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Retail-led portfolio drives solid HY27 performance

	HY27	Movement from HY26
Net rental income	$90.9m	-10.9% (+4.8% like-for-like[1])
Net profit after tax	$36.3m	+270.4%
Adjusted funds from operations	$48.6m	-6.4% (+1.5% like-for-like[1])
Net tangible assets per share	$1.11	-0.9% (from FY26)
Interim dividend	2.875 cents per share	+2.7%

Kiwi Property has announced its interim results for the six months ended 30 September 2026 (HY27), with Chair Simon Shakesheff noting that the result reflects "a solid operating performance from our retail-led portfolio, delivered against a backdrop of cautious consumer spending."

Clive Mackenzie, Kiwi Property's CEO, said the half reflects a transition in the company's earnings profile following the divestment of The Plaza in December 2025 and ASB North Wharf in May 2026, with retail-led assets now comprising around 74% of portfolio value. "Our portfolio is now better aligned with our ambition of being New Zealand's leading creator of retail-led destinations, delivering superior experiences and returns," Mackenzie said.

Financial performance

As expected, the loss of income from divested assets means reported earnings are lower than the prior period, with net rental income of $90.9 million, down 10.9%, and adjusted funds from operations (AFFO) of $48.6 million, down 6.4%. However, on a like-for-like basis adjusting for these divested assets, our underlying performance strengthened, with net rental income up 4.8% at $88.6 million and AFFO up 1.5% at $48.7 million. Our retail-led portfolio continued to drive growth, with net operating income from these assets up 4.2% to $67.4 million.

The proceeds from the divestments reduced debt levels, resulting in lower net finance expenses, down 18.9% to $22.8 million. A continued focus on cost discipline led to employment and administration expenses reducing by 6.2% to $12.1 million, with our management expense ratio broadly stable at 66 basis points.

Net profit after tax increased to $36.3 million, from $9.8 million in the prior period, primarily reflecting a lower fair value loss on investment properties and a positive movement in the fair value of interest rate derivatives.

Valuations broadly stable

As at 30 September 2026, Kiwi Property's portfolio was valued at $3.0 billion with net tangible assets of $1.11 per share. Mackenzie noted that "recent shopping centre transactions

at or around book value, including the sale of Glenfield Mall and a 49% share in Westfield Albany, provide further support for the carrying values of our retail centres."

Retail-led and office valuations held firm, with a total portfolio valuation decline of 0.5% primarily reflecting a reduction in the value of Drury development land, driven by current land market conditions, remaining development costs and the timing of staged development.

Strong demand for space in our centres

Leasing momentum continued through the half, with 126 new leases and renewals (representing 8% of gross income) completed at an average leasing spread of 3.9%, and 321 rent reviews (representing 28% of gross income) delivering average growth of 4.2%.[2] Portfolio occupancy remains high at 97.9%, with retail-led centres at 99.4%. Around 65% of income is subject to fixed or CPI-based rent reviews, and specialty occupancy costs of 15.3% leave headroom for sustainable future rental growth against our target range of 17-18%.

New entrants and expansions, including LEGO, R.M. Williams, Mecca and Adidas, alongside HOYTS cinema refurbishments, show that retailers continue to support Kiwi Property's destinations. Customer visits reached 37 million over the 12 months to 30 September 2026, up 3.8% and led by Sylvia Park with more than 17 million visits. Total sales at our retail centres rose 2.0% to $1.92 billion.

"Our conviction in our strategy comes from a simple, reinforcing cycle," said Mackenzie. "Our destinations sit on scarce, hard-to-replicate land, with around 95% of our portfolio by value in Auckland and Hamilton, two of New Zealand's fastest-growing regions. These locations draw significant and growing visitation, which underpins strong retailer demand and low vacancy, giving us the ability to continue to grow rents. We reinvest in our tenant mix and customer experience, giving customers more reasons to visit. The result is resilient, growing income and long-term value for our shareholders."

Investing in our destinations

Sylvia Park continues to evolve. More than nine months on from opening, IKEA continues to attract customers, with visits from outside the Auckland trade area up 21%. It's also supporting the formation of a furniture precinct at Sylvia Park Lifestyle, where furniture retailer sales are up 15% over the last 12 months. Asian grocer STACKS, a new tenant at Sylvia Park, is trading well, and Sylvia Green, which includes an expansion of Kmart, a new pedestrian plaza, digital media screen, food truck operators and new hospitality tenancies, opened ahead of the upcoming holiday season.

At Vero Centre, the Shortland Street lobby refresh was completed in mid-November 2026 and the lift upgrade will complete in March 2027, ensuring the building retains its position as one of Auckland's premium office buildings more than 25 years after it opened.

Alongside investing in its existing assets, Kiwi Property continues to monitor the market for attractive acquisition opportunities that are accretive and in line with its retail-led strategy.

Drury works continuing

The opening of the Drury train station in August was a major milestone for the precinct, connecting our site directly to Auckland's rail network and making it significantly more accessible for future customers, workers and residents. Stage 1 civil works remain on track for completion by March 2027, with roads to open subsequently.

Proceeds from the large format retail land sales are expected between FY28 and FY29. Kiwi Property is also in discussions with major retailers on the potential sale of a further 2.6-hectare lot in Stage 1 of the development.

Strong balance sheet and disciplined capital management

Kiwi Property used the proceeds from the ASB North Wharf sale, which settled on 29 May 2026, to repay bank debt. Gearing reduced to 34.4% at 30 September 2026, from 37.4% at 31 March 2026. During the half, Kiwi Property refinanced $900 million of bank debt at low margins, extending its weighted average term to maturity to 3.5 years, with 78% of drawn debt hedged.

With very low margins also prevailing in the New Zealand bond market, Kiwi Property issued a $200 million 7-year green bond (KPG080) in early November, after balance date. The proceeds were used to repay bank debt, increasing the weighted average debt maturity with no material increase in the weighted average cost of debt.

“We continue to apply strong discipline around how we allocate capital,” Shakesheff said. “We will also continue to simplify the portfolio, recycling capital from non-core assets into future development or acquisition opportunities where it meets our investment decision-making hurdles.”

Continued focus on sustainability

Sylvia Park achieved a market-leading 6 star NABERSNZ rating and The Base Te Awa a 5 star rating under the new NABERSNZ Energy for Shopping Centres tool, demonstrating the sustainability credentials of Kiwi Property’s flagship retail-led assets. This means that 73% of our portfolio by value is now green rated.

Kiwi Property has updated its Sustainable Debt Framework to include these ratings, significantly increasing its green asset pool and allowing access to green bank loans at lower pricing.

Dividend guidance reconfirmed

“We’re pleased to reconfirm our FY27 full-year dividend guidance of 5.75 cents per share,[3] up 2.7% on FY26. This is expected to be at the higher end of our 90% to 100% AFFO payout target range,” said Mackenzie. Kiwi Property will pay a cash dividend of 1.4375 cents per share for the second quarter of FY27 on 18 December 2026, taking the interim cash dividend to 2.875 cents per share.

Well positioned for continued growth

Economic conditions remain mixed. Foot traffic and sales growth remain positive at Kiwi Property's centres, but consumers remain cautious as cost pressures persist across the economy.

"Against this backdrop, Kiwi Property is in a strong position. Our high-quality, retail-led portfolio is performing well, our balance sheet has capacity, and we're staying disciplined on costs and capital. We're pleased to have completed the Vero Centre refresh and Sylvia Green at Sylvia Park, and we're looking forward to completing the Vero Centre lift upgrade and progressing Drury towards its first land sale settlements, as we continue creating places where people connect and thrive," Shakesheff concluded.

Additional information

Kiwi Property has today also released an Interim Report and Interim Results Presentation, which are available for download on the company's website, kp.co.nz, or from nzx.com.

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Notes:
General: Net rental income, net operating income, adjusted funds from operations and management expense ratio are non-GAAP performance measures. Refer to the Kiwi Property Interim Results Presentation for the six months ended 30 September 2026 for details.
1: Like-for-like figures exclude assets divested since 30 September 2025 (The Plaza and ASB North Wharf).
2: Leasing statistics exclude divested assets.
3: Dividend guidance and payments are contingent on Kiwi Property's financial performance through the financial year and barring material adverse events or unforeseen circumstances.

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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 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