



SUPERSTORE PROPERTIES LIMITED



This management report ("Report") provides key information about Superstore Properties Limited. This report covers the period between 01 January 2022 to 31 March 2022.

Fourth Quarter FY 2021/2022

9 May 2022

Dear Shareholder

SUPERSTORE PROPERTIES LIMITED (COMPANY) - SHAREHOLDER UPDATE

High Court Proceedings – Investment Services Ltd, M Millar and P Mephan

In December 2020 proceedings were issued in the High Court (Nelson registry) against Michael Millar, Investment Services Limited and Paul Mephan. A mediation using Nicolas Till QC as mediator took place on 24 November 2021. Subsequently discussions between the respective legal representatives took place regarding the settlement of the fraud aspect of the claim and the assignment of rights of recovery against Neil Barnes. By an agreement dated 21 February 2022 settlement was reached with the payment of \$463,959.79. An amended statement of claim has been filed in the High Court and defences to that claim have been filed. A case management conference with the Court was to occur on 26 April however all parties agreed to joint memorandum regarding the ongoing conduct of the case and therefore this was not required. A trial commencing on 1 May 2023 for a period of 10 days has been allocated. A process is now underway to finalise the expert accounting evidence ahead of an agreed consultation process with the expert for Michael Millar, Investment Services Limited and Paul Mephan. It is also likely that there will be a dispute regarding the adequacy of the defences filed by Michael Millar, Investment Services Limited and Paul Mephan.

May Dividend to the Shareholders – 25 cents per share

The directors have resolved to pay a dividend to the shareholders as at 26th April 2022. The gross dividend is 25 cents per share and is fully imputed.

The dividend has been authorised for payment on or about 18 May 2022 in cash to all holders of ordinary shares in the Company who were registered as such in the share register as at 5pm on 26 April 2022.

The Board is satisfied that the Company will immediately after the distribution of the dividend satisfy the solvency test.

The Company's Investment Properties

319 Cranford Street, Christchurch - Placemakers

- External redecoration of the building will be completed in the next 4 months as per the lease renewal conditions at an estimated cost of \$75,000.
- The property requires repairs to its floor due to cracks which are covered by an insurance claim.
- Full rent and Opex continues to be paid.
- 6 year lease renewal expiring February 2028 with lease renewals through to 2040.
- Rent reviews every three years based on current market rent.

483 Cameron Road Tauranga – The Warehouse



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- Full rent and Opex continues to be paid.
- 10.5-year term expiring March 2025 with three rights of renewal of four years each.
- Rent reviews every three years based on the lesser of current market rental or CPI with a review currently under negotiation.

Unaudited Financial Report at 31 March 2022

This is an unaudited update of the Company's 12-month financial information.

This information is directly from our Xero system as at 31 March 2022. It is expected that there will be changes to these numbers following an update to the year-end accounts. These are preliminary and for your information only. Confirmed numbers will be available following the audit by BDO Christchurch.

Financial information summary	2022 (1 April to 31 March 2022)	2021 (1 April to 31 March 2021 for comparison)
Total rental income	\$ 1,540,210	\$ 1,509,539
Net profit before tax (NPBT)	\$ 1,272,672	\$ 2,606,175
Ending equity	\$13,989,708	\$ 13,479,609

These figures have not yet been audited.

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.

Website

Superstore Properties has a website available at www.fssmanagement.co.nz.

There is information on the website that covers all of the companies managed by FSS Management. The information includes current and historic audited annual financial reports and other information that maybe of interest. <https://www.fssmanagement.co.nz/about>

Managing your shares on Syndex

Shareholders can now log onto Syndex and view their shareholdings, last sale prices and buy and sell shares. You should have received an invitation to go onto the Syndex website and complete your set up. If you haven't completed your set up yet we can help you through the process. Let us know if you need this invitation resent so you can get started. You will need your current driver's licence or passport so that your identity can be verified. This is a legal requirement to comply with anti-money laundering legislation. Alternatively, you can send us copies of your current driver's licence or passport by post or email, along with a copy of a document which shows your address (such as a power bill) and we can complete the verification process on your behalf.

If you need any assistance, please contact us on info@fssmanagement.co.nz

Yours faithfully

John Murray

Chair

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