Kiwi Property Group Limited
Level 7, Vero Centre, 48 Shortland Street
PO Box 2071, Auckland 1140, New Zealand
office +64 9 359 4000 kp.co.nz
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NZX RELEASE
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Sylvia Park Lifestyle to be sold to new Mackersy LFR Fund

Kiwi Property has entered into a conditional agreement to sell the property at 393 Mt Wellington Highway, Auckland, known as Sylvia Park Lifestyle ("SPL") to a new large-format retail fund to be established by Mackersy Property Limited (the "Mackersy LFR Fund") for $90 million, equivalent to the 31 March 2025 valuation. SPL is the large-format retail ("LFR") site adjacent to the Sylvia Park shopping centre. Further detail on the terms of the sale is set out at the end of this announcement.

Mackersy Property Limited (Mackersy) will be the Manager of, and the issuer of units in, the Mackersy LFR Fund. On establishment of the Mackersy LFR Fund, Kiwi Property will subscribe for 50% of the units in the fund as part consideration for the sale of SPL to the fund. Kiwi Property will also underwrite a further 25% of the units in the fund. Kiwi Property will continue to undertake property management and leasing in respect of SPL and will receive a fee for undertaking these services.

It is the intention of both Mackersy and Kiwi Property that the LFR Fund will continue to grow over time, and will look to acquire suitable LFR assets for this purpose.

Kiwi Property invested in Mackersy by way of a convertible loan in November 2024, and on completion, Kiwi Property expects to own 50% of Mackersy, with the other 50% owned by the existing shareholders of Mackersy, being employees or former employees of Mackersy (or entities associated with those persons). The parties are targeting a conversion of the Kiwi Property loan to equity in Mackersy on or around 1 December 2025.

Kiwi Property's CEO, Clive Mackenzie, said: "The sale of Sylvia Park Lifestyle into this new LFR Fund demonstrates the benefit of our investment in Mackersy, which provides a new source of capital to support our strategic objectives. Proceeds from the transaction will be used to fund some of the company's development projects and provide further balance sheet flexibility."

Mackenzie added, "By retaining a significant stake in the LFR Fund, we can continue to leverage our retail management and leasing capabilities to drive the performance of the asset on behalf of both Kiwi Property and LFR Fund investors, while releasing capital to reinvest in our strategic mixed-use assets. The LFR Fund may also provide a source of capital for future LFR developments at existing Kiwi Property sites."

Hamish Wilton, Mackersy's CEO, commented: "We are pleased to be creating a new fund for wholesale investors to have the opportunity to invest in large format retail, a class of assets which tends to be resilient in all market conditions, and which is entering a new phase of renewed momentum, driven by monetary easing and investor confidence. Our valued relationship with Kiwi Property has meant we have been able to secure Sylvia Park Lifestyle as the initial seed asset for the fund."

KEY TERMS OF SPL SALE

The key terms of the sale of SPL to the Mackersy LFR Fund and the establishment of the Fund are set out below.

Sale price for SPL:	$90 million
Condition for sale of SPL:	Capital raise by the Mackersy LFR Fund, expected to be satisfied by 19 December 2025 (which may change by agreement between the parties)
Expected settlement date if condition is satisfied:	Settlement is expected shortly after the condition is satisfied, currently anticipated to occur the first quarter of 2026
Consideration for sale of SPL:	A combination of cash and 50% of the units in the Mackersy LFR Fund as consideration for the sale of SPL. Kiwi Property will also underwrite a further 25% of the units in the fund. This will result in Kiwi Property owning between 50% and 75% of the units in the fund on establishment, and receiving between $52.9 million and $65.3 million cash in consideration for the sale of SPL to the fund, depending on the level of equity underwrite required.

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For further information:

Fraser Gunn
Head of Corporate Finance and Investor Relations
fraser.gunn@kp.co.nz
+64 21 973 534

About Kiwi Property:

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 have been around for over 30 years and proudly own and manage a significant real estate portfolio 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. Kiwi Property is licensed under the Real Estate Agents Act 2008. To find out more, visit our website, kp.co.nz

About Mackersy:

Mackersy Property is a New Zealand-based commercial property investment and management firm with offices in Queenstown, Christchurch, Dunedin, Tauranga, and Hamilton. The firm has assets under management of $2.2 billion and manages a diversified portfolio of commercial properties across New Zealand on behalf of wholesale investors. Mackersy will be the Offeror under the offer of units in the Mackersy LFR Fund and will manage the Mackersy LFR Fund. Further information about Mackersy can be found on its website.