

20.05.2026

Market Release

FY26 Year end result – Resilient Buildings for a Better Future

Argosy will present the FY26 year end result via a teleconference and webcast at 10am today. Please visit <https://s1.c-conf.com/diamondpass/10053615-3v9wcf.html> dial 0800 453 055 and quote the conference ID#10053615. It is recommended that you dial in or log in a few minutes before the start time. A copy of the webcast will be available on Argosy's website later in the day.

Argosy Property Limited ('Argosy' or the 'Company') has reported its results for the year ended 31 March 2026.

KEY RESULTS FOR THE PERIOD:

- Net property income for the period of \$120.8 million, which is up by 3.3% on the prior comparable period.
- \$58.5 million revaluation gain, including assets held for sale, for the 12 months to 31 March (\$72.7 million revaluation gain in the prior comparable period), up 2.7% on book value, contributing to a full year net profit after tax of \$127.7 million (\$125.9 million in the prior comparable period).
- Net distributable income of \$60.9 million, up 9.1% on the prior comparable period.
- Occupancy steady at 94.6% and a Weighted Average Lease Term (WALT) of 5.0 years.
- NTA per share of \$1.60, up from \$1.53 at 31 March 2025.
- Portfolio gearing as at 31 March 2026 is 37.2%, comfortably within the target band of 30-40%. Portfolio gearing has fallen to 36.1% following the settlement of held for sale properties.
- Strong rent review increases (3.5% annualised rental growth on rents reviewed).
- Progress on green developments, continuing our portfolio transformation and progress to a 50% green portfolio by 2031 (39% at 31 March, including Warehouse 6 at Mt Richmond).
- FY26 full year dividend of 6.65 cents per share, in line with guidance.

CHAIRMAN'S REVIEW

Chair Jeff Morrison said “The Management team have continued to execute in accordance with the Company’s focus on operational discipline, delivering solid outcomes across occupancy, rental growth and leasing activity.”

Leasing enquiry levels have improved recently, albeit recognising they may be impacted by broader market uncertainty associated with ongoing geopolitical tensions. Current vacancy levels will present opportunities as conditions stabilise, enabling the Company to progressively attract new tenants and lift income levels.

During the year, the Company completed its 224 Neilson Street development, marking a key milestone towards the company’s target of 50% green buildings by 2031. This property has achieved a 6 Green Star Design and Built rating, reflecting Argosy’s commitment to delivering high-quality, resilient assets that support tenant wellbeing and long-term portfolio value.

The Board remains comfortable with the company’s capital position and balance sheet strength. The sale of 4 Henderson Place settled for \$40 million in April, and 143 Lambton Quay settled for \$6 million in May. Proceeds from these transactions will initially be used to reduce debt. The business retains funding capacity to support its ongoing development requirements.

Following recent divestments, the capital position of the business is such that the Board have decided to suspend the Dividend Reinvestment Plan (DRP). As such, the DRP will not be available for shareholders to participate in for the fourth quarter dividend. Please see the dividend announcement today for more details.

The Company has reported a revaluation gain of \$58.5 million this year, primarily driven by modest cap rate firming and market rental growth. This compares to a revaluation gain of \$72.7 million in the prior financial year. Included in the revaluation gain this year is a \$4.4 million gain on 4 Henderson Place and 143 Lambton Quay as they were held for sale properties at 31 March.

In September 2025, the Government outlined proposed reforms to New Zealand’s earthquake-prone building regime, including the replacement of the existing New Building Standard (NBS) framework with a new earthquake-prone building system. The proposed changes are intended to better identify buildings that pose a genuine seismic risk, with low-seismic regions such as Auckland to be excluded from the new regime.

Jeff Morrison said “The reforms to New Zealand’s earthquake-prone building legislation are a very positive step for the sector. Our Chief Executive Officer, Peter Mence, represented the Sector as a member of the *Seismic Review Steering Group*, and the Board acknowledges Peter for his contribution to the work in this area.”

The Company continues with its investment strategy of maintaining a diversified, high-quality portfolio underpinned by its sustainability goals. The company’s key portfolio targets are unchanged and include an Industrial weighting of 60–70% and an Auckland exposure of 70–80%.

Board and executive succession planning continues. Peter intends to step down as CEO by the 2027 Annual Shareholders Meeting, allowing for a well-planned leadership transition, and the Board have commenced a search for his successor.

At governance level, The Board has agreed that Martin Stearne will succeed myself as Board Chair following the 2027 Annual Meeting. Martin is now Chair of the Remuneration and Nominations Committee and is leading the succession transition.

The Board has reviewed its dividend policy. It is clear that Adjusted Funds from Operations (AFFO) has been significantly more volatile than a commonly used alternative basis, Funds from Operation (FFO). The distinction between FFO and AFFO is that AFFO makes deductions for maintenance capital, leasing and incentive costs and swap close out costs. These costs can be very significant from year to year, resulting in larger movements in AFFO cents per share and dividend payout ratios. A change to an FFO based policy removes some of this volatility.

Argosy's new policy targets a payout range of 80% to 95% of FFO. Argosy remains committed to ensuring that dividends are sustainable.

A fourth quarter dividend of 1.6625 cents per share has been declared with imputation credits of 0.274727 cents per share attached. This will bring the full year dividend to 6.65 cents per share in line with previous guidance. Overseas investors will receive an additional supplementary dividend of 0.124666 cents per share to offset non-resident withholding tax.

As a result of increased market uncertainty, guidance for FY27 is retained at 6.65 cents per share, consistent with the prior year and within the new policy target.

MANAGEMENT REVIEW

Despite a cautious property market in the first half of FY26 and increased market volatility toward year end, the business has continued to demonstrate resilience.

Peter Mence said, "Leasing activity reflected longer decision-making timeframes; however enquiry levels increased in the second half of the year."

Argosy made further progress against its sustainability objectives during the year. The completion of 224 Neilson Street and progress at the first Mt Richmond development, underpin the company's goal of achieving a portfolio that is at least 50% green by market value by 2031. Both Warehouse A and Warehouse B at 224 Neilson Street have achieved a 6 Green Star Design and Built rating. In addition, the achievement of a 5 Star NABERSNZ rating for the Citibank Centre in Customs Street, Auckland, reflects ongoing initiatives with existing assets in the portfolio.

Peter Mence said "Market enquiry around energy performance and on-site renewables reflects a growing focus on operating costs, resilience and long-term efficiency. This reinforces the value of investing in assets that can accommodate evolving energy and sustainability requirements. Assets that support these outcomes are proving more attractive to tenants in a challenging operating environment."

Financial Results

Statement of Comprehensive Income

Argosy reported net property income of \$120.8 million for the period, up 3.3% on the prior comparable period. Rent review outcomes and income from developments have contributed strongly.

The company continues to benefit from the establishment of its insurance captive subsidiary.

Chief Financial Officer, Dave Fraser said “The insurance fundamentals of 2025 appear set to continue into 2026 and excess capacity remains in the market. This creates an opportunity for us to further stabilise premiums and improve coverage terms and conditions.”

Interest expense of \$39.1 million was down on the prior comparable period (\$41.6 million). Lower rates more than offset higher average debt levels in the period.

Annual valuations for the year to 31 March 2026 were performed by CBRE Limited, Colliers International New Zealand Limited and Jones Lang LaSalle Limited. The total unrealised revaluation gain was \$58.5 million, or 2.7% on book value, which compares to an unrealised revaluation gain for the year to 31 March 2025 of \$72.7 million.

A modest firming of cap rates and an increase in market rents were the key drivers of the revaluation increase. Of the annual increase of \$58.5 million (including a gain on held for sale assets of \$4.4 million), \$31.3 million was recognised in the interim result at 30 September 2025.

By sector, Industrial increased by \$27 million or 2.2%, Office increased by \$16 million or 2.0%, and Large Format Retail increased by \$11 million or 5.5%. The portfolio is 9.3% under-rented, excluding market rent on developments.

As a result of the FY26 revaluations, Argosy's NTA increased to \$1.60 per share from \$1.53 at 31 March 2025. Following the revaluation, Argosy's portfolio shows a contract yield on values of 5.72% and a yield on fully let market rentals of 6.62%.

In May 2025, the Government announced the Investment Boost tax programme, encouraging productivity and economic growth by providing a tax deduction for qualifying new investment. Under the programme, businesses can deduct 20% of the cost of eligible new assets in the year of purchase or development, in addition to standard depreciation.

Practical completion of Warehouse A at 224 Neilson Street in October 2025 has resulted in an Investment Boost deduction being available in the second half of FY26.

Net profit after tax was \$127.7 million (including a \$58.5 million revaluation gain), compared to net profit after tax of \$125.9 million (including a \$72.7 million revaluation gain) in the prior comparable period.

Distributable Income/AFFO

After adjustment for revaluation gains and the movement in derivatives, net distributable income (NDI) for the year was \$60.9 million, compared to \$55.8 million in the prior comparable period, an increase of 9.1%.

AFFO was 6.85cps for the year, compared to 6.43cps in the prior comparable period, an increase of 6.5%.

Portfolio Activity - Portfolio Metrics, Rent Reviews and Leasing

Peter Mence said “Challenging economic conditions and geopolitical uncertainty influenced the year. The team maintained a strong focus on operational discipline, delivering solid leasing outcomes.”

As at 31 March, Argosy’s WALT was 5.0 years and portfolio occupancy was 94.6%.

Over the financial year, Argosy completed 111 rent reviews, achieving annualised rental growth of 3.5%. These reviews were achieved on rents totalling \$80.9 million.

On rents subject to review by sector, Argosy achieved annualised rental growth of 4.4% for Industrial rent reviews, 2.4% for Office rent reviews and 2.6% for Large Format Retail rent reviews. Over the financial year, 72% of rents reviewed were subject to fixed reviews, 25% were market reviews and 3% were CPI based.

Argosy completed 32 leasing transactions across 45,335m² of NLA over the year. Lease transactions were made up of new leases (13), renewals (13) and extensions (6).

During the period Argosy retained two key Wellington Office tenants:

- New Zealand Post Limited exercised their right of renewal for the Ground Floor and Level 1 of 7 Waterloo Quay (4,332m²). The renewal is for six years with a final expiry date of 31 December 2031. Rent reviews are CPI based with a market review at 1 January 2029.
- The Ministry of Business, Innovation and Employment (MBIE) have extended their lease at 15 Stout St (20,709m²) for a further 9 years from 23 July 2026. Reviews are fixed at 2.75% pa with market reviews at 23 July 2026 and 23 July 2032. As part of the new lease Argosy and MBIE will progress a decarbonisation project (including conversion of gas boilers to heat pumps, solar panels, LED light conversion and EV chargers), and façade works (including installing additional parapet flashings for enhanced protection and extending downpipes in various locations for rainfall disbursement). The project has commenced and is expected to cost \$13 million.

Peter Mence said “We are very pleased to have retained such valuable tenants on long leases. The two leases addressed the biggest expiries for both FY26 and FY27, and lifted the weighted average lease term to 5.0 years at 31 March.”

Other leasing highlights over the year include:

- Boffa Miskell, 82 Wyndham Street - 1,642m² on a 10 year renewal.
- Steel and Tube Holdings, 39 Randwick Road - 2,097m² on a 3 year renewal.

- Kathmandu, Albany Mega Centre - 899m² on a 6 year renewal.
- The Joint Accreditation System of Australia and New Zealand, 147 Lambton Quay - 492m² on a new 5 year lease.
- Cottee Parker, 39 Market Place - 488m² on a new 6 year lease.
- Intrepid Travel, 39 Market Place - 462m² on a new 6 year lease.
- Sangro Chambers, Citibank Centre, 23 Customs Street East - 447m² on a 10 year extension.
- Arthur J Gallagher, 320 Ti Rakau Drive - 514m² on a 3 year renewal.
- De'Longhi, 99-107 Khyber Pass Road - 368m² on a 3 year renewal.

Peter Mence said, "The team delivered a solid leasing outcome in FY26, retaining key tenants and attracting new ones to the portfolio. Notably, we are currently in active negotiations with prospective tenants for our buildings at 147 Lambton Quay and 39 Market Place."

The industrial sector continued to demonstrate comparatively strong fundamentals. Lower vacancy levels and stable rental outcomes contributed to the portfolio's resilience in a more constrained market environment. As at 31 March 2026, Industrial assets comprised 55% of the portfolio. Completion of the current green value add industrial development pipeline in the medium term is expected to support a further increase toward the target weighting of 60–70%.

Divestment of Non-Core Assets

The property at 4 Henderson Place, Auckland, was unconditionally sold in FY26 for \$40 million and settled in April 2026. The property at 143 Lambton Quay, Wellington was unconditionally sold in FY26 for \$6 million and settled in May 2026.

A further six properties have been identified as non-Core, with a combined current book value of \$139 million, and these properties are expected to be divested over the medium term.

Subsequent to year end, we have entered into a conditional contract for the sale of the non-Core property on the corner Taniwha and Paora Hapi Streets, Taupo. Expected settlement is October 2026.

Developments

Mt Richmond

Construction of Stage 1 at Mt Richmond achieved practical completion in May 2026, delivering Warehouse 6, a 5,833m² warehouse and office facility for Viatrix Limited, a global pharmaceutical distributor. Stage 1 also includes two platforms, both of which have been completed and leased to existing tenants.

In FY26, Warehouse 6 achieved a 6 Green Star Design rating and we are now seeking a 6 Green Star Design and Built rating. The project reflects Argosy's ongoing focus on delivering sustainable, future-ready industrial facilities that align with evolving occupier requirements.

Neilson Street

At 224 Neilson Street, practical completion of Warehouse A (11,477m² clear span with a 13-metre knee height and 600m² of office) was achieved in October 2025, in line with budget.

Warehouse B (4,901m² clear span with an 11-metre knee height and 510m² of office) is fully leased to Basick Transport. Subsequent to year end, Management has agreed high level terms with a national distributor on a 16-year lease for Warehouse A commencing 1 March 2027, incorporating 3.5% annual escalation, five-yearly market reviews and two five-year rights of renewal.

The warehouses incorporate a range of sustainability features, including low-carbon concrete, rainwater harvesting, intelligent lighting and air-conditioning systems, and a rooftop solar array comprising approximately 1,880 panels. The solar installation is expected to generate more than 1.2GWh of electricity annually. Both warehouses have achieved a 6 Green Star Design and Built rating.

Peter Mence said, "Market enquiry continues to reflect strong interest in modern, green-certified facilities in well-located precincts, and assets such as this are well positioned to support long-term income quality and value."

Acquisitions

In October 2025, Argosy settled the acquisition of 291 East Tamaki Road and adjacent titles. This is a strategic transaction that was unconditionally agreed in November 2024. The site comprises a 4.6 hectare level landholding located approximately 2 kilometres from State Highway 1, within a well established industrial precinct.

The acquisition aligns with Argosy's strategy of increasing exposure to high quality industrial assets and creating long-term value through sustainable, future-ready redevelopment opportunities. The total investment, including the initial purchase price and associated capital works, is \$60 million, with a fully-let holding return of 5%.

Peter Mence said "291 East Tamaki Road offers flexibility over time to consider redevelopment opportunities that reflect changing occupier requirements and our focus on sustainability and asset quality."

Banking Facilities

In July 2025 and March 2026, Argosy successfully extended its syndicated bank facilities with ANZ Bank New Zealand Limited, Bank of New Zealand, Commonwealth Bank of Australia, Westpac New Zealand Limited and Industrial and Commercial Bank of China Limited, and introduced a new Tranche E. The refinanced Tranches and expiries (which include a 7 Year Tranche) are:

Tranche A: \$200 million, expiry 1 October 2028.

Tranche B: \$225 million, expiry 1 October 2029.

Tranche E: \$100 million, expiry 1 October 2029.

Tranche D: \$100 million, expiry 1 October 2030.

Tranche C: \$100 million, expiry 1 July 2032.

Argosy's weighted average debt tenure, including bonds, was 3.1 years at 31 March 2026 (2.7 years at 31 March 2025). The weighted average interest rate was 4.6% (5.1% at 31 March 2025).

Green Bonds

The company's first green bond matured on 27 March 2026 and was refinanced with a new \$100m tranche of bank debt, Tranche E. The second green bond (ARG020) matures in October 2026 and will be refinanced later in the year.

Outlook

Geopolitical developments since the interim release have increased market uncertainty. The outlook remains uncertain, with the duration of the current disruption and the potential for further escalation difficult to predict. While no direct impacts on the business have been observed to date, ongoing uncertainty may influence offshore investment sentiment and inflation expectations, particularly through energy markets. So far, leasing enquiry levels have remained encouraging.

Argosy is well positioned, supported by a strong balance sheet and a growing, high quality and diversified portfolio with a clear focus on sustainability and green assets. The planned, progressive increase in industrial weighting through the green development pipeline is expected to enhance the certainty and stability of cashflows and earnings over time.

The Management team remains very focused on addressing vacancy and near-term lease expiries and maintaining a high level of tenant retention across the portfolio.

END.