LDR CAPITAL PROPERTY FUND

ASX ANNOUNCEMENT

LDR Capital Property Fund (ASX: LED)

27 August 2026

FY26 FULL YEAR RESULTS
RESET COMPLETE, REPOSITIONING WELL ADVANCED

LDR Capital Property Fund (ASX: LED) ("LED" or the "Fund") today announced its results for the financial year ended 30 June 2026, with the second half marking the first reporting period under LDR Capital Pty Ltd ("LDR Capital") as Investment Manager.

Since its appointment in February 2026, LDR Capital has aimed to reposition the Fund by reducing costs, recycling secondary assets and lowering gearing to establish a stronger platform for sustainable distributions, NTA growth and long-term value creation.

FY26 Key Highlights

Reset and Repositioning

- $105.4 million of net proceeds from contracted asset sales, representing approximately 28% of the portfolio by value
- Exchanged contracts on four secondary assets, with proceeds from the sales initially applied to debt reduction
- A more focused portfolio of three retained assets, valued at $255.5 million as at 30 June 2026, with a weighted average capitalisation rate (WACR) of 7.64%
- 93.2% portfolio occupancy, following the divestment program to date
- 3.4-year weighted average lease expiry (WALE), providing visibility over the Fund's existing income base
- Approximately 14,000 sqm of new leases and heads of agreement, representing circa 32% of the retained portfolio
- Strong sustainability credentials, with an average portfolio NABERS Energy rating of 5.4 stars
- Further asset disposals targeted in FY27 as the Fund aims to complete its portfolio repositioning

Financial Highlights

- Funds from operations (FFO) of $28.2 million, or 6.9 cents per security (cps), down 20.3% on FY25
- Adjusted funds from operations (AFFO) of $7.3 million, or 1.8 cents per security, reflecting elevated capital expenditure and leasing incentives during the year
- Statutory net loss of $18.4 million, driven by a $28.7 million fair value decline on investment properties and $9.7 million of one-off transaction costs
- Distributions of 6.5 cents per security, in line with FY26 guidance
- Net tangible assets (NTA) of $0.58 per security at 30 June 2026
- Gearing of 42.6% at 30 June 2026, expected to be reduced to 29.3% pro forma on settlement of contracted asset sales, below the long-term target range of 35–40%

- $1.9 million (37% reduction) in annualised management fee cost savings following the transition to LDR Capital
- FY27 AFFO guidance of 1.5 cps and DPU guidance of 1.5 cps, targeted distribution of 0.75 cps in each of the March and June 2027 quarters (distributions deferred to 2H27). LDR Capital will waive all investment management fees in 1H27.[1]

Chairman's Commentary

LDR Capital Chairman, Paul Lederer, said:

"FY26 was a year of significant change for LED. Since LDR Capital was appointed Investment Manager in February, our focus has been on getting the fundamentals right and addressing the issues that needed to be addressed.

We've made some hard but necessary decisions. We've reduced costs, contracted the sale of $107 million of secondary assets, materially reduced gearing and made good progress on leasing across the retained portfolio.

Importantly, we've done what we said we would do. The reset is complete and LDR Capital believe we have a much stronger foundation from which to complete the repositioning of the Fund.

We think FY27 will be a pivotal year for LED. Our focus now shifts to completing the portfolio repositioning and deploying capital into essential properties that can deliver enduring cash flows.

Our objective is clear: to build a high-quality portfolio capable of supporting sustainable and growing distributions, NTA growth and long-term value creation for all securityholders."

Fund Manager Commentary

LDR Capital Managing Director and Fund Manager, Ryan Pittman, said:

"Since our appointment in February 2026, the team has been acutely focused on repositioning the Fund at both the portfolio and asset level.

We have contracted the sale of four secondary assets for $105.4 million. On settlement of these transactions, gearing will reduce from 42.6% to 29.3% and drawn debt will reduce from $190.9 million to $109.3 million, providing significant balance sheet capacity to complete the next phase of the Fund's repositioning.

We believe FY27 will be a critical transition year. Our vision is to transition LED from a suburban office REIT with a material B and C grade weighting to a portfolio of essential properties that deliver enduring cashflows.

We expect to complete the asset recycling program during FY27 and intend to redeploy capital into assets that meet our revised investment criteria. We also intend to refinance the Fund's existing debt facilities and continue to reduce fund-level expenses.

Importantly, we believe distributions should be supported by the underlying free cashflows generated by the portfolio. Going forward, we intend to adopt a distribution policy targeting a payout of 100% of AFFO, providing a sustainable base from which distributions and NTA per security can grow over time."

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[1] *This guidance is subject to the key assumptions and risk factors outlined in the FY26 Results Presentation released today, including the timely settlement of contracted asset sales and LDR Capital waiving all investment management fees in 1H27.*

Financial Results

FY26 FFO was $28.2 million (20.3% below FY25) primarily reflecting negative lease reversions at WorkZone West, partly offset by lower investment management fees and higher income from the Harris Street capital notes.

We believe AFFO of $7.3 million provides a more representative measure of the underlying cash performance of the Fund during the period. The difference between FFO and AFFO primarily reflects elevated capital expenditure and leasing incentives, together with $2.8 million of non-cash PIK interest on the Harris Street capital notes.

Leasing incentives increased materially during the year, primarily reflecting the re-leasing of WorkZone West following the expiry of the major tenant's lease in August 2025.

Earnings	Units	FY26	FY25
Funds from operations (FFO)	$m	28.2	35.4
Adjusted funds from operations (AFFO)	$m	7.3	18.7
FFO per unit	cpu	6.93	9.40
AFFO per unit	cpu	1.80	4.95
Distribution per unit	cpu	6.50	7.50
Statutory net profit/(loss)	$m	(18.4)	(5.4)

Balance sheet	Units	30 Jun 26	Post-sales pro forma
Total assets	$m	438.5	355.3
Net tangible assets (NTA) per unit	$	0.58	0.58
Gearing	%	42.6	29.3
Weighted average cost of debt	%	5.93	6.12
Weighted average debt maturity	years	1.4	1.2
Drawn debt hedged	%	78.4	nil

Capital Transactions

Asset recycling has been a key focus since LDR Capital's appointment, with the Fund contracting the sale of four secondary assets for a combined $105.4 million.

Cannon Hill settled prior to 30 June 2026, with Mt Gravatt, Limestone Centre and O G Road due to settle by the end of September 2026.

Asset	Net sales proceed ($m)	Premium/(discount) to book (%)	5-yr avg AFFO yield (%)	Settlement
Cannon Hill	23.8	(8.5)	2.4	Settled Jun-26
Mt Gravatt	29.7	(15.0)	6.2	On or around 31 Aug 26
Limestone Centre	27.9	1.4	5.2	On or around 31 Aug 26
O G Road	24.0	(14.0)	7.0	On or around 24 Sep 26
Total	**105.4**	**(9.9)**	**5.3**	

Net proceeds will initially be applied to debt reduction, with capital subsequently intended to be redeployed into assets that meet LED's revised investment criteria and support its objective of delivering enduring cashflows, sustainable distributions and long-term NTA growth.

Capital Management

Gearing was 42.6% at 30 June 2026 and is expected to reduce to 29.3% following the settlement of the contracted asset sales, below the Fund's long-term target range of 35–40%.

The reduction in gearing provides LED with increased balance sheet flexibility as it completes the portfolio repositioning program and considers opportunities to redeploy capital into assets that meet its revised investment criteria.

The Fund's interest rate hedging expired in August 2026. Given the active asset recycling program the drawn debt will temporarily be unhedged. LDR Capital intends to refinance the existing debt facilities including entering new hedging arrangements by December 2026.

During FY27, LDR Capital also intends to refinance the Fund's existing debt facilities as part of its broader capital management strategy.

Portfolio Valuations

The Fund's three investment properties were valued at $255.5 million at 30 June 2026, representing a decline of $6.5 million, or 2.5%, on 31 December 2025.

The portfolio valuation movements during the period primarily reflected a substantial increase in forecast capital expenditure across the retained assets. Ten-year nominal capex allowances rose $26.5 million, or 73%, over the second half to $63.0 million, reflecting a detailed reassessment of building services, refurbishment and compliance requirements. Capitalisation rates were broadly stable, tightening 6 basis points across the portfolio to 7.64%, with the decline at Garema Court driven by the reassessed capex program and the adoption of a 7.50% cap rate. The portfolio's weighted average capitalisation rate (WACR) was 7.64% at 30 June 2026.

Investment Properties	50 Cavill Ave Surfers Paradise, QLD	WorkZone West Perth, WA	Garema Court Canberra, ACT	Investment portfolio
30 Jun 26 ($m)	123.0	92.5	40.0	**255.5**
31 Dec 25 ($m)	125.5	92.0	44.5	**262.0**
Mvmt ($m)	(2.5)	0.5	(4.5)	**(6.5)**
Mvmt (%)	(2.0%)	0.5%	(10.1%)	**(2.5%)**
Cap rate (30 Jun 26)	7.50% (--)	7.88% (+13bp)	7.50%[1] (-63bp)	**7.64%** **(-6bp)**
Change in 10-yr capex forecast	+9.7	+7.7	+9.2	**+26.5**

[1]Adopted cap rate of 7.5% for Garema Court incorporates the allowance for a substantial refurbishment program in 2030 to support future re-leasing and asset positioning.

Leasing

Since LDR Capital's appointment, the Fund has made significant progress on leasing across the retained portfolio, with new leases and heads of agreement completed over approximately 14,000 sqm, representing 32% of the retained portfolio.

Key leasing activity included:

- WorkZone West – lease executed over approximately 660 sqm, together with heads of agreement Level 4 (approximately 1,400 sqm);
- Garema Court – Australian Government lease extended to May 2030; and
- 50 Cavill Avenue – option exercised on Level 17 (approximately 640 sqm).

Summary and Outlook

With the initial reset complete, LED enters FY27 focused on completing the repositioning of the Fund and establishing the foundations for sustainable growth.

Key targeted priorities in FY27 include:

- Completing the asset recycling program;
- Refinancing the Fund's existing debt facilities;
- Redeploying capital into essential properties that meet the Fund's revised investment criteria and provide enduring cash flows;
- Maintaining a disciplined approach to costs and capital management; and
- Establishing a sustainable distribution policy, with distributions intended to be funded from underlying free cash flows and targeting a payout range of 80 – 100% of AFFO.

Mr Lederer said: "Over the last six months the team and I have undertaken a deep dive into the performance of the Fund. We have presented these findings with full transparency for LED investors to have a clear picture of the Fund.

As the largest investor, I share the impact of deferring distribution payments to 2H27. However, I believe the decision to prioritise immediate capex and incentive obligations, and ultimately the repositioning of the Fund, is the right decision for long-term value. In doing so, we seek to preserve and grow NTA per security, and to ensure gearing remains around 30%.

Importantly, I stress this is intended to be a short-term measure to support the growth of the Fund beyond FY27, with distributions aimed to recommence from 2H27. To demonstrate our alignment, LDR Capital will waive all fees during 1H27 whilst LED investors are not receiving a distribution.

We believe we've reset the Fund. We're well advanced on the repositioning. Now we're focused on building for growth."

FY26 Results Presentation

Further information regarding LED's FY26 financial and operating performance, portfolio repositioning activities and FY27 strategy and outlook is contained in the **FY26 Results Investor Presentation**, released to the ASX today in conjunction with this announcement.

The presentation is also available on LDR Capital's website at **www.ldrcapital.com.au**.

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END ANNOUNCEMENT

This announcement has been authorised for release by Ben Norman, a Director of Evolution Trustees Limited (ACN 611 839 519, AFSL 486217), the responsible entity of LDR Capital Property Fund.

About LDR Capital Property Fund (ASX: LED)
LDR Capital Property Fund is an externally managed real estate investment trust that invests in Australian commercial office assets.

About LDR Capital Pty Ltd
LDR Capital is a real estate funds management platform established in 2025 for the purpose of managing the real estate assets of the Lederer Group and other like-minded investors. LDR Capital currently manages approximately $1.6bn in real estate assets.