ASSET PLUS
DEVELOPMENTS AND EQUITY RAISING

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ASSET PLUS+
AUGUSTA

10 MARCH 2020

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This presentation has been prepared by Asset Plus Limited (***Asset Plus , APL*** or the ***Company***) in relation to the:

- shareholder meeting to consider (among other things) the proposed development by Asset Plus of the property located at 6-8 Munroe Lane, Albany (***Munroe Lane Development***); and
- a rights offer of new shares in Asset Plus (***New Shares***) to be made to eligible shareholders of Asset Plus (***Rights Offer***), followed by a shortfall bookbuild process (***Shortfall Bookbuild***, with the Rights Offer, the ***Offer***), under clause 19 of Schedule 1 to the Financial Markets Conduct Act 2013 (***FMCA***).

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The information and opinions contained in this presentation are provided as at the date of this presentation and are subject to change without notice. Asset Plus reserves the right to withdraw, or vary the timetable for, the Offer without notice.

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SUMMARY

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Munroe Lane Development

- On 20 December 2019, Asset Plus announced the development of a 26,500m^2 (GFA) / 15,100m^2 (NLA) building in Albany, 63% pre-leased, with a 15-year lease to Auckland Council.
- The acquisition of Munroe Lane is the second acquisition in this financial year for Asset Plus, adding to 35 Graham Street, Auckland CBD (***Graham Street***) which was approved by shareholders in June 2019, in pursuit of Asset Plus' revised 'yield plus growth' strategy.
- Asset Plus intends to hold Munroe Lane as a long term investment.
- Construction is expected to commence in January 2021, with a targeted completion date of December 2022.
- Asset Plus believes the Munroe Lane Development offers attractive risk-adjusted returns having regard to the high-quality tenant and extended lease term secured to date.
- The Offer will provide funding for the Munroe Lane Development.

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Artist impression of the Munroe Lane Development

The Munroe Lane Development requires shareholder approval. Asset Plus will hold a shareholder meeting to approve the Munroe Lane Development at 1.30 pm on Tuesday, 31 March 2020 at Link Market Services, Level 11, Deloitte Centre, 80 Queen Street, Auckland

For further information, shareholders should refer to the Notice of Meeting to be sent to shareholders on 10 March 2020. The approval of the Munroe Lane Development also requires shareholder approval of the Offer (see page 8).

Update on Graham Street Development

- On 17 June 2019, Asset Plus shareholders approved the purchase of 35 Graham Street, Auckland for $58 million from Auckland Council.
- At the time of the transaction, a two-year lease was entered into with Auckland Council to provide Asset Plus with income and time to work through a potential redevelopment plan. A full redevelopment continues to be Asset Plus' preferred development option with the intention of holding this property as a long term investment.
- Alternative redevelopment options presented to shareholders in June 2019 also still remain available.
- The Offer is also intended to provide some funding capacity to undertake the development of Graham Street.

FURTHER INFORMATION **PAGE #**

Artist impression of the preferred development option for Graham Street

The Offer

- Asset Plus is seeking approximately $100 million in new equity capital to fund the Munroe Lane Development, whilst also providing some funding capacity to undertake the development of Graham Street.
- Proceeds will initially be used to repay existing bank debt, and Asset Plus is expected to be in a net cash position following the Offer. Proceeds will gradually be drawn to fund the requirements of the Munroe Lane Development.
- Asset Plus is undertaking the Offer in the form of an underwritten pro rata 1.235 for 1 rights offer to raise approximately $100 million.
- The application price under the Rights Offer is $0.50 per new share, representing a 6.7% discount to the theoretical ex-rights price of $0.536.
- The Rights Offer opens on 19 March 2020 and closes on 1 April 2020. Eligible shareholders should read the Offer Document and this presentation in their entirety.

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Shareholders should go to www.assetplusoffer.co.nz to find out more and apply by 5.00 pm on 1 April 2020.

The Offer also requires shareholder approval.
Asset Plus will hold a shareholder meeting to approve the Offer at 1.30 pm on Tuesday, 31 March 2020 at Link Market Services, Level 11, Deloitte Centre, 80 Queen Street, Auckland

For more information, shareholders should refer to the Offer Document to be sent to shareholders on 19 March 2020. The approval of the Offer also requires shareholder approval of the Munroe Lane Development (see page 6)

02 PORTFOLIO AND TRADING UPDATE

Artist impression of the preferred development option for Graham Street

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Key Metrics

Forecast as at 31 March 2020[1]

Portfolio Value

$160.7m[2]

(Sep-19[3]: $182.3m)

Properties

4

(Sep-19[3]: 4)

WALE

3.1 years

(Sep-19[3]: 4.2)

LVR

30.2%

(Sep-19[3]: 38.2%)

Number of Tenants

67

(Sep-19[3]: 65)

Occupancy

98%

(Sep-19[3]: 98%)

NTA (prior to the Offer)

$0.69[2]

(Sep-19[3]: $0.69)

1. *Forecast results for the year ending 31 March 2020. Forecasts are subject to financial performance through the remainder of FY20, year-end adjustments, audit review, and the approval of the Asset Plus Board.*
2. *Based on draft valuations received and approved by the Board which are subject to finalisation by the issuing valuer and audit on or after 31 March 2020. Further details will be included in Asset Plus' full year results announcement for the year ended 31 March 2020.*
3. *In the period since 30 September 2019, the Munroe Lane property was acquired on 2 December 2019 for $7.25m and the Heinz Watties property was sold on 17 December 2019 for $29.1m.*

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Forecast full year FY20 financial performance metrics[1]

Actual results for FY20 may differ from these forecasts as they are subject to the financial performance through the remainder of FY20, year-end adjustments, audit review, and the approval of the Asset Plus Board

While rental performance from underlying assets remained steady, results are influenced by significant activity within the Asset Plus portfolio:

- The Heinz Watties distribution centre in Hastings was sold during the year. Results include rent from this property for approximately 9 months.
- The CBD office building at 35 Graham Street was acquired in Jun-19. Results include rent from this property for approximately 9 months.
- Due diligence costs partially offset by an underwriting fee received from the Heinz Watties sale.
- Draft valuation reports for the portfolio give rise to a fair value loss of $0.5m[3].

FY20 Forecast

Net Rental Income
$10.5m
(up $1.3m, 15% on FY19)

Net Profit After Tax
$4.5m
(up $0.7m, 18% on FY19)

AFFO[2]
$4.9m
(up $0.2m, 3% on FY19)

1. *Forecast results for the year ending 31 March 2020. Forecasts are subject to financial performance through the remainder of FY20, year-end adjustments, audit review, and the approval of the Asset Plus Board.*
2. *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. A reconciliation of the total forecast comprehensive income after tax to AFFO is included at Appendix 6.*
3. *Based on draft valuations received and approved by the Board which are subject to finalisation by the issuing valuer and audit on or after 31 March 2020. Further details will be included in Asset Plus' full year results announcement for the year ended 31 March 2020.*

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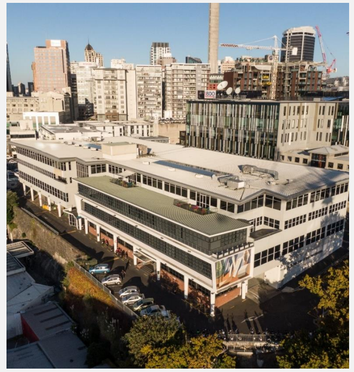
Portfolio update

Forecast as at 31 March 2020

	Eastgate, Christchurch	Stoddard Rd, Auckland	Graham Street, Auckland	Munroe Lane, Auckland
				
Valuation ($m)[1]	$52.2 (Mar-19: $54.5)	$42.5 (Mar-19: $39.5)	$58.5 (On acquisition: $58.0)	$7.5 (On acquisition: $7.25)
WALE (years)	4.5 (Mar-19: 5.1)	4.0 (Mar-19: 4.0)	1.2 (On acquisition: 2.0)	-
Occupancy (%)	95% (Mar-19: 93%)	100% (Mar-19: 100%)	100% (On acquisition: 100%)	-
Net Rental Income ($m)	$3.66 (Mar-19: $3.63)	$2.62 (Mar-19: $2.57)	$3.95 (On acquisition: $3.95)	-
Passing yield (%)	7.9% (Mar-19: 7.3%)	6.2% (Mar-19: 6.5%)	6.8% (On acquisition: 6.9%)	-
Comments	• Bargain Chemist recently secured as a new tenant on a 6-year lease • Ongoing discussions to expand F&B offering • Seismic work for The Warehouse completed	• The property continues to perform well and provide a steady income stream • 100% of expiring leases were renewed by existing tenants so far during the year	• Acquired June 2019 • Auckland Council lease has approximately 1.25 years to run (expiring June 2021) • Attractive holding income	• Acquired off-market December 2019 • Large ~4,200m^2 corner site with three road frontages
Largest tenant exposures	• Countdown, The Warehouse	• The Warehouse	• Auckland Council	-

1. ***Based on draft valuations received and approved by the Board which are subject to finalisation by the issuing valuer and audit on or after 31 March 2020. Further details will be included in Asset Plus' full year results announcement for the year ended 31 March 2020.***

Update: Centuria bid for Augusta Capital – Business as usual for Asset Plus

Augusta Capital Limited (***Augusta Capital***) and Centuria Platform Investments Pty Limited, a subsidiary of Centuria Capital Limited (***Centuria***), signed a Bid Implementation Agreement (***BIA***) on 29 January 2020.

The BIA contemplates a transaction that, if successful, would result in Augusta Capital becoming owned or controlled by Centuria and potentially de-listing from the NZX (***Takeover***).

Augusta Capital currently holds 18.85% of Asset Plus' shares. Further, Asset Plus' assets are managed by Augusta Fund Management Limited, a wholly-owned subsidiary of Augusta Capital, under a management agreement.

The Board of Asset Plus believes, based on information known to it at this time, that the Takeover is not expected to negatively impact Asset Plus or its operations and strategic objectives. In addition, the independent directors of Augusta Capital have advised Asset Plus that, based on information known to them at this time, they do not believe that a change of control of Augusta Capital that would result from the Takeover would affect the management of Asset Plus' assets by Augusta Fund Management Limited or Augusta Capital's holding in Asset Plus.

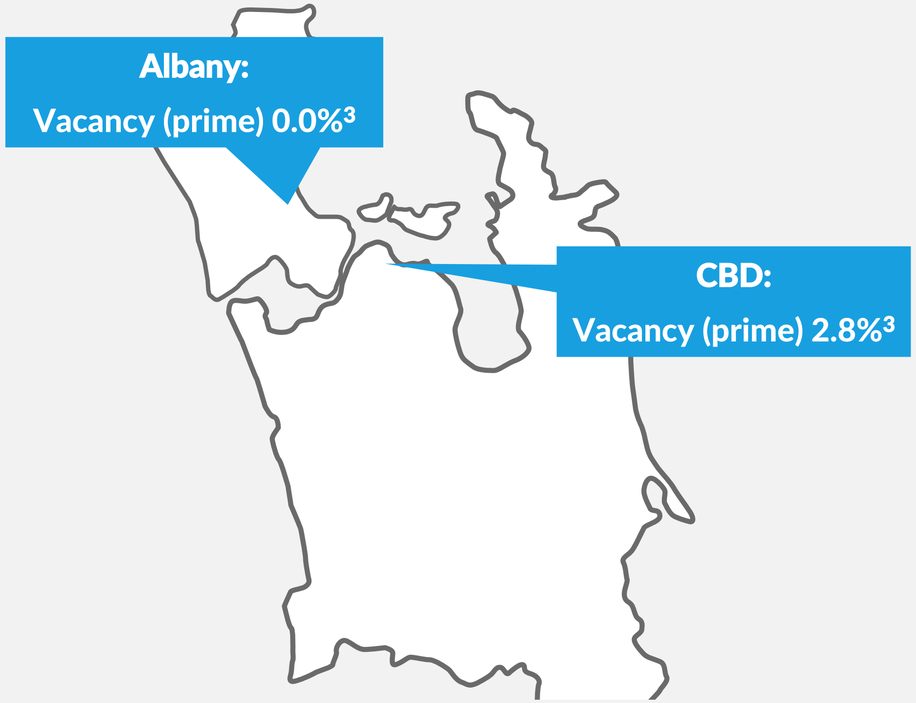
Augusta Capital has committed to participate in the Rights Offer by taking up $5 million of its entitlement under the Rights Offer, which is expected to reduce its shareholding in Asset Plus to 11.2% following the Offer. This subscription is permitted under the BIA. Centuria is acting as a sub-underwriter in the Offer and intends to participate in the Shortfall Bookbuild.

03 OVERVIEW OF THE MUNROE LANE DEVELOPMENT

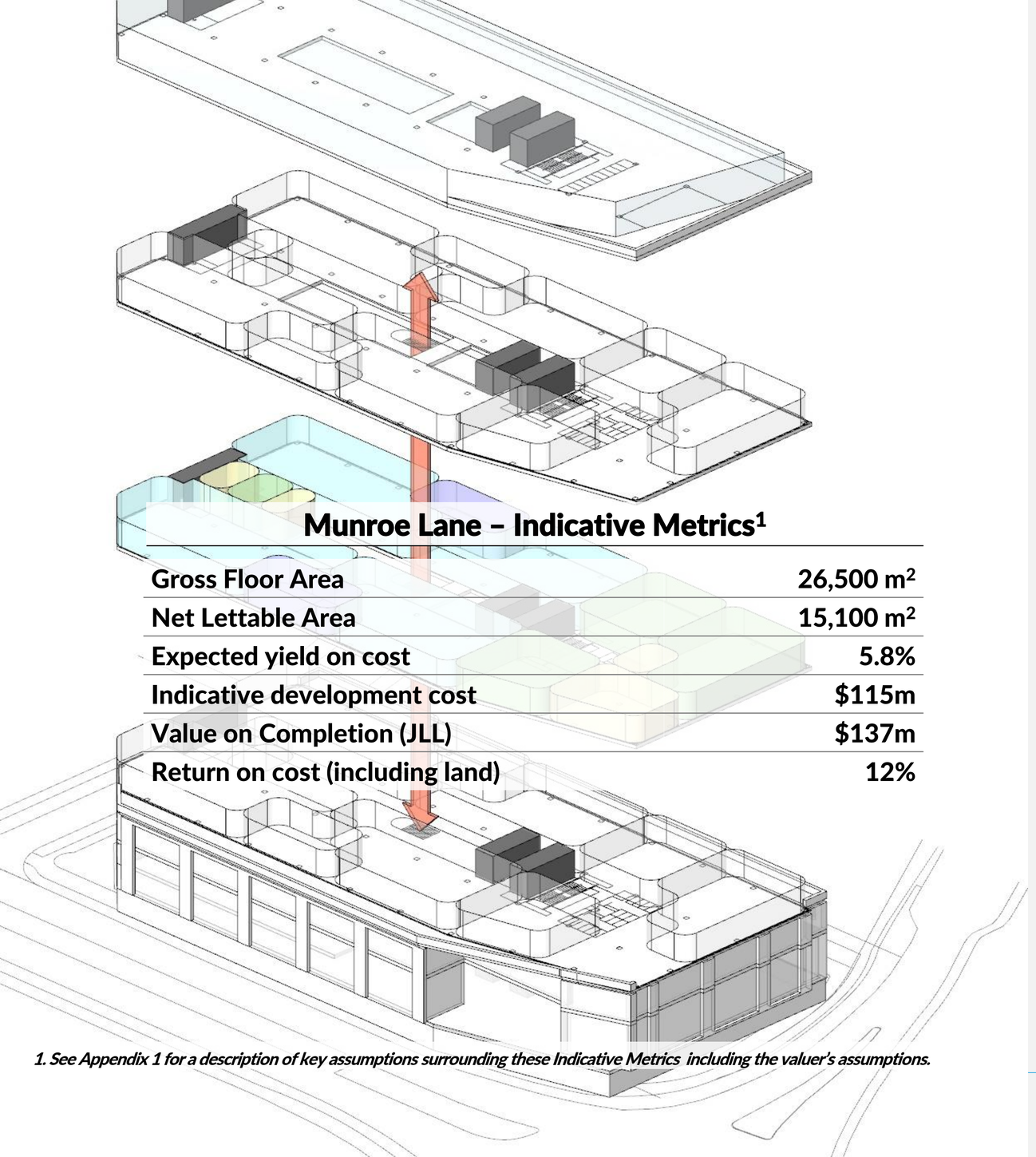
Artist impression of the Munroe Lane Development

Albany has been identified for its office sector growth potential and low vacancy levels

- Albany has a significant strategic role as one of Auckland's three key nodes outside of the city centre. It will continue to evolve and develop over time as the key node for the north of Auckland.[1]
- Recent large infrastructure developments, including the extended busway, improve links and access.[2]
- Recent reports show no prime office space vacancy for the area.[3]



1. *Auckland Council "Auckland Plan 2050" (https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/auckland-plan/development-strategy/future-auckland/Pages/what-albany-look-like-future.aspx)*
2. *NZTA*
3. *Colliers, "Auckland Metropolitan Office Report 2H 2019"*



Munroe Lane – Indicative Metrics[1]

Gross Floor Area	26,500 m^2
Net Lettable Area	15,100 m^2
Expected yield on cost	5.8%
Indicative development cost	$115m
Value on Completion (JLL)	$137m
Return on cost (including land)	12%

1. See Appendix 1 for a description of key assumptions surrounding these Indicative Metrics including the valuer's assumptions.

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Munroe Lane, Albany

Development Overview

- 6 levels plus 2 basement carparking level development in the heart of Albany with 212 carparks.
- Large floor plates of ~3,000 m^2 each.
- ~350m^2 of expected Café / Food & Beverage / Retail outlets on ground level.
- Excellent daylighting due to three street frontages.
- 63% pre-leased on a 15 year lease to Auckland Council. Target May-20 to commence marketing the balance of unleased space.
- The development has an 'as if complete' valuation by Jones Lang LaSalle (JLL) of $137m (dated January 2020), representing a development margin of 12% including land.[1]
- It is intended that the Munroe Lane Development will be held as a long term asset.
- An indicative timetable outlining key milestones, including the current targeted completion date, for the Munroe Lane Development is shown in Appendix 2.

Photos in boxes show expected new buildings

Munroe Lane (cont'd)

Location and Amenity

- Close proximity to both Albany Heights and Albany Lake Reserves.
- Ready access to State Highway 1.
- Minutes to the Albany Bus Station Park & Ride.
- Highly visible and accessible site.
- Extensive local amenities including: childcare, retail, food & beverage, leisure, reserves and sport facilities.

Munroe Lane (cont'd)

Sustainability commitments

- Build to 5-star Greenstar and targeting 5-star NABERSNZ ratings.
- Excellent daylight and external views.
- Effective solar gain control.
- Inter-connecting stairs promoting wellness.
- Integration of extensive end-of-trip facilities.
- Durable materials and low maintenance.

04 PRO-FORMA IMPACT OF THE MUNROE LANE DEVELOPMENT

Artist impression of the Munroe Lane Development

Pro-forma portfolio metrics on completion of the Munroe Lane Development

The Munroe Lane Development is expected to significantly increase Asset Plus' scale and earnings

The table below shows indicative key portfolio metrics, and how these metrics are expected to change following the Offer and on completion of the Munroe Lane Development, assuming no further acquisitions. Key assumptions for the Munroe Lane Development are set out in Appendix 1:

- "APL Today" reflects forecast portfolio metrics as at Mar-20[1].
- "APL Post Offer" reflects indicative portfolio metrics immediately following the capital raise.
- "Post Munroe Lane Development" shows indicative pro forma metrics on completion of the Munroe Lane Development. The pro-forma financial information has not been subject to external accountant review or audit.

Portfolio Metrics[1]

	APL Today[2]	APL Post Offer[2]	Post Munroe Lane Development
Value of Investment Properties ($m)	160.7	160.7	290.2
Net Rental Income[3] ($m)	10.2	10.2	17.4
WALE (years)	3.1	3.1	6.7
LVR	30.2%	n/a	26.9%
MER[4]	1.55%	1.55%	0.86%

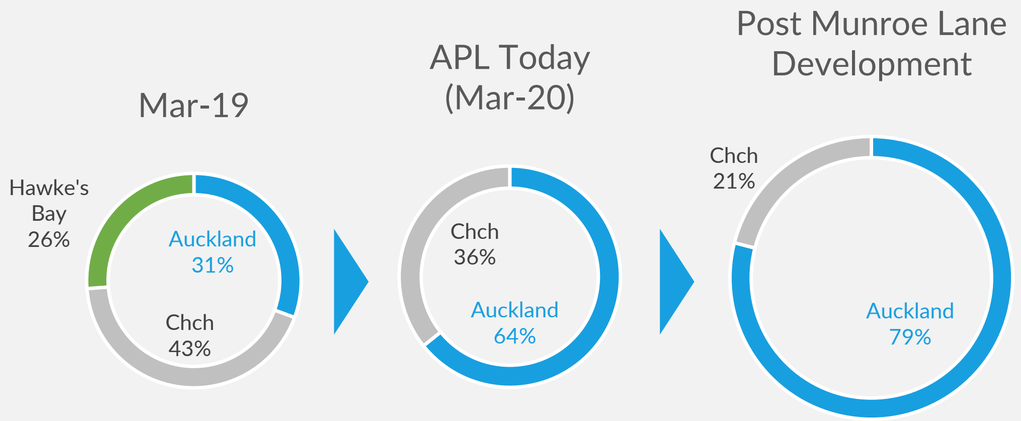
1. *Pro-forma financial information presented in this table has not been subject to external accountant review or audit.*
2. *Draft valuations have been received and approved by the Board but are subject to finalisation by the issuing valuer and audit on or after 31 March 2020. Further details will be included in Asset Plus' full year results announcement for the year ended 31 March 2020.*
3. *Net Rental Income for APL Today and APL Post Offer is the annual net rental income from Eastgate, Stoddard Rd, and Graham Street and will differ from Net Rental Income that is forecast to be shown in Asset Plus' FY20 annual results due to the exclusion of rent from Heinz Watties (prior to sale in December 2019) and inclusion of a full year of rent from Graham Street. Net Rental Income for Munroe Lane is outlined on page 22.*
4. *The Management Expense Ratio ('MER' calculated as total operating expenses for Asset Plus divided by investment property) for APL Today and APL Post Offer includes due diligence costs for transactions not completed, partly offset by an underwrite fee. But for these items, the MER would have been 0.98%.*

Re-aligning the portfolio

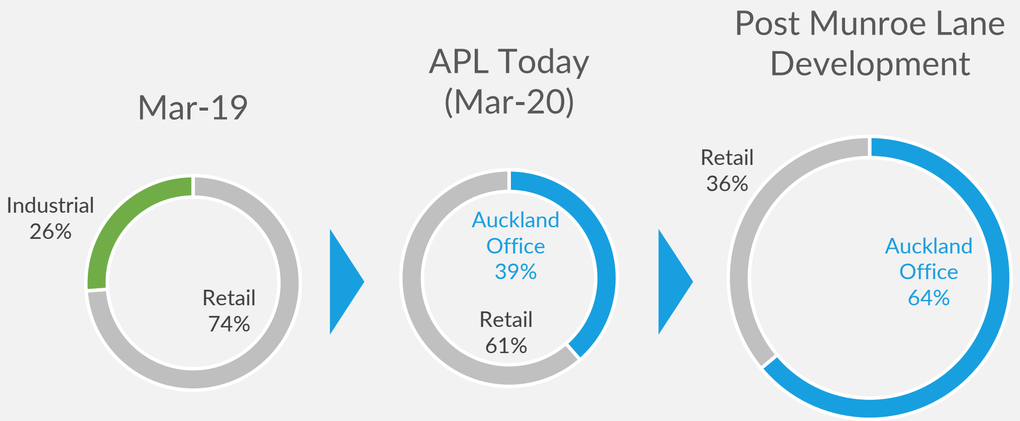
The Munroe Lane development will significantly increase Asset Plus' exposure to the Auckland region and Auckland Office rental sectors

- Asset Plus' portfolio has undergone significant changes in the past year, following the sale of Heinz Watties and acquisition of Graham Street.
- Asset Plus no longer has an exposure to regional assets.
- Following completion of the Munroe Lane Development, Asset Plus' portfolio will be further aligned with the Auckland region and Auckland Office space sectors.

Changes in Net Rental Income by Region[1]



Changes in Net Rental Income by Sector[1]



1. *See Appendix 1 for the key assumptions relating to the Munroe Lane Development. Percentages are calculated based on Net Rental Income for existing assets per draft 31 March 2020 valuations, and forecast Net Rental Income from the Munroe Lane Development. Following the sale of Heinz Watties in December 2019, Asset Plus no longer has an exposure to the Hawke's Bay region nor the Industrial sector.*

Pro-forma balance sheet impact of the Munroe Lane Development

Asset Plus will have a conservative gearing ratio following the Munroe Lane Development with headroom for further growth

The table to the right shows the pro forma impacts of the Offer and Munroe Lane Development on specific balance sheet accounts:

- (A) "APL Today" represents the forecast Mar-20 balance sheet.
- (B) "Offer" shows the impact on cash and equity of the Offer (net of transaction fees).
- (D) Shows the impact of the Munroe Lane Development, reflecting estimated development costs of $115m and a development margin of $14.5m. The increase in the value of investment property is the difference between the current "as if complete" valuation of $137m by JLL and the current carrying value for Munroe Lane of $7.5m.
- (E) An operating shortfall, representing dividends in excess of net operating earnings during the development phase is estimated at $10.9m.

Refer to Section 9 for the key risks, and Appendix 1 for the key assumptions, relating to the Munroe Lane Development. A sensitivity of pro forma LVR to changes in key assumptions is shown in Appendix 4.

Pro-forma Balance Sheet impact of the Munroe Lane Development[1]

Impact of the Munroe Lane Development and Offer	(A) APL Today	(B) Offer	(C = A + B) APL Post Offer	(D) Estimated Incremental Impact of the Munroe Lane Development	(E) Operating Shortfall	(F = C + D + E) Pro forma
Balance Sheet ($m)						
Value of Investment Property ($m)[2]	160.7	-	160.7	129.5	-	290.2
Other Assets	0.9	-	0.9	-	-	0.9
Working Capital	1.1	-	1.1	-	-	1.1
Total Assets (excl. Cash)	**162.6**	**-**	**162.6**	**129.5**	**-**	**292.1**
funded by:						
Net Cash / (Net Debt)	(48.5)	96.5	48.0	(115.0)	(10.9)	(78.0)
Other liabilities	(3.1)	-	(3.1)	-	-	(3.1)
Equity	**111.0**	**96.5**	**207.5**	**14.5**	**(10.9)**	**211.1**
Key Portfolio Metrics						
NLA (m^2)	44,653		44,653	15,114		59,767
Net Rental Income ($m)[3]	10.2		10.2	7.2		17.4
WALE (years)	3.1		3.1			6.7
LVR	30.2%		n/a			26.9%

1. *The information presented in this table is presented on a pro-forma basis for illustrative purposes and therefore may not accurately reflect the impact of the Munroe Lane Development on Asset Plus. The pro-forma financial information has not been subject to external accountant review or audit.*
2. *Based on draft valuations received and approved by the Board which are subject to finalisation by the issuing valuer and audit on or after 31 March 2020. Further details will be included in Asset Plus' full year results announcement for the year ended 31 March 2020.*
3. *Net Rental Income for APL Today and APL Post Offer is the annual net rental income from Eastgate, Stoddard Rd, and Graham Street and will differ from Net Rental Income that is forecast to be shown in Asset Plus' FY20 annual results due to the exclusion of rent from Heinz Watties (prior to sale in December 2019) and inclusion of a full year of rent from Graham Street.*

05 UPDATE ON GRAHAM STREET DEVELOPMENT

Artist impression of the preferred development option for Graham Street

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35 Graham Street, Auckland CBD

Development update

- On 28 June 2019, Asset Plus purchased 35 Graham Street, Auckland for $58 million from Auckland Council.
- The purchase was in line with Asset Plus' 'Yield plus Growth' investment strategy, providing the benefit of an existing large structure, with potential to upgrade and add additional floors (subject to resource consent).
- Three development options were presented to shareholders in June 2019. A full redevelopment continues to be Asset Plus' preferred development option with the intention of holding this property as a long term investment.
- Work has progressed on the preferred development option, including the appointment of an architect and initial discussions with potential anchor tenants. Design concepts are shown in this pack. An indicative timetable outlining current targeted key milestones, including the completion date, for the preferred development option for Graham Street is shown in Appendix 2.
- A final decision on the development of Graham Street has yet to be made by the Asset Plus Board. In the event that the Board chooses not to progress a redevelopment at Graham Street, or to progress with alternative redevelopment options, proceeds from the Offer may leave Asset Plus with balance sheet headroom which Asset Plus intends to invest in new, as yet unidentified, opportunities.

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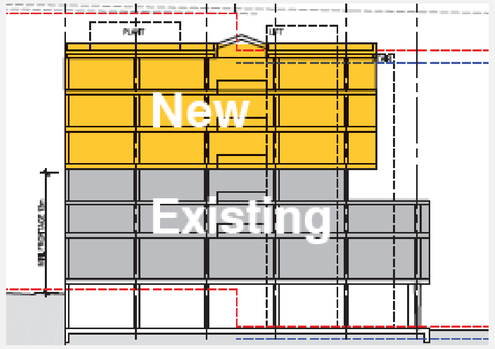
Evolution of Asset Plus' preferred development option for Graham Street

The current design concept involves extending the building from its existing 3 levels to 6 levels, and basement working space

Acquisition Concept, July 2019



Indicative Metrics[1]

Gross Floor Area	19,339 m²
Net Lettable Area	16,166 m²
Expected yield on cost	6.6%
Indicative development cost	$90 – 100m
Return on cost (including land)	15%+

Woods Bagot Scheme, February 2020

Artist impression of the preferred development option for Graham Street

Indicative Metrics[2]

Gross Floor Area	24,086 m²
Net Lettable Area	20,135 m²
Expected yield on cost	6.2%
Indicative development cost	~$144m
Return on cost (including land)	15%+

The preferred development option remains indicative only and subject to change. Prior to any development:

- **Asset Plus will need to be satisfied that the development meets its financial targets (including yield on cost, development margin, and IRR).**
- **The Board does not intend to undertake the preferred development option for Graham Street until tenant commitments for approximately 40% of the NLA have been secured.**
- **Funding commitments will need to be in place (including debt funding, the sale of Eastgate and / or Stoddard Rd, and potentially further equity funding).**
- **If required, shareholder approval will be sought.**

The Offer proceeds will primarily be used to fund the Munroe Lane Development and are not sufficient to fund the preferred development option for Graham Street on their own.

Alternative redevelopment options presented to shareholders in June 2019 also still remain available (namely, an extensive refurbishment to "Upper B Grade" office space, or a light refurbishment). No decision has yet been taken by the Asset Plus Board as to what development option, if any, will be undertaken. Updates will be provided in due course alongside results announcements and at other times (such as when lease commitments are entered into) in accordance with Asset Plus' continuous disclosure obligations.

1. As presented to shareholders in June 2019.

2. Based on the latest design concepts for Graham Street. Indicative Metrics should be considered indicative only. Final floor areas, development cost, and rental yields are likely to change. Refer to Appendix 1 for the key assumptions relating to the preferred development option for Graham Street.

Preferred development option for Graham Street

Re-development highlights

Features and Amenity

- Property at the crossroads of Auckland's desirable Victoria, Viaduct and Wynyard Quarters.
- Surrounded by some of New Zealand's largest corporate occupiers and significant local amenity, as well as excellent transport links.
- Extensive floor plates, almost unavailable elsewhere in the Auckland CBD, of ~3,000 m^2 to ~3,500 m^2 each.
- Expansive views across the Waitematā harbour, coupled with excellent daylighting and no adjoining buildings.
- A public walkway (currently under construction) provides Graham Street with a connection to Fanshawe St and the waterfront.

Sustainability Commitments

- Targeting 5-star Greenstar and 5-star NABERSNZ rating.
- Re-use of existing structure will reduce development carbon footprint.
- Excellent daylighting and external views.
- Intend to develop inter-connecting atrium stairs promoting wellness.
- Extensive end-of-trip facilities.
- Intending to use durable materials with a low maintenance requirement.

06 PRO-FORMA IMPACT OF THE DEVELOPMENTS

Artist impression of the preferred development option for Graham Street

Pro-forma portfolio metrics on completion of the Munroe Lane Development and the preferred development option for Graham Street (the *Developments*)

Completion of the preferred development option for Graham Street, together with the sale of Eastgate and completion of the Munroe Lane Development, would further increase the scale and earnings of Asset Plus' portfolio as well as the exposure to the Auckland region and Auckland Office rental sectors

The table to the right shows indicative pro-forma portfolio metrics assuming the preferred development option for Graham Street is completed (in accordance with current design estimates) in addition to completion of the Munroe Lane Development, with funding provided partly by the sale of Eastgate at valuation and additional debt, and no further acquisitions.

The key assumptions for the preferred development option for Graham Street are provided in Appendix 1. The following points are also relevant:

- Post Munroe Lane Development shows indicative pro forma metrics following completion of the Munroe Lane Development as previously shown on page 20.
- Post Developments & Sale of Eastgate shows indicative pro-forma metrics following completion of the Developments and the sale of Eastgate. In this case, Asset Plus' portfolio's exposure to:
  - the Auckland region, further increases to 100%.
  - the Auckland Office sector, further increases to 88%.

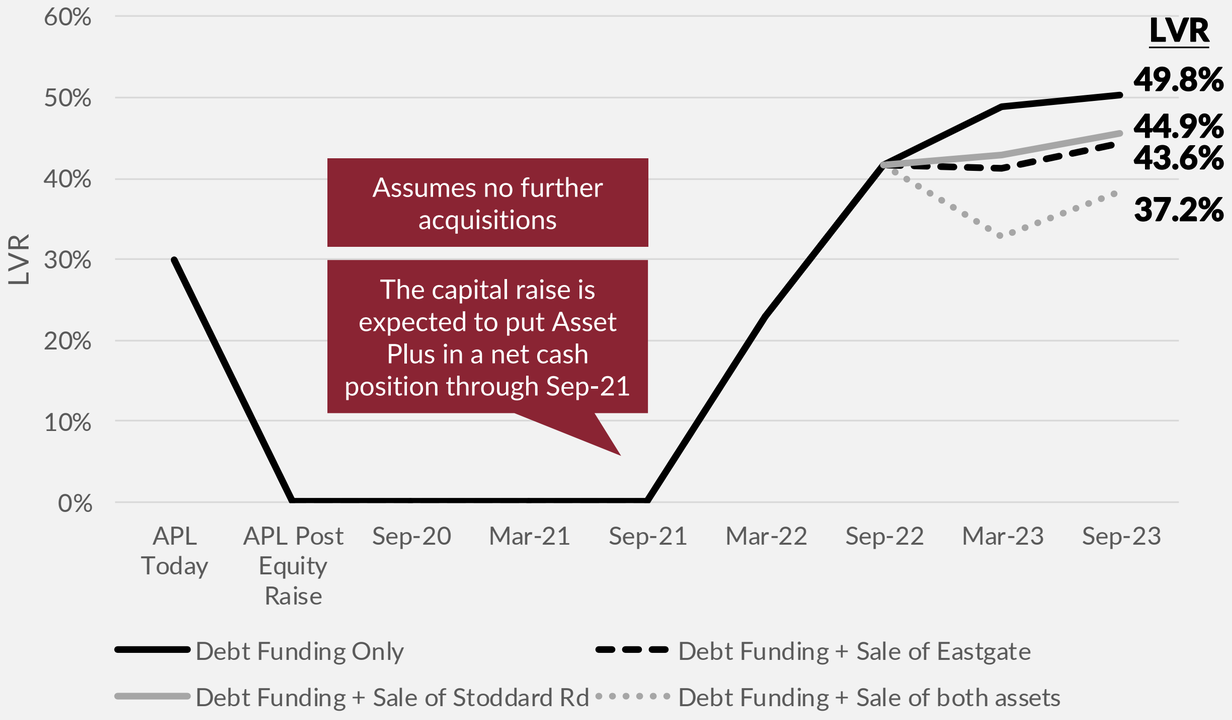
Portfolio Metrics[1]

	APL Today[2]	Post Munroe Lane Development	Post Developments & Sale of Eastgate[3]
Value of Investment Properties ($m)	160.7	290.2	419.1
Net Rental Income ($m)	10.2	17.4	22.4
WALE (years)	3.1	6.7	9.9
LVR	30.2%	26.9%	43.6%
MER	1.55%	0.86%	0.75%
NTA / Share	$0.686	$0.584	$0.650

1. *Pro-forma financial information presented in this table has not been subject to external accountant review or audit.*
2. *Draft valuations have been received and approved by the Board but are subject to finalisation by the issuing valuer and audit on or after 31 March 2020. Further details will be included in Asset Plus' full year results announcement for the year ended 31 March 2020.*
3. *Metrics are for illustrative purposes only (including because the preferred development option for Graham Street is at an indicative stage only) and assume (a) the sale of Eastgate at valuation, (b) Stoddard Rd metrics consistent with current metrics for that property, (c) that the Developments are fully let on completion, and (d) no new shares are issued following the Offer. See Appendix 1 for a full list of all key assumptions affecting the pro-forma portfolio metrics. Values and ratios will be different if those assumptions are not correct.*

Funding options and LVR implications of the Developments

Development Funding Options and Resulting Pro Forma LVR on completion of the Developments (assuming a combined estimated development cost of $259m)



Properties are assumed to be sold for net proceeds consistent with their indicative FY20 valuation in approximately three years' time.

Asset Plus' preferred development option for Graham Street currently contemplates an estimated further investment of ~$144m. Asset Plus' pro forma LVR through time, where both Developments are progressed, is shown to the left. The following items should also be taken into account:

- The preferred development option for Graham Street is indicative only and subject to the contingencies outlined on page 25. Accordingly, the final development cost for Graham Street may change.
- The Board currently intends to maintain the dividend during the development phase of the Developments (see page 33).
- Asset Plus will require new debt facilities to complete both Developments as total borrowing would exceed the current facility limits. If the Developments are entirely debt funded, LVR would increase from 30.2% today to 49.8% on completion.
- The LVR on completion, should Asset Plus entirely debt fund the Developments, is above target long-run LVR. Accordingly, Asset Plus expects to sell Eastgate and / or Stoddard Rd to partially fund the preferred development option for Graham Street should that option be progressed. The resulting LVR in these scenarios would be between 37.2% and 44.9% on completion of the Developments.
- Asset Plus may need to raise additional equity to progress the preferred development option for Graham Street if bank debt is not available on acceptable terms, or if it is unable to achieve acceptable outcomes from the sale of Eastgate and / or Stoddard Rd.

Refer to Section 9 for the key risks, and Appendix 1 for the key assumptions, relating to the Developments. A sensitivity of pro forma LVR on completion of the Develoments to changes in key assumptions is shown in Appendix 4.

Pro-forma balance sheet impact of the Developments

The table to the right shows the pro-forma balance sheet impacts of the Developments, including the assumed sale of Eastgate and additional operating shortfalls during the development period:

- (F) Reflects the 'Post Munroe Lane Development' pro-forma position as shown in Column F of page 22.
- (G) Shows the impact of the preferred development option for Graham Street, reflecting development costs of $144m[1] and a development margin of $37m (including land). The increase in the value of investment property is the difference between the Manager's internal "as if complete" valuation of $240m and the current carrying value for Graham Street of $58.5m.
- (I) A further operating shortfall, representing dividends in excess of net operating earnings during the development phase is estimated at $12.6m.

Refer to Section 9 for the key risks, and Appendix 1 for the key assumptions, relating to the Developments. A sensitivity of pro forma LVR to changes in key assumptions is shown in Appendix 4.

Pro-forma Balance Sheet impact of the Developments[1]

Impact of Graham Street Development Sale of Eastgate	(F) Pro forma	(G) Impact of Graham St Development	(H) Sale of Eastgate	(I) Operating Shortfall	(J) Pro forma
Balance Sheet ($m)					
Value of Investment Property ($m)	290.2	181.1	(52.2)	-	419.1
Other Assets	0.9	-	-	-	0.9
Working Capital	1.1	-	-	-	1.1
Total Assets (excl. Cash)	**292.1**	**181.1**	**(52.2)**	**-**	**421.0**
funded by:					
Net Cash / (Net Debt)	(78.0)	(144.3)	52.2	(12.6)	(182.7)
Other liabilities	(3.1)	-	-	-	(3.1)
Equity	**211.1**	**36.7**	**-**	**(12.6)**	**235.2**
Shares Outstanding	361.9				361.9
NTA / share	$0.584				$0.650
Key Portfolio Metrics					
NLA (m2)	59,767	10,614	(26,720)		43,661
Net Rental Income ($m)	17.4	8.6	(3.7)		22.4
WALE (years)	6.7				9.9
LVR	26.9%				43.6%

1. ***The information presented in this table is presented on a pro-forma basis for illustrative purposes and therefore may not accurately reflect the impact of the Developments on Asset Plus. The pro-forma financial information has not been subject to external accountant review or audit. A decision has yet to be made on the redevelopment of Graham Street.***

Delivering on the strategic objectives

The Developments, based on the assumptions set out in Appendix 1, would deliver on Asset Plus' strategic objectives:

	Objective	Delivering on the Objectives
01	**Increase the scale of the portfolio**	The Developments are expected to increase the value of Asset Plus' investment properties by ~**$258m,** reducing Asset Plus' Management Expense Ratio due to increased scale.
02	**Reduce the share price to NTA gap**	The Developments are expected to reduce the gap by (i) enhancing the quality of the Asset Plus portfolio, (ii) executing on the 'yield plus growth' strategy, and (iii) increasing market capitalisation and liquidity.
03	**Set a strong platform for sustainable growth moving forward**	The Offer, and delivery of the Developments, is expected to enhance Asset Plus' portfolio and provide capital options for future investment opportunities.
04	**Provide an appropriate yield reflective of the value-add, and total return approach adopted**	The Developments are expected to provide attractive risk-adjusted returns particularly having regard to the high quality tenant and extended lease term secured to date in respect of Munroe Lane.

07 DIVIDENDS

Artist impression of the Munroe Lane Development

Dividends

Asset Plus intends to continue to maintain the dividend during the development period

Asset Plus' current dividend policy is to distribute between 90% and 100% of Distributable Profit[1] to shareholders each financial year.

Asset Plus' dividend is currently 3.6 cents per share paid in four equal quarterly instalments.

The Board of Asset Plus currently intends to maintain the dividend during the development period for the Munroe Lane Development and preferred development option for Graham Street should it be pursued. This will mean that:

- During the development phase for the Munroe Lane Development, Asset Plus expects to be in an operating shortfall (see column E of the table on page 22) where dividends exceed net operating earnings.
- This shortfall is expected to increase if the preferred development option for Graham Street is pursued.
- In both cases, during the development period, dividends will be partly funded by proceeds of the Offer or debt capacity from existing (or new) debt facilities.

Dividends remain subject to quarterly review and are payable at the discretion of the Board, who will take into account all relevant factors when making decisions on dividend payments. Dividends are not guaranteed. Refer to Section 9 for the key risks to Asset Plus' dividends during the period of the Developments.

The Asset Plus Board will consider the introduction of a dividend reinvestment plan.

1. ***Distributable Profit is a non-GAAP measure and defined as the net profit / (loss) before income tax adjusted for non-cash items and / or non-recurring items and current tax.***

08 OFFER OVERVIEW

Artist impression of the preferred development option for Graham Street

Offer summary

Raising approximately $100 million through a 1.235 for 1 rights offer

Offer components	▪ Asset Plus is seeking to raise approximately $100 million in new equity via a fully underwritten, 1.235 for 1 Rights Offer[1] ▪ Rights Offer open to all eligible shareholders with a registered address in New Zealand, Australia, New Caledonia, Hong Kong and Singapore, with each eligible shareholder entitled to 1.235 New Shares for every 1 existing share held on the Record Date
Issue price	▪ New Shares to be offered under the Rights Offer at a fixed price of $0.50 per share representing a discount of: – 6.7% to the Theoretical Ex-Rights Adjusted Price[2] of $0.536 per share – 13.7% to the 5-day volume weighted average price (ex-dividend) of $0.579 per share
Ranking	▪ Each New Share will rank equally with existing shares on issue and will be entitled to the next dividend payable in June 2020
Augusta Capital commitment	▪ Augusta Capital has committed to participate in the Rights Offer with the intention of taking up $5 million of its entitlement under the Rights Offer. Augusta Capital will not participate in the Shortfall Bookbuild. Augusta Capital's shareholding in Asset Plus on completion of the Offer is expected to be 11.2%
Use of proceeds	▪ The proceeds will initially be applied to repay existing bank debt and Asset Plus is expected to be in a Net Cash position immediately following the Offer. The proceeds will ultimately be used to fund development opportunities
Underwriting	▪ The Rights Offer is fully underwritten[1] ▪ Jarden Partners Limited is acting as Sole Lead Manager and Underwriter

1. *The underwrite excludes Augusta Capital's commitment to subscribe for $5 million in the Rights Offer.*
2. *The Theoretical Ex-Rights Adjusted Price is the price at which shares in Asset Plus are theoretically expected to trade immediately following the Offer.*

Indicative Timetable

Further details regarding the Offer can be found at www.assetplusoffer.co.nz

Key dates	Date
Rights Offer	
Record Date – 5pm New Zealand time	Wednesday, 18th March 2020
Expected sending of the Rights Offer document and application form	Thursday, 19th March 2020
Rights Offer opens	Thursday, 19th March 2020
Rights Offer closes	Wednesday, 1st April 2020
Shortfall Bookbuild	Friday, 3rd April 2020
Offer settlement	Wednesday, 8th April 2020
Allotment and trading of New Shares issued under the Offer	Wednesday, 8th April 2020
Shareholder Meeting	
Despatch of notice of meeting	Friday, 13th March 2020
Shareholder meeting	1.30 pm, Tuesday 31st March 2020

09

KEY RISKS

Key risks relating to the Developments

Key Risks relating to the Developments

This section sets out the key risks that Asset Plus and the Manager have identified relating to the Munroe Lane Development and the preferred development option for Graham Street that may affect the financial performance or position or operations of Asset Plus. No guarantee or assurance is given that other risks will not emerge over time.

This section does not (and does not purport to) set out the risks related to an investment in Asset Plus shares or in relation to Asset Plus, its business or general market or industry risks.

You should make your own assessment of the key risks below relating to the Developments, and any other risks associated with an investment in Asset Plus shares, Asset Plus and its business, before:

(a) deciding how to vote at the upcoming special meeting; and

(b) deciding whether to invest in Asset Plus shares. You should also consider whether such an investment is suitable in light of your individual risk profile, investment objectives and personal circumstances (including financial and taxation issues) and you are encouraged to consult with a financial or other professional adviser.

Key Risk	Overview of Key Risk	Mitigation Strategy
Risks relating to the Munroe Lane Development		
Conditional on shareholder approval	• If the shareholder resolutions to approve the Munroe Lane Development and the Offer are not passed, or otherwise do not become effective, Asset Plus will need to cancel the Agreement to Develop and Lease and the Munroe Lane Development will not proceed. In that case, Asset Plus will have incurred material costs and expenses associated with the project which it will not be able to recover.	• Augusta Capital has indicated that it intends to vote its 18.85% shareholding in Asset Plus in favour of the resolutions. • The resolution to approve the issue of shares under the Offer and the resolution to approve the Munroe Lane Development are inter-conditional. This means that the Munroe Lane Development cannot proceed unless the Offer is approved (and vice-versa). • In this case, Asset Plus could seek Auckland Council's agreement to extend the date for satisfaction of the funding condition in the Agreement to Develop and Lease (which would be at Auckland Council's discretion). That would likely only occur if Asset Plus considered that a revised funding plan were viable (including shareholders' support for such a plan).
Conditional on resource consent	• The Agreement to Develop and Lease requires Asset Plus to obtain all resource consents necessary for the Munroe Lane Development by 30 June 2020. If the necessary resource consents are not obtained (or are obtained on conditions that are not approved by Asset Plus and / or Auckland Council), either party may cancel the Agreement to Develop and Lease. In this case, the Munroe Lane Development will not proceed and Asset Plus will have incurred material costs and expenses associated with the project which it will not be able to recover. • If the Agreement to Develop and Lease is cancelled due to the failure to obtain the necessary resource consents (on conditions approved by both parties), that cancellation will occur after the proceeds of the Offer (which are intended to be used to fund the Munroe Lane Development), will have been received by Asset Plus. In that case, Asset Plus would seek to utilise the proceeds of the Offer for other investment opportunities that meet its strategic objectives. It cannot be predicted when or if any alternative investment opportunities would arise. Until such time as proceeds from the Offer could be used to fund alternative investment opportunities, Asset Plus will likely hold cash on its balance sheet which is unlikely to produce the returns for investors that Asset Plus is targeting.	• The Manager has experience in obtaining resource consents of the nature required for the Munroe Lane Development. • The Manager has already engaged with Auckland Council prior to lodging the resource consent application for the Munroe Lane Development. No major impediments were identified at this pre-application meeting. • The Manager has an asset and development management team experienced in sourcing opportunities. As such, if Asset Plus had capital available for investment, the Manager expects that it would have a number of alternative investment opportunities available to deploy this capital efficiently.

Key risks relating to the Developments (continued)

Key Risk	Overview of Key Risk	Mitigation Strategy
Conditional on resource consent (continued)	• Resource consent may be granted on conditions that are not favourable to Asset Plus and which could affect Asset Plus' returns on the Munroe Lane Development. For example, unexpected terms to the resource consent conditions could result in Asset Plus being required to incur additional development expenditure that it cannot recover under the Agreement to Develop and Lease.	• Asset Plus is entitled to terminate the Agreement Develop and Lease if the relevant conditions were not contemplated, are non-standard and are likely to have a material adverse effect on end value of the property and / or ability to meet the Target Completion Date and / or comply with certain requirements of the Agreement to Develop and Lease. • Asset Plus and Auckland Council would also be obliged to use reasonable endeavours to obtain a variation of the relevant condition.
Delay to completion	• Under the Agreement to Develop and Lease, subject to certain exceptions, Asset Plus will be required to pay liquidated damages to Auckland Council if the Munroe Lane Development is not completed by 16 December 2022 (subject to any permitted extensions). Any delay to the anticipated completion date may result in liquidated damages arising and, if this delay is prolonged, the amount of liquidated damages payable by Asset Plus could be material. Delay could arise for a number of reasons, including contractors not being able to obtain labour or supplies due to any "force majeure" type events. • If the Munroe Lane Development is not completed by 15 June 2024 (subject to any permitted extensions), Auckland Council has the right to cancel the Agreement to Develop and Lease and seek damages from Asset Plus for non-completion of the Munroe Lane Development.	• The Manager has experience in managing the design and build of properties similar to the Munroe Lane Development, and considers the target completion date for this project of 16 December 2022 is reasonable. • Liquidated damages are not payable in a number of circumstances outside Asset Plus' control. For instance, they are not payable if the delay is caused by a delay in the resource consent being granted (provided Asset Plus has taken all reasonable steps to obtain the consent). • Asset Plus will seek to enter into a construction contract with a contractor that requires the Munroe Lane Development to be completed by 16 December 2022 and will endeavour to include terms that have the contractor pay or contribute to any liquidated damages that Asset Plus is liable for as a result of build delay. However, Asset Plus may not be able to pass on to the contractor all costs and liability that it incurs to Auckland Council.
Construction risk	• Asset Plus does not expect to enter into a construction contract for the Munroe Lane Development until around December 2020. The Agreement to Develop and Lease contains a shortlist of three preferred construction contractors and provides for Auckland Council oversight in relation to the appointment of the contractor and the terms of the construction contract. This oversight may mean that the construction contract contains terms that Asset Plus would not otherwise agree to, or which could reduce the profitability of the development for Asset Plus. • There are also general construction risks relating to the Munroe Lane Development which are outside of Asset Plus' control, such as the risk of delay, termination, delayed income returns, damages claims, contractor error and/or cost overruns. • Asset Plus also bears the potential risk of failure of the construction contractor during the period of the Developments.	• The Manager has experience in contracting with construction companies. As such it is confident that it will be able to secure a construction contract with one of the preferred construction companies on reasonable terms which do not materially adversely impact Asset Plus' business case for the development (and that Auckland Council's input will not change that position). • The three preferred contractors are all entities with construction experience in Auckland. • Asset Plus will undertake an early contractor involvement process with the selected construction contractor.

Key risks relating to the Developments (continued)

Key Risk	Overview of Key Risk	Mitigation Strategy
Risks relating to the preferred development option for Graham Street		

Further funding and / or disposals	• If Asset Plus pursues the preferred development option for Graham Street, it will need to obtain additional funding of approximately $144 million. Asset Plus' capacity to secure funding would be impacted if the forecast valuations of its portfolio are not maintained during the period of the Developments.
	• This additional funding could be obtained from one or more of the following sources:
	  ○ additional bank funding;
	  ○ disposals of Eastgate and / or Stoddard Rd; and / or
	  ○ further equity or alternative capital markets funding.
	• There is no guarantee that Asset Plus will be able to:
	  ○ obtain sufficient bank funding, including on satisfactory terms, due to changes in the current low interest rate environment;
	  ○ dispose of Eastgate and / or Stoddard Rd at a price that is acceptable to Asset Plus; and / or
	  ○ raise additional capital through the equity and / or debt capital markets.
	• If Asset Plus cannot secure the additional funding to complete the preferred development option for Graham Street, then that development is unlikely to be able to be pursued by Asset Plus. In that case, Asset Plus may develop Graham Street to the extent permitted by available funding, until funding becomes available.
	• If Asset Plus cannot secure the additional funding required to complete the preferred development option for Graham Street, the Munroe Lane Development will still proceed (subject to satisfaction of the conditions in the Agreement to Develop and Lease).
		• Based on current market conditions and external debt and capital markets advice it has received, Asset Plus considers that it has reasonable prospects of obtaining the additional necessary funding to pursue the preferred development option in respect of Graham Street.
		• Asset Plus is not committed to proceeding with the preferred development option. As described on page 25, there are other options available to Asset Plus in respect of Graham Street. In the event that Asset Plus does not proceed with a development of Graham Street, Asset Plus would look to invest in other assets.

No new investments	• If Asset Plus pursues the preferred development option for Graham Street, it would be unable to carry out any other investment opportunities until the preferred development option for Graham Street and the Munroe Lane Development were completed, unless it raised further capital through one or more further capital raisings.	• Asset Plus is not committed to proceeding with the preferred development option. As described on page 25, there are other options available to Asset Plus in respect of Graham Street.
Construction Risk	• If Asset Plus proceeds with the preferred development option for Graham Street, it does not expect to enter into a construction contract for that development until around June 2021. The construction contract may contain terms that reduce the profitability of the development for Asset Plus. • There will also be general construction risks relating to the preferred development option for Graham Street which are outside of Asset Plus' control, such as the risk of delay, contractor error and/or cost overruns. • Asset Plus also bears the potential risk of failure of the construction contractor during the period of the preferred development option for Graham Street.	• The Manager has experience in contracting with construction companies. As such it is confident that it will be able to secure a construction contract with a construction contractor on reasonable terms which do not materially adversely impact Asset Plus' business case for the development.

Key risks relating to the Developments (continued)

Key Risk	Overview of Key Risk	Mitigation Strategy
Project at indicative stage only	• The preferred development option for Graham Street, the estimated outcomes of which are included in the pro-forma metrics and balance sheets in this presentation, is at an indicative stage only. In that regard, there is a clear distinction between the Munroe Lane Development and the preferred development option for Graham Street. This means that the outcomes, including estimates for costs and "as if complete" valuations, for this project have a material degree of uncertainty associated with them at this time. Those uncertainties mean outcomes from the preferred development option for Graham Street could be materially different from those presented.	• Due diligence has been undertaken on the preferred development option for Graham Street, including cost estimates with contingency provisions from an experienced quantity surveying firm, and rent estimates from experienced corporate leasing agents. • Fixed price construction contracts with liquidated damages provisions in favour of Asset Plus will be sought. • The Board does not intend to undertake the preferred development option for Graham Street until tenant commitments for approximately 40% of the NLA have been secured.
"As if complete" valuation is internal	• The "as if complete" valuation for the preferred development option for Graham Street is an internal valuation prepared by the Manager. This is because that project is not yet approved by the Board and is indicative only at this point. If that project is approved by the Board, an external "as if complete" valuation will be completed. That valuation could differ materially from the current internal valuation, which could materially affect value outcomes for shareholders.	• Due diligence has been undertaken on the preferred development option for Graham Street, including cost estimates with contingency provisions from an experienced quantity surveying firm, and a rent estimate from an experienced corporate leasing agent. • A fixed price construction contract with liquidated damages provisions in favour of Asset Plus will be sought. • Asset Plus would not be required to commence any development if the outcomes from an external "as if complete" valuation resulted in materially lower economic outcomes for shareholders.

Key risks relating to the Developments (continued)

Key Risk	Overview of Key Risk	Mitigation Strategy
Risks relating to both the Munroe Lane Development and preferred development option for Graham Street		
Impact on dividends	• Asset Plus' ability to maintain dividends at current levels, i.e., 3.6 cents per share per annum, may be negatively impacted during the period of the Developments (when its cash and debt resources are being deployed to fund the Developments), including if the costs of the Developments are higher than those forecast. In addition, if Asset Plus does maintain dividends at current levels during the period the Developments are being undertaken, those dividends will be partly funded from proceeds of the Offer or debt capacity from existing (or new) debt facilities, meaning an increase in Asset Plus' LVR during that period. • Asset Plus' ability to pay dividends at current levels during the period of the Developments, and, if it does pay such dividends, its LVR, will be further negatively impacted if Asset Plus pursues the preferred development option for Graham Street, and any necessary sale of Eastgate and / or Stoddard Rd is delayed. • Dividends are payable at the discretion of the Board, who will take all relevant factors into account when making decisions on dividend payments. Dividends are not guaranteed.	• Due diligence has been undertaken on the Developments including cost estimates with contingency provisions from experienced quantity surveying firms. Fixed price construction contracts with liquidated damages provisions in favour of Asset Plus will be sought.
Leasing	• Asset Plus may not be able to secure leasing commitments for Graham Street or for the un-let space for Munroe Lane, or the terms on which those tenants are secured may not be consistent with those forecast. These circumstances would reduce Asset Plus' returns on investments on the Developments, which would in turn reduce investors' returns. • Reduced rent, or other incentives, may be required to let any residual space, which would affect project returns, yields and margins.	• In respect of Graham Street, Asset Plus has engaged a leasing agent to commence pre-leasing marketing. The Board does not intend to undertake the preferred development option for Graham Street until tenant commitments for approximately 40% of the NLA have been secured. • The Munroe Lane Development has strong tenant pre-commitment covering 63% of the NLA on an extended lease term.
Development costs overrun	• Development costs may be higher than those forecast.	• Due diligence has been undertaken on the Developments including cost estimates with contingency provisions from experienced quantity surveying firms. Fixed price construction contracts with liquidated damages provisions in favour of Asset Plus will be sought.

Macro-economic conditions	• There could be an adverse change to macro-economic conditions that impact:
	  ○ upon Asset Plus' ability to complete or lease the Developments;
	  ○ the future valuation of the Developments; or
	  ○ financing costs.
		• Asset Plus is raising sufficient capital well in advance of its requirements and will have strong capital runway to complete the Munroe Lane Development.
		• Appropriate interest rate hedges will also be sought to limit exposure to changes in financing costs.
		• The preferred development option for Graham Street could be materially scaled back or delayed in response to market conditions.

Key risks relating to the Offer

Key Risk	Overview of Key Risk	Mitigation Strategy
Risks relating to the Offer		
Indicative property valuations and forecast financial metrics	• The indicative property valuations and forecast financial metrics set out in this presentation are presented as being the expected property valuations for existing properties in their current state and financial metrics as at 31 March 2020. The final property valuations and financial metrics as at 31 March 2020 released by Asset Plus as part of its annual results announcement in May 2020 may differ from the property valuations and financial metrics set out in this presentation, which would in turn result in Net Profit After Tax being different from that shown in this presentation.	• Independent valuers have prepared the indicative property valuations. • Asset Plus considers the factors affecting the values of the properties are relatively stable and any anticipated changes that may be material to value have been advised to the valuers and taken into account. • The Manager, the Board and Asset Plus' auditors have reviewed the indicative property valuations and the forecast financial metrics.
Overseas Investment Act restrictions	• If Asset Plus is currently an "overseas person" under the Overseas Investment Act 2005, or becomes one as a consequence of the Offer or the Takeover of Augusta Capital by Centuria, it will be unable to pursue acquisitions of "sensitive land" or "significant business assets" (each as defined in the Overseas Investment Act 2005 (which do not include Graham Street or the Munroe Lane Property)) without first obtaining approval of the Overseas Investment Office.	• Asset Plus understands that regulatory changes are proposed which may exempt Asset Plus from being an "overseas person" under the Overseas Investment Act, if that Act otherwise would have applied to Asset Plus.

General Risk

COVID-19 risk	• The potential impact of COVID-19 (also known as Coronavirus) on Asset Plus' business and prospects and the price at which its shares are traded cannot be quantified or predicted at this time. However, the virus could have a material adverse effect on those matters including through causing delays or disruption to the Developments (including because of the supply chain for construction materials being affected). The extent of any adverse impact on Asset Plus' business, prospects or share price will depend on the duration and extent of the impacts from the virus. COVID-19 would not constitute a force majeure event under the Agreement to Develop and Lease.	• Construction of the Developments is not expected to commence until 2021 (see Appendix 2 of this presentation). Asset Plus will continue to monitor any impact of COVID-19 on the Developments and/or the supply chain for construction materials.

10 APPENDICES

Table of Appendices

Appendix 1: Key assumptions for the Developments

Munroe Lane Development

- Total development costs of $115m (per QS build cost estimates and contingencies, other externally provided estimates, quotes and fees as estimated by the Manager).
- The Munroe Lane Development will have a value on completion of $137m, based on a January 2020 JLL valuation. The key value assumptions adopted by JLL (some of which are also relevant for pro-forma financials in this presentation) include:
  - Un-let space and naming rights are leased prior to completion of the development on terms consistent with those forecast, including a weighted average lease to expiry of 6 years.
  - The final building has an NLA of ~15,100 m^2.
  - The resource consent which has been lodged is approved and complied with, the building is constructed to a high standard of workmanship, and a Code Compliance Certificate is issued.
  - A deed of lease is entered into with Auckland Council on terms consistent with the Agreement to Lease.
  - Net Rental Income of $7.2m.
  - A capitalisation rate of 5.125%.
- No delays, force majeure events, or significant tenant variations that result in a delay of completion beyond the target completion date of Dec-22.

Graham Street (Preferred Option)

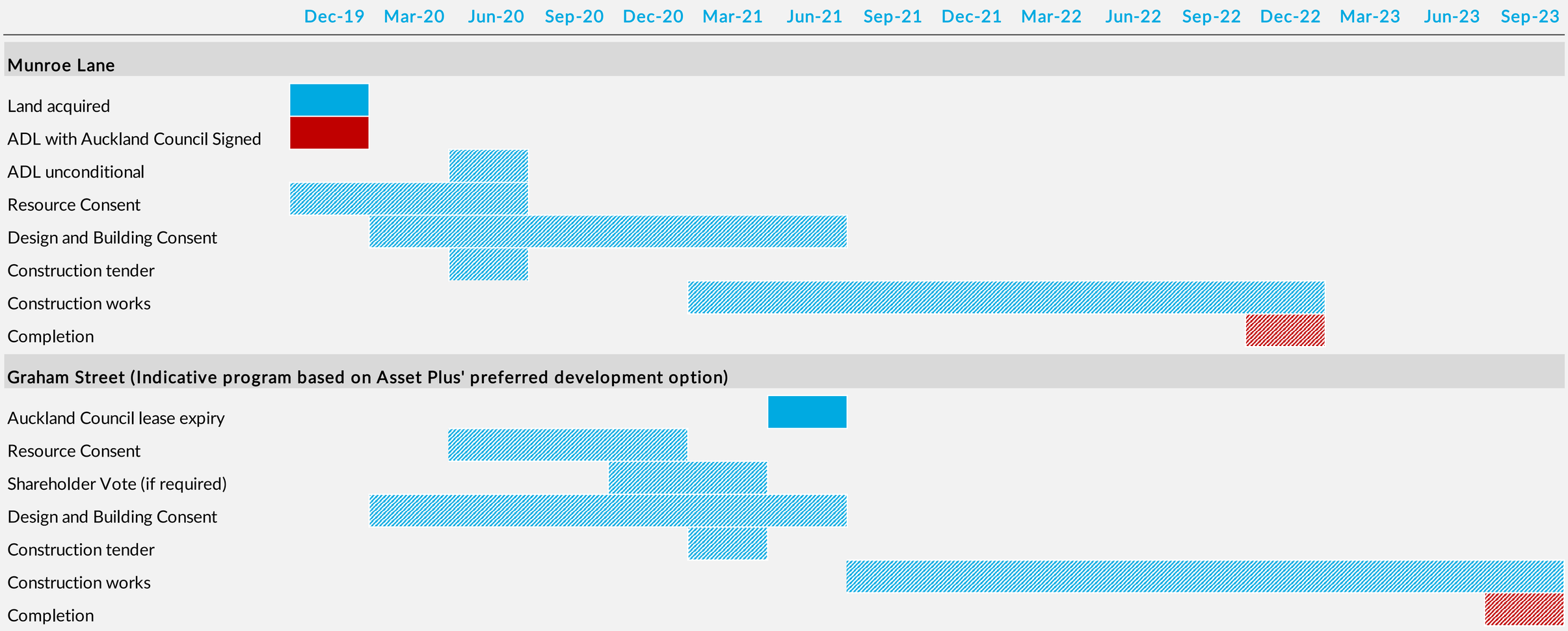
- Shareholder approval, if required, is obtained.
- Total development costs of $144m (per QS build cost estimates, and other fees as estimated by the Manager).
- The preferred development option for Graham Street will have a fully leased value on completion of $240m, being an ~18% development margin (including land).[1] Key value assumptions (some of which are also relevant for pro-forma financials in this presentation include):
  - The building is fully-let on completion, with a weighted average lease to expiry of 10 years.
  - Space is let at rents reflecting market rents for premium-grade office-space for new-building developments in the Auckland CBD.
  - The final building has an NLA of ~20,135 m2.
  - A capitalisation rate of 5.25%.
- No delays to the indicative development timetable, force majeure events, or significant tenant variations that result in a delay of completion beyond the targeted completion date of Sep-23.

Other Assumptions / Qualifications

- Final FY20 financial performance and portfolio metrics are consistent with forecast.
- Final valuations reflect current drafts.
- Where required, additional banking facilities can be secured to fund or part-fund the developments on terms that are consistent with Asset Plus' current debt facilities.
- No adverse changes to economic conditions.
- Eastgate is sold to part-fund the preferred development option for Graham Street in approximately three years' time for net sale proceeds that are consistent with its current valuation.
- All shares continue to attract dividends of 3.6 cents per share through the development period.

1. ***Asset Plus does not have an independent valuation for the preferred development option for Graham Street as this project remains in its indicative stages. This value is an internal best estimate valuation by the Manager.***

Appendix 2: Indicative development timetable



Appendix 3: Key terms of the Agreement to Develop and Lease, Agreement to Lease, and Construction Contract for the Munroe Lane Development

Key Terms of the Development Agreement	
Key Development Obligations	▪ Build to agreed building performance specifications. In most cases these specifications align with typical A-Grade office building specifications. ▪ Achieve 5-star design and built Greenstar rating. ▪ Use reasonable endeavours to achieve 5-star NABERSNZ rating. ▪ Deliver in accordance with the agreed milestone schedule to deliver practical completion by December 2022. ▪ Construct within pre-agreed tolerances of the target NLA. ▪ Integrate Te Aranga design principles into the development.
Target Lease Commencement Date (Target Completion Date)	▪ 16 December 2022
Sunset Date	▪ 18 Months from the Target Completion Date, as extended by tenant variations or delays.
Liquidated damages	▪ $12,883 + GST for every day of delay beyond the Target Completion Date (save for tenant delay and certain force majeure events).
Key lease terms	
Term & Rights of Renewal	▪ Initial term of 15 years from Lease Commencement Date ▪ 2 rights of renewal for a further 6 years each
Rent	▪ $4,702,525 p.a. excluding GST and outgoings, subject to final measure and options selected. ▪ Auckland Council has an option to take a lease over the entire building excluding ground floor retail.
Rent review	▪ 2.75% p.a. from the third anniversary of the Lease Commencement Date (but no fixed increases during any renewal term) ▪ Market review on the 10th anniversary of the Lease Commencement Date, on each renewal date and on the 3rd anniversary of each renewal date (subject to a cap and collar).
Seismic Warranty	▪ The Munroe Lane Development is required to be constructed to 100% of New Building Standard, and maintained at a minimum of 67% of New Building Standard following any earthquake (measuring MM6.5 or greater) in Auckland or any future code changes.
Required terms of the Construction Contract (as specified in the Agreement to Develop and Lease with Auckland Council. Note that no Construction Contract has been entered into at this stage)	
Liquidated damages	▪ Liquidated damages for failure to complete by the Target Completion Date (save for tenant delays and certain force majeure events).
Defects liability	▪ 12 month defects liability period.
Tenant hard-fitout option	▪ Provision of a subdivisional hard-fitout option for the tenant
Form of Contract	▪ NZS 3910
Tenant Approval	▪ The construction contract is to be approved by the tenant (Auckland Council)

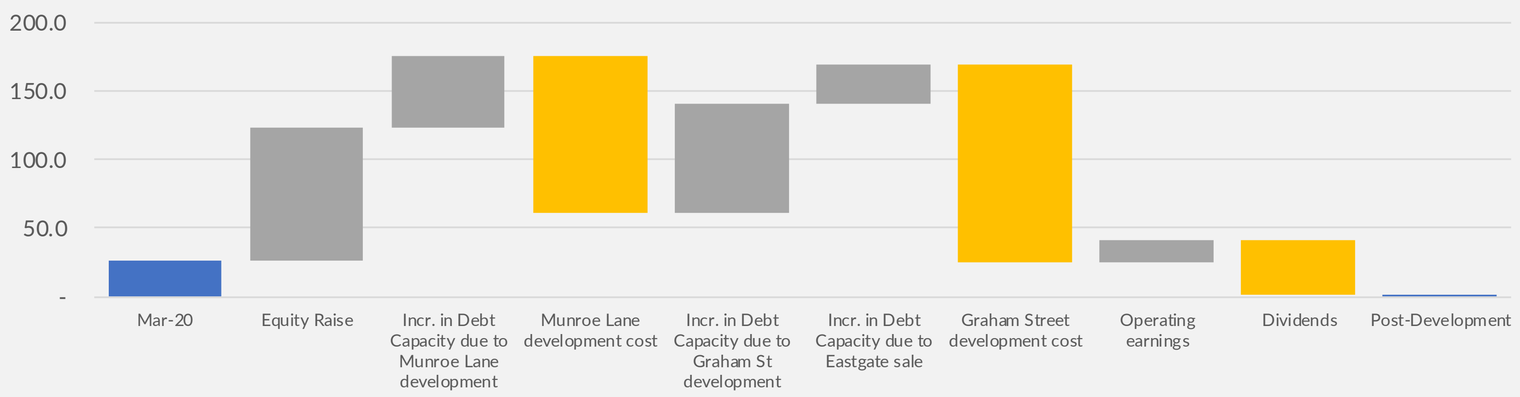
Appendix 4: Funding capacity & sensitivity to key assumptions

The chart to the right shows Asset Plus' funding headroom and the impact of the equity raise, development projects, and sale of Eastgate assuming a target LVR ratio of 44%. We note that Asset Plus' LVR covenant is currently for LVR to be below 50%. Asset Plus targets a long-run LVR of between 35% and 40%.

The table on the bottom right shows the sensitivity of the post-development LVR to changes in certain assumptions, being:

- The sale of Eastgate in approximately 3 years time (unless otherwise stated).
- Development costs as outlined on Appendix 1 (unless otherwise stated).
- Valuations on completion as outlined on Appendix 1 (unless otherwise stated).

Medium Term Funding Capacity (relative to 44% gearing level), assuming sale of Eastgate[1]



The impact on LVR based on changes in certain assumptions	Pro Forma (post capital raise and Munroe Lane Development) (column F on page 22)	Pro Forma (per the 'Post-Development' column in the above chart, column J on page 30)
LVR as forecast and following the transactions listed above	*26.9%*	*43.6%*
Sale of Stoddard Rd[1] rather than Eastgate to part fund the preferred development option for Graham Street	26.9%	44.9%
Sale of both Eastgate and Stoddard Rd[1] to part fund the preferred development option for Graham Street	26.9%	37.2%
Debt is used entirely to fund the preferred development option for Graham Street (no asset sales)	26.9%	49.8%
As if Complete Values for Munroe Lane and Graham Street are 5% lower than forecast	27.5%	45.6%
Increase in Munroe Lane Development costs of $10m (with no increase in market rental or NLA)	30.3%	46.0%
Increase in both Munroe Lane Development costs and preferred development option for Graham Street costs of $10m each (with no increase in market rental or NLA)	30.3%	48.4%

1. Property is assumed to be sold for net proceeds consistent with its valuation in approximately three year's time

Appendix 5: Related party fees for the Munroe Lane Development and transaction costs associated with the Offer

Fee	Estimated Amount	Comment
Related Party Fees		
Non-recurring fees		
Development Management Fee	$3,600,000 (subject to final development costs)	Calculated as 3.5% of certain development costs
Leasing Fee	$825,000	Being 15.0% of the Gross Rental payable by the anchor tenant (Auckland Council), subject to final measure and options exercised
Recurring fees		
Fund Management Fee	$685,000	Being 0.5% of the increase in total assets based on the 'as if complete' valuation of $137.0m
Property Management Fees	$125,000	Being 1.5% of gross rental receipts
Transaction fees for the Offer		
Fees associated with the Offer	$3,500,000	Investment banking fees, legal, tax, accounting, registrar, logistics, design, NZX fees, and other costs associated with the capital raise

Related party fees are payable in accordance with the Management Agreement between NPT Limited (subsequently renamed 'Asset Plus Limited') Augusta Funds Management Limited, and Augusta Capital Limited dated 26 March 2018.

Appendix 6: Reconciliation of forecast net profit after tax to AFFO

	Year ended Mar-20 $m	Year ended Mar-19 $m
Total Comprehensive Income Net of Tax	**4.5**	**3.8**
Add Back		
Loss/ (Gain) From Sales of Investment Property	0.0	0.9
Fair value (gain) / loss on investment property	0.5	1.8
Depreciation on Owner Occupied PP&E	0.1	-
Fair value gain on the mark-to-market of derivatives	-	(0.1)
Non-FFO Deferred Tax Expenses	(0.5)	(0.7)
Net Operating Income After Tax	4.5	5.7
Non Operating Tax Adjustments	0.5	(0.9)
Net Loss on Sale of Plant and Equipment	-	0.0
Transaction Costs	-	0.2
Amortisation of Lease Incentives / Commissions	0.3	0.2
Funds From Operations (FFO)	5.3	5.2
Maintenance CAPEX	(0.2)	(0.2)
Lease Commissions Paid	(0.2)	-
Lease Incentives Granted	-	(0.3)
Adjusted Funds From Operations	4.9	4.7
AFFO (CPS)	3.03	2.93

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 not been reviewed by Asset Plus' auditor, Grant Thornton.

Appendix 7: Asset Plus Overview

Asset Plus is an NZX listed property company.

The current portfolio is externally managed by Augusta Funds Management, a wholly owned subsidiary of NZX listed fund manager Augusta Capital.

Asset Plus are long term owners of real estate and value our relationship with major tenants including Auckland Council, Progressive Enterprises and The Warehouse Group.

Asset Plus adopts an active management philosophy encompassing asset and financial management, strategic investments, acquisitions and divestments and the judicious development of new and existing assets.

Bruce Cotterill
Chairman, Non-Executive Independent Director

Paul Duffy
Non-Executive Director

Carol Campbell
Non-Executive Independent Director

Allen Bollard
Non-Executive Independent Director

Asset Plus Board of Directors

Appendix 8: Augusta Overview

Manager of Asset Plus

Listed on the NZX, Augusta Capital (AUG) is one of New Zealand's largest and leading property funds management specialists, managing $2B of assets throughout New Zealand and Australia.

Augusta's philosophy is underpinned by an active management approach.

Augusta co-invests in a number of funds under management, including an 18.85% stake in Asset Plus. Note that Augusta's shareholding in Asset Plus is expected to reduce to 11.2% following the Offer.

Augusta employees 41 staff across offices in Auckland, New Plymouth and Christchurch.

Mark Francis
Managing Director

Joel Lindsey
Chief Operating Officer

Simon Woollams
Chief Financial Officer

Luke Fitzgibbon
General Counsel & Company Secretary

Stephen Brown-Thomas
Asset Plus Manager

Asset Plus Management Team

Appendix 9: Conflicts Policy

The Manager offers asset management services to Asset Plus as well as to other property owners, managed funds and investment schemes and entities giving rise to the potential for a conflict of interest. Conflicts of interest are governed by a Conflicts of Interest Policy agreed at the time of externalisation of the management contract to the Manager. The key terms of this policy include:

- The Manager will evaluate each investment opportunity against multiple factors including investment mandates and policies; contractual obligations; business plans; and other constraints such as legal, tax, and capital.
- If, after carrying out the evaluation, the Manager determines that there is no conflict, it will report to the Board as such.
- In the event of a conflict, the Manager will progress in favour of Asset Plus, until such time as the Asset Plus Board determines that it does not wish to proceed with the opportunity.
- A separate procedure exists in relation to leasing opportunities, where in the event of a conflict the Manager can establish separate teams to operate on behalf of each party and will implement appropriate information barriers between those teams.

Appendix 10: Asset Plus Limited – International Offer Restrictions

United States

This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The Rights and New Shares have not been, nor will be, registered under the U.S. Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. The Rights may not be taken up by, and the New Shares may not be offered or sold to any person in the United States or any person that is, or is acting for the account or benefit of, any person in the United States.

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This presentation and the offer of Rights and New Shares are only made available in Australia to persons to whom an offer of securities can be made without disclosure in accordance with applicable exemptions in sections 708(8) (sophisticated investors) or 708(11) (professional investors) of the Corporations Act. This presentation is not a prospectus, product disclosure statement or any other formal “disclosure document” for the purposes of Australian law and is not required to, and does not, contain all the information which would be required in a "disclosure document" under Australian law. This presentation has not been and will not be lodged or registered with the Australian Securities & Investments Commission or the Australian Securities Exchange and Asset Plus is not subject to the continuous disclosure requirements that apply in Australia.

Prospective investors should not construe anything in this presentation as legal, business or tax advice nor as financial product advice for the purposes of Chapter 7 of the Corporations Act. Investors in Australia should be aware that the offer of the Rights or New Shares for resale in Australia within 12 months of their issue may, under section 707(3) of the Corporations Act, require disclosure to investors under Part 6D.2 if none of the exemptions in section 708 of the Corporations Act apply to the re-sale.

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WARNING: This presentation has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this presentation or to permit the distribution of this presentation or any documents issued in connection with it. Accordingly, the Rights and New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

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In accordance with Article 1(4) of the Prospectus Regulation, an offer of Rights or New Shares in New Caledonia is limited:

- to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- to fewer than 150 natural or legal persons (other than qualified investors) with registered addresses in New Caledonia; or
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

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This presentation and any other materials relating to the Rights or New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this presentation and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Rights or New Shares, may not be issued, circulated or distributed, nor may the Rights or New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the SFA, or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

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