

Precinct Quarterly Update

December 2022



Welcome to the December edition of our quarterly update.

AGM

Precinct held its AGM on 3 November 2022. It was a hybrid format so in addition to the in-person meeting held at Generator Commercial Bay Meeting & Event Suites, attendance was also available online via a live webcast. Voting was conducted by poll and shareholders passed all resolutions.

Any feedback from shareholders is welcome in advance of our 2023 AGM.

Board Update

We continue to focus on the Board's succession planning and are continually reviewing this. Reflecting this and announced at our AGM last month, I will be stepping down as Chair and Independent Director of the Precinct Board at the conclusion of my current term in November 2023.

We expect to begin another process to identify a potential director appointment in the coming months. The People and Performance Committee will also commence the process for my replacement as Chair, ensuring a seamless transition and handover. We look forward to announcing these appointments in due course.

Mohammed Al Nuaimi has resigned as Shareholder Appointee from the Precinct Board of Directors on 3 November 2022. On behalf of my Board colleagues and Management, I would like to again thank Mohammed for his contribution to Precinct since 2013.

Outlook

Consistent with earlier guidance provided, the Board expects Precinct's dividend for the 2023 financial year to be no less than 6.70 cents per share in total cash dividends to be paid to shareholders.

Thank you for your continued investment in Precinct. Wishing you all a well and safe break over the Christmas and New Year period.

Yours faithfully,

Craig Stobo, Independent Director and Chair

Dividend

Payment date	16 December 2022
Excluded dividend per share	1.675 cents per share (cps)
Fully imputed dividend per share	0 cps
Cash dividend per share	1.675 cps
Imputation credits	0 cps

Indicative dividend payment dates

2nd Quarter 2023 financial year	24 March 2023
3rd Quarter 2023 financial year	9 June 2023

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 2022

Portfolio value	\$3.2 billion
Overall occupancy	98%
Weighted average lease term	6.9 years
Market capitalisation	\$2.1 billion
Weighted average cap rate	4.9%
Weighting to Auckland (by value)	71%

Financial Summary

as at 30 September 2022

Year to date (Unaudited)

Dividends declared	1.675 cps
Full year forecast dividend per share	6.70 cps

Balance sheet

	Unaudited 30 Sept 22	Audited 30 June 22
Total assets	\$3,968.1 m	\$3,839.2 m
Net equity	\$2,438.7 m	\$2,435.5 m
Number of shares on issue	1,585.9 m	1,585.4 m
Net asset value per share	\$1.54	\$1.54
Bank covenant gearing	35.5%	34.3%

Shareholder returns

Shareholder returns

	September Quarter	1 Yr	3 Yr	5 Yr
Precinct (NZX: PCT)	(3.9%)	(19.0%)	(21.2%)	15.7%
Listed Property	(1.9%)	(17.9%)	(13.9%)	24.9%

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

FY23 Interim Results

Precinct's FY23 interim results are scheduled to be announced on 23 February 2023.

Precinct Quarterly Update *(Continued)*

Investment Partnerships

During the quarter, Precinct announced the establishment of a new joint investment partnership with global private investment firm, PAG. The partnership will acquire 40 and 44 Bowen Street in Wellington for a total purchase price of \$240 million following the completion of 44 Bowen Street, anticipated mid-2023. PAG will have an 80% interest with Precinct holding a minority interest of 20%.

Precinct also announced further growth in its real estate investment partnership with Singapore sovereign wealth fund GIC with the Wynyard Quarter Stage 3 development to be acquired and completed by Precinct Pacific Investment Limited Partnership (PPILP). Precinct will continue to manage delivery of the development under the terms of a development management agreement.

While the investment environment continues to evolve, these transactions reinforces the strength in the office market and demand for joint investment into our high-quality assets and large-scale development opportunities, further endorsing Precinct's long-term strategy.

Pre-leased Wellington acquisition

In November 2022, Precinct secured an unconditional agreement to acquire 61 Molesworth Street in Wellington, together with a new 24,000 square metre office development project to be undertaken on the site. The prime commercial office space has been leased to the New Zealand Ministry of Foreign Affairs and Trade (MFAT). On completion, 61 Molesworth Street will deliver a seismically resilient, environmentally-focused commercial office building across 11 levels with ground floor amenities including a lobby café, meeting suites, and end of trip facilities. In addition to the high quality building specifications for this project, seismic resilience has been a critical consideration. The structural design of the building will incorporate advanced technologies, such as tuned fluid viscous dampers which provide for performance that exceeds design code minimum standards. The expected total project cost is around \$250 million, with the development expected to complete in Q3 2025.



Artist's impression of new office development at 61 Molesworth Street

Sustainability

Precinct continues to advance its ESG initiatives across the business. Precinct has lifted its targets around climate-related disclosures, with a focus on energy efficiency and meeting or exceeding New Zealand's excellence levels under NABERSNZ and Green Star Ratings.

Precinct has also become a signatory to the World Green Building Council Net Zero Carbon Buildings Commitment. This commitment is to minimise total emissions, both operational and embodied over an asset lifecycle. Precinct has offset emissions relating to construction for several years now, however this commitment goes further and will see the business focus on more sustainable design and products to minimise upfront emissions by 2030.

During the quarter, Precinct received its most recent 2022 GRESB results. Precinct achieved a score of 82, again placing us above the current global average of 74 and also maintained a public disclosure level of 'A'.

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

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