

NZX announcement – 7 July 2023

Preliminary FY23 valuation movement

Precinct Properties New Zealand Limited (Precinct) (NZX: PCT) today reported a draft revaluation loss on its property portfolio of approximately \$250 million, a decrease of 7.1% (2022: \$19 million gain). The forecast valuation movement will decrease the value of Precinct's portfolio to around \$3.2 billion at 30 June 2023 and is expected to reduce net tangible assets by 16 cents per share.

Draft asset valuations at 30 June 2023 were undertaken by independent valuers, are subject to final audit, finalisation of year end book values and will be confirmed in the financial results for the year ending 30 June 2023, expected to be announced on 23 August 2023.

On a like for like basis, asset valuations decreased by around 8.6% and 5.3% in Auckland and Wellington respectively, compared with 30 June 2023 forecast book values. The decrease across the property portfolio was mainly attributable to an expansion in capitalisation rates.

Scott Pritchard, Precinct's Chief Executive, said, "We have continued to see the rising interest rate environment place increasing pressure on investment returns and impact property valuations across all real estate sectors. For Precinct, this has resulted in a forecast \$250 million reduction in Precinct's property assets for the full year."

"While property valuations are being impacted by expanding capitalisation rates, we continue to observe significant demand for Precinct's assets and our view is that premium-grade real estate will continue to outperform. Precinct's portfolio is benefiting from strong market rental growth being achieved across our leasing transactions which has partially offset the impact of the capitalisation rate expansion on our asset valuations."

The weighted average capitalisation rate of Precinct's portfolio is forecast to be 5.6%, compared to 4.9% at 30 June 2022.

Ends

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About Precinct (PCT)

Listed on the NZX Main Board under the ticker code PCT and ranked in the NZX top 30, Precinct is the largest owner, manager and developer of premium inner-city real estate in Auckland and Wellington. Precinct is predominantly invested in office buildings and also includes investment in Generator, Commercial Bay retail, third party capital partnerships, and a multi-unit residential development business. For information visit: www.precinct.co.nz

On 1 July 2023, Precinct effected a restructuring to create a stapled group structure. A stapled group comprises two listed parent companies whose shares are held by the same shareholders in equal proportions. The shares in each parent company can only be transferred or dealt with together.

Shareholders in Precinct Properties Group ("**Precinct**") hold an equal number of shares in Precinct Properties New Zealand Limited ("**PPNZ**") and Precinct Properties Investments Limited ("**PPIL**") and these shares can only be dealt with together. The stapled issuers are described as "Precinct Properties NZ Ltd & Precinct Properties Investments Ltd (NS)" on NZX systems and the ticker code for the stapled shares remains PCT.