



1 November 2021

T&G and PFI enter sale and leaseback of 22 Whakatu Road, Hastings

T&G Global is selling and leasing back its Whakatu West site at 22 Whakatu Road, Hastings, in a move which will generate \$79.545 million to support its growth strategy.

The 9.56 hectare site is being sold to Property for Industry Limited (PFI). The property accommodates in excess of 36,000 square metres of T&G's post-harvest operations in the Hawke's Bay, including one of its packhouses, two cool stores, warehousing and 3.7 hectares of storage yard.

T&G Global's Chief Executive, Gareth Edgecombe, says the transaction will help T&G free up capital to fuel its growth.

"By entering into a sale-leaseback agreement with PFI, we can unlock funds to reinvest back into our core business and new growth activities, while continuing to operate our post-harvest facilities out of the Hawke's Bay," says Gareth.

"With strong worldwide consumer demand for our premium apples, including Envy™ and JAZZ™, this capital will be used to fund our operations, continue building out our key global markets, and invest in new technology and our physical assets.

"The Hawke's Bay is a pivotal region for our global business and long-term strategy, with about 60% of our apples grown in the region. With interest in commercial real estate at a real high, it made good business sense to recycle these funds into our growth."

PFI Chief Executive, Simon Woodhams, says the acquisition of the site secures a specialised asset for PFI's portfolio, occupied by a tenant operating an essential service.

"We're excited about the acquisition of this key site in the Hawke's Bay, which is a vital region in New Zealand's high-value primary sector. We look forward to working with T&G into the future," says Simon.

The 15-year triple-net leaseback arrangement with PFI provides T&G with rights of renewal for a further 20 years. The commencing annual rental is \$3.5 million plus GST, with annual fixed rent reviews of 2.25%, with an adjustment to market on the seventh anniversary of the lease commencement date.

The unconditional acquisition, which reflects a yield of 4.4%, is expected to settle on 15 November 2021. Both parties will update the market upon the sale being concluded.

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About T&G Global. Established 124 years ago, T&G Global is one of New Zealand's largest fresh produce companies - growing, packing, shipping, marketing and selling fruit and vegetables to consumers around the world. Our success comes from consistent and sustainable growing practices, committed growers, valued customers and a passionate team of people. Our apples, including the premium Kiwi-bred varieties Jazz™ and Envy™, are grown in 14 countries and sold in more than 60 countries year-round.

About PFI. PFI is an NZX listed property vehicle specialising in industrial property. PFI's nationwide portfolio of almost 100 properties is leased to around 150 tenants.