ASSET PLUS+
MANAGED BY Centuria

Financial results

For the year ended 31 March 2025

27 May 2025

6-8 MUNROE LANE AUCKLAND

OVERVIEW

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Result summary

- AFFO[1] profit of $0.53m ($0.67m loss in FY24).
- Total loss for the year net of tax of $5.70m (FY24 loss of $5.30m).
- Net rental income of $4.92m, up $1.27m on the previous year, primarily due to the full year impact at Munroe Lane and rental straight lining over the life of the Auckland Council lease.
- Result impacted by $7.16m of revaluation losses ($4.90m of losses in FY24).
- 35 Graham Street sold on 29 November 2024 and all external bank debt repaid.

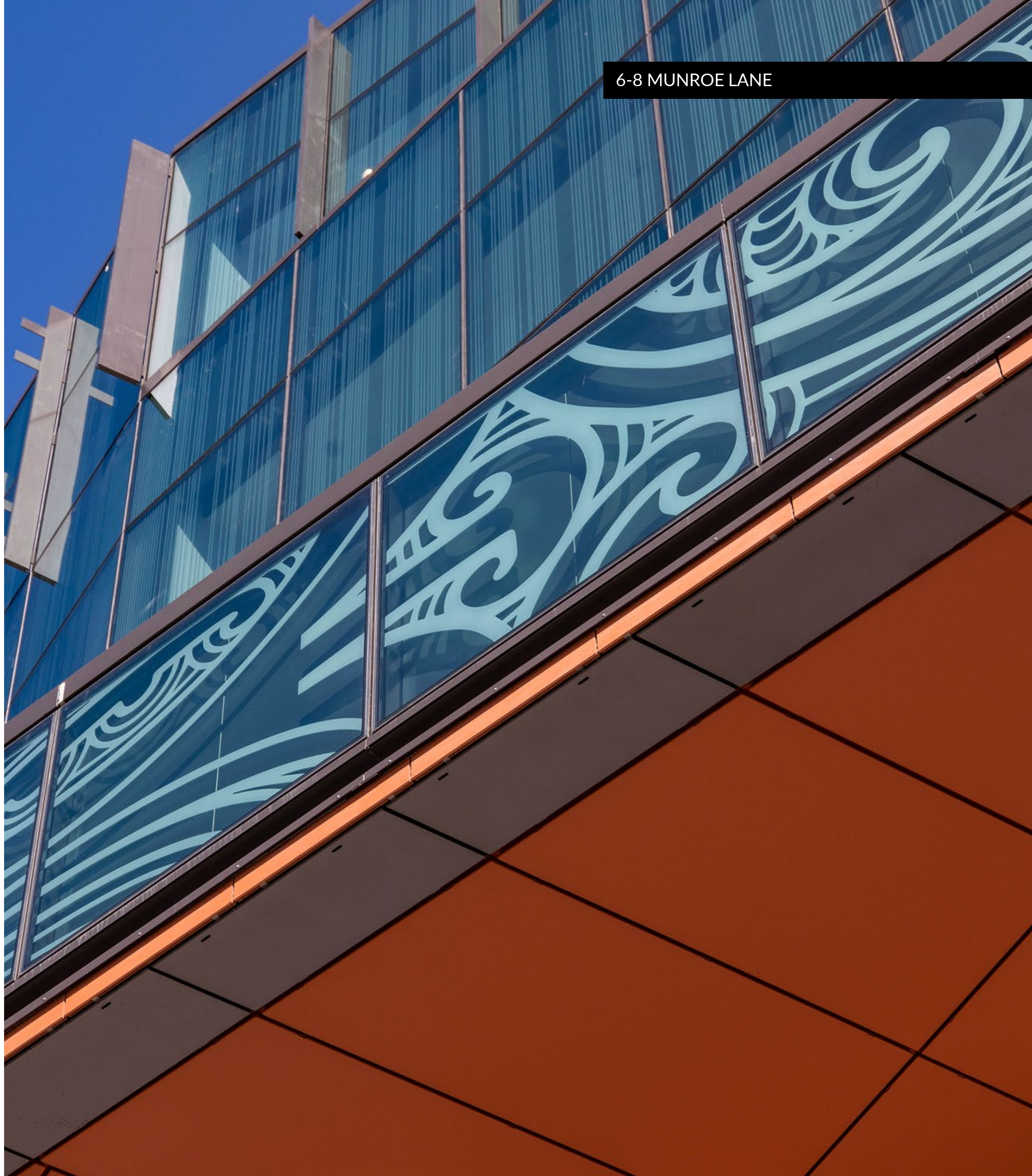
1. AFFO stands for 'Adjusted Funds From Operations', and is non-GAAP financial information, calculated based on guidance issued by the Property Council of Australia. Asset Plus considers that AFFO is a useful measure for shareholders and management because it assists in assessing the Company's underlying 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 is set out in Appendix 1.

Key metrics

	Portfolio value	Properties	Occupancy	WALE	Loan-to-value ratio	Net tangible assets
March 2025	$107.0m	1	65.0%	9.0 years	0.0%	32.4 cps
March 2024	$180.8m	2	41.0%	5.9 years	18.2%	38.9 cps

Activity during the year

- 35 Graham Street settlement occurred on 29 November 2024.
- All external bank debt repaid post 35 Graham Street settlement.
- Special dividend of 5 cents per share (cps) paid on 18 December 2024.



Financial performance

Financial performance

	Mar-25 ($m)	Mar-24 ($m)	Var ($m)
Gross Rental Revenue	6.82	5.33	1.49
Direct Property Operating Expenses	(1.90)	(1.68)	(0.22)
Net Rental Revenue	**4.92**	**3.65**	**1.27**
Administration Expenses	(1.70)	(1.75)	0.05
Net Finance Costs	(1.76)	(2.30)	0.54
Total Operating Profit (Loss)	**1.46**	**(0.40)**	**1.86**
Fair Value Movement on Investment Properties and Held for Sale	(7.16)	(4.90)	(2.26)
Loss Before Taxation	**(5.70)**	**(5.30)**	**(0.40)**
Tax	-	-	-
Total Comprehensive Loss for the Period	**(5.70)**	**(5.30)**	**(0.40)**
AFFO	0.53	(0.67)	1.22
AFFO CPS	0.15	(0.19)	0.34

- Munroe Lane net rental income represents a full year (the prior year represented 10.5 months), being an increase of $0.6m in net rent.
- The increase in net rent was also impacted by a change in the rental straight lining approach (+$0.66m).
- Property operating expenses also increased due to the full year impact at Munroe Lane offset by the Graham Street sale.
- Management fees were marginally lower by $0.11 million, due to the impact of the 35 Graham Street sale.
- Net finance costs were lower by $0.54 million as all debt was repaid immediately post the 35 Graham Street settlement.
- The Munroe Lane unrealised revaluation loss recognised was $10.12 million due to a reduction in market rents and increased let up periods assumed by the valuer. There was a further $0.99 million recognised as a fair value loss due to the impact of rental straight lining
- The 35 Graham Street fair value increased by $3.0 million due to the discount unwind up until settlement.
- There are tax losses of ~$13.1 million. A deferred tax asset is recognised to the extent of the deferred tax liability, hence $12.2 million of tax losses are not recognised as a deferred tax asset.
- The AFFO reconciliation and waterfall is appended.

Net rental performance

	Mar-25 ($m)	Mar-24 ($m)	Var ($)
Stoddard Road (sold)	-	0.20	(0.20)
35 Graham Street (sold)	(0.34)	(0.55)	0.21
Munroe Lane	5.26	4.00	1.26
Current portfolio	**4.92**	**3.65**	**1.27**

- The Stoddard Road settlement occurred on 1 May 2023 in the prior year.
- 35 Graham Street settlement occurred on 29 November 2024.
- Munroe Lane represents a full year impact. The prior year reflected 10.5 months hence a $0.6 million increase in net rent.
- In addition to the annual rental income from the Auckland Council of $4.76 million, the impact of the fixed rental accrual was $0.99 million for the year at Munroe Lane. This represents a $0.66 million increase year on year.
- There is $0.49 million of unrecovered opex in respect of vacant space at Munroe Lane.

Administration & finance expenses

	Mar-25 ($m)	Mar-24 ($m)	Var ($)
Management Fees	0.88	0.99	0.11
Directors' Fees	0.30	0.30	-
Audit Fees	0.08	0.10	0.02
Professional Fees	0.10	0.15	0.05
Other Administration Costs	0.34	0.21	(0.13)
Total Administration Expenses	**1.70**	**1.75**	**0.05**
Interest & Finance Costs	2.12	2.81	0.69
Interest Revenue	(0.36)	(0.51)	(0.15)
Total Net Finance Costs	**1.76**	**2.30**	**0.54**

- Management fees were lower due to the impact of the 35 Graham Street divestment.
- Management fees also included a small performance fee of $0.1 million for the year ($0.06 million in the prior year).
- Director and officers liability insurance increased year on year by $0.1 million.
- Finance costs reduced as all debt was repaid immediately post the settlement of 35 Graham Street on 29 November 2024.
- Interest income was reduced year on year due to a reduction in term deposit rates.

Balance sheet

	Mar-25 ($m)	Mar-24 ($m)	Var ($)
Cash	10.9	3.7	7.2
Investment Property	107.0	116.1	(9.1)
Properties Held For Sale	-	64.7	(64.7)
Other Assets	0.1	5.8	(5.7)
Total Assets	**118.0**	**190.3**	**(72.3)**
Bank Debt	-	33.0	33.0
Other Liabilities	0.6	16.1	15.5
Total Liabilities	**0.6**	**49.1**	**48.5**
Equity	**117.4**	**141.2**	**(23.8)**
Net Tangible Assets Per Share ($)	**0.324**	**0.389**	(0.065)
LVR Ratio	**0.0%**	**18.2%**	

- $10.9 million of cash is held to fund future capital works associated with leasing initiatives.
- Investment property comprises Munroe Lane ($107.0 million).
- 35 Graham Street settled on 29 November 2024.
- Other assets reduced due to the release of the $4 million cash security lockbox held by BNZ when all debt was repaid as well as the release of the Munroe Lane defects retention.
- $33.0 million of bank debt was repaid immediately post the 35 Graham Street settlement.
- Net deferred tax is $nil, whereby the deferred tax asset is equivalent to the deferred tax liability of $0.27 million.
- Further tax losses not represented as a deferred tax asset are $12.1 million as they are not expected to be utilised in the near to medium term.
- NTA reduced during the year from 38.9 to 32.4 cps, primarily due to revaluation losses (2 cps) and the special dividend of 5 cps.
- LVR is 0% at balance date (down from 18.2% as at 31 March 2024) as all debt was repaid.

Portfolio update

Munroe Lane, Albany

- The independent valuation as at 31 March 2025 is $107.0 million.
- The valuation reduced from $116.2 million due to reduced assumed market rentals and increased let up periods.
  - Market rentals reduced approximately 15% reflecting the currently soft leasing market on Auckland's North Shore.
  - The assumed let up periods are now 18 months (increased from 9 months).
  - The cap rate remained relatively constant at 6.13%.
- To date $24.2 million of unrealised development losses have been recognised.
- The total development cost is $131.2 million.

	March 2025	March 2024
Valuation (committed occupancy)	**$107.0m**	**$116.2m**
Total development cost (ex incentives)	**$131.2m**	**$131.2m**
Development profit (loss)	**($24.2m)**	**($15.0m)**
Yield on cost (fully leased)	**5.2%**	**5.7%**

Munroe Lane - leasing update

- A non-binding heads of agreement has been signed with a potential occupant for half of Level 6. Binding lease documents are currently being negotiated. A further announcement will be made if a binding lease is entered into. If the lease is signed, occupancy will increase to 74%.
- Direct marketing initiatives remain ongoing to target potential occupiers for the balance of space.
- Potential full floor tenants remain scarce. Level 6 can be split into 2 or 3 tenancies.
- Auckland Council have withdrawn Level 5 from the market for potential sub leasing.

Floor	Area
Ground	142m^2 of front of house/office or F&B space
Level 1	239m^2 of F&B/retail/service retail/office
Level 2	1,935m^2 of office – a number of configurations available
Level 6	2,729m^2 of office – can be split into 2-3 tenancies – if lease is signed this will reduce to ~1,300m$^{2)}$

6-8 MUNROE LANE

Divestment of 35 Graham Street

- Settlement occurred on 29 November 2024.
- All bank debt was repaid immediately post settlement.
- The sale price was $68 million.

Outlook

Outlook

- Key focus remains on successfully leasing the balance of the Munroe Lane development. Future costs associated with leasing will be funded from available cash reserves. Thereafter, we will look to sell Munroe Lane.
- We wish to emphasise that the leasing of Munroe Lane will influence the timing of such decisions, while market conditions at the time are likely to dictate the ultimate outcome.
- 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.
- A March 2025 quarter dividend of 0.20 cents per share has been declared with payment to be made on 13 June 2025. The dividend remains subject to quarterly review.

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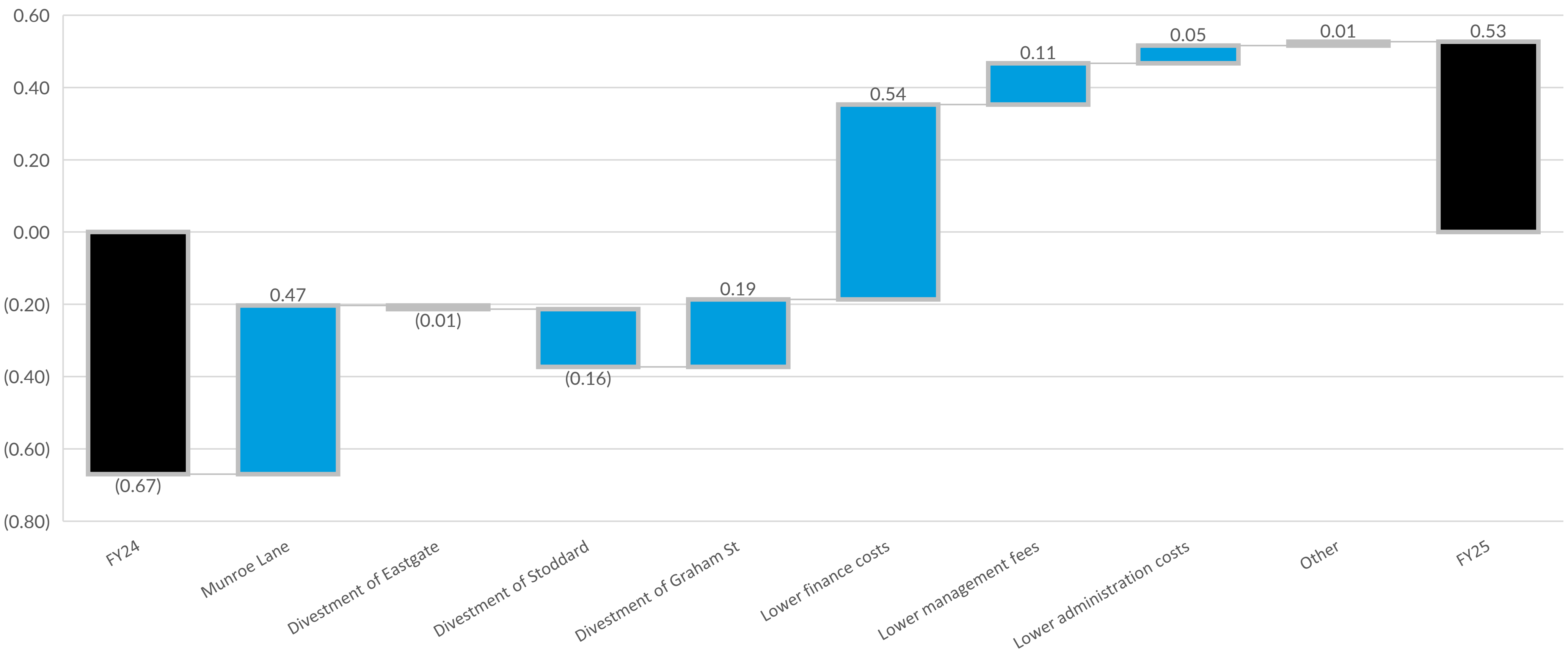
Appendices

Appendix 1 – AFFO reconciliation

	March 25 ($m)	March 24 ($m)
Comprehensive Loss Net of Tax	**(5.70)**	**(5.30)**
Add back		
Fair value movement on Investment Property (including loss on disposal)	7.16	4.90
Net Operating Loss After Tax	**1.46**	**(0.40)**
Amortisation of Lease Incentives and Leasing Costs	0.06	0.05
Rental straight line	(0.99)	(0.32)
Funds From Operations (FFO)	**0.53**	**(0.67)**
Incentives and Leasing Costs Paid	-	-
Maintenance capex	-	-
Adjusted Funds from Operations	0.53	(0.67)
AFFO (CPS)	0.14	(0.18)

Appendix 2 – Adjusted Funds From Operations (AFFO)



The above graph is represented in $m.

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