

NZX RELEASE

6 April 2020

COVID-19 Business update

In light of the ongoing disruption caused by the COVID-19 pandemic, Kiwi Property has provided the following business update:

During this time of unprecedented challenge, Kiwi Property is focused on ensuring the wellbeing of its people, tenants and customers, and protecting the long-term value of the company for investors.

Financial position

As announced last week, the business successfully extended \$361 million of bank debt facilities on three and five year terms, increasing the weighted average term of all debt facilities to 3.9 years. Kiwi Property now has no bank debt maturities until the 2023 financial year, \$303 million in undrawn credit and a healthy overall gearing position of 29.2%.

Property portfolio

Kiwi Property has a diversified property portfolio, comprised of mixed-use, office, retail and other use types. The company's assets are heavily weighted to the golden triangle, which is home to 50% of New Zealand's population, with 71% of assets located in Auckland and a further 8% in Hamilton. Kiwi Property has maintained high occupancy of 99.4% and a weighted average lease expiry of 5.1 years¹.

Cost-savings programme

Kiwi Property has implemented a comprehensive cost savings programme to reduce expenses and help offset any decline in income resulting from measures to control the pandemic. Effective immediately, non-essential capital expenditure projects have been put on hold until there is greater clarity about the future trading environment. All operating expenditure has been reviewed and discretionary spend will be stopped where possible. The Board of Directors, Chief Executive Officer and Executive Team have agreed to a 20 percent reduction in pay, while in parallel, employee salary increases have also been frozen. These measures will be reviewed on an ongoing basis as the COVID-19 situation evolves.

FY20 performance guidance & final dividend

While Kiwi Property's operating performance was in-line with expectations prior to COVID-19, it is clear the pandemic will have a material impact on the company's forward-looking performance and rental receipts. It is too early to quantify the impact of the ongoing period of disruption on future income, asset values and cash flows. Kiwi Property will continue to closely monitor the developing situation and update the market as appropriate.



Given the inherent uncertainty surrounding COVID-19's duration, the Board has adopted a prudent approach to capital management and made the difficult decision not to proceed with the final dividend for the year ended 31 March 2020.

> Ends

NOTES:

1. Source: Kiwi Property interim report 2020.

Contact us for further information

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About us

Kiwi Property (NZX: KPG) is one of the largest listed property companies on the New Zealand Stock Exchange and is a member of the S&P/NZX 20 Index. We've been around for over 25 years and we proudly own and manage a significant portfolio of real estate assets, comprising some of New Zealand's best mixed-use, retail and office buildings. Our objective is to provide investors with a reliable investment in New Zealand property through the ownership and active management of a diversified, high-quality portfolio. S&P Global Ratings has assigned Kiwi Property a corporate credit rating of BBB (stable) and an issue credit rating of BBB+ for each of its fixed rate senior secured bonds. Kiwi Property is the highest rated New Zealand company within CDP (Carbon Disclosure Project) and is a member of FTSE4 Good, a series of benchmarks and tradeable indices for ESG (Environmental, Social and Governance) investors. Kiwi Property is licensed under the Real Estate Agents Act 2008. To find out more, visit our website kp.co.nz