



**NZX release
Annual Financial Result
28 May 2024**

- **Total loss after tax of \$5.30 million, against a \$13.05 million loss in the previous year primarily driven by downward valuations.**
- **Sale of Stoddard Road for \$36.75 million with funds applied as a debt repayment.**
- **Munroe Lane development complete. Leasing the balance of vacant space remains the key priority.**
- **35 Graham Street settlement is scheduled to occur on 29 November 2024.**

Asset Plus Limited (NZX: APL) announces its financial result for the year ended 31 March 2024, reporting a total loss of \$5.30 million, against a \$13.05 million loss in the previous year. Lower revaluation losses were recorded relative to last year which was the primary driver of the reduced loss.

Adjusted Funds from Operations (AFFO¹) represented a loss of \$0.67 million, down from a \$0.28 million loss in the prior period. The loss is driven by recent divestments and unrecovered OPEX at 35 Graham Street, offset against the commencement of Munroe Lane rent.

Mark Francis, CEO Centuria NZ, commented “The result for the year ended 31 March 2024 reflects a reduced portfolio due to recent divestments to prudently manage the balance sheet in the current high interest environment. The Munroe Lane lease to Auckland Council has now commenced which is a significant achievement and milestone for the company after the development broke ground in October 2020.

The leasing of the balance of the Munroe Lane development remains as the key priority but is challenging in the current environment.”

Key points:

- Portfolio occupancy of 41%, up from 37% in the previous year due to Munroe Lane completion offset against Stoddard Road sale.
- WALE of 5.9 years up from 1.2 years in the previous year due to commencement of the 15-year Auckland Council lease at Munroe Lane.
- A reduction in the fair value of investment property of \$4.9 million or a 2.6% decrease.
- The portfolio value now stands at \$180.8 million of which \$64.7 million of property is held for sale and is unconditionally sold.
- Loan-to-value ratio (LVR) of 18.2% based on current fair values, down from 31.5% in the previous year due to the Stoddard Road divestment.
- Debt was drawn at \$33 million at balance date (\$71.4 million in the prior year).
- Net tangible assets (NTA) of 38.9 cents per share (cps), down from 40.4 cps in the previous year.
- Net revenues from the property portfolio increased by \$0.18 million.

¹ AFFO is a non-GAAP financial information, calculated based on guidance issued by the Property Council of Australia. Asset Plus considers that AFFO is a useful measure for shareholders and management because it assists in assessing the Company's underlying operating performance. This non-GAAP financial information does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information prescribed by other entities. The calculation of AFFO has been reviewed by Asset Plus' auditor, Grant Thornton New Zealand Audit Limited. A reconciliation of AFFO to Total Comprehensive Income Net of Tax is included in the accompanying results presentation.



Munroe Lane lease commencement

Munroe Lane is now complete with Auckland Council paying rental from 17 May 2023. Practical Completion was achieved on 13 July 2023. The Auckland Council occupy 65% of the completed development.

The Munroe Lane valuation has reduced from \$126 million (at 31 March 2023) to \$116.2 million based on a committed occupancy basis. The September 2023 valuation was \$120 million. The key drivers of the valuation movement across the year was a shift in the capitalisation rate from 6.05% to 6.25% as well as increased let up periods and increased lease incentives adopted by the valuer.

35 Graham Street deferred settlement

The settlement date was extended by the purchaser and is now confirmed to be 29 November 2024. A 20% deposit is now held and on settlement all debt will be repaid with the balance of the proceeds held as cash reserves. It is forecast that APL will hold approximately \$25 million of cash post settlement.

Stoddard Road sold

The sale of Stoddard Road was completed on 1 May 2023. Net divestment proceeds of \$36.35 million were applied as a debt reduction.

Dividend

The dividend remains subject to quarterly review. However, the dividend will likely remain suspended until 35 Graham Street settles and the future direction of the Company is confirmed.

Outlook

Bruce Cotterill, Chairman, commented "The leasing of the balance of the Munroe Lane development remains our core focus. Thereafter, we will consider the sale of Munroe Lane. If a sale of Munroe Lane occurs, it will position the Company to consider its options which includes a wind up or pivoting in a new direction.

As previously stated, any steps to sell Munroe Lane, or to subsequently wind up the Company, will require shareholder approval, and we would likely anticipate asking shareholders to vote on both decisions at the same time."

-ENDS-

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