Precinct

NZX announcement – 19 November 2020

44 Bowen Street Committed and Precinct First Quarter Dividend

Precinct Properties New Zealand (Precinct) (NZX:PCT) is pleased to announce today it will be committing 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 10,000sqm, 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 11,549m2 of office NLA including the ground floor. Including 40 Bowen Street, the development provides a total of around 21,000sqm 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.

Scott Pritchard, Precinct's Chief Executive said, "We are very pleased to be welcoming KPMG into Precinct's portfolio and commencing 44 Bowen Street. Securing another high-quality corporate occupier reinforces the demand for this location and for quality office space in the Wellington City Centre. With leasing enquiry remaining elevated in the Wellington market we expect both buildings to be fully leased prior to completion."

Precinct notes that there has been considerable commentary around the impact on the demand for city centre office space from COVID and working from home. Across the Auckland and Wellington portfolios Precinct has continued to experience solid demand with 10,000sqm of leasing transactions concluded across both markets since 30 June. No further

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clients have notified Precinct of an intent to reduce floor space and the majority of occupiers have now returned to their offices.

Precinct is also pleased to advise that shareholders will receive a first-quarter dividend of 1.625 cents per share plus imputation credits of 0.003223 cents per share. Offshore investors will receive an additional supplementary dividend of 0.001463 cents per share to offset non-resident withholding tax (see Note 1). The record date is 26 November 2020 and payment will be made on 10 December 2020. See Note 2 for Inland Revenue Department (IRD) change in relation to listed PIE income.

In addition, and despite the high level of uncertainty within the New Zealand economy, Precinct remains confident 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 6.50cps for FY21 reflecting an increase of 3.2% over the FY20 period.

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About Precinct (PCT)

Precinct is New Zealand's only listed city centre specialist investing predominately in premium and A-grade commercial office property. Listed on the NZX Main Board, PCT currently owns Auckland's PwC Tower, AMP Centre, ANZ Centre (50%), Jarden House, HSBC House, Mason Bros. Building, 12 Madden Street, 10 Madden Street and Commercial Bay; and Wellington's AON Centre, NTT Tower, No. 1 and No. 3 The Terrace, Mayfair House and Bowen Campus. Precinct owns Generator NZ, New Zealand's premier flexible office space provider. Generator currently offers 13,600 square metres of space across four locations in Auckland.

Note 1

A supplementary dividend is paid to non-resident shareholders to offset the amount of non-resident withholding tax ("NRWT") that New Zealand companies are required to deduct from dividends paid to non-resident shareholders. A supplementary dividend is paid to ensure equitable treatment between non-resident shareholders and resident shareholders (whose dividends are not subject to NRWT). There's no disadvantage to Precinct or our shareholders, and non-resident shareholders don't get a larger cash dividend than an equivalent New Zealand resident shareholder.

Note 2

As listed PIEs are taxed at 28%, any investor who has a resident withholding tax ("RWT") rate lower than this will have to manually add this PIE income to their annual tax returns. All other investment income will be automatically provided to the IRD. You are required to include the Gross dividend in your income tax return (and claim a credit for the imputation credits) unless you are an individual or trustee investor. If you are an individual or trustee investor you can choose whether to include this amount in your income tax return. Individual or trustee investors on lower than the 30% marginal tax rate may choose to do so to gain the benefit of the imputation credits attached. The excluded income should not be included in your tax return. All shareholders should seek independent advice if you have any queries regarding the tax treatment of your payment.