

## PRESENTATIONS TO THE PROPERTY FOR INDUSTRY ANNUAL MEETING

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At 11.00am on Wednesday, 3 April 2024

<< Slide 1: WELCOME TO THE 2024 PFI ANNUAL MEETING >>

<< Anthony Beverley >>

Good morning, my name is Anthony Beverley, and I am the Chair of the Board of Directors of PFI.

Welcome to the thirtieth Annual Meeting of PFI. We have a quorum present, so let's get underway.

This year we are once again holding this meeting as a hybrid meeting, meaning that we have participants both here in person, and attending virtually.

Before we start, can I just remind those here in person to put your phone on silent? And, in case of an emergency, please follow the instructions of the Generator staff. Please follow the emergency exit doors out of the meeting room. The nearest assembly point is located on Quay Street.

In order for this hybrid meeting to run smoothly, I would like to confirm how questions and answers, and voting will work.

First, let's deal with the procedure around questions and answers: any shareholder or appointed proxy is eligible to ask questions.

For those of you attending the meeting virtually, if you would like to submit a question, the Q&A is always open so please feel free to submit questions throughout the meeting, these will be addressed at the relevant time.

There will be time allocated for in-person attendees to ask questions during the course of the meeting. We will try to get to as many of the questions as possible, but not all questions may be able to be answered during the meeting. In this case, questions will be followed up after the meeting.

The second key procedure is voting.

We will open the poll for virtual attendees now, to give you plenty of time to vote. If you are eligible to vote at this meeting, you will be able to cast your vote under the Vote tab. Once voting has opened, you can submit your vote for each resolution. You can change your vote, up until the time I declare voting closed.

I now declare that voting is open on all items of business. I will give you a warning before I move to close voting.

Should you require any assistance with asking questions or voting, you can type your query into the “Q&A” tab at any time and one of the Computershare team will assist you. Alternatively, you can call Computershare on 0800-650-034 and ask to speak to one of the administrators supporting the PFI Annual Meeting.

I will explain procedures for voting in person later in the meeting.

**<< Slide 2: AGENDA >>**

Here is the agenda.

I will start with a few remarks, before handing over to our incoming Board Chair, Dean Bracewell. We will then hear from our CEO, Simon Woodhams.

You will then have the opportunity to ask questions or to make comments about the materials presented, or the financial statements and auditor’s report.

Then, as you have seen in the notice of meeting, we have three resolutions we would like you to approve. There will be an opportunity for discussion of the resolutions at this point in the meeting.

Following those resolutions, we will finish with a further opportunity for questions and answers when we get to general business.

Those who are here in person are welcome to join us for light refreshments and a more informal chat with the Board and Management Team after the meeting.

<< Slide 3: BOARD PRESENTATION >>

<< Slide 4: INTRODUCTIONS >>

Let me start with some introductions:

- **Dean Bracewell**, Independent Director,
- **Simon Woodhams**, Chief Executive Officer,
- **David Thomson**, Independent Director,
- **Jeremy Simpson**, Independent Director, who was appointed to the Board in February this year and is up for election by shareholders today,
- **Angela Bull**, Independent Director,
- **Carolyn Steele**, Independent Director, and finally
- **Craig Peirce**, Chief Finance and Operating Officer.

We also have representatives from our auditors, PricewaterhouseCoopers, our legal counsel, Chapman Tripp, and our bond supervisor, Public Trust, here with us today.

<< Slide 5: BOARD CHANGES >>

Simon will shortly take you through the highlights for 2023, and more details on some of our strategic initiatives, but for my presentation, I wanted to focus on Board composition and succession planning. This has remained an ongoing focus for PFI, and you may recall that PFI announced a number of changes to PFI's Board composition in February this year.

First, we welcome Jeremy Simpson, who was appointed to the PFI Board in February. Jeremy has had a career of over 30 years in financial markets in New Zealand and Australia, including 27 years as an equity analyst, culminating with a Senior Equity Analyst / Director role at Forsyth Barr from 2002 to 2021. Through this work, Jeremy has a strong knowledge of the listed property sector, and his appointment is part of PFI's succession plans, which seek to balance technical and specialist governance skills, while at the same time maintaining a Board with a strong, practical, commercial capability and diversity of experience.

Second, we farewell Greg Reidy, who has been on the Board since 2012. Greg has played a key role in many of the strategic milestones of the Company. Unfortunately, he

could not be here today, however on behalf of the Board and Management Team, I would like to acknowledge and thank Greg for his contribution to the Company and to wish him the very best for his future endeavours.

**<< Slide 6: BOARD CHANGES >>**

In addition to Jeremy joining and Greg's departure, Dean Bracewell will step down from his position as Chair of PFI's People Committee, effective from the close of this Annual Meeting, and David Thomson has been appointed as People Committee Chair in his place.

**<< Slide 7: BOARD CHANGES >>**

And lastly, it has been announced that I am stepping down from my role as Board Chair at the close of this Annual Meeting. I will remain on the PFI Board as an Independent Director, and Dean Bracewell, who has been on the Board since 2019, will take on the role of Board Chair.

Dean, would you like to say a few words?

**<< Dean Bracewell >>**

Thanks Ant, and good morning, everyone.

I want to start by adding my welcome to Jeremy, we are delighted to have you join the PFI Board. I also want to add my thanks to Greg for his valuable contribution.

In addition, I want to thank Ant for his Chairing of the PFI Board since May 2018. Ant has been a Director of PFI for many years and has made an enormous contribution to the Board and the Company. Ant has agreed to remain as a Director on the Board for the balance of his current term, a gesture that is appreciated by all Directors and me as the incoming Chair.

As for me, I look forward to building on the work of previous PFI Board Chairs. In my view, a strong foundation is in place for the Company's ongoing success, with a high-quality industrial property portfolio, a pipeline of important projects, a talented management team, and an experienced Board.

I will be available throughout and after the meeting for questions, but in the meantime, I will hand over to our CEO, Simon, for his presentation.

**<< Slide 8: MANAGEMENT TEAM PRESENTATION >>**

**<< Simon Woodhams >>**

Thanks Ant, and good morning, everyone.

Once again, it's nice to be able to come together in person and reflect on the past year. Welcome back to those who regularly attend these meetings, and a warm welcome if you are joining us for the first time. Also, welcome to those who have opted to attend online.

As a Management Team and Board, we really enjoy being able to discuss and show you what we have been doing over the last 12 months, so let's get into it.

We will start by delving into the highlights of the year, and then take a deeper look at some of our key projects such as Springs Road, Bowden Road, and Spedding Road, all of which are playing pivotal roles in shaping our trajectory.

**<< Slide 9: HIGHLIGHTS >>**

When we think about the highlights of 2023, front of mind for the team and I is how our portfolio performed.

Our resilient, well-located portfolio of scale is focused on the Auckland industrial property market where vacancy remains at near all-time lows, and this is driving rental growth. We reviewed nearly \$70 million of rent during 2023, and those reviews delivered an average annualised uplift in excess of 4%. In addition, over 18% of rent was leased during the year, and those leases resulted in an uplift of 26% above previously contracted rents.

And we don't expect the growth in rents to stop there. PFI's \$2.0 billion industrial property portfolio was independently assessed as being around 16% under-rented at the end of the year, which is to say, when the opportunity presents through a market rent review, renewal or new lease, on average we can expect rents to grow by a further 16%.

Moreover, our sustainability efforts remain a core focus. We've made significant progress in this area by embedding an in-house sustainability-focused facilities management team and advancing solar and power metering initiatives across our properties. In addition, we have a pipeline of new projects targeting 5 Green Star ratings.

From a capital management perspective, we've been proactive in diversifying our funding sources, including launching a Green Finance Framework and securing \$150 million of green loans. At the end of last year our gearing remained modest at 32.0%, providing us with flexibility to pursue strategic opportunities.

In terms of financial performance, we reported a loss after tax for 2023 of \$97.8 million, compared to a loss of \$13.9 million in 2022. This reduction was primarily due to a \$140.8 million fair value loss on the independent valuation of our property portfolio.

Despite this, our net rental income for 2023 was down only slightly at \$94.9 million, funds from operations earnings were down around 2% to 10.03 cents per share, whilst adjusted funds from operations earnings of 8.92 cps were up 1%.

So with those highlights in mind, for the remainder of my presentation I would like to shift our focus to the key development projects, including our expanded pipeline of projects, that are propelling us forward and positioning us for sustained success.

#### **<< Slide 10: 78 SPRINGS ROAD >>**

One of our flagship projects, the redevelopment of our Springs Road site, represents a significant investment in the future of our portfolio. As you can see on this slide, this three-stage project is intended to deliver best-in-class facilities that meet the evolving needs of our tenants.

#### **<< Slide 11: 78 SPRINGS ROAD – STAGE 1 >>**

Stage 1 is well underway, as you can see from the image on the screen now. With a development cost of approximately \$76 million, this phase involves the construction of a 25,500 square meter warehouse for our long-time tenant, Fisher & Paykel Appliances, who have committed for a lease of 15-years from completion of the development. Scheduled for completion around the end of this year or early 2025, this state-of-the-art facility is designed

to achieve a 5 Green Star rating, reflecting our dedication to sustainability and environmental stewardship.

**<< Slide 12: 78 SPRINGS ROAD – STAGE 2 & 3 >>**

With regards to future stages, we are pleased to report that we have signed a Heads of Agreement with a prospective tenant to develop a further 6,500 sqm of warehouse, anchoring stage 2 of the redevelopment. Should this tenant commitment be secured, the balance of stage 2 of around 4,800 sqm of warehouse, will likely be developed on a speculative basis, and construction could commence as early as Q1 2025, following completion of Stage 1.

Plans for the balance of the site, Stage 3, allow for a ~17,500 sqm warehouse, with any redevelopment likely to be tenant led. Stages 2 and 3 will be committed to on an individual basis, taking into consideration their ability to meet hurdle rates of return, market conditions and availability of capital.

**<< Slide 13: 30-32 BOWDEN ROAD >>**

Another notable project in our portfolio is the redevelopment of our Bowden Road site. Progressing on time and on budget, this endeavour also signifies our commitment to delivering high-quality, sustainable properties that meet the needs of modern businesses.

**<< Slide 14: 30-32 BOWDEN ROAD – STAGE 1 >>**

When we started the project, approximately 40% of the development was pre-leased to Tokyo Food for a lease term of 12 years, with the remainder of the project developed on a speculative basis.

**<< Slide 15: 30-32 BOWDEN ROAD – STAGE 2 >>**

We commenced part of the project on a speculative basis as we were confident of the strong demand for premium industrial spaces in the market.

We are pleased to report that, since the end of 2023, we are close to securing a global tenant who will house their New Zealand operation in this 11,200 square metre building. A 12-year lease is in the final stages of negotiation, and as with the Springs Road project, both

buildings at the Bowden Road project are targeting 5 Green Star ratings, further cementing our commitment to environmental sustainability.

**<< Slide 16: SPEDDING ROAD >>**

Another pivotal development in our strategic roadmap is the Spedding Road transaction. Representing a significant investment in a new Auckland location, this transaction underscores our commitment to identifying and capitalizing on high-potential opportunities.

During the year, we entered into a contract to purchase two lots, totalling 5.8 hectares, within the proposed 46-hectare industrial subdivision at Spedding Road, located at the end of the Northwestern Motorway in Auckland. This strategic move positions us to tap into a market that is currently severely undersupplied for both industrial-zoned land and quality industrial buildings.

**<< Slide 17: SPEDDING ROAD >>**

The contract to purchase the lots for \$40.6 million, which equates to a land cost of approximately \$700 per square metre, and a staged settlement of the purchase price, reflects our disciplined approach to acquiring assets at favourable rates.

In addition to the attractive pricing, the timing of the transaction is strategically advantageous. By initiating the purchase before subdivision consent is obtained, we secure a competitive advantage and gain early access to a sought-after location.

**<< Slide 18: SPEDDING ROAD >>**

Furthermore, as shown on the slide on the screen now, we plan to complete the project as multiple buildings and in stages, enabling us to manage risk effectively while capitalising on evolving market dynamics.

The Spedding Road transaction represents a forward-looking investment that we consider positions us for sustained growth and value creation. By leveraging our expertise and seizing opportunities in undersupplied markets, we believe we are well-positioned to deliver strong returns for our shareholders while contributing to the long-term success of our business.



**<< Slide 19: LOOKING AHEAD >>**

Looking ahead, while favourable industrial property market conditions and our under-rented portfolio provide a strong platform for growth, we must remain mindful of challenges such as changes to depreciation rules and potential economic headwinds in 2024.

In light of these factors and our change in balance date to 30 June, we have set dividend guidance for the next six-month period at 4.15 cents per share, in line with dividends for FY23.

In conclusion, I want to reiterate our commitment to delivering for our shareholders and other stakeholders. Despite the uncertainties in the external environment, our strategic focus on projects like those I have just spoken about, which are aimed at enhancing long-term shareholder returns, remains unwavering.

We are confident in our ability to navigate challenges and seize opportunities, positioning PFI for sustained success in the years ahead.

Just before I hand back to Ant, I would like to take a moment to thank you, our shareholders and other stakeholders, who continue to support PFI. As a Management Team and Board, we look forward to including you in our growth story, well into the future.

Thank you.

**<< Slide 20: SHAREHOLDER DISCUSSION >>**

**<< Anthony Beverley >>**

Thank you, Simon.

There is now an opportunity for questions or comments on the presentations, or on the financial statements and auditor's report, which you can find from page 28 of the annual report.

For those here in person, if you raise your hand, we'll get a microphone to you, so that everyone can hear. Can you start by introducing yourself: your name and whether you're a

shareholder or a proxy holder and, if you are a proxy holder, the name of the shareholder you are representing?

For virtual attendees, select the “Q&A” tab, type your question in the box and press “Send” to submit.

Thank you for your questions and comments.

### << Slide 21: ORDINARY RESOLUTIONS >>

We will now move to the resolutions.

I've been advised that 329 shareholders, representing 170,772,322 shares or 34% of the Company's shares on issue, are represented by proxies.

Voting for the resolutions will be conducted by poll. For the purpose of the poll, I appoint the Company's registrar, Computershare, to carry out the poll.

The procedure for the conduct of the poll for in person attendees will be as follows:

- Voting papers have been provided with the notice of meeting, pens, where required, will be distributed now;
- If you do not have a voting paper, please see a Computershare representative at the registration desk who will provide you with a voting paper;
- Indicate your vote for, against or abstain, by placing a tick in the appropriate box;
- If you are here as a proxy for a shareholder who has not marked 'proxy discretion' on their proxy form, your vote will be automatically counted in accordance with the voting directions given by your appointer, but please sign the voting paper provided when you arrived at the meeting;
- Where you are a proxy holder and you have been granted a discretion on how to vote the resolution, please use the voting paper provided when you arrived at the meeting;
- After recording your vote, please remember to sign your voting paper, then place the voting paper in the boxes provided at the back of the room where they will be collected by Computershare staff.

Having collected the votes, they will be taken to a separate room for counting. The results of the poll will be announced via NZX as soon as they are available.

Please note that the Board recommends that you vote in favour of each of the three ordinary resolutions.

**<< Slide 22: RESOLUTION 01. >>**

Turning to the resolutions.

The first resolution is: *“That David Thomson, who retires and is eligible for election, be elected as a Director of the Company”.*

The Board considers David will be an Independent Director, if elected, and supports his re-election.

David has been a Director of PFI since 2018. David is a senior partner at law firm Buddle Findlay, where he runs a broad corporate and commercial law practice. A profile of David has been included in the notice of meeting.

David, would you like to say a few words?

**<< David to speak >>**

**<< Anthony Beverley >>**

Thank you, David

The resolution is: *“That David Thomson, who retires and is eligible for election, be elected as a Director of the Company”.*

Is there any discussion?

Please mark your voting papers for resolution one, or for virtual attendees, select your voting choice from the options shown under the “Vote” tab on your screen.

**<< Slide 23: RESOLUTION 02. >>**

The second resolution is “*That Jeremy Simpson (appointed by the Board as a Director on 27 February 2024), who retires and is eligible for election, be elected as a Director of the Company*”.

The Board considers Jeremy will be an Independent Director, if elected, and supports his election.

Jeremy was appointed as a Director of PFI in February 2024. Jeremy is a Chartered Financial Analyst, a Chartered Member of the Institute of Directors, and has had an extensive career in financial markets. A profile of Jeremy has been included in the notice of meeting.

Jeremy, would you like to say a few words?

**<< Jeremy to speak >>**

**<< Anthony Beverley >>**

Thank you, Jeremy.

The resolution is: “*That Jeremy Simpson (appointed by the Board as a Director on 27 February 2024), who retires and is eligible for election, be elected as a Director of the Company*”.

Is there any discussion?

Please mark your voting papers for resolution two, or for virtual attendees, select your voting choice from the options shown under the “Vote” tab on your screen.

**<< Slide 24: RESOLUTION 03. >>**

The third resolution is “*That the Directors are authorised to fix the fees and expenses of the auditors, PricewaterhouseCoopers Auckland.*”

Is there any discussion?



Please mark your voting papers for resolution three, or for virtual attendees, select your voting choice from the options shown under the “Vote” tab on your screen.

We will just give you all a moment to finalise your votes, and then I will close voting.

**<< Wait for 20 seconds >>**

Voting is now closed. The results of these votes will be released to NZX later today.

Computershare will now collect the voting papers from shareholders in the room.

Thank you. We will now open up questions on General Business from shareholders and proxies in the room and online.

**<< Slide 25: GENERAL BUSINESS >>**

If there is something you wish to put to the meeting, could you raise your hand and we'll get one of the microphones to you? A reminder to please state your name and whether you are a shareholder or proxy holder. If you are attending virtually, press the “Q&A” tab on your computer, tablet or mobile, and then type and press “Send” to submit your question.

As mentioned earlier, we will try to get to as many of the questions as possible, but not all questions may be able to be answered. In this case, questions will be followed up after the meeting.

**<< Slide 26: CLOSE OF MEETING >>**

Thank you for your continued support of PFI, and for your attendance today.

That ends the formal part of the meeting and I declare the meeting closed.

For those here in person, feel free to join us for light refreshments and further conversation.

**<< Slide 27: DISCLAIMER >>**