Argosy

SEPT. 2025

THE Steward

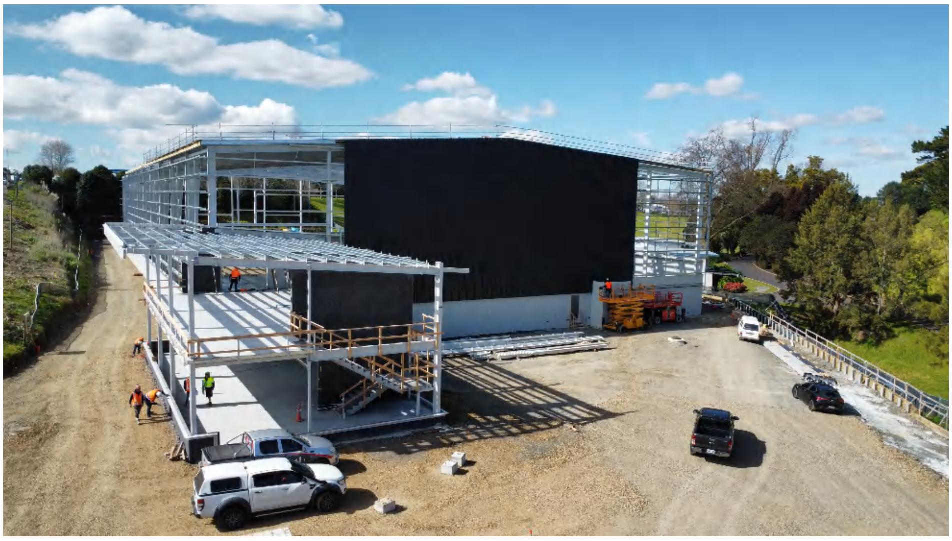
AN ARGOSY PERSPECTIVE

Welcome to the first edition of The Steward

At Argosy, we see ourselves as stewards of investors' money, of tenants' businesses, and of the properties, people and communities connected to our portfolio. That's why we've brought together our tenant and investor updates into one newsletter. We believe everyone benefits from a fuller picture of who we are and what we do, and together it helps strengthen the sense of being part of our wider Argosy family.

The name *The Steward* reflects our responsibility to manage today's assets with care, while shaping them for the future. It also connects directly to our purpose: *Building a Better Future* for our tenants, our investors, our people, and the communities we're part of.

We hope you enjoy this first edition and the broader perspective it offers.



Development at Mt Richmond.

Development update: progress at Mt Richmond

The first stage of development at our Mt Richmond site is well underway. Spanning 4.6 hectares, stage 1 will include a 6,633 sqm warehouse and office facility for Viatris Limited, a global pharmaceutical distributor. Completion is expected in May 2026.

Stage 1 also includes platforms for two further warehouses: Warehouse 4 – 5,277m^2 and Warehouse 5 – 4,100m^2, giving us flexibility to provide additional high-quality industrial space in this sought-after location.

The Viatris building is designed to achieve a 6 Green Star Design & As Built rating – an industry-leading standard that reflects both environmental performance and Argosy's long-term sustainability commitments. We look forward to sharing further updates as the project progresses and we welcome new tenants to the site.

CEO Comment

Peter Mence
CHIEF EXECUTIVE OFFICER

IN THE CONTEXT OF GLOBAL CONFUSION

The economic malaise drags on with geopolitical upheaval and uncertainty dominating the news. The death and destruction in parts of the globe have become sufficiently commonplace that it is easy to become numb to the reports of suffering and the George Santayana quote (subsequently misquoted by several others), "Those who cannot remember the past are condemned to repeat it," can certainly be aptly used in a number of current situations.

WHAT ABOUT THE TARIFFS?

Across the portfolio, discussion with tenants on the likely impacts of the US tariffs on their business reveal a preference to direct their trade to other countries – it is after all, an argument of relative attraction, stability and trust.

VALUATIONS ARE INCREASING

With the decreases in the OCR, unsurprisingly we are starting to see valuation increases that appear to be attributable to firming capitalisation rates. Capitalisation rates (the proportion that the rental bears to the asset value) will firm as the relative attraction of returns from property improves over other investments. For example, if I'm going to get less return on my capital as a term investment in the bank, then a higher yielding asset such as property is relatively more attractive, and I am prepared to pay more to receive it.

So, we would normally expect that asset values will decline as interest rates go up and lift as they go down. Predictably – it's not that simple. The other principal factors to consider are the income (rental) and the risk of receiving that rental.

THE DOMESTIC ECONOMY IS STILL STRUGGLING

The current recession has been quoted as being more severe than the Global Financial Crisis in New Zealand, however that depends on the part of the economy that you are examining. While many households and businesses have found it tough, and many continue to do so, Real Estate has continued to deliver market rental increases. The March 2025 revaluation of the Argosy property portfolio delivered a value increase driven predominantly by increasing rentals. Firmer capitalisation rates were not evident at the time of valuation.

One of the drivers of this rental growth was the cycle of firming capitalisation rates in the years before we'd heard of Covid 19. A period of firming capitalisation rates exerts a negative influence on rental rates because the rental required to justify development or investment is less as a result. So, as capitalisation rates stopped firming and began to ease, with continuing demand, there was a positive effect on rental values.

BUT NOW IT IS A TENANT'S MARKET

Leasing activity levels are lower in line with the softer economy, and of course the significant reduction in central government employees has increased the vacancy in Wellington specifically.

The lack of meaningful economic growth is apparent in the decrease in the absorption levels in the market. That is the leasing market in general isn't looking for much more space. A new or relocating occupier will generally have a number of options to consider and they may find that aspiring landlords will be fairly keen to buy them lunch!

AND SYNDICATIONS WILL BE BACK IN TOWN

We have, of course, seen this before, and it is hard to see this time being different.

As bank deposit rates fall with the lower OCR, and property valuations lag the investment market, there will again be an environment where property syndications will appear attractive and their marketing machines will be out looking for investors.

SO WHAT IS THE PROBLEM WITH A PROPERTY SYNDICATE?

Firstly – not all syndicates are equal, they vary in their risk profile, fee take, management, and their asset characteristics. So the following comments are of a general nature and specific syndications may have different profiles.

Fundamentally syndications share a higher risk profile and a lesser liquidity profile than a diversified listed vehicle such as Argosy.

With the Argosy property portfolio, we have lease expiries on a regular basis, and we are able to manage the expiry and re-leasing risks without impacting the dividend that we provide to investors because the vacancy risk is spread across a very large portfolio of assets.

Often, we will see syndications carry a higher debt level and there is less transparency and third-party examination.

Then there is the liquidity issue. How do we get out of the investment? The secondary market for syndication units can be very thin and the syndicator is not incentivised to assist. The listed market may be volatile in price, but there is always a ready market. The Argosy share price has certainly been more volatile than the underlying asset values in spite of distributions to shareholders being stable and predictable. The syndicated property investment is likely to be a more volatile investment – just less obvious due to the lack of transparency.

AND AT PRESENT?

If I am to buy a syndicated property investment, I am going to pay a little over the property value, due to the establishment costs. If I am to buy an Argosy share at present, I am going to get a discount on the combined property values because the shares are trading on the NZX at a discount to their asset backing, my syndicate investment will likely carry a higher risk profile and will likely be harder to sell when I wish to get out.

SO OVERALL WHAT IS THE MESSAGE?

In the midst of the issues, property values are looking up. Rentals may be static or even decline in some places. Watch out for property syndicates, as they may not be the best deal in town in spite of the marketing.

Business Update

Gold at NZ Commercial Project Awards

We're proud that the Stantec Building, 105 Carlton Gore Road, has won a Gold Award in the CARTERS Commercial Projects category at the 2025 NZ Commercial Project Awards.

The project team transformed a 25-year-old structure into a climate-resilient, future-focused workplace. Key features include seismic strengthening to 100% of New Building Standard, a smart retrofit design, and upgrades to support a 6 Green Star rating and a 5.5 Star NABERSNZ energy rating.

Stantec Building, 105 Carlton Gore Road, Auckland.

STANTEC BUILDING
105 CARLTON GORE ROAD
AUCKLAND

Key Features

100%

New Building Standard – Seismic stregthening

Smart

Retrofit design

UPGRADES THAT SUPPORT A 6 GREEN STAR RATING AND A 5.5 STAR NABERSNZ ENERGY RATING

The Stantec Building, 105 Carlton Gore Road project team at the 2025 NZ Commercial Project Awards.

Meet the team: Haley Jones, Property Services Manager

As the Property Services Manager, Haley Jones leads a team of property managers and services engineers responsible for keeping Argosy's diverse portfolio operating at its best. Her work blends strategic planning with on-the-ground coordination, ensuring our buildings are well-maintained, compliant, efficient and comfortable.

Sustainability is a key focus in our approach to managing properties. We are always looking for ways to reduce energy consumption, improve waste management, and enhance building performance. Every small improvement makes a difference, whether it's replacing a tap, upgrading the HVAC systems or installing EV chargers, they all contribute to our long-term environmental and operational goals.

Haley also champions Argosy's shared-space initiative, Footprint, creating an environment that supports the flexible needs of tenants, entrepreneurs, project teams and businesses. Following the pilot at the downtown Citibank Centre, Footprint has recently expanded to 41 Market Place in the Viaduct.

Haley thrives on the variety of the role, from sustainability upgrades to enhancing spaces through proactive tenant engagement. Outside of work, Haley enjoys time at the beach, experimenting with a new recipe in the kitchen and spending time with loved ones. She's also known for organising the occasional gin night at Argosy! Haley brings energy, leadership and a tenant-first mindset to our property services team.

The new Trust Management offices at the Stantec Building, 105 Carlton Gore Road.

Tenant spotlight: Trust Management & Trust Investments

This year marks an exciting milestone for Trust Management and Trust Investments, with the organisation unveiling a refreshed value proposition to better serve Aotearoa's charitable sector and ethical investors. Trust Management provides property and accounting services to charities, while Trust Investments is a fund manager, providing a range of ethical investment funds for institutional clients.

The team recently moved into the Stantec Building, 105 Carlton Gore Road, attracted by its sustainability credentials, natural light, and landscaped gardens. "It's a modern, energising space that supports our people and reflects our values," says Renee Tourell, GM Client Services. The building's Green Star rating was an important factor, aligning with Trust Management's own commitment to reducing it's environmental impact.

A recent highlight has been the relaunch of the Trust Management ESG International Bond Fund, powered by global investment manager Nuveen. With more than $1.6 billion in assets under management (as at 31 March 2025), Trust Management is continuing to grow while staying true to its purpose.

And a local tip: the team's go-to lunch spot is L'Atelier du Fromage on McColl Street – although they hesitated to share for fear of longer queues!

Tenant survey results

Thank you to everyone who took part in our recent tenant survey. We were thrilled with the high level of participation. We appreciate the time and insights shared by everyone who participated. Your feedback is incredibly valuable in helping us improve the service we provide. All respondents went into the draw for a prize. Congratulations to Costa Katsoulis from St Pierre's Sushi, who has won a $1,500 voucher for two nights at Hotel Britomart.

New and renewed tenants

We are very pleased to welcome the following tenants into the Argosy family:

- Turners Group New Zealand, 8-14 Mt Richmond, 7,677m^2 of yard, on a new 1 year lease
- Tomra Food (ANZ) Limited, 4 Henderson Place, 3,558m^2, on a new 1 year lease

We are also pleased to have retained the following tenant within the Argosy family:

- Sangro Chambers Limited, Citigroup Centre, 23 Customs Street East, 447m^2, for a 10 year extension

Community & social updates

Camp Bentzon partnership

On Kawau Island, Camp Bentzon hosts thousands of school children each year, offering hands-on learning in nature, teamwork, and environmental responsibility. Argosy's funding recently supported a major wharf upgrade, extending its lifespan from 15 to as much as 40 years through innovative protective sleeves on timber piles. Beyond the wharf, Argosy have partnered to support pest and weed control, waste minimisation, renewable energy exploration, and environmental education. Volunteer working bees with Argosy staff and suppliers are also planned.

Supporting Variety, the Children's Charity

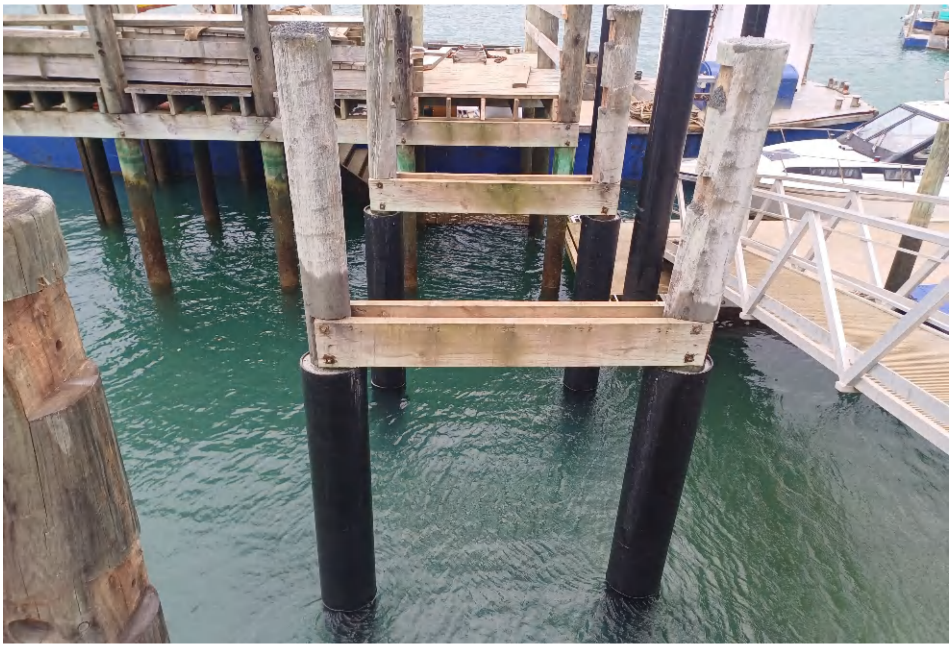
We've increased our annual support for Variety, moving beyond the Winter Appeal to year-round funding. This support will focus on 'shared impact zones' in Auckland, Wellington and Christchurch – areas where Argosy operates and where the need for support is high.

Future property leaders: hosting University of Auckland students

We recently hosted eight students from the University of Auckland's Department of Property as part of the Property Foundation's Buddy Programme. After a morning meet-and-greet, students toured several Argosy properties, connecting classroom learning with real-world practice. Feedback highlighted the value of seeing sustainability and design principles in action.

Argosy staff volunteer days

At Argosy, every staff member is encouraged to take one volunteer day each year to support a charity or cause close to them. Over the past year, many chose to work with Conservation Volunteers New Zealand, helping restore native habitats across Auckland. From Rosebank to Selwyn, our team joined local volunteers to remove pest plants and protect threatened ecosystems. We're proud of their contributions and look forward to continuing this initiative.



Timber piles with protective sleeves, Camp Bentzon, Kawau Island.

Argosy staff volunteer days.

PROPERTIES

50

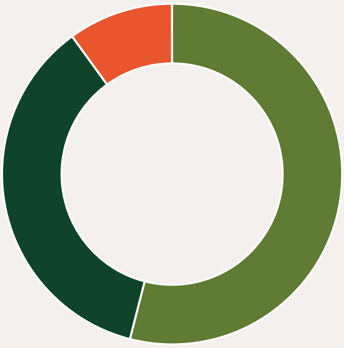
TENANTS

163

PORTFOLIO

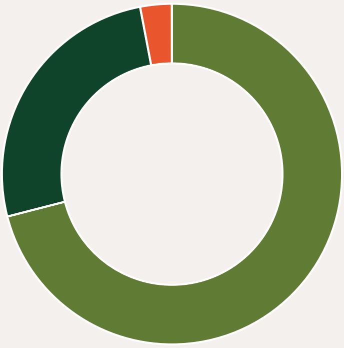
$2.1b

TOTAL PORTFOLIO UPDATE
by sector



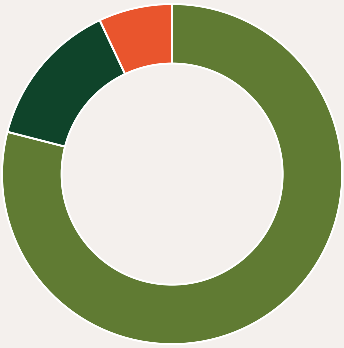
●	54%	Industrial
●	36%	Office
●	10%	Large Format Retail

TOTAL PORTFOLIO UPDATE
by region



●	71%	Auckland
●	26%	Wellington
●	3%	Regional North Isl. & South Isl.

TOTAL PORTFOLIO UPDATE
by asset type



●	79%	Core
●	14%	Value Add properties
●	7%	Properties & Land to Divest

Dividend

The **1st Quarter Dividend** for the 2026 financial year of 1.6625 cents per share with imputation credits of 0.278520 cents per share attached was announced on 22 July 2025. The record date for the dividend was 10 September 2025 and the payment date is 24 September 2025. Overseas investors will receive an additional supplementary dividend of 0.126387 cents per share to offset non-resident withholding tax.

Important dates

FY26 INTERIM RESULTS
November 2025

FY26 Q2 DIVIDEND PAYMENT
December 2025

FY26 Q3 DIVIDEND PAYMENT
March 2026

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