Interim Report

For the six months ended 30 September 2022

Kiwi Property


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Kiwi Property Interim Report
for the six months ended 30 September 2022

For further information visit our investor centre at:
kp.co.nz/investor-centre. This interim report is dated 25 November 2022.

Letter from the Chair & Chief Executive Officer

Kia ora,

Kiwi Property maintained significant momentum through the first half of the 2023 financial year, navigating the challenging economic climate to deliver sustained growth in key metrics such as sales, rental income, operating profit and adjusted funds from operations. This is a positive outcome in the high inflation, rising interest rate environment and underscores the strength of our business and assets.

Our strategic evolution from a retail and office landlord to the creator of connected communities continues to progress well. While this transition will take time, it is pleasing to have sustained our robust operating performance over the past six months, while taking the business closer to our goal of becoming a developer, owner and operator of mixed-use assets at key metropolitan centres and transport hubs.

Operating profit before tax

$65.1m

Performance overview

Kiwi Property's net rental income rose 6.3% to a record-high $100 million in the first half of the 2023 financial year, driven by sustained revenue growth at Sylvia Park, in particular. Operating profit before tax was also up, increasing 4.2% to $65.1 million, reflecting the strong performance of our diversified asset portfolio. Adjusted funds from operations rose 35.8% to $65.2 million, assisted by the release of COVID-19 rental abatement accruals which were not required.

Our active leasing and re-mixing programme drove increases in both rent reviews and new leasing, which rose 5.2% and 4.1% respectively. With portfolio vacancy remaining at just 0.3% and our specialty gross occupancy cost ratio (a key measure of tenancy affordability) sitting at a conservative 12.1%, we're well placed to deliver further rental growth going forward.

The sales performance across Kiwi Property's asset base was similarly robust, increasing 9.6% from the prior comparable period. The number of shoppers visiting our mixed-use and retail centres is recovering well from the impact of COVID-19, with year-to-date pedestrian counts at Sylvia Park, for example, now broadly in line with pre-pandemic levels.

Despite this positive operational performance, there's no doubt we're operating in a volatile economic environment. Countries around the world have been contending with rising inflation, worker shortages and the fallout from the war in Ukraine. New Zealand is no exception, with the Reserve Bank recently lifting interest rates to a 13 year high in a bid to curtail rapid price growth. These definitive moves have had a material impact on the country's listed property sector, contributing to an across-the-board decrease in share prices, and a decline in asset values.

In the absence of relevant transactional evidence, valuers have responded to the volatile macro-economic climate by softening capitalisation rates. As a result, the fair value of our property portfolio decreased by an unrealised 5.8% or $213.3 million for the six months ended 30 September 2022, leading to a subsequent net loss after tax of $151.1 million.

While the reduction in the fair value of our property portfolio and subsequent impact on net profit is disappointing, it's not unexpected given the well documented challenges facing the global economy. By actively managing our properties and tightly managing costs, we will help accelerate the recovery of our asset values as the financial climate improves.

Net rental income

$100m

Mitigating disruption and volatility

In the wake of COVID-19, tenants are making a discernible flight to quality, as they re-evaluate their requirements for the post-pandemic world. In the retail space, the rate of bifurcation has accelerated, with the best shopping centres going from strength-to-strength. A similar trend can be seen in the office market, where prime and A-grade buildings are remaining highly resilient, while secondary assets face eroding rents and rising vacancy.

This flight to quality plays well to our strategy and asset portfolio, which boasts some of the country's leading property assets. As our rent and sales figures show, Kiwi Property's medium-term operational performance has not diminished by COVID-19, but rather, we have continued to grow income and adjusted funds from operations.

One of Kiwi Property's strengths is its large strategic landholding, including more than 125 hectares across our mixed-use assets at Sylvia Park, LynnMall, The Base and Drury. As we've discussed previously, this landholding creates a distinct competitive advantage and provides an extensive range of development options as we progress our strategy of creating mixed-use town centres.

Just as importantly, particularly in the current volatile environment, is the flexibility the landholding offers us to dictate the timing of our development programme. We are the masters of our own destiny and can speed up or slow down development according to market conditions, and funding.

We currently have around $217 million of development expenditure remaining at 3 Te Kehu Way and Sylvia Park build-to-rent and are proactively managing pricing to help mitigate the risk of potential increases. While we've got some exciting developments already underway, we'll maintain a cautious approach to the timing of further activity, given the current level of economic volatility. Our priority is to ensure the right financial conditions and suitable funding are in place before any new construction projects begin so we're making the best use of shareholder capital.

Unlocking value through targeted development

Kiwi Property made significant progress on its targeted development programmes in the first half of the 2023 financial year, bringing Sylvia Park's transformation into a world-class mixed-use community ever closer to fruition. Construction of the precinct's 295 build-to-rent apartment complex is moving forward at pace with the steel superstructure now up to three levels high in some places. This exciting project will help embed Kiwi Property as a leader in the asset class in New Zealand and put us in the driver's seat to capture the financial benefit we believe will be delivered.

Elsewhere at Sylvia Park, the new six-level medical and office development at 3 Te Kehu Way is moving forward with similar momentum. The building's exterior is now complete, with its innovative and distinctive design already becoming a prominent feature on the Mt Wellington landscape. Internal fitouts are now underway, and 3 Te Kehu Way is on track to be completed in the first quarter of 2023, marking the next step towards the creation of a thriving commercial precinct at Sylvia Park.

Around two thirds of 3 Te Kehu Way's net lettable area is either committed or subject to advanced negotiations, with an impressive line-up of tenants in place including Tamaki Health, Horizon Radiology, Geneva Finance and co-working operator, IWG.

With our Drury Private Plan Change recently approved by the Environment Court, stage one earthworks are now underway, marking the next step in Kiwi Property's ambition to create a six Green Star, transit-oriented community south of Auckland. The earthworks are expected to take two years, with civil infrastructure such as roads, sewers, water mains and electricity set to follow.

Pleasingly, the improvement of our Drury site has delivered substantial valuation gains, with the landholding now worth more than double the purchase price. This places us in a position to unlock additional value if we choose to subdivide our residential landholding into super-lots, for example. While Drury presents an exciting opportunity for Kiwi Property, we'll be pragmatic about the rate of development there, moving as fast or slow as the economic climate and funding allow to ensure we're delivering the best outcomes for shareholders.

Executing our funding strategy

In September, the company announced the disposal for Northlands Shopping Centre in Christchurch for $151 million (net of seismic costs), with settlement set for 30 November 2022. After the reporting period, we also sold 44 The Terrace in Wellington for $48 million (with $2 million retained for seismic costs). The transaction is expected to settle on 15 December 2022 and delivers a property level return of 12.2% since inception.

In parallel, we have recently listed Westgate Lifestyle for sale, with a marketing campaign now underway. The net proceeds from these transactions will be used to repay debt and help fund our development pipeline, unlocking what we believe will be better growth and greater long-term value for shareholders.

The disposal of our non-core assets and subsequent recycling of capital is a central pillar of our funding strategy. We're focussed on executing these transactions at the right time to manage the earnings impact and achieve optimal returns from each initiative. Work on the office co-investment platform continues, although progress has been slowed by the economic climate, with investors waiting for a normalisation of conditions before taking steps forward.

Active capital management

Kiwi Property undertook several capital management initiatives in the first half of the 2023 financial year, including increasing our bank debt facilities by $100 million, with the introduction of MUFG Bank Limited to our panel. Post 30 September 2022, we increased our facilities by a further $50 million and extended the company's weighted term of debt from 2.9 years to 4.1 years on a pro-forma basis.

Dividend and outlook

Despite the challenging macro-economic picture, Kiwi Property's performance exceeded expectations for the first half of the financial year. We recently amended our dividend policy to pay out on a quarterly, rather than semi-annual basis, providing our investors with more frequent distributions. The first quarter dividend of 1.425 cents per share was distributed on 21 September 2022, with the dividend for the subsequent quarter also being set at 1.425 cents per share and payable on 21 December 2022.

We're pleased to confirm dividend guidance at 5.70 cents per share for the 2023 financial year, representing an attractive gross dividend yield of 9.3% (based on Kiwi Property's closing share price on 25 November 2022), while simultaneously enabling the company to retain earnings to fund future development and growth opportunities.

While we're encouraged by our robust operating performance, strong cash flows and strategic evolution, the continued discount of our stock price relative to asset values is disappointing and something we're squarely focussed on. It's clear the broader operating environment is negatively impacting our share price, however despite these challenges we remain staunchly committed to creating value.

As we face the current economic headwinds, we will maintain a strict focus on costs, adopt a pragmatic approach to development, continue to execute our mixed-use strategy, and work diligently to drive returns for you, our shareholders.

Thank you for your continued support.

Mark Ford
Chair

Clive Mackenzie
Chief Executive Officer

Total sales growth

9.6%

Leasing uplift

4.9%

First half dividend

2.85cps

Notes:

Operating profit before tax and adjusted funds from operations are non-GAAP performance measures. Refer to the Interim Results Presentation for definitions. Dividend guidance is contingent on the company's FY23 financial result and barring material adverse effects or unforeseen circumstances.

Financials

ANZ Raranga

Interim consolidated financial statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

Consolidated statement of comprehensive income

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	Note	**6 months 30 Sep 2022 $000**	6 months 30 Sep 2021 $000
Income			
Property revenue		**129,335**	121,385
Property management income		**887**	931
Total income		**130,222**	122,316
Expenses			
Direct property expenses		**(29,323)**	(27,344)
Employment and administration expenses		**(15,477)**	(12,853)
Total expenses		**(44,800)**	(40,197)
Profit before net finance expenses, other income/(expenses) and income tax		**85,422**	82,119
Interest income		**52**	23
Interest and finance charges		**(20,394)**	(19,665)
Net fair value gain on interest rate derivatives	3.3.2	**6,260**	7,985
Net finance expenses		**(14,082)**	(11,657)
Profit before other income/(expenses) and income tax		**71,340**	70,462
Net fair value (loss)/gain on investment properties	3.2	**(213,345)**	93,623
Litigation settlement income	1.3	**6,625**	-
Loss on disposal of investment properties		**-**	(3,116)
Other (expenses)/income		**(206,720)**	90,507
(Loss)/profit before income tax		**(135,380)**	160,969
Income tax expense	2.1	**(15,699)**	(17,739)
(Loss)/profit and total comprehensive income after income tax attributable to shareholders		**(151,079)**	143,230
Basic and diluted earnings per share (cents)	2.2	**(9.62)**	9.12

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	Share capital $000	Share-based payments reserve $000	Retained earnings $000	Total equity $000
Balance at 1 April 2021	1,661,916	1,890	470,980	2,134,786
Profit after income tax	-	-	143,230	143,230
Dividends paid	-	-	(46,289)	(46,289)
Long-term incentive plan	1,519	(443)	313	1,389
Employee share ownership plan	64	(25)	-	39
Balance at 30 September 2021	1,663,499	1,422	568,234	2,233,155
Balance at 1 April 2022	**1,663,499**	**1,987**	**606,127**	**2,271,613**
Loss after income tax	**-**	**-**	**(151,079)**	**(151,079)**
Dividends paid	**-**	**-**	**(67,125)**	**(67,125)**
Long-term incentive plan	**1,150**	**(392)**	**59**	**817**
Employee share ownership plan	**125**	**(87)**	**-**	**38**
Balance at 30 September 2022	**1,664,774**	**1,508**	**387,982**	**2,054,264**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

AS AT 30 SEPTEMBER 2022

	Note	**30 Sep 2022 $000**	31 Mar 2022 $000
Current assets			
Cash and cash equivalents		**15,606**	11,600
Other assets		**314**	600
Trade and other receivables	3.1	**7,111**	7,730
Interest rate derivatives	3.3.2	**265**	-
Investment properties held for sale	3.2	**291,822**	208,764
		315,118	228,694
Non-current assets			
Investment properties	3.2	**3,155,287**	3,358,872
Property, plant and equipment		**2,850**	3,319
Interest rate derivatives	3.3.2	**10,696**	3,604
		3,168,833	3,365,795
Total assets		**3,483,951**	3,594,489
Current liabilities			
Trade and other payables		**64,885**	62,954
Interest bearing liabilities	3.3.1	**125,100**	-
Income tax payable		**3,390**	9,302
Lease liabilities		**4,447**	1,385
Interest rate derivatives	3.3.2	**-**	175
		197,822	73,816
Non-current liabilities			
Interest bearing liabilities	3.3.1	**1,115,287**	1,135,944
Interest rate derivatives	3.3.2	**2,348**	1,076
Deferred tax liabilities		**113,743**	108,462
Lease liabilities		**487**	3,578
		1,231,865	1,249,060
Total liabilities		**1,429,687**	1,322,876
Equity			
Share capital		**1,664,774**	1,663,499
Share-based payments reserve		**1,508**	1,987
Retained earnings		**387,982**	606,127
Total equity		**2,054,264**	2,271,613
Total equity and liabilities		**3,483,951**	3,594,489

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

For and on behalf of the Board, who authorised these consolidated financial statements for issue on 25 November 2022.

Mark Ford
Chair

Mary Jane Daly
Chair of the Audit and Risk Committee

Consolidated statement of cash flows

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	6 months 30 Sep 2022 $000	6 months 30 Sep 2021 $000
Cash flows from operating activities		
Property revenue	**135,137**	122,541
Property management income	**901**	994
Interest and other income	**52**	23
Direct property expenses	**(24,839)**	(27,031)
Interest and finance charges	**(19,195)**	(18,842)
Interest costs paid on lease liabilities	**(162)**	(160)
Employment and administration expenses	**(15,466)**	(11,941)
Income tax expense	**(16,330)**	(10,579)
Goods and Services Tax (paid)/received	**(864)**	1,222
Net cash flows from operating activities	**59,234**	56,227
Cash flows from investing activities		
Proceeds from disposal of investment properties	**-**	8,300
Acquisition of investment properties	**(13,811)**	(6,772)
Capital expenditure on investment properties	**(80,929)**	(32,831)
Interest and finance charges capitalised to investment properties	**(3,902)**	(1,698)
Acquisition of property, plant and equipment	**(57)**	(131)
Litigation settlement income	**6,625**	-
Net cash flows used in investing activities	**(92,074)**	(33,132)
Cash flows from financing activities		
Payment of lease liabilities	**(29)**	(26)
Net proceeds from bank loans	**104,000**	(4,700)
Proceeds from fixed-rate green bonds	**-**	148,160
Repayment of fixed-rate green bonds	**-**	(125,000)
Dividends paid	**(67,125)**	(46,273)
Net cash flows from/(used in) financing activities	**36,846**	(27,839)
Net increase/(decrease) in cash and cash equivalents	**4,006**	(4,744)
Cash and cash equivalents at the beginning of the period	**11,600**	16,040
Cash and cash equivalents at the end of the period	**15,606**	11,296

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows (continued)

Reconciliation of (loss)/profit after income tax to net cash flows from operating activities	6 months 30 Sep 2022 $000	6 months 30 Sep 2021 $000
(Loss)/profit after income tax	**(151,079)**	143,230
Items classified as investing or financing activities:		
Movement in working capital items relating to investing and financing activities	**(4,441)**	(5,288)
Non-cash items:		
Net fair value gain on interest rate derivatives	**(6,260)**	(7,985)
Net fair value loss/(gain) on investment properties	**213,345**	(93,623)
Loss on disposal of investment properties	**-**	3,116
Increase in deferred tax liabilities	**5,281**	6,616
Amortisation of lease incentives, abatements and fees	**6,496**	6,554
Straight-lining of fixed rental increases	**(746)**	(1,357)
Movements in working capital items:		
Decrease in trade and other receivables	**619**	2,123
(Decrease)/increase in income tax payable	**(5,912)**	545
Increase in trade and other payables	**1,931**	2,296
Net cash flows from operating activities	**59,234**	56,227

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

1. General information

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

1.1 Reporting entity

The interim consolidated financial statements are for Kiwi Property Group Limited (Kiwi Property or the Company) and its controlled entities (the Group). The Company is incorporated and domiciled in New Zealand, is registered under the Companies Act 1993 and is an FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013. The Company is listed with NZX Limited with its ordinary shares quoted on the NZX Main Board and fixed-rate green bonds quoted on the NZX Debt Market.

The principal activity of the Group is to invest in New Zealand real estate.

1.2 Basis of preparation

The interim consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and comply with New Zealand Equivalents to International Accounting Standards (NZ IAS) 34 *Interim Financial Reporting* and International Accounting Standards (IAS) 34 *Interim Financial Reporting*. These interim consolidated financial statements should be read in conjunction with the consolidated financial statements in the 2022 annual report.

The interim consolidated financial statements for the six months ended 30 September 2022 are unaudited. Comparative balances for 30 September 2021 are unaudited, whilst the comparative balances for the year ended 31 March 2022 are audited.

The interim consolidated financial statements have been prepared on the basis the Group is a going concern.

The interim consolidated financial statements are prepared on the basis of historical cost, except where otherwise identified. The functional and presentation currency used in the preparation of the interim consolidated financial statements is New Zealand dollars.

1.3 Significant changes during the period

The financial position and performance of the Group was affected by the following events and transactions during the period:

Investment properties

During the period ended 30 September 2022, the Group acquired three properties adjoining Sylvia Park for $13.8 million.

On 30 September 2022, the Group entered into an unconditional agreement to dispose of Northlands and 43 Langdons Road in Christchurch for $151 million (net of seismic costs). Settlement is due to take place on 30 November 2022.

On 6 May 2022, Auckland Council announced the approval of the Group's Drury Private Plan Change application. The 53-hectare site is set to be the location of the mixed-use Drury Town Centre.

Litigation settlement

In July 2022, the Group settled claims it had against certain parties regarding engineering services provided in connection with one of its investment properties. As part of that settlement the Group received $6.6 million.

Bank loans

In May 2022, the Group increased its overall bank debt facilities from $850 million to $950 million.

1.4 Key judgements and estimates

Critical judgements, estimates and assumptions are outlined throughout these interim consolidated financial statements and in the 2022 annual report.

1.5 Accounting policies

The accounting policies and methods of computation used in the preparation of these interim consolidated financial statements are consistent with those used in the 2022 consolidated financial statements.

2. Profit and loss information

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

2.1 Tax expense

A reconciliation of (loss)/profit before income tax to income tax expense follows:

	6 months 30 Sep 2022 $000	6 months 30 Sep 2021 $000
(Loss)/profit before income tax	**(135,380)**	160,969
Prima facie income tax benefit/(expense) at 28%	**37,906**	(45,071)
Adjusted for:		
Net fair value gain on interest rate derivatives	**1,753**	2,236
Net fair value (loss)/gain on investment properties	**(59,737)**	26,215
Loss on disposal of investment properties	**-**	(873)
Litigation settlement income	**1,855**	-
Depreciation	**7,082**	7,501
Net abatements and deferred leasing costs	**(513)**	(703)
Deferred rent received	**(52)**	(258)
Deductible capitalised expenditure	**1,093**	479
Other	**195**	(649)
Current tax expense	**(10,418)**	(11,123)
Depreciation recoverable	**(4,586)**	(6,047)
Net fair value gain on interest rate derivatives	**(1,753)**	(2,236)
Deferred leasing costs and other temporary differences	**1,058**	1,667
Deferred tax expense	**(5,281)**	(6,616)
Income tax expense reported in profit	**(15,699)**	(17,739)
Imputation credits available for use in subsequent periods	**6,162**	11,125

2.1 Tax expense (continued)

Key estimates and assumptions: income tax

Deferred tax on depreciation

Deferred tax is provided in respect of depreciation expected to be recovered on the sale of investment properties at fair value. Investment properties are valued at least once each year by independent valuers. These values include an allocation of the valuation between the land and building components. The calculation of deferred tax on depreciation recovered relies on this allocation provided by the valuers.

The calculation of deferred tax on depreciation recovered also requires an assessment to be made of market values attributable to fixtures and fittings. The market values of fixtures and fittings for significant properties have been assessed utilising independent valuation advice and the remaining properties have been assessed with reference to previous transactional evidence and their age and quality.

2.2 Earnings per share

	6 months 30 Sep 2022	6 months 30 Sep 2021
(Loss)/profit and total comprehensive income after income tax attributable to shareholders ($000)	**(151,079)**	143,230
Weighted average number of shares (000)	**1,570,800**	1,569,865
Basic and diluted earnings per share (cents)	**(9.62)**	9.12

3. Financial position information

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

3.1 Trade and other receivables

	30 Sep 2022 $000	31 Mar 2022 $000
Trade debtors	**7,806**	11,829
Provision for doubtful debts	**(2,698)**	(3,374)
Accrued COVID-19 rent relief[1]	**(1,379)**	(7,370)
	3,729	1,085
Deferred rent	**-**	195
Prepayments	**3,382**	6,450
Trade and other receivables	**7,111**	7,730

1 Relates to expected abatements and other rent reductions offered to certain tenants as part of COVID-19 rent relief which were not finalised at the reporting date.

Key estimates and assumptions: provision for doubtful debts

The Group's property revenue largely consists of fixed rental obligations due under lease agreements, which are received monthly in advance. Therefore, property revenue and the assessment of the recoverability of tenant debtors have not been subject to a significant level of judgement or estimation prior to the COVID-19 pandemic. Retail trade was unfavourably impacted by COVID-19 due to extended lockdown periods in the year ended 31 March 2022. As a result, the trade debtor balance at this time was relatively high compared to pre-pandemic levels. Judgement is required in determining allowances for expected credit losses on these receivables.

3.2 Investment properties

Investment properties held by the Group are as follows:

	Valuer	Capitalisation rate 30 Sep 2022 %	Fair value 31 Mar 2022 $000	Capital movements 30 Sep 2022 $000	Fair value gain/(loss) 30 Sep 2022 $000	Fair value 30 Sep 2022 $000
Mixed-use						
Sylvia Park Precinct[1]	**Various**	**5.46**	**1,462,577**	**75,968**	**(75,917)**	**1,462,628**
LynnMall	**Colliers**	**6.88**	**251,000**	**6,945**	**(18,945)**	**239,000**
The Base[2]	**JLL**	**6.63**	**198,000**	**(300)**	**1,300**	**199,000**
			1,911,577	**82,613**	**(93,562)**	**1,900,628**
Office						
Vero Centre	**JLL**	**4.75**	**545,000**	**(888)**	**(27,112)**	**517,000**
ASB North Wharf	**CBRE**	**5.25**	**258,000**	**(216)**	**(12,784)**	**245,000**
The Aurora Centre	**CBRE**	**5.88**	**183,900**	**(278)**	**(14,622)**	**169,000**
44 The Terrace	**CBRE**	**6.38**	**55,400**	**(71)**	**(5,329)**	**50,000**
			1,042,300	**(1,453)**	**(59,847)**	**981,000**
Other						
Westgate Lifestyle[3]			**94,600**	**(94,600)**	**-**	**-**
The Plaza	**CBRE**	**8.25**	**150,000**	**2,467**	**(32,467)**	**120,000**
Other properties[4]			**42,575**	**(6,684)**	**(2,891)**	**33,000**
Development land			**114,200**	**5,927**	**-**	**120,127**
			401,375	**(92,890)**	**(35,358)**	**273,127**
			3,355,252	**(11,730)**	**(188,767)**	**3,154,755**
Gross up of lease liabilities			**3,620**	**(3,069)**	**(19)**	**532**
Investment properties - non-current			**3,358,872**	**(14,799)**	**(188,786)**	**3,155,287**
Investment properties held for sale						
Properties held for sale[5]			**207,421**	**104,548**	**(24,549)**	**287,420**
Gross up of lease liabilities[6]			**1,343**	**3,069**	**(10)**	**4,402**
Investment properties held for sale - current			**208,764**	**107,617**	**(24,559)**	**291,822**
Total investment properties			**3,567,636**	**92,818**	**(213,345)**	**3,447,109**

1 Sylvia Park Precinct was valued "as if complete" at $1.685 billion based on a weighted capitalisation rate of 5.3% (including the as if complete capitalisation rates for 3 Te Kehu Way and Sylvia Park build-to-rent). The deduction of outstanding development costs for the Sylvia Park build-to-rent development and the 3 Te Kehu Way office development ($217.1 million in total), together with allowances for profit and risk and stabilisation ($4.9 million in total), results in an "as is" value of $1.463 billion net of seismic costs.
2 Represents the Group's 50% ownership interest.
3 Westgate Lifestyle has been reclassified to properties held for sale during the current period.
4 The fair value at 31 March 2022 includes 43 Langdons Road located in Christchurch which has been reclassified to properties held for sale during the current period. Refer to note 1.3 for further information.
5 The fair value at 31 March 2022 includes Northlands and certain adjoining properties located at Sylvia Park in relation to the sale of land to IKEA. The fair value at 30 September 2022 includes Northlands, 43 Langdons Road, Westgate Lifestyle and the IKEA land. Northlands and 43 Langdons Road is carried at the sale price of $151 million (net of seismic costs). The IKEA land is carried at contract price and Westgate Lifestyle is carried at the value determined by external valuation.
6 The value at 30 September 2022 includes the gross up of lease liabilities associated with Westgate Lifestyle.

3.2 Investment properties (continued)

The movement in the Group's investment properties during the six months to 30 September 2022 is as follows:

	Mixed-use $000	Office $000	Other $000	Held for sale $000	Total $000
Balance at 31 March 2022 excluding gross up of lease liabilities	1,911,577	1,042,300	401,375	207,421	**3,562,673**
Capital movements:					
Transfers between asset classes	-	-	(101,100)	101,100	**-**
Acquisitions	13,811	-	-	-	**13,811**
Capitalised costs (including lease incentives, fees, abatements and fixed rental income)	69,702	(26)	7,271	3,908	**80,855**
Capitalised interest and finance charges	2,360	-	1,542	-	**3,902**
Amortisation of lease incentives, fees, abatements and fixed rental income	(3,260)	(1,427)	(603)	(460)	**(5,750)**
	82,613	(1,453)	(92,890)	104,548	**92,818**
Net fair value loss on investment properties excluding gross up of lease liabilities	(93,562)	(59,847)	(35,358)	(24,549)	**(213,316)**
Balance at 30 September 2022 excluding gross up of lease liabilities	**1,900,628**	**981,000**	**273,127**	**287,420**	**3,442,175**
Gross up of lease liabilities:					
Balance at 31 March 2022	548	-	3,072	1,343	**4,963**
Capital movements	-	-	(3,069)	3,069	**-**
Fair value movements	(19)	-	-	(10)	**(29)**
Balance at 30 September 2022	529	-	3	4,402	**4,934**
Balance at 30 September 2022 including gross up of lease liabilities	**1,901,157**	**981,000**	**273,130**	**291,822**	**3,447,109**

3.2 Investment properties (continued)

Key estimates and assumptions: valuation and fair value measurement of investment properties

Introduction

All of the Group's investment properties have been determined to be Level 3 (31 March 2022: Level 3) in the fair value hierarchy because all significant inputs that determine fair value are not based on observable market data.

Valuation process

The investment properties in the Group's mixed-use (excluding the adjoining properties located at Sylvia Park) and office portfolios, as well as Centre Place North, The Plaza and Westgate Lifestyle were externally valued as at 30 September 2022. All valuations are prepared by independent valuers who are members of the Group's valuation panel and the New Zealand Institute of Valuers. Properties acquired during the period are presented at cost, plus related directly attributable costs of acquisition. Other adjoining properties and development land are presented at their 31 March 2022 independent valuations, adjusted for capital expenditure over the period as appropriate. This represents the Directors' best estimate of fair value at 30 September 2022. Where a contracted sale price is available, the investment property held for sale is carried at that value less associated costs for seismic remediation or rental guarantees, this being the best indicator of fair value. Where no contracted price is available, the fair value is determined by independent registered valuers. At 31 March 2022, all properties were carried at external valuation or contract price as applicable.

Investment property values are assessed within a range indicated by at least two valuation approaches; most commonly the income capitalisation approach and discounted cash flow approach. Other valuation approaches, including the sales comparison approach or deferred land value approach may be used depending on the nature of the property. In addition, the adopted valuation of an investment property undergoing development may be assessed using a residual approach. Valuation techniques are outlined in the 2022 consolidated financial statements.

Estimates are used in these valuation approaches to determine fair value. For the two most common approaches, these include the capitalisation rate in the income capitalisation approach and the discount rate in the discounted cash flow approach. Both approaches are also influenced by other estimates relating to market rental levels, vacancy rates, letting-up allowances and the cost of ongoing operating expenses, capital expenditure and other capital payments.

In relation to capital expenditure, the valuers for Sylvia Park, LynnMall, The Base, Vero Centre, ASB North Wharf, The Aurora Centre, 44 The Terrace and The Plaza have made deductions for seismic strengthening works. The valuer of Centre Place North has assessed the seismic risk of the asset in the capitalisation rate of the valuation. The Group has provided the valuers with the estimated cost of works for each asset. In some instances the valuer has assessed additional costs for potential works to buildings which have not been subject to a Detailed Seismic Assessment (DSA) and/or made additional adjustments such as for escalation and profit and risk.

The timing of the cash outflow for these costs has typically been spread over the next two to three years and the overall value deduction reflects the present value of costs over the adopted time horizon. Refer also to the section titled 'seismic uncertainty' below for further information.

Two assets within the Sylvia Park Precinct were valued using the residual approach as at 30 September 2022, being the Sylvia Park build-to-rent (BTR) and 3 Te Kehu Way properties, as the development of both of these properties has commenced with construction underway. Under the residual approach, valuers estimate the 'as if complete' value of an asset using the common investment valuation approaches described above. They then deduct remaining project costs and a typical profit margin for risks assumed by the developer to determine the asset's 'as is' or residual value.

The valuations are reviewed by the Group and adopted as the carrying value in the financial statements. As part of this process, the Group's management verifies all major inputs to the valuations, assesses valuation movements since the previous period and holds discussions with the independent valuers to assess the reasonableness of the valuations.

3.2 Investment properties (continued)

Valuation uncertainty

The direct impacts of COVID-19 on the wider commercial property market have now largely ceased. However, the property market is now being impacted by global macro-economic conditions, including amongst other things, high levels of inflation, rising interest rates, ongoing supply chain issues (although supply chain issues appear to be subsiding) and the economic fallout from geopolitical events in Ukraine.

While the levels of transaction activity and market confidence increased throughout 2021, more recently there has been a marked slowdown in investment activity as a result of rapidly rising interest rates and uncertainty around the pace at which inflation may return to targeted levels. Longer-term interest rates have been particularly volatile and a number of market participants that were active through 2021 and early 2022 are now largely inactive. We expect levels of transactional activity to remain low until economic conditions stabilise.

As a consequence, there is becoming an apparent gap between purchaser and vendor expectations. While the market remains in this state, without a body of current transactional evidence, there is an increased level of uncertainty around property valuations which is generally being reflected through an expansion of capitalisation rates and discount rates.

Seismic uncertainty

The Group is committed to upgrading the seismic resilience of its buildings to appropriate New Building Standards (NBS). Detailed Seismic Assessments (DSA) continue to be undertaken for the Group's buildings. A DSA verifies a building's NBS rating and assists in the design of remediation solutions, where required.

The cost assessments for seismic works required to increase NBS ratings contain uncertainty. The level of accuracy of design solutions and cost estimates can vary as the design and remediation process progresses. Initially, estimates may be based on the structural plans of a building, which can sometimes change significantly once more intrusive building investigations are carried out. Therefore, costs for remediation works may fluctuate, and the costs associated with current or imminent remediation works will be more accurate than those for a project in the early phases of investigation or planning.

The process undertaken and standards which are applied in seismic assessments evolve over time as the engineering profession's understanding of seismic events develops. This means that the outcome of seismic assessments may be subject to change over time. Changes to seismic standards (or the interpretation and application of existing seismic standards) could result in buildings no longer meeting the minimum seismic standards deemed appropriate by the Group, and may require the Group to undertake further seismic remediation works.

Valuations for some of the Group's buildings contain deductions for costs associated with identified seismic remediation works. The cost deductions are typically based on external quantity surveyor assessments with additional allowances for professional fees and other associated costs. In some instances the valuer has assessed additional costs for potential works to buildings which have not been subject to a DSA and/or made additional adjustments such as for escalation and profit and risk.

In some cases the Group has become aware of potential remediation requirements from recent preliminary investigations and in these instances the Group has provided general provisions of $51.3 million to the valuers for inclusion in the valuations. These provisions are high level allowances pending the outcome of further investigations.

These allowances are based on the best information available at the time of valuation but may be subject to change as circumstances and standards continue to evolve.

Climate change uncertainty

The Group continues to identify the impact of climate change on the business and its assets. The valuers made no explicit adjustments in respect of climate change matters. However, the Group and valuers anticipate that climate change could have a greater influence on valuations in the future as investment markets place a greater emphasis on this risk and its impacts.

3.2 Investment properties (continued)

Impact on values at 30 September 2022

For the period ended 30 September 2022 the Group reported a fair value loss of $213.3 million. The loss reflects expanding capitalisation rates and discount rates on the back of heightened investment uncertainty relative to the prior period, as well as additional allowances for potential seismic remediation costs.

Valuation inputs

A valuation is determined based on a range of unobservable inputs. These are unobservable as they are not freely available or explicit in the marketplace but rather analysed from transactional data that has taken place in similar market circumstances to that prevailing at the date of valuation.

The Group's investment property values contain unobservable inputs in determining fair value, some of which can be described as 'key unobservable inputs' where significant judgement is applied in determining the input and a change to any one of these inputs could significantly alter the fair value of an investment property.

Key unobservable inputs are the capitalisation rate, discount rate, terminal capitalisation rate, market rent and growth rates.

The table below sets out these key unobservable inputs and the ranges adopted by the valuers across the various properties making up the Group's mixed-use and office portfolios.

While values increased at March 2022 following the reversal of early impacts of COVID-19 and a general strengthening in metrics from 2021 to 2022, this trend has now started to reverse following rising interest rates locally and globally. This is mainly evident through the capitalisation rate and discount rate metrics, which have expanded, having an effect of decreasing the fair value despite increased market rents.

		Range of significant unobservable inputs		
Class of property	Inputs used to measure fair value	**30 Sep 2022**	31 Mar 2022	Sensitivity
Mixed-use[1]	Core capitalisation rate	**5.6% - 6.9%**	5.3% - 6.5%	The higher the capitalisation rates and discount rate, the lower the fair value.
	Other income capitalisation rate	**5.6% - 8.4%**	5.5% - 9.0%	
	Discount rate	**7.5% - 8.3%**	7.3% - 8.0%	
	Terminal capitalisation rate	**5.9% - 7.0%**	5.6% - 6.6%	
	Gross market rent (per sqm)[2]	**$381 - $802**	$372 - $794	The higher the market rent and growth rate, the higher the fair value.
	Rental growth rate (per annum)	**0.0% - 3.0%**	0.0% - 3.0%	
Office	Core capitalisation rate	**4.8% - 6.4%**	4.5% - 5.8%	The higher the capitalisation rates and discount rate, the lower the fair value.
	Discount rate	**6.3% - 7.4%**	6.0% - 6.8%	
	Terminal capitalisation rate	**5.0% - 6.9%**	4.8% - 6.0%	
	Gross market rent (per sqm)[2]	**$514 - $742**	$505 - $712	The higher the market rent and growth rate, the higher the fair value.
	Rental growth rate (per annum)	**1.5% - 3.5%**	0.0% - 3.0%	

1 Mixed-use excludes adjoining properties located at Sylvia Park.
2 Weighted average by property.

These key inputs are explained above.

3.2 Investment properties (continued)

Valuation sensitivity

A sensitivity analysis that shows how a change to capitalisation and discount rates affects the value of the Group's portfolio is provided below. The metrics chosen are those single-value inputs where movements are likely to have the most significant impact on the fair value of investment properties.

The capitalisation rate relates to the income capitalisation approach and the discount rate relates to the discounted cash flow approach. Generally, a change in the capitalisation rate is accompanied by a directionally similar change in the discount rate, with a reduction increasing a property's valuation and an increase decreasing a property's valuation. The table below assesses each of these inputs in isolation and assumes all other inputs are held constant.

30 September 2022	**Adopted value**	**Capitalisation rate - 25bp**	**Capitalisation rate + 25bp**	**Discount rate - 25bp**	**Discount rate + 25bp**
Mixed-use					
Actual valuation ($000)	**1,900,628**				
Impact of assumption change ($000)		**87,500**	**(79,400)**	**35,000**	**(34,300)**
Impact of assumption change (%)		**4.6**	**(4.2)**	**1.8**	**(1.8)**
Office					
Actual valuation ($000)	**981,000**				
Impact of assumption change ($000)		**52,800**	**(48,100)**	**19,400**	**(18,500)**
Impact of assumption change (%)		**5.4**	**(4.9)**	**2.0**	**(1.9)**

31 March 2022	Adopted value	Capitalisation rate - 25bp	Capitalisation rate + 25bp	Discount rate - 25bp	Discount rate + 25bp
Mixed-use					
Actual valuation ($000)	1,911,577				
Impact of assumption change ($000)		94,300	(84,400)	36,400	(36,300)
Impact of assumption change (%)		4.9	(4.4)	1.9	(1.9)
Office					
Actual valuation ($000)	1,042,300				
Impact of assumption change ($000)		59,500	(53,900)	19,700	(20,300)
Impact of assumption change (%)		5.7	(5.2)	1.9	(1.9)

3.3 Funding

3.3.1 Interest bearing liabilities

The Group's secured interest bearing liabilities are as follows:

	30 Sep 2022 $000	31 Mar 2022 $000
Bank loans - total facilities	**950,000**	850,000
Bank loans - undrawn facilities	**(211,000)**	(215,000)
Bank loans - drawn facilities - non-current	**739,000**	635,000
Fixed-rate green bonds - current	**125,100**	-
Fixed-rate green bonds - non-current	**376,287**	500,944
Fixed-rate green bonds - amortised cost	**501,387**	500,944
Interest bearing liabilities	**1,240,387**	1,135,944

	30 Sep 2022 $000	31 Mar 2022 $000
Face value of fixed-rate green bonds - current	**125,000**	-
Face value of fixed-rate green bonds - non-current	**375,000**	500,000
Face values	**500,000**	500,000

	30 Sep 2022 $000	31 Mar 2022 $000
Weighted average interest rate for drawn debt (inclusive of bonds, active interest rate derivatives, margins and line fees)	**4.41%**	3.85%
Weighted average term to maturity for the combined facilities	**2.9 years**	3.4 years

Bank loans

The bank loans are provided by ANZ Bank New Zealand, Bank of New Zealand, China Construction Bank Corporation (New Zealand Branch), Commonwealth Bank of Australia, The Hongkong and Shanghai Banking Corporation (HSBC), MUFG Bank, Ltd (Auckland Branch) and Westpac New Zealand.

In May 2022, the Group increased the overall bank facilities from $850 million to $950 million.

Security

The bank loans and fixed-rate green bonds are secured by way of a Global Security Deed (the Deed). Pursuant to the Deed, a security interest has been granted over all of the assets of the Group. No mortgage has been granted over the Group's properties, however, the Deed allows a mortgage to be granted if an event of default occurs.

3.3.2 Interest rate derivatives

The Group is exposed to changes in interest rates and uses interest rate derivatives to mitigate these risks (commonly referred to as interest rate swaps).

The following table provides details of the fair values, notional values, terms and interest rates of the Group's interest rate derivatives.

	30 Sep 2022 $000	31 Mar 2022 $000
Interest rate derivative assets - current	**265**	-
Interest rate derivative assets - non-current	**10,696**	3,604
Interest rate derivative liabilities - current	**-**	(175)
Interest rate derivative liabilities - non-current	**(2,348)**	(1,076)
Net fair values of interest rate derivatives	**8,613**	2,353
Notional value of interest rate derivatives - fixed-rate payer - active	**270,000**	315,000
Notional value of interest rate derivatives - fixed-rate receiver - active[1]	**40,000**	40,000
Notional value of interest rate derivatives - fixed-rate payer - forward starting	**85,000**	50,000
Notional values	**395,000**	405,000
Fixed-rate payer swaps:		
Weighted average term to maturity - active	**1.7 years**	1.9 years
Weighted average term to maturity - forward starting	**5.5 years**	6.6 years
Weighted average term to maturity	**2.6 years**	2.5 years
Fixed-rate payer swaps:		
Weighted average interest rate - active[2]	**2.81%**	2.94%
Weighted average interest rate - forward starting[2]	**3.15%**	2.67%
Weighted average interest rate	**2.89%**	2.90%

1 The Group has $40 million of fixed-rate receiver swaps for the duration of the $100 million KPG040 fixed-rate green bonds. The effect of the fixed-rate receiver swaps is to convert a portion of the bond to floating interest rates.
2 Excluding fees and margins.

Key estimate: fair value of interest rate derivatives

The fair values of interest rate derivatives are determined from valuations prepared by an independent treasury advisor using valuation techniques classified as Level 2 in the fair value hierarchy (31 March 2022: Level 2). These are based on the present value of estimated future cash flows based on the terms and maturities of each contract and the current market interest rates at balance date. Fair values also reflect the current creditworthiness of the derivative counterparties. These values are verified against valuations prepared by the respective counterparties. The valuations were based on market rates at 30 September 2022 of between 3.85% for the 90-day BKBM and 4.51% for the 10-year swap rate (31 March 2022: 1.53% and 3.38%, respectively).

4. Other information

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

4.1 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, is the Chief Executive Officer.

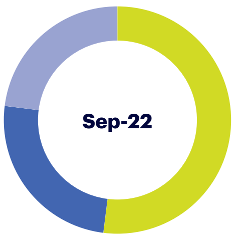
Operating segments have been determined based on the reports reviewed by the Chief Executive Officer to assess performance, allocate resources and make strategic decisions.

The Group's primary assets are investment properties. Segment information for investment properties is provided in note 3.2. Investment properties held for sale are included in the other segment. The adjoining properties located at Sylvia Park are included in the other segment for the period ended 30 September 2021 and in the mixed-use segment for the period ended 30 September 2022. The Group operates in New Zealand only.

The following table is an analysis of the Group's profit by reportable segments used during the period:

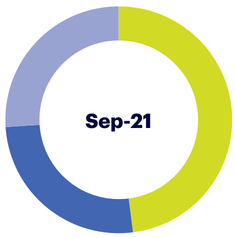
6 months ended	Mixed-use $000	Office $000	Other $000	Total $000
30 September 2022				
Property revenue	**67,066**	**32,193**	**30,076**	**129,335**
Less: amortisation of fixed rental increases	**(666)**	**(46)**	**(34)**	**(746)**
Less: direct property expenses	**(14,827)**	**(7,022)**	**(7,474)**	**(29,323)**
Less: ground lease expenses	**(33)**	**-**	**(158)**	**(191)**
Segment profit	**51,540**	**25,125**	**22,410**	**99,075**

30 September 2021	Mixed-use $000	Office $000	Other $000	Total $000
Property revenue	58,065	31,029	32,291	121,385
Less: amortisation of fixed rental increases	(974)	(301)	(82)	(1,357)
Less: direct property expenses	(13,016)	(6,794)	(7,534)	(27,344)
Less: ground lease expenses	(33)	-	(153)	(186)
Segment profit	44,042	23,934	24,522	92,498



Segment Profit

Mixed-use	**52%**
Office	**25%**
Other	**23%**



Segment Profit

Mixed-use	**48%**
Office	**26%**
Other	**26%**

4.1 Segment information (continued)

A reconciliation of the segment profit to the (loss)/profit before income tax reported in the Consolidated Statement of Comprehensive Income is provided as follows:

	6 months 30 Sep 2022 $000	6 months 30 Sep 2021 $000
Segment profit	**99,075**	92,498
Property management fees	**887**	931
Increase in rental income resulting from straight-lining of fixed rental increases	**746**	1,357
Interest income	**52**	23
Net fair value (loss)/gain on investment properties	**(213,345)**	93,623
Interest and finance charges	**(20,394)**	(19,665)
Employment and administration expenses	**(15,477)**	(12,853)
Net fair value gain on interest rate derivatives	**6,260**	7,985
Litigation settlement income	**6,625**	-
Loss on disposal of investment properties	**-**	(3,116)
Ground lease expenses classified as interest and fair value loss on investment properties	**191**	186
(Loss)/profit before income tax	**(135,380)**	160,969

4.2 Capital commitments

The following costs have been committed to but not recognised in the consolidated financial statements as they will be incurred in future reporting periods:

	30 Sep 2022 $000	31 Mar 2022 $000
Development costs at Sylvia Park	**142,492**	36,540
Development costs at LynnMall	**11,034**	11,795
Development costs at Northlands	**-**	377
Drury infrastructure	**7,868**	1,530
Capital commitments	**161,394**	50,242

4.3 Subsequent events

On 24 November 2022, the Group increased its bank debt facilities by $50 million to $1 billion, and extended the term of the facilities. The new weighted average term of all debt facilities (calculated on a 30 September 2022 pro-forma basis) is 4.1 years. The Group also granted mortgage security over certain real property in respect of its indebtedness.

On 24 November 2022, the Group entered into an unconditional agreement to dispose of 44 The Terrace in Wellington for $48 million, with $1.97 million to be retained to fund seismic works by the Group. The Group has the obligation to fund any costs exceeding $1.97 million and has the right to retain any balance unutilised. Settlement is due to take place on 15 December 2022. The property was not being marketed at 30 September 2022.

On 25 November 2022 the Board declared a dividend for the period of 1 July 2022 to 30 September 2022 of 1.425 cents per share (cps) (equivalent to $22.4 million), together with imputation credits of 0.294 cps. The dividend record date is 6 December 2022 and payment will occur on 21 December 2022.

Independent auditor's review report

TO THE SHAREHOLDERS OF KIWI PROPERTY GROUP LIMITED

Report on the interim consolidated financial statements

Our conclusion

We have reviewed the interim consolidated financial statements of Kiwi Property Group Limited (the Company) and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 30 September 2022, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six month period ended on that date, and significant accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 30 September 2022, and its financial performance and cash flows for the six month period then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibility is further described in the *Auditor's responsibilities for the review of the interim consolidated financial statements* section of our report.

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. In addition to our role as auditor, our firm carries out other services for the Group in the areas of audits of special purpose financial information in accordance with tenancy agreements and agreed upon procedures in respect of a specified remuneration metric and apportionment statement. The provision of these other services has not impaired our independence.

Directors' responsibility for the interim consolidated financial statements

The Directors of the Company are responsible on behalf of the Company for the preparation and fair presentation of these interim consolidated financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the interim consolidated financial statements

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim consolidated financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34.

A review of interim consolidated financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these interim consolidated financial statements.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Karen Shires.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants   Auckland, New Zealand
25 November 2022

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