

Downtown Decision & Capital Management Initiatives

30 October 2026

Executive summary

Downtown Car Park Decision	<ul style="list-style-type: none"> Precinct will not progress the Downtown Car Park development given elevated long-term interest rates and continued inflation, which have increased project costs and investment return requirements, making long-duration developments more challenging Car park operations will continue, targeting a yield on total investment cost of ~5% Optionality to undertake redevelopment in the future is preserved The Downtown decision frees up balance sheet capacity and a package of initiatives totalling ~\$153 million will be undertaken to reduce excess funding and return surplus capital to shareholders
Special Capital Distribution (“Capital Return”)	<ul style="list-style-type: none"> \$103 million to be returned to shareholders through a special capital distribution of 5.555092 cents per stapled share¹ The distribution will be made by Precinct Properties New Zealand Limited (PPNZ), to be paid on Friday, 13 November 2026
Share Consolidation	<ul style="list-style-type: none"> A 17-to-16 share consolidation is being implemented at the same time as the Capital Return: every 17 shares become 16 Pairing the Capital Return, which reduces Precinct’s equity value, with the accompanying consolidation will proportionately reduce the number of stapled shares on issue and is expected to broadly normalise NTA and per-share metrics The number of stapled shares on issue will reduce from 1,854.2 million held on the Record Date to 1,745.1 million, a reduction of ~109.1 million (5.9%) Each shareholder’s percentage ownership of Precinct will remain unchanged
On-market buyback (“Buyback”)	<ul style="list-style-type: none"> Buyback of up to \$50 million, or 60 million stapled shares (whichever limit is reached first), to commence after the Capital Return and Share Consolidation Record Date An attractive and accretive use of surplus capital while shares trade below NTA of \$1.13 per stapled share²
Dividend	<ul style="list-style-type: none"> Dividend rebased to 6.50 cents per stapled share for FY27, a reduction of 3.7% from prior guidance The FY27 payout ratio is expected to be above Precinct’s dividend policy range of 80% to 95% of FFO, reflecting impacts of the Downtown decision on FY27 earnings
Strategy and outlook	<ul style="list-style-type: none"> The decision reflects disciplined capital allocation in current market conditions Confidence remains in Auckland’s waterfront location and premium office market. Low vacancy and higher costs should constrain new premium supply and support rental growth across Precinct’s Auckland portfolio Precinct remains confident in a medium-term objective of growing capital partnerships to around \$4 billion

The rise in long-term interest rates has increased the financial risk of committing to Downtown and the return required to justify proceeding

What changed

MARKETS

- Elevated long-term interest rates
- Inflation concerns re-emerging, coupled with weak NZD
- Returns becoming more attractive from existing assets with good rental growth valued below replacement cost

DOWNTOWN FEASIBILITY

- **Expected returns impacted** due to higher financing costs, inflation & NZD
- **Risk increased** due to less certain valuation on completion
- Increased cost of capital **increases hurdle for investment decisions**

Board decision

- Precinct set out its pre-commitment criteria at the recent annual result
- While positive progress has been made on consenting, procurement and pre-leasing, project economics have become more challenging
- Scale and duration risks have become exacerbated due to market conditions and shifting capital partner preferences, meaning returns are no longer sufficient on a risk-adjusted basis
- Making the decision now provides greater certainty for shareholders, prospective occupiers and project partners

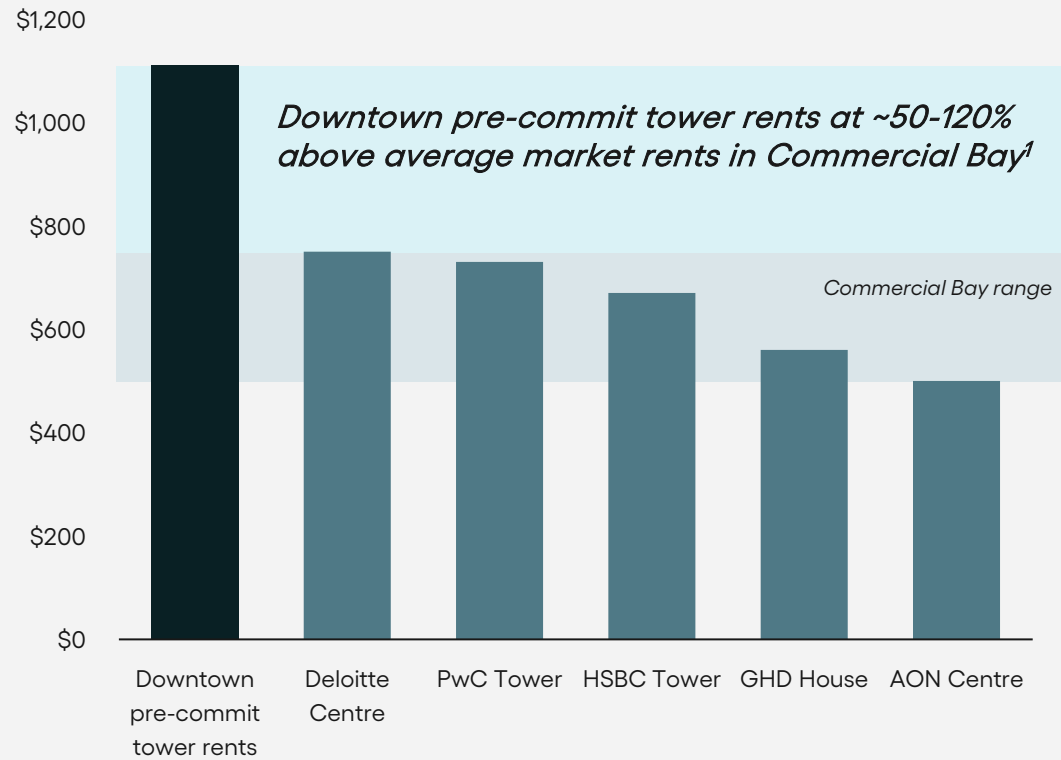
Outcomes

- Precinct continues to believe that Downtown represents one of the strongest city centre development sites in Auckland
- While not proceeding at this time, Precinct has the option to develop the site in future
- Precinct will work constructively with Auckland Council on the future development of the site
- The resource consent applies for 10 years¹
- Precinct will continue to operate the site as a car park, targeting a yield on total investment cost² of ~5%

Downtown decision

While current market conditions do not support proceeding at this time, the strength of occupier demand and rental levels evidenced has only increased Precinct's confidence in the premium office market

Average net effective rents¹



Key learnings and takeaways

- Resource consent exists for 127,500 sqm landmark mixed-use development, and Precinct continues to hold a yielding development option
- 35,000 sqm of pre-commit demand at Downtown is equivalent to 110% of HSBC Tower – all from outside of Precinct's portfolio
- Downtown pre-commit tower rents, de-escalated to today's dollars, are around 25-30% higher than average market rents in PwC Tower²
- Support for Commercial Bay precinct – a well-connected waterfront location with high levels of amenity

“This demand, all from outside Precinct's portfolio, will continue to support rental levels for premium office that is materially above current valuation levels”

Occupier demand and limited supply support premium office rents



Demand fundamentals

4% p.a.

CBD office employment growth over the last 10 years¹

Densification has reached practical limits. Future employment growth should translate more directly into office demand



Workplace preferences

Quality

Amenity and connectivity to attract and retain talent

Occupiers increasingly seek better workplaces. Downtown leasing discussions indicate demand exceeds premium supply



Limited premium supply

2.1%

Premium office vacancy in Auckland²

A constrained development pipeline and higher economic rents support rental growth for existing premium assets

Downtown leasing discussions support rental levels materially above existing levels

The Downtown decision demonstrates Precinct's disciplined approach to capital allocation in a challenging market environment.

"Our strategy is unchanged. We remain focused on creating long-term value from high-quality real estate and will stay disciplined about when and how we deploy shareholder capital."

– Scott Pritchard, CEO

Core investment

- Core assets are valued well below replacement cost
- Supply outlook is constrained
- Strong demand for premium space is driving rental growth

Market conditions support rental growth across Precinct's portfolio

Development

- Project costs face further pressure from high inflation and interest rates
- Return hurdles are increasing
- Occupier demand at higher rent levels is evident

New developments are harder to make financially viable and require higher economic rents

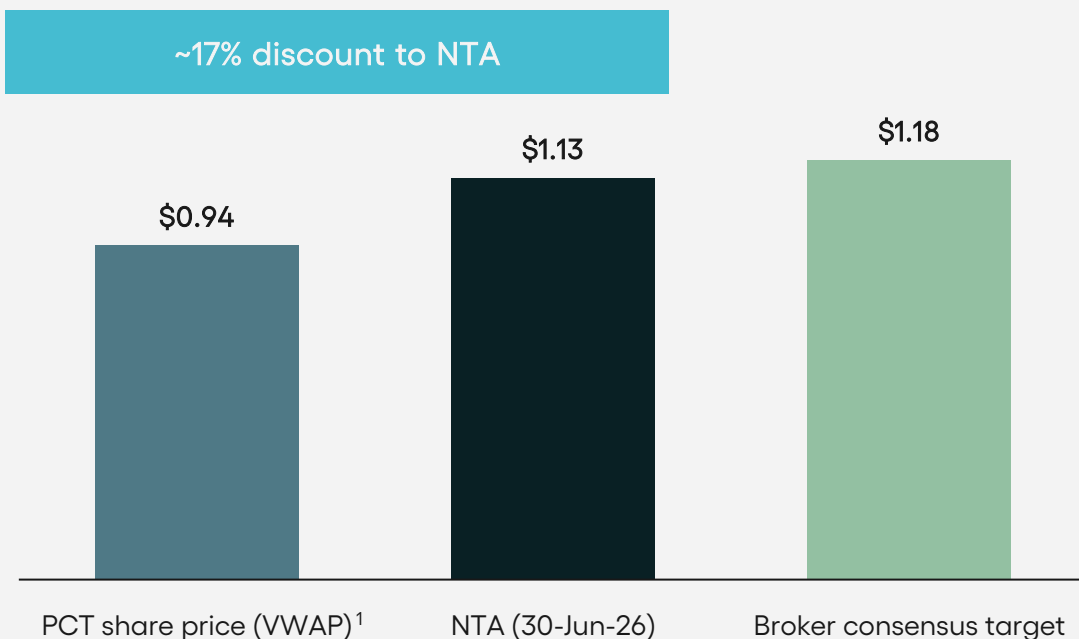
Capital partnering

- Return requirements rising, with capital partners targeting value-add returns from existing assets
- Precinct's directly-held assets provide opportunities for further partnership transactions

We will prioritise opportunities that align with capital partner preferences

The Downtown decision frees up balance sheet capacity, enabling Precinct to return surplus capital to shareholders

Value per share (\$)



~\$150 million
surplus capital available

- On the basis that this surplus capital is returned, pro forma gearing increases to between 32% and 34%²
- Right balance between ensuring growth opportunities can be funded, while maintaining balance sheet resilience
- Precinct actively manages its capital by recycling non-core assets and partnering with capital providers, then reinvesting into accretive opportunities

A share buyback is accretive to NTA while Precinct trades below the value of its net tangible assets

Precinct is announcing today a package of initiatives to return surplus capital to shareholders and reduce excess funding capacity

01

~\$103 million Capital Return

- Special capital distribution of 5.555092 cents per stapled share¹
- Applies to all holders on the share register on the Record Date (Friday, 6 November 2026)
- Paid by Precinct Properties New Zealand Limited (PPNZ); no imputation credits attached and for New Zealand investors the distribution will be excluded income
- Payment to be made on Friday, 13 November
- The same terms apply to all holders and every holder receives the same cash per share

+

02

17-to-16 Share Consolidation

- Every 17 stapled shares become 16
- Stapled shares on issue will reduce from 1,854.2m → 1,745.1m – a reduction of 109.1m stapled shares (5.9%)
- Fractions will be rounded to nearest whole stapled share (0.5 rounds up)
- Shareholder's proportionate ownership in Precinct remains unchanged (ownership rights are unchanged)

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03

\$50 million Buyback

- Precinct will acquire up to:
 - 60 million stapled shares in PPNZ and Precinct Properties Investments Limited (PPIL), or;
 - stapled shares with an aggregate value of \$50 million (whichever limit is reached first)
- The Buyback programme will be open for a period of up to 12 months to 29 October 2027

All shareholders receive the pro rata Capital Return, while the Buyback allows Precinct to deploy capital where it delivers value accretion

Every holder receives the same cash per security and retains the same proportionate ownership in Precinct

KEY PRINCIPLES

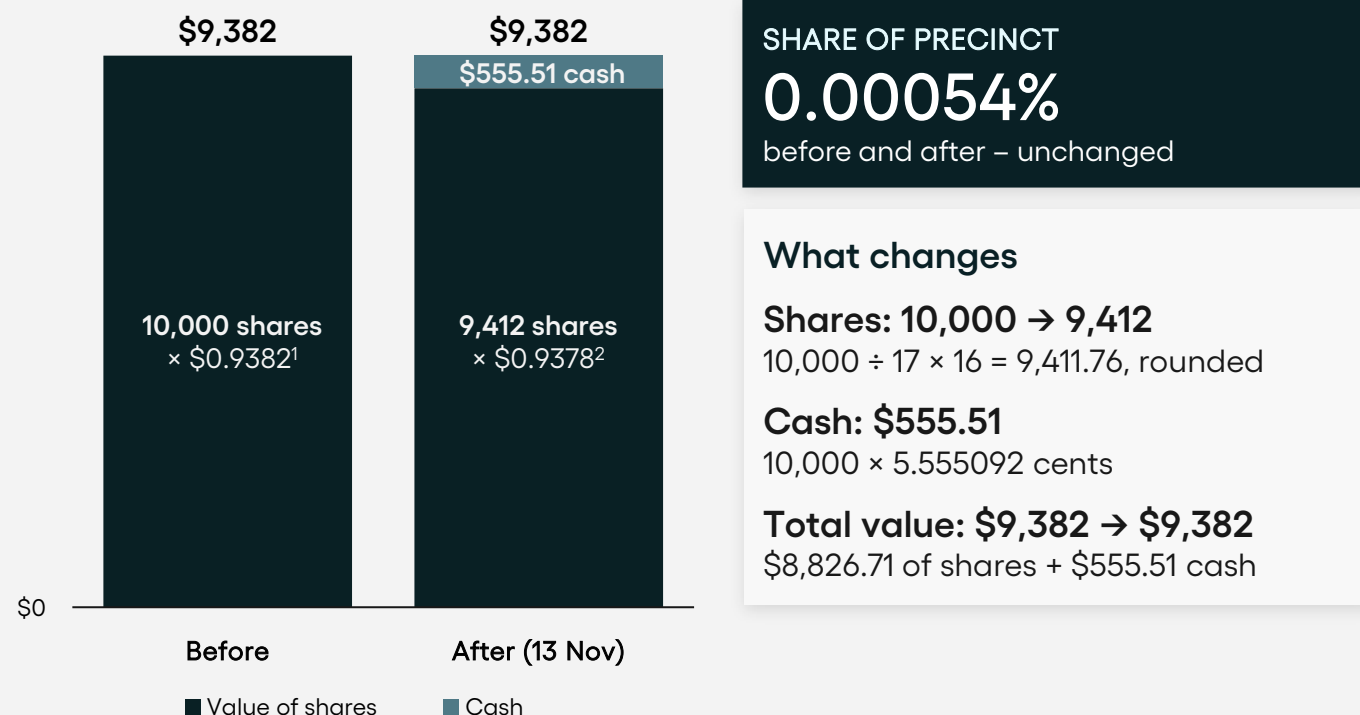
- ✓ **Equal treatment for every holder**
Every holder has the equivalent of 17 shares consolidated to 16 and receives 5.555092 cents cash per pre-consolidation stapled share held
- ✓ **Proportionate ownership is unchanged**
Each holder's proportionate interest in Precinct remains the same before and after consolidation, subject to immaterial rounding differences
- ✓ **Value neutral outcome targeted**
Aggregate of cash received through Capital Return, and the theoretical post-transaction value of residual shareholding, is equivalent to pre-transaction value¹

PCT HC CONVERTIBLE NOTES

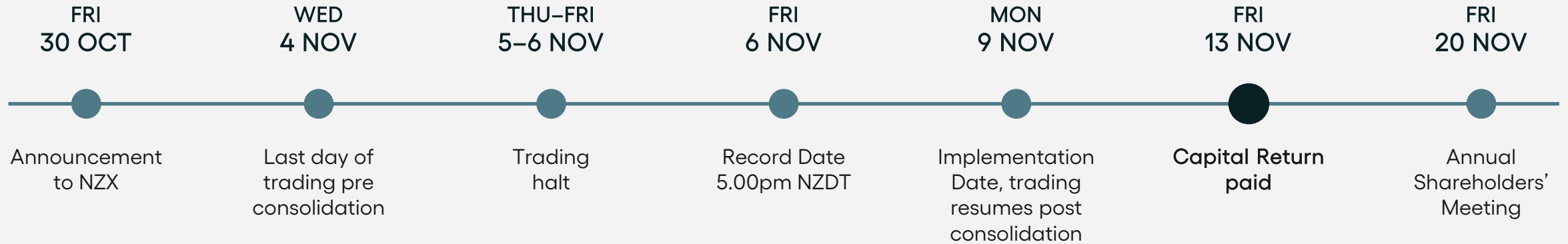
Any adjustment to the Conversion Price Cap for the PCTHC subordinated convertible notes will be confirmed with the Supervisor in accordance with the Supplemental Trust Deed. This will be finalised following the outcome of the Share Consolidation.

Illustrative worked example: holder of 10,000 stapled shares

Holders receive cash and end up with fewer shares, with no change to their proportionate ownership of Precinct. The Share Consolidation is expected to broadly normalise Precinct's share price and per-share metrics for the effects of the Capital Return.



Key dates and terms



12 months to 29 Oct 2027

Buyback window

Up to \$50 million or 60 million stapled shares (whichever limit is reached first)

Particulars of the Buyback Programme

- Shares in PPNZ and PPIL will be acquired on-market through NZX
- The Buyback programme will be suspended during blackout periods such as from 31 December 2026 until the FY27 interim result, and from 30 June 2027 until the FY27 annual result
- Stapled shares will only be acquired at a price below the most recently disclosed value of net tangible assets per stapled share
- The timing and number of purchases will depend on market conditions, share price and other relevant considerations; Precinct may slow, pause or stop execution of the Buyback at any time
- Acquired shares will be cancelled and not held as treasury stock

Dividend

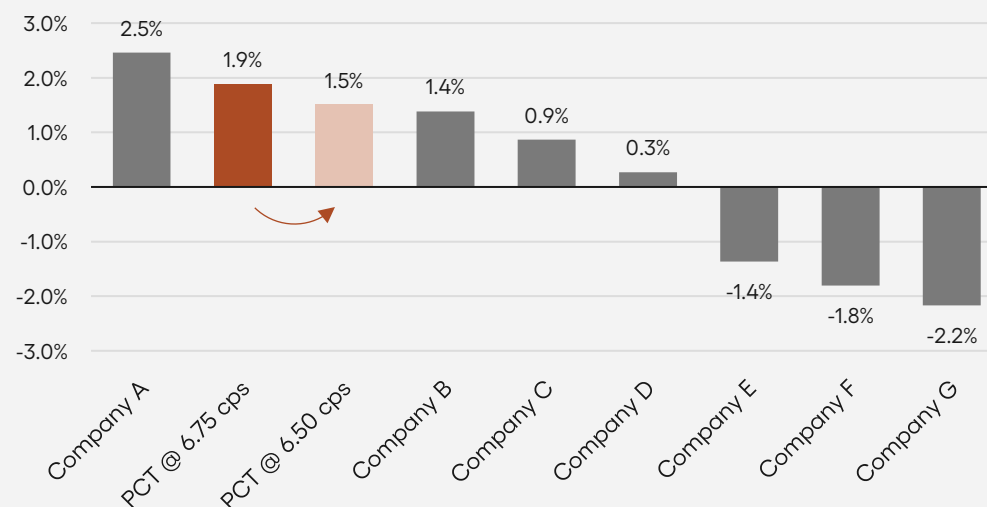
- The Downtown decision impacts Precinct's near-term earnings due to ceasing the capitalisation of interest and management expenses
- Targeted annual cost savings of at least \$3 million per annum
- As a result, the FY27 full-year dividend will be rebased to 6.50 cps¹, reflecting a 3.7% reduction
 - The rebased dividend will apply from and including the first quarter of FY27, with that quarter's dividend payable in December 2026.
 - PPIL dividend to reduce from 0.76 to 0.51 cps due to loss of revenue recharge to PPNZ
 - PPNZ dividend remains unchanged at 5.99 cps
- Payout ratio in FY27 is expected to be above Precinct's dividend policy range of 80% to 95% of FFO, reflecting the impacts of the Downtown decision on FY27 earnings
- While the FY27 dividend payout is outside policy, the forecast payout ratio is expected to return to the 80–95% FFO policy range in FY28
- Precinct remains committed to providing stable and sustainable dividends with prudent long-term growth

December 2026

First dividend paid at the rebased rate

1.625 cps per quarter (6.50 cps annualised), paid in December 2026

10Y avg. dividend growth FY17-27F: NZ listed property





Summary

- Downtown car park provides a yielding long-term development option for Precinct
- The strength of occupier demand and rental levels evidenced through Downtown occupier negotiations reinforces Precinct's confidence in the premium office market
- While market conditions have led to the Downtown decision, the outcome demonstrates Precinct will only allocate capital where the expected returns appropriately compensate for the risk
- The special capital distribution provides an immediate, equitable return of capital to shareholders
- A Buyback is accretive to NTA while Precinct trades below NTA and is also expected to be earnings accretive
- Confidence remains in the medium-term outlook and Precinct's broader strategy remains unchanged

Appendix

Precinct Properties – 30 October 2026

Detailed transaction timetable

ITEM	DATE
NZX announcement	Friday, 30 October 2026
Last day of trading on a pre-consolidation basis	Wednesday, 4 November 2026
Trading halt	Thursday, 5 and Friday, 6 November 2026
Capital Return and Share Consolidation Record Date (5.00pm NZDT)	Friday, 6 November 2026
Implementation Date; trading halt lifted; post-consolidation trading resumes	Monday, 9 November 2026
Capital Return payment date	Friday, 13 November 2026
Precinct Annual Shareholders' Meeting	Friday, 20 November 2026
Buyback period ends (12 months from NZX notice)	Friday, 29 October 2027

Your holding: No action required

Precinct handles everything. Your stapled shares are consolidated, the cash is paid and you receive a new holding statement



Do I need to do anything?

No. It happens automatically for every shareholder

For New Zealand investors the distribution will be treated as excluded income under the New Zealand listed portfolio investment entity rules

Is the special capital distribution taxable?

For an Australian resident investor holding PPNZ shares on capital account, the distribution should be treated as a return of capital rather than a dividend or revenue distribution. Independent tax advice specific to each investor's circumstances should be obtained

For non-Australian overseas investors, the tax treatment will depend on each shareholder's individual circumstances and the laws applicable in their country of residence. Overseas shareholders should obtain independent tax advice

Am I worse off?

No. Fewer shares plus the cash received equals the value of what you had¹

Does my ownership change?

No. Your percentage ownership of Precinct remains unchanged

Illustrative impact on market cap

The Capital Return reduces market cap by the cash paid out; the 17-to-16 Share Cconsolidation reduces the number of stapled shares on issue by 5.9%

	Market cap	Stapled shares	Share price
Before (at VWAP) ¹	\$1,739.6m	1,854.2m	\$0.9382
Capital return	(\$103.0m)	–	(\$0.0556)
17-to-16 consolidation	–	(109.1m)	\$0.0552
After	\$1,636.6m	1,745.1m	\$0.9378

THEORETICAL POST-TRANSACTION PRICE

\$0.9378

0.0% variance to VWAP¹

Market cap



Shares on issue



Share price



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