

Kiwi Property Annual Meeting 2024 Address

SLIDE 1: OPENING

Good afternoon, and thank you for joining us for the Kiwi Property annual meeting of shareholders for 2024 – either in person here at Eden Park or online via the Link virtual meeting platform.

My name is Simon Shakesheff. This is my first annual meeting as Chair of the Kiwi Property Board, and it's my pleasure to be with you today. I am pleased to advise there is a quorum present, and I declare this meeting open.

Before we start proceedings, I'd like to cover a few housekeeping matters.

Firstly, please put your mobile phone on silent. Toilet facilities are in the lobby near the rear entrance to this room. If a fire alarm goes off, please follow staff in an orderly fashion down the stairs and congregate in the car park at the front of the building.

If you are participating in the meeting online and encounter any issues, please refer to the virtual meeting online portal guide, or you can phone the Link helpline on 0800 200 220.

And with that, let's get things underway. I want to start today's meeting by introducing my colleagues on the Board.

Mary Jane Daly – Mary Jane was appointed to our Board in September 2014. She is an Auckland-based professional director with a strong background in banking and finance. Mary Jane is the Chair of our Audit and Risk Committee.

Carlie Eve – Carlie is an Auckland-based professional director. She joined our Board in May 2023, following a successful finance and funds management career. Carlie is a member of our Audit and Risk Committee.

Chris Aiken – Chris is an Auckland-based professional director who joined our Board in June 2021 and stands for re-election today. He has significant property experience spanning both the public and private sectors. Chris is the Chair of our ESG Committee and a member of the Remuneration and Nominations Committee.

Peter Alexander – is an Auckland-based professional director who joined our Board last May. He has extensive property experience and has held executive roles at several large listed New Zealand companies. Peter is a member of our ESG Committee.



Kevin Kenrick – Kevin is an Auckland-based professional director who joined our Board in May and stands for election today. He is currently a director of BNZ and the former CEO of TVNZ and House of Travel. He has significant experience leading the strategic transformation of prominent businesses across multiple sectors, from travel to media.

In accordance with the NZX Listing Rules, the Board has determined that all directors are independent. The Notice of Meeting also contains further information on director independence.

Also joining us today are Clive Mackenzie, our Chief Executive Officer, and Steve Penney, our Chief Financial Officer.

I warmly welcome the team from our registrar, Link Market Services. They will help conduct the voting on the formal business later in the meeting and act as scrutineer. Finally, I'd like to welcome Josh Burgess and Bryce Henderson from Deloitte, our Group's auditor for the 2024 financial year.

SLIDE 2: AGENDA

I will start with a brief address and then invite Clive to provide an update on the Company's financial performance for the year ended 31 March 2024 or FY24.

After these presentations, we will then take questions and conduct the formal business for today, being resolutions to:

- Re-elect Chris to the Board
- Elect Kevin to the Board
- Fix the auditor's remuneration

SLIDE 3: HOW TO ASK A QUESTION

Shareholders present at today's meeting can ask questions, as can those participating through the virtual meeting website. If you are online, you may submit a question at any time by clicking on the 'Ask a Question' box at the top or bottom of the online portal, as shown here. We will answer general questions after the business update and performance overview and then specific questions relating to each resolution before voting on them.

I encourage shareholders who are attending online to send their questions through as soon as possible. This will allow us to answer these questions at the appropriate point in the meeting. As this is a shareholders' meeting, only shareholders or appointed proxies can ask a question, so you will be prompted to input your Shareholder or Proxy number before completing the online process.



SLIDE 4: BUSINESS UPDATE

Moving now to my remarks.

SLIDE 5: MACRO-ECONOMIC CHALLENGES CONTINUED IN FY24

The last few years have been challenging - not just for our Company but for the property sector as a whole. We have contended with the impact of COVID-19 and the disruption that has followed, including high interest rates and low consumer confidence. Factors such as these have contributed to the weak economy seen in New Zealand over recent years, including GDP growth of just 0.2% in the March 2024 quarter.

These factors have placed downward pressure on the share price of New Zealand's listed real estate companies. As a result, Kiwi Property stock is currently trading at a significant discount to our net asset backing. This is disappointing and I have no doubt you feel the same.

Unfortunately, we don't determine how our stock trades. What we can do, though, is manage the business as efficiently as possible and deliver on the substantial opportunities inherent within our asset base.

While there is still work to be done, we made good progress on both these fronts in FY24 – achieving a solid underlying operating performance while simultaneously reshaping our portfolio and strengthening our balance sheet. In addition, we made important headway on our strategic evolution from being a retail and office landlord to the creator of connected communities at key transport nodes, positioning the business for future growth.

SLIDE 6: WE HAVE A CLEAR STRATEGY FOR CREATING VALUE

Kiwi Property aims to drive superior returns for investors over time through the ownership, development, and management of a quality real estate portfolio. We are guided by our four-pillar business strategy, shown on this slide.

The first strategic pillar is to lead the market on retail-led mixed-use. We believe that by aggregating a range of property types at Sylvia Park, LynnMall, The Base and ultimately Drury, we will create a competitive point of difference, drive more robust valuations, and generate superior returns.

Secondly, we will grow with diverse capital sources. By recycling capital and partnering with a broad set of investors, we will help grow our assets under management and reposition the business for higher quality, lower risk earnings.



Thirdly, we enable the success of our customers and partners by creating and curating market-leading property assets and strategic long-term relationships.

And finally, the fourth pillar of our strategy is to build a future-fit business. We'll do this by driving operational excellence, harnessing the power of digital, delivering on sustainability and building a high-performance culture.

Let me take you through some examples of our strategy in action.

SLIDE 7: RESIDO OPENS FOR BUSINESS

On 11 June, Prime Minister Christopher Luxon opened our Resido residential development at Sylvia Park, taking the asset a step closer to becoming a world-class retail-led mixed-use precinct.

The 295-apartment Resido complex is the largest build-to-rent development in New Zealand. It offers tenants a compelling mix of secure tenures, superb amenities, and a convenient location next to the shopping, dining, and transport options at Sylvia Park.

We believe that New Zealand's strong net migration and rising demand for rental accommodation are conducive to a bright future for build-to-rent, and we're proud to be at the forefront of this new asset class.

Leasing of Resido is now underway, with good initial interest. Around 17% of apartments have now been leased, either directly or as part of our deal with Australian flexible accommodation provider Urban Rest. While it's still early, we're satisfied with the progress thus far and aim to have Resido let within the next 12-18 months.

SLIDE 8: REALISING OUR MIXED-USE STRATEGY AT SYLVIA PARK

The opening of Resido brings residential accommodation to Sylvia Park for the first time and marks the culmination of phase one of the asset's transformation from a shopping mall to a connected community.

The precinct began this journey several years ago with the opening of ANZ Raranga. Since then, we've added 20,000 sqm of galleria retail, the Sylvia Lane dining precinct, and a second office building at 3 Te Kehu Way.

That building is now 96% leased, with ASB recently signing an agreement to rent over 1,700 square metres of floor space. The bank joins other blue-chip corporates such as ANZ and IAG, which also have a significant presence at Sylvia Park. This reflects the quality of tenants seeking commercial space in the precinct, attracted by its amenities, location, and sustainability credentials.



We've achieved considerable progress at Sylvia Park over recent years, but as this masterplan shows, there's an exciting road ahead, including the scheduled opening of New Zealand's first IKEA store from late 2025.

As we continue to progress Sylvia Park, we'll focus on achieving the highest and best use for each square metre of our strategic landholding as we grow and diversify the revenue from the site and drive further valuation uplift.

At Kiwi Property, we have never been afraid to invest in transformative opportunities. In fact, we pride ourselves on planning for tomorrow – without losing sight of where things are at and what's needed right now. Sylvia Park is one of those opportunities. We believe it will continue going from strength to strength, supporting improved business performance and shareholder returns.

SLIDE 9: DRURY DEVELOPMENT CONTINUES

Resido isn't our only development highlight from FY24. We've also made good progress at Drury, and stage one earthworks are now complete.

We're currently in advanced negotiations with several local and international large-format retailers regarding potential site sales, and we hope to be able to provide more details on those transactions soon.

Our objective is to sell off the large-format retail and superlot sites and use the proceeds to fund the infrastructure for Drury Stage 2. We're already attracting a high degree of interest from potential tenants who recognise Drury's significant potential. We're looking forward to capitalising on that interest and, in the process, unlocking returns for the business and our shareholders.

The development is forecast to deliver an IRR of between 15 and 20% on stage one land development and 8-12% as we move into the creation of the town centre at stage 2. We estimate that between FY26 and FY29, Drury will increase adjusted funds from operations by between 0.5 and 0.6 cents per share, per annum.

SLIDE 10: RECYCLING CAPITAL

On 16 May this year, we announced the conditional sale of the Vero Centre in Auckland to a Hong Kong, China-based institutional investor for \$458 million. The transaction price represents a 1.9% discount to the building's September 2023 valuation – a good outcome in the current office market.



The Vero Centre has been a cornerstone of our CBD office portfolio for around 20 years but given our focus on creating retail-led mixed-use centres, it is no longer core to our strategy.

The transaction is subject to overseas investment office approval, but assuming the deal settles, the proceeds will be used to repay bank debt, reducing our pro-forma gearing by approximately ten percentage points to 27% - comfortably within our self-imposed gearing range.

This additional headroom unlocks plenty of options for the company and will enable us to consider strategic opportunities to grow earnings.

I'll now hand over to Clive to discuss our FY24 business performance and some of our highlights from the past year.

SLIDE 11: FY24 PERFORMANCE OVERVIEW

Thanks, Simon and Kia Ora, everyone.

It's great to connect with our shareholders face-to-face once again. Thank you for joining us. And to everyone viewing this event online, we appreciate you logging on. As Simon mentioned, Kiwi Property delivered a robust operating performance in FY24 while taking significant steps towards our ambition of becoming New Zealand's leading creator and curator of retail-led mixed-use communities.

Let's look at some of our key financial and operational highlights from FY24.

SLIDE 12: A SOLID OPERATING RESULT DESPITE ECONOMIC HEADWINDS

Over recent periods, we've continued to rebalance our portfolio towards assets that we expect to be more resilient and perform better over time.

While the divestment of Northlands, Westgate Lifestyle, and 44 The Terrace saw Kiwi Property's total earnings decrease from the same time last year, when viewed on a like-for-like basis to account for the impact of the asset sales and the prior year's release of COVID-19 accruals, net rental income increased by 5.8% or \$10.2m.

Operating profit before tax decreased by \$5 million or 4.4% on a like-for-like basis and adjusted funds from operations was down \$1.5m or 1.5%. The relative resilience of our valuations contributed to an improvement in our after-tax performance, resulting in a net loss after tax of \$2.1m in FY24, materially better than the FY23 figure.



While our capital recycling programme has caused a decrease in income, by selling our non-core assets and reinvesting the proceeds into new opportunities, we will help create a higher-quality asset base and improve long-term returns for our shareholders.

SLIDE 13: SUSTAINED SALES PERFORMANCE

I'd now like to turn your attention to some of the additional drivers of our FY24 results, beginning with the sales performance of our assets.

Retail spending has cooled in New Zealand over recent months, with figures released by Stats NZ showing that electronic card transactions were down 3% in March 2024 compared to the same time the year before.

Despite this general contraction, tenant sales across our property portfolio increased 1.4% in FY24, reaching \$2.1b, with pedestrian counts up 2.3 million, in a continued rebound post-COVID-19.

The opening of new stores, such as JB Hifi and Mecca at The Base, saw sales increase 4.1% at that centre, while LynnMall sales rose 1.8%, fuelled by the arrival of JD Sports and the centre's 60th-anniversary marketing campaign.

Sales at the Sylvia Park Precinct were flat on the year before, following significant growth over recent periods, but remain well ahead of pre-COVID figures.

While customers' wallets are under pressure in the current financial climate and retail sales have moderated over recent months, we believe that our leading portfolio of retail-led mixed-use assets is well-placed to bounce back strongly as cost-of-living pressures subside.

SLIDE 14: DELIVERING RENTAL GROWTH

While we're pleased to have made progress on several of our long-term initiatives, such as the opening of Resido that Simon mentioned earlier, we're equally committed to maximising the day-to-day operational performance of our assets, including driving rental growth.

As you can see on this slide, we completed almost 590 leasing transactions in FY24, achieving a 4.4% increase in total leasing spreads. New leases were particularly strong, delivering a 5.3% uplift overall, with office up an impressive 18.7%, driven by new deals at the Vero Centre, where the departure of Bell Gully has enabled us to bring in new tenants on more favourable current market rents.



These figures demonstrate the flight to quality in the office market and the rise of hub and spoke office locations such as Sylvia Park. Tenants are demanding premium buildings with great amenities and excellent locations. We're well placed to meet those requirements, putting us in an excellent position to drive further rental growth over the coming years.

SLIDE 15: DRIVING COST CONTROL IN FY24

Reducing corporate costs was a priority for the business in FY24. Over the past couple of years, we've faced increased overheads related to the rollout of our new enterprise Yardi IT system; however, with the project complete, those costs will begin to normalise.

The productivity benefits flowing from the Yardi rollout, coupled with a range of other HR initiatives, enabled us to deliver a headcount reduction of 9% in FY24. Through a combination of technology and continuous business improvement, we believe there is scope for further efficiency gains, enabling us to achieve even more with less.

The total financial benefit of our cost-saving measures is expected from FY25, including a \$2.9 million decrease in people-related costs through lower wage expenses and the removal of life insurance and employee share benefits.

Our aim is to reduce management expenses as a percentage of net rental income by at least three percentage points, taking us below FY22 levels, the last year before we incurred Yardi costs.

SLIDE 16: DELIVERING ON OUR SUSTAINABILITY STRATEGY

Cost savings weren't the only area where we made headway in FY24; we also achieved several milestones on our sustainability strategy during the year and earned important sustainability ratings.

Our 3 Te Kehu Way office building was awarded the country's first 6 Green Star Design and As Built rating, highlighting its outstanding environmental credentials.

With this recognition, our entire office portfolio now has a minimum NABERSNZ rating of 4-Stars, highlighting the sustainability performance of our commercial assets. With tenants increasingly requiring high NABERSNZ scores of their office premises, we're well-positioned to take advantage of this demand.

In the retail space, Sylvia Park was awarded a 6-Star NABERS indicative pilot energy rating in November. As NABERS ratings aren't currently available for shopping centres in this country, we've been working with partners in Australia



to bring this to fruition and are proud to be leading the charge for retail landlords in New Zealand.

And finally, we increased Sylvia Park's on-site renewable energy capacity, with the addition of a new solar array that enabled us to generate over 1,300,000 kWh of power across the precinct in FY24 – providing enough electricity to power 50% of its common areas.

SLIDE 17: FY25 PRIORITIES

That concludes my review of FY24. As we look ahead to FY25, the management team and I have four key priorities.

First, we will proceed with leasing up Resido, aiming to have the building tenanted within 12-18 months and demonstrating the potential of build-to-rent in the New Zealand market.

Secondly, we'll strive to complete the Vero Centre transaction and, in the process, deliver the funds to pay down debt, reduce our gearing and create the headroom to pursue accretive new opportunities.

Thirdly, we will look to sell LFR sites at Drury, unlocking the proceeds to accelerate the development of stage 2 and the returns that go with it.

And finally, we will drive operational excellence across our high-quality asset portfolio, focusing on cost control, growing rents and driving sales.

By doing these things, we will encourage income growth, build further balance sheet resilience and help encourage a lift in the Kiwi Property share price. Kiwi Property has come a long way over recent years, and while our strategic transformation has taken time, I'm confident the steps we have taken will deliver results for the business and our shareholders in the years to come.

I'll now hand back to Simon.

SLIDE 18: DIVIDEND AND OUTLOOK

Thanks, Clive. Kiwi Property paid a quarterly dividend of 1.425 cents per share for Q4 FY24, taking the full-year dividend to 5.7 cents per share.

Recent government changes removing our ability to claim tax depreciation on commercial buildings will reduce adjusted funds from operations by around 5%. Unfortunately, we have been unable to offset this impost, and as a result, have reduced the forecast dividend for FY25 to 5.4 cents per share. We remain committed to delivering dividend growth from FY26, however, fuelled by the



additional earnings from Resido, a fully leased 3 Te Kehu Way, and Drury land sales, amongst other things.

As always, dividend guidance and payments are contingent on the company's performance, barring material adverse events or unforeseen circumstances.

Looking ahead, we believe Kiwi Property has the potential to benefit from several of the social and economic trends currently facing New Zealand. The shortage of housing, fuelled by record migration and declining building consents is driving demand for quality rental accommodation - creating opportunities for BTR. In parallel, limited online shopping penetration and a relatively small amount of new retail space look set to benefit established retail destinations such as Sylvia Park, LynnMall and The Base.

Ladies and gentlemen, that concludes our overview of the Company's activities for FY24.

SLIDE 19: QUESTIONS

Before moving to the formal business of the day, we would happily answer questions. We ask that you limit your questions to the Company's activities at this time. You will be able to ask questions about the formal business shortly. As this is a shareholders' meeting, only shareholders or appointed proxies can ask a question or vote.

When I call for questions, can shareholders present in the room please wait until a microphone is provided to you and then clearly state your name before asking the question. I will take questions from those present in the meeting before moving on to questions from shareholders online.

SLIDE 20: FORMAL BUSINESS

Thank you. We will now move to consider the formal resolutions of the meeting. Voting on each resolution will be by poll. Each person voting at the annual meeting and each shareholder who has cast a vote by proxy has one vote for each share held. I will put each resolution to the meeting and provide an opportunity for you to ask questions concerning that resolution. I ask that you keep the questions strictly to the resolution.

In respect to proxies received, if as the Chair of the meeting, I have been appointed to act as proxy and am not directed on how to vote in respect of a resolution, I will vote in favour of all resolutions. For shareholders joining us here today, you should have had a voting card given to you when you registered. Please raise your hand if you do not have a voting card, and someone will assist



you. Please mark your voting intention for each resolution, and the voting cards will be collected after the meeting.

SLIDE 21: HOW TO VOTE

Shareholders joining online can vote using the electronic voting card received once online registration is validated. To vote, you will need to click "Get Voting Card" within the online meeting platform. You will be asked to enter your Shareholder or Proxy Number to validate.

Please then mark your voting card in the way you wish to vote by clicking "FOR", "AGAINST" or "ABSTAIN" on the voting card. Once you have made your selection, please click "Submit Vote" on the bottom of the card to lodge your vote.

Please refer to the virtual meeting online portal guide or use the helpline specified if you require assistance. Note that voting will remain open until 5 minutes after the conclusion of the meeting. The results of the votes will be declared and announced via the NZX.

SLIDE 22: RESOLUTIONS 1 AND 2 RE-ELECTION / ELECTION OF DIRECTORS EXPLANATORY INFORMATION

Moving to resolutions 1, 2 and 3, which are ordinary resolutions. In accordance with the Company's constitution and the NZX Listing Rules, Chris Aiken and Kevin Kenrick will retire at this meeting, however, Chris offers himself for re-election and Kevin offers himself for election.

The Board has determined that Chris Aiken and Kevin Kenrick will be independent directors for the purposes of the NZX Listing Rules if re-elected or elected. I will now ask Chris to provide a brief bio and comments supporting his re-election.

SLIDE 23: RESOLUTION 1: ABOUT CHRIS

Thank you, Simon.

My name is Chris Aiken. I have been a Kiwi Property director since June 2021 and am currently the Chair of the ESG Committee and a Member of the Remuneration and Nominations Committee.

I have extensive property experience spanning both the public and private sectors and am currently a member of the Kāinga Ora Construction Advisory Board, and a director of Waikato development firm, Adare Ltd.



I was previously a director of Metlifecare, Piritahi Civils Alliance and Appserv and am the former chief executive of HLC Ltd, the Crown entity responsible for developing large urban communities, including Hobsonville Point.

I'd like to acknowledge the support of shareholders for my initial term. If re-elected, I will continue to focus on development and investment capital allocation decisions and opportunities, which will be critical to Kiwi Property as we work to lift our total shareholder returns.

Opportunities will present themselves in this part of the cycle and I believe my investment insight will be helpful in unlocking further value for the business. I also look forward to continuing to serve on the important ESG and Remuneration and Nominations Committees."

SLIDE 24: RESOLUTION 2: ABOUT KEVIN

Good afternoon,

My name is Kevin Kenrick. I'm an Auckland-based professional director with significant governance and managerial experience, working with companies across the finance, telecommunications, travel, and media industry sectors. I am currently a director of BNZ and was previously the CEO of TVNZ and House of Travel.

My skills and experience, including my proven track record leading successful strategic transformations, will benefit Kiwi Property and the board as we aim to continue improving the company's performance and delivering growth in shareholder returns.

I will now pass you back to Simon.

SLIDE 25: RESOLUTIONS 1 AND 2 RE-ELECTION / ELECTION OF DIRECTORS

The Board is committed to ensuring it possesses the appropriate mix of skills, knowledge, experience and diversity to discharge its role and responsibilities. The Board supports the re-election of Chris and the election of Kevin as it considers they have the expertise to contribute to the overall skill set required by the Board. The Board, other than Chris and Kevin, in respect to their own positions, recommends you vote in favour of the resolutions.

SLIDE 26: RESOLUTION 1

I will now read Resolution 1: That Chris Aiken be re-elected as a director of the Company. Are there any questions from shareholders on this resolution? Are there any questions from shareholders online?



Thank you. For this resolution to be passed, it must be approved by a simple majority of votes of those shareholders or appointed proxies entitled to vote and voting on the resolution. I will now put the motion. Please now select either "FOR", "AGAINST", or "ABSTAIN" for Resolution 1 on the voting card.

SLIDE 27: RESOLUTION 2

I will now read Resolution 2: That Kevin Kenrick be elected as a director of the Company. Are there any questions from shareholders on this resolution? Are there any questions from shareholders online?

Thank you. For this resolution to be passed, it must be approved by a simple majority of votes of those shareholders or appointed proxies entitled to vote and voting on the resolution. I will now put the motion. Please now select either "FOR", "AGAINST", or "ABSTAIN" for Resolution 1 on the voting card.

SLIDE 28: RESOLUTION 3 – AUDITOR'S REMUNERATION

This resolution is sought to authorise the directors to fix the remuneration of Deloitte Limited as the Group's auditor under Section 207(S)(a) of the Companies Act 1993.

During FY24, Deloitte was paid \$388,000 for audit and assurance-related services. The Board recommends that you vote in favour of this ordinary resolution.

SLIDE 29: RESOLUTION 3: AUDITOR'S REMUNERATION

I will now read Resolution 3: That the directors be authorised to fix the auditor's remuneration. Are there any questions from shareholders on this resolution? Are there any questions from shareholders online?

Thank you. For this resolution to be passed, it must be approved by a simple majority of votes of those shareholders or appointed proxies entitled to vote and voting on the resolution. I will now put the motion. Please now select either "FOR", "AGAINST" or "ABSTAIN" for Resolution 3 on the voting card.

SLIDES 30: PROXY VOTING RESULTS

That completes voting on the resolutions. At this time, I'd like to advise the outcome of the proxy votes that were lodged for each resolution. I will not read the proxy results for each resolution, but they are shown on the screen now.



The Registrar, Link Market Services, will now move through the room to collect your voting cards. For those shareholders online, you can now submit your vote – voting will be open until 5 minutes after the conclusion of the meeting. Link will count all votes and complete their duties as scrutineer for the poll. We will announce the voting results to the NZX once this process has been completed.

SLIDE 31: THANK YOU

That concludes today's formal proceedings.

As you've heard, Kiwi Property delivered a solid underlying operational result in FY24 and made good progress on several of our major strategic initiatives. While we're operating in a challenging market, as always we remain committed to driving the performance of the business and delivering returns for our shareholders. Thank you for your attendance, your participation today, and your support of Kiwi Property.

I now draw this meeting to a close. A copy of this presentation and our speeches are available on our website and the NZX.

Thank you.