698	9,052
Non-current liabilities			
Borrowings	5.1	301,012	385,037
Lease liabilities	2.3	13,161	8,242
Deferred tax liability	7.3	494	2,219
Derivative financial instruments	5.3	-	718
		314,667	396,216
Total liabilities		427,365	405,268
Net assets			
		587,051	675,020
Share capital		564,073	557,219
Retained earnings		22,162	117,133
Reserve	5.5	816	668
Equity		587,051	675,020

For and on behalf of the Board of Directors of Investore Property Limited, dated 17 May 2024:

Mike Allen
Chair of the Board

Gráinne Trout
Chair of the Audit and Risk Committee

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

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	2024 \$000	2023 \$000
Cash flows from operating activities		
Gross rent received	73,024	71,286
Bank interest received	194	92
Direct property operating and corporate expenses	(20,448)	(19,070)
Interest paid	(17,693)	(15,508)
Borrowings establishment costs	(195)	(33)
Income tax paid	(4,620)	(5,298)
Net cash provided by operating activities	30,262	31,469
Cash flows from investing activities		
Capital expenditure on investment properties	(20,566)	(7,889)
Acquisition of investment properties	(1,974)	(34,138)
Proceeds from purchase price adjustment on acquisition of investment property	-	5,730
Net cash applied to investing activities	(22,540)	(36,297)
Cash flows from financing activities		
Drawdown of bank borrowings	20,200	35,600
Repayment of bank borrowings	(5,000)	(3,000)
Dividends paid net of dividends reinvested	(21,004)	(29,050)
Lease liabilities payments	(87)	(75)
Share buyback	-	(1,074)
Net cash (applied to)/provided by financing activities	(5,891)	2,401
Net increase/(decrease) in cash and cash equivalents held	1,831	(2,427)
Opening cash and cash equivalents	4,802	7,229
Closing cash and cash equivalents	6,633	4,802
Cash and cash equivalents comprises:		
Cash at bank	6,329	4,802
Cash held for retentions	304	-
Cash and cash equivalents at balance date	6,633	4,802

The attached notes form part of and are to be read in conjunction with these 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 flows from operating activities

	Notes	2024 \$000	2023 \$000
Loss after income tax attributable to shareholders		(67,113)	(150,200)
(Less)/add non-cash items:			
Movement in deferred tax	7.3	(1,773)	(4,844)
Net change in fair value of investment properties		98,733	185,246
Spreading of fixed rental increases		268	89
Capitalised lease incentives net of amortisation		126	(112)
Rental income abatement provision due to COVID-19		-	(54)
Movement in loss allowance	7.4	(125)	30
Borrowings establishment costs amortisation		959	940
Accrued interest movement in derivative financial instruments		7	20
Net change in fair value of derivative financial instruments		24	33
		31,106	31,148
Less activities reclassified to operating activities:			
Movement in working capital items relating to investing activities		(3,693)	(1,696)
Movement in borrowings costs classified as operating activities		(195)	(33)
		27,218	29,419
Movement in working capital:			
Decrease in trade and other receivables		50	264
Increase in prepayments and other current assets		(465)	(679)
Increase/(decrease) in current tax liability		640	(326)
Increase in trade and other payables		2,819	2,791
Net cash provided by operating activities		30,262	31,469

Notes to the Financial Statements

For the year ended 31 March 2024

1.0 General Information	40
1.1 Reporting entity	40
1.2 Basis of preparation	40
1.3 Basis of consolidation	40
1.4 New standards, amendments and interpretations	40
1.5 Changes to accounting policies and disclosure of material accounting policies	40
1.6 Fair value estimation	41
1.7 Significant judgements, estimates and assumptions	41
1.8 Significant events and transactions	41
1.9 Non-GAAP measures	41
2.0 Property	42
2.1 Net rental income	42
2.2 Investment properties	43
2.3 Lease liabilities	48
2.4 Capital expenditure commitments contracted for	48
3.0 Investor Returns	49
3.1 Basic and diluted earnings per share (EPS)	49
3.2 Distributable profit	49
4.0 Related Party Disclosures	50
5.0 Capital Structure and Funding	51
5.1 Borrowings	51
5.2 Net finance expense	52
5.3 Derivative financial instruments	53
5.4 Share capital	54
5.5 Reserve	54
5.6 Capital risk management	54
6.0 Risk Management	55
6.1 Financial instruments	55
6.2 Financial risk management	55
6.3 Credit risk	56
6.4 Interest rate risk	56
6.5 Liquidity risk	56
7.0 Other	57
7.1 Operating segments	57
7.2 Corporate expenses	57
7.3 Tax	57
7.4 Trade and other receivables	59
7.5 Trade and other payables	59
7.6 Subsequent events	60

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

1.0 General Information

This section sets out Investore's accounting policies that relate to the consolidated financial statements (financial statements) as a whole. Where an accounting policy is 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 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 17 May 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 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). 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.

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 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.

Investore is a climate reporting entity under Part 7A of the Financial Markets Conduct Act 2013 (FMCA) and accordingly is required to prepare its first climate statement related to the financial year ended 31 March 2024. Investore will release its first climate-related disclosures as required by Part 7A of the FMCA and in compliance with the standards described above following the release of these financial statements.

New accounting standards and interpretations that have been published, but are not mandated for the reporting year ended 31 March 2024, have not been early adopted by Investore. These standards are not expected to have a material impact on Investore in the current or future reporting years, or on foreseeable future transactions.

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 *Presentation of Financial Statements* (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 Board and SIML 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.

1.0 General Information (continued)

1.6 Fair value estimation

Investore 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 Board and SIML review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Board and SIML 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.

1.7 Significant judgements, estimates and assumptions

In the application of NZ IFRS, the Board and SIML 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 Board and SIML.

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 Board and SIML 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. In particular, information about significant areas of estimation uncertainty that have the most significant effect on the amount recognised in the financial statements is disclosed in the relevant notes as follows:

- Investment properties (note 2.2);
- Lease liabilities (note 2.3);
- Derivative financial instruments (note 5.3); and
- Deferred tax (note 7.3).

1.8 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:

Bank debt refinancing

Investore increased its bank debt facilities by \$100.0 million. These additional facilities are due to mature on 31 May 2026 (refer note 5.1).

Dividend reinvestment plan (DRP)

On 28 June 2023, the Parent approved the adoption of a DRP. During the period 6,319,023 shares were issued in accordance with the DRP (refer note 5.4).

Revised dividend policy and dividend guidance

On 16 November 2023, the Board refined the dividend policy to pay out between 80%-100% of distributable profit (previously between 90%-100%) and revised its full year cash dividend guidance for the year ended 31 March 2024 to 7.20 cents per share (down from the previous full year cash dividend guidance of 7.90 cents per share).

Completion of development at 6 & 21 Hakarau Road, Kaiapoi

In November 2023, the construction of a new Woolworths supermarket on a portion of the site at 6 & 21 Hakarau Road, Kaiapoi, achieved practical completion.

1.9 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 calculation of distributable profit and Adjusted Funds From Operations (AFFO) which are both non-GAAP measures. Distributable profit is presented to enable investors to see 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 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

Accounting Policy

Investment property is leased by Investore 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 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 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 is included in the 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.

	2024	2023
	\$000	\$000
Gross rental income		
Rental income	65,826	64,067
Service charge income recovered from tenants	6,695	6,077
Ground rent income recovered from tenants	678	834
Spreading of fixed rental increases	(268)	(89)
Capitalised lease incentives	116	316
Lease incentives amortisation	(224)	(218)
Total gross rental income	72,823	70,987
Direct property operating expenses		
Service charge expenses relating to tenants	(8,490)	(7,622)
Movement in loss allowance	125	(30)
Capitalised lease incentives	-	30
Lease incentives amortisation	(18)	(16)
Seismic strength assessment expenses	(134)	(439)
Other non-recoverable property operating expenses	(3,060)	(2,653)
Total direct property operating expenses	(11,577)	(10,730)
Net rental income	61,246	60,257

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

As a lessor, Investore has determined that it retains substantially all the risks and rewards of ownership of properties and has therefore classified all leases as operating leases. The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	2024	Restated 2023
	\$000	\$000
Within one year	63,063	61,237
Between one and two years	60,704	59,363
Between two and three years	59,010	56,587
Between three and four years	54,221	54,887
Between four and five years	51,101	50,410
Later than five years	193,176	227,668
Future rentals receivable	481,275	510,152

The future rental receivable for the year ended 31 March 2023 has been restated to present only future non-cancellable rentals. This resulted in a decrease to future rentals receivable of \$74.1 million (\$584.2 million to \$510.2 million).

2.0 Property (continued)

2.2 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 Investore 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 property at fair value.

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

	2024	2023
	\$000	\$000
Opening balance	1,070,451	1,219,766
Property acquisitions	3,729	34,060
Re-measurement/(de-recognition) of lease liabilities (refer note 2.3)	5,031	(10,042)
Purchase price adjustment	-	(5,730)
Recognition of deposits, prepayment and other payments on investment properties	79	8,011
Capital expenditure	22,483	9,609
Spreading of fixed rental increases	(268)	(89)
Capitalised lease incentives net of amortisation	(126)	112
Net change in fair value	(98,733)	(185,246)
Closing balance	1,002,646	1,070,451
Comprising:		
Investment properties per valuations or at cost	989,385	1,062,134
Lease liabilities (refer note 2.3)	13,261	8,317
Total	1,002,646	1,070,451

The investment properties were valued either by CVAS (NZ) Limited (CVAS (NZ)), CVAS (WLG) Limited (CVAS (WLG)), Jones Lang LaSalle Limited (JLL), Savills (NZ) Limited (Savills), Bayleys Valuations Limited (Bayleys) or CBRE Limited (CBRE) as indicated (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). All valuations are dated effective 31 March 2024. The net reduction in fair value of \$(98.7) million (2023: \$(185.2) million net reduction) includes \$0.1 million (2023: \$0.1 million) in relation to the change in the value of the lease liabilities.

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

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 Investore. Properties classified as 'Development and Other' relate to Investore's development and portfolio initiatives.

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

2.0 Property (continued)

2.2 Investment properties (continued)

As at 31 Mar 24	Valuer	NLA m ²	\$000	Cap rate %	Contract yield %	Occupancy %	WALT years
Auckland							
24 Anzac Road	JLL	4,382	23,200	5.63	5.70	100.0	10.9
326 Great South Road	CVAS (NZ)	4,641	30,250	5.63	5.97	100.0	10.9
35A St Johns Road	JLL	4,538	21,000	6.13	5.45	98.2	10.7
507 Pakuranga Road	CBRE	4,812	16,100	6.50	7.45	100.0	10.9
3 Averill Street	CVAS (NZ)	5,435	32,500	6.00	6.64	100.0	10.4
Cnr Church & Selwyn Streets	Bayleys	2,011	10,650	6.25	6.30	100.0	0.9
Cnr Te Irirangi Drive & Bishop Dunn Place	Savills	12,205	34,500	5.63	5.71	100.0	6.7
112 Stoddard Road	CVAS (NZ)	4,200	22,500	6.38	6.51	100.0	3.9
226 Great South Road	Bayleys	7,362	35,500	7.13	7.50	100.0	5.7
20-26 Neville Street	Bayleys	3,816	24,250	6.25	6.16	98.1	8.0
2 Carr Road	JLL	11,693	38,500	5.63	6.85	100.0	3.2
4 Carr Road	JLL	5,332	26,000	5.75	5.66	100.0	7.4
295 Penrose Road	Savills	9,014	42,000	7.00	5.74	87.7	2.6
Waikato							
66-76 Studholme Street, Morrinsville	JLL	1,724	6,250	7.75	8.79	100.0	4.9
Cnr Anglesea & Liverpool Streets, Hamilton	Bayleys	5,265	7,900	11.00	12.46	100.0	5.8
Cnr Bridge & Anglesea Streets, Hamilton	Bayleys	4,200	18,000	7.00	7.47	100.0	9.1
Cnr Hukanui & Thomas Roads, Hamilton	Bayleys	4,506	15,600	6.50	6.94	100.0	7.7
446 Te Rapa Road, Hamilton	CVAS (NZ)	12,763	33,600	5.63	5.76	100.0	5.9
Bay of Plenty							
230-240 Fenton Street, Rotorua	Bayleys	5,172	20,450	6.25	5.62	100.0	6.4
26-48 Old Taupo Road, Rotorua	CVAS (NZ)	13,940	33,200	5.63	5.78	100.0	5.9
65 Chapel Street, Tauranga	Savills	17,360	50,000	7.50	7.10	99.7	3.0
Wellington							
45-49 Jackson Street	CVAS (WLG)	4,605	25,750	6.00	6.63	97.8	8.2
47 Bay Road	Bayleys	3,460	12,000	6.25	6.40	100.0	10.9
91 Johnsonville Road	CVAS (WLG)	6,312	21,750	6.25	6.87	100.0	10.0
13-19 Queen Street, Upper Hutt	JLL	3,427	15,000	6.00	6.55	100.0	10.9
14 Russell Street, Upper Hutt	CVAS (NZ)	3,037	10,000	6.50	7.73	100.0	0.9
261 High Street, Lower Hutt	CVAS (NZ)	5,078	19,500	6.25	6.37	100.0	10.9
Cnr Hanson Street, John Street & Adelaide Road	Savills	4,881	27,500	6.13	6.16	100.0	7.9
3 Main Road	Savills	4,200	17,000	6.50	6.90	100.0	9.0
Other North Island							
Cnr Butler & Kerikeri Roads, Kerikeri	CVAS (NZ)	3,887	20,000	6.25	6.21	100.0	8.7
53 Leach Street, New Plymouth	Bayleys	8,567	31,700	6.00	5.81	100.0	5.5
9 Gloucester Street, Napier	CVAS (WLG)	4,386	17,750	6.00	5.98	100.0	5.5
Cnr Fernlea Avenue & Roberts Line, Palmerston North	Savills	3,611	13,300	7.00	7.10	100.0	7.5
Cnr Tremaine Avenue & Railway Road, Palmerston North	CBRE	13,730	28,900	6.75	6.50	100.0	5.9
Canterbury & Otago							
87-97 Hilton Street, Kaiapoi	CVAS (NZ)	3,025	11,500	7.00	7.83	100.0	10.9
6 & 21 Hakarau Road, Kaiapoi	Savills	5,992	21,570	6.00	6.83	100.0	11.5
219 Colombo Street, Christchurch	Bayleys	3,976	17,900	6.25	6.78	100.0	10.9
Cnr Victoria & Browne Streets, Timaru	CVAS (NZ)	4,032	12,000	6.50	6.51	78.0	11.0
40-50 Ivory Street, Rangiora	CVAS (NZ)	3,786	15,000	6.75	7.23	100.0	8.7
Cnr Rolleston & Masefield Drives, Rolleston	CVAS (NZ)	4,251	20,250	6.25	6.75	100.0	8.7
24 Brighton Mall, Christchurch	Savills	2,207	7,300	7.00	7.17	100.0	4.4
309 Cumberland Street, Dunedin	CVAS (NZ)	4,123	21,500	5.75	5.99	100.0	10.9
Other South Island							
Cnr Putaitai Street & Main Road, Nelson	Savills	2,659	10,600	7.50	7.75	100.0	8.7
51 Arthur Street, Blenheim	JLL	3,136	9,700	7.25	8.11	100.0	10.9
172-186 Tay Street, Invercargill	CBRE	5,161	22,500	7.50	7.47	100.0	9.6
Development and Other							
6 & 21 Hakarau Road, Kaiapoi (Land)	Savills		5,340				
507 Pakuranga Road, Auckland (Development asset)	n/a		1,160				
Other properties	JLL		10,965				
Total		255,898	989,385	6.37	6.55	99.1	7.4

2.0 Property (continued)

2.2 Investment properties (continued)

As at 31 Mar 23	Valuer	NLA m ²	\$000	Cap rate %	Contract yield %	Occupancy %	WALT years
Auckland							
24 Anzac Road	JLL	4,382	26,250	5.00	5.00	100.0	11.9
326 Great South Road	CVAS (NZ)	4,641	35,500	5.00	5.06	100.0	11.9
35A St Johns Road	JLL	4,538	22,500	5.75	5.73	98.2	11.9
507 Pakuranga Road	CBRE	4,812	18,300	6.25	6.04	100.0	11.9
3 Averill Street	CVAS (NZ)	5,435	36,000	5.13	5.93	100.0	11.4
Cnr Church & Selwyn Streets	Bayleys	2,011	12,700	5.25	5.17	100.0	1.9
Cnr Te Irirangi Drive & Bishop Dunn Place	Bayleys	12,205	38,900	5.00	5.05	100.0	7.7
112 Stoddard Road	CVAS (NZ)	4,200	25,250	5.50	5.63	100.0	4.9
226 Great South Road	Bayleys	7,362	40,300	6.38	6.51	100.0	6.5
20-26 Neville Street	Bayleys	3,816	27,800	5.38	5.43	100.0	9.1
2 Carr Road	CBRE	11,693	36,500	5.50	7.05	100.0	4.2
4 Carr Road	Savills	5,332	30,000	5.00	4.76	100.0	8.4
295 Penrose Road	CBRE	9,014	40,300	6.50	6.18	96.8	3.0
Waikato							
66-76 Studholme Street, Morrinsville	JLL	1,724	7,000	6.50	7.30	100.0	1.9
Cnr Anglesea & Liverpool Streets, Hamilton	Bayleys	5,265	6,400	10.00	12.65	100.0	0.8
Cnr Bridge & Anglesea Streets, Hamilton	Bayleys	4,200	20,500	6.38	6.51	100.0	10.1
Cnr Hukanui & Thomas Roads, Hamilton	Bayleys	4,506	17,950	6.00	5.93	100.0	8.2
446 Te Rapa Road, Hamilton	Bayleys	12,763	36,800	5.00	5.09	100.0	6.9
Bay of Plenty							
230-240 Fenton Street, Rotorua	Bayleys	5,172	22,750	5.68	5.00	100.0	7.4
26-48 Old Taupo Road, Rotorua	Bayleys	13,940	35,400	5.00	5.25	100.0	6.9
65 Chapel Street, Tauranga	JLL	17,360	50,500	7.38	6.19	83.0	3.7
Wellington							
45-49 Jackson Street	Savills	4,605	32,500	5.00	5.22	100.0	9.0
47 Bay Road	Bayleys	3,460	14,000	5.50	5.41	100.0	11.9
91 Johnsonville Road	CVAS (WLG)	6,312	22,500	5.96	6.37	100.0	10.9
13-19 Queen Street, Upper Hutt	JLL	3,427	15,500	5.75	6.03	100.0	11.9
14 Russell Street, Upper Hutt	CVAS (NZ)	3,037	12,000	5.88	6.61	100.0	1.9
261 High Street, Lower Hutt	CVAS (NZ)	5,078	23,250	5.38	5.50	100.0	11.9
Cnr Hanson Street, John Street & Adelaide Road	Savills	4,881	24,500	5.25	5.49	97.2	9.0
3 Main Road	Savills	4,200	16,600	5.50	6.03	100.0	10.0
Other North Island							
Cnr Butler & Kerikeri Roads, Kerikeri	CVAS (NZ)	3,887	21,250	5.38	5.59	100.0	9.7
53 Leach Street, New Plymouth	Bayleys	8,567	33,600	5.25	5.34	100.0	6.5
9 Gloucester Street, Napier	CVAS (WLG)	4,386	18,750	5.50	5.49	100.0	6.5
Cnr Fernlea Avenue & Roberts Line, Palmerston North	Savills	3,611	15,000	6.00	6.08	100.0	8.7
Cnr Tremaine Avenue & Railway Road, Palmerston North	CBRE	13,730	30,500	6.00	5.87	100.0	6.9
Canterbury & Otago							
87-97 Hilton Street, Kaiapoi	CVAS (NZ)	3,025	13,000	6.00	6.89	100.0	11.9
219 Colombo Street, Christchurch	Bayleys	3,976	19,500	5.75	6.17	100.0	11.9
Cnr Victoria & Browne Streets, Timaru	CVAS (NZ)	4,032	14,250	5.88	5.35	85.0	11.2
40-50 Ivory Street, Rangiora	CVAS (NZ)	3,786	18,250	5.75	5.81	100.0	9.7
Cnr Rolleston & Masefield Drives, Rolleston	CVAS (NZ)	4,251	23,250	5.25	5.21	100.0	9.7
24 Brighton Mall, Christchurch	Savills	2,207	7,900	6.25	6.15	100.0	5.4
309 Cumberland Street, Dunedin	CVAS (NZ)	4,123	24,000	5.13	5.23	100.0	11.9
Other South Island							
Cnr Putaitai Street & Main Road, Nelson	Savills	2,659	11,800	6.50	6.61	100.0	9.7
51 Arthur Street, Blenheim	JLL	3,136	10,500	6.75	7.41	100.0	11.9
172-186 Tay Street, Invercargill	CBRE	5,161	23,200	6.88	6.82	100.0	10.5
Development and Other							
6 & 21 Hakarau Road, Kaiapoi	Savills		18,764				
Other properties	JLL		10,170				
Total		249,906	1,062,134	5.70	5.81	98.4	8.1

2.0 Property (continued)

2.2 Investment properties (continued)

Investore is conscious of the need to identify the impact of climate risk on its business and assets. During the year, Investore committed to and invested in various sustainability initiatives which includes the replacement of six R22 heating, ventilation and cooling (HVAC) units, installation of LED lights as part of several store refurbishments, and the completion of the new 5 Green Star Design rated supermarket at 6 & 21 Hakarau Road, Kaiapoi. The cost of these sustainability initiatives is included in capital expenditure for the year ended 31 March 2024. For the years ending 31 March 2025 and 31 March 2026 Investore is targeting the replacement of a further thirty eight R22 HVAC units at an expected cost of \$0.8 million.

The independent valuers that valued Investore'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.

During the prior year, the seismic strength assessments for investment properties located in high or medium earthquake risk zones were updated by external independent engineers. The investment property valuations allow for additional seismic capital expenditure where required. In addition, in some instances the valuer has assessed additional costs for potential works to buildings which have not been subject to a complete Detailed Seismic Assessment.

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's valuation reports. SIML's executive team review the valuations performed by the independent registered valuers for financial reporting purposes. This team reports directly to the SIML Chief Executive Officer. Discussions of valuation processes and results are held between members of the SIML executive team and the independent valuers, and the SIML Chief Executive Officer and Investore's Audit and Risk Committee, at least once every six months, in line with Investore's reporting dates. This review includes a review of specific independent valuations and discussions with the independent valuers as considered necessary. Ultimately, the Board is responsible for reviewing and approving the investment property valuations.

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 rate and terminal yield. The following table details the key unobservable inputs and the ranges adopted (excluding properties classified as 'Development and Other').

	Cap rate	Discount rate	Gross market rental	Rental growth rate	Terminal yield
	%	%	\$/m ²	%	%
As at 31 Mar 24	5.63-11.00	5.50-10.75	159-563	0.00-2.95	5.25-12.50
As at 31 Mar 23	5.00-10.00	5.38-11.00	167-497	0.14-2.86	4.75-10.25

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

	Cap rate %		Discount rate %	
	-0.25	+0.25	-0.25	+0.25
As at 31 Mar 24				
Change \$000	39,533	(36,547)	33,760	(31,566)
Change %	4	(4)	3	(3)
As at 31 Mar 23				
Change \$000	47,378	(43,398)	38,571	(35,858)
Change %	5	(4)	4	(4)

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 allowances 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 as described following.

2.0 Property (continued)

2.2 Investment properties (continued)

In August 2023, Investore acquired the title to land adjacent to Investore's property at 507 Pakuranga Road, Auckland, from General Distributors Limited (GDL). Investore is committed to reimburse GDL for the costs of the development of a new car park and other related works on this land up to an amount of \$7.5 million (refer note 2.4), and GDL will pay improvements rental on this contribution. 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 the \$7.5 million commitment to GDL payable on completion of the works. As at 31 March 2024, the acquired land has been valued at \$1.9 million and a corresponding liability has been recognised. In addition, a \$1.2 million development asset has been recognised at cost within 'Development and Other' representing development works completed by GDL with a corresponding liability recognised. As a result, a total liability of \$3.1 million has been included in trade and other payables (refer note 7.5) as at 31 March 2024.

The property at 6 & 21 Hakarau Road, Kaiapoi, has been fair valued utilising two valuation approaches. For Stage one of the development, whilst the Woolworths supermarket has been completed, the **Residual approach** has been utilised to account for the works remaining on a separate specialty unit. The residual land pertaining to Stage two of the development has been fair valued utilising the **Land approach** which involves direct comparison with other property transactions and has been disclosed within 'Development and Other'.

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

Significant input	Description	Fair value measurement sensitivity to significant:		Valuation method
		Increase in input	Decrease in input	
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

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.

2.0 Property (continued)

2.3 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 profit or loss 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.

Investore is committed under ten (2023: ten) leases where Investore is the lessee:

- Corner of Anglesea and Liverpool Streets, Hamilton (seven);
- Corner of Bridge and Anglesea Streets, Hamilton (one);
- 70 Studholme Street, Morrinsville (one); and
- 51 Arthur Street, Blenheim (one).

The leases relate to ground rent on leasehold properties and contain renewal and termination options exercisable only by Investore. In determining the lease term, Investore considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is re-assessed if an option is actually exercised (or not exercised) or Investore becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

One of the lease liabilities at Corner of Anglesea and Liverpool Streets, Hamilton, has been re-measured due to a market rent review on 23 January 2024.

	2024	2023
	\$000	\$000
Lease liabilities		
Opening balance	8,317	18,434
Re-measurement/(de-recognition) of lease liabilities	5,031	(10,042)
Cash lease payments	(782)	(859)
Finance lease interest	695	784
Closing balance	13,261	8,317
Current	100	75
Non-current	13,161	8,242
Total lease liabilities	13,261	8,317

2.4 Capital expenditure commitments contracted for

As at 31 March 2024, Investore has committed to the below capital expenditure works:

- \$1.1 million (2023: \$15.3 million) to complete Stage one development at 6 & 21 Hakarau Road, Kaiapoi;
- \$4.9 million (2023: \$8.0 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 GDL for the costs incurred by GDL in developing these works and Investore will receive an associated improvements rental on the amount reimbursed to GDL. Of the total development costs, \$3.1 million has been recognised as a payable (refer note 7.5) in the consolidated statement of financial position;
- \$3.0 million towards dedicated online pick-up areas at 326 Great South Road, Auckland, of \$1.9 million (2023: \$nil), and 40-50 Ivory Street, Rangiora, of \$1.1 million (2023: \$1.1 million); and
- \$1.2 million (2023: \$3.6 million) for various other capital expenditure.

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

3.0 Investor Returns

This section sets out Investore's earnings per share, and how distributable profit is calculated. Distributable profit is a non-GAAP measure (refer note 1.9) 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)

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. The movement in the weighted average number of shares in the current year reflects the 6.32 million shares issued under the DRP (refer note 1.8).

	2024	2023
	\$000	\$000
Loss after income tax attributable to shareholders	(67,113)	(150,200)
Weighted average number of shares for the purpose of basic and diluted EPS	369,320	367,723
Basic and diluted EPS - weighted (cents)	(18.17)	(40.85)

3.2 Distributable profit

Accounting Policy

Investore's dividend policy is to target a cash dividend to shareholders that is between 80% and 100% of its distributable profit. Distributable profit is presented to enable investors to see an earnings measure which more closely aligns to Investore's underlying and recurring earnings from its operations. Distributable profit is a non-GAAP measure and consists of (loss)/profit 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.

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	2023
	\$000	\$000
Loss before income tax	(63,626)	(150,072)
Non-recurring, non-cash and other adjustments:		
Net change in fair value of investment properties	98,733	185,246
Reversal of lease liabilities movement in net change in fair value of investment properties	(87)	(75)
Net change in fair value of derivative financial instruments	24	33
Spreading of fixed rental increases	268	89
Capitalised lease incentives net of amortisation	126	(112)
Borrowings establishment costs amortisation	959	940
Distributable profit before current income tax	36,397	36,049
Current income tax	(5,260)	(4,972)
Adjusted for:		
Tax expense on capitalised interest	(137)	(59)
Distributable profit after current income tax	31,000	31,018
Adjustments to funds from operations		
Maintenance capital expenditure	(3,741)	(2,340)
Seismic works	(2,306)	-
Incentives and associated landlord works	(382)	(60)
Adjusted Funds From Operations (AFFO)	24,571	28,618
Weighted average number of shares for the purpose of basic and diluted distributable profit per share (000)	369,320	367,723
Basic and diluted distributable profit after current income tax per share - weighted (cents)	8.39	8.44
AFFO basic and diluted distributable profit after current income tax per share - weighted (cents)	6.65	7.78

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.

	2024	2023
	\$000	\$000
The following transactions with a related party took place		
SIML		
Asset management fee expense	(5,376)	(6,158)
Building management fee expense	(443)	(440)
Accounting fee expense	(250)	(250)
Leasing fee expense	(257)	(46)
Project management fee expense	(776)	(430)
Other fee expenses	(224)	(97)
Total	(7,326)	(7,421)
SPL		
Dividends paid net of DRP	(3,940)	(5,467)
Consideration received as a purchase price adjustment on the acquisition of 2 Carr Road, Auckland	-	5,730
The following balance was payable to a related party		
SIML	(103)	(258)

Other fee expenses include maintenance, sustainability and share buyback fees related to the share buyback programme that ended in May 2023 (2023: maintenance, disposal and sustainability 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 year ended 31 March 2024 (2023: \$nil). The carried forward return for the performance fee calculation for the quarter ending 30 June 2024 is a 41.7% deficit (2023: quarter ended 30 June 2023 44.6% deficit) which has been calculated in accordance with the management agreement.

As at 31 March 2024, 1.2 million (\$1.3 million) shares were issued to SPL under the DRP. As at 31 March 2024, SPL's shareholding in the Parent is 18.8%, being 70.4 million shares (2023: 18.8%, being 69.2 million shares).

In the current year, Directors in total received dividends net of DRP of \$13,728 (2023: \$14,477). Directors' fees recognised in administration expenses comprise the following:

	2024	2023
	\$000	\$000
Directors' fees	222	208
Chair's fees	104	95
	326	303

No other benefits have been provided by Investore to a Director for services as a Director or in any other capacity, other than those amounts disclosed above.

5.0 Capital Structure and Funding

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

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 Investore has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Cashflows as a result of transfers between existing bank facilities are presented net within the consolidated statement of cash flows.

	2024	2023
	\$000	\$000
Current		
Fixed rate bonds	100,000	-
Unamortised borrowings establishment costs	(11)	-
Total current	99,989	-
Non-current		
Bank facility drawn down	52,800	37,600
Fixed rate bonds	250,000	350,000
Unamortised borrowings establishment costs	(1,788)	(2,563)
Total non-current	301,012	385,037
Total net borrowings	401,001	385,037
Weighted average cost of debt (inclusive of current interest rate derivatives, bonds, bank margins and line fees) at balance date	4.34%	4.01%

31 Mar 24	Issue date	Expiry date	Interest rate	Total amount	Undrawn facility	Drawn amount	Fair value
				\$000	\$000	\$000	\$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

31 Mar 23	Issue date	Expiry date	Interest rate	Total amount	Undrawn facility	Drawn amount	Fair value
				\$000	\$000	\$000	\$000
Bank Facility A		30 Nov 2025	Floating	70,000	37,400	32,600	32,600
Bank Facility D		16 Apr 2025	Floating	50,000	45,000	5,000	5,000
Bank Facility F		30 Nov 2025	Floating	5,000	5,000	-	-
Bonds IPL010	18 Apr 2018	18 Apr 2024	4.40%	100,000	-	100,000	97,709
Bonds IPL020	31 Aug 2020	31 Aug 2027	2.40%	125,000	-	125,000	106,155
Bonds IPL030	25 Feb 2022	25 Feb 2027	4.00%	125,000	-	125,000	114,731
				475,000	87,400	387,600	356,195

5.0 Capital Structure and Funding (continued)

5.1 Borrowings (continued)

Bank borrowings

Investor'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.

During the year, Investor's banks have provided an additional \$100.0 million of bank facilities which were used to repay the IPL010 fixed rate bonds which matured in April 2024 (refer note 7.6). Investor's Loan to Value Ratio banking covenant was also increased from 52.5% to 55.0%.

Fixed rate bonds

The 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 6 year fixed rate bonds issued in 2018 (IPL010) is payable quarterly in April, July, October and January in equal instalments, whilst 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, also 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.

Below sets out the summary of net debt.

	2024	2023
	\$000	\$000
Cash and cash equivalents	6,633	4,802
Borrowings - current	(99,989)	-
Borrowings - non-current	(301,012)	(385,037)
Lease liabilities	(13,261)	(8,317)
Net debt	(407,629)	(388,552)

5.2 Net finance expense

Accounting Policy

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

Where Investor borrows funds specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs capitalised are the actual borrowing costs incurred on that borrowing, less any investment income on the temporary investment of those borrowings. A qualifying asset is one that takes six months or longer to prepare for its intended use or sale. Where Investor borrows funds generally and uses them to fund a qualifying asset, the amount of borrowing costs capitalised is determined by applying a capitalisation rate to the expenditure on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of funding a qualifying asset.

Other 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	2023
	\$000	\$000
Finance income		
Bank interest income	194	92
Total finance income	194	92
Finance expense		
Bank borrowings interest	(5,579)	(3,312)
Bank borrowings interest capitalised	490	209
Fixed rate bonds interest	(12,390)	(12,400)
Lease liabilities interest	(695)	(784)
Total finance expense	(18,174)	(16,287)
Net finance expense	(17,980)	(16,195)

In the current year, \$0.5 million (2023: \$0.2 million) of bank borrowing interest expense has been capitalised using an average capitalisation rate of 3.95% (2023: 5.92%).

5.0 Capital Structure and Funding (continued)

5.3 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 market 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.

	2024	2023
	\$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	25,000	-
Interest rate derivative contracts - fixed rate receiver	25,000	25,000
Total notional principal value of interest rate derivative contracts	80,000	55,000
Interest rate derivative assets - non-current	1,099	1,478
Interest rate derivative liabilities - current	(173)	-
Interest rate derivative liabilities - non-current	-	(718)
Fair value of interest rate derivative contracts	926	760
Fixed interest rates payer (including forward starting interest rate derivatives)	2.84%-3.83%	2.84%
Fixed interest rate receiver	4.40%	4.40%
Weighted average fixed interest rate (excluding margins, including forward starting interest rate derivatives)	2.12%	2.00%
Percentage of drawn debt fixed	88%	92%

An interest rate derivative contract with a notional value of \$25.0 million was entered into in the current year with an effective date of 31 December 2025 and termination date of 31 December 2027.

Investor 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. As all critical terms matched during the period, the economic relationship was 100% effective, with the exception of a \$25.0 million fixed rate receiver interest rate derivative. On 21 March 2018, Investor entered into a \$25.0 million fixed rate receiver derivative for the duration of the fixed rate bonds with the effect of converting a portion of the IPL010 \$100.0 million fixed rate bonds to floating interest rate. The life to date ineffective portion on the receiver derivative, due to the misalignment to the fixed rate bonds as a result of the bonds commencing on 18 April 2018, is a fair value loss of \$0.2 million (2023: fair value loss of \$0.1 million). Investor does not hold derivative financial instruments for trading purposes.

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). These 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.

The following sensitivity analysis represents the change in fair value of the interest rate derivatives and shows the effect on equity if the floating interest rates on the interest rate derivatives had been 0.25% higher or lower, with other variables remaining constant.

	2024		2023	
	Gain/(loss) on +0.25%	Gain/(loss) on -0.25%	Gain/(loss) on +0.25%	Gain/(loss) on -0.25%
	\$000	\$000	\$000	\$000
Impact on equity	198	(200)	155	(156)
Impact on profit	-	-	(60)	60

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.

On 19 May 2023, the Board resolved to cancel the share buyback programme that had operated in the prior year.

During the current year, 6.32 million ordinary shares were issued in accordance with the DRP (refer note 1.8). Investore had 373,821,658 shares on issue as at 31 March 2024 (2023: 367,502,635).

5.5 Reserve

	2024	2023
	\$000	\$000
Cash flow hedge reserve		
Opening balance	668	366
Movement in fair value of interest rate derivatives	194	374
Tax on fair value movement	(48)	(105)
Transferred to profit or loss	2	33
Closing balance	816	668

Gains and losses recognised in the cash flow hedge reserve in equity, on interest rate derivative contracts as at 31 March 2024, will be reclassified in the same period in which the hedged forecast cash flows affect profit or loss, until the repayment of the underlying borrowings.

5.6 Capital risk management

Investore's objectives when managing capital are to safeguard Investore'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, Investore 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, Investore is required to comply with covenants imposed under its banking facilities and its fixed rate bonds. The Board regularly monitors these covenants and provides six monthly compliance certificates to the banks and the Bond Supervisor as part of this process. Investore has complied with these covenants during the relevant periods.

6.0 Risk Management

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

6.1 Financial instruments

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

Investore 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, apart from the fixed rate bonds (refer note 5.1).

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

	2024	2023
	\$000	\$000
Summary of financial instruments		
Financial assets at amortised cost		
Cash at bank	6,633	4,802
Trade and other receivables	558	608
NZX bond	75	75
Total financial assets at amortised cost	7,266	5,485
Derivative financial instruments		
Used for hedging	1,099	1,478
Total financial assets	8,365	6,963
Financial liabilities at amortised cost		
Trade and other payables	11,174	8,355
Lease liabilities	13,261	8,317
Borrowings	401,001	385,037
Total financial liabilities at amortised cost	425,436	401,709
Derivative financial instruments		
Used for hedging	171	685
Held at fair value through profit and loss	2	33
Total financial liabilities	425,609	402,427

6.2 Financial risk management

Investore's activities expose it to a variety of financial risks: credit risk, interest rate risk and liquidity risk. Investore'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 Board. The Board identifies and evaluates financial risks in close co-operation with SIML management. The Board provides 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

Investore incurs credit risk from trade receivables and transactions with financial institutions including cash balances and interest rate derivatives.

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 Investore's exposure to bad debts is not significant.

As Investore's tenant, GDL, contributes most of Investore's portfolio contract rental, Investore is exposed to a significant concentration of credit risk. GDL is a large national retailer, the operator of Woolworths (formerly Countdown) supermarkets in New Zealand and an ultimate subsidiary of Woolworths Group Limited.

The risk from financial institutions is managed by placing cash and deposits with high credit quality financial institutions only. Investore has placed its cash and deposits with Westpac New Zealand Limited, which is 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).

Investore is not exposed to any other concentrations of credit risk. 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 Investore has no significant interest bearing assets, its operating income is substantially independent of changes in market interest rates. Investore's interest rate risk arises from bank borrowings (refer note 5.1) which are issued at variable rates and expose Investore to cash flow interest rate risk. Investore'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. Investore manages its cash flow interest rate risk by predominately using floating to fixed interest rate derivatives which have the economic effect of converting bank borrowings from floating to fixed rates.

As Investore 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 5.3. At balance date, the total drawn debt was 88% hedged (2023: 92% hedged).

Investore's exposure to variable interest rate risk and the weighted average interest rate for interest bearing financial assets and liabilities is as follows:

	2024	2023
	\$000	\$000
Interest rates applicable at balance date		
Cash at bank	2.30%	1.85%
Bank borrowings	6.65%	6.18%
Weighted average cost of debt (inclusive of current interest rate derivatives, bonds, bank margins and line fees)	4.34%	4.01%

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

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. Investore's liquidity position is monitored by the Manager on a regular basis and is reviewed quarterly by the Board to ensure compliance with internal policies and covenants per Investore's banking facilities and fixed rate bonds.

Investore 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 Investore's liquidity profile, as at 31 March, based on contractual undiscounted cash flows.

	Total	0-6 mths	6-12 mths	1-2 yrs	2-5 yrs	>5 yrs
	\$000	\$000	\$000	\$000	\$000	\$000
31 Mar 24						
Trade and other payables	11,174	11,174	-	-	-	-
Bank borrowings	57,978	1,842	1,771	16,276	38,089	-
Fixed rate bonds	374,984	104,220	4,000	8,000	258,764	-
Lease liabilities	16,636	498	460	957	2,852	11,869
Derivative financial instruments	3,014	390	426	523	1,675	-
	463,786	118,124	6,657	25,756	301,380	11,869
31 Mar 23						
Trade and other payables	8,355	8,355	-	-	-	-
Bank borrowings	45,378	1,510	1,510	3,038	39,320	-
Fixed rate bonds	387,384	6,200	6,200	108,220	266,764	-
Lease liabilities	8,279	322	247	532	2,621	4,557
Derivative financial instruments	1,225	63	63	815	284	-
	450,621	16,450	8,020	112,605	308,989	4,557

7.0 Other

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

7.1 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 31 March 2024, GDL (Woolworths (formerly Countdown)), contributes 64% (2023: 64%) and Bunnings Limited contributes 13% (2023: 13%).

7.2 Corporate expenses

	2024	2023
	\$000	\$000
Administration expenses includes:		
Auditor's remuneration		
Audit and review of financial statements	192	183
Other assurance services - operating expense audits	18	17
Total Auditor's remuneration	210	200

7.3 Tax

Accounting Policy

The Parent 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 as required by the Income Tax Act 2007.

	2024	2023
	\$000	\$000
Income tax		
Current tax expense	(5,260)	(4,972)
Deferred tax benefit	1,773	4,844
Income tax expense per the consolidated statement of comprehensive income	(3,487)	(128)
Loss before income tax	(63,626)	(150,072)
Prima facie income tax using the company tax rate of 28%	17,815	42,020
(Increase)/decrease in income tax due to:		
Net change in fair value of investment properties	(27,645)	(51,869)
Reversal of lease liabilities movement in investment properties	24	21
Movement in fair value of derivative financial instruments	(7)	(9)
Non-taxable income	11	36
Other permanent differences	277	433
Depreciation	4,209	4,264
Non-deductible expenses	(168)	(73)
Expenditure deductible for tax	137	59
Temporary differences	32	(22)
Losses utilised	-	176
Prior year adjustment	55	(8)
Current tax expense	(5,260)	(4,972)
Investment properties depreciation	1,722	5,014
Other	51	(170)
Deferred tax credited to profit or loss	1,773	4,844
Income tax expense per the consolidated statement of comprehensive income	(3,487)	(128)
Imputation credits available for use in subsequent reporting periods	1,325	666

Imputation credits available for use in subsequent reporting periods are based on a rate of 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.

7.0 Other (continued)

7.3 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 loss allowance;
- 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.

	2024	2023
	\$000	\$000
Deferred tax assets		
Derivative financial instruments	10	178
Other temporary differences	131	80
	141	258
Deferred tax liabilities		
Depreciation on investment properties	(367)	(2,089)
Derivative financial instruments	(268)	(388)
	(635)	(2,477)
Net deferred tax liability	(494)	(2,219)

7.0 Other (continued)

7.4 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. Investore 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 Investore will not be able to collect all of the amounts due under the original terms of the invoice.

	2024	2023
	\$000	\$000
Current		
Trade and other receivables	686	861
Less loss allowance	(128)	(253)
	558	608
Less than 30 days due	385	251
Over 30 days due	173	357
Carrying amount	558	608
Movement in loss allowance		
Opening balance	(253)	(223)
Movement in loss allowance	36	(34)
Bad debts written off	89	4
Closing balance	(128)	(253)

7.5 Trade and other payables

Accounting Policy

Trade and other payables represent unsecured liabilities for goods and services provided to Investore prior to the end of the financial period 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	2023
	\$000	\$000
Current		
Unsecured liabilities		
Trade payables	73	491
Related party payables (refer note 4.0)	103	258
Development and capital expenditure payables and accruals	6,212	3,121
Retention accruals	304	160
Interest expense accruals	1,728	1,709
Other accruals and payables	2,754	2,616
	11,174	8,355

Certain comparatives amounts have been reclassified to conform with the current year's presentation.

Development and capital expenditure payables and accruals include a \$3.1 million commitment to GDL (2023: \$nil) (refer note 2.4).

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

7.0 Other (continued)

7.6 Subsequent events

On 18 April 2024, the IPLO10 fixed rate bonds of \$100.0 million matured and were repaid with bank debt.

On 17 May 2024, the Parent declared a cash dividend for the period 1 January 2024 to 31 March 2024 of 1.625 cents per share, to be paid on 6 June 2024 to all shareholders on the Parent's register at the close of business on 27 May 2024. This dividend will carry imputation credits of 0.354547 cents per share. This dividend has not been recognised in the financial statements.

On 17 May 2024, the Parent resolved that the DRP will not operate for the dividend for the period 1 January 2024 to 31 March 2024.

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

Independent auditor's report



To the shareholders of Investore Property Limited

Our opinion

In our opinion, the accompanying consolidated financial statements of Investore Property Limited (the Company), including its controlled entities (the Group), 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

The Group'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 the Group 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 other services for the Group in the area of assurance services over operating expense statements. The provision of these other services has not impaired our independence as auditor of the Group.

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. These matters were 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 these matters.



Description of the key audit matter

Valuation of investment properties

As disclosed in Note 2.2 of the consolidated financial statements, the valuation of the Group's investment properties totalled \$989 million (excluding lease liabilities) which represents the majority of the assets held by the Group as at 31 March 2024.

The valuation of the Group's 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 relatively small percentage difference in any one of the key individual assumptions used in the property valuations, as disclosed in Note 2.2, when aggregated, could result in a material misstatement of the overall valuation of investment properties and considering the significance of investment property to the Group, this is a key audit matter.

The valuations were performed by independent registered valuers, as engaged by Stride Investment Management Limited (the Group's Manager). The Valuers engaged by the Manager are reputable and experienced in the markets in which the Group operates and are rotated for individual properties 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. Investment property totalling \$37.2 million that is held as development is valued using the Residual approach, where the Valuer estimates the expected value on completion of the works and deducts all expected costs to complete them.

For each property, the Valuers take into account property-specific information such as the current tenancy agreements and rental income earned by the asset as well as recent comparable transactions where available. They then apply assumptions in relation to capitalisation rate, discount rate, gross market rental, rental growth rate and terminal yield. For properties that require seismic strengthening works, the valuation incorporates an additional seismic capital expenditure and a profit and risk allowance (where applicable).

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 Group's Manager to understand the movements in the Group's investment property portfolio, changes in the condition of each property and the controls in place over the valuation process.

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.

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.

Our work over the assumptions focused on the properties in the portfolio where the assumptions used and/or year-on-year fair value movement suggested a possible outlier versus market data. 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. For property held as development, we audited the estimated costs to completion.

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 engaged our own in-house valuation specialist to critique and independently assess the work performed and assumptions used by the Valuers on a sample basis.

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

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

Our audit approach

Overview



Overall Group materiality: \$1,700,000, which represents approximately 5% of profit before income tax excluding the net change in fair value of investment properties.

We chose profit before income tax excluding net change in fair value of investment properties as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark.

We performed a full scope audit over the consolidated financial information of the Group.

As reported above, we have one key audit matter, being *Valuation of investment properties*.

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 the Group, the accounting processes and controls, and the industry in which the Group operates.

Other information

The Directors 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) and the Sustainability Report and Climate-Related Disclosures to be published at a later date. Other than the Sustainability Report and Climate-Related Disclosures which we will receive at a later date, we have received all the other information expected to be included in the Annual Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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.

When we read the Sustainability Report and Climate-Related Disclosures, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the Directors for the consolidated financial statements

The Directors are responsible, on behalf of the Company, 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 are responsible for assessing the Group'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 the Group 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 Company's shareholders, 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 the Company and the Company's shareholders, 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 Philip Taylor.

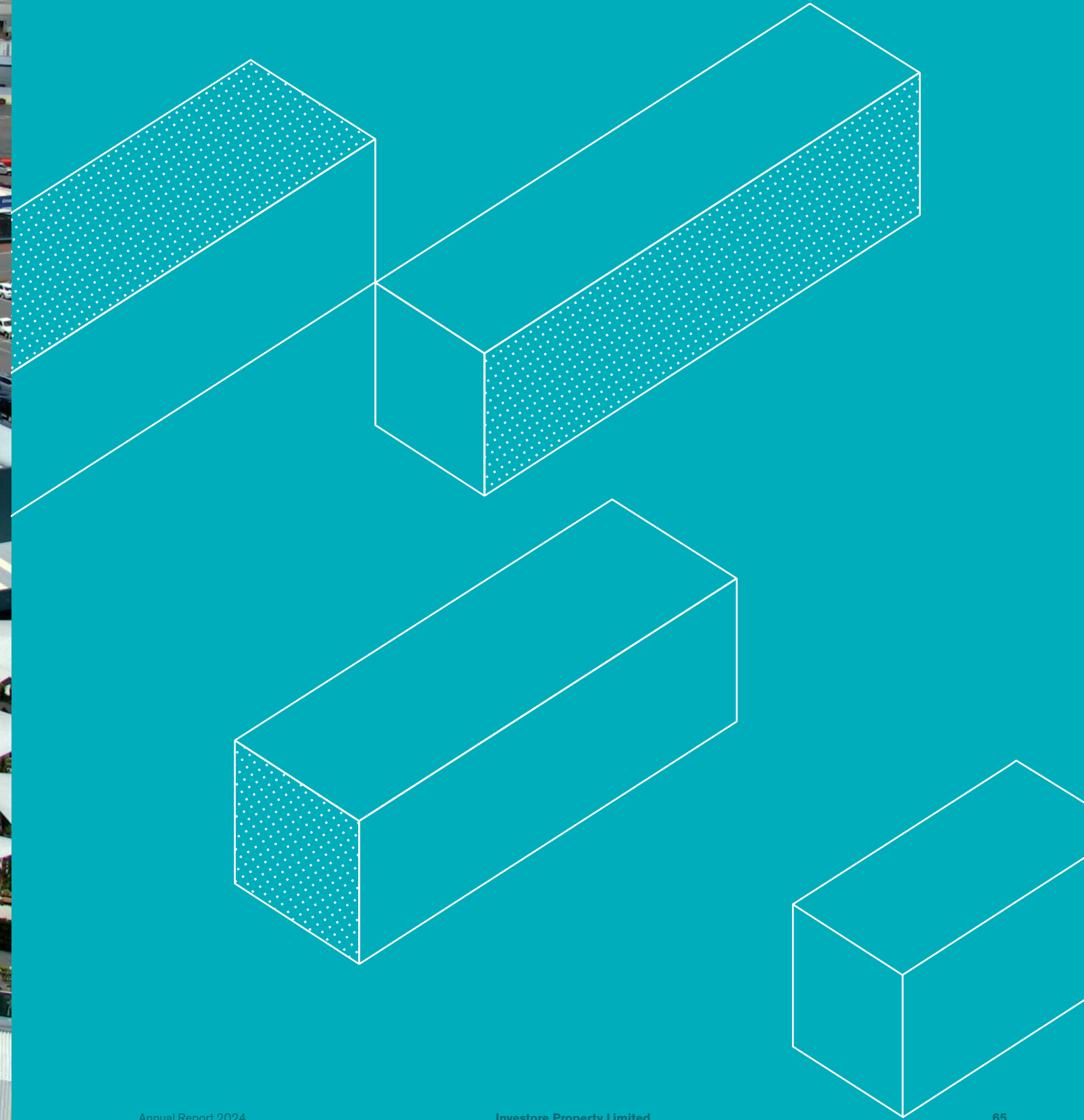
For and on behalf of:

Chartered Accountants
17 May 2024

Auckland



Corporate Governance



Corporate Governance

The Investore Board has established a framework of policies, practices, and processes as part of its governance framework that are intended to ensure that Investore implements best practice standards of corporate governance. The Board sets the strategic direction and objectives for the business, identifies and manages risks, and strives to continuously improve performance. This section of the Annual Report provides an overview of those corporate governance policies, practices and processes adopted and followed by Investore. This statement is current as at 1 May 2024.

Overview of Investore

Investore is a New Zealand incorporated company, whose fully paid ordinary shares are quoted on the NZX Main Board equity securities market under the ticker code 'IPL', with a 'non-standard' (NS) designation. Investore has a 'non-standard' designation due to certain waivers that have been granted from the Listing Rules, which reflect the nature and operations of Investore. These waivers are described on page 97.

Investore was established by Stride Property Limited (SPL) as a separate listed company in 2016 to invest in large format retail property throughout New Zealand. In August 2021, Investore acquired all of the shares in Investore Property (Carr Road) Limited, which owns the property at 4 Carr Road, Mt Roskill, Auckland. This Corporate Governance section refers to Investore and its subsidiary, Investore Property (Carr Road) Limited.

Investore is a listed Portfolio Investment Entity (PIE) for taxation purposes.

Investore's assets and operations are externally managed by SIML, a real estate investment management business that is part of the NZX listed stapled group, Stride Property Group (Stride). SIML, as Manager, has appointed two Directors to the Investore Board.

Investore does not have any employees and has appointed SIML as the manager of Investore's portfolio and its business pursuant to a Management Agreement. Under this Management Agreement, SIML is responsible for the management and maintenance of Investore's property portfolio and its business, negotiating the acquisition and disposal of property, development management, treasury and capital management, and ensuring Investore meets its financial, reporting, and other statutory and regulatory obligations.

Corporate Governance

The Board has adopted a corporate governance framework that it considers is appropriate for the size and nature of Investore's operations. The Board regularly reviews and assesses Investore's governance structures and processes to ensure they remain appropriate and effective and are consistent with best practice standards. This section of the Annual Report provides an overview of Investore's corporate governance framework and includes commentary on Investore's compliance with each of the eight corporate governance principles and recommendations of the NZX Code for the year ended 31 March 2024, together with other legal and regulatory disclosures. These disclosures report against the version of the NZX Code dated 1 April 2023.

Investore's corporate governance framework and practices are materially consistent with the NZX Code, subject to the following exceptions, which are consistent with practices reported in previous years' Annual Reports:

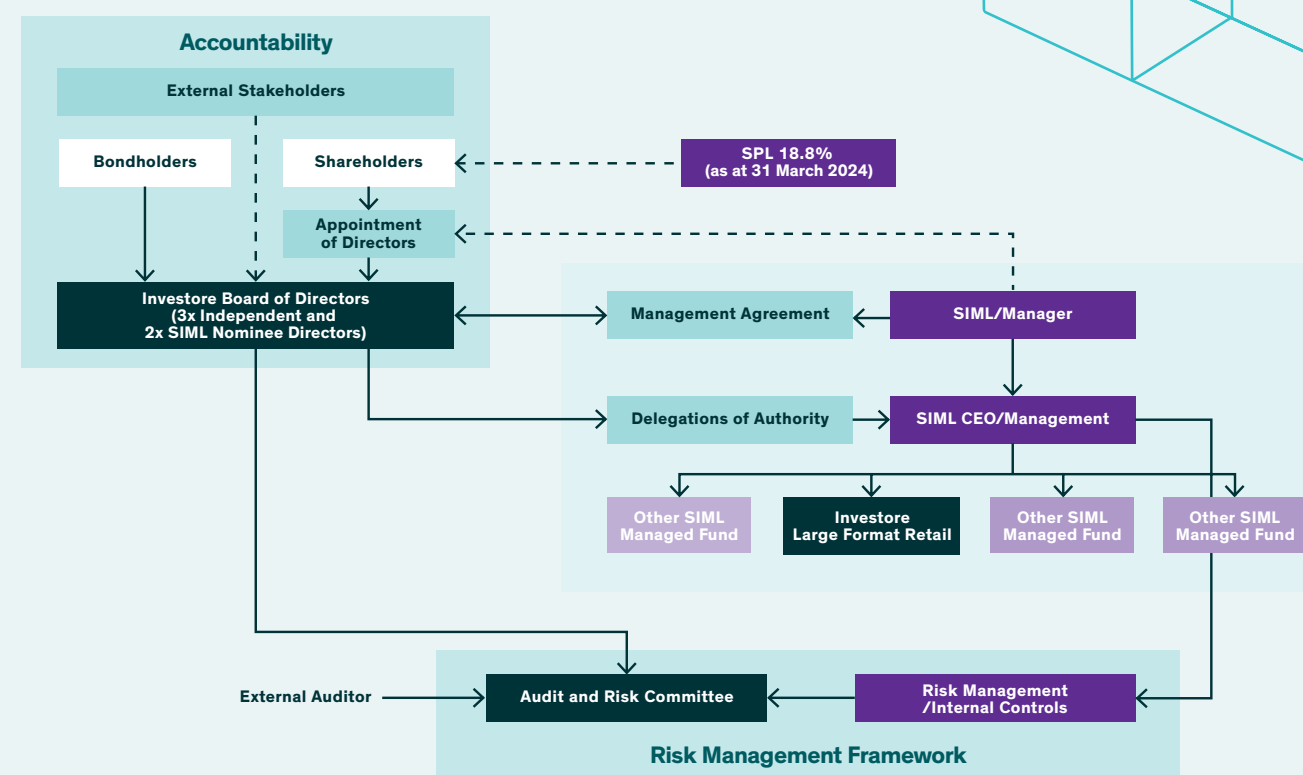
- A Remuneration Policy has not been adopted (NZX Code Recommendation 5.2), as Investore does not have any employees. Director remuneration is considered by the Board as a whole and then recommended to shareholders for approval.
- As there is no Chief Executive of Investore, the requirement to disclose the remuneration arrangements in place for the Chief Executive does not apply (NZX Code Recommendation 5.3).

Investore's Website:

For additional information on Investore's corporate governance framework or to obtain a copy of Investore's key policies and charters, please refer to the Investore website at

www.investoreproperty.co.nz

Diagram 1: Governance Framework



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 Board sets a standard of ethical behaviour for the conduct of Investore’s business and adopts an ethics-based approach to Investore’s operations and decision-making.

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).

Investore has adopted a Code of Ethics which sets the standard expected by Investore of its Directors and of the employees of the Manager when conducting business on behalf of Investore.

This ethics-based approach to Investore’s operations and decision-making is reinforced through a number of policies in addition to the Code of Ethics, including the Securities Trading Policy, Market Disclosure Policy (see Principle 4: Reporting and Disclosure for a description of the Market Disclosure Policy), Human Rights Policy, Modern Slavery Policy, and the Manager’s Conflicts Policy. Employees of the Manager can access Investore’s Code of Ethics, together with other supporting policies, on the SIML intranet, and are regularly provided with training in relation to the Code of Ethics and its supporting policies.

The Board reviews the Code of Ethics at least every two years to ensure it remains appropriate and continues to set the standard of ethical behaviour expected by Investore of its Directors and of the employees of the Manager when conducting business on behalf of Investore. The Code of Ethics was last reviewed by the Investore Board in March 2024.

Key principles underpinning Investore’s Code of Ethics

Act with honesty and integrity and demonstrate respect for others

Protect Investore’s assets and resources, including its confidential or sensitive information

Adhere to all legal and compliance obligations

Make health and safety a priority

Make every effort to protect the reputation of Investore and avoid a conflict between an individual’s private financial activities and the business activities of Investore

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

Securities Trading Policy

The Board has adopted a Securities Trading Policy which contains processes and procedures governing trading in Investore securities. The Securities Trading Policy raises awareness of the insider trading provisions within the Financial Markets Conduct Act 2013 and reinforces those legislative requirements with additional internal compliance requirements. Directors of Investore and directors and employees of SIML who wish to trade in quoted financial products of Investore must comply with the Securities Trading Policy. This policy imposes limited trading windows and requires that all persons to whom the policy applies obtain approval prior to trading. Speculative trading is not permitted. A minimum hold period of six months for any securities acquired is imposed, except in exceptional circumstances and only with the prior approval of the Company Secretary of SIML, the Manager.

Conflicts of Interest

Investore and the Board are very aware of the risks posed by actual or perceived conflicts of interest, and the management of conflicts of interest is an integral feature of Investore’s day-to-day governance practices. This is particularly pertinent given the relationship between Investore, Stride, and other entities managed by SIML. The principles that govern the management of conflicts of interest are addressed in a number of Investore’s governance documents, including the Constitution, the Board Charter, the Code of Ethics, and internal policies of SIML, the Manager. SIML has adopted a Conflicts Policy which Investore has approved, and which guides SIML in identifying and managing conflicts of interest in its operations, including its management of the business of Investore and other entities managed by SIML.

Protected Disclosures Policy

Investore does not have a whistleblower policy, as it has no employees. SIML has a Protected Disclosures Policy which provides a safe process for SIML employees to make an allegation of serious wrongdoing within Investore, Stride and other entities managed by SIML.



Principle 2: Board Composition and Performance

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

The Board is responsible for overseeing the effective management and operation of Investore. The Board’s role is to represent the interests of Investore’s stakeholders and ensure that the operations of Investore are managed in a way that is consistent with the achievement of Investore’s strategy and business objectives, within a framework of regulatory and ethical compliance.

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 Board’s roles and responsibilities are formalised in its Board Charter, which is available in the Investor Centre on Investore’s website, www.investoreproperty.co.nz.

The Board Charter outlines the functions that are solely reserved for the Board and those that are formally delegated to SIML, as Manager. The Board reviews the Board Charter annually, to ensure it remains consistent with the Board’s objectives and responsibilities and to ensure it maintains an appropriate balance between governance matters for which the Board retains responsibility, and operational matters which have been delegated to SIML, as Manager.

The Board retains responsibility for setting the strategic direction of Investore and overseeing the performance of Investore and communications to the market. The Board delegates the day-to-day management of Investore’s business to SIML, as Manager, by way of a Management Agreement. The Management Agreement ensures SIML has appropriate operating parameters through formal delegations of authority. The relationship between the Board and SIML and their respective roles and responsibilities is depicted in Diagram 2.

Diagram 2: Board and Manager Roles and Responsibilities

Board sets strategic direction, operating frameworks and overall governance

- Adopts policies, processes and systems to ensure the business of Investore is operated in an honest, ethical, safe and responsible manner
- Adopts an appropriate risk management framework
- Delegates day to day operations to SIML within a formal delegation of authority



SIML implements the Board’s strategy and follows approved policies and procedures

- Oversees day to day operations of Investore’s portfolio and assets
- Ensures Investore is meeting its legal, regulatory, financial reporting and other statutory obligations
- Makes recommendations to the Board on company strategy and initiatives
- Reports to the Board on Investore’s operating performance; prepares budgets and business plans for Board approval
- Manages business risk in accordance with the risk appetite adopted by the Board
- Implements health and safety policies and procedures



Board oversees operations of Investore and implementation of strategic objectives

- Ensures Investore has adequate resources to meet its objectives and obligations
- Reviews and approves budgets, major capital expenditure, business plans, dividend policy and financial forecasts and oversees Investore’s capital management
- Monitors the financial performance of Investore and oversees accounting and reporting systems (including external audit)
- Implements effective audit and risk management systems
- Reviews and approves market communications

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

Appointment of Independent Directors

Potential candidates for appointment as an Independent Director are either nominated by the Board or Investore shareholders and are voted on by the shareholders of Investore. If a vacancy on the Board exists, then the Board may appoint a Director to fill that casual vacancy, however that Director is required to retire and stand for election at the first Annual Shareholder Meeting after their appointment.

To be eligible for selection, candidates must demonstrate the appropriate qualities and experience for the role of a Director of Investore and will be selected on a range of factors, including property industry knowledge, business acumen, financial markets and governance experience. Other relevant factors may include background, qualifications, diversity, and professional expertise, and these will be considered against the Board's assessment of its needs at the time, including any perceived gaps in skills and experience that the Board identifies having regard to the strategy of Investore.

Before appointing a new Director, the Board undertakes appropriate pre-appointment checks, including background checks on education, employment experience, criminal history, and bankruptcy.

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 described above have revealed and if the candidate is standing for re-election, information about the term of office served by that candidate).

Directors' Skills and Experience

The Board regularly reviews its skills and experience against the Board's perceived skill requirements given Investore's business and strategic requirements. Directors' skills and experience are also closely considered when appointing a new Director, so that an appropriate mix of skills can be retained and any perceived gaps in skills can be fulfilled.

The Board is conscious to ensure that it collectively has an appropriate mix of skills, knowledge, experience, and diversity to enable the Board to meet its responsibilities

and contribute varying perspectives to Board discussions. An appropriate balance is sought between Directors with experience and knowledge of the property sector, the history and operations of Investore, and new Directors who bring fresh thinking, different perspectives, and diverse skills and experience.

Set out in Diagram 3 is a summary of the mix of skills and experience among Directors that the Board has identified. This skills matrix takes account of the nature of Investore's business interests and its strategic principles. Individual Director profiles are also set out on Investore's website and on pages 10 and 11 of this Annual Report. The Board considers the current mix of skills and experience is appropriate for the responsibilities and requirements of governing Investore.

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

All new non-executive Directors are appointed by way of a formal letter of appointment, including their term of appointment, expectations of the Directors in their role, 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 Board Charter, Audit and Risk Committee Charter, Code of Ethics, Securities Trading Policy, and Market Disclosure Policy, advises Directors of their right to access corporate information, and sets out ongoing confidentiality obligations. As part of their appointment process, new Directors are also asked to advise of their interests so they may be entered into the Board's interests register, and are advised of Investore's approach to conflicts of interest.

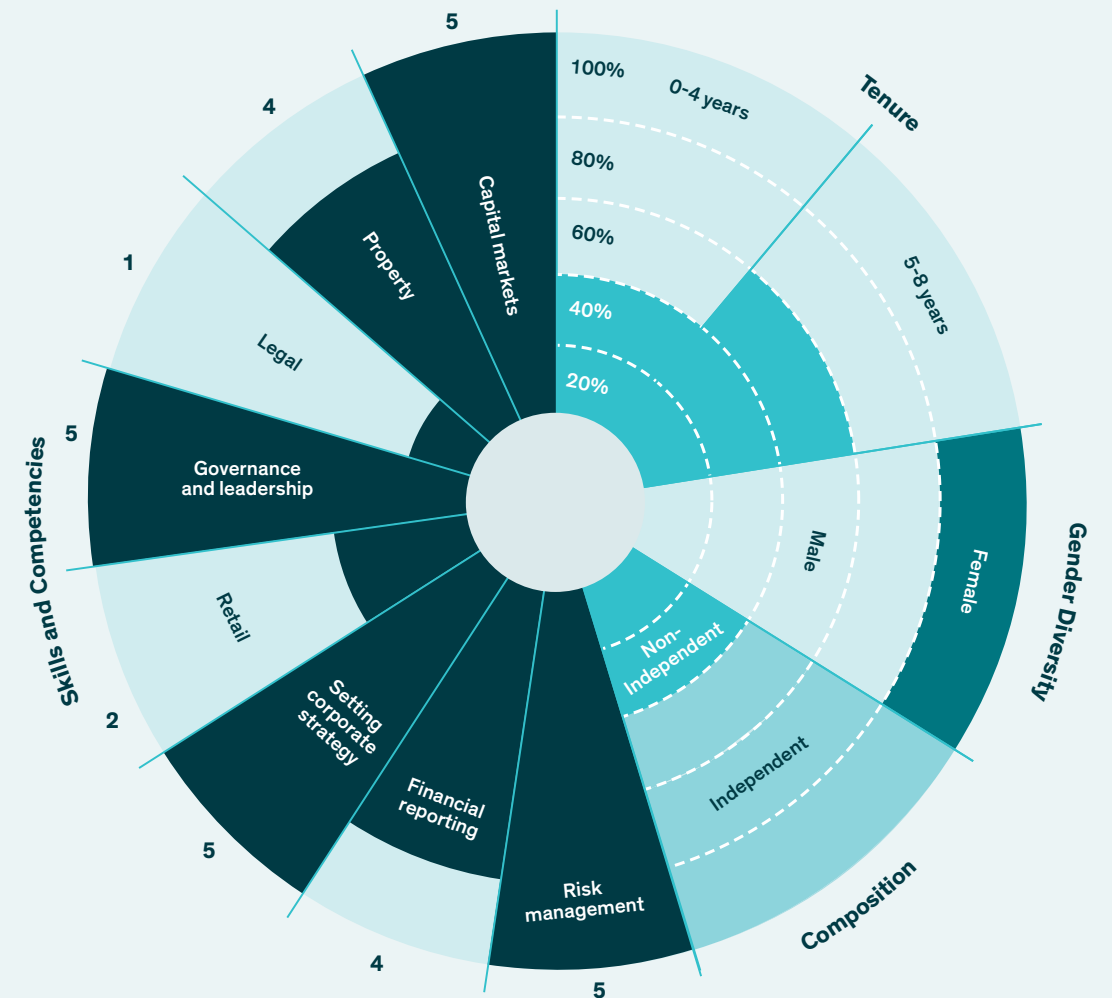
New Directors are provided with an induction pack containing key governance information and other relevant information necessary to prepare new Directors for their role. New Directors also meet each of the key members of SIML management as part of an induction programme. The induction programme has been designed to provide new Directors with an overview of Investore, its strategy and operations, and the market in which it operates.

No new Directors were appointed during FY24.

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 Investore's website. In addition, an overview of each of the Directors of Investore who held the office of Director as at 31 March 2024, their status and (in the case of the Independent Directors) date of appointment, expertise and experience, is set out on pages 10 and 11. A record of attendance at Board and Committee meetings for all those who held the office of Director during FY24 is set out on page 75. Disclosures of interest made by Directors during FY24 are shown in Table 8 on page 91.

Diagram 3: Board Skills Matrix



Composition of the Board and Director Independence

Investore's Constitution requires the Board to have no less than four and no more than five Directors at any one time. The Board must comprise:

- At least two Directors who are 'Independent of the Manager' where the Board is comprised of four Directors. If the Board is comprised of five Directors, at least three Directors must be 'Independent of the Manager'.
- A non-executive Chair who is 'Independent of the Manager' where SIML has (or is deemed to have) appointed two Directors. Where the Chair is 'Independent of the Manager', the Chair holds a casting vote in respect of Board resolutions in the case of an equality of votes.
- At least two Directors who are ordinarily resident in New Zealand.

'Independent of the Manager' means, in respect of a Director, that:

- the Director is not an 'Associated Person' (as defined in the Listing Rules) of SIML, any person who holds or controls more than 25% of the ordinary shares of SIML, or any related company of a person who holds or controls more than 25% of the ordinary shares of SIML;
- the Director was not appointed by SIML under its appointment rights in the Investore Constitution;
- the Director is not an executive officer of SIML and has no 'Disqualifying Relationship' (as defined in the Listing Rules) with SIML; or
- pursuant to any NZX Regulation ruling or other written consent of NZX, the Director is to be treated as being independent of SIML.

SIML, as Manager, has the right to appoint and remove two Directors. The Independent Directors (being both 'Independent of the Manager' and 'Independent Directors' pursuant to the Listing Rules) are appointed and subject to removal in the normal manner by Investore shareholders who are not associated with SIML. This means that SPL, as a shareholder of Investore, is not eligible to vote on the appointment of Independent Directors.

Table 1: Composition of the Investore Board

As at 1 May 2024, the Investore Board comprised:

Mike Allen	Independent Director Independent of the Manager Chair of the Board Subject to retirement and election by shareholders in the usual manner
Gráinne Troute	Independent Director Independent of the Manager Chair of the Audit and Risk Committee Subject to retirement and election by shareholders in the usual manner
Adrian Walker	Independent Director Independent of the Manager Subject to retirement and election by shareholders in the usual manner
Tim Storey	SIML-appointed Director Appointed by SIML to the Investore Board and accordingly is not required to stand for election by shareholders
Ross Buckley	SIML-appointed Director Appointed by SIML to the Investore Board and accordingly is not required to stand for election by shareholders

The Board has reviewed the status of each of the Directors and confirms that, as at the date of release of this Annual Report, Directors Mike Allen, Gráinne Troute and Adrian Walker are Independent Directors (as defined in the Listing Rules), taking into account the relevant factors set out in the NZX Code.

Board and Committee Meetings and Attendance

The Board schedules a minimum of six meetings per year, at which Directors 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, matters for Board approval including major capital expenditure, an outline of key health, safety and sustainability matters, and, as appropriate, risk and governance reports. The Board regularly considers performance against strategy, sets strategic plans, and approves initiatives to meet Investore's strategic objectives.

The number of Board and Committee meetings held during the year and details of Directors' attendance at those meetings are disclosed in Table 2.

Directors also attend briefings with senior managers of SIML on an ad hoc basis and attend investor briefings in connection with their roles as Directors of Investore. These attendances are not included in the disclosure in Table 2 below but comprise an important element of Director responsibilities. In addition to the Board meetings outlined in Table 2, a strategy day was held during FY24 to review and reassess the Company's strategic priorities. A sustainability workshop was also held in conjunction with the Stride board of directors during FY24 to prepare for climate reporting. All Directors attended both the strategy day and the sustainability workshop.

Table 2: Board and Committee Meeting Attendance for Period 1 April 2023 to 31 March 2024

	Board	Audit and Risk Committee
Number of Meetings in FY24	8	4
Mike Allen	8	4
Gráinne Troute	8	4
Adrian Walker	8	4
Tim Storey	8	4
Ross Buckley	8	4

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 them¹. An issuer should disclose its diversity policy or a summary of it.

The Investore Board understands that different perspectives contribute to a more successful business and recognises the value in diversity of thinking and skills. Investore is committed to promoting diversity on its Board by attracting, developing, and retaining high calibre Directors from a diverse pool of individuals and skill sets. The Board also monitors the diversity and inclusion practices of the manager, SIML.

The Board has adopted a Diversity Policy, which applies to the Board, given that Investore has no employees.

Investore’s Diversity Policy is available in the Investor Centre on its website www.investoreproperty.co.nz. Investore aligns its Diversity Policy with SIML’s Diversity Policy. For more information on the Manager’s Diversity Policy, refer to the FY24 Annual Report of Stride Property Group (when available) at www.strideproperty.co.nz.

The Investore Board notes that SIML has an employee Diversity, Equity and Inclusion Committee which aims to assist SIML in its diversity practices through establishing diversity, equity and inclusion strategic priorities and implementing diversity and inclusion-related initiatives.

The Investore Board has conducted a review of its Diversity Policy and the performance of Investore against its annual objectives for the year in review, and notes its progress towards achieving its objectives in Table 4. In addition, Investore continued to promote diversity during FY24 through continuing to mentor and support Erika McDonald, who was appointed as a future director in FY23.

Table 3: Gender Composition of the Board of Investore

	As at 31 March 2024	As at 31 March 2023
Male	4 (80%)	4 (80%)
Female	1 (20%)	1 (20%)

Table 4: Diversity Objectives and Progress FY24

Objective	Progress as at 31 March 2024
<p>Recruitment</p> <p>Ensure recruitment procedures provide for a wide range of potential Director candidates to be considered at Board level</p>	<p>When conducting a search for a new Director, Investore considers diversity as one of the factors for consideration and encourages applications from a diverse range of director candidates and utilises a variety of recruitment channels.</p> <p>No new Directors were appointed during FY24.</p>
<p>Reporting</p> <p>SIML will report periodically to the Board on diversity related matters within its business, including diversity of employees</p>	<p>Investore has adopted a Diversity Policy to apply to the Board which is aligned with SIML’s Diversity Policy. The Investore Board takes an active approach to oversight of the Manager’s diversity practices. SIML reported to the Investore Board on progress in its diversity objectives, a summary of which can be found in the Stride Annual report for FY24 (when available).</p>

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

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

The Board conducts continuing professional development for Directors, which includes site visits to properties owned by Investore, briefings from senior managers of SIML and presentations from external industry experts. This is intended to enable Directors to maintain the knowledge and skill set required for the role as a Director of Investore, and ensure Directors remain current on factors affecting Investore’s business. Presentations from external industry experts are regularly scheduled as part of Board meetings and are focussed on knowledge specific to the property industry, capital markets, macroeconomic factors, sustainability issues and new regulatory and governance practices, all of which may impact on Investore’s business and operations. In addition, all Directors undertake appropriate training to remain current on how to best perform their duties as Directors.

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.

Directors typically conduct a full external Board performance review biannually to review the Board’s performance and its engagement with SIML management. During FY24, the Board engaged an independent external review of its performance and its engagement with SIML management utilising the Institute of Directors of New Zealand’s Evaluate tool, a comprehensive Board evaluation process. The Board’s objective with this external review was to ensure the Board was functioning effectively by strengthening governance and leadership. The report provided an overview of the Board’s effectiveness and confirmed that the Investore Board continues to enjoy a high level of collaboration, open dialogue and dynamism.

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

As set out in the commentary to recommendation 2.4, the Board has considered the status of the Directors and has confirmed that Investore’s Board comprises a majority of Independent Directors, consistent with the recommendation in the NZX Code.

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

The Chair of the Board is Mike Allen, an Independent Director, as noted in the commentary to recommendation 2.4.

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

The Chair of the Board, Mike Allen and the Chief Executive Officer of SIML, the Manager, Philip Littlewood, are two different people and accordingly are independent of each other.

Company Secretary

The Company Secretary of Investore is an employee of SIML, as Investore has no employees, and is a member of the Executive Team reporting directly to the Chief Executive Officer of SIML, the Manager. The Company Secretary has direct access to the Chair of the Board and the Chair of the Audit and Risk Committee, and vice versa, to ensure matters can be raised as required.

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 Investore’s governance framework, allowing a subset of the Board to focus on a particular area of importance, while still ensuring the Board as a whole is responsible for decision-making for Investore.

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.

Audit and Risk Committee

The Audit and Risk Committee operates under a written Charter which is reviewed annually by the Committee to ensure that it remains appropriate and current. This Charter is available in the Investor Centre on Investore’s website. The key responsibilities of the Audit and Risk Committee are set out in Table 5.

The Charter requires that the Audit and Risk Committee be comprised solely of non-executive Directors and have at least three members, with the majority of members being Independent Directors. At least two Directors on the Committee must be independent of SIML. The Chair of the Audit and Risk Committee is to be an Independent Director and may not be the Chair of the Board.

All Audit and Risk Committee members are expected to have an appropriate degree of financial acumen for the position of Audit and Risk Committee member and at least one member must have accounting or related financial expertise.

As at the date of this Corporate Governance statement, the Audit and Risk Committee comprises three Directors, of whom two, Gráinne Troute and Mike Allen, are Independent Directors. Gráinne Troute is the Chair of the Committee, is an Independent Director and is not the Chair of the Board. The third member of the Committee, Ross Buckley, is a SIML-appointed Director with considerable financial, audit, tax and risk experience, having been with the global accounting and consulting firm KPMG for 38 years, including as the Executive Chairman of KPMG in New Zealand and a member of

KPMG’s Asia Pacific Board and KPMG’s Global Council for nearly 10 years. Directors who are not committee members have a standing invitation to, and do, regularly attend the Audit and Risk Committee meetings.

Meetings of the Audit and Risk Committee are held at least twice a year, having regard to Investore’s reporting and audit cycle. Additional meetings may be held at the discretion of the Chair, or if requested by any Audit and Risk Committee member or the external auditor.

The Audit and Risk Committee ensures the Board is properly and regularly informed and updated on corporate financial matters and provides assistance to Directors in fulfilling their responsibility to investors in relation to the reporting practices of Investore, and the quality, integrity, and transparency of the financial reports of Investore.

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

The Chief Executive Officer, Chief Financial Officer, 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 the Chief Executive Officer, Chief Financial Officer or senior management of SIML present, to discuss audit matters.

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.

As Investore has no employees and a relatively small Board, the function of Director remuneration is undertaken by the full Board, with Director remuneration ultimately requiring shareholder approval.

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.

As Investore has a relatively small Board, the function of Director appointment is undertaken by the full Board, with Independent Director appointments ultimately requiring shareholder approval.

Table 5: The primary roles of the Audit and Risk Committee are:

Financial Reporting	Audit	Risk
<ul style="list-style-type: none"> Review financial statements and obtain the external auditor’s views on disclosures and content of the financial statements to be presented to investors Review with SIML and external auditors the results of analysis of significant financial reporting issues and practices, including changes in accounting principles Review judgements about the quality of accounting principles and clarity of financial disclosure used in Investore’s financial reporting Review and recommend financial reports to the Board 	<ul style="list-style-type: none"> Recommend appointment or removal of external auditors and monitor and review the services provided by auditors to ensure independence is maintained Meet with the external auditor, agree scope of half year review and annual audit, review audit opinion, and review auditor’s compensation and recommend such to the Board, subject to shareholder approval Report results of annual audit to the Board, including whether the financial statements comply with applicable laws and regulations Assess and confirm to the Board the independence of the external auditor Review any internal audit functions undertaken by SIML on behalf of Investore and receive a summary of findings from completed internal audits 	<ul style="list-style-type: none"> Ensure that SIML, the Manager, has established a risk management framework to effectively identify, monitor, manage and report key business risks Review key business risks and controls, and review reports on effectiveness of systems for internal control, financial reporting and risk management Review and approve key insurance policy terms and cover adequacy and recommend such to the Board Review the procedures for identifying key business risks and controlling their financial impact

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 Board has one standing committee to assist in the exercise of its functions and duties, the Audit and Risk Committee. The Board may also establish non-standing committees, as and when required, to deal with specific matters. No non-standing committees were established during FY24.

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 Board has established takeover protocols which set out the procedure to be followed in the event a takeover offer for Investore is made or it is foreseeable that an offer may be imminent. These protocols are available in the Investor Centre on Investore’s website. The protocols provide for an independent takeover committee to be formed, comprising Independent Directors of Investore to oversee the takeover process and ensure compliance with Investore’s obligations under the Takeovers Code. The protocols also govern the procedure for communications with the bidder, the market, and investors.

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.

Investore has a Market Disclosure Policy to ensure the Company meets its obligation to keep the market informed of all material information. Investore’s Market Disclosure Policy is available in the Investor Centre on Investore’s website and sets out Investore’s commitments in relation to market disclosure to:

Ensure that shareholders, bondholders, and the market are provided with full and timely information about Investore’s activities

Comply with the continuous disclosure principles contained in statute and the Listing Rules

Ensure that all market participants have equal opportunities to receive externally available information issued by Investore

Investore 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 requires all SIML directors, members of the executive of SIML, and Directors of Investore to inform the Chief Executive Officer of SIML or the General Manager Corporate Services of SIML (who is also the Disclosure Officer under the Market Disclosure Policy) of any potentially material information or proposal immediately after the relevant person becomes aware of that information or proposal.

No Director or employee of SIML, the Manager, is permitted, until adequate public disclosure has been made, to communicate to anyone any material information concerning the business and affairs of Investore, except in accordance with the Market Disclosure Policy.

A Disclosure Committee, comprising the Investore Board’s Chair, the Chief Executive Officer of SIML, and the General Manager Corporate Services of SIML, 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 Board considers at each meeting matters for disclosure and ensures that any material decisions made at Board meetings are announced on a timely basis in compliance with the Listing Rules.

The Market Disclosure Policy and Investore’s compliance with the policy were reviewed by the Board during FY24.

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.

Investore is committed to ensuring that investors and potential investors are informed as to Investore’s key governance policies and charters. The Board Charter, Audit and Risk Committee Charter, annual and interim reporting, NZX announcements, key corporate governance policies and other investor related material (as recommended in the NZX Code) are available in the Investor Centre on Investore’s website.

A remuneration policy has not been prepared by Investore as Investore has no employees. However, information regarding Director remuneration is made available to investors when shareholders are asked to approve any changes to Director remuneration and additionally is reported in the annual reports of Investore.

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

Investore is committed to maintaining appropriate financial reporting and adopts processes and procedures to ensure that reporting is clear, balanced and objective. Investore 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.

Investore’s annual report provides both financial and non-financial information. Alongside the annual and interim financial reporting, Investore also prepares an investor presentation which outlines activity and key metrics for the period in review, as well as providing certain forward looking information on strategic initiatives.

The Audit and Risk Committee has established processes to identify and consider the material business risks faced by Investore. The Board regularly receives risk management reports and reviews key risks to the business of Investore and the controls implemented to manage exposure to those risks. All identified risks have specific mitigation strategies where appropriate, and the Manager regularly reviews the effectiveness of these strategies. A high-level summary of key risks to Investore’s business as regularly monitored by the Board is set out in Table 7 under Principle 6.

Investore is committed to ensuring that Environmental Sustainability, Social Responsibility and Corporate Governance (ESG) are key considerations in the operation and governance of its business. Investore works closely with its Manager, SIML, and the SIML Board’s Sustainability Committee to implement its sustainability strategy and achieve its objectives. Tim Storey, a SIML-appointed Director to the Board, is also a member of the SIML Board’s Sustainability Committee. Investore prepares an annual Sustainability Report which outlines progress against Investore’s strategic sustainability objectives and targets, and includes reporting on climate change risks, which, for FY24, complies with the Aotearoa New Zealand Climate Standards. Investore’s Sustainability Report also includes its greenhouse gas inventory report.

More information on Investore’s approach to sustainability, including its targets and objectives, climate risks and opportunities and greenhouse gas inventory, can be found in Investore’s FY24 Sustainability Report, available in the Sustainability section of [Investore’s website](#) from 28 May 2024.



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 as approved by shareholders, with a higher level of remuneration for the Chair of the Board and an additional amount for the Chair of the Audit and Risk Committee, in order to reflect the additional time and responsibilities that these positions require. No Director of Investore is entitled to any remuneration other than by way of Directors’ fees and the reasonable reimbursement of travel, accommodation and other expenses incurred in the course of performing duties or exercising their role as a Director. Directors do not participate in any Investore share or option plan.

No Director of an Investore subsidiary received any remuneration or other benefits during FY24 in relation to their duties as a Director of a subsidiary company, other than the benefit of an indemnity from Investore and the benefit of insurance cover in respect of all liabilities (to the extent permitted by law) which arose out of the performance of their normal duties as Directors, subject to certain exceptions such as deliberate breach of duty.

The Board is collectively responsible for recommending Director remuneration packages to shareholders. Directors’ remuneration was last reviewed in 2023, being two years since the previous remuneration review. At the time of the 2023 review, the Board engaged Ernst & Young to provide an independent report on Directors’ remuneration for Investore, utilising Ernst & Young’s database of directors’ remuneration in New Zealand. The report benchmarked the remuneration paid to Investore’s Directors against an industry peer group of NZX listed companies, selected on the basis of comparable market capitalisation. A summary of that report was made available to shareholders when considering the resolution to increase Directors’ remuneration at the 2023 Annual Shareholder Meeting.

In proposing the increase in remuneration, the Board took into account the Ernst & Young independent benchmark report, as well as Directors’ workloads and responsibilities, and Investore’s performance. The amount of the proposed increase in remuneration was consistent with the recommendation of Ernst & Young.

Shareholders approved an increase in Directors’ remuneration at the 2023 Annual Shareholder Meeting with effect from 1 July 2023. Non-executive Director remuneration increased from \$50,000 to \$53,250 per annum; the Chair’s remuneration was increased from \$95,000 to \$106,500 per annum; and the additional

remuneration for the role of the Chair of the Audit and Risk Committee was increased from \$8,000 to \$13,000 per annum. Audit and Risk Committee Members receive no additional remuneration. As previously advised to the market, Investore intends to continue to review Director remuneration every two years. Investore remains committed to the principle that remuneration is set and managed in a manner which is fair, transparent, and reasonable.

Table 6 sets out Director remuneration for those Directors who held office in the year to 31 March 2024. These fees are consistent with those approved by shareholders previously. As noted at the Annual Shareholder Meeting in 2023, Investore does not operate a fee pool, and has no pool for additional attendances.

Table 6: Directors’ Remuneration for FY24

Director	Director Fees
Mike Allen (Chair)	\$103,625
Gráinne Troute (Chair of Audit and Risk Committee)	\$64,187
Adrian Walker	\$52,437
Tim Storey	\$52,437
Ross Buckley	\$52,437
Total	\$325,125

Note: Total Directors’ fees exclude GST and reimbursed costs directly associated with carrying out Directors’ duties.

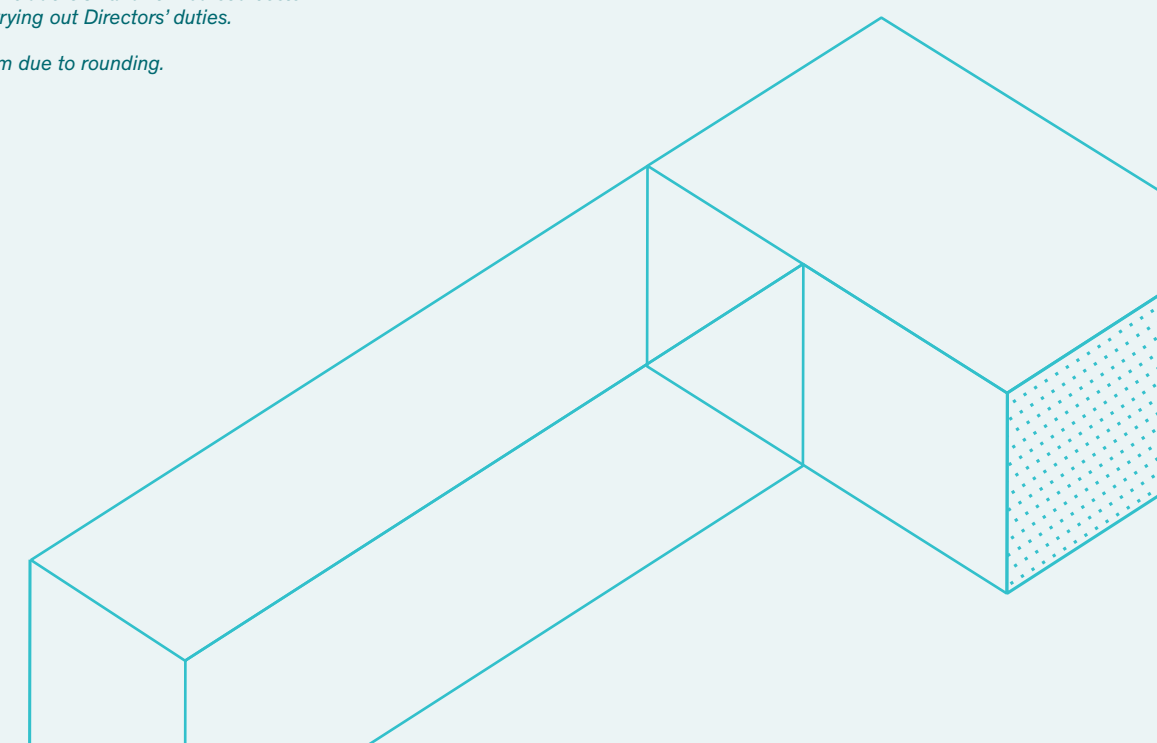
Note: Numbers may not sum due to rounding.

Recommendation 5.2 – An issuer should have a remuneration policy for remuneration of executives which outlines the relative weightings of remuneration components and relevant performance criteria.

Investore does not have a remuneration policy because it has no employees, and accordingly pays no executive remuneration.

Recommendation 5.3 – An issuer should disclose the remuneration arrangements in place for the CEO in its annual report. This should include disclosure of base salary, short term incentives and long term incentives and the performance criteria used to determine performance based payments.

Investore does not have any employees and accordingly does not have any remuneration arrangements in place for a CEO.



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 Board recognises that identification and management of risks to Investore’s business is essential to the continued success of Investore and an important part of the Board’s responsibilities. The Board is responsible for overseeing and approving Investore’s risk management strategy and policies, as well as ensuring effective audit, risk management and compliance systems are in place.

The Audit and Risk Committee assists the Board in fulfilling its risk assurance and audit responsibilities and the Board then delegates the implementation of a Board approved risk management framework to the Manager, SIML. Investore has established a risk management framework, supported by a set of risk-based policies appropriate for Investore, including a Treasury Policy, Investore’s Investment Mandate, and the Manager’s Conflicts Policy and Delegations of Authority (which are both endorsed and approved by the Investore Board). The principal purpose of this framework is to integrate risk management into Investore’s operations, and to formalise risk management as part of Investore’s internal controls and corporate governance arrangements.

As part of the risk management framework, the Manager maintains a comprehensive risk register for Investore, recording the key risks to its business, and assigning each risk a rating based on the likelihood and impact of the risk, both before and after application of mitigating controls that are implemented to manage the risk. The risk register is reviewed on a biannual basis and newly emerging risks and key risks as well as risk trends are reported to the Board. All identified risks have specific mitigation strategies where appropriate, and the effectiveness of these strategies are regularly reviewed. Residual risk ratings are compared against the Board’s stated risk appetite for key risks, enabling the Board to monitor where risks may be diverging from the appetite of the Board for that particular risk.

Table 7, although not an exhaustive list, sets out a high-level summary of the key risks to Investore’s business that are reported to, and monitored by, the Board as part of Investore’s Risk Management Framework. Investore’s exposure to climate-related risks forms part of Investore’s Sustainability Report, available in the Sustainability section of Investore’s website, www.investoreproperty.co.nz, available from 28 May 2024.

Table 7: Investore’s Key Risks

Key Risk	Control
Sustained high interest rates could lead to capitalisation rate expansion, resulting in a decrease in property portfolio valuations	Investore monitors market conditions and seeks to optimise the portfolio to mitigate against the risk of capitalisation rate expansion. Investore also takes an active approach to capital management, ensuring a resilient balance sheet.
Rising costs as a result of external factors, including inflation and high interest rates, potentially impacting tenants’ businesses and impacting their ability to meet their obligations under their leases	Investore has a high proportion of essential businesses which do not typically fall into the ‘discretionary spending’ category and tend to be more resilient in varying market conditions. Investore also has a relatively long WALT ¹ which minimises the risk of vacancies.
Sustained high interest rates impacting cost of debt to Investore	88% of Investore’s borrowings were hedged or subject to a fixed rate of interest as at 31 March 2024, with a weighted average cost of debt of 4.3%, providing protection against rising interest rates in the medium term.
Increase in insurance and rates costs	Investore works closely with its insurance broker to negotiate the best premiums possible. Investore submits on rates proposals and works closely with Councils where possible to minimise rates increases.
Customer concentration and single sector focus	Investore considers that the large format retail sector is a beneficial sector to invest in. Investore’s tenants tend to be resilient in varying market conditions as a high proportion are essential businesses which do not typically fall into the ‘discretionary spending’ category. Geographical and tenant portfolio diversification are sought, where appropriate, to mitigate this risk.
Rising costs making developments and maintenance expenditure more expensive	Investore will continue to monitor construction cost escalation and implement strategies as appropriate to manage this risk, including early commitment to materials for projects that are identified, reducing the risk of cost escalation during the course of a project.
Sustainability and climate change	Investore has a focus on sustainability and ensuring that its business remains sustainable for the long term. Investore has prepared a Sustainability Report for FY24 (available from 28 May 2024) and is implementing strategies and initiatives to address the impact of climate risk on Investore’s business.
Seismic strengthening due to changing assessment guidelines	Investore monitors changes in standards and guidelines for seismic assessments to ensure that its properties remain seismically resilient. Investore proactively obtains seismic assessments of its properties when it considers appropriate, which enables Investore to understand and manage this risk.

1. See glossary on page 98.



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.

Investore's health and safety framework reflects its commitment to health and safety. The Board acknowledges that effective governance of health and safety is essential for the continued success of Investore. Investore's health and safety approach reflects the externally managed nature of its business. In appointing SIML to manage the Investore business, Investore relies on SIML to ensure that Investore is complying with its health and safety obligations on a day to day basis. The Investore Board works closely with SIML to understand the key risks to Investore's business from a health and safety perspective, ensure that these risks are eliminated or minimised, and ensure that SIML is implementing appropriate systems and procedures to ensure effective management of health and safety risks when managing Investore's assets and business.

SIML sets key performance indicators on an annual basis and reports regularly against those key performance indicators to the Investore Board. In addition, the Investore Board reviews any incidents across the Investore sites, together with SIML's remedial actions in relation to incidents, and seeks to ensure that there is continual learning from any incidents or near misses. During FY24, Investore continued to promote a positive health and safety culture throughout its area of influence, including SIML, its tenants and its supply chain.

A key area of focus for both Investore and SIML is contractor management, ensuring that only contractors with appropriate health and safety practices are engaged, and when engaged they are minimising risks to staff, public and tenants in undertaking their activities.

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.

The key framework for the relationship between Investore and its external auditor, PwC, is comprised in the Audit and Risk Committee Charter, which includes the audit independence guidelines. The Audit and Risk Committee Charter can be found in the Investor Centre on Investore's website.

The Audit Independence Guidelines require compliance with the Listing Rules, which, in turn, requires rotation of the lead audit partner at least every five years. During FY22, Investore rotated its lead audit partner, with Philip Taylor becoming the lead audit partner for the next five years. Investore does not have a policy of rotating its audit firm, on the basis that there is a limited pool of external audit firms within New Zealand and Investore engages the other major firms for non-audit services, meaning they would be conflicted if approached to act as auditor. However, as Investore has only been operational for eight years, Investore's Audit and Risk Committee will continue to consider its audit independence framework.

Investore's Audit Independence Guidelines set out a description for determining the non-audit services that may be provided by the external auditor without compromising the external auditor's independence. The Audit and Risk Committee regularly monitors any non-audit services that may be 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 Investore's external financial reporting is reliable and credible. Any non-audit services provided by the external auditor must first be approved by the Chair of the Audit and Risk Committee and the Chief Financial Officer of SIML, the Manager. During FY24, Investore's external auditor, PwC, did not provide any services for Investore other than audit and review of Investore's financial statements and other assurance services.

The Audit and Risk Committee meet at least twice a year with the external auditor, with the opportunity to meet without any representatives of the Manager present. The Board invites the external auditor to attend meetings of the Audit and Risk Committee as required. Directors are free to make direct contact with the external auditor as necessary to obtain independent advice and information.

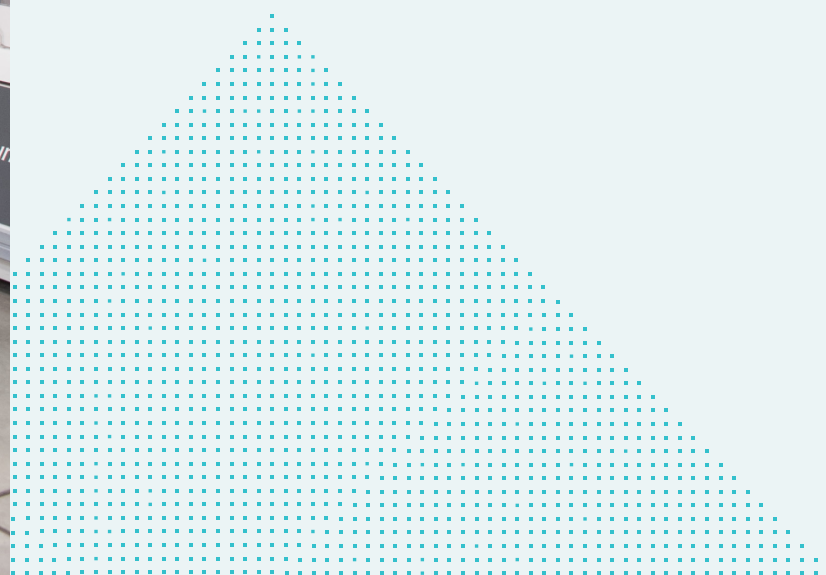
Recommendation 7.2 – The external auditor should attend the issuer's Annual Meeting to answer questions from shareholders in relation to the audit.

In the interests of encouraging active participation by shareholders at Annual Shareholder Meetings, Investore'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.

Investore engages SIML to manage its business, as it has no employees, and accordingly Investore does not have an internal audit function.

SIML, as Manager, does not operate an internal audit function due to its size. However, the Investore Board and/or Manager engage consultants to undertake internal reviews from time-to-time on a project-by-project basis, and can monitor, amongst other things, internal controls, risk management or the integrity of financial systems. Such projects can operate both with and independently from the Manager, with findings reported directly to the Board.



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 Board believes that open communication with investors is very important to ensure effective governance and oversight of the business of Investore. Investors deserve to be provided with such information as may be required to enable them to make informed decisions about their investment in Investore.

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.

Information about Investore and key corporate governance information is available in the Investor Centre on Investore’s website. The Investor Centre has copies of all annual reports; interim financial reporting; climate disclosure reporting; notices of Annual Shareholder Meetings and transcripts of those meetings; presentations; and key corporate governance documents, including Investore’s constitution and Board and Committee charters and policies. Shareholders are encouraged to refer to the website www.investoreproperty.co.nz for more information.

While annual and interim reports are made available on Investore’s website, they are also available on the NZX website, www.nzx.com on Investore’s page under the ticker “IPL”. Investors can also request hard copies (where available) by contacting Investore’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.

Shareholders are encouraged to attend Investore’s Annual Shareholder Meeting and take the opportunity to meet the Board and senior managers of SIML, the Manager. Directors and senior managers (including the Chief Executive Officer) of the Manager attend shareholder meetings and are available for questions. The Chair provides time for questions from the floor, and these are answered by the appropriate member of the Board or Manager. Investore’s external auditor attends the meeting and is available to take questions on the preparation of the financial statements and the auditor’s report.

The Board endeavours, where possible, to distribute every Notice of Meeting for shareholder meetings at least 20 working days prior to any shareholder meeting to enable shareholders to fully participate in shareholder meetings. Each notice of meeting for shareholder meetings and transcripts of those meetings are made available on Investore’s website and on the NZX. The 2023 Annual Shareholder Meeting was held mid-morning in a conference room of the Mövenpick Hotel, a hotel which is located in central Auckland and is easily accessible by public transport.

Investore has elected not to hold a hybrid meeting for this year’s Annual Shareholder Meeting due to the significant additional costs associated with this and the limited attendance by shareholders when virtual Annual Shareholder Meetings have been held previously.

The Company encourages investors to receive investor communications by electronic means where possible. Investore participates in the regular initiative undertaken by its Share Registrar, Computershare, to encourage investors to receive communications electronically, as this saves money for Investore and also supports Investore’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.

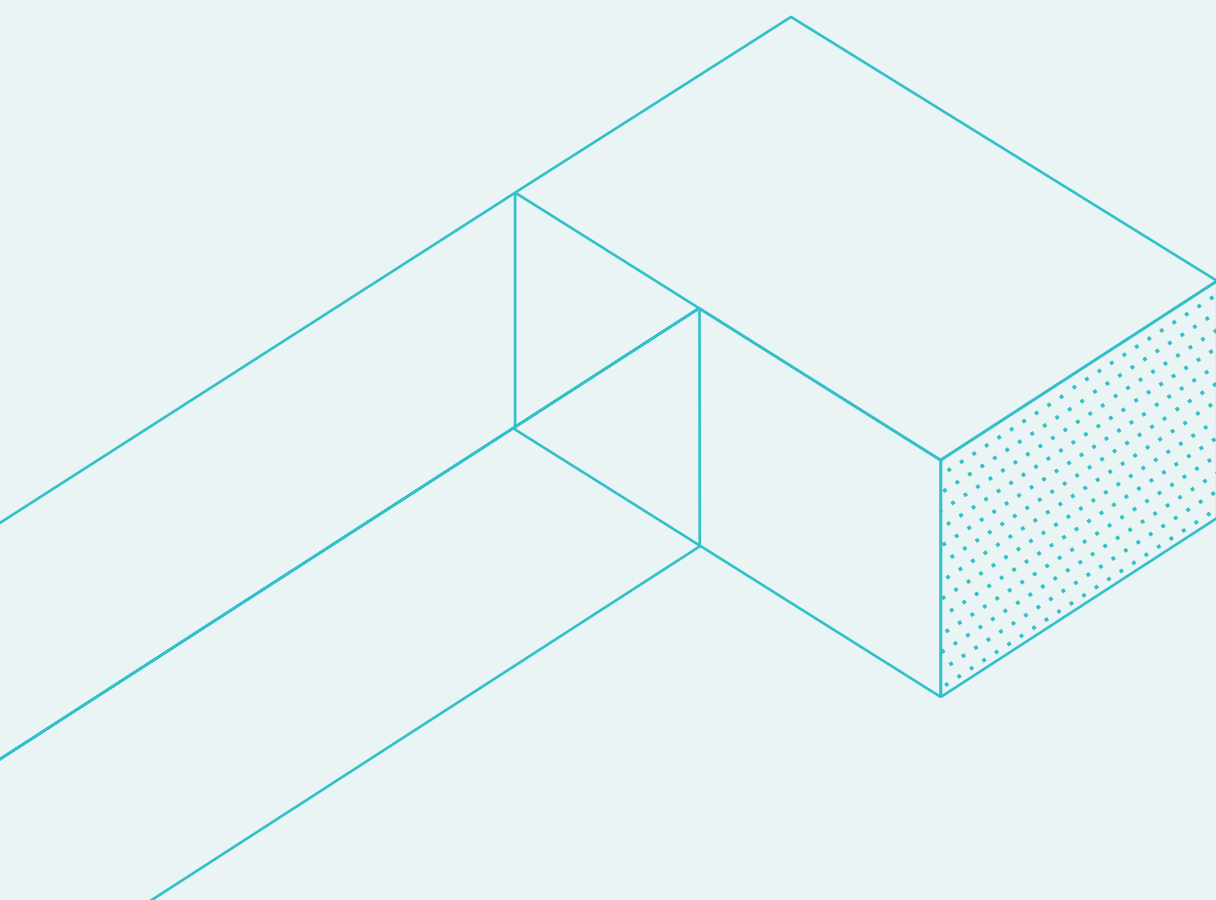
Investore’s shareholders have the right to vote on major decisions in accordance with the Listing Rules. No major decisions were put to shareholders for approval during FY24.

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.

Investore did not seek any additional equity capital during FY24. However, Investore did adopt a Dividend Reinvestment Plan (DRP) during FY24 where all shareholders who were resident in New Zealand and Australia were given the opportunity to invest the net proceeds of cash dividends payable on some or all of their shares in additional fully paid ordinary shares in Investore. Shareholders outside of New Zealand and Australia were excluded to avoid a risk of breaching the laws of other countries. Additional shares acquired under the DRP rank equally in all respects with existing shares issued by Investore.

Recommendation 8.5 – The board shall 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.

During FY24, shareholders were given at least 20 working days’ notice of the Annual Shareholder Meeting held on 28 June 2023.



Statutory Disclosures

Disclosures of Interest

The general disclosures of interest made by Directors of Investore and its subsidiary during the reporting period 1 April 2023 to 31 March 2024 pursuant to section 140 and section 211(1)(e) of the Companies Act 1993, are shown in Table 8.

Table 8: Interests Register Entries

Director	Company	Position
Mike Allen (Chair)	Breakwater Consulting Limited	Director
	Taumata Plantations Limited	Director
	Vincent Capital Advisory Board	Chair
	New Zealand Natural Fibres Limited	Chair Elect ¹
	Wool Impact Limited	Chair ¹
	Wool Research Organisation of New Zealand (WRONZ)	Director
Gráinne Troute	Tourism Holdings Limited	Director
	Summerset Group Holdings Limited	Director
	Tourism Industry Aotearoa	Chair ¹
	Duncan Cotterill	Independent Board Member
	Montana Group	Chair ²
	NZX Corporate Governance Institute	Member ²
Adrian Walker	Nil	
Tim Storey	Stride Property Limited and subsidiaries	Chair
	Stride Investment Management Limited	Chair
	Industre Property Nominee Limited and related entities	Director
	Prolex Limited	Director
	Prolex Investments Limited	Director
	Prolex Management Limited	Director
	LawFinance Limited	Chair
Ross Buckley	Stride Property Limited and subsidiaries	Director
	Stride Investment Management Limited	Director
	ASB Bank Limited	Director
	Service Foods NZ Limited	Chair
	Institute of Directors	Chair of National Board, National Council Member and Auckland Branch Committee Member
	Massey University	Council Member and Chair of Finance and Audit Committee
	Auditor Oversight Committee of the Financial Markets Authority	Chair
Adam Lilley	Stride Investment Management Limited	Employee

1. Entries removed by notices given by Directors during the year ended 31 March 2024.

2. Entries added by notices given by Directors during the year ended 31 March 2024.

No declarations of specific interests in a transaction or proposed transaction with Investore were made pursuant to section 140(1) of the Companies Act 1993 during the reporting period.

Directors of Subsidiary Companies

Investore had one subsidiary as at 31 March 2024, being Investore Property (Carr Road) Limited. The directors of this company are Mike Allen and Adam Lilley. This company is a wholly owned direct subsidiary of Investore. No additional fees were paid to Mike Allen (and no fees were paid to Adam Lilley) in respect of the directorship of this company.

Indemnity and Insurance

As permitted by Investore's Constitution, Investore has entered into a deed of access, indemnity and insurance to indemnify its Directors, and the directors of its subsidiary, 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 1993. 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. Investore also has 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 insurance is fair to the Company.

Use of Company Information

No notices have been received by Investore under section 145 of the Companies Act 1993 with regard to the use of information received by Directors in their capacities as directors of Investore or its subsidiary, Investore Property (Carr Road) Limited.

Loans to Directors

There are no loans to the Directors of Investore or the directors of its subsidiary, Investore Property (Carr Road) Limited.

Disclosures of Directors' Interests in Share Transactions

For the purpose of section 148(2) of the Companies Act 1993, Director Gráinne Troute disclosed the following changes in shareholding in Investore during the period from 1 April 2023 to 31 March 2024:

Director Gráinne Troute participated in the Dividend Reinvestment Plan announced by Investore on 28 June 2023 and acquired:

- a beneficial interest in 525 shares allotted at \$1.223701 per share on 25 September 2023 in respect of the dividend declared by Investore in respect of the period 1 April 2023 to 30 June 2023;
- a beneficial interest in 641 shares allotted at \$1.020972 per share on 12 December 2023 in respect of the dividend declared by Investore in respect of the period 1 July 2023 to 30 September 2023; and
- a beneficial interest in 521 shares allotted at \$1.053305 on per share 18 March 2024 in respect of the dividend declared by Investore in respect of the period 1 October 2023 to 31 December 2023.

For the purposes of section 148 (2) of the Companies Act 1993, no disclosures were made by the Directors in respect of changes in shareholdings in Investore's subsidiary, Investore Property (Carr Road) Limited.

Directors' Interests in Shares

Directors disclosed the following relevant interests in Investore shares as at 31 March 2024:

Director	Relevant Interest Held in Ordinary Shares
Mike Allen	56,592
Gráinne Troute	34,277
Adrian Walker	10,000
Tim Storey	49,759
Ross Buckley	32,500

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

Directors have not disclosed any relevant interests in Investore bonds as at 31 March 2024.

Twenty Largest Registered Shareholders as at 31 March 2024

Name	Number of Shares	Percentage of Shares
Stride Property Limited	70,391,871	18.83
Accident Compensation Corporation - NZCSD	36,524,910	9.77
Forsyth Barr Custodians Limited	34,131,908	9.13
BNP Paribas Nominees (NZ) Limited - NZCSD	18,600,496	4.98
Generate KiwiSaver Public Trust Nominees Limited - NZCSD	18,241,992	4.88
ANZ Wholesale Trans-Tasman Property Securities Fund - NZCSD	16,476,822	4.41
HSBC Nominees (New Zealand) Limited - NZCSD	14,691,494	3.93
JBWere (NZ) Nominees Limited	14,201,699	3.80
FNZ Custodians Limited	13,793,589	3.69
Custodial Services Limited	13,373,340	3.58
New Zealand Depository Nominee Limited	11,800,815	3.16
TEA Custodians Limited Client Property Trust Account - NZCSD	8,337,224	2.23
Citibank Nominees (New Zealand) Limited - NZCSD	7,193,073	1.92
Forsyth Barr Custodians Limited	5,162,673	1.38
MFL Mutual Fund Limited - NZCSD	4,695,811	1.26
Hobson Wealth Custodian Limited	4,403,642	1.18
ANZ Wholesale Australasian Share Fund - NZCSD	4,282,871	1.15
ANZ Wholesale Property Securities - NZCSD	3,816,326	1.02
Adminis Custodial Nominees Limited	3,752,411	1.00
PT (Booster Investments) Nominees Limited	3,721,039	1.00
Total	307,594,006	82.28

Numbers may not sum due to rounding.

Twenty Largest Registered Bondholders (IPL010) as at 31 March 2024 (Note 1)

Name	Number of Units	Percentage of Units
HSBC Nominees (New Zealand) Limited - NZCSD	21,147,000	21.15
Custodial Services Limited	15,912,000	15.91
Forsyth Barr Custodians Limited	12,135,000	12.14
FNZ Custodians Limited	11,288,000	11.29
Hobson Wealth Custodian Limited	6,332,000	6.33
Public Trust - NZCSD (The Aspiring Fund)	5,215,000	5.22
NZPT Custodians (Grosvenor) Limited - NZCSD	2,495,000	2.50
JBWere (NZ) Nominees Limited	2,134,000	2.13
ANZ Fixed Interest Fund - NZCSD	1,744,000	1.74
ANZ Wholesale NZ Fixed Interest Fund - NZCSD	1,493,000	1.49
TEA Custodians Limited Client Property Trust Account - NZCSD	1,432,000	1.43
FNZ Custodians Limited	1,147,000	1.15
Commonwealth Bank of Australia - NZCSD	920,000	0.92
Investment Custodial Services Limited	834,000	0.83
Forsyth Barr Custodians Limited	756,000	0.76
Lu Ren & Yanan Xu	601,000	0.60
Kiwigold.co.nz Limited	500,000	0.50
Rita Maria Halanke	400,000	0.40
Sandore Limited	400,000	0.40
Su Li	300,000	0.30
FNZ Custodians Limited	261,000	0.26
Total	87,446,000	87.45

Note 1: Two holders hold the same number of bonds, meaning that 21 holders have been reported above in the top 20 holders table.

Twenty Largest Registered Bondholders (IPL020) as at 31 March 2024 (Note 1)

Name	Number of Units	Percentage of Units
Forsyth Barr Custodians Limited	20,429,000	16.34
HSBC Nominees (New Zealand) Limited - NZCSD	18,500,000	14.80
Custodial Services Limited	15,803,000	12.64
FNZ Custodians Limited	15,692,000	12.55
Generate KiwiSaver Public Trust Nominees Limited - NZCSD	14,596,000	11.68
Hobson Wealth Custodian Limited	9,626,000	7.70
TEA Custodians Limited Client Property Trust Account - NZCSD	4,050,000	3.24
ANZ Fixed Interest Fund - NZCSD	3,546,000	2.84
NZPT Custodians (Grosvenor) Limited - NZCSD	2,841,000	2.27
Forsyth Barr Custodians Limited	1,613,000	1.29
JBWere (NZ) Nominees Limited	1,295,000	1.04
Hobson Wealth Custodian Limited	1,108,000	0.89
FNZ Custodians Limited	968,000	0.77
Investment Custodial Services Limited	859,000	0.69
Forsyth Barr Custodians Limited	800,000	0.64
Hobson Wealth Custodian Limited	637,000	0.51
FNZ Custodians Limited	602,000	0.48
Public Trust RIF Nominees Limited - NZCSD	555,000	0.44
Hugh McCracken Ensor	500,000	0.40
JML Capital Limited	500,000	0.40
JBWere (NZ) Nominees Limited	460,000	0.37
Total	114,980,000	91.98

Note 1: Two holders hold the same number of bonds, meaning that 21 holders have been reported above in the top 20 holders table.

Twenty Largest Registered Bondholders (IPL030) as at 31 March 2024 (Note 1)

Name	Number of Units	Percentage of Units
HSBC Nominees (New Zealand) Limited - NZCSD	26,505,000	21.20
Forsyth Barr Custodians Limited	17,283,000	13.83
Generate KiwiSaver Public Trust Nominees Limited - NZCSD	15,272,000	12.22
ANZ Fixed Interest Fund - NZCSD	8,600,000	6.88
Custodial Services Limited	7,404,000	5.92
Hobson Wealth Custodian Limited	7,346,000	5.88
TEA Custodians Limited Client Property Trust Account - NZCSD	7,310,000	5.85
NZPT Custodians (Grosvenor) Limited - NZCSD	6,725,000	5.38
JBWere (NZ) Nominees Limited	3,281,000	2.62
FNZ Custodians Limited	3,034,000	2.43
Westpac Banking Corporate NZ Financial Markets Group -NZCSD	1,935,000	1.55
Forsyth Barr Custodians Limited	1,786,000	1.43
ANZ Custodial Services New Zealand Limited - NZCSD	1,542,000	1.23
Investment Custodial Services Limited	1,478,000	1.18
Adminis Custodial Nominees Limited	1,215,000	0.97
ANZ Wholesale NZ Fixed Interest Fund - NZCSD	1,000,000	0.80
I J Investments Limited	515,000	0.41
JBWere (NZ) Nominees Limited	500,000	0.40
South Pacific Securities Limited	500,000	0.40
Anthony Eugene Smith & Carolyn Jean Smith & David Kenneth Brown	440,000	0.35
Bglir Trustee Limited	340,000	0.27
Total	114,011,000	91.21

Note 1: Two holders hold the same number of bonds, meaning that 21 holders have been reported above in the top 20 holders table.

Substantial Product Holders as at 31 March 2024

As at 31 March 2024, the names of all persons who are substantial product holders in Investore pursuant to sub-part 5 of part 5 of the Financial Markets Conduct Act 2013 are noted below:

Name	Date of Substantial Product Holder Notice	Relevant Interest in the Number of Ordinary Shares	Percentage of Ordinary Shares Held
Stride Property Limited	20 May 2020	69,201,977	18.8%
ANZ New Zealand Investments	2 December 2022	29,777,169	8.1%
Forsyth Barr Investment Management Limited	27 July 2023	29,576,043	8.0%
Accident Compensation Corporation (ACC)	9 August 2023	36,374,230	9.9%

The number of ordinary shares listed in the table are as per the last substantial product holder notice filed on or prior to 31 March 2024.

Distribution of Ordinary Shares and Shareholdings as at 31 March 2024

Size of Holding	Number of Shareholders	Percentage of Shareholders	Number of Ordinary Shares	Percentage of Ordinary Shares
1 – 99	29	0.65	1,121	0.00
100 – 199	19	0.42	2,457	0.00
200 – 499	110	2.45	41,431	0.01
500 – 999	252	5.61	180,767	0.05
1,000 – 1,999	635	14.15	922,446	0.25
2,000 – 4,999	1,104	24.59	3,573,807	0.96
5,000 – 9,999	936	20.85	6,468,918	1.73
10,000 – 49,999	1,164	25.93	23,090,321	6.18
50,000 – 99,999	134	2.99	8,730,731	2.34
100,000 – 499,999	77	1.72	14,010,906	3.75
500,000 – 999,999	6	0.13	4,318,201	1.16
1,000,000 and over	23	0.51	312,480,552	83.59
Total	4,489	100.00	373,821,658	100.00

Numbers may not sum due to rounding.

Distribution of Holders of IPL010 Listed Bonds as at 31 March 2024

Size of Holding	Number of Bondholders	Percentage of Bondholders	Issued Bonds (\$)	Percentage of Issued Bonds
0 – 4,999	0	0	0	0
5,000 - 9,999	40	8.68	232,000	0.23
10,000 - 49,999	322	69.85	6,161,000	6.16
50,000 - 99,999	54	11.71	3,056,000	3.06
100,000 - 499,999	28	6.07	4,466,000	4.47
500,000 - 999,999	5	1.08	3,611,000	3.61
1,000,000 Over	12	2.60	82,474,000	82.47
Total	461	100.00	100,000,000	100.00

Numbers may not sum due to rounding.

Distribution of Holders of IPL020 Listed Bonds as at 31 March 2024

Size of Holding	Number of Bondholders	Percentage of Bondholders	Issued Bonds (\$)	Percentage of Issued Bonds
0 – 4,999	0	0	0	0
5,000 - 9,999	37	12.05	253,000	0.20
10,000 - 49,999	197	64.17	4,084,000	3.27
50,000 - 99,999	33	10.75	2,061,000	1.65
100,000 - 499,999	20	6.51	4,082,000	3.27
500,000 - 999,999	8	2.61	5,421,000	4.34
1,000,000 Over	12	3.91	109,099,000	87.28
Total	307	100.00	125,000,000	100.00

Numbers may not sum due to rounding.

Distribution of Holders of IPL030 Listed Bonds as at 31 March 2024

Size of Holding	Number of Bondholders	Percentage of Bondholders	Issued Bonds (\$)	Percentage of Issued Bonds
0 – 4,999	0	0	0	0
5,000 - 9,999	57	14.07	314,000	0.25
10,000 - 49,999	273	67.41	5,110,000	4.09
50,000 - 99,999	32	7.90	1,898,000	1.52
100,000 - 499,999	24	5.93	4,447,000	3.56
500,000 - 999,999	3	0.74	1,515,000	1.21
1,000,000 Over	16	3.95	111,716,000	89.37
Total	405	100.00	125,000,000	100.00

Numbers may not sum due to rounding.

Donations

Neither Investore nor its subsidiary made any donations in the year ended 31 March 2024. Investore is a sponsor of the Graeme Dingle Foundation and during the year in review paid \$35,000 in sponsorship to the Graeme Dingle Foundation.

Credit Rating

As at the date of this Annual Report, Investore 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 Investore during FY24.

Auditor's Fees

As noted, PwC has continued to act as auditor for Investore and its subsidiary and the amount payable by Investore to PwC, for audit fees and non-audit work fees undertaken in respect of FY24, is set out in note 7.2 to the Financial Statements.

NZX Waivers

During FY24 Investore 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/IPL.

Investore has been granted a number of waivers from the Listing Rules in relation to its structure, including the right of SIML to appoint two Directors, which are outlined below.

Listing Rules 2.2 to 2.8

Listing Rules 2.2 to 2.8 stipulate certain requirements in relation to the appointment, removal and rotation of Directors. A waiver from Listing Rules 2.2 to 2.8 was granted to the extent that SIML, as the Manager of Investore, has exercised its right to appoint two Directors (the SIML-appointed Directors). This waiver is subject to a number of conditions, including that:

- the Chair of the Board must be independent and have a casting vote on any Board resolutions;
- the Management Agreement is in force;
- Investore is not permitted to count any votes cast by SPL (and its Associated Persons (as defined in the Listing Rules) (other than votes cast by a Director in respect of shares owned or held in their personal capacity)) on the election or removal of the Independent Directors;

- Investore will continue to be identified by a "Non-Standard Designation" (NS Designation);
- the NS Designation be disclosed as a part of Investore's offer documents and annual reports; and
- this waiver is disclosed as part of Investore's annual reports.

This waiver was requested and granted to ensure that SIML, while it is Manager of Investore, is able to have influence over the strategic direction of Investore by being able to appoint two (but not less than two) Directors and to remove any such Director and appoint another in their place.

Listing Rule 2.10.1

Listing Rule 2.10.1 limits the ability of Directors to vote on matters in which they are "interested" for the purposes of the Companies Act 1993. A waiver from Listing Rule 2.10.1 was granted to permit the SIML-appointed Directors to vote on matters in which they are "interested" solely due to their directorship of both Investore and SIML. This waiver is subject to the conditions that:


- the Chair of the Board must be independent and have a casting vote on any Board resolutions;
- any Directors appointed by SIML must be identified in Investore's offer documents and its annual reports;
- at any time that a new person is appointed to the Investore Board, that Director certifies to NZX Regulation that any Board resolution that they approve will, in their opinion, be in what the Director believes to be the best interests of Investore; and
- this waiver is disclosed as a part of Investore's annual reports.

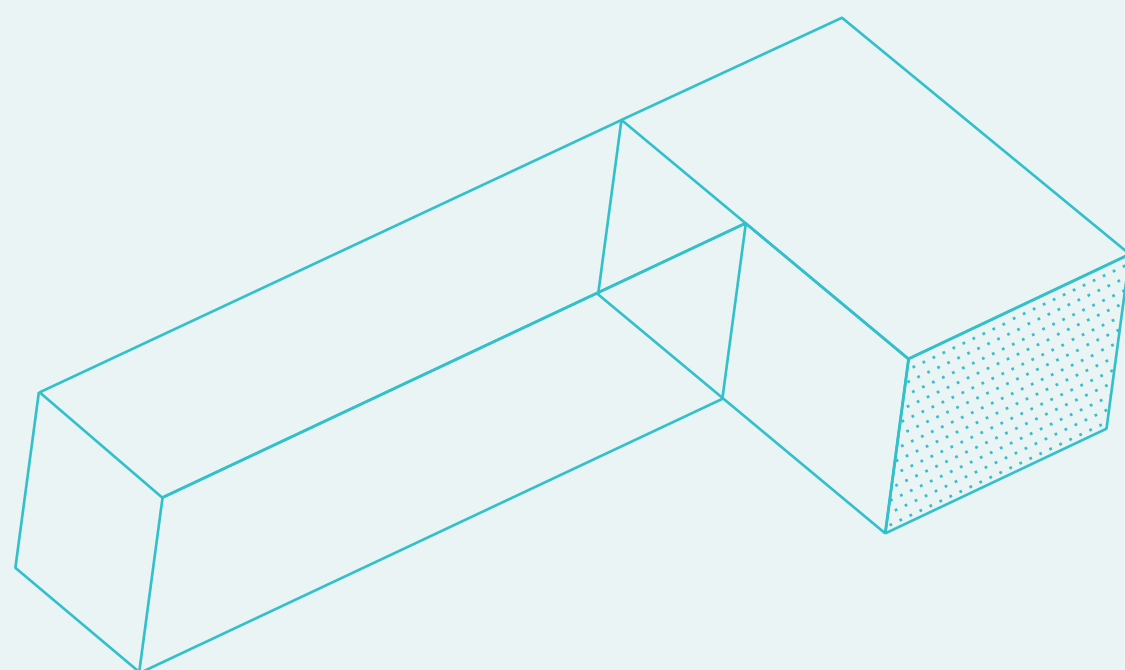
This waiver was requested, and granted, to ensure that SIML-appointed Directors were not restricted from voting on Investore Board resolutions solely due to being Directors of SIML.

Directors' Statement

This Annual Report is dated 17 May 2024 and is signed for and on behalf of the Board of Directors of Investore Property Limited by:


Mike Allen
 Independent Director
 and Chair of the Board


Gráinne Troute
 Independent Director
 and Chair of the Audit
 and Risk Committee



Glossary

Board or Investore Board	Board of Directors of Investore Property Limited
Contract Rental	Contract Rental is the amount of rent payable by each tenant, plus other amounts payable to Investore by that tenant under the terms of the relevant lease 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
CPI	Consumer Price Index
Director	A director of Investore
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 (including non-recurring adjustments for incentives payable to anchor tenants for lease extensions) and current tax. Further information, including the calculation of distributable profit and the adjustments to profit before income tax, is set out in note 3.2 to the Consolidated Financial Statements
FY	The financial year ended or ending 31 March of the relevant year
Investore or the Company	Investore Property Limited, together with its wholly owned subsidiary, Investore Property (Carr Road) Limited
Independent Director	Means a Director who is both 'Independent of the Manager' and an 'Independent Director' pursuant to the Listing Rules
Listing Rules	The main board listing rules of NZX
LVR	Loan to value ratio
NLA	Net Lettable Area
NZX	NZX Limited
NZX Code	NZX Corporate Governance Code 2023
SIML or the Manager	Stride Investment Management Limited, the Manager of Investore under a Management Agreement dated 10 June 2016 (as may be amended from time to time)
SPL	Stride Property Limited
Stride	Stride Property Group, comprising the stapled entities of SPL and SIML
WALT	Weighted Average Lease Term

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
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PO Box 6320, Victoria Street West
Auckland 1142, New Zealand

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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

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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





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