



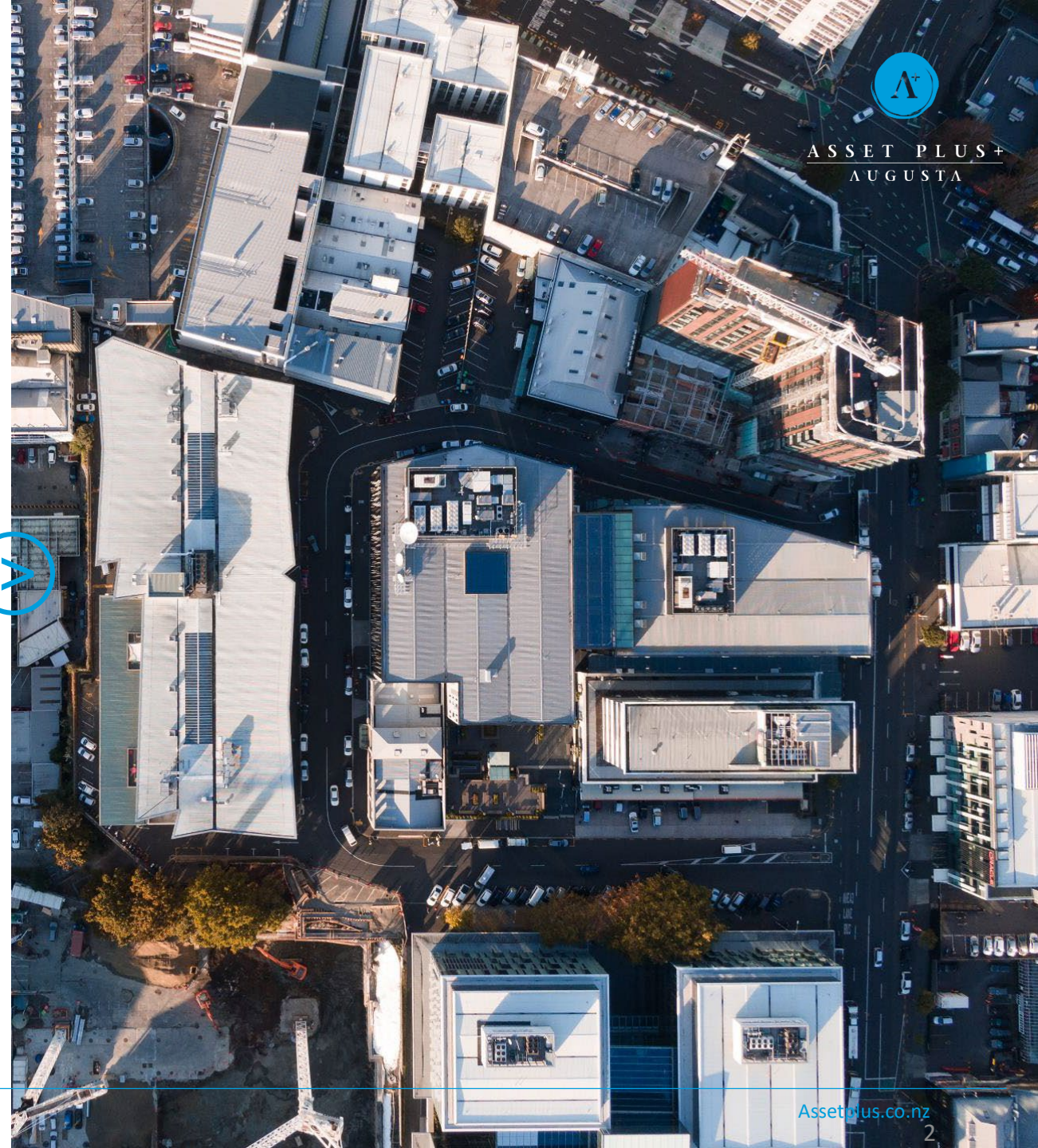
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2019 Annual Meeting

30 July 2019

Agenda

1. Chairman's Introduction and Address
2. Annual Results
3. Strategy Update
4. Resolutions



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Chairman's Address

Bruce Cotterill



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STRATEGIC UPDATE





Strategic Mandate

- Close the share price to NTA gap by maximising value of the existing assets and exit of non-core assets as appropriate
- Create sustainable growth of shareholder total returns through disciplined acquisition and development
- A growth mandate to target assets for their ability to contribute to a yield plus growth strategy
- Adopt a wide-ranging diversified value-add strategy that is sector agnostic
- Seek assets capable of individual sector outperformance through active management and development



“

Provide the S&P/NZX All Real Estate Index with a real estate growth stock which is capable of taking advantage of inevitable changing economic conditions . ”



Strategic Update

- The past 12 months has been a period of ongoing transition for Asset Plus, including the change to an external manager, Augusta Funds Management, but also implementation of the new value-add strategy.
- The first step to that strategy has now been taken with the 35 Graham St acquisition in FY20.
- The Manager and the Board have actively pursued a number of potential acquisitions, however the current market is highly contested which at times is driving unattractive target financial deal metrics.
- The Manager is exploring all property classes, including non-traditional sectors, and deal sizes in order to seek better value creation opportunities for shareholders.
- Successful exit of non core assets – Heinz Watties.



“ The Board is committed to growing the portfolio in a disciplined manner, with a primary focus to close the gap between share price and net tangible assets . ”



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ANNUAL RESULTS

Joel Lindsey, Chief Operating Officer
Augusta Funds Management Limited

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Key Points for the year ended 31 March 2019

Net profit after tax of **\$3.80m**, an increase of **23%** against the prior year

Adjusted funds from operations (AFFO*) of **\$4.74m** were 23% lower than prior year. This represents a pay-out ratio of 123%

Sale of AA Centre, settlement on 12 July 2018

Multiple number of leasing initiatives completed at both **Stoddard Road & Eastgate**

Transition of the management to Augusta Funds Management Limited completed & externalisation cost savings generated

Net Tangible Asset Value per share reduced to **69.4 cents (from 70.6 cents)**

\$34m of debt repaid post the AA Centre sale & interest rate swap contracts cancelled

Portfolio occupancy at 31 March was **96.7%** (which is reduced from 97.4% in the prior year due to AA Centre sale).

*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 the auditors. A reconciliation of AFFO to net profit after tax is included on page 14 of the Annual Report.



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Eastgate Shopping Centre

- Management have been very active with this property, with a number of leases renewed during the past 12 months.
- Countdown has exercised a 4 year right of renewal (RoR).
- A further 4 year RoR has been agreed subject to payment of the landlord contribution towards works within the tenancy. This contribution has been accrued in FY19.
- Other key lease renewals during 2019 include Postie Plus, Paper Plus, Sushi Time, Number One Shoes and Westpac.
- Net contract income is down due to McDonalds and NZ Post vacating the centre in early 2019.



	2019	2018
Valuation (\$m)	54.5	58.0
Net Contract Income (\$m)	3.63	3.91
Passing Initial Yield (%)	6.66%	6.74%
Cap Rate (%)	8.13%	8.00%
Net Market Rental (\$m)	4.46	4.69
WALT (years)	5.07	4.70



Heinz Watties Distribution Centre, Hastings

- **This asset is now sold unconditionally and will settle in December 2019**
- The previously proposed redevelopment including a warehouse extension and concurrent lease extension is no longer proceeding in the near term.
- On this basis the asset no longer aligns with Asset Plus value-add strategy.
- Given the asset is no longer core and regional, but with 7.9 years of lease term still remaining at balance date, it was determined that this property should be divested now with the opportunity to achieve book value.



	2019	2018
Valuation (\$m)	29.1	27.3
Net Contract Income (\$m)	2.20	2.13
Passing Initial Yield (%)	7.56%	7.82%
Cap Rate (%)	8.00%	8.13%
Net Market Rental (\$m)	2.36	2.31
WALT (years)	7.9	8.9



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22 Stoddard Road, Mt Roskill

- A total of 7 lease renewals were completed during the year.
- The total rent from the renewals equate to \$0.57m, or 21.5% of the total rental income for the centre, taking the centre WALT from 3.76 years in March last year to 4.02 years currently.
- The future focus is to secure upcoming lease renewals and further boost the WALT of the property.
- Recent tenant retention is a positive signal and we expect this trend to continue.
- Mt Roskill is a sought-after area, with significant government-led residential development currently underway and planned for in the future.



	2019	2018
Valuation (\$m)	39.5	38.0
Net Contract Income (\$m)	2.57	2.50
Passing Initial Yield (%)	6.50%	6.58%
Cap Rate (%)	6.13%	6.25%
Net Market Rental (\$m)	2.46	2.42
WALT (years)	4.02	3.76



35 Graham Street, Auckland Central

- Settlement occurred 28 June 2019
- \$58m acquisition; transaction was fully debt funded taking current gearing to 38% (excluding Heinz Watties divestment).
- Contracted gross rental of \$3.975m.
- Leased to Auckland Council for a term two years.
- Funding for the development phase will be contingent on the Company's balance sheet at the time and additional funding may be required. Development funding will likely be made available through the recycling of existing assets, future debt facilities and/or future capital raise.
- Initial focus post acquisition has been on appointment of project manager and leasing agent.



“The acquisition of 35 Graham Street fits with the value-add strategy and restores near term earnings as the balance sheet is utilised.”





Portfolio Summary

	Portfolio (March 2019)	35 Graham Street acquisition (June 2019)	Portfolio (July 2019)	Heinz Watties divestment (Dec 2019)	Anticipated Portfolio (Dec 2019)
Asset Value	\$123.10m	\$58.72m	\$181.82	(\$29.10m)	\$152.72m
WALE	5.5 years	2 years	4.5 years	(7.5 years)	3.6 years
Occupancy	96.7%	100%	97.7%	(100%)	97.5%
Net Rental Yield	6.82%	6.85%	6.83%	(7.60%)	6.71%
LVR	8.5%		38.0%		26.1%
EPS	3.12cps	0.64cps	3.76cps	(0.41cps)	3.35cps



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Outlook

The future strategic operating priorities include:

- 35 Graham St, progressing the repositioning strategy.
- Progression of the value-add opportunities left within the existing portfolio.
- Exit of non-core assets as appropriate, i.e. Heinz Watties.
- Close the share price gap to NTA.
- Continuing to investigate future acquisitions to transform Asset Plus.
- The Board remains patient to find opportunities that offer attractive risk-adjusted returns.



“The Board remains patient and disciplined in the current market to ensure we find the best investments which we think provide appropriate risk-adjusted returns and align with the new strategy.”

Q & A



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RESOLUTIONS

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Resolution 1

Election of Bruce Cotterill



That Donald Bruce Cotterill
be re-elected as a director
of the Company.



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Resolution 2

Election of Paul Duffy



That Paul John Duffy
be re-elected as a
director of the
Company.



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Resolution 3

Re-appointment of the Auditor



That the board be
authorised to fix the
auditor's fees and
expenses from time to
time



Resolution 4

Amendment of the constitution – special resolution

The proposed amendments, as detailed in the notice of meeting, fall into two categories :

1. Amendments arising from the Company's transition to the new NZX Listing Rules on 1 July 2019
2. Other changes to update the constitution by either:
 - Deleting redundant provisions; or
 - Modernising outdated provisions.



That approval is given for amendments to Asset Plus Limited's constitution, in the form and manner set out in the marked up version of the constitution attached to the notice of meeting.

An aerial photograph of a city skyline at dusk. In the foreground, a large, modern office building with a grid-like facade is visible. To its left, another building features a prominent 'KPMG' logo. The city extends into the background, with a body of water and distant hills visible under a twilight sky.

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