



**ELEVATING INDUSTRY,
SUSTAINING SUCCESS.**

ABOUT THESE RESULTS

The unaudited interim financial statements are for the six-month period from 1 July to 31 December 2024 (referred to as H1 FY25). The unaudited interim financial statements for H1 FY25 have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand and New Zealand Equivalents to International Financial Reporting Standards.

Following the change in PFI and its subsidiaries' balance date from 31 December to 30 June, in order to provide a useful basis for comparison throughout these unaudited interim financial statements, H1 FY25 has been compared to the audited six-month results from 1 January to 30 June 2024 (FP24, the prior comparable period, or 'pcp'), unless otherwise noted.

Fisher & Paykel
Appliances,
78 Springs Road.

Cover:
Daikin,
30-32 Bowden Road.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2024

ALL VALUES IN \$000s	NOTE	UNAUDITED 6 MONTHS ENDED 31 DECEMBER 2024	AUDITED 6 MONTHS ENDED 30 JUNE 2024
Rental and management fee income	2.2	61,229	57,082
Business interruption insurance income		–	10
Property costs	2.3	(11,241)	(9,896)
Net property income		49,988	47,196
Administrative expenses	5.1	(5,916)	(6,097)
Profit before finance income/(expenses), other gains/(losses) and income tax		44,072	41,099
Finance income/(expenses)			
Interest expense and bank fees		(16,357)	(14,609)
Fair value (loss)/gain on derivative financial instruments	3.2	(13,794)	3,611
Interest income		72	60
		(30,079)	(10,938)
Other gains/(losses)			
Fair value gain/(loss) on investment properties	2.1	16,605	(4,166)
Gain/(loss) on disposal of investment properties		63	(526)
Material damage insurance income		-	6
		16,668	(4,686)
Profit before income tax		30,661	25,475
Income tax expense	5.3	(1,903)	(4,294)
Profit and total comprehensive income after income tax attributable to the shareholders of the Company		28,758	21,181
Basic earnings per share (cents)	4.1	5.73	4.22
Diluted earnings per share (cents)	4.1	5.72	4.22

The accompanying notes form part of these interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2024

	NOTE	CENTS PER SHARE (CENTS)	NO. OF SHARES (#)	ORDINARY SHARES (\$000S)	SHARE-BASED PAYMENTS RESERVE (\$000S)	RETAINED EARNINGS (\$000S)	TOTAL EQUITY (\$000S)
Balance as at 1 January 2024 (audited)		–	502,129,313	572,901	754	786,614	1,360,269
Total comprehensive income		–	–	–	–	21,181	21,181
Dividends							
Q4 2023 final dividend - 13/3/2024		2.45	–	–	–	(12,304)	(12,304)
Q1 2024 interim dividend - 28/5/2024		1.95	–	–	–	(9,793)	(9,793)
Long-term incentive plan			70,038	326	(184)	–	142
Balance as at 30 June 2024 (audited)		–	502,199,351	573,227	570	785,698	1,359,495
Total comprehensive income		–	–	–	–	28,758	28,758
Dividends							
Q2 2024 final dividend - 11/9/2024		2.20	–	–	–	(11,048)	(11,048)
Q1 2025 interim dividend - 26/11/2024		2.00	–	–	–	(10,044)	(10,044)
Long-term incentive plan			–	–	317	–	317
Balance as at 31 December 2024 (unaudited)		–	502,199,351	573,227	887	793,364	1,367,478

The accompanying notes form part of these interim financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

ALL VALUES IN \$000S	NOTE	UNAUDITED 31 DECEMBER 2024	AUDITED 30 JUNE 2024
CURRENT ASSETS			
Cash at bank		1,896	1,481
Accounts receivable, prepayments and other assets		6,975	7,814
Derivative financial instruments	3.2	114	267
Total current assets		8,985	9,562
NON-CURRENT ASSETS			
Investment properties	2.1	2,091,916	2,050,525
Property, plant and equipment		3,027	3,235
Accounts receivable, prepayments and other assets		2,028	–
Derivative financial instruments	3.2	10,335	22,815
Total non-current assets		2,107,306	2,076,575
Total assets		2,116,291	2,086,137

The accompanying notes form part of these interim financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONTINUED
AS AT 31 DECEMBER 2024

ALL VALUES IN \$000S	NOTE	UNAUDITED 31 DECEMBER 2024	AUDITED 30 JUNE 2024
CURRENT LIABILITIES			
Accounts payable, accruals and other liabilities	5.2	20,789	19,787
Taxation payable		486	159
Borrowings	3.1	100,000	150,000
Derivative financial instruments	3.2	781	1,090
Total current liabilities		122,056	171,036
NON-CURRENT LIABILITIES			
Borrowings	3.1	596,244	523,940
Derivative financial instruments	3.2	5,163	3,692
Lease liabilities	5.5	1,645	1,778
Deferred tax liabilities	5.3	23,705	26,196
Total non-current liabilities		626,757	555,606
Total liabilities		748,813	726,642
Net assets	4.2	1,367,478	1,359,495
EQUITY			
Share capital		573,227	573,227
Share-based payments reserve		887	570
Retained earnings		793,364	785,698
Total equity		1,367,478	1,359,495

These interim financial statements are signed on behalf of Property for Industry Limited and were authorised for issue on 25 February 2025.



Dean Bracewell
Chair, Board of Directors



Carolyn Steele
Chair, Audit and Risk Committee

The accompanying notes form part of these interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2024

ALL VALUES IN \$000S	NOTE	UNAUDITED 6 MONTHS ENDED 31 DECEMBER 2024	AUDITED 6 MONTHS ENDED 30 JUNE 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Property and management fee income received		63,010	58,368
Net goods and services tax paid		740	2,892
Interest received		72	60
Business interruption insurance income received		–	15
Interest and other finance costs paid		(16,217)	(14,831)
Payments to suppliers and employees		(15,739)	(15,478)
Income tax paid		(3,965)	(3,198)
Net cash flows from operating activities		27,901	27,828
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investment properties and non-current assets classified as held for sale		12,735	28,874
Material damage insurance income received		–	6
Expenditure on investment properties - development		(32,797)	(48,289)
Expenditure on investment properties - stabilised		(3,872)	(1,620)
Capitalisation of interest on development properties	2.1	(2,910)	(4,054)
Deposit for / acquisition of investment properties	2.1	(2,028)	(6,787)
Acquisition of property, plant and equipment		(29)	(30)
Net cash flows from investing activities		(28,901)	(31,900)

The accompanying notes form part of these interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS CONTINUED
 FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2024

ALL VALUES IN \$000S	NOTE	UNAUDITED 6 MONTHS ENDED 31 DECEMBER 2024	AUDITED 6 MONTHS ENDED 30 JUNE 2024
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from syndicated bank facilities		97,630	2,085
Proceeds from Pricoa facility		25,000	
Net proceeds from green loan facilities		–	24,499
Repayment of fixed rate bonds		(100,000)	–
Dividends paid to shareholders		(21,092)	(22,097)
Principal elements of finance lease payments		(123)	(121)
Net cash flows from financing activities		1,415	4,366
Net increase in cash and cash equivalents		415	294
Cash and cash equivalents at beginning of period		1,481	1,187
Cash and cash equivalents at end of period		1,896	1,481

The accompanying notes form part of these interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
 FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2024

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1. GENERAL INFORMATION

IN THIS SECTION

This section sets out the basis upon which the Group's interim financial statements are prepared.

1.1. Reporting entity

These unaudited consolidated interim financial statements (the interim financial statements) are for Property for Industry Limited (the Company) and its subsidiaries, P.F.I. Property No. 1 Limited (PFI No. 1) and P.F.I. Cover Limited (PFI Cover), (collectively, the Group). The Company is a limited liability company incorporated in New Zealand and is registered under the New Zealand Companies Act 1993. The Company is a FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013 and these interim financial statements have been prepared in accordance with the requirements of the NZX Listing Rules. The Company is listed on the NZX Main Board (NZX: PFI).

The Group's principal activity is property investment and management in New Zealand.

1.2. Basis of preparation

The interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (GAAP). They comply with New Zealand Equivalent to International Accounting Standard 34 'Interim Financial Reporting' (NZ IAS 34) and International Accounting Standard 34 'Interim Financial Reporting' (IAS 34).

The interim financial statements have been prepared on the historical cost basis except where otherwise identified. All financial information is presented in New Zealand dollars and has been rounded to the nearest thousand.

Balance date change

On 26 August 2024, the Group announced and released its results for its first 30 June year end, a change from its previous 31 December balance date. The results included the consolidated financial statements that reflected the first adoption of the 30 June balance date, for the six month period ended 30 June 2024. In line with the balance date change,

these consolidated interim financial statements as at 31 December 2024 represent the first adoption of the 31 December interim reporting date. Accordingly, the comparatives reflect the audited six month period ended 30 June 2024, in alignment with NZ IAS 34, which requires presenting comparatives for the 'immediately preceding financial year'. Both the current period and the comparatives represent six month periods.

These interim financial statements should be read in conjunction with the Annual Report for the six month period ended 30 June 2024 which may be downloaded from the Company's website (www.propertyforindustry.co.nz/investor-relations/reports-and-presentations).

1.3. Critical judgements, estimates and assumptions

In applying the Group's accounting policies, the Board and Management regularly evaluate judgements, estimates and assumptions that may have an impact on the Group. The significant judgements, estimates and assumptions made in the preparation of these interim financial statements were the same as those applied to the consolidated financial statements as at and for the six month period ended 30 June 2024.

1.4. Accounting policies

The accounting policies adopted are the same as those applied by the Group in its consolidated financial statements as at and for the six month period ended 30 June 2024.

1.5. Non-GAAP measures

The consolidated interim statement of comprehensive income includes a non-GAAP measure, Profit before finance income/(expenses), other gains/(losses) and income tax. This non-GAAP measure is presented to provide additional insight to the Group's financial performance and assist investors in assessing the performance of the Group's core operating activities.

This non-GAAP measure does not have a standard meaning prescribed by GAAP and therefore may not be comparable to information presented by other entities.

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

1. GENERAL INFORMATION CONTINUED

1.6. Significant events and transactions

The financial position and performance of the Group was affected by the following events and transactions that occurred during the reporting period:

Investment property acquisitions and disposals

On 13 September 2024, the Group paid a deposit of \$2.03 million (5% of the total purchase price of \$40.57 million) in relation to the conditional contract entered into on 9 October 2023, for the acquisition of two lots (approximately 5.8 hectares of land) within the proposed industrial subdivision at Spedding Road, Auckland. Refer to note 5.7 for further details.

On 30 October 2024, the Group announced the divestment of 44 Mandeville Street, Christchurch for a gross sales price of \$13.25 million. Settlement of this divestment took place on 4 December 2024.

Pricoa facility

On 2 July 2024, the Group made a second \$25 million drawdown on the Group's uncommitted Note Purchase and Private Shelf Agreement with PGIM, Inc (also known as Pricoa). The drawdown is for 8.5 years and is on a float-rate basis, with the margin fixed for the duration of the drawdown. The proceeds have been used to repay and cancel a further \$25 million of the Group's BNZ facility (also known as Syndicated Bank Facility C).

Refinancing of bank facilities

On 14 August 2024, the Group refinanced its \$300 million syndicated bank facility by extending the terms of the two existing syndicate tranches, Syndicated Bank Facility A and Syndicated Bank Facility B (\$150 million each), by four to five years from 2 July 2025 and 2026 to 14 August 2028 and 2029, respectively. Additionally, the Group refinanced the \$25 million short term Syndicated Bank Facility C with BNZ into a new \$100 million three-year facility, set to expire on 14 August 2027. These syndicated bank facilities are provided by ANZ, BNZ, CBA and Westpac, each providing \$100 million. Finally, the expiry of the Bilateral CBA Bank Facility was also extended from April 2028 to August 2029, establishing a five-year term.

PFI010 Bonds

On 28 November 2024, the \$100 million PFI010 fixed rate bonds matured and was repaid with bank facilities.

Development - MiTek

On 9 August 2024, the Group entered into a Design and Build Agreement to Lease with MiTek New Zealand Limited, which has pre-committed to a 12-year lease over a ~6,500 sqm warehouse facility. Following this pre-commitment, the PFI Board has approved the commencement of Stage 2 of the redevelopment at 78 Springs Road, East Tamaki. Stage 2 will deliver a 'dual-unit' warehouse facility with the balance of the development (4,800 sqm of warehouse) to be completed on a speculative basis. Early works have commenced, with the project expected to be completed by July 2026.

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

2. PROPERTY

IN THIS SECTION

This section shows the real estate assets used to generate the Group's trading performance which are considered to be the most relevant to the operations of the Group.

2.1. Investment properties

ALL VALUES IN \$000S	UNAUDITED 6 MONTHS ENDED 31 DECEMBER 2024	AUDITED 6 MONTHS ENDED 30 JUNE 2024
Opening balance	2,050,525	1,998,325
Capital movements:		
Additions	–	6,787
Disposals	(12,672)	–
Capital expenditure	27,497	45,478
Capitalised interest	2,910	4,054
Movement in lease incentives, fees and fixed rental income	7,051	47
	24,786	56,366
Unrealised fair value gain/(loss)	16,605	(4,166)
Closing balance	2,091,916	2,050,525

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

2. PROPERTY CONTINUED

2.1. Investment properties continued

(i) Valuation

All investment properties were valued as at 30 June 2024. The Board determined that a desktop review of the property portfolio should be undertaken by Bayleys Valuation Limited (Bayleys), CBRE Limited (CBRE), CVAS (NZ) Limited (Colliers), Jones Lang LaSalle Limited (JLL) or Savills (NZ) Limited (Savills) as at 31 December 2024 to ensure that investment properties continue to be held at fair value. In addition to this desktop review, the following 15 investment properties were subject to independent valuations due to a change of plus or minus 5% of the market value assessed in the asset valuation as compared to 30 June 2024, or the Board determining that a full valuation was appropriate due to other considerations, such as significant capital expenditure or leasing activity undertaken during the period:

ALL VALUES IN \$000S	VALUER	VALUATION
17 Allens Road, East Tamaki	Savills	30,250
2-4 Argus Place, North Shore	CBRE	11,900
47 Arrenway Drive, North Shore	JLL	5,550
30-32 Bowden Road, Mt Wellington	Savills	101,500
122 Captain Springs Road, Penrose	Colliers	13,400
50 Carbine Road, Mt Wellington	JLL	5,900
76 Carbine Road, Mt Wellington	JLL	13,000
212 Cavendish Drive, Manukau	Savills	50,000
43 Cryers Road, East Tamaki	Colliers	18,600
6 Donnor Place, Mt Wellington	JLL	32,700
528-558 Rosebank Road, Avondale	CBRE	66,300
78 Springs Road, East Tamaki	JLL	162,700
558 Te Rapa Road, Hamilton	Savills	9,600
36 Vestey Drive, Mt Wellington	JLL	5,250
12 Zelanian Drive, East Tamaki	JLL	21,400
Total		548,050

As a result of the independent valuations of the 15 properties above, the unrealised net gain in the value of investment properties for the six months ended 31 December 2024 was \$16,605,000. For the six months ended 30 June 2024, full valuations of all investment properties were conducted due to the Group's change in balance date from 31 December to 30 June. With 30 June 2024 representing the first June year end reporting, an unrealised net loss of \$4,166,000 was recognised. The portfolio will next be revalued by independent valuers as at 30 June 2025.

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

2. PROPERTY CONTINUED

2.2. Rental and management fee income

	UNAUDITED 6 MONTHS ENDED 31 DECEMBER 2024	AUDITED 6 MONTHS ENDED 30 JUNE 2024
ALL VALUES IN \$000S		
Gross rental receipts	49,962	48,984
Service charge income recovered from tenants	8,911	8,304
Fixed rental income adjustments	462	(21)
Capitalised lease incentive adjustments	1,516	(526)
Impact of rental income deferred and abated due to the COVID-19 pandemic	(44)	(54)
Management fee income	422	395
Total rental and management fee income	61,229	57,082

2.3. Property costs

	UNAUDITED 6 MONTHS ENDED 31 DECEMBER 2024	AUDITED 6 MONTHS ENDED 30 JUNE 2024
ALL VALUES IN \$000S		
Rates & insurance	(5,948)	(5,226)
Property maintenance costs	(3,320)	(2,953)
Utilities	(429)	(182)
Bad and doubtful debts expense	(12)	(42)
Lease incentives amortisation	(349)	(336)
Other non-recoverable property costs	(1,183)	(1,157)
Total property costs	(11,241)	(9,896)

Other non-recoverable costs represents property maintenance not recoverable from tenants, property valuation fees and property leasing costs.

2.4. Net rental income

	UNAUDITED 6 MONTHS ENDED 31 DECEMBER 2024	AUDITED 6 MONTHS ENDED 30 JUNE 2024
ALL VALUES IN \$000S		
Gross rental income		
Gross rental receipts	49,962	48,984
Service charge income recovered from tenants	8,911	8,304
Fixed rental income adjustments	462	(21)
Capitalised lease incentive adjustments	1,516	(526)
Impact of rental income deferred and abated due to the COVID-19 pandemic	(44)	(54)
Total gross rental income	60,807	56,687
Service charge expenses		
Rates & insurance	(5,948)	(5,226)
Property maintenance costs	(3,320)	(2,953)
Utilities	(429)	(182)
Total service charge expenses	(9,697)	(8,361)
Net rental income	51,110	48,326

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

3. FUNDING

IN THIS SECTION

This section outlines how the Group manages its capital structure, financing costs and exposure to interest rate risk.

3.1. Borrowings

(i) Borrowings

ALL VALUES IN \$000S	UNAUDITED 31 DECEMBER 2024	AUDITED 30 JUNE 2024
Current		
Fixed Rate Bonds (PFI010)	–	100,000
Fixed Rate Bonds (PFI020)	100,000	–
Syndicated Bank Facility C	–	50,000
Total current borrowings	100,000	150,000
Non-current		
Fixed Rate Bonds (PFI020)	–	100,000
ANZ & CBA Green Facility D1	50,000	50,000
BNZ Green Facility D2	25,000	25,000
Westpac Green Facility D3	75,000	75,000
Syndicated Bank Facility C	100,000	–
Syndicated Bank Facility A	150,000	125,485
Syndicated Bank Facility B	23,115	–
Bilateral CBA Bank Facility	125,000	125,000
Pricoa Facilities	50,000	25,000
Unamortised borrowings establishment costs	(1,871)	(1,545)
Total non-current borrowings	596,244	523,940
Total borrowings	696,244	673,940
Weighted average interest rate for drawn debt (inclusive of current interest rate swaps, margins and line fees)	4.93%	5.72%
Weighted average term to maturity (years)	3.58	2.25

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

3. FUNDING CONTINUED

3.1. Borrowings continued

(ii) Composition of borrowings

ALL VALUES IN \$000S AS AT 31 DECEMBER 2024	ISSUE DATE	MATURITY DATE	INTEREST RATE	FACILITY DRAWN / AMOUNT	UNDRAWN FACILITY	UNAUDITED FAIR VALUE
Fixed Rate Bonds (PFI020)	01-Oct-18	01-Oct-25	4.25%	100,000	–	100,610
ANZ & CBA Green Facility D1	–	18-Jul-26	Floating	50,000	–	50,000
BNZ Green Facility D2	–	18-Jul-27	Floating	25,000	–	25,000
Westpac Green Facility D3	–	18-Jul-27	Floating	75,000	–	75,000
Syndicated Bank Facility C	–	14-Aug-27	Floating	100,000	–	100,000
Syndicated Bank Facility A	–	14-Aug-28	Floating	150,000	–	150,000
Syndicated Bank Facility B	–	14-Aug-29	Floating	23,115	126,885	23,115
Bilateral CBA Bank Facility	–	14-Aug-29	Floating	125,000	–	125,000
Prcoa Facility	–	15-Dec-29	Floating	25,000	–	25,557
CBA Bank Facility	–	31-May-31	Floating	–	50,000	–
Prcoa Facility	–	05-Jan-33	Floating	25,000	–	25,567
Total borrowings				698,115	176,885	699,849

ALL VALUES IN \$000S AS AT 30 JUNE 2024	ISSUE DATE	MATURITY DATE	INTEREST RATE	FACILITY DRAWN / AMOUNT	UNDRAWN FACILITY	AUDITED FAIR VALUE
Fixed Rate Bonds (PFI010)	28-Nov-17	28-Nov-24	4.59%	100,000	–	99,475
Syndicated Bank Facility C	–	31-Mar-25	Floating	50,000	–	50,000
Syndicated Bank Facility A	–	02-Jul-25	Floating	125,485	24,515	125,485
Fixed Rate Bonds (PFI020)	01-Oct-18	01-Oct-25	4.25%	100,000	–	98,189
Syndicated Bank Facility B	–	02-Jul-26	Floating	–	150,000	–
ANZ & CBA Green Facility D1	–	18-Jul-26	Floating	50,000	–	50,000
BNZ Green Facility D2	–	18-Jul-27	Floating	25,000	–	25,000
Westpac Green Facility D3	–	18-Jul-27	Floating	75,000	–	75,000
Bilateral CBA Bank Facility	–	16-Apr-28	Floating	125,000	–	125,000
Prcoa Facility	–	15-Dec-29	Floating	25,000	–	25,465
CBA Bank Facility	–	31-May-31	Floating	–	50,000	–
Total borrowings				675,485	224,515	673,614

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

3. FUNDING CONTINUED

3.1. Borrowings continued

(ii) **Composition of borrowings** continued

The Group has long-term revolving facilities (A, B and C) with a banking syndicate comprising ANZ, BNZ, CBA and Westpac (each providing \$100 million), for \$400 million, and CBA, providing facilities totalling \$175 million.

In accordance with the Group's Green Finance Framework, the Group also has \$150 million of Green Loan facilities during the period to fund its committed development projects. The Green Loan facilities consists of ANZ & CBA green facility (D1) providing \$50 million, BNZ green facility (D2) providing \$25 million and Westpac green facility (D3) providing \$75 million.

The carrying values of the bank facilities approximate the fair value of the facilities because the loans have floating rates of interest that reset every 30-90 days.

The fair value of any fixed rate bonds on issue is based on the listed market price at the balance date and is classified as Level 1 in the fair value hierarchy (30 June 2024: Level 1). Interest on the PFI020 Bonds is payable quarterly in January, April, July and October; in equal instalments. The \$100 million PFI010 fixed rate bonds matured on 28 November 2024 and was repaid with bank facilities, the remaining \$100 million PFI020 fixed rate bonds are listed on the NZDX.

The fair value of the Pricoa facilities are classified as Level 2 and are measured using a present value calculation of the future cash flows using the relevant term swap rates as the discount factor. The discount curve will incorporate both the credit spreads and risk free rate.

(iii) **Security**

The bank facilities, Pricoa facilities and the fixed rate bonds are secured by way of a security trust deed and registered mortgage security which is required to be provided over Group properties with current valuations of at least \$1,750,000,000 (30 June 2024: \$1,800,000,000). In addition to this, the bank facility agreements, fixed rate bond terms and Pricoa facility agreements also contain a negative pledge. The Company and PFI No. 1 are guarantors to the facility, fixed rate bonds, and Pricoa facilities. As at 31 December 2024, investment properties totalling \$2,072,875,000 (30 June 2024: \$2,033,875,000) were mortgaged as security for the Group's borrowings.

3.2. Derivative financial instruments

(i) **Fair values**

ALL VALUES IN \$000S	UNAUDITED 31 DECEMBER 2024	AUDITED 30 JUNE 2024
Current assets	114	267
Non-current assets	10,335	22,815
Current liabilities	(781)	(1,090)
Non-current liabilities	(5,163)	(3,692)
Total	4,505	18,300

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

3. FUNDING CONTINUED

3.2. Derivative financial instruments continued

(ii) Notional principal values, maturities and interest rates

	UNAUDITED 31 DECEMBER 2024	AUDITED 30 JUNE 2024
Notional value of interest rate swaps – fixed rate payer – start dates commenced (\$000s)	505,000	400,000
Notional value of interest rate swaps – fixed rate receiver ¹ – start dates commenced (\$000s)	100,000	200,000
Notional value of interest rate swaps – fixed rate payer – forward starting (\$000s)	190,000	175,000
Total (\$000s)	795,000	775,000
Percentage of borrowings fixed (%)	72%	59%
Fixed rate payer swaps:		
Average period to expiry – start dates commenced (years)	2.94	2.57
Average period to expiry – forward starting (years from commencement)	3.03	3.57
Average (years)	2.96	2.87
Fixed rate payer swaps:		
Average interest rate ² – start dates commenced (%)	2.93%	2.64%
Average interest rate ² – forward starting (% during effective period)	3.93%	4.05%
Average (%)	3.21%	3.07%

1 The Group has \$100 million fixed rate receiver swaps for the duration of the \$100 million PFI020 fixed rate bonds, the effect of the fixed rate receiver swaps is to convert the \$100 million fixed rate bonds to floating interest rates.

2 Excluding margin and fees.

(iii) Fair value (loss)/gain on derivative financial instruments

	UNAUDITED 6 MONTHS ENDED 31 DECEMBER 2024	AUDITED 6 MONTHS ENDED 30 JUNE 2024
ALL VALUES IN \$000S		
Interest rate swaps	(13,794)	3,611
Total fair value (loss)/gain on derivative financial instruments	(13,794)	3,611

Key estimates and assumptions: Derivatives

The fair values of derivative financial instruments are determined from valuations prepared by independent treasury advisers using Level 2 valuation techniques (30 June 2024: Level 2). These are based on the present value of estimated future cash flows accounting for the terms and maturity of each contract and the current market interest rates at reporting date. Fair values also reflect the current creditworthiness of the derivative counterparty. These values are verified against valuations prepared by the respective counterparties. The valuations were based on market rates at 31 December 2024 of between 4.17% for the 90 day BKBM (30 June 2024: 5.63%) and 3.93% for the 10 year swap rate (30 June 2024: 4.49%). There were no changes to these valuation techniques during the reporting period.

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

4. INVESTOR RETURNS AND INVESTMENT METRICS

IN THIS SECTION

This section summarises the earnings per share and net tangible assets per share which are common investment metrics.

4.1. Earnings per share

(i) Basic earnings per share

	UNAUDITED 6 MONTHS ENDED 31 DECEMBER 2024	AUDITED 6 MONTHS ENDED 30 JUNE 2024
Total comprehensive income/(loss) for the period attributable to the shareholders of the Company (\$000s)	28,758	21,181
Weighted average number of ordinary shares (shares)	502,199,351	502,177,801
Basic earnings per share (cents)	5.73	4.22

(ii) Diluted earnings per share

The calculation of diluted earnings per share has been based on the profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. Weighted average number of shares for the purpose of diluted earnings per share has been adjusted for 185,945 (30 June 2024: 184,006) rights issued under the Group's LTI Plan as at 31 December 2024. This adjustment has been calculated using the treasury share method.

	UNAUDITED 6 MONTHS ENDED 31 DECEMBER 2024	AUDITED 6 MONTHS ENDED 30 JUNE 2024
Total comprehensive income/(loss) for the period attributable to the shareholders of the Company (\$000s)	28,758	21,181
Weighted average number of shares for purpose of diluted earnings per share (shares)	502,385,296	502,361,807
Diluted earnings per share (cents)	5.72	4.22

4.2. Net tangible assets per share

	UNAUDITED 31 DECEMBER 2024	AUDITED 30 JUNE 2024
Net assets (\$000s)	1,367,478	1,359,495
Net tangible assets (\$000s)	1,367,478	1,359,495
Closing shares on issue (shares)	502,199,351	502,199,351
Net tangible assets per share (cents)	272	271

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

5. OTHER

IN THIS SECTION

This section includes additional information that is considered less significant in understanding of the financial performance and position of the Group, but is disclosed to comply with New Zealand Equivalents to International Financial Reporting Standards.

5.1. Administrative expenses

ALL VALUES IN \$000S	NOTE	UNAUDITED 6 MONTHS ENDED 31 DECEMBER 2024	AUDITED 6 MONTHS ENDED 30 JUNE 2024
Auditor remuneration			
Audit or review of the financial statements		(162)	(250)
Other assurance ¹		(20)	–
Other services ²		(1)	(58)
Depreciation		(237)	(243)
Directors' fees	5.4	(343)	(352)
Employee benefits		(3,493)	(3,212)
IT - licence fees and support		(304)	(265)
Office expenses		(512)	(596)
Other expenses		(770)	(1,008)
Sustainability		(74)	(113)
Total administrative expenses		(5,916)	(6,097)

1 PwC has been engaged to carry out assurance over greenhouse gas emissions.

2 For the current period, other services relate to the purchase of PwC's 2024 Property Supplement Report (\$1,000).

5.2. Accounts payable, accruals and other liabilities

	UNAUDITED 31 DECEMBER 2024	AUDITED 30 JUNE 2024
Accounts payable	1,366	466
Accrued interest expense and bank fees	4,302	3,836
Accruals and other liabilities in respect of investment properties	8,772	9,650
Accrued employee benefits	166	261
Accruals and other liabilities	6,183	5,574
Total accounts payable, accruals and other liabilities	20,789	19,787

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

5. OTHER CONTINUED

5.3. Taxation

(i) Reconciliation of accounting profit before income tax to income tax expense

	UNAUDITED 6 MONTHS ENDED 31 DECEMBER 2024	AUDITED 6 MONTHS ENDED 30 JUNE 2024
ALL VALUES IN \$000S		
Profit before income tax	30,661	25,475
Prima facie income tax calculated at 28%	(8,585)	(7,133)
<i>Adjusted for:</i>		
Current tax prior period adjustment	184	(30)
Deductible capital expenditure	1,363	2,088
Depreciation	1,601	2,636
Disposal of depreciable assets	4	33
Fair value gain / (loss) on investment properties	4,649	(1,166)
Gain / (loss) on disposal of investment properties	18	(147)
Impairment (allowance) / gain	(3)	6
Lease incentives, fees and fixed rental income	656	116
(Loss) / gain on derivative financial instruments	(3,859)	1,015
Non-tax deductible revenue and expenses	(24)	(37)
Other	(296)	34
Current taxation expense	(4,292)	(2,585)
Depreciation	(871)	(547)
Impairment allowance/(gain)	3	(6)
Lease incentives, fees and fixed rental income	(621)	-
Loss/(gain) on derivative financial instruments	3,859	(1,015)
Other	19	(141)
Deferred taxation benefit/(expense)	2,389	(1,709)
Total income tax expense reported in Consolidated Statement of Comprehensive Income	(1,903)	(4,294)

(ii) Deferred tax

	AUDITED 30 JUNE 2024	UNAUDITED 6 MONTHS ENDED 31 DECEMBER 2024	UNAUDITED 31 DECEMBER 2024
ALL VALUES IN \$000S	AS AT	RECOGNISED IN PROFIT	AS AT
Deferred tax assets			
Impairment allowance	(2)	(3)	(5)
Office lease liability	(569)	34	(535)
Other	(291)	(116)	(407)
Gross deferred tax assets	(862)	(85)	(947)
Deferred tax liabilities			
Derivative financial instruments	5,093	(3,859)	1,234
Investment properties	21,476	1,492	22,967
Office lease asset	489	(38)	451
Gross deferred tax liabilities	27,058	(2,405)	24,652
Share-based payment reserve	-	101	-
Net deferred tax liability	26,196	(2,389)	23,705

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

5. OTHER CONTINUED

5.4. Related party transactions

The Group also has related party relationships with the following parties:

RELATED PARTY	ABBREVIATION	NATURE OF RELATIONSHIP(S)
The Board of Directors	Directors	The Board of Directors.
Bayleys Valuation Limited	Bayleys	Angela Bull is a Non-executive Director of Bayley Corporation Limited. Bayleys Valuation Limited is a wholly owned subsidiary of Bayley Corporation Limited and an independent valuer used by the Group for investment property valuations.

The following transactions with a related party took place:

	RELATED PARTY	UNAUDITED 6 MONTHS ENDED 31 DECEMBER 2024	AUDITED 6 MONTHS ENDED 30 JUNE 2024
Valuation fees paid	Bayleys	17	22
Valuation fees owing ¹	Bayleys	2	7

1 Amounts owing as at 31 December 2024 and 30 June 2024 are included in the line item 'Accounts payable, accruals and other liabilities' in the Consolidated Statement of Financial Position.

NUMBER	RELATED PARTY	UNAUDITED 31 DECEMBER 2024	AUDITED 30 JUNE 2024
Shares held beneficially in the company	Directors	95,000	240,708
Shares held non-beneficially in the company	Directors	–	–

No related party debts have been written off or forgiven during the period (30 June 2024: NIL).

5.5. Leases

(i) Amounts recognised in the Consolidated Statement of Financial Position

The Consolidated Statement of Financial Position shows the following amounts relating to leases:

	UNAUDITED 31 DECEMBER 2024	AUDITED 30 JUNE 2024
ALL VALUES IN \$000S		
Right-of-use assets²		
Properties	1,612	1,748
Total right-of-use assets	1,612	1,748

2 Included in the line item 'Property, plant and equipment' in the Consolidated Statement of Financial Position.

There were no additions to the right-of-use assets for the six months ended 31 December 2024 (30 June 2024: Nil).

	UNAUDITED 31 DECEMBER 2024	AUDITED 30 JUNE 2024
ALL VALUES IN \$000S		
Lease liabilities		
Current ³	264	254
Non-current ⁴	1,645	1,778
Total lease liabilities	1,909	2,032

3 Included in the line item 'Accounts payable, accruals and other liabilities' in the Consolidated Statement of Financial Position.

4 Included in the line item 'Lease liabilities' in the Consolidated Statement of Financial Position.

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

5. OTHER CONTINUED

5.5. Leases continued

(ii) Amounts recognised in the Consolidated Statement of Comprehensive Income

The Consolidated Statement of Comprehensive Income shows the following amounts relating to leases:

ALL VALUES IN \$000S	UNAUDITED 6 MONTHS ENDED 31 DECEMBER 2024	AUDITED 6 MONTHS ENDED 30 JUNE 2024
Depreciation charge of right-of-use assets¹		
Properties	(136)	(136)
Total depreciation charge of right-of-use assets	(136)	(136)

1 Included in the line item 'Administrative expenses' in the Consolidated Statement of Comprehensive Income.

ALL VALUES IN \$000S	UNAUDITED 6 MONTHS ENDED 31 DECEMBER 2024	AUDITED 6 MONTHS ENDED 30 JUNE 2024
Interest cost ²	(52)	(53)

2 Included in the line item 'Interest expense and bank fees' in the Consolidated Statement of Comprehensive Income.

The total cash outflow for leases in the six month period ended 31 December 2024 was \$175,000 (30 June 2024: \$174,000).

5.6. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board of Directors. The Group is internally reported as a single operating segment to the chief operating decision-maker.

5.7. Capital commitments

As at 31 December 2024, the Group had capital commitments totalling \$79,516,000 (30 June 2024: \$35,975,000) as follows:

ALL VALUES IN \$000S	UNAUDITED 31 DECEMBER 2024	AUDITED 30 JUNE 2024
Development capital commitments	40,841	33,469
Other capital commitments	38,675	2,506
Total capital commitments	79,516	35,975

Development capital commitments

ALL VALUES IN \$000S	UNAUDITED 31 DECEMBER 2024	AUDITED 30 JUNE 2024
30-32 Bowden Road Design and build (Green Star)		
Land value on commencement	32,500	32,500
Development cost ³	67,914	67,914
Less: spend to date	(67,914)	(57,676)
Committed costs to complete	–	10,238

3 Excluding land value

NOTES TO THE INTERIM FINANCIAL STATEMENTS CONTINUED

5. OTHER CONTINUED

5.7. Capital commitments continued

Development capital commitments continued

	UNAUDITED 31 DECEMBER 2024	AUDITED 30 JUNE 2024
ALL VALUES IN \$000S		
78 Springs Road - Stage 1 Design and build (Green Star)		
Land value on commencement	37,817	37,817
Development cost ¹	76,562	76,562
Less: spend to date	(76,562)	(53,331)
Committed costs to complete	–	23,231
ALL VALUES IN \$000S		
78 Springs Road - Stage 2 Design and build (Green Star)		
Land value on commencement	17,649	–
Development cost ¹	41,796	–
Less: spend to date	(955)	–
Committed costs to complete	40,841	–
Total development capital commitments	40,841	33,469

¹ Excluding land value

Other capital commitments

		UNAUDITED 31 DECEMBER 2024	AUDITED 30 JUNE 2024
ALL VALUES IN \$000S			
Address	Project		
Spedding Road ¹	Land acquisition	38,537	–
43 Cryers Road	Refurbishment	138	–
212 Cavendish Drive	Refurbishment	–	1,550
12 Zelianian Drive	Canopy extension & installation of solar panels	–	956
Total other capital commitments		38,675	2,506

¹ On 9 October 2023, the Group entered into a sale and purchase agreement to purchase two lots within the proposed industrial subdivision at Spedding Road, Auckland, for a total purchase price of \$40.57 million. The Group paid a deposit of \$2.03 million (5% of the total purchase price) on 13 September 2024. A further 45% of the purchase price is payable upon completion of vendor works and receipt of the titles, which is expected in mid-2025. Following this payment, two further deferred settlement amounts of 25% each are due 12 and 24 months thereafter.

5.8. Subsequent events

On 14 February 2025, the Group announced the agreement to purchase the property at 316 Neilson Street, Penrose for a net purchase price of \$8.50 million. Settlement of the acquisition is expected to take place in late-February 2025.

On 25 February 2025, the Board of Directors of the Company approved the payment of a cash dividend of 2.000000 cents per share to be paid on 13 March 2025. The gross dividend (2.430175 cents per share) carries imputation credits of 0.430175 cents per share. The payment of this dividend will not have any tax consequences for the Group and no liability has been recognised in the Consolidated Statement of Financial Position as at 31 December 2024 in respect of this dividend.



INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE SHAREHOLDERS OF PROPERTY FOR INDUSTRY LIMITED

REPORT ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Our conclusion

We have reviewed the consolidated interim financial statements (interim financial statements) of Property for Industry Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended on that date, and selected explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2024, and its financial performance and cash flows for the six months then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's responsibilities for the review of the interim financial statements* section of our report.

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. In our capacity as auditor and assurance practitioner, our firm has been engaged to carry out other assurance services for the Group. In addition, certain partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business. The firm has no other relationship with, or interests in, the Group.

Responsibilities of the Directors for the interim financial statements

The Directors of the Company are responsible on behalf of the Company for the preparation and fair presentation of these interim financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the interim financial statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34.

A review of interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our review procedures, for this report or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Samuel Shuttleworth.

For and on behalf of:


A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive style.

PricewaterhouseCoopers


25 February 2025


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