

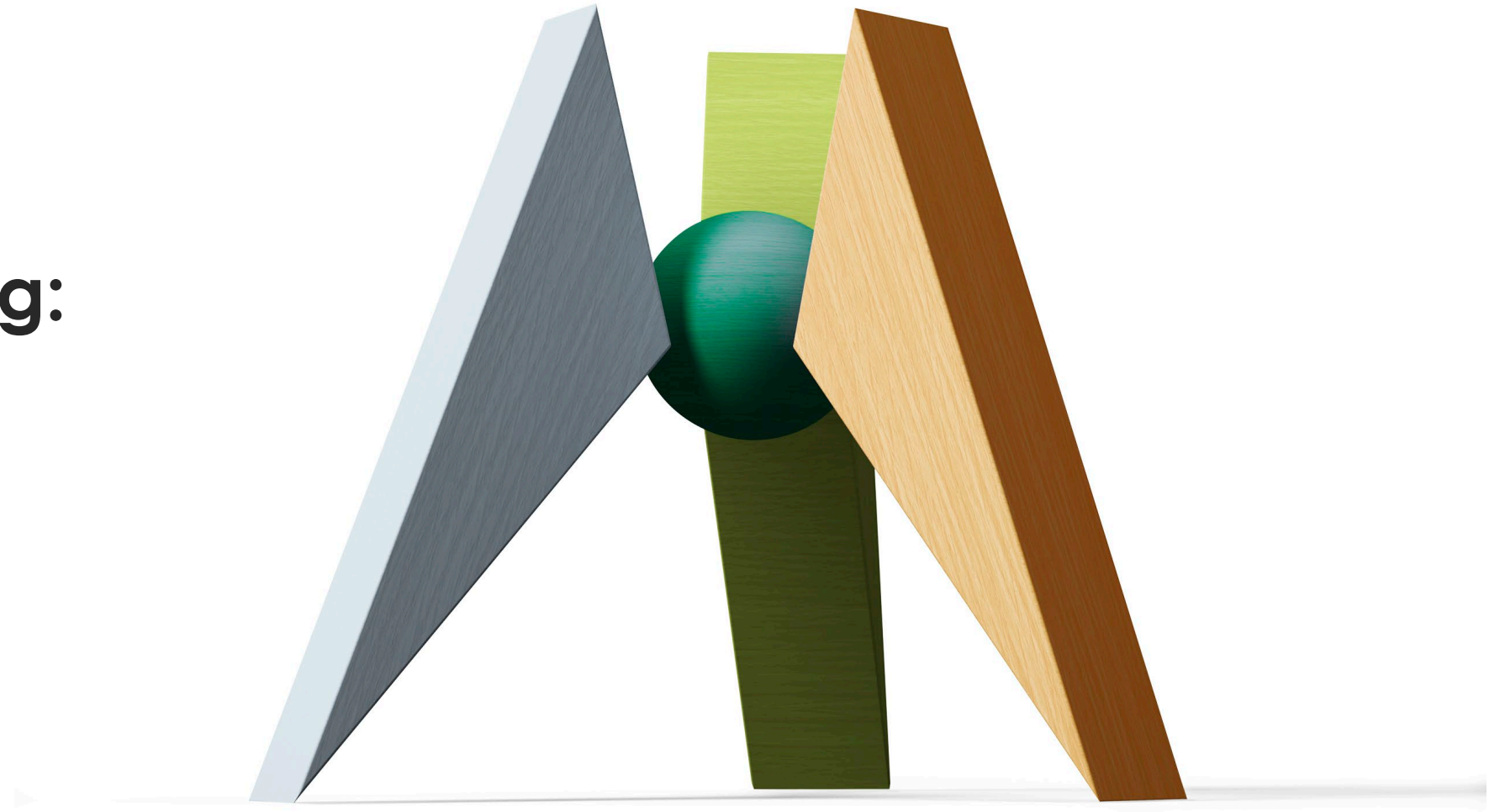
2022

Annual Meeting: Building a Better Future

Argosy

21.6.22

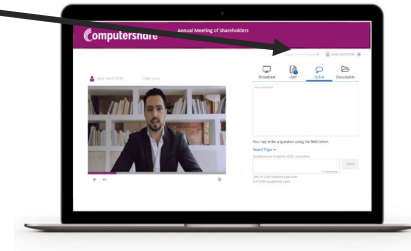
Argosy Property Limited



HYBRID AGM

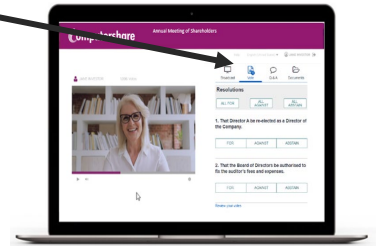
Q&A

- Any shareholder or appointed proxy / representative attending is eligible to ask questions.
- **If you wish to ask a question, select the question icon button on your computer, tablet or mobile phone, and then type and submit your question.**
- The question will then be sent to the Board to answer.
- 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 via email after the meeting.



VOTING

- We will open the poll now, to give you plenty of time to vote.
- The ability to vote will appear on your screen as a bar chart icon, and from here, the resolution and voting choices will be displayed on your device.
- **To vote, simply select your voting direction from the options shown on screen.**
- To change your vote, simply select another direction—you can cancel your vote by clicking 'Cancel'.
- You can change your vote at any time up until when the poll is closed.
- Prior to the poll closing, simply select another voting choice to change your vote.



THE BOARD



• Jeff Morrison **Chairman**



• Stuart McLauchlan **Director**



• Chris Gudgeon **Director**



• Mike Pohio **Director**



• Rachel Winder **Director**



• Martin Stearne **Director**

THE EXECUTIVE TEAM



- Peter Mence **Chief Executive Officer**



- Dave Fraser **Chief Financial Officer**

Agenda

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Chairmans Review

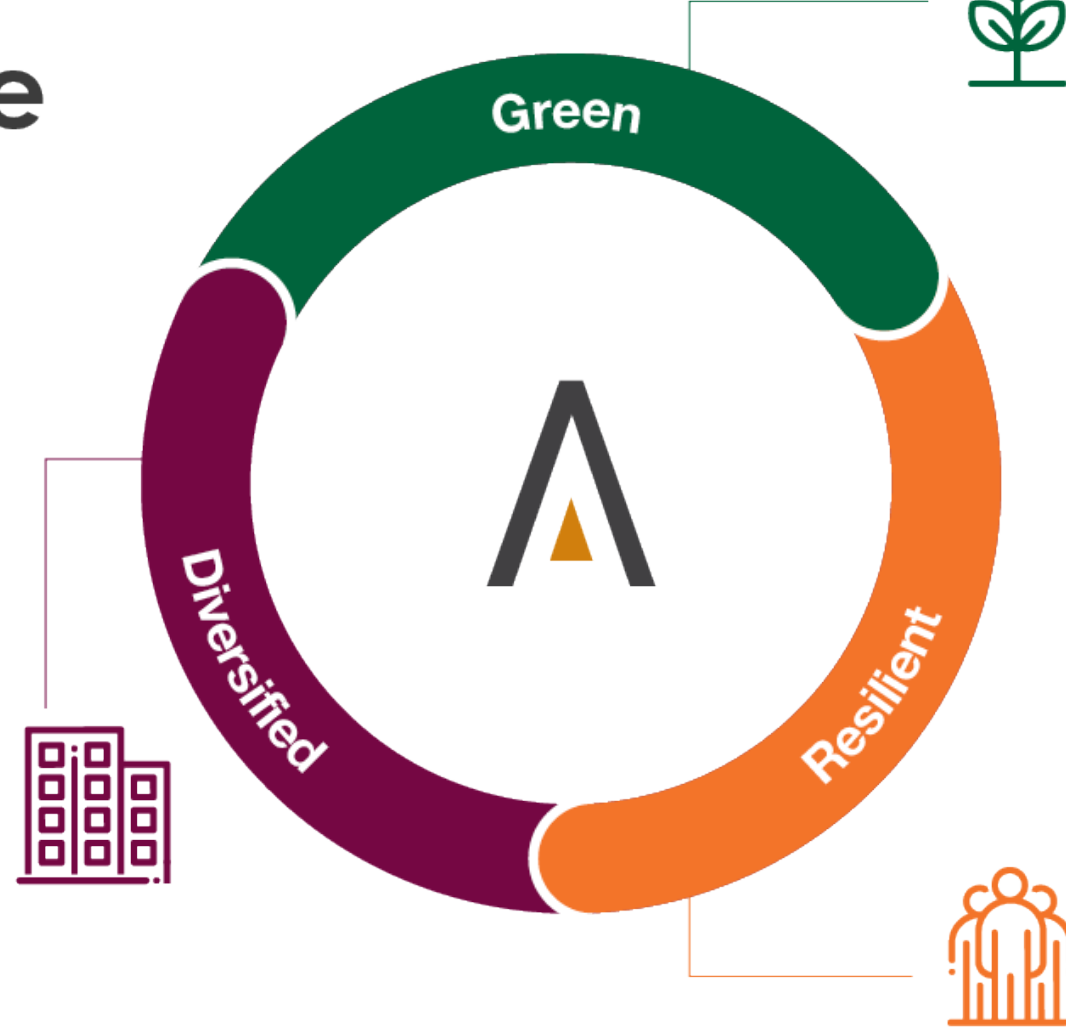
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FY22 ACHIEVEMENTS

- Delivered solid results through a challenging year
- Laid a strong foundation for 2023 and beyond
- Continued to deliver on our sustainability and development strategies
- Continued building strong relationships with tenants
- Delivered on key focus areas (key expiries and vacancies)
- Progressed future development opportunities



VISION – Building a Better Future



Owning the right assets with the right attributes in the right New Zealand locations.

A diversified asset allocation across sectors to reduce volatility and widen growth opportunities

Targeting strategic growth opportunities with green potential and a focus on the Auckland Industrial and Wellington Government Office markets

Maintaining a portfolio of high quality, well located Core assets with growth potential

Proactive delivery of sustainable growth.

A business culture that is environmentally focused

Executing green Value Add portfolio opportunities to drive earnings and capital growth

A commitment to funding for green assets

A business that is adaptable and responsive to change.

Maintaining strong and valued relationships across all stakeholders

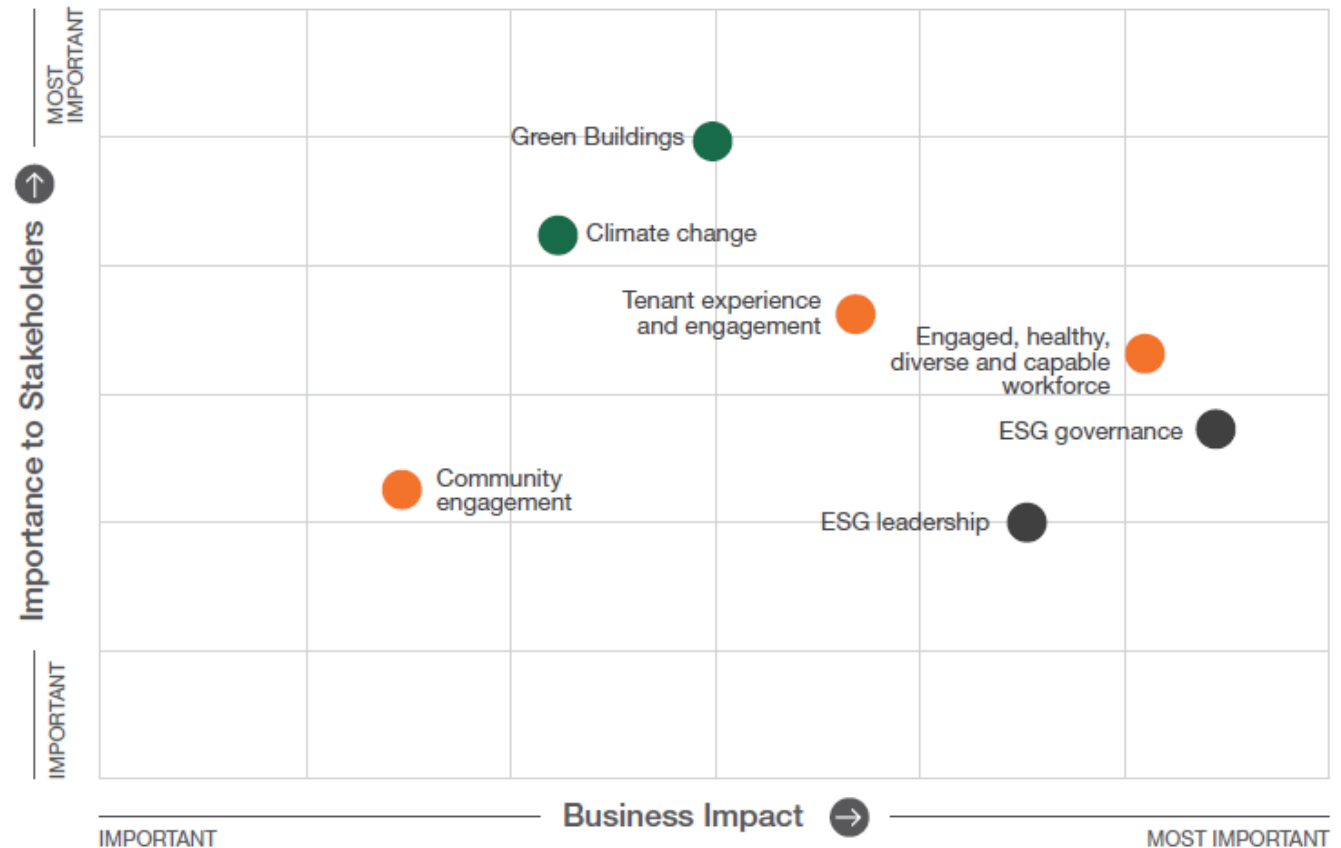
A commitment to management excellence delivering earnings and dividend growth

Ensuring safe working environments for Argosy and its partners

STAKEHOLDER ENGAGEMENT – MATERIAL SUSTAINABILITY FACTORS

OUR APPROACH

- Sustainability and efficient use of resources...minimizing impact on the environment..
- Actively transitioning to a net carbonzero economy..
- Creating flexible, healthy and high quality environments..
- Cultivating a strong and healthy workplace culture..
- Engaging and supporting our communities..
- Building strong ESG leadership and governance frameworks..



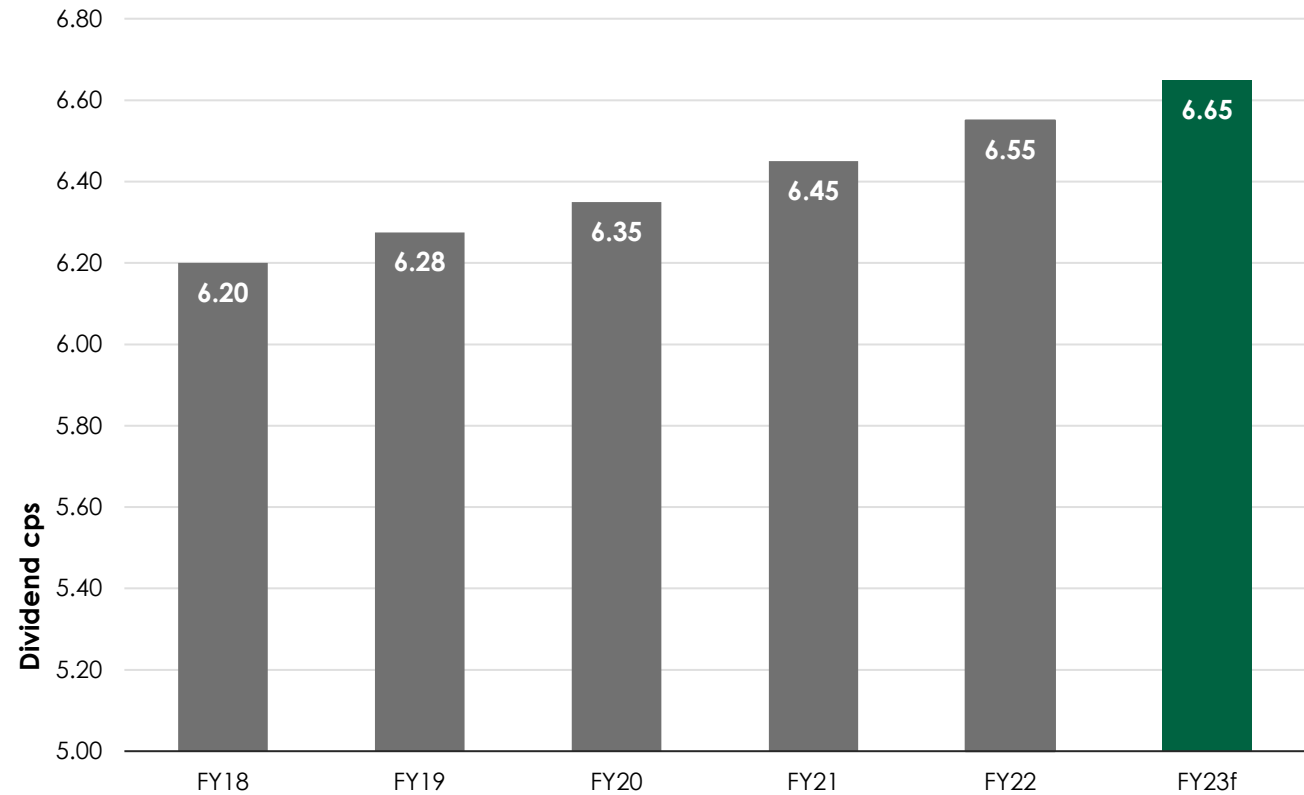
Dividends

Steady and sustainable

- A 4th quarter dividend of 1.6375cps was declared with 0.1276 cents per share imputation credits attached.
- The record date was 8th June and the payment date is 22nd June.
- The Dividend Reinvestment Plan has been suspended until further notice.
- FY23 dividend guidance of 6.65cps.

6.65cps

- FY23 dividend is 1.5% increase on prior year



CEO's Review

Argosy



Key result highlights

\$105.1

- \$m in net property income

\$163.7

- \$m annual revaluation increase, or 8% above book value

\$236.2

- \$m net profit after tax

\$1.74

- NTA up ~14% from \$1.53 @ 31 March 21

6.55ps

- FY22 dividend delivered

Portfolio highlights

98.7%

● Occupancy

5.7yrs

● Weighted average lease term

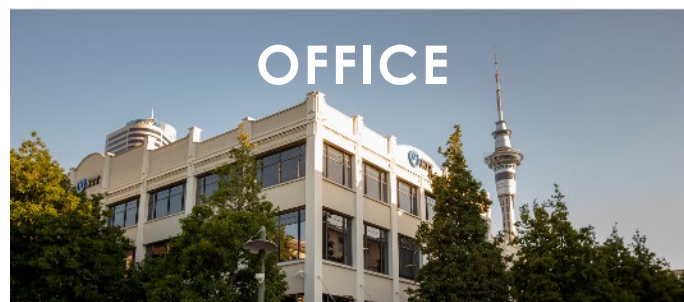
3.0%

● Annualised rent review increase on rents reviewed

Sector Summary



Number of buildings	34
Market value of assets (\$m)	\$1,127.0
Occupancy (by income)	100%
Weighted average lease term (WALT)	6.0yr
Contract yield	4.67%



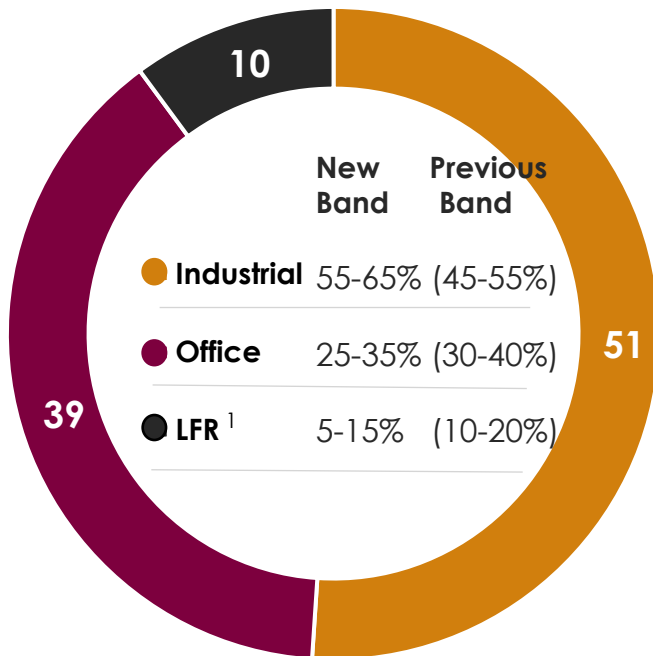
Number of buildings	15
Market value of assets (\$m)	\$857.4¹
Occupancy (by income)	97.4%
Weighted average lease term (WALT)	6.0yr
Contract yield	6.04%



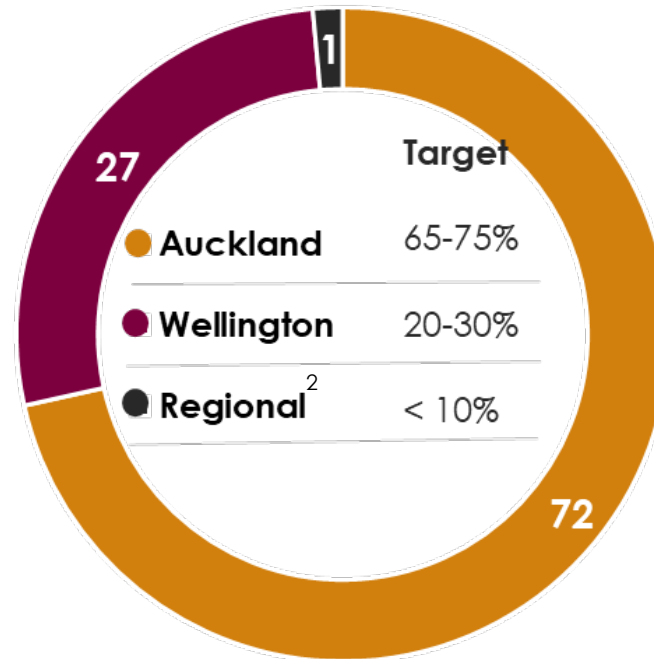
Number of buildings	4
Market value of assets (\$m)	\$223.2
Occupancy (by income)	98.9%
Weighted average lease term (WALT)	3.1yr
Contract yield	5.61%

Portfolio at a glance @ 31 March

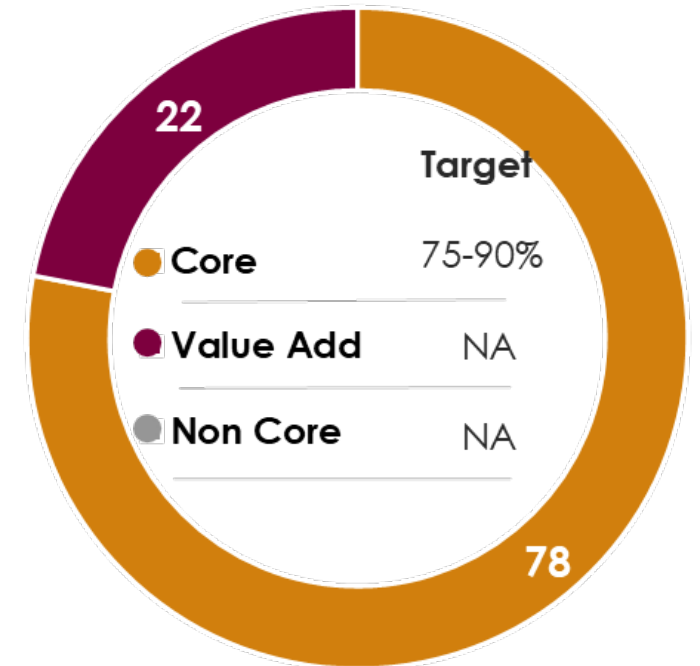
Sector by value %



Region by value %



Asset Mix by value %



1. Large Format Retail.

2. Regional North Island and South Island. This weighting also includes up to 5% allocation to the Golden Triangle area between Auckland, Tauranga and Hamilton.

Value Add Properties

Green assets driving organic growth

- Transformation of Value Add properties remains key to delivering Strategy 2031
- Strong industrial sector fundamentals supportive of outlook
- Master Planning for Mt Richmond and Neilson Street industrial estates progressing – strong market interest
- Bell Ave and Unity Drive green projects underway
- 101 & 105 Carlton Gore Rd properties are in planning and development phase.

+\$480m

- Of properties with potential to deliver earnings and capital growth

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Status & Project	Sector	Location	Value @ 31 Mar 22	Total
Complete				
8-14 Willis Street/ 360 Lambton Quay	Office	Wellington	146.1	146.1
Underway				
12-20 Bell Avenue, Mt Wellington	Industrial	Auckland	60.9	117.2
105 Carlton Gore Road, Newmarket	Office	Auckland	27.0	
1-5 Unity Drive, Albany	Industrial	Auckland	<u>29.3</u>	
Planning				
5 Allens Road, East Tamaki	Industrial	Auckland	6.4	162.8
224 Neilson Street, Onehunga	Industrial	Auckland	36.9	
8-14 Mt Richmond Drive, Mt Wellington	Industrial	Auckland	90.0	
101 Carlton Gore Road, Newmarket	Office	Auckland	<u>29.5</u>	
Future				
Currently Leased (6 properties)	Industrial	Auckland		58.9
Total \$m				484.9

Note: Due to rounding, numbers presented in this presentation may not add up exactly to the totals provided and percentages may not reflect exactly absolute figures.

Value Add Case Study: Mt Richmond Estate¹

15km

● From the CBD

40,000

● m2 of new warehouse space

+\$250m

● Project end value over quarter of a billion dollars

4,000

● m2 of new office space

~7%

● Internal rate of return

1. Potential development strategy

Annual Revaluations

Auckland industrial stars

- \$163.7m gain reported, or 8% increase over book value. Portfolio market yield firms 35bps. On a cap rate basis, the portfolio firmed 39bps to 5.16%.
- Auckland was again the largest contributor by location with 87% of the total gain or \$142.1m.
- By sector, Industrial delivered the biggest gain at \$144.7m (or 88% of the total) driven by cap rate firming and market rental growth over the year.

\$163.7m

- Annual revaluation gain above book value @ 31 March

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	31 Mar 22 Book Value (\$m)	31 Mar 22 Valuation (\$m)	△ \$m	△ %
Auckland	1,436.3	1,578.4	142.1	9.9%
Wellington	577.2	596.6	19.4	3.4%
Regional	30.3	32.5	2.2	7.3%
Total	2,043.9	2,207.5	163.7	8.0%

	31 Mar 22 Book Value (\$m)	31 Mar 22 Valuation (\$m)	△ \$m	△ %
Industrial	982.2	1,127.0	144.7	14.7%
Office	848.3	857.4	9.1	1.1%
Large Format Retail	213.4	223.2	9.8	4.6%
Total	2,043.9	2,207.5	163.7	8.0%

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Distributable Income

Prior period comparison affected by one offs

- Net distributable income was \$64.7 million compared to \$67.7 million in the prior comparable period.
- The prior comparable period included a forfeited non-refundable ALC deposit of \$4.5 million.

	FY22 \$m	FY21 \$m
Profit before income tax	241.2	248.4
Adjustments:		
Revaluations gains	(163.7)	(157.7)
Realised losses/(gains) on disposal	2.6	(2.0)
Derivative fair value (gain)/loss	(12.4)	4.2
Insurance proceeds		(22.0)
Earthquake expense net of recoveries	-	0.7
Gross distributable income	67.7	71.6
Depreciation recovered	1.2	(0.0)
Current tax expense	(4.2)	(3.9)
Net distributable income	64.7	67.7
Weighted average number of ordinary shares (m)	843.2	832.3
Gross distributable income per share (cents)	8.03	8.61
Net distributable income per share (cents)	7.68	8.14

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Adjusted Funds From Operations (AFFO)

AFFO affected by one-offs

- Capitalisation of leasing incentives was lower overall due to large incentives on developments (7WQ and 107 Carlton Gore Rd) in the prior comparable period.
- Maintenance capex relates to a range of smaller projects with the largest being \$1.7m for roof & gutter replacement at 17 Mayo Road
- Adjusted for 7WQ façade maintenance capex net of tax, the FY22 AFFO payout is 94%.

\$48m

- AFFO for the year to 31 March

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	FY22 \$m	FY21 \$m
Net distributable income	64.7	67.7
Amortisation of tenant incentives and leasing costs	4.6	5.1
Funds from operations (FFO)	69.4	72.9
Capitalisation of tenant incentives and leasing costs	(1.1)	(8.2)
Maintenance capital expenditure	(5.8)	(3.9)
7 Waterloo Quay façade repairs	(14.5)	(1.0)
Maintenance capital expenditure recovered through sale	0.4	0.7
Adjusted funds from operations (AFFO)	48.3	60.4
Weighted average number of ordinary shares (m)	843.2	832.3
FFO cents per share	8.23	8.75
AFFO cents per share	5.73	7.26
Dividends paid/payable in relation to period	6.55	6.45
Dividend payout ratio to FFO	80%	74%
Dividend payout ratio to AFFO	114%	89%

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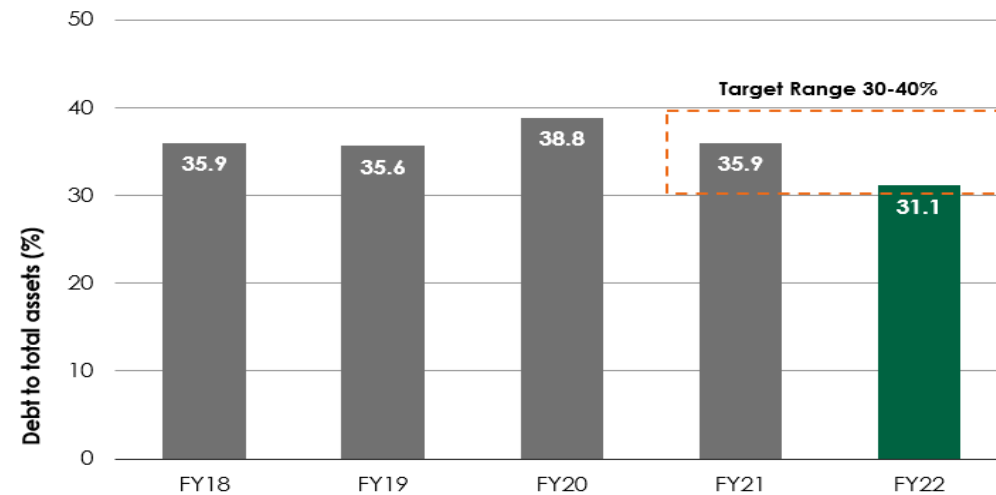
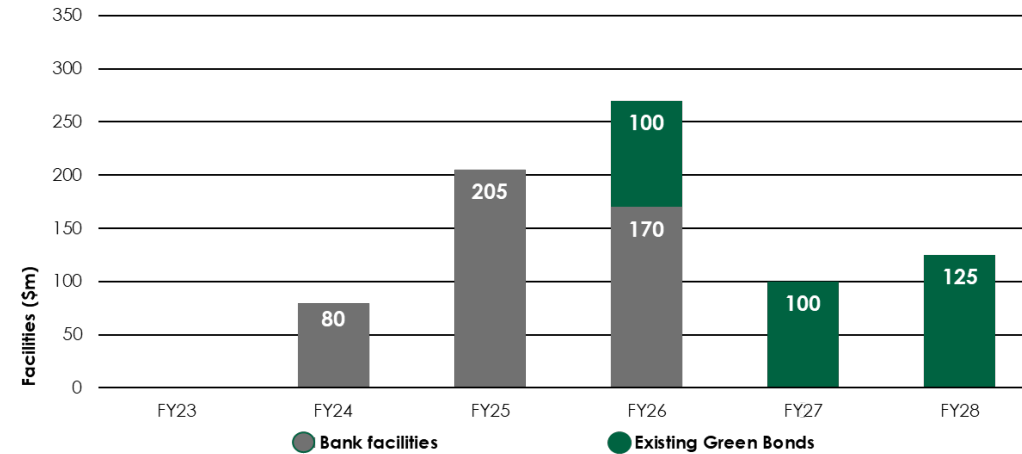
Debt Profile including Bonds

Green bonds provide diversification and tenor

- During the year Argosy extended \$215 million of its existing syndicated bank facilities with its banking group.
- The total amount of the bank facility has also reduced by \$35 million and is now \$455 million, down from \$490 million previously.
- Argosy's \$325m of green bonds continue to provide diversification and tenor benefits to the business.

3.5yrs

- Weighted average duration of Argosy's debt



Leasing

74,376

- Of NLA leased over the year

~12%

- Equivalent of total portfolio by NLA

31

- Leasing transactions including 23 new leases, 5 renewals and 3 extensions

23,750

- Of NLA leased to PBT on a new 10 year lease at 18-20 and 12-16 Bell Ave properties

7.4yr

- New lease signed by Ministry of Housing and Urban Development for 1,228m² at 7 Waterloo Quay

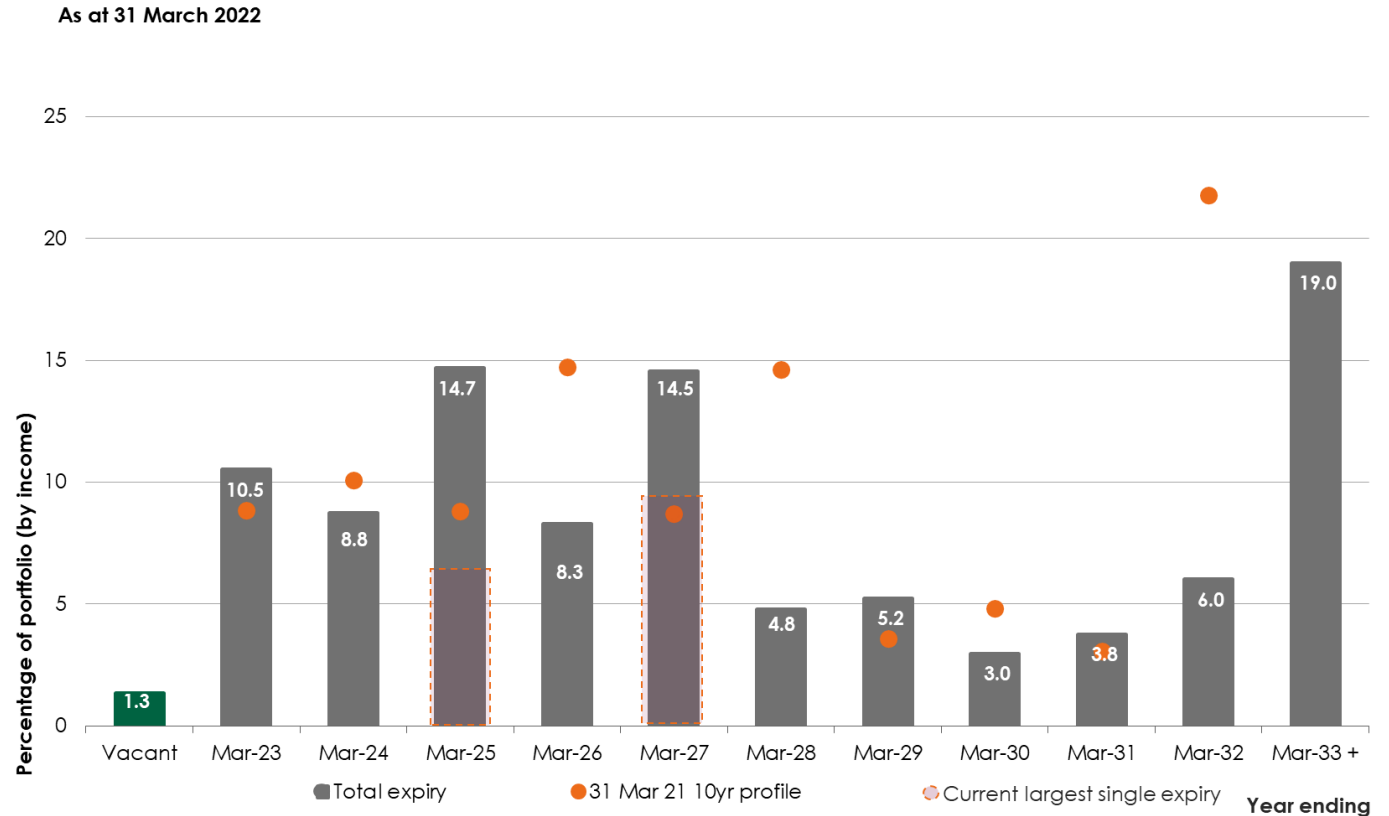
Lease Expiry

Expiry profile remains well managed

- Overall vacancy remains very low at year end and strategic lease extensions are included as part of new developments and leasing deals.
- The largest single expiry remains the 9.4% expiry in Mar-27 to Ministry for Business, Innovation and Employment, at 15-21 Stout Street.
- Portfolio under rented by 3.3%.

3.3%

● Under renting across portfolio



FY23 has challenges ahead, but we're well placed

We will stay focused on delivering on Strategy

- Local and global economy experiencing rising interest rates (tightening) and inflation headwinds. This is creating construction cost tension together with ongoing global supply chain pressure.
- Globally, many countries are accelerating their re-opening and New Zealand has started to follow.
- Geopolitically there are challenges, particularly in Europe, which is adding to global economic and market volatility.
- Key focus areas for FY23 are simple: delivering strong operational results, addressing key expiries, leasing up remaining vacancies, completion of key green developments and commencing new ones as planned.
- Master planning across key green Value Add developments at Mt Richmond and Neilson Street continues and there is healthy market interest.
- Attractive property fundamentals in key markets (Auckland industrial and Wellington office) continue to present attractive dynamics of low supply, high demand and steady rental growth.
- Structural changes in the way property is used will provide opportunities and challenges. We are keeping a watching brief.

Questions

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A magnifying glass with a silver rim and handle is positioned over a piece of white, torn paper. The paper has the words "REGULATIONS" and "COMPLIANCE" printed in a bold, black, serif font. The background is a solid light blue color. The magnifying glass is held by a hand, which is partially visible at the bottom left.

REGULATIONS
COMPLIANCE

Resolutions

RESOLUTION 1

- That Chris Gudgeon be elected as a Director.

RESOLUTION 2

- That Mike Pohio be elected as a Director.

RESOLUTION 3

- That the Board be authorised to fix the Auditor's Fees and Expenses.

General Business

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Close of Meeting

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Disclaimer

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All values are expressed in New Zealand currency unless otherwise stated.

21 June 2022