

TENANT COMMITMENT TO KICK START SPRINGS ROAD REDEVELOPMENT

Property for Industry Limited (PFI, the Company) is pleased to announce that existing tenant Fisher & Paykel Appliances has committed to the first stage of a significant redevelopment at the Company's Spring's Road property in East Tamaki.

PFI Chief Executive Officer Simon Woodhams, said, "We are delighted to extend our relationship with Fisher & Paykel Appliances, an iconic New Zealand brand, for another 15 years. Working together closely, we will develop a best-in-class 25,500 square metre facility that will target a 5 Green Star Built rating."

Springs Road Redevelopment

As noted in the Company's interim results announcement on 22 August 2022, PFI has for some time been planning to redevelop the Company's Springs Road property. This significant 10.4-hectare site in East Tamaki currently benefits from site coverage of less than 40%, enabling multiple warehouse redevelopment and refurbishment options.

Fisher & Paykel Appliances (FPA) has been leasing the entire site following a sale and lease back in 2009. The PFI team have been working closely with FPA for some time in order to meet their future warehousing needs, and as a result of this collaboration PFI will develop a 25,500 square metre warehouse with 700 square metres of office and amenities, 2,500 square metres of canopies and breezeways, 14,000 square metres of yard and more than 100 car parks. The agreement, which remains subject to consents, also includes an expansion option to increase the warehouse to 30,000 square metres.

The initial phase of the project has an estimated total incremental cost of around \$76 million, with a targeted yield on cost, including land, of more than 5.3%. The project is expected to be accretive to both earnings and net tangible assets on a per share basis. Consistent with PFI's climate commitments, the facility will target a 5 Green Star Built rating.

Starting in April 2023, this 18-month project will be the first phase of the redevelopment of this heavy industrial zoned site, which can accommodate around 67,500 square metres of facilities and, once complete, would lift site coverage to around 65%. Under the agreement, FPA are able to occupy a portion of the site beyond their October 2024 lease expiry, which is when the remainder of the redevelopment is expected to commence.

Share Buyback to Pause

PFI announced on 25 May 2022 that it would undertake an on-market share buyback programme (the Buyback Programme). To date, the Company has bought 3,554,708 shares or approximately 14.1% of the shares able to be purchased under the programme, at an average price of \$2.4271 per share, or a total of approximately \$8.6 million.

With around \$140 million now committed to this Springs Road development, and the previously announced Bowden Road developments, PFI will pause the Buyback Programme indefinitely, as the Company has assessed investment in these developments as being a superior use of its capital at this point in time. PFI anticipates it will pay a final 2022 dividend in line with the guidance previously provided to the market in the Company's interim results announcement on 22 August 2022.

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ABOUT PFI & CONTACT

PFI is an NZX listed property vehicle specialising in industrial property. PFI's nationwide portfolio of 94 properties is leased to around 132 tenants.

For further information please contact:

SIMON WOODHAMS
Chief Executive Officer

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Phone: +64 21 749 770
Email: woodhams@pfi.co.nz

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Property for Industry Limited
Level 4, Hayman Kronfeld Building, 15 Galway Street,
Auckland 1010
PO Box 1147, Shortland Street, Auckland 1140
www.propertyforindustry.co.nz

CRAIG PEIRCE
Chief Finance and Operating Officer

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Phone: +64 21 248 6301
Email: peirce@pfi.co.nz