

Stride Property Group Annual Shareholder Meetings 2023

STRIDE

Boards of Directors



Tim Storey

Chair of Boards,
Independent



Ross Buckley

Chair of Audit and Risk
Committee, Independent



Jacqueline Cheyne

Chair of Sustainability
Committee, Independent



Nick Jacobson

Independent



Tracey Jones

Independent



Michelle Tierney

Independent

Management



Philip Littlewood
Chief Executive Officer



Jennifer Whooley
Chief Financial Officer



Louise Hill
Company Secretary and General
Manager Corporate Services

Agenda

Chair's Address

Chief Executive Officer's
Presentation

Consideration of FY23
Annual Report

Resolution for Stride
Property Limited

Resolutions for Stride Investment
Management Limited

General Business

Chair's Address

Capital management initiatives

Stride is progressing a series of proactive cost and capital management initiatives to protect shareholder value in the current volatile economic environment

Established
DRP

Refined
dividend
policy

Cost
management
initiatives

Unconditional
agreement to sell
22 The Terrace
May 2023

36%
committed¹ LVR²
as at 31 March 2023

1. SPL commitments include: the settlement of 110 Carlton Gore Road, Auckland (settled 31 May 2023); building upgrades at 34 Shortland Street, Auckland; various capital expenditure commitments contracted for (refer note 3.4 to the consolidated financial statements); and the estimated FY24 impact of other capital management initiatives announced at Stride's HY23 results in November 2022.
2. Calculated as bank debt as a percentage of investment property. Includes (1) SPL's office and retail properties, (2) debt associated with these properties, and (3) the 'as is' value of 110 Carlton Gore Road, Auckland, as at 31 March 2023 (in accordance with SPL's debt facility agreement) and excludes SPL's interest in the Industrie joint operation and associated bank debt which are reported as part of the assets and liabilities of SPL (see note 3.2 to the consolidated financial statements for further information).

Capital management

As at 31 March 2023

36%

committed¹
LVR

3.96%

weighted
average cost
of debt

~80%

committed¹
drawn debt
fixed

\$400m

green loan
facilities²



1. SPL commitments include: the settlement of 110 Carlton Gore Road, Auckland (settled 31 May 2023); building upgrades at 34 Shortland Street, Auckland; various capital expenditure commitments contracted for (refer note 3.4 to the consolidated financial statements); and the estimated FY24 impact of other capital management initiatives announced at Stride's HY23 results in November 2022.
2. Facilities are classified as green loans under a Green Finance Framework that has been developed to be consistent with the Asia Pacific Loan Market Association (APLMA) Green Loan Principles (2021).

Chief Executive Officer's Presentation

FY23 highlights

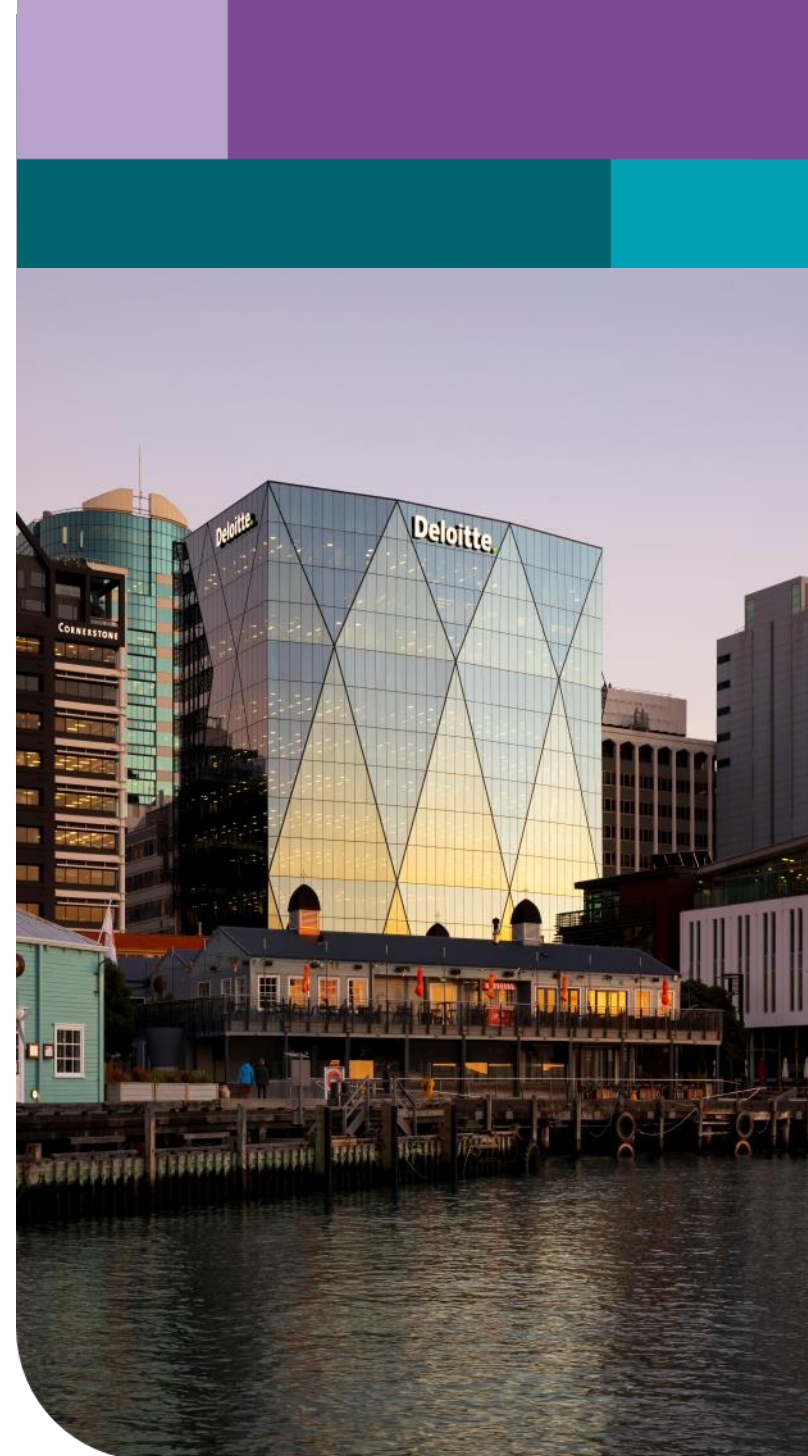
Profit before other expense/
and income tax **\$53.5m** ↑

Stride office and town centre
portfolio¹ market rental growth **+7.1%** ↑

Loss after income tax **\$(116.7)m** ↓

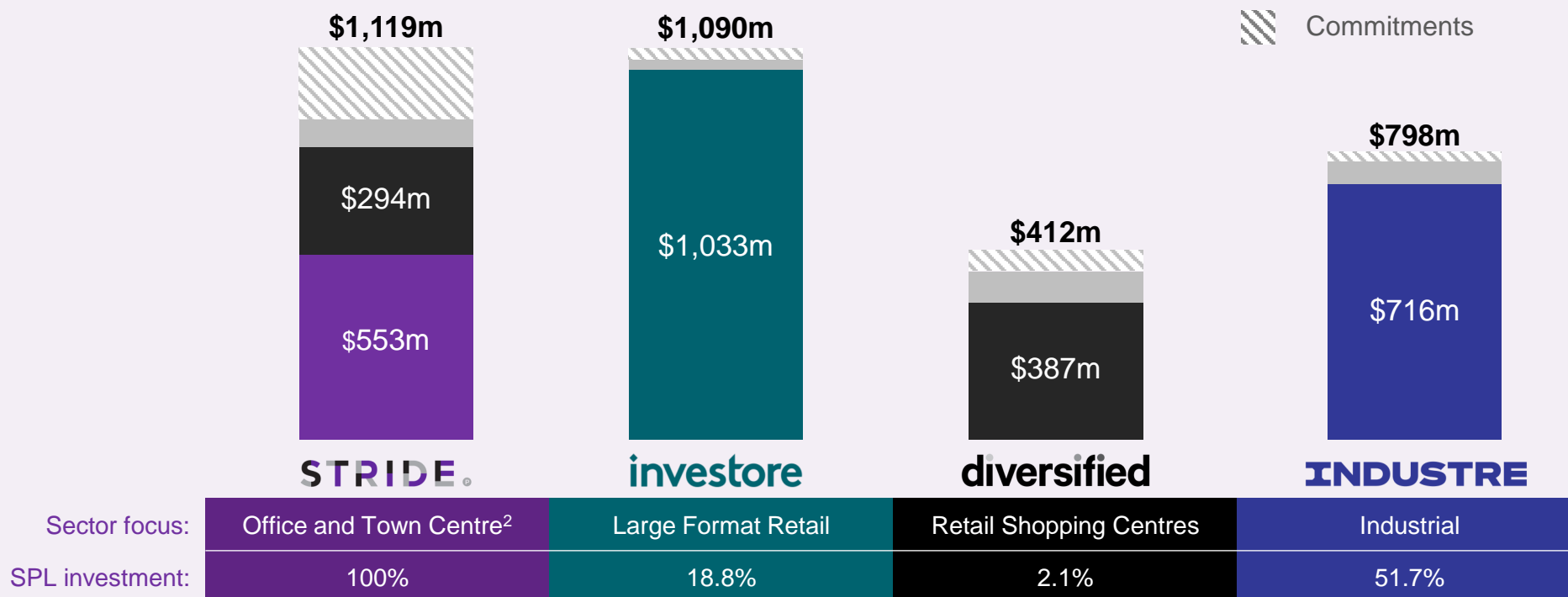
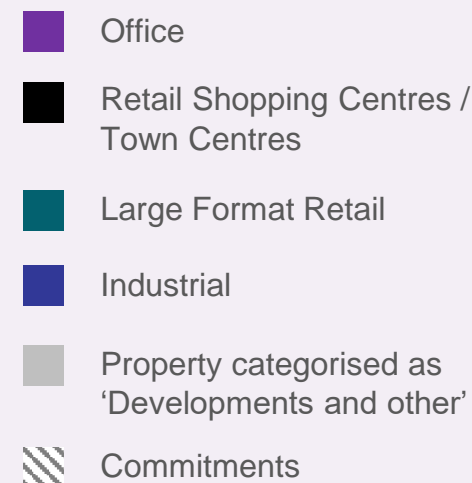
Distributable profit² after
current income tax **\$57.6m** ↑

1. Excludes properties categorised as “Development and Other” and “Assets classified as held for sale” in the consolidated financial statements.
2. 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, share of (loss)/profit in equity-accounted investments, dividends received from equity-accounted investments and current tax. Further information, including the calculation of distributable profit and the adjustments to (loss)/profit before income tax, is set out in note 4.2 to the consolidated financial statements.



Products

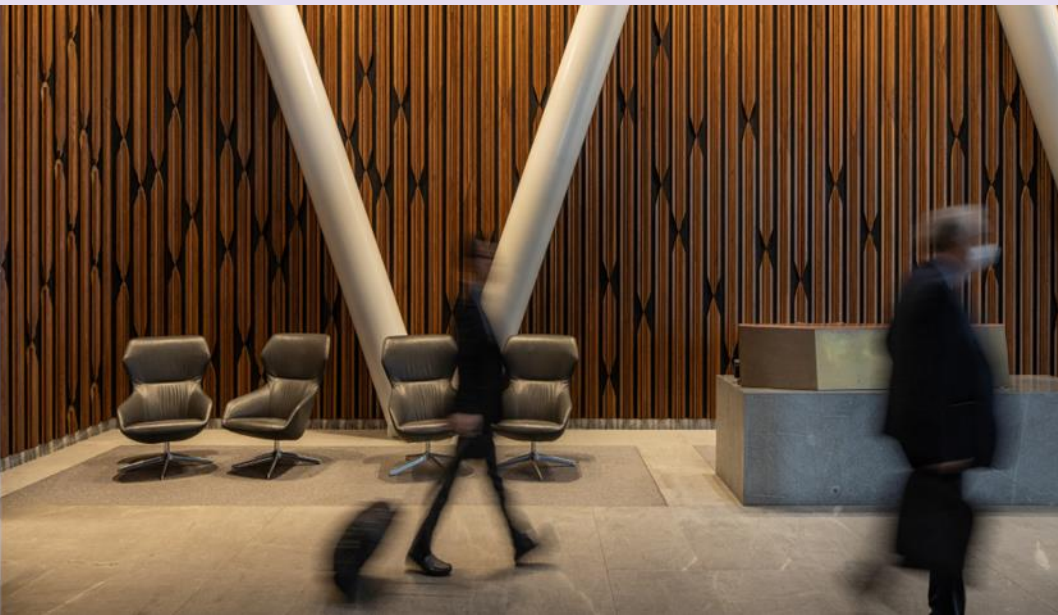
Stride is an active portfolio manager with \$3.4 billion of committed¹ Assets Under Management as at 31 March 2023, including \$2.3 billion of external Assets Under Management



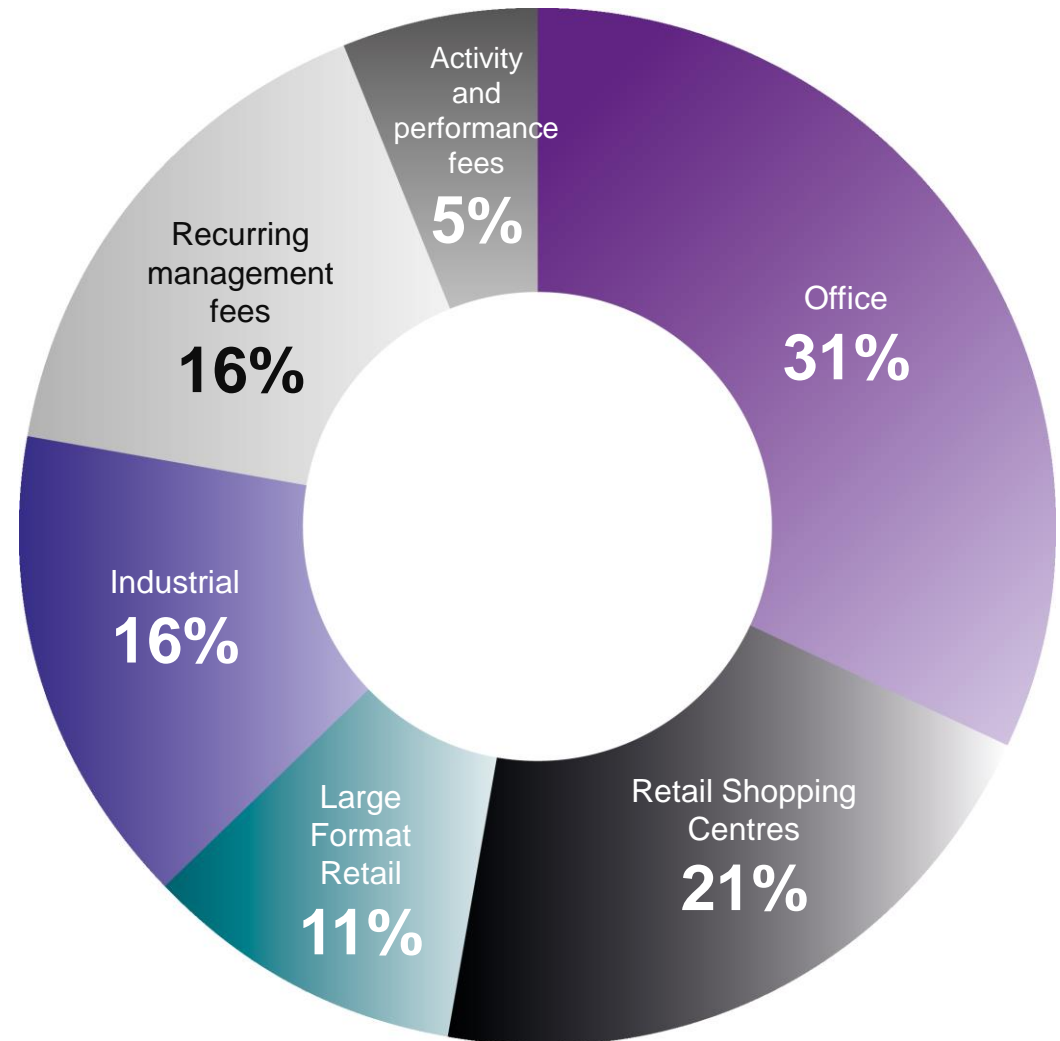
- Commitments include: (1) SPL: the settlement of 110 Carlton Gore Road, Auckland (settled 31 May 2023); building upgrades at 34 Shortland Street, Auckland; and various capital expenditure commitments contracted for (refer note 3.4 to the consolidated financial statements); (2) Investore: the development of the Countdown at Hakarau Road, Kaiapoi, and other capital expenditure commitments; (3) Diversified: the disposal of Remarkables Park Town Centre; and (4) Industrie: estimated costs of construction for two committed developments.
- Stride office and town centre property excludes SPL's interest in the Industrie portfolio which is reported as part of the assets of SPL in the consolidated financial statements (see note 3.2 to the consolidated financial statements for further information).

Diversified revenue sources

Stride combines a property ownership business (SPL) with a real estate investment management business (SIML)



FY23 look-through revenue sources¹



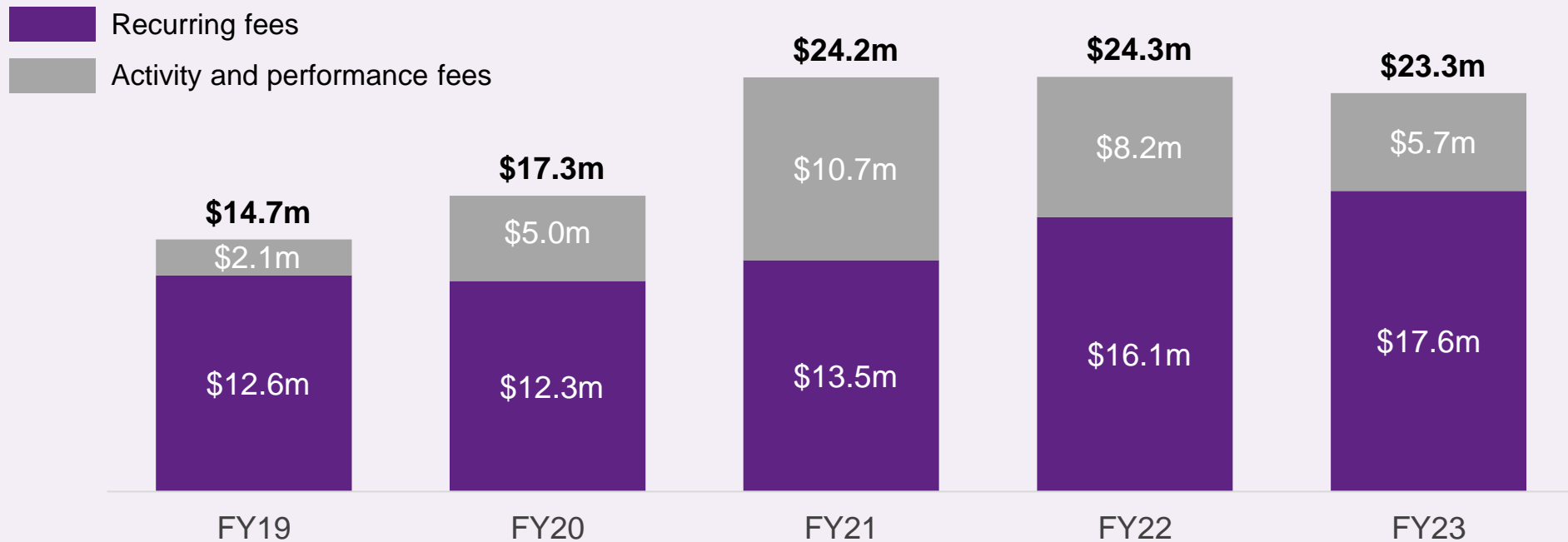
1. Stride's revenue comprises SIML management fees and SPL revenue. SPL revenue comprises income derived from SPL's directly held property plus revenue derived from its interests in the Stride Products which is calculated based on net Contract Rental on a proportionate look-through basis as at 31 March 2023. Management fees comprise FY23 management fees from Stride Products (i.e. excluding fees from SPL).

SIML management fee income

FY23 management fee¹ income:

- \$23.3m total management fees, down slightly from FY22
- \$17.6m recurring fees, representing 9.5% growth compared to FY22
- Lower activity fees due to lower performance fees and transaction activity

SIML management fee growth¹



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

1. Net of management fees received from SPL.

Active portfolio manager

STRIDE[®]

- 110 Carlton Gore Road office property acquired 31 May 2023
- Office portfolio transformed to focus on newer, high quality, sustainable properties
- Strong sales growth at Stride's shopping centre assets supported rental and leasing activity



diversified

- Strong sales activity across the portfolio with moving annual turnover up \$61m or 14.0% from FY19 (pre-Covid)
- Strong sales activity helping to drive rentals, with rent reviews¹ during FY23 resulting in 8.3% increase on previous rentals

1. 101 rent reviews were completed across 39% of the Diversified portfolio by area, excluding properties categorised as 'Development and Other' and 'Investment properties held for sale' in the financial statements.

Active portfolio manager (cont)



INDUSTRE

- 5 properties developed since JV commencement in 2020, including one development nearing completion
- 10 further properties have development potential, providing growth opportunities in a constrained market
- Strong demand for industrial property driving higher rents

investore

- \$28.1m of acquisitions completed in FY23, including development land at Kaiapoi with construction of a new Countdown commenced
- Proactive approach to capital management helping to insulate earnings from the full effects of higher interest rates



Sustainability

Stride has made significant advances in developing its sustainability and climate change strategy

Targets set

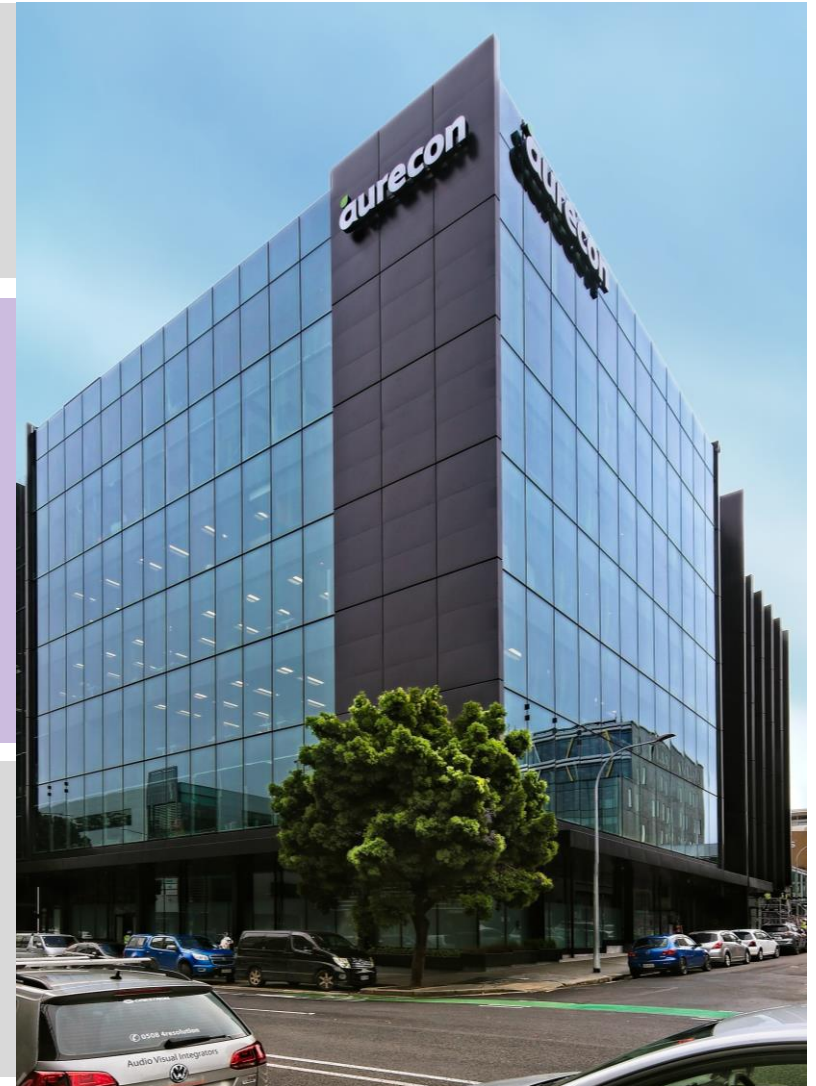
- Reduce scope 1 and 2 greenhouse gas emissions by 42% by 2030 from FY20 baseline year

Green ratings

- 74% of office properties¹ by value are rated 4 star NABERSNZ or 5 Green Star
- Green rating improvement plan underway for two office properties

People and community

- Continued support for community initiatives
- Employee Diversity, Equity and Inclusion committee established



1. On a pro forma basis as at 31 March 2023 as if the property at 110 Carlton Gore Road had settled as at that date. Excludes 55 Lady Elizabeth Lane, Wellington, and 22 The Terrace, Wellington.

Outlook

- With its resilient portfolio, prudent capital management and diversified business, Stride considers it is well positioned to weather the current economic conditions
- Stride will continue to support the growth and portfolio optimisation of its Products
- Stride will look to establish a new Stride Product when market conditions are conducive
- Dividend guidance of 8.00cps for FY24, subject to market conditions



Formal Business

Stride Property Limited Resolution

Resolution 1: Auditor's Remuneration

That the Directors be authorised to fix the remuneration of PwC as auditor of Stride Property Limited for the ensuing year

SPL proxy votes received

Resolution 1: Auditor's Remuneration			
Proxy Votes Lodged	For	Against	Discretionary
304,309,253	96.16%	0.18%	3.66%

Stride Investment Management Limited Resolutions

Resolution 1: Auditor's Remuneration

That the Directors be authorised to fix the remuneration of PwC as auditor of Stride Investment Management Limited for the ensuing year

Resolution 2: Election of Director Tracey Jones

That Tracey Jones be elected
as a Director of Stride
Investment Management
Limited



Resolution 3: Re-election of Director Michelle Tierney

That Michelle Tierney be
re-elected as a Director of
Stride Investment
Management Limited



Resolution 4: Directors' Remuneration

Table 1: Proposed Director Fee Increase

	Current aggregate ¹ director fees per annum	Proposed aggregate ¹ director fees per annum	Proposed Increase (\$)	Proposed Increase (%)
Chair	\$172,500	\$176,000	+\$3,500	+2.0%
Non-executive Directors (x5)	\$97,500	\$99,000	+\$1,500	+1.5%
Chair of the Audit and Risk Committee	\$13,500	\$15,000	+\$1,500	+11.1%
Chair of the Sustainability Committee	\$7,500	\$10,000	+\$2,500	+33.3%
Allowance for Additional Work and Attendance ²	\$144,500	\$144,500	-	-

1. Aggregate Fees are the combined annual Director fees for SPL and SIML.

2. The allowance for additional work and attendance is an aggregate sum available to the Boards to remunerate Directors for significant extra attendances and work. It is not an amount payable per Director. The allowance for additional work and attendances has not been allocated to Directors for the past five financial years.

Resolution 4: Directors' Remuneration

That, in accordance with NZX Listing Rule 2.11.1, the amount payable to any person who from time to time holds office as a Director of Stride Investment Management Limited be increased as set out in Table 1 contained in the Explanatory Notes to the Notice of Meeting dated 29 May 2023, with effect from 1 July 2023

SIML proxy votes received

Resolution 1: Auditor's Remuneration			
Proxy Votes Lodged	For	Against	Discretionary
304,448,943	96.15%	0.18%	3.66%
Resolution 2: Election of Director Tracey Jones			
Proxy Votes Lodged	For	Against	Discretionary
304,396,955	96.11%	0.11%	3.78%
Resolution 3: Re-election of Director Michelle Tierney			
Proxy Votes Lodged	For	Against	Discretionary
304,352,158	95.88%	0.51%	3.61%
Resolution 4: Directors' Remuneration			
Proxy Votes Lodged	For	Against	Discretionary
304,266,920	95.86%	0.54%	3.60%

General Business and Shareholder Questions

Thank you

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