Argosy

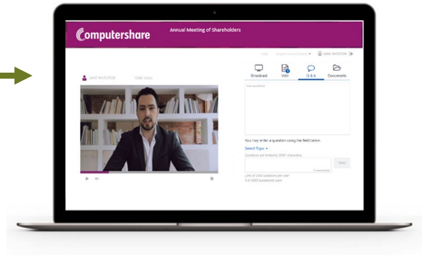
FY24 Annual Shareholders Meeting

18 June 2024

Hybrid ASM

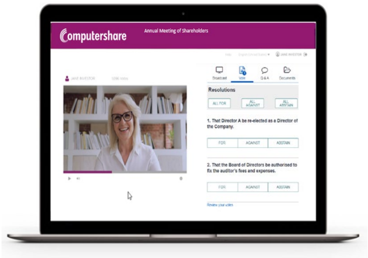
Asking questions

- 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 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
Chair

Stuart McLauchlan
Director

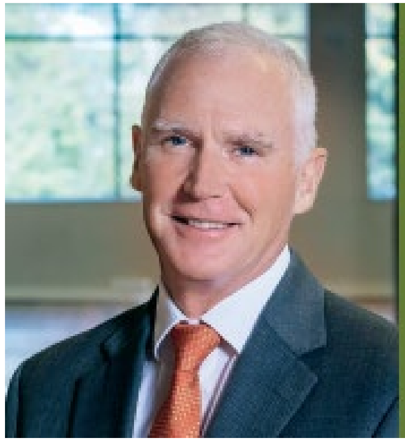
Martin Stearne
Director

Chris Gudgeon
Director

Mike Pohio
Director

Rachel Winder
Director

The Executive Team



Peter Mence
Chief Executive Officer

Dave Fraser
Chief Financial Officer

Agenda

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.

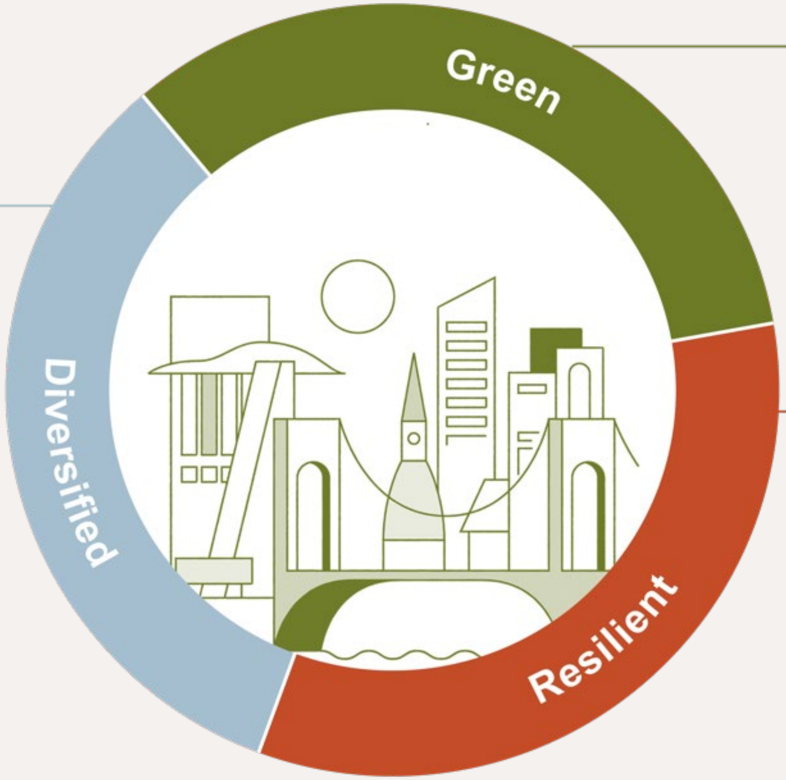
Chairmans Review

Chairmans Review

SOUND RESULTS IN A CHALLENGING MARKET, BUT EXECUTING ON STRATEGIC GOALS

- Achieved a sound result in the face of weakening environment
- Delivered on sustainability goals and carbon reduction plan
- Maintained or improved green building certifications
- Sound portfolio position with good exposure to Government sector
- Comfortable capital position with investment policy bands tweaked
- Dividend maintained for FY25

Building a better future



A diversified portfolio by sector and region

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

Targeting strategic growth opportunities with green potential and a focus on Auckland Industrial

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

Developing 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

Dividends

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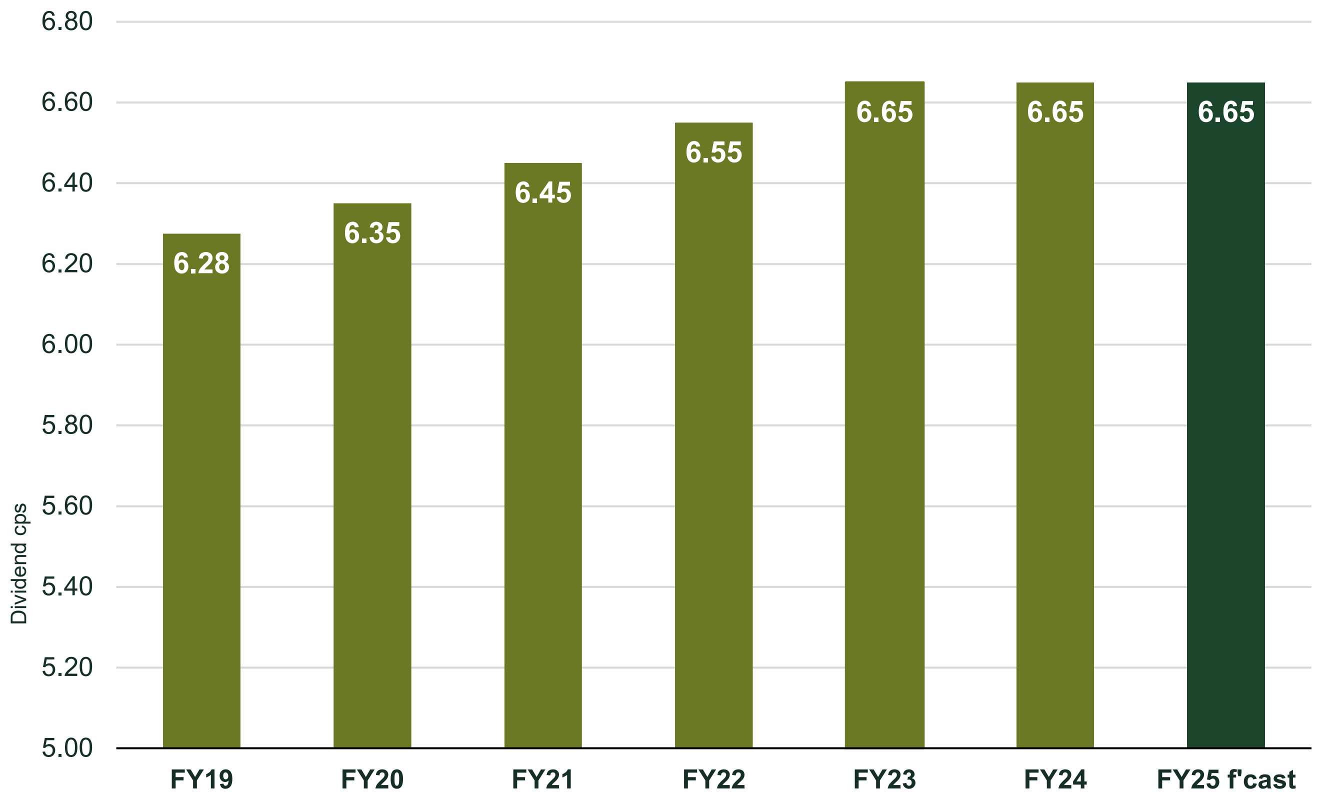
STEADY THROUGH TOUGH ECONOMIC CYCLES

- Our policy is to pay between 85-100% of AFFO earnings
- The Board will be comfortable being outside policy for limited periods to reduce volatility

6.65c

FY25 dividend guidance in line with prior year



CEO’s Review

Results Summary

$116.5m

Net property income increased 3.3%

6.65c

Full year FY24 dividend

1.6625c

Q4 final dividend declared

$1.45

NTA per share down from $1.58 driven by revaluation decline

-$55.3m

Full year net loss after tax, driven by -$111.7m revaluation decline

36.5%

Gearing comfortably in the middle of the target 30-40% band

Portfolio Highlights

96.7%
Occupancy

5.2yrs
Weighted Average Lease Term

3.3%
Like for like rental growth

85%
Tenant retention rate

34.4%
Government sector rental income

44%
Weighting to Auckland Industrial

Sustainability Commitment

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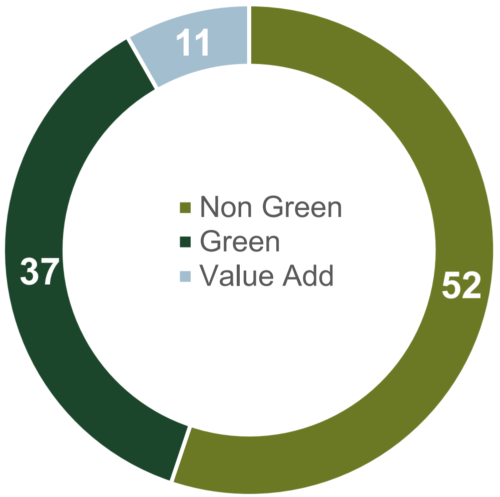
COHESIVE APPROACH ACROSS THE BUSINESS

To reduce our impact on the environment, create vibrant spaces for tenants, engage more with stakeholders and provide transparent and effective governance…

- Targeting >50% of the portfolio to be green by 2031
- Targeting carbon emission reductions of 17.5% by 2031
- Initial XRB climate disclosures completed in FY24
- Health & safety focus (zero harm)
- Ongoing engagement with our community
- Committed to high standards of corporate behaviour

Portfolio by Green Asset Type



Sustainability Reporting

- An important responsibility is to identify and assess the risks presented by climate change, just as we manage other risks facing our business.

Asset Performance Ratings

- Third party verification to validate building performance through a mixture of energy ratings (NABERSNZ) and internationally recognised systems (Green Star) for sustainable design, operational excellence, construction and community impact.

ESG Ratings

- ESG ratings provide stakeholders with a standardised way to evaluate our sustainability practices and ethical conduct against a global pool of companies. We are currently AA rated by MSCI.

Portfolio at a glance

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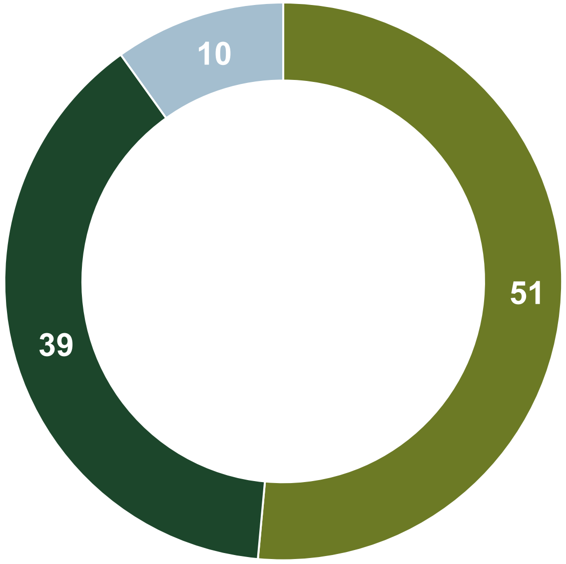
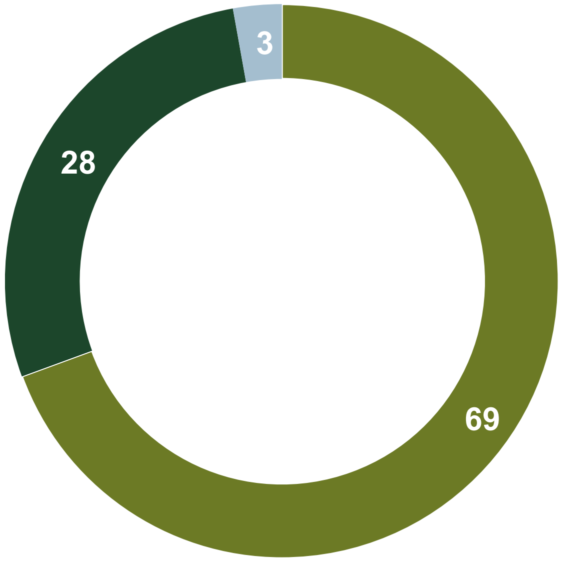
Sector by value %



Target Bands

■ Industrial (60-70%) ■ Office (20-30%) ■ LFR[1] (5-15%)

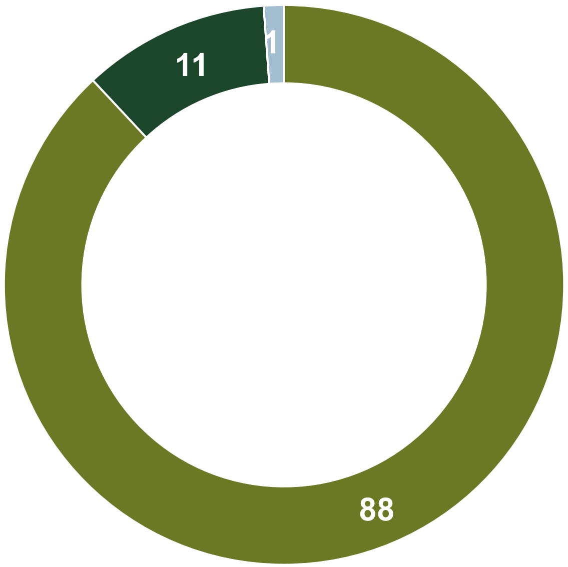
Region by value %



Target Bands

■ Auckland (70-80%) ■ Wellington (15-25%) ■ Regional[2] (0-10%)

Asset mix by value %



Target Bands

■ Core (75-90%) ■ Value Add ■ Divest

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

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Revaluations

CAP RATE SOFTENING ABATING, RENTAL GROWTH STILL EVIDENT

- Independent valuations as at 31 March were completed on all properties
- $111.7m decline reported, or 5.4% devaluation versus book values
- Four non Core properties divested above book value over the period for $93.1m

6.21%

Weighted average portfolio cap rate

	31 Mar 24 Book Value [1] ($m)	31 Mar 24 Valuation ($m)	△ $m	△ %	Mar 24 Cap rate %	Mar 23 Cap rate %
Auckland	1,439.8	1,369.7	(70.1)	(4.9%)	6.07%	5.66%
Wellington	585.8	548.2	(37.7)	(6.4%)	6.49%	6.25%
North Island Regional & South Island	59.9	56.0	(3.9)	(6.5%)	6.86%	6.25%
Total	**2,085.5**	**1,973.8**	**(111.7)**	**(5.4%)**	**6.21%**	**5.84%**

	31 Mar 24 Book Value [1] ($m)	31 Mar 24 Valuation ($m)	△ $m	△ %	Mar 24 Cap rate %	Mar 23 Cap rate %
Industrial	1,066.1	1,014.9	(51.2)	(4.8%)	5.94%	5.48%
Office	813.3	763.5	(49.9)	(6.1%)	6.45%	6.23%
Large Format Retail	206.0	195.5	(10.6)	(5.1%)	6.67%	6.25%
Total	**2,085.5**	**1,973.8**	**(111.7)**	**(5.4%)**	**6.21%**	**5.84%**

1. Book Value excludes September 2023 revaluation gain/loss

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.

Financial Performance

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SOLID TOP LINE GROWTH

- The net property income increase for the period was principally driven by solid like-for-like rental growth and development income from completed projects such as 8-14 Willis Street and 105 Carlton Gore Road
- Net interest expense was higher driven by higher floating interest rates, higher average debt and lower capitalised interest
- The full year revaluation decline reflected a 5.4% reduction on book value

$116.5m

NPI for the period, up 3.3%

	FY24 $m	FY23 $m
Net property income	116.5	112.8
Administration expenses	(11.6)	(10.8)
Profit before financial income/(expenses), other gains/(losses) and tax	**104.9**	**102.0**
Net interest expense	(43.7)	(36.3)
Gain/(loss) on derivatives	0.6	7.3
Other gains/(losses)		
Revaluation gains/(losses) on investment property	(111.7)	(146.6)
Realised gains/(losses) on disposal of investment property	(1.0)	(0.4)
Settlement for failed sale of investment property		3.0
Profit/(loss) before income tax attributable to shareholders	**(50.8)**	**(70.9)**
Taxation expense	(4.5)	(9.9)
Profit/(loss) and total comprehensive income/(loss) after tax	**(55.3)**	**(80.8)**
Earnings per share (cents)	(6.53)	(9.55)

Distributable Income

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SOUND RESULT

- Net distributable income for the year was $55.8m compared to $64.2m in the prior comparable period
- The variance from last year was driven primarily due to higher interest costs and higher taxation
- The prior comparable period also benefited from the receipt of a $3.0m settlement for the failed sale of the Albany Lifestyle Centre

$55.8m

Net distributable income

	FY24 $m	FY23 $m
Profit before income tax	**(50.8)**	**(70.9)**
Adjustments:		
Revaluation (gains)/losses on investment property	111.7	146.6
Realised losses/(gains) on disposal	1.0	0.4
Derivative fair value (gain)/loss	(0.6)	(7.3)
Gross distributable income	**61.2**	**68.7**
Depreciation recovered on disposals	0.9	0
Current tax expense	(6.3)	(4.5)
Net distributable income	**55.8**	**64.2**
Weighted average number of ordinary shares (m)	847.1	846.7
Gross distributable income per share (cents)	**7.23**	**8.11**
Net distributable income per share (cents)	**6.58**	**7.58**

Lease Expiry & Rent Review Profile

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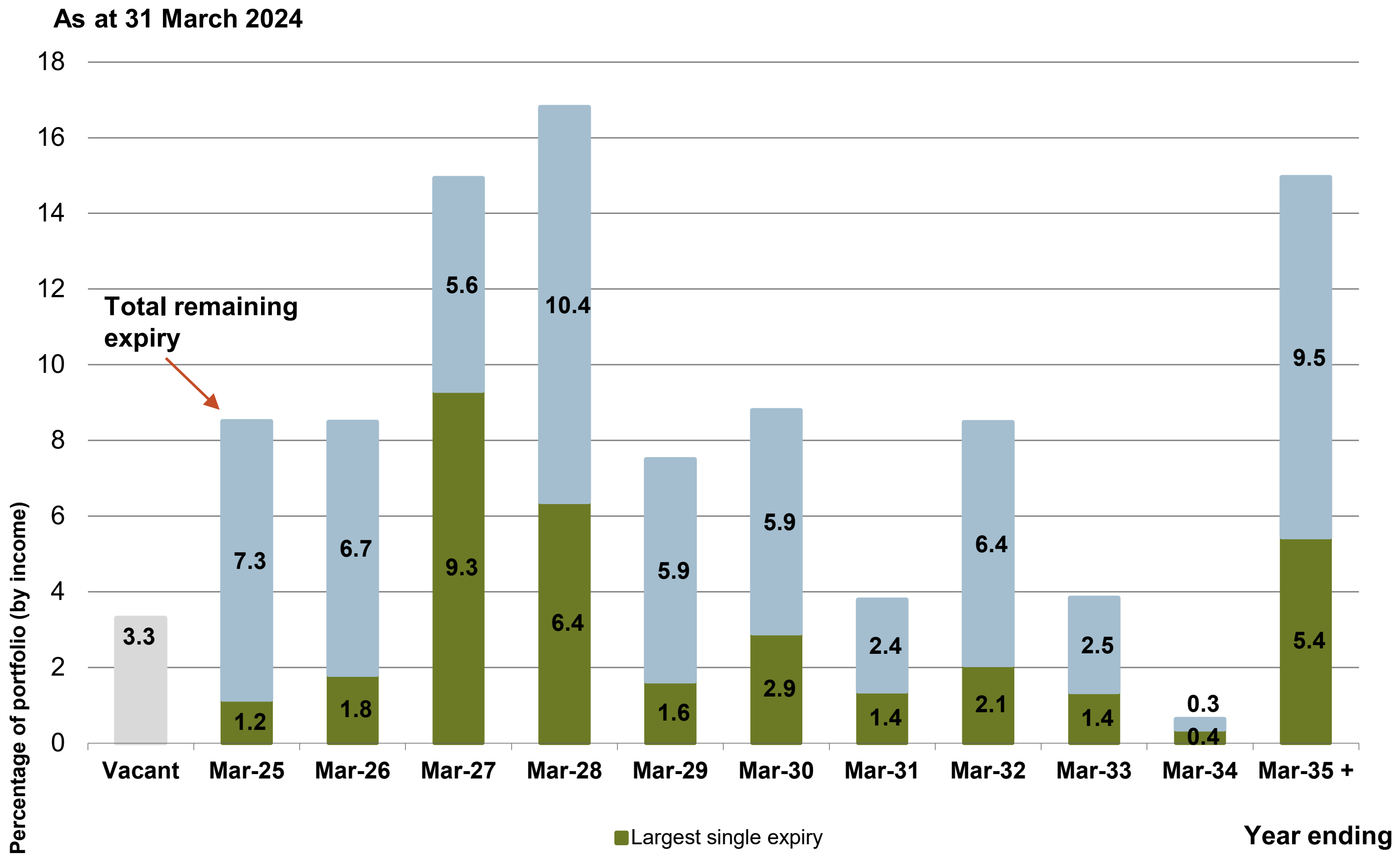
MEDIUM TERM LEASE EXPIRY PROFILE IS WELL MANAGED

- Largest single expiry remains MBIE in 2027
- Average annual expiry over the next three years is ~11%

3.5%

Annualised rent review growth over the year to 31 March



Market Insights

INDUSTRIAL

- Softer period of both supply and demand currently as projected for 2024 as both occupiers and developers struggle
- Limited land supply in Auckland and Wellington continues pressure on land values, with prime sites holding their value
- Rent continues to show some growth in well specified and well located assets
- Vacancy remains very low, with limited speculative supply and with little expansion capacity
- Modest reduction in construction costs reduces rental growth pressure

OFFICE

- Flexible working environments continue but working from home and full-time remote work are declining
- Changes in the way space is used, focusing on the environment, now a staff attraction matter
- Continued focus from tenants on sustainability/green
- Increase in desire for flexibility in lease terms from tenants
- Wellington vacancy levels have increased and are expected to increase further, particularly in secondary locations and for poorer quality stock (seismic issues)

LARGE FORMAT RETAIL

- Retail turnover rates have declined significantly on a per capita basis
- Discretionary lines showing a significant drop in sales
- Online proportion of total sales continues to reduce
- Large Format Retail continues to receive solid demand in prime locations
- "Moving of the deck chairs" as market share changes
- Retailers consolidating to a fewer number of locations
- Increased costs of operation are giving affordability issues

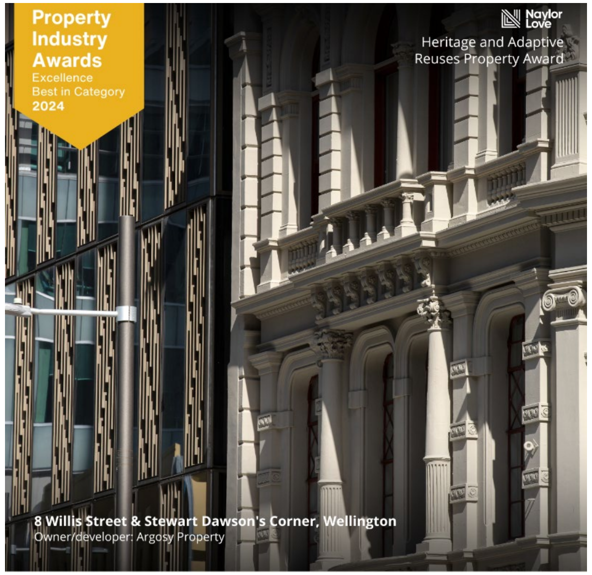
OUTLOOK

STAYING FOCUSED ON ACHIEVING STRONG OPERATIONAL RESULTS AND EXECUTING ON STRATEGIC GOALS

- New Zealand's domestic economy continues to experience challenging headwinds from stubborn inflation and restrictive interest rates.
- The diversified portfolio exposure continues to provide a degree of resilience.
- Argosy is well placed, with a solid capital position to continue to transform towards a green & environmentally sustainable business.
- Our key focus areas for 2025 are to:

  1. deliver strong operational results by addressing key expiries, leasing up remaining vacancies and achieving strong rental growth;
  2. deliver on key strategic objectives including green developments and other value add opportunities;
  3. achieve Green Star & NABERSNZ certifications; and
  4. divest low growth assets and reinvest proceeds into green developments.


Property Industry Awards
Supreme Winner
2024
Property Industry Awards
Excellence
Best in Category
2024
Property Industry Awards
Excellence
2024
RLB Rider Levett Bucknall
Supreme Award
8 Willis Street & Stewart Dawson's Corner, Wellington
Owner/developer: Argosy Property


Property Industry Awards
Excellence
Best in Category
2024
Naylor Love
Heritage and Adaptive Reuses Property Award
8 Willis Street & Stewart Dawson's Corner, Wellington
Owner/developer: Argosy Property


Property Industry Awards
Excellence
Best in Category
2024
RCP
Commercial Office Property Award
8 Willis Street & Stewart Dawson's Corner, Wellington
Owner/developer: Argosy Property


Property Industry Awards
Excellence
2024
Resene
Sustainable Building Property Award
Stantec Building, Auckland
Owner/developer: Argosy Property


Property Industry Awards
Merit
2024
RCP
Commercial Office Property Award
105
Stantec Building, Auckland
Owner/developer: Argosy Property

Questions

Resolutions

Resolution 1

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- That Jeff Morrison be elected as a Director

Resolution 2

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- That Stuart McLauchlan be elected as a Director

Resolution 3

- That the Directors remuneration pool be increased by $25,000 to $853,000 per annum

Resolution 4

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

General Business

Closing of Meeting.

Thank you

Thank you

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

18 June 2024