CHAIR'S ADDRESS – BRUCE COTTERILL

The macroeconomic environment continues to prove challenging. We've successfully navigated the impacts and ongoing effects of Covid-19 and have now been thrust into a high inflation and increasing interest rate environment.

Our focus throughout has remained on the successful completion of Munroe Lane, which I'm pleased to say has now occurred as at the 17th of May 2023 with the Auckland Council lease commencing.

The Munroe Lane development adds:

- a newly constructed;
- highly sustainable;
- well located decentralised office building;
- with a blue-chip tenant covenant, being Auckland Council, across two thirds of the property.

Whilst leasing the remainder of the space has proved challenging, leasing enquiry is increasing and we remain confident that the fundamentals of the building will attract tenant commitment over the balance of the space, in time.

During the year we've completed successful sales:

- Eastgate Shopping Centre;
- Springs Flat Road in Kamo; and
- 35 Graham Street - subject to deferred settlement in December 2023 or December 2024 (at the purchaser's election).

Subsequent to the end of the financial year, we've also successfully sold and settled our shopping centre at 22 Stoddard Road, Mt Roskill.

This leaves the new office building at Munroe Lane the company's sole remaining asset.

The Board is of the view that realising these assets at, or near NTA, and utilising sale proceeds to reduce debt is prudent capital management given the current macroeconomic conditions,

Despite the currently challenging funding environment the company's debt facilities were extended during the period from September 2023 out to 31 March 2025. BNZ continue to remain supportive of the company and strategy, as evidenced by the increase of the facility limit up to $85m (at that time). Post balance date, upon the completion of the Stoddard Road settlement the facility limit has been reduced back to $52m.

Given the changing market conditions, we have seen a revaluation of the portfolio as at 31 March 2023 resulting in $13.2 million of revaluation losses for the year. As a result, NTA has reduced from 44.0 cents per share to 40.3 cents per share.

The result for the full year is in line with expectations, being a $0.7m loss on an AFFO basis, given the vacancy and unrecovered OPEX on 35 Graham Street, which will continue until settlement occurs.

The dividend was suspended in March 2022 based on the forecast earnings for the company and is likely to remain on hold until 35 Graham Street settles, (and) the balance of Munroe Lane is leased, and the future of the company is determined.

The company's key focus is now on leasing the balance of the Munroe Lane development. Doing so will increase earnings, WALE, the value of the portfolio, and will better position the asset and the Company.

Once leasing is complete or near complete, and with the pending settlement of 35 Graham Street, we anticipate that the company will ultimately be in a unique position of having zero debt and modest cash reserves. The Company will then look to sell Munroe Lane, putting the Company in a position to consider its options which will include a wind up or pivot in a new direction.

We wish to emphasise that the current variables, being:

- the leasing of Munroe Lane;
- the final settlement of 35 Graham Street; and
- market conditions,

will all influence the timing and ultimate outcome of those decisions.

To put minds to rest, any steps to sell Munroe Lane, or to subsequently wind up the Company, will require shareholder approval, and we will likely anticipate asking shareholders to vote on both decisions at the same time.

In the meantime, the Management team remains focused on the objectives outlined above.

Finally, we thank you again for your continued support and patience, and look forward to communicating our progress over the next few months.

THE MANAGER'S PRESENTATION – STEPHEN BROWN-THOMAS

Thank you, Bruce, and good afternoon everyone – great to see you all here today and also welcome to our virtual meeting participants. I am Stephen Brown-Thomas, the Asset Plus Fund Manager from Centuria NZ, the external manager of Asset Plus.

The result for the FY23 year was in line with expectations at an operational level, delivering an Adjusted Funds from Operation (AFFO) loss of $0.28m. The AFFO loss is driven by the ongoing vacancy and unrecovered OPEX at 35 Graham Street. Given the increasing interest rate environment, capitalisation rates have shifted to reflect the increasing cost of capital, which has resulted in property values reducing. This resulted in $13.04m of revaluation and disposal losses, leading to a total loss of $13.05m for the year for the company.

Subsequent to 31 March, the Munroe Lane development completed with the Auckland Council lease commencing on the 17th of May, and Practical Completion occurring on the 13th of July. Images of the completed development are included within this presentation, and I'm sure shareholders will agree that the completed development looks exceptional.

Set out here are the key metrics for the company's portfolio as at 31 March, and also as at August 2023. Subsequent to year end the Stoddard Road property was sold and given the unconditional sale of 35 Graham Street the company now effectively only has one asset, being Munroe Lane.

Key activity during the year includes the unconditional sale of 35 Graham Street, with settlement occurring in December 2023 at the earliest, or December 2024 at the latest, the successful settlement of Eastgate in Christchurch after the title issue was encountered at settlement, and the successful sale and settlement of the Kamo property in Whangarei. Sale proceeds of all have been utilised to reduce the company's debt facilities, given the increasing interest rate environment, and to also bolster working capital as required.

The loan facilities for the company were also extended from September 2023 out to March 2025 during the year.

Post year end the Stoddard Road property was unconditionally sold and settled on the 1st of May.

As noted previously the company also completed the Munroe Lane development with the Auckland Council lease commencing on the 17th of May, and Practical Completion achieved on the 13th of July following Council's fit-out works. This marks a significant milestone for the company and is the culmination of over 4 years work since the opportunity's inception.

Turning to Munroe Lane now, as noted earlier you can visually see the completed development in the photographs within this presentation. The building sets a new benchmark for quality in terms of office space available on the North Shore in our opinion.

The project was originally delayed as a result of the impacts of Covid-19, and more recently as a result of Tenant driven changes and delays in the completion of the Tenant fit-out works. An opening, blessing and naming ceremony was recently held with mana whenua and all project stakeholders to conclude the construction phase. We've now moved into the investment phase for the asset and have bedded down the transition with our facilities management team.

As signalled at both the half year and year end announcements, the Company will look to sell the property post completion of the development, and subject to leasing the remaining space within the development.

As indicated earlier, with the shift in interest rates, capitalisation rates and property values have also shifted. This has resulted in a development loss of $7m on a committed occupancy basis as at 31 March for the property. There has also been a change in valuation methodology at year end from holding at cost, to measuring at fair value given the development was effectively completed and could be reliably measured.

As a result of Auckland Council's recent cost cutting measures, they are now seeking to sublease level 5 of their tenancy. We believe this will prove difficult for them as there are acoustic, privacy, security, fire and smoke separation issues that they need to contend with. There is also a major issue of needing to remove or share their secure line on the ground floor to enable 3rd party access to their lifts which access L5. We believe this will make it extremely challenging for Council to lease this space to anyone except Council Controlled Organisations, or perhaps some Government Departments that they could effectively share space with.

Our committed occupancy at Munroe Lane remains at two-thirds through the Auckland Council lease. The impacts of Covid-19 have been fairly profound for the office market in the area, with available space on the North Shore increasing from effectively nothing when we entered the ADL with Council, to sitting at around 35,000m^2 of available space through both direct and subleasing opportunities, and potential developments. Wider macroeconomic conditions continue to be uncertain with tenant confidence remaining somewhat muted.

We have signed an Agreement to Lease with a reputable café operator, with lease commencement set down for November 2023. This will activate the heart of the ground floor lobby and generate further activity and interest in the property.

As the development has neared completion tenant interest has increased as potential occupiers have had the ability to view the available tenancies. Now that no personal protective equipment is required to visit site, and we have marketing photos and collateral as opposed to renders, this is also assisting to generate tenant interest.

There does remain a scarcity of full floor plate occupiers in the market, however we have flexibility built into the design and layouts where all tenancies can be split, and there is also options to join retail units to office space above should potential tenants require a customer facing component.

We are continuing with our direct marketing initiatives and have all agencies involved with the leasing of the property, as well as tenant representatives across the market. We remain very confident that the fundamentals of the space remain attractive and that the space will attract and secure tenants in time. It's likely that any lease commencement now won't be until 2024 given the timeframes required to fit-out the floor plates. All feedback on the property and tenancies to date has been extremely positive from both agents, and prospective tenants, and the tenancies are priced competitively compared to the competitor set in the market.

35 Graham Street has been unconditionally sold for $65.0m to Mansons TCLM. Settlement is scheduled for 1 December 2023, however Mansons have an option to extend this to 1 December 2024 if they pay an additional $3.0m consideration and increase the deposit to $13.6m. They must notify us of their intent to extend settlement further by 1 October 2023, otherwise settlement will occur on 1 December 2023 as scheduled.

The initial $6.5m deposit has been received and was utilised to retire debt.

We have pursued all short-term leasing and income generating opportunities where possible, to offset the OPEX on the property. However, given the partially demolished interior of the property the opportunities have largely been limited to car parking.

As noted earlier during the year settlement of Eastgate in Christchurch occurred, after the title issue was rectified by management. The bulk of sale proceeds were utilised to repay debt.

The Kamo property was also sold and proceeds were put towards the lockbox facility which was adopted as part of the renewed debt facilities of the company.

Stoddard Road was also sold post year end, settling on the 1st of May with sale proceeds again utilised to repay debt.

Moving now to the outlook for the company, with our key focus remaining on leasing the residual space within the Munroe Lane property now that the development phase has concluded. You can see a photo here of the available tenancy on L6 which presents extremely well. As noted previously we remain confident that tenant commitment will be secured in time, given the quality and price point of the space.

The dividend for the company remains suspended until the future of the company is known. The company will continue to be in an operating loss position until 35 Graham Street settles, or further leasing income is secured at Munroe Lane.

We will know the settlement date of 35 Graham Street on 1 October 2023.

Subject to securing further leasing commitment at Munroe Lane the company will look to sell Munroe Lane. If Munroe Lane was to sell at an acceptable price to shareholders then the company would be in the unique position of having zero debt and significant cash reserves once 35 Graham Street settles with which to consider a range of options. Those options could include a wind up of the Company, or pivoting in a new direction if any opportunities arose within the timeframe.

Any steps to sell Munroe Lane or to wind up the company will require Shareholder approval, and shareholders will be asked to vote on both, likely at the same time.

That now concludes the managers presentation, I'll hand back over to Bruce now to facilitate the rest of proceedings.