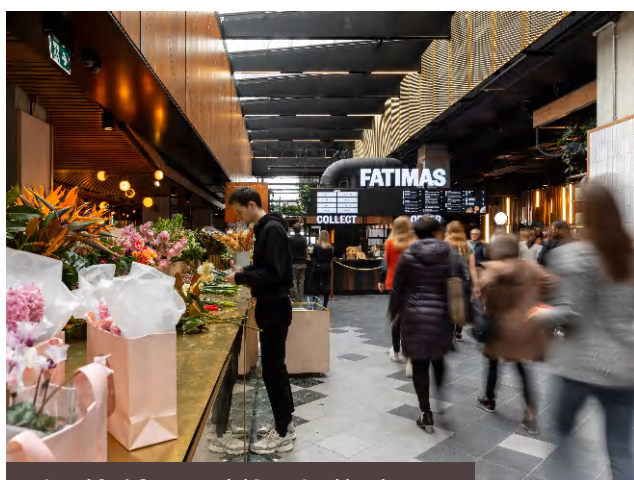


Precinct Quarterly Update

June 2021



Welcome to the June edition of our quarterly update.



Level 2 at Commercial Bay, Auckland

Precinct Internalisation Agreement

In March 2021, the Independent Directors of Precinct reached an agreement with the Manager, AMP Haumi Management Limited, to terminate the Management Services Agreement and internalise the management of Precinct. The internalisation is expected to provide significant benefits to Precinct and its shareholders. We expect cost savings from the transaction of \$14.6 million per annum and 6.0% accretive to adjusted funds from operations per share on a pro forma basis. As the Independent Directors needed to act quickly and with certainty given competing interest, and to ensure Precinct was able to secure all the benefits of internalising management, an NZX waiver was obtained so that the transaction did not require a shareholder vote. Importantly, Precinct has retained key management personnel.

We are committed to the long-term success of Precinct. We believe internalising the management of Precinct positions our business to deliver on the next phase of its strategy. The Board would like to reaffirm Precinct's full year dividend of 6.50 cps. This represents a 3.2% year on year increase in dividend to shareholders.

Precinct's FY21 annual results are scheduled for 12 August 2021.

Yours faithfully,

Craig Stobo, Independent Director and Chair

Dividend

Payment date	11 June 2021
Excluded dividend per share	1.625 cents per share (cps)
Fully imputed dividend per share	0 cps
Cash dividend per share	1.625 cps
Imputation credits	0 cps

Indicative dividend payment dates

4th Quarter 2021 financial year	24 September 2021
1st Quarter 2022 financial year	10 December 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 31 March 2021

Portfolio value	\$3.1 billion
Overall occupancy	98%
Weighted average lease term	7.6 years
Market capitalisation	\$2.1 billion
Weighted average cap rate	4.9%
Weighting to Auckland (by value)	74%

Financial Summary

as at 31 March 2021

Year to date (Unaudited)

Dividends declared	4.875 cps
Full year forecast dividend per share	6.50 cps

Balance sheet

	Unaudited 31 March 21	Audited 30 June 20
Total assets	\$3,423.9 m	\$3,185.2 m
Net equity	\$1,834.7 m	\$1,908.4 m
Number of shares on issue	1,313.8 m	1,313.8 m
Net asset value per share	\$1.40	\$1.45
Bank covenant gearing	37.5%	28.8%

Shareholder returns

Shareholder returns

	March Quarter	1 Yr	3 Yr	5 Yr
Precinct (NZX: PCT)	6.8%	(0.6%)	42.7%	58.9%
Listed Property	17.8%	25.6%	49.9%	58.8%

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

Sales transaction update

During the quarter, we are pleased to have settled the sale for the remaining 50% interest in the ANZ Centre in Auckland.

Precinct Quarterly Update *(Continued)*

Construction start on One Queen Street

We are very excited to have announced that following completion of a comprehensive re-design, construction of the One Queen Street redevelopment has now commenced. Building on the success of Commercial Bay since opening almost one year ago, this second stage will comprise a luxury hotel, premium office accommodation and a variety of unique food and beverage options. Importantly, the revised scheme remains fully integrated into the Commercial Bay retail precinct.

One Queen Street occupies one of the most prominent positions within Auckland's city centre so ensuring the building is contributing to the city centre and to Commercial Bay has been a priority for Precinct.

Construction will be undertaken by LT McGuinness on a fixed price contract with completion due in late 2023. The total project cost is expected to be around \$305 million with an expected yield on cost of 6.2% once complete.



Bowen Campus

Precinct has secured a 12 year term lease with Waka Kotahi NZ Transport Agency who will occupy 6 contiguous floors across the ground and levels 1 to 5, totalling 8,660 sqm of space at 44 Bowen Street in Wellington. We are delighted to have secured such a high quality large occupier like Waka Kotahi NZ Transport Agency into Precinct's Wellington portfolio. Precinct committed to the 44 Bowen Street project on a pre-committed basis with leasing to KPMG secured at the end of last year. With Waka Kotahi NZ Transport Agency secured the building will now be 100% leased.

Construction at both buildings at the Bowen Campus Stage Two development continue to advance well, tracking to programme and on budget. Practical completion of 40 Bowen and 44 Bowen Street is expected in September 2022 and May 2023, respectively.

Carbon Performance

With a goal to create sustainable value through city centre real estate, Precinct recognises the importance of working together with Carbon Disclosure Project (CDP), a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Each year CDP supports thousands of companies to measure and manage their risks and opportunities on climate change, water security and deforestation. CDP's climate questionnaires are fully aligned with the TCFD (or Task Force on Climate related Financial Disclosures) recommendations. We are pleased to update investors and share that Precinct has received a B- for 2020, higher than both the Oceania regional and Global average of C. Looking forward, we hope to improve on our current score towards environmental leadership.



Green Bond

In May 2021, Precinct successfully issued a six year secured, fixed rate green bond offer of NZ\$150 million. This includes oversubscriptions of \$50 million to institutional investors and New Zealand retail investors. There was no public pool for the offer, with all the Green Bonds reserved for clients of the Joint Lead Managers, NZX participants and other approved financial intermediaries. The net proceeds of the offer are intended to be earmarked in accordance with Precinct's Sustainable Debt Framework dated 2020 to finance or refinance energy efficient buildings.

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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