

STRONG VALUATION OUTCOME, PENROSE ACQUISITION

Property for Industry Limited (PFI, the Company) is pleased to announce an expected increase from independent valuations in the value of its property portfolio for the six months ended 31 December 2021 of approximately \$150 million or 8%. The Company is also pleased to announce the acquisition of a 5,000 sqm site at 318 Neilson Street, Penrose for \$6.825 million.

Strong Valuation Outcome

PFI expects an increase from independent valuations in the value of its property portfolio for the six months ended 31 December 2021 of approximately \$150 million or 8%. When combined with the \$240 million or 14% uplift recognised in the six months to 30 June 2021, the annual uplift of approximately \$390 million or 22% is expected to result in PFI's portfolio of 97 properties being valued at approximately \$2.164 billion at the end of 2021.

PFI Chief Executive Officer, Simon Woodhams, notes: "Industrial property has continued to attract high levels of investor demand in the second half of 2021. The occupier market also remains robust, resulting in low levels of vacancy and projected rental growth. These factors have combined to result in a strong valuation outcome."

As a result of portfolio activity and the valuation process PFI's passing yield has firmed by around 0.36% (was 4.75% as at 30 June 2021, 5.53% as at 31 December 2020) and around 30 cents will be added to the Company's Net Tangible Assets per share (was 271 cents per share as at 30 June 2021, 221 cents per share as at 31 December 2020).

Independent valuers Bayleys, CBRE, Colliers International, Jones Lang LaSalle and Savills carried out the valuations, which remain subject to finalisation, including Board approval and audit.

The final independent valuation outcome will be confirmed in the results for the financial year ended 31 December 2021, which will be announced on Monday, 21 February 2021.

Penrose Acquisition

PFI has today agreed to acquire a 5,000 sqm site at 318 Neilson Street, Penrose (the Property) for \$6.825 million.

This Property is adjacent to existing PFI properties 304, 306, 312 and 314 Neilson Street, which have a combined value of ~\$72.5 million (based on the valuations announced today). When the Property is combined with the Company's existing holdings, PFI will have a combined ~5 hectare estate zoned Heavy Industrial in one of Auckland's key industrial precincts valued at almost \$80 million.

The Property will be acquired on a vacant possession basis and, initially, PFI plans to lease the Property as a yard. In the longer term, the Property will facilitate future redevelopment of the Company's Neilson Street properties.

Settlement of the acquisition of the Property is expected in March 2022.

ENDS

ABOUT PFI & CONTACT

PFI is an NZX listed property vehicle specialising in industrial property. PFI's nationwide portfolio of almost 100 properties is leased to around 135 tenants.

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