



# Retail adviser and Green Bond roadshow

6 March 2023



# Important information

## Overview

This Presentation is dated 6 March 2023 and has been prepared by Kiwi Property Group Limited (Kiwi Property) for two purposes:

1. An update on Kiwi Property for retail share investors; and
2. The offer of fixed-rate senior secured green bonds (Green Bonds) by Kiwi Property (Offer).

## The Offer

A product disclosure statement dated 6 March 2023 (PDS) has been prepared in respect of the Offer. The PDS is available at [kiwiproperty.com/corporate/green-bond](https://kiwiproperty.com/corporate/green-bond) or by contacting a Joint Lead Manager or your usual financial advice provider. Investors must obtain the PDS before they decide to acquire any Green Bonds.

The Offer is made in reliance on the simplified disclosure offer provisions of the Financial Markets Conduct Act 2013 (FMCA) and the Financial Markets Conduct Regulations 2014 (FMC Regulations). The Green Bonds which are the subject of the Offer rank equally with Kiwi Property's existing quoted debt securities:

- > \$125 million fixed-rate senior secured green bonds maturing on 7 September 2023 (with a fixed interest rate of 4.00% per annum), which are quoted on the NZX Debt Market under the ticker code KPG020 (KPG020 Bonds),
- > \$125 million fixed-rate senior secured green bonds maturing on 19 December 2024 (with a fixed interest rate of 4.33% per annum), which are quoted on the NZX Debt Market under the ticker code KPG030,
- > \$100 million fixed-rate senior secured green bonds maturing on 12 November 2025 (with a fixed interest rate of 4.06% per annum), which are quoted on the NZX Debt Market under the ticker code KPG040, and
- > \$150 million fixed-rate senior secured green bonds maturing on 19 July 2028 (with a fixed interest rate of 2.85% per annum), which are quoted on the NZX Debt Market under the ticker code KPG050,

(together the Existing Bonds).

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 in the market. Investors should look at the market price of the Existing Bonds in order to find out how the market assesses the returns and risk premiums for those debt securities.

Investors should consider the risks that are associated with an investment in the Green Bonds, having regard to their personal circumstances and investment objectives (including their financial and tax positions).

Capitalised terms in this Presentation have the meaning given to them in the PDS (including by incorporation).

The selling restrictions set out in the PDS apply to the Offer.

## 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).

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.

## 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 2022), unless otherwise indicated. The real property valuations reflect the March 2023 Draft Valuations as defined in the PDS (which exclude assets that have been sold since 30 September 2022). 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 2022 for the core investment portfolio but adjusted to exclude 44 The Terrace (which has been sold since 30 September 2022). All other numerical data is stated as at 30 September 2022, 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.

# Disclaimer (continued)

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## 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 auditor pursuant to the External Reporting Board's New Zealand Standard on Review Engagements 2410 (Revised).

# Agenda

1. Kiwi Property overview
2. The case for investing in Kiwi Property
3. Financial overview
4. Fixed-rate Green Bond offer
5. Q&A

# Kiwi Property overview

\$3.2b  
Property portfolio

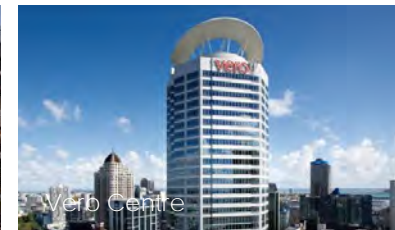
\$976m  
Green assets<sup>1</sup>

390,050  
Square metres  
net lettable area

629  
Current  
tenants

99.7%  
Portfolio  
occupancy

4.6 years  
Weighted average  
lease expiry



Mixed-use portfolio

Office portfolio

1: Excludes the value of green assets under development listed on slide 10.



The benefits of mixed-use:

- > Helps diversify revenue streams and promotes through-cycle returns.
- > Encourages visitation and a critical mass of customers, workers and residents.
- > Promotes increased sales and higher rents.



# We've been committed to sustainability for 20 years



## Places

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

## People

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

## Partnership

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

## 2022 ESG highlights

- > 60% CO<sub>2</sub> reduction compared to 2012.
- > 4 star minimum NABERSNZ rating across core office portfolio.
- > Kiwi Property becomes Mental Health Foundation official supporter.

# Kiwi Property's key green assets

## Current green asset pool

## Green assets under development



ASB North Wharf



ANZ Raranga



Aurora Centre



Vero Centre



3 Te Kehu Way



Sylvia Park BTR

Asset class: Office

Office

Office

Office

Office  
(in development)

Residential  
(in development)

Location: Auckland

Auckland

Wellington

Auckland

Auckland

Auckland

Grade: A-grade campus

N/A

A-grade

Premium

N/A

N/A

Owned since: May 2013

December 2018

April 2004

April 2001

N/A

N/A

Draft value (31 Mar 23): \$230.0m

\$96.5m

\$165.0m

\$484.0m

\$56.5m

N/A

Capitalisation rate: 5.63%

5.50%

5.75%

5.13%

N/A

N/A

Net lettable area: 21,621 sqm

11,620 sqm

24,504 sqm

39,597 sqm

7,281 sqm

295 apartments

Occupancy: 99.8%

100.0%

100.0%

98.2%

N/A

N/A

WALE: 8.4 years

6.2 years

11.7 years

4.2 years

N/A

N/A

Rating: 4.5 star NABERSNZ  
5 star Green Star

4.5 star NABERSNZ  
5 star Green Star

5.5 star NABERSNZ

4 star NABERSNZ<sup>1</sup>

6 Green Star  
targeted

8 Homestar Design  
rating

Key tenants: ASB

ANZ, IAG

Ministry of Social  
Development

Craigs, Suncorp,  
Russell McVeagh

Geneva Finance,  
IWG

N/A

# The case for investing in Kiwi Property

# Flagship mixed-use assets delivered strong sales in 2022

**\$1.7b**  
Total sales  
2022

**+26%**  
Sales growth  
vs. 2019

**25m**  
Customer visits  
2022

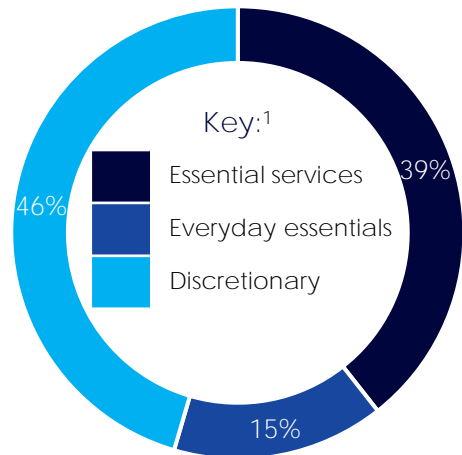
**4.9%**  
1H23 rental  
growth



# Our blue-chip tenant portfolio helps diversify risk

Kiwi Property's tenant portfolio is weighted to essential services, everyday essentials, government departments and financial services, and has a weighted average lease expiry of 4.6 years, promoting income resilience

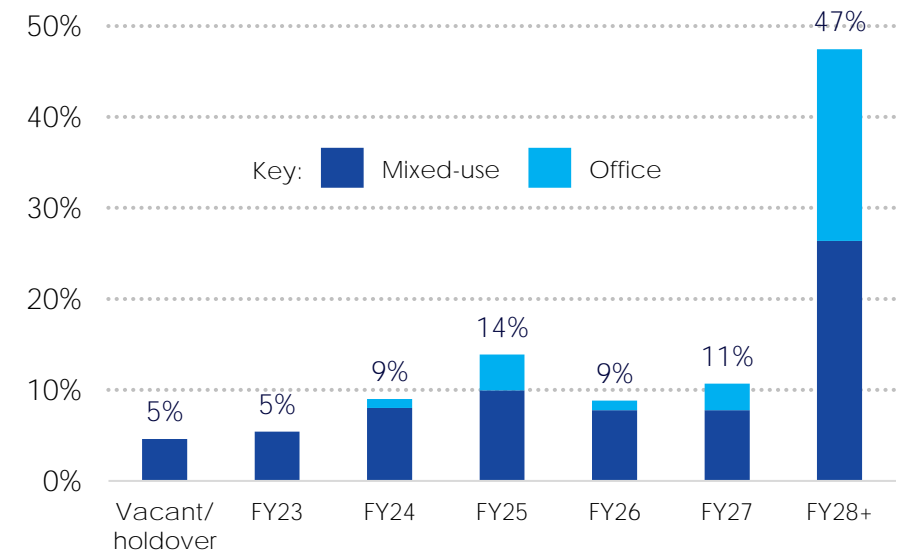
Income breakdown  
% of investment portfolio gross income



Top 10 tenants  
% of investment portfolio gross income

1.	ASB Bank	8.4
2.	Ministry of Social Development	5.7
3.	Farmers	3.5
4.	ANZ Bank	2.5
5.	Bell Gully	2.4
6.	Suncorp	2.3
7.	Russell McVeagh	1.8
8.	The Warehouse	1.4
9.	Woolworths NZ	1.4
10.	Cotton On Group	1.3

Lease expiry profile  
% of investment portfolio gross income



# 125ha landholding provides flexibility and unlocks opportunity

Sylvia Park, Auckland



LynnMall, Auckland



The Base, Hamilton (JV with Tainui Group Holdings)



Drury, Auckland



1. Enables phasing of development according to demand and cost of capital.
2. 'Adjoining properties' deliver income until intensification occurs.
3. No need to compete for expensive on-market opportunities.



## Creating a medical precinct at Sylvania Park

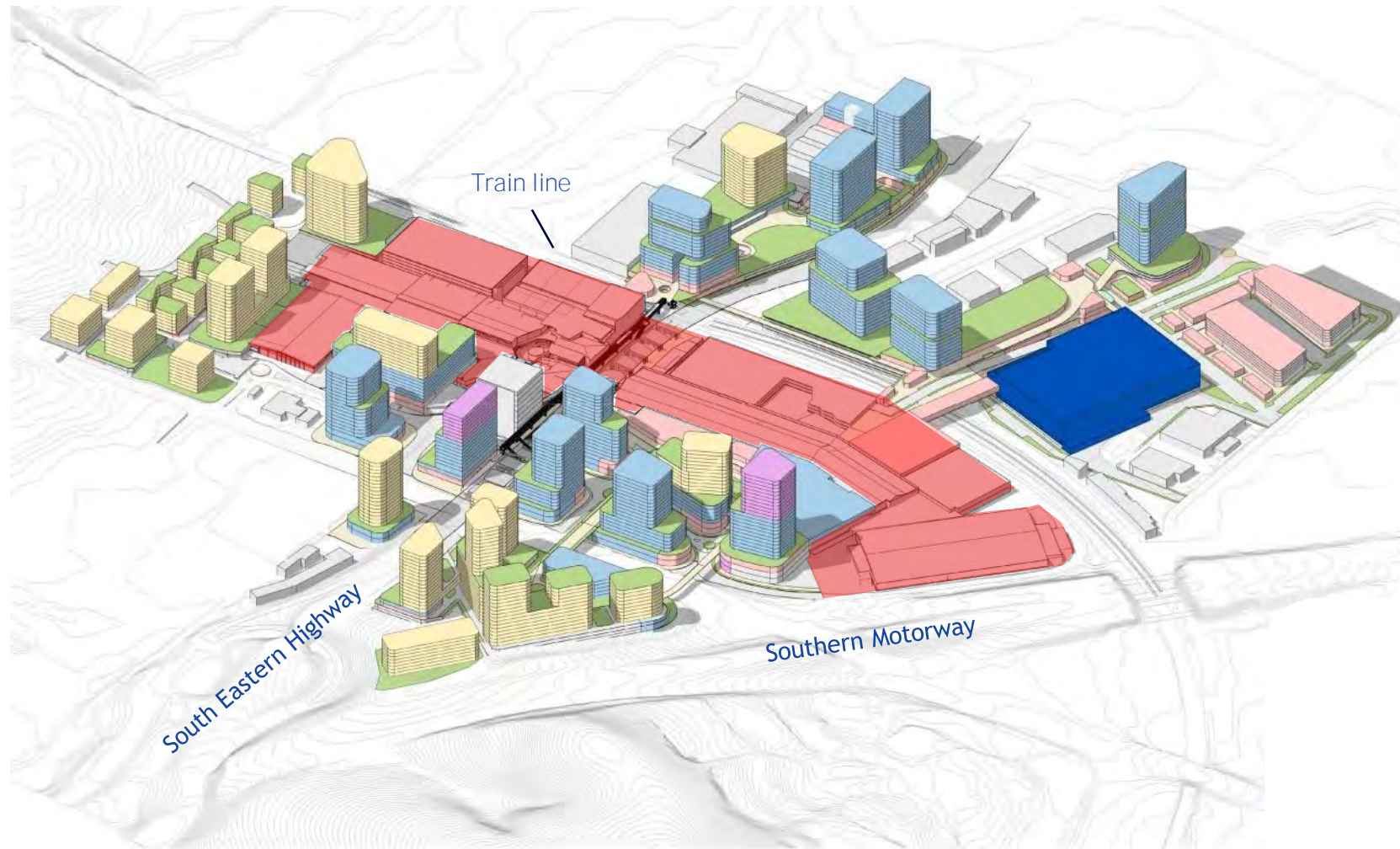
- > 3 Te Kahu Way medical and office building due for completion in Q1 2023.
- > Tenants include Horizon Radiology, Tamaki Health and Regus co-working.



## Laying the foundation for another New Zealand first

- > 3.2ha of land conditionally sold to IKEA.
- > The deal brings IKEA a step closer to opening its first New Zealand store – at Sylvania Park.

# Building a city within a city: Sylvia Park long-term vision



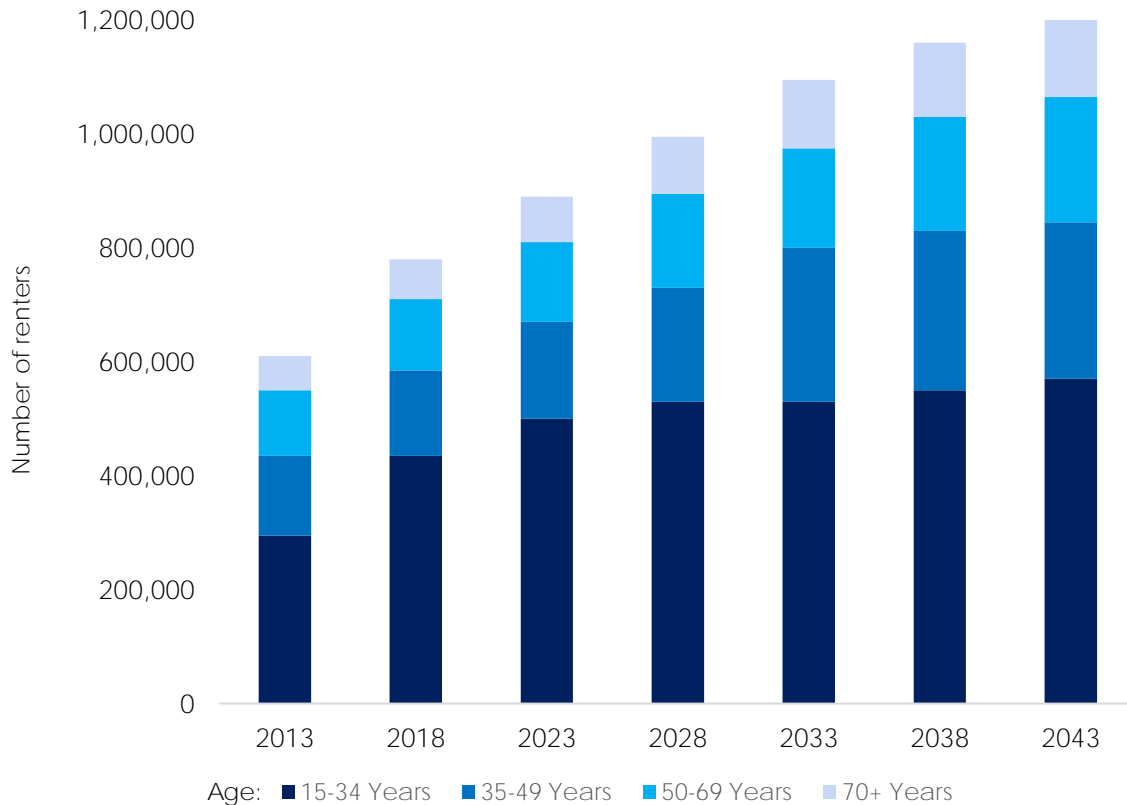
## Legend:

-  Retail / lifestyle
-  Residential
-  Office
-  Hospitality
-  Open areas
-  Existing retail centre
-  Land conditionally sold to IKEA



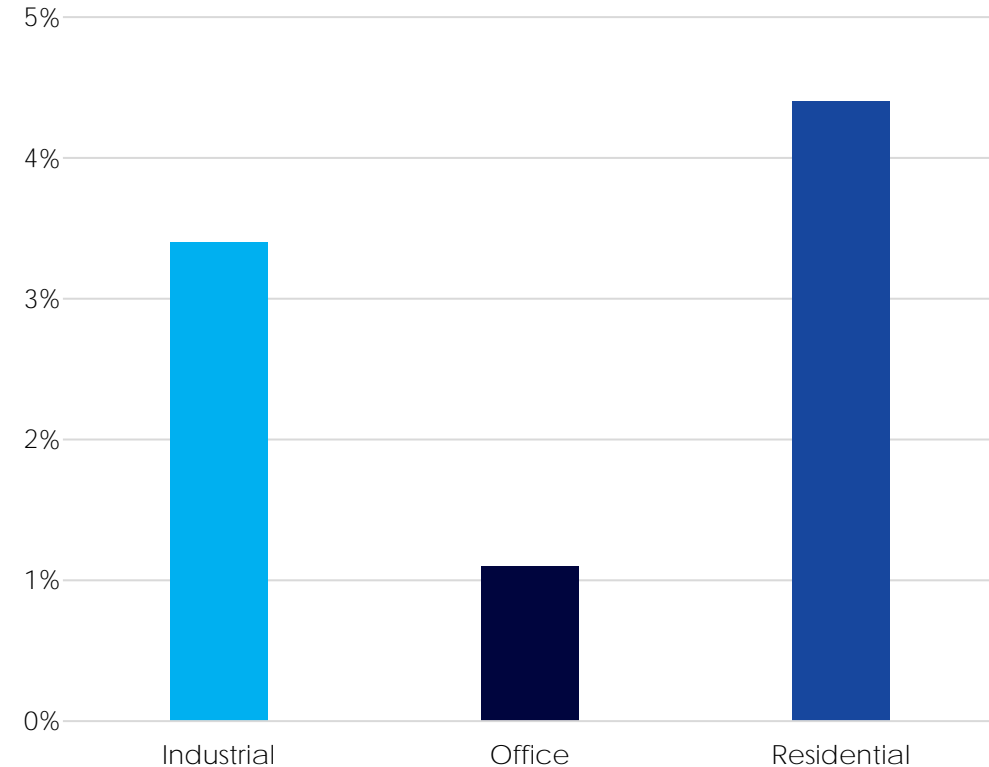
# Build-to-rent (BTR): poised for growth in New Zealand

### Auckland renting demographics<sup>1</sup>



The number of Auckland renters is expected to grow steadily over the next 20 years.

### Average per annum rental growth by asset class (June 2010-June 2022)<sup>2</sup>



For more than a decade, residential rents have grown at a faster rate than other commercial property asset classes.

# We're well placed to capitalise on the rise of BTR



- > Kiwi Property has begun construction of New Zealand's first major BTR development, featuring 295 apartments due for completion in the first half of 2024.
- > Expected internal rate of return (IRR), including halo benefit, of over 8%.
- > BTR will help Kiwi Property to:
  1. Diversify revenue and drive rental income with relatively low volatility.
  2. Attract additional customers to mixed-use centres.
  3. Leverage existing asset management, security and maintenance platforms to create operational synergies.

# Putting Kiwi Property at the heart of the new Drury town centre

- > Drury predicted to be home to around 60,000 people within 30 years<sup>1</sup>.
- > Kiwi Property's site will be the location of the future town centre, featuring:
  - > Residential: ~3,000 houses
  - > Large format retail (LFR)/retail: ~117,000 sqm
  - > Office: ~58,000 sqm
  - > Community and civic spaces
- > Stage one earth and civil works expected to deliver cumulative valuation growth of over 40% and create 13 residential super-lots.
- > Proceeds from the potential sale of these super-lots, joint ventures or external capital partnerships could help fund LFR and/or further development.



# Financial overview

# FY23 first-half financial performance

▲ \$100.0m

Net rental  
income  
+\$6.0m (+6.3%)

▲ \$65.1m

Operating profit  
before tax  
+\$2.6m (+4.2%)

▼ \$151.1m

Net loss  
after tax  
-\$294.3m (-205.5%)

▲ 4.15cps

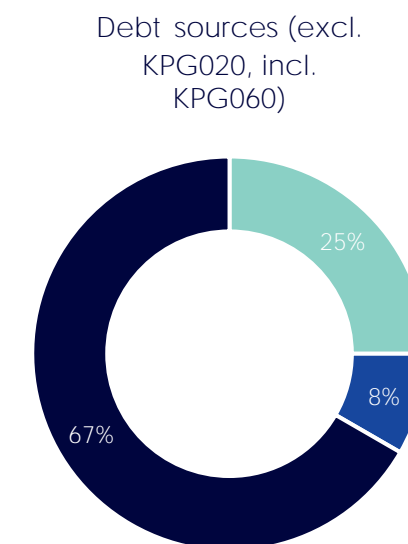
Adjusted funds from  
operations per share  
+1.09 cps (+35.7%)

# 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 32.1%. The gearing ratio as at 30 September 2022 was 35.7%. Adjusted for key changes since 30 September 2022, the gearing ratio would be 34.1%<sup>1</sup>.
- > Kiwi Property's Green Bonds will help maintain the diversity of our funding sources, extend the weighted average term to maturity of finance debt and fund the maturity of KPG020 in September 2023.
- > Weighted average term to maturity<sup>2</sup> is currently 3.7 years and will increase to 4.2 years following the issue of KPG060 and repayment of KPG020.

Pro-forma debt maturity profile <sup>2</sup>	Incl. KPG020 & KPG060		Excl. KPG020, Incl. KPG060	
	\$m	%	\$m	%
FY24 <span style="background-color: #c8e6c9;">KPG020 - \$125</span>	125.0	7.7	0.0	0.0
FY25 <span style="background-color: #c8e6c9;">KPG030 - \$125</span>	125.0	7.7	125.0	8.3
FY26 <span style="background-color: #333366;">\$108</span> <span style="background-color: #c8e6c9;">KPG040 - \$100</span>	208.0	12.8	208.0	13.9
FY27 <span style="background-color: #333366;">\$383</span>	383.0	23.6	383.0	25.6
FY28 <span style="background-color: #333366;">\$509</span>	509.0	31.3	509.0	33.9
FY29 <span style="background-color: #c8e6c9;">KPG050 - \$150</span>	150.0	9.2	150.0	10.0
FY30 <span style="background-color: #333366;">KPG060 - \$125</span>	125.0	7.7	125.0	8.3
Total facilities	1,625.0	100.0	1,500.0	100.0
Facilities drawn	1,223.0		1,098.0	
Undrawn facilities	402.0		402.0	

■ ANZ, BNZ, CBA, CCB, HSBC, MUFG, Westpac bank facilities ■ Existing Green Bonds ■ New Green Bonds

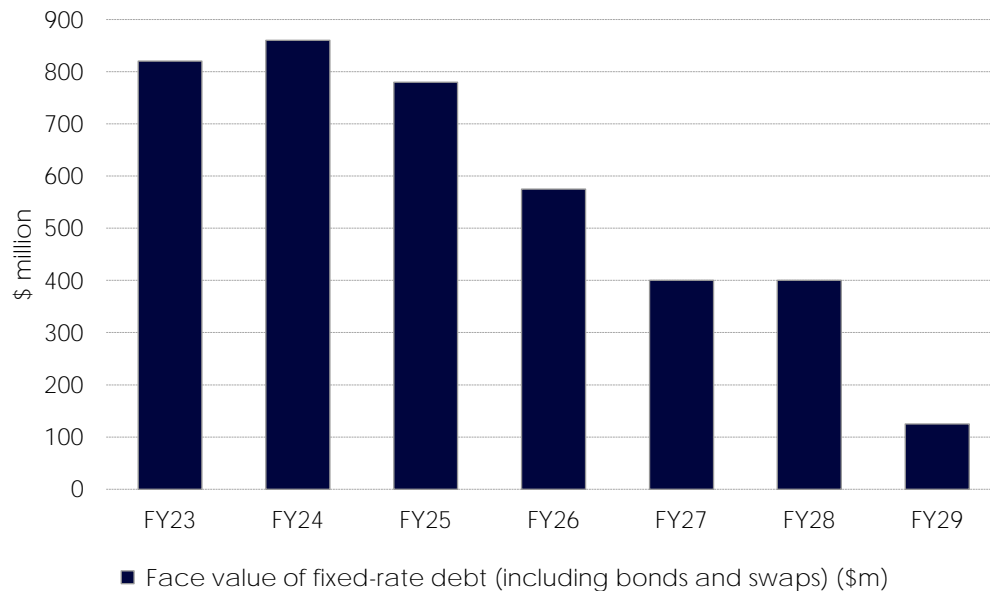


1. Based on the Group's finance debt as at 31 January 2023 (being the date of the most recent unaudited management accounts available as at the date of this presentation) and with the Group's total tangible assets as at 30 September 2022 adjusted to reflect the March 2023 Draft Valuations (which exclude assets that have been sold since 30 September 2022). 2. As at 31 January 2023, adjusted for an assumed bond issue of \$125m. This 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 2022	31 January 2023 <sup>1</sup>
Percentage of drawn finance debt at fixed rates	59%	75%
Weighted average term to maturity of active fixed-rate debt	2.6 years	3.5 years

Fixed-rate debt maturity profile – pro-forma including KPG060 and excluding KPG020



75% of Kiwi Property's debt is hedged (on a pro-forma basis<sup>1</sup>) helping to safeguard against rising interest rates.

1. Based on the 31 January 2023 unaudited management accounts (being the most recent management accounts available as at the date of this presentation), adjusted for an assumed bond issue of \$125m and excluding KPG020.

# Fixed-rate Green Bond offer

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



Joint Lead Managers:







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



6.5 year term, maturing on 27 September 2029



Secured against \$3.2b of property assets including \$976m of green assets<sup>1</sup>

# Key terms of the Green Bond offer



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Issuer:	Kiwi Property Group Limited.
Instrument:	Fixed-rate senior secured green bonds (Green Bonds).
Issue amount:	Up to \$100m (with the ability to accept oversubscriptions of up to an additional \$25m at Kiwi Property's discretion).
Tenor and maturity:	6.5 years maturing on 27 September 2029.
Interest Rate:	To be determined on the Rate Set Date following a bookbuild process. The Interest Rate will be the greater of the Minimum Interest Rate and the sum of the Base Rate plus the Margin.
Indicative margin range:	To be announced on or about the opening date of the offer, along with the Minimum Interest Rate.
Interest payments:	Semi-annual in arrear on 27 March and 27 September.
Credit rating:	The Green Bonds have a credit rating of BBB+ from S&P Global Ratings Australia Pty Limited, consistent with the ratings of the Existing Bonds.
Application amount:	Minimum of \$5,000 and in multiples of \$1,000 thereafter.
Quotation:	It is expected that the Green Bonds will be quoted under the code KPG060 on the NZX Debt Market.

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# Key terms of the Green Bond offer (continued)

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Events of default:	Events of default include (among others): <ul style="list-style-type: none"><li>&gt; Non-payment of interest or principal</li><li>&gt; An un-remedied gearing ratio breach</li><li>&gt; Insolvency</li></ul>
Sustainable Debt Framework Allocation:	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 to repay existing bank debt of the Group. 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.
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.
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.
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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The Green Bonds are issued by Kiwi Property Group Limited (Kiwi Property) and guaranteed by the Guarantors set out on slide 27 on a joint and several basis. The Guarantors have granted security over all of their assets in favour of the Security Trustee:

## Security:

- > 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 the Existing 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.

The Group's finance debt must not exceed 50% of the Group's total tangible assets. The maximum gearing ratio that applies to the Green Bonds (50%) is higher than the maximum gearing ratio that applies to the Existing Bonds (45%).

## Gearing ratio:

Kiwi Property considers that 50% is generally consistent with the approach adopted by a number of other comparable listed property companies in the New Zealand market.

- > Gearing ratio as at 30 September 2022 was 35.7%.
- > Breach of gearing ratio requires remediation within a 13-month remedy period (once that breach is disclosed to the Bond Supervisor in a directors' report)

# Key dates

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PDS lodgement:	6 March 2023.
Offer opens:	14 March 2023.
Offer closes:	11am on 17 March 2023.
Rate set date:	17 March 2023.
Issue date:	27 March 2023.
Expected date of initial quotation on NZX Debt Market:	28 March 2023.
Maturity date:	27 September 2029.



Thank you



# Indicative Terms Sheet

Indicative Terms Sheet for an offer of 6.5-year fixed-rate senior secured green bonds by Kiwi Property Group Limited

**Date: 14 March 2023**

# Indicative Terms Sheet

## dated 14 March 2023

This indicative terms sheet (**Terms Sheet**) sets out the key terms of the offer (**Offer**) by Kiwi Property Group Limited (**Kiwi Property**) of up to NZ\$100 million (with the ability to accept oversubscriptions of up to an additional NZ\$25 million at Kiwi Property's discretion) of 6.5-year (maturing on 27 September 2029) fixed-rate senior secured green bonds (**Green Bonds**).

The product disclosure statement dated 6 March 2023 (**PDS**), which contains details of the Offer, is available at [www.kiwiproperty.com/corporate/green-bond](http://www.kiwiproperty.com/corporate/green-bond) or by contacting a Joint Lead Manager or your usual financial advice provider. Investors must obtain the PDS before they decide to acquire any Green Bonds.

Capitalised terms used but not defined in this Terms Sheet have the meanings given to them in the PDS.

<b>Issuer</b>	Kiwi Property Group Limited.	
<b>Group</b>	Kiwi Property and each of its subsidiaries.	
<b>Description</b>	Fixed-rate senior secured green bonds of Kiwi Property.	
<b>Offer amount</b>	Up to NZ\$100 million (with the ability to accept oversubscriptions of up to an additional NZ\$25 million at Kiwi Property's discretion). The Offer is not underwritten.	
<b>Issue Price and Principal Amount</b>	NZ\$1.00 per Green Bond.	
<b>Term and Maturity Date</b>	6.5 years, maturing on 27 September 2029.	
<b>Opening Date</b>	Tuesday, 14 March 2023.	
<b>Closing Date</b>	11am on Friday, 17 March 2023.	
<b>Rate Set Date</b>	Friday, 17 March 2023.	
<b>Issue Date</b>	Monday, 27 March 2023.	
<b>Credit ratings</b>	<b>Issue Credit Rating</b>	<b>Kiwi Property Credit Rating</b>
	S&P Global Ratings Australia Pty Limited ( <b>S&amp;P</b> )	BBB (stable outlook)
	<p>The Green Bonds have a credit rating of BBB+ from S&amp;P. S&amp;P has also issued a BBB (stable outlook) long-term credit rating for Kiwi Property.</p> <p>A rating is not a recommendation by any rating organisation to buy, sell or hold Green Bonds. The above ratings are current as at the date of this Terms Sheet and may be subject to suspension, revision or withdrawal at any time by S&amp;P.</p>	
<b>Sustainable Debt Framework, use of proceeds and Green Bond Principles</b>	<p>Kiwi Property has developed and adopted its Sustainable Debt Framework to ensure that, as at the date of the PDS, its processes for evaluating and selecting Eligible Projects and managing and reporting on the use of the proceeds of the Green Bonds are consistent with the core components of Green Bond Principles (June 2021).</p> <p>In accordance with the Sustainable Debt Framework, Kiwi Property intends to notionally 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 to repay existing bank debt of the Group.</p> <p>As at the date of the PDS, 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 of its outstanding green bonds (including the Green Bonds) and green loans.</p> <p>The Sustainable Debt Framework provides for Kiwi Property to make annual use of proceeds reporting, impact reporting, and any amendments to the Sustainable Debt Framework publicly available. Kiwi Property intends to seek assurance from a limited assurance provider on an annual basis in relation to its green debt (including the Green Bonds).</p>	



The Sustainable Debt Framework does not form part of the contractual terms of the Green Bonds. If Kiwi Property fails to comply with the Sustainable Debt Framework or the relevant market standards described in the Sustainable Debt Framework (including the Green Bond Principles) or if the Green Bonds cease to satisfy the Green Bond Principles:

- this does not constitute an Event of Default or any other breach in relation to the Green Bonds;
- there is no requirement on Kiwi Property to repay the Green Bonds early; and
- the Green Bonds may cease to be labelled as “green”.

This means there is no legal obligation for Kiwi Property to comply with the Sustainable Debt Framework or the relevant market standards described in the Sustainable Debt Framework (including the Green Bond Principles) on an ongoing basis.

Refer to the PDS for more information on Eligible Projects, the Sustainable Debt Framework and the Green Bond Principles.

<b>Interest Rate</b>	<p>The Green Bonds will pay a fixed rate of interest until the Maturity Date.</p> <p>The Interest Rate will be no lower than 6.00% per annum (the <b>Minimum Interest Rate</b>).</p> <p>The Interest Rate will be determined by Kiwi Property (in consultation with the Joint Lead Managers) on the Rate Set Date (17 March 2023) following the Bookbuild and will be the greater of:</p> <ul style="list-style-type: none"> <li>• the Minimum Interest Rate; and</li> <li>• the sum of the Base Rate plus the Margin.</li> </ul> <p>The Interest Rate will be announced by Kiwi Property via NZX on or about the Rate Set Date.</p> <p>The Interest Rate will not change during the term of the Green Bonds.</p>
<b>Margin</b>	<p>The indicative Margin range is 1.75% to 1.85% per annum.</p> <p>The Margin (which may be within, above or below the indicative Margin range) is the rate (expressed as a percentage rate per annum) determined by Kiwi Property (in consultation with the Joint Lead Managers) following the Bookbuild. The Margin will be announced by Kiwi Property via NZX on or about the Rate Set Date.</p>
<b>Base Rate</b>	<p>The semi-annual mid-market rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Arranger in consultation with Kiwi Property, according to market convention, with reference to Bloomberg page ‘ICNZ4’ (or any successor page) on the Rate Set Date (rounded to 2 decimal places if necessary, with 0.005 being rounded up).</p>
<b>Interest payments</b>	<p>Semi-annually in arrear in equal payments.</p>
<b>Interest Payment Dates</b>	<p>Interest is payable on each semi-annual Interest Payment Date, being 27 March and 27 September in each year during the Green Bonds, starting on 27 September 2023 and until and including the Maturity Date.</p> <p>If an Interest Payment Date is not a Business Day, Kiwi Property will make payment on the next Business Day, but no adjustment will be made to the amount of the interest payable.</p>
<b>Entitlement to payments</b>	<p>Payments of interest on the Green Bonds will be made to the persons who are the Holders as at 5pm (New Zealand time) on the 10<sup>th</sup> calendar day before the relevant Interest Payment Date.</p> <p>Payments of any other amount will be made to the persons who are the Holders as at 5pm (New Zealand time) on the day determined by Kiwi Property and notified to NZX.</p> <p>If such a day is not a Business Day, payments will be made to the persons who are the Holders as at 5pm (New Zealand time) on the immediately preceding Business Day.</p>
<b>Guarantee</b>	<p>Each Guarantor guarantees the due and punctual payment of all amounts payable by Kiwi Property in respect of the Green Bonds on a joint and several basis. There are no limits on the obligations of the Guarantors in respect of the amounts owing under the guarantee.</p> <p>Refer to the PDS for more information on these guarantees.</p>
<b>Security</b>	<p>The Green Bonds are secured by security granted by the Guarantors over all of their assets under the GSD, together with registered Mortgages over substantially all of the real property (being land and the buildings and other fixtures on that land) owned by the Guaranteeing Group.</p> <p>The security is granted in favour of the Security Trustee for the benefit of all of the Group’s senior secured creditors (including Holders of the Green Bonds, holders of Kiwi Property’s other senior secured bonds and the Group’s bank facility lenders and hedging providers) and can only be enforced in accordance with the Security Trust Deed.</p> <p>Refer to the PDS for more information about the security and the ranking of the Green Bonds in a liquidation of Kiwi Property.</p>

<b>Ranking</b>	In an insolvency of Kiwi Property or a Guarantor, the claims of the senior secured creditors (including Holders of the Green Bonds) will, by virtue of the security granted in favour of the Security Trustee, rank ahead of all unsecured creditors of Kiwi Property or the relevant Guarantor other than certain creditors preferred by law (for example, certain amounts payable to the Inland Revenue).
<b>Gearing ratio</b>	Under the Trust Deed, Kiwi Property undertakes to ensure that, for so long as the Green Bonds are outstanding, finance debt of the Group does not exceed 50% of the total tangible assets of the Group.  Refer to the PDS for more information.
<b>Further indebtedness and other covenants</b>	The Group can create further liabilities (including by issuing new secured bonds and by incurring additional bank debt) without the consent of Holders. However, there are covenants in the Trust Deed and other documents that have the effect of restricting the Group's ability to create further liabilities that rank equally with or in priority to the Green Bonds.  Refer to the PDS for more information.
<b>No early repayment</b>	Kiwi Property must repay all of the Green Bonds on the Maturity Date (27 September 2029). Kiwi Property has no right to repay your Green Bonds before the Maturity Date. Similarly, you have no right to require that your Green Bonds be repaid before the Maturity Date unless an Event of Default has occurred.
<b>Business Days</b>	A day (other than a Saturday or Sunday) on which registered banks are generally open for business in Wellington and Auckland.
<b>Minimum application amount</b>	NZ\$5,000 with multiples of NZ\$1,000 thereafter.
<b>Transfers</b>	You may only transfer your Green Bonds in multiples of NZ\$1,000 in aggregate Principal Amount and after any transfer you and the transferee must each hold Green Bonds with an aggregate Principal Amount of at least NZ\$5,000 (or no Green Bonds).
<b>ISIN</b>	NZKPGD0060L2.
<b>NZX Debt Market Quotation</b>	Kiwi Property intends to quote the Green Bonds on the NZX Debt Market. NZX ticker code KPG060 has been reserved for the Green Bonds.  NZX takes no responsibility for the content of this Terms Sheet. NZX is a licensed market operator and the NZX Debt Market is a licensed market under the Financial Markets Conduct Act 2013.
<b>Expected Date of Initial Quotation and Trading on NZX Debt Market</b>	28 March 2023.
<b>Who may apply for Green Bonds</b>	There is no public pool for the Green Bonds. All of the Green Bonds (including any oversubscriptions) will be reserved for subscription by clients of the Joint Lead Managers, Primary Market Participants and other approved financial intermediaries invited to participate in the Bookbuild. This means that you can only apply for Green Bonds through a Joint Lead Manager, Primary Market Participant or approved financial intermediary who has obtained an allocation of Green Bonds in the Bookbuild.  You can find a Primary Market Participant by visiting <a href="http://www.nzx.com/investing/find-a-participant">www.nzx.com/investing/find-a-participant</a> .
<b>Brokerage</b>	Kiwi Property will pay brokerage of 0.50% of the aggregate Principal Amount of Green Bonds issued plus 0.25% on firm allocations. Such amounts will be paid to the Arranger who will distribute as appropriate to Primary Market Participants and approved financial intermediaries.
<b>Supervisor</b>	Public Trust.
<b>Security Trustee</b>	New Zealand Permanent Trustees Limited.
<b>Registrar</b>	Link Market Services Limited.
<b>Arranger and Green Bond Co-ordinator</b>	ANZ Bank New Zealand Limited.
<b>Joint Lead Managers</b>	ANZ Bank New Zealand Limited, Commonwealth Bank of Australia (ABN 48 123 123 124) (acting through its New Zealand branch), Craigs Investment Partners Limited and Forsyth Barr Limited.
<b>Governing law</b>	New Zealand.
<b>Singapore Securities and Futures Act Product Classification</b>	Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 (Singapore), as modified or amended from time to time (SFA), Kiwi Property has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Green Bonds are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 (Singapore)).

## Selling restrictions

Kiwi Property has not taken and will not take any action which would permit a public offering of Green Bonds, or possession or distribution of any offering material in respect of the Green Bonds, in any country or jurisdiction where action for that purpose is required (other than New Zealand).

### Part A – Initial selling restrictions

If sold in New Zealand, the Green Bonds may only be offered in New Zealand in conformity with all applicable laws and regulations in New Zealand. In respect of the Offer, no Green Bonds may be offered in any other country or jurisdiction except in conformity with all applicable laws and regulations of that country or jurisdiction and the applicable selling restrictions set out in this section headed “Part A – Initial selling restrictions”. The PDS, this Terms Sheet and any offering material or any documents in connection with the Green Bonds may not be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations in that country or jurisdiction and the applicable selling restrictions set out in this section headed “Part A – Initial selling restrictions”. For the avoidance of doubt, the selling restrictions set out in this section headed “Part A – Initial selling restrictions” apply only in respect of the Offer.

### United States of America

The Green Bonds have not been and will not be registered under the Securities Act of 1933, as amended (**Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)). No person may engage in any directed selling efforts (as defined in Regulation S) in relation to the Green Bonds, and persons must comply with the offering restrictions in Regulation S.

The Green Bonds will not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time, or (ii) otherwise until 40 days after the completion of the distribution of all Green Bonds, as determined and certified by the Joint Lead Managers. Any Green Bonds sold to any distributor, dealer or person receiving a selling concession, fee or other remuneration during the distribution compliance period require a confirmation or notice to the purchaser at or prior to the confirmation of the sale to substantially the following effect:

“The Green Bonds covered hereby have not been registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Green Bonds and the closing date. Terms used above have the meaning given to them by Regulation S.”

### Member States of the European Economic Area

In relation to each Member State of the European Economic Area, no Green Bonds have been offered and no Green Bonds will be offered that are the subject of the offering contemplated by this Terms Sheet in relation thereto to the public in that Member State except that an offer of Green Bonds to the public in the Member State may be made:

- (a) to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the relevant Joint Lead Manager and/or Joint Lead Managers nominated by Kiwi Property for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation, provided that no such offer of the Green Bonds shall require Kiwi Property or any Joint Lead Managers to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of the Green Bonds to the public**” in relation to any Green Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Green Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Green Bonds and the expression “**EU Prospectus Regulation**” means Regulation (EU) 2017/1129.

### United Kingdom

No Green Bonds have been offered and no Green Bonds will be offered that are the subject of the offering contemplated by this Terms Sheet in relation thereto to the public in the United Kingdom except that an offer of Green Bonds to the public in the United Kingdom may be made:

- (a) to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Joint Lead Manager and/or Joint Lead Managers nominated by Kiwi Property for any such offer; or
- (c) in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (**FSMA**),

provided that no such offer of the Green Bonds shall require Kiwi Property or any Joint Lead Manager to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of the Green Bonds to the public**” in relation to any Green Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Green Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Green Bonds and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

### **Other regulatory restrictions**

No communication, invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) has been or may be made or caused to be made or will be made in connection with the issue or sale of the Green Bonds in circumstances in which section 21(1) of the FSMA applies to Kiwi Property.

All applicable provisions of the FSMA with respect to anything done in relation to the Green Bonds in, from or otherwise involving the United Kingdom must be complied with.

### **Japan**

The Green Bonds have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **FIEA**) in reliance upon the exemption from the registration requirements since the offering constitutes the small number private placement as provided for in “ha” of Article 2, Paragraph 3, Item 2 of the FIEA. A Japanese Person who transfers the Green Bonds shall not transfer or resell the Green Bonds in Japan or to a Japanese person except where the transferor transfers or resells all the Green Bonds en bloc to one transferee. For the purposes of this paragraph, “**Japanese Person**” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### **Singapore**

Each Joint Lead Manager has acknowledged that the PDS and this Terms Sheet have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Green Bonds or caused the Green Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Green Bonds or cause the Green Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the PDS, this Terms Sheet or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Green Bonds, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 (Singapore), as modified or amended from time to time (**SFA**) pursuant to Section 274 of the SFA);
- (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Green Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Green Bonds pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

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## Hong Kong

No Green Bonds have been offered or sold or will be or may be offered or sold in Hong Kong, by means of any document other than (a) to “**professional investors**” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “**prospectus**” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Green Bonds may be issued or in the possession of any person or will be issued or be in the possession of any person in each case for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Green Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “**professional investors**” as defined in the SFO and any rules made under the SFO.

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## Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (**Corporations Act**)) in relation to the Green Bonds has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission (**ASIC**) or any other regulatory authority in Australia. No person may:

- (a) make or invite (directly or indirectly) an offer of the Green Bonds for issue, sale or purchase in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) distribute or publish, the PDS, this Terms Sheet, any information memorandum, prospectus or any other offering material or advertisement relating to the Green Bonds in Australia, unless:
  - (i) the aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act;
  - (ii) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act;
  - (iii) such action complies with all applicable laws, regulations and directives (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act); and
  - (iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

By applying for the Green Bonds under the Offer, each person to whom the Green Bonds are issued (an **Investor**):

- (a) will be deemed by Kiwi Property and each Joint Lead Manager to have acknowledged that if the Investor on-sells the Green Bonds within 12 months from their issue, the Investor will be required to lodge a prospectus or other disclosure document (as defined in the Corporations Act) with ASIC unless either:
  - (i) that sale is to an investor within one of the categories set out in sections 708(8) or 708(11) of the Corporations Act to whom it is lawful to offer the Green Bonds in Australia without a prospectus or other disclosure document lodged with ASIC; or
  - (ii) the sale offer is received outside Australia; and
- (b) will be deemed by Kiwi Property and each Joint Lead Manager to have undertaken not to sell those Green Bonds in any circumstances other than those described in paragraphs (a)(i) and (a)(ii) above for 12 months after the date of issue of the Green Bonds.

Each of the PDS and this Terms Sheet is not, and under no circumstances is to be construed as, an advertisement or public offering of any Green Bonds in Australia.

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## Part B – General selling restrictions

The Green Bonds may only be offered for sale or sold in compliance with all applicable laws and regulations in any country or jurisdiction in which they are offered, sold or delivered. The PDS, this Terms Sheet and any offering material or any documents in connection with the Green Bonds may only be published, delivered or distributed in or from any country or jurisdiction under circumstances which will result in compliance with all applicable laws and regulations in that country or jurisdiction.

By subscribing for Green Bonds, you agree to comply with the above selling restrictions and to indemnify Kiwi Property, the Supervisor, the Arranger, the Green Bond Co-ordinator and the Joint Lead Managers for any loss suffered as a result of you breaching the above selling restrictions.

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The timetable is indicative only and subject to change. Kiwi Property has the right, in its absolute discretion, to open or close the Offer early and to extend the Closing Date. If Kiwi Property changes the Opening Date and/or the Closing Date, the changes will be announced by Kiwi Property via NZX as soon as reasonably practicable. If the Closing Date is extended, the Rate Set Date, the Issue Date/allotment date, the expected date of initial quotation and trading of the Green Bonds on the NZX Debt Market, the Interest Payment Dates and the Maturity Date may be extended accordingly. Any such changes will not affect the validity of any applications received.

Kiwi Property reserves the right to cancel the Offer and the issue of the Green Bonds.

### **Important Information**

The Arranger, the Green Bond Co-ordinator, the Joint Lead Managers and their respective directors, officers, employees and agents:

- (a) have not authorised or caused the issue of, or made any statement in, any part of this Terms Sheet;
- (b) do not 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 Terms Sheet; and
- (c) to the extent permitted by law, do not accept any responsibility or liability for this Terms Sheet or for any loss arising from this Terms Sheet or its contents or otherwise arising in connection with the offer of Green Bonds.

This Terms Sheet does not constitute financial advice or a recommendation from the Arranger, Green Bond Co-ordinator, any Joint Lead Manager or any of their respective directors, officers, employees, agents or advisers to purchase, any Green Bonds. 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.

# Directory

## Issuer

### **Kiwi Property Group Limited**

Level 7, Vero Centre  
48 Shortland Street  
AUCKLAND 1010

Telephone: +64 9 359 4000

Email: [info@kp.co.nz](mailto:info@kp.co.nz)

## Supervisor

### **Public Trust**

SAP Tower  
Level 16  
151 Queen Street  
AUCKLAND 1010

Telephone: 0800 371 471

## Arranger and Green Bond Co-ordinator

### **ANZ Bank New Zealand Limited**

ANZ Centre  
23-29 Albert Street  
AUCKLAND 1010

Toll Free: 0800 269 476

## Joint Lead Managers

### **ANZ Bank New Zealand Limited**

ANZ Centre  
23 – 29 Albert Street  
AUCKLAND 1010

Toll Free: 0800 269 476

### **Commonwealth Bank of Australia**

**(ABN 48 123 123 124)**

**(acting through its New Zealand branch)**

ASB North Wharf  
12 Jellicoe Street  
AUCKLAND 1010

Toll Free: 0800 272 266

## Registrar

### **Link Market Services Limited**

Level 30, PwC Tower  
15 Customs Street West  
AUCKLAND 1010

Toll Free: 0800 377 388

Telephone: +64 9 375 5998

Email: [enquiries@linkmarketservices.co.nz](mailto:enquiries@linkmarketservices.co.nz)

## Security Trustee

### **New Zealand Permanent Trustees Limited**

SAP Tower  
Level 16  
151 Queen Street  
AUCKLAND 1010

Telephone: 0800 371 471

### **Craigs Investment Partners Limited**

Level 36, Vero Centre  
48 Shortland Street  
AUCKLAND 1010

Toll Free: 0800 226 263

### **Forsyth Barr Limited**

Level 23, Shortland & Fort  
88 Shortland Street  
AUCKLAND 1010

Toll Free: 0800 367 227



## Product Disclosure Statement

for an offer of 6.5-year fixed-rate senior secured green bonds by Kiwi Property Group Limited

**Date: 6 March 2023**

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on <http://www.disclose-register.companiesoffice.govt.nz>. Kiwi Property Group Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you to make an investment decision.

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



Joint Lead  
Managers:





# 1. Key Information Summary

## 1.1 What is this?

This is an offer of fixed-rate senior secured green bonds (**Green Bonds**). The Green Bonds are debt securities issued by Kiwi Property Group Limited (**Kiwi Property**). You give Kiwi Property money, and in return Kiwi Property promises to pay you interest and repay the money at the end of the term. If Kiwi Property runs into financial trouble, you might lose some or all of the money you invested.

## 1.2 About the Group

Kiwi Property is one of New Zealand's largest listed property companies. Kiwi Property and its subsidiaries (together, the **Group**) own, invest in, develop and manage a diversified portfolio of mixed-use, large format retail and office assets.

## 1.3 Purpose of this Offer

In accordance with Kiwi Property's Sustainable Debt Framework dated May 2022 (as amended from time to time) (**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 to repay existing bank debt of the Group.

See Section 4 of this Product Disclosure Statement (**PDS**) (Purpose of the Offer) for more information.

A reference in this PDS to proceeds being "allocated" by Kiwi Property to finance or refinance its direct and indirect investments in Eligible Projects means a notional allocation of an amount equal to those proceeds in Kiwi Property's systems.

The Sustainable Debt Framework does not form part of the contractual terms of the Green Bonds.

If Kiwi Property fails to comply with the Sustainable Debt Framework or the relevant market standards described in the Sustainable Debt Framework (including the Green Bond Principles) or if the Green Bonds cease to satisfy the Green Bond Principles:

- this does not constitute an Event of Default or any other breach in relation to the Green Bonds;
- there is no requirement on Kiwi Property to repay the Green Bonds early; and
- the Green Bonds may cease to be labelled as "green".

This means there is no legal obligation for Kiwi Property to comply with the Sustainable Debt Framework or the relevant market standards described in the Sustainable Debt Framework (including the Green Bond Principles) on an ongoing basis. See also Section 5 of this PDS (Key features of the Green Bonds).

## 1.4 Key terms of the Offer

Description of the debt securities	Fixed-rate senior secured green bonds.
Term	6.5 years, ending on the Maturity Date (27 September 2029).
Offer amount	Up to NZ\$100 million (with the ability to accept oversubscriptions of up to an additional NZ\$25 million at Kiwi Property's discretion). The Offer is not underwritten.
Issue Price and Principal Amount	NZ\$1.00 per Green Bond.
Minimum application amount	NZ\$5,000 and in multiples of NZ\$1,000 thereafter.
Opening Date	14 March 2023.
Closing Date	11am on 17 March 2023.
Issue Date	27 March 2023.

## 1.4 Key terms of the Offer (continued)

<b>Interest Rate</b>	<p>The Green Bonds will pay a fixed rate of interest until the Maturity Date.</p> <p>The Interest Rate will be no lower than the Minimum Interest Rate.</p> <p>The Interest Rate will be determined by Kiwi Property (in consultation with the Joint Lead Managers) on the Rate Set Date (17 March 2023) and will be the greater of:</p> <ul style="list-style-type: none"> <li>the Minimum Interest Rate; and</li> <li>the sum of the Base Rate (a reference rate for a period equal to the term of the Green Bonds) plus the Margin.</li> </ul> <p>The Minimum Interest Rate and the indicative Margin range will be announced by Kiwi Property via NZX on or about the Opening Date.</p> <p>The Interest Rate will be announced by Kiwi Property via NZX on or about the Rate Set Date.</p> <p>See Section 3.1 of this PDS (Description of the Green Bonds).</p>
<b>Interest Payment Dates</b>	<p>Interest is scheduled to be paid semi-annually in arrear on each Interest Payment Date, being 27 March and 27 September in each year until and including the Maturity Date.</p> <p>The first Interest Payment Date is 27 September 2023.</p>
<b>Further payments, fees and charges</b>	<p>You are not required to pay brokerage or any other fees or charges to Kiwi Property to apply or subscribe for Green Bonds. However, you may have to pay brokerage to the Bookbuild participant from whom you receive any Green Bonds.</p> <p>Taxes may be deducted from interest payments on the Green Bonds. See Section 7 (Tax) and Section 8 (Tax consequences for overseas Holders) of this PDS for more information.</p>

## 1.5 Who is responsible for repaying you?

Kiwi Property is responsible for paying interest on the Green Bonds and for repaying the Green Bonds on the Maturity Date.

The obligations of Kiwi Property to pay interest on the Green Bonds and to repay the Green Bonds on the Maturity Date are guaranteed by certain of Kiwi Property's wholly owned subsidiaries under a global security deed dated 5 November 1998 (as amended from time to time) (**GSD**). Kiwi Property and its subsidiaries that are party to the GSD as guarantors are referred to in this PDS as the **Guarantors** and the **Guaranteeing Group**.

At the date of this PDS, the guaranteeing subsidiaries are Kiwi Property Holdings Limited, Sylvia Park Business Centre Limited, Kiwi Property Te Awa Limited, Kiwi Property Centre Place 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 and Kiwi Property Holdings No. 7 Limited. The guaranteeing subsidiaries may change from time to time.

No other members of the Group are Guarantors of the Green Bonds.

Under a security trust deed dated 30 June 2014 (as amended from time to time) (**Security Trust Deed**), each Guarantor undertakes that the total assets held by the Guaranteeing Group must not be less than 90% of the total assets of the Group.

See Section 5.3 of this PDS (Ranking and security) for more information.

## 1.6 How you can get your money out early

Kiwi Property must repay all of the Green Bonds on the Maturity Date (27 September 2029). Kiwi Property has no right to repay your Green Bonds before the Maturity Date. Similarly, you have no right to require that your Green Bonds be repaid early unless an Event of Default has occurred.

See Section 5.3 of this PDS (Ranking and security) under "Events of Default" for more information.

Kiwi Property intends to quote these Green Bonds on the NZX Debt Market. This means you may be able to sell them on the NZX Debt Market before the end of their term if there are interested buyers. If you sell your Green Bonds, the price you get will vary depending on factors such as the financial condition of the Group and movements in the market interest rates. You may receive less than the full amount that you paid for them.

## 1.7 How Green Bonds rank for repayment

In a liquidation of Kiwi Property, each of your Green Bonds will give you the right to payment of an amount equal to the Principal Amount plus all accrued but unpaid interest.

Your right to payment of this amount will rank:

- behind claims of holders of prior-ranking secured claims on Kiwi Property and holders of claims on Kiwi Property that are preferred by law;
- equally with claims of other Holders and holders of other secured claims on Kiwi Property that rank equally with the Green Bonds; and
- ahead of claims of holders of lower ranking secured claims on Kiwi Property, holders of unsecured claims on Kiwi Property and Kiwi Property's shareholders.

Section 5.3 of this PDS (Ranking and security) explains how the Green Bonds rank in a liquidation of Kiwi Property and the Group.

## 1.8 What assets are these Green Bonds secured against?

The Green Bonds are secured by security granted by the Guarantors over all of their assets under the GSD, together with first ranking registered mortgages over substantially all of the real property (being land and the buildings and other fixtures on that land) owned by the Guaranteeing Group (**Mortgages**).

See Section 5.3 of this PDS (Ranking and security) for more information about the security.

## 1.9 Key risks affecting this investment

Investments in debt securities have risks. A key risk is that Kiwi Property does not meet its commitments to repay you or pay you interest (credit risk). Section 6 of the PDS (Risks of investing) discusses the main factors that give rise to the risk. You should consider if the credit risk of these debt securities is suitable for you.

The interest rate for these Green Bonds should also reflect the degree of credit risk. In general, higher returns are demanded by investors from businesses with higher risk of defaulting on their commitments. You need to decide whether the offer is fair. Kiwi Property considers that the most significant risk factors are:

- **Valuation of the Group's real properties and the income derived from those properties:** the risk of adverse changes in New Zealand's property market, particularly in Auckland where a significant portion of the Group's real properties are located. This includes changes in economic or credit conditions which affect occupancy demands, and changes in business conditions leading to the bankruptcy, liquidation or closure of one or more of Kiwi Property's major tenants. This could have a negative impact on rental returns from, and the market value of, the Group's real properties. If significant and/or sustained, this could have a material negative impact on the Group's financial performance and creditworthiness.
- **Access to funding:** the risk that the Group is unable to maintain sufficient debt funding or refinance existing debt as and when required. If this occurred, the Group may be forced to sell real properties in unfavourable market conditions to finance its business or repay debt, which could have a material negative impact on the Group's financial performance and creditworthiness.
- **Natural disaster:** the risk of a natural disaster (for example, an earthquake or major weather event), particularly in Auckland, affecting the Group's real properties. If a natural disaster occurred, there is a risk that the Group's business may be materially interrupted for a prolonged period and that the Group's insurance

policies may not cover all of the resulting losses and costs. Such risks could have a material negative impact on the Group's financial performance and creditworthiness.

Kiwi Property has identified its most significant risk factors as being the significant risk factors for the Group. This is because Kiwi Property's ability to pay interest on, and repay, the Green Bonds is highly dependent on the rental income received by its subsidiaries, which hold all the real properties of the Group.

If one or more of these risks eventuate, either individually or in combination, the detrimental impact on Kiwi Property's financial performance may in turn:

- adversely affect the market price and liquidity of the Green Bonds; and/or
- result in Kiwi Property not making a payment on the Green Bonds.

This summary does not cover all of the risks of investing in the Green Bonds. You should also read Section 5 of this PDS (Key features of the Green Bonds) and Section 6 of this PDS (Risks of investing).

## 1.10 What is the Green Bonds' credit rating?

A credit rating is an independent opinion of the capability and willingness of an entity to repay its debts (in other words, its creditworthiness). It is not a guarantee that the financial product being offered is a safe investment. A credit rating should be considered alongside all other relevant information when making an investment decision.

The Green Bonds have been rated by S&P Global Ratings Australia Pty Limited (**S&P**). S&P gives ratings from AAA through to C, excluding ratings attached to entities in default.

S&P ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

As at the date of this PDS, the Green Bonds have a credit rating of BBB+ from S&P.

Credit ratings for S&P	AAA	AA	A	BBB Credit rating for the Green Bonds BBB+	BB	B	CCC	CC	C
Summary description of S&P issue credit ratings	Capacity of the issuer to meet its financial commitments on the obligation				Vulnerability of the obligation to non-payment				
	Extremely strong	Very strong	Strong	Adequate	Less vulnerable	More vulnerable	Currently vulnerable	Highly vulnerable	Currently highly vulnerable

## 1.11 Where you can find other market information about Kiwi Property

This is a short-form offer document that Kiwi Property is permitted to use because the Green Bonds rank equally with Kiwi Property's existing quoted debt securities. Those existing quoted debt securities are other fixed-rate senior secured bonds which are quoted on the NZX Debt Market under ticker codes KPG020, KPG030, KPG040 and KPG050 (together the **Existing Bonds**). Kiwi Property is subject to a disclosure obligation that requires it to notify certain material information to the NZX for the purpose of that information being made available to participants in the market.

Investors should look at the market price of the Existing Bonds in order to find out how the market assesses the returns and risk premium for those debt securities.

Kiwi Property's page on the NZX website includes information made available under the disclosure obligation, and can be found at [www.nzx.com/companies/KPG](http://www.nzx.com/companies/KPG).

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## 2. Key dates and Offer process

Opening Date	14 March 2023 The Minimum Interest Rate and the indicative Margin range will be determined and announced on this date
Closing Date	11am on 17 March 2023
Rate Set Date	17 March 2023
Issue Date/allotment date	27 March 2023
Expected date of initial quotation and trading of the Green Bonds on the NZX Debt Market	28 March 2023
Interest Payment Dates	27 March and 27 September in each year during the term of the Green Bonds
First Interest Payment Date	27 September 2023
Maturity Date	27 September 2029

The Opening Date and the Closing Date may change. Kiwi Property has the right, in its absolute discretion, to open or close the Offer early and to extend the Closing Date. If Kiwi Property changes the Opening Date and/or the Closing Date, the changes will be announced by Kiwi Property via NZX as soon as reasonably practicable. If the Closing Date is extended, the Rate Set Date, the Issue Date/allotment date, the expected date of initial quotation and trading of the Green Bonds on the NZX Debt Market, the Interest Payment Dates and the Maturity Date may be extended accordingly. Any such changes will not affect the validity of any applications received.

If an Interest Payment Date is not a Business Day, Kiwi Property will make payment on the next Business Day, but no adjustment will be made to the amount of the interest payable. Other dates may also be adjusted if they do not fall on a Business Day.

**Kiwi Property reserves the right to cancel the Offer and the issue of the Green Bonds.**

# 3. Terms of the Offer

## 3.1 Description of the Green Bonds

<b>Issuer</b>	Kiwi Property Group Limited.
<b>Description</b>	Fixed-rate senior secured green bonds.
<b>Green Bond Principles</b>	<p>Kiwi Property has developed and adopted the Sustainable Debt Framework to ensure that, as at the date of this PDS, the Green Bonds align with the core components of the Green Bond Principles (June 2021).</p> <p>The Sustainable Debt Framework does not form part of the contractual terms of the Green Bonds. This means there is no legal obligation for Kiwi Property to comply with the Sustainable Debt Framework or the relevant market standards described in the Sustainable Debt Framework (including the Green Bond Principles) on an ongoing basis.</p> <p>See Section 5.2 of this PDS (Green Bond Principles and the Sustainable Debt Framework) for more information.</p>
<b>Use of proceeds</b>	<p>In accordance with the 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 Eligible Projects. Consistent with this, Kiwi Property will apply the net proceeds of the Offer to repay existing bank debt of the Group.</p> <p>Kiwi Property will service its debt obligations under the Green Bonds out of its general cash flows and not specifically from revenues generated by Eligible Projects alone.</p> <p>See Section 4 of this PDS (Purpose of the Offer) and Section 5.2 of this PDS (Green Bond Principles and the Sustainable Debt Framework) for more information.</p>
<b>Term</b>	6.5 years, ending on the Maturity Date (27 September 2029).
<b>Principal Amount</b>	NZ\$1.00 per Green Bond.
<b>Interest Rate</b>	<p>The Green Bonds will pay a fixed rate of interest until the Maturity Date.</p> <p>The Interest Rate will be no lower than the Minimum Interest Rate.</p> <p>The Interest Rate will be determined by Kiwi Property (in consultation with the Joint Lead Managers) on the Rate Set Date (17 March 2023) following the Bookbuild and will be the greater of:</p> <ul style="list-style-type: none"> <li>• the Minimum Interest Rate; and</li> <li>• the sum of the Base Rate plus the Margin.</li> </ul> <p>The Interest Rate will be announced by Kiwi Property via NZX on or about the Rate Set Date.</p> <p>The Interest Rate will not change during the term of the Green Bonds.</p>
<b>Base Rate</b>	The semi-annual mid-market rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Arranger in consultation with Kiwi Property, according to market convention, with reference to Bloomberg page 'ICNZ4' (or any successor page) on the Rate Set Date (rounded to 2 decimal places if necessary, with 0.005 being rounded up).
<b>Margin</b>	<p>Kiwi Property will announce an indicative Margin range (which may be subject to change) via NZX on or about the Opening Date.</p> <p>The Margin (which may be within, above or below the indicative Margin range) is the rate (expressed as a percentage rate per annum) determined by Kiwi Property (in consultation with the Joint Lead Managers) following the Bookbuild. The Margin will be announced by Kiwi Property via NZX on or about the Rate Set Date.</p>
<b>Calculation of interest payments</b>	Interest will be calculated on an annual basis and will be payable in equal amounts in arrear on each Interest Payment Date.

### 3.1 Description of the Green Bonds (continued)

Interest Payment Dates	<p>Interest is payable on each semi-annual Interest Payment Date, being 27 March and 27 September in each year during the term of the Green Bonds, starting on 27 September 2023 and until and including the Maturity Date.</p> <p>If an Interest Payment Date is not a Business Day, Kiwi Property will make payment on the next Business Day, but no adjustment will be made to the amount of the interest payable.</p>
Entitlement to payments	<p>Payments of interest on the Green Bonds will be made to the persons who are the Holders as at 5pm (New Zealand time) on the 10<sup>th</sup> calendar day before the relevant Interest Payment Date.</p> <p>Payments of any other amount will be made to the persons who are the Holders as at 5pm (New Zealand time) on the day determined by Kiwi Property and notified to NZX.</p> <p>If such a day is not a Business Day, payments will be made to the persons who are the Holders as at 5pm (New Zealand time) on the immediately preceding Business Day.</p>
No early repayment	<p>Kiwi Property must repay all of the Green Bonds on the Maturity Date (27 September 2029). Kiwi Property has no right to repay your Green Bonds before the Maturity Date. Similarly, you have no right to require that your Green Bonds be repaid before the Maturity Date unless an Event of Default has occurred.</p>
Events of Default	<p>If an Event of Default occurs and is continuing, the Supervisor:</p> <ul style="list-style-type: none"> <li>• may in its discretion;</li> <li>• must if a Major Event of Default occurs; or</li> <li>• must if directed to do so by a Special Resolution,</li> </ul> <p>declare the Green Bonds to be immediately due and payable.</p> <p>See Section 5.3 of this PDS (Ranking and security) under “Events of Default” for more information.</p>
Amount that is payable to you when your Green Bonds are repaid	<p>You will receive the Principal Amount plus all accrued but unpaid interest for each Green Bond when your Green Bonds are repaid.</p>
Ranking	<p>In a liquidation of Kiwi Property, each of your Green Bonds will give you the right to payment of an amount equal to the Principal Amount plus all accrued but unpaid interest.</p> <p>Your right to payment of this amount will rank:</p> <ul style="list-style-type: none"> <li>• behind claims of holders of prior-ranking secured claims on Kiwi Property and holders of claims on Kiwi Property that are preferred by law;</li> <li>• equally with claims of other Holders and holders of other secured claims on Kiwi Property that rank equally with the Green Bonds; and</li> <li>• ahead of claims of holders of lower ranking secured claims on Kiwi Property, holders of unsecured claims on Kiwi Property and Kiwi Property’s shareholders.</li> </ul> <p>See Section 5.3 of this PDS (Ranking and security) under “Ranking” for more information about the ranking of the Green Bonds.</p>
Guaranteeing Group test	<p>Under the Security Trust Deed, each Guarantor undertakes that the total assets held by the Guaranteeing Group must not be less than 90% of the total assets of the Group.</p> <p>See Section 5.3 of this PDS (Ranking and security) under “Guarantees” for more information.</p>
Guarantee	<p>Each Guarantor guarantees the due and punctual payment of all amounts payable by Kiwi Property in respect of the Green Bonds on a joint and several basis. There are no limits on the obligations of the Guarantors in respect of the amounts owing under the guarantee.</p> <p>See Section 5.3 of this PDS (Ranking and security) for more information about the guarantee.</p>
Security	<p>The Green Bonds are secured by security granted by the Guarantors over all of their assets under the GSD, together with Mortgages over substantially all of the real property (being land and the buildings and other fixtures on that land) owned by the Guaranteeing Group.</p> <p>The security is granted in favour of the Security Trustee for the benefit of all of the Beneficiaries (including Holders) and can only be enforced in accordance with the Security Trust Deed.</p> <p>See Section 5.3 of this PDS (Ranking and security) for more information about the security.</p>
Gearing ratio	<p>Under the Trust Deed, Kiwi Property undertakes to ensure that, for so long as the Green Bonds are outstanding, finance debt of the Group does not exceed 50% of the total tangible assets of the Group.</p> <p>See Section 5.3 of this PDS (Ranking and security) under “Gearing ratio in the Trust Deed” for more information about the gearing ratio.</p>

### 3.1 Description of the Green Bonds (continued)

Further indebtedness and other covenants	<p>The Group can create further liabilities (including by issuing new secured bonds and by incurring additional bank debt) without the consent of Holders. However, there are covenants in the Trust Deed and other documents that have the effect of restricting the Group's ability to create further liabilities that rank equally with or in priority to the Green Bonds.</p> <p>See Section 5.3 of this PDS (Ranking and security) under "Restrictions on creating further secured liabilities" for more information.</p>
Transfers	You may only transfer your Green Bonds in multiples of NZ\$1,000 in aggregate Principal Amount and after any transfer you and the transferee must each hold Green Bonds with an aggregate Principal Amount of at least NZ\$5,000 (or no Green Bonds).
Taxes	Taxes may be deducted from interest payments on the Green Bonds. See Section 7 of this PDS (Tax) and Section 8 of this PDS (Tax consequences for overseas Holders) for more information.
Supervisor	<p>As at the date of this PDS, the Supervisor is Public Trust.</p> <p>The Supervisor is appointed by Kiwi Property under the Trust Deed to act on behalf of Holders in relation to matters connected with the Trust Deed and the terms of the Green Bonds.</p>
Security Trustee	<p>As at the date of this PDS, the Security Trustee is New Zealand Permanent Trustees Limited.</p> <p>The Security Trustee holds the guarantees and security granted under the GSD and the Mortgages for the benefit of the Beneficiaries (including the Holders).</p>

### 3.2 Description of the Offer

Offer amount	Up to NZ\$100 million (with the ability to accept oversubscriptions of up to an additional NZ\$25 million at Kiwi Property's discretion).
Opening Date, Closing Date and Issue Date	See Section 2 of this PDS (Key dates and Offer process) for more information.
Issue Price	NZ\$1.00 per Green Bond.
Minimum subscription amount	NZ\$5,000 and in multiples of NZ\$1,000 thereafter.
How to apply	<p>There is no public pool for the Green Bonds. All Green Bonds will be reserved for subscription by clients of the Joint Lead Managers, other Primary Market Participants and other approved financial intermediaries invited to participate in the Bookbuild.</p> <p>Application instructions are set out in Section 13 of this PDS (How to apply).</p>
Further payments, fees and charges	You are not required to pay brokerage or any other fees or charges to Kiwi Property to apply or subscribe for Green Bonds. However, you may have to pay brokerage to the Bookbuild participant from whom you receive any Green Bonds.
Allocation of Green Bonds	If a Bookbuild participant receives any Green Bonds in the Bookbuild, the distribution of those Green Bonds to that participant's clients is determined by the participant, and not Kiwi Property.
Selling restrictions	<p>The Offer is subject to the selling restrictions contained in Section 9 of this PDS (Selling restrictions and indemnity).</p> <p>By subscribing for Green Bonds, you agree to comply with the selling restrictions and to indemnify Kiwi Property, the Supervisor, the Arranger, the Green Bond Co-ordinator and the Joint Lead Managers for any loss suffered as a result of you breaching the selling restrictions.</p>
Singapore Securities and Futures Act Product Classification	Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 (Singapore), as modified or amended from time to time (SFA), Kiwi Property has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Green Bonds are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 (Singapore)).
Governing law	The Green Bonds, the Trust Deed, the GSD, the Security Trust Deed, the Mortgages and the Offer are governed by New Zealand law.



### 3.3 Trading your Green Bonds on the NZX Debt Market

Kiwi Property intends to quote the Green Bonds on the NZX Debt Market. NZX ticker code KPG060 has been reserved for the Green Bonds. NZX takes no responsibility for the content of this PDS. NZX is a licensed market operator and the NZX Debt Market is a licensed market under the Financial Markets Conduct Act 2013.

To be eligible to trade your Green Bonds on the NZX Debt Market, you must have an account with a Primary Market Participant, a common shareholder number or CSN and an authorisation code. If you do not have an account with a Primary Market Participant, you should be aware that opening an account can take a number of days depending on the Primary Market Participant's new client procedures.

If you do not have a CSN, you will be automatically assigned one if you invest in Green Bonds. If you do not have an authorisation code, it is expected that you will be sent one by the Registrar. If you have an account with a Primary Market Participant and have not received an authorisation code by the date you want to trade your Green Bonds, your Primary Market Participant can arrange to obtain your authorisation code from the Registrar. Your Primary Market Participant will be charged a fee for requesting your authorisation code from the Registrar and may pass this cost on to you.

You will likely have to pay brokerage on any transfer of Green Bonds you make through a Primary Market Participant.

### 3.4 Trust Deed

The terms and conditions of the Green Bonds are set out in the Master Trust Deed, as amended and supplemented by the Supplemental Trust Deed (together, the **Trust Deed**). Holders are bound by, and are deemed to have notice of, the Trust Deed.

The terms of the guarantees and the security are set out in the GSD, the Security Trust Deed and the Mortgages.

You can obtain copies of the Trust Deed, the GSD, the Security Trust Deed and the terms of the Mortgages from the Disclose register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) (offer number OFR13493).

## 4. Purpose of the Offer

Kiwi Property has operated a sustainability programme for more than 20 years. In support of this programme, Kiwi Property has developed and adopted the Sustainable Debt Framework to ensure that, as at the date of this PDS, its processes for evaluating and selecting Eligible Projects and managing and reporting on the use of the proceeds of the Green Bonds are consistent with the Green Bond Principles.

Kiwi Property intends to allocate an amount equal to the proceeds of the Offer to finance or refinance its direct and indirect investments in Eligible Projects. Consistent with this, Kiwi Property will apply the net proceeds of the Offer to repay existing bank debt of the Group.

As at the date of this PDS, 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 of its outstanding green bonds (including the Green Bonds) and green loans.

If Kiwi Property fails to comply with the Sustainable Debt Framework or the relevant market standards described in the Sustainable Debt Framework (including the Green Bond Principles) or if the Green Bonds cease to satisfy the Green Bond Principles:

- this does not constitute an Event of Default or any other breach in relation to the Green Bonds;
- there is no requirement on Kiwi Property to repay the Green Bonds early; and
- the Green Bonds may cease to be labelled as “green”.

This means there is no legal obligation on Kiwi Property to comply with the Sustainable Debt Framework or the relevant market standards described in the Sustainable Debt Framework (including the Green Bond Principles) on an ongoing basis. See Section 5 of this PDS (Key features of the Green Bonds) for more information.

The use of the money raised under the Offer will not change depending on the total amount that is raised. The Offer is not underwritten.

A reference in this PDS to proceeds being “allocated” by Kiwi Property to finance or refinance its direct and indirect investments in Eligible Projects means a notional allocation of an amount equal to those proceeds in Kiwi Property’s systems.

# 5. Key features of the Green Bonds

## 5.1 General

A number of the key features of the Green Bonds are described in Section 3 (Terms of the Offer) of this PDS. Other key features of the Green Bonds and more information about some of the key features described in Section 3 of this PDS (Terms of the Offer) are described below.

Copies of the Trust Deed, the GSD, the Security Trust Deed, the terms of the Mortgages and the Sustainable Debt Framework are included on the Disclose register.

## 5.2 Green Bond Principles and the Sustainable Debt Framework

To confirm the integrity of the Green Bonds as a “green” instrument, Kiwi Property has ensured that, as at the date of this PDS, the Green Bonds align with the core components of the Green Bond Principles (June 2021).

The **Green Bond Principles** are voluntary process guidelines for issuing green bonds published by the International Capital Markets Association (**ICMA**). They may be amended by ICMA from time to time. As at the date of this PDS, the Green Bond Principles establish four core components for an instrument to be considered to be a green bond:

- **Use of proceeds:** The proceeds of the green bond must be used to finance or refinance assets or other projects that have clear environmental benefits.
- **Process for project evaluation and selection:** The issuer should provide clear information to investors about the environmental sustainability objectives of the eligible projects; the processes for evaluating eligible projects and for identifying and managing associated social and environmental risks; and the eligibility criteria.
- **Management of proceeds:** The issuer should have internal processes to track and attest to the use of the proceeds of the green bond.
- **Reporting:** The issuer should make, and keep, readily available up to date information on the use of the proceeds of the green bond.

The Green Bond Principles also recommend the use of an external review provider to assess (through a pre-issuance external review) the alignment of the green bond and/or framework with the four core components of the Green Bond Principles. Post-issuance, the Green Bond Principles recommend the use of an external auditor or other third party to verify the internal tracking and allocation of the proceeds of the green bond to eligible green projects.

Kiwi Property has developed and adopted the Sustainable Debt Framework in alignment with the Green Bond Principles.

Set out below is a summary of the way in which the Sustainable Debt Framework addresses the Green Bond Principles as at the date of this PDS. Kiwi Property may amend the Sustainable Debt Framework from time to time. Any amendments to the Sustainable Debt Framework would apply to the Green Bonds. There is, however, no legal obligation on Kiwi Property to comply with the Sustainable Debt Framework or the relevant market standards described in the Sustainable Debt Framework (including the Green Bond Principles) on an ongoing basis.

### Use of proceeds

As described in Section 4 of this PDS (Purpose of the Offer), Kiwi Property intends to allocate an amount equal to the proceeds of the Offer to finance or refinance its direct and indirect investments in Eligible Projects in accordance with the Sustainable Debt Framework. Consistent with this, Kiwi Property will apply the net proceeds of the Offer to repay existing bank debt of the Group.

Kiwi Property may allocate an amount equal to the proceeds of the Offer to refinance low carbon and energy efficient buildings without any limitation on the look-back period provided the buildings constitute Eligible Projects at the time of refinancing.

### Process for evaluation and selection of Eligible Projects

The categories for eligible projects under the Green Bond Principles include “green buildings that meet regional, national or internationally recognised standards or certifications for environmental performance.” Under the Sustainable Debt Framework, when determining if an asset is an Eligible Project, Kiwi Property will use the following national standards:

- the New Zealand Green Building Council’s (**NZGBC**) Green Star rating system, an internationally recognised rating system for the sustainable design, construction and operation of buildings and fit-outs;
- the NABERSNZ rating system, an independent tool for rating the energy efficiency of office buildings; or
- the Homestar rating system, an independent rating tool for assessing the health, efficiency and sustainability of residential properties.

To qualify as an Eligible Project, a building must meet one or more of the following criteria:

- certified as obtaining, or targeting, a minimum 5-Star NZGBC Green Star Design (for planned buildings) and/or Built (for existing buildings) rating;
- certified as obtaining, or targeting, a minimum 4-Star NABERSNZ Energy Base Building rating or Energy Whole Building rating; and/or
- certified as obtaining, or targeting, a minimum 7-Star Homestar rating.

## 5.2 Green Bond Principles and the Sustainable Debt Framework (continued)

Existing and/or planned buildings that are targeting (but are yet to receive) one or more of the above ratings criteria may also qualify as an Eligible Project where Kiwi Property has evidence indicating that the rating will be achieved.

### Management of proceeds

The Sustainable Debt Framework provides that:

- Kiwi Property maintains a register of Eligible Projects that outlines (among other things) their current value, the allocation of proceeds, the applicable Green Star, NABERSNZ and/or Homestar rating(s), and the level of Kiwi Property's ownership interest; and
- Kiwi Property monitors the allocation of proceeds and the current value of Eligible Projects on a yearly basis, aligned to the end of year annual financial reporting process.

Under the Sustainable Debt Framework, if, at any time, there are unallocated green debt (including the Green Bonds) proceeds:

- Kiwi Property will apply an amount equal to those unallocated proceeds to repay revolving bank debt or to invest in cash deposits or cash equivalents until Kiwi Property is able to allocate an amount equal to those unallocated proceeds in accordance with the Sustainable Debt Framework;
- no contractual right of review or repayment will arise, and no loss of green classification will occur;
- Kiwi Property will disclose this information within the annual use of proceeds reporting; and
- Kiwi Property will endeavour to allocate any unallocated green debt proceeds in accordance with the Sustainable Debt Framework as soon as possible.

### Reporting

The Sustainable Debt Framework provides for Kiwi Property to make annual use of proceeds reporting, impact reporting, and any amendments to the Sustainable Debt Framework publicly available.

### External review

In accordance with the Sustainable Debt Framework, Kiwi Property intends to seek assurance from a limited assurance provider on an annual basis in relation to its green debt (including the Green Bonds) and alignment with the Green Bond Principles (June 2021) and the Sustainable Debt Framework. The balance sheet date of the last assurance statement was 31 March 2022.

As at the date of this PDS, the limited assurance provider is Ernst & Young Limited (EY). EY has consented to the statements regarding its role as the limited assurance provider being included in this PDS.

### No Event of Default

If:

- Kiwi Property fails 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 (including the Green Bonds issued under the Offer) and green loans;
- Kiwi Property fails to comply with the Sustainable Debt Framework in any other way;
- the Green Bonds cease to satisfy the Green Bond Principles (including, without limitation, as a result of an amendment to the Green Bond Principles); or
- Kiwi Property fails to notify Holders that the Green Bonds cease to comply with the Sustainable Debt Framework or the Green Bond Principles,

then:

- no Event of Default will occur in relation to the Green Bonds; and
- neither you nor Kiwi Property will have any right for the Green Bonds to be repaid early.

Kiwi Property's obligations under the Trust Deed are not affected by the labelling of the Green Bonds as "green", and any breach of the Trust Deed is to be determined without regard to any such "green" label, the Sustainable Debt Framework or any relevant market standards described in the Sustainable Debt Framework (including the Green Bond Principles).

If Kiwi Property fails to comply with the Sustainable Debt Framework or the relevant market standards described in the Sustainable Debt Framework (including the Green Bond Principles) or if the Green Bonds cease to be labelled as "green", Kiwi Property will set out this information in its annual use of proceeds reporting.

This means there is no legal obligation for Kiwi Property to comply with the Sustainable Debt Framework or the relevant market standards described in the Sustainable Debt Framework (including the Green Bond Principles) on an ongoing basis.

The Supervisor has no obligations in relation to the application of the proceeds of the Green Bonds or Kiwi Property's compliance with the Sustainable Debt Framework.

## 5.3 Ranking and security

### Ranking

The Green Bonds are senior secured debt securities issued by Kiwi Property. In a liquidation of Kiwi Property, each of your Green Bonds will give you the right to payment of an amount equal to the Principal Amount plus accrued but unpaid interest. Your right to payment of this amount will rank:

- behind claims of holders of prior-ranking secured claims on Kiwi Property and holders of claims on Kiwi Property that are preferred by law;
- equally with claims of other Holders and holders of any other secured claims on Kiwi Property that rank equally with the Green Bonds; and
- ahead of claims of holders of lower ranking secured claims on Kiwi Property, holders of unsecured claims on Kiwi Property and Kiwi Property's shareholders.

Kiwi Property's ability to pay interest on, and repay, the Green Bonds is highly dependent on the rental income received by its subsidiaries, which hold all the real properties of the Group. Kiwi Property's obligations under the Green Bonds are supported by the guarantees and security granted by the Guarantors. These factors mean it is important to understand where the Green Bonds would rank in a liquidation of the Group as well.

The following diagram shows how the liabilities of the Group, including the Green Bonds, and equity rank in a liquidation of the Group. The diagram does not describe every type of liability or equity that the Group may have over the term of the Green Bonds.

	Ranking on a liquidation of the Group	Type of obligation	Liabilities and equity of the Group as at 30 September 2022 (NZ\$m)
Higher ranking ↑	Liabilities that rank in priority to the Green Bonds	Prior ranking secured obligations and creditors preferred by law (for example, certain amounts payable to the Inland Revenue)	4.1
	Liabilities that rank equally with the Green Bonds (including the Green Bonds)	Secured obligations (for example: <b>The Green Bonds</b> The Existing Bonds, being fixed-rate senior secured bonds quoted on the NZX Debt Market under ticker codes KPG020, KPG030, KPG040 and KPG050 Amounts outstanding under the Group's bank facilities Certain derivative transactions, such as interest rate hedging)	1,242.7
	Liabilities that rank below the Green Bonds	Unsecured obligations (for example, general creditors)	182.9
Lower ranking ↓	Equity	Ordinary shares and retained earnings	2,054.3

### Basis of preparation of table

Amounts in the table above are indicative amounts (subject to rounding adjustments) based on the Group's half-year financial statements prepared as at 30 September 2022. The table assumes NZ\$125 million of Green Bonds are issued under the Offer and that the proceeds of the Green Bonds are used to repay existing bank debt of the Group. The actual amounts of liabilities and equity of the Group at the point of its liquidation would be different to the indicative amounts set out above.

The final size of the Offer will not materially impact the indicative amounts in the table because the proceeds of the Green Bonds are intended to be applied to repay existing bank debt of the Group, which ranks equally with the Green Bonds. As at 30 September 2022, the Group had amounts outstanding under bank facilities of NZ\$739 million, which is more than the assumed issue size of NZ\$125 million.

While for simplicity the amounts in the table are presented by reference to the liabilities and equity of the Group as a whole, Holders and the other Beneficiaries would only have claims against Kiwi Property and the other Guarantors (including their assets subject to the security described below) on a liquidation.

Liabilities that rank in priority to the Green Bonds on a liquidation include outstanding employee wages and salaries and certain amounts payable to the Inland Revenue. There are typically other liabilities which arise in a liquidation and which may rank in priority to the Green Bonds, such as enforcement costs and liquidation costs, which are not possible to foresee and cannot therefore be quantified.

## 5.3 Ranking and security (continued)

### Overview of the security and guarantees

Kiwi Property's obligations under the Green Bonds are:

- guaranteed by each Guarantor under the GSD; and
- secured against all of the assets of each Guarantor under the GSD, together with Mortgages over substantially all of the real property (being land and the buildings and other fixtures on that land) owned by the Guaranteeing Group. This security secures the Green Bonds and certain other obligations of the Group in favour of the Security Trustee for the benefit of the Holders and other Beneficiaries under the Group's financing arrangements.

These guarantee and security arrangements are described in more detail below.

### Security granted by Guarantors

Each Guarantor (including Kiwi Property) has granted security over all of its assets under the GSD in favour of the Security Trustee. The security granted under the GSD includes a security interest over all personal property and a charge over all real property, and secures all amounts owing to the Beneficiaries.

Under the Group's bank facility documentation, each Guarantor undertakes in favour of the Group's bank facility lenders to grant a Mortgage over any real property it owns (being land and the buildings and other fixtures on that land) in favour of the Security Trustee. However, a Guarantor may elect to exclude a real property from the requirement to be subject to a registered Mortgage if the aggregate value of all real properties so excluded by the Guaranteeing Group does not exceed 10% of the aggregate value of all real properties owned by the Guaranteeing Group at any time.

As at the date of this PDS, two Guarantors, Kiwi Property Centre Place Limited and Kiwi Property Te Awa Limited, are party to 50:50 joint ventures with unrelated JV parties in relation to Centre Place North and The Base shopping centres. The joint venture companies that own these shopping centres do not form part of the Group (and accordingly are not Guarantors), and the shopping centres are not subject to registered Mortgages. The respective joint venture interests of Kiwi Property Centre Place Limited and Kiwi Property Te Awa Limited are subject to the security granted under the GSD.

While the Mortgages secure all amounts owing to the Beneficiaries (including the Holders), the undertaking in the Group's bank facility documentation to grant Mortgages is given for the benefit of the Group's bank facility lenders only. This undertaking may be amended or waived by the Group's bank facility lenders at any time without the consent of the Holders, or expire if the Group's bank facility documentation terminates before the Maturity Date.

The assets of the Guaranteeing Group that are subject to the security granted under the GSD and the Mortgages are the **Secured Assets**.

The documents that create or govern the security given by the Guarantors are:

- the GSD;
- the Mortgages; and
- the Security Trust Deed.

The security is held by New Zealand Permanent Trustees Limited as Security Trustee under the Security Trust Deed. The Security Trustee holds the security for the benefit of the Beneficiaries on an equal ranking basis. As at the date of this PDS, the Beneficiaries are:

- the Holders (in relation to the Green Bonds);
- the holders of the Existing Bonds;
- the Supervisor;
- the Group's bank facility lenders and hedging providers; and
- the Security Trustee (on its own account and as security trustee under the Security Trust Deed).

Other persons may become Beneficiaries in the future.

As described below under "Restrictions on creating further secured liabilities", each Guarantor is permitted to grant security to other creditors in certain circumstances.

The amount of the Group's liabilities that are secured in favour of the Security Trustee and the total value of the Secured Assets (being the assets secured in relation to those liabilities) are shown in the table below:

	30 September 2022	30 September 2022 adjusted
Group's secured liabilities	NZ\$1,242.7 million	NZ\$1,101.0 million
Secured Assets	NZ\$3,484.0 million	NZ\$3,231.2 million

The figures above under the heading "30 September 2022" are based on the Group's half-year financial statements prepared as at 30 September 2022, which have been the subject of a review by an independent auditor pursuant to the External Reporting Board's New Zealand Standards on Review Engagement 2410 (Revised).

The figures above under the heading "30 September 2022 adjusted" update the 30 September 2022 figures to take into account more recent information, namely:

- the Group's secured liabilities figure is based on the Group's unaudited management accounts as at 31 January 2023 (being the most recent management accounts available as at the date of this PDS); and
- the Secured Assets figure is based on the 30 September 2022 Secured Assets figure, but adjusted to reflect the March 2023 Draft Valuations (which exclude assets that have been sold since 30 September 2022).

The figures in the above table have not been adjusted to reflect any changes resulting from the issue of the Green Bonds. The issue of the Green Bonds does not impact on the amount of the Group's secured liabilities or Secured Assets as the proceeds of the Green Bonds will be used to repay existing bank debt of the Group, which ranks equally with the Green Bonds.

### Guarantees

The Guarantors are Kiwi Property and certain of its wholly owned subsidiaries that are party to the GSD. Each Guarantor is a member of the Group. As at the date of this PDS, the guaranteeing subsidiaries are Kiwi Property Holdings Limited, Sylvia Park Business Centre Limited, Kiwi Property Te Awa Limited, Kiwi Property Centre Place 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 and Kiwi Property Holdings No. 7 Limited. The guaranteeing subsidiaries may change from time to time.

### 5.3 Ranking and security (continued)

No other members of the Group are guarantors of the Green Bonds.

Under the Security Trust Deed, each Guarantor undertakes that the total assets held by the Guaranteeing Group must not be less than 90% of the total assets of the Group.

Under the GSD, each Guarantor:

- guarantees the due and punctual payment of all amounts payable by Kiwi Property to Holders of the Green Bonds on a joint and several basis; and
- also guarantees the due and punctual payment of all amounts payable by the Group to the other Beneficiaries on a joint and several basis.

There are no limits on the obligations of the Guarantors in respect of the amounts owing under the guarantee.

The Guarantors' obligations under the guarantee are secured by security granted over all of their assets under the GSD, together with Mortgages over substantially all of the real property (being land and the buildings and other fixtures on that land) owned by the Guaranteeing Group.

The Secured Assets of the Guarantors are sufficient and are reasonably likely to be sufficient to:

- pay all amounts that may become owing under the guarantee granted by the Guarantors in respect of their obligations to the Beneficiaries; and
- pay all other secured liabilities that rank equally with or in priority to each Guarantor's obligations under that guarantee.

Under the Security Trust Deed, a Guarantor may be released from its obligations and liabilities as a Guarantor if, among other things:

- all secured money owing by that Guarantor to the Beneficiaries (other than contingently) has been repaid; and
- it will not cause an Event of Default to occur under the Green Bonds or an event of default to occur under any of the Group's other financing arrangements.

#### Events of Default

Your Green Bonds will only become repayable before the Maturity Date if an "Event of Default" occurs.

The Events of Default are set out in the Trust Deed. In summary, they include:

- Kiwi Property failing to pay any Principal Amount or interest due on the Green Bonds;
- Kiwi Property failing to comply with any of its other material obligations under the Trust Deed;
- a Guarantor failing to comply with any of its material obligations under the guarantee under the GSD;
- Kiwi Property making a material misrepresentation under the Trust Deed;
- a Guarantor making a material misrepresentation under the guarantee under the GSD;
- the guarantee under the GSD being terminated or amended or waived in a manner materially adverse to the interests of the Holders;
- an insolvency event occurring in relation to Kiwi Property or a Guarantor;

- Kiwi Property or a Guarantor having to repay more than NZ\$10 million (in total) of other indebtedness before its due date because of a default; or
- the gearing ratio in the Trust Deed being breached and not remedied within the grace periods set out in the Trust Deed. The gearing ratio and grace periods are described below under "Restrictions on creating further secured liabilities".

This summary does not list all of the Events of Default or provide full details of the Events of Default. For example, in some cases, the Events of Default are subject to thresholds or allow grace periods for the event to be remedied. See clause 12.1 of the Trust Deed for full details of the Events of Default.

If an Event of Default occurs, the Supervisor will declare that the Green Bonds are immediately due and payable if:

- the Supervisor exercises its discretion to do this; or
- a Major Event of Default occurs. A "Major Event of Default" occurs if, in summary:
  - Kiwi Property fails to pay any Principal Amount or interest due on the Green Bonds (subject to applicable grace periods); or
  - the gearing ratio in the Trust Deed is breached and not remedied within the grace periods set out in the Trust Deed; or
- the Supervisor is directed to do this by a Special Resolution.

If the Supervisor declares that the Green Bonds are immediately due and payable, Kiwi Property will need to repay you the Principal Amount of your Green Bonds, together with accrued but unpaid interest to the date of repayment.

#### Security Trust Deed

The Security Trustee holds the guarantee, the security granted under the GSD and the Mortgages for the benefit of all of the Beneficiaries and they can only be enforced in accordance with the Security Trust Deed. The Supervisor represents the Holders in relation to the Security Trust Deed (that is, individual Holders do not participate in the administration of the Security Trust Deed).

In summary:

- If an event of default occurs under any of the secured liabilities (for example, an Event of Default under the Trust Deed) and the affected Beneficiary (or their representative) wishes to enforce the security, the affected Beneficiary (or their representative) must notify the Security Trustee and the other Beneficiaries (or their representatives). To enforce the security, all Beneficiaries must first be consulted.
- Where Beneficiaries are unable to agree following a consultation, the "Majority Beneficiaries" (in summary, Beneficiaries who have secured money owing to them that in aggregate equal more than 50% of the secured money owing to all Beneficiaries) have rights to direct the Security Trustee to enforce the security.

In the absence of direction from all Beneficiaries or the Majority Beneficiaries, the Security Trustee may act (or refrain from taking action) as it considers to be in the best interests of the Beneficiaries.

### 5.3 Ranking and security (continued)

The Security Trust Deed contains a number of other important terms. These terms include:

- the rule that Holders may only enforce their rights under the Security Trust Deed through the Supervisor;
- the rule that the Supervisor may only enforce the guarantee and security given by each Guarantor through the Security Trustee;
- rules relating to distributing the proceeds on enforcement received by the Security Trustee;
- rules relating to how amendments, waivers and consents can be made or given under the Security Trust Deed, the GSD and the Mortgages; and
- the powers and duties of the Security Trustee.

#### Restrictions on creating further secured liabilities

The Group can, at any time after the Issue Date, create further liabilities that rank equally with or in priority to the Green Bonds. These liabilities could, for example, be other secured bonds or additional bank debt. However, there are covenants in the Trust Deed, the Security Trust Deed and Kiwi Property's other financing documents that have the effect of restricting the Group's ability to create further liabilities that rank equally with or in priority to the Green Bonds.

Where those covenants are set out in Kiwi Property's other financing documents, those covenants are not terms of the Green Bonds so you do not have the benefit of these. They may also be amended or waived by the relevant financiers or Security Trustee, or expire if those financing documents terminate before the Maturity Date.

#### Gearing ratio in the Trust Deed

The Trust Deed contains a gearing ratio that requires Kiwi Property to ensure that, for so long as the Green Bonds are outstanding, finance debt of the Group does not exceed 50% of the total tangible assets of the Group. Finance debt of the Group includes bonds issued by the Group, bank debt incurred by the Group and other indebtedness of the Group, in each case other than subordinated debt. This ratio limits the ability of the Group to borrow money.

The maximum gearing ratio that applies to the Green Bonds (being 50%) is higher than the maximum gearing ratio that applies to Kiwi Property's Existing Bonds. For the Existing Bonds, the maximum gearing ratio is 45%. The Supplemental Trust Deed amends the maximum gearing ratio in the Master Trust Deed in respect of the Green Bonds to 50%. Kiwi Property has made this amendment because it considers that a gearing ratio of 50% is generally consistent with the approach adopted by a number of other comparable listed property companies in the New Zealand market. Kiwi Property intends that a maximum gearing ratio of 50% will also apply to any future senior secured bonds issued by the Group.

If the gearing ratio is breached under the Trust Deed, this must be remedied within six months of the time that the non-compliance is required to be reported to the Supervisor based on Kiwi Property's and the Group's half-yearly reports. If the breach is not remedied after that six month period, Kiwi Property must notify the Supervisor and all Holders of the breach within 20 Business Days, together with its plan to remedy the breach. If the breach is not remedied within six months of the time this notice was required to be delivered, an Event of Default will occur. A breach of the gearing ratio in respect of the Existing Bonds will not constitute an Event of Default under the Green Bonds unless that breach also exceeds the maximum gearing ratio that applies to the Green Bonds (being 50%).

As at 30 September 2022, the gearing ratio was 35.7%.

The gearing ratio would be 34.1% based on the Group's finance debt as at 31 January 2023 (being the date of the most recent unaudited management accounts available as at the date of this PDS) and with the Group's total tangible assets as at 30 September 2022 adjusted to reflect the March 2023 Draft Valuations (which exclude assets that have been sold since 30 September 2022).

#### Promise to not grant security under the Security Trust Deed

The Guarantors have also agreed, under the Security Trust Deed, not to create or allow to exist any other security over their assets other than certain permitted security. Permitted security includes, among others, security securing amounts that do not exceed 5% of the Group's total tangible assets.

#### Other restrictions on the Group

The terms of Kiwi Property's bank facility documents also contain covenants that limit the ability of the Group to create further security or liabilities that rank equally with or in priority to the Green Bonds.

These covenants include:

- a gearing ratio similar to the gearing ratio in the Master Trust Deed that applies to the Existing Bonds (described under "Gearing ratio in the Trust Deed" above) but which will increase to 50% once Kiwi Property no longer has any senior secured bonds with a maximum gearing ratio of 45%;
- a general restriction on creating other security, subject to certain exceptions similar to those described under "Promise to not grant security under the Security Trust Deed" above; and
- a net rental income ratio, which measures the ratio of the Group's net rental income to its net interest expense in any 12-month period.

### 5.4 Other relevant information about the Trust Deed

The Trust Deed also contains a number of standard provisions, including terms relating to:

- the powers and duties of the Supervisor; and
- the process for amending the Trust Deed.

Kiwi Property and the Supervisor are able to amend the Trust Deed without the approval of Holders if the Supervisor is satisfied that the amendment does not have a material adverse effect on the Holders. The Trust Deed may also be amended if the amendment is approved by a Special Resolution.

Amendments made in accordance with the terms of the Trust Deed are binding on you even if you did not agree to them.

You can find a copy of the Trust Deed on the Disclose register. You should read the Trust Deed for more information.



# 6. Risks of investing

## 6.1 Introduction

This Section 6 describes the following potential risks associated with an investment in the Green Bonds:

- general risks of investing in the Green Bonds; and
- significant specific risks relating to Kiwi Property's creditworthiness.

Kiwi Property's ability to pay interest on, and repay, the Green Bonds is highly dependent on the rental income received by its subsidiaries, which hold all the real properties of the Group. Kiwi Property's obligations under the Green Bonds are supported by the guarantees and security granted by the Guarantors.

These factors mean the Group's creditworthiness is directly relevant to Kiwi Property's ability to pay interest on, and repay, the Green Bonds and this Section 6 therefore also describes significant specific risks relating to the Group's creditworthiness.

The selection of risks relating to Kiwi Property's and the Group's creditworthiness has been based on an assessment of a combination of the probability of a risk occurring and the impact of the risk if it did occur. The assessment is based on Kiwi Property's business as at the date of this PDS.

You should carefully consider these risk factors (together with the other information in this PDS) before deciding to invest in the Green Bonds.

This Section 6 does not cover all of the risks of investing in the Green Bonds. Additional risks that Kiwi Property is not aware of, or that it currently considers are not material, may also become important risk factors over time.

The statement of risks in this Section 6 does not take account of your personal circumstances, financial position or investment requirements. Before making any investment decision, you should consider the suitability of an investment in the Green Bonds in light of your individual risk profile for investments, investment objectives and personal circumstances (including financial and taxation issues) and consult your financial advice provider.

## 6.2 General risks

An investment in the Green Bonds is subject to the following general risks:

### **The risk that Kiwi Property or the Group encounters financial difficulty which has an adverse effect on your investment**

If Kiwi Property, one or more Guarantors or the Group encounters financial difficulty, this may in turn:

- adversely affect the market price and liquidity of your Green Bonds; and/or
- result in Kiwi Property not paying interest or repaying your Green Bonds when due.

If Kiwi Property becomes insolvent and the Guarantors are unable to meet their obligations under the guarantee and security under the GSD, you may lose all or some of your investment.

### **Market risks associated with the Green Bonds**

#### ***The market price of the Green Bonds may fluctuate up or down and the Green Bonds may trade below their Principal Amount***

The market price of the Green Bonds on the NZX Debt Market may fluctuate due to various factors, including liquidity and changes in interest rates, Kiwi Property's financial position, Kiwi Property's credit rating or the credit rating of the Green Bonds.

The Interest Rate on the Green Bonds will be fixed for the term of the Green Bonds, but if, for example, market interest rates go up, the Interest Rate may become less attractive compared to returns on other investments during the term of the Green Bonds.

The Green Bonds may trade at a market price below their Principal Amount. If you sell your Green Bonds at a time when the market price of the Green Bonds is lower than the Principal Amount, you will lose some of the money you invested.

## 6.2 General risks (continued)

### *The liquidity of the Green Bonds may be low*

The market for the Green Bonds may not be liquid and may be less liquid than that of other securities issued by Kiwi Property or comparable securities issued by other issuers.

If liquidity is low, you may not be able to sell your Green Bonds at an acceptable price, or at all.

### *The Green Bonds may cease to be labelled as "green"*

If Kiwi Property fails to comply with the Sustainable Debt Framework or the relevant market standards described in the Sustainable Debt Framework (including the Green Bond Principles) or if the Green Bonds cease to satisfy the Green Bond Principles, the Green Bonds may cease to be labelled as "green".

In addition, if market practices, standards, principles, guidelines or regulations develop in a way that the Green Bonds are not consistent with, the Green Bonds may cease to be labelled as "green".

In these circumstances, Holders that invested in Green Bonds on the basis of the "green" label or compliance with the Green Bond Principles may consider that the Green Bonds no longer align with their intentions or requirements.

If the Green Bonds cease to be labelled as "green", you may not be able to sell your Green Bonds at an acceptable price, or at all.

## 6.3 Specific risks relating to Kiwi Property's creditworthiness

Kiwi Property and the Group are exposed to a number of risks that may affect their business and therefore their financial performance and creditworthiness. The most significant risks relating to Kiwi Property and the Group's creditworthiness are set out below.

### **Changes affecting the valuation of the Group's real properties and the income derived from those properties**

Kiwi Property is subject to the prevailing property market conditions in New Zealand, and in particular Auckland, where a significant portion of the Group's real properties are located. The Group also has concentrated exposure to large individual real properties or sites, such as Sylvia Park and the Vero Centre.

The Group's primary source of revenue is rental income. Adverse changes in property market conditions could have a negative impact on market rental returns from, and the market value of, the Group's real properties. If significant and/or sustained, this could have a material negative impact on the Group's financial performance and creditworthiness, and may result in the Group needing to sell real properties in unfavourable market conditions.

Adverse changes in the property market could arise from a number of factors, including in relation to Kiwi Property:

- changes in general economic or credit conditions which affect occupancy demands, particularly in Auckland where a significant portion of the Group's real properties are located;
- changes in specific occupancy demands for one or more of the Group's large real properties or sites (such as Sylvia Park or the Vero Centre);

- changes in business conditions leading to the bankruptcy, liquidation or closure of one or more of the Group's major tenants. As at 30 September 2022, Kiwi Property's top 10 major tenants made up approximately 30.8% of Kiwi Property's gross rental income; and
- the seismic resilience rating of the Group's real properties, and tenants' perceptions of their adequacy (which could affect the attractiveness and likely rent payable in connection with those real properties). In particular, changes in the way compliance with building standards is assessed may result in material capital expenditure to strengthen buildings.

An adverse change in the property market is largely out of Kiwi Property's control. However, Kiwi Property attempts to manage this risk by owning and investing in a diversified property portfolio, maintaining strong relationships with tenants and actively managing the Group's real properties to retain tenants long-term.

### **Natural disaster and insurance risks**

If a natural disaster (for example, an earthquake or major weather event) occurred, particularly in Auckland, a significant portion of the Group's real properties could be adversely impacted, and the Group's business may be materially interrupted for a prolonged period.

While the Group has comprehensive material damage and business interruption insurance, in the event of a natural disaster, there is a risk that:

- the insurance proceeds may not cover all of the resulting losses and costs;
- the insurance claims may be disputed; and/or
- the natural disaster makes subsequent insurance cover difficult or costly to obtain or unobtainable.

There is also no guarantee that all material damage and business interruption claims would be recovered from insurers.

The impact of a natural disaster and the associated risks could have a material negative impact on the Group's financial performance and creditworthiness.

### **Seismic assessment and seismic remediation risks**

The process undertaken and standards which are applied in building 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 required by law, or deemed appropriate by the Group and/or prospective tenants, which could negatively impact demand from tenants, reduce the market value of the affected real properties, decrease revenue and require the Group to undertake further seismic remediation works. If significant and/or sustained, this could have a material negative impact on the Group's financial performance and creditworthiness.

The Group attempts to manage this risk by maintaining a seismic assessment and remediation programme which includes obtaining engineering advice on any changes to seismic assessment processes and standards.

## 6.3 Specific risks relating to Kiwi Property's creditworthiness (continued)

### Funding risks

As a real estate owner, the Group is reliant on external debt funding to fund its business, including to finance developments and other capital expenditure. The availability of external debt funding depends on several factors which may be out of the Group's control, such as economic conditions, regulations that affect the availability and cost of funding real estate businesses and lenders' perception of the Group's creditworthiness.

The Group attempts to manage this risk by diversifying its sources of debt funding. However, diversification cannot eliminate this risk.

If the Group is unable to maintain sufficient debt funding or refinance existing debt as and when required, it may be forced to sell real properties in unfavourable market conditions to finance its business or repay that debt, which could have a material negative impact on the Group's financial performance and creditworthiness.

### Development risks

Development of real properties is an important part of the Group's business. As at the date of this PDS, the Group had NZ\$147 million of development work in progress. The Group's development programme relies on the Group's ability to acquire suitable sites for development (where an existing site is not being developed) and complete developments on time and within the budgeted cost. The Group's acquisition and development pipeline requires access to sufficient capital, both equity and external debt funding, to finance the acquisition and development costs.

When undertaking a development, the risks that the Group may face include industrial disputes, inclement weather, labour and materials supply shortages, health and safety issues, escalating construction costs, design and construction difficulties, delays or default by a construction contractor, the inability to contract with construction contractors on the terms anticipated, including as to cost and timeframe and the existence of latent liabilities, such as asbestos or other hazardous materials. If the Group is unable to complete a development on time, the Group may incur additional costs, be exposed to counterparty claims and suffer a loss of rental income. If significant, these circumstances could have a material negative impact on the Group's financial performance and creditworthiness.

Kiwi Property attempts to mitigate these risks by designing and adopting robust development planning and implementation measures.

## 7. Tax

The returns on the Green Bonds will be affected by taxes. The information in this Section 7 and in Section 8 of this PDS (Tax consequences for overseas Holders) is based on the law in force at the date of this PDS and does not constitute tax advice to any Holder, is general in nature and is limited to New Zealand taxation only. Future changes to tax laws or other laws may affect the tax consequences of an investment in Green Bonds.

If you are a New Zealand tax resident or otherwise receive payments of interest on the Green Bonds that are subject to the New Zealand resident withholding tax (**RWT**) rules, RWT will be deducted from payments of interest to you at the relevant rate unless evidence of your RWT-exempt status (as defined in the Income Tax Act 2007) has been provided to the Registrar on or before the record date for the relevant payment date.

There may be other tax consequences for Holders from acquiring or disposing of the Green Bonds, including under the financial arrangements rules in the Income Tax Act 2007.

If you have any questions regarding the tax consequences of investing in the Green Bonds you should seek advice from a tax adviser.

## 8. Tax consequences for overseas Holders

If you receive payments of interest on the Green Bonds that are subject to the New Zealand non-resident withholding tax (**NRWT**) rules, an amount equal to any NRWT or approved issuer levy (**AIL**) payable (as applicable) will be deducted from payments of interest to you. Future changes to tax laws or other laws may affect the tax consequences of an investment in Green Bonds.

Except where you elect otherwise and Kiwi Property agrees, or it is not possible under any law, Kiwi Property intends to apply the AIL regime in order to reduce the rate of NRWT to zero percent. In certain cases, AIL cannot be paid to reduce the rate of NRWT to zero percent, for example, where a Holder holds the Green Bonds jointly with a New Zealand tax resident. If the AIL regime changes, Kiwi Property reserves the right not to pay AIL.

Overseas Holders may be subject to tax in their own jurisdiction.

If you have any questions regarding the tax consequences of investing in the Green Bonds you should seek advice from a tax adviser.

# 9. Selling restrictions and indemnity

Kiwi Property has not taken and will not take any action which would permit a public offering of Green Bonds, or possession or distribution of any offering material in respect of the Green Bonds, in any country or jurisdiction where action for that purpose is required (other than New Zealand).

## 9.1 Initial selling restrictions

If sold in New Zealand, the Green Bonds may only be offered in New Zealand in conformity with all applicable laws and regulations in New Zealand. In respect of the Offer, no Green Bonds may be offered in any other country or jurisdiction except in conformity with all applicable laws and regulations of that country or jurisdiction and the applicable selling restrictions set out in this Section 9.1. This PDS and any offering material or any documents in connection with the Green Bonds may not be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations in that country or jurisdiction and the applicable selling restrictions set out in this Section 9.1. For the avoidance of doubt, the selling restrictions set out in this Section 9.1 apply only in respect of the Offer.

### United States of America

The Green Bonds have not been and will not be registered under the Securities Act of 1933, as amended (**Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)). No person may engage in any directed selling efforts (as defined in Regulation S) in relation to the Green Bonds, and persons must comply with the offering restrictions in Regulation S.

The Green Bonds will not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time, or (ii) otherwise until 40 days after the completion of the distribution of all Green Bonds, as determined and certified by the Joint Lead Managers. Any Green Bonds sold to any distributor, dealer or person receiving a selling concession, fee or other remuneration during the distribution compliance period require a confirmation or notice to the purchaser at or prior to the confirmation of the sale to substantially the following effect:

“The Green Bonds covered hereby have not been registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Green Bonds and the closing date. Terms used above have the meaning given to them by Regulation S.”

### Member States of the European Economic Area

In relation to each Member State of the European Economic Area, no Green Bonds have been offered and no Green Bonds will be offered that are the subject of the offering contemplated by this PDS in relation thereto to the public in that Member State except that an offer of Green Bonds to the public in the Member State may be made:

- (a) to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the relevant Joint Lead Manager and/or Joint Lead Managers nominated by Kiwi Property for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of the Green Bonds shall require Kiwi Property or any Joint Lead Managers to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of the Green Bonds to the public**” in relation to any Green Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Green Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Green Bonds and the expression “**EU Prospectus Regulation**” means Regulation (EU) 2017/1129.

### United Kingdom

No Green Bonds have been offered and no Green Bonds will be offered that are the subject of the offering contemplated by this PDS in relation thereto to the public in the United Kingdom except that an offer of Green Bonds to the public in the United Kingdom may be made:

- (a) to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Joint Lead Manager and/or Joint Lead Managers nominated by Kiwi Property for any such offer; or
- (c) in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (**FSMA**),

provided that no such offer of the Green Bonds shall require Kiwi Property or any Joint Lead Manager to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

## 9.1 Initial selling restrictions (continued)

For the purposes of this provision, the expression an “**offer of the Green Bonds to the public**” in relation to any Green Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Green Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Green Bonds and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

### Other regulatory restrictions

No communication, invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) has been or may be made or caused to be made or will be made in connection with the issue or sale of the Green Bonds in circumstances in which section 21(1) of the FSMA applies to Kiwi Property.

All applicable provisions of the FSMA with respect to anything done in relation to the Green Bonds in, from or otherwise involving the United Kingdom must be complied with.

### Japan

The Green Bonds have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **FIEA**) in reliance upon the exemption from the registration requirements since the offering constitutes the small number private placement as provided for in “ha” of Article 2, Paragraph 3, Item 2 of the FIEA. A Japanese Person who transfers the Green Bonds shall not transfer or resell the Green Bonds in Japan or to a Japanese person except where the transferor transfers or resells all the Green Bonds en bloc to one transferee. For the purposes of this paragraph, “**Japanese Person**” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### Singapore

Each Joint Lead Manager has acknowledged that this PDS has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Green Bonds or caused the Green Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Green Bonds or cause the Green Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this PDS or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Green Bonds, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 (Singapore), as modified or amended from time to time (**SFA**) pursuant to Section 274 of the SFA);
- (b) to a relevant person (as defined in Section 275(2) of the SFA pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Green Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Green Bonds pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

### Hong Kong

No Green Bonds have been offered or sold or will be or may be offered or sold in Hong Kong, by means of any document other than (a) to “**professional investors**” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “**prospectus**” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMPO)**) or which do not constitute an offer to the public within the meaning of the C(WUMPO).

No advertisement, invitation or document relating to the Green Bonds may be issued or in the possession of any person or will be issued or be in the possession of any person in each case for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Green Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “**professional investors**” as defined in the SFO and any rules made under the SFO.

## 9.1 Initial selling restrictions (continued)

### Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (**Corporations Act**)) in relation to the Green Bonds has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission (**ASIC**) or any other regulatory authority in Australia. No person may:

- (a) make or invite (directly or indirectly) an offer of the Green Bonds for issue, sale or purchase in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) distribute or publish, this PDS, any information memorandum, prospectus or any other offering material or advertisement relating to the Green Bonds in Australia,

unless:

- (i) the aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act;
- (ii) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act;
- (iii) such action complies with all applicable laws, regulations and directives (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act); and
- (iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

By applying for the Green Bonds under the Offer, each person to whom the Green Bonds are issued (an **Investor**):

- (a) will be deemed by Kiwi Property and each Joint Lead Manager to have acknowledged that if the Investor on-sells the Green Bonds within 12 months from their issue, the Investor will be required to lodge a prospectus or other disclosure document (as defined in the Corporations Act) with ASIC unless either:
  - (i) that sale is to an investor within one of the categories set out in sections 708(8) or 708(11) of the Corporations Act to whom it is lawful to offer the Green Bonds in Australia without a prospectus or other disclosure document lodged with ASIC; or
  - (ii) the sale offer is received outside Australia; and
- (b) will be deemed by Kiwi Property and each Joint Lead Manager to have undertaken not to sell those Green Bonds in any circumstances other than those described in paragraphs (a)(i) and (a)(ii) above for 12 months after the date of issue of the Green Bonds.

This PDS is not, and under no circumstances is to be construed as, an advertisement or public offering of any Green Bonds in Australia.

## 9.2 General selling restrictions

The Green Bonds may only be offered for sale or sold in compliance with all applicable laws and regulations in any country or jurisdiction in which they are offered, sold or delivered. This PDS and any offering material or any documents in connection with the Green Bonds may only be published, delivered or distributed in or from any country or jurisdiction under circumstances which will result in compliance with all applicable laws and regulations in that country or jurisdiction.

## 9.3 Indemnity

By subscribing for Green Bonds, you agree to comply with the selling restrictions set out in this Section 9 and to indemnify Kiwi Property, the Supervisor, the Arranger, the Green Bond Co-ordinator and the Joint Lead Managers for any loss suffered as a result of you breaching the selling restrictions set out in this Section 9.

## 10. Who is involved?

	Name	Role
<b>Issuer</b>	Kiwi Property Group Limited	Issuer of the Green Bonds
<b>Supervisor</b>	Public Trust	Holds certain covenants on trust for the benefit of the Holders, including the right to enforce Kiwi Property's obligations under the Green Bonds
<b>Security Trustee</b>	New Zealand Permanent Trustees Limited	Holds the guarantees and security under the GSD and the Mortgages for the benefit of the Beneficiaries (including the Holders)
<b>Arranger</b>	ANZ Bank New Zealand Limited	Provides assistance to Kiwi Property with arranging the Offer and organising the Bookbuild
<b>Joint Lead Managers</b>	ANZ Bank New Zealand Limited, Commonwealth Bank of Australia, Craigs Investment Partners Limited, and Forsyth Barr Limited	Assist with the Bookbuild and the marketing and distribution of the Green Bonds
<b>Registrar</b>	Link Market Services Limited	Maintains the Register
<b>Solicitors to Kiwi Property</b>	Russell McVeagh	Provide legal advice to Kiwi Property in respect of the Offer
<b>Solicitors to the Supervisor</b>	Dentons Kensington Swan	Provide legal advice to the Supervisor in respect of the Offer
<b>Green Bond limited assurance provider</b>	Ernst & Young Limited	Undertakes an annual independent review of the use of proceeds report against the Green Bond Principles and provides a limited assurance report
<b>Green Bond Co-ordinator</b>	ANZ Bank New Zealand Limited	Provides assistance to Kiwi Property with structuring the "green" aspects of the Green Bonds

Except as described above, the Arranger, the Green Bond Co-ordinator and the Joint Lead Managers are not otherwise involved in the Offer. None of the Arranger, the Green Bond Co-ordinator, the Joint Lead Managers and their respective directors, employees, agents and advisers have independently verified the content of this PDS. This PDS does not constitute financial advice or a recommendation from the Arranger, the Green Bond Co-ordinator, any Joint Lead Manager or any of their respective directors, officers, employees, agents or advisers to purchase, any Green Bonds. You must make your own independent investigation and assessment of the financial condition and affairs of Kiwi Property before deciding whether to invest in the Green Bonds.



# 11. How to complain

## Complaints about the Green Bonds

If you have any problems or concerns about the Green Bonds, contact Kiwi Property's Investor Relations via the contact details set out in Section 14 of this PDS (Contact information), outlining your problems or concerns, and Kiwi Property will endeavour to resolve the issues.

You may also direct any complaints about the Green Bonds to the Supervisor at the contact details below:

### Public Trust

SAP Tower  
Level 16  
151 Queen Street  
Auckland 1010

Phone: 0800 371 471  
Attention: Manager Client Services,  
Corporate Trustee Services

The Supervisor is a member of an external, independent dispute resolution scheme operated by Financial Services Complaints Limited (FSCL), which is an approved dispute resolution scheme. If the Supervisor has not been able to resolve your issue, you can refer the matter to FSCL by emailing [complaints@fscl.org.nz](mailto:complaints@fscl.org.nz), calling FSCL on 0800 347 257, or contacting the Complaint Investigation Officer, Financial Services Complaints Limited, Level 4, Legal House, 101 Lambton Quay, Wellington 6011. The scheme will not charge a fee to any complainant to investigate or resolve a complaint.

# 12. Where you can find more information

## Disclose register

Further information relating to Kiwi Property, the Group and the Green Bonds is available free of charge on the online Disclose register maintained by the Companies Office. The Disclose register can be accessed at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) (search offer number OFR13493). A copy of the information on the Disclose register is also available on request to the Registrar of Financial Service Providers at [registrar@fspr.govt.nz](mailto:registrar@fspr.govt.nz).

The information contained on the Disclose register includes copies of the Trust Deed, the GSD, the Security Trust Deed, the terms of the Mortgages and the Sustainable Debt Framework.

## Information about Kiwi Property and the Group

Kiwi Property has existing debt and equity securities quoted on the NZX and, accordingly, is subject to continuous disclosure obligations under the NZX Listing Rules. Copies of announcements and other documents disclosed via NZX can be obtained free of charge from [www.nzx.com/companies/KPG](http://www.nzx.com/companies/KPG).

The Sustainable Debt Framework and any updated Sustainable Debt Framework will be available free of charge on Kiwi Property's website, [kiwiproperty.com/corporate/investor-centre/sustainable-debt-framework/](http://kiwiproperty.com/corporate/investor-centre/sustainable-debt-framework/).

# 13. How to apply

There is no public pool for the Green Bonds. All of the Green Bonds (including any oversubscriptions) will be reserved for subscription by clients of the Joint Lead Managers, Primary Market Participants and other approved financial intermediaries invited to participate in the Bookbuild. This means that you can only apply for Green Bonds through a Joint Lead Manager, Primary Market Participant or approved financial intermediary who has obtained Green Bonds in the Bookbuild.

You can find a Primary Market Participant by visiting [www.nzx.com/investing/find-a-participant](http://www.nzx.com/investing/find-a-participant).

The Joint Lead Manager, Primary Market Participant or approved financial intermediary will:

- provide you with a copy of this PDS (if you have not already received a copy);
- explain what you need to do to apply for the Green Bonds; and
- explain what payments need to be made by you (and by when).

The Joint Lead Manager, Primary Market Participant or approved financial intermediary can also explain what arrangements will need to be put in place for you to trade the Green Bonds (including obtaining a CSN, an authorisation code and opening an account with a Primary Market Participant) as well as the costs and timeframes for putting such arrangements in place.

# 14. Contact information

## Issuer

### **Kiwi Property Group Limited**

Level 7, Vero Centre  
48 Shortland Street  
Auckland 1010

Telephone: +64 9 359 4000

Email: [info@kp.co.nz](mailto:info@kp.co.nz)

## Registrar

### **Link Market Services Limited**

Level 30, PwC Tower  
15 Customs Street West  
Auckland 1010

Toll Free: 0800 377 388

Telephone: +64 9 375 5998

Email: [enquiries@linkmarketservices.co.nz](mailto:enquiries@linkmarketservices.co.nz)

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

### **ANZ Bank New Zealand Limited**

ANZ Centre  
Ground Floor  
23-29 Albert Street  
Auckland 1010

Telephone: 0800 269 476

## Other Joint Lead Managers

### **Commonwealth Bank of Australia**

(ABN 48 123 123 124)

(acting through its New Zealand branch)

ASB North Wharf  
12 Jellicoe Street  
Auckland 1010

Telephone: 0800 272 266

### **Craigs Investment Partners Limited**

Level 36, Vero Centre  
48 Shortland Street  
Auckland 1010

Telephone: 0800 226 263

### **Forsyth Barr Limited**

Level 23, Shortland & Fort  
88 Shortland Street  
Auckland 1010

Telephone: 0800 367 227

# 15. Glossary

Arranger	ANZ Bank New Zealand Limited
Base Rate	the semi-annual mid-market rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Arranger in consultation with Kiwi Property, according to market convention, with reference to Bloomberg page 'ICNZ4' (or any successor page) on the Rate Set Date (rounded to 2 decimal places, if necessary, with 0.005 being rounded up)
Beneficiaries	at any time, the persons who are "Beneficiaries" under the Security Trust Deed. As at the date of this PDS, the Beneficiaries are the Holders (in relation to the Green Bonds), the holders of the Existing Bonds, the Supervisor, the Group's bank facility lenders and hedging providers and the Security Trustee (on its own account and as security trustee under the Security Trust Deed)
Bookbuild	the process conducted after the closing of the Offer whereby certain approved financial intermediaries lodge bids for Green Bonds and, on the basis of those bids, Kiwi Property (in consultation with the Joint Lead Managers) determines the Margin and allocations of the Green Bonds
Business Day	a day (other than a Saturday or Sunday) on which registered banks are generally open for business in Wellington and Auckland
Closing Date	the "Closing Date" specified in Section 2 of this PDS (Key dates and Offer process)
Disclose register	the online offer register maintained by the Companies Office and the Registrar of Financial Service Providers known as "Disclose", which can be accessed at <a href="http://www.disclose-register.companiesoffice.govt.nz">www.disclose-register.companiesoffice.govt.nz</a>
Eligible Projects	buildings that meet the eligibility criteria outlined in the Sustainable Debt Framework, as described in Section 5.2 of this PDS (Green Bond Principles and the Sustainable Debt Framework)
Event of Default	each event set out in clause 12.1 of the Trust Deed, some of which are summarised under "Events of Default" in Section 5.3 of this PDS (Ranking and security)
EY	Ernst & Young Limited
Green Bond Principles	the Green Bond Principles dated June 2021 as published by the International Capital Markets Association (as amended from time to time)
Green Bonds	the Green Bonds constituted and issued under the Trust Deed and offered under this PDS
Group	Kiwi Property and its subsidiaries
GSD	the global security deed dated 5 November 1998 between the Guarantors and the Security Trustee (as amended from time to time)
Guarantors and Guaranteeing Group	<b>Guaranteeing Group</b> means Kiwi Property and any wholly owned subsidiary of Kiwi Property that is, or becomes, party to the GSD as a guarantor (unless it has been released) and <b>Guarantor</b> means any one of them  As at the date of this PDS, Kiwi Property, Kiwi Property Holdings Limited, Sylvia Park Business Centre Limited, Kiwi Property Te Awa Limited, Kiwi Property Centre Place 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 and Kiwi Property Holdings No. 7 Limited are Guarantors
Holder	a person whose name is entered in the Register as a holder of a Green Bond

<b>Interest Payment Dates</b>	the "Interest Payment Dates" specified in Section 2 of this PDS (Key dates and Offer process). If an Interest Payment Date is not a Business Day, Kiwi Property will make payment on the next Business Day, but no adjustment will be made to the amount of the interest payable
<b>Interest Rate</b>	is described in Section 3.1 of this PDS (Description of the Green Bonds)
<b>Issue Date</b>	the "Issue Date" specified in Section 2 of this PDS (Key dates and Offer process)
<b>Issue Price</b>	NZ\$1.00 per Green Bond
<b>Joint Lead Managers</b>	ANZ Bank New Zealand Limited, Commonwealth Bank of Australia, Craigs Investment Partners Limited and Forsyth Barr Limited
<b>Kiwi Property</b>	Kiwi Property Group Limited
<b>Major Event of Default</b>	an Event of Default under clause 12.1(a)(i) or (ii) or clause 12.1(k) of the Trust Deed, as summarised under "Events of Default" in Section 5.3 of this PDS (Ranking and security)
<b>March 2023 Draft Valuations</b>	<p>the Group's draft real property valuations for the financial year ending 31 March 2023 as disclosed by Kiwi Property via NZX on or about the date of this PDS, which can be found at <a href="http://www.nzx.com/companies/KPG/announcements">www.nzx.com/companies/KPG/announcements</a></p> <p>The draft real property valuations have been determined by independent valuers and are subject to finalisation and external review by Kiwi Property's auditor. The final valuations will be confirmed in Kiwi Property's financial statements for the financial year ending 31 March 2023, scheduled for release in May 2023</p>
<b>Margin</b>	the rate (expressed as a percentage per annum) determined by Kiwi Property (in consultation with the Joint Lead Managers) through the Bookbuild and announced by Kiwi Property via NZX on or about the Rate Set Date
<b>Master Trust Deed</b>	the trust deed dated 30 June 2014 between Kiwi Property and the Supervisor (as amended from time to time)
<b>Maturity Date</b>	the "Maturity Date" specified in Section 2 of this PDS (Key dates and Offer process)
<b>Minimum Interest Rate</b>	the minimum Interest Rate that may apply, as announced by Kiwi Property on or about the Opening Date
<b>Mortgage</b>	a first ranking registered mortgage granted by a Guarantor over real property
<b>NZ\$</b>	New Zealand dollars
<b>NZX</b>	NZX Limited
<b>NZX Debt Market</b>	the debt market operated by NZX
<b>NZX Listing Rules</b>	the listing rules of NZX (as amended, varied or waived from time to time)
<b>Offer</b>	the offer of Green Bonds made in this PDS
<b>Opening Date</b>	the "Opening Date" specified in Section 2 of this PDS (Key dates and Offer process)
<b>PDS</b>	this product disclosure statement
<b>Primary Market Participant</b>	has the meaning given in the NZX Participant Rules (as amended, varied or waived from time to time)
<b>Principal Amount</b>	NZ\$1.00 per Green Bond
<b>Rate Set Date</b>	the "Rate Set Date" specified in Section 2 of this PDS (Key dates and Offer process)
<b>Register</b>	the register in respect of the Green Bonds maintained by the Registrar
<b>Registrar</b>	Link Market Services Limited
<b>S&amp;P</b>	S&P Global Ratings Australia Pty Limited
<b>Secured Assets</b>	<p>the assets of the Guarantors that are subject to:</p> <ul style="list-style-type: none"> <li>• the security granted under the GSD; and/or</li> <li>• the Mortgages</li> </ul>
<b>Security Trust Deed</b>	the security trust deed dated 30 June 2014 between, among others, Kiwi Property, the Security Trustee and the Supervisor (as amended from time to time)
<b>Security Trustee</b>	New Zealand Permanent Trustees Limited or such other security trustee as may be appointed in accordance with the Security Trust Deed from time to time

<b>Selling Restrictions</b>	specific restrictions that apply to the Offer, as set out in Section 9 of this PDS (Selling restrictions and indemnity)
<b>Special Resolution</b>	a resolution approved by holders holding bonds issued by Kiwi Property under the Master Trust Deed with a principal amount of no less than 75% of the total principal amount of the bonds held by those persons who are entitled to vote and who vote on the question
<b>Supervisor</b>	Public Trust or such other supervisor as may be appointed in accordance with the Trust Deed from time to time
<b>Supplemental Trust Deed</b>	the deed dated on or about 6 March 2023 between Kiwi Property and the Supervisor relating to the Green Bonds
<b>Sustainable Debt Framework</b>	the document entitled "Kiwi Property Sustainable Debt Framework" dated May 2022 (as amended from time to time)
<b>Trust Deed</b>	the Master Trust Deed as modified and supplemented by the Supplemental Trust Deed