



SUPERSTORE PROPERTIES LTD



This Management Report (“Report”) provides key information about Superstore Properties Ltd. This report covers the period between 01 April 2024 to 19 June 2024.

FY 2025

19 June 2024

Dear Shareholder

SUPERSTORE PROPERTIES LIMITED (COMPANY) - SHAREHOLDER UPDATE

Cranford Street Properties Ltd, a subsidiary of Superstore Properties Ltd

- Full rent is up to date.
- The partial replacement of the earthquake damaged concrete floors and driveway has been agreed with insurers. As the works are best deferred whilst the building is occupied, we propose settling the remainder of the EQ claim. This agreement is still being considered by the parties.

Cameron Road Properties Ltd, a subsidiary of Superstore Properties Ltd

- Cameron Road Properties Limited, entered into a conditional sale and purchase agreement with Tauranga City Council and this became unconditional on 31 January 2024 with the settlement date being 31 May 2024.
- The purchaser paid the deposit when it became unconditional and, on the 31 May 2024, paid the balance of the sale price.
- The property was sold for \$18,000,000.
- The 31 March 2023 market value of the property as noted in the audited accounts was \$ 17,100,000.

Dividends

The Superstore Properties Limited directors resolved to pay a dividend to the shareholders as at 10 May 2024. The gross dividend was 15 cents per share and this was fully imputed. The dividend was paid on 28 May 2024.

Unaudited Financial Report at 31 May 2024

Below is an unaudited update of the company’s financial information.

This information is directly from our Xero system as at 31 May 2024 and covers the period 1 April 2024 to 31 May 2024.

This information has not been independently verified or audited and so it may be incomplete, inaccurate or inadequate for a particular shareholder’s purposes. A shareholder’s reliance on the information is solely a



matter for that shareholder's own judgement, investigation and analysis and no representation or warranty (express or implied) is given in relation to the information

Financial information summary	For 2 months ending 31 May 2024
Gross rental income	\$ 264,378
Other Income (Interest)	\$ 2,181
Operating Expense	\$ 619,086
Net profit/loss before tax (NPBT)	\$ -352,527
	As at 31 May 2024
Current assets	\$ 422,603
Non-current assets	\$16,431,056
Liabilities	\$ 993,576
Ending equity	\$ 15,860,083

High Court Proceedings

1. Judgment, dated 16 May 2024, has issued for Superstore Properties Limited's High Court claim against Michael Millar and Investment Services Limited (ISL). A high-level summary for shareholders is set out below.
2. The Court has entered judgment in favour of Superstore.
3. As a High level summary, the Court has held:
 - a. ISL breached its written management agreement with Superstore;
 - b. Mr Millar breached his fiduciary and statutory duties owed to Superstore.
4. The Court has entered judgment against each of Mr Millar and ISL in summary as follows:
 - a. Against Mr Millar in the sum of **\$656,394.52 plus GST**.
 - b. Against ISL in the sum of **\$656,394.52 plus GST**.
5. The Court has also awarded interest on these judgment sums in favour of Superstore. Superstore will also seek costs against ISL and Mr Millar in amounts to be fixed by the Court.
6. ISL's counterclaim against Superstore (including alleged repudiation) failed, as did all affirmative defences pleaded by ISL and Mr Millar.
7. Superstore is in the process of making an application for costs for the High Court trial and enforcing the judgment.

Judgment Appealed

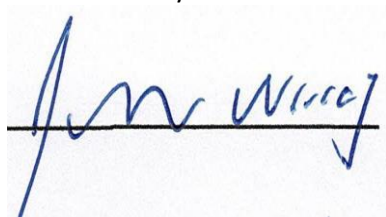
The judgment of the High Court, dated 16 May 2024, has been appealed to the Court of Appeal. The parts of the High Court judgment appealed are the findings that:

1. ISL/Michael Millar are liable for the sum of \$644,945.26 plus GST for management fees.
2. GST is payable on the sum.

The appeal will be opposed by Superstore, and a cross appeal is in consideration.

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

Yours faithfully



John Murray
Chair