FY23 ANNUAL RESULTS

23 August 2023

Agenda

Highlights & Key Themes
Scott Pritchard
CEO

Financial Performance
Richard Hilder
CFO

Capital Partnering
George Crawford
Deputy CEO

Investment Update
George Crawford
Deputy CEO

Development Update
Scott Pritchard
CEO

Summary
Scott Pritchard
CEO

All figures provided in this presentation are as at 30 June 2023 unless otherwise stated.
All dollar values are NZD.

Highlights – Strategic execution

Precinct has made significant progress on strategic initiatives with $1.8b of new capital partnerships (completion value) secured over last 18 months[1]

- Significant capital partnership activity with growth in partnerships of $1.4 billion[1] during the year
- Moved to a stapled company structure, effective 1 July 2023, supporting strategic direction
- Significant business activity during the year, settling $680 million[2] of asset sales including the sale of Wynyard Quarter Stage 3 and 40 & 44 Bowen Street[3] to GIC and PAG partnerships respectively
- Entered into a 50:50 residential development management business with Lamont & Co
- Further capital management initiative announced today to support continued strategy execution, with the consideration of a subordinated convertible note issue


Artist impression – York House

Note 1 – Includes the gross realisation value (excl. GST) of residential opportunities in progress and near commencement
Note 2 – Wynyard Stage 3 sale price reflects book value
Note 3 – Settled post balance date on 15 August 2023

Operational highlights

Operational excellence

- Portfolio occupancy maintained at **99%** with a WALT of **6.0 years**
- Over **53,000m^2** of leasing completed in the period including over 35,000m^2 of development leasing
- Achieved **13.8% growth** in contract rents on new leases
- Generator delivered gross operating revenue of **$22.8m** reflecting strong office and event space demand (FY22: $15.8m)

Financial performance

- Net property income[1] of $130.2m, **up 4.5%** (FY22: $124.6m)
- Net operating income before tax of $102.1m, **up 7.1%** (FY22: $95.3m)
- **6.69 cps AFFO** representing 2.8% growth year-on-year
- **6.70 cps dividend** (FY22: 6.70 cps) equating to a payout ratio of 100% (FY22: 103%)

Development pipeline

- Secured development opportunity at 61 Molesworth Street, with 100% of the office space leased by MFAT on a 20+ year lease
- Agreed a 12-year lease to Beca at Wynyard Quarter Stage 3, enabling commitment to 117 Pakenham, the last remaining building
- Selected as preferred development partner for the Downtown Carpark with exclusive negotiations with Eke Panuku Development Auckland advanced

Note 1 – Net property income excludes IFRS 16 rent expense elimination

Our business

Precinct is a central city real estate investment business. It invests in high quality strategically located real estate with a focus on sustainability.

Strategy encompasses three key areas of outperformance:

1. Investment

- Well-located prime assets have significantly outperformed lower grade stock
- Precinct's market leading position and high performing team continue to deliver asset management excellence

2. Development

- Recycling and deploying capital into projects that generate returns over and above stable investments
- Combining the development strategy with the capital partnering strategy enables the scale of development activity to increase and provides a strong lever for Precinct to outperform

3. Capital Partnering

- Partnering with direct investors expands the capital base and enables Precinct to explore a broader set of opportunities
- Enhances the return on invested capital through aligned investment performance, maintaining access to high quality real estate, and freeing up capital for future opportunities

Key themes

Occupier market

- Continued occupier demand for well-located, premium quality office accommodation resulting in strong rental growth
- Flight-to-quality trend continuing with net absorption for prime grade office space remaining elevated
- Auckland and Wellington city centre prime office markets currently have the lowest vacancy rates of all major Australasian cities

Investment market

- Higher interest rates are providing valuation headwinds, with cost of capital increasing and cap rates softening
- Transaction volumes declined through 2022 calendar year and remain subdued through the first half of 2023

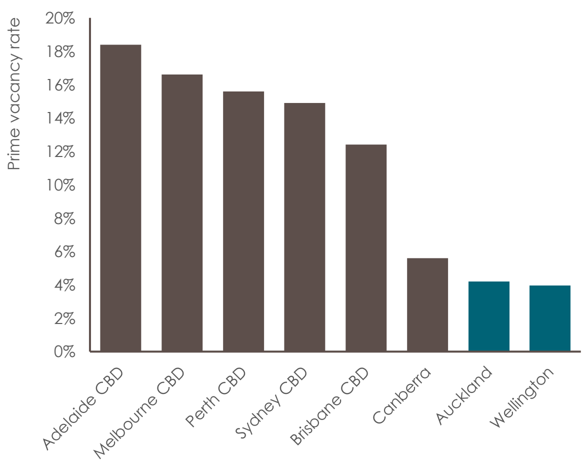
Construction market

- Construction costs continue to increase however the rate of growth is now easing
- Greater competitive tension in the market is being observed with a diminishing pipeline of vertical construction projects
- Increased appetite from main and subcontractors to bid for new construction work

Capital partnerships

- Strong execution on strategy achieved to date with $1.8b of capital partnerships (completion value) now established
- Preferences are evolving with increasing interest in value-add strategies, while appetite for core investments is diminished
- Precinct and its partners continue to explore further opportunities

Jun-23 prime grade office vacancy rates (source: JLL)



Financial Performance

Financial performance

For the 12 months ended ($m)	30 June 2023	30 June 2022	Δ
Operating income before indirect expenses	**$141.0 m**	**$129.4 m**	**+ $11.6 m**
Management fee income	$5.4 m		+ $5.4 m
Other expenses	($13.5 m)	($10.2 m)	($3.3 m)
Net interest expense	($30.8 m)	($23.9 m)	($6.9 m)
Operating income before income tax	**$102.1 m**	**$95.3 m**	**+ $6.8 m**
Unrealised net gain / (loss) in value of investment and development properties	($257.1 m)	$19.4 m	($276.5 m)
Unrealised net gain / (loss) on financial instruments	$6.1 m	$33.1 m	($27.0 m)
Other non-operating expenses	($15.8 m)	($18.5 m)	+ $2.7 m
Net profit before taxation	**($164.7 m)**	**$129.3 m**	**($294.0 m)**
Current tax expense	$5.2 m	$7.0 m	($1.8 m)
Depreciation recovered on sale	($7.7 m)		($7.7 m)
Deferred tax expense / (benefit)	$14.1 m	($26.3 m)	+ $40.4 m
Net profit after income tax attributable to equity holders	**($153.1 m)**	**$110.0 m**	**($263.1 m)**
Other comprehensive income / (expense)	$5.6 m	($1.2 m)	+ $6.8 m
Total comprehensive income after tax attributable to equity holders	**($147.5 m)**	**$108.8 m**	**($256.3 m)**
Net tangible assets per security	**$1.38**	**$1.54**	**($0.16)**

+$11.6m

Increase in operating income

+$5.4m

Management fee income

$1.38

NTA per security

Precinct

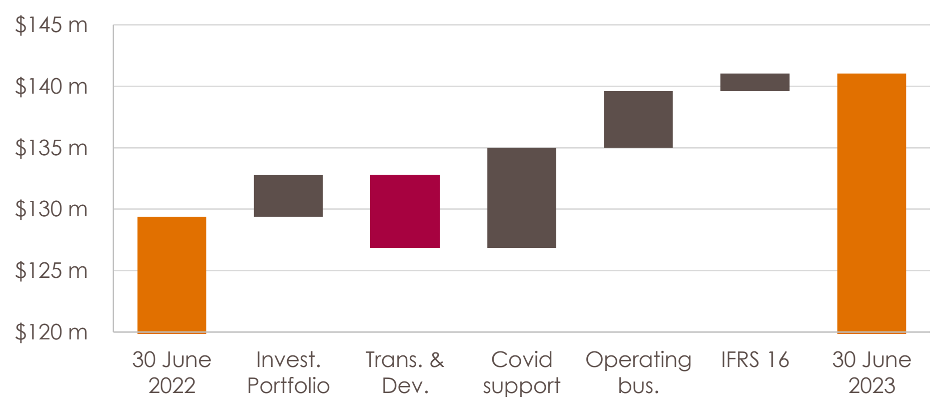
Operating Income

Operating Income $141.0m

- Operating income of $141.0m was up $11.6m (+9.0%) for the period
- Net property income (NPI) of $130.2m, up $5.6m (+4.5%) given Covid-19 support provided in the comparable period
- After normalising for Covid-19 support, NPI for the Auckland office portfolio was up 5.1%
- Strong improvement in operating businesses performance driven by uplift in demand for co-working and event space
- Recognition of management fee income and cornerstone operating income from the recently established partnerships

For the 12 months ended ($m)	30 June 2023	30 June 2022	Δ
Auckland	$81.1 m	$77.9 m	$3.2 m
Wellington	$33.7 m	$33.5 m	$0.2 m
Investment portfolio	**$114.8 m**	**$111.4 m**	**$3.4 m**
Transactions and Developments	$15.5 m	$21.4 m	($5.9 m)
Subtotal	**$130.2 m**	**$132.8 m**	**($2.6 m)**
COVID-19 Impact		($8.2 m)	$8.2 m
Total net property income	**$130.2 m**	**$124.6 m**	**$5.6 m**
Generator	$2.0 m	($0.7 m)	$2.7 m
CBHL	($0.2 m)	($2.0 m)	$1.8 m
IFRS 16 rent expense[1]	$9.0 m	$7.5 m	$1.5 m
Operating income before indirect expenses	**$141.0 m**	**$129.4 m**	**$11.6 m**
Cornerstone operating income before tax	$1.2 m		$1.2 m
Management fee income	$5.4 m		$5.4 m

Operating income reconciliation



Note 1 – IFRS 16 rent expense is eliminated from operating income as required by accounting standards

FFO & AFFO

AFFO
6.69 cps

- Funds from operations (FFO) up $6.5 million (+6.0%) on prior period
- AFFO per share up 2.8% on the prior period and reflects a 100% AFFO pay-out ratio
- Management fee income and cornerstone operating income contributing 42 basis points per share to AFFO
- Delivered 12% dividend growth since 2019, underpinned by the quality of the property portfolio and execution of strategy

For the 12 months ended ($m)	30 June 2023	30 June 2022
Operating income before indirect expenses (as per FS)	**$141.0 m**	**$129.4 m**
Management fee income	$5.4 m	-
Other expenses	($13.5 m)	($10.2 m)
Net interest expense	($30.8 m)	($23.9 m)
Operating profit before tax (as per FS)	**$102.1 m**	**$95.3 m**
Current tax expense	$5.2 m	$7.0 m
Operating profit after tax	**$107.3 m**	**$102.3 m**
Adjusted for:		
Cornerstone operating income before tax	$1.2 m	-
IFRS 16 rent expense[1]	($9.0 m)	($7.6 m)
Share-based payments scheme	$1.4 m	$1.2 m
One off costs: FY23 stapling project costs; FY22 CBHL[2]	$0.8 m	$0.7 m
Amortisations of incentives and leasing costs	$13.7 m	$14.7 m
Straight-line rents	($2.0 m)	($3.7 m)
Tax on sale of properties[3]	$0.5 m	-
Funds from Operations (FFO)	**$114.0 m**	**$107.5 m**
FFO per weighted security	**7.19 cps**	**6.89 cps**
Dividend payout ratio to FFO	93%	97%
Adjusted Funds From Operations		
Maintenance capex	($3.3 m)	($2.3 m)
Investment portfolio - Incentives and leasing fees	($4.6 m)	($3.7 m)
Adjusted Funds From Operations (AFFO)	**$106.1 m**	**$101.5 m**
AFFO per weighted security	**6.69 cps**	**6.51 cps**
Dividend paid in financial year	**6.70 cps**	**6.70 cps**
Dividend payout ratio to AFFO	100%	103%
Retained Earnings	($0.2 m)	($3.0 m)

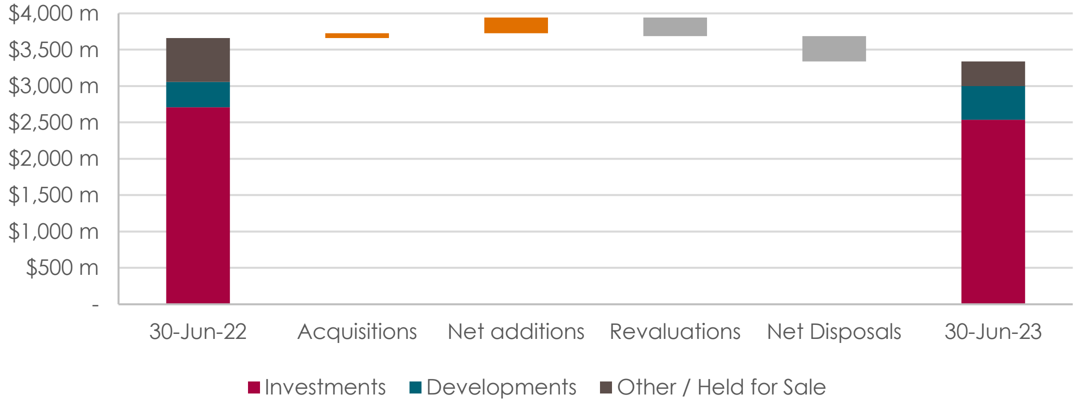
1 - Generator rent expense and ground leases at 204 Quay Street and Viaduct Carpark is excluded from operating profit due to IFRS 16
2 – Stapling project costs (FY23) associated with corporate restructure to a stapled group. CBHL (FY22) relates to the closure of Saxon & Parole and Liquorette.
3 – Tax on sale of properties relates to the sale of Wynyard Stage 3 to PPILP.

Portfolio revaluation

Well-occupied premium grade portfolio proving to be resilient despite cap rate headwinds

- $255.4m or 7.1% reduction in portfolio value to $3.3b excluding right-of-use assets (FY22: $3.7b including assets held for sale)
- 8.1% uplift in net valuation rents for the stabilised office portfolio and development profit release partially offset a 69 bps softening in cap rates to 5.6% (Jun-22: 4.9%)
- NTA reduced to $1.38 per share (Jun-22: $1.54)

Portfolio value bridge



	Jun-22 Market Value	Additions / Disposals	Jun-23 Book Value	Jun-23 Market Value	Δ	Δ %	Jun-22 Cap Rate	Jun-23 Cap Rate	Δ Cap Rate
Auckland Investments	$2,002.0 m	$14.2 m	$2,016.2 m	$1,838.6 m	($177.6 m)	(8.8%)	4.7%	5.4%	71 bps
Wellington Investments	$706.4 m	$36.9 m	$743.3 m	$696.8 m	($46.5 m)	(6.3%)	5.4%	6.0%	58 bps
Subtotal - Investments	**$2,708.4 m**	**$51.1 m**	**$2,759.5 m**	**$2,535.4 m**	**($224.1 m)**	**(8.1%)**	**4.9%**	**5.6%**	**69 bps**
One Queen Street	$176.0 m	$96.7 m	$272.7 m	$258.0 m	($14.7 m)	(5.4%)			
Bowen House	$122.2 m	$37.9 m	$160.1 m	$160.1 m	-	-			
Freyberg Building	$49.5 m	$4.1 m	$53.6 m	$47.0 m	($6.6 m)	(12.3%)			
Subtotal - Developments	**$347.7 m**	**$138.7 m**	**$486.4 m**	**$465.1 m**	**($21.3 m)**	**(4.4%)**			
Other Properties	$22.8 m	$24.9 m	$47.7 m	$38.5 m	($9.2 m)	(19.3%)			
61 Molesworth Street	-	$67.4 m	$67.4 m	$58.4 m	($9.0 m)	(13.4%)			
Subtotal - Other	**$22.8 m**	**$92.3 m**	**$115.1 m**	**$96.9 m**	**($18.2 m)**	**(15.8%)**			
Assets held for sale	$580.4 m	($348.5 m)	$231.8 m	$240.0 m	$8.2 m	3.5%			
Total[1]	**$3,659.2 m**	**($66.4 m)**	**$3,592.8 m**	**$3,337.4 m**	**($255.4 m)**	**(7.1%)**			

Note 1 – Values exclude right of use assets of $30.8m at 30 June 2023 (Jun-22: $17.8m), which had a revaluation loss of ($1.7m) for the period

Precinct

Capital management

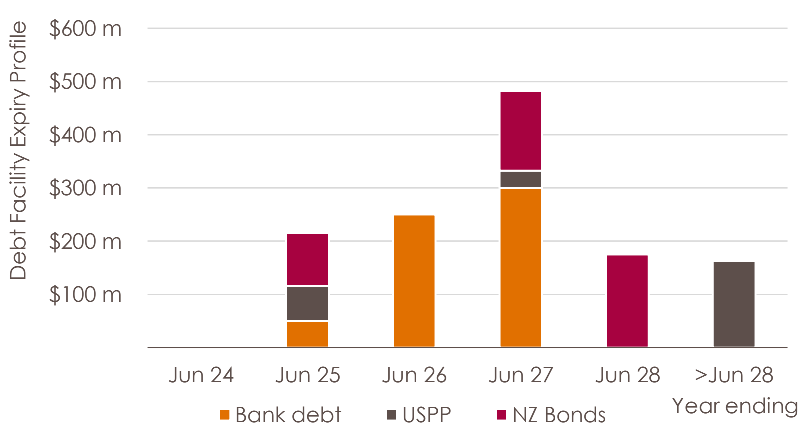
Further balance sheet positioning has occurred throughout the year following significant business activity

- Settled $680 million[1] of asset sales during the period
- Precinct has retained a cornerstone interest in all assets divested during the period.
- Following settlement of 40 & 44 Bowen Street, pro forma
    - Gearing reduces to 34.9%,
    - Weighted average interest cost reduces to 5.3%, and
    - Hedging increases to 85% at an average interest rate of 3.2%
- ICR is forecast to improve in future periods

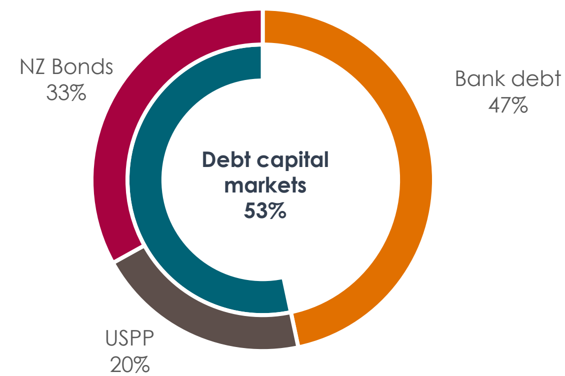
Key metrics	30 June 2023	30 June 2022
Debt drawn ($m)	**1,247**	1,247
Gearing (Banking covenant: 50%) (%)	**38.0** [2]	34.3
Weighted average term to expiry (years)	**3.5**	4.0
Weighted average debt cost (incl. fees) (%)	**5.6** [2]	4.0
Percentage of debt hedged (%)	**72.2** [2]	64.2
Interest coverage ratio (Covenant: 1.75 times)	**1.9 x**	2.5 x
Total debt facilities ($m)	**1,386**	1,623

Note 2 – On a pro-forma basis, following settlement of 40 & 44 Bowen Street, gearing reduces to 34.9%, weighted average debt cost (incl. fees) reduces to 5.3% and percentage of hedged debt increases to 85%

Debt facility expiry profile[3]



Funding diversity[3]



Note 1 – Includes 40 & 44 Bowen Street which settled post balance date.

Note 3 – Excludes $100 million of bank facilities which were cancelled post balance date following settlement of 40 & 44 Bowen Street

Precinct considering a convertible note offer

Precinct is considering making an offer of between $150m and $200m of fixed rate subordinated convertible notes (SCN)

Strategic benefits

- Provides semi-permanent capital to help progress capital partnering strategy and other opportunities such as Downtown Carpark
- Investment returns expected to exceed cost of issued capital
- Retains flexibility to convert or repay depending on capital partnering progress, share price and utilisation of other funding levers

Capital management benefits[1]

- Reduces gearing, as measured under borrower covenant, which disregards subordinated debt. On a pro-forma basis, the SCN will reduce June 2023 gearing from 34.9% (post 40 & 44 Bowen Street sale) to approximately 29% (covenant 50%)
- Increases tenor and diversity of funding sources, with weighting to non-bank sources increasing to around 70%

Indicative terms

- The offer is expected to consist of a Priority Offer to New Zealand resident Precinct retail shareholders, as well as a General Offer
- Two tranches split between three-year and four-year tenor
- Up to $150 million in aggregate across the two tranches (with the ability to accept oversubscriptions of up to an additional $50 million).
- In addition to interest, noteholders will benefit from any appreciation of Precinct's share price above a fixed price to be set at a premium to the current market price

$150-200m
indicative offer size

3 & 4 year
tranches being considered

ARRANGER & JOINT LEAD MANAGER

JARDEN

JOINT LEAD MANAGERS

CRAIGS INVESTMENT PARTNERS

FORSYTH BARR

Note 1 – Capital management metrics assume an issue size of $200 million

Precinct

Earnings quality and FY24 guidance

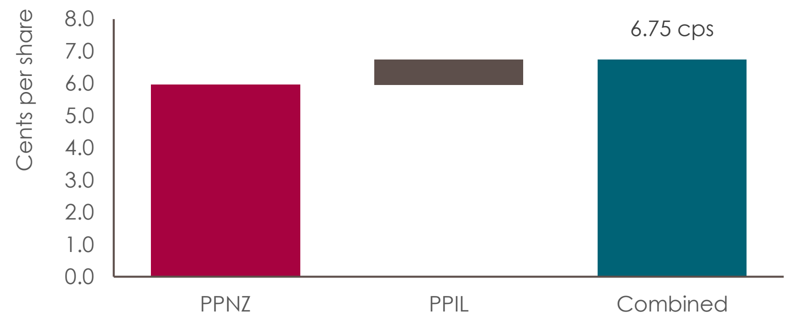
6.75 cps

FY24 dividend guidance

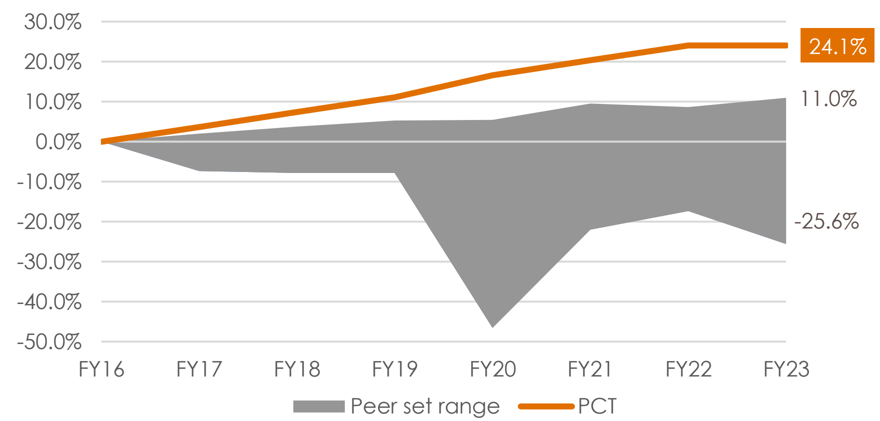
Long-term AFFO growth is expected to be driven by:

- **Strong contracted cashflows** with **84% of the portfolio subject to structured rent reviews** (average fixed increase 2.9% in FY24) and only 5% of the portfolio (by income) subject to expiries over the next 12 month
- **Positive rental reversion** with the portfolio currently **10.6% under-rented** and ~50% of the portfolio subject to market events over the next ~4 years
- **Continued flight-to-quality and improving demand for flexible space** benefitting both Precinct's core assets and Generator
- **Growth in capital partnership platforms** to provide additional income streams post stapling
- Participation in more **active opportunities driving higher returns** for Precinct's invested capital

Contributions of PPNZ and PPIL to FY24 dividend guidance[1]



Cumulative dividend growth from FY16 vs. peers[2]



Note 1 – PPNZ = Precinct Properties New Zealand Limited, and PPIL = Precinct Properties Investments Limited, which comprise the stapled group
Note 2 – Peer set includes ARG, GMT, KPG, PFI and SPG.

ESG progress

Our strategy includes the integration of sustainability across all areas of our business.

- $1.5b of green assets (excl. partnership assets)
- Committed to the World Green Building Council Net Zero Carbon Buildings Commitment and a target that all assets be certified Green by 2030
- Offsetting development embodied emissions for several years
- Focus on preparing for XRB climate reporting, refining the pathway to net zero carbon and social initiatives with a focus on future developments

Green assets
(4 star NABERSNZ or 5 Star Greenstar)

Participation	Overview		Current[1]	Target
GRESB	The overarching measure Precinct have chosen to use as its core ESG performance benchmark is the Global Real Estate Sustainability Benchmark (GRESB). It is considered the global standard for ESG benchmarking and reporting for real estate entities.	**Score**	**82**	+ Global Average 74
		Public Disclosure	**A**	+ Global Average B
		Ranking	**Top 33%**	Top 25%
CDP	Carbon Disclosure Project which is the gold standard for corporate environmental reporting and is fully aligned with the TCFD recommendations.		**B**	A
NABERSNZ	NABERSNZ is a ratings scheme to measure and rate the energy performance of office buildings in New Zealand.		**57%**	Portfolio: >100% 4 star by 2030 (Excellent)
greenstar	Green Star is an internationally recognised, rating system for the sustainable design, construction and operation of buildings, fitout and communities.		**52%**	Portfolio: >60% 5 Star (Excellence)

Note 1: GRESB and CDP metrics relate to 2022. The 2023 submission is currently being assessed with scores available in November 23.


Capital
Partnering

Capital partnerships – strategic approach

Direct ownership (strategic assets)

- Office
- City centre Retail
- Hotel
- Development

Capital partnerships

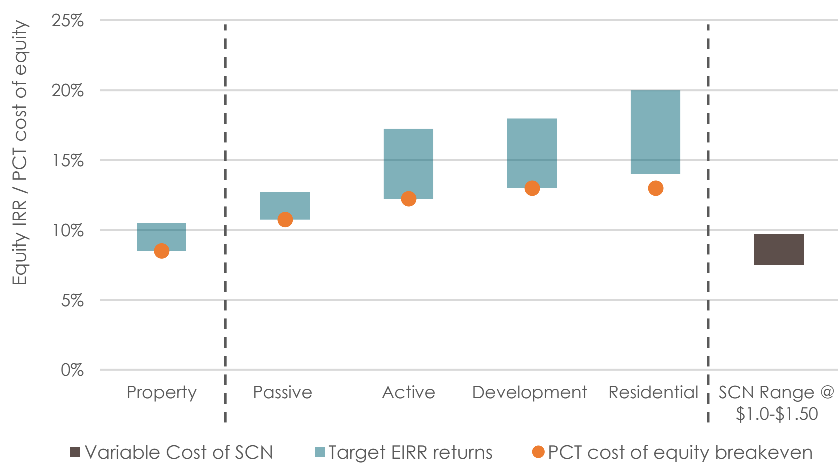
Investment management services

- Development
- Investment – passive and active

Key benefits

- **Increases liquidity**, diversifies capital sources, and leverages partners' access to capital
- **Less capital-intensive investment approach** reduces Precinct's balance sheet pressure and enhances AFFO accretion
- **Facilitates follow-on investments** and take-outs
- **Improves return on equity** for Precinct shareholders
- **Unlocks new management fee streams** and continued access to development profits
- **Expands investment universe** through ability to participate in a wider range of asset types, locations and risk spectrum

Equity Returns – Target and Breakeven



Variable cost of subordinated convertible note (SCN) assumes equity conversion at $1.0 & $1.5
CAPM: RF: 4.5%, MRP: 7.5%, PCT Be: 0.74

Capital partnering – progress to date

Precinct has established strong relationships with capital partners enabling continued execution of strategy through more challenging investment market conditions

- Partnered with Singaporean sovereign wealth fund GIC to establish initial portfolio of Precinct-developed assets
    - Initial portfolio comprising two Auckland and two Wellington assets totalling $382 million
    - Further investment during the year into the development of Wynyard Stage 3 of around $300 million (end value)
    - Conditional acquisition agreed of 56 The Terrace, Wellington for $146 million
- Established partnership with private asset manager PAG to acquire 40 & 44 Bowen Street[1]
- Partnered with PAG to form a Joint Venture with Ngāti Whātua Ōrākei to invest in the regeneration of the Te Tōangaroa precinct in Tāmaki Makaurau

10 Madden St (GIC partnership)

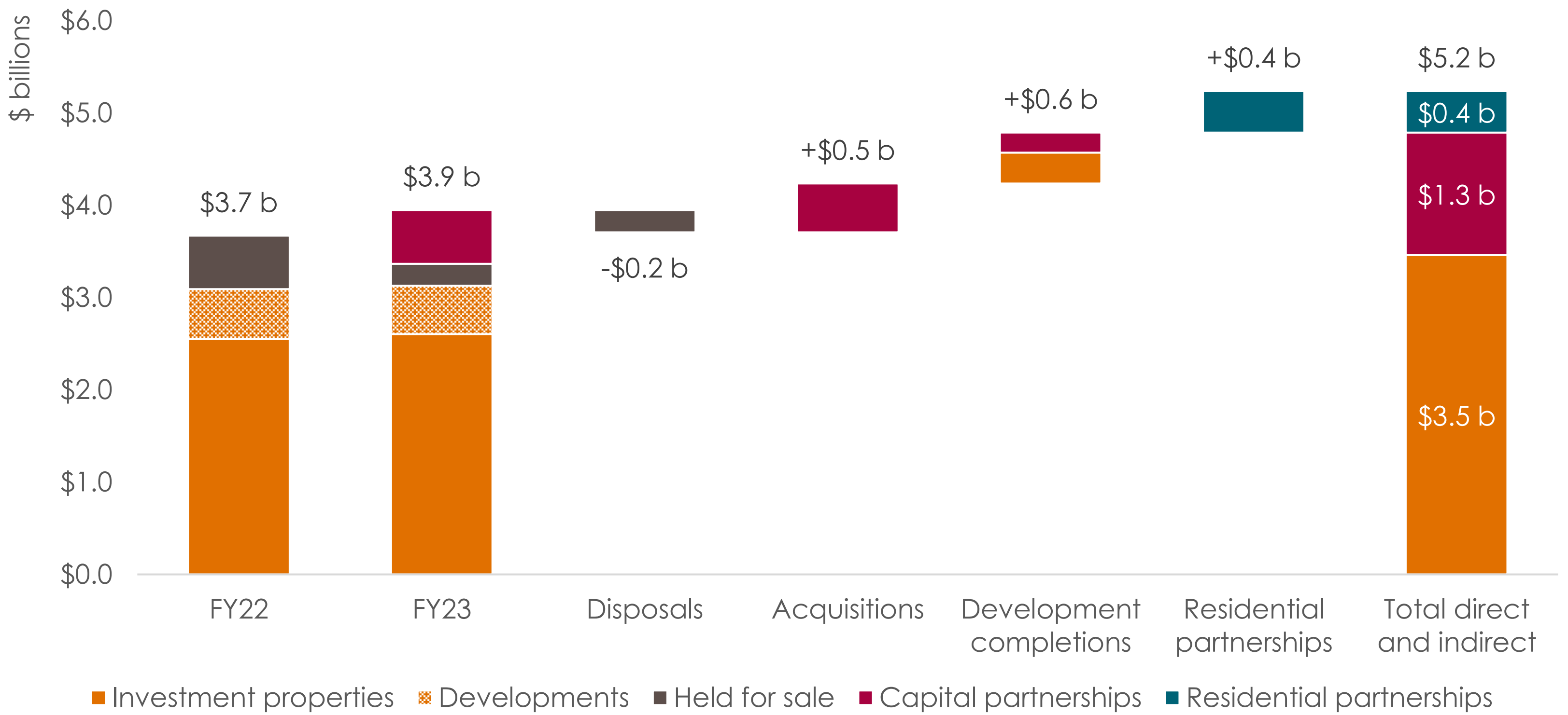
40 & 44 Bowen (PAG partnership)

Note 1 – Settled post balance date on 15 August 2023.

Precinct

Building momentum

Precinct is delivering on its strategy with $1.8 billion of capital partnerships formed since FY22 (completion value)[1]. Value of direct portfolio and partnerships now $5.2 billion.



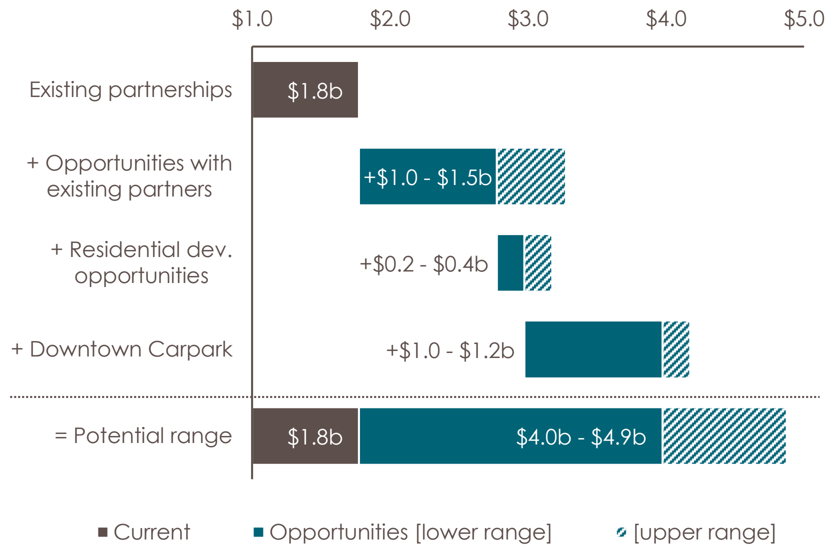
General note – Values in chart may not add precisely due to rounding
Note 1 – Includes the gross realisation value (excl. GST) of residential projects in progress and near commencement.

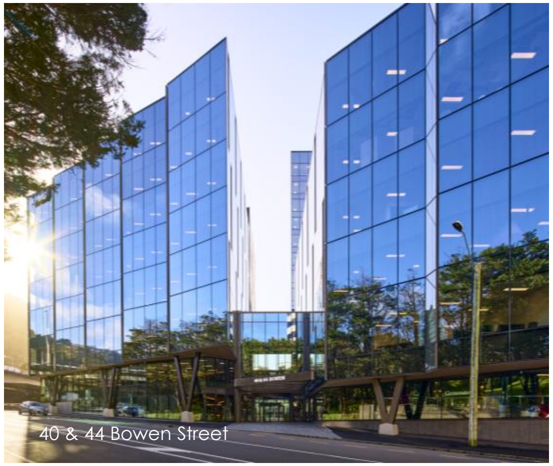
Partnership platforms positioned for growth

Precinct continues to explore opportunities to scale its capital partnerships platform through:

1. ***Existing partnerships** providing opportunities for further growth where Precinct can leverage its dominant market position, asset management expertise and track record to take advantage of value-enhancing opportunities in a more volatile market: ~$1.0b - $1.5b (medium term)*
2. *The **residential development** platform established through JV with Lamont & Co.: ~$0.2b - $0.4b (medium term)*
3. *The **Downtown Carpark** site where Precinct is the preferred development partner with Eke Panuku Development Auckland: ~$1b - $1.2b (long term)*

Partnership opportunities ($b)




40 & 44 Bowen Street


Artist impression – Onehunga Mall Club

Te Tōangaroa Portfolio

Investment Update

Investment portfolio

99%
Occupancy (by NLA)

6.0 years
Weighted average lease term

c. 53,123m²
Total leasing activity (incl. developments)

8.1%
Valuation net office market rent growth in FY23[1]

10.6%
Under-renting (vs. market rents)

+4.6% p.a.
CAGR growth on new leases

+13.8%
Growth in contract rentals on new leases

+9.7%
Auckland

+18.7%
Wellington

Key leasing update

Strong activity continues with circa **53,123m² of leasing activity completed** and solid leasing spread achieved in the period, confirming well-located premium assets continue to attract strong interest from occupiers.

- **13,055m² of new leases** secured with **13.8%** achieved above previous contract on average
- **35,394m² of development leasing** including Beca at Wynyard Quarter Stage 3 and MFAT at 61 Molesworth Street

Note 1 – Valuation net office market rent growth across the stabilised office portfolio.

Precinct

Auckland city centre office

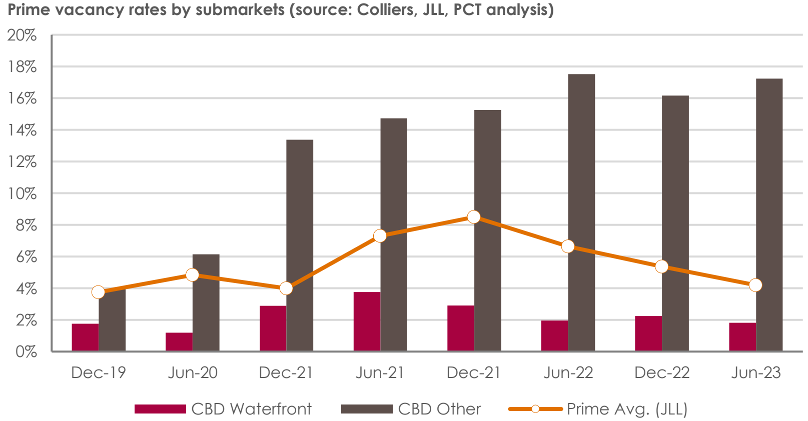
Key themes

- **Strong occupier demand despite economic headwinds** with four consecutive halves of positive net absorption recorded for prime grade assets
  - Strong demand for prime waterfront assets which continue to enjoy below-market levels of vacancy (1.8% vs. 4.2% prime grade average as at Jun-23)
- **Flight to quality accelerating** with the prime-secondary gap widening over the past 24 months
  - Prime grade assets recorded positive net absorption totalling 41,893m² over this period compared to a negative 19,467m² for secondary grade assets
  - Prime grade net effective rents increased 9.8% compared to only 0.5% for secondary grade

Prime office market indicators (source: JLL)

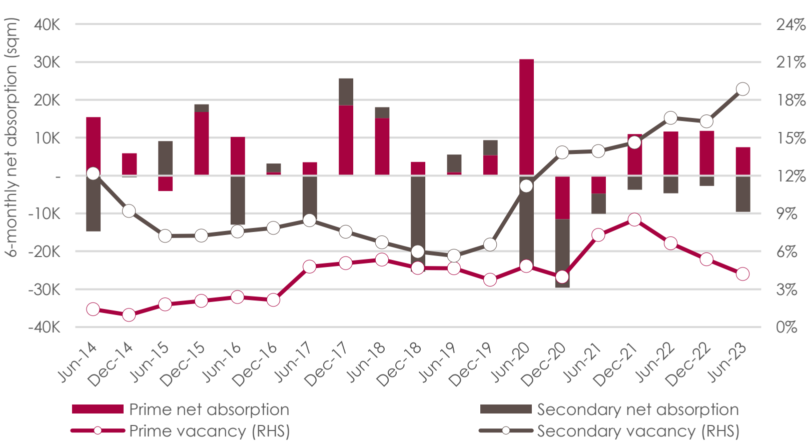
	Jun-23	Jun-22	20Y avg.
Annual net absorption (m²)	**+19.2k**	+22.7k	+12.4k
Annual net supply (m²)	**+3.9k**	+19.8k	+23.0k
Vacancy rate (%)	**4.2%**	6.6%	5.8%
Effective rent chg. (%)	**+6.3%**	+3.3%	+2.2%

Prime vacancy rates by submarkets (source: Colliers, JLL, PCT analysis)



Note – Submarket vacancy rates provided by Colliers. CBD Waterfront data reflects vacancy within the Commercial Bay and Britomart precincts as analysed by PCT.

Auckland CBD net absorption vs. vacancy rates (source: JLL)



Wellington city centre office

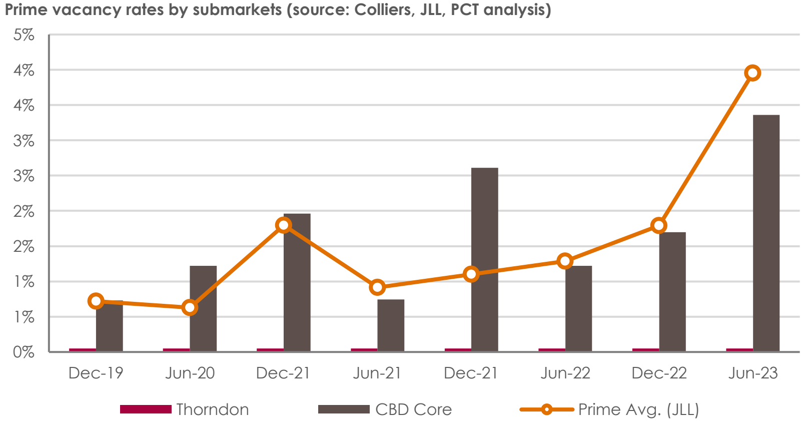
Key themes

- **Tightest city centre office market in Australasia** despite ~32,900 m^2 of prime grade supply being added to the market over the past 12 months
  - Strong demand underpinned by government occupation along with corporates seeking high quality seismically resilient space
  - Quality of existing stock remains low relative to other major markets, providing opportunities to capture growing demand for prime grade assets
- **Continued stock withdrawals for seismic strengthening** and high level of leasing pre-commitments **supporting low vacancies** and prime grade market rentals
  - Precinct's portfolio recorded 13.4% growth in gross market rentals over the past 12 months, well above JLL's reported market growth over the same period

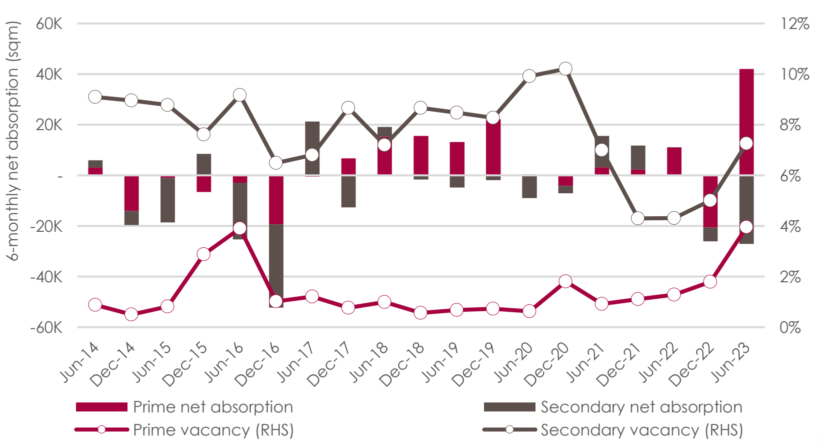
Prime office market indicators (source: JLL)

	Jun-23	Jun-22	20Y avg.
Annual net absorption (m^2)	**+21.4k**	+13.3k	+9.2k
Annual net supply (m^2)	**+32.9k**	+14.8k	+9.5k
Vacancy rate (%)	**4.0%**	1.3%	2.1%
Effective rent chg. (%)	**+0.7%**	+2.9%	+3.0%

Prime vacancy rates by submarkets (source: Colliers, JLL, PCT analysis)



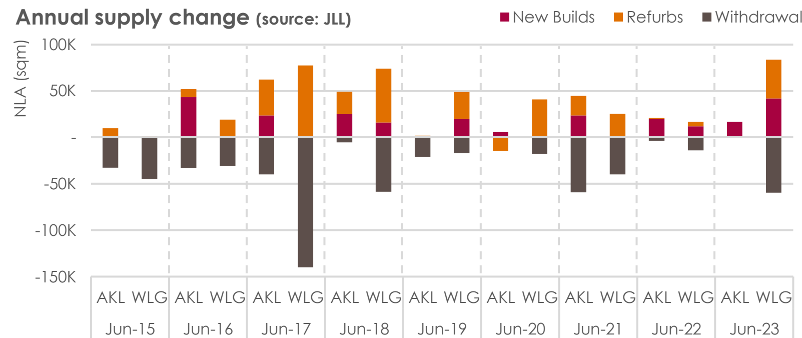
Wellington CBD office net absorption vs. vacancy rates (source: JLL)



Occupier market themes

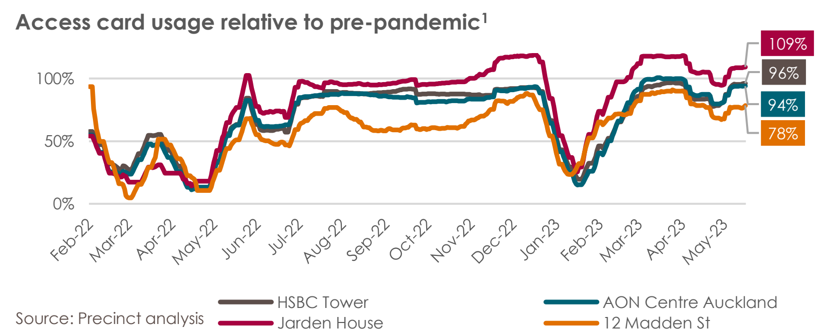
Obsolescence supporting tight market conditions

- Ongoing seismic and functional obsolescence is underpinning demand for prime grade assets while at the same time reducing overall supply through stock withdrawals
- Prime vacancies anticipated to remain at low levels despite economic headwinds and committed new supply completing in the near term



Return to office and significant leasing transactions

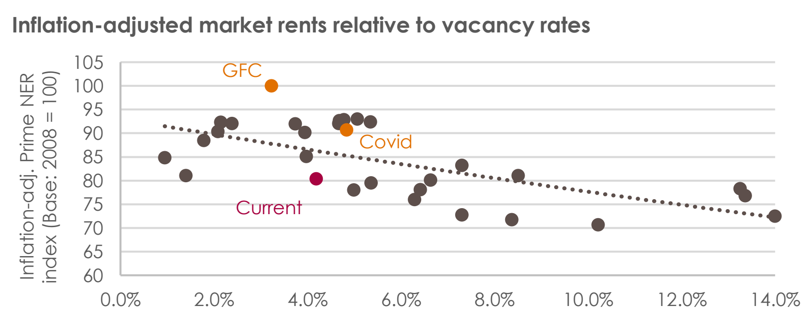
- A return of workers to offices is being observed, as evidenced in access card activity with most monitored buildings near or above pre-COVID levels
- Continued strong demand for Precinct's high quality office space, with occupancy maintained at 99% and over 79,000m² of development leasing secured in the last three years



Source: Precinct analysis

Low vacancies provide relative affordability

- Clear relationship between vacancy rates and market rentals adjusted for inflation, indicating relative affordability at present compared to pre-COVID, pre-GFC, and historic trend
- Implies potential rental upside with most of the recent rental growth likely a response to high inflation



Source: JLL data, Precinct analysis

Note 1: Represents rolling four-week card usage relative to usage in the month prior to the first NZ lockdown.

Occupier market themes

Economic rents expected to restrict new supply

- Rising development costs, combined with easing cap rates, are driving a material uplift in economic rents
- New stock unlikely to eventuate except in premium locations where new rental benchmarks could be set
- A reduction in supply will benefit existing prime grade assets, supporting continued market rental growth

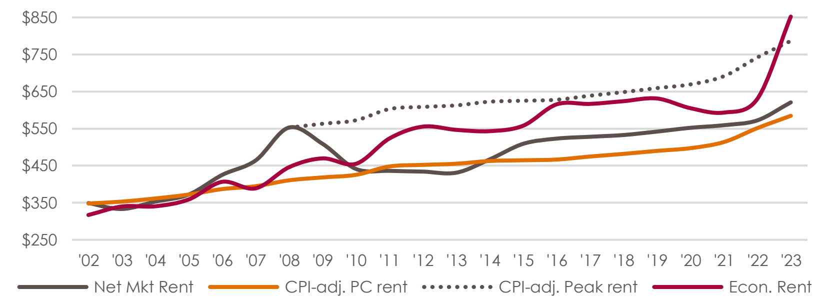
Low vacancy rates supportive of market rental growth

- Strong occupier demand and low vacancy rates offer opportunity for rental growth
- JLL forecasting prime vacancies in both office markets to remain around current levels over the next 3-4 years
- Correlation between market rent growth and vacancy rates supports thesis for continued market rental growth

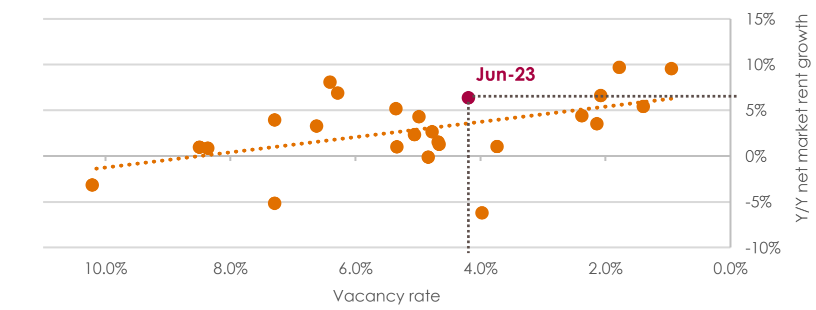
Under-renting and net leases underpin income growth

- Portfolio under-renting (10.6%), combined with shorter leases, allows rents to revert more quickly to market
- Net leases, fixed growth and indexation (3.3% forecast rental growth in FY24) provide protection from inflation
- 50% of the portfolio is expected to revert to market over the next 3-4 years through expiries and market reviews

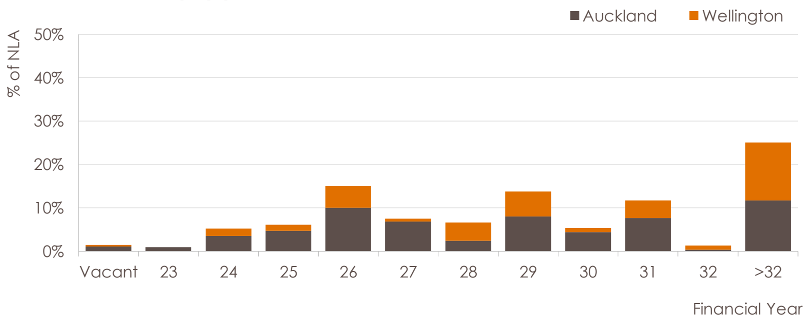
188 Quay St average tower net rent $/sqm (source: PCT analysis)



Auckland prime office market rent growth vs. vacancy rate (source: JLL, PCT analysis)



Precinct lease expiry profile



Development Update

Artist Impression – Wynyard Quarter Stage 3

Development overview

- Current work in progress total ~53,300m^2 with a total project cost of $0.7b
- **Total of $1.8b of development completions since 2017**, with Bowen Campus Stage 2 and Willis Lane opened in the period
- Recent completions and committed projects are de-risked through fixed pricing, secured pre-leasing and funding from capital partners
- **Development pipeline replenished** in the period through commitment to Wynyard Quarter Stage 3 and 61 Molesworth, and entry into the multi-unit residential development market
- Precinct remains in exclusive negotiations with Eke Panuku for Downtown Carpark, with binding documentation expected to be concluded soon

Development WIP	PCT Interest	Area	% pre-let	Secured WALT
Deloitte Centre[1]	100.0%	15,000 m² (plus hotel)	92% (incl. hotel)	19 years
Bowen House	100.0%	14,300 m²	100%	15 years
61 Molesworth Street	100.0%	24,000 m²	97%	21 years
Subtotal - Precinct		**53,300 m²**	**96%**	**19 years**
Wynyard Quarter Stage 3	24.9%	21,100 m²	74%	12 years
Subtotal - Capital partners (ex Residential JV)		**21,100 m²**	**74%**	**12 years**
Total		**74,400 m²**	**90%**	**17 years**

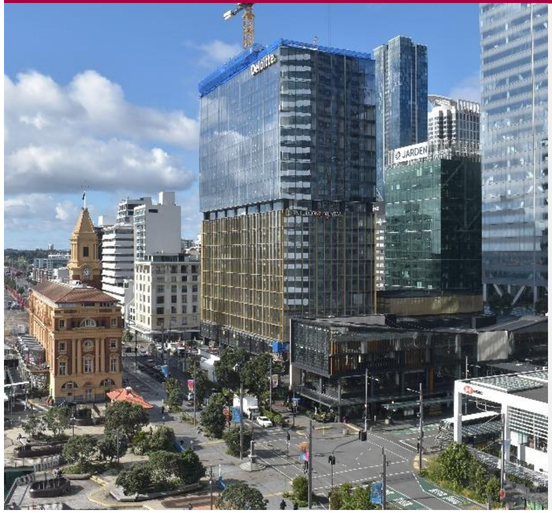

Artist Impression – 117 Pakenham

Artist Impression – 61 Molesworth Street

Note 1 – Metrics for Deloitte Centre include the InterContinental Auckland hotel where applicable

Development progress

One Queen Street



Completion Value

$358m (stabilised)

Completion Timing

FY24

Status

Construction nearing completion with client fitouts well underway.

Pre-opening activities underway with hotel opening anticipated in early 2024.

Bowen House

Completion Value

$167m

Completion Timing

FY25 (client fitout)

Status

Seismic strengthening completed with client integrated fitout now underway.

Rental start achieved in the period; new 15-year lease to start on completion of fitout.

61 Molesworth Street

Artist Impression – 61 Molesworth Street

Completion Value

$282m

Completion Timing

FY26

Status

Piling works complete and excavation now underway.

Wynyard Quarter Stage 3 (PPILP)

Completion Value

Circa $300m

Completion Timing

FY25

Status

Superstructure works well-advanced to both buildings.

Downtown Carpark update

Redevelopment of Downtown Carpark will provide a remarkable, once-in-a-generation opportunity to reimagine the city centre of Tāmaki Makaurau

Current Status

- Exclusive negotiations with Eke Panuku and other stakeholders nearing completion
- Core consultant team appointed with Concept Design underway
  - Design led by Warren & Mahoney in collaboration with Norwegian architectural firm Snøhetta
  - Consultant team consists of highly regarded organisations who Precinct have regularly used
  - Masterplanned scheme to be seamlessly integrated with wider waterfront precinct
  - Mix of civic, commercial, retail, hotel and residential uses contemplated

Next Steps

- Resource consent application targeted in FY24
- Intend to gauge interest from capital partner(s) over the next 24 months

Precinct

Residential development platform

Strategy

- Multi-unit residential developments are a natural extension to Precinct's core strategy, providing competitive and diversification benefits to future investment opportunities
- Aim to scale the platform to create a valuable, high-quality business in its own right
- Long term target of delivering 150+ units per annum, with a preference for Auckland including city fringe locations (quality suburbs / unique sites)

Status

- Equity investment in existing pipeline currently funded by Lamont & Co's existing partners
- No capital committed by Precinct to date but anticipate participating in future opportunities

Existing Pipeline

Project	Status	Completion	No. Units
Onehunga Mall Club	Construction	2023	102
Fabric Stage 2	Procurement	2026	118
Domain Collection	Procurement	2026	65
York House	Planning	2026	41
Total			**326**


Artist impression – The Domain Collection


Artist impression – FABRIC Stage 2


Summary

Summary

- High interest rate environment is impacting property values and transaction volumes
- Global economy remains uncertain with NZ exposed to certain risks
- Prime office occupier market remains very strong with low vacancy rates across Precinct's submarkets
- Work from office now clearly preferred as flight to quality trend continues
- Development pipeline remains robust and now includes exposure to multi-unit residential market
- Capital partnering growth expected to continue, albeit requiring higher returns, and with greater appetite for value-add opportunities
- Precinct is well placed with strong balance sheet and aligned capital partners

Appendices

A1: Operating income

For the 12 months ended ($m)	30 June 2023	30 June 2022	Δ
AON Centre - AKL	$11.4 m	$11.1 m	$0.3 m
HSBC Tower	$20.7 m	$18.2 m	$2.5 m
PWC Tower	$25.4 m	$24.8 m	$0.6 m
Commercial Bay Retail	$14.3 m	$14.4 m	($0.1 m)
Jarden House	$5.7 m	$6.0 m	($0.3 m)
Mason Brothers	$2.3 m	$2.4 m	($0.1 m)
204 Quay Street	$1.2 m	$1.1 m	$0.1 m
Auckland total	**$81.1 m**	**$77.9 m**	**$3.2 m**
NTT Tower	$8.4 m	$7.9 m	$0.5 m
AON Centre - WGN	$10.9 m	$11.2 m	($0.3 m)
Defence House	$7.9 m	$8.0 m	($0.1 m)
No 1 The Terrace	$6.5 m	$6.3 m	$0.2 m
Wellington total	**$33.7 m**	**$33.5 m**	**$0.2 m**
Investment portfolio	**$114.8 m**	**$111.4 m**	**$3.4 m**
Transactions and Developments			
Viaduct Carpark	$0.6 m		$0.6 m
40-44 Bowen Street	$3.6 m	$0.4 m	$3.2 m
Other transactions and developments[1]	$11.3 m	$21.0 m	($9.8 m)
Subtotal	**$130.2 m**	**$132.8 m**	**($2.6 m)**
COVID-19 Impact		($8.2 m)	$8.2 m
Total net property income	**$130.2 m**	**$124.6 m**	**$5.6 m**
Generator	$2.0 m	($0.7 m)	$2.7 m
CBHL	($0.2 m)	($2.0 m)	$1.8 m
IFRS 16 rent expense[2]	$9.0 m	$7.5 m	$1.5 m
Operating income before indirect expenses	**$141.0 m**	**$129.4 m**	**$11.6 m**
Cornerstone operating income before tax	$1.2 m		$1.2 m
Management fee income	$5.4 m		$5.4 m

Note 1 – Other transactions and developments includes: 30 Waring Taylor Street, Amora, Charles Fergusson Building, Building 5A, 10 Madden Street, 124 Halsey Street (Flowers building), Mayfair House, Bowen House, Freyburg Building, 1 Queen Street

Note 2 – IFRS 16 rent expense is eliminated from operating income as required by accounting standards

A2: Balance sheet

Financial Position as at ($m)	30 June 2023 Audited	30 June 2022 Audited	Δ
Assets			
Development properties	$523.5 m	$544.0 m	($20.5 m)
Investment properties	$2,604.7 m	$2,549.0 m	$55.7 m
Investment properties held for sale	$240.0 m	$577.2 m	($337.2 m)
Deferred tax asset	$1.6 m	$1.9 m	($0.3 m)
Right-of-use assets	$24.9 m	$28.9 m	($4.0 m)
Other	$193.0 m	$86.5 m	$106.5 m
Total Assets	**$3,642.8 m**	**$3,839.2 m**	**($196.4 m)**
Liabilities			
Interest bearing liabilities	$1,258.4 m	$1,275.8 m	($17.4 m)
Deferred tax liability	$1.9 m	$11.4 m	($9.5 m)
Lease liabilities	$63.2 m	$52.7 m	$10.5 m
Fair value of derivative financial instruments	$29.0 m	$20.5 m	$8.5 m
Other	$107.2 m	$43.3 m	$63.9 m
Total Liabilities	**$1,459.7 m**	**$1,403.7 m**	**$56.0 m**
Equity	**$2,183.1 m**	**$2,435.5 m**	**($252.4 m)**
NIBD to Total Assets	34.2%	32.5%	+ 1.8%
Liabilities to Total Assets - Loan Covenants	38.0%	34.3%	+ 3.8%
Shares on Issue (m)	1,585.9 m	1,585.4 m	+ 0.5 m
Net tangible assets per security	$1.38	$1.54	($0.16)
Net asset value per security	$1.38	$1.54	($0.16)

Precinct

A3: Investment portfolio overview

Key metrics

	Investment portfolio including cornerstone[1]	Investment portfolio directly held	Auckland	Wellington
WALT	**6.2 years**	**6.0 yrs**	5.5 yrs	7.3 yrs
Occupancy	**98%**	**99%**	98%	99%
Investment portfolio value[2]	**$2,716 m**	**$2,574 m**	$1,877 m	$697 m
Weighted average cap rate	**5.6%**	**5.6%**	5.4%	6.0%
NLA (m²)	**288 k**	**223 k**	138 k	85 k

Portfolio metrics – directly held

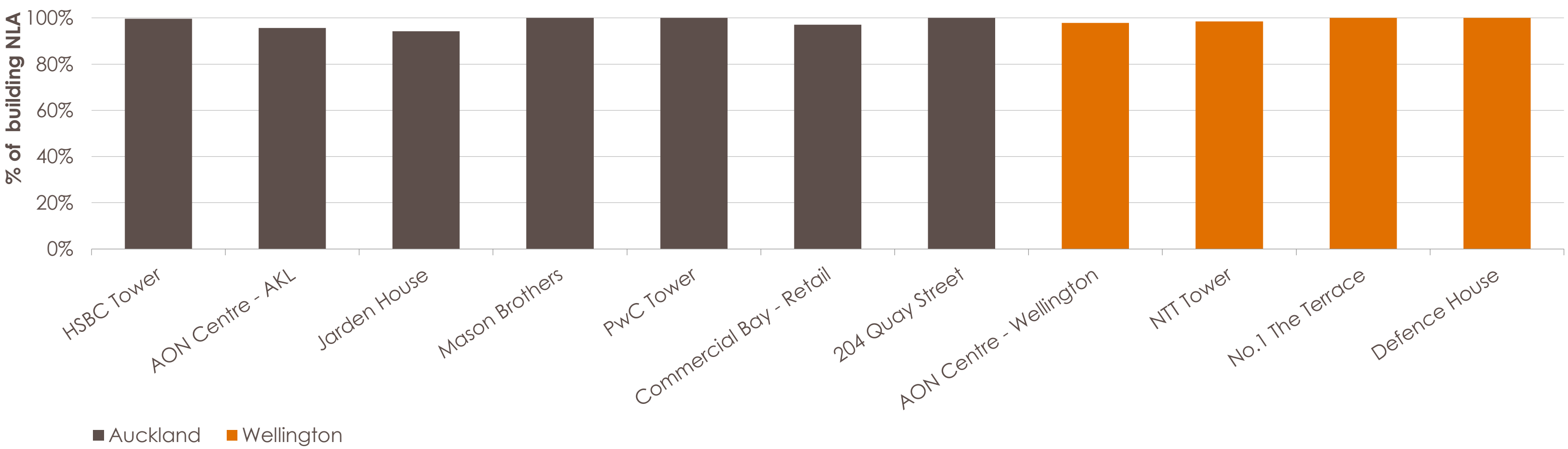
6.0 years

Weighted average lease term

99%

Portfolio occupancy

Occupancy



Note 1 – Investment portfolio metrics including Precinct cornerstone are weighted based on Precinct's ownership interest except for NLA which reflects total unweighted lettable area. Cornerstone portfolio includes 40 & 44 Bowen Street which settled post balance date on 15 August 2023.
Note 2 – Values exclude right of use assets of $30.8m at 30 June 2023

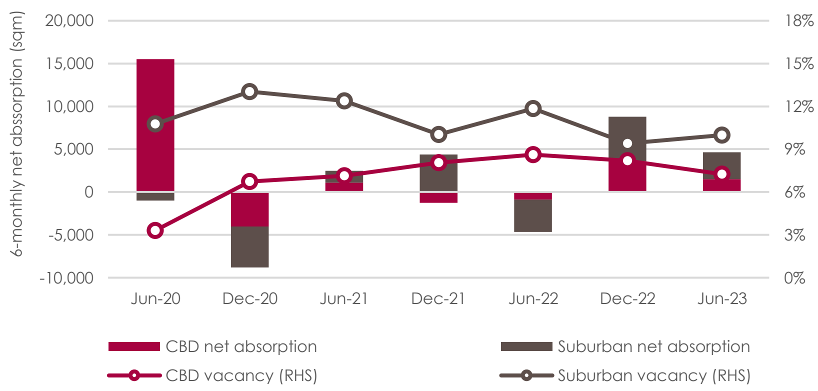
Precinct

A4: Other city centre markets

Retail

- City centre retail trading conditions continue to improve with tailwinds from return of office workers and increase in tourist arrivals
- Retailers are now positioning to take advantage of upcoming completions of new demand drivers including the City Rail Link, resulting in increased leasing activities and vacancy rate falling to 7.3% according to JLL research (Jun-22: 8.6%)

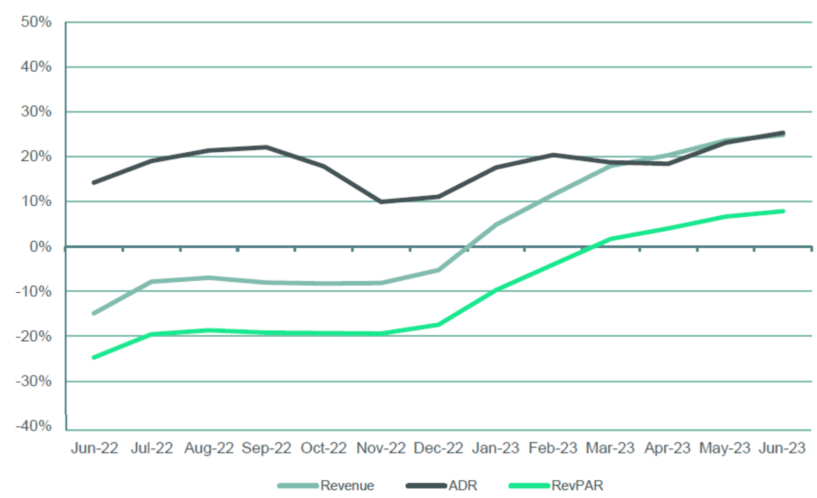
Auckland retail net absorption vs. vacancy rates (source: JLL)



Hotel

- International flight capacity and visitor arrivals continue to gradually recover with arrivals now only 31% below the pre-pandemic peak per CBRE analysis
- Room night demand have largely recovered to peak levels however occupancy rates remain below peak due to new supply added since 2019 (albeit high development costs will impede additional new supply)
- Room rates have benefited from recovering travel demand and are tracking over 20% above pre-pandemic levels per CBRE analysis

Auckland Hotel Room Rates as % of pre-pandemic levels



Source: CBRE, STR Global

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