

Slide 1 – Annual Shareholder Meeting 2019

Good morning ladies and gentlemen, thank you for being here today at the 2019 Annual Shareholder Meeting for Investore Property Limited (**Investore**).

My name is Mike Allen and I am an independent Director and the Chair of Investore.

On behalf of the Board of Directors, it is my great pleasure to welcome you here and I thank you for your participation at this meeting.

Before we proceed any further, I would like to address your safety in the event of an emergency, and other housekeeping matters.

The closest fire exit is just out these doors to my right, and then please turn right again and use the external doors in front of you at the end of the corridor to exit the building and the assembly point is on Princes Street. Please follow the instructions of staff.

The bathrooms are located through the doors here and turn left, and continue down the corridor to the end. In case of a medical emergency or if we can be of any assistance, please approach one of our team in the room today, who you will be able to identify, as they are wearing name badges.

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

Thank you.

Slide 2 – Your Board of Directors

Now, I would like to introduce you to your Board and the representatives of Stride Investment Management Limited or SIML, as we call the Manager, who are also seated beside me today:

- Gráinne Troute: an independent Director elected by shareholders in June 2018, bringing over 30 years of executive and director experience in both listed and unlisted organisations, derived from highly competitive customer-focussed sectors.
- Tim Storey: a SIML appointed Director of Investore and chairman of Stride Property Group. Tim has significant business experience across a range of sectors and has practised as a lawyer in Australia and New Zealand.
- John Harvey: also a Director of the Stride Property Group entities and a SIML appointed Director of Investore. John practised as a chartered accountant and was a partner in PricewaterhouseCoopers, where he held a number of management and governance responsibilities.

Each of your Directors hold a number governance roles in a number of entities, from domestic to international, listed and non-listed, across a diverse range of industries.

You can view each of the Directors' profiles in more detail and their other directorships on Investore's website or on pages 12 and 13 of the FY19 Annual Report.

I would also like to acknowledge at this point independent Director Kate Healy who stood down as a Director of Investore on 22 May 2019. Kate was a founding Director of Investore when we listed on 12 July 2016 and ably chaired the Audit and Risk Committee during her three-year tenure.

The company, myself as Chair and Kate's fellow Directors have benefitted from her specialist expertise and appreciate her contribution, and we wish her all the best in her new home in Melbourne.

The Board has commenced a process to identify a new independent Director for the Board, noting that the independent majority representation on the Board is an important governance feature of Investore. We have also noted feedback from the New Zealand Shareholders Association (NZSA), regarding the suggested skills a new Director could bring to Investore.

Slide 3 – The Manager

Alongside the Directors, we are also joined today by representatives of the Manager:

- Philip Littlewood, Chief Executive Officer;
- Jennifer Whooley, Chief Financial Officer;
- Fabio Pagano, the recently appointed Investore Fund Manager; and
- Louise Hill, General Manager Corporate Services and Company Secretary of Investore.

Other members of the SIML management team are seated around the room and the team look forward to speaking with you during refreshments, following this morning's formalities.

Finally, a little bit about myself; I was appointed Chair of Investore in 2016. I have experience in investment banking and general management in both New Zealand and the United Kingdom, and currently hold directorships across a range of sectors.

I am standing for re-election today and look forward to your support. I believe I contribute to the Board and Investore, by bringing a good balance of skills; on the one hand - a growth focus supported by my professional background, and then on the other, a keen awareness of risk management, which serves Investore well. I believe these skills will be important as Investore targets and executes its growth strategy. I also think continuity of the Board will serve us well as we continue to grow.

I would also like to welcome today:

- Sam Shuttleworth, Investore's audit partner from PricewaterhouseCoopers;
- Chris Goddard, from Bell Gully, the company's solicitor; and
- Representatives of Computershare, the share registrar for Investore.

Slide 4 - Agenda

Moving to the formalities of the meeting, I record that the Notice of the Meeting was dispatched to shareholders and the auditors on 30 May 2019.

I am pleased to confirm that we have a quorum present and therefore declare the Annual Shareholder Meeting open.

The order of events for this morning will be as follows:

1. Myself and representatives of the Manager will provide an overview of the financial and business performance and operations of Investore for the year ended 31 March 2019 (FY19).
2. Following those addresses, questions and comments from shareholders will be taken in relation to the presentation. There will also be a further opportunity for questions on each of the resolutions and a final opportunity at the end of the meeting for any other general questions.
 - Related to this, I note recent comments from the Financial Markets Authority (FMA)¹, in response to its findings following a recent survey to better understand public and industry perceptions of audit quality, and the suggestion made, that perhaps auditors need to have more of a presence at shareholder meetings. As noted, Investore's audit partner Sam Shuttleworth is available here today to take any questions from shareholders on the PricewaterhouseCoopers audit report or the audit process.
3. We will then move to the formal business of the Annual Shareholder Meeting, to consider the four resolutions proposed in the Notice of Meeting.
 - As you will have noted in the resolutions, we are seeking your support for an increase to Directors' remuneration in Resolution 3. As outlined in our Notice of Meeting, it is the first remuneration increase since Investore listed in July 2016. We have benchmarked fees, which I will touch on later, and consulted with investor groups and look forward to your consideration of this resolution.
 - Resolution 4, which is a special resolution, relates to the adoption of a new constitution, with mechanical changes proposed to align the constitution to the new NZX Listing Rules.
4. Finally, we will then attend to any general business. After the meeting concludes, I invite you to please join us for light refreshments.

¹ 20 May 2019 speech by Rob Everett, speaking to the Audit Forum New Zealand, <https://www.fma.govt.nz/news-and-resources/speeches-and-presentations/fma-audit-forum-speech/>

Slide 5 - Chair's Address – Mike Allen

I am proud to be able to share with you today an overview of our financial performance and activities for FY19, in which we have produced a very pleasing financial result and positioned Investore for future growth.

As you would have seen from our FY19 results, we have continued to deliver stable and enduring returns to you, our shareholders, through the continued development and support of our four key strategic principles, which I will discuss in more detail shortly.

Slide 6 – A Unique & Resilient Portfolio

As you know, and we repeat this annually as it's key to our success - Investore's strategy is to invest in quality, large format retail properties throughout New Zealand, and actively manage shareholders' capital, to maximise distributions and total returns over the medium to long term.

Investore is the only NZX listed company with a focus on the large format retail property asset class.

Our tenants predominantly concentrate on non-discretionary retail.

78% of our portfolio by Contract Rental² is comprised of supermarkets - and as a result, Investore is well positioned to optimise returns, as our tenants' operations provide a stable, secure income stream for Investore and therefore you, our investors.

By targeting assets where the tenant is focussed on non-discretionary retail and convenience – such as groceries and hardware, with the likes of the Mitre 10 and Bunnings stores - Investore's portfolio of assets are not only unique, but the income generated from holding this asset class is more resilient through market cycles and changes in consumer behaviours when compared to a discretionary retail sector.

Fabio will speak about this in more detail a little later.

² 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 31 March 2019, annualised for the 12-month period on the basis of the occupancy level for the relevant property as at 31 March 2019, and assuming no default by the tenant.

Slide 7 – Four Strategic Principles

Underpinning the continued delivery and support of our strategy, are four key strategic principles:

- Active portfolio management – We focus on owning properties with long lease terms and high occupancy, with nationally recognised quality tenants, and we maintain strong and enduring relationships with our tenants to support our portfolio.
- Targeted growth - We will consider acquisitions and developments which deliver growth, while continuing to enhance geographical and/or tenant portfolio diversification, and where appropriate, we may consider disposals to maintain balance sheet capacity and optionality.
- Continued optimisation of the portfolio – This is a key strategy, as we develop existing properties to meet the needs of tenants and the surrounding catchment, which may include acquiring sites adjacent to existing assets, to provide development options for the future.
- Proactive capital management – This has been a significant feature of our activity for FY19, the purpose being to maintain a healthy and flexible balance sheet for growth, while preserving sustainable returns to our investors.

These four strategic principles guide the day-to-day management of Investore, leveraging the company's strength to deliver more value to investors, and this has been evident in our financial and non-financial performance for the year.

We will report on each of these principles, as we move through our presentation.

Slide 8 – FY19 Financial Highlights

Firstly though, a high-level overview of the FY19 results:

- Pleasingly, net rental income at \$47.4 million was \$3.3 million higher than the previous period, due to the flow on effect from holding the three Bunnings-operated properties purchased in February 2018 for a full 12 months and the divestment of two supermarket properties in FY18. Additional rental income has been received following the completion of the development at Mitre 10 Mega, Botany in Auckland in the last quarter of FY19.
- This resulted in an improved operating performance, with profit before other income and tax of \$27 million, up \$0.2 million on FY18³.
- While profit after income tax of \$38.6 million was down \$7.6 million on the previous year, this was due largely to a lower revaluation movement as compared to FY18.
- Sticking with valuations, as at 31 March 2019 Investore's portfolio was valued at \$761.2 million, representing a net valuation gain of \$17.2 million or 2.3% from valuations as at 31 March 2018.

³ Financial year ending 31 March 2018 (FY18).

- Total equity was also up \$14.2 million on FY18, adding 6 cents per share to Investore's NTA⁴, a reflection of the quality and underlying value of Investore's portfolio of assets.

Slide 9 – Creating Shareholder Value

This leads into dividends and total shareholder returns.

Investore continues its commitment to deliver stable and enduring returns to investors.

A notable financial highlight for FY19 was our announcement in December 2018, increasing dividend guidance by 0.14 cents per share to 7.60 cents per share for FY19, up 1.9% on initial forecast FY19 dividend guidance.

We are extremely pleased that we are able to deliver Total Shareholder Return of 20.4%⁵ during FY19, through increased forecast dividend and share price uplift.

If you were here last year at our second shareholder meeting, a shareholder asked me to comment on the fact that the share price was trading at a discount to NTA and what proactive steps the Board would take to increase awareness regarding value. My response was a comment that acknowledged the positive engagement Investore had following the retail bond roadshow in March 2018 and noted that the Board would focus on doing the basics well for FY19, including supporting delivery against our four strategic principles, particularly principle three - portfolio optimisation, and principle four - capital management, noting that there may be a share buyback programme on the horizon. I noted at the time that all of these initiatives were intended to address NTA over time.

While we acknowledge that Investore's share performance is consistent with a general trending up of the NZX for the period, contributing to share performance was the increase in forecast dividend for FY19 and positive market sentiment to the share buyback programme, which began when we signalled the buyback in November 2017.

As touched on previously, there has been a further lift in Net Tangible Assets (NTA) of 3.7%, from \$1.64 as at 31 March 2018 to \$1.70 as at 31 March 2019, which contributed to a 15.6% increase in NTA since Investore's NZX listing in July 2016.

As at the close of trading yesterday, Investore's share price was \$1.86 when the market closed, trading 16 cents above 31 March 2019 NTA of \$1.70.

⁴ Net Tangible Asset (NTA).

⁵ Total Shareholder Return calculated as: (Closing price on the last traded day of the year to 31 March 2019 + Dividends paid during the year to 31 March 2019 – Closing price on the last traded day of the year to 31 March 2018) / Closing price on the last traded day of the year prior to 31 March 2018.

Slide 10 – Proactive Capital Management

As noted already this morning, Investore has undertaken a number of proactive capital management initiatives for FY19, which extended the tenor and diversified our funding arrangements, which will assist us in securing future strategic acquisition and development opportunities, as and when they may present.

The key highlights are set out in the slide above:

- Early in FY19 Investore issued \$100 million of fixed rate bonds with a 6-year term expiring 18th of April 2024, paying an interest rate of 4.4%, with the proceeds used to repay \$100 million of Investore's bank borrowing. I note for completeness, that a second bond is a consideration for the Board, if market conditions support this.
- Investore refinanced \$70 million of its \$270 million of banking facilities during the year. As a result, there is no debt maturing until FY21, with an increase in average tenor of debt facilities to 3.1 years as at 31 March 2019 - compared with 2.2 years at 31 March 2018.
- Investore acquired 1.7 million shares during its share buyback programme, which was undertaken over 25 active buying days, at an average cost of \$1.53 per share. Your Board felt that acquiring shares at a discount to NTA, was an appropriate use of shareholder funds, in the absence of a new acquisition or development being available. As previously announced, the share buyback programme has now been concluded.

Slide 11 – Relationship with the Manager

I will hand over to Philip Littlewood and Fabio Pagano shortly for a more detailed operational review, but before I do, it's a good time to make a few comments about the Manager.

As you are all aware, the Investore model is to outsource the management of our assets and day to day operations to SIML and its experienced management team, who provide a full range of real estate investment management services. To deliver value for our tenants and investors, the Board draws on the expertise of our Manager and this has been instrumental in the successful execution of a number of the key initiatives that were highlights for FY19.

In respect of management fees, \$5.6 million of fees were incurred to SIML during FY19, which was \$0.8 million higher than FY18, and equates to 0.74% of the value of assets under management at year end.

The \$5.6 million included an inaugural performance fee of \$493,000 payable to SIML for the period 1 January 2019 to 31 March 2019.

Resourcing has been a key focus for the Manager, particularly since the appointment of Phil as Chief Executive two years ago. The SIML Executive team is now complete following two new appointments during FY19 - the appointment of a new GM Investment and, importantly for us, the appointment of a dedicated fund manager, Fabio Pagano.

Also of note during FY19, and aligned with the two-year anniversary of Investore's listing, the Board undertook a review of the Manager and its performance in accordance with the terms of the Management Agreement. This included a review of the management fee structure to ensure it remains fair and broadly consistent with comparable listed property entities.

This was a valuable process and the Board continues to feel well supported by SIML.

With that, I will now hand over to Philip Littlewood, Chief Executive of SIML, with the support of Fabio Pagano, Investore Fund Manager, to take you through last year's activities in more detail on behalf of the Manager.

Slide 12 – Manager's Address – Philip Littlewood

Thank you, Mike, and good morning ladies and gentlemen, it is a pleasure to be here. SIML is proud to be the Manager of Investore and we are especially pleased with Investore's financial results for FY19.

Mike has already discussed Investore's FY19 financial performance, and I will now review some of the operational highlights for the past year.

Slide 13 – Active Portfolio Management & Optimisation

Underlying Investore's FY19 performance has been an emphasis on active portfolio management and continued optimisation of the portfolio – the first and third strategic principles from the earlier slide, and this was supported through the following activities:

1. Managing the portfolio to increase value and income growth prospects:
 - For example, the successful and early renewal of a new 10-year lease at Countdown Rotorua, and the newly secured 5-year lease renewal of the Countdown at Anglesea Street, Hamilton. This lease activity resulted in a \$2 million (or 9%) combined net valuation uplift for these properties.
 - Another example was the three refurbishments of Countdown properties undertaken during the year, taking this to 10 refurbishments in 24 months. Our observations indicate that the sales performance of the refurbished assets generally outperform the balance of the portfolio, which in turn creates additional value for Investore's shareholders.
2. The second activity focus was on seeking future quality development and investment opportunities, aligned with a strategy of considered and disciplined investment:
 - One example of this activity was the completion of the development project at Mitre 10 Mega, Botany, Auckland and associated new 12-year lease, with Investore receiving a rental return on its investment over the duration of the lease.

3. The third activity focus was on partnering with Investore's tenants, to maintain strong and enduring relationships:
 - We want Investore to be front of mind when our existing tenant partners consider a new development or project. We take the time to understand our tenants' short- and long-term requirements. Actively partnering with tenants is positive from an overall relationship perspective and is valued by tenants and often sees our tenants prioritising an investment at an Investore site. We have seen this in particular with the refurbishment programme with the Countdown stores.

Slide 14 – Targeted Growth

Investore's strategic principle two addresses targeted growth, which is a focus on considered acquisitions and developments, and where appropriate, Investore may consider recycling assets to maintain balance sheet capacity and optionality.

In November 2017, Investore commenced a divestment programme of up to three properties, the driver of which was a portfolio optimisation strategy of selective transactions to deliver diversification within the portfolio and provide a platform for growth. These divestments were associated with the acquisition of the three Bunnings operated properties, which were settled in February 2018.

The Countdown property in Hornby, Christchurch, and a Fresh Choice in Queenstown were sold and settled in March 2018. During FY19, we secured the sale of the Countdown-operated property at Dunedin South, for \$19.3 million, which settled on the 1st of April this year. This sale achieved a 5.6% premium to the property's book value, and, being the third sale, completed the divestment programme.

In aggregate these three transactions resulted in average sales prices achieved of a 9.1% premium to book values (equating to \$4.3 million in aggregate), providing further evidence of strong investor demand for Investore's portfolio of assets.

As part of our targeted growth strategy SIML has, during the year in review, restructured our internal resource to set up a dedicated Investore team, which will focus on the Investore portfolio. As Mike mentioned earlier, key to this was the appointment of Fabio Pagano to a senior management position within the SIML executive, as Investore's Fund Manager. This team, who are here today, will also leverage off the skill set across SIML's executive group - investment, management, development, fund, finance and corporate teams. The new Investore team has been created as Investore positions itself for the next phase of its strategy.

The work we have done over the past three years and in particular the initiatives in the past 12 months, have laid strong foundations for us to evolve to the next level. We are targeting further growth for Investore over the next year. That said, as Manager, we will always have regard to prudent and sound investment as we seek out quality opportunities. We are continuing to actively identify future quality development and investment prospects through our opportunities pipeline, which fit the strategic investment profile and mandate of Investore, with the goal to always preserve and grow returns for you, the investors.

And on that note, it's my pleasure to hand over to Fabio Pagano, Investore's Fund Manager.

Thank you.

Slide 15 – A Portfolio of Opportunities – Fabio Pagano

It is a pleasure being here today, my first time speaking to you as Investore's Fund Manager.

To start with, I wanted to introduce myself. As you can hear from my accent, I grew up in Australia, Perth to be precise, and for most of my professional career I was based in Melbourne, prior to moving to New Zealand in 2016. I have over 20 years of experience in property, development and asset management, across private and public organisations. For the last six years of my time in Melbourne, I was at Coles supermarkets in Australia, holding roles including development manager through to state property manager of the Coles properties across Victoria and Tasmania. Married to a Kiwi, our family relocated to Auckland and prior to my role here at SIML, I spent over two years with the Ministry of Education where I led teams across property and infrastructure strategy for the government.

In my six months at Investore so far, my focus has been on visiting all of our properties throughout the country and meeting with all of the key decision makers both within New Zealand and those based off-shore, including Woolworths Australia, which operates Countdown stores, and locally, Bunnings, Mitre 10, the Warehouse Group, as well as targeting possible partners for the future, those who already have a New Zealand presence, such as Kmart, and those that have signalled an interest in New Zealand.

I am passionate about this asset class and Investore's portfolio, as I see great value in delivering assets that provide New Zealanders with access to convenient retailers which support everything from the daily supermarket shop, working on home renovations, to the latest trends from around the world. Providing consumers with access to key national and international retailers in well located areas will drive sales for our tenants, and our investors will reap the rewards as increases in population and urbanisation continue to provide a platform for growth.

Statistics New Zealand predicts that New Zealand's population could reach 5 million as early as the end of the year. This is a bit of a magic number for some of the internationally recognised brands – as 5 million is viewed as a sustainable critical mass threshold for such brands to then target a new market. Entrance into the market of retailers requiring big box, large format retail assets, will aid Investore in its growth strategy.

Turning to the portfolio as a whole.

At 31 March 2019, Investore's portfolio comprised of:

- 40 properties;
- With 78 tenants, both anchor and specialty;
- Over 8,000 car parking bays;
- A portfolio that is deliberately and appropriately balanced between regional and urban, North and South – which aligns to the population spread between both islands;
- Net lettable area of 210,000 sqm, with the whole portfolio comprising 51.3 hectares of land – which I note is equivalent to 51 international rugby fields – zoned for commercial use, with the current buildings occupying just under half of this land.

While the portfolio has 99.9% occupancy and a strong Weighted Average Lease Term of 12.4 years, you can see that underpinning Investore's income is a mix of assets that can respond to possible future changes in retailers' requirements, and provide long term opportunities for potential site intensification, as required.

Slide 16 – A Formula for Success

To give you an idea of why our formula of targeting these assets is a success, let's look at our site at 226 Great South Road in Auckland. This Takanini property is a good example of the type of assets that meet Investore's investment mandate with properties that provide secure long-term income, anchored by national retailers in a convenient location.

This is the largest single site in the portfolio and is 100% occupied and valued at \$39.7 million. This property has 7,384 square metres of net lettable area, with direct main road access to the 256 on-grade parking bays, a long Weighted Average Lease Terms of 9.2 years and net rental income of \$2.5 million a year.

We often focus on Investore's big five anchor tenants of Countdown supermarkets, New World, Pak n'Save, Bunnings NZ and Mitre 10, but as you see with our Takanini property, while it is anchored by a Countdown supermarket, there are a number of other retailers at this site that attract regular visitation and support the site as a convenience based destination. The site has 12 tenants, including Animates, McDonald's, Amcal Pharmacy, Westpac Bank and a local gym.

When Mike spoke about a unique and resilient portfolio, we do not reflect on this enough. The discussion of the future of retail is always being considered, and with Investore's emphasis on tenants whose businesses target predominantly non-discretionary retail spending, we are more resilient through market cycles and changes in customer spending behaviour, compared with retailers that rely heavily on discretionary spend.

But even the non-discretionary sector is not static, and continues to evolve. Globally we see consumers actively seeking ways to keep pace with an accelerated lifestyle and convenience is becoming the new currency. With the increase within the supermarket sector of online sales, the virtual aisle concept, and the continued growth of an e-commerce environment, we see an evolving retail environment.

Diversification will continue with the changing of physical stores to meet the consumer's requirements through new formats, greater convenience and new services to meet demand in innovative ways. We are already seeing these through customer pickup bays for Countdown stores, click and collect services for Bunnings, and supermarket dark stores servicing online sales. E-commerce will continue to grow. Whilst we continually watch international trends in this space, particularly Australia, we are confident that however this evolves, Investore will be partnering with our tenants to meet the ever-changing demands of the end-user.

With that, I am going to hand back over to Mike, to wrap up the presentation and move on to the formal part of the meeting.

Slide 17 – Focus for the Year Ahead – Mike Allen

Thank you very much Phil and Fabio.

As we bring the presentation to a close, you can see that our portfolio continues to provide very favourable metrics and we are very pleased with the activity completed in FY19.

Looking ahead, we are confident about future growth initiatives.

We remain focussed on delivering the best returns possible for shareholders and in the next 12 months we will be concentrating on:

1. Continuing to target growth in funds employed, while maintaining a disciplined investment strategy focussing on assets that fit our mandate and deliver stable and enduring returns to investors. We have a stable underlying portfolio, which puts Investore in a healthy position to maintain predictable income streams, whilst providing the ability to secure investment opportunities as and when they present.
2. Continuing with our proactive capital management agenda.
3. Building our tenant relationships. These relationships drive further value not only from existing assets - for example our refurbishment programme - but equally may unlock new opportunities through expansion. We consider all our material partners are well established and have ambition for growth in New Zealand.

4. We will evolve our sustainability strategy, a journey that we have just started to formalise and articulate. You will have seen from our Annual Report that we have completed a sustainability materiality matrix and framework, identifying a broad range of issues that are material to business operations and to stakeholders.
5. And finally, I confirm that our annual cash dividend guidance for FY20 is 7.60 cents per share.

So, that brings to the end the formal presentation addressing Investore's performance for FY19 and our priorities for the year ahead.

Ends.

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