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PCNZ Awards

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Peter Mence gives a brief business update

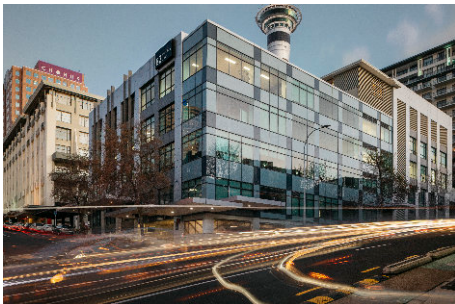
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Key stats as at 28 February 2021

Investor Update

Green is Excellence!

Property Council
New Zealand



Argosy submitted its property at 82 Wyndham Street for consideration in the 2020 Property Council New Zealand Awards held in late September. Unfortunately, a potential Covid-19 community transmission case in the CBD meant that on the awards night, Argosy was one of many organisations who decided against attending the Vector Arena based event where 2,000 people would be in attendance.

Resene Green Building Award - Excellence

Despite the Argosy team not being able to attend, the building was awarded Excellence under the Resene Green Building Award category (four other nominees) and Merit in the RCP Commercial Property Award category (six nominees).



Big thanks to our tenants Panuku and Boffa Miskell and all our other partners who make this happen.”

—
Saatyesh Bhana, Head of Sustainability

Saatyesh Bhana said “The project shows us that existing buildings can be effectively repurposed to provide a low carbon alternative to demolishing and building new buildings.” The project turned a previously low grade building with short term leases into an attractive A grade building with longer leases to high quality tenants.

Three NabersNZ Ratings over 5 Stars

Currently, 82 Wyndham is the only building in New Zealand to have a 5 Green Star Office Built rating and three NabersNZ ratings over 5 Stars: 5.5 Star NabersNZ Energy Base Build rating; 5 Star NabersNZ Energy Whole Build rating; and 5 Star NabersNZ Tenancy (Panuku) rating.

Three NabersNZ ratings over

5 Stars



Saatyesh Bhana, Head of Sustainability at Argosy Property Limited holding a repurposed sports trophy in the Argosy office. He was presented this in lieu of missing out on attending the formal presentation at Vector Arena where Argosy was awarded Excellence under the Resene Green Building Award category

Snapshot

Covid Couple!



In April 2020, Argosy Asset Manager Shamus O'Halloran and his fiancée Maddy Disberry were supposed to have been married in Hawaii. Friends and family were travelling from around the world to attend. However, the Covid-19 global pandemic meant they had to cancel their wedding. One year on, a rescheduled wedding for 13th of February this year saw Shamus and Maddy finally tie the knot on Hahei Beach in the Coromandel, just two days before Auckland's Level 3 Lockdown! Despite the second 'close contact' call with Covid-19, the big day went down without a hitch with the happy couple celebrated with friends and family. Congratulations Mr & Mrs O'Halloran!

Welcome Back Anna!



Argosy welcomes back Anna Hamill returning after a year of maternity leave. Having had her second child, Jacob, Anna is back as Argosy's Financial Controller, a position she's held for the last 7 years. Anna's responsibilities include overseeing the financial and management reporting as well as the budgeting functions of the Company. Welcome back to year end reporting Anna!

Business update

Calendar 2020 certainly proved to be one of the most challenging ones in recent years.

Rent reviews and leasing

The economic impact of NZ's most recent two lockdowns remains to be seen but it was clearly not positive. While we are cautiously optimistic about the future, we can't rule out further headwinds appearing in the near term.

Since the FY21 interim results in November, we have continued to be very active delivering on strategy and the remaining FY21 focus areas. I'm very pleased to report on our progress across a range of areas.

For the 11 months to 28 February, we had good results completing 104 rent reviews, achieving annualised rental growth of 3.5%. These reviews were achieved on rental income totalling \$72.0m. On rents subject to review by sector, we achieved annualised rental growth of 3.1% on industrial rent reviews, 4.7% for office rent reviews and 2.3% for large format retail rent reviews. Auckland accounted for 72% of all reviews and achieved a 3.0% annualised increase and Wellington a 5.0% increase.

Leasing activity has been solid over the second half of FY21 and for the 11 month period to the end of February 2021, Argosy completed 33 leasing transactions including 17 renewals, 8 new leases and 8 extensions. As at 28 February 2021, Argosy had 1% of leases expiring by income to 31 March 2021 an improvement from 10.8% at 1 April 2020. Despite Covid-19, positive leasing outcomes achieved over the year include:

- Parliamentary Corporation for 3 years at 147 Lambton Quay;
- Waitemata DHB for 6 years at 308 Great South Road;
- Health NZ City Limited for 7 years at Citibank;
- Danske Mobler for 6 years at Albany Lifestyle Centre;
- Kanteen Limited for 6 years at 7WQ;
- Citibank Group for 5 years at 23 Customs Street; and
- NZ Van Lines extended for a further 3 years at 19 Barnes Street.

Divestments and acquisitions

Over the course of FY21 Argosy has been executing on its capital management plan which includes the divestment of assets which no longer meet investment policy criteria.

Peter Mence Chief Executive Officer



Prior to February 2021, Argosy had divested \$74m across four properties on a weighted average premium to book value of 6.3%. In February, the Albany Lifestyle Centre was unconditionally sold for \$87.5m (book value) with the proceeds to be applied to value add developments in our pipeline. Settlement is expected to occur on or around 30 April 2021.

In October Argosy announced the acquisition of the Mt Richmond industrial estate in Mt Wellington, for \$76m. The purchase includes two titles across 10.6 hectares of land and 23,000m² of buildings on an initial yield of 4.7% p.a. Settlement will be late March. The redevelopment potential of the large sites provides Argosy with the opportunity to create a material green industrial estate delivering long term value and driving earnings and capital growth.

Development update

8-14 Willis Street, Wellington, Statistics New Zealand. This \$71m green development targeting a 6 Green Star rating continues. Productivity is back at pre Covid-19 levels despite the 1 week return to Level 2 in February. As noted in October 2020, the project will now also include an 11th floor to the 8-14 Willis St building at an additional cost of \$6.8 million. The tenant, Statistics New Zealand, will pay gross rent of \$539 per m² for the additional space of 1,175m². The yield on incremental cost is 7.2%. The project completion is forecast to be February 2022.

7 Waterloo Quay. Argosy has also negotiated a new 9-year lease with The Teachers Council (TTC). The new lease is for Level 11 on a gross rental of \$510 per m². This takes the buildings occupancy to 89% and Argosy is in negotiations with one of the existing government tenants to lease the whole of Level 9.

I look forward to updating you all further at our FY21 annual results to be announced on 19 May.

Environmental, Social and Governance Update

Through FY21 Argosy has continued to engage and grow on its social responsibility commitment in local communities. Below we provide an update of some of the outcomes achieved by the local community organisations that Argosy supports.



Pirates and Pizza Day - Spirit of Adventure Trust & Star Jam

On December 5th Argosy and its Community Partner, The Spirit of New Zealand Trust combined forces to host the 2nd annual Pirates & Pizza Day for the kids and families of StarJam. Argosy staff are involved with Star Jam which inspires young people with disabilities to express themselves through music, dance, singing and performance.

The 2020 Pirates & Pizza day saw almost 70 attendees come out for another wonderful day on the Waitemata. A big thanks again goes to team at The Spirit of Adventure Trust for making such a day possible for these kids and families.



Argosy looks forward to the 2021 Pirates & Pizza Day with the Star Jam families and Spirit of Adventure Trust.



“Thanks so much! Becky had such a great time and we really appreciated the opportunity for her to go on board and have a morning of pirate fun! .”

Becky's Dad



Environmental – Kāinga Ora Green Building Certificate

Kāinga Ora were recently presented with their Green Building Certificate for the build & fitout for their offices at Carlton Gore Road, Newmarket. Kāinga Ora CEO, Andrew McKenzie acknowledged Argosy's efforts, “We are committed to achieving these goals but we can't do it on our own so thank you for the work you have done with this building to help us work better.” New Zealand Green Building Council CEO, Andrew Eagles thanked the Kāinga Ora team for being a leader in this country's efforts to produce buildings that achieve a cleaner, pollution free, zero carbon Aotearoa.



2021 Retail Roadshow - planning underway

Covid-19 was a major disruptor to the Retail Roadshow in 2020. However, Argosy is hoping for better luck in 2021 and has planned a Retail Roadshow for July. Its well known that the benefit of catching up with investors across the country provides Management and Directors the opportunity to present to the local investor community in the regions face to face. Given its been a while since management has been around the country, lockdowns aside, the team look forward to catching up with many investors later in the year. Investors will be advised of the exact dates in due course.



Annual Shareholders Meeting (ASM) - hybrid again

Argosy will host its second Hybrid Annual Shareholders Meeting (ASM) in June 2021. The hybrid functionality of the ASM allows investors to attend 'virtually' and participate in all elements of the ASM including being able to ask questions and complete all voting. Argosy's Chairman Jeff Morrison and Chief Executive Officer Peter Mence will both address attendees on Argosy's performance for the 2021 financial year. The location, date and time of the 2021 ASM will be advised in due course.

Properties

54

Tenants

157

WALT

5.5yrs

Weighted average lease term

Portfolio

\$1.85b

Total portfolio value

Occupancy

99.1%

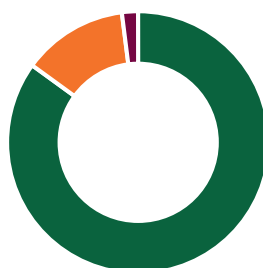
Occupancy (by rent)

Total portfolio update By sector



- 44% Industrial
- 45% Office
- 11% Retail

Portfolio mix by asset type



- 85% Core
- 13% Value Add properties
- 2% Properties and land to divest

Total portfolio value by region



- 69% Auckland
- 29% Wellington
- 2% Nth Island regional & Sth Island

Dividend

The **3RD QUARTER DIVIDEND** for the 2021 financial year of 1.6125 cents per share, with imputation credits of 0.140594 cents per share attached, will be paid on 30 March 2021. The record date for the dividend was 17 March 2021 and the payment date is 30 March 2021.

Important dates

FY21 Q3 DIVIDEND PAYMENT

30 MAR 2021

FY21 ANNUAL ANNOUNCEMENT

19 MAY 2021

FY21 Q4 DIVIDEND PAYMENT

JUNE 2021

FY22 Q1 DIVIDEND PAYMENT

SEP 2021

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