

FIRST NZ PROPERTIES LTD



This quarterly Management Report (“Report”) provides key information about First NZ Properties Ltd. This report covers the period between 01 April to 30 June 2022.



First Quarter, FY 2023

18 July 2022

Dear Shareholder

Annual Financial Report

The financial information below are “draft” Annual Account numbers and have not been signed off by the auditors, BDO Christchurch. There is no expectation that the numbers will vary from those given following the audit sign off.

A copy of the Company's audited annual financial report will be emailed to you when available and on the website www.fssmanagement.co.nz by the end of July 2022.

Financial information summary	2022	2021
Gross rental income	\$ 2,022,580	\$ 1,844,270
Net profit after tax	\$ 3,695,717	\$ 1,068,410
Dividends paid	\$ 649,568	\$ 881,274
Ending equity	\$27,175,385	\$24,129,236
Net tangible asset value	\$6.68 per share	\$5.94 per share

Investment Properties

The Company owns premises situated at 15 Sheffield Crescent, Christchurch and 234 Rangitikei Street, Palmerston North (**Investment Properties**). The Investment Properties are measured at fair value and were valued as of 31 March 2022 by an external, independent property valuer, Colliers.

The latest revaluation of the Investment Properties is summarised as follows:

	Sheffield Crescent, Christchurch	Rangitikei Palmerston North Street,
Weighted average lease term	2.64 years	4.69 years
Rental value per square metre	\$915	\$3,674
Capitalisation rate	7.75%	5.625%
Discount rate	9.00%	7.00%
Terminal Yield	8.25%	5.625%
Net market rent	\$1,002,757	\$ 849,352
Net passing rent	\$1,051,279	\$ 858,206
Valuation	\$8,440,000	\$15,000,000



15 SHEFFIELD CRESCENT, CHRISTCHURCH – Built 1980

Warrant of Fitness **1st Apr 2023**, Building Insurance **15th December 2022**.

NZ Yarns Ltd

- Rent Review **N/A**, Final Lease Renewal **21st Nov 2024**, Lease Expiry **20th Nov 2036**.
- The Building Warrant of Fitness has now been renewed confirming the sprinkler system repairs to be satisfactorily completed. The requirements included some upgrade works which have been necessary to permit the storage of hemp.

234 RANGITIKEI STREET, PALMERSTON NORTH – Built 2008

Warrant of Fitness **31st Oct 2022**, Building Insurance **15th December 2022**.

Harvey Norman Ltd

- Rent Review **27th Oct 2022**, Lease Renewal **27th Oct 2026**, Final Lease Expiry **27th Oct 2031**.

Bed Bath and Beyond

- Rent Review **1st Dec 2022**, Lease Renewal **1st Dec 2026**, Final Lease Expiry **1st Dec 2036**.

PriceBusters (Uncle Bills Discount Store)

- Rent Review **5th April 2023**, Lease Renewal **5th April 2027**, Final Lease Expiry **5th April 2033**.

- Full rent, opex and all recharges are being paid.
- A Fire Evacuation Trial was recently carried out.

Investment Property

The Directors continually review property options which may be of benefit to the Company. This includes the sale or purchase of properties. Any transaction would be subject to the Directors belief that it would be in the best interests of the Company and, if it was deemed a major transaction, a special resolution of the shareholders of the Company would be required.

Syndex

To meet our AML / CFT obligations, we require you to run through either a Customer Due Diligence (CDD) or Enhanced Due Diligence (EDD) process before listing or bidding. You can electronically verify yourself via your Syndex portal using the EIV (Electronic Identity Verification) process. If you'd like to run through a manual process, please contact us at info@fssmanagement.co.nz.

The Syndex investor portal is your view of current First NZ Properties Ltd investments. Existing investors should have received a Syndex portal invitation and new investors can register using this link my.syndex.exchange/InvestorSignup.

It is recommended that shareholders complete Syndex's customer due diligence requirements now rather than waiting until they wish to list shares or bid for shares.

If you require any further information, please contact us on info@fssmanagement.co.nz.

Yours faithfully

John Murray

Chair

