

22.07.2025

CHAIRMANS REVIEW – PART 1

ANNUAL MEETING - QUALITY ATTRACTS QUALITY [SLIDE 1]

Good afternoon everyone. My name is Jeff Morrison, and I am the Chairman of Argosy Property Limited. On behalf of my fellow directors and members of the management team, it is my pleasure to welcome you all to the 2025 annual meeting of shareholders of Argosy. It is my pleasure to again chair this meeting at the Royal New Zealand Yacht Squadron.

As usual, before we get things underway there are the usual housekeeping matters. Firstly, can I remind those shareholders or proxy holders attending in person to have your phones on silent please. In the unlikely event of an emergency, please evacuate the building using the blue doors at the eastern exit behind you and assemble in the carpark. The bathrooms are located behind me, next to the main reception area.

As per previous years, today's annual meeting is a hybrid annual meeting. Shareholders who are not attending in person can attend virtually and still ask questions and vote, through the Computershare online virtual meeting platform. Shareholders can also follow proceedings via the live webcast.

Today's meeting will focus on our recent annual results to 31 March 2025, our long-term strategy for growth and progress around our sustainability goals. Before we get to that, there are a few procedural differences we need to run through for our hybrid meeting to run smoothly.

HYBRID AGM - INSTRUCTIONS FOR WEBCAST PARTICIPANTS [SLIDE 2]

For shareholders participating through the live webcast, polling on the two resolutions has now opened. If you are eligible to vote at this meeting, you will be able to cast your vote under the Vote tab. The resolutions will now allow votes to be submitted. Votes can be amended up until the time I declare voting closed.

Now the meeting has started, questions can also be submitted through Computershare's online virtual meeting platform. 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.

If you experience any technical issues casting your vote or submitting questions, please refer to the instructions provided in the Virtual Meeting Guide that accompanied the Notice of Meeting, or type your query into the “Q&A” tab, or you can call Computershare on 09 488 8700.

THE BOARD [SLIDE 3]

With those procedural matters explained, let’s get things underway.

I’d like to record that the Notice of the Meeting was duly given on 23 June 2025 and as there are at least five shareholders here today, there is a quorum present. Accordingly, I declare the 2025 Annual Meeting of Argosy Property Limited - open.

There is detailed information about the Board in the 2025 Annual Report, however I will briefly introduce them to you.

To my right is Stuart McLauchlan. Stuart was appointed to the Board in August 2018 and is a prominent businessman and company director. He is Chairman of the NZ Sports Hall of Fame and Scott Technology Limited. He is a director of Scenic Hotels Group Limited, EBOS Group Limited, Dunedin Casinos Limited and several other companies. Stuart is also a past President of the New Zealand Institute of Directors.

Next, to Stuart we have Rachel Winder. Rachel was first appointed to the Board in August 2019. Rachel has been involved in the property sector for over 20 years across a variety of senior roles including strategy, portfolio management, financial management, development and leadership.

Next, to Rachel we have Martin Stearne. Martin was first appointed to the Board in March 2020. Martin has over 25 years commercial and capital markets experience, primarily in investment banking. Martin currently holds appointments to the NZX’s NZRegCo Advisory panel, the Takeovers Panel and the Investment Committee of the Impact Enterprise Fund. He is a member of INFINZ and ICE Angels.

Next, to Martin we have Alex Cutler. Alex was first appointed to the Board in October 2024. Alex has extensive global experience, assisting multinational organisations in recognising the strategic importance of sustainability. Alex is a prominent figure in the property industry and a dedicated sustainability expert. She was previously the CEO and Chief Sustainability Officer at RDT Pacific and the CEO of the New Zealand Green Building Council. Alex’s position as director is up for election and we’ll hear from her later in the meeting.

Next to Alex we have Chris Gudgeon and next to Chris we have Mike Pohio. Chris and Mike have been on the board from 2018 and 2019 respectively. They both have extensive commercial and governance experience, and both have made extremely valuable contributions during their time on the Board. One of those commitments is to Board succession and renewal. For this reason, Chris and Mike have both elected not to stand for re-election and will retire from the board at the close of this meeting to provide capacity for recruitment of new skills and perspectives. The Board thanks Chris and Mike for their guidance and wisdom during their time as directors and wishes them both the very best for the future. This process of renewal and refreshment is ongoing, and I will touch on it again shortly.

Finally, I have been a director since July 2013 and have over 40 years of experience as a property lawyer, 29 of them as a commercial property partner at Russell McVeagh. As well as my role as Chairman of Argosy, I also chair the Remuneration & Nominations Committee and sit on the Company's Audit and Risk Committee.

THE EXECUTIVE TEAM [SLIDE 4]

Seated next to the Board of directors is the Chief Executive, Peter Mence and the Chief Financial Officer, Dave Fraser. We also have several other members of the management team here today.

I would also like to welcome our auditors, Deloitte, our solicitors, Harmos Horton Lusk, our Registrar, Computershare and our tax advisors, KPMG, to the meeting.

AGENDA [SLIDE 5]

The agenda for this afternoon's meeting will be as follows:

- As Chairman, I will deliver a brief review of Argosy's 2025 results and strategy;
- This will be followed by a more detailed review of Argosy's performance by our Chief Executive, Peter Mence;
- Following Peter's review, we will take questions from Shareholders;
- We will then move to the formal resolutions of the Meeting;
- And finally, we will then attend to any general business.

After the meeting has been formally closed, please stay for refreshments where the Directors and Executives of Argosy will be available to discuss any queries you may have.

PROXIES

Proxies have been received in respect of 372,867,519 shares and these have been audited by Deloitte. There are 860,975,391 shares on issue.

CHAIRMAN'S REVIEW [SLIDE 6]

I am pleased to now present to you a summary of the Company's performance for the year ended 31 March 2025. You will have received the 2025 Annual Report and financial statements, either by post or electronically, depending on your preference.

RESULTS SUMMARY [SLIDE 7]

The Board was pleased with the way the business, management team and staff have performed, in particular during the second half of the year despite continuing weak operating conditions.

Net property income was consistent with the prior year, and this was assisted by an annualised increase on rent reviews undertaken during the year of 3.5%. The annual revaluation gain was \$72.7 million, and this was a significant turnaround from last year's revaluation loss of \$111.7 million. The revaluation gain resulted in an increase in net tangible assets to \$1.53, up from \$1.45 last year. Net distributable income was also consistent with last year at \$55.8 million or 6.58 cents per share. Peter will elaborate on financial performance in his presentation.

The Board is comfortable with the company's capital position and balance sheet strength, with debt-to-total assets of 35.7% in the middle of our target 30-40% band. The sale of 8 Forge Way, Auckland, was settled for \$35.2 million in March and proceeds will be applied to our green developments at 224 Neilson Street and Mt Richmond. The business has sufficient funding capacity to accommodate medium term development requirements.

AWARD WINNING GREEN DEVELOPMENTS [SLIDE 8]

The Board is pleased by the progress made towards our sustainability goals as reflected in green buildings completed, certifications achieved and the commencement of new developments. We believe greening our portfolio towards more sustainable buildings, with appropriate certifications validating their quality, will drive long term shareholder value.

During the year, the Company won the Supreme Award at the Property Council of New Zealand Awards for the 6 Green Star Built property at 8 Willis Street. The Property Council Awards is a prestigious awards program that recognises excellence in design and innovation in the built environment. The Board congratulates staff and all the Company's

partners who worked on the project. Additionally, the same building was Highly Commended at the World Green Building Council's Asia Pacific Leadership in Green Buildings Awards (one of only three buildings to be recognised in this category).

BUILDING A BETTER FUTURE [SLIDE 9]

Many of you here will be familiar with this slide. Our vision of building a better future continues to be underpinned by our three core pillars of being a green, resilient and diversified business.

Our focus on greening the portfolio is significant as we target 50% of our portfolio being green assets by 2031. Our current green asset weighting of 37.2% sees us well placed to deliver on this target.

Peter will touch on this in his review, but there is growing evidence around rental premiums between green and non-green buildings. Furthermore, we expect to see growing valuation differentials between green assets built with more climate resilience than those without. As I have said previously - this all underpins the sustainability and stability of earnings and dividends over the long term.

Argosy's portfolio remains diversified by sector, tenant and location. We believe this approach will continue to reduce volatility in returns and widen growth opportunities over the longer term. Key policy targets include a weighting to Industrial of 60-70% and a weighting to Auckland of 70-80%.

In summary, the future of our business is green. We will remain focused on being the market leader in retro-fitting existing buildings to create modern, attractive working environments for our tenants and their people. We'll continue to target strategic growth opportunities with green potential – with Auckland Industrial being the focus.

DIVIDENDS [SLIDE 10]

Shareholders will also be pleased we delivered a dividend in line with guidance of 6.65 cents per share for 2025. Dividend guidance for FY26 is consistent with this year at 6.65 cents per share. Our dividend policy is to pay between 85-100% of AFFO earnings (note the Board is comfortable being outside policy for limited periods to reduce dividend volatility). Based on current projections, we expect the dividend payout for FY26 to be within the policy range.

BOARD AND CEO SUCCESSION [SLIDE 11]

The Board remains strongly focused on the current and future success of the business, with succession planning a central part of its long-term strategy. A structured plan is in place to ensure smooth leadership transitions at both the Board and Executive levels. Our CEO, Peter Mence, has advised of his intention to retire as CEO in May 2027, allowing ample time for a well-managed transition, with the search for his successor expected to begin in late 2026.

In terms of Board succession, I will step down as the Chairman at the conclusion of the 2027 Annual Meeting, at the end of my current three-year term. The Board has agreed that Martin Stearne will succeed me as Chairman. Martin will also assume the role of Chair of the Remuneration and Nominations Committee later this year.

As mentioned, Directors Chris Gudgeon and Mike Pohio will retire at the conclusion of this meeting, and Alex Cutler, appointed in October 2024, will stand for re-election today with the Board's full endorsement. These planned changes reflect the Board's commitment to maintaining a balance of continuity and fresh perspectives to support Argosy's long-term performance.

I'll now hand over to Peter who will take you through a brief review of the business.

CEO REVIEW [SLIDE 12]

Thanks Jeff. Hello everyone. It's a great pleasure to be back here at the Squadron and to present the CEO report.

PORTFOLIO HIGHLIGHTS [SLIDE 13]

Key portfolio highlights for the period include sound portfolio metrics with occupancy at 96.5% and a weighted average lease term of 5.1 years. While our portfolio occupancy is solid, our core focus over the next twelve months will be to address residual vacancy and near-term expiries.

We continue to receive good enquiry for green properties with their vibrant and engaging environments. There is growing evidence around rental premiums between green and non-green buildings. A recent CBRE sustainability report found that more than 50% of Prime and B-Grade office occupiers are willing to pay a premium to be in space with high environmental performance (≥ 5 Green Star or NABERSNZ ratings). Green ratings also have a high correlation with building quality and occupancy.

As Jeff mentioned, over the financial year, Argosy completed 105 rent reviews, achieving annualised rental growth of 3.5%. These reviews were achieved on rents totaling \$76.5 million. At 86%, our tenant retention rate is also very solid.

Government tenant rental income represents over 30% of rental income and the Auckland Industrial portfolio contributes 47% of rental income.

PORTFOLIO AT A GLANCE [SLIDE 14]

These charts highlight our sector, location and core/value add weightings. Our portfolio was 53% weighted to Industrial at 31 March 2025 and, following the completion of our pipeline of green Value Add development Industrial sites, will continue to increase toward our target weighting of 60-70% over the medium term.

Seven properties have been identified as non-Core, with a combined current book value of \$147 million, and these properties are expected to be divested over the medium term.

DEVELOPMENT PROJECTS [SLIDE 15]

224 Neilson Street is the first of Argosy's Value Add green industrial estates and the development is progressing well. The 3.5ha site is strategically located, 8km from Auckland CBD with excellent access to State Highway 1, State Highway 20 and the wider transport network.

Argosy has successfully secured a 12-year lease agreement with national business, Bascik Transport, for the first warehouse and this lease commenced in April 2025.

Additionally, the second warehouse at Neilson Street, comprising 15,300 sqm of NLA and canopy, is on track for completion in October this year, with solid current leasing enquiry.

Warehouse B has been awarded a 6 Green Star – Design & As Built NZ v1.0 certified rating. Warehouse A is targeting a 6 Green Star Design and As Built rating.

Following completion, 224 Neilson Street is expected to have an end value of \$110 million, and a development margin of \$11.1 million.

Mt Richmond is a 10.6 hectare Value Add green development site in the central industrial precinct of Mt Wellington, only 15km from the Auckland CBD. The Mt Richmond development is an important part of our long term strategy given our positive view of the Industrial sector over the long term.

The first building at Mt Richmond has been committed with a new 10-year lease agreement with the global healthcare company Viatrix Ltd (with lease commencement in the first

quarter of 2026). This building includes 6,633 sqm of NLA and canopy and is targeting a 6 Green Star Built rating.

The business park has very solid metrics, including an IRR of 9.4%, and an expected total capital gain of \$44 million.

In 2024, Argosy unconditionally contracted to purchase 291 East Tamaki Road (and adjacent titles). This is a 4.6 hectare, level site in a well-established industrial precinct, just 2km from State Highway 1.

The initial purchase price and attendant capital works is \$60 million, and the fully-let holding return is 5.0%. The site is currently 58% leased, with the balance expected to be leased up soon after settlement, which will be in September or October 2025.

This strategic acquisition, when developed to a high 6 Green Star Built standard, will position the portfolio closer to the target Industrial weighting of 60-70%.

REVALUATIONS [SLIDE 16]

Annual valuations for the year to 31 March 2025 were performed by CBRE Limited, Colliers International New Zealand Limited and Jones Lang LaSalle Limited. The total unrealised revaluation gain was \$72.7 million, or 3.6% on book value, which compares to an unrealised revaluation loss for the year to 31 March 2024 of \$111.7 million.

An increase in net market rentals was the key driver of the revaluation increase. Of the annual increase, \$8.7 million was recognised in the interim result at 30 September 2024.

FINANCIAL PERFORMANCE [SLIDE 17]

Argosy reported net property income of \$116.9 million for the period, which was consistent with last year. Pleasingly, interest expense of \$41.6 million was lower than last year, which was due to a combination of lower overall debt levels, lower rates and higher capitalised interest.

After the revaluation gain mentioned earlier, there was a full-year net profit after tax of \$125.9 million, compared to a loss of \$54.5 million last year.

DISTRIBUTABLE INCOME/ADJUSTED FUNDS FROM OPERATIONS [SLIDE 18]

Net distributable income, which adjusts for non-cash items such as property valuations, was \$55.8 million, the same as last year. This year Argosy incurred incremental tax expense of \$2.8 million, following the Government's removal of tax deductions for depreciation on buildings.

Many of you will be aware of The Investment Boost policy, announced in this year's budget. This provides for a one-off 20% tax deduction for new building structures (that were available for use after 22 May 2025). It also provides for accelerated deductions for other newly acquired depreciable assets, such as fit-out.

Given the green development program we have underway it's clear this will be positive for Argosy.

Adjusted funds from operations (or AFFO), adjusts net distributable income for additional items such as incentives and leasing costs and maintenance capex. Maintenance capex are capital items that don't add to the value of the building. This includes items such as new roofs or cladding works.

Our dividend policy is to pay between 85-100% of AFFO, although the Board is comfortable being outside policy for limited periods to reduce dividend volatility. This year the payout ratio was 103% of AFFO, compared to 96% last year. As Jeff noted in his address, we expect to be within policy again in FY26.

LEASE EXPIRY PROFILE [SLIDE 19]

The team has worked hard to deliver solid leasing outcomes. The extended time to close leasing opportunities was evident during most of the year.

We completed 54 leasing transactions across 57,100m² during the year. Lease transactions were made up of new leases (22), renewals (24) and extensions (8). We have managed to retain many valued tenants and also attract new tenants to the portfolio.

With the benefit of current information, we expect to extend the biggest expiries coming up over each of the next three years.

MARKET INSIGHTS [SLIDE 20]

The strong bottom up fundamentals of the Industrial sector will continue to underpin growth. As economic conditions improve, it's expected the imbalance between new supply and net absorption (demand) will abate, reducing vacancy and improving rents.

In the Office sector flexible working environments continue, but full-time remote work is declining, and the building environment is increasingly in focus by employers as a means to get staff back to the office. The Government's desire to get more employees back to the office will be positive for Argosy. Although there are some cutbacks in Wellington, past trends indicate that core civil service numbers are resilient.

Current research by CBRE and JLL research has highlighted an expected shortage of sustainably rated buildings in both the commercial office and the industrial sectors over the next 5 years and Argosy is well positioned to benefit from such an occurrence.

Argosy's retail exposure is limited to Large Format Retail, predominantly at the Albany Mega Centre, where we have continued to enjoy high occupancy and solid rental growth.

OUTLOOK [SLIDE 21]

Argosy is very well placed. It has a strong balance sheet and a growing, high-quality portfolio of diversified properties with a clear focus on sustainability and green assets. Our large and increasing weighting to the Industrial sector will deliver security and stability to our cashflows and earnings.

Focus areas are to address existing vacancies and key expiries, progress existing green developments at Neilson Street and Mt Richmond and continue to position the business for the future.

And now I'll hand you back to the Chair for questions.

QUESTIONS [SLIDE 22]

Thank you Peter.

I will now open the meeting for questions about the Company's performance generally. Other issues can be addressed as General Business later in the meeting.

I would like to remind you that only Shareholders, proxy holders or Shareholder company representatives have a right to speak.

In addressing the Chair with questions would you please clearly state your name and advise whether you are a Shareholder, a proxy holder or a Shareholder company representative.

If you have a question, there are people here with cordless microphones in the aisles, please use these so we can all hear your question.

Do I have any questions from the floor or online?

QUESTIONS

As there are no further questions at this time, we will now consider the formal resolutions for the Meeting.

RESOLUTIONS [SLIDE 23]

The resolutions for consideration today may only be voted on by Shareholders, either in person or virtually or by proxy, and proxy holders and Shareholder company representatives present.

As noted earlier I have been provided with a record of the valid proxies received. Proxies have been received in respect of 372,867,519 shares and these have been audited by Deloitte. There are 860,975,391 shares on issue.

RESOLUTION 1 [SLIDE 24]

Resolution 1 proposes that Alex Cutler be elected as a Director.

Alex Cutler was appointed by the Board during the year and, being eligible, offers herself for election. The Board has determined that Alex Cutler, if elected, will be an Independent Director. I will now ask Alex to say a few words.

Are there any questions on this resolution from the room or online? *[pause for any questions]*

I now put to vote the resolution that Alex Cutler is elected as a director of the Company.

Please mark your voting papers or select your voting option on screen.

Note: Pause for people to complete voting papers.

Thank you, we will now move to the next resolution.

RESOLUTION 2 [SLIDE 25]

Resolution 2 seeks to authorise the Board to fix the auditor's fees and expenses.

Is there any discussion on this resolution from the room or online? *[pause for any questions]*

Please mark your voting papers or select your voting option on screen.

Note: Pause for people to complete voting papers.

As this is the final resolution, in a minute I will close voting. Please ensure that you have cast a vote on all resolutions. The votes will then be counted by Computershare who will now begin collecting the voting papers from within the room.

Note: Pause for people to complete voting papers.

That completes voting on all resolutions, online voting will now be closed and Computershare will complete collection of votes in the boxes being circulated.

Note: Pause for voting papers to be collected.

The votes collected from the room and online will be added to the proxies already received and the results will be compiled by Computershare, our registrar and scrutinised by the auditor. The results, once available, will be published on the Argosy website and provided to the NZX.

GENERAL BUSINESS [SLIDE 26]

I now move on to the general business of the meeting and open the floor for questions or comments.

Again, I ask that in addressing the Chair with questions would you please clearly state your name and advise whether you are a Shareholder, a proxy holder or a Shareholder company representative.

For those shareholders online, 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.

As I noted at the beginning of this 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 via email after the meeting.

I would like to remind you that only Shareholders, proxy holders or Shareholder company representatives have a right to speak or ask questions.

Note: General business discussion - if any.

CHAIRMAN'S CLOSING / THANK YOU [SLIDES 27/28]

That completes the formal business of the meeting.

Thank you everyone for your attendance and participation this afternoon.

I formally declare this meeting closed.

Please join us for some refreshments.

END.