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Α U G U S T Α

SHAW & PARTNERS





# Presenters

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**Mark Francis**  
Managing Director



**Simon Woollams**  
Chief Financial Officer



**Joel Lindsey**  
Chief Operating Officer

## Our Vision

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“ To be New Zealand’s most diverse and respected institutional grade property funds management business across multiple sectors in both listed and unlisted platforms ”

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# Augusta investment thesis

## Augusta is a property funds management business

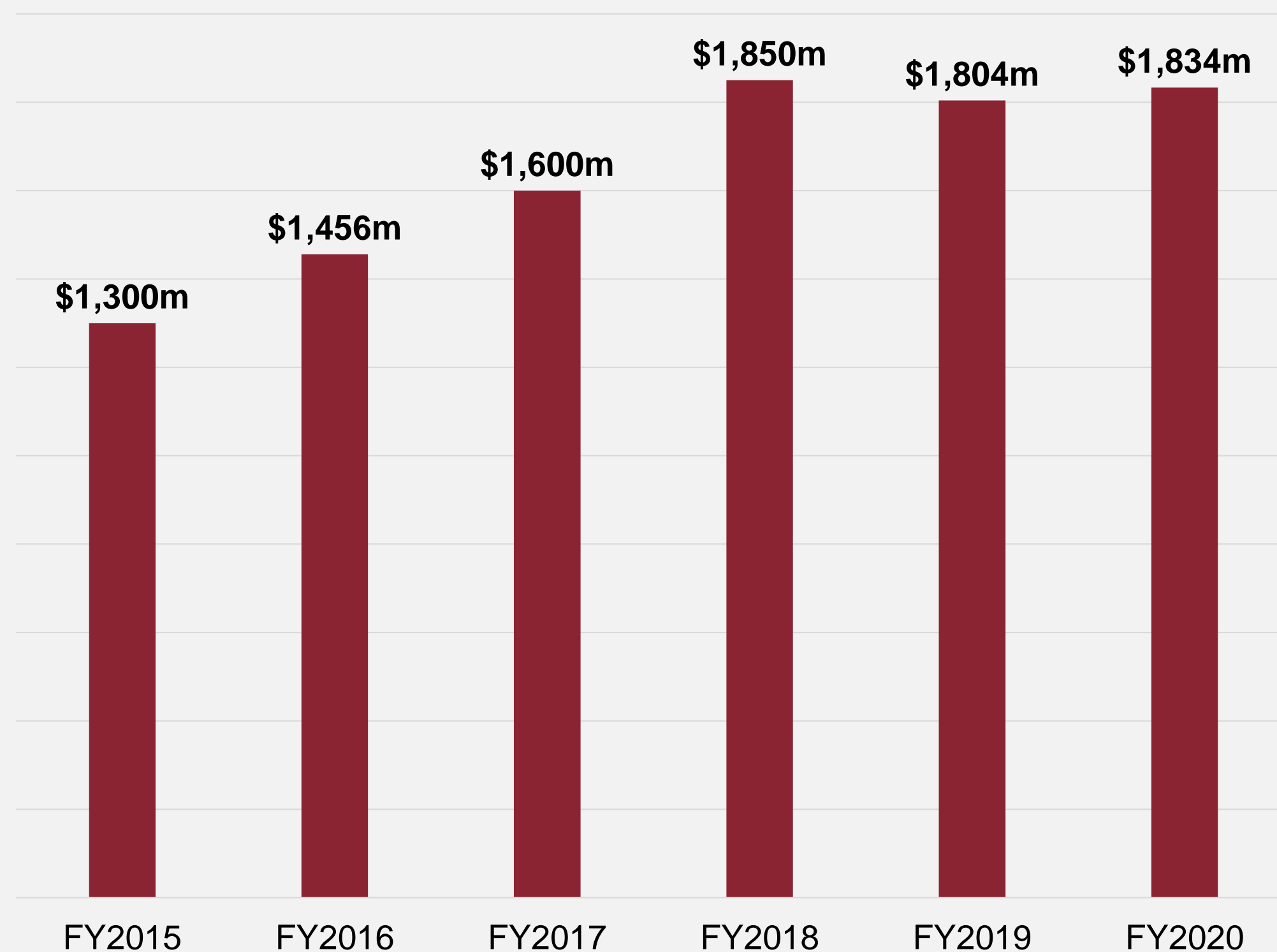
- Acquires assets across a range of property sectors: office, industrial, large format retail and tourism. Looking to expand into new sectors such as healthcare.
- Broad product offerings spanning funds and single asset vehicles, listed and unlisted
- Strong retail investor following across New Zealand
- Alignment of interests through co-investments in managed funds (Augusta Industrial Fund, Asset Plus and new offerings e.g. Augusta Property Fund )
- Three core income streams:
  - I. deal generation fees
  - II. management fees; and
  - III. investment income.
- **As at 31 March 2020 Augusta had total assets under management of \$1.83 billion.**

## Augusta business model

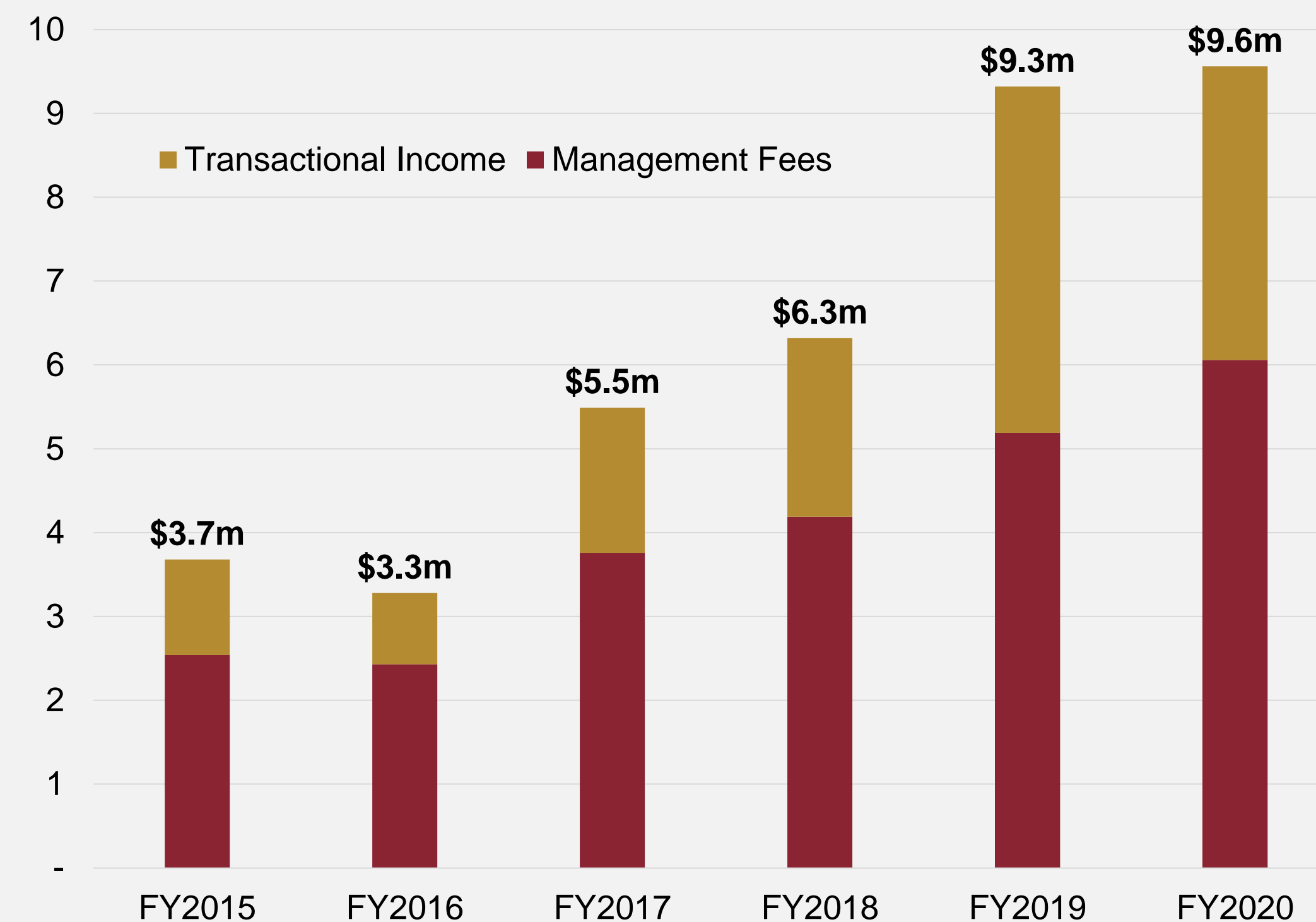


# Track record of AUM and management fee growth

## Demonstrated ability to grow AUM



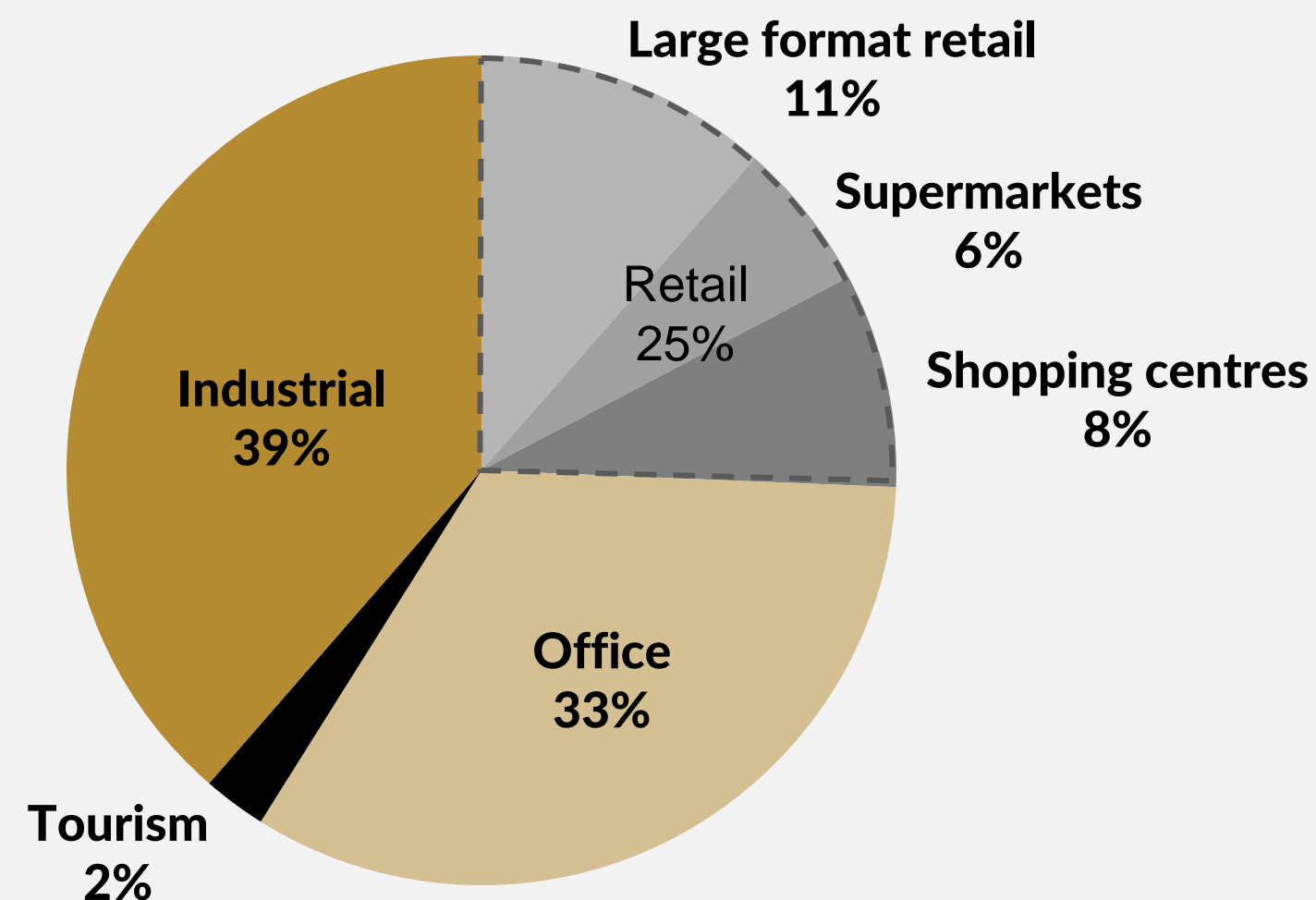
## Historical growth in fees from managed portfolio<sup>1</sup>



<sup>1</sup> Includes management fees and transactional fees (resulting from transactions involving the managed portfolio)

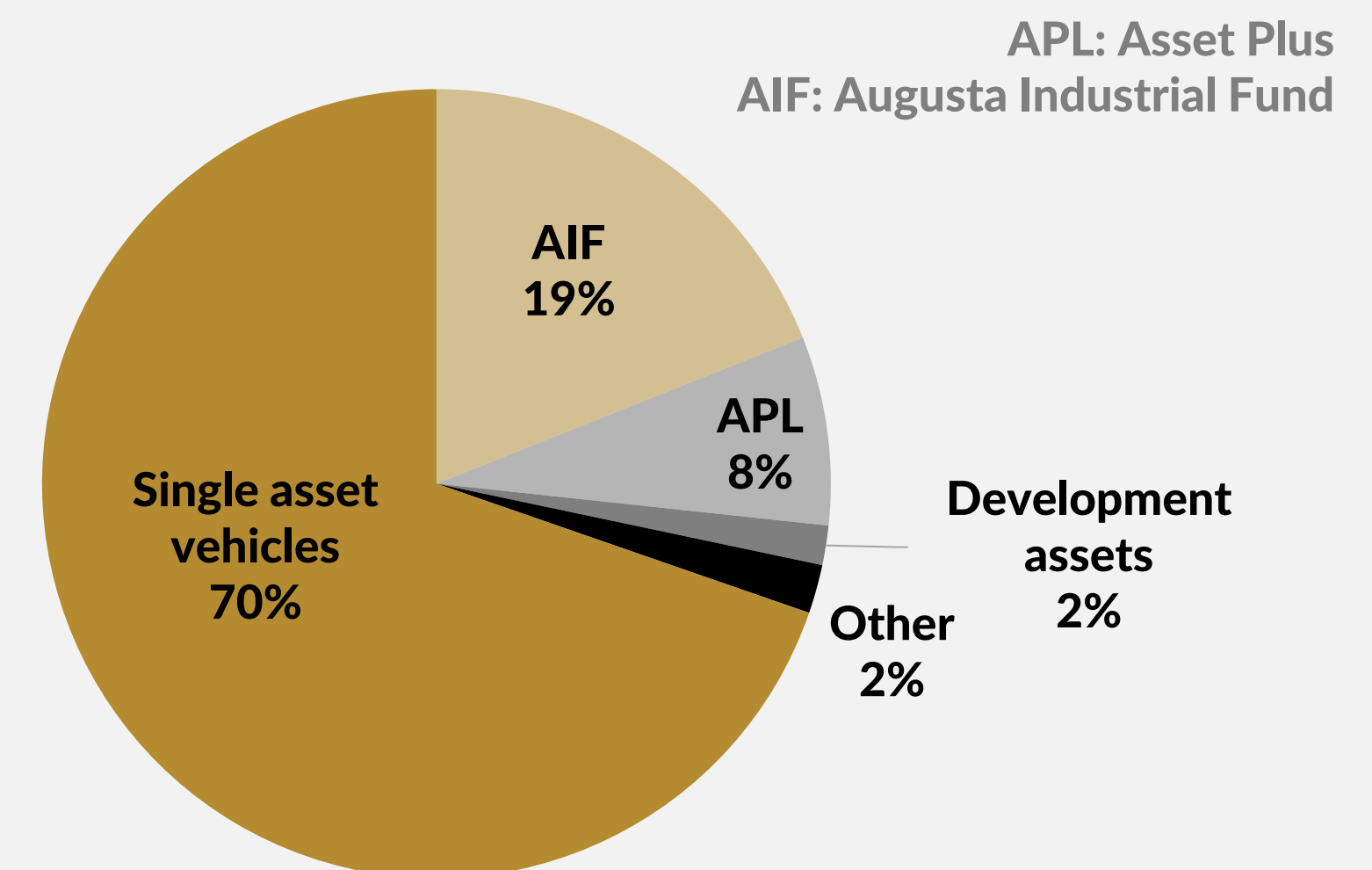
# Augusta manages \$1.83 billion of property assets<sup>1</sup>

## Strong diversification in property sectors



AUM split by sector	NZ\$m	No. of Properties
Industrial	707.8	34
Office	610.3	8
Retail	470.2	26
Tourism	45.3	3
<b>Total</b>	<b>1,833.5</b>	<b>71</b>

## Augusta managed funds



Downside risk protection via high portion of set fees	% of base fees
Set fee (annual increases)	48%
% of asset value	36%
% of rent received	16%
<b>Total</b>	<b>100%</b>

1) Based on draft valuations as at 31 March 2020



# Portfolio by Location

Total of New Zealand & Australian  
properties under management:

71

Total sum of the New Zealand  
& Australia Portfolio:

\$1.83 billion



## BRISBANE

12 Properties

\$174.9m Sum of valuations

## NORTHLAND

1 Property

\$26.4m Sum of valuations

## WAIKATO

6 Properties

\$64.2m Sum of valuations

## AUCKLAND

29 Properties

\$1,143.8m Sum of valuations

## BAY OF PLENTY

1 Property

\$9.2m Sum of valuations

## HAWKES BAY

3 Properties

\$48.2m Sum of valuations

## TARANAKI

4 Properties

\$53.6m Sum of valuations

## LOWER NORTH ISLAND

3 Properties

\$57.7m Sum of valuations

## OTAGO

3 Properties

\$16.3m Sum of valuations

## CANTERBURY

9 Properties

\$238.4m Sum of valuations



# Augusta Capital - Board of Directors

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**Paul Duffy**  
Independent Chairman



**Mark Francis**  
Managing Director



**Centuria**  
Non-Independent Director



**Kevin Murphy**  
Independent Director



**Mark Petersen**  
Independent Director

Through the recent Equity Raise, Centuria has become a major strategic shareholder in Augusta Capital with a holding of approximately 23.3%. As part of Centuria's participation in the Equity Raise, a nominee of Centuria will be appointed as a non-independent director of Augusta.



# Senior Management Team

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**Mark Francis**  
Managing Director

Mark has a Bachelor of Commerce in Finance from the University of Otago and a background in finance and property in roles with Hendry Hay MacIntosh, Force Corporation Limited and Village Roadshow Australia Pty Limited. Mark founded Augusta in 2001.



**Joel Lindsey**  
Chief Operating Officer

Before joining Augusta, Joel held various property funds management roles including Senior Director Real Estate at Aviva Investors (London) responsible for management of the £4 billion Aviva Life & Pensions real estate investment portfolio. More recently Joel was the Head of Business Development and Project Director at Panuku Development Auckland.



**Simon Woollams**  
Chief Financial Officer

Simon has a strong financial background including roles with BDO Spicers, UK experience and then four years at ANZ National Bank as the property finance manager. Simon has been with Augusta since 2007.



**Adelle McBeth**  
Head of Operations

Adelle is responsible for overseeing the HR, Marketing, Investor Relations and IT functions at Augusta. Adelle has been with Augusta since 2007.



**Luke Fitzgibbon**  
General Counsel  
& Company Secretary

Luke's role at Augusta is to oversee and advise on all legal aspects of the Augusta business. Luke joined Augusta in 2016 from Chapman Tripp where he spent 8 years in the corporate team advising on securities laws (including for Augusta's syndications), mergers and acquisitions as well as general commercial and corporate advice.



**Bryce Barnett**  
Executive Director, Augusta  
Funds Management

Bryce has held executive positions including Managing Director within publicly listed and private companies each with a strong emphasis on property. Bryce founded KCL Property Limited in 1994, the business merged with Augusta Capital in 2014. Bryce has over 47 years of property experience.

## COVID-19: Strengthening our balance sheet

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**Augusta's investment thesis and long-term fundamentals remain strong notwithstanding the short-term impacts of the COVID-19 pandemic.**

The \$45 million Equity Raise creates sufficient capacity, that allows for:

- Augusta to maximise outcomes from the assets on its balance sheet and is ready to access new opportunities as they become available.
- The business to operate over the next 24 months:
  - without being in breach of banking covenants or requiring further covenant relief
  - without requiring further access to equity capital over that period
- The Equity Raise also creates flexibility for Augusta to participate in the APL capital raise should it arise



## FY20 financial position (unaudited)

NZ\$m	31 March 2020	Pro forma adjustments	Pro forma as at 31 March 2020
Cash	-	25.9	25.9
Deposits (receivable)	2.8		2.8
Assets held for sale	0.9		0.9
Other current assets	4.2		4.2
<b>Total Current Assets</b>	<b>7.9</b>	<b>25.9</b>	<b>33.8</b>
Investment property	28.8		28.8
Property, plant and equipment	0.9		0.9
Investment assets	30.3		30.3
Goodwill and intangibles	20.0		20.0
Other non-current assets	8.3		8.3
<b>Total Non-current Assets</b>	<b>88.4</b>		<b>88.4</b>
<b>Total Assets</b>	<b>96.3</b>	<b>25.9</b>	<b>122.2</b>
Current liabilities <sup>1</sup>	5.5	(1.0)	4.5
Borrowings	31.0	(16.0)	15.0
<b>Total Current Liabilities</b>	<b>36.5</b>	<b>(17.0)</b>	<b>19.5</b>
<b>Total Non-current Liabilities</b>	<b>4.2</b>		<b>4.2</b>
<b>Total Liabilities</b>	<b>40.7</b>	<b>(17.0)</b>	<b>23.7</b>
<b>Total Equity (net of transaction costs)</b>	<b>55.7</b>	<b>42.9</b>	<b>98.6</b>

1) Includes Overdraft Facility which was drawn to \$1 million as at 31 March 2020

- Balance sheet utilised to warehouse assets, partially underwrite capital raisings and co-invest in managed product
- Deposit paid on Anglesea Medical Centre remains as a receivable on the Augusta balance sheet
- Material reductions in the fair value of investment property and investment assets has primarily been driven by the impacts of COVID-19 and consequential impact on international travel and tourism
- Existing borrowings are all classified as current liabilities - Augusta received relevant covenant waivers in respect of its facilities as at 31 March 2020
- \$16 million of debt repayments made post equity raise
- Further short-term capital commitments up to ceasing capital works in respect to Tourism assets

# COVID-19: Augusta has adapted its strategy in response



## Managing the business through COVID-19 disruptions

- Business continuity plan fully implemented with all staff working from home during Level 3 & 4
- Deferring non-essential expenditure and cash outflows (including ceasing development activities)
- Materially reducing overheads by up to 20% from original targets through cost reduction initiatives



## Adapting strategy for APF seed assets

- Negotiated deferral of settlement on the Anglesea Medical Centre to 30 September 2020<sup>1</sup> – potential to bring to market through a new fund offering or single asset vehicle
- Contract for the acquisition of the Albany Lifestyle Centre was cancelled by the vendor<sup>2</sup>



## Deferring tourism developments until market recovery

- Development is being deferred on ATF seed assets<sup>3</sup>
- Equity Raise provides flexibility to hold properties on Augusta balance sheet until market conditions are more conducive to realising value for the assets



## Creating financial flexibility to pursue future growth

- Strengthened balance sheet through Equity Raise to reduce debt and create a pro forma net cash position of \$11 million<sup>4</sup> providing flexibility to pursue transactions and launch fund offerings in the future
- Centuria Capital have become a major strategic shareholder in Augusta Capital with a holding of approximately 23.3%.
- The Equity Raise also creates flexibility for Augusta to participate in any new APL capital raise if and when this arises

1) Liability capped at a further \$1.35 million over and above the deposit of \$2.75 million already paid to the vendor and a contribution towards the vendor's costs and partial rental abatement of up to a maximum of \$390,000

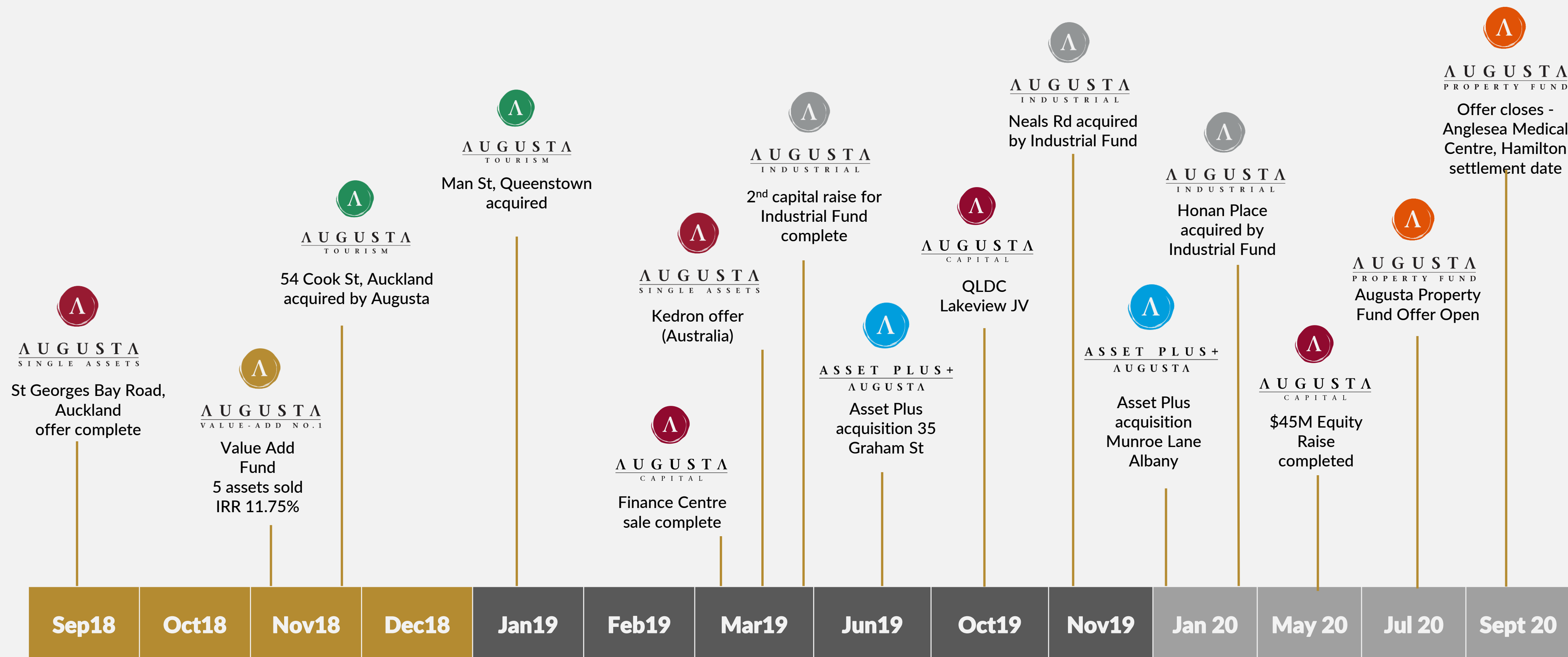
2) Refer to Tourism pages 19 & 20 relating to tourism asset developments

3) \$11 million pro forma net cash position is as at 31 March 2020 before incurring \$3 million of development costs up to ceasing works, and repayment of further drawdown of the Overdraft Facility

4) Augusta had previously committed to subscribe for \$5 million of new shares in the APL offering as announced on 10 March 2020



# 2018 – 2020 Transactional Activity



# Investor Growth statistics

**Significant Growth**  
In Institutional enquiry

**50%**  
Reinvestment of AIFL  
STAGE 1 investors in  
AIFL STAGE 2

Conversion rates  
sit between  
**51-70%**  
Across the last 4 offers of those who  
attended a presentation

**1,230**

Record AIF #2 and APF  
presentation attendees

(44% increase from the previous high)

Last  
**4** offers  
oversubscribed



**\$132k**

Average dollar value  
invested across the  
last 4 single asset raises  
AIF 1 & 2 excluded

  
Enquiry growth has  
**doubled**  
Since 2014

  
**95%**  
of investors surveyed are highly  
likely to recommend Augusta

**\$9M**  
in oversubscriptions  
accepted for AIF #2

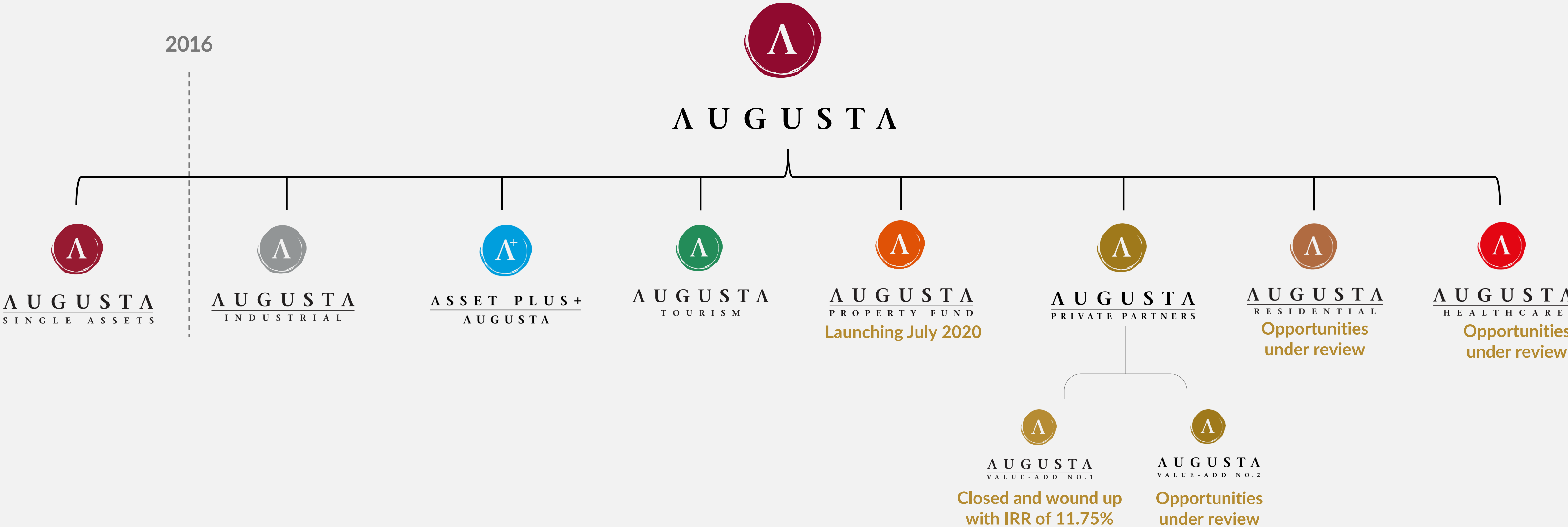
**36%**  
of all APF applications  
were from **NEW** investors  
up 11% (from AIF#2)

  
Population growth of our core  
demographic estimated to  
**Double**  
In next 17 years  
(Stats NZ)

  
Data shows the numbers of  
**New Investors**  
across the regions  
continuing to grow steadily



# Augusta brand family







AUGUSTA  
S I N G L E   A S S E T S



## Augusta Single Assets

St Georges Bay Rd,  
Parnell, Auckland



Mercury Building,  
Newmarket, Auckland



Airways Building,  
Christchurch



- Single asset funds provide direct investment opportunities to investors in commercial, large format retail and industrial property.
- The day-to-day management and maintenance of the property is managed on behalf of the investors by Augusta Funds Management.
- Continued demand from investors for new, high quality, well located, multi tenanted properties as evidenced by our over-subscription and interest in secondary sales.





## Augusta Industrial Fund

The Hub,  
Seaview, Wellington



Paisley Place,  
Mt Wellington, Akld



Brick St,  
Henderson, Akld

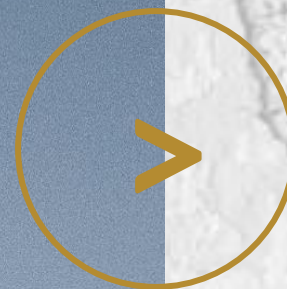


Augusta Industrial is a limited liability company that was established in April 2018 as an open-ended, unlisted property fund. Its purpose is to provide investors with the opportunity to invest in a portfolio of strategically selected industrial assets that provide both tenant and location diversification within this strongly performing sector of the New Zealand property market. AIF has 11 assets with a combined valuation of c.\$347m (as at 31/3/20).





ASSET PLUS +  
AUGUSTA



## Asset Plus

Asset Plus (APL) (formerly NPT) is an NZX listed property company and has been operating across NZ for more than 20 Years.

Under Augusta's management, Asset Plus focuses on a 'Yield Plus Growth' investment philosophy encompassing asset and financial management, strategic investments, acquisitions and divestments and the judicious development of new and existing assets.

Asset Plus owns a portfolio of four properties, located in the main centres of Auckland and Christchurch. Its most recent acquisition is a land holding at Albany town centre, which is subject to a conditional development agreement with Auckland Council for their new North-West office hub.

Asset Plus is a long term owner of real estate and we value our relationship with major tenants including Auckland Council, Progressive Enterprises (Countdown) and The Warehouse Group.



*Strategy currently under review*



## Augusta Tourism Assets

17-19 Man Street, Queenstown



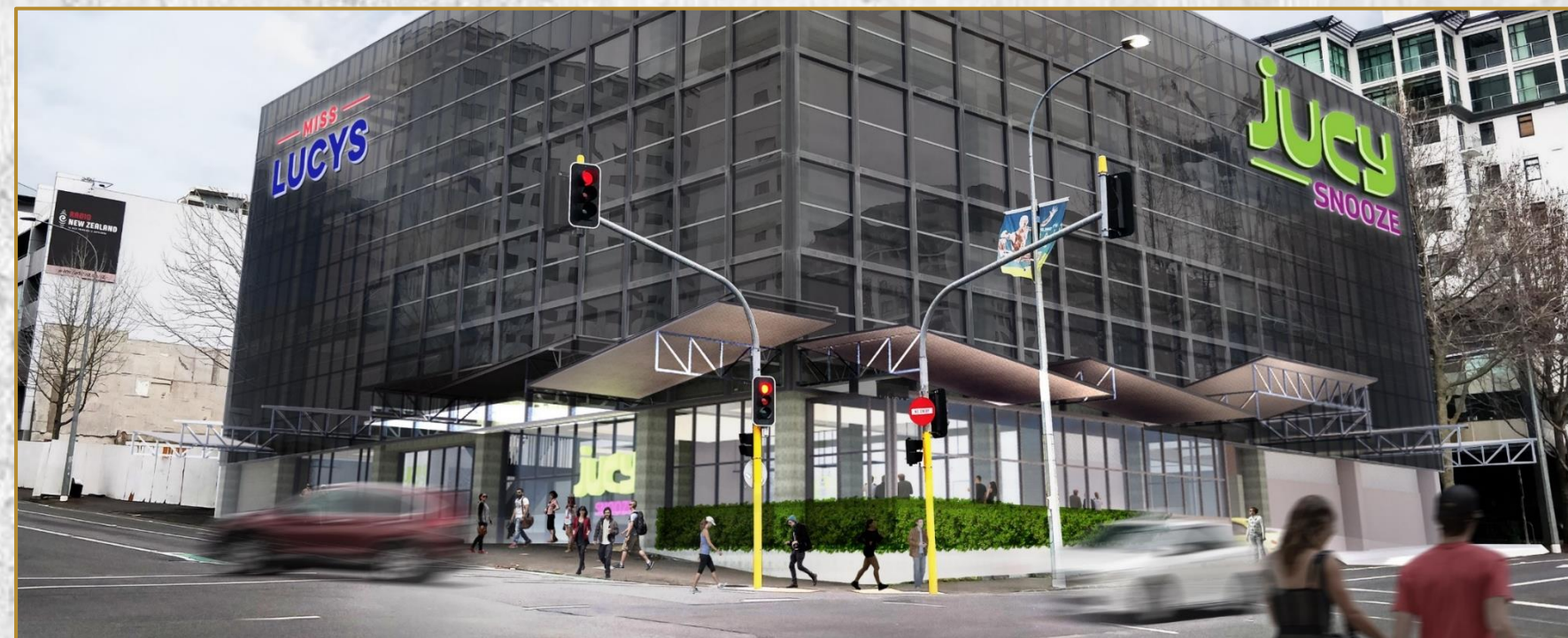
- Located on the corner of Man St and Brecon St in Queenstown, with views of Lake Wakatipu and the Remarkables
- Acquired by Augusta in 2018 for \$12.9 million. Fair value of \$9.9 million as at 31 March 2020
- Planned development to build a 5-star, luxury hotel to be operated by Radisson Collection under a 15-year hotel management agreement (due to complete in early 2022) has been deferred
- \$6.8 million of development expenditure incurred to 31 March 2020, predominantly comprising of planning and civil works – resource and building consents have been obtained
- Sunset date for completion to occur: February 2023



*Strategy currently under review*

# Augusta Tourism Assets

54 Cook Street, Central Auckland



- Located on the corner of Cook St and Nelson St in Auckland's CBD
- Acquired from Augusta Value Add Fund No.1 Limited for \$16.5 million in 2018. Fair value of \$19.8 million as at 31 March 2020
- Intended to be converted from an office building into a Jucy Snooze budget hotel under a 20-year lease agreement
- Re-development was due to complete in September 2020 but has now been deferred due to current market conditions and the impacts of COVID-19
- \$9.2 million in development expenditure incurred to 31 March 2020
- Sunset date for completion to occur: May 2021<sup>1</sup>

<sup>1</sup> An Augusta subsidiary has been contracted to undertake the development. Its development obligations are subject to Jucy Snooze complying with its obligations under the Agreement to Lease, including providing required security.



# Lakeview Queenstown joint venture

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- Partnership established with Ninety-Four Feet – long-term development agreement with Queenstown Lakes District Council
- Augusta has committed to a 25% minority stake in the partnership
- The partnership intends to develop a range of residential, hotels, co-working, co-living, hospitality and retail options on a staged basis, with construction estimated to take more than 10 years and phased over 7 stages
- Augusta has made a \$14 million commitment to the partnership – Stage 1 due to complete in 2025
- Augusta has first right of refusal on completed products (some exclusions apply)
- Augusta is expecting to incur \$2-3 million of development expenditure over FY21 and FY22 in aggregate relating to its share of development costs over this period
- Ninety-Four Feet continue to proactively manage the initial phases of the development
- Development agreement remains conditional on OIO consent







A U G U S T A  
P R O P E R T Y F U N D

*Due to the impact of COVID-19, the Augusta Property Fund offer was withdrawn from the market as the Board considered that the representations made in the Fund's Product Disclosure Statement were no longer correct at the allotment date.*



## Augusta Property Fund (APF)

An open-ended unlisted property fund with the strategy to invest in a diversified portfolio of quality properties. The mandate of the fund is to seek assets for their ability to contribute to a diversified income stream and reduced exposure to single asset risk.

APF aims to provide access to:

- Various property sectors (for example healthcare, commercial, industrial)
- Strong performing property locations
- A range of property investment types including LPVs, co-investment and underwriting (subject to AFM licence variation)

The Fund is a retail product offering with a \$10,000 minimum investment.

**The Fund offer is to open in July '20 with settlement of the Anglesea Centre on 30 September '20.**

The initial asset of APF is the Anglesea Medical Centre, Hamilton (refer slide overleaf).





A U G U S T A  
P R O P E R T Y F U N D



## APF: Anglesea Medical Centre, Hamilton



- One of New Zealand's largest private healthcare complexes, with over 12,000m<sup>2</sup> of net lettable area and approximately 375 carparks.
- 28 established tenants, with the 10 largest tenants (approximately 68% of income) having been located at Anglesea Medical Centre for over 10 years
- Occupancy rate of approximately 89% with a weighted average lease term of 4.2 years (as at 1 April 2020).
- Located on a 2.4ha site, with 3 road frontages, only 2km from the public hospital
- Anglesea Clinic Urgent Care, Hamilton's leading private A&E (which holds an exclusive license to operate 24/7)





**AUGUSTA**  
PRIVATE PARTNERS



**AUGUSTA**  
VALUE - ADD NO. 1

**Closed and wound up  
with IRR of 11.75%**



**AUGUSTA**  
VALUE - ADD NO. 2



## Augusta Private Partners

Private Partners concept is structured as an 'opportunity-led' mandate.

Investments, which can be single assets or portfolios, are more total return driven, rather than sought for stability of income returns as per our more traditional offerings.

Investment strategies will have a defined business plan with exit route.

As with Value Add No.1, opportunities are being sought for a Value Add No.2 that follow the same strategic direction of identifying and acquiring assets that offer value-add upside.

We are reviewing assets that could be suitable for a Value Add No. 2 fund, this will likely be structured on terms that mirror that of Value Add No.1 and offered to wholesale investors only, with a fixed investment horizon.



## Outlook for FY21

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- Continue to target new opportunities, albeit in a tougher market environment
- Quality assets still in demand from local and international capital
- Our focus remains on execution of new offers including Augusta Property Fund (July)
- Progression of Munroe Lane development with Auckland Council - Asset Plus including satisfaction of funding condition
- Adapting investment strategies to the current environment: security of income, healthcare, workplace change.
- Investor appetite prior to COVID-19 disruption was strong, driven by investors seeking yield in a low interest rate environment – long-term fundamentals of property investment remain strong in low interest rate environment







AUGUSTA

THANK YOU



## Disclaimer

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This presentation contains not only a review of operations, but may also contain some forward looking statements (including forecasts and projections) about Augusta Capital Limited (AUG) and the environment in which AUG operates. Because these statements are forward looking, AUG's actual results could differ materially. Please read this presentation in the wider context of material previously published by AUG and announced through NZX Limited.

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