

ASX RELEASE

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RESILIENT HY26 RESULT, REDUCED CORPORATE OVERHEADS

Abacus Group (ASX:ABG) ('ABG') today announced its results for the half year ended 31 December 2025, delivering a statutory net profit of \$47.6 million, up \$53.3 million on HY25 which was impacted by property valuations. Underpinning the result was the Group's focus on cost efficiencies and productivity enhancements that drove a reduction in administrative and other expenses by 8.1% compared to HY25.

HY26 Overview

- Funds from Operations (FFO) of \$40.1 million, down 0.2% on HY25
- Distribution of 4.25¹ cents per security, flat on HY25
- NTA of \$1.73 per security, up 0.6% on FY25
- Weighted average capitalisation rate (WACR) of 6.81%, up four basis points on FY25
- Gearing of 34.5%, flat on FY25 and within target range of up to 40%

Office Summary

- Office LFL operating earnings² of \$44.3 million, up 0.6% on HY25, was supported by strong net face leasing spreads of 7.2% and average rent reviews of 3.6% but was offset by lower surrender fees in HY26
- Removing the impact of surrender fees, HY26 Office operating earnings grew 5.8% on HY25

Retail Summary

- Retail LFL operating earnings² of \$15.0 million, up 4.5% on HY25, was supported by strong leasing spreads of 5.3% and average rent reviews of 3.6%
- The underlying Retail Portfolio continues to perform well with occupancy of 97.1%

Self Storage Summary

- \$8.0 million equity return from the Group's 19.7% interest in ASK, down 7.0% on HY25. Earnings were impacted by lower ASK FFO in the period
- ASK continues to perform well operationally, with positive RevPAM growth in all Australian regions

FY26 Distribution Guidance Affirmed

- Distribution guidance of 8.50 cents per security, targeting a full year payout of 85-95% of FFO

¹ 50% of the distribution is fully franked.

² Operating earnings (rental income less property expenses).

Office Portfolio remains resilient

The Group's Office Portfolio demonstrated resilience in HY26, with operating earnings up 0.6% compared to HY25. The result was supported by strong net face leasing spreads of 7.2%, average rent reviews of 3.6% but was offset by lower surrender fees (HY26: \$0.3 million, HY25: \$2.4 million). Excluding the impact of lower surrender fees, Office operating earnings growth in HY26 was 5.8%. The Group leased 26,725 sqm of space³ across 33 deals³ with an average gross incentive of 34%, down 100 basis points on HY25.

The Group's ~\$1.5 billion Office Portfolio, representing 56% of the Group's balance sheet, remains focused on owning quality real estate across the eastern seaboard of Australia, with exposure to A and B grade Office assets. The Group progressed its non-core Office asset sales in HY26, exchanging contracts to divest 241 Adelaide Street, QLD and Camellia, NSW for total consideration of approximately \$75 million. 241 Adelaide Street, QLD has settled post balance date and settlement is expected in the first half of FY27 for Camellia, NSW.

The Group's portfolio remains positioned to attract customers seeking well located, quality Office space with contemporary amenities, at competitive rents. The Office Portfolio's geographic exposure to the Eastern Seaboard is set to benefit as Office occupier sentiment continues to gradually recover.

Retail Portfolio occupancy of 97.1% underpins earnings growth

The Retail Portfolio performed strongly in HY26, delivering LFL operating earnings growth of 4.5% on HY25, driven by net face leasing spreads of 5.3% and average rent reviews of 3.6%. Operating earnings growth was impacted by lower turnover rent during the period. Despite this, the underlying performance of the Retail Portfolio remains solid, and occupancy levels remain high at 97.1% (up 160 basis points on FY25). During the period, the Retail Portfolio's WACR expanded by 4 basis points to 6.50% (FY25: 6.46%).

Self Storage continues to deliver solid returns

Abacus Group's 19.7% strategic stake in Abacus Storage King (ASX:ASK) ('ASK') delivered investment earnings of \$8.0 million in the period, down 7.0% on HY25, driven by lower ASK FFO. ASK maintained sector leading operating metrics in HY26 with established portfolio average rents of \$377psm, up 1.7% on HY25 and strong occupancy of 90.5% (HY25: 90.7%). Despite the solid operating performance in HY26, ASK's operating margins were impacted by cost base pressures, primarily driven by statutory and insurance related expenses which have rebased to higher levels.

Corporate overhead discipline and balance sheet capacity

Abacus maintained a solid capital position during HY26, supported by active treasury management and ongoing cost discipline. Administrative and other expenses were reduced by 8.1% compared to HY25, driven by reduced headcount, streamlining of systems, and improved operating efficiency. This reduction demonstrates our commitment to operational discipline and building a more scalable platform for future growth.

As at 31 December 2025, gearing was 34.5% and is within the Group's target range of up to 40%. The Group exchanged contracts to divest approximately \$75 million of assets during the period, simplifying

³ Based on 100% ownership.



ABG's portfolio and contributing to a pro-forma gearing reduction of approximately 1.7%, assuming asset proceeds are directed to reducing debt.

The Group's Chief Financial Officer Evan Goodridge commented, "Abacus Group delivered a half year distribution of 4.25⁴ cents per security, in line with HY25. We remain focused on sustaining a resilient income profile and have progressed our non-core asset divestment program, exchanging contracts to divest approximately \$75 million of assets. In addition, the Group continues to right size its cost base, reducing its administrative and other expenses by 8.1% compared to HY25."

Outlook and guidance

Abacus Group enters the second half of FY26 with solid occupancy, strong tenant retention and gearing inside our target range. The Group remains active in assessing opportunities and is confident in its ability to continue divesting non-core assets and reinvesting capital into opportunities where the Group has investment conviction.

As announced on 4 February 2026, Abacus Group has commenced discussions with Abacus Storage King regarding the potential internalisation of ASK's management function. These discussions remain at an early stage and there is no certainty that any transaction will proceed. Abacus will continue to update the market in accordance with its continuous disclosure obligations.

The Group's Managing Director Steven Sewell commented "The Group is committed to its strategic vision of delivering long-term value through selective investment, proactive asset management and disciplined capital allocation."

The Group is pleased to reaffirm FY26 distribution guidance of 8.50⁵ cents per security, targeting a full year payout ratio of 85%-95% of FFO, predicated on no material decline in current business conditions, including the management and 19.7% ownership of Abacus Storage King.

Market Briefing

Abacus Group will host a market briefing on Tuesday, 24 February 2026 at 10:00am AEST. Access will be via webcast at: <https://abacusgroup.com.au/investor-centre/key-dates-events/>

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INVESTOR & MEDIA ENQUIRIES

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Authorised for release by Lucy Spenceley, Company Secretary ASX:ABG

⁴ 50% of the distribution is fully franked.

⁵ 50% of the distribution is expected to be fully franked.

