



Annual Meetings 2025 Chairman and Chief Executive Address

Stride Property Group Annual Shareholder Meetings 2025

Good morning all.

My name is Tim Storey, and I am an Independent Director and Chair of Stride Property Limited (SPL) and Stride Investment Management Limited (SIML), the two companies that comprise Stride Property Group or Stride.

On behalf of the Directors of each Board and the Executive Team, it's my pleasure to welcome you to this year's annual meetings of shareholders.

Before we address the business of the meetings, I will cover some housekeeping and safety matters.

Bathrooms are located at the bottom of the stairs, directly outside the exit to your left. Accessible bathrooms are located in the gym in the northwest corner of the lobby. Please ask reception who will be able to assist you further.

In the event of an emergency, please exit via the nearest fire exit door, all of which are marked with the fire exit symbol. Once outside, the evacuation assembly area is located on Viaduct Harbour Avenue, near the sculpture overlooking the marina.

Finally, as a matter of courtesy please ensure your mobile phones are switched to silent.

Thank you.

Slide 2 – Boards of Directors

Joining me today are the other Independent Stride Directors:

- Ross Buckley, Chair of the Audit and Risk Committee;
- Michelle Tierney;
- Nick Jacobson;
- Tracey Jones; and
- our newest Director, David Green. David Green was appointed by the Board in June , and is standing for election today. David has more than 30 years' experience in the banking and finance sector across the Asia Pacific Region and is currently Chair of BT Funds Management

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(NZ) Limited, is a director of Westpac New Zealand Limited and EROAD Limited, and is well suited to be a director of Stride.

I am standing for re-election today and as part of the ongoing Board refresh, I intend to retire from the Boards as Chair and Director on or before the 2026 Annual Shareholder Meetings. This allows for a transition period, with Director David Green expected to be appointed as Chair upon my retirement.

Stride participates in the Institute of Directors Future Directors Programme and Craig Hopkins was appointed as a future director pursuant to that programme in April of this year. Craig observes the Stride Board processes as part of his development as a potential director of companies in the future.

You can view each of the Director's profiles in more detail and their other directorships on Stride's website or on pages 10 and 11 of Stride's 2025 Annual Report.

Slide 3 – Management

In addition to the Board, we also have Philip Littlewood, our Chief Executive Officer, and Jennifer Whooley, our Chief Financial Officer and Company Secretary present here today.

I would like to take this opportunity to thank all our people for their hard work and commitment to Stride. Our people are key to the success of our business.

Stride's audit partner from PwC, Sam Shuttleworth, is also present to answer any questions on the audit report. In addition, we have representatives here today from Stride's solicitors, Bell Gully, and Computershare, the share registrar for Stride Property Group.

Slide 4 – Agenda

I record that the Notice of Meeting was sent to Stride's shareholders on 30 July 2025. I am pleased to confirm that we have a quorum present for each of the meetings and accordingly, I declare the annual meetings open.

The order of events for today will be as follows:

- Phil Littlewood and I will each provide a brief overview of Stride's financial and business performance for the year in review.
- We will then invite questions and comments from shareholders in relation to the Annual Report and consolidated financial statements of Stride Property Group.
- Following this, we will move to consider the resolution for Stride Property Limited, followed by the resolutions for Stride Investment Management Limited.
- Finally, we will attend to any general business.

Slide 5 – Chair’s Address

While challenging macroeconomic conditions have continued during FY25, we are starting to see signs of recovery. Recent activity suggests the commercial property investment market is stabilising following cuts to the Official Cash Rate by the Reserve Bank of New Zealand, which has flowed through to decreases in interest rates. Although there is continuing uncertainty in global markets, Stride continues to be well positioned to navigate this uncertainty through Stride’s diversified investment and management platform which helps deliver resilience in varying market conditions.

I will now outline the financial highlights for FY25 in more detail and provide an overview of our capital management activities during the year, before Phil provides more information on particular aspects of our business.

Slide 6 – FY25 financial highlights

During FY25, Stride continued to deliver resilient financial performance through its diversified revenue sources, comprising its investment management business together with its direct and indirect commercial property investments.

Net rental income was \$69.1 million, down \$(3.3) million from FY24 largely due to the Industrie restructure which occurred during the period and created a timing difference for income recognition. Excluding this restructure, net rental income was in line with FY24.

Profit after income tax at \$21.7 million was up \$77.8 million from FY24 as a result of a lower net reduction in the fair value of investment properties, a positive share of profit in equity-accounted investments, offset by a higher income tax expense due to the loss of tax depreciation on commercial buildings.

Distributable profit after current income tax for FY25 was \$48.3 million, down \$(10.8) million from FY24, attributable to the reasons previously highlighted, alongside some one-off items in FY24 that were not repeated in FY25, such as a one-off rental surrender payment. The distributable profit per share of 8.64 cents per share was down (2.12) cents per share from FY24.

The reduced portfolio value contributed to a reduction in net tangible assets, which was down 6 cents from 31 March 2024 to \$1.72 per share as at 31 March 2025.

Consistent with guidance, Stride paid a combined cash dividend of 8.0 cents per share for FY25, representing a combined payout ratio of 93% of Stride’s distributable profit.

Slide 7 – Capital management

Turning now to capital management. Stride continues to take a prudent and proactive approach to capital management, and this has remained a core focus for the Board and Management in light of continued challenging macroeconomic conditions.

Stride entered into \$125 million of new interest rate swaps during the period and as at 31 March 2025 had \$280 million of active interest rate swaps, representing 72% of drawn debt. Stride will seek to enter into further hedging when it sees relative value in order to manage the impact of interest rate variability on future earnings.

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Stride Property's bank loan to value ratio, or LVR, was 38.7% as at 31 March 2025. Although this is an increase from 36.7% as at 31 March 2024, the Boards are comfortable with the LVR given the quality of the portfolio and the current low point in the economic cycle with valuations stabilising. This LVR is based on Stride Property's direct property holdings only, and does not reflect the value of the ownership interests in each of the Stride Products.

When the value of these ownership interests are taken into account, Stride's balance sheet LVR is 29.0%. Given that Stride has access to sources of capital on its balance sheet beyond its directly held portfolio, including its ownership interests in Investore, Industrie and Diversified, this is a key point of difference compared with our peers and provides Stride diversification of capital sources and opportunities in varying market conditions.

As at 31 March 2025, Stride Property's weighted average cost of debt was 4.9%, which was 70 basis points higher than the weighted average cost of debt as at 31 March 2024, due to a number of favourable swaps entered into during the period impacted by COVID-19 having matured. Post balance date Stride Property refinanced its debt facilities which has resulted in the weighted average cost of debt reducing to 4.5% and the weighted average tenor remaining on the debt facilities increasing to 5.0 years on a proforma basis as at 31 March 2025.

Despite the challenging economic conditions of the past few years, Management has remained focused on evaluating a range of opportunities to grow Stride's business for the benefit of our shareholders. These include repositioning Stride's office portfolio, delivering new industrial developments for Industrie, and advancing Investore's strategy of targeted growth through asset recycling.

Our CEO Phil, will now provide further detail on our investment management business and our portfolio.

Slide 8 – Chief Executive Officer's Address

Thanks very much Tim, and good morning everyone.

Slide 9 – Products

As shareholders will be aware, SIML manages a group of funds that invest in commercial property, which we call the Stride Products. The Stride Products comprise both listed and unlisted wholesale funds, providing diversification of capital sources and investments.

As at 31 March 2025, Stride had \$3.2 billion of assets under management. This includes \$2.2 billion of external assets under management, comprising Investore's portfolio at \$1 billion, Industrie's portfolio at ~\$800 million and Diversified's portfolio at ~\$400 million, while Stride's direct portfolio was valued at \$1.0 billion as at 31 March 2025.

Slide 10 – Diversified portfolio and revenue sources

Stride has exposure to a number of income streams across a range of property asset classes. Together with its investment management business, Stride has diversified revenue sources which provide a level of resilience across varying market conditions. On a look through basis, 35% of Stride's income comes from office property, 20% from retail centres, 11% from large format retail, 16% from industrial property and 18% of Stride's income comes from management fees.

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This diversified portfolio benefits shareholders from exposure to a range of asset classes which, over the long term, provides a resilient and attractive growth profile. In addition, these portfolios are all now approaching a level of size and maturity which will provide a solid platform for future growth. From SIML's perspective, these different portfolios individually provide the opportunity for growth in our investment management business, which provides the opportunity for outperformance for Stride's shareholders, relative to pure investment property only.

Slide 11 – SIML management fee income

Turning to SIML's management fee income, we are pleased to report that for FY25 this has increased to \$20.4 million, up \$0.6 million from FY24.

SIML's management business is profitable on recurring fees alone, which are largely based on valuations. With valuations stabilising, this is expected to support recurring fees into FY26.

We also expect development and transactional activity to improve over the next 24 months, with the 20% upfront tax deduction for new capital expenditure from the investment boost, which will support development feasibilities.

Finally, as our shareholders will be aware, Diversified is not a perpetual Product and may be subject to review during FY27. Around 30% of SIML's net external management fee revenue in FY25 was derived from Diversified. Stride estimates that if Diversified is wound up and its assets are sold, Stride's distributable profit would be reduced by around 5-6% on a normalised basis. We do not expect to have any further updates on Diversified until after the FY26 results.

Slide 12 – Investore and Diversified

As we have mentioned, SIML manages a number of listed and unlisted commercial property funds, which we call the Stride Products. I will speak to each of these portfolios in turn, starting with Investore and Diversified.

Investore is a listed entity which owns a portfolio of large format retail properties with a value of \$1.0 billion as at 31 March 2025. Investore's large format retail portfolio continued to deliver resilient operating earnings during FY25, with rent reviews delivering a 4.2% increase on prior rentals.

SIML, on behalf of Investore, has continued to implement Investore's core strategic pillars of targeted growth, portfolio optimisation and active capital management during FY25 to strengthen and enhance the Investore portfolio. Examples of this include the divestment of four supermarket properties for a total sales price of \$104 million, with the proceeds from the divestment of these properties being recycled to support the acquisition of Bunnings Westgate for \$51 million and Bunnings New Lynn for \$43 million.

For Diversified, SIML continues to actively manage its shopping centre portfolio, with rent reviews generating an uplift of 3.5% on prior rentals. Specialty gross occupancy costs, the key measure for affordability of rentals, remained steady at around 13%, despite specialty moving annual turnover decreasing (3.7)% to \$224 million compared to FY24, itself a reflection of a soft consumer economy.

As at 31 March 2025, the total portfolio valuation was at \$407 million.

Slide 13 – Industrie

Turning now to Industrie, our industrial property joint venture, in which Stride owns around 49% or \$389 million of the \$784 million portfolio. We continue to see attractive growth opportunities in both the industrial sector, and with our investment partner. For the current portfolio, Industrie saw strong growth in rentals, with new lettings and renewals generating an increase of 20.3% on prior rentals on a like-for-like basis and rent reviews delivered a 3.9% on prior rentals.

Industrie continues its strategic focus on new developments and acquisitions. During FY25, Industrie acquired 7.9 hectares of land in Hamilton, which it leased back to the vendor for a five-year term. The property is intended to provide a future development opportunity for Industrie.

The development of a 5 Green Star industrial facility at Favona Road is progressing well. Construction commenced during FY25 and is expected to complete in the first half of 2026. This project includes two multi-unit warehouse buildings for up to three tenancies and has an expected total cost of \$30 million (excluding land), with an expected yield on cost in excess of 6%.

SIML is also managing the development of a new industrial property at Wickham Street in Hamilton which involves constructing a facility for paint manufacturer Wattyl, who will take a 15-year lease upon completion of the development. The development is expected to complete in late 2025, at an expected incremental cost of approximately \$28 million and an expected yield on cost of 6%.

Slide 14 – Stride office and town centre portfolio

Now to Stride's directly held portfolio, which comprises office and town centre properties with a total value of \$1.0 billion as at 31 March 2025.

Turning first to the office portfolio, the repositioning upgrades at 34 Shortland Street are materially complete, and we are starting to see resulting benefits of this investment, with the average net effective market rentals increasing by 9% over the period from the acquisition of this property in September 2020 to 31 March 2025. Stride has continued to transform its office portfolio to meet market demand for high quality, sustainable buildings and has commenced refurbishing 215 Lambton Quay, including a lobby upgrade and new end of trip facilities.

During FY25, 50 rent reviews and renewals were completed across 51,000 square metres of the office portfolio, providing a 3.2% increase on prior rentals.

Stride's town centre portfolio also delivered solid rental performance, with 125 rent reviews and renewals completed across the portfolio during FY25 delivering a 5.7% increase on prior rentals. While the cost of living and weaker consumer sentiment has impacted sales at the Stride town centres, with FY25 total moving annual turnover (MAT) being down (1.8)% from FY24, MAT has increased at Stride's town centres by 3.2% per annum since FY19, demonstrating the benefits of the centres being located in fast growing regions of Auckland.

Slide 15 – Progress against targets

Sustainability remains a key focus for Stride, and during FY25 we continued to make progress on our sustainability targets.

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We are happy to see Stride's scope 1 and 2 greenhouse gas emissions were down 12.3% from the FY20 baseline year, and we will continue with our carbon reduction plan to remove gas from our properties over the coming years, which will materially contribute to lower emissions.

For our development activities, we target 90% diversion of waste from landfill, and we are pleased to report our two industrial developments are both on track to achieve this 90% target. In addition, both of these developments are targeting a 5 star Green Star Design & As Built rating in line with Stride's sustainability strategy.

We are also continuing to progress our transition plan, which outlines how we will respond to a changing climate. We are focusing on upgrades to existing buildings, incorporating sustainability and resilience initiatives into assets developed by Stride, targeting green star ratings in new acquisitions, and reducing SIML and employee emissions.

You can view our FY25 Sustainability Report and Climate-Related Disclosures, which is available on Stride's website, for more information about our sustainability targets, the work we are undertaking to progress these targets, and further detail on our transition plan.

I will now hand back to Tim to provide commentary on the outlook for Stride for FY26 before we move to the formal business of the meetings.

Slide 16 – Outlook

Thank you Phil. Turning now to what shareholders can expect for FY26.

Slide 17 – Outlook

In our view, macroeconomic conditions remain challenging, but we expect that lower interest rates will support increased market opportunities, especially for Stride's Products and investment management business.

There will be a continued focus on Industrie's development pipeline and Stride's remaining asset repositioning initiatives, with further potential asset recycling to fund investment opportunities.

Stride will continue to focus on growing its core portfolios and its management business, and will take opportunities to secure sites with future development potential where this supports growth in Stride's core portfolios and the development of one or more future Stride Products when economic conditions are conducive.

Finally, I'm pleased to confirm the Boards intend to pay a combined cash dividend for SPL and SIML during FY26 of 8.0 cents per share, consistent with FY25 and in line with our distribution policy, subject to market conditions.

Now to the formal business of the meetings.

End

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A Stapled Security of the Stride Property Group comprises one ordinary share in Stride Property Limited and one ordinary share in Stride Investment Management Limited. Under the terms of the constitution of each company, the shares in each can only be transferred if accompanied by a transfer of the same number of shares in the other.

Stapled Securities are quoted on the NZX Main Board under the ticker code SPG. Further information is available at www.strideproperty.co.nz or at www.nzx.com/companies/SPG.