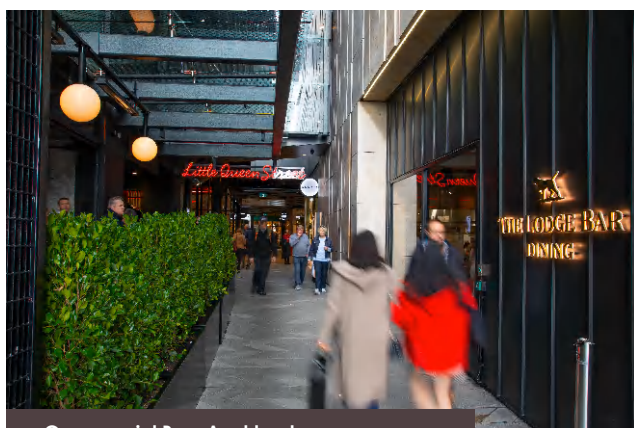


Precinct Quarterly Update

December 2020



Dear Shareholders,
Welcome to the December edition of our quarterly update.



Commercial Bay, Auckland

Annual General Meeting (AGM)

The AGM of shareholders was held at our Generator Commercial Bay Meeting & Event Suites on 17 November 2020. This year we adopted a hybrid meeting. So, in addition to the in-person meeting, shareholders, proxies and guests were able to attend the meeting online via a live webcast. Voting was conducted by poll and shareholders passed all three resolutions.

Any feedback from shareholders is welcome in advance of our 2021 AGM.

Outlook

While there is a high level of uncertainty within the New Zealand economy, Precinct remains confident in its strategy, supported by high occupancy levels, a long weighted average lease term and high quality clients, will continue to deliver returns for shareholders and reaffirms its dividend guidance of 6.50 cps for FY21. This represents an increase of 3.2% over the FY20 period.

On behalf of my Board colleagues, Management and wider Precinct team, I would like to thank you for your continued investment in Precinct during what can only be described as an extraordinary year. Merry Christmas and wishing you all a happy and safe new year.

Yours faithfully,

Craig Stobo, Independent Director and Chair

Dividend

Payment date	10 December 2020
Excluded dividend per share	1.616712 cents per share (cps)
Fully imputed dividend per share	0.008288 cps
Cash dividend per share	1.625 cps
Imputation credits	0.003223 cps

Indicative dividend payment dates

2nd Quarter 2021 financial year	26 March 2021
3rd Quarter 2021 financial year	11 June 2021

These dates represent the current expectation of Precinct(PCT) as at the date of publication, are subject to PCT board approval, may change without notice and are not a guarantee or warranty as to the payment of a dividend or the actual payment dates.

Key metrics at 30 September 2020

Portfolio value	\$3.0 billion
Overall occupancy	98%
Weighted average lease term	8.0 years
Market capitalisation	\$2.22 billion
Weighted average cap rate	5.3%
Weighting to Auckland (by value)	73%

Financial Summary

as at 30 September 2020

Year to date (Unaudited)

Dividends declared	1.625 cps
Full year forecast dividend per share	6.50 cps

Balance sheet

	Unaudited 30 Sept 20	Audited 30 June 20
Total assets	\$3,220.8 m	\$3,185.2 m
Net equity	\$1,893.7 m	\$1,908.4 m
Number of shares on issue	1,313.8 m	1,313.8 m
Net asset value per share	\$1.44	\$1.45
Bank covenant gearing	29.6%	28.8%

Shareholder returns

Shareholder returns

Total gross return	Precinct (NZX: PCT)	Listed Property
September quarter	8.6%	13.3%

Returns are based on close price for the quarter, and assume reinvestment of dividend (returns exclude imputation credits). Listed property is the S&P/NZX All Real Estate Gross Index. Source IRESS

2020 Interim Results

Precinct's 2020 interim results are scheduled to be announced on the 25th February 2021.

Precinct Quarterly Update *(Continued)*

44 Bowen Street

During the quarter, we are pleased to have announced our commitment to 44 Bowen Street, the second office building of the Bowen Campus Stage Two development in Wellington. The project will be undertaken on a pre-committed basis with leasing to KPMG secured across two floors or 25% of office space on a 15-year term. Taking into account the existing pre-commitments from EY, Fujitsu, and Generator at 40 Bowen Street, the aggregate pre-commit across Bowen Campus Stage 2 totals 10,000 sqm, around 50% of the combined office space.

44 Bowen Street will occupy the western portion of the site on land formerly occupied by the Charles Fergusson Annex building which was demolished during the redevelopment of Bowen Campus Stage 1. The new building will provide for eight levels of office accommodation totalling approximately 11,549 sqm of office NLA including the ground floor. Including 40 Bowen Street, the development provides a total of around 21,000 sqm of office space. In addition to office accommodation, both buildings will provide a small amount of retail/F&B as well as storage, end of trip facilities and bike parks. Both buildings will be 5 Star Green Star rated and will share a common entrance lobby and basement facilities including carparking. The total project cost for 40 & 44 Bowen Street is expected to be around \$195m and is expected to yield 6.6% once fully leased.



Bowen Campus Stage 2 Render

Please contact our registrar, Computershare:

- To change investment details such as name, postal address or method of payment, and
- For questions on your dividend and shareholding

Registrar:

Computershare Investor Services Limited

T +64-9-488-8777

Email: enquiry@computershare.co.nz

If you have any questions please feel free to email us at hello@precinct.co.nz

Sustainability at Precinct

As a business, we continue to make good progress across our sustainability efforts. Most recently, this includes our 2020 GRESB score. Precinct achieved a benchmark score of 83. Pleasingly, our result was again above the global average which was 70 this year and we are now inline with our NZ/AUS peers. The Australia and New Zealand real estate sector continue to lead globally in Environmental, Social and Governance (ESG) performance.

GRESB is considered the global standard for ESG benchmarking and reporting for real estate and remains our core ESG indices performance benchmark.

Another area of focus has been on the risks and opportunities presented by climate change. By partnering with Toitū Envirocare, Precinct has verified our carbon footprint and as a result received Toitū carbonzero certification. This means we have been able to accurately measure our greenhouse gas emissions and put in place strategies to manage and reduce impacts. We are also reducing the portfolios carbon intensity. Our goal is to ensure all our office buildings have a minimum NABERSNZ rating greater than 3. Currently five buildings in Precinct's investment portfolio have a certified NABERSNZ building energy efficiency rating of 3.5 star or above.

We continue to strive to improve our reporting and reduce our emissions further. We have submitted to the Carbon Disclosure Product (CDP) and have now published our own Climate related Financial Disclosures document. This document identifies Precinct's risks related to both physical climate impacts and transitional climate impacts resulting from the transition to a low carbon economy based on the TCFD (or Task Force on Climate-related Financial Disclosures) recommendations. This can be found on the Precinct website under our sustainability section.

A comprehensive response to all Precinct's ESG factors material to our business can be found in Precinct's 2020 annual report.



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