



**Auckland Real Estate Trust
ASX / NZX Announcement
14 April 2023**

On 28 February 2023, the Unitholders of Auckland Real Estate Trust ("**ARE**" or "**Trust**") (ASX/NZX: AKL) approved the delisting of ARE from the Official List of ASX and the New Zealand Exchange (NZX) Main Board.

Quattro RE Limited ("**Responsible Entity**") in its capacity as responsible entity for ARE provides the following further details of the delisting process and the results of the withdrawal offer and small holdings redemption facility conducted in conjunction with the delisting process.

Results of Withdrawal Offer

On 27 January 2023, ARE announced details of a withdrawal offer to existing Unitholders in accordance with the ARE Constitution, under which Unitholders were offered the opportunity to redeem their Units for an amount calculated in accordance with the ARE Constitution ("**Withdrawal Offer**").

In accordance with the terms of the Withdrawal Offer, Unitholders had until 5.00pm (Sydney time) on Thursday, 13 April 2023 to accept the Withdrawal Offer ("**Closing Time**"). At the Closing Time, approximately 25 Unitholders had decided to accept the Withdrawal Offer, resulting in the redemption of 1,793,733 Units by the Responsible Entity at \$0.90 per Unit ("**Redemption Price**"). Each Unitholder that accepted the Withdrawal Offer will have their proceeds remitted to them by Thursday, 4 May 2023.

We note that the Redemption Price is lower than the guidance issued in the Notice of Meeting (dispatched 3 February 2023), and this is largely due to valuations declining for the Trust properties as evidenced by: 1) the most recent valuation for 1 Albert Street showing a valuation decline of approximately NZ\$5m; and 2) we have received indicative bids for the Harbour Collection and Higgins which we are progressing, but which are at lower net realisable valuations compared to assumptions made within the initial guidance.

Valuation pressure on the Trust's assets has understandably manifested given the substantial decline in financial markets since the initial guidance was provided driven by:

- Continued increase in central bank interest rates and associated increase in cap rates;
- Stress in the US regional banking system and related dislocation in the broader banking sector;
- Significant tightening in availability of credit in the commercial real estate debt market;
- Minimal trading in commercial property typically indicating price dislocation/valuation pressures in the market and generally negative sentiment in the office sector at this point in time.

Results of Small Holdings Redemption Facility

In conjunction with the Withdrawal Offer ARE also announced on 27 January 2023 that it proposes to redeem small holdings held by eligible Unitholders as at 5.00pm on Thursday, 28 February 2023 ("**Record Date**") by establishing a redemption facility ("**Small Holdings Redemption Facility**"). Under the Small Holdings Redemption Facility, eligible Unitholders will receive cash consideration for their Units unless a Unitholder has elected to "opt out" of the facility in accordance with the ARE Constitution and before the Closing Time.

At the Closing Time, approximately 23 Unitholders had elected to opt out of the Small Holdings Redemption Facility, meaning 365 Units would not be redeemed. The Responsible Entity will therefore redeem approximately 23,335 Units at the Redemption Price from the remaining 387 Unitholders that did not opt out of the Small Holdings Redemption Facility. Unitholders that did not opt out of the Small Holdings Redemption Facility will have their proceeds remitted to them by Thursday, 4 May 2023.

Suspension from trading and delisting

In accordance with the following indicative timetable for the delisting, ARE Units will be suspended from Official List of ASX and the NZX Main Board on Friday, 14 April 2023 and delisted on Tuesday, 18 April 2023.

Event	Date
Announcement of the results of the Withdrawal Offer and Small Holdings Redemption Facility	Friday, 14 April 2023
Suspension Date (date on which ARE Units are suspended from trading on ASX and NZX)	Friday, 14 April 2023
ARE delisted from ASX and NZX	Tuesday, 18 April 2023
Settlement of the Withdrawal Offer and Small Holdings Redemption Facility	No later than Thursday, 4 May 2023

All dates and times in this announcement refer to Sydney time. These dates and times are indicative only and subject to change. ARE will announce any amendment to those dates and times.

For enquiries, please contact:

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