



# KPG070 Green Bond Presentation

2 December 2024



# Disclaimer

## Important information

This Presentation (Presentation) has been prepared by Kiwi Property Group Limited (Kiwi Property) in relation to the offer of fixed-rate senior secured green bonds (Green Bonds) by Kiwi Property (Offer). The Offer is made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 (FMCA).

The Green Bonds which are the subject of the Offer have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as Kiwi Property's \$125 million fixed-rate senior secured green bonds maturing on 27 September 2029 (with a fixed interest rate of 6.24% per annum), which are quoted on the NZX Debt Market under the ticker code KPG060 (the Existing Bonds). The Green Bonds are of the same class as the Existing Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014 (FMC Regulations).

Kiwi Property is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (NZX) for the purpose of that information being made available to participants. See: [www.nzx.com/companies/KPG/announcements](http://www.nzx.com/companies/KPG/announcements).

The Existing Bonds are the only debt securities of Kiwi Property that are in the same class as the Green Bonds and are currently quoted on the NZX Debt Market.

Investors should look to the market price of the Existing Bonds to find out how the market assesses the returns and risk premium for those bonds.

## General

The information in this Presentation is given in good faith and has been obtained from sources believed to be reliable and accurate at the date of preparation, but its accuracy, correctness and completeness cannot be guaranteed. The information in this Presentation is of a general nature and does not constitute financial product advice, investment advice or any recommendation by Kiwi Property, the Supervisor, the Arranger, the Green Bond Co-ordinator, the Joint Lead Managers, or any of their respective directors, officers, employees, affiliates, agents or advisers to subscribe for or purchase the Green Bonds.

None of the Supervisor, the Arranger, the Green Bond Co-ordinator, the Joint Lead Managers, or any of their respective directors, officers, employees, affiliates, agents or advisers: (a) accept any responsibility or liability whatsoever for any loss arising from this Presentation or its contents or otherwise arising in connection with the Offer, (b) authorised or caused the issue of, or made any statement in, any part of this Presentation, or (c) make any representation, recommendation or warranty, express or implied, regarding the origin, validity, accuracy, adequacy, reasonableness or completeness of, or any errors or omissions in, any information, statement or opinion contained in this Presentation and accept no liability (except to the extent such liability is found by a court to arise under the FMCA or cannot be disclaimed as a matter of law). You must make your own independent investigation and assessment of the financial condition and affairs of Kiwi Property before deciding whether or not to invest in the Green Bonds.

To the extent that certain statements contained in this Presentation may constitute "forward-looking statements" or statements about "future matters", the information reflects Kiwi Property's intent, belief or expectations at the date of this Presentation. Kiwi Property gives no undertaking to update this information over time (subject to legal or regulatory requirements). Any forward-looking statements, including projections and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Kiwi Property's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Any forward-looking statements, opinions and estimates in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Neither Kiwi Property nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Presentation will actually occur.

Capitalised terms used in this Presentation but not defined have the meaning given to them in the indicative terms sheet dated 2 December 2024.

# Disclaimer (continued)

## Data

All of the data provided in this Presentation is derived from publicly available information in relation to Kiwi Property (including the interim report of Kiwi Property for the six months ended 30 September 2024), unless otherwise indicated. The real property valuations reflect the September 2024 valuations. Kiwi Property's portfolio metrics (for example, square metres net lettable area, current tenants, portfolio occupancy, and weighted average lease expiry) are stated as at 30 September 2024 for the core investment portfolio. All other numerical data is stated as at 30 September 2024, except where stated to the contrary. Property statistics represent owned assets only; property interests managed on behalf of third parties are excluded. Owned assets include assets any member of the Group owns outright or in part (for example, through an unincorporated joint venture). All amounts are in New Zealand dollars. Due to rounding, numbers within this Presentation may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

## Non-GAAP measures used in this Presentation

Operating profit before income tax is an alternative non-GAAP (New Zealand Generally Accepted Accounting Practice) performance measure used by Kiwi Property to assist investors in assessing performance for the relevant period by adjusting for a number of non-operating items.

Funds from operations (FFO) and adjusted funds from operations (AFFO) are alternative non-GAAP performance measures used by Kiwi Property to assist investors in assessing Kiwi Property's underlying operating performance. FFO and AFFO are measures commonly used by real estate entities to describe their underlying and recurring earnings from operations. Broadly, AFFO adjusts FFO by deducting the cost of lease incentives, leasing fees, rental abatements, annual maintenance capital expenditure for sustaining and maintaining existing space and other one-off costs.

Operating profit before income tax, AFFO and FFO do not have standardised meanings prescribed by GAAP and therefore may not be comparable to information presented by other entities. FFO and AFFO are calculated by Kiwi Property in accordance with the Voluntary Best Practice Guidelines issued by the Property Council of Australia. The operating profit before income tax, FFO and AFFO information used in this Presentation have been extracted from Kiwi Property's interim consolidated financial statements, which have been the subject of a review of an independent review pursuant to the External Reporting Board's New Zealand Standard on Review Engagements 2410 (Revised).

# Kiwi Property overview

# Introduction to Kiwi Property

**\$3.3b**

Property portfolio

**445,788**

Square metres  
net lettable area

**3.8 years**

Weighted average  
lease expiry (WALE)

**98.4%**

Portfolio  
occupancy

**37m**

Annual customer  
visits



Sylvia Park Shopping Centre  
(Sylvia Park Precinct)



3 Te Kehu Way  
(Sylvia Park Precinct)



Resido  
(Sylvia Park Precinct)



The Base



Sylvia Park Lifestyle  
(Sylvia Park Precinct)



ANZ Raranga  
(Sylvia Park Precinct)



LynnMall THE BRICKWORKS



Centre Place North



Vero Centre



ASB North Wharf



Aurora Centre



The Plaza



Mixed-use



Office



Retail

# Our strategy to create value

## 1. Lead the market on retail-led mixed-use

Create flagship mixed-use assets at high-growth metropolitan town centres.

## 2. Grow with diverse sources of capital

Recycle capital and partner with investors to grow assets under management.

## 3. Enable customer and partner success

Drive asset performance and develop strategic long-term customer relationships.

## 4. Build a future-fit business

Harness the power of digital, deliver on sustainability and build a winning team.



# We've been committed to sustainability for over 20 years



## People

- Foster wellbeing in our communities.
- Embrace diversity.
- Enable our team to succeed.

## Places

- Create places that promote wellbeing.
- Reduce our environmental footprint.
- Develop sustainable buildings.

## Partnerships

- Partner with others to enhance the wellbeing of our communities.
- Create shared value with our tenants.
- Support sustainable procurement.

## 2024 ESG highlights

- 4 star minimum NABERSNZ rating across core office portfolio.
- 8 star Homestar Design rating for Resido.

# Kiwi Property's key green assets

	Current green asset pool <sup>1</sup>					Recently completed
						
	ASB North Wharf	ANZ Raranga	Aurora Centre	Vero Centre	3 Te Kehu Way	Resido
<b>Asset class:</b>	Office	Office	Office	Office	Office	Residential
<b>Location:</b>	Auckland	Auckland	Wellington	Auckland	Auckland	Auckland
<b>Grade:</b>	A-grade campus	N/A	A-grade	Premium	N/A	N/A
<b>Owned since:</b>	May 2013	December 2018	April 2004	April 2001	March 2023	June 2024
<b>Valuation (30 Sep 24):</b>	\$211.0m	\$89.1m	\$146.0m	\$457.0m	\$66.5m	\$207.0m <sup>2</sup>
<b>Capitalisation rate:</b>	6.25%	6.00%	6.50%	5.75%	5.75%	N/A <sup>2</sup>
<b>Net lettable area:</b>	21,621 sqm	11,620 sqm	24,504 sqm	39,718 sqm	7,269 sqm	295 apartments
<b>Occupancy:</b>	100.0%	95.8%	100.0%	94.2%	95.9%	50% <sup>2</sup>
<b>WALE:</b>	6.5 years	4.3 years	9.2 years	4.3 years	10.1 years	N/A
<b>Rating:</b>	4.5 star NABERSNZ 5 star Green Star	5.5 star NABERSNZ 5 star Green Star	5 star NABERSNZ	4 star NABERSNZ	6 star Green Star	8 star Homestar Design rating
<b>Key tenants:</b>	ASB	ANZ, IAG	Ministry of Social Development	Craigs, Suncorp, Russell McVeagh	Geneva Finance, IWG, ASB	Urban Rest

1. Green assets as noted in the latest Use of Proceeds Report as at 31 March 2024, excluding 65 Bryce Street.

2. Resido is recognised at its 'as is' value, post deduction of costs to complete of \$1.2m. Resido is valued using the discounted cash flow methodology. Occupancy statistics are as at 21 November 2024.



# Financial overview

## FY25 first-half financial performance

▲ **\$95.3m**

**Net rental  
income**  
+\$6.2m (+7.0%)

▲ **\$56.4m**

**Operating profit  
before tax**  
+\$4.0m (+7.7%)

▲ **\$43.2m**

**Net profit  
after tax**  
+\$79.7m (+218.4%)

▼ **3.05cps**

**Adjusted funds from  
operations per share**  
-0.03 cps (-1.0%)

# A disciplined and proactive approach to capital management

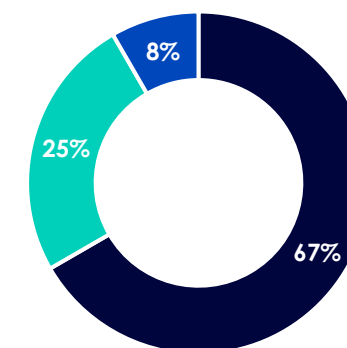
Kiwi Property is committed to maintaining a strong financial position and has had an average gearing ratio over the past 10 years of 33.0%. The gearing ratio as at 30 September 2024 was 38.0%.

Kiwi Property's Green Bonds will help maintain the diversity of our funding sources and extend the weighted average term to maturity of finance debt. The net proceeds will be applied towards refinancing Kiwi Property's existing KPG030 green bonds, which mature in December 2024.

Our weighted average term to maturity is currently 3.10 years and will increase to 3.56 years following the issue of the new Green Bonds and repayment of the KPG030 green bonds.<sup>1</sup>

Pro-forma debt maturity profile <sup>1</sup>	Incl. KPG030 & KPG070		Excl. KPG030, Incl. KPG070	
	\$m	%	\$m	%
FY25 <span style="background-color: #00c853; color: white; padding: 2px;">KPG030 - \$125</span>	125	7.7%	-	0.0%
FY26 <span style="background-color: #00c853; color: white; padding: 2px;">KPG040 - \$100</span>	100	6.2%	100	6.7%
FY27 <span style="background-color: #1a202c; color: white; padding: 2px;">\$220</span>	220	13.5%	220	14.7%
FY28 <span style="background-color: #1a202c; color: white; padding: 2px;">\$385</span>	385	23.7%	385	25.7%
FY29 <span style="background-color: #1a202c; color: white; padding: 2px;">\$260</span> <span style="background-color: #00c853; color: white; padding: 2px;">KPG050 - \$150</span>	410	25.2%	410	27.3%
FY30 <span style="background-color: #1a202c; color: white; padding: 2px;">\$135</span> <span style="background-color: #00c853; color: white; padding: 2px;">KPG060 - \$125</span>	260	16.0%	260	17.3%
FY31 <span style="background-color: #1a202c; color: white; padding: 2px;">KPG070 - \$125</span>	125	7.7%	125	8.3%
<b>Total facilities</b>	<b>1,625</b>	<b>100.0%</b>	<b>1,500</b>	<b>100.0%</b>
Facilities drawn	1,379		1,254	
Undrawn facilities	246		246	

Debt sources (excl. KPG030, incl. KPG070)



- ANZ, BNZ, CBA, CCB, HSBC, ICBC, MUFG, Westpac bank facilities
- Existing green bonds
- New Green Bonds

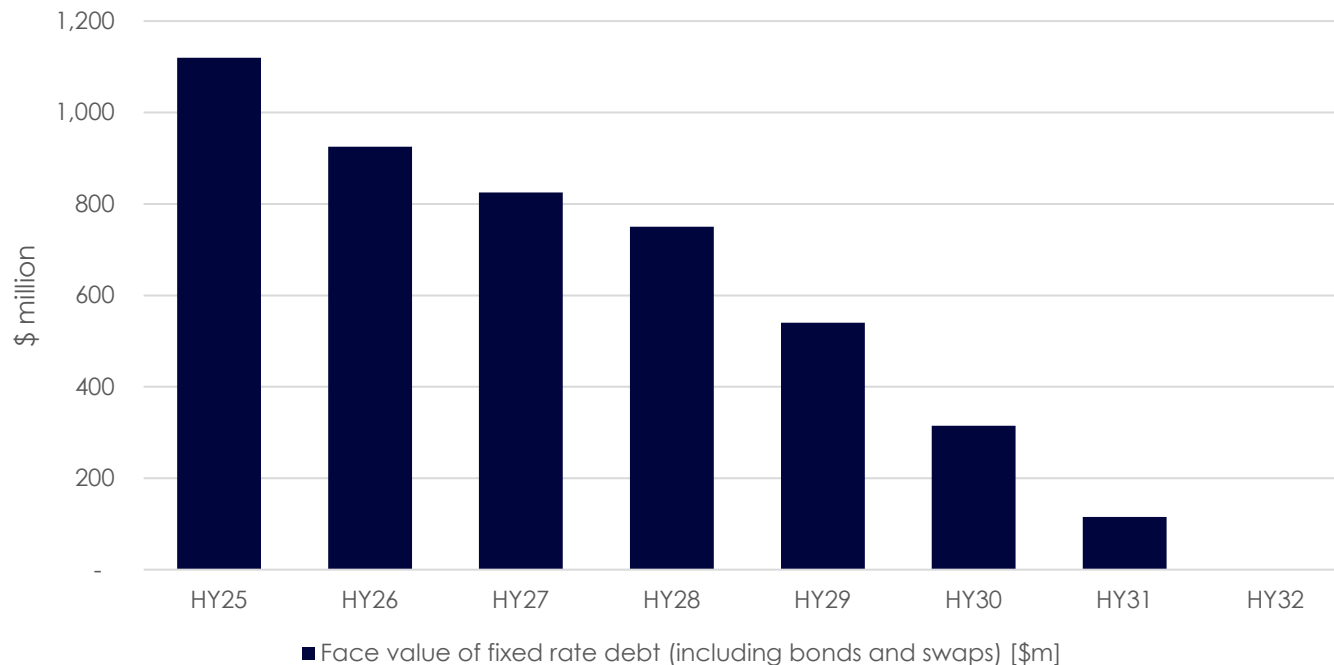
<sup>1</sup> As at 30 September 2024 (being the date of the most recent unaudited half year financial statements available as at the date of this Presentation), adjusted for an assumed Green Bond issue of \$125m. The maturity profile is not intended to represent Kiwi Property's target debt levels or gearing ratio.

# Fixed-rate debt profile

## Fixed-rate profile

	30 September 2024 (pre issue)	30 September 2024 (post issue) <sup>1</sup>
Percentage of drawn finance debt at fixed rates	89%	89%
Weighted average term to maturity of active fixed-rate debt	2.17 years	2.79 years

## Fixed-rate debt maturity profile – pro-forma including KPG070 and excluding KPG030



89% of Kiwi Property's debt is hedged (on a pro-forma basis<sup>1</sup>) helping to safeguard against interest rate volatility.

<sup>1</sup>. As at 30 September 2024 (being the date of the most recent unaudited half year financial statements available as at the date of this Presentation), adjusted for an assumed Green Bond issue of \$125m and excluding KPG030.

# Fixed-rate Green Bond offer

Arranger, Green Bond Co-ordinator  
and Joint Lead Manager:



Joint Lead Managers:



## Green Bond offer details



Up to \$100m fixed-rate senior secured Green Bonds (with ability to accept oversubscriptions of up to an additional \$25m)



5.5 year term, maturing on 19 June 2030



Secured against \$3.3b of property assets including \$970m of green assets<sup>1</sup>

## Key terms of the Green Bond offer

<b>Issuer:</b>	Kiwi Property Group Limited (Kiwi Property).
<b>Description:</b>	Fixed-rate senior secured green bonds (Green Bonds).
<b>Offer amount:</b>	Up to \$100m (with the ability to accept oversubscriptions of up to an additional \$25m at Kiwi Property's discretion).
<b>Term and Maturity Date:</b>	5.5 years, maturing on 19 June 2030.
<b>Interest Rate:</b>	To be determined on the Rate Set Date following a bookbuild process. The Interest Rate will be the greater of the Minimum Interest Rate (5.35% per annum) and the sum of the Base Rate plus the Margin.
<b>Indicative Margin range:</b>	1.70% to 1.80% per annum.
<b>Interest payments:</b>	Semi-annual in arrear on 19 June and 19 December.
<b>Credit rating:</b>	The Green Bonds are expected to be assigned a BBB+ credit rating from S&P Global Ratings Australia Pty Limited, consistent with the rating of the Existing Bonds.
<b>Minimum application amount:</b>	\$5,000 and in multiples of \$1,000 thereafter.
<b>Quotation:</b>	It is expected that the Green Bonds will be quoted under the code KPG070 on the NZX Debt Market.

## Key terms of the Green Bond offer (continued)

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- Events of Default:** Events of Default include (among others):
- Non-payment of interest or principal
  - An un-remedied gearing ratio breach
  - Insolvency
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**Sustainable Debt Framework:** Kiwi Property intends to allocate an amount equal to the proceeds of the offer to finance or refinance its direct and indirect investments in low carbon and energy efficient buildings that meet the eligibility criteria set out in the Sustainable Debt Framework (being Eligible Projects). Consistent with this, Kiwi Property will apply the net proceeds of the offer towards refinancing its existing green bonds maturing on 19 December 2024, which are currently quoted on the NZDX under ticker code KPG030. Kiwi Property intends to ensure that the aggregate value of the pool of Eligible Projects is at least equal to the aggregate amount of all its outstanding green bonds and green loans.

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**Guarantors:** Kiwi Property and its wholly-owned subsidiaries, Kiwi Property Holdings Limited, Kiwi Property Holdings No. 2 Limited, Kiwi Property Holdings No. 3 Limited, Kiwi Property Holdings No. 4 Limited, Kiwi Property Holdings No. 5 Limited, Kiwi Property Holdings No. 7 Limited, Sylvia Park Business Centre Limited, Kiwi Property Te Awa Limited and Kiwi Property Centre Place Limited on a joint and several basis.

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**Ranking:** In an insolvency of a Guarantor, the claims of the senior secured creditors (including the holders of Green Bonds) will, by virtue of the security granted in favour of the Security Trustee, rank ahead of all unsecured creditors of the relevant Guarantor other than certain statutorily preferred creditors.

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## Key terms of the Green Bond offer (continued)

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**No green  
Event of Default:**

No Event of Default will occur if Kiwi Property fails to comply with the Sustainable Debt Framework or the Green Bonds cease to satisfy the Green Bond Principles.

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**Security:**

The Green Bonds are issued by Kiwi Property and guaranteed by the Guarantors on a joint and several basis. The Guarantors have granted security over all of their assets in favour of the Security Trustee:

- Security interest over all personal property
- Charge over all real property
- Registered mortgages over substantially all real property owned by the Guarantors

The Security Trustee holds this security for the benefit of the holders of the Green Bonds and certain other secured creditors of the Group (including the holders of Kiwi Property's existing green bonds, the Group's bank facility lenders and hedging providers, the Supervisor, the Security Trustee and any new future secured creditors) on an equal ranking basis. The security secures all amounts owing to the secured creditors.

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**Gearing ratio:**

The Group's finance debt must not exceed 50% of the Group's total tangible assets.

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## Key dates

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**Opening Date:**

2 December 2024

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**Closing Date:**

11am on 5 December 2024

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**Rate Set Date:**

5 December 2024

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**Issue Date:**

19 December 2024

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**Expected Date of Initial Quotation on NZX Debt Market:**

20 December 2024

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**Maturity Date:**

19 June 2030

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**Thank you**