



**P** PROPERTY  
INCOME FUND

Interim Report 2025





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# 1.0

# REPORT FROM THE CHAIRMAN & MANAGER

## Welcome to the interim report for Property Income Fund (PIF) for the six months ended 30 September 2025.

This report gives an overview of the Fund's progress since 31 March 2025 and details the financial results for the six months ended 30 September 2025.

### Fund Update

As reported in the Chairman's report in the 31 March 2025 Annual Report, the Company acquired Manukau Supa Centa for \$161 million, with the transaction settling in the current period on 30 June 2025.

The asset was acquired at a significant discount to its replacement cost and below its independent valuation. This acquisition brought the total portfolio value under management to \$333 million, and saw the Fund called to 100% along with the introduction of debt for the first time.

The acquisition was accretive to shareholder returns, and since acquisition, the Manager has been involved in a number of lease negotiations with significant interest from both existing and new tenants. Also in the period, Tauranga City Council moved into 90 Devonport Road with their lease having commenced on 31 March 2025.

### Financial Results

The Group reported a pre-tax profit (before swap revaluations) of \$5.821 million for the period. This compares to a commensurate profit of \$1.865 million for the six months ended 30 September 2024. The current pre-tax profit post swap revaluations was \$4.705 million.

The directors did not instruct a six month interim revaluation of investment property for this period as they believe values have stabilised.

Rental income for the six months to 30 September was \$8.138 million of which \$5.770 million was attributable to the two new investment properties (September 2024: \$2.315 million).

The operating expenses for the period totalled \$0.98 million, compared to \$0.455 million for the six month period ending 30 September 2024.

As at 30 September the Company's debt was \$108.863 million which equated to gearing of 32.7%. The Company also entered into a range of interest rate swaps with 68.9% of the Company's debt being hedged, with expiries ranging from 2027 to 2030 and base rates ranging from 3.26% to 3.63%.

The NTA per dollar called at 30 September 2025 was \$0.903 (30 September 2024: \$0.861).

### Property Portfolio

The property at 90 Devonport Road was completed at the end of March 2025 with Tauranga City Council moving into the building in April 2025. This highly sustainable mass timber building has achieved 6 Green Star design accreditation and has to date won three awards: the Structural Engineering Society New Zealand's *2025 Building Award*, Infrastructure NZ Building Nations' *2025 Innovation Award*, and the Central Property People Awards *2025 Best Team Award*.

The remaining portfolio properties at 484 Nayland Road, Nelson and 1 Fraser Street, Timaru continue to perform well for the Fund.

### Calls and Distributions

During the six months to 30 September 2025, the Group made one call of 20.8cps payable on 18 June 2025 to fund the Manukau Supa Centa acquisition.

This call brought the total capital called to 100% of committed capital.

As previously noted, it is the Fund's policy to pay 100% of available funds from operations (AFFO) as quarterly distributions to its shareholders.

During the quarter the Fund paid the Q4 2025 final dividend of 0.94cps in April 2025 and paid the Q1 2026 dividend of 0.876cps in July 2025.

The Q2 2025 dividend of 1.3cps was declared subsequent to 30 September, with payment being made on 24 October 2025. This dividend represented an annualised pre-tax yield of 5.76%, or 6.80% on a PIE tax adjusted basis, based on the average NTA over the quarter.

### Future Plans

At the AGM in September, the Manager outlined a proposal to amend the Fund's investment strategy to target large, regionally dominant shopping centres. This change would also require an amendment to the Company's management contract.

This proposed change was based on the Manager's view that this asset class offers a compelling risk/reward proposition at present, and that a pipeline of assets the Fund is capable of acquiring had been identified. It was also noted at the AGM that the necessary approvals would be sought from the Shareholder Representative Group (SRG) to enable this change.

Since then, discussions have been ongoing with SRG members and other large shareholders, and a wide range of views have been expressed on the proposed change.

Some are supportive of the change; others prefer the Fund's original strategy (to target simpler assets underpinned by longer leases with less potential risk); and some would prefer an immediate liquidity event rather than waiting for the portfolio to achieve critical mass and a subsequent public market listing. This lack of clear consensus has led the Manager to recommend an alternative course of action.

The proposed retail strategy will be pursued outside of the Fund, and Manukau Supa Centa will be sold as the initial seed asset at current market value. The sale is expected to result in a gain for PIF, with the value expected to be above the price paid in June 2025. The directors intend to distribute all net proceeds from the sale to shareholders, which should generate a tax-free distribution of approximately 45 cents per share. The sale will occur as soon as the capital raise for the retail fund is completed.

## FUND METRICS

### Dividend Metrics

As at 30 September 2025

<b>September quarter dividend</b>	<b>1.3cps</b>
<b>NTA per share</b>	<b>90.3cps</b>
<b>Annualised pre-tax dividend yield on NTA</b>	<b>5.76%</b>
<b>PIE tax adjusted yield<sup>1</sup></b>	<b>6.80%</b>

<sup>1</sup>PIE adjusted yield shows the equivalent pre-tax yield of a non-PIE vehicle, assuming a marginal tax rate of 39%.

### Call Metrics

As at 31 October 2025

<b>Capital called to date</b>	<b>100.0cps</b>
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The Manager believes the sale of Manukau Supa Centa is the best way to achieve a near-term liquidity event, which some shareholders are seeking. As the transaction will be between related parties, SRG approval will be required.

All PIF shareholders will be provided with the option of re-investing their proceeds from the distribution into the new retail fund, such that their economic interest in Manukau Supa Centa post-sale could be similar to their interest prior to the sale.

Going forward, the Manager believes that PIF – a real estate portfolio that generates stable and growing long-term cash flows, remains highly attractive to investors. However, the directors are conscious that some investors are seeking full liquidity, and the Manager will seek new investment capital to enable a full exit at or about the Company's NTA. If this isn't achieved to the extent required to provide liquidity, then the Manager will investigate the sale of assets to deliver liquidity once the Manager is confident the market will deliver a fair price, with proceeds distributed to investors as realisations occur.

As always, thank you for your ongoing support. Please get in touch if you have any queries.



**Mark McGuinness**  
Chairman



Manukau Supa Centa, Auckland

# 2.0

## INTERIM

# FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 September 2025

	Note	Unaudited 6 months ended 30 Sep 25 \$000	Unaudited 6 months ended 30 Sep 24 \$000	Audited 12 months ended 31 Mar 25 \$000
Rental income	4	8,138	2,315	4,604
		8,138	2,315	4,604
Operating expenses	5	(980)	(455)	(1,056)
Operating profit		7,158	1,860	3,548
Finance income	6	124	246	516
Finance expense	6	(1,461)	(241)	(547)
Net finance income/(expense)		(1,337)	5	(31)
Change in fair value of investment property	11	-	-	1,010
Revaluation gain on investment property under construction	12	-	-	550
Change in fair value of interest rate swaps		(1,116)	-	-
Net profit before income tax expense		4,705	1,865	5,077
Income tax expense	3.5	-	-	-
Net profit for the period		4,705	1,865	5,077
Other comprehensive income		-	-	-
Total comprehensive profit for the period	16	4,705	1,865	5,077

The accompanying notes form part of these interim financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2025

	Note	Share capital \$000	Accumulated loss \$000	Total \$000
Opening balance as at 1 April 2024		138,423	(21,321)	117,102
Share capital called	16	59,500	-	59,500
Dividends		-	(8,030)	(8,030)
Net profit for the year		-	5,077	5,077
Balance at 31 March 2025		197,923	(24,274)	173,649

	Note	Share capital \$000	Retained profit \$000	Total \$000
Opening balance as at 1 April 2025		197,923	(24,274)	173,649
Share capital called	16	52,000	-	52,000
Dividends	7	-	(4,540)	(4,540)
Net profit for the period		-	4,705	4,705
Balance at 30 September 2025		249,923	(24,109)	225,814

*The accompanying notes form part of these interim financial statements.*

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2025

	Note	Unaudited 30 Sep 25 \$000	Unaudited 30 Sep 24 \$000	Audited 31 Mar 25 \$000
<b>Current assets</b>				
Cash and cash equivalents	8	6,709	5,422	19,204
Trade and other receivables	9	566	120	102
Preliminary investigation costs		24	-	34
<b>Total current assets</b>		<b>7,299</b>	<b>5,542</b>	<b>19,340</b>
<b>Current liabilities</b>				
Trade and other payables	14	4,509	11,140	17,691
<b>Total current liabilities</b>		<b>4,509</b>	<b>11,140</b>	<b>17,691</b>
<b>Net current assets/(liabilities)</b>		<b>2,790</b>	<b>(5,597)</b>	<b>1,649</b>
<b>Non-current assets</b>				
Investment properties	11	333,000	73,335	172,000
Investment property under construction	12	3	77,287	-
<b>Total non-current assets</b>		<b>333,003</b>	<b>150,622</b>	<b>172,000</b>
<b>Non-current liabilities</b>				
Loans	15	108,863	-	-
Interest rate swaps at fair value	15	1,116	-	-
Other non-current payables	14	-	2,157	-
<b>Total non-current liabilities</b>		<b>109,979</b>	<b>2,157</b>	<b>-</b>
<b>Net assets</b>		<b>225,814</b>	<b>142,867</b>	<b>173,649</b>
<b>Equity</b>				
Share capital	16	249,923	165,923	197,923
Retained loss		(24,109)	(23,056)	(24,274)
<b>Total equity</b>		<b>225,814</b>	<b>142,867</b>	<b>173,649</b>

The accompanying notes form part of these interim financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 September 2025

	Note	Unaudited 6 months ended 30 Sep 25 \$000	Unaudited 6 months ended 30 Sep 24 \$000	Audited 12 months ended 31 Mar 25 \$000
<b>Cash flows from operating activities</b>				
Interest received		124	247	541
Cash payments for operating expenditure		(580)	(84)	(1,061)
Rental income received		7,744	2,267	4,633
Interest paid		(988)	-	-
Net GST inflow/(outflow)		403	2	(3)
<b>Net cash inflow from operating activities</b>		<b>6,703</b>	<b>2,432</b>	<b>4,110</b>
<b>Cash flows from investing activities</b>				
Purchase of investment property		(161,000)	-	(185)
Purchase of investment property under construction		(14,658)	(25,884)	(41,165)
<b>Net cash outflow from investing activities</b>		<b>(175,658)</b>	<b>(25,884)</b>	<b>(41,350)</b>
<b>Cash flows from financing activities</b>				
Proceeds from share calls	16	52,000	27,500	59,500
Proceeds from borrowings	15	109,000	-	-
Dividends	7	(4,540)	(3,600)	(8,030)
<b>Net cash inflow from financing activities</b>		<b>156,460</b>	<b>23,900</b>	<b>51,470</b>
Net decrease/increase in cash and cash equivalents		(12,495)	448	14,230
Cash and cash equivalents at beginning of period		19,204	4,974	4,974
<b>Cash and cash equivalents at end of period</b>	8	<b>6,709</b>	<b>5,422</b>	<b>19,204</b>

The accompanying notes form part of these interim financial statements.

# 3.0

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 September 2025

### 1 General information

The financial statements presented are those of Property Income Fund Limited (the 'Company') and its subsidiaries (the 'Group') as detailed in note 10. The reporting entity is Property Income Fund Limited. The Company was incorporated under the Companies Act 1993 on 30 September 2020 and has its registered office at Level 4, 12 Viaduct Harbour Avenue, Auckland. The Group is a reporting entity for the purposes of the Financial Reporting Act 2013.

The Group is primarily involved in long term investment opportunities in the New Zealand real estate market.

These financial statements have been approved for issue by the Board of Directors.

### 2 Statement of compliance

The financial statements of Property Income Fund Limited have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP") and the requirements of the Financial Reporting Act 2013. They comply with the New Zealand equivalents to International Financial Reporting Standards - Reduced Disclosure Regime ("NZ IFRS (RDR)") and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities.

The Group is a Tier 2 For-profit entity and has elected to report in accordance with Tier 2 For-profit Accounting Standards as issued by the New Zealand External Reporting Board (XRB) and has applied disclosure concessions. The Group has elected to report in accordance with Tier 2 For-profit Accounting Standards on the basis that it does not have public accountability and is not a large for-profit public sector entity.

### 3 Summary of accounting policies

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

#### 3.1 Overall consideration

The financial statements have been prepared using the measurement bases specified by NZ IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

#### 3.2 Basis of preparation

The financial statements have been prepared on the basis of historical cost, as modified by the fair value measurement of investment property. Cost is based on the fair values of the consideration given in exchange for assets.

The financial statements have been prepared under the assumption that the Group operates on a going concern basis.

The interim consolidated financial statements for the six months ended 30 September 2025 are unaudited. Comparative balances for 30 September 2024 are unaudited, whilst the comparative balances for the year ended 31 March 2025 are audited.

#### 3.3 Basis of consolidation

The consolidated financial statements comprise Property Income Fund Limited and its subsidiary companies.

In preparing the consolidated financial statements, all inter-company balances and transactions have been eliminated in full.

# 3.0 NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 3.4 Presentation of financial statements

The financial statements are presented in New Zealand dollars (\$), which is the Company's functional currency, rounded to the nearest thousand.

## 3.5 Income tax expense

For tax purposes, the Company elected to be a Portfolio Investment Entity (PIE). Under the PIE tax rules, the Company pays tax on behalf of its members. As such, from the date at which the Company became a PIE, no tax expense or deferred tax balances are recognised in the financial statements.

The current income tax asset or liability recognised in the statement of financial position represents the current income tax balance due from or to the Inland Revenue at balance date on behalf of its members.

### Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the taxation authority.

## 3.6 Fair value measurement

The Group classifies its fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy is as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input significant to the fair value measurement is unobservable.

## 3.7 Significant management judgements and estimation uncertainties

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Group's accounting policies, management has made the following judgements, estimates and assumptions that have had the most significant impact on the amounts recognised in these financial statements:

- Reviewing and adopting the valuation of investment property in note 11.
- Consideration of impairment of investment property under development in note 12.

## 4 Rental income

Rental income comprises of the following, disaggregated by major product line:

	Unaudited 6 months ended 30 Sep 25 \$000	Unaudited 6 months ended 30 Sep 24 \$000	Audited 12 months ended 31 Mar 25 \$000
Rental income - Industrial	2,368	2,315	4,649
Rental income- Office	2,803	-	-
Rental income- Retail	2,967	-	-
Straight-lining of fixed rental increases	-	-	(45)
Total rental income	8,138	2,315	4,604

### Accounting policy

Revenue is recognised to the extent that control is transferred for an amount that reflects the consideration to which the Group expects to be entitled in exchange for these services.

To determine whether to recognise revenue, the Group follows a 5 step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when / as performance obligations are satisfied

### *Recognition of revenue from investment property*

Rental revenue from investment property is recognised on a straight-line basis over the period of the lease through an annual adjustment made at balance date. Where an incentive (such as a rent free period) is given to a tenant, this is also recognised on a straight-line basis over the period of the lease.

During the six months to 30 September revenue from investment property is recognised on an invoice basis.

# 3.0 NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 5 Operating expenses

Net profit/(loss) before income tax expense includes the following expenses:

	Note	Unaudited 6 months ended 30 Sep 25 \$000	Unaudited 6 months ended 30 Sep 24 \$000	Audited 12 months ended 31 Mar 25 \$000
Accounting and tax advice		(31)	(15)	(56)
Audit fees		(21)	(21)	(43)
Consultant fees		(34)	(27)	(48)
Insurance		(19)	(28)	(57)
Investigation costs		(36)	-	(14)
Legal fees		(80)	-	(1)
Fund management fees	20	(631)	(339)	(744)
Other operating costs		(36)	(25)	(41)
Other property expenses		(86)	-	-
Valuation fees		(6)	-	(52)
<b>Total operating expenses</b>		<b>(980)</b>	<b>(455)</b>	<b>(1,056)</b>

### Accounting policy

Operating expenses are recognised in profit and loss upon utilisation of the service.

As at 31 March 2025, the auditor was Grant Thornton. No other services were provided by Grant Thornton.

## 6 Finance income and expenditure

Finance income and expenditure comprise the following:

	Note	Unaudited 6 months ended 30 Sep 25 \$000	Unaudited 6 months ended 30 Sep 24 \$000	Audited 12 months ended 31 Mar 25 \$000
Interest income		124	246	516
<b>Total finance income</b>		<b>124</b>	<b>246</b>	<b>516</b>
Interest on deferred settlement		-	(241)	(547)
Interest on term loans	15	(1,461)	-	-
<b>Total finance expense</b>		<b>(1,461)</b>	<b>(241)</b>	<b>(547)</b>

### Accounting policy

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs are expensed in the period they occur.

## 7 Reconciliation of total comprehensive profit for the period to adjusted funds from operations (AFFO)

AFFO is a non-GAAP financial measure used by real estate funds to show the organisation's underlying and recurring cashflows from operations, determined by adjusting net profit under IFRS, for certain non cash and other items.

Reconciliation of total comprehensive profit for the period to adjusted funds from operations (AFFO):

	Note	Unaudited 6 months ended 30 Sep 25 \$000	Unaudited 6 months ended 30 Sep 24 \$000	Audited 12 months ended 31 Mar 25 \$000
Total comprehensive profit for the period		4,705	1,865	5,077
<i>Adjusted for:</i>				
Straight lining of fixed rental increases	4	-	-	45
Fair value gain on investment properties	11	-	-	(1,010)
Revaluation gain on investment property under construction	12	-	-	(550)
Interest on deferred land settlement on the purchase of 90 Devonport Road	6	-	241	547
Deferred purchase price adjustment of 90 Devonport Road		-	2,049	4,777
Fair value loss on interest rate swap revaluations	15	1,116	-	-
Others		(310)	(98)	(185)
Adjusted Funds From Operations (AFFO)		5,511	4,057	8,701
AFFO per share (cents)		2.2	1.62	3.48
Dividends paid/payable in relation to period (cents)		2.2	1.62	3.48

### Dividends declared and paid during the period

The following dividends were declared and paid by the Group for the period ended 30 September 2025:

Dividends declared and paid	HY2026			HY2025		
	Payment date	cps	\$000	Payment date	cps	\$000
Q4 2025 final dividend	30-Apr-25	0.940	2,350	29-Apr-24	0.680	1,700
Q1 2026 dividend	31-Jul-25	0.876	3,190	29-Jul-24	0.760	1,900
		1.816	5,540		1.440	3,600

# 3.0 NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 8 Cash and cash equivalents

Cash and cash equivalents include the following components:

	Unaudited 30 Sep 25 \$000	Unaudited 30 Sep 24 \$000	Audited 31 Mar 25 \$000
Cash at bank and on call deposits	6,709	5,422	19,204
Total cash and cash equivalents	6,709	5,422	19,204

### Accounting policy

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 9 Trade and other receivables

Trade and other receivables consist of the following:

	Unaudited 30 Sep 25 \$000	Unaudited 30 Sep 24 \$000	Audited 31 Mar 25 \$000
Accounts receivable & prepayments	433	75	39
Recoverable expenses	127	14	58
GST refund	4	4	3
Resident withholding tax	2	3	2
Interest accrual	-	24	-
Total trade and other receivables	566	120	102

The net carrying value of trade receivables is considered to be a reasonable approximation of fair value using the expected loss model.

No impairment provision was allowed for as at 30 September 2025, (31 March 2025: nil; 30 September 2024: nil).

### Accounting policy

Preliminary project costs are capitalised when it is likely that future economic benefits associated with the costs will flow to the entity. Such costs are presented as recoverable expenses and included in other receivables. If it becomes apparent these future economic benefits are unlikely to flow, the costs are expensed through the profit and loss.

## 10 Subsidiaries

The Group comprises the following subsidiaries which represent investments of the Parent or its subsidiaries:

	Note	Unaudited 30 Sep 25 Holding %	Unaudited 30 Sep 24 Holding %	Audited 31 Mar 25 Holding %
Property Income Fund No.1 Limited		100.0	100.0	100.0
Property Income Fund No.2 Limited		100.0	100.0	100.0
Property Income Fund No.99 Limited		100.0	100.0	100.0
Property Income Investments Limited		100.0	100.0	100.0
Property Income Manukau Limited (incorporated on 10 June 2025)	11	100.0	-	-

The principal activity of the subsidiaries is investment in long-term commercial property, or the acquisition of funding to assist the Group's investment in long-term commercial property. The subsidiaries are New Zealand based, have a balance date of 31 March, and have been included in these consolidated financial statements.

## 11 Investment properties

Investment properties held by the Group are as follows:

	Unaudited 30 Sep 25 \$000	Unaudited 30 Sep 24 \$000	Audited 31 Mar 25 \$000
484 Nayland Road, Nelson	47,300	46,400	47,300
1 Fraser Street, Timaru	27,000	26,935	27,000
90 Devonport Road, Tauranga	97,700	-	97,700
Manukau Supa Centa, Auckland	161,000	-	-
<b>Total investment properties</b>	<b>333,000</b>	<b>73,335</b>	<b>172,000</b>

Movement in the Group's investment properties during the period was as follows:

	Note	Unaudited 6 months ended 30 Sep 25 \$000	Unaudited 6 months ended 30 Sep-24 \$000	Audited 12 months ended 31 Mar 25 \$000
Opening carrying value		172,000	73,150	73,150
Transfers from investment property under construction	12	-	-	97,700
Acquisitions		161,000	-	-
Additions/(disposals)		-	185	185
Straight-line adjustment		-	-	(45)
Change in fair value		-	-	1,010
<b>Closing carrying value</b>		<b>333,000</b>	<b>73,335</b>	<b>172,000</b>

On 20 May 2025, the Group signed an agreement for the sale and purchase of Manukau Supa Centa and 106 Cavendish Drive, Auckland ("Manukau Supa Centa"), for a total \$161 million, which settled on 30 June 2025.

# 3.0 NOTES TO THE INTERIM FINANCIAL STATEMENTS

Property Income Fund Manukau Limited, incorporated on 10 June 2025, and was nominated by Property Income Investments Limited as the purchaser to execute the agreement.

The Group has contractual commitments on investment property at 30 September 2025 of \$0.8 million (31 March 2025: nil; 30 September 2024: nil).

## Accounting policy

Investment property is property (land or buildings) held to earn rental or for capital appreciation, rather than for use by the Company in the ordinary course of business or held for sale.

Investment properties are initially measured at cost, including transaction costs. Subsequent annual measurement is based on the fair value model. Fair value is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specific asset at the reporting date. Gains or losses arising from changes in the fair values of investment properties are recognised in profit and loss in the year in which they arise. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

As at 31 March 2025, the Group's investment properties were valued by an independent valuer who was a member of the New Zealand Institute of Valuers.

No interim valuations were carried out during the period to 30 September 2025.

## 12 Investment property under construction

Investment property under construction is as follows:

	Note	Unaudited 6 months ended 30 Sep 25 \$000	Unaudited 6 months ended 30 Sep 24 \$000	Audited 12 months ended 31 Mar 25 \$000
Opening carrying value		-	54,174	54,174
Additions		3	23,113	42,976
Revaluation gain		-	-	550
Transfer to investment property	11	-	-	(97,700)
Closing carrying value		3	77,287	-

The property at 90 Devonport Road, Tauranga was completed on 28 March 2025 and was transferred to investment property (note 11).

#### Accounting policy

Under IAS 40.53, the Group initially applied the cost model under IAS 16 due to the investment property's recent acquisition and ongoing construction, which made fair value measurement unreliable given the inactive market for comparable properties and the lack of viable valuation alternatives. However, with construction completed on 28 March 2025, the Group has transitioned to the fair value model for valuation. This change reflects the availability of observable market data or sufficiently developed cash flow projections post-construction to support fair value assessments in accordance with IAS 40 requirements.

### 13 Lessor revenue

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Unaudited 30 Sep 25 \$000	Unaudited 30 Sep 24 \$000	Audited 31 Mar 25 \$000
Within 1 year	20,576	4,618	10,174
2 to 5 years	73,521	18,014	40,442
After 5 years	87,620	19,456	73,174
Total lease payments due	181,717	42,088	123,790

### 14 Trade and other payables

Trade and other payables consist of the following:

(i) Current	Note	Unaudited 30 Sep 25 \$000	Unaudited 30 Sep 24 \$000	Audited 31 Mar 25 \$000
GST payable		513	115	108
Trade payables		255	30	69
Related party payables & accruals	20	2,859	10,351	8,926
Other payables		196	429	-
Interest accruals		473	-	-
Sundry accruals		213	215	8,588
Total trade and other payables		4,509	11,140	17,691

The amounts are unsecured and are usually paid within 30 days of recognition.

(ii) Non-current	Note	Unaudited 30 Sep 25 \$000	Unaudited 30 Sep 24 \$000	Audited 31 Mar 25 \$000
Related party payables	20	-	2,157	-
Total non-current payables		-	2,157	-

# 3.0 NOTES TO THE INTERIM FINANCIAL STATEMENTS

## Accounting policy

Trade and other payables are carried at amortised cost and are not discounted due to their short-term nature. They represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

Retentions payable are initially recognised at fair value and are not discounted due to immateriality. As at 30 September 2025, the Group is expected to pay the retentions within a period of 12 months from the end of the reporting period, as such, the retention payable is classified as a current liability.

## 15 Loans

		Unaudited 30 Sep 25 \$000	Unaudited 30 Sep 24 \$000	Audited 31 Mar 25 \$000
<b>Non-current term loans</b>				
<b>Bank</b>	<b>Expiry</b>			
Westpac New Zealand Limited ("Westpac NZ") - Tranche A	Jun-28	81,400	-	-
Westpac New Zealand Limited ("Westpac NZ") - Tranche B	Jun-28	27,600	-	-
Direct loan origination costs		(137)	-	-
		108,863	-	-

The weighted average interest rate for the Westpac NZ loan at 30 September 2025 was 4.99% per annum, including a weighted average margin of 1.65% per annum.

Westpac NZ hold securities in the form of first registered mortgages and general security agreements over the underlying assets of the loan, being the properties at:

- 90 Devonport Road, Tauranga
- 1 Fraser Street, Timaru
- 55, 72 and 106 Cavendish Drive, Manukau, Auckland
- 484 Nayland Road, Stoke, Nelson

The loan comprises three tranches: A, B, and C. Tranche A and B were drawn in full, and have a maximum debt facility of \$81.4 million and \$27.6 million, respectively. Tranche C is undrawn as at 30 September 2025, and has a maximum debt facility of \$11.0 million.

During the period, the Group entered into four interest rate swap contracts with the following details:

Swaps	Expiry	Notional amount \$000	Fixed rate
Swap 1	30-Jun-27	27,500	3.26%
Swap 2	30-Jun-28	27,500	3.37%
Swap 3	29-Jun-29	10,000	3.51%
Swap 4	28-Jun-30	10,000	3.63%
		75,000	

As at 30 September 2025 the Loan to Value Ratio (LVR) was 32.27%. The financial covenants under the loan agreement require the LVR to be at all times less than or equal to 50.0%. This requirement was met for the full period to 30 September 2025.

As at 30 September 2025 the Interest Cover Ratio (ICR) was 3.63x. The financial covenants under the loan agreement require the ICR to be at all times equal to or greater than 2.00x. This requirement was met for the full period to 30 September 2025.

As at 30 September 2025 the Weighted Average Lease Term (WALT) was 5.68 years. The financial covenants under the loan agreement require the WALT to be at all times equal to or greater than 3.5 years. This requirement was met for the full period to 30 September 2025.

The loan becomes repayable on demand if the financial covenants are not met.

## 16 Share capital

The authorised share capital of the Company consists of 250,000,000 ordinary shares.

All ordinary shares have an equal right to vote, to distributions and to any surplus on winding up.

	Unaudited 30 Sep 25 000 Units	Unaudited 30 Sep 24 000 Units	Audited 31 Mar 25 000 Units
Shares issued	250,000	250,000	250,000
Share capital contributed	\$000	\$000	\$000
Opening balance	197,923	138,423	138,423
Share capital contributed during the period	52,000	27,500	59,500
Total share capital	249,923	165,923	197,923

The Company has 250,000,000 fully paid \$1.00 shares on issue. Costs relating to the issue of shares are deducted from the share capital contributed.

# 3.0

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

The following calls were made during the period:	HY2026		FY2025	
	Call date	cps	Call date	cps
	May-25	20.8	Apr-24	5.5
			Jul-24	5.5
			Oct-24	5.2
			Feb-25	7.6
	Total calls in the period	20.8	Total calls in the period	23.8
	Total called to date	100	Total called to date	79.2

### Accounting policy

Share capital represents the ordinary shares that have been issued.

Incremental costs directly attributable to the issue of ordinary shares have been recognised as a deduction from equity.

### *Capital management*

Capital includes share capital, retained earnings and other equity reserves. The primary objectives of the Group's capital management policy is to ensure healthy capital ratios are maintained in order to support business operations and to maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in the economic and trading conditions within its markets. To maintain or adjust the capital structure, the Company may adjust the dividends paid to shareholders or, call capital from/return capital to shareholders.

## 17 Financial instruments

The table below sets out the Company's classification of each class of financial assets and liabilities and their fair values.

Trade and other receivables/payables exclude non-financial assets/liabilities such as GST receivable/payable and prepayments.

30 September 2024	Amortised cost \$000	FVTPL \$000	Total \$000
Financial assets			
Cash and cash equivalents	5,422	-	5,422
Trade and other receivables	113	-	113
	5,535	-	5,535
Financial liabilities			
Trade and other payables	4,988	-	4,988
Deferred settlement	8,194	-	8,194
	13,182	-	13,182

31 March 2025	Amortised cost \$000	FVTPL \$000	Total \$000
Financial assets			
Cash and cash equivalents	19,204	-	19,204
Trade and other receivables	97	-	97
	19,301	-	19,301
Financial liabilities			
Trade and other payables	10,236	-	10,236
Deferred settlement	7,347	-	7,347
	17,583	-	17,583

30 September 2025	Amortised cost \$000	FVTPL \$000	Total \$000
Financial assets			
Cash and cash equivalents	6,709	-	6,709
Trade and other receivables	560	-	560
	7,269	-	7,269
Financial liabilities			
Trade and other payables	3,996	-	3,996
	3,996	-	3,996

#### Accounting policy

Financial assets and liabilities are recognised when the Company becomes a party to the contractual right or obligation of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with NZ IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

#### **Subsequent measurement of financial assets**

##### *Financial assets at fair value through profit or loss (FVTPL)*

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

# 3.0 NOTES TO THE INTERIM FINANCIAL STATEMENTS

## Accounting policy (continued)

### *Trade and other receivables and contract assets*

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

### **Classification and measurement of financial liabilities**

The Group's financial liabilities include any borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

## **18 Capital commitments**

There were no other capital commitments at 30 September 2025 (31 March 2025: nil, 30 September 2024: nil), except as noted in note 11.

## **19 Contingent assets and liabilities**

There are no other contingent assets or liabilities at 30 September 2025 (31 March 2025: nil, 30 September 2024: nil).

## 20 Related parties

The Company's related parties include entities with common directors. The Company paid the following fees to related parties:

	Unaudited 6 months ended 30 Sept 25 \$000	Unaudited 6 months ended 30 Sept 24 \$000	Audited 12 months ended 31 Mar 25 \$000
<b>Property Income Fund Management Limited</b>			
- Fund management fees	631	339	744
- Accrued management fee in relation to the period	-	-	4
<b>90 Devonport Road Limited Partnership</b>			
- Receivables at the period end	6	7	58
- Accrued deferred interest on land purchase	-	846	-
- Accrued investment acquisition costs for work completed	-	4,315	8,896
- Accrued deferred land settlement	-	7,347	-
- Other payables in relation to the period	-	-	24
<b>Willis Bond and Company Limited</b>			
- Recharges payable in relation to the period	1	-	2

The Company is related to Property Income Fund Management Limited (the "Manager"), Willis Bond and Company Limited and 90 Devonport Road Limited Partnership through Property Income Fund Limited directors.

M McGuinness is a director of, and W Silver an alternate director of Willis Bond and Company Limited.

M McGuinness, D McGuinness and W Silver are directors of Property Income Fund Management Limited.

M McGuinness, D McGuinness and W Silver are directors of 90 Devonport Road (GP) Limited.

The Company's directors and associated persons to the directors collectively have invested \$6.00 million as at 30 September 2025 (31 March 2025: \$4.75 million, 30 September 2024: \$3.98 million), representing calls paid to date on 6,000,000 shares in the Company. No preferential treatment has been received.

No amounts owed by related parties have been written off or forgiven during the period.

## 21 Subsequent events

Subsequent to 30 September 2025:

- A distribution of 1.3 cps, equating to \$3,250,000 was declared and paid on 24 October 2025.

# 4.0 DIRECTORY

Board of Directors of Property Income Fund Limited

- Mark McGuinness, Chairman
- Wayne Silver
- David McGuinness

The directors of Property Income Fund Limited can be contacted at Willis Bond below:

**WILLIS  
BOND**

**Willis Bond, Auckland**

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**Manager**

**Property Income Fund  
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