

NZX announcement – 27 August 2025

Strategic execution and Precinct FY25 full year result

Performance summary for the 12 months ended 30 June 2025

Financial summary

- Funds from operations (FFO) from directly held investment portfolio of \$150.3 million, up 3.7% (2024: \$145.0 million).
- Operating profit before indirect expenses and income tax of \$152.3 million (2024: \$150.5 million), up 1.2%.
- Total comprehensive income after tax of \$3.1 million (2024: (\$30.1) million) with an annual revaluation which recorded a \$27.6 million decline in FY25 (2024: \$105.2 million), reflecting further stabilisation of asset values over the last 12 months.
- Adjusted funds from operations (AFFO) of 6.54 cps (2024: 6.69 cps).

Executing on Precinct's strategic growth opportunities

Progress across living strategy

- Commitment to deliver largest student accommodation facility in New Zealand (expected value on completion of \$290 million) for the University of Auckland, and the formation of a new strategic real estate investment partnership with Singapore-based institutional investor, global asset manager and operator, Keppel.
- Resource consent granted for 640 studio student accommodation facility at 256 Queen Street, with procurement advanced.
- Resource consent granted at Pillars, St Mary's Bay in Auckland for premium boutique residential build-to-sell apartment offering.
- Resource consent granted for the residential apartment development on Dominion and Valley Roads in Mount Eden, comprising 120 apartments across three buildings.
- Commenced construction at York House in Parnell during the period.

Joint Venture with Orams Group advanced

- Development of commercial office and marine-related space now commenced.

Further capital partnering initiative announced

- Precinct is seeking to establish a capital partnership to invest in the PwC Tower in Commercial Bay, Auckland. This initiative is consistent with Precinct's long standing business strategy. It enables the recycling of capital to support Precinct's strategic growth opportunities including the Downtown Car Park redevelopment project while growing its capital partnerships over the medium term.

Downtown Car Park redevelopment project update

- Office leasing demand remains elevated with strong interest in the office component as we continue to actively engage with potential occupiers.
- Continue to progress preliminary design with the development to now include a hotel.
- Market engagement with a range of main contractors and subcontractors for construction.

Active capital management is enabling the execution of strategy

- Strategic recycling of capital from the successful exit of the remaining 20% interest in 40 and 44 Bowen Street in Wellington for \$48 million and conditional sale of the InterContinental Auckland hotel at One Queen Street for \$180 million. These sales are consistent with Precinct's business strategy and enable the recycling of capital to deliver on the next phase of Precinct's strategy.
- Refinanced \$165 million of maturing retail bonds and USPP notes through a \$200 million bank debt facility and a \$75 million wholesale bond.
- Executed a \$180 million fixed term loan secured against 61 Molesworth Street in Wellington.
- Post balance date, Precinct refinanced its 2026 bank facilities with a new \$275 million five-year facility and obtained an additional \$75 million liquidity facility both on favourable terms.

Operating performance

- Portfolio occupancy of 97% with 6.0 years (2024: 6.6 years) weighted average lease term (WALT).
- 17.2% growth in contract rents across c.17,000 square metres of office leasing transactions, with rent reviews achieving a 4.3% increase.
- Beca House at Wynyard Quarter Stage 3 completed.
- Strategic evolution of Generator business to Precinct Flex, providing alignment to better support Precinct's long-term growth objectives while bringing together our leadership in the flex space with our premium property offering.

Environmental, Social and Governance (ESG) update

- Improved Global Real Estate Sustainability Benchmark (GRESB) score from 86 to 89, with Precinct in the top 20% of over 2,000 funds and entities participating globally, and materially above the global average of 76.
- Precinct published its first climate statements in accordance with the External Reporting Board's (XRB) Aotearoa New Zealand Climate Standards available online at Precinct's website: www.precinct.co.nz. Precinct's 2025 climate related disclosures will be published in October 2025.

Board changes

- Appointment of Alison Barrass as an Independent Director and retirement of Graeme Wong.
- Appointment of Taurua Grant as a Future Director.

Note: Further information can be found within the 2025 Annual Report and results presentation. You can find these at <https://www.precinct.co.nz/investors/2025-annual-results>

Precinct Properties Group (Precinct) (NZX: PCT) reported its financial results for the 12 months ended 30 June 2025 today. Robust leasing performance across Precinct's core office portfolio has achieved a positive leasing spread during the period. Funds from operations (FFO) from directly held investment portfolio of \$150.3 million, up 3.7% (2024: \$145.0 million). Operating profit before indirect expenses and income tax was up 1.2% to \$152.3 million (2024: \$150.5 million).

Stabilising asset valuations have contributed to a total comprehensive income after tax of \$3.1 million. This compares to (\$30.1) million for the same period last year, with the fair value movement across the value of Precinct's properties declining \$27.6 million for FY25 (\$105.2 million devaluation recorded in FY24).

Precinct's Adjusted Funds from Operations (AFFO) which adjusts statutory net profit (under IFRS) for certain non-cash and other items for the 2025 financial year was \$103.8 million or 6.54 cps (2024: \$106.2 million or 6.69 cps). Full year dividends paid to shareholders and attributed to the 2025 financial year totalled 6.75 cents per stapled security, reflecting an AFFO pay out ratio of 103%.

Precinct's committed gearing is 38.6% against a covenant of 50%. During FY26 Precinct will look to reduce leverage further through capital partnering initiatives to support the delivery of Precinct's strategy.

As at 30 June 2025, Precinct's funds under management includes Precinct's directly owned portfolio totalling \$3.2 billion (on completion value), and capital partnerships including commercial and residential developments totalling \$1.6 billion (on completion value).

Further financial information can be found within the 2025 Annual Report at <https://www.precinct.co.nz/investors/2025-annual-results>.

Scott Pritchard Precinct CEO said, "Over the past 12 months, we are pleased to have executed on our strategic growth opportunities. This includes advancing both our living and capital partnering strategies, which have become core components of our business."

"Our investment portfolio has performed well with occupancy increasing to 97%. This reflects the continued demand for premium-grade office space and the ongoing preference for quality among occupiers."

"Our development project at 61 Molesworth Street in Wellington is now nearing completion and remains on target for Q4 2025."

"A key focus for Precinct has been to progress our living sector projects. During the period, we have executed on a number of these including the commitment to deliver the largest student accommodation facility in New Zealand for the University of Auckland at 22 Stanley Street. We are excited to be working closely with the University of Auckland to create best in class student accommodation here in Auckland. This project reflects the strong endorsement for both Precinct's living and capital partnering strategies, and the strong demand and investment interest in the PBSA sector."

"We are pleased to have secured a resource consent for a 640 bed PBSA facility at 256 Queen Street and have advanced construction procurement for this project. Precinct remains in discussions with potential capital partners to co-invest in this project".

"We have also advanced our residential build-to-sell pipeline with construction commencing at York House in Parnell and resource consent granted for both developments at Pillars and Dominion and Valley Roads. Across our Joint Venture with Orams Group, we have now commenced works for the commercial office development and marine-related space at the waterfront site at Wynyard Quarter."

"The continued execution of our capital partnering strategy is enabling Precinct to invest in value-add opportunities and leverage our expertise to deliver higher returns on invested capital through a moderate risk profile. The sustained interest we are receiving from direct investors reinforces the confidence in our long-term strategic growth opportunities."

"An improving investment market and stabilising valuation environment has continued to provide opportunities for Precinct to execute on further capital partnering initiatives. Post balance date, Precinct is seeking to establish a capital partnership for the PwC Tower in Commercial Bay, Auckland. This initiative is consistent with Precinct's long standing business strategy. It enables the recycling of capital to support Precinct's strategic growth opportunities including the Downtown Car Park redevelopment project while growing its capital partnerships over the medium term."

"During the year, we have prudently undertaken a number of capital management initiatives to ensure the execution of our strategic initiatives is supported by an active and disciplined approach to deliver on Precinct's strategy."

Operational performance

Precinct's core portfolio has performed well with Precinct's occupancy of 97% and a weighted average lease term of 6.0 years recorded at 30 June 2025.

A total of 18,874 square metres of leasing transactions was recorded across our investment portfolio during the last 12 months. Pleasingly, new office leases were secured 17.2% above previous contract rents. Rent reviews were completed across c.172,000 square metres during the period, resulting in an average uplift of 4.3%.

At 30 June 2025, Precinct's portfolio is under-rented by 7% (June 2024: 11% under-rented).

While positive sentiment is returning, the weaker New Zealand economy over the last 12 months has impacted our retail and operating businesses. Despite a challenging environment for retailers, we are seeing moderately improved levels of trading at our Commercial Bay retail precinct with sales up 3.7% on the prior comparable period, reflecting the high-quality retail mix at the centre. Pleasingly, with positive leasing demand, current occupancy is around 97%. Across Precinct Flex, we are seeing a steady uplift in membership revenue over the last six months, while events remain stable. The strategic evolution of this business is aligning to better support Precinct's premium real estate offering and long-term growth objectives.

Dividend Policy update

During the year, Precinct undertook a comprehensive review of its dividend policy to ensure alignment with its evolving business model and strategic priorities. The review identified that the previous policy – based on a fixed 100% payout of Adjusted Funds From Operations (AFFO) – was too rigid and may lead to dividend volatility.

To enhance dividend sustainability and provide greater flexibility, Precinct has adopted a revised dividend policy. The new policy targets a payout range of 80% to 95% of Funds From Operations (FFO), reflecting recurring earnings from operations. This approach allows the business to manage earnings fluctuations while maintaining a stable and prudent dividend profile.

Importantly, Precinct remains committed to ensuring that dividends are cash-covered, with retained earnings used to support recurring capital expenditure and strategic reinvestment.

Dividend payment

Precinct Properties Group shareholders will receive a fourth-quarter combined cash dividend of 1.6875 cents per stapled security.

This consists of a fourth-quarter dividend for Precinct Properties New Zealand Limited ("PPNZ") of 1.497500 cents per share in cash dividends. This dividend has no imputation credits to attach for the quarter and therefore no supplementary dividend to be paid (see note 2).

It also consists of a fourth-quarter dividend for Precinct Properties Investments Limited ("PPIL") of 0.249848 cents per share, comprising cash of 0.190000 cents per share, imputation credits of 0.041167 cents per share and a supplementary dividend of 0.018681 cents per share (see note 2).

The record date for both PPNZ and PPIL dividends above is 5 September 2025 and payment will be made on 19 September 2025.

Outlook and guidance

Precinct's core portfolio has performed well over the last 12 months reflecting the underlying quality of our real estate. We continue to see the premium office market outperform, with limited supply, and a strengthening return-to-office thematic.

Across our strategic initiatives, we are particularly pleased with advancing our living sector projects. We have successfully progressed the execution of Precinct's strategic growth opportunities and advanced our capital partnering program, which is an ongoing focus.

While the economic recovery is taking longer than anticipated, lower interest rates are supporting a more positive near-term earnings outlook. We remain focused on positioning Precinct to successfully deliver the next phase of its strategy.

The Board expects the dividend for the 2026 financial year to be held stable at 6.75 per stapled security to be paid to shareholders. The updated dividend policy has been adopted and has been considered in relation to our FY26 dividend guidance.

Further information can be found within the 2025 Annual Report and results presentation. You can find this at: <https://www.precinct.co.nz/investors/2025-annual-results>.

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About Precinct

Listed on the NZX Main Board under the ticker code PCT and ranked in the NZX top 30, Precinct is the largest owner, manager and developer of premium city centre real estate in Auckland and Wellington.

Precinct is predominantly invested in office buildings and also includes investment in Precinct Flex, Commercial Bay retail and a multi-unit residential development business. As at 30 June 2025, Precinct's directly-held portfolio (on-completion value) totalled \$3.2 billion and Precinct had a further \$1.6 billion of capital partnering assets under management: \$1.2 billion of these were assets in which Precinct holds a minority interest; with the balance being managed on behalf of third party partners. For information visit: www.precinct.co.nz

On 1 July 2023, Precinct effected a restructuring to create a stapled group structure. A stapled group comprises two listed parent companies whose shares are held by the same shareholders in equal proportions. The shares in each parent company can only be transferred or dealt with together. Shareholders in Precinct Properties Group ("Precinct") hold an equal number of shares in Precinct NZ and Precinct Investments Limited and these shares can only be dealt with together. The stapled issuers are described as "Precinct Properties NZ Ltd & Precinct Properties Investments Ltd (NS)" on NZX systems and the ticker code for the stapled shares remains PCT.

Note 1

AFFO is a non-GAAP financial measure that shows the organisation's underlying and recurring earnings from its operations and is considered industry best practice for a REIT. This is determined by adjusting statutory net profit (under IFRS) for certain non-cash and other items. AFFO has been determined based on guidelines established by the Property Council of Australia and is intended as a supplementary measure of operating performance.

<i>Amounts in \$ millions unless otherwise stated</i>	30 June 2025	30 June 2024
Net profit / (loss) after income tax	11.0	(22.1)
Income tax (benefit) / expense	(5.7)	(1.2)
<i>Total other (income) / expenses</i>	77.4	127.2
Operating profit before income tax	82.7	103.9
Current tax benefit / (expense)	7.7	2.4
Share-based payments scheme	3.3	1.2
Convertible note option value amortisation	1.6	1.2
IFRS 16 lease adjustments	(9.1)	(8.6)
Amortisations of incentives and leasing costs	14.3	13.3
Straightline rents	(1.1)	(3.7)
Distributions from equity-accounted investment attributable to the period	5.0	3.7
Adjust for one-off items	8.3	1.1
Funds from operations (FFO)	112.7	114.5
Funds from operations per share (cents)	7.10	7.22
Maintenance capex	(2.6)	(3.3)
Incentives and leasing costs	(6.3)	(5.0)
Adjusted funds from operations (AFFO)	103.8	106.2
Weighted average number of shares for net operating income per share (millions)	1,587.0	1,586.3
Adjusted funds from operations per share (cents)	6.54	6.69

This additional performance measure is provided to assist shareholders in assessing their returns for the period.

Note 2

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).

Note 3

All portfolio metrics are as at 30 June 2025 and reflect Precinct's direct ownership in assets, unless otherwise stated.