NZX announcement – 27 August 2026

Record leasing activity in a year of strong delivery

Precinct Properties Group (**Precinct**) (NZX: PCT) has today released its financial results for the 12 months ended 30 June 2026 (FY26).

FY26 RESULTS SUMMARY

Financial results

- Investment property funds from operations of $149.9 million (FY25: $150.3 million), up $1.9 million after adjusting for one-off items.
- Total comprehensive income after tax of negative $12.6 million (FY25: $3.1 million), including a negative fair value movement across Precinct's properties of $109.7 million including inventories (FY25: $27.6 million negative fair value movement).
- Funds from operations (FFO) of 7.31 cps (FY25: 7.10 cps) (note 1).
- Net tangible assets (NTA) of $1.13 per stapled security (FY25: $1.21).
- Loan to value ratio of 29% on a pro forma basis (FY25: 41.6%) (note 2).
- FY26 full-year dividend of 6.75 cents per stapled security, reflecting a FFO payout ratio of 92%.

Operating performance

- Portfolio occupancy remained high at 97%, with weighted average lease term increased to 7.1 years (FY25: 6.0 years).
- Record year of leasing volume with transactions completed across 37,850 square metres of investment properties, achieving 9.9% growth on new office leases.
- Rent reviews delivered an average uplift of 3.3% across 156,090 square metres or more than 60% of the investment portfolio.
- Commercial Bay retail sales up 5.6% on prior year and nine new retailers introduced to the centre.
- Operations simplified with the exit of Commercial Bay Hospitality business and InterContinental Hotel sale completed.

Strategic execution

- Partnership with global institutional investor, GIC, expanded through the $205 million acquisition of ASB North Wharf in Wynyard Quarter.
- Established a new $600 million investment partnership for a 50% interest in the PwC Tower with PAG, a leading global investment firm and existing capital partner.
- Co-invested capital partnerships grown by approximately $800 million in the year.

- Total capital partnerships increased to $2.2 billion on a committed basis.
- More than $1 billion of capital management initiatives completed, including a $325 million equity raise, settlement of the InterContinental Auckland hotel sale, settlement of the 22 Stanley Street student accommodation partnership with Keppel, and the PwC Tower transaction.
- 55 Molesworth Street development completed, delivering a landmark Wellington office asset underpinned by a 21-year weighted average lease term anchored by the Ministry of Foreign Affairs and Trade (MFAT).
- Commenced construction at 256 Queen Street, taking total purpose-built student accommodation beds under construction to approximately 1,600 across two projects.

Downtown Car Park update

- Secured resource consent under the Fast-track pathway and advanced design, procurement and leasing activity.
- Partnered with Built, an Australian-owned tier 1 contractor, headquartered in Sydney, to undertake Early Contractor Involvement (ECI) until April 2027.
- Negotiations with office pre-commitment occupiers ongoing for around 50% of NLA, all from outside of Precinct's portfolio.
- The initial development phase will focus on the premium office, retail and public spaces, with flexibility being retained for the residential and hotel tower to be delivered as a future stage.
- A subcommittee of the board has been established to provide project oversight prior to any commitment decision being made.

Environmental, Social and Governance (ESG) update

- Improved Precinct's GRESB score from 89 to 91, retaining a top 20% position among more than 2,100 participating funds and entities globally.
- Deloitte appointed as external auditor from the 2028 financial year, beginning 1 July 2027, following a competitive tender process overseen by the Audit & Risk Committee.
- Monica Yianakis appointed as the next Future Director for an 18-month term effective 1 August 2026, following the completion of Taurua Grant's tenure.

Note: Further information can be found within the 2026 Annual Report and results presentation. These can be found at http://www.precinct.co.nz/investors/2026-annual-results.

RESULTS OVERVIEW

Precinct Chief Executive Officer Scott Pritchard said, "FY26 was a very active year for the business with strong operational performance and continued execution across our strategic priorities. The quality of our premium office portfolio supported high occupancy at year end, positive leasing outcomes and greater income certainty, while capital management and capital partnering initiatives strengthened the balance sheet and created capacity for future growth."

"During the year, we expanded our relationships with leading global capital partners, completed 55 Molesworth Street and progressed our purpose-built student accommodation and residential strategies."

"The strength of our operating performance and continued strategic execution despite a weak and volatile economic backdrop is a testament to the quality of our portfolio and effectiveness of our strategy."

"Post balance date, we also achieved an important milestone at Downtown Car Park with resource consent secured. Early contractor involvement is delivering valuable insights and increasing certainty around buildability, programme and pricing, while leasing discussions with prospective occupiers continue to progress well. Together, these workstreams are supporting a well-informed decision-making process, complemented by the appointment of a subcommittee of the board to provide further oversight and assurance ahead of any commitment decision."

"While our portfolio experienced a revaluation decline of around three percent, approximately half of this movement relates to our investment in development properties and inventories which has not yet been reflected in valuations but which we expect to be recovered as these projects progress. The Wellington office portfolio declined modestly with some easing in market rentals and cap rates, reflecting a tougher market in the capital, while Auckland office values remain steady."

Operational performance

Precinct's core investment portfolio delivered another strong year in FY26, underpinned by the quality of its premium office assets and sustained demand from occupiers seeking high-quality, amenity-rich workplace environments. Portfolio occupancy remained at 97%, while the weighted average lease term extended to 7.1 years following the completion of 55 Molesworth Street.

Leasing activity reached a record level during the year, with transactions completed across 37,850 square metres of investment properties and new office leases secured at rents 9.9% above previous levels.

Evidence is emerging of several positive structural trends within the Auckland office market. Precinct is observing demand from businesses seeking to be located in the city centre, with occupiers increasingly seeking workplace quality, amenity and connectivity to help attract and retain talent. Further, following a decade of workplace densification and post-pandemic space rationalisation, there is now limited scope for continued optimisation of workplace design. As a result, future business growth is increasingly expected to drive additional space demand, providing a supportive backdrop for premium office leasing activity.

Strong leasing outcomes were complemented by a highly active rent review programme with reviews completed on around 60% of the investment portfolio, delivering an average uplift of 3.3%. Together with leasing outcomes, this activity contributed to a further reduction in the portfolio's under-rented position to 3%.

The Commercial Bay retail centre also continued to mature. Total sales increased 5.6% on the prior year and nine new retailers were introduced to the centre, further enhancing the quality and diversity of the retail offering. The continued evolution of the tenant mix, combined with the strength of the wider Commercial Bay precinct, has reinforced the centre's position as one of Auckland's leading retail and hospitality destinations.

During the year, Precinct also completed the sale of the InterContinental Auckland hotel and exited the Commercial Bay Hospitality business, simplifying operations and increasing management focus on the group's core investment, development and capital partnering activities.

Execution of strategy

FY26 marked further progress in the evolution of Precinct's business model, with capital partnering continuing to grow in scale and significance. During the year, co-invested capital partnerships grew by approximately $800 million, increasing total capital partnerships to $2.2 billion on a committed basis, reflecting the continued expansion of relationships with leading global institutional investors. The ASB North Wharf acquisition alongside GIC and the establishment of a new partnership with PAG for PwC Tower further demonstrate the strength of Precinct's platform and its ability to attract capital to world-class real estate in New Zealand.

In addition, Precinct completed two of the three residential apartment buildings on behalf of third-party investors in line with budget and programme. Precinct provided development management services for these projects, with those services now concluded following completion of the projects.

More than $1 billion of capital management activity was completed during the year, including the equity raise, settlement asset sales and new partnerships, materially strengthening Precinct's balance sheet and increasing flexibility to fund future growth.

Precinct also continued to execute across its development and living sector strategies. Completion of 55 Molesworth Street delivered a landmark Wellington office asset and further strengthened Precinct's portfolio quality, while construction commencement at 256 Queen Street increased the group's purpose-built student accommodation pipeline to approximately 1,600 beds across two projects.

At Downtown Car Park, resource consent was secured and delivery planning advanced, with Early Contractor Involvement, leasing discussions and detailed due diligence all supporting a disciplined and well-informed decision-making process. The decision to stage the project ensures Precinct manages its risks while market conditions are currently unsupportive of large-scale residential development. This approach allows Precinct to focus on the factors within its control and prioritise the parts of the development most closely aligned with occupier demand and capital availability.

Precinct has reviewed its living sector strategy and determined that future participation is likely to be targeted towards smaller, higher value projects catering to the downsizer market. Consistent with this strategy, Precinct has today committed to deliver Pillars, a premium 20-unit apartment development overlooking St Mary's Bay in Auckland. The project represents an important step in the evolution of Precinct's residential strategy, moving beyond site acquisition and planning into the delivery of a high-quality boutique development funded directly by Precinct. With an incremental capital commitment of approximately $50 million, Pillars enables Precinct to retain the full project economics for shareholders while maintaining modest exposure to the residential market.

Dividends payment

Precinct Properties Group shareholders will receive a fourth-quarter combined cash dividend of 1.6875 cents per stapled security. This consists of fourth-quarter dividends for:

- Precinct Properties New Zealand Limited ("PPNZ") of 1.497500 cents per share in cash dividends. This dividend has no imputation credits to attach for the quarter and therefore no supplementary dividend to be paid (see note 3).
- Precinct Properties Investments Limited ("PPIL") of 0.198816 cents per share, comprising cash of 0.190000 cents per share, imputation credits of 0.006064 cents per share and a supplementary dividend of 0.002752 cents per share (see note 3).

The record date for both PPNZ and PPIL dividends is Friday, 4 September 2026 and payment will be made on Friday, 18 September 2026.

Outlook and guidance

Precinct enters FY27 with a strong balance sheet, a high-quality portfolio and a clear set of strategic priorities. While the economic outlook remains uncertain, continued strength of the Auckland premium office market, favourable investment conditions and improving depth of capital available for high-quality New Zealand real estate provide confidence in the outlook.

Disciplined execution will remain a priority in FY27, with the Downtown Car Park redevelopment the company's primary focus as it progresses towards a commitment decision. At the same time, Precinct remains focused on delivering strong operational performance, completing existing development projects and continuing to grow capital partner relationships.

The Board expects total combined cash dividends for Precinct Properties New Zealand Limited and Precinct Properties Investments Limited for the 2027 financial year to be 6.75 cents per stapled security. Based on current forecasts, this dividend is expected to be around the top of Precinct's dividend policy range of 80% to 95% of FFO.

The Board has considered this guidance carefully. The proposed dividend reflects confidence in Precinct's medium-term outlook, underpinned by the quality of the portfolio, the benefits of recent capital management and capital partnering initiatives, and the expected contribution from near-term opportunities. It also reflects the Board's desire to maintain a stable dividend through a period in which earnings are expected to be influenced by transaction timing, deleveraging, development commitments and reinvestment into the company's growth pipeline.

Precinct remains committed to maintaining a dividend that is sustainable and aligned with recurring earnings, while retaining sufficient flexibility to invest in opportunities that can deliver long-term value.

Further information can be found within the 2026 Annual Report and results presentation which can be found at: https://www.precinct.co.nz/investors/2026-annual-results.

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About Precinct

Listed on the NZX Main Board under the ticker code PCT and ranked in the NZX top 30, Precinct is the largest owner, manager, developer and investment partner of premium city-centre real estate in Auckland and Wellington. Precinct's markets span office, retail, flexible workspace and living, which includes purpose-built student accommodation and high-end, multi-unit residential development.

As at 30 June 2026 on a pro forma basis following completion of the PwC Tower transaction, Precinct's directly-held portfolio totals $3.0 billion and Precinct has a further $2.2 billion of committed capital partnering assets under management; Precinct is co-invested in $2.0 billion of these assets, with the balance being managed on behalf of third-party partners (all amounts presented on a committed, completion value basis).

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

For more information visit: www.precinct.co.nz.

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Note 1
Funds from operations (FFO) is a non-GAAP financial measure that shows the organisation's underlying and recurring earnings from its operations and is used as a measure of operating performance. This is determined by adjusting operating income after current tax for IFRS 16, other non-cash accounting adjustments, cash distributions received from equity-accounted investments, and other one-off items. FFO is intended as a supplementary measure of operating performance.

One-off adjustments represent non-recurring items that are not considered representative of the Group's underlying and recurring operating earnings. Such adjustments are made where management considers they improve the comparability of FFO between periods and generally include items that did not occur in the prior period and are highly unlikely to reoccur in the following period.

Reconciliation of net profit after tax to funds from operations (FFO)

Amounts in $ millions unless otherwise stated	30 June 2026	30 June 2025
Net profit / (loss) after income tax	(8.2)	11.0
Income tax (benefit) / expense	(14.1)	(5.7)
Total other (income) / expenses	113.2	77.4
Operating profit before income tax	90.9	82.7
Current tax benefit / (expense)	12.5	7.7
Share-based payments and employee share scheme	2.7	3.3
Convertible note option value amortisation	1.7	1.6
IFRS 16 lease adjustments	(8.6)	(9.1)
Impairment of loan receivables (net of tax)	(2.6)	-
Amortisation of incentives and leasing costs	15.9	14.3
Swap closeout	12.4	8.1
Straightline rents	0.5	(1.1)
Distributions from equity-accounted investment attributable to the period	3.1	5.0
Adjust for one-off items	1.0	0.2
Funds from operations (FFO)	129.5	112.7
Funds from operations per share (cents)	7.31	7.10
Maintenance capex	(5.8)	(2.6)
Incentives and leasing costs	(9.5)	(6.3)
Adjusted funds from operations (AFFO)	114.2	103.8
Weighted average number of shares for net operating income per share (millions)	1,772.1	1,587.0
Adjusted funds from operations per share (cents)	6.44	6.54

Note 2
Pro forma gearing following settlement of PwC Tower and planned repayment of the PCT HB convertible notes.

Note 3
A supplementary dividend is paid to non-resident shareholders to offset the amount of non-resident withholding tax ("NRWT") that New Zealand companies are required to deduct from dividends paid to non-resident shareholders. A supplementary dividend is paid to ensure equitable treatment between non-resident shareholders and resident shareholders (whose dividends are not subject to NRWT).

General notes
- All portfolio metrics are as at 30 June 2026 and reflect Precinct's direct ownership in assets, unless otherwise stated.