



Argosy

FY21

## Interim Results

Managing  
through Covid-19

26.11.2020

Argosy Property Limited



“Our strength lies in the diversity of our portfolio by sector, location and tenant mix, providing flexibility to support our tenants changing needs, ensuring a resilient business through various economic cycles.”

Peter Mence  
CEO

# Agenda

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PRESENTED BY



**Peter Mence**  
CEO



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CFO

**Note:** This results presentation should be read in conjunction with the NZX release dated 26 November 2020. 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.

# Highlights



# FY21 Interim Result

21.5%

Net distributable income increase

3.8%

Annualised rent increase on rents reviewed

\$1.41

A 8.5% increase in NTA driven by a \$79.8m revaluation gain

\$125m

A 3<sup>rd</sup> successful 7 year green bond issue

6.45cps

Full year FY21 dividend guidance increased by 1.6%

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# Strategy / Portfolio



# Create. Manage. Own.

*Proactive delivery of sustainable growth*



**An environmentally focused & sustainable business**

**Transition value add properties** to drive earnings and capital growth

**Execution of tenant led green development opportunities**



**A diversified portfolio of high quality, well located assets** with growth potential

**Real estate with a primary focus on Auckland & Wellington markets**

**Target off-market opportunities** or contiguous properties with potential



*Manage all elements of the business to deliver the right outcomes for all our stakeholders.*



**Strong and valued relationships** across all key stakeholders

**Safe working environments** for Argosy's people and its partners

**A commitment to management excellence**

*Own the right assets, with the right attributes in the right New Zealand locations.*

# 2021 Focus

## Create

Proactive delivery of sustainable growth.



- ▶ Maintain our green / sustainable focus on all acquisition and development opportunities. ✓
- ▶ Continue transitioning Value Add opportunities to drive earnings and capital growth. ○
- ▶ Make appropriate risk / reward decisions, with pre-commitments preferred on all developments. ✓

## Manage

Manage all elements of our business to deliver the right outcomes for all our stakeholders.



- ▶ Carefully manage our way through Covid-19 to minimise the financial impact. ✓
- ▶ Work closely with our tenants to ensure high retention rates and the key expiries/vacancies are addressed early. ✓
- ▶ Lease up the balance of 7 Waterloo Quay. ○

## Own

Own the right assets, with the right attributes in the right locations.



- ▶ Ensure all existing developments in progress recommence swiftly and safely. ✓
- ▶ Divest non Core assets to recycle into green developments, both existing and planned. ✓
- ▶ Continue to invest in a diverse range of properties across sectors, locations and tenants. The current focus is on strategic Value Add Auckland industrial opportunities. ✓



Portfolio Snapshot

\$1.92B

Note: Portfolio value excludes assets held for sale.

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# Portfolio highlights

99.4%

Occupancy

5.7 yrs

Weighted average lease term  
(WALT)

5.2%

Like for like rental growth

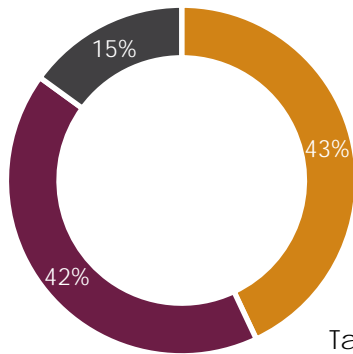
\$79.8m

Desktop revaluation gain, 4.3%  
above 30 September book values

# Portfolio at a glance

\$1.92 BILLION<sup>1</sup> @ 30 SEPTEMBER 2020

TOTAL PORTFOLIO VALUE  
BY SECTOR



■ Industrial

■ Office

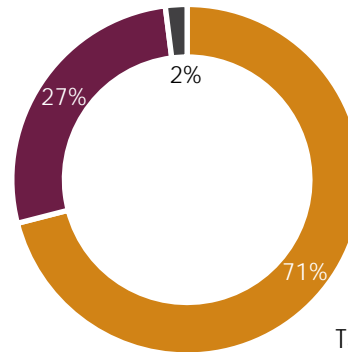
■ Large Format Retail

Target Bands  
45-55%

30-40%

10-20%

TOTAL PORTFOLIO VALUE  
BY REGION



■ Auckland

■ Wellington

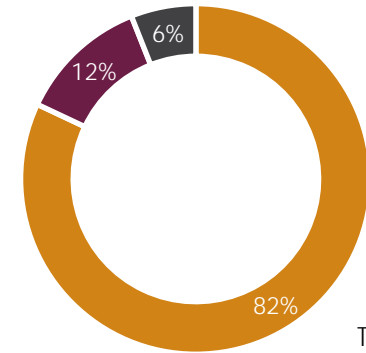
■ Regional North Island & South Island<sup>2</sup>

Target Bands  
65-75%

20-30%

<10%

TOTAL PORTFOLIO VALUE  
BY ASSET MIX



■ Core

■ Value Add

■ Non Core

Target Band  
75-90%

-

-

1. Interim desktop valuations have been completed for the period to 30 September 2020. Metrics exclude Held for Sale assets.

2. Includes up to 5% allocation to the Golden Triangle area between Auckland, Tauranga and Hamilton.

# Sector Summary



INDUSTRIAL

Number of buildings

**34**

Market value of assets (\$m)

**\$821.1**

Occupancy (by income)

**100%**

Weighted average lease term (WALT)

**6.6yr**

Contract yield

**5.59%**



OFFICE

Number of buildings

**16**

Market value of assets (\$m)

**\$810.2**

Occupancy (by income)

**98.7%**

Weighted average lease term (WALT)

**5.1yr**

Contract yield

**6.48%**



LARGE FORMAT  
RETAIL

Number of buildings

**5**

Market value of assets (\$m)

**\$285.8**

Occupancy (by income)

**100%**

Weighted average lease term (WALT)

**4.9yr**

Contract yield

**6.44%**

# Value Add

## OPPORTUNITIES TO DRIVE CAPITAL GROWTH AND EARNINGS

- ▶ Value Add properties total 12% of the portfolio.
- ▶ Several development projects have either completed (e.g. 54-56 Jamaica Drive and 107 Carlton Gore Road) or underway.
- ▶ Some pre Covid-19 Value Add green opportunities have been deferred for the time being.
- ▶ Transforming Value Add assets into green developments where possible remains a key focus.

Property - Value Add	Sector	Location	Valuation <sup>1</sup> \$m
5 Unity Drive, Albany	Industrial	Auckland	7.6
15 Unity Drive, Albany	Industrial	Auckland	5.5
133 Roscommon Road, Wiri	Industrial	Auckland	10.4
<b>224 Neilson Street, Onehunga</b>	<b>Industrial</b>	<b>Auckland</b>	<b>32.0</b>
<b>101 Carlton Gore Road, Newmarket (deferred)</b>	<b>Office</b>	<b>Auckland</b>	<b>28.1</b>
<b>105 Carlton Gore Road, Newmarket (deferred)</b>	<b>Office</b>	<b>Auckland</b>	<b>32.0</b>
<b>8-14 Willis Street/360 Lambton Quay (underway)</b>	<b>Office</b>	<b>Wellington</b>	<b>111.7</b>
<b>TOTAL \$m</b>			<b>227.3</b>

**+\$227m**

In Value Add properties with potential to deliver earnings and capital growth

1. Desk top valuations performed as at 30 September 2020.

# Green Strategy



SH1

Mt Richmond Properties

Great South Road

Bell Ave Properties

32

12-16

18-20

Argosy

# 8-14 Mt Richmond Drive & 2 Doraval Place, Mt Wellington (Mt Richmond Properties)



## Acquisition metrics



Acquisition price	\$76 million
Expected settlement	27 March 2021
Initial Yield	4.7%
Lease term	1. To December 2027, with break clause in January 2024 2. February 2022 (Licence Agreement)
NLA	10.64 hectares, 23,000sqm of existing buildings

## Acquisition Investment Thesis / Strategy

- ▶ Only 15km from the Auckland CBD.
- ▶ Prime industrial location with direct access to Mt Wellington highway.
- ▶ Attractive initial holding yield provides positive cashflow.
- ▶ Mt Wellington industrial market has low forecast supply with inventory tightly held.
- ▶ Development potential for 40,000sqm of warehouse and 4,000sqm of office.
- ▶ Strategy is for green developments.

# Current Developments

## GREEN DEVELOPMENTS REMAIN THE KEY FOCUS

Development	Major Tenant	Type	Location	Cost to complete	Forecast completion	FY 2021		FY 2022	
						Sep-20	Mar-21	Sep-21	Mar-22
<b>Underway / commenced</b>									
7WQ	Various Crown tenants	OFF	WTN	19.3	Mar-21				
8-14 Willis Street <sup>1</sup>	Statistics New Zealand	OFF/RET	WTN	40.3	Feb-22				
<b>TOTAL</b>				<b>59.6</b>					

Green Developments ■

Standard Developments ■

- ▶ **7WQ:** Additional work on the exterior façade of the building should be completed by the time the tower scaffolding is removed, set for 31 March 2021.
- ▶ **8-14 Willis Street/360 Lambton Quay:** The project will now also include an 11th floor of 1,175m<sup>2</sup>, costing \$6.8m. The yield on incremental cost is 7.2%. The development was forecast to complete in August 2021, however supply chain delays arising from Covid-19, design changes and the additional floor have resulted in a new expected programme completion date of February 2022.
- ▶ **Other green developments:** The 101 Carlton Gore Road and 105 Carlton Gore Road green projects have been deferred due to Covid-19.

# 7.2%

Incremental yield on cost on capex for 11<sup>th</sup> floor at 8-14 Willis Street

<sup>1</sup>. Includes 360 Lambton Quay (formerly Stewart Dawson Corner).



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# 7WQ Leasing, Façade Works and Insurance

## PROGRESS CONTINUES

### ▶ *Reinstatement / Seismic Works*

- ▶ Reinstatement of all office floors now complete. Residual make-good works around the interchange are nearing completion. The building is currently 82% leased with a WALT of 8.7 years.
- ▶ Argosy is in discussions with several potential tenants (including the Crown) for the remaining 3,650m<sup>2</sup> of space on Levels 9, 11 and 12.
- ▶ The exterior façade of the building requires additional work and Argosy now expects this to cost approximately \$15.5 million versus \$10.0 million previously but with enhanced operational performance outcomes offsetting the additional cost (this work does not relate to the insurance claim referred to below). The timing of any works will be considered around the programmed removal of the tower scaffolding which is currently set for March 2021.

### ▶ *Insurance Claim*

- ▶ Argosy has submitted 16 interim claims in respect of material damage and business interruption to 30 September 2020.
- ▶ Argosy continues to work with insurers towards resolution of its claim.

# Revaluations

## CAP RATE FIRING AND RENTAL GROWTH KEY DRIVERS OF INCREASE

- ▶ For the six months to 30 September, the portfolio recorded a revaluation gain of \$79.8m or 4.3%.
- ▶ The portfolio market yield firmed 27bps.
- ▶ Regionally, Auckland again contributed the biggest revaluation gain in dollar terms of \$54.0m above book value (68% of the total), or 4.1%.
- ▶ By sector, Industrial reported a \$44.1m revaluation gain (55% of the total), an increase of 5.7% above book value.
- ▶ Wellington recorded the biggest yield compression at 51bps largely driven by market rent reviews in the office portfolio.

	30 Sep 20 Book Value (\$m)	30 Sep 20 Valuation (\$m)	Δ \$m	Δ %	Market Yield <sup>1</sup>	
					30 Sep 20	31 Mar 20
Auckland	1,304.9	1,358.9	54.0	4.1%	6.00%	6.22%
Wellington	495.5	518.9	23.4	4.7%	6.68%	7.19%
North Island Regional & South Island	36.9	39.3	2.4	6.5%	6.73%	6.98%
<b>Total</b>	<b>1,837.3</b>	<b>1,917.1</b>	<b>79.8</b>	<b>4.3%</b>	<b>6.14%</b>	<b>6.41%</b>

	30 Sep 20 Book Value (\$m)	30 Sep 20 Valuation (\$m)	Δ \$m	Δ %	Market Yield	
					30 Sep 20	31 Mar 20
Industrial	777.0	821.1	44.1	5.7%	5.93%	6.17%
Office	788.8	810.2	21.4	2.7%	6.53%	6.83%
Large Format Retail	271.5	285.8	14.3	5.3%	5.93%	6.23%
<b>Total</b>	<b>1,837.3</b>	<b>1,917.1</b>	<b>79.8</b>	<b>4.3%</b>	<b>6.14%</b>	<b>6.41%</b>

1. The Market Yield 30 September 2020 is excluding 7 Waterloo Quay and 8-14 Willis Street/360 Lambton Quay. The Market Yield 31 March 2020 is excluding 7 Waterloo Quay, 8-14 Willis Street/360 Lambton Quay, 180 Hutt Road & 54-56 Jamaica Drive.

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.

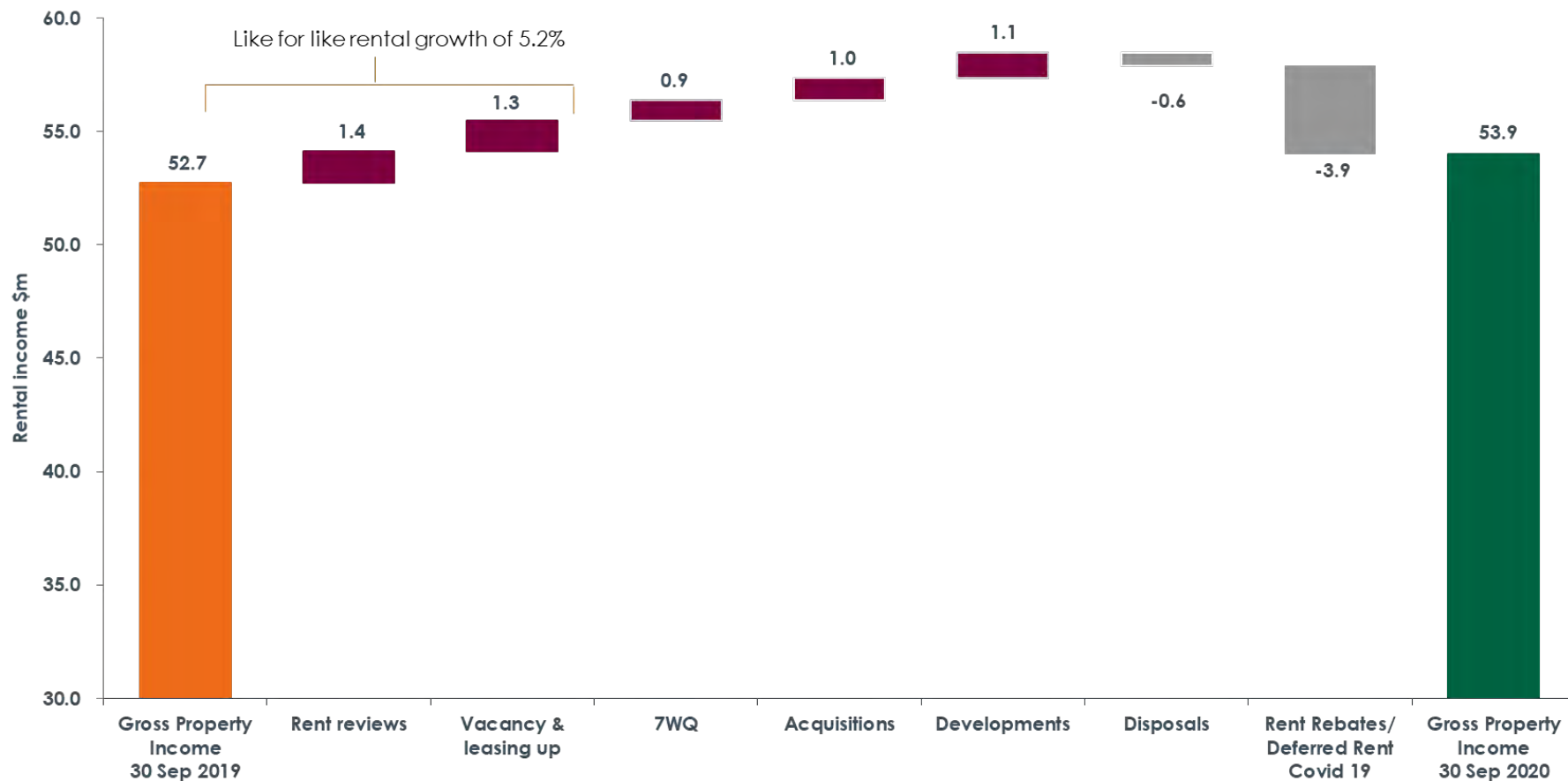
# Financials





# Income Reconciliation

## STRONG OPERATIONAL RESULTS OFFSET BY ONE-OFF COVID-19 IMPACTS



20 —

# Financial Performance

## RESILIENT OPERATIONAL PERFORMANCE

- ▶ Like-for-like gross rental growth of 5.2% during the period.
- ▶ Strong gross rental growth was offset by Covid-19 rental abatements and lower insurance proceeds at 7WQ.
- ▶ Interest expense rose primarily due to lower capitalised interest as developments completed.
- ▶ Forfeited deposit of \$4.5m from the incomplete sale of Albany Lifestyle Centre.
- ▶ Interim desk top revaluation gain, equating to a 4.3% increase above book value.

	1H21	1H20
	\$m	\$m
Net property income	51.1	51.0
Administration expenses	(5.9)	(5.6)
<b>Profit before financial income/(expenses), other gains/(losses) and tax</b>	<b>45.2</b>	<b>45.4</b>
Net interest expense	(14.2)	(11.1)
Gain/(loss) on derivatives	0.1	(3.6)
Revaluation gains	79.8	50.8
Forfeited deposit on sale of property	4.5	-
Realised gains/(losses) on disposal	1.0	(0.0)
Earthquake expenses	(0.5)	(0.2)
<b>Profit before tax</b>	<b>115.9</b>	<b>81.3</b>
Taxation expense	(1.3)	(4.4)
<b>Profit after tax</b>	<b>114.6</b>	<b>76.9</b>

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

# Distributable Income

## INCREASE IN NET DISTRIBUTABLE INCOME PER SHARE

- ▶ After non-cash adjustments and current tax, net distributable income increased by \$6.4 million or 21.5%.
- ▶ Tax expense was lower due to depreciation on buildings and asbestos removal deductions.

# 4.35cps

1H21 Net Distributable Income per share, a 21.2% increase on the prior comparable period

	1H21 \$m	1H20 \$m
<b>Profit before income tax</b>	<b>115.9</b>	<b>81.3</b>
Adjusted for:		
Revaluations gains	(79.8)	(50.8)
Realised losses/(gains) on disposal	(1.0)	0.0
Derivative fair value (gain)/loss	(0.1)	3.6
Earthquake expense net of recoveries	0.5	0.2
<b>Gross distributable income</b>	<b>35.6</b>	<b>34.3</b>
Depreciation recovered	0.0	-
Current tax expense	0.4	(4.6)
<b>Net distributable income</b>	<b>36.0</b>	<b>29.7</b>
Weighted average number of ordinary shares (m)	829.0	827.1
Gross distributable income per share (cents)	4.29	4.14
Net distributable income per share (cents)	4.35	3.59

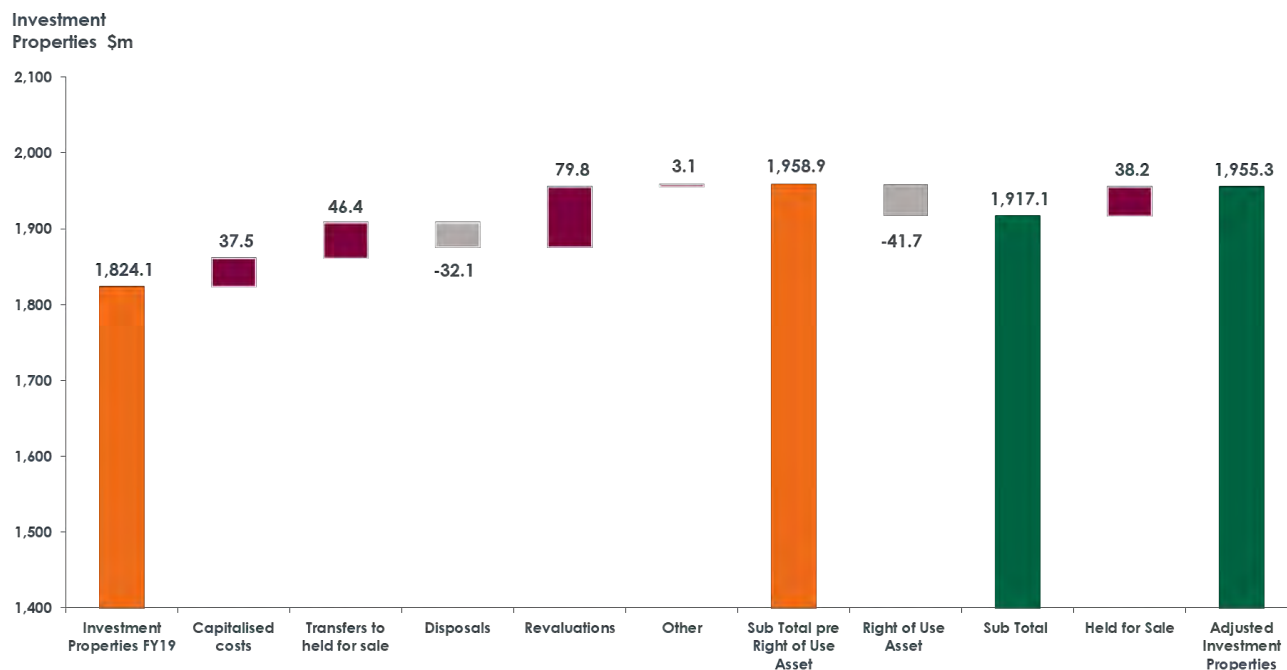
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# Investment Properties

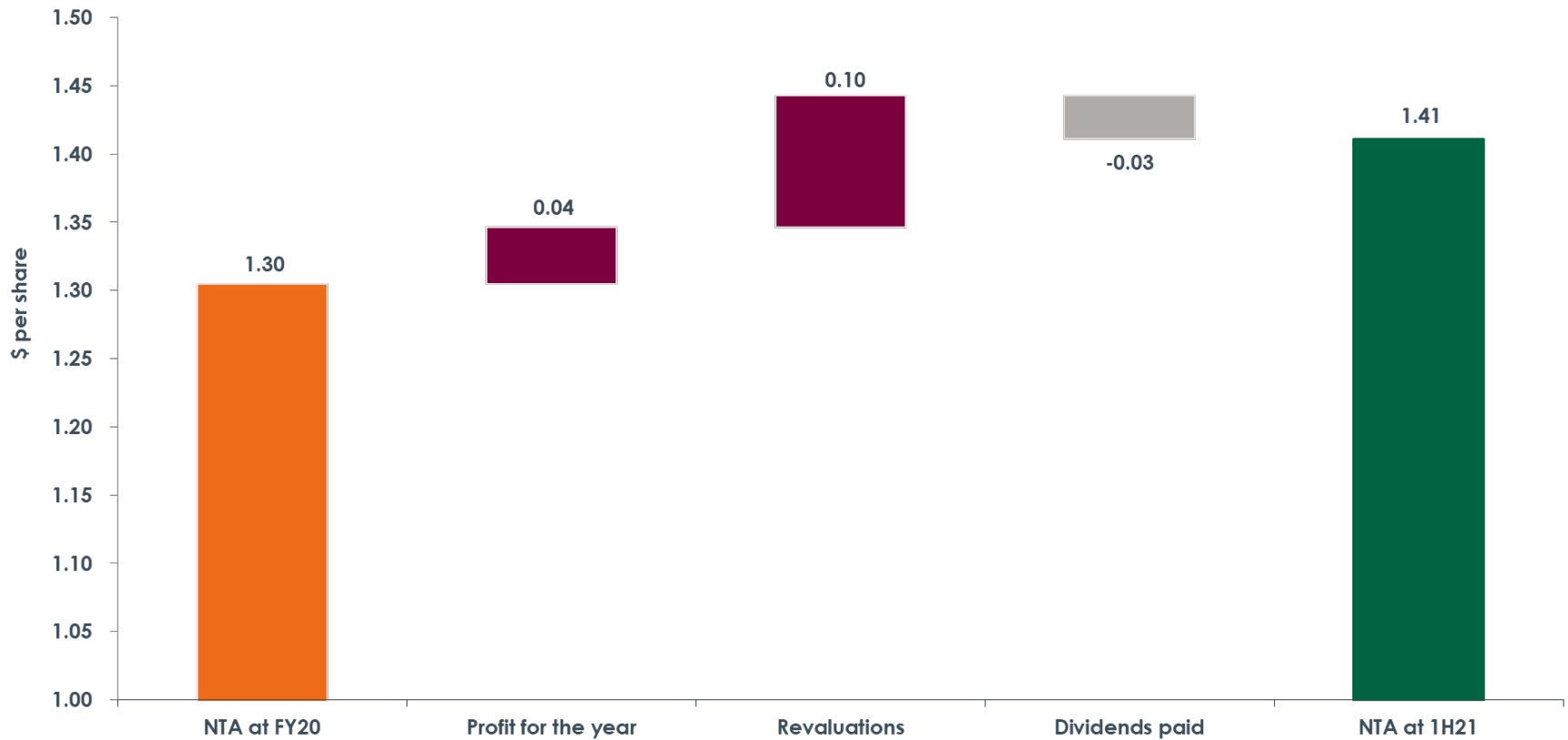
## GROWTH UNDERPINNED BY REVALUATION GAINS

- ▶ Capitalised costs: Driven by large developments including 8-14 Willis Street/360 Lambton Quay, 7WQ and completion of 54 Jamaica Drive development.
- ▶ Transfers: Hutt Road and 80 Springs Rd transferred out and Albany Lifestyle Centre transferred in.
- ▶ Disposals: Corner of Wakefield Street (Wellington), 960 Great South Road (Auckland).
- ▶ Revaluation gain: \$79.8m, +4.3% above book value.



# NTA per share reconciliation

## REVALUATION GAIN CONTRIBUTES 10 CENTS PER SHARE





# Balance Sheet and Gearing

## CAPITAL STRUCTURE SOUND, WITHIN BANDS AND WELL BELOW COVENANT

- ▶ The balance sheet position is sound.
- ▶ Argosy recycled \$73.5 million of non Core assets during the period which no longer met Argosy's Investment Criteria.
- ▶ Target policy gearing range is between 30-40% and following strong strategy delivery on capital management initiatives, Argosy is currently sitting in the middle of the band.
- ▶ Since interim reporting date Argosy has received \$37 million of settlement funds from asset sales.

	1H21 \$m	FY20 \$m
Investment properties	1,917.1	1,782.3
Assets held for sale	38.2	84.6
Right of Use Asset	41.7	41.8
Other assets	29.0	20.9
<b>Total assets</b>	<b>2,026.0</b>	<b>1,929.6</b>
Right of Use Asset	(41.7)	(41.8)
<b>Total assets (net of Right of Use Asset)</b>	<b>1,984.3</b>	<b>1,887.8</b>
Fixed Rate Green Bonds	200.0	200.0
Bank debt <sup>1</sup>	526.6	533.2
<b>Total Debt &amp; Bond Funding</b>	<b>726.6</b>	<b>733.2</b>
<b>Debt-to-total-assets ratio<sup>2</sup></b>	<b>36.6%</b>	<b>38.8%</b>

1. Excludes capitalised borrowing costs. 2. Excludes Right of Use Asset at 39 Market Place

# Funding & Interest Rate Management

## COST OF FUNDING DECREASING

- ▶ During the interim period, Argosy added a new banking facility, Tranche I, for \$75 million. This new Tranche expires in May 2024.
- ▶ On October 29, following the successful issue of \$125m of senior secured fixed rate 7-year green bonds, Argosy cancelled \$125m of bank facilities.
- ▶ Argosy's exposure to floating interest rates continues to increase as it positions itself towards the bottom end of its hedging bands as swaps roll off.

	1H21	FY20
Weighted average duration of debt facility	3.2 years	3.6 years
Weighted average interest rate <sup>1</sup>	3.74%	3.95%
Interest Cover Ratio	3.0x	2.8x
% of fixed rate borrowings	50%	50%
Weighted average duration of payer swaps	4.2 years	4.7 years
Average rate of payer swaps	3.99%	3.99%

# 3.2yrs

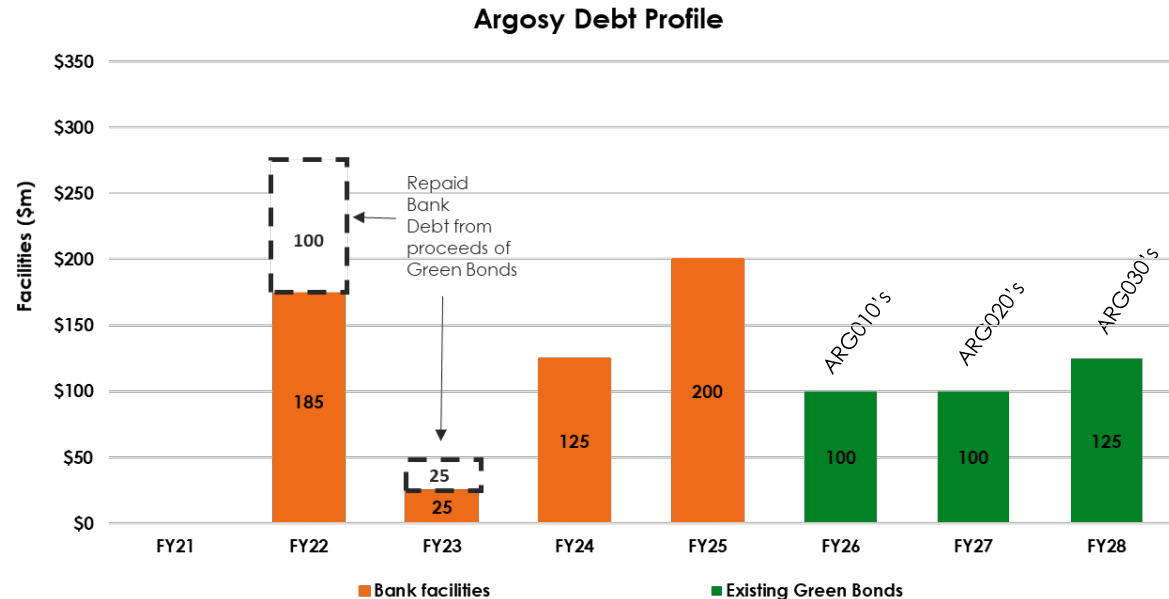
Weighted average facility term as at 30 September

1. Including margin and line fees.

# Debt Profile

## 3RD GREEN BOND ISSUE INCREASES TENOR

- ▶ The issue of \$125m of senior secured fixed rate 7 year green bonds in October at a coupon of 2.20% (1.95% margin) resulted in Argosy's weighted average debt facility term increasing from 3.2 years to 4.0 years.
- ▶ The green bond issue further diversified Argosy's bond-to-bank debt capital funding mix from 23% to 38%.
- ▶ Argosy's ARG030 green bonds began trading on Wednesday 28<sup>th</sup> October.



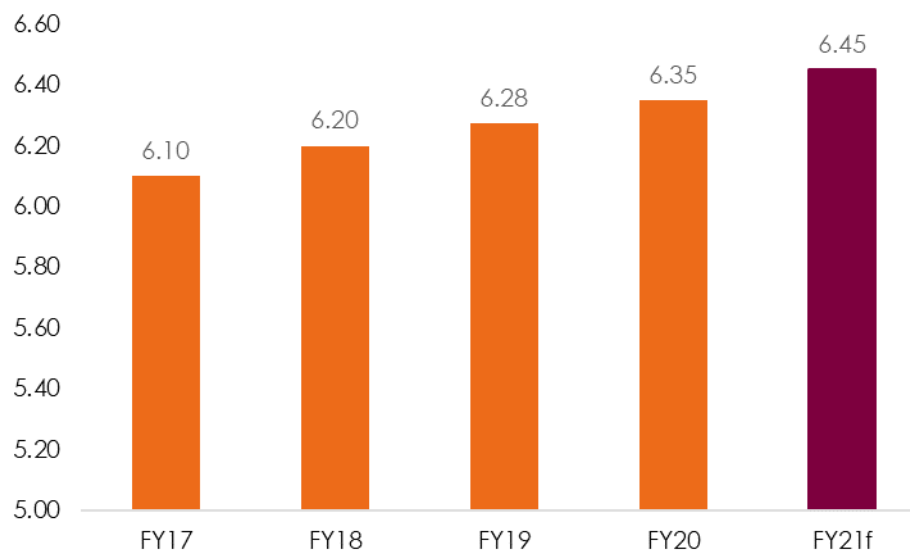
# 4.0yrs

Weighted average debt tenor post bond issue and cancellation of bank facilities on 29 October 2020

# Dividends

## RESILIENT AND SUSTAINABLE DIVIDENDS

- ▶ A 2<sup>nd</sup> quarter cash dividend of 1.6375 cents per share has been declared, with imputation credits of 0.0709 cents per share attached, and will be paid on 23 December 2020.
- ▶ The Dividend Reinvestment Plan will be available for participation in the 2<sup>nd</sup> quarter dividend with a 3% discount.
- ▶ The FY21 dividend guidance is increased to 6.45 cents per share, or 1.6%.
- ▶ The Board's view is for shareholders to continue sharing in the solid operating results whilst allowing Argosy to maintain its momentum towards an AFFO based dividend policy over the medium term.



# 6.45cps

FY21 full year dividend guidance increased by 1.6% based on current projections for the business

# Leasing Update



# Leasing Success

## STRONG LEASING OUTCOMES OVER 1H21

- ▶ Argosy leased 55,997m<sup>2</sup> across the portfolio over 1H21, or 10% of the portfolios total net lettable area. There were 25 transactions over the period, with 10 renewals, 7 extensions and 8 new leases.

Notable transactions over the first six months include:

- ▶ 147 Lambton Quay Parliamentary Services new 3yr lease for 8,139m<sup>2</sup>
- ▶ 23 Customs Street Citibank, 5yr renewal for 545m<sup>2</sup> ;
- ▶ 23 Customs Street CNZ (Auckland) 3yr renewal, 657m<sup>2</sup>;
- ▶ Albany Lifestyle Fergs Beds, 2yr extension for 608m<sup>2</sup>;
- ▶ Peter Baker Transport extension for a further 1 year, 18,703m<sup>2</sup>.

# 5.7yrs

Interim portfolio WALT



## Fergs Beds



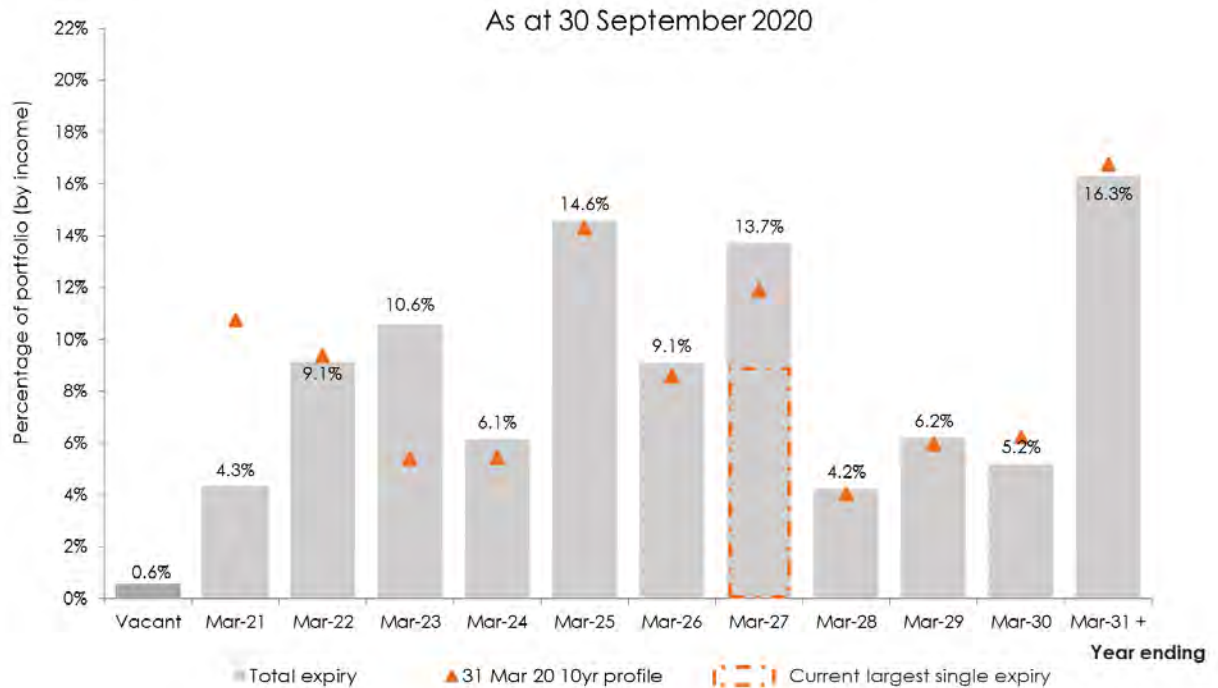
# Lease Expiry

## STABLE PROFILE OVER THE MEDIUM TERM

- ▶ 5yr average income percentage expiring in any year ~9%.
- ▶ Largest single expiry over the next 10 years is 9.5% in March-27 being the Ministry for Business, Innovation and Employment, in 15-21 Stout Street.

0.6%

Very low portfolio vacancy at 30 September



# Sector Summary



INDUSTRIAL

- ▶ Net absorption continues to drive additional supply.
- ▶ Limited land supply in Auckland and Wellington encourages non-traditional locations.
- ▶ Rental growth continues for good quality property.
- ▶ Vacancy remains very low, with constrained funding limiting speculative supply.
- ▶ Effects of Covid-19 recession expected to be muted.



OFFICE

- ▶ Flexible working environments continue to drive a disconnect between employment growth and net absorption.
- ▶ Net absorption effect of Covid-19 is yet to be quantified with conflicting trends of working from home offset by additional space requirements and less activity-based working in the medium term. Significant increase in space available for sub lease in prime buildings
- ▶ Rental growth impacted by new supply – softer in Auckland, reflected in higher incentives, and firmer in Wellington.
- ▶ The Wellington market continues to show strong demand, with low vacancy for good quality seismically sound space that is well located. There is a shortage of large floor plate/high quality stock with upward rental growth pressure as a result. Premium and Grade A vacancy is minimal.



LARGE FORMAT RETAIL

- ▶ Equilibrium with on-line retailing is yet to show full effect. A move to online retailing has potential to accelerate as a result of Covid-19 lockdowns.
- ▶ Many retailers' systems have been shown to be inadequate to cope with higher online sales volumes.
- ▶ Structural change in retail property will show increased focus on showroom and semi-industrial facilities.
- ▶ Impact of additional development will be felt particularly in secondary locations.
- ▶ Large format, and entertainment retail expected to be most secure other than use dependant on tourism.
- ▶ Rental growth has turned negative over the last 6 months.



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# Focus and Outlook



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# 2020/21 Outlook

- ▶ The current economic outlook remains challenging with some sectors (e.g. tourism and education) likely to remain under significant pressure.
- ▶ New Zealand monetary policy settings should remain stimulatory for the economy over the short to medium term.
- ▶ Strong execution of strategy and delivering on key 2021 focus areas including capital management initiatives, is positioning the business well for the future. Argosy will continue to take advantage of strategic acquisitions that can drive long term capital growth and earnings.
- ▶ Property fundamentals in key metropolitan markets are robust with some segments (e.g. Wellington office, Auckland industrial) presenting with favourable dynamics of low supply, high demand and steady rental growth.
- ▶ Based on the current economic outlook and portfolio performance, the Board has increased the expected FY21 dividend to 6.45 cents per share.

# 6.45cps

FY21 full year dividend guidance increased by 1.6% based on current projections for the business

# Appendices



# Adjusted Funds From Operations (AFFO)

	1H21 \$m	1H20 \$m
<b>Profit before income tax</b>	<b>115.9</b>	<b>81.3</b>
Revaluation gains on investment property	(79.8)	(50.8)
Realised (gains)/losses on disposal of investment properties	(1.0)	0.0
Derivative fair value (gain)/loss	(0.1)	3.6
Earthquake expenses	0.5	0.2
<b>Gross distributable income</b>	<b>35.6</b>	<b>34.3</b>
Depreciation recovered	0.0	-
Current tax expense	0.4	(4.6)
<b>Net distributable income</b>	<b>36.0</b>	<b>29.7</b>
Amortisation of tenant incentives and leasing costs	2.1	1.7
<b>Funds from operations (FFO)</b>	<b>38.1</b>	<b>31.4</b>
Capitalisation of tenant incentives and leasing costs	(5.2)	(2.0)
Maintenance capital expenditure	(1.9)	(4.0)
Tax effected maintenance capital expenditure recovered	(0.0)	-
<b>Adjusted funds from operations (AFFO)</b>	<b>31.0</b>	<b>25.4</b>
Weighted average number of shares on issue (m)	829.0	827.1
<b>AFFO per share (cents)</b>	<b>3.74</b>	<b>3.06</b>
Dividends paid	3.18	3.14
Dividend payout ratio (to AFFO)	85%	103%

Note: Due to rounding, numbers presented in this presentation may not add up exactly to the totals provided and percentages may not exactly reflect absolute figures. AFFO is an alternative performance measure used to assist investors in assessing the Company's underlying performance and to determine income available for distribution. This reconciliation is based on guidelines for disclosing AFFO as provided by the Property Council of Australia.

# Rent Reviews by Type, Sector & Location

Type	#	Previous Rent (000's)	% of rent reviewed	New rent (000's)	\$ Increase (000's)	% Increase	Annualised \$ Increase (000's)	% of Total Annualised Increase	Annualised % Increase
<b>Total</b>	<b>53</b>	<b>36,140</b>	<b>100%</b>	<b>38,893</b>	<b>2,753</b>	<b>7.6%</b>	<b>1,358</b>	<b>100.0%</b>	<b>3.8%</b>
<b>By review type</b>									
Fixed	36	17,664	49%	18,169	505	2.9%	468	34%	2.6%
Market	8	12,445	34%	14,461	2,016	16.2%	749	55%	6.0%
CPI	9	6,031	17%	6,263	233	3.9%	140	10%	2.3%
<b>By sector</b>									
Industrial	15	14,932	41%	15,468	536	3.6%	431	32%	2.9%
Office	20	14,163	39%	16,167	2,004	14.2%	747	55%	5.3%
Retail	18	7,045	19%	7,258	214	3.0%	179	13%	2.5%
<b>By location</b>									
Auckland	46	23,036	64%	23,820	784	3.4%	673	50%	2.9%
Wellington	7	13,104	36%	15,073	1,969	15.0%	685	50%	5.2%

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

# Rent Reviews – Auckland & Wellington

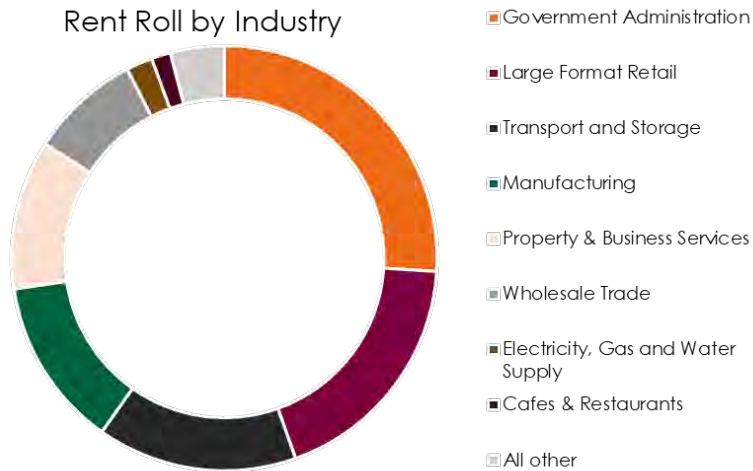
Location	#	Previous Rent (\$000's)	% of rent reviewed	New Rent (\$000's)	\$ Increase (000's)	% Increase	Annualised \$ Increase (000's)	% of Total Annualised Increase	Annualised % Increase
<b>Auckland</b>									
Industrial	11	11,283	49%	11,680	396	3.5%	359	26%	3.2%
Office	17	4,708	20%	4,882	175	3.7%	134	10%	2.8%
Large Format Retail	18	7,045	31%	7,258	214	3.0%	179	13%	2.5%
	<b>46</b>	<b>23,036</b>	<b>100%</b>	<b>23,820</b>	<b>784</b>	<b>3.4%</b>	<b>673</b>	<b>50%</b>	<b>2.9%</b>
<b>Wellington</b>									
Industrial	4	3,648	28%	3,788	139	3.8%	72	5%	2.0%
Office	3	9,456	72%	11,285	1,830	19.3%	613	45%	6.5%
Large Format Retail	0	0	0%	0	0	0.0%	0	0%	0.0%
	<b>7</b>	<b>13,104</b>	<b>100%</b>	<b>15,073</b>	<b>1,969</b>	<b>15.0%</b>	<b>685</b>	<b>50%</b>	<b>5.2%</b>

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

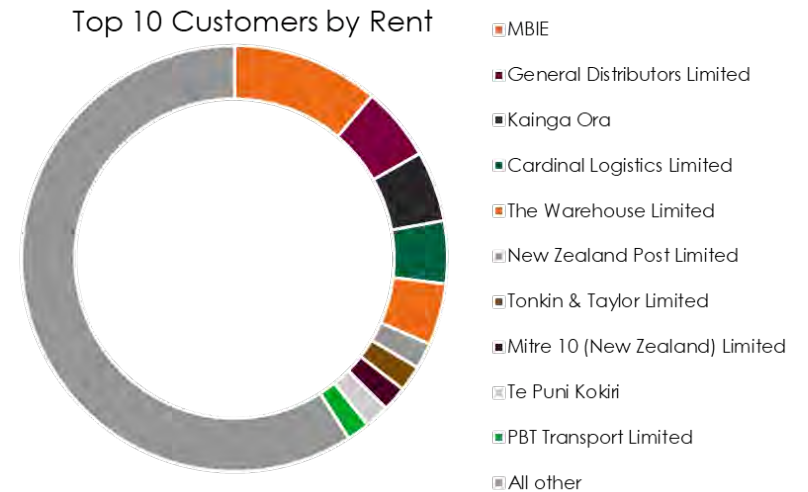
# Portfolio Metrics

## DEFENSIVE AND RESILIENT TENANTS, HIGH ESSENTIAL SERVICE EXPOSURE

Rent Roll by Industry



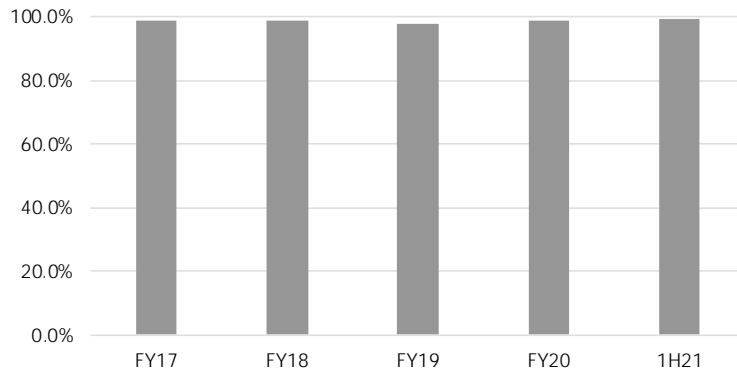
Top 10 Customers by Rent



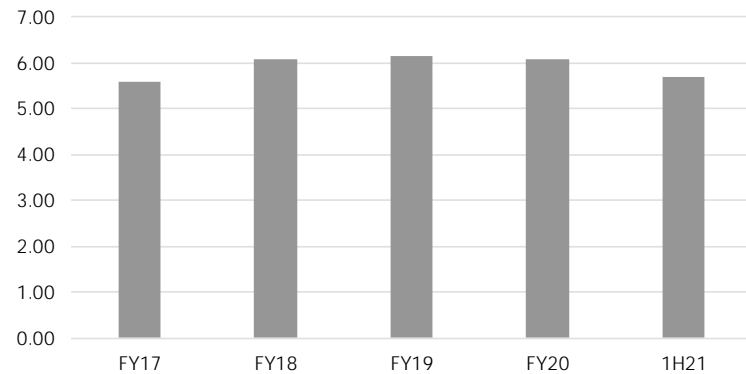
# Portfolio Snapshot

## HIGH PORTFOLIO QUALITY IS BEING REFLECTED IN OUR METRICS

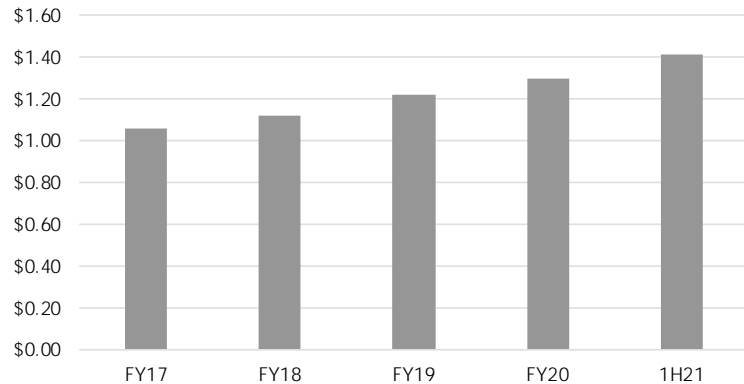
Occupancy



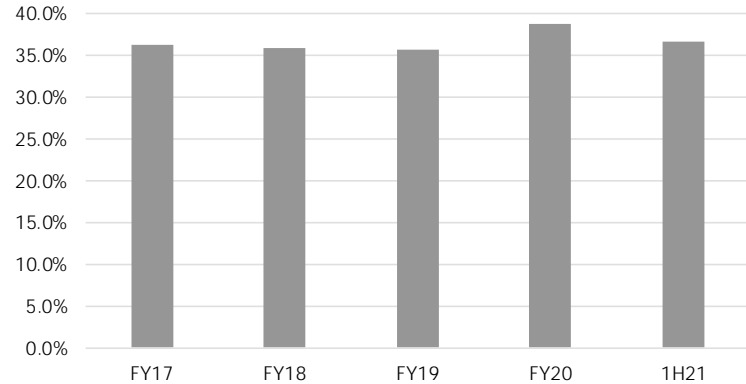
WALT (years)



Net Tangible Assets



Debt-to-total-assets





# Portfolio Summary - Industrial

Property Address	Valuation \$000s	WALT (years)	Net lettable area (m <sup>2</sup> )	Vacant Space (m <sup>2</sup> )	Contract Yield
<b>Industrial</b>					
<b>Auckland</b>					
90 - 104 Springs Road, East Tamaki	\$6,850	6.4	3,885	-	5.42%
8 Forge Way, Panmure	\$32,100	10.2	4,231	-	4.79%
10 Transport Place, East Tamaki	\$31,500	3.6	10,641	-	6.39%
1 Rothwell Avenue, Albany	\$32,300	9.8	12,683	-	5.25%
4 Henderson Place, Onehunga	\$30,800	10.8	10,841	-	5.27%
1-3 Unity Drive, Albany	\$13,700	1.0	6,204	-	5.64%
5 Unity Drive, Albany	\$7,600	0.5	3,046	-	5.36%
211 Albany Highway, Albany	\$27,000	2.3	14,589	-	5.56%
12-16 Bell Avenue, Mt Wellington	\$27,500	1.3	14,809	-	5.47%
18-20 Bell Avenue, Mt Wellington	\$16,950	1.7	8,941	-	5.48%
32 Bell Avenue, Mt Wellington	\$13,500	2.6	8,139	-	6.14%
9 Ride Way, Albany	\$28,000	12.0	9,178	-	5.40%
80-120 Favona Road, Mangere	\$100,250	3.9	59,386	-	6.43%
19 Nesdale Avenue, Wiri	\$63,500	14.1	20,677	-	4.68%
2 Allens Road, East Tamaki	\$5,600	4.0	2,920	-	5.72%
12 Allens Road, East Tamaki	\$4,900	1.1	2,325	-	5.72%
106 Springs Road, East Tamaki	\$7,300	4.0	3,846	-	5.65%
5 Allens Road, East Tamaki	\$5,500	1.2	2,663	-	5.07%
17 Mayo Road, Wiri	\$31,300	6.3	13,351	-	5.02%
Cnr William Pickering Drive & Rothwell Avenue, Albany	\$17,200	2.8	7,074	-	5.53%
320 Ti Rakau Drive, East Tamaki	\$69,000	7.3	28,353	-	6.02%
15 Unity Drive, Albany	\$5,450	3.6	7,002	-	4.60%
240 Puhinui Road, Manukau	\$40,700	14.1	17,735	-	4.51%
244 Puhinui Road, Manukau	\$14,900	14.1	5,504	-	4.48%
Highgate Parkway, Silverdale	\$33,100	7.4	10,581	-	5.17%
133 Roscommon Road, Wiri	\$10,350	13.0	15,862	-	4.36%
224 Neilson Street, Onehunga	\$32,000	0.5	7,002	-	4.06%
<b>Wellington</b>					
54-56 Jamaica Drive, Wellington	\$13,000	15.0	1,825	-	5.05%
147 Gracefield Road, Seaview	\$18,000	7.5	8,018	-	5.77%
19 Barnes Street, Seaview	\$15,750	7.9	6,857	-	6.85%
39 Randwick Road, Seaview	\$20,000	2.8	16,249	-	8.32%
68 Jamaica Drive, Grenada North	\$17,500	0.8	9,609	-	7.37%
<b>Other</b>					
8 Foundry Drive, Woolston, Christchurch	\$17,375	9.3	7,668	-	6.52%
1478 Omaha Road, Hastings	\$10,650	6.8	8,514	-	7.07%
<b>TOTAL - INDUSTRIAL</b>	<b>\$821,124</b>	<b>6.6</b>	<b>370,206</b>	<b>-</b>	<b>5.59%</b>

Note: Yield excludes re-development properties

# Portfolio Summary - Office

Property Address	Valuation \$000s	WALT (years)	Net lettable area (m <sup>2</sup> )	Vacant Space (m <sup>2</sup> )	Contract Yield
<b>OFFICE</b>					
<b>Auckland</b>					
99-107 Khyber Pass Road, Grafton	\$17,000	3.9	2,509	-	5.65%
101 Carlton Gore Road, Newmarket	\$28,100	3.1	4,821	-	6.43%
8 Nugent Street, Grafton	\$51,300	3.5	8,125	325	6.16%
39 Market Place, Viaduct Harbour	\$42,500	2.1	10,365	-	8.88%
105 Carlton Gore Road, Newmarket	\$32,000	0.9	5,312	-	7.01%
302 Great South Road, Greenlane	\$11,200	3.6	1,890	-	5.92%
308 Great South Road, Greenlane	\$8,100	7.0	1,568	1,149	2.10%
25 Nugent Street, Grafton	\$14,000	2.2	3,028	-	6.03%
107 Carlton Gore Road, Newmarket	\$46,000	11.4	6,061	-	5.55%
Citibank Centre, 23 Customs Street East	\$77,300	4.0	9,633	-	6.27%
82 Wyndham Street	\$48,000	5.3	6,012	-	5.73%
<b>Wellington</b>					
143 Lambton Quay	\$25,250	4.8	6,216	-	8.49%
147 Lambton Quay	\$39,000	2.3	8,539	134	8.05%
8-14 Willis Street/ 360 Lambton Quay	\$111,680	-	-	-	
7 Waterloo Quay	\$114,740	8.7	23,075	-	
15-21 Stout Street	\$144,000	5.8	20,709	-	6.08%
<b>TOTAL - OFFICE</b>	<b>\$810,170</b>	<b>5.1</b>	<b>117,862</b>	<b>1,609</b>	<b>6.48%</b>

Note: Yield excludes re-development properties

# Portfolio Summary - Retail

Property Address	Valuation \$000s	WALT (years)	Net lettable area (m <sup>2</sup> )	Vacant Space (m <sup>2</sup> )	Contract Yield
<b>RETAIL</b>					
<b>Auckland</b>					
Albany Mega Centre and 11 Coliseum Drive, Albany	\$147,000	3.8	33,792	-	6.22%
Albany Lifestyle Centre	\$87,500	6.4	24,955	-	7.09%
50 & 54-62 Cavendish Drive, Manukau	\$30,100	4.7	9,939	-	5.94%
252 Dairy Flat Highway, Albany	\$9,950	9.3	2,255	-	4.97%
<b>Other</b>					
Cnr Taniwha & Paora Hapi Streets, Taupo	\$11,250	2.0	4,212	-	6.81%
<b>TOTAL - RETAIL</b>	<b>\$285,800</b>	<b>4.9</b>	<b>75,152</b>	<b>-</b>	<b>6.44%</b>
<b>TOTALS (excl properties held for sale)</b>	<b>\$1,917,095</b>	<b>5.7</b>	<b>563,221</b>	<b>1,609</b>	<b>6.04%</b>

Note: Yield excludes re-development properties

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26 NOVEMBER 2020