18.11.2026

Market Release

FY27 Interim Result – Building Momentum

Argosy will present the FY27 interim result via a teleconference and webcast at 10am today. Please visit https://s1.c-conf.com/diamondpass/10057107-zpdqai.html dial 0800 453 055 and quote the conference ID#10057107. 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 six months to 30 September 2026.

KEY RESULTS FOR THE PERIOD:

- A strong improvement in occupancy to 98.2%, up from 94.6% at 31 March, with rental income from new leases of $6.7m to commence over the next six months.
- A weighted average lease term (WALT) of 5.5 years, up from 5.0 years at 31 March.
- Net property income for the period of $60.6 million, which is down 1.1% on the prior comparable period.
- Net distributable income of $31.1 million, up 1.3% on the prior comparable period.
- Net tangible assets per share of $1.58, down from $1.60 at 31 March, due to a revaluation provision.
- The sale of two Non Core properties successfully settled in the interim period, with the proceeds being 10.5% above book value. Subsequent to 30 September, the Non Core property on the Cnr Taniwha and Paora Hapi Streets, Taupo, went unconditional. The sale price is $11.4 million, which is 8.6% above book value at 30 September. A further two Non Core properties are under conditional contract.
- Portfolio gearing at 36.6%, down from 37.2% in March, is comfortably within the target band of 30-40%.
- An ($18.1 million) interim revaluation provision for the six months to 30 September, equivalent to (0.8%) of book value, based on an internal assessment of the portfolio, and reviewed by independent valuers.

- Successful portfolio rent review outcomes (2.9% annualised rental growth on rents reviewed).
- Buildings A and B, 224 Neilson Street recognised at the 2026 Master Builders Commercial Project Awards, receiving a National Category Award, Gold Award and the overall Environmental and Sustainability Award.
- Completion of Warehouse 6 at Mt Richmond, which has achieved a 6 Green Star Design and Built rating.
- Increase in Morgan Stanley Capital International (MSCI) rating to AA, indicating we are industry leading in managing sustainability risks and opportunities.
- Refinancing of the ARG020 green bonds with green bank debt in October, increasing funding tenor to 3.5 years. The refinancing of ARG020 and the conversion of bank debt to green loans will save $2.0 million per annum on previous arrangements.
- FY26 full year dividend guidance of 6.65 cents per share reaffirmed.

CHAIRMAN'S REVIEW

Jeff Morrison said, "The Management team continues to make good progress, with very positive leasing activity and improved key metrics building real momentum."

The Company has continued with its strategic focus on greening the portfolio, with Warehouse 6 at Mt Richmond completed during the period, achieving a 6 Green Star Design and Built rating. As at 30 September, 39% of the portfolio comprised existing green assets, with the company continuing to target 50% of the portfolio being green by 2031. Other initiatives include the decarbonisation and façade refurbishment of 15 Stout Street, Wellington, supporting the broader strategy of improving and repositioning assets to deliver a higher quality, more sustainable and resilient portfolio.

The company's focus remains on maintaining a high-quality, diversified, resilient portfolio that delivers sustainable income and long term value for shareholders.

Early in the period, the Non Core properties at 143 Lambton Quay, Wellington, and 4 Henderson Place, Auckland were settled for $6.0 million and $39.8 million respectively, with the combined proceeds being 10.5% above book value.

The Non Core property on the Cnr Taniwha and Paora Hapi Streets, Taupo, went unconditional subsequent to 30 September. The sale price is $11.4 million which is 8.6% above book value at 30 September. The expected settlement date is May 2027. The Non Core properties at 8 Foundry Drive, Christchurch and 99 Khyber Pass Road, Auckland, are under conditional contract. Following these sales, and given the company is currently forecasting a reduced development program, the Board is considering initiating a share buyback program.

A further 3 properties with a valuation of $95.6 million are considered Non Core and will be divested as market conditions allow.

The Board remains very comfortable with the Company's capital position and balance sheet strength.

The Board continues to progress its leadership succession planning. Following the announced intention of Peter Mence to step down as Chief Executive Officer at the 2027 Annual Meeting, the process to appoint his successor is underway.

As previously announced, Jeff Morrison will retire as a Director at the 2027 Annual Meeting, with Martin Stearne succeeding him as Chair as part of the Board's ongoing succession planning.

Jeff Morrison said "As the company progresses through this transition year, the leasing momentum we are achieving, the quality of the portfolio and the strength of the balance sheet provide a very solid platform for the future.

Dividend guidance for FY27 is reaffirmed at 6.65 cents per share, consistent with previous guidance."

MANAGEMENT REVIEW

The first half of FY27 was characterised by continued economic uncertainty, with higher fuel prices adding to cost pressures and the New Zealand election contributing to a cautious market. Despite these conditions, enquiry levels have been very encouraging. Argosy's diversified portfolio has continued to demonstrate resilience, with leasing activity across all three sectors contributing to a strong increase in occupancy to 98.2% at 30 September 2026, from 94.6% at 31 March 2026. Transition vacancy (leases completed where the tenant is not yet in occupation) sits at $6.7 million per annum at 30 September. This provides real momentum going into FY28.

Our focus over the next twelve months will be to address remaining vacancies and upcoming lease expiries. Enquiry for green properties continues to be positive, particularly in the Wellington office market, where occupiers are showing a preference for locations close to Parliament, seismic performance of at least 80% of New Building Standard and sustainability credentials of at least 4 Green Star. These preferences are consistent with Argosy's strategy of investing in high-quality, resilient and sustainable assets, and its target for 50% of the portfolio to comprise green assets by 2031.

CEO, Peter Mence said, "There is independent research which identifies an expected solid increase in demand for green rated accommodation in both the commercial office and the industrial sectors. The Argosy portfolio is very well positioned to meet this increasing demand."

The refinancing of our bank facilities, repayment of the ARG020 green bonds and conversion to green loans in October 2027 will deliver significant savings ($2.0 million over previous arrangements), while further aligning the Company's funding strategy with its investment in green assets and broader sustainability objectives.

CFO, Dave Fraser said, "The refinancing demonstrates the tangible financial benefits of Argosy's green asset strategy, with qualifying assets supporting both improved environmental outcomes and lower funding costs."

Financial Results

Statement of Comprehensive Income

For the six months to 30 September, Argosy reported net property income of $60.6 million for the period, down by 1.1% on the prior comparable period. Solid rent review outcomes, income from developments and the acquisition of 291 East Tamaki Road, were offset by lost income from divestments, prior year surrender fees and increases in Wellington rates.

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

CFO, Dave Fraser said “Insurance market conditions continued to improve during 2026, driven by abundant global reinsurance capacity, strong insurer profitability and increased competition for quality commercial property portfolios. While major natural disaster losses continue to occur globally, the insurance market has remained resilient and well capitalised and these conditions, combined with Argosy's disciplined risk management and portfolio quality, resulted in another favourable renewal outcome.”

Interest expense of $21.0 million was up on the prior comparable period ($18.8 million). A positive rate variance was offset by higher average debt levels and capitalised interest being $1.9 million lower than the prior comparable period.

Management reviewed the portfolio using available market data, considered other key property information and discussed the results with an independent valuation expert. The Board and Management have subsequently determined that a revaluation provision of ($18.1 million) is appropriate at 30 September 2026.

As a result of the review, a ($13.0 million) (1.0%) provision was made against the Industrial portfolio, ($2.8 million) (0.3%) against the Office portfolio and ($2.3 million) (1.1%) against the Large Format Retail portfolio.

CEO, Peter Mence said “Our assessment and subsequent discussions indicate that capitalisation rates across the various property sectors have remained broadly unchanged in the interim period, with limited market activity occurring. In terms of market rents, there has similarly been little change over the interim period too, though the increase in vacancy and incentives in the industrial sector has had a minor impact, reducing net effective rentals.”

Argosy’s NTA per share has decreased slightly to $1.58 from $1.60 as at 31 March 2026, as a result of the negative revaluation provision.

Net profit after tax was $16.2 million (including the ($18.1 million) negative revaluation provision), compared to a net profit after tax of $61.1 million (including a $31.3 million revaluation gain) in the prior comparable period.

Distributable Income/FFO

Net distributable income (NDI) for the six months was $31.1 million compared to $30.7 million in the prior comparable period, an increase of 1.3%. Net distributable income was 3.56 cents per share to 30 September 2026, compared to 3.58 cents per share in the prior comparable period.

Current tax was $2.9 million, compared to $6.1 million in the prior comparable period. Lower taxable profit and an investment boost deduction on completion of the first building at Mt Richmond were the main drivers of the decrease.

After adjustment for amortisation of tenant incentives and leasing costs, FFO was 3.69 cents per share, compared to 3.77 cents per share in the prior comparable period.

The dividend payout to FFO ratio was 90%, compared to 88% in the prior comparable period.

Portfolio Activity - Portfolio Metrics, Rent Reviews and Leasing

Positive leasing outcomes across all three sectors supported improved portfolio occupancy during the period. With occupancy at 98.2%, the Company remains very focused on upcoming lease expiries and maintaining strong occupancy levels.

Peter Mence said "There are encouraging signs emerging in the office market. CBRE's *2026 Office Occupier Survey* reported increased office attendance and utilisation, with 33% of occupiers now operating at utilisation levels of 80% or higher, compared with 24% in 2025 and 18% in 2024. The preference for quality also remains evident, with higher quality premises the leading reason for occupiers considering relocation. These trends are encouraging and align well with the quality and sustainability characteristics of Argosy's office portfolio.

As at 30 September, Argosy's WALT was 5.5 years, up from 5.0 years at 31 March.

For the period to 30 September, Argosy completed 61 rent reviews, achieving annualised rental growth of 2.9%. These reviews were achieved on rents totalling $60.2 million. By sector, Argosy achieved annualised rental growth of 4.1% for Industrial rent reviews, 2.2% for Office rent reviews and 3.3% for Large Format Retail rent reviews. For the interim period, 50% of rents reviewed (by rent) were subject to fixed reviews, 47% were market reviews and 3% were CPI based.

Argosy completed 25 leasing transactions across 68,400m² of NLA over the period to 30 September, with Wellington office contributing well. Lease transactions were made up of new leases (15), renewals (5) and extensions (5).

During the interim period, Argosy welcomed new tenants and renewed relationships with existing tenants, including:

- Cardinal Logistics Limited has extended its leases at 19 Nesdale Avenue (20,621m²), 240 Puhinui Road (13,273m²) and 244 Puhinui Road (4,353m²) for a further six years, with a final expiry of 1 November 2040. Rent reviews are three-yearly, to the greater of market or 4% (19 Nesdale Avenue) or 4.5% (240/244 Puhinui Road).

- ECLY Limited have entered into a new lease at 224A Neilson Street (12,077m²) for 16 years from 1 March 2027. Reviews are fixed at 3.5% pa with market reviews in 2032, 2037 and 2042.

Peter Mence said, "We are very pleased with the leasing progress achieved during the period. The extension of the three Cardinal Logistics leases retains an important tenant across 38,247m² for a further six years. We are also pleased to have secured ECLY Limited as a new tenant at 224A Neilson

Street, and we look forward to welcoming them when their lease commences in March 2027. The leasing progress at 147 Lambton Quay in Wellington is a pleasing endorsement of our assets. These are significant leasing outcomes that provide long term income certainty and reinforce the general momentum we are seeing across the portfolio."

Further key leasing highlights over the six month period include:

- Viatris Limited, 8-14 Mt Richmond Drive, 5,833m² on a new 10 year lease.
- Ministry of Justice, 7 Waterloo Quay, 2,912m² on a new 12 year lease.
- Parliamentary Corporation, 147 Lambton Quay, 2,373m² on a 3 year renewal.
- Deals Direct 2010 Limited, 291 East Tamaki Road, 2,000m² on a new 2 year lease.
- Education Payroll Limited, 147 Lambton Quay, 1,153m² on a new 6 year lease.
- Moore Markhams Partnership, 101 Carlton Gore Road, 989m² on a new 9 year lease.
- New Zealand Red Cross Limited, Albany Mega Centre, 509m² on a new 5 year lease.
- Scott Technology NZ Limited, 101 Carlton Gore Road, 473m² on a new 8 year lease.
- Financial Services Complaints Limited, 147 Lambton Quay, 496m² on a new 6 year lease.
- Agrecovery Foundation, 147 Lambton Quay, 321m² on a new 7 year lease.

The largest remaining expiry for FY26 is at 17 Mayo Road in Wiri. We are in the final stages of an agreement with a new tenant to lease this building for 10 years. Further details will be released on this in due course.

Developments

Mt Richmond

Stage 1 at Mt Richmond was completed early in the financial year, with Viatris Limited taking occupation of Warehouse 6 in May. The new 5,833m² warehouse and office facility has since achieved a certified 6 Green Star Design & Built rating, representing a world-leading standard of sustainable design and construction.

The completion of Stage 1 was also marked by a dawn blessing with local Iwi in July. This was followed in October by the blessing of the development's new pylon signage, which incorporates Māori design elements and reflects the partnership established through the development.

Peter Mence said, "The completion of Stage 1 is an important milestone for Mt Richmond. Achieving a 6 Green Star Design & Built rating is an excellent outcome and reflects the quality and sustainability standards we are seeking across the portfolio. We are also pleased to welcome Viatris to the completed development and look forward to the future opportunities that the next stage of Mt Richmond will provide."

15 Stout Street

Argosy has commenced an upgrade programme at 15 Stout Street, incorporating the decarbonisation of the building's plant alongside restoration of its heritage façade. The decarbonisation works includes conversion of gas boilers to heat pumps, solar panels, LED light conversion and installation of EV chargers. The programme will improve the building's energy efficiency and reduce its reliance on fossil fuels, while preserving the heritage character of this important Wellington office asset.

The capital cost of the project is $13.0 million and the Stout St valuation uplift on completion is $14.0 million, after deducting the $13.0 million capital cost. The redevelopment will help future proof the asset and enhance its long term resilience, while supporting Argosy's broader strategy of improving the quality of its existing portfolio.

Acquisitions

There were no acquisitions in the interim period to 30 September 2026.

Banking Facility Refinance

Subsequent to 30 September, Argosy completed the refinancing of its syndicated banking 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, increasing total committed facilities to $750.0 million and extending maturities to between October 2029 and October 2033.

As part of the refinancing, the facility documentation was restructured to introduce green loan tranches, enabling eligible bank debt to be designated as green loans aligned with qualifying green assets under Argosy's Green Loan Framework.

The new Tranches and expiries are:

Tranche A2: $415.0 million, expiry 1 October 2029
Tranche B2: $120.0 million, expiry 1 October 2030
Tranche C2: $115.0 million, expiry 1 October 2031
Tranche D2: $50.0 million, expiry 1 October 2033
Tranche D1: $50.0 million, expiry 1 October 2033 (non green).

Argosy's weighted average debt tenor, including bonds, was 3.5 years following the refinancing.

The weighted average interest rate at 30 September was 4.8% (4.6% at 31 March 2026).

Green Bonds

The company's second green bond, ARG020, matured on 29 October 2026 and $100.0 million was repaid using bank debt. The remaining $100.0 million green bond, ARG030, matures on 27 October 2027.

DIVIDEND

A second quarter dividend of 1.6625 cents per share has been declared for the September quarter with imputation credits of 0.232888 cents per share attached. This will bring the interim dividend for the six months to 30 September to 3.325 cents per share. Overseas investors will receive an additional supplementary dividend of 0.105680 cents per share to offset non-resident withholding tax.

The record date for the dividend is 9 December 2026 and the payment date is 23 December 2026. The Dividend Reinvestment Plan ('DRP') is currently suspended.

Please see the second quarter dividend announcement today for more details.

END.

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