

Annual Report 2025

Building on Success

Precinct™

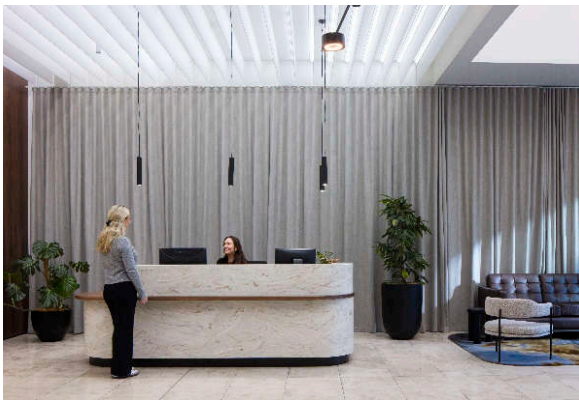




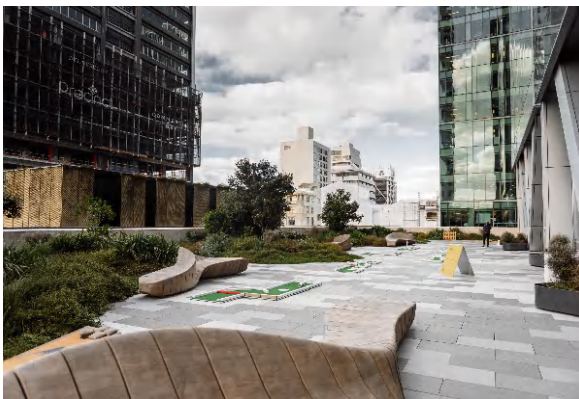
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FY25 Highlights



Precinct Group Overview



Our Strategy

Our purpose is to enrich everyday lives through the environments we create.

Precinct’s three strategic pillars are a core office portfolio, a proven track record to create new world-class real estate and our capital partnering platform, all underpinned by a focus on people centric outcomes in mind.

Our Strategy

Leverage our strategic pillars to create vibrant, mixed-use precincts that provide quality experiences for the people who live, visit or come to work in our spaces, while delivering long-term value to shareholders.

Strategic Pillars

Core Investments

Development

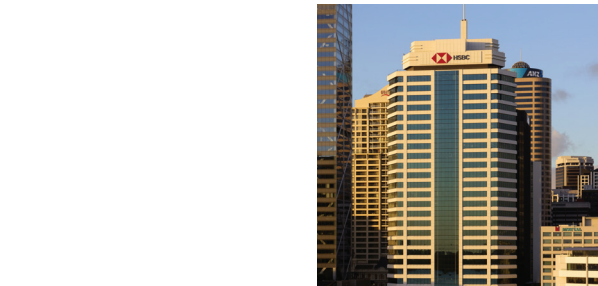
Capital Partnering

Our Focus

- Well-located prime assets which have significantly out performed lower grade stock
- Stock selection remains a key success factor for out performance
- Extending our offering to ensure we continue to attract the best quality clients in the country

- Recycling and deploying capital into projects that generate higher yielding returns
- Leveraging Precinct's expertise and capability to deliver on our development pipeline valued at \$3.7 billion which includes mixed use, office, living, and large-scale projects like the Downtown Car park redevelopment project

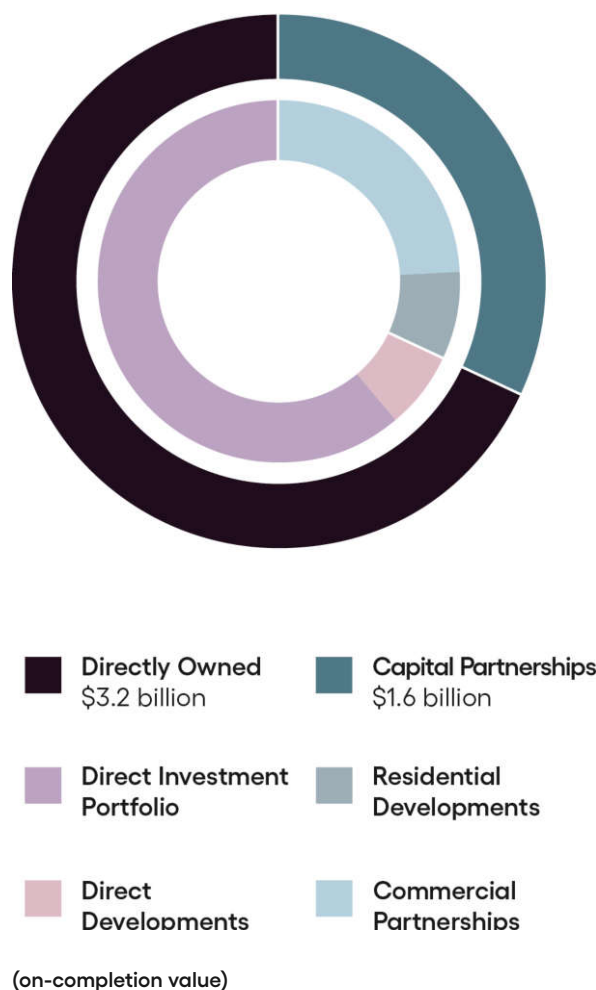
- Expanding our investor base enables Precinct to explore a broader set of opportunities
- Investing in value add opportunities alongside capital partners leverages Precinct's expertise in repositioning, releasing, and realising value, delivering a higher return on the invested capital through a moderate risk profile
- Funds management, development management, investment management, and property management



Strategic Progress

Key strategic initiatives

- Commitment to deliver largest student accommodation facility in New Zealand for the University of Auckland at 22 Stanley Street, and the formation of a new strategic real estate investment partnership. Construction works commenced on site in June.
- Advanced our Joint Venture with Orams Group with the commercial office development and marine-related space now commenced.
- Commenced construction at York House in Parnell.
- Resource consent granted for the residential apartment development on Dominion and Valley Roads in Mount Eden.
- Resource consent granted at Pillars in Auckland for premium boutique residential build-to-sell apartment offering.
- Progressed preliminary design for the Downtown Car Park redevelopment project.
- Sale of the remaining 20% interest in 40 and 44 Bowen Street in Wellington for \$48 million, and conditional sale of the hotel at One Queen Street in Auckland for \$180 million.
- Precinct is seeking to establish a capital partnership for the PwC Tower in Commercial Bay, Auckland.

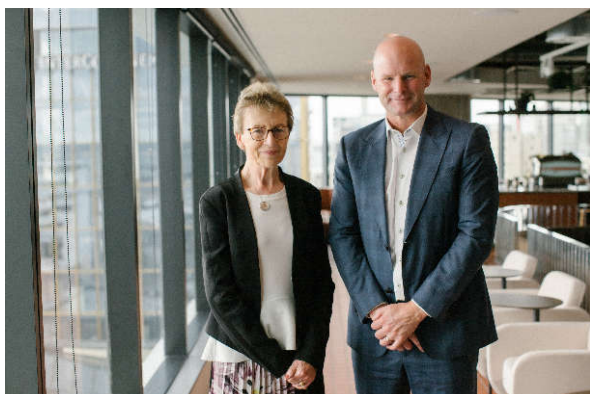


Expected capital
partnerships over
the medium term
~\$4-5b

Precinct has a target of allocating around 20% of its capital to investment partnerships across the living and commercial sector.



Chair and CEO Report



Over the past 12 months, Precinct's core portfolio has performed well, underscoring the quality of our real estate assets.

We have also progressed our strategic initiatives which includes advancing our living sector projects.

**We are pleased to
present Precinct's 2025
Annual Report.**

Anne Urlwin, Independent Director and Chair (left) and Scott Pritchard, CEO (right)

FY25 performance

Precinct's business performance over the last twelve months has delivered a pleasing result. Operating profit before indirect expenses and income tax was up 1.2% to \$152.3 million (2024: \$150.5 million).

Total comprehensive income after tax was \$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).

At 30 June 2025, Funds From Operations (FFO) is 7.10 cps (June 2024: 7.22 cps) and Adjusted Funds From Operations (AFFO) is 6.54 cps (June 2024: 6.69 cps). Our full-year dividend to shareholders is 6.75 cents per stapled security.

Precinct's Total Shareholder Return (TSR) for the year ended 30 June 2025 was 13.9%. This compares to the Listed Property Total Return of 8.7%¹ for the same corresponding period.

Board changes and engagement with shareholders

During the period, Alison Barrass was appointed as an Independent Director and elected at the 2024 Annual Meeting of Shareholders. In November 2024, we also welcomed Taurua Grant as a Future Director through the Future Directors Programme and we farewelled Graeme Wong from the Boards of Precinct.

The People and Performance Committee continues to ensure that the Boards of Precinct are composed of individuals with a range of appropriate skills, knowledge and experience that are well aligned with Precinct's strategy. The Committee is also responsible for managing the Boards' succession planning and regularly reviews the skills required for the Precinct Boards. A Directors' skills matrix is presented in the [Corporate Governance](#) section of this report.

The Board has appreciated the opportunity to meet with investors over the past 12 months to listen to their feedback as well as Management undertaking regular engagement with key investor representatives throughout the year.

1 Returns are based on close price for the period ending 30 June 2025, and assume reinvestment of dividend (returns exclude imputation credits). Listed property is the S&P/NZX All Real Estate Gross index. Source IRESS.

Chair and CEO Report

Advancing our living strategy

During the period, we are pleased to have progressed our living sector strategy. As part of this strategy, a significant shortfall of student accommodation in Auckland was identified, against a backdrop of growing demand for Auckland's highly rated universities. In response, Precinct has secured a substantial pipeline of well-located new student accommodation opportunities.

In May 2025, Precinct announced its commitment to develop a Purpose-Built Student Accommodation (**PBSA**) facility for the University of Auckland at the Carlaw Park Student Village in Auckland, and the formation of a new strategic real estate investment partnership with a Singapore-based institutional investor. This PBSA project supports the execution of Precinct's pipeline, with this initiative advancing both our living and capital partnering strategies. We are thrilled to be working closely with the University of Auckland to deliver for them the largest student accommodation facility in New Zealand. We are equally excited to be collaborating with Singapore-based institutional capital to cost-effectively fund New Zealand's social infrastructure.

Precinct continues to progress opportunities including the 256 Queen Street development in Auckland. Resource consent has been granted and procurement advanced.

Sustainability

As increased regulations come into effect, our business continues with its sustainability efforts to ensure Precinct's commitment to sustainability not only ensures compliance but also positions our business as a leader in this space. With a sustainability strategy that is integrated within our broader business strategy, this provides strong alignment to work in partnership with our stakeholders to progress our shared ESG commitments. We are committed to achieving improvements in environmental performance and operational costs.

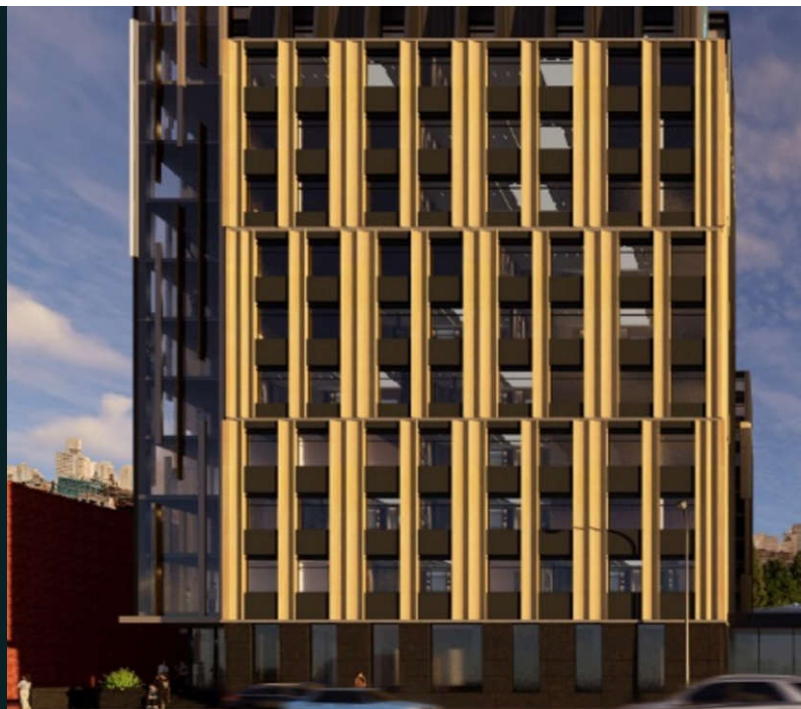
This year, we have improved our Global Real Estate Sustainability Benchmark (GRESB) score, from 86 to 89, with Precinct in the top 20% of over 2,000 funds and entities participating globally, and being materially above the global average of 76. Precinct also published its first climate statement during FY25, in accordance with the External Reporting Board's (XRB) Aotearoa New Zealand Climate Standards. This is available on [Precinct's website](#). Precinct's 2025 climate related disclosures will be published in October 2025 and will be available on [Precinct's website](#).

22 Stanley Street project

Strategically positioned in Auckland for student accommodation with 960 self-contained studios and an expected value on completion of \$290 million.

This project is underpinned by a long-term lease agreed with the University of Auckland. Precinct will have a minority interest of 20% and act as the developer, development manager, and property manager. With designs well advanced, construction is underway with a target opening at the beginning of the 2028 calendar year.

(Artist's impression to the right)



FY25 Results Overview

FY25 financial performance

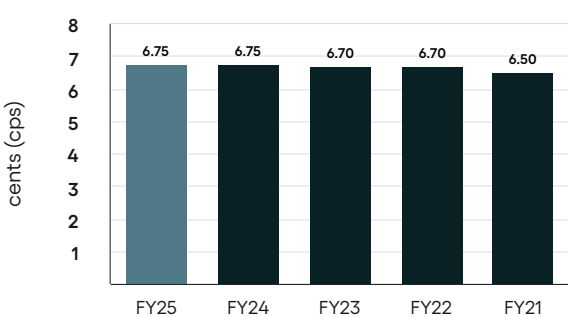
Robust leasing performance across Precinct’s core office portfolio has achieved a positive leasing spread during the period. Funds from operations (FFO) from our directly held investment portfolio were \$150.3 million, up 3.7% (2024: \$145.0 million). Operating profit before indirect expenses and income tax was up 1.2% to \$152.3 million (2024: \$150.5 million).

Total comprehensive income after tax was \$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. This compares to a \$105.2 million devaluation in FY24. Pleasingly, property valuations have remained stable over the last 12 months with lower interest rates resulting in improved sentiment. Precinct’s weighted average market capitalisation rate at 30 June 2025 is 5.8%.

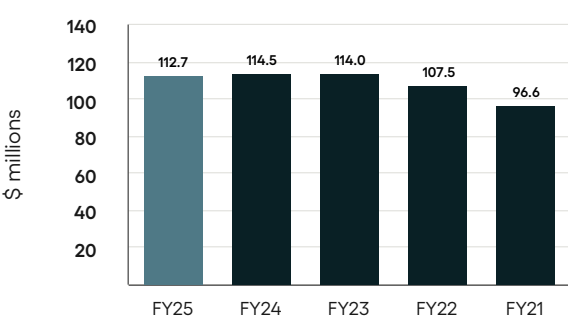
Adjusted Funds from Operations (AFFO) adjusts statutory net profit (under IFRS) for certain non-cash and other items. Precinct’s AFFO for the 2025 financial year was \$103.8 million or 6.54 cps (June 2024: \$106.2 million or 6.69 cps).

As at 30 June 2025, Precinct’s portfolio was \$3.4 billion (30 June 2024: \$3.2 billion) and Precinct’s net tangible asset (NTA) per share was \$1.21 (30 June 2024: \$1.29).

Full year dividends



FFO performance



Operating
profit before
indirect expenses
\$152.3m

At 30 June 2025

Full
year
dividends
6.75cps

Relating to the 2025 financial year

FY25 Results Overview

Capital management

During the period, we successfully undertook a number of capital management initiatives. These include the sale of the remaining 20% interest in 40 and 44 Bowen Street in Wellington for \$48 million and the conditional sale of the hotel at One Queen Street in Auckland for \$180 million. These sales are consistent with Precinct's business strategy and enables the recycling of capital to deliver on the next phase of Precinct's strategy.

Precinct also refinanced \$165 million of maturing retail bonds and USPP notes through a \$200 million bank debt facility and \$75 million wholesale bond. In May 2025, a further funding initiative was executed with a \$180 million fixed term loan secured against 61 Molesworth Street in Wellington. Post balance date, to mitigate short term refinancing risk, Precinct refinanced its 2026 bank facilities with a new \$275 million five-year facility and obtained an additional \$75 million liquidity facility. These funding initiatives support the delivery of Precinct's strategy.

At balance date Precinct's total borrowings were \$1.6 billion (30 June 2024: \$1.3 billion) with total facilities of \$1.7 billion. Precinct's gearing as measured under borrower covenants which disregard subordinated debt is 41.6% against the covenant of 50% (30 June 2024: 35.2%). Including all known commitments, gearing reduces to 38.6%. During FY26 Precinct will look to reduce leverage further through capital partnering initiatives.

Capital management metrics

	2025	2024
Debt drawn (\$ millions) ¹	1,594	1,320
Gearing - banking covenant (%)	41.6	35.2
Weighted average term to expiry (years)	2.8	3.3
Weighted average debt cost (incl fees) (%)	5.2	5.4
Percentage of debt hedged (%)	82.8	99.2
Weighted average hedging (years)	2.5	2.9
Interest coverage ratio (previous 12 months)	2.0	2.0
Total debt facilities (\$ millions)	1,693	1,704

¹ Excludes the USPP note fair value adjustment of \$21.7 million (June 2024: \$23.0 million). Interest bearing liabilities are detailed in Note 6.1 of the Financial Statements.

Precinct was 83% hedged (June 2024: 99%) following repayment of floating debt associated with the sale of 40 and 44 Bowen Street and swap close outs that related to committed asset sales and the fixed term 61 Molesworth loan. With deleveraging anticipated to continue during FY26 hedging levels will be actively managed. The weighted average interest rate including all fees was 5.2% at 30 June 2025 (30 June 2024: 5.4%).

New wholesale green bond \$75m

The wholesale bond provides Precinct a valuable new source of funding and was issued to wholesale investors on 24 October 2024.



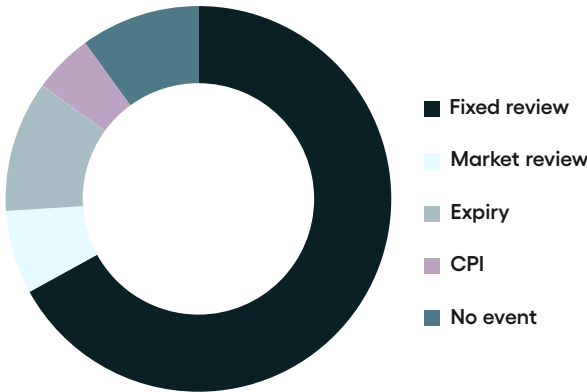
Operational update

As at 30 June 2025, Precinct’s occupancy was 97% with a weighted average lease term of 6.0 years.

In total, 59 leasing transactions across our investment portfolio were completed during the financial year, encompassing 18,800 square metres of space. Rent reviews were completed across 172,000 square metres during the period, resulting in an average uplift of 4.3%.

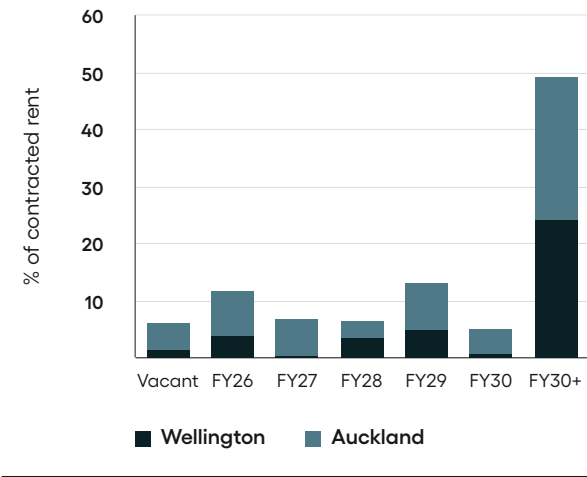
At 30 June 2025 Precinct’s portfolio is under-rented by 7% (June 2024: 11% under-rented).

FY26 key leasing events



Post balance date, we undertook a strategic evolution of the Generator business to become "Precinct Flex". This provides alignment to better support Precinct’s long-term growth objectives. With Precinct’s expertise across the real estate development eco-system from office, to living including residential and student accommodation, through to retail and hospitality, we are bringing together our leadership in the flex space with our premium property offering.

Lease expiry profile



Award winning Deloitte Centre

Awarded Excellence - Best in Category at the 2025 Property Council New Zealand Rider Levett Bucknall Property Industry Awards in the following categories:

RCP Commercial Office Property Award; Naylor Love Heritage and Adaptive Reuses Property Award; and Holmes Group Tourism and Leisure Property Award.

Financial Summary

Key financial information

(Amounts in \$ millions unless otherwise stated)	2025	2024	Change (%)
Gross operating revenue	266.1	248.0	7.3
Funds from operations (FFO)	112.7	114.5	(1.6)
Adjusted funds from operations (AFFO) ¹	103.8	106.2	(2.3)
Total comprehensive income after tax attributable to equity holders	3.1	(30.1)	(110.3)
Funds from operations (FFO) (cents per share)	7.10	7.22	(1.4)
Adjusted funds from operations (AFFO) (cents per share)	6.54	6.69	(3.0)
Gross dividend (cents per share) ²	6.91	6.85	0.9
Net dividend (cents per share) ²	6.75	6.75	
AFFO Payout ratio (%)	103.2	100.8	2.4
Total assets	3,699.2	3,518.9	5.1
Total liabilities	1,754.9	1,471.6	19.3
Total equity	1,944.3	2,047.3	(5.0)
Shares on issue (million shares)	1,587.0	1,586.4	0.0
NTA (cents per share)	121	129	(6.1)
Gearing ratio at balance date (%) ³	41.6	35.2	18.2
Management expense ratio (bps) ⁴	38	33	15.3

1 AFFO is an alternative performance measure which adjusts net profit after tax for a number of non-cash items. This alternative performance measure is provided to assist investors in assessing Precinct's performance for the year.

2 Dividend paid and proposed relating to financial year.

3 For loan covenant purposes deferred tax losses, fair value of swaps and subordinated debt are not included in the calculation of gearing ratio.

4 Management expenses comprise the costs of managing Precinct as a corporate entity and exclude direct property expenses and capital expenditure. Total management expenses total \$12.3 million for the year.

5 Year Summary

Financial performance

Financial performance (Amounts in \$ millions unless otherwise stated)	2025	2024	2023	2022	2021
Gross operating revenue	266.1	248.0	224.3	200.3	199.8
Less direct operating expenses	(106.1)	(91.8)	(77.9)	(70.9)	(72.1)
Less employment and administration expenses	(7.7)	(5.7)	(7.5)	(6.0)	(2.1)
Operating profit before indirect expenses	152.3	150.5	138.9	123.4	125.6
Net interest expense	(65.0)	(41.1)	(30.8)	(23.9)	(27.2)
Corporate overhead expense	(4.6)	(5.5)	(6.0)	(4.2)	(15.4)
Operating profit before income tax	82.7	103.9	102.1	95.3	83.0
Non operating income / (expense)					
Unrealised net gain in value of investment and development properties	(27.6)	(105.2)	(257.1)	19.4	282.9
Other non operating income	(49.8)	(22.0)	(9.7)	14.6	(219.9)
Net profit before taxation	5.3	(23.3)	(164.7)	129.3	146.0
Current tax expense	7.7	2.4	5.2	7.0	67.8
Depreciation recovered on sale expense	(0.5)	(1.2)	(7.7)	-	(10.5)
Deferred tax benefit / (expense)	(1.5)	-	14.1	(26.3)	(15.6)
Total taxation (expense) / benefit	5.7	1.2	11.6	(19.3)	41.7
Net profit after taxation (NPAT)	11.0	(22.1)	(153.1)	110.0	187.7
Total other comprehensive income / (expense)	(7.9)	(8.0)	5.6	(1.2)	(7.8)
Total comprehensive income after tax attributable to equity holders	3.1	(30.1)	(147.5)	108.8	179.9

Financial position

(Amounts in \$ millions unless otherwise stated)	2025	2024	2023	2022	2021
Total investment assets	3,027.4	2,987.4	2,844.7	3,126.2	3,076.4
Total development assets	334.9	201.2	523.5	544.0	232.4
Other assets	336.9	330.3	274.6	169.0	147.6
Total assets	3,699.2	3,518.9	3,642.8	3,839.2	3,456.4
Interest bearing liabilities	1,610.3	1,334.6	1,258.4	1,275.8	1,096.1
Other liabilities	144.6	137.0	201.3	127.9	139.7
Total liabilities	1,754.9	1,471.6	1,459.7	1,403.7	1,235.8
Total equity	1,944.3	2,047.3	2,183.1	2,435.5	2,220.6
Number of shares (m)	1,587.0	1,586.4	1,585.9	1,585.4	1,458.5
Weighted average number of shares (m)	1,587.0	1,586.3	1,585.8	1,559.2	1,316.5
Net tangible assets per share (cps)	1.21	1.29	1.38	1.54	1.52
Net asset value per security (cps)	1.23	1.29	1.38	1.54	1.52
Share price at 30 June (\$)	1.20	1.12	1.29	1.37	1.60
Covenants					
Loan to value ratio (%)	41.6	35.2	38.0	34.3	28.2
Interest coverage ratio	2.0	2.0	1.9	2.5	2.4

5 Year Summary

Reconciliation from Operating profit before income tax to Adjusted Funds From Operations (AFFO)

(Amounts in \$ millions unless otherwise stated)	2025	2024	2023	2022	2021
Operating profit before income tax	82.7	103.9	102.1	95.3	83.0
Current tax benefit / (expense)	7.7	2.4	5.2	7.0	7.0
Share-based payments scheme	3.3	1.2	1.4	1.2	-
Convertible note option value amortisation	1.6	1.2	-	-	-
IFRS 16 lease adjustments	(9.1)	(8.6)	(8.9)	(7.6)	(7.0)
Amortisations of incentives and leasing costs	14.3	13.3	13.7	14.7	13.8
Straightline rents	(1.1)	(3.7)	(2.0)	(3.8)	(4.0)
Distributions from equity-accounted investment attributable to the period	5.0	3.7	1.2	-	-
Adjust for one-off items	8.3	1.1	1.3	0.7	3.8
Funds from operations (FFO)¹	112.7	114.5	114.0	107.5	96.6
Funds from operations (cents per share)	7.10	7.22	7.19	6.89	7.34
Dividend payout ratio based on FFO (%)	95.1	93.5	93.2	97.2	88.6
Adjusted funds from operations (AFFO)					
Maintenance capex	(2.6)	(3.3)	(3.3)	(2.3)	(4.0)
Incentives and leasing costs	(6.3)	(5.0)	(4.6)	(3.7)	(7.3)
Adjusted funds from operations (AFFO)²	103.8	106.2	106.1	101.5	85.3
Adjusted funds from operations (cents per share)	6.54	6.69	6.69	6.51	6.48
Dividend payout ratio based on AFFO (%)	103.2	100.9	100.1	102.9	100.3
Net dividend (cents)	6.75	6.75	6.70	6.70	6.50

1 Funds from operations (FFO) is the organisation's underlying and recurring earnings from its operations. This is determined by adjusting statutory net profit (under IFRS) for certain non-cash and other items. FFO has been determined based on guidelines established by the Property Council of Australia and is intended as a supplementary measure of operating performance.

2 Adjusted funds from operations (AFFO) is determined by adjusting FFO for other non-cash and other items which have not been adjusted in determining FFO. A dividend payout ratio of 100% indicates a company is neither over or under paying dividend. AFFO is considered a measure of operating cash flow generated from the business, after providing for all operating capital requirements including maintenance capital expenditure, tenant improvement works, incentives and leasing costs. While AFFO overcomes the limitations of FFO by considering the impact of capital requirements for operations, it can vary dramatically year over year, depending on the lease expiry profile and level of activity in any one period.

Leadership

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Board of Directors



From left to right: Nicola Greer, Christopher Judd, Chris Meads, Taurua Grant (Future Director Board Observer), Anne Urlwin, Mark Tume and Alison Barrass.

Anne Urlwin ONZM

Chair, Director, Independent, BCom, FCA, CFInstD, MAICD, ACIS, FNZIM

Term of office

First appointed by the Board on 16 September 2019 and last elected by shareholders in November 2022 (Chair since November 2023).

Key Skills¹

Governance; construction and property development; finance, audit & risk management; infrastructure and major projects; sustainability; commercial experience.

Anne is a professional director with experience in a range of sectors including construction, infrastructure, telecommunications, renewable energy, health and financial services. She is a director of Infratil Limited, City Rail Link Limited, Ventia Services Group Limited and Vector Limited. Anne is a chartered accountant and is a former Chair of national commercial construction group Naylor Love and of the New Zealand Blood Service, and a former director of Chorus Limited, Tilt Renewables Limited, Summerset Group Holdings Limited and Queenstown Airport Corporation Limited.

Anne was made an Officer of the New Zealand Order of Merit for services to business in 2022.

Alison Barrass

Director, Independent, BSC, DipBus (Marketing)

Term of office

First appointed by the Board on 1 October 2024 and last elected by shareholders in November 2024.

Key Skills

Governance; CEO experience; consumer goods, technology and financial services industry experience; people & culture; business transformation; sustainability.

Alison is a Professional Director, Chartered Fellow of the Institute of Directors, and former CEO. She has had direct leadership experience in large scale consumer goods organisations and has previously worked in Sales, Marketing and Operations. Alison has operated in New Zealand, Australia and Southeast Asia, and has led significant mergers and acquisitions activity across multiple geographies and industries. She is passionate about people, brands and technology with a focus on supporting New Zealand businesses on their growth journey through effective leadership, smart business design and innovation. Alison is currently Chair of AA Insurance Limited, Chair of Babich Wines Limited, and a Director of Zespri International Limited, Suncorp New Zealand and Rockit Global Limited.

Nicola Greer

Director, Independent, MCom (Hons)

Term of office

First appointed by the Board on 16 July 2021 and last elected by shareholders in November 2024.

Key Skills

Residential & commercial property construction; infrastructure; financial & commercial acumen; governance; people & culture; sustainability; strategic growth.

Nicola is a professional company director. She has extensive experience in New Zealand, Australia and the UK in the banking and finance sectors, previously holding a range of roles within financial markets and asset and liability management at ANZ, Citibank and Goldman Sachs. She has a significant background in the New Zealand commercial property market, developing and owning commercial property across a variety of sectors.

Nicola is currently a director of Fidelity Life Assurance Ltd, South Port NZ, Vulcan Steel and New Zealand Railways Corporation and is a member of the New Zealand Markets Disciplinary Tribunal. She was previously a director of Airways Corporation.

¹ Key Skills are defined as the particular skills each director brings to the Precinct Boards and which are considered in Board succession planning.

Director, Independent

Term of office

First appointed by the Board on 29 April 2013 and last elected by shareholders in November 2024.

Key Skills

Real estate funds management; capital partnering;
property sector; construction and development;
international real estate perspective; stakeholder &
customer: financial & commercial acumen: sustainability.

Chris Judd has over 32 years' experience in the property industry including a 17 year association with property and property funds in New Zealand in both public and private markets. Chris has had various senior executive leadership roles including Head of Real Estate Funds Management for AMP Capital Australia with executive and governance responsibilities in Australia and New Zealand for a A\$20b+ platform.

Chris is a registered valuer being an Associate of the Australian Property Institute. He was the inaugural Chairman of the Property Council of Australia's Unlisted Property Roundtable and was a member of the International and Capital Markets Division Committee.

Chris Meads

Director, Independent, BCom, BCA (Hons)

Term of office

First appointed by the Board on 1 October 2023 and last elected by shareholders in November 2023.

Key Skills

Strategic growth; funds management/capital partnering;
financial & commercial acumen; international expertise;
governance; people & culture; sustainability.

Educated at the University of Auckland and Victoria University of Wellington, Chris has over thirty years' experience working in the banking and finance sectors in New Zealand and Hong Kong. Chris has previously worked as an economist, investment banker and was formerly the Chief Investment Officer of Pantheon Ventures, a large global private markets investment management firm with investment strategies encompassing private equity, private credit and real assets including infrastructure and property.

Mark Tume

Director, Independent, BBS, Dip Bkg Stud

Term of office

First appointed by the Board on 11 August 2021 and last elected by shareholders in November 2024.

Key Skills

Infrastructure; energy; investment management; finance;
financial & commercial acumen; governance.

Mark has governance experience with both public and private companies across the infrastructure, energy, and investment sectors in Australia and New Zealand.

He is the Chair of Te Atiawa Iwi Holdings, Chairman of Bluecurrent Holdings NZ Ltd and Bluecurrent Holdings (Australia) Pty Limited and a director of ANZ Bank New Zealand Limited and Booster Financial Services. He was previously Chair of Ngai Tahu Holdings Corporation and Infratil and a director of Retire Australia Pty Limited.

Taurua Grant (Board Observer)

Future Director²

Taurua has over 15 years' experience working in commercial banking, financial markets, treasury advisory and management consultancy. His most recent role was as CEO of Te Arawa Group Holdings. Taurua Grant is a Board Observer (Future Director) for Precinct, for a fixed term commencing on 13 November 2024 and ending on 30 June 2026.

2 Administered by the Institute of Directors, the Future Directors Programme is designed to help identify and grow the next generation of directors in New Zealand, including recognising talented executives who are interested in developing governance skills. Participants attend Board meetings where they contribute to discussions in an observer capacity. Future Directors do not have voting rights and are not involved in any decision making.

Executive team



From left to right: Louise Rooney, George Crawford, Emma de Vries, Scott Pritchard, Richard Hilder, Tim Woods, Anthony Randell and Nicola McArthur.

Scott Pritchard

Chief Executive Officer

Scott has led the Precinct team since 2010. In that time Precinct has delivered over \$2.6 billion of commercial and mixed-use developments that have influenced and shaped Auckland and Wellington.

Scott has extensive experience in property fund management, development and asset management, alongside a genuine desire to create vibrant city centres and communities. Scott also serves as the Independent Chair of the Auckland Council City Centre Advisory Panel, is a director on the National Board of the Property Council of New Zealand, a Trustee of the Tania Dalton Foundation, and an independent director of Ryman Healthcare.

Prior to joining Precinct, Scott held a variety of property roles with NZX-listed entities Goodman Property Trust, Auckland International Airport Limited and Urbus Properties Limited. Scott holds a Master's degree in Management from Massey University.

George Crawford

Deputy Chief Executive Officer

George joined Precinct in 2010. Initially appointed as Chief Financial Officer, George then held the role of Chief Operating Officer for 5 years before taking on his current role. George plays a pivotal role in not only establishing Precinct's strategy, but also establishing relationships and capital partnerships that help deliver on this strategy. George's commitment to creating brighter and more prosperous futures for our cities, also translates to his role as Chair of Keystone Trust.

After gaining experience with a large accountancy firm in the United Kingdom, George moved to New Zealand, working for Fonterra and PwC before joining Goodman Property Trust, where he was Chief Financial Officer.

George has a Bachelor of Science (Honours) degree from The University of Edinburgh and qualified as a Chartered Accountant in the United Kingdom.

Emma de Vries

General Manager – People and Culture

As General Manager of People and Culture, Emma leads the business' People and Culture strategies that ensure we can empower our people and provide them with meaningful opportunities both on a daily basis and for a long-term career in property. Through encouraging diversity of thought and inclusion Emma assists in contributing to the successful delivery of Precinct's vision and internal guiding beliefs.

Emma holds a Bachelor of Business from Auckland University of Technology and a Post Graduate Diploma in Business Administration from the University of Auckland. Prior to joining Precinct in 2021, Emma worked in HR roles across the media, construction and public service sectors.

Richard Hilder

Chief Financial Officer

Richard has held the role of Chief Financial Officer since 2017, following his initial appointment as General Manager of Finance in 2015. As CFO his role is to optimise Precinct's investments and financial management as well as maximising shareholder value. Richard leads a team of finance professionals and analysts, ensuring the business' commercial decisions are based on robust analysis.

Prior to joining Precinct in 2010, Richard held a number of financial roles in property companies, such as Goodman Property Trust, working across markets in New Zealand, United Kingdom and Europe. Richard holds a Bachelor of Commerce (Hons) (Finance and Economics) degree from the University of Auckland.

Nicola McArthur

General Manager – Marketing, Communications and Experience

In her role as General Manager of Marketing, Communications and Experience, Nicola oversees all external communications and marketing activities across the entire Precinct portfolio, including retail, commercial and residential.

A key pillar of Precinct's marketing strategy is to create positive experiences and vibrancy for not only Precinct clients, but the broader city centre communities. The focus the team place on facilitating experiences for human connection contributes to what sets the Precinct portfolio apart.

Prior to joining Precinct in 2012, Nicola spent 10 years working in a variety of marketing roles in the United Kingdom and Australia. Nicola has a Master of Marketing from Melbourne Business School, a Graduate Certificate of Corporate Management from Deakin University and a Bachelor of Arts from the University of Auckland.

Anthony Randell

General Manager – Property

As the General Manager of Property, Anthony leads the Auckland and Wellington property management teams. Anthony and his team take great pride in providing proactive client management and working collaboratively, as well as being dedicated to operational excellence. Joining the business in 2010, Anthony has held a number of roles which means he has a holistic perspective of what is required for Precinct to deliver on our strategy.

Anthony has a Bachelor of Business Studies (Valuation and Property Management) from Massey University. He

is a Registered Valuer and began his career as a commercial valuer, working at Colliers International for 4 years.

Louise Rooney

General Counsel & Company Secretary

Since joining Precinct in 2021, Louise has been instrumental in delivering key transactions including the acquisition and future development of Downtown car park, the sale of the Intercontinental Auckland, and the advancement of Precinct's capital partnership strategy.

Prior to joining Precinct, Louise worked for top tier law firms as well as holding senior in-house legal roles in New Zealand and the United Kingdom. Louise holds a Bachelor of Laws (Hons) and Bachelor of Arts from the University of Auckland.

Tim Woods

General Manager – Development

As General Manager – Development, Tim has overall responsibility for Precinct's development projects. Tim has worked in the property industry for the past 25 years in both the UK and New Zealand. Tim has been with Precinct for over 5 years and previous roles include leading the development arm of a large New Zealand property consultancy firm. In the UK, Tim held senior roles with a number of leading UK property companies across consultancy and construction companies.

Tim holds a Bachelor of Engineering (Hons) (Structural & Civil) degree and a Masters in Business Administration (Hons) from the University of Auckland.

Corporate Governance

Introduction

The Board of Directors is responsible for the governance of Precinct and is committed to ensuring Precinct maintains best practice corporate governance with the highest ethical standards and integrity. Precinct's Corporate Governance Manual guides both the directors and the representatives of Precinct. It includes a Code of Ethics, Board and Committee Charters and Policies on Securities Trading, Audit Independence, Diversity and Inclusion, Continuous Disclosure, Control Transaction Protocols and Shareholder Communications.

This section of the Annual Report reflects Precinct's compliance with the requirements of the NZX Corporate Governance Code revised on 31 January 2025. Precinct's Corporate Governance Manual is available on Precinct's website (www.precinct.co.nz) in the Investors section together with a statement of how Precinct's corporate governance policies, practices and processes comply with the NZX Corporate Governance Code as at 30 June 2025. If any investor would like a copy sent to them, please contact Precinct investor relations.

Principle 1 – Ethical Standards

Directors set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.

Ensuring that Precinct is governed transparently and to the highest of ethical standards and integrity is one of the key priorities for the Board. Precinct's Code of Ethics and Financial Products Dealing Policy are set out in the Corporate Governance Manual and are compliant in all respects with the NZX Corporate Governance Code recommendations.

Code of Ethics – The purpose and intent of Precinct's Code of Ethics is to guide directors, representatives and subsidiaries of Precinct so that their business conduct is consistent with high business standards. The Code is not intended to be an exhaustive list of acceptable and non-acceptable behaviour, rather it is intended to facilitate decisions that are consistent with Precinct's business standards, objectives and legal and policy obligations. All persons are encouraged to report any breaches of the Code, which will be dealt with appropriately. Precinct ensures Code of Ethics training is provided to all staff at least every three years (the latest training was provided in November 2024) and all new starters are provided with an induction that includes training on Precinct's Code of

Ethics. The Code of Ethics is reviewed annually by the Precinct Boards.

Whistleblower Policy – Precinct's Corporate Governance Manual (which is available on Precinct's website) includes a whistle-blowing policy for reporting unethical or unlawful behaviour. Precinct is currently considering the appointment of a third-party agency to operate a 'speak up' channel to support Precinct's whistle-blowing policy.

Financial Product Dealing Policy – The Financial Product Dealing Policy applies to all directors and officers of Precinct and employees. No director, officer or employee may use their position of knowledge of Precinct or its business to engage in dealing with any Precinct listed financial products for personal benefit or to provide benefit to any third party.

Principle 2 – Board Composition and Performance

There is a balance of independence, skills, knowledge, experience and perspectives among directors to ensure an effective Board.

Precinct currently has six directors, all of whom are independent (as defined by the NZX Listing Rules). Precinct undertakes a regular review of Board composition to ensure Board membership comprises a range of appropriate skills and experience so that it has a proper understanding of and competence to deal with the current and emerging issues of the business, can effectively review and challenge the performance of management and can exercise independent judgement. The Chair meets regularly with directors of Precinct to discuss individual performance of directors. The Boards regularly review their performance as a whole. When considering the appointment of Alison Barrass in 2024, the Boards reviewed the skills of each director and believe the individual expertise and experience of all current directors as set out in the Board of Directors section of this report meet the objectives of Precinct. Precinct's Directors Skills Matrix is set out on page 32.

Following Graeme Wong's retirement in November 2024, Precinct was delighted to propose Alison Barrass for election by shareholders at the annual meeting of shareholders last November. Precinct has also committed to appoint a Future Director as part of the Institute of Directors programme and our second Future Director (Taurua Grant) was appointed in November 2024.

Corporate Governance

All Precinct directors are non-executive and the Board composition and performance is compliant in all respects with the NZX Corporate Governance Code recommendations.

Precinct will notify the market of a reclassification of a non-independent director to independent director (or vice versa).

Directors are encouraged to own shares in Precinct. In the case of Independent Directors, the Precinct Boards have resolved that Independent Directors are expected to generally hold, as a minimum, shares equal in value to 50% of one year's director base fees (before tax), and to accumulate this holding over the first three years in office.

Independent Chair – Precinct's Chair - Anne Urlwin - is an independent director, having regard to the factors set out in the NZX Corporate Governance Code. Anne Urlwin is independent of the Company's CEO.

Independent Directors – We are committed to ensuring that a majority of directors are independent of Precinct, and do not have any interests, positions, associations or relationships which might interfere, or might be seen to interfere, with their ability to bring independent judgement to the issues before the Boards. Having regard to the factors set out in the NZX Corporate Governance Code, as at 30 June 2025, the Board determined that the following persons were independent directors of Precinct: Anne Urlwin (Chair), Alison Barrass, Nicola Greer, Chris Judd, Chris Meads and Mark Tume. Each of these directors is subject to appointment by Precinct shareholders and is required to retire by rotation.

Subsidiary Company Directors – The directors for each of Precinct's subsidiary companies are all executive appointments and as at 30 June 2025 are Scott Pritchard, George Crawford, Richard Hilder and Louise Rooney. No employee of the group appointed as a director of a subsidiary receives or retains any remuneration or benefits as a director. The remuneration and benefits of such employees, received as employees, are included in the relevant bandings disclosed in the Remuneration Report on page 67, where the annual remuneration and benefits exceed \$100,000.

Board Charter – Precinct's Corporate Governance Manual includes the Board's Charter which sets out the roles and responsibilities of the Board and management.

Board Appointment – The People and Performance Committee assists the Boards in planning their composition and is responsible for managing the Boards'

succession requirements and for nominating new director appointments. All directors enter into a written agreement setting out the terms of their appointment.

Independent Advice – Each director has access to independent advice from specialists and/or executives within Precinct, as a means of receiving assurance information and the entire Executive Team attends Board meetings in order to provide information directly to the Board. The CFO, Company Secretary and other relevant Precinct staff members have unfettered access to Board members at any time and without reference to the CEO.

Diversity and Inclusion Policy – Precinct's Diversity and Inclusion Policy is included in Precinct's Corporate Governance Manual and includes measurable objectives which are assessed annually. The Boards have developed this policy with management to encourage a diverse and inclusive working environment at all levels of the organisation to recruit and retain the best talent from the widest pool of candidates and build a culture where diversity of gender, age, ethnicity, orientation, background, experience, skills, thought, ideas, styles and perspective are leveraged and valued.

The gender composition of directors, officers and management employees is as follows:

	30 June 2025			30 June 2024		
	Female	Male	Gender diverse	Female	Male	Gender diverse
Directors	3 (50%)	3 (50%)	-	2 (33%)	4 (67%)	-
Officers ¹	3 (38%)	5 (62%)	-	2 (29%)	5 (71%)	-
Management employees	65 (60%)	43 (40%)	-	46 (53%)	40 (47%)	-

¹ For the purposes of measuring and reporting gender diversity, the term 'officers' is defined as the CEO and those who are in the Executive team and report to the CEO.

Supporting the efforts to increase diversity across the management team are secondary policies and practices including the Equal Opportunities, Recruitment and Selection, Study Assistance and Remuneration Policies together with a Culture Charter and biennial anonymous staff surveys. To ensure workplace diversity continues to evolve and be enhanced, a matrix of key objectives and monitoring is undertaken on an on-going basis. During FY24, Precinct engaged PwC to assist Precinct to understand its gender pay gap and Precinct has committed to undertake this analysis annually. Following the 2024 annual salary review, a gender pay gap analysis

was completed across the business, key findings can be found in the [Remuneration Report](#). The Board believes that for FY25, Precinct has continued to make progress towards achieving its measurable objectives and goals against its Diversity and Inclusion Policy, and will continue to focus on diversity targets for FY26.

Measurable objectives	30 June 2025	30 June 2024	30 June 2023	30 June 2022
Gender				
% of female staff	59% (68)	56% (68)	53% (46)	54% (39)
Age range	19-69	19-68	20- 67	19- 66

Additional employee disclosures under the GRI Standards is provided in the table to the right. The numbers reported are by head count at the end of the reporting period (as at 30 June 2025). Precinct does not have any non-

guaranteed hours employees and temporary employees are employees who are on fixed term agreements.

	30 June 2025		30 June 2024	
	Female	Male	Female	Male
Management employees (full-time, Auckland)	46	43	33	34
Management employees (full-time, Wellington)	9	5	7	6
Management employees (part-time, Auckland)	4	1	4	1
Management employees (part-time, Wellington)	1	0	0	0

Board performance and meetings schedule

Board Performance – The Board regularly reviews its performance including its collective skills, knowledge, experience and perspectives to identify any shortcomings and ensure that it effectively governs Precinct and monitors performance in the interests of shareholders. This includes reviewing director tenure to ensure the independence majority is maintained. Directors undertake appropriate training to remain current on how to best perform their duties. During FY25, the Board engaged Propero Consulting to undertake an independent evaluation of the Board's performance.

Meetings – A schedule of directors and their Board meeting attendance record for the year to 30 June 2025 is set out below.

Board of directors and attendance

Director	Status	Date of appointment	Board meetings	Audit and Risk Com. meetings	People and Perf Com. meetings	Environment, Social and Governance Com. meetings
Number of meetings			9¹	5	6	4
Anne Urlwin	Board Chair	16 September 2019	9	5	6	4
Alison Barrass ²	Director	1 October 2024	6	n/a	4	2
Nicola Greer	Environmental, Social and Governance Committee Chair	16 July 2021	9	5	n/a	4
Chris Judd	Director	29 April 2013	6	n/a	5	4
Chris Meads ³	People & Performance Committee Chair*	1 October 2023	9	5	6	n/a
Mark Tume	Audit and Risk Committee Chair	11 August 2021	8	5	n/a	n/a
Graeme Wong ³	People & Performance Committee Chair*	1 November 2010	5	n/a	3	3

¹ Five scheduled meetings and four out-of-cycle meetings.

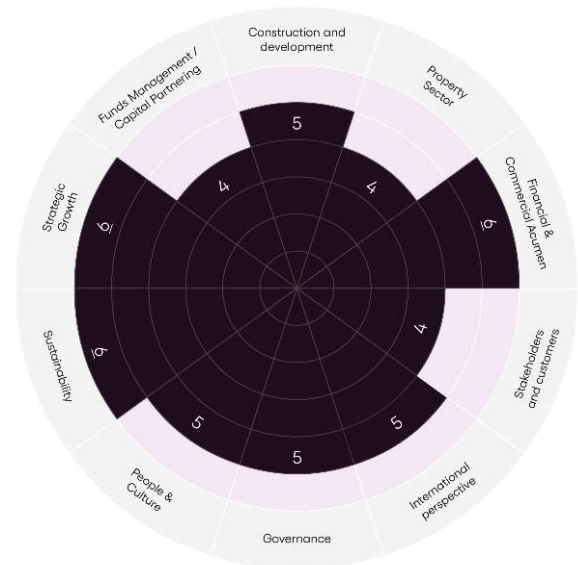
² Alison Barrass was appointed as an Independent Director with effect from 1 October 2024.

³ Graeme Wong retired from the Board of Directors with effect from 15 November 2024. Chris Meads was appointed People and Performance Committee Chair with effect from 14 November 2024.

Corporate Governance

Directors' skills matrix

The Boards have developed the following Directors' skills matrix to ensure the Precinct Boards have the appropriate skills, knowledge and experience among directors. This skills matrix is reviewed by the Boards annually. The People & Performance Committee regularly assesses these skills when recruiting new directors and evaluating Board performance. The matrix to the right reflects the director attributes which the Boards consider are required to oversee Precinct's strategic business objectives. Precinct believes assessing the level of skills and experience collectively, rather than on an individual basis, is the most appropriate means to demonstrate Board effectiveness and reflects the benefits of diversity of director experience. The allocations in the matrix reflect each Director's assessment of the current skills he or she believes they bring to the Boards and highlights the different attributes held collectively by the Precinct Boards of Directors.



Capability	Detail
Strategic Growth & Adding Value	Experience and expertise in decision making and consideration for investment decisions, with particular focus on appropriately considering risk and return metrics. Executive background with investment credentials. Excellent at strategic growth and prioritisation including investing in people and talent, understanding of workplace insight / trends, measuring progress, identifying priorities and determining actions and accountability for implementation.
Funds Management/ Capital Partnering	Awareness of and experience in funds management and capital partnering. Particular expertise in working with sovereign wealth funds, superannuation/pension funds and other large scale private investors.
Property Sector	Proven track record in property industry, with extensive experience in NZ property market knowledge and asset management experience and valuation. This includes office, industrial, retail and/or residential.
Construction & Development	Brings an in-depth understanding of development within the building industry. Deep expertise in risk including health and safety.
Financial & Commercial Acumen	Financial expertise and foundational skills to add value to key financial drivers (occupancy rates / weighted average lease term, earnings outlook, commercial and investment returns, flexible financing for Green Building, investment due diligence). In depth understanding of capital management and property investment within NZ, spanning multiple sectors including office, industrial, retail and other specialised sectors.
Stakeholders & Customers	Proven track record in engagement strategies / partnerships with key stakeholder groups. Brings customer credibility and local and central government knowledge and gravitas. Experienced in building communities and fostering connections with Mana Whenua and council-controlled organisations.
International Perspective	Exposure and experience in international markets, providing expertise and insights into emerging trends from other jurisdictions.
Governance	Proven track record in governance roles across listed companies. Experience in setting strategy and driving best practice international business and corporate governance, with an understanding of legal liabilities and director responsibilities.
People & Culture	Experience in relation to setting and executing people strategies, including managing people and influencing organisational culture, and designing and implementing remuneration strategies that align employees with company culture and performance.
Sustainability	Expertise in embedding environmental, social and corporate responsibility through business operations and to create sustainable positive value for the community and stakeholder ecosystem.

Principle 3 – Board Committees

The Board uses committees where this enhances effectiveness in key areas while still retaining Board responsibility.

For the year to 30 June 2025, there were three standing committees of the Board, being the Audit and Risk Committee, the People and Performance Committee and the Environmental, Social and Governance Committee. Our Board committees are compliant in all respects with the NZX Corporate Governance Code recommendations. The charters that exist for each committee can be found in the Precinct Governance Manual together with Precinct's Control Transaction Protocols.

As outlined in each Board committee charter, the Chair of each meeting of each Board committee is required to report back to the Board on key points of discussion and present the recommendations of the Board committee at the next scheduled meeting of the Board, not being less than once a year. The Board continually evaluates the performance and work of each Board committee with the Chair of the relevant Board committee in regular contact with all Board members between meetings as part of its evaluation process. As part of this process, the Board shall undertake an annual review of each Board committee's objectives and activities in terms of its responsibilities as set out in the relevant Board committee charter.

The Audit and Risk Committee at balance date comprised Mark Tume as Chair, Anne Urlwin, Nicola Greer and Chris Meads. The committee has a majority of independent directors and complies with recommendation 3.1. None of the committee members are executive directors. The Chair, Mark Tume, is independent of Precinct's audit firm, Ernst & Young, and does not have any long standing association with them.

The committee assists the Board in discharging its duties with respect to financial reporting, compliance and risk management. Employees may attend Audit and Risk Committee meetings at the invitation of the committee. The Audit and Risk Committee supervises the financial reporting, climate related disclosures reporting, compliance and risk management practices of Precinct to ensure accuracy and objectivity.

The Environment, Social and Governance ("ESG")

Committee was established in May 2021 and at balance date comprised Nicola Greer as Chair, Anne Urlwin, Alison Barrass and Chris Judd. The committee has a majority of independent directors and complies with recommendation 3.5.

During FY25 the ESG Committee held four committee meetings. Precinct's CEO, Deputy CEO, CFO, Head of Sustainability and other key representatives across the business also attend the meetings to set objectives, review Precinct's Climate Risk register, track updates and discuss and approve current and future strategic initiatives which help manage Precinct's impacts on the economy, environment and people.

The People and Performance Committee at balance date comprised Chris Meads as Chair, Anne Urlwin, Alison Barrass and Chris Judd. The committee has a majority of independent directors and complies with recommendation 3.3 and 3.4. The committee's purpose is to:

- provide guidance to the Board when approving the remuneration of directors and key management personnel;
- assist the Board in planning the Board's composition, evaluating competencies required of prospective directors and to make relevant recommendations to the Board; and
- oversee Precinct's people policies, practices and procedures.

The People and Performance Committee has a strong focus on Board succession planning. Management only attend meetings of the committee by invitation.

The Due Diligence Committee is an ad hoc committee that is established by the Board from time to time to provide guidance and recommendations to the Board on the due diligence for any transaction of a significant size and/or complexity. A Due Diligence Process Memorandum is agreed each time the Committee is established setting out its duties, responsibilities and scope. No Due Diligence Committee was established during FY25.

Corporate Governance

Principle 4 – Reporting and Disclosures

The Board demands integrity in financial and non-financial reporting and in the timeliness and balance of corporate disclosures.

The Board is committed to ensuring the highest standards are maintained in financial and non-financial reporting and disclosure of all relevant information and is compliant in all respects with the NZX Corporate Governance Code recommendations. A copy of Precinct's Continuous Disclosure Policy can be found in the Precinct Governance Manual.

The Audit and Risk Committee oversees the quality and timeliness of all financial reports, including all disclosure documents issued by Precinct or any of its subsidiaries.

Precinct has moved toward integrated reporting and the annual report includes information on Precinct's:

- Business model
- Strategy and key performance indicators
- Risk management
- Sustainability framework, and
- Remuneration framework.

Precinct reports in accordance with GRI Standards, shown in the [Sustainability Report](#).

Precinct reports its climate-related risks and opportunities in accordance with the Aotearoa New Zealand Climate Standards. These will be available at [Precinct's website](#) in October 2025 as well as alongside our peers on the public registry located here: <https://www.companiesoffice.govt.nz/all-registers/climate-related-disclosures/>.

Climate-related risks are included in both Precinct's ESG and Audit & Risk papers, ensuring that Precinct's climate risks are appropriately reviewed and assessed and receive regular oversight via both Committees.

Principle 5 – Remuneration

The remuneration of directors and executives is transparent, fair and reasonable.

Precinct continues to develop additional disclosures in our Remuneration Report each year to ensure that remuneration of both directors and management personnel is transparent, fair and reasonable by aligning it with interests of the Company and its shareholders.

Director remuneration was last reviewed during 2023 by independent advisers, PwC. At Precinct's ASM in November 2023, shareholders approved an increase in Independent Director fees (other than the Chair's fee) to reflect increased regulatory risk and obligations increasing demand on Directors' time and broadening their scope of responsibilities. The Company has engaged PwC to undertake an updated review of director remuneration and the results of that review will be presented to shareholders at the Company's ASM later this year. Precinct makes a summary report of any independent director remuneration review available on its website.

Our remuneration practices are compliant with the NZX Corporate Governance Code recommendations.

More information on remuneration of directors and executives can be found within the [Remuneration Report](#).

Principle 6 – Risk Management

The Board has a sound understanding of the material risks faced by the business and how to manage them. The Board regularly verifies that the Company has appropriate processes that identify and manage potential and material risks.

The Board has a risk management and reporting framework in place that identifies and manages risk that may impact the business and complies with the NZX Governance Code recommendations in all respects.

Risk Register – A Risk Register is maintained which identifies key risks to the business, records the likelihood and impact of each risk and steps to mitigate the same. The Audit and Risk Committee oversees the risk register and reviews it regularly with management to track existing risks and the emergence of new risks. The results of each review are reported to and reviewed by the Board. The Risk Register is further reviewed when required in the event the Due Diligence Committee is formed.

Financial Risk Management Policy – Our Financial Risk Management Policy details our approach to managing financial risks and the policies and controls that are required to mitigate the likelihood of financial risks resulting in an adverse outcome. This policy is reviewed by the Board annually.

Insurance – Insurance cover is in place for insurable liability and general business risk. The primary objective of our annual insurance programme is to protect shareholders from material loss in the value of assets as a result of events such as fire, natural disaster or accidental damage. This approach protects creditors and bondholders as well.

Audit – Ernst & Young (EY) are engaged during the year to audit and review our financial statements. Precinct also regularly undertakes internal audit programmes to ensure continuous improvement of Precinct's systems and processes.

Health and Safety – Health and safety policies are embedded throughout the business and overseen by Management's Health and Safety Committee. Reporting and escalation processes are in place to the Audit and Risk Committee and the Board.

More detail on how Precinct manages its key business risks can be found under Risk Management in this section.

Principle 7 – Auditors

The Board ensures the quality and independence of the external audit process.

Oversight of Precinct's external audit arrangements is the responsibility of the Audit and Risk Committee. We do not have a dedicated internal audit resource but we do maintain an annual internal audit programme, which is overseen by the CFO and draws on the expertise of consultants and employees. Ensuring external audit independence is one of the key aspects in discharging this responsibility. The Audit Independence Policy, detailed in the Corporate Governance Manual, has been adopted by the Audit and Risk Committee. This policy is compliant with the NZX Corporate Governance Code and covers the following areas:

- Provision of related assurance services by Precinct's external auditors;
- Rotation of key external audit personnel; and
- Relationships between the auditor and Precinct.

The Board shall only approve a firm to be auditor if that firm would be regarded by a reasonable investor with full knowledge of all relevant facts and circumstances as capable of exercising objective and impartial judgement on all issues encompassed within the auditor's engagement. The continued appointment of Precinct's external auditors is confirmed annually by the Audit and Risk Committee following the Committee's review of the external auditor's performance and independence. Rotation of Precinct's client service partner and the lead and concurring audit partners of Precinct and its subsidiaries is required every five years with suitable succession planning.

The external auditors annually confirm their compliance with professional standards and ethical guidelines of Chartered Accountants Australia and New Zealand (CAANZ) to evidence their competence, as well as attend Precinct's annual meeting to answer questions from shareholders in relation to the audit. Precinct's audit firm EY also provided other assurance services which include agreed upon procedures in respect of operating expense statement review and green bond assurance. The first year of appointment of audit firm EY was 1997 and the first date of appointment of the current engagement partner, Susan Jones (EY) was 1 July 2022. Potential conflicts are resolved on a case by case basis between auditing and other accounting services provided by EY. Former partners of EY will not be appointed as directors of Precinct for so long as EY continues to audit Precinct.

Corporate Governance

Principle 8 – Shareholder rights and relations

The Board respects the rights of shareholders and fosters constructive relationships with shareholders that encourage them to engage with the Company.

The Board is committed to achieving best practice investor relations. Financial and operational information and key corporate governance information (including Precinct's Shareholder Communications Policy) can be accessed at www.precinct.co.nz.

An annual investor relations plan has been established and is reviewed annually. This plan details the investor relations approach to e-communications, roadshows, investor briefings, site visits, blackout periods, financial reporting and other items. Enquiries from shareholders can be voiced at the Annual Shareholder Meeting, or emailed through using the contact details on our website. A key objective of the plan is to ensure accurate continuous disclosure to the NZX.

Precinct shareholder approval of major decisions which may change the nature of Precinct is sought. In 2024 Precinct lodged a copy of its notice of annual meeting on its website at least 20 working days prior to its annual shareholder meeting and published a virtual meeting guide ahead of that meeting. Where practicable, Precinct endeavours to hold its shareholder meetings as hybrid meetings but may from time to time hold a virtual-only meeting where Precinct believes the physical meeting will be poorly attended (such as the special shareholder meeting to approve the stapling proposal).

The 2025 Annual Meeting of Shareholders (ASM) is scheduled for: 18 November 2025

It will be a hybrid (physical and virtual) Shareholder Meeting with more details on the meeting to be provided in the coming months.

NZ RegCo Rulings and Waivers

During the year to 30 June 2025, Precinct relied on the NZ RegCo Rulings and Waivers described below.

Stapling and non-standard designation

On 1 July 2023, the shares of Precinct Properties New Zealand Limited (**Precinct**) were stapled together with shares of Precinct Properties Investments Limited (**Precinct Investments**) in accordance with a Stapling Deed dated 7 June 2023 between Precinct and Precinct Investments (**Stapling**). The stapled shares of Precinct and Precinct Investments have traded since 3 July 2023 under the ticker code 'PCT'. The implications of Stapling are further described in a notice of special meeting of shareholders dated 18 April 2023.

NZX has granted Precinct and Precinct Investments a non-standard designation, due to the complexity of the Stapling arrangements.

NZX Listing Rule waivers and rulings relating to Stapling

On 18 April 2023, NZ RegCo agreed to grant certain waivers and rulings in connection with the Stapling, subject to certain conditions, as follows:

- A ruling that the Directors do not have a “Disqualifying Relationship” as a consequence of their appointment as directors of Precinct Investments under Precinct Properties Group structure, in order to allow the Independent Directors of Precinct Investments to also be Independent Directors of Precinct, as required by the Listing Rules. No other ‘Disqualifying Relationships’ exist;
- A waiver from Listing Rules 2.2 to 2.5 and 2.7 to 2.8 to permit:
 - the Precinct board and Precinct Investments board to be made up of the same people;
 - the Precinct board to be deemed to be appointed (or removed) if appointed to (or removed from) Precinct Investments board; and
 - the Precinct board members to retire from the Precinct board by rotation at the same time as they retire from Precinct Investments board;
- A waiver from Listing Rule 2.10.1 to permit the directors of one stapled entity to vote on matters in which they are “interested” due to being a director of the other stapled entity. Directors will not be permitted to vote on matters in which they are “interested” by virtue of a relationship or interest other than their directorship of the stapled entities;
- A waiver from Listing Rule 2.11 to permit the pooling of director remuneration for Precinct Properties Group,

and the approval of director remuneration by way of single resolution of shareholders;

- A waiver from Listing Rules 2.14.1, 2.14.2, 7.8 and 7.9 to permit Precinct Properties Group to provide consolidated notices of meetings to shareholders;
- A waiver from Listing Rules 3.13, 3.14 and 3.15 to permit the stapled entities to announce, via NZX, issues, acquisitions, conversions or redemptions of securities on a consolidated basis;
- A ruling under Listing Rule 4.6.1 to enable Stapled Shares to be issued to any employee of the Precinct Properties Group;
- A ruling that, for the purposes of paragraph (f) of the definition of “Related Party” in the Listing Rules the word “Issuer” be interpreted as a reference to either Precinct or Precinct Investments;
- A ruling that, for the purposes of the Listing Rules in respect of Precinct Properties Group, “Material Information” means information in respect of Precinct Properties Group;
- A waiver from Listing Rules 3.5, 3.6, 3.7 and 3.8 to permit Precinct Properties Group to provide the information required in annual reports and annual and half-yearly results announcements on a consolidated basis;
- A waiver from Listing Rule 8.3 to permit Precinct Properties Group to provide consolidated statements of shareholdings to shareholders which shows their Precinct Properties Group holdings; and
- A ruling that, for the purposes of the Listing Rules in respect of Precinct Properties Group, the “Average Market Capitalisation” and “Average Market Price”, where used in the Listing Rules refers to the combined “Average Market Capitalisation” and “Average Market Price” of Precinct Properties Group respectively.

A full copy of the NZ RegCo waiver and ruling decision dated 18 April 2023 is available from <https://www.nzx.com/companies/PCT/documents>.

Corporate Governance

Risk Management

Our Approach

Precinct has a robust risk assessment process and is committed to providing a clear risk management and reporting framework for the business to operate under to achieve its objectives, whilst ensuring all risks are understood and managed.

Reporting Framework

Responsible group			Description of responsibility
Precinct Board			- Determine the nature and extent of the risks it is willing to take to achieve the business strategy - Establish the parameters for each risk
Audit and Risk Committee			- Delegated authority in assessing effectiveness of internal controls and risk management processes - Delegated authority to regularly oversee and review the Risk Register
Executive			- Input into Board's process for setting risk parameters - Lead and execute Precinct's approach to risk - Oversee reporting and identification of emerging risks
Development control group	Operational management	Health and Safety committee	- Implement and maintain risk management policies - Create an environment that embraces risk management - Audit and monitor all development sites
Contractors	Employees	Other	- Day-to-day responsibility of managing risk - Report and maintain internal risk and hazard registers

Key Business Risks

External

Risks and impacts	How we manage the risk	Change	Movement in the period
Economy and property market Market risk arises from adverse changes in the New Zealand economic environment, regulatory environment and the broader investment market. Changes may result in an impact in property values and amount of income generated by them.	Maintain a proactive and strategic approach to manage property risks it can influence. Providing quality premises matched by high service levels and building strong relationships.	►	New Zealand's economy remains subdued with domestic inflation forecast to normalise within the targeted range over the medium-term. Geo-political risks remain elevated. Property asset valuations have continued to stabilise over the last 12 months with forward performance increasingly driven by asset-specific fundamentals. Valuation stability is expected to persist over the near-term.
Occupier market and client default A weakening occupier market through lack of business activity and investment, as well as unanticipated client default, can directly impact the income and value of each individual asset.	Undertake annual business planning process to review the portfolio and help mitigate these risks.		Precinct's directly held investment properties continue to perform well with the strength of our office markets and the demand for premium-grade space in Auckland and Wellington remaining robust.

Risks and impacts	How we manage the risk	Change	Movement in the period
Insurance risk The risk of being unable to continue to obtain insurance cover, or following an event, not having sufficient cover in place to repay creditors. This could result in significant business interruption.	Engage directly with a wide range of local and international insurers. Ensure the insurance market has a good understanding of the portfolio and its risks.	►	Following a period of high insurance premiums, there has been a reduction in the period, particularly in Wellington. Precinct continues to proactively engage with the insurance market on renewals and continues to secure coverage.
Climate risk Climate risk includes physical risks (acute and chronic) and transitional risks. Physical risks could include events such as flooding, severity and frequency of storms and sea level rise. These risks could reduce revenue, increase maintenance capex and reduce asset values. Transitional risks include risks of transitioning to a low carbon economy including regulatory change. These risks could reduce the demand for Precinct's products or increase compliance costs.	Precinct's Sustainability Committee acts as the custodian for Precinct's sustainability strategy and comprises representatives from various parts of our business. Precinct also has a Board ESG Committee. Both committees meet frequently during the year and are responsible for assessing, actioning and driving ESG issues, reviewing performance and considering Precinct's long-term strategy on sustainable activities across the business and reporting on its progress. An update is included in the Board papers on an ongoing basis including Precinct's climate risk register.	►	Precinct recognises climate risk is an important part of the ongoing operation of our business activities. Precinct continues to assess our impacts on people and planet and how we are managing those impacts. Precinct presents its climate-related disclosures in accordance with the External Reporting Board's (XRB) Aotearoa New Zealand Climate Standards. Precinct's 2025 climate related disclosures will be published in October 2025 and will be available online at Precinct's website .

Corporate Governance

Internal

Risks and impacts	How we manage the risk	Change	Movement in the period
Development			
Development risk Development projects are inherently subject to uncertainties. They are entered into on the basis of assumed future costs, values and income levels. An increased level of development risk has the potential to make meeting covenant obligations and overall solvency challenging.	Ensure expected returns from developments adequately compensate Precinct for the level of risk undertaken before approval. Through due diligence, Precinct understands the project risks before commitment. Before commitment, ensure funding is in place and committed gearing stays within acceptable levels. Establishing a procurement plan and engaging contractors early to mitigate cost escalation or contractor default. Undertake substantial pre-leasing prior to commencement of development.	►	An appropriate level of development activity is underway however the risk has been reduced through completions, material progress on existing projects, high levels of pre-commit leasing secured and fixed price contract agreements in place. Precinct's capital requirement continues to reduce as we grow our capital partnerships.
Financial			
Interest rate management Interest rate risk arises through changes in interest rate market conditions leading to earnings volatility or breach of interest cover covenant levels.	Manage by aligning the interest rate re-pricing profile with the re-pricing profile of Precinct's gross rental income. Establish interest rate swaps to manage exposure within a band reviewed by the Board annually and monitored by the Audit and Risk Committee and Board quarterly.	▼	As inflation normalises the RBNZ continues to forecast a reduction in interest rates. Precinct was 83% hedged through the use of interest rate swaps at 30 June 2025 (June 2024: 99%).
Refinancing risk (liquidity) Having insufficient funds to refinance debt when it falls due and sustain the ongoing operations of the business.	Implemented a Financial Risk Management Policy in 2011 which is reviewed annually providing a clear framework ensuring risks are managed and understood. Diversified funding away from sole reliance on bank funding through alternative sources. Staggering the maturity profile of facilities providing adequate time to pursue alternatives to refinancing.	▼	During the period, Precinct successfully refinanced \$165 million of maturing bonds and USPP notes through a \$200 million bank facility, and Precinct's first New Zealand wholesale bond. Precinct continues to maintain sufficient funding capacity to deliver our committed developments.
Gearing levels An increase in gearing levels outside suitable industry standards could increase the risk of breaching financing covenants and may increase borrowing costs.	Precinct's Financial Risk Management Policy is reviewed annually. Ensure no capital commitment is entered into without funding in place. Maintain adequate headroom in relation to gearing covenants to withstand portfolio devaluations which may be anticipated through the property cycle.	▲	Precinct will look to proactively manage gearing levels through capital partnering initiatives to support the delivery of Precinct's strategy.
People			

Risks and impacts	How we manage the risk	Change	Movement in the period
Staff Staff are critical to ongoing success and execution of strategy. Failure to maintain a high level of experience and skill could impact business performance.	Ensure a strong focus on team engagement and enhancement. Maintain ongoing succession planning and retention structures within the Company. Regularly review performance appraisals of employees and directors and benchmark remuneration packages with the wider market.	►	Our staff remain a key focus for the business with a number of promotions, training and development occurring during the year. Precinct's "Three Pillars" Health, Safety & Wellbeing strategy focus on the delivery of the wellbeing programs under Physical, Mental and Financial pillars.
Health and safety Unsafe work environments may lead to accidents (employees, clients, contractors and visitors) resulting in harm to people, financial loss and/or business continuity.	Provide ongoing individual, group and industry training. Maintain a hazard register that identifies hazards where contractors are required to take precaution. Registers are subject to annual review. Monitor any live sites to ensure oversight of Health and Safety matters. Ensure contractor pre-qualification. Provide training and KPIs for all Precinct staff. Dedicated Senior Health & Safety Adviser employed by Precinct.	►	Appropriate monitoring and reporting continue to be implemented and refined to mitigate any potential risk. Further information on Health and Safety is included on Precinct's website .
Modern Slavery Precinct is committed to respecting and supporting the human rights of our employees and all those whose lives we impact through our supply chain. Given the complexity of the construction industry supply chain, Precinct may unknowingly be complicit in human rights abuses through the purchase of products or services.	Identifying areas with potential risk for forms of modern slavery in our supply chain. Engaging highly-reputable contractors with New Zealand-domiciled management teams.	►	Precinct has a Supplier Code of Conduct which supports our commitment to advance social and environmental responsibility beyond our own operations to our supply chain. It should be read together with Precinct's commitments in respect of Health & Safety, Diversity & Inclusion, Sustainability, Modern Slavery and Mental Health and Wellbeing, all of which can be found on Precinct's website .

Statutory Information

Shareholder information

As at 30 June 2025

Twenty largest shareholders

Rank	Shareholder	Number of shares	% of total shares
1.	HSBC NOMINEES (NEW ZEALAND) LIMITED	255,034,194	16.07
2.	FORSYTH BARR CUSTODIANS LIMITED	161,394,434	10.17
3.	ACCIDENT COMPENSATION CORPORATION - NZCSD	142,258,031	8.96
4.	BNP PARIBAS NOMINEES (NZ) LIMITED	136,869,128	8.62
5.	CUSTODIAL SERVICES LIMITED	96,434,332	6.08
6.	TEA CUSTODIANS LIMITED CLIENT PROPERTY TRUST ACCOUNT	65,868,931	4.15
7.	CITIBANK NOMINEES (NEW ZEALAND) LIMITED - NZCSD	56,187,614	3.54
8.	JPMORGAN CHASE BANK NA NZ BRANCH-SEGREGATED CLIENTS ACCT	49,701,639	3.13
9.	HSBC NOMINEES A/C NZ SUPERANNUATION FUND NOMINEES LIMITED	48,452,272	3.05
10.	NEW ZEALAND DEPOSITORY NOMINEE LIMITED	46,654,806	2.94
11.	ANZ WHOLESALE TRANS-TASMAN PROPERTY SECURITIES FUND	42,733,613	2.69
12.	FNZ CUSTODIANS LIMITED	39,697,034	2.50
13.	HSBC NOMINEES (NEW ZEALAND) LIMITED A/C STATE STREET -NZCSD	32,616,248	2.06
14.	HSBC NOMINEES (NEW ZEALAND) LIMITED A/C STATE STREET - NZCSD	24,939,144	1.57
15.	ADMINIS CUSTODIAL NOMINEES LIMITED	24,573,684	1.55
16.	JBWERE (NZ) NOMINEES LIMITED	22,903,618	1.44
17.	GENERATE KIWISAVER PUBLIC TRUST NOMINEES LIMITE	20,552,352	1.30
18.	PT (BOOSTER INVESTMENTS) NOMINEES LIMITED	17,034,754	1.07
19.	SIMPLICITY NOMINEES LIMITED - NZCSD	16,192,814	1.02
20.	NZX WT NOMINEES LIMITED	15,452,627	0.97
Total Top 20 holders of Ordinary Shares		1,315,551,269	82.89

Source: Computershare. The information above includes Shares held in custody by New Zealand Central Securities Depository Limited.

Shareholder distribution

Range	Total holders	Number of shares	% of total shares
1 - 499	107	22,228	0.00
500 - 999	113	73,296	0.00
1,000 - 1,999	198	269,129	0.02
2,000 - 4,999	680	2,277,692	0.14
5,000 - 9,999	1,132	7,959,646	0.50
10,000 - 49,999	2,929	65,959,318	4.16
50,000 - 99,999	530	35,657,415	2.25
100,000 - 499,999	304	54,040,104	3.41
500,000 - 999,999	21	13,691,234	0.86
1,000,000 and over	44	1,407,092,972	88.66
Total	6,058	1,587,043,034	100.00

Source: Computershare

Shareholder information

As at 30 June 2025

Substantial Financial Product Holders

Quoted financial product holder	Number of quoted ordinary shares held at date of notice	%	Date of notice
Forsyth Barr Investment Management Limited	129,548,270	8.163	8.05.2025
Milford Asset Management Limited	143,266,410	9.027	29.04.2025
ANZ New Zealand Investments Limited	76,821,239	4.841	14.02.25
ANZ Bank New Zealand Limited	25,752,631	1.623	14.02.25
ANZ Custodial Services New Zealand Limited	25,752,631	1.623	14.02.25

Note the number of shares above are according to notices filed only if the total number of a shareholder changes by 1% or more since the last notice filed.

Source: NZX Substantial product holding notices. The percentages have been calculated based on the quoted voting products on issue on 30 June 2025 (as discussed below).

As at 30 June 2025, Precinct had 1,587,043,034 quoted voting products on issue.

Quoted financial product holder	\$ amount of convertible notes held at date of notice	%	Date of notice
Forsyth Barr Investment Management Limited	30,419,000	35.787	16.05.25

Source: NZX Substantial product holding notices.

The total principal amount of PCTHC convertible notes on issue as at 30 June 2025 was \$85,000,000.

The total principal amount of PCTHB convertible notes on issue as at 30 June 2025 was \$65,000,000.

Donations

The Group made donations of \$112,000 during the year to 30 June 2025. No political donations have been made during the year to 30 June 2025.

Credit Rating

As at the date of this Annual Report, Precinct does not have a public credit rating.

Bondholder information

As at 30 June 2025

Twenty largest PCT030 bondholders

Rank	Bondholder	Number of bonds	% of total
1.	FORSYTH BARR CUSTODIANS LIMITED	21,542,000	14.36
2.	CUSTODIAL SERVICES LIMITED	18,244,000	12.16
3.	FNZ CUSTODIANS LIMITED	14,366,000	9.58
4.	ANZ FIXED INTEREST FUND - NZCSD	13,800,000	9.20
5.	GENERATE KIWISAVER PUBLIC TRUST NOMINEES LIMITED - NZCSD	13,077,000	8.72
6.	PT (BOOSTER INVESTMENTS) NOMINEES LIMITED - RETAIL - NZCSD	10,128,000	6.75
7.	HSBC NOMINEES (NEW ZEALAND) LIMITED - NZCSD	8,700,000	5.80
8.	TEA CUSTODIANS LIMITED CLIENT PROPERTY TRUST ACCOUNT - NZCSD	6,578,000	4.39
9.	ANZ WHOLESALE NZ FIXED INTEREST FUND - NZCSD	3,709,000	2.47
10.	FORSYTH BARR CUSTODIANS LIMITED	3,537,000	2.36
11.	INVESTMENT CUSTODIAL SERVICES LIMITED	2,849,000	1.90
12.	WESTPAC BANKING CORPORATE NZ FINANCIAL MARKETS GROUP -NZCSD	2,759,000	1.84
13.	FORSYTH BARR CUSTODIANS LIMITED	2,666,000	1.78
14.	PIN TWENTY LIMITED	2,400,000	1.60
15.	PUBLIC TRUST CLASS 10 NOMINEES LIMITED - NZCSD	2,125,000	1.42
16.	JBWERE (NZ) NOMINEES LIMITED	1,627,000	1.08
17.	ANZ CUSTODIAL SERVICES NEW ZEALAND LIMITED - NZCSD	1,273,000	0.85
18.	MINT NOMINEES LIMITED - NZCSD	1,218,000	0.81
19.	NZPT CUSTODIANS (GROSVENOR) LIMITED - NZCSD	1,150,000	0.77
20.	FNZ CUSTODIANS LIMITED	1,132,000	0.75
Total Top 20 holders of PCT030 bonds		132,880,000	88.59

Source: Computershare. The information above includes Bonds held in custody by New Zealand Central Securities Depository Limited.

Bondholder distribution - PCT030

Range	Total holders	Number of bonds	% of total
5,000 - 9,999	74	538,000	0.36
10,000 - 49,999	272	5,869,000	3.91
50,000 - 99,999	29	1,728,000	1.15
100,000 - 499,999	23	4,286,000	2.86
500,000 - 999,999	5	3,670,000	2.45
1,000,000 Over	21	133,909,000	89.27
Total	424	150,000,000	100.00

Source: Computershare

Bondholder information

Bondholder distribution - PCT040

Rank	Bondholder	Number of bonds	% of total
1.	HSBC NOMINEES (NEW ZEALAND) LIMITED - NZCSD	46,765,000	26.72
2.	CUSTODIAL SERVICES LIMITED	44,754,000	25.57
3.	FORSYTH BARR CUSTODIANS LIMITED	23,559,000	13.46
4.	GENERATE KIWISAVER PUBLIC TRUST NOMINEES LIMITED - NZCSD	8,168,000	4.67
5.	TEA CUSTODIANS LIMITED CLIENT PROPERTY TRUST ACCOUNT - NZCSD	7,451,000	4.26
6.	FNZ CUSTODIANS LIMITED	7,413,000	4.24
7.	FORSYTH BARR CUSTODIANS LIMITED	3,389,000	1.94
8.	ANZ FIXED INTEREST FUND - NZCSD	3,000,000	1.71
9.	ANZ WHOLESALE NZ FIXED INTEREST FUND - NZCSD	2,550,000	1.46
10.	JBWERE (NZ) NOMINEES LIMITED	1,867,000	1.07
11.	INVESTMENT CUSTODIAL SERVICES LIMITED	1,808,000	1.03
12.	NZX WT NOMINEES LIMITED	1,165,000	0.67
13.	FORSYTH BARR CUSTODIANS LIMITED	785,000	0.45
14.	PATHFINDER CARESAVER - NZCSD	740,000	0.42
15.	ANZ CUSTODIAL SERVICES NEW ZEALAND LIMITED - NZCSD	706,000	0.40
16.	I J INVESTMENTS LIMITED	700,000	0.40
17.	PIN TWENTY LIMITED	547,000	0.31
18.	HUGH MCCracken ENSOR	500,000	0.29
19.	PUBLIC TRUST CLASS 10 NOMINEES LIMITED - NZCSD	456,000	0.26
20.	FNZ CUSTODIANS LIMITED	430,000	0.25
Total Top 20 holders of PCT040 bonds		156,753,000	89.57

Source: Computershare. The information above includes Bonds held in custody by New Zealand Central Securities Depository Limited.

Bondholder distribution - PCT040

Range	Total holders	Number of bonds	% of total
5,000 - 9,999	74	430,000	0.25
10,000 - 49,999	387	8,165,000	4.67
50,000 - 99,999	65	3,737,000	2.14
100,000 - 499,999	41	6,801,000	3.89
500,000 - 999,999	6	3,978,000	2.27
1,000,000 Over	12	151,889,000	86.79
Total	585	175,000,000	100.00

Source: Computershare

Green Assets

Building Name	City	Address	Use	Status	Last Assurance	NABERSNZ Base Build Rating ¹	Green Star Rating	Asset Value (NZ\$m) ²	Allocation of proceeds per eligible asset (NZ\$m)
Jarden House	Auckland	21 Queen Street	Office	Operational	19-Aug-24	Refer to footnote below ¹	5 Star Office Built	\$128.0	\$32.6
PwC Tower	Auckland	15 Customs Street	Office	Operational	19-Aug-24	4.5 Star	5 Star Office Built	\$623.0	\$158.5
1 The Terrace	Wellington	1-3 The Terrace	Office	Operational	-	4 Star	4 Star Office Built	\$130.0	\$33.1
Defence House	Wellington	34 Bowen Street	Office	Operational	19-Aug-24	5 Star	4 Star Office Built	\$190.0	\$48.3
Deloitte Centre ³	Auckland	1 Queen Street	Office	Operational	19-Aug-24	Targeting 4 Star	6 Star Built	\$354.0	\$90.0
Bowen House	Wellington	1 Bowen Street	Office	Development	19-Aug-24	Targeting 5 Star	Targeting 5 Star Built	\$147.5	\$37.5
Total existing green assets for bonds								\$1,572.5	\$400.0
Total value of eligible assets - based on last assurance								\$1,974.0	
Total value of eligible assets ⁴								\$1,572.5	

1 NABERS NZ rating targets are listed on the basis of Precinct's commitment to the World Green Building Council Net Zero Carbon Buildings Commitment and meeting or exceeding New Zealand's excellence levels under NABERSNZ with a target to have 100% of our investment portfolio to be +4-Stars, under our direct operational control by 2030. Noting Jarden House most recent rating is 2 star.

2 Fair value as at 30 June 2025

3 Deloitte Centre valuation includes the Intercontinental hotel (\$180m) as held for sale and conditional as at 30 June 2025.

4 Eligible assets must have a minimum (or target) 5-star NZGBC Green Star Built rating or a minimum (or target) 4-Star NABERSNZ Energy Base Building Rating

Directors' interests

Details of Director interests in Precinct Stapled Securities and Bonds¹

Director	2025 Number of shares	2024 Number of shares	2025 Number of bonds	2024 Number of bonds
Anne Urlwin	91,128 ²	81,128	-	25,000
Chris Meads	50,000 ³	50,000	-	-
Nicola Greer	40,000 ⁴	10,000	-	-
Mark Tume	40,261 ⁵	20,261	-	-

1 As at 30 June 2025, no director has a relevant interest in Precinct's quoted convertible notes.

2 Relevant interest in beneficial ownership of 91,128 stapled securities held by Clifton Creek Limited.

3 Legal and beneficial ownership of 50,000 stapled securities.

4 Relevant interest in beneficial ownership of 40,000 stapled securities held by Greer Seeto No. 2 Trust.

5 Relevant interest in beneficial ownership of 40,261 stapled securities held by Tume Family Trust.

As outlined in Precinct's Board Charter, Directors are encouraged to own financial products in Precinct in their own name (or through associated interests). In the case of Independent Directors, the Boards of Precinct have resolved that Independent Directors are expected to generally hold, as a minimum, shares equal in value to 50% of one year's, before tax, director base fees, and to accumulate this holding over the first three years in office.

Set out in the table below are disclosures made by Directors in respect of changes in shareholdings in Precinct Stapled Securities during the period 1 July 2024 to 30 June 2025 for the purposes of section 148(2) of the Companies Act:

Name of director	Date of transaction	Nature of transaction	Number and class of shares (stapled securities)	Nature of interest	Consideration paid or received
Nicola Greer	24 Sept 2024	On-market acquisition	5,000	Beneficial owner	\$6,200.00
Nicola Greer	25 Feb 2025	On-market acquisition	5,000	Beneficial owner	\$5,750.00
Nicola Greer	25 Feb 2025	On-market acquisition	5,000	Beneficial owner	\$5,750.00
Nicola Greer	20 March 2025	On-market acquisition	5,000	Beneficial owner	\$5,600.00
Nicola Greer	24 March 2025	On-market acquisition	5,000	Beneficial owner	\$5,583.05
Nicola Greer	15 April 2025	On-market acquisition	3,506	Beneficial owner	\$3,786.48
Nicola Greer	16 April 2025	On-market acquisition	1,494	Beneficial owner	\$1,613.52
Mark Tume	13 March 2025	On-market acquisition	20,000	Beneficial owner	\$23,000.00
Anne Urlwin	28 March 2025	On-market acquisition	10,000	Beneficial owner	\$11,300.00

Contents	FY25 Highlights	Precast Group Overview	Chair and CEO Report	FY25 Results Overview	Financial Summary	Leadership	Corporate Governance	Stuctury Information	Remuneration Report	Sustainability Report	The Numbers	Directory
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Alison Barrass*
Chair of AA Insurance Limited
Chair Babich Wines Limited
Director of Vero Liability Insurance Limited
Director of Zespri Group Limited
Director and Shareholder of Rockit Global
Director and Shareholder of Quantum Leap Limited
Beneficial interest in Campbell Trust

Nicola Greer
Acquired 30,000 Precinct Stapled Securities on market.
Ceased to be a director of Awarua Holdings Limited.

Mark Tume
Acquired 20,000 Precinct Stapled Securities on market
Ceased to be a director of Blink Pay Global Group Limited.

Anne Urlwin
Acquired 10,00 Precinct Stapled Securities on market.

The following interests of subsidiary directors were recorded since the last report.

Richard Hilder
On market sales of 263,154 ordinary shares.
Acquired beneficial interest in 1,509 ordinary shares as a participant in Precinct Properties Employee Share Scheme.
Vesting of performance share rights and issue of 82,434 ordinary shares pursuant to a long term incentive plan.

Louise Rooney
Acquired beneficial interest in 1,509 ordinary shares as a participant in Precinct Properties Employee Share Scheme.

Remuneration Report



Chris Meads, Chair of Precinct People and Performance Committee

Following the retirement of Graeme Wong last year, I am pleased to present Precinct's Remuneration Report for the financial year ended 30 June 2025 in my first year as Chair on behalf of the People and Performance Committee.

FY25 performance and remuneration outcomes

In FY25 Precinct delivered an operating profit before indirect expenses of \$152.3 million, up 1.2%, AFFO of 6.54 cps, and dividends of 6.75 cps. The FY25 remuneration outcomes disclosed in this Remuneration Report reflect Precinct's performance and alignment with shareholder returns.

Executive remuneration framework review

The current remuneration framework was put in place with effect from 1 April 2021 following internalisation of Precinct's management (previously provided by AMP Haumi Management Limited under a management agreement). The Board considered a review after 3 years to be appropriate.

During the year, we undertook a review of Precinct's remuneration framework to ensure:

- it assists in attracting, motivating and retaining talented people;
- it is appropriately structured to reward our people for delivering strong performance;
- it is aligned with both Precinct's strategy and delivering long-term value for shareholders; and
- it reflects good market practice.

The outcome of the review has included:

- Changes to the weightings of the remuneration components for the CEO and some members of the Senior Management Team¹;
- A reduction in the number of STI (short term incentive) performance targets to provide focus and efficiency in the administration of the STI scheme, their incorporation into a balanced scorecard of targets, with the awarding of the maximum STI opportunity occurring on superior performance against business plan; and
- The introduction of a portion of the awarded STI above a threshold being delivered in deferred equity.

These changes are set out in further detail in section 3.4.

These changes will take effect for the STI scheme commencing 1 July 2025. A revised Executive Remuneration and Reward Policy was developed with the assistance of an external remuneration consultant and approved by the Board in August 2025. The policy is available at <https://www.precinct.co.nz/investors/corporate-governance>.

The Board will continue with annual monitoring of remuneration reflecting economic indicators and market trends, including talent attraction and retention.

Remuneration reporting

We have also considered how we can further improve Precinct's reporting to demonstrate that remuneration of the Senior Management Team is transparent, fair and reasonable, and provides clear alignment to the interests of Precinct shareholders.

For FY25, we have further improved transparency and expanded our disclosures, with the following:

- Inclusion of the FY25 STI scorecard metrics including maximum achievable against actual remuneration paid;
- More detail on the strategic measures used for the Long Term Incentive (LTI) scheme;
- Additional detail of CEO remuneration for FY25, together with a four year summary; and
- Improved Total Shareholder Return (TSR) reporting against Precinct's peer group and NZX50.

¹ For the purpose of this Remuneration Report, Senior Management Team are those persons having authority and responsibility for planning, directing and controlling the major activities of Precinct, directly or indirectly, and includes executives and other senior management.

Remuneration Report

Our remuneration governance framework

Precinct's remuneration governance framework is designed to support the performance of Precinct's business and its strategy. It is overseen by Precinct's People and Performance Committee which is guided by Precinct's Remuneration Policy available in [Precinct's People and Performance Committee Charter](#). Further information relating to the People and Performance Committee is set out in [Corporate Governance, Principle 3 - Board Committees](#) and on page 57 of this remuneration report. Information regarding attendance at People and Performance Committee meetings for the year to 30 June 2025 can be found on page 31.

External advisors

Remuneration benchmarking of Directors and Executives is undertaken regularly by external remuneration consultants. The assessment of Precinct's performance targets and vesting of LTI rights is calculated by a recognised independent party that the Board reasonably considers has the expertise, experience and access to the necessary data to carry out the calculation.

Employee engagement

As an employer, we are committed to attracting, retaining and developing a skilled, diverse and high-performing workforce for Precinct. This includes ensuring our people are rewarded for their performance and experience.

Gender pay gap

We reported Precinct's gender pay gap for the first time last year and this year our reporting is more comprehensive and includes Precinct Flex and members of the Precinct residential team who were excluded last year. This is detailed on page 68. Ensuring Precinct is paying people equitably and closing our pay gap remains a key focus of the People and Performance Committee.

Director fees review

Fees were last approved by shareholders in 2023. An updated director remuneration review was undertaken by PwC this year and any recommended changes will be proposed to shareholders for approval at the upcoming Annual Shareholder Meeting in November 2025.



Chris Meads,
Chair, People and Performance Committee

2. Director remuneration

2.1 Fees approved by shareholders

Precinct does not utilise a director fee pool and instead sets fees based on the role of each director. Fees approved by shareholders in 2023 are shown in the table below.

Current director position and fee rate	\$ per annum (plus GST, if any)	\$ hourly rate (plus GST, if any)
Chair	182,340	
Independent Director	98,800	
Audit and Risk Committee Chair	20,000	
People and Performance Committee Chair	17,500	
Environment, Social & Governance Committee Chair	17,500	
Audit and Risk Committee Member	11,900	
People and Performance Committee Member	10,000	
Environment, Social & Governance Committee Member	10,000	
Due Diligence Committee Chair (ad hoc hourly rate)		380
Due Diligence Committee Member (ad hoc hourly rate)		350
Annual Cap for Due Diligence Committee Fees	100,000	

2.2 Total remuneration paid to each Precinct director for FY25

Role (Amounts in \$)	30 June 2025					Total
	Board	Audit and Risk Committee	ESG Committee	People and Performance Committee	Due Diligence Committee	
Anne Urlwin, Board Chair	182,340	11,900	10,000	10,000		214,240
Chris Judd, Independent Director	98,800		10,000	10,000	-	118,800
Nicola Greer, ESG Committee Chair	98,800	11,900	17,500	-		128,200
Mark Tume, Audit and Risk Committee Chair	98,800	20,000	-	-	-	118,800
Chris Meads, Independent Director ¹	98,800	11,900	-	14,688	-	125,388
Alison Barrass, Independent Director ²	74,100		7,500	7,500		89,100
Graeme Wong, People and Performance Committee Chair ³	37,050		3,750	6,563		47,363
	688,690	55,700	48,750	48,750	0	841,890

1 Chris Meads commenced as People and Performance Committee Chair on 15 November 2024.

2 Alison Barrass was appointed as a Director by the Board with effect from 2 September 2024. She was consequently elected as a Director at the Annual Meeting of Shareholders on 15 November 2024.

3 Graeme Wong retired from the Board on 15 November 2024.

No other remuneration or benefit was provided by the Group during the period to any director or former director of any Group member. Precinct does not offer share incentives or share options to directors. Directors are not entitled to any retirement benefits.

2.3 Insurance and indemnity

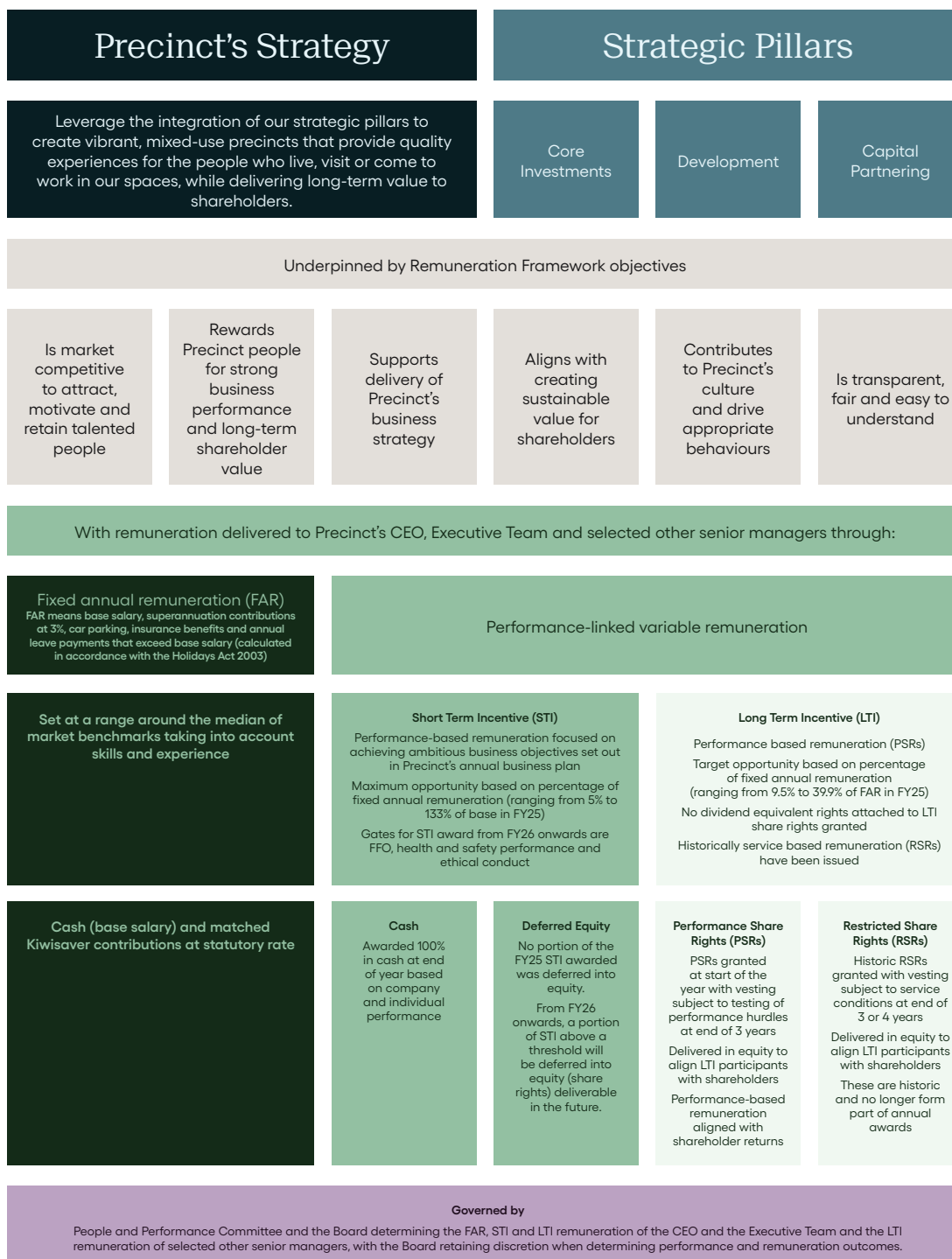
As permitted by the constitution and the Companies Act 1993, Precinct has indemnified its directors and officers, and the directors of its subsidiaries against potential liabilities and costs they may incur for acts or omissions in their capacity as directors. During the financial year, Precinct paid insurance premiums in respect of directors' and officers' liability insurance which covers risks normally covered by such policies arising out of acts or omissions of directors and officers in their capacity as such. Insurance is not provided for criminal liability or liability or costs in respect of which an indemnity is prohibited by law.

Remuneration Report

3. Employee remuneration framework

The People and Performance Committee is committed to providing shareholders with clear and transparent information regarding the link between Precinct's performance and remuneration outcomes. The performance and remuneration framework supports the company's strategy.

3.1 Remuneration framework components



Precinct also operates an Employee Share Scheme (ESS) that enables employees to acquire shares in Precinct at no cost (under the current NZ tax legislation). The main objective of the ESS is to recognise the important contribution Precinct employees make to the overall success of our business. It was established in 2022 and continues to be well received by Precinct employees. At 30 June 2025 there were 64 participants in the ESS. The Boards of Precinct consider the ESS aligns the interests of the employees with those of Precinct and its shareholders and aims to assist Precinct in retaining and motivating employees.

3.2 Short Term Incentive (STI) and Long Term Incentive (LTI) schemes

Precinct's performance-linked (at risk) STI and LTI schemes award performance-based variable remuneration only on the achievement of specific performance targets for the STI and LTI PSR (performance share rights) scheme. The historic LTI RSR (restricted share rights) scheme awards based on service. All incentive scheme awards are subject to Board discretion.

FY25 STI

Budgeted AFFO (Adjusted Funds from Operations) was a gate for the FY25 STI, and the STI performance targets were derived from Precinct's annual FY25 business plan with the financial, operational and strategic targets aligned to Precinct's strategy, weighted as set out below. The updated STI framework and performance targets for FY26 are set out in section 3.4.

STI Eligibility		STI Performance Targets for FY25		
AFFO threshold	STI determined	Weighting	Performance Targets	
AFFO minimum threshold not met	0% of STI available	30%	Earnings (AFFO) and dividends	- AFFO - Dividends
AFFO minimum threshold met	50% of STI available	25%	Capital partnering	- New equity capital partnerships - Investor returns
AFFO budgeted target met ¹	75% of STI available	15%	Investment portfolio	- Occupancy - Weighted average lease term - Leasing
AFFO performance maximum met	100% of STI available	15%	Development	Project performance
		15%	Capital Management	Comply with financial risk management policy
		100%		

¹ Where AFFO exceeds budget but is below the maximum, the STI available is scaled proportionately.

STI potential:

- CEO: STI set with a maximum potential of 133% of base salary.
- Other STI participants: STI set with a maximum potential ranging from 5% to 100% of base salary.

The FY25 STI scorecard detailing the STI outcomes is in section 4.2.

Remuneration Report

FY25 LTI

The LTI PSR performance targets are aligned with Precinct's strategy and the delivery of sustainable long-term value for shareholders. The LTI PSR plan is designed to align the reward for LTI participants with the enhancement of shareholder value over a multi-year period with the aim of driving longer-term performance and ensuring the alignment of incentives of key management personnel with the interests of Precinct's shareholders. The LTI PSR plan also promotes the retention of key employees and facilitates and encourages employee share ownership. The LTI targets for FY26 are set out in section 3.4.

Weighting	LTI Performance targets for FY25	
33.3%	Absolute TSR	Based on performance against an annualised and compounded cost of equity over the vesting period, as calculated by independent advisors. The cost of equity is recalculated on an annual basis.
33.3%	Relative TSR	Based on performance against specific NZX peer group ¹ over the vesting period. Precinct's TSR is compared with the 50 th and 75 th percentile TSRs from the peer group and a progressive scale is adopted - - Below the 50th percentile : 0% vests - Equal to 50th percentile : 50% vests - Equal or greater than 75th percentile: 100% vests
33.3%	FFO growth	Based on FFO (free cash flow) from operations against CPI (Consumer Price Index – All Groups) growth over the vesting period. Precinct's FFO growth is compared with the 75 th and 125 th of CPI growth over the vesting period and a progressive scale is adopted – - Below 75% of CPI growth : 0% vests - Equal to 75% of CPI growth : 50% vests - Equal or greater than 125% of CPI growth : 100% vests
100%		

1 The peer group consists of Goodman Property Trust, Argosy Property Limited, Property for Industry Limited, Kiwi Property Group Limited, CDL Investments NZ Ltd, Vital Healthcare Property Trust, Stride Stapled Group, Asset Plus Limited, Investore Property Limited.

LTI PSRs potential:

- CEO: LTI PSRs set at 70% of base salary
- Other LTI participants: LTI PSRs set within range of 10% to 40.0%

There are no dividend equivalent rights attached to the PSR grants.

LTI PSRs lapse if the LTI participant ceases to be employed by Precinct prior to vesting, subject to the Board's discretion.

The FY25 LTI scorecard detailing the LTI PSRs outcomes is in section 4.3.

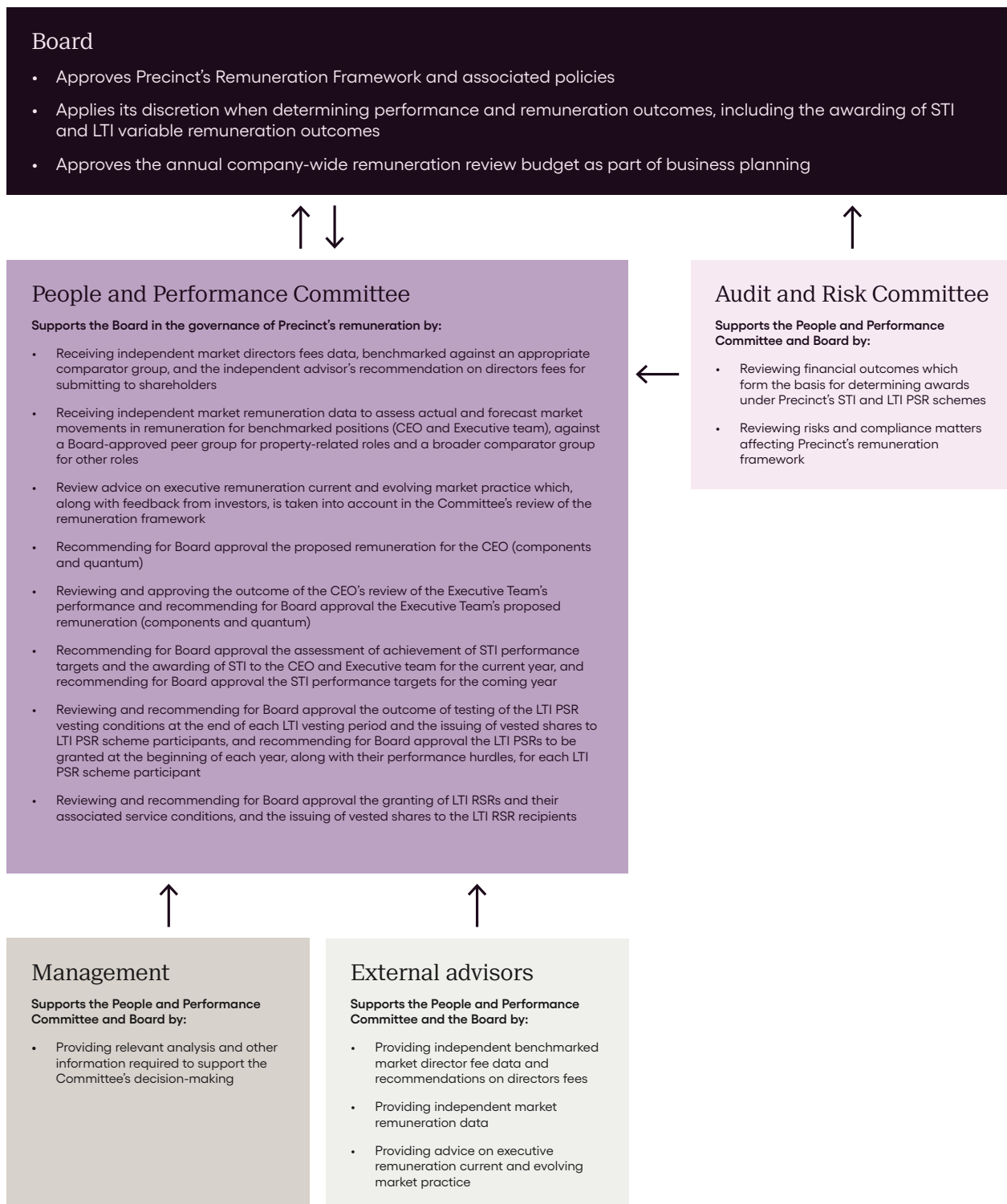
The current LTI RSR plan is made up of two tranches with different vesting periods (30 June 2026 and 31 March 2027):

- Retention RSRs granted in April 2023 to secure senior leadership during a challenging period for the sector during Covid-19, with a 4 year service condition (no further one-off retention RSRs have been granted by the Board since this initial grant), and
- Other RSRs granted as at 1 July 2023 to selected senior managers (these RSRs have a 3 year service condition).

LTI RSRs lapse if the participant ceases to be employed by Precinct prior to vesting, subject to the Board's discretion.

3.3 Remuneration framework governance

Precinct's remuneration framework is governed as follows:



Remuneration Report

3.4 Remuneration framework review

The Board determined in late 2024 to undertake a review of Precinct's executive remuneration structure. The aim for this review was to bring Precinct's Executive framework into line with contemporary market practice, to improve the efficiency of determining remuneration outcomes and to enhance alignment between company performance and remuneration. The review was considered timely given the existing executive remuneration framework had been in place since internalisation was completed in March 2021.

At the same time as the review was undertaken, Precinct formulated and adopted an Executive Remuneration and Reward policy (available at <https://www.precinct.co.nz/investors/corporate-governance>) with the following guiding principles:

- We are a performance-driven organisation. Our executive team strives to deliver superior business outcomes, and we are committed to rewarding achievement of superior performance through remuneration.
- We align executive performance expectations to our business strategy and key result areas, to ultimately drive shareholder returns.
- Our remuneration practices are designed to attract, retain and motivate high-calibre executives to drive both strong short term performance outcomes and sustainable long term shareholder value for Precinct shareholders.
- We consider comparable companies and markets when sourcing benchmark data to underpin remuneration decision-making.
- We disclose the principles of our remuneration management to executives and key stakeholders.

In summary, the main changes in the revised Precinct Executive Remuneration structure adopted with effect from 1 July 2025 are:

- Changes to the weightings of the remuneration components for the CEO and some members of the Senior Management Team.
- Fixed Annual Remuneration (FAR) for each role has been rebased to a target range of +/- 15% around the median for the benchmarking group. An individual's current position in the range would reflect, among other factors, their experience as well as their unique skills and attributes. Over time, the target range for FAR in each role will move in line with the median for the benchmarking group, while an individual's position in the range should - subject to performance - gradually move higher as they develop greater experience in that position.
- The Short Term Incentive (STI) for each role is expressed as a fixed % of FAR with performance assumed to be at target. While the STI target as a % of FAR is set in relation to market benchmarks for each role, this percentage is expected to remain unchanged from year to year unless there is a material and permanent change within the comparative benchmarking group.
- A balanced scorecard for determining STI performance has been developed, with 75% of the scorecard outcome determined by quantifiable financial performance, and 25% for non-financial measures, also with an emphasis on quantifiable outcomes. Within the scorecard, each key performance indicator (KPI) is assessed individually, so there is opportunity for outperformance as well as jeopardy in the case of underperformance for each KPI. We have moved away from having a total bonus pool determined by a single financial performance metric (historically this was AFFO), partly to reflect contemporary market norms, as well as recognising the greater complexity of Precinct's business model now, with its multiple opportunities for value creation, compared to when our initial remuneration structure was put in place following internalisation in 2021. The balanced scorecard should remain largely unchanged from year to year, though there might be gradual change over time as Precinct's business model evolves. Precinct's most senior executives' performance will be assessed for STI primarily based on the Company-wide scorecard. Other executives may have a blend of scorecard and personal objectives applicable for their role and experience.
- A gate for STI still applies with both financial and behavioural outcomes specified before any STI will be paid. The Board maintains its overriding discretion to modify scorecard outcomes if, in the directors' collective judgment, scorecard outcomes do not adequately reflect underlying business performance.
- A portion of the awarded STI above a threshold will be delivered in deferred equity, rather than cash payments.
- The Long Term Incentive (LTI) for each role is expressed as a fixed % of FAR, similar to STI. The number of performance hurdles applicable for the LTI scheme has been revised from three to two, by dropping the absolute Total Shareholder Return (TSR) performance hurdle and rebalancing the split between Relative TSR and Growth in FFO to 50:50 weighting. This change reflects the Board's understanding that of the three performance measures previously adopted, Precinct's executive team had almost no agency over absolute TSR, given it is determined primarily by underlying movements in global capital markets. The fundamental purpose of Precinct's LTI scheme is to incentivise long term shareholder value

creation and, in the Board's opinion, this is best achieved by management focusing on long term growth in profitability and Precinct's competitive positioning and performance relative to its peer group.

- The final change for the LTI scheme was to revise the methodology for determining the number of Performance Share Rights (PSRs) to be issued in each annual grant. Historically, an option valuation approach was used to determine the number of PSRs to be issued each year. Going forward a volume weighted average price (VWAP) method will be used. This change is likely to lead to a more consistent pattern of PSR issuance from year to year as it does not rely on forward-looking assumptions for interest rates, share price volatility and inflation to be made in order to determine the number of units that should be issued. A VWAP method is easy to understand and interpret for both shareholders and management. Importantly, the option pricing approach will still be used to value the financial impact of each LTI grant in Precinct's financial accounts, but it will no longer determine the number of PSRs to be issued.

Following this review, Precinct's FY26 STI and LTI performance targets are as follows:

FY26 STI

The operation of the STI scheme and determination of STI amounts is entirely at the Boards' discretion. However, for any STI to be available Precinct needs to meet certain hurdles as follows:

Financial:

- 90% of FFO budget.

Non-financial:

- Health & Safety – where Precinct has caused material harm through non-performance of its duties or a lack of process/monitoring has not mitigated potential risk.
- Ethical conduct in accordance with policies.

Where FFO exceeds the hurdle (90% of budget) but is below the threshold, there will only be an assessment of STI for those items which do not include FFO (i.e. the remaining 60% of assessment). Notwithstanding, the Board retains discretion and could determine to assess STI in some scorecard area.

STI Performance Targets for FY26		
Weighting	Performance Targets	
Financial Measures (75%)		
40%	FFO Budget	Precinct FFO performance relative to budget.
20%	Development	Project performance.
15%	Funds under Management	- New equity capital partnerships. - Growth in existing partnerships.
Non-financial Measures (25%)		
5%	Client Engagement	
5%	Talent & Succession	
5%	Staff Engagement	
5%	ESG	
5%	Health & Safety	
100%		

Remuneration Report

FY26 LTI

Weighting	LTI Performance targets for FY26	
50%	Relative TSR	Based on performance against specific NZX peer group¹ over the vesting period. Precinct's TSR is compared with the 50th and 75th percentile TSRs from the peer group and a progressive scale is adopted - - Below the 50th percentile : 0% vests - Equal to 50th percentile : 50% vests - Equal or greater than 75th percentile: 100% vests
50%	FFO growth	Based on FFO (free cash flow) from operations against CPI (Consumer Price Index – All Groups) growth over the vesting period. Precinct's FFO growth is compared with the 75th and 125th of CPI growth over the vesting period and a progressive scale is adopted – - Below 75% of CPI growth : 0% vests - Equal to 75% of CPI growth : 50% vests - Equal or greater than 125% of CPI growth : 100% vests
100%		

¹ The peer group consists of Goodman Property Trust, Argosy Property Limited, Property for Industry Limited, Kiwi Property Group Limited, CDL Investments NZ Ltd, Vital Healthcare Property Trust, Stride Stapled Group, Asset Plus Limited, Investore Property Limited.

4. Business performance and remuneration incentive scheme outcomes

4.1 Historical business performance

Precinct's historical performance related to the incentive plan outcomes for the years following internalisation of Precinct's management:

	FY25	FY24	FY23	FY22
Financial performance metrics				
Total comprehensive income after tax attributable to equity holders (\$million)	3.1	(30.1)	(147.5)	108.8
Funds from operations (FFO) (\$million) ¹	112.7	114.5	114.0	107.5
Funds from operations (FFO) (cents per share)	7.10	7.22	7.19	6.89
Growth in FFO (%)	-1.6%	0.4%	4.3%	0.0%
Adjusted funds from operations (AFFO) (\$million) ¹	103.8	106.2	106.2	106.1
Adjusted funds from operations (AFFO) (cents per share)	6.54	6.69	6.69	6.51
Growth in AFFO (%)	-2.3%	0.1%	2.8%	442.5%
Gross Distribution (cents per share)	6.88	6.85	6.70	6.70
Growth in gross distributions (%)	0.4%	2.2%	0.0%	3.1%
Net distribution (cents per share) ²	6.75	6.75	6.70	6.70
Growth in net distribution (%)	0.0%	0.7%	0.0%	3.1%
Financial position metrics				
Total equity (\$million)	1,944.3	2,047.3	2,183.1	2,435.5
Shares on issue (million shares)	1,587.0	1,586.4	1,585.9	1,585.4
Net tangible assets (NTA) (cents per share)	1.21	1.29	1.38	1.54
Equity return metrics				
Closing share price at balance date (\$)	1.20	1.12	1.29	1.37
Total shareholder return (TSR)	13.9%	-8.5%	-0.7%	-10.6%
CEO incentive outcome (STI earned as % of maximum)	87%	74%	100%	74%
CEO incentive outcome (LTI PSRs and RSRs vested as % of maximum) ³	26%	26%	100%	100%

1 FFO and AFFO are alternative (non-IFRS) performance measures which adjust net profit after tax for a number of non-cash and other items

2 Dividend paid and proposed relating to the financial year

3 FY24 was the first year LTI PSRs were tested for vesting under the LTI plan introduced in April 2021

Remuneration Report

4.2 FY25 STI outcome

Summary of Precinct's performance against the performance targets set out in the STI scorecard for FY25.

Performance area	Weighting	Performance	FY25 outcome	Assessment
Earnings and dividends	30%	- Adjusted funds from operations (AFFO) of 6.55 cps was above the target - Dividend guidance of 6.75 cps was achieved	26%	Threshold On target Max
Capital partnering	25%	- Capital partnerships targets to grow Precinct's AUM (Assets Under Management) not achieved - Investor (capital partners) return targets assessed as achieved	17%	Threshold On target Max
Investment Portfolio	15%	- Occupancy of 97% compared to target of 98% - WALT (Weighted Average Lease Term) target of 5.5 years was achieved - Leasing transactions target was achieved - Growth in market rents for leasing transactions target was achieved	11.7%	Threshold On target Max
Developments	15%	- Existing projects were not all delivered on time and budget - New projects key milestones were assessed as achieved	7.5%	Threshold On target Max
Capital Management	15%	Execution of capital management initiatives to support Precinct's strategic growth initiatives and optimise its balance sheet were assessed as achieved	13.1%	Threshold On target Max
Overall STI scorecard achievement	100%		75.3%	

- Threshold is the outcome required for that component of STI to be paid at the Threshold level, with Threshold set at 50% of the available STI.
- On target is the outcome required for that component of STI to be paid at target levels. On Target is 100% of available STI, with available STI calculated on the basis of the earnings (AFFO) outcome.
- Maximum is the outcome required for that component of STI to be paid at the Maximum level, with Maximum set at 133% of the available STI (representing that on-target is 75% of maximum).

For FY25, Precinct's business performance metrics and outcomes for FY25 resulted in an assessed actual weighted result of 75.3% against the performance targets as detailed in the table above. This actual weighted result of 75.3% is divided by the maximum available short term incentive ie. 75% ($75.3/75 = 100.4\%$). This results in a performance scaler of 100.4% which is then multiplied against the FY25 available short term incentive pool.

For the CEO this results in:

FY25 base rem	STI target % of base rem	FY25 on target STI	Max @ 133%	Max base rem and STI	Available STI	Performance scaler	STI calculation	Kiwisaver	Total base and STI including kiwisaver
\$823,485	100%	\$823,485	\$1,097,980	\$1,921,465	\$949,753	100.4%	\$953,552	\$28,607	\$1,830,349

4.3 FY25 LTI outcome

For the three-year period ended FY25, LTI (PSR) scheme participants were eligible for an award of LTI based on the achievement of performance targets set as a percentage of fixed annual remuneration as at 1 July 2022 (the start of the three-year performance period). The vesting of shares was subject to the LTI performance targets:

Performance target	Weighting	Performance	Weighted outcome
Absolute TSR	33%	Absolute TSR over the 3-year period to 30 June 2025 was not greater than Precinct's annualised compounded cost of equity.	0%
Relative TSR	33%	Relative TSR was between the 50 th and 75 th percentile of the peer group.	76%
Funds from operations (FFO) Growth	33%	FFO growth over the 3-year period to 30 June 2025 was not equal to or greater than 75% of the CPI growth.	0%
	100%		26%
Total Shareholder Return (TSR): TSR measures the total return received by shareholders from the increase in the market price of a share of Precinct. The TSR will be calculated using the volume weighted average sale price of a Precinct share on the NZX over the 20 trading days prior to the vesting date. Funds From Operation (FFO): FFO is used to define the cash flow from operations and is a measure of operating performance over the performance period. Relative TSR based on performance against specific NZX peer group (Goodman Property Trust, Argosy Property Limited, Stride Property Limited, Kiwi Property Group Limited, Asset Plus Limited, Property for Industry Limited, Investore Property Limited, Vital Healthcare Property Trust and CDL Investments New Zealand Limited).			

For the CEO this results in the vesting of 269,780 PSRs awarded as at 1 July 2022 into 269,780 stapled securities with a market value at 30 June 2025 of \$323,736, with the remaining 777,834 PSRs lapsing.

Remuneration Report

5. CEO Remuneration

Scott Pritchard was appointed Chief Executive Officer in September 2010, initially as an employee of the manager (AMP Haumi Management Limited) and then by Precinct upon termination of the management agreement in March 2021. He is a permanent employee with a notice period of 3 months, for either the CEO or Precinct. There is no contractual termination payment and any such payment would be negotiated between the CEO and the Boards of Precinct.

5.1 CEO FY25 remuneration

The CEO's remuneration earned for FY25 consisted of:

- 35% fixed pay (benchmarked annually);
- 65% performance based remuneration: 35% STI payable in cash and 30% LTI in the form of performance share rights to be vested into Precinct shares; and
- Participation in the Precinct Employee Share Scheme.

		FY25	FY24	FY23	FY22
Fixed remuneration earned	Base salary	823,485	799,500	780,000	780,000
	Superannuation on base salary ¹	24,705	23,985	23,400	23,400
	Other benefits ²	133,938	158,642	111,509	14,942
	Total fixed remuneration	982,127	982,127	914,909	818,342
STI (short term incentive) earned	STI earned ³	953,552	788,599	1,040,000	576,875
	Superannuation on STI	28,607	23,658	31,200	17,306
	Total STI plan value earned	982,159	812,257	1,071,200	594,181
	Amount earned as % of maximum STI award	87%	74%	100%	74%
LTI (long term incentive) RSRs and PSRs earned	Number of shares vested	269,780	188,190	190,476	190,476
	% of maximum vested for the performance period	26%	26%	100%	100%
	Market price of vested shares at 30 June	1.20	1.12	1.29	1.37
	LTI plan value earned ⁴	323,736	209,832 ⁵	245,714	260,952
Total	Total remuneration earned	2,288,022	2,004,216	2,231,823	1,673,475

1 Superannuation is contributed by Precinct at 3% of base salary.

2 Other benefits include car parking, insurance and annual leave payments that exceed base salary (calculated in accordance with the Holidays Act 2003).

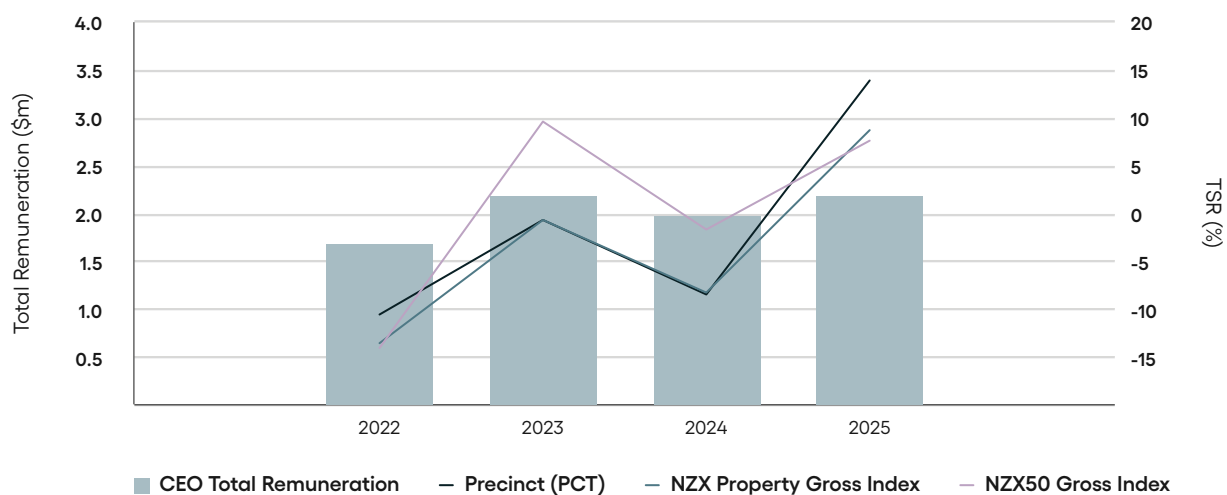
3 STI earned is the payment receivable based on performance achieved STI earned is the payment receivable based on performance achieved for the applicable FY to 30 June, but paid in the following FY.

4 LTI plan value earned is based on vesting entitlement assessed at 30 June for the applicable FY, with shares being transferred to the CEO in the following FY

5 FY24 was the first year PSR shares vested (tested at 30 June 2024 for vesting) under the Precinct LTI Scheme implemented as at 1 April 2021 following management internalisation with its three-year vesting period. Due to the three-year "vesting gap" upon the new scheme's implementation, a transitional arrangement provided an LTI reward in the form of RSRs that vested in each of FY22 and FY23.

5.2 CEO remuneration link to Precinct performance

TSR and CEO Total Remuneration¹



¹ TSR is based on close price for the financial year end (ie. 30 June) and NZX Property is the S&P/NZX All Real Estate Gross Index. Source IRESS.

5.3 CEO remuneration for FY26

For FY26 the Board has awarded a 28% increase in the CEO's base salary with effect from 1 July 2025 and the proportionate mix of the CEO's remuneration has changed to:

FY25

Fixed Pay	STI	LTI
35%	35%	30%
	(Performance Based)	(Performance Based)
	Cash	Absolute TSR Target
		Relative TSR Target
		FFO Growth Target

FY26

Fixed Pay	STI	LTI
33%	29%	38%
	(Performance Based)	(Performance Based)
		Relative TSR Target
		FFO Growth Target

As noted in the Committee Chair's covering letter, a revised Executive Remuneration Framework has been implemented with effect from 1 July 2025.

Remuneration Report

5.4 CEO share rights at 30 June 2025

PSRs (Performance Share Rights) and RSRs (Restricted Share Rights) held by the CEO as at 30 June 2025, following the vesting of the 2022 PSR award were as follows:

Grant date and VWAP at grant	Measurement date	Balance as at 30 June 2024	Granted during year		Vested and exercised		Lapsed	Balance as at 30 June 2025
			Number	Value \$	Number	Value \$		
Incentive Plan:								
Performance share rights								
1-4-2021	30-6-2024	-	-	-	188,190	209,832	542,082	-
Share price at grant \$1.63						\$1.115 per share		
1-7-2022	30-6-2025	1,047,614	-	-	269,780	323,736	777,834	-
Share price at grant \$1.33						\$1.20 per share		
1-7-2023	30-6-2026	1,305,175	1,305,175	545,000	-	-	-	1,305,175
Share price at grant \$1.29								
1-7-2024	30-6-2027	-	1,061,107	567,682	-	-	-	1,061,107
Share price at grant \$1.14								
Incentive Plan:								
Restricted share right								
14-4-2023	31-3-2027	474,103	-	-				474,103
Share price at grant \$1.28								
		2,826,892	2,366,282	1,112,682	457,970	533,568	1,319,916	2,840,385

6. Remuneration bands

The following table notes the number of Precinct employees or former employees, not being Precinct directors, who during the year ended 30 June 2025, received remuneration and any other benefits in their capacity as employees, the value of which exceeded \$100,000 per annum, in brackets of \$10,000. The remuneration figures include all monetary payments actually paid during FY25 including base salary and holiday pay, accrued STI entitlements in respect of FY25, employer contributions to superannuation, the value of LTI shares issued on vesting and other benefits received by employees, and redundancy and other payments made on termination of employment. The method of calculating remuneration is consistent with the previous year.

Remuneration range	# of employees
\$2,150,000 - \$2,159,999	1
\$1,410,000 - \$1,419,999	1
\$820,000 - \$829,999	1
\$510,000 - \$519,999	1
\$500,000 - \$509,999	1
\$380,000 - \$389,999	1
\$370,000 - \$379,999	1
\$360,000 - \$369,999	2
\$320,000 - \$329,999	1
\$310,000 - \$319,999	1
\$300,000 - \$309,999	1
\$290,000 - \$299,999	1
\$280,000 - \$289,999	4
\$270,000 - \$279,999	1
\$260,000 - \$269,999	4
\$230,000 - \$239,999	1
\$190,000 - \$199,999	1
\$170,000 - \$179,999	5
\$160,000 - \$169,999	5
\$150,000 - \$159,999	3
\$140,000 - \$149,999	3
\$130,000 - \$139,999	3
\$120,000 - \$129,999	4
\$110,000 - \$119,999	8
\$100,000 - \$109,999	2
Total	57

Remuneration Report

7. ESG remuneration disclosures

7.1 CEO/employee pay gap

The employee pay gap represents the number of times greater the CEO’s remuneration is than the remuneration of the median of all Precinct employees (determined as all permanent full time employees, all permanent part-time employees and fixed term employees below the CEO, with part-time employee remuneration adjusted to a full-time equivalent amount).

CEO/employee pay gap	CEO’s base salary	CEO’s total remuneration earned
As at 30 June 2025	8.2 times	17.0 times
As at 30 June 2024	9.4 times	18.9 times

Precinct employee salary and total remuneration medians exclude casual employees as well as Precinct Flex, Intercontinental Hotel and Commercial Bay Hospitality employees.

7.2 Gender pay gap

The gender pay gap shows the difference between full-time, full-year equivalent median and average base salaries and total remuneration of Precinct employees by gender, regardless of the nature or seniority of work.

Base salary refers to the fixed, guaranteed remuneration paid to an employee, excluding any overtime, allowances, bonuses or incentive payments, or other benefits. Total remuneration is the aggregate of the base salary plus the median value of all overtime, allowances, bonuses and incentive payments, company Kiwisiaver / superannuation contributions and any other benefits, thereby providing a more comprehensive view of an employee’s total remuneration.

Precinct’s gender median pay gap analysis as at 30 June 2025 is 38.7% excluding the two most senior roles in the business (CEO and Deputy CEO) which are both currently held by men. This is an increase from last year’s median pay gap of 21%, but includes Precinct Flex and Precinct Properties Residential employees for the first time this year, meaning it is a more comprehensive analysis.

The analysis showed that two of the drivers of the current pay gap were similar to other organisations in the New Zealand market, namely:

- A higher incidence of men of senior executive level; and
- Similarly, a higher proportion of men holding specialist and/or industry specific roles, which attract a market premium.

Gender pay gap (excluding CEO & Deputy CEO)	Average base salary	Median base salary	Average total remuneration	Median total remuneration
As at 30 June 2025	35.8%	38.7%	40.6%	40.6%
As at 30 June 2024	27.0%	21.0%	20.0%	20.0%

Precinct employee salary and total remuneration medians exclude casual employees as well as Intercontinental Hotel and Commercial Bay Hospitality employees.

8. Precinct Share Ownership

In line with the remuneration principle of providing strong shareholder alignment, minimum shareholder requirements (MSR) apply to directors, the CEO and other key executives as follows:

Role	Minimum shareholding requirement	Time to meet requirement ¹
Director	50% of base fees	3 years
CEO and Deputy CEO	80% of base salary	Not applicable ²
Other key executives	40 - 50% of base salary	Not applicable ²

¹ The Board retains discretion with regard to directors and executives who do not meet the MSR requirements.

² For certain executives (including the CEO) the Shareholding Policy introduced in April 2023 operates by restricting executives from selling those shares acquired under the LTI schemes (PSRs and RSRs) from April 2023 onwards unless they maintain the above minimum shareholdings.

Once the minimum shareholding is achieved, those subject to the MSR are expected to retain those levels. Shares vested under the LTI scheme (PSRs and RSRs) count towards the MSR. PSRs and RSRs granted, but not yet vested, do not count towards the MSR.

The shareholding by Directors at balance date is detailed on page 48.

As at 30 June 2025 the CEO holds 1,247,977 stapled securities (this excludes the stapled securities under the LTI scheme where the vesting conditions were tested at 30 June 2025 (and are therefore included in the CEO's total remuneration earned for FY25 as set out in section 5.1) but which vested and were transferred to the CEO post 30 June 2025.

Sustainability Report



We continue to deliver industry-leading ESG outcomes, including an improved GRESB score. Precinct has achieved its first 5-star rating, the highest available, and now ranks in the top 20% of more than 2,000 participating funds and entities globally.

Nicola Greer, Chair of Precinct ESG Committee

On behalf of the ESG Committee, I am pleased to present Precinct's Sustainability Report for the financial year ended 30 June 2025.

The following section provides an overview of Precinct's sustainability efforts over the last year. It has been prepared in accordance with the GRI Standards for sustainability reporting. As a business, we continue to manage our material impacts across Environmental, Social, and Governance (ESG) aspects of our operations. We are proud of the sustainability initiatives being undertaken across Precinct and we continue to prioritise the future performance of our portfolio and the material impacts on people and planet.

During the year, Precinct published its first climate statement in alignment with the External Reporting Board's (XRB) Aotearoa New Zealand Climate Standards.

This statement, along with our second climate statement to be released in October 2025, is available online at Precinct's website: www.precinct.co.nz and on the public registry alongside our peers: <https://www.companiesoffice.govt.nz/all-registers/climate-related-disclosures/>.

Key achievements in FY25 include:

- **GRESB Excellence:** Achieved an improved Global Real Estate Sustainability Benchmark (GRESB) score of 89/100 in 2024, outperforming the global average of 76.
- **Global Recognition:** Received the 'Rising Star' award from the International WELL Building Institute, recognising our leadership in health and wellbeing.
- **Renewable Energy Leadership:** Installed our largest solar array to date at the newly opened BECA House in Wynyard Quarter.
- **Climate Related Disclosure:** Published Precinct's first climate statement aligned with the External Reporting Board's (XRB) Aotearoa New Zealand Climate Standards.
- **Water Efficiency Milestone:** Delivered the first NABERSNZ Water ratings in Aotearoa New Zealand across four commercial office buildings.
- **Tenancy Performance:** Achieved a 4-star NABERSNZ tenancy rating for Precinct's corporate office in Auckland.
- **Energy Benchmarking:** Continued to certify building energy performance through NABERSNZ, using this benchmark to guide capital planning in support of our Net Zero 2030 commitments.
- **Green Star Certification:** Enrolled and certified all eligible assets in our portfolio under Green Star Performance.
- **Carbon Accountability:** Verified and disclosed carbon emissions across our investment portfolio and operations through Toitū net carbonzero certification.

Nicola Greer,
Chair, ESG Committee

Sustainability Highlights

89/100
GRESB score
(2023: 86/100)

4
Commercial
Office Buildings
with a NZ's first NABERSNZ Water
ratings (4.5-5 star)

309 total kW
of rooftop solar across
Wynyard Quarter

"Our partnership with Precinct on the development of our new headquarters has brought our shared vision for sustainability, resilience, and workplace productivity to life. The result is a home that reflects our purpose and supports our people now and for the future. We're proud of what we've achieved together".

Amelia Linzey, CEO, BECA

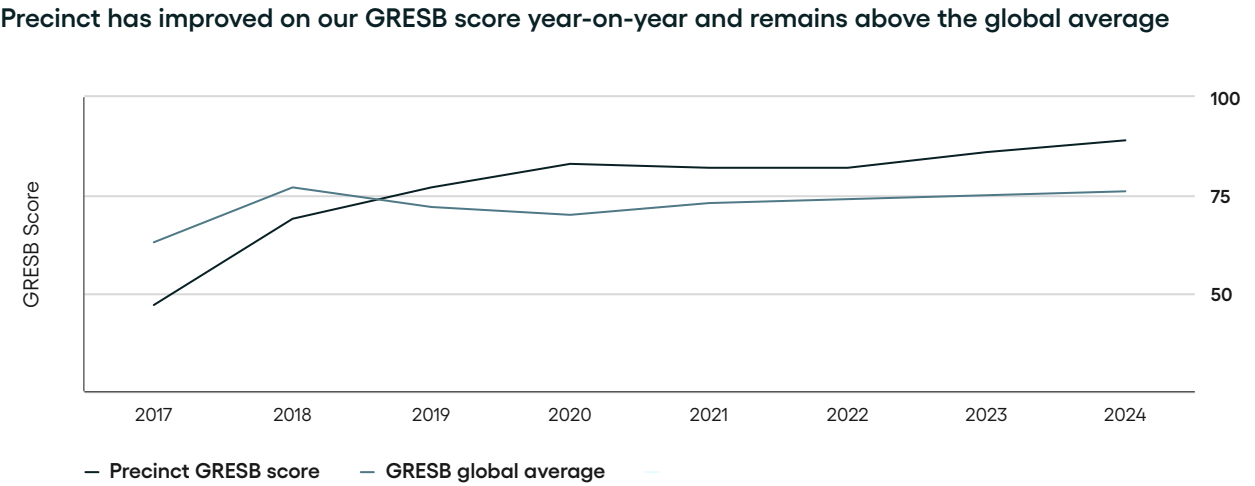
Beca House, Te Paeroa o te kawau, is a 6 star ‘World Leadership’ Green Star building.



Performance - Ratings and Benchmarks

Precinct benchmarks business activities against best practice standards to ensure we are on track to achieve and maintain our targets. Each framework has been built for a particular purpose, relevant for activities undertaken across our operations. Key targets are highlighted below with further information available on [our website](#) (updated periodically throughout the year).

49% Minimum >60% by value with a minimum 5 star target or achieved rating by 2030	60% Minimum 100% by value with a minimum 4 star target or achieved rating by 2030
60% Minimum >60% by value with a minimum 6 star target or achieved rating by 2030	Certified Full value chain Scope 1, 2 & 3 emissions disclosed and offset at the Group level
89/100 Minimum top quartile targeted with top quintile achieved in FY25	36/100 Minimum 40 points targeted in 2025
Leader Top in the property sector 3 years running in the C&ESG rating in 2025	A A level target maintained in FY25



Sustainability Report

Precinct's material topics

Precinct's material topics¹

Significance of actual or potential impacts that Precinct has on people and planet, including human rights

- Climate change
- Partnerships and community wellbeing and vitality
- Depletion of natural resources and contribution to waste
- Economic activity and opportunity
- Client, worker and staff wellbeing
- Reporting Threshold
- Biodiversity loss
- Contribution to water stress and reduced water quality

Our impact

We recognise and acknowledge the impact our operations have on the environment. This understanding guides and influences our future activities to minimise our environmental footprint.

Our future focus

We acknowledge our role in shaping the communities we operate in. Through our activities and long-term commitments, we work towards achieving sustainable outcomes and making a positive impact.

Our values

Our core values drive our commitment to sustainability and business success. We prioritise connecting people and creating positive experiences, ensuring that our actions align with these values to foster a sustainable and thriving environment.

¹ Precinct's material topics remain unchanged since 2022. Ahead of our FY26 annual report, we intend to re-evaluate our material topics to reflect changes in the market and our business operations more broadly.



Guided by our core values, we shape impactful, sustainable communities together.

Lisa Hinde, Head of Sustainability and
Josh McGlone, Sustainability Advisor

Carbon emissions - our Greenhouse Gas inventory

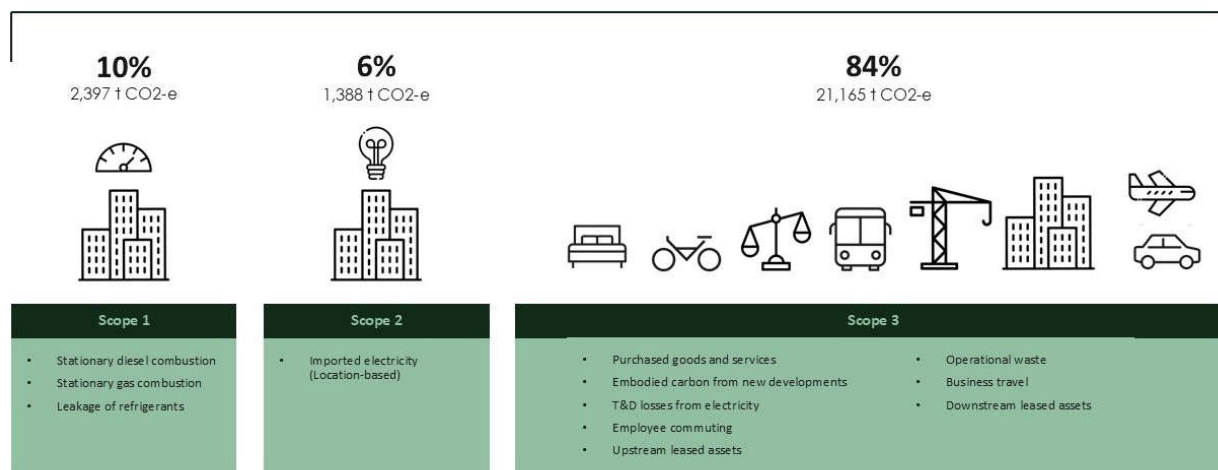
GHG Emissions

Precinct's GHG emissions have been measured since 2017 using an 'operational control' approach to consolidating emissions. Below is our FY24 assured data.

Precinct is a reporting entity in line with the Aotearoa New Zealand Climate Standards and this requires full value chain reporting across Scope 1, 2 and 3 emissions for FY25 data. Precinct will publish this data within our Climate Statement in October 2025.

Total operating carbon emissions¹

24,949 t CO₂-e



Total carbon emission intensity - office portfolio

Office Portfolio Emission Intensity	Emissions (kgCO ₂ e)/sqm								Variance (% change)	
	FY24	FY23	FY22	FY21	FY20	FY19	FY18	FY17 (base)	to FY23	to base year
Scope 1	6.5	5.9	6.1	9.1	8.9	10.1	8.8	10.4	10.2	(37.5)
Scope 2	4.0	3.0	7.0	6.5	6.4	6.7	6.9	7.5	33.3	(46.7)
Total Scope 1 & 2	10.5	8.9	13.1	15.6	15.3	16.8	15.7	17.9	18.0	(41.3)
Scope 3 (excl. embodied carbon)	8.8	6.8	1.2	1.5	1.8	1.9	0.1	-	29.4	N/A
Total Scope 1-3 excl. embodied carbon	19.4	15.8	14.3	17.1	17.2	18.6	15.7	17.9	22.8	8.4
Scope 3 embodied carbon	44.5								N/A	N/A
Total	63.9	15.8	14.3	17.1	17.2	18.6	15.7	17.9	304.4	257.0

In FY24, Precinct began reporting Scope 1 and Scope 2 emissions intensities separately to better track progress in these areas. Scope 3 emissions are shown independently due to their variability and the inclusion of new categories in recent years. As a result, Scope 3 does not offer a consistent baseline for measuring year-on-year improvements in the way that a Scope 1 and 2 intensity benchmark does.

Sustainability Report

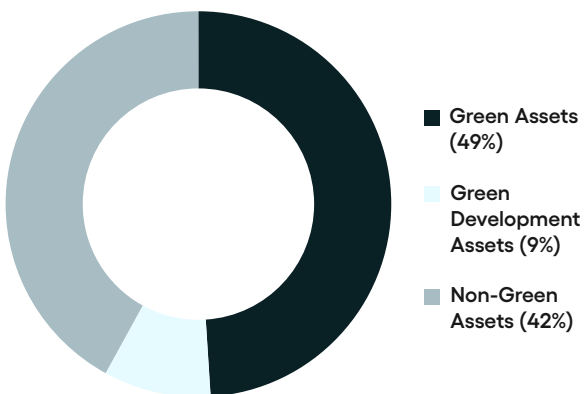
Climate change

Climate Related Disclosures

As a business, Precinct is committed to creating a more sustainable environment. This means identifying and assessing the risks and opportunities presented by climate change. We recognise our role as a long-term owner, manager and developer of real estate, as well as an employer. We are taking a thoughtful approach to climate change action, as well as disclosure. Precinct is fully supportive of a low-carbon future for Aotearoa New Zealand.

Our current Climate Statement detailing our disclosures is located on [our website](#).

Green assets¹



¹ Green assets defined as per sustainable debt framework; as targeting or certified a minimum 5-Star Green Star Built Rating or 4-Star NABERSNZ Rating.

Embodied carbon

Recognising that upfront carbon is a significant contributor to Precinct's emissions profile, a strategic decision was made to allocate funding toward a pioneering initiative aimed at decarbonising key building materials. This programme seeks to align New Zealand's construction sector with Green Star and Science Based Target initiative (SBTi) emissions targets.

The project has been led by Precinct and the initiative outlines a phased approach to reducing embodied carbon in steel, concrete, and aluminium, materials that dominate the carbon footprint of commercial developments.

Presented at the Property Council's Reset conference in FY25, the framework reflects Precinct's commitment to the World Green Building Council Net Zero Buildings Commitment and a minimum 5 Star Green Star rating for all new developments. Formal adoption of step-down targets is planned for FY26, reinforcing Precinct's leadership in promoting low-carbon building practices across the industry.

In line with our commitment to transparency, Precinct now publishes upfront embodied carbon data for assessed development projects on each building's webpage, ensuring visibility and accountability in our journey toward net zero.

Below are development projects delivered by Precinct, assured by Toitū and offset with high quality offset units to international standards per [Toitū website](#):

Project	Year Completed	Kg CO2-e / m2	*Reduction over Baseline
Deloitte Centre	FY24	264	67%
44 Bowen Street	FY23	421	30%
40 Bowen Street	FY23	460	23%
30 Waring Taylor	FY22	240	60%

¹ 40 & 44 Bowen, 30 Waring Taylor benchmark is from the LETI 2020 Design Target. Deloitte Centre benchmark is from a BAU reference case from the Green Star certified life cycle assessment.

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Launching into the Living Sector with Sustainability at the Core

In 2022, Precinct launched into the living sector, guided by a strategy that acknowledges sustainability, health, and wellbeing. The portfolio includes centrally located student accommodation and build-to-sell residential projects, designed to deliver long-term financial, environmental, and social value.

In FY25, Precinct is proud to have registered its first two Homestar projects at Pillars (St Mary's Bay) and Dominion and Valley Roads, and has also registered its student accommodation pipeline with a target of achieving a minimum 5 Star Green Star rating benchmark. In collaboration with the New Zealand Green Building Council (NZGBC), Precinct are piloting a framework to embed Homestar's key comfort conditions within Green Star-rated student living spaces, bridging the gap between the two tools while maintaining a single Green Star certification strategy.

Aligned with our Net Zero by 2030 and Climate-related Disclosure goals, all developments are fully electric (eliminating natural gas), and are assessed upfront for climate risk. Resident and student comfort is prioritised through energy and thermal comfort modelling, ensuring high-performance living environments are understood and managed from the outset.

Additional features include embodied carbon modelling, energy and water-efficient fixtures, continuous ventilation, green spaces, amenity-rich design, and sustainable material selection, reflecting Precinct's commitment to creating resilient, future-ready communities.



Embedding sustainable design ensures the delivery of quality homes that are resilient for future generations.

Matt Heal
Project Director - Residential

Sustainability Report

Partnerships and community wellbeing and vitality

Creating Communities

Community is at the heart of Precinct. The quality of Precinct's interactions, relationships and spaces continue to drive the positive social value and contribution Precinct is making. Creating community takes the form of wellness spaces, client communication apps, partnerships, art shows, lobby events, fitness clubs, retailer activations and more. We want to create environments in which people and businesses can thrive.

Inclusive Stakeholder Engagement

Precinct continues to engage regularly with all of our key stakeholders which includes our people and partners, clients and people using our spaces, contractors and service providers, community based organisations, shareholders, industry bodies and Government. Our engagement process includes regular meetings, surveys and consultations and updates to ensure stakeholders are well informed. Precinct recognises the unique role of Māori as Tangata Whenua and embraces Te Tiriti o Waitangi recognising Māori as tino rangitiratanga of Aotearoa/New Zealand. This reflects the three guiding principles of the Treaty – partnership, participation and protection. We endeavour to implement policies and practices that incorporate and value Māori cultural concepts, values and practices.

Social Partnerships

During the last 12 months, we have continued our social partnerships with donations to Auckland City Mission, Mates in Construction, Keystone Trust and the Tania Dalton Foundation.

Supporting our clients in their sustainability efforts

Throughout the year, Precinct has continued to strengthen engagement and collaboration with our people and partners, including the ongoing delivery of our client quarterly ESG data sharing initiative.

As part of this programme, Precinct proactively shares transparent and informative ESG data with clients to help them understand the environmental performance of the buildings they occupy. This includes metrics on energy (electricity and gas) and water consumption, as well as waste generation rates. To support interpretation of this data, Precinct has led organised workshops with clients to facilitate the estimation of their first NABERSNZ Tenancy ratings, enabling benchmarking of energy performance.

Demonstrating leadership and accountability, Precinct voluntarily assessed the first 12 months of our own tenancy performance against the NABERSNZ Tenancy benchmark, achieving a 4 Star 'Excellence' rating.



7,000+

Club memberships.

The Commercial Bay Club continues to have increased engagement in professional networks. This includes Sustainability Meetup which fosters client collaboration on sustainability initiatives and Rainbow Connect (members and allies of rainbow communities - pictured to the left).

The Club also prioritises social procurement and community engagement through partnering with a number of charities.

Depletion of natural resources and contribution to waste

Precinct recognises its role in resource depletion and waste generation through procurement, construction, and operations. As a developer of new builds and refurbishments, we prioritise waste minimisation via efficient design, recycling, and reuse of materials, including adaptive reuse of existing structures. For our investment portfolio, we also actively engage occupiers in reducing waste during fit-outs and operations and adapting our waste streams to suit a variety of building types and activities.

Acknowledging the construction sector's impact on waste to landfill, we've included Construction & Demolition waste in our Scope 3 carbon inventory from FY24 to better understand and benchmark our carbon emissions and environmental impact. From 2025, we are also reporting operational waste data through the NZGBC Green Star Performance framework and continue quarterly ESG data sharing with clients to drive long-term improvements.



At BECA House, 80% of construction and demolition waste was kept out of landfill. This includes over 80 tonnes of steel that was reused or recycled instead of being thrown away.

Portfolio Waste Management Strategy

In FY25, Precinct developed a national waste management strategy spanning our commercial office, retail, hospitality, student accommodation, and residential asset classes. This comprehensive strategy reflects our commitment to improving waste outcomes across our portfolio and supporting the transition to a circular economy.

Grounded in the principle that 'you can't manage what you don't measure,' the strategy involved a detailed review of existing waste facilities, on-site equipment options, and best practice measurement and reporting procedures. It also established clear waste reduction targets tailored to each asset class.

As we move into implementation, Precinct will work closely with stakeholders to interpret the findings and set aligned targets that reflect the opportunities and challenges identified in the study. This collaborative approach ensures that our waste management efforts are both practical and impactful, reinforcing our leadership in sustainable property operations.

Sustainability Report

Economic activity and opportunity

Disclosure of our financial performance can be found in the results overview section on page 15 and in Precinct's financial statements on pages 89 to 137. Disclosure on our ethical business practices, including our Code of Ethics and Financial Products Dealing Policy is reported in the corporate governance section of this report. Our Code of Ethics includes a whistle-blowing clause for reporting unethical or unlawful behaviour and the full code can be found on our [website](#) , along with our Financial Product Dealing Policy and other key governance documents.

Sustainable Debt Programme

Precinct's Sustainable Debt Framework (the "Framework") has been revised in 2025 to reflect our increasingly diverse asset pool as well as changes in global principles related to loans and bonds and new local taxonomies developed by the NZGBC. Precinct's Sustainable Debt Framework can be found on Precinct's [website](#) and sets out the process by which Precinct intends to issue and manage Sustainable Debt on an ongoing basis to fund low carbon buildings within Precinct's property portfolio. Proceeds from the issuance of Green Bonds or Loans will be used wholly or in part to finance or refinance existing and/or planned Eligible assets. Eligible assets which meet the criteria as per the [Green Asset table](#) in this report.

Amotai Membership

Precinct acknowledge the importance of Mana Whenua of Māori and Pasifika peoples and centering their influence in key business operations. Key to this acknowledgement is economic activity and opportunity. Precinct are proud of our joint venture partnership with Ngāti Whātua Ōrākei alongside PAG for the Te Tōangaroa precinct and look forward to progressing our diverse supplier engagement through maintaining our Autere membership to the Amotai Directory for our second year.

Maintain best practice policies and culture of ethical business practice

Precinct constantly strives to act ethically and honestly in its business dealings and interactions. This is only possible when its people including directors, employees, contractors and consultants act in an ethical, fair and honest way. All of our employees have access to our code of ethics and when new employees join it forms part of their induction pack. Staff training is also delivered each year and includes ethics-related topics to promote

awareness to the ethical practices in the Company and ensure a positive culture at Precinct. No ethics related issues were reported via any whistle-blowing channels during the last financial year.

Our membership with the Property Council of NZ (PCNZ) is the principal conduit for our feedback on industry issues and opportunities. To our knowledge, there are no memberships or lobbying activities that impact our ability to pursue our sustainability targets. From time-to-time Precinct participates directly in regulatory engagement e.g. responding to requests for industry feedback from Government Ministries proposing new legislation or regulation. Again, we do not participate in such a way that would impact our ability to pursue our sustainability targets and we believe such regulatory engagement supports us to achieve those targets.

Economic Contribution:

Job creation for the local economy

120 FTE employees across Precinct and Precinct Flex staff

Construction person-hours

1,575,000 contractor hours during FY25

Financial Contribution:

Occupancy and secure income stream

97%
Target ≥98%

MSCI rating

A
Target A or better

FTSE EPRA Nareit Indexes

Precinct is a constituent of the FTSE EPRA Nareit Global Real Estate Index and FTSE EPRA Nareit Green Indexes, which represent general trends in eligible real estate equities worldwide.

Precinct contributes to the wellbeing of its clients, clients' workers and its own staff through the design of its buildings and management of its relationships with clients. Precinct also directly impacts the wellbeing of workers via procurement and contracting practices. Conducted every two years, our most recent independently run client satisfaction survey (undertaken in March 2025) results showed that overall satisfaction of working in a Precinct-owned and managed building is 90% (2023: 91%, target of $\geq 80\%$).

We are proud to be maintaining our enrolment of over 400,000 square metres NLA in the WELL at Scale program. This program has supported us in benchmarking and improving health and wellbeing outcomes across the majority of our assets to the benefit of our people, clients and community over the past 2 years. In FY25 we were proud to achieve a global award from the International WELL Building Institute (IWBI) for 'Rising Star' for our commitment to health and wellbeing. Achieving a diverse and highly inclusive workforce is a key part of the overall wellbeing for our people. Our approach to managing diversity is guided by our Diversity and Inclusion Policy available at www.precinct.co.nz.

Health and safety is a key topic component and one of Precinct's core corporate values. We are committed to complying with all relevant legislation, regulations and standards and work hard to exceed them. Our business actively embeds a positive health and safety culture. Precinct works collaboratively with our staff, contractors and stakeholders to implement market leading health and safety measures across all Precinct sites and offices.

In addition to regular external audits and monitoring by health and safety specialists, Precinct also regularly engages third-party reviews of its health and safety processes.

Precinct's Health and Safety Policy and more on key FY25 initiatives and performance can be found on the next page and on Precinct's [website](#)

Precinct's Health & Safety Committee comprises the Executive team, the Senior Health & Safety Adviser, General Counsel, Development Managers, Facilities Managers and includes representation from Precinct Flex. The Committee meets once a month. We have expanded the participation and engagement of workers with the establishment of quarterly informal H&S catch-ups with all Precinct and Precinct Flex staff. These sessions have been very well received and have seen high levels of engagement with staff. Feedback received from staff in these sessions has resulted in our "Three Pillars" Health, Safety & Wellbeing strategy being continued for FY26.



Sustainability Report

Health, Safety & Wellbeing

Measuring our performance

For the year ended 30 June 2025, Precinct recorded 4.44 for its health and safety TRIFR performance, compared to 5.15 in 2024. This is an improvement of 13% reflecting improved site safety management and an ongoing focus on contractor engagement to reduce the severity of incidents. For FY25, Precinct's LTIFR on the basis of cumulative 200,000 worked hours was 3.39, compared to 4.12 in FY24. We continue to engage with our contractors and relevant industry bodies to develop meaningful benchmarking for safety and reduce injury severity.

The TRIFR rate includes all recordable injuries/illnesses in the categories of: Medical Treatment Injury; Restricted Work Injury or Illness; and Lost Time Injury.

Events recorded in respect of Precinct's residential and student accommodation projects include lead indicators like positive observations, awards and recognition by external stakeholders. For FY25, the four residential and PBSA sites have collectively recorded 89 events, of which nine were lead indicators.

Incident monitoring and reporting

We recorded 481 health and safety incidents in the year compared to 295 reported in FY24. This increase is largely due to the addition of four new development projects as well as improved reporting by our retail security team.

A total of 82 independent inspections were undertaken across all development and stabilised portfolio sites by third party health & safety consultants. All development sites have a target rate of 95%. Bowen House scored an average of 98% (FY24:97%), Wynyard Quarter 94% (FY24:95%), 61 Molesworth Street 96% (FY24:98%), Domain Collection 95%, Fabric Stage 2 91%, York Street 97% and 256 Queen Street 96%. Any corrective actions identified in the audits were promptly rectified.

WorkSafe notifications

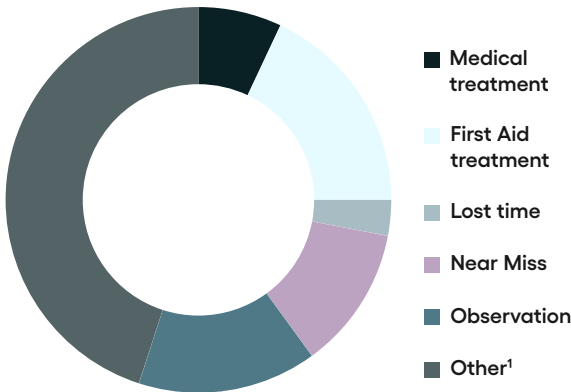
Six incidents met the threshold of WorkSafe notifications. Each of these incidents was investigated in detail and corrective actions were developed and completed. WorkSafe followed up on one notification and, after their site investigation, released the site back to the main contractor with no identified non-conformances.

We are committed to ensuring our team and everyone on our sites and in our buildings goes home healthy and safe.

Hema Puthran
Senior Health & Safety Advisor



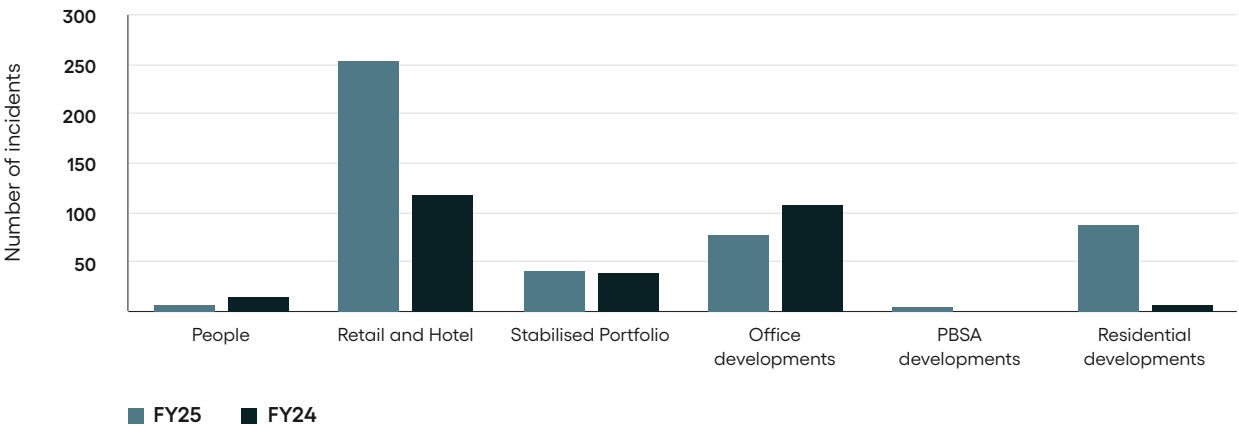
FY25 health and safety incidents



1 Other includes: security, property damage and complaints.

Three new living development projects have commenced work in 2025, namely York Street, 22 Stanley Street and enabling works at 256 Queen Street. Precinct continues to work with our contractors and third-party consultants to align the living projects to Precinct’s high H&S expectations on our commercial developments.

Incidents across Precinct sites¹ in Auckland and Wellington



1 Precinct development sites are managed by the Precinct-appointed main contractor.

The Commercial Bay security team has been diligent in reporting every minor event, including those that did not result in an injury. This has resulted in an increase of the number of incidents, but these were typically low risk and this indicates a thriving reporting culture. Precinct continues to work with our retail stakeholders to mitigate new risks and collaborate closely with authorities, our security provider and neighbouring precincts (Auckland City Mission, Britomart and Viaduct Harbour) to provide a safe and enjoyable experience in Commercial Bay.

GRI content index

Disclosures Title	GRI No.	Location/Reference or Information
Organisational details	2-1	Directory, P143; Precinct Group Overview, P7-P9
Entities included in the organisation's sustainability reporting	2-2	Precinct Properties Group including Precinct Properties New Zealand Limited and Precinct Properties Investment Limited
Reporting period, frequency and contact point	2-3	Precinct reports on sustainability annually along with its financial reporting. This report covers the period 1 July 2024 – 30 June 2025. This report was published on 27 August 2025 . Questions about this report can be directed to: hello@precinct.co.nz
Restatements of information	2-4	None
External assurance	2-5	External assurance is sought only for Precinct's GHG inventory on P75 and forms part of our annual Climate Related Disclosure mandatory reporting in line with NZCS 1, 2 & 3. This external assurance statement can be found on P44 of our FY24 Climate Statement here . The ESG Committee is responsible for advising the Board on questions of assurance pertaining to sustainability-related information.
Activities, value chain and other business relationships	2-6	Precinct Group Overview, P7-P9 https://www.precinct.co.nz
Employees	2-7	Corporate Governance, P30-P31
Workers who are not employees	2-8	Information unavailable (not held).
Governance structure and composition	2-9	Corporate Governance, P29-P33
Nomination and selection of the highest governance body	2-10	PCT Corporate Governance Manual (ESG Committee Charter) found at: https://www.precinct.co.nz
Chair of the highest governance body	2-11	Corporate Governance, P31
Role of the highest governance body in overseeing the management of impacts	2-12	Sustainability Report, P73, P85; Corporate Governance, P31 PCT Corporate Governance Manual (ESG Committee Charter) found at: https://www.precinct.co.nz
Delegation of responsibility for impacts	2-13	Corporate Governance, P31 PCT Corporate Governance Manual (ESG Committee Charter) found at: https://www.precinct.co.nz
Role of highest governance body in sustainability reporting	2-14	Corporate Governance, P31 PCT Corporate Governance Manual (ESG Committee Charter) found at: https://www.precinct.co.nz
Conflicts of interest	2-15	PCT Corporate Governance Manual (ESG Committee Charter) found at: https://www.precinct.co.nz
Communication of critical concerns	2-16	Corporate Governance, P33
Collective knowledge of the highest governance body	2-17	PCT Corporate Governance Manual (ESG Committee Charter) found at: https://www.precinct.co.nz
Evaluation of the performance of the highest governance body	2-18	Corporate Governance, P33
Remuneration policies	2-19	Remuneration Report, P54-P60
Process to determine remuneration	2-20	Remuneration Report, P54-P60
Annual total compensation ratio	2-21	Remuneration Report, P68
Statement on sustainable development strategy	2-22	Sustainability Reporting & Disclosure, Development Section found here .

Disclosures Title	GRI No.	Location/Reference or Information
Policy commitments	2-23	Chair and CEO Report, P11-12; Corporate Governance, P31; Modern Slavery Policy, Social Value Policy, Sustainability Policy, Supplier Code of Conduct, Biodiversity Policy, Health Safety and Wellbeing Policy can be found here .
Embedding policy commitments	2-24	Corporate Governance, P33; PCT Corporate Governance Manual found at: https://www.precinct.co.nz
Processes to remediate negative impacts	2-25	Precinct's modern slavery policy, social value policy and supplier code of conduct can be found here .
Mechanisms for seeking advice and raising concerns	2-26	PCT Corporate Governance Manual (Whistle blower Policy) found at: https://www.precinct.co.nz
Compliance with laws and regulations	2-27	Precinct had no instances of compliance breaches or fines in the reporting year.
Membership associations	2-28	https://www.precinct.co.nz
Approach to stakeholder engagement	2-29	Sustainability Report, P80
Collective bargaining agreements	2-30	In line with New Zealand legislation, Precinct's employees are not covered by collective bargaining agreements, and employee working conditions and terms of employment are not based on collective bargaining agreements.
Process to determine material topics	3-1	Sustainability Report, P74; Sustainability Reporting & Disclosure 'Materiality Assessment' here .
List of material topics	3-2	Sustainability Report, P74 Sustainability Reporting & Disclosure 'Materiality Assessment' here .
Climate Change		
Management of material topics	3-3	https://www.precinct.co.nz
Direct (Scope 1) GHG emissions	305-1	Sustainability Report P75 Further detail on emissions other than CO2-e supplied, can be found in the Toitu assurance statement on P44 of our FY24 Climate Statement.
Energy indirect (Scope 2) GHG emissions	305-2	Sustainability Report P75 Further detail on emissions other than CO2-e supplied, can be found in the Toitu assurance statement on P44 of our FY24 Climate Statement.
Other indirect (Scope 3) GHG emissions	305-3	Sustainability Report P7-76 Further detail on emissions other than CO2-e supplied, can be found in the Toitu assurance statement on P44 of our FY24 Climate Statement.
GHG emissions intensity	305-4	Sustainability Report P75
Partnerships, Community Wellbeing and Vitality		

GRI content index

Disclosures Title	GRI No.	Location/Reference or Information
Management of material topics	3-3	Disclosure of goals and targets including decision making around how these are set are found on our website for Sustainability Reporting & Disclosure here Governance structures related to management of material topics are referenced within our PCT Corporate Governance Manual (ESG Committee Charter) found at: https://www.precinct.co.nz
Operations with local community engagement, impacts assessments, and development programs	413-1	Sustainability Report, Partnerships, Community Wellbeing and Vitality, P80; Social Value Policy here . Disclosure 413-1 (a)iv. is omitted because we have not developed an approach to quantifying the percentage of our operations with community development programs. We expect to develop this within 2 years.
Depletion of natural resources and contribution to waste		
Management of material topics	3-3	https://www.precinct.co.nz ; PCT Corporate Governance Manual (Supplier Code of Conduct) found at: https://www.precinct.co.nz
Waste generation and significant waste-related impacts	306-1	Sustainability Report, Depletion of natural resources and contribution to waste, P79
Economic activity and opportunity		
Management of material topics	3-3	https://www.precinct.co.nz
Significant indirect economic impacts	203-2	Sustainability Report, Economic activity and opportunity, P80
Client, worker and staff wellbeing		
Management of material topics	3-3	https://www.precinct.co.nz
Occupational health and safety management system	403-1	Sustainability Report, Client, worker and staff wellbeing, P81-83
Work-related injuries	403-9	Sustainability Report, Client, worker and staff wellbeing, P83

Precinct has chosen to prepare its 2025 Annual Report in accordance with the Global Reporting Initiative (GRI) Standards. The GRI Standards are the world's most widely used sustainability reporting standard. The GRI index above shows where information can be found in this report and on Precinct's website about the indicators that are relevant to our business operations.

PPNZ and PPIL are climate reporting entities and are each required under Part 7A of the FMCA to prepare climate-related disclosures. The entities have been granted an exemption from certain provisions of Part 7A of the FMCA by the Financial Markets Authority to permit PPNZ and PPIL, as stapled entities, to prepare a single document comprising consolidated climate-related disclosures in respect of Precinct. Precinct's 2025 climate-related disclosures will be published in October 2025 and will be available on [Precinct's website](#).

This annual report of Precinct Properties New Zealand Limited and Precinct Properties Investments Limited (Precinct Properties Group) is dated 26 August 2025 and is signed on behalf of the Boards by:



Anne Urlwin
Chair and Independent Director



Mark Tume
Chair Audit and Risk Committee and Independent Director

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The Numbers



Financial Statements

For the year ended 30 June 2025

Signed on behalf of the Boards of Precinct Properties New Zealand Limited and Precinct Properties Investments Limited, who authorised the issue of these financial statements on 26 August 2025.



ANNE URLWIN
Chair



MARK TUME
Chair Audit & Risk Committee

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Consolidated Statement of Comprehensive Income

For the year ended 30 June 2025

Amounts in \$ millions	Notes	30 June 2025	30 June 2024
Gross operating revenue	2.2	266.1	248.0
Operating expenses			
Direct operating expenses		(106.1)	(91.8)
Employment and administration expenses	8.1	(7.7)	(5.7)
Total operating expenses		(113.8)	(97.5)
Operating profit before net finance expense, other income/(expenses) and income tax		152.3	150.5
Corporate overhead expense	8.2	(4.6)	(5.5)
Interest income	6.2	4.7	5.0
Interest expense	6.2	(69.7)	(46.1)
Operating profit before income tax		82.7	103.9
Other income / (expenses)			
Net change in fair value of investment and development properties	3.1	(27.6)	(105.2)
Share of profit / (loss) in equity-accounted investments	4.1	11.8	3.0
Equity-accounted investment transaction costs		(1.8)	-
Net change in fair value of derivative financial instruments	6.3	(19.6)	(1.2)
Net gain / (loss) on sale of investment properties	1.8	(24.2)	(10.6)
Net realised gain / (loss) on disposal of equity-accounted investments		0.6	-
Depreciation - property, plant and equipment		(4.1)	(4.8)
Amortisation of intangible assets		(4.6)	(0.3)
Lease depreciation	3.3	(3.9)	(3.9)
Lease interest	3.3	(4.0)	(4.2)
Total other income / (expenses)		(77.4)	(127.2)
Net profit / (loss) before income tax		5.3	(23.3)
Income tax benefit / (expense)	7.1	5.7	1.2
Net profit / (loss) after income tax attributable to equity holders of stapled entity		11.0	(22.1)
Other comprehensive income / (expense)			
<i>Items that will not be reclassified to profit or loss</i>			
Credit risk adjustments on financial liabilities designated at fair value through profit or loss		(11.0)	(9.4)
Deferred tax on items transferred directly to / (from) equity		3.1	1.4
Total other comprehensive income / (expense)		(7.9)	(8.0)
Total comprehensive income after tax attributable to equity holders of stapled entity		3.1	(30.1)
Total comprehensive income after tax attributable to equity holders of:			
Precinct Properties NZ Limited ("PPNZ")		6.5	(29.1)
Precinct Properties Investments Limited ("PPIL")		(3.4)	(1.0)
Total comprehensive income after tax attributable to equity holders of stapled entity		3.1	(30.1)
Earnings per share (cents per share)			
Basic earnings per share	5.1	0.69	(1.39)
Diluted earnings per share	5.1	0.69	(1.39)
Other amounts (cents per share)			
Funds from operations (FFO)	5.2	7.10	7.22
Adjusted funds from operations (AFFO)	5.2	6.54	6.69

The accompanying notes on pages 93-137 form part of these Financial Statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

Amounts in \$ millions	Notes	Attributable to the equity holders of the parent					PPIL equity	PPG total equity
		Number of shares (m)	Share capital	Retained earnings	Reserves	PPNZ equity		
Balance at 1 July 2023		1,585.9	1,622.0	557.1	4.0	2,183.1	-	2,183.1
Non-controlling interest recognised in stapling transaction on 1 July 2023 ¹			-	19.6	-	19.6	(19.6)	-
Profit after income tax for the period			-	(21.1)	-	(21.1)	(1.0)	(22.1)
Other comprehensive income for the period			-	-	(8.0)	(8.0)	-	(8.0)
Total comprehensive income			-	(21.1)	(8.0)	(29.1)	(1.0)	(30.1)
Distributions	5.3	-	-	(98.0)	-	(98.0)	(9.0)	(107.0)
Long-term incentive scheme	8.4	0.4	0.7	-	0.5	1.2	-	1.2
Employee share scheme		0.1	-	-	-	-	0.1	0.1
Total transactions		0.5	0.7	(98.0)	0.5	(96.8)	(8.9)	(105.7)
Balance at 30 June 2024		1,586.4	1,622.7	457.6	(3.5)	2,076.8	(29.5)	2,047.3
Profit after income tax for the period			-	14.4	-	14.4	(3.4)	11.0
Other comprehensive income for the period			-	-	(7.9)	(7.9)	-	(7.9)
Total comprehensive income			-	14.4	(7.9)	6.5	(3.4)	3.1
Distributions	5.3	-	-	(95.1)	-	(95.1)	(12.1)	(107.2)
Long-term incentive scheme	8.4	0.5	0.4	-	0.5	0.9	-	0.9
Employee share scheme		0.1	0.1	-	-	0.1	0.1	0.2
Total transactions		0.6	0.5	(95.1)	0.5	(94.1)	(12.0)	(106.1)
Balance at 30 June 2025		1,587.0	1,623.2	376.9	(10.9)	1,989.2	(44.9)	1,944.3

1 Net liabilities of Non-PIE entities transferred from PPNZ to PPIL as part of stapling transaction.

All shares have been fully paid, carry full voting rights, have no redemption rights, have no par value and are subject to the terms of the constitution.

The accompanying notes on pages 93-137 form part of these Financial Statements.

Consolidated Statement of Financial Position

For the year ended 30 June 2025

Amounts in \$ millions	Notes	30 June 2025	30 June 2024
Current assets			
Cash		28.4	22.1
Fair value of derivative financial instruments	6.3	1.0	10.1
Debtors and other current assets	8.6	24.1	38.4
Loan receivables	6.4	38.9	-
		92.4	70.6
Investment properties held for sale	3.1	223.7	-
Total current assets		316.1	70.6
Non-current assets			
Investment properties	3.1	2,803.7	2,987.4
Development properties	3.1	334.9	201.2
Investment in equity-accounted investments	4.1	138.7	131.1
Property, plant and equipment		42.3	42.7
Right-of-use assets	3.3	17.0	21.0
Fair value of derivative financial instruments	6.3	22.3	34.0
Loan receivables	6.4	-	26.4
Deferred tax asset	7.2	14.3	2.5
Other assets		1.5	0.7
Intangible assets		8.4	1.3
Total non-current assets		3,383.1	3,448.3
Total assets		3,699.2	3,518.9
Current liabilities			
Interest bearing liabilities	6.1	-	165.3
Provision for tax	7.1	2.4	1.5
Lease liabilities	3.3	5.1	5.1
Trade and other payables	8.7	56.8	54.9
Fair value of derivative financial instruments	6.3	1.3	1.4
Total current liabilities		65.6	228.2
Non-current liabilities			
Interest bearing liabilities	6.1	1,610.3	1,169.3
Lease liabilities	3.3	45.0	50.1
Fair value of derivative financial instruments	6.3	34.0	24.0
Total non-current liabilities		1,689.3	1,243.4
Total liabilities		1,754.9	1,471.6
Net assets		1,944.3	2,047.3
Equity			
Share capital	6.5	1,623.2	1,622.7
Retained earnings		376.9	457.6
Other reserves	6.6	(10.9)	(3.5)
Total equity - PPNZ		1,989.2	2,076.8
PPIL equity (non-controlling interest)		(44.9)	(29.5)
Total equity		1,944.3	2,047.3

The accompanying notes on pages 93-137 form part of these Financial Statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2025

Amounts in \$ millions	Notes	30 June 2025	30 June 2024
Cash flows from operating activities			
Operating revenue received		276.8	235.9
Interest income received		1.5	4.3
Property expenses paid		(112.0)	(96.4)
Other expenses paid		(7.4)	(4.8)
Interest expense paid		(67.5)	(54.2)
Employment and administration expenses paid		(2.5)	(4.9)
Income tax paid		(2.1)	(0.3)
Net cash inflow / (outflow) from operating activities	8.5	86.8	79.6
Cash flows from investing activities			
Capital expenditure on investment and development properties		(141.4)	(176.2)
Capitalised interest on investment and development properties		(17.3)	(23.7)
Acquisition of investment and development properties		(39.8)	(64.9)
Proceeds/(expenditure) from disposal of investment properties		(21.9)	288.9
Acquisition of subsidiary, net of cash acquired		(4.7)	-
Investment in equity-accounted investments		(52.3)	(66.4)
Proceeds from disposal of equity-accounted investments		48.6	-
Mezzanine loan facilities advanced		(9.3)	(27.2)
Mezzanine loan facilities repaid		-	34.5
Expenditure on property, plant and equipment		(3.6)	(1.0)
Net cash inflow / (outflow) from investing activities		(241.7)	(36.0)
Cash flows from financing activities			
Loan facility drawings		565.2	863.0
Loan facility repayments		(201.4)	(939.7)
Repayment of senior secured bonds		(100.0)	-
Repayment of US private placement notes		(65.3)	-
Repayment of leasing liabilities	3.3	(5.2)	(4.4)
Distributions paid to shareholders		(107.1)	(107.0)
Net proceeds from debt instrument issuance		75.0	150.0
Net cash inflow / (outflow) from financing activities		161.2	(38.1)
Net increase / (decrease) in cash held		6.3	5.5
Cash at the beginning of the year		22.1	16.6
Cash as the end of the year		28.4	22.1

The accompanying notes on pages 93-137 form part of these Financial Statements.

Notes to the Financial Statements

For the year ended 30 June 2025

1. GENERAL INFORMATION

1.1 Reporting entity

The financial statements presented are those of Precinct Properties New Zealand Limited and its wholly-owned subsidiaries (PPNZ) and Precinct Properties Investments Limited and its wholly-owned subsidiaries (PPIL), each of PPNZ and PPIL being a "Stapled Entity", and together the Precinct Properties Group (Precinct or the Group).

For accounting purposes, stapling gives rise to the combination of the Stapled Entities into a consolidated group. For the purposes of financial reporting, one of the combining entities is required to be identified as the parent entity of the consolidated group. In the case of Precinct, PPNZ has been identified as the parent for the purposes of preparing the financial statements and consequently PPIL's equity is presented as the non-controlling interest in the financial statements.

PPNZ and PPIL are both incorporated in New Zealand and registered under the New Zealand Companies Act 1993 and are both FMC reporting entities for the purposes of the Financial Markets Conduct Act 2013.

PPNZ's principal activity is investment in predominantly prime CBD properties in New Zealand. The principal activity of PPIL is the management of real estate investment entities in New Zealand.

Shares of PPNZ and PPIL are stapled and therefore cannot be traded separately and can only be traded as stapled securities. They are quoted on the Main Board equity securities market of NZX under the ticker code PCT.

1.2 Basis of preparation

The financial statements have been prepared in accordance with NZ GAAP. For the purposes of complying with NZ GAAP the Group is a for-profit entity. The financial statements comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS'). The financial statements also comply with International Financial Reporting Standards ('IFRS').

The financial statements were prepared in accordance with the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Precinct Properties Group) Exemption Notice 2024 and waivers granted to Precinct from certain NZX Listing Rules on 18 April 2023 which each permit PPNZ and PPIL, subject to the conditions of the exemption notice and waivers (respectively), to prepare financial statements in respect of Precinct in place of separate financial statements of each Stapled Entity. Precinct notes that the Financial Markets Conduct (Precinct Properties Group) Exemption Notice 2024 came into force on 16 February 2024 and applies to Precinct's accounting periods up to and including 30 June 2028.

In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profit or losses resulting from intra-group transactions have been eliminated in full.

The financial statements have been prepared:

- On a historical basis except for financial instruments, investment and development properties, investment properties held for sale which are measured at fair value.
- Using the New Zealand Dollar functional and reporting currency.
- On a GST exclusive basis, except for receivables and payables that are stated inclusive of GST.

All financial information has been presented in millions, unless otherwise stated.

1.3 New standards, amendments and interpretations

In May 2024, the XRB introduced NZ IFRS 18 Presentation and Disclosure in Financial Statements (NZ IFRS 18) (effective for annual reporting periods beginning on or after 1 January 2027). This standard replaces NZ IAS 1 Presentation of Financial Statements (NZ IAS 1) and primarily introduces a defined structure for the statement of comprehensive income, disclosure of management-defined performance measures (a subset of non-GAAP measures) in a single note together with reconciliation requirements. Precinct has not early adopted this standard and is yet to assess its impacts.

Notes to the Financial Statements

For the year ended 30 June 2025

1.4 Changes to accounting policies and disclosure of material accounting policies

No changes to accounting policies have been made during the year and the policies have been consistently applied to all years presented.

Material accounting policies have been included throughout the notes to the financial statements within the specific note to which it applies.

1.5 Fair value estimation

Precinct classifies its fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (by price) or indirectly (derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

1.6 Significant accounting judgements, estimates and assumptions

In preparing Precinct's financial statements, the boards and management continually make judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on Precinct.

All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to the boards and management. Actual results may differ from the judgements, estimates and assumptions made by the boards and management.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The significant judgements, estimates and assumptions made in the preparation of these financial statements are in relation to:

- Investment and development properties – refer note 3.1**
- Investment in associates and joint ventures – refer note 4.1**
- Lease liabilities – refer note 3.3**
- Derivative financial instruments – refer note 6.3**
- Deferred tax assets and deferred tax liabilities – refer note 7.2**
- Share-based payment scheme – refer note 8.4**
- Acquisition of a subsidiary - Purchase price allocation valuation - refer note 4.2**

1.7 Non-GAAP measures

Precinct has chosen to present the following non-GAAP measures to assist investors in understanding the different aspects of Precinct's financial performance.

The Consolidated Statement of Comprehensive Income includes the non-GAAP measure of operating profit before net finance expense, other income/(expenses) and income tax.

Note 2.1 shows an adjusted operating profit before net finance expense, other income/(expenses) and income tax. This measure adds back the rent expenses eliminated through the application of NZ IFRS 16 Leases. This measure is shown as all internal reporting for operating segments is provided to the boards of PPNZ and PPIL at a pre IFRS 16 level.

Note 5.2 sets out Precinct's calculation of Adjusted Funds From Operations (AFFO) which is an industry best practice measure for a REIT to show the organisation's underlying and recurring earnings from its operations.

On 31 May 2025, Precinct sold the remaining 20% minority interest in Bowen Investment Limited Partnership to PAG for a total purchase price of \$48.6 million. See Note 4.1 for details.

Notes to the Financial Statements

For the year ended 30 June 2025

2. OPERATING SEGMENTS

2.1 Segment information

a) Basis for segmentation

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the respective board of each of PPNZ and PPIL as each makes all key strategic resource allocation decisions.

Precinct has the following reportable segments that are managed separately because of different operating strategies. The following describes the operation of each of the reportable segments.

Reportable segment	Operations
Investment properties	Investment in predominately prime CBD properties
Flexible space	Operation of co-working and shared office and event space
Hotel and hospitality	Operating of hotel and hospitality venues
Investment management	Management of real estate investments

b) Information about reportable segments

Information related to each reportable segment is set out below. Segment profit/(loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

There are varying levels of integration between the investment properties, flexible space, hotel and hospitality and investment management segments. This integration includes occupied space, future leasing and events. Inter-segment pricing is determined on an arm's length basis.

The following is an analysis of Precinct's results, by reportable segments.

Operating profit before net finance expense and income tax

Amounts in \$ millions	Investment properties	Flexible space	Hotel and hospitality	Investment management	2025 Total
Gross operating revenue	210.3	22.7	23.5	9.6	266.1
Inter-segment revenue eliminations	2.8	(1.2)	(0.1)	(1.5)	-
Direct operating expenses	(73.4)	(14.1)	(18.6)	-	(106.1)
Employment and administration expenses	-	-	-	(7.7)	(7.7)
Operating profit before net finance expense and income tax	139.7	7.4	4.8	0.4	152.3
Add back rent eliminated in application of IFRS 16	(2.6)	(6.5)	-	-	(9.1)
Adjusted operating profit before net finance expense and income tax¹	137.1	0.9	4.8	0.4	143.2

1 See Note 1.7 for further details of this measure.

Amounts in \$ millions	Investment properties	Flexible space	Hotel and hospitality	Investment management	2024 Total
Gross operating revenue	207.1	24.3	8.7	7.9	248.0
Inter-segment revenue eliminations	3.2	(2.0)	(0.3)	(0.9)	-
Direct operating expenses	(68.7)	(14.1)	(9.0)	-	(91.8)
Employment and administration expenses	-	-	-	(5.7)	(5.7)
Operating profit before net finance expense and income tax	141.6	8.2	(0.6)	1.3	150.5
Add back rent eliminated in application of IFRS 16	(2.3)	(6.3)	-	-	(8.6)
Adjusted operating profit before net finance expense and income tax¹	139.3	1.9	(0.6)	1.3	141.9

¹ See Note 1.7 for further details of this measure.

Reconciliation to net profit / (loss) before income tax

Amounts in \$ millions	30 June 2025	30 June 2024
Operating profit before net finance expense and income tax	152.3	150.5
Interest income	4.7	5.0
Interest expense	(69.7)	(46.1)
Corporate overhead expense	(4.6)	(5.5)
Net change in fair value of investment and development properties	(27.6)	(105.2)
Share of profit / (loss) in equity-accounted investments	11.8	3.0
Equity-accounted investment transaction costs	(1.8)	-
Net change in fair value of derivative financial instruments	(19.6)	(1.2)
Net gain / (loss) on sale of investment properties	(24.2)	(10.6)
Net realised gain / (loss) on disposal of equity-accounted investments	0.6	-
Depreciation - property, plant and equipment	(4.1)	(4.8)
Amortisation of intangible assets	(4.6)	(0.3)
Lease depreciation	(3.9)	(3.9)
Lease interest	(4.0)	(4.2)
Net profit / (loss) before income tax	5.3	(23.3)

Notes to the Financial Statements

For the year ended 30 June 2025

2.2 Gross operating revenue

Amounts in \$ millions	30 June 2025	30 June 2024
Revenue		
Gross property income from rentals	170.9	168.3
Straight-line rental adjustments	1.1	3.7
Amortisation of capitalised lease incentives	(9.6)	(8.7)
Revenue from contracts with customers		
Gross property income from expense recoveries	47.9	43.8
Precinct Flex operating revenue	22.7	24.3
Commercial Bay Hospitality operating revenue	1.5	3.5
Hotel operating revenue	22.0	5.2
Management fee income	9.6	7.9
Total gross operating revenue	266.1	248.0

Accounting policies

Recognition of revenue from investment properties

Rental income from investment property leased to clients under operating leases is recognised in the Consolidated Statement of Comprehensive Income on a straight-line basis over the term of the lease to the extent that future rental increases are known with certainty. Fixed rental adjustments are accounted for to achieve straight-line revenue recognition.

Precinct capitalises lease incentives provided to clients to the respective investment or development property in the Consolidated Statement of Financial Position and amortises them on a straight-line basis over the term certain life of the lease.

The share of property operating expenses which are recoverable from clients is recognised as gross property income from expense recoveries. This is associated with the provision of services relating to the operations of Precinct's buildings (eg, cleaning, repairs and maintenance, utilities). Precinct have assessed the performance obligations associated with these as being satisfied each month as the services are undertaken within each building. Revenue from clients for the recovery of operating expenses is billed monthly and recognised in the Financial Statements in the same manner reflecting that recovery revenue from clients is received at the same time that the performance obligation is satisfied.

Operating revenue from Precinct Flex is recognised when it transfers services to a member. It is measured based on the consideration specified in a contract with the member.

Operating revenue from Commercial Bay Hospitality venues is recognised at the point of sale, measured at the fair value of the consideration received.

Operating revenue from the InterContinental hotel includes revenues from the rental of rooms, food and beverage sales and other service revenue. Revenue is recognised when rooms are occupied and services have been performed.

Management fee income is fees generated through the provision of investment and development management services to other entities. This income is recognised in the Consolidated Statement of Comprehensive Income in the period in which the services are rendered.

Notes to the Financial Statements

For the year ended 30 June 2025

3. INVESTMENT AND DEVELOPMENT PROPERTIES

3.1 Investment and development properties

30 June 2025

Amounts in \$ millions	Valuer	Net lettable area sqm	Initial yield % ¹	Capitalisation rate ¹
Investment properties⁵				
Auckland				
AON Centre - Akld	CBRE	25,354	5.3%	6.1%
HSBC Tower	Colliers	31,592	5.2%	5.5%
Jarden House	CBRE	13,681	6.1%	5.9%
Commercial Bay Retail	JLL	17,286	5.5%	6.0%
PwC Tower (Commercial Bay)	JLL	39,375	5.2%	5.4%
Deloitte Centre	Colliers	11,922	5.3%	5.3%
Wellington				
NTT Tower	CBRE	16,626	6.5%	6.8%
No. 1 and 3 The Terrace	Bayleys	18,613	4.8%	6.0%
No. 3 The Terrace ⁶	Bayleys	N/A	6.2%	0.0%
AON Centre - Wgtn	Colliers	27,727	5.6%	6.8%
Defence House	Colliers	23,255	4.8%	5.5%
Bowen House	CBRE	14,275	5.4%	5.5%
Other investment properties ⁷	Colliers	6,060	8.3%	7.8%
Right-of-use assets ⁸	N/A	N/A	N/A	N/A
Market value (fair value) of investment properties		245,765	5.4%	5.8%
Investment properties held for sale⁵				
22 Stanley Street ⁹	N/A	N/A	N/A	N/A
One Queen Street (Hotel) ¹⁰	N/A	N/A	N/A	N/A
Market value (fair value) of investment properties held for sale				
Development properties⁵				
Auckland				
256 Queen Street	N/A	N/A	N/A	N/A
Downtown Car Park	N/A	N/A	N/A	N/A
Other development properties	N/A	N/A	N/A	N/A
Wellington				
Freyberg Building	Colliers	N/A	N/A	N/A
61 Molesworth Street	Colliers	N/A	N/A	N/A
Market value (fair value) of development properties				

1 Total weighted average by market value. Initial yields adjusted for rental voids/downtime to new lease commencement (if applicable).

2 Total weighted average lease term is weighted by income.

3 Additions arise from subsequent expenditure recognised in the carrying amount. Additions include \$17.3 million of capitalised interest. Disposals relate to completed sales and unconditional contracts for sale at year-end.

4 Transfers occur when a property is transferred to another category of property.

5 All properties are categorised as level 3 in the fair value hierarchy.

6 No. 3 The Terrace relates to the freehold title in respect to Precinct's leasehold interest.

7 Other investment properties are small value properties held for strategic purposes.

8 Right-of-use assets associated with ground leases at AON Centre - Wgtn, 204 Quay Street and Viaduct Car Park.

9 On 30 May 2025, Precinct purchased 22 Stanley Street and 13 Carlaw Park Avenue in Auckland for \$30.2 million to develop a Purpose-Built Student Accommodation (PBSA) facility for the University of Auckland at the Carlaw Park Student Village in Auckland in partnership with a Singapore-based institutional investor.

10 On 5 March 2025 Precinct announced that it has entered into a conditional agreement to sell the hotel at One Queen Street in Auckland for \$180.0 million.

Building on Success

Notes to the Financial Statements

For the year ended 30 June 2025

30 June 2024

Amounts in \$ millions	Valuer	Net lettable area sqm	Initial yield % ¹	Capitalisation rate ¹
Investment properties⁵				
Auckland				
AON Centre - Akld	CBRE	25,354	5.3%	6.1%
HSBC Tower	CBRE	31,592	5.4%	5.6%
Jarden House	CBRE	13,681	5.8%	5.9%
Mason Bros. ⁶	N/A	N/A	N/A	N/A
Commercial Bay Retail	JLL	17,281	5.5%	6.0%
PwC Tower (Commercial Bay)	JLL	39,236	5.1%	5.4%
Deloitte Centre ⁷	JLL	14,589	4.1%	5.5%
Wellington				
NTT Tower	CBRE	16,626	6.0%	6.8%
No. 1 and 3 The Terrace	Bayleys	18,613	4.7%	6.0%
No. 3 The Terrace ⁸	Bayleys	N/A	6.1%	0.0%
AON Centre - Wgtn	Bayleys	27,727	6.3%	6.5%
Defence House	Colliers	23,255	4.3%	5.5%
Bowen House ⁹	Colliers	14,275	5.2%	5.4%
Other investment properties ¹⁰	Colliers	6,060	8.0%	7.7%
Right-of-use assets ¹¹	N/A	N/A	N/A	N/A
Market value (fair value) of investment properties		248,289	5.3%	5.8%
Investment properties held for sale⁵				
Bowen Campus Stage 2 ¹²	N/A	N/A	N/A	N/A
Market value (fair value) of investment properties held for sale				
Development properties⁵				
Auckland				
One Queen Street	JLL	N/A	N/A	N/A
256 Queen Street ¹³	N/A	N/A	N/A	N/A
Downtown Car Park ¹⁴	N/A	N/A	N/A	N/A
Wellington				
Freyberg Building	Colliers	N/A	N/A	N/A
Bowen House ⁹	N/A	N/A	N/A	N/A
61 Molesworth Street	Colliers	N/A	N/A	N/A
Market value (fair value) of development properties				

1 Total weighted average by market value. Initial yields adjusted for rental voids/downtime to new lease commencement (if applicable).

2 Total weighted average lease term is weighted by income.

3 Additions arise from subsequent expenditure recognised in the carrying amount. Additions include \$25.1 million of capitalised interest. Disposals relate to completed sales and unconditional contracts for sale at year-end.

4 Transfers occur when a property is transferred to another category of property.

5 All properties are categorised as level 3 in the fair value hierarchy.

6 On 20 December 2023 Precinct sold Mason Bros. for \$50.3 million.

7 Previously known as One Queen Street.

8 No. 3 The Terrace relates to the freehold title in respect to Precinct's leasehold interest.

9 With the redevelopment project substantially complete the value was transferred from development properties to investment properties.

10 Other investment properties are small value properties held for strategic purposes.

11 Right-of-use assets associated with ground leases at AON Centre - Wgtn, 204 Quay Street and Viaduct Car Park.

12 On 15 August 2023 Precinct sold 40 & 44 Bowen Street to Bowen Investment Limited Partnership for \$240.0 million.

13 On 5 June 2024 Precinct purchased 256 Queen Street for \$9.0 million to develop a Purpose-Built Student Accommodation (PBSA) facility.

14 On 24 June 2024 Precinct's contract to purchase Downtown Car Park, Auckland went unconditional. See Note 1.8 for more details.

Occupancy %	WALT years ²	Valuation 30 June 2023	Capitalised incentives	Additions / disposals ³	Transfers ⁴	Revaluation gain / (loss)	Valuation 30 June 2024
87%	3.5	237.5	(0.5)	5.5	-	(19.5)	223.0
99%	5.3	445.0	1.9	3.4	-	(10.3)	440.0
100%	3.3	135.0	0.7	0.8	-	(6.5)	130.0
N/A	N/A	58.0	-	(58.0)	-	-	-
95%	3.4	353.0	(1.4)	1.8	-	(13.4)	340.0
100%	7.4	610.1	(3.5)	0.9	-	(2.4)	605.1
93%	15.0	-	-	-	343.4	16.6	360.0
97%	3.9	140.7	0.3	5.0	-	(12.2)	133.8
99%	8.0	137.5	(0.3)	-	-	(9.2)	128.0
0%	0.0	13.5	-	-	-	(1.1)	12.4
95%	4.7	218.1	0.1	7.5	-	(17.5)	208.2
100%	12.5	187.0	(0.1)	(0.1)	-	3.3	190.1
100%	14.0	-	-	-	171.5	(16.5)	155.0
0%	0.0	38.5	(0.1)	0.2	-	(2.6)	36.0
N/A	N/A	30.8	-	(3.5)	-	(1.5)	25.8
97%	6.6	2,604.7	(2.9)	(36.5)	514.9	(92.8)	2,987.4
N/A	N/A	240.0	-	(240.0)	-	-	-
		240.0	-	(240.0)	-	-	-
N/A	N/A	258.0	25.7	59.7	(343.4)	-	-
N/A	N/A	-	-	9.8	-	-	9.8
N/A	N/A	-	-	18.6	-	-	18.6
N/A	N/A	47.0	(0.2)	5.6	-	(16.4)	36.0
N/A	N/A	160.1	1.2	10.2	(171.5)	-	-
N/A	N/A	58.4	-	74.4	-	4.0	136.8
		523.5	26.7	178.3	(514.9)	(12.4)	201.2

Notes to the Financial Statements

For the year ended 30 June 2025

Accounting policies

Investment properties

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment property held for sale

In accordance with NZ IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, if the Group decides to dispose of an asset or group of assets, it should be classified as held for sale if:

- the asset or group of assets is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets;
- it is highly likely to be sold within one year.

Consequently, this asset or group of assets is shown separately as "assets held for sale" on the Consolidated Statement of Financial Position. Investment properties held for sale continue to be measured at fair value with assessment made as to whether the agreed selling price reflects fair value.

Development properties

Investment properties that are being constructed or developed for future use are classified as development properties. All costs directly associated with the purchase and construction of a property and all subsequent capital expenditure is capitalised. Subsequent to initial recognition development properties are stated at fair value. Gains or losses arising from changes in the fair value of development properties are included in profit or loss in the year in which they arise.

Valuation of investment and development properties

External, independent valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued, value Precinct's investment property portfolio at least every 12 months. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Right-of-use assets

For leases where Precinct is a lessee, a right-of-use asset is recognised at the commencement date of the lease, being the date the underlying asset is available for use. Investment property is defined to include both owned investment property and investment property held by a lessee as a right-of-use asset. Precinct therefore measures all investment property using the same measurement basis, being the fair value model. The value of the right-of-use assets represents the fair value of a freehold interest in the land subject to ground lease interests held by Precinct. Investment property is adjusted for cashflows relating to lease liabilities already recognised separately in the Consolidated Statement of Financial Position and also reflected in the investment property valuations.

Derecognition of investment properties

Investment properties are derecognised when they have been either sold or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognition of an investment property are recognised in profit or loss in the year of derecognition.

Owner-occupied properties

Where a property becomes owner-occupied the property is transferred from investment or development properties to property, plant and equipment. The cost for subsequent accounting for owner-occupied property is the property's fair value at the date of change in use.

Fair value measurement, valuation techniques and inputs

Precinct's properties were valued as at 30 June 2025 by independent registered valuers Colliers International, Bayleys, JLL and CBRE.

The valuations are reviewed by Precinct and adopted as the carrying value in the financial statements. As part of this process, Precinct's management verifies all major inputs to the valuations, assesses valuation movements since the previous period and holds discussions with the independent valuers to assess the reasonableness of the valuations. Ultimately, PPNZ's directors are responsible for reviewing and approving the investment property valuations.

During the year there were no transfers of investment or development properties between levels of the fair value hierarchy. The valuation techniques used in measuring the fair value of investment property, as well as the significant unobservable inputs used are as follows:

Class of property	Valuation techniques used	Inputs used to measure fair value
CBD office and retail	Income capitalisation approach, discounted cash flow analysis and residual approach	- Office gross market rent per sqm - Retail gross market rent per sqm - Core capitalisation rate - Discount rate - Terminal capitalisation rate - Rental growth rate per annum - Profit and risk allowance - Forecast development costs

A valuation is determined based on a range of unobservable inputs. These are unobservable as they are not freely available or explicit in the marketplace but rather analysed from transactional data that has taken place in similar market circumstances to that prevailing at the date of valuation.

Key unobservable inputs are the capitalisation rate, discount rate, gross market rental, rental growth rates, terminal capitalisation rate and profit and risk allowance.

The table below sets out these key unobservable inputs and the ranges adopted by the valuers across Precinct's properties together with the impact on fair value of a change in inputs.

Input used to measure fair value	30 June 2025	30 June 2024	Fair value movement sensitivity
Core capitalisation rate	5.3% - 8.0%	5.4% - 8.0%	The higher that capitalisation rates and discount rate, the lower the fair value.
Discount rate	5.0% - 9.8%	6.9% - 9.8%	
Termination capitalisation rate	5.5% - 8.3%	5.6% - 8.3%	
Profit and risk allowance	2.5%	8.0%	
Office gross market rent per sqm	\$280 - \$1,382	\$280 - \$1,375	The higher the market rent and growth rate, the higher the fair value.
Retail gross market rent per sqm	\$421 - \$9,000	\$425 - \$7,000	
Rental growth rate per annum	0.0% - 4.0%	1.9% - 3.2%	

Notes to the Financial Statements

For the year ended 30 June 2025

Valuations reflect, where appropriate:

- The type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness;
- The allocation of maintenance and insurance responsibilities between Precinct and the lessee; and
- The remaining economic life of the property.
- When rent reviews or lease renewals are pending with anticipated reversionary increases or decreases, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

The following table explains the key inputs used to measure fair value for investment properties.

Valuation methodologies	
Income capitalisation approach	Determines fair value by capitalising the net income at a capitalisation rate reflecting the nature, location and tenancy profile of the asset. Subsequent near term capital adjustments are then made which typically include letting-up allowances for vacancy and pending expiries, capital expenditure allowances and under/over renting reversions.
Discounted cash flow analysis	A financial modelling methodology assessing the long-term return that is likely to be derived from an asset. Explicit assumptions are required for rental income growth, leasing up metrics on expiries along with terminal value at the end of the cash flow period, typically a 10 year horizon. A market-derived discount rate is then applied to the assessed cash flows and discounted to a present value to determine fair value.
Sales comparison approach	Fair value is determined by applying positive and negative adjustments to recently transacted assets of a similar nature.
Residual approach	A methodology normally used for property which is undergoing, or is expected to undergo, redevelopment. Fair value is determined by firstly calculating a gross realisation which forecasts what a property is worth on completion and deducts all costs associated with the development of the property. These costs typically include letting and sale costs, a market required profit and risk margin, construction costs and finance costs.
Unobservable inputs within the income capitalisation approach	
Gross market rent	The estimated rental amount which a tenancy within a property is expected to achieve under a new arm's length transaction including a share of the property operating expenses.
Core capitalisation rate	The income return produced by an investment expressed as a percentage of the capital value. The capitalisation rate which is applied to a property's net market income is determined through analysis of comparable sales transactions.
Unobservable inputs within the discounted cash flow analysis	
Discount rate	The rate of return used to convert a property's future cash flows to present value. The discount rate is determined through analysis of comparable sales.
Terminal capitalisation rate	The rate used to convert income into an indication of the anticipated value of the property at the end of the cash flow period.
Rental growth rate	The growth rate applied to the market rental over the cash flow period.
Additional unobservable inputs within the residual approach	
Profit and risk allowance	The market level of return for a typical developer to receive on their outlay in order to undertake the respective development having regard to the relative risks (e.g. leasing progress, fixed price contract, programme/staging) of the project at that point in time.
Forecast development costs	All costs associated with the development of the property. These costs typically include letting and sale costs, construction costs and finance costs.

3.2 Capital commitments

Precinct has \$164.8 million of capital commitments as at 30 June 2025 (2024: \$228.4 million) relating to construction contracts and property purchases still to be settled.

Precinct has \$nil of capital commitments as at 30 June 2025 (2024: \$8.2 million) relating to undrawn mezzanine loan facilities provided. See Note 6.4 for more details.

3.3 Leases

Lease liabilities

Precinct has entered into ground leases (as lessee) and property leases (Precinct Flex as lessee). Ground leases have remaining non-cancellable lease terms of between one and 33 years (2024: one and 34 years). Precinct Flex property leases have remaining non-cancellable lease terms of between one and 8 years (2024: one and 9 years). A maturity of lease liabilities is included in Note 6.8.

Amounts in \$ millions	Investment properties	Flexible space	2025 Total	Investment properties	Flexible Space	2024 Total
Current	1.3	3.8	5.1	1.2	3.9	5.1
Non-current	24.8	20.2	45.0	26.1	24.0	50.1
Total lease liabilities	26.1	24.0	50.1	27.3	27.9	55.2

Amounts in \$ millions	Investment properties	Flexible space	Total
Balance at 1 July 2023	31.9	31.3	63.2
Additions	-	-	-
Disposals	(3.6)	-	(3.6)
Accretion of interest	1.3	2.9	4.2
Payments	(2.3)	(6.3)	(8.6)
Balance at 30 June 2024	27.3	27.9	55.2
Balance 1 July 2024	27.3	27.9	55.2
Additions	-	-	-
Disposals	-	-	-
Accretion of interest	1.4	2.6	4.0
Payments	(2.6)	(6.5)	(9.1)
Balance at 30 June 2025	26.1	24.0	50.1

Notes to the Financial Statements

For the year ended 30 June 2025

Right-of-use assets

Amounts in \$ millions	Investment properties	Flexible space	2025 Total	Investment properties	Flexible Space	2024 Total
Total right-of-use assets	24.0¹	17.0	41.0	25.8	21.0	46.8

1 Right-of-use assets for investment properties are included within investment properties value in the Consolidated Statement of Financial Position.

Amounts in \$ millions	Investment properties	Flexible space	Total
Balance at 1 July 2023	30.8	24.9	55.7
Additions	-	-	-
Depreciation expense	-	(3.9)	(3.9)
Fair value movement	(1.5)	-	(1.5)
Disposals	(3.5)	-	(3.5)
Balance at 30 June 2024	25.8	21.0	46.8

Balance 1 July 2024	25.8	21.0	46.8
Additions	-	-	-
Depreciation expense	-	(4.1)	(4.1)
Fair value movement	(1.7)	-	(1.7)
Disposals	-	-	-
Balance at 30 June 2025	24.1	16.9	41.0

Accounting policies

Leases

At contract inception Precinct assesses whether a contract is, or contains, a lease. Where a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration it is considered a lease.

Precinct as a lessee

Precinct applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets where IFRS 16 recognition exemptions are applied. Precinct recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

Precinct recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of the lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the term certain life of the lease.

Lease liabilities

At the commencement date of the lease Precinct recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by Precinct and payments of penalties for terminating the lease if the lease term reflects Precinct exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments Precinct uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amounts of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

3.4 Operating lease commitments

Precinct has entered into investment property leases (as lessor) which have remaining non-cancellable lease terms of between one and 18 years (2024: one and 19 years). Precinct has determined that it retains all the significant risks and rewards of ownership of properties and has therefore classified the leases as operating leases.

Future minimum rental receivable under non-cancellable operating leases are as follows:

Amounts in \$ millions	30 June 2025	30 June 2024
Within one year	201.2	195.4
Between one and two years	171.4	180.7
Between two and three years	154.6	152.6
Between three and four years	128.2	138.6
Between four and five years	109.8	114.5
Later than five years	277.3	526.1
Total future rental receivables	1,042.5	1,307.9

Notes to the Financial Statements

For the year ended 30 June 2025

4. GROUP STRUCTURE

4.1 Equity-accounted investments

Set out below are the associates and joint ventures of Precinct as at 30 June 2025. For those which, in the opinion of the directors, are material to Precinct the key financial information has been disclosed. For associates or joint ventures which, in the opinion of the directors, are individually immaterial to Precinct the key financial information has been aggregated for disclosure.

Ownership structures

Amounts in \$ millions	Country of incorporation	Ownership	Ownership interest		Nature of relationship	Measurement method
			30 June 2025	30 June 2024		
Material equity-accounted investments						
Precinct Pacific Investment Limited Partnership (PPILP) ¹	New Zealand	Units	24.9%	24.9%	Associate	Equity
Bowen Investment Limited Partnership (BILP) ²	New Zealand	Units	0.0%	20.0%	Associate	Equity
Individually immaterial equity-accounted investments						
Mahuhi Investment Limited Partnership (MILP) ¹	New Zealand	Units	33.0%	33.0%	Associate	Equity
Tangihua Investment Limited Partnership (TILP) ¹	New Zealand	Units	33.0%	33.0%	Associate	Equity
Precinct Properties Residential Limited (PPRL) ³	New Zealand	Shares	0.0%	50.0%	Joint Venture	Equity
Westhaven Residential Limited Partnership ("WRLP") ⁴	New Zealand	Units	50.0%	0.0%	Joint Venture	Equity
Westhaven Commercial Limited Partnership ("WCLP") ⁴	New Zealand	Units	24.9%	0.0%	Associate	Equity

1 There has been no change in ownership interests during the period.

2 Precinct sold its entire 20% interest in BILP during the period.

3 Precinct purchased the remaining 50% ownership of PPRL during the period. See Note 4.2 for further details.

4 Partnerships commenced during the period. See Note 1.8 for further details.

Equity-accounted investments

Amounts in \$ millions	30 June 2025	30 June 2024
Precinct Pacific Investment Limited Partnership (PPILP)	79.0	60.4
Bowen Investment Limited Partnership (BILP)	-	50.0
Individually immaterial equity-accounted investments ¹	59.7	20.7
Total equity-accounted investments	138.7	131.1

1 Individually immaterial equity-accounted investments balance includes \$21.1 million of investment into WCLP (2024: \$nil), \$22.1 million of investment into WRLP (2024: \$nil) and \$16.5 million of other individually immaterial investments (2024: \$20.7 million).

Given the extent of Precinct's equity investment as at balance date of 24.9%, the appointment of Precinct Properties Management Limited (PPML) as manager, and that two of Precinct's current executives are directors of the PPILP General Partnership, the Precinct Board has concluded that Precinct has "significant influence" over PPILP. As such, Precinct's interest in PPILP has been treated as an interest in an associate.

On 31 May 2025 Precinct sold its entire 20% equity interest in BILP, a previously equity-accounted associate. The sale resulted in Precinct losing significant influence over BILP, and accordingly, the investment was derecognised. Precinct has no remaining ownership interest or continuing involvement with the former associate.

The carrying amount of the investment at the date of sale was \$50.7 million and the proceeds received were \$48.6 million, resulting in a loss on disposal of \$2.1 million. The amount has been included in net realised gain / (loss) on disposal of equity-accounted investments.

Te Tōangaroa is a Joint Venture between Precinct, PAG and Ngāti Whātua Ōrākei to invest in the regeneration of the Te Tōangaroa precinct in the Tāmaki Makaurau city centre. Precinct and PAG have invested in the Joint Venture through MILP and TILP and Precinct's look-through investment in the Joint Venture through MILP is 16.8% and TILP is 19.0%.

Given the extent of Precinct's equity investment in MILP and TILP as at balance date of 33.0% respectively, the appointment of Precinct Properties Management Limited (PPML) as manager of MILP, TILP and Te Tōangaroa, and that two of Precinct's current executives are directors of the MILP and TILP General Partnerships, the Precinct board has concluded that Precinct has "significant influence" over MILP and TILP. As such, Precinct's interest in both MILP and TILP has been treated as an interest in an associate.

Precinct Properties Residential Limited ("PPRL") is a multi-unit residential development business that was previously jointly owned by Precinct and Lamont & Co. and is focussed on the delivery of high-quality multi-unit residential developments. On 1 July 2024, the remaining 50% interest in Precinct Properties Residential Limited was purchased bringing Precinct's ownership to 100%.

Precinct and Orams Group have entered a Joint Venture to develop Orams significant waterfront site at Wynyard Quarter including a small scaled commercial development (through Westhaven Commercial Limited Partnership) and a large scale residential development site (through Westhaven Residential Limited Partnership).

Given the extent of Precinct's equity investment as at balance date of 24.9%, the appointment of Precinct Properties Management Limited ("PPML") as development manager, and that two of Precinct's current executives are directors of WCLP General Partnership, the Precinct board has concluded that Precinct has "significant influence" over WCLP. As such, Precinct's interest in WCLP has been treated as an interest in an associate.

Westhaven Residential Limited Partnership is jointly owned by Precinct and Orams Group and is focussed on the delivery of a high-quality multi-unit residential development.

Notes to the Financial Statements

For the year ended 30 June 2025

Summarised financial information for associates and joint ventures

The following tables provide summarised financial information for the associates and joint ventures of Precinct and reflect the amounts presented in the financial statements of the relevant entities, not Precinct's share of those amounts.

Summarised financial information of BILP is presented for the period from 1 July 2024 to the date of disposal on 31 May 2025. The statement of financial position reflects balances as at the disposal date, being the most recent available financial information.

Summarised statement of comprehensive income

Amounts in \$ millions	30 June 2025			30 June 2024		
	PPILP	BILP ¹	Other	PPILP	BILP	Other
Net operating income	22.4	12.7	8.9	17.9	11.9	5.8
Finance income	0.2	0.1	-	0.1	0.3	-
Finance expense	(14.0)	0.1	(4.6)	(11.0)	0.1	(2.2)
Other income / (expense)	(1.5)	(0.7)	(0.5)	(1.8)	(0.6)	(2.0)
Net change in fair value of investment and development properties	31.0	6.3	(1.8)	(37.0)	5.1	16.6
Net change in fair value of derivative financial instruments	(7.2)	-	(0.7)	(2.4)	-	(0.1)
Profit / (loss)	30.8	18.5	1.3	(34.3)	16.8	18.1
Other comprehensive income	-	-	-	-	-	-
Total comprehensive profit / (loss)	30.8	18.5	1.3	(34.3)	16.8	18.1

1 For the period to 31 May 2025.

Summarised statement of financial position

Amounts in \$ millions	30 June 2025			30 June 2024		
	PPILP	BILP ¹	Other	PPILP	BILP	Other
Assets						
Current assets	12.6	1.7	3.0	6.9	3.2	2.7
Investment properties	668.6	252.6	271.1	530.8	246.4	78.8
Other non-current assets	-	-	0.7	-	-	0.6
Total assets	681.2	254.3	274.8	537.7	249.6	82.1
Liabilities						
Current liabilities	5.1	0.7	3.8	(1.2)	0.3	3.9
Borrowings - non-current	351.3	-	91.2	295.7	-	28.6
Other non-current liabilities	7.7	-	0.9	0.5	-	0.2
Total liabilities	364.1	0.7	95.9	295.0	0.3	32.7
Net assets	317.1	253.6	178.9	242.7	249.3	49.4

1 As of 31 May 2025.

Reconciliation to carrying amounts

Amounts in \$ millions	PPILP	BILP	Other
Opening net assets - 1 July 2023	231.9	-	(1.6)
Partners' contribution	50.0	241.5	32.9
Profit / (loss)	(34.3)	16.8	18.1
Other comprehensive income	-	-	-
Distribution paid	(4.9)	(9.0)	-
Closing net assets - 30 June 2024	242.7	249.3	49.4
Partners' contribution	50.0	-	128.5
Acquisition of business	-	-	1.7
Profit / (loss)	30.8	18.5	1.3
Other comprehensive income	-	-	-
Distribution paid	(6.4)	(14.2)	(2.0)
Closing net assets - 30 June 2025	317.1	253.6¹	178.9

1 As of 31 May 2025.

Notes to the Financial Statements

For the year ended 30 June 2025

Amounts in \$ millions	30 June 2025				30 June 2024			
	Total	PPILP	BILP	Other	Total	PPILP	BILP	Other
Precinct's share in %		24.9%	0.0%	-		24.9%	20.0%	-
Share of net assets at carrying percentage	138.7	79.0	-	59.7	126.2	60.4	49.9	15.9
Goodwill	-	-	-	-	4.9	-	-	4.9
Closing carrying amount	138.7	79.0	-	59.7	131.1	60.4	49.9	20.8
Opening carrying amount	131.1	60.4	49.9	20.8	61.8	57.7	-	4.1
Partners' contribution / issue of shares	55.5	12.5	-	43.0	71.7	12.5	48.3	10.9
Profit / (loss)	11.8	7.7	3.6	0.5	0.6	(8.6)	3.4	5.8
Other comprehensive income	-	-	-	-	-	-	-	-
Distribution paid	(4.9)	(1.6)	(2.8)	(0.5)	(3.0)	(1.2)	(1.8)	-
Disposal of equity-accounted investments	(54.8)	-	(50.7)	(4.1)	-	-	-	-
Closing carrying amount	138.7	79.0	-	59.7	131.1	60.4	49.9	20.8

Accounting policy

Interests in associates and joint ventures

Interests in associates and joint ventures are accounted for using the equity method and are stated in the consolidated statement of financial position at cost, adjusted for the movement in Precinct's share of their net assets and liabilities. Under this method, Precinct's share of the profits and losses after tax of associates and profit and loss before tax of the joint ventures are included in Precinct profit before taxation. Adjustments to the carrying amount are also made for Precinct's share of changes in the associates' and the joint venture's other comprehensive income. When there has been a change recognised directly in the equity of the associate or joint venture, Precinct recognises its share of any changes, when applicable, in the Consolidated Statement of Changes in Equity.

Under the equity method, gain or loss resulting from the transfer of investment properties to associates or joint ventures in exchange for cash or shares is recognised only to the extent of the other investors' interest in the associates or joint ventures, however when cash and shares are received, the portion of the gain or loss relating to cash is recognised in full.

At each reporting date, Precinct assesses its equity-accounted investments to determine whether there is any indication of impairment. If any such indication exists, then the investments' recoverable amount is estimated as a single asset by comparing its recoverable amount with its carrying amount.

The recoverable amount is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit. Fair value less costs of disposal is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date, less the costs of disposal and includes a strategic premium that is associated with collectively owning more than the sum of the individual shares.

If the carrying amount of an equity-accounted investment exceeds its recoverable amount, an impairment loss is recognised in profit or loss and is applied to the carrying amount of the equity-accounted investment. Such impairment loss is not allocated to the underlying assets that make up the carrying amount of the equity-accounted investment. Impairment loss is subsequently reversed only to the extent that the recoverable amount of the investment subsequently increases.

Notes to the Financial Statements

For the year ended 30 June 2025

4.2 Acquisition of a subsidiary

On 1 July 2024, Precinct acquired the remaining 50% of the shares and voting interests in Precinct Properties Residential Limited ("PPRL"). As a result, Precinct's equity interest in PPRL increased from 50% to 100% obtaining control of PPRL.

The re-measurement to fair value of the group's existing 50% interest in PPRL resulted in a gain of \$2.8 million (\$6.9 million less \$4.1 million amount of carrying amount of the previously equity accounted investment in PPRL at the date of acquisition). The amount has been included in net realised gain / (loss) on disposal of equity-accounted investments in the consolidated statement of comprehensive income.

a) Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred:

Amounts in \$ millions	1 July 2024
Cash	5.0
Fair value of existing 50% equity accounted interest in PPRL	6.9
Total consideration transferred	11.9

b) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

Amounts in \$ millions	1 July 2024
Current assets	
Cash	0.3
Trade receivables	0.6
Non-current assets	
Intangible assets	10.7
Deferred tax assets	0.1
Current liabilities	
Trade and other payables	0.9
Total identifiable net assets acquired	10.8

Measurement of fair values

The valuation techniques for measuring the fair value of material assets acquired were as follows:

Class of asset	Valuation techniques used
Intangible assets ¹	Existing Contracts Method: The existing contracts method first determines whether the contracts qualify for separate recognition as an intangible asset. Given the short-term nature of the contracts, the fair value adopted has been measured by first calculating the expected revenue from the contracts and subtracting the associated expenses to determine the total net income and then applying an appropriate market EBIT multiple to determine a fair value.

¹ The intangible assets that relate to management rights are amortised on a straight line basis over the period of 18 - 66 months representing the period of these contract term, with a net book value of \$6.3 million as of 30 June 2025 (2024: \$nil).

Goodwill

Goodwill arising from the acquisition of PPRL has been recognised as follows:

Amounts in \$ millions	1 July 2024
Consideration transferred	5.0
Fair value of existing 50% equity accounted interest in PPRL	6.9
Less Fair value of identifiable assets	10.8
Goodwill	1.1

The goodwill is attributable to the PPRL CGU due to the synergies expected to be achieved in integrating PPRL to the group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

4.3 Related party disclosures

Precinct Properties Management Limited (PPML, subsidiary of PPIL), earns revenue streams from the management of real estate investments including PPILP, BILP, Te Tōangaroa and WRLP. Under the various management agreements PPML is entitled to receive management fees for services performed including asset management, building management, development management and transaction fees.

The table below sets out transactions with a related party that took place:

30 June 2025

Amounts in \$ millions	Fees charged during period			Amounts owing at period end		
	Associates	Joint Ventures	Total	Associates	Joint Ventures	Total
Asset management fee income	2.1	-	2.1	-	-	-
Development management fee income	4.4	-	4.4	2.5	-	2.5
Building management fee income	0.9	-	0.9	-	-	-
Leasing fee income	0.1	-	0.1	0.1	-	0.1
Acquisition and disposal fees	-	-	-	-	-	-
Additional services fees	-	-	-	-	-	-
Total management fee income	7.5	-	7.5	2.6	-	2.6
Rent paid	(2.8)	-	(2.8)	-	-	-

Notes to the Financial Statements

For the year ended 30 June 2025

30 June 2024

Amounts in \$ millions	Fees charged during period			Amounts owing at period end		
	Associates	Joint Ventures	Total	Associates	Joint Ventures	Total
Asset management fee income	2.0	-	2.0	-	-	-
Development management fee income	2.2	-	2.2	-	-	-
Building management fee income	0.8	-	0.8	0.1	-	0.1
Leasing fee income	0.3	-	0.3	0.3	-	0.3
Acquisition and disposal fees	0.3	-	0.3	-	-	-
Additional services fees	-	0.5	0.5	-	0.5	0.5
Total management fee income	5.6	0.5	6.1	0.4	0.5	0.9
Rent paid	(2.2)	-	(2.2)	-	-	-

The following table details the transactions between PPNZ and other Precinct entities, which are eliminated on consolidation.

Amounts in \$ millions	Amounts charged during period		Amounts owing at period end	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
<i>Charged from PPIL to PPNZ</i>				
Asset management fee	11.4	11.8	-	-
Development management fee	7.8	5.9	1.7	-
Building management fee	5.4	4.9	-	-
Leasing fee	1.8	1.0	0.7	1.0
Acquisition and disposal fees	0.4	0.5	-	0.5
Additional services fees	1.7	1.8	-	1.8
Total management fee income	28.5	25.9	2.4	3.3
<i>Charged from PPNZ to PPIL</i>				
Rental income	2.8	3.2	1.1	3.6
Interest income	3.5	3.4	16.4	12.9
Total charges	6.3	6.6	17.5	16.5

There were expense recharges between PPNZ and other Precinct entities for items such as insurance premiums, directors fees and travel where the transactions were not eliminated on consolidation. The total value of these recharges for the year ended 30 June 2025 were \$0.4 million (2024: \$0.6 million) charged from PPIL to PPNZ and \$2.8 million recharged from PPNZ to PPIL (2024: \$2.4 million).

Interest bearing loans exist between PPNZ and other Precinct entities. At 30 June 2025, interest bearing loans of \$70.1 million (2024: \$60.5 million) were receivable by PPNZ from other Precinct entities. Loans to related Precinct entities bear interest at PPNZ's weighted average cost of capital. Loans are repayable on demand.

5. INVESTOR RETURNS

5.1 Earnings per share

The calculation of diluted earnings per share has been based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after the adjustment for all dilutive potential ordinary shares.

Amounts in \$ millions unless otherwise stated	30 June 2025	30 June 2024
Weighted average number of shares for both PPNZ and PPIL		
Weighted average number of shares for basic earnings per share (millions)	1,587.0	1,586.3
Weighted average number of shares for diluted earnings per share (millions) ¹	1,597.7	1,593.9
PPNZ		
Net profit after tax for basic and diluted earnings per share - PPNZ	14.4	(21.1)
Basic earnings per share (cents) - PPNZ	0.91	(1.33)
Diluted earnings per share (cents) - PPNZ	0.90	(1.33)
PPIL		
Net profit after tax for basic and diluted earnings per share - PPIL	(3.4)	(1.0)
Basic earnings per share (cents) - PPIL	(0.21)	(0.1)
Diluted earnings per share (cents) - PPIL	(0.21)	(0.1)
Stapled entity		
Net profit after tax for basic and diluted earnings per share - stapled entity	11.0	(22.1)
Basic earnings per share (cents) - stapled entity	0.69	(1.39)
Diluted earnings per share (cents) - stapled entity	0.69	(1.39)

¹ Effect of dilution relates to share rights under the long-term incentive scheme for key management personnel.

Notes to the Financial Statements

For the year ended 30 June 2025

5.2 Reconciliation of net profit after tax to adjusted funds from operations (AFFO)

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.

Amounts in \$ millions unless otherwise stated	30 June 2025	30 June 2024
Net profit / (loss) after income tax	11.0	(22.1)
Income tax (benefit) / expense	(5.7)	(1.2)
Total other (income) / expenses	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

5.3 Dividends paid

Amounts in \$ millions unless otherwise stated	30 June 2025			30 June 2024		
	Payment Date	Cents per share	Total	Payment Date	Cents per share	Total
The following dividends were declared and paid by PPNZ during the period:						
Q4 2024 final dividend	20-Sep-24	1.4975	23.8	22-Sep-23	1.6750	26.6
Q1 2025 interim dividend	13-Dec-24	1.4975	23.8	15-Dec-23	1.4975	23.8
Q2 2025 interim dividend	21-Mar-25	1.4975	23.8	22-Mar-24	1.4975	23.8
Q3 2025 interim dividend	6-Jun-25	1.4975	23.8	7-Jun-24	1.4975	23.8
Total dividends paid - PPNZ		5.99	95.2		6.1675	98.0
The following dividends were declared and paid by PPIL during the period:						
Q4 2024 final dividend	20-Sep-24	0.1900	3.0		N/A	N/A
Q1 2025 interim dividend	13-Dec-24	0.1900	3.0	15-Dec-23	0.1900	3.0
Q2 2025 interim dividend	21-Mar-25	0.1900	3.0	22-Mar-24	0.1900	3.0
Q3 2025 interim dividend	6-Jun-25	0.1900	3.0	7-Jun-24	0.1900	3.0
Total dividends paid - PPIL		0.7600	12.0		0.5700	9.0
Total dividends paid - Precinct		6.7500	107.2		6.7375	107.0

Supplementary dividends of \$114,505 were paid to PPIL shareholders not resident in New Zealand for which PPIL received a foreign investor tax credit entitlement (2024: \$91,711).

6. CAPITAL STRUCTURE AND FUNDING

6.1 Interest bearing liabilities

Amounts in \$ millions	30 June 2025	30 June 2024
Bank loans	848.2	484.3
US private placement	195.4	260.7
NZ senior secured bonds	400.0	425.0
Convertible note	150.0	150.0
Total drawn debt	1,593.6	1,320.0
US private placement - fair value adjustment	21.7	23.0
Convertible note - embedded financial derivative and amortisation adjustment	0.2	(1.7)
Capitalised borrowing costs	(5.2)	(6.7)
Net interest bearing liabilities	1,610.3	1,334.6

Notes to the Financial Statements

For the year ended 30 June 2025

Breakdown of borrowings:

Amounts in \$ millions	Held at	Maturity ¹	Facility	Coupon ¹	30 June 2025	30 June 2024
Bank loans ²	Amortised cost	Nov-27	180.0	Floating ³	139.2	-
Bank loans	Amortised cost	Jun-29	200.0	Floating ³	197.0	125.0
Bank loans	Amortised cost	Jun-28	300.0	Floating ³	300.0	300.0
Bank loans	Amortised cost	Nov-26	200.0	Floating ³	200.0	-
Bank loans	Amortised cost		-		-	59.3
Bank loans	Amortised cost	Dec-26	68.0	Floating ³	12.0	-
NZ senior secured bond (PCT020)	Amortised cost		-		-	100.0
NZ senior secured bond (PCT030)	Amortised cost	May-27	150.0	2.85%	150.0	150.0
NZ senior secured bond (PCT040)	Amortised cost	May-28	175.0	5.25%	175.0	175.0
NZ wholesale green bond (PCTW29)	Amortised cost	Oct-29	75.0	5.42%	75.0	-
Convertible note (PCTHB)	Amortised cost	Sep-26	65.0	7.56%	65.0	65.0
Convertible note (PCTHC)	Amortised cost	Sep-27	85.0	7.53%	85.0	85.0
US private placement	Fair value		-		-	65.3
US private placement	Fair value	Jan-27	32.6	4.23%	32.6	32.6
US private placement	Fair value	Jul-29	118.4	4.28%	118.4	118.4
US private placement	Fair value	Jul-31	44.4	4.38%	44.4	44.4
Total drawn debt			1,693.4		1,593.6	1,320.0
Weighted average term to maturity					2.8 years	3.3 years
Weighted average interest rate before swaps (including funding costs)					5.20%	7.38%

1 As at 30 June 2025.

2 Term bank loan relating to the 61 Molesworth Street property.

3 Interest rates on bank loans are at the 90-day benchmark borrowing rate (BKBM) plus a margin. Precinct also pays facility fees.

Precinct has committed funding of \$1,693.4 million (2024: \$1,703.7 million) including the NZ retail bonds, US private placements and convertible notes.

All lenders (excluding convertible noteholders) have the benefit of security over certain assets of the Group. The Group has given a negative pledge which provides that it will not permit any security interest in favour of a party other than the lenders to exist over more than 15% of the value of substantially all of its properties. The value of the mortgaged property pool as at 30 June 2025 is \$2,990.4 million (2024: \$3,134.3 million).

The convertible note is subordinated to all secured debt and will convert into ordinary shares of Precinct subject to a Cash Election. The cash election allows Precinct to elect to instead pay a cash amount to Noteholders at the end of the term.

The number of shares into which each holding of notes converts will be determined by dividing the Principal Amount (\$1.00 per note) by the Conversion Price, which is the lesser of:

1. the Conversion Price Cap of \$1.36 for PCTHB notes and \$1.40 for PCTHC notes; and
2. the Market Price.

To substantially remove currency risk, US private placement proceeds have been fully swapped back to New Zealand dollars.

Accounting policy

Interest bearing liabilities

Bank loans and the NZ retail bond are recognised initially at fair value less any attributable transaction costs. Subsequent to initial recognition, these liabilities are stated at amortised cost using the effective interest method.

The US private placements are recognised at fair value including translation to NZD with any gains or losses recognised in the profit or loss as they arise. This fair value is determined using swap models and present value techniques with observable inputs such as interest rate and cross-currency curves. The movement in fair value attributable to changes in Precinct's own credit risk is calculated by determining the changes in credit spreads above observable market interest rates and is recognised in other comprehensive income. This measurement falls into level 2 of the fair value hierarchy.

The convertible note embedded financial derivative is recognised at fair value with any gains or losses recognised in the profit or loss as they arise. This fair value is determined using the black-scholes model with observable inputs such as Precinct's share price and its historic standard deviation, the convertible note strike price and the risk free rate. This measurement falls into level 2 of the fair value hierarchy.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

6.2 Net finance expense

Amounts in \$ millions	30 June 2025	30 June 2024
Finance income		
Bank interest income	0.7	1.7
Interest income on loan receivables	4.0	3.3
	4.7	5.0
Finance expense		
Interest bearing liabilities interest expense	(87.0) ¹	(71.2)
Capitalised interest	17.3	25.1
	(69.7)	(46.1)
Net finance expense	(65.0)	(41.1)

¹ Interest expense includes \$8.1 million relating to the closeout of interest rate swaps (2024: \$nil). These closeouts were triggered by the sale of the remaining 20% minority interest in 40 and 44 Bowen Street ("BILP") and the conditional sale of the hotel at One Queen Street.

Notes to the Financial Statements

For the year ended 30 June 2025

6.3 Derivative financial instruments

Amounts in \$ millions	30 June 2025	30 June 2024
Financial derivative assets		
Current	1.0	10.1
Non current ¹	22.3	34.0
	23.3	44.1
Financial derivative liabilities		
Current	(1.3)	(1.4)
Non current	(34.0)	(24.0)
	(35.3)	(25.4)
Total fair value of derivative financial instruments	(12.0)	18.7
Notional contract cover (fixed payer)	2,295.0	2,135.0
Notional contract cover (fixed receiver)	465.0	490.0
Notional contract cover (cross currency swaps - fixed receiver)	195.5	260.7
Percentage of net drawn borrowings fixed	82.8%	99.2%
Weighted average term to maturity (fixed payer)	2.5 years	2.9 years
Weighted average interest rate after swaps (including funding costs)	5.22%	5.38%

1 This includes the cross currency interest rate swap valuation of \$17.8 million (2024: \$24.5 million) and a net credit value adjustment of \$0.1 million (2024: \$0.1 million debit).

Amounts in \$ millions	30 June 2025	30 June 2024
Unrealised net gain / (loss) on financial instruments		
Interest rate swaps	(31.6)	(7.3)
US private placement ¹	12.3	3.2
Convertible note option	(0.3)	2.9
Subtotal unrealised net gain / (loss) on financial instruments	(19.6)	(1.2)
Credit risk adjustments on financial liabilities designated at fair value through profit or loss	(11.0)	(9.4)
Total unrealised net gain / (loss) on financial instruments	(30.6)	(10.6)

1 This is the net impact, excluding the credit risk adjustment, of the movement in value of the cross currency interest rate swap and the US private placement notes.

Accounting policy

Derivative financial instruments

Precinct uses derivative financial instruments (interest rate and cross currency swaps) to manage its exposure to interest rate and foreign exchange risks arising from operational, financing and investment activities.

Derivative financial instruments are recognised initially at fair value and subsequently re-measured and carried at fair value. They are carried as assets when the fair value is positive and liabilities when the fair value is negative. The gain or loss on re-measurement to fair value is recognised directly in profit or loss.

The fair value is the estimated amount that Precinct would receive or pay to terminate the swap at the balance date, taking into account current rates and creditworthiness of the swap counterparties. This is determined using swap models and present value techniques with observable inputs such as interest rate and cross-currency curves. The fair value of derivatives fall into level 2 of the fair value hierarchy.

6.4 Loan receivables

Amounts in \$ millions	Held at	Maturity ¹	Facility	Coupon	30 June 2025	30 June 2024
Sale and lease back property ²	Amortised cost	Feb-26	15.0	5.00%	15.0	15.0
Mezzanine loan	Amortised cost	Apr-26	20.0	14.00%	20.0	10.7
Total loan receivables			35.0		35.0	25.7
Capitalised interest and line fees					4.1	1.1
Capitalised borrowing costs					(0.2)	(0.4)
Total net loan receivables					38.9	26.4

1 As at 30 June 2025.

2 Precinct has legal title of the Amora Hotel property but due to sell back provision for accounting purposes this is treated as a loan receivable.

6.5 Share capital

There is only one class of shares, being ordinary shares, and they rank equally with each other. All issued shares are fully paid, carry full voting rights, have no redemption rights, have no par value and are subject to the terms of the constitution. PPNZ and PPIL shares are "stapled" and jointly listed on the NZX (Stapled Securities). Each of PPNZ and PPIL has 1,587,043,034 shares on issue as at 30 June 2025.

Stapling of shares is a contractual and constitutional arrangement between the two Stapled Entities whereby each Stapled Entity's equity securities are combined with (or stapled to) the equity securities issued by the other Stapled Entity. The Stapled Entities have the same shareholders, and their shares cannot be traded or transferred independently of one another. The Stapled Securities are traded as a single economic unit with a single quoted price.

Notes to the Financial Statements

For the year ended 30 June 2025

The following table provides details of movements in Precinct's issued shares:

Amounts in \$ millions unless otherwise stated	30 June 2025		30 June 2024	
	Number (m)	Amount	Number (m)	Amount
Balance at the beginning of the period	1,586.4	1,622.8	1,585.9	1,622.0
Issue of shares:				
Long term incentive plan - shares vested	0.5	0.4	0.4	0.7
Employee share scheme - shares issued	0.1	0.2	0.1	0.1
Balance at the end of the period	1,587.0	1,623.4	1,586.4	1,622.8

Share capital is recognised at the fair value of the consideration received by Precinct. Costs relating to the issue of new shares have been deducted from the proceeds received.

6.6 Reserves

Amounts in \$ millions	30 June 2025	30 June 2024
Credit risk adjustments on financial liabilities	(14.1)	(6.2)
Share option reserve	3.2	2.7
Total reserves	(10.9)	(3.5)
Credit risk adjustments on financial liabilities		
Opening balance	(6.2)	1.8
Movement in credit risk adjustments on financial liabilities designated at fair value through profit or loss	(11.0)	(9.4)
Deferred tax on items transferred directly to / (from) equity	3.1	1.4
Closing balance	(14.1)	(6.2)
Share option reserve		
Opening balance	2.7	2.2
Long-term incentive scheme expense	2.1	2.0
Long-term incentive scheme vesting	(0.5)	(0.7)
Long-term incentive scheme lapsed	(1.1)	(0.8)
Closing balance	3.2	2.7

6.7 Capital management

The Group's capital includes ordinary shares, retained earnings and interest bearing liabilities. When managing capital, management's objective is to ensure Precinct continues as a going concern as well as to maintain optimal returns to share holders and benefits for other creditors. Management also aims to maintain a capital structure that ensures the lowest cost of capital is available to Precinct.

Precinct meets its objectives for managing capital through its investment decisions on the acquisition and disposal of assets, developments, dividend policy, share buy backs and issuance of new shares.

Certain of the Precinct's bank loan facilities are subject to financial covenants. These include interest cover covenant and a leverage covenant under which total liabilities (excluding deferred tax, derivative financial instruments and subordinated debt) must not exceed 50% of total assets. In addition, secured debt must be no more than 50% of the value of the mortgaged property pool. Covenants are assessed in accordance with the facility agreements (including at reporting dates), and a breach could result in the facilities becoming repayable on demand and may affect the classification of related borrowings as current. At 30 June 2025, Precinct complied with all covenant requirements and was also in compliance throughout the comparative period.

Precinct's policy in respect of capital management is reviewed regularly.

6.8 Financial risk management

In the normal course of business through the use of financial instruments, Precinct is exposed to interest rate risk, credit risk and liquidity risk. The Precinct Boards agree and review policies for managing each of these risks.

Financial instruments held:

Amounts in \$ millions unless otherwise stated	30 June 2025			30 June 2024		
	At amortised cost	Fair value through profit or loss	Total	At amortised cost	Fair value through profit or loss	Total
Financial assets						
Cash	28.4	-	28.4	22.1	-	22.1
Debtors	9.4	-	9.4	9.7	-	9.7
Loan receivables	38.9	-	38.9	26.4	-	26.4
Derivative financial instruments	-	23.3	23.3	-	44.1	44.1
Total financial assets	76.7	23.3	100.0	58.2	44.1	102.3
Financial liabilities						
Other current liabilities	3.3	-	3.3	4.6	-	4.6
Interest bearing liabilities	1,393.2	217.1	1,610.3	1,050.9	283.7	1,334.6
Derivative financial instruments	-	35.3	35.3	-	25.4	25.4
Total financial liabilities	1,396.5	252.4	1,648.9	1,055.5	309.1	1,364.6

Notes to the Financial Statements

For the year ended 30 June 2025

a) Interest rate risk

Interest rate risk is the risk that fluctuations in interest rates impact the Group's financial performance, future cash flows or the fair value of its financial instruments.

Precinct's policy is to manage its interest rates using a mix of fixed and variable rate debt. Precinct's policy is to keep at least 60% (based on a one year horizon) of its interest bearing liabilities at fixed rates of interest. To manage this mix Precinct enters into interest rate swaps, in which Precinct agrees to exchange, at specified intervals, the difference between fixed and variable rates for interest calculated by reference to an agreed-upon notional principal amount. These swaps are designed to economically hedge underlying debt obligations.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on interest bearing liabilities, after the impact of hedging with all other variables held constant.

Amounts in \$ millions	30 June 2025	30 June 2024
	Effect on profit or equity	Effect on profit or equity
25 basis point increase	(1.1)	(0.8)
25 basis point decrease	1.1	0.8

b) Credit risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. Financial instruments which subject Precinct to credit risk principally consist of cash, debtors, loan receivables and derivative financial instruments in an asset position. Precinct's exposure to credit risk is equal to the carrying value of the financial instruments.

Precinct conducts credit assessments to determine credit worthiness prior to entering into lease agreements. In addition, debtor and loan balances are monitored on an ongoing basis with the result that Precinct's exposure to bad debts is not significant. No loan balances are past due.

There is no significant concentration of credit risk as financial assets are spread amongst a number of counterparties.

c) Liquidity risk

Liquidity risk is the risk that Precinct will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial liabilities.

Precinct monitors and evaluates liquidity requirements on an ongoing basis and generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has bank facilities available to cover potential shortfalls. The Group's approach to managing liquidity risk is to ensure it will always have sufficient liquidity to meet its obligations when they fall due under both normal and stress conditions. The Group manages liquidity by maintaining adequate committed credit facilities and spreading maturities in accordance with internal policy.

The tables below analyse Precinct's financial liabilities (principal and interest) and net cash flows of derivative financial instruments into relevant contracted maturity periods.

<i>Amounts in \$ millions unless otherwise stated</i>	Carrying amount	0 - 1 year	1 - 2 years	2 - 5 years	> 5 years	Total contractual cash flows
30 June 2025						
Interest bearing liabilities	1,610.3	66.2	519.5	1,164.1	46.7	1,796.5
Net derivative financial instruments	12.0	5.7	12.1	20.7	3.5	42.0
Lease liabilities	50.1	8.6	8.0	21.3	32.5	70.4
Other current liabilities	3.3	3.3	-	-	-	3.3
Total	1,675.7	83.8	539.6	1,206.1	82.7	1,912.2
30 June 2024						
Interest bearing liabilities	1,334.6	199.5	30.5	900.8	167.3	1,298.1
Net derivative financial instruments	(18.7)	21.8	21.5	67.5	21.0	131.8
Lease liabilities	55.2	5.1	5.1	16.2	28.8	55.2
Other current liabilities	4.6	4.6	-	-	-	4.6
Total	1,375.7	231.0	57.1	984.5	217.1	1,489.7

Precinct has netting arrangements in place under its facility agreement and its hedging arrangements. Under its facility agreement, Finance Parties can only set off credit balances against amounts due and payable while an event of default or potential event of default is continuing. Under its hedging arrangements, netting occurs under the terms of the ISDA Agreements to amounts that would be payable on the same day between the counterparties in the same currency and in respect of the same transaction (or in some instances, same type of transaction) and may also occur on early termination or an event of default.

Accounting policy

Derecognition of financial instruments

Financial assets are derecognised when the right to receive cash flows from the financial asset has expired or when the entity transfers substantially all the risks and rewards of the financial asset. If the entity neither retains nor transfers substantially all of the risks and rewards, it derecognises the asset if it has transferred control of the asset. Financial liabilities are derecognised when the obligation has expired or been transferred.

Notes to the Financial Statements

For the year ended 30 June 2025

7. TAXATION

7.1 Income tax

Amounts in \$ millions	30 June 2025	30 June 2024
Current tax benefit / (expense)	7.7	2.4
Depreciation recovered on sale	(0.5)	(1.2)
Deferred tax benefit / (expense)	(1.5)	-
Income tax benefit / (expense) as per consolidated statement of comprehensive income	5.7	1.2

Amounts in \$ millions	30 June 2025	30 June 2024
Net profit / (loss) before taxation	5.3	(23.3)
Tax benefit / (expense) at the statutory income tax rate of 28.0%	(1.5)	6.5
(Increase) / decrease in income tax due to:		
Unrealised (gain) / loss on value of investment and development properties	(7.3)	(29.0)
Net realised (gain) / loss on sale of investment & development properties	(6.8)	(3.1)
Unrealised (gain) / loss on financial instruments	(5.5)	(0.3)
Disposal of depreciable assets	0.7	-
Capitalised interest	4.8	7.0
Prior period adjustments	1.1	1.1
Other adjustments	3.5	0.6
Depreciation	14.4	17.1
Deductible capital expenditure	0.2	0.2
Tax impacts of equity-accounted investments	4.1	2.3
Current tax benefit / (expense)	7.7	2.4
Depreciation recovered on sale of depreciable assets	(0.5)	(1.2)
Deferred tax charged to profit or loss:		
Fair value of financial instruments	5.7	2.6
Investment property depreciation	(5.6)	(1.9)
Other deferred tax	(1.6)	(0.7)
Total deferred tax benefit / (expense)	(1.5)	-
Total income tax benefit / (expense)	5.7	1.2
Effective tax rate	-108%	5%

Precinct holds its properties on capital account for income tax purposes.

The group has tax losses of \$243.0 million available to carry forward as at 30 June 2025 (2024: \$223.4 million).

Imputation credits available for use as at 30 June 2025 are \$nil (PPNZ) and \$653,657 (PPIL) (2024: \$nil (PPNZ) and \$150,625 (PPIL)).

Accounting policy

Income tax

a) Recognition and measurement

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

b) Key estimates and assumptions

Precinct undertakes transactions in the ordinary course of business where the income tax treatment requires the exercise of judgement. Precinct estimates the amount expected to be paid to / recovered from tax authorities based on its understanding and interpretation of the law, seeking external advice where appropriate, and considers that it holds appropriate provisions. Uncertain tax positions are presented as current or deferred tax assets or liabilities with reference to the nature of the underlying uncertainty based on management's determination of the likelihood that uncertain tax positions will be accepted by the tax authorities.

Precinct applies judgement in evaluating whether the proceeds of sale of properties are on capital or revenue account for income tax purposes.

7.2 Deferred tax

Amounts in \$ millions	30 June 2025	30 June 2024
Deferred tax asset - tax losses	77.2	67.0
Deferred tax asset / (liability) - fair value of financial instruments	10.0	1.3
Deferred tax asset - share based payments	1.6	1.2
Deferred tax liability - intangible assets on acquisition	(2.1)	(0.4)
Deferred tax asset - lease liabilities	14.1	15.5
Deferred tax liability - right-of-use assets	(4.8)	(5.9)
Deferred tax liability - depreciation	(81.7)	(76.2)
Net deferred tax asset / (liability)	14.3	2.5

Deferred tax assets

Precinct has recognised deferred tax assets relating to the fair value of financial instruments, share-based payments, accumulated tax losses of the group and lease liabilities.

Deferred tax liabilities

Precinct has recognised deferred tax liabilities relating to the depreciation claw-back which would arise on the sale of investment properties at carrying value.

Notes to the Financial Statements

For the year ended 30 June 2025

In estimating this deferred tax liability, Precinct has relied on independent valuers' assessments of the market value of the land and improvements. For 30 June 2025, Precinct has then relied on insurance replacement cost reports to split the value of improvements (being the building structure and the fixtures and fittings), identified in the independent valuer's assessments.

Accounting policy

Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

For deferred tax liabilities or assets arising on investment property measured at fair value, it is assumed that the carrying amounts of investment property will be recovered through sale.

8. OTHER

8.1 Employment and administration expenses

Amounts in \$ millions	30 June 2025	30 June 2024
Salaries and other short-term benefits	19.0	16.0
Long-term benefits expense	3.3	1.2
Less: management expenses recognised in direct operating expenses	(6.3)	(5.8)
Less: management expenses capitalised to properties being developed	(8.8)	(8.8)
Less: management fees capitalised to properties held for sale	(2.0)	-
Less: management expenses recognised in equity-accounted investment transaction costs	(0.9)	-
Other employment and administration expenses	3.4	3.1
Total employment and administration expenses	7.7	5.7

8.2 Corporate overhead expenses

Amounts in \$ millions	30 June 2025	30 June 2024
Audit fees	0.4	0.4
Directors' fees and expenses	1.6	1.5
Other ¹	2.6	3.6
Total corporate overhead expenses	4.6	5.5

1 Other includes valuation fees, NZX listing fees, share registry costs, annual report publication and property investigations and feasibility costs.

Auditors remuneration comprises:

Amounts in \$ thousands	30 June 2025	30 June 2024
<i>Audit or review of the financial statements¹</i>		
Annual financial statements audit engagement	372.0	353.6
Interim financial statements review engagement	34.0	33.0
<i>Audit or review related services¹</i>		
Operating expense statement review ²	35.0	35.0
<i>Other assurance services and other engagements¹</i>		
Climate-related disclosure pre-assessment and gap assessment ³	110.0	-
Green bond assurance	28.0	34.7
Total auditors remuneration	579.0	456.3

1 All services provided by the Auditor are assurance engagements except for Climate-related disclosure pre-assessment and gap assessment, which is a non-assurance engagement.

2 Operating expense statement review costs are included within property direct operating expenses rather than corporate overhead expenses.

3 The focus of the pre-assessment was key disclosure areas, specifically metrics/KPIs, transition planning and Scope 3 emissions.

8.3 Key management personnel

Amounts in \$ millions	30 June 2025	30 June 2024
Directors' fees ¹	0.9	0.9
Executive team remuneration ²	5.9	5.4
Total key management personnel expenses	6.8	6.3

1 Includes due diligence committee (DDC) fees that may be capitalised depending on the nature of the DDC.

2 Total remuneration comprising base salary, STI payments, market value of LTI shares vesting and employer contributions to superannuation.

Notes to the Financial Statements

For the year ended 30 June 2025

8.4 Share-based payments

a) Description of share-based payments arrangements

Precinct operates a long-term incentive scheme ('scheme') for key management personnel and senior executives. Under this scheme, share rights are granted which entitles participants to receive ordinary shares in Precinct upon vesting. These share rights typically vest over a period of 36 months. Vesting of share rights are subject to achieving service and/or performance conditions and is classified as equity-settled. These are at-risk payments designed to align the reward for senior management personnel and senior executives with the enhancement of shareholder value over a multi-year period.

The key terms and conditions related to the grants under this scheme are as follows:

Restricted share rights (granted to senior management personnel and senior executives)	Vest over service periods of 36-39 months provided the participant remains employed by Precinct.
Performance share rights (granted to senior executives)	Vest over 36 months (assessment period) if the related performance hurdle is met and participant remains employed by Precinct. These will vest as follows:
	Absolute TSR rights (one-third of performance share rights)
	If Precinct's TSR exceeds a specified annualised compounding rate.
	Relative TSR rights (one-third of performance share rights)
	Over the assessment period on a progressive vesting scale based on Precinct's TSR relative to the TSR of property group comprising other listed property issuers.
	FFO growth rights (one-third of performance share rights)
	Over the assessment period on a progressive vesting scale based on Precinct's FFO growth per share relative to CPI growth rate.

TSR - Total shareholder's return; FFO - Funds from operations

On vesting date, subject to meeting the service and performance conditions as above, each share right converts to one ordinary share. Key management personnel and senior executives are liable for tax on the shares received at this point.

b) Reconciliation of outstanding share rights

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year.

Number in millions	30 June 2025		30 June 2024	
	Number	WAEP ¹	Number	WAEP ¹
Outstanding at 1 July	7.5	\$0.85	6.4	\$0.88
Exercised during the year	(0.8) ²	\$1.20	(0.6) ³	\$1.12
Lapsed during the year	(1.8)	\$0.00	(1.4)	\$0.00
Granted during the year	3.2	\$0.53	3.1	\$0.46
Outstanding at 30 June	8.1	\$0.88	7.5	\$0.85

1 Weighted average exercise price is the average exercise price for the group of share rights transactions weighted by the shares in each transaction.

2 Share rights vested 30 June 2025 with shares issued on 1 July 2025.

3 Share rights vested 30 June 2024 with shares issued on 1 July 2024.

The weighted average remaining contractual life for share rights outstanding at 30 June 2025 is 1.6 years (2024: 1.8 years).

c) Fair value measurement of share rights

The fair value of the employee share rights awarded has been measured using a binomial model and Monte Carlo simulation. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The inputs used in the measurement of fair values at grant date of the award share rights were as follows:

	<i>Grant date 14 April 2023</i>		<i>Grant date 1 July 2023</i>		
	<i>Restricted share rights</i>	<i>Restricted share rights</i>	<i>Absolute TSR Rights</i>	<i>Relative TSR Rights</i>	<i>FFO Growth</i>
Fair value (\$)	1.255	1.256	0.510	0.630	0.275
Share price (\$)	1.280	1.290	1.290	1.290	1.290
Expected volatility (%)	N/A	N/A	19.50	19.50	19.50
Expected life	4 yrs	3 yrs	3 yrs	3 yrs	3 yrs
Risk free rate (%)	N/A	N/A	5.05	5.05	5.05

	<i>Grant date 1 July 2024</i>		
	<i>Absolute TSR Rights</i>	<i>Relative TSR Rights</i>	<i>FFO Growth</i>
Fair value (\$)	0.420	0.550	0.950
Share price (\$)	1.140	1.140	1.140
Expected volatility (%)	20.10	20.10	20.10
Expected life	3 yrs	3 yrs	3 yrs
Risk free rate (%)	4.73	4.73	4.73

Expected volatility has been based on an evaluation of the historical volatility of the Precinct's share price, particularly over the historical period commensurate with the expected term. The expected term of the share rights has been based on historical experience and general option holder behaviour. The risk-free rate reflects the interpolated rate for the vesting period based on data sourced from the Reserve Bank of New Zealand.

The management expense relating to the LTI scheme for the year ended 30 June 2025 is \$1.0 million (2024: \$1.2 million) with a corresponding increase in the share-based payments reserve. The unamortised fair value of the remaining share rights at 30 June 2025 is \$2.6 million (2024: \$3.1 million).

Notes to the Financial Statements

For the year ended 30 June 2025

Accounting policy

Share-based payment arrangements

a) Recognition and measurement

The grant-date fair value of share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting periods of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

b) Key estimates and assumptions

It has been assumed that the key management personnel and senior executives will remain employed with Precinct on each of the vesting dates and that the non-market performance conditions will be met.

8.5 Reconciliation of Net Profit after Taxation with Cash Inflow from Operating Activities

Amounts in \$ millions	30 June 2025	30 June 2024
Net profit after taxation	11.0	(22.1)
Add / (less) non-cash items and non-operating items		
Unrealised net (gain) / loss in value of investment and development properties	27.6	105.2
Unrealised net (gain) / loss on financial instruments	19.6	1.2
Net realised (gain) / loss on sale of investment properties	24.2	10.6
Net realised (gain) / loss on disposal of equity-accounted investments	(0.6)	-
Deferred tax (benefit) / expense	1.5	-
Amortisation of leasing costs and incentives	13.1	12.2
Share of (loss) / profit in equity-accounted investments	(11.8)	(3.0)
Deferred tax expense	(1.8)	(1.8)
Movement in working capital		
Increase / (decrease) in creditors	7.3	(19.6)
Income tax payable	(2.1)	(0.3)
(Increase) / decrease in debtors	(1.2)	(2.8)
Net cash inflow / (outflow) from operating activities	86.8	79.6

8.6 Debtors and other current assets

Amounts in \$ millions	30 June 2025	30 June 2024
Trade receivables	9.8	10.9
Less Allowance for expected credit losses on trade receivables	(0.7)	(1.2)
Net trade receivables	9.1	9.7
Receivables from related parties	0.2	0.1
Other receivables	-	12.7
Total debtor and other receivables (excluding prepayments)	9.3	22.5
Prepayments	14.8	15.9
Total debtor and other receivables	24.1	38.4

8.7 Trade and other payables

Amounts in \$ millions	30 June 2025	30 June 2024
Trade creditors	3.3	4.6
Accrued capital expenditure	11.7	9.5
Retention accruals	5.6	6.5
Accrued other expenses	22.9	22.8
Accrued interest	8.1	7.2
Rent received in advance	5.2	4.3
Total other accruals and payables	56.8	54.9

8.8 Contingencies

a) Contingent liabilities

There are no contingent liabilities as at 30 June 2025 (2024: \$nil).

b) Contingent assets

There are no contingent assets as at 30 June 2025 (2024: \$nil).

8.9 Events after balance date

On 26 August 2025, Precinct secured a refinance of \$268 million in bank loans maturing in 2026 with \$275 million in bank loans with maturity in 2030. Additionally, Precinct secured a further \$75 million of bank liquidity facilities.

On 26 August 2025, the PPNZ and PPIL Boards approved the financial statements for issue.

On 26 August 2025, the Board of PPNZ approved the payment of a dividend of 1.4975 cents per share to be paid on 19 September 2025.

On 26 August 2025, the Board of PPIL approved the payment of a dividend of 0.1900 cents per share to be paid on 19 September 2025.

Independent Auditor's report to the shareholders of Precinct Properties New Zealand Limited and Precinct Properties Investments Limited

Opinion

We have audited the financial statements of Precinct Properties New Zealand Limited ("PPNZ") and its subsidiaries and Precinct Properties Investments Limited ("PPIL") and its subsidiaries (together the "Group") on pages 89 to 137, which comprise the consolidated statement of financial position of the Group as at 30 June 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended of the Group, and the notes to the consolidated financial statements including material accounting policy information.

In our opinion, the consolidated financial statements on pages 89 to 137 present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2025 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

This report is made solely to the shareholders of PPNZ and PPIL, as a body. Our audit has been undertaken so that we might state to the Group's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than PPNZ, PPIL and their shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Ernst & Young provides other assurance and non-assurance related services to the Group. Ernst & Young leases office space from the Group. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. We have no other relationship with, or interest in, the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Investment and Development Property Valuations

Why significant	How our audit addressed the key audit matter
The Group's investment and development properties have assessed fair values of \$2,803.7 million and \$334.9 million respectively and account for 85% of the Group's total assets. The Group engaged third party registered valuers to determine the fair value of each investment and development property at 30 June 2025. The property valuations require the use of judgments specific to the properties, as well as consideration of the prevailing market conditions. Significant assumptions used in the valuations are inherently subjective and a small difference in any one of the key assumptions, when aggregated, could result in a significant change to the property valuations. As a result, we consider the valuation of investment and development properties and the related disclosures in the financial statements to be significant to our audit. For investment and development properties key assumptions are made in respect of: • forecast market rent and rental growth rates; and • estimated capitalisation or discount rates. For development properties, which are valued using the residual approach, additional key assumptions are made in respect of: • forecast development costs; and • profit and risk allowance. Disclosures relating to investment and development properties and the associated significant judgments are included in Note 3.1 'Investment and Development Properties' to the consolidated financial statements.	Our audit procedures included the following: • Held discussions with management to understand: – Changes in the condition of each property; and – The impact market conditions had on the Group's investment and development properties. • On a sample basis we: – Evaluated the Group's internal review of the third-party valuation reports. – Involved our real estate valuation specialists to assist with our assessment of whether significant valuation assumptions fell within reasonable ranges and the valuation methodologies adopted were appropriate. – Assessed key inputs supplied to the third-party valuers by the Group, including comparing the tenancy schedule and specific provisions in the lease agreements to the underlying records held by the Group. – Assessed the significant assumptions applied by the third-party valuers for reasonableness considering previous period assumptions, the changing state of the properties and other market changes. – Assessed the competence, capabilities and objectivity of the third-party valuers. – Agreed the carrying value of each property to the relevant third-party valuation report. • Considered the adequacy of the disclosures in relation to investment and development properties.

Information other than the financial statements and auditor's report

The directors of the PPNZ and PPIL are responsible for the annual report, which includes information other than the consolidated financial statements and auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the financial statements

The directors are responsible, on behalf of the entity, for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

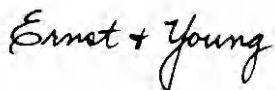
In preparing the consolidated financial statements, the directors are responsible for assessing on behalf of the entity the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/>. This description forms part of our auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Susan Jones.



Chartered Accountants
Auckland
26 August 2025

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George Crawford, Deputy Chief Executive Officer
Emma de Vries, GM - People & Culture
Richard Hilder, Chief Financial Officer
Nicola McArthur, GM - Marketing, Communications & Experience
Anthony Randell, GM - Property
Louise Rooney, General Counsel & Company Secretary
Tim Woods, GM - Development

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Bank of New Zealand
ASB Institutional Bank
Westpac New Zealand
Commonwealth Bank of Australia

Bond Trustee

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Alison Barrass
Nicola Greer
Christopher Judd
Chris Meads
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Please contact our registrar:

- To change investment details such as name, postal address or method of payment.
- For queries on dividends and interest payments.
- To elect to receive electronic communication.

