



Stride Property Group (NS)

NZX Announcement

4 April 2023

Stride Property Group

Update on Portfolio Valuation

Stride Property Limited (SPL) advises that it expects a gross revaluation movement for its directly held office and town centre portfolio (Note 1) for the six months ended 31 March 2023 of (\$39.1m), being a (3.4%) decrease. SPL's office and town centre portfolio has a draft valuation as at 31 March 2023 of \$1.1bn.

The average capitalisation rate for SPL's office and town centre portfolio is expected to be 6.0% as at 31 March 2023, reflecting a +43 basis point movement from 30 September 2022 and +66 basis points from 31 March 2022. Market rent growth over this period offset some of the impact of the capitalisation rate movement.

Following this revaluation, SPL's expected loan to value ratio (Note 2) as at 31 March 2023 is approximately 36%, subject to finalisation of the annual financial statements for the 12 months ended 31 March 2023 (FY23).

The independent valuations and forecast valuation movement remains subject to finalisation and external audit and will be confirmed in the FY23 audited consolidated financial statements of Stride Property Group (comprising SPL and Stride Investment Management Limited), which are expected to be released on 26 May 2023.

Notes:

1. SPL's office and town centre portfolio comprises only those offices and town centres held by SPL, and excludes SPL's 51.7% interest in the unincorporated component of the Industrie Property Joint Venture as at 31 March 2023. The portfolio valuation includes the value of the Stride Offices at 34 Shortland Street, Auckland and 22 The Terrace, Wellington, which are categorised as property, plant and equipment in the consolidated financial statements (\$6.1m), and includes the as-if-complete value of 110 Carlton Gore Road, Auckland (\$195.3m). SPL has an unconditional agreement to acquire the property at 110 Carlton Gore Road, which is expected to settle on 31 May 2023.
2. Banking covenant Loan to Value Ratio, calculated as bank debt as a percentage of investment property. Includes (1) SPL's office and town centre portfolio; (2) debt associated with this portfolio; and (3) the "as is" value of 110 Carlton Gore Road, Auckland, (in accordance with SPL's debt facility agreement), and excludes SPL's interest in the Industrie joint operation and associated bank debt.

Ends

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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.