ASSET PLUS+ MANAGED BY Centuria

CHAIR'S ADDRESS – BRUCE COTTERILL

As we all know – the economic environment continues to be challenging and of course the property market has not escaped those challenges. As a result - the listed property sector in NZ has reflected fair value losses in the order of $1.5 billion in the year to 31 March and have been trading at an average discount to NTA of 25% across the last 12 months.

In the financial year to 2024 - despite this challenging economic backdrop we've continued to deliver on our key objectives, including:

- Deliver the Munroe Lane development which achieved Practical Completion in July 2023 with rental payable by Auckland Council from 17 May 2023;
- Prudently manage the balance sheet to mitigate the impacts of the high interest rate environment;
- Successfully divest 22 Stoddard Road, Auckland which settled in May 2023.

Achieving Practical Completion on the Munroe Lane development was the culmination of a 4-year journey from project inception to conclusion. The property adds a highly sustainable, well located decentralised office building with a blue-chip tenant covenant, being Auckland Council across two thirds of the property.

The Munroe Lane development was committed to in a buoyant market, and unfortunately given the scale of the project and the delivery programme - was completed in a depressed market. The value of the asset reflects the recent high interest rate environment, and resultant increased cost of capital. However, we anticipate that market conditions will stabilise in the next 12-24 months, interest rates will reduce, and we will see a firming of capitalisation rates. When further leasing commitment is secured, this will further bolster the value of the asset, and make it more appealing for potential purchasers if and when a sale is explored.

Whilst leasing the remainder of the space within Munroe Lane continues to prove challenging, it is pleasing to see increasing leasing enquiry since completion of the property. There remains a paucity of potential occupiers of significant scale on the North Shore, in the current environment. However, it's a very good building and we are confident that the fundamentals of the property will attract tenant commitment for the balance of the space, in due course. Notwithstanding, we expect that leasing will likely remain challenging in the short term. Likewise, a potential sale of the asset is unlikely in the near term given the current market conditions, and lack of available capital for transactions of this scale.

On the back of the Auckland Council lease commencement, income was bolstered to partially offset divestments, and the ongoing vacancy at 35 Graham Street. As a result, we recorded an Adjusted Funds From Operations (AFFO) loss of $0.67 million. This result for the full year is in line with expectations, driven by the vacancy and unrecovered OPEX on 35 Graham Street, which will continue until settlement occurs on 29 November 2024. 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 future of the company is determined. Options are also being considered for the cash reserves of approximately $25 million which will be held by the company, post settlement.

The higher than usual inflationary and interest rate environment has continued to adversely impact the fair value of assets in the period, with our valuers recording a $4.9 million reduction in the fair value of assets of the company. This was driven by the valuation for Munroe Lane reducing over the period, offset by the discount unwind at 35 Graham Street. As a result, NTA reduced from 40.4 cps as at 31 March 2023 to 38.9 cps as at 31 March 2024.

Auckland Office
Level 2, Bayleys House, 30 Gaunt Street, Wynyard Quarter, Auckland 1010
Auckland Postal
PO Box 37953, Parnell, Auckland 1151
Contact
reception@augusta.co.nz | +64 (9) 300 6161

As part of our disciplined capital management approach, and directly reflecting the cost of the company's debt, Stoddard Road was unconditionally sold for $36.75 million and settled in May 2023. All of the proceeds from that sale were utilised to repay debt. This prudent capital management approach was appropriate given the macroeconomic conditions, and accretive nature of the sale versus the company's cost of debt.

In October 2023, the purchaser of 35 Graham Street exercised their right to defer settlement of the purchase by twelve months. As a result, the purchase price increased by a further $3.0 million to $68.0 million, and the deposit increased to 20% of the total consideration. The additional $7.10 million that was received was also applied as debt repayments, reducing the LVR down to 18.2%.

During the year, upon the practical completion at Munroe Lane, the development finance facility was converted to an investment facility. We have retained sufficient facility headroom of $11.9 million to fund incentives and leasing across the vacant space at Munroe Lane.

Looking forward, the company's key focus remains on leasing the balance of the Munroe Lane development and the successful settlement of 35 Graham Street. Further leasing at Munroe Lane will increase earnings and will better position the Company to consider options moving forward. Those options will include a potential divestment of Munroe Lane, subject to market conditions at the time, and the support of shareholders.

Once settlement of 35 Graham Street occurs, we anticipate that the company will ultimately be in a unique position of having zero debt and cash reserves of approximately $25 million. There are a range of options for the application of those funds including, acquiring additional property, holding funds on term deposit, or reviewing our position on dividends. The Board intends on communicating our intent to shareholders once 35 Graham Street settles, funds are received and alternatives are properly canvassed.

In the 2025 calendar year, with zero debt and a positive cash position, the company will have further options to consider, which may include the sale of Munroe Lane, the wind up of the company, or pivoting in a new direction. As previously indicated any steps to sell Munroe Lane or to subsequently wind up the company will require shareholder approval, and we would anticipate asking shareholders to vote on both decisions contemporaneously.

We anticipate that these decisions will likely occur sometime in the next 12-24 months, subject to market conditions stabilising and further leasing commitment being secured at Munroe Lane.

We thank you again for you continued support and patience as we contend with the various external factors impacting on the company and its operations and look forward to communicating our progress over the next few months once settlement of 35 Graham Street occurs in late November.

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 FY24 year was in line with expectations at an operational level, delivering an Adjusted Funds from Operation (AFFO) loss of $0.67m. The AFFO loss is driven by the ongoing vacancy and unrecovered OPEX at 35 Graham Street, and recent divestments offset by the Auckland Council lease commencing at Munroe Lane. Capital markets remain challenging, with asset values remaining under pressure. This resulted in $4.90m of revaluation losses, leading to a total loss of $5.30m for the year for

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the company.

The key milestone during the financial year was 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.

Set out here are the key metrics for the company's portfolio as at 31 March. Given the successful sale of Stoddard Road in May 2023, and 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 completion of the Munroe Lane development – the culmination of a 4-year journey from the opportunity's inception to completion through a very tumultuous period. The purchaser of 35 Graham Street also elected their contractual right to extend the settlement date by a further 12 months, with a further deposit received and the total consideration increasing accordingly.

The Stoddard Road property was also unconditionally sold and settled on the 1st of May.

Turning to Munroe Lane now, 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.

It was a significant milestone to achieve practical completion in July last year, with iwi blessing the building and gifting us a name – Hawiti.

As communicated previously, once further leasing is achieved the company will consider the potential sale of the property.

As noted earlier with the previous shifts in interest rates, capitalisation rates and property values have also been impacted. This has resulted in total development losses of $15m to date, reflecting the occupancy of Auckland Council and Fields café only. There will be valuation upside once further leasing commitments are secured.

Our committed occupancy at Munroe Lane remains at 2/3rds through the Auckland Council lease. We also secured Little Fields café to occupy the kiosk in the heart of the building on the ground floor – providing an important amenity for the building.

Direct and indirect marketing initiatives continue, however leasing interest remains muted given wider macroeconomic conditions, hybrid working, and working from home trends.

Tenants of scale remain limited on the North Shore, with recent news of One (Vodafone) move back to the CBD this will bring a further circa 10,000m^2 of competing space onto the market.

As noted previously we do have flexibility built into the design and layouts where all tenancies can be split. There are also options to join retail/ground floor space into receptions and meeting spaces should potential tenants require a customer facing component.

35 Graham Street has been unconditionally sold with a deferred settlement date of 29 November 2024. The original purchase price was $65.0m with settlement in December 2023, however Mansons exercised their contractual right to extend this to 29 November 2024 after $3.0m additional consideration and increasing the deposit to $13.6m.

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The deposits paid have been used 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.

Moving now to the outlook for the company, with our key focus remaining on leasing the residual space within the Munroe Lane property, before considering the option of selling the property.

We wish to re-emphasise that the leasing of Munroe Lane will influence the timing of such decisions, with market conditions likely to also dictate when this may occur.

Once settlement of 35 Graham Street occurs, the company will have zero debt and cash reserves of approximately $27 million with a range of options to consider.

In the short term these options could include acquiring additional property, holding funds on term deposit, a share buy back or a partial return of capital through a special dividend. Once settlement occurs and funds are received, shareholders will be communicated with accordingly.

The longer term options include a possible wind-up and return of capital, or pivoting the company in a new direction.

As noted previously any steps to implement these options will require shareholder approval, and we anticipate asking shareholders to vote on both decisions at the same time.

The dividend remains on hold, and subject to quarterly review.

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

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