



ARTEMIS PROPERTY SCHEME

Quarterly Report – December 2021

HIGHLIGHTS FOR THE QUARTER

Additional Property Purchase & Capital Restructure

You will recall the Scheme issued a further 680 interests as part of the funding for the purchase of the new childcare properties. This resulted in the Scheme having a total of 2,633 interests of \$10,000 each.

The capital raise attracted 39 new investors, bringing the total number of scheme investors to 64. All underwritten interests have now been sold.

As well as the existing centres, the three additional centres are operating well. We are still completing some of the deferred maintenance from the previous owner with funds having been set aside from settlement.

Distributions

From 5 October 2021, the distribution rate paid on the interests issued was set at 7% p.a.

Unaudited results for the 9 months to 31 December 2021

| Profitability | Actual | Forecast | Variance |
|--|---------------------|---------------------|-------------------|
| Rental and Interest Income | 1,751,143 | 1,734,603 | 16,540 |
| COVID-19 Rent Rebates | (35,729) | - | (35,729) |
| Property and Scheme Costs | (216,681) | (194,517) | (22,164) |
| Interest paid | (346,465) | (330,679) | (15,786) |
| before property acquisition costs | \$ 1,152,268 | \$ 1,209,407 | \$(57,139) |
| Annualised Yield | 9.65% | 10.14% | |

Statement of Financial Position

| | |
|------------------------|----------------------|
| Assets | 48,981,699 |
| Liabilities | 22,074,668 |
| Net Assets | \$ 26,907,031 |
| Investors Funds | \$ 26,907,031 |

The snapshot of the scheme in the table to the right is after the capital restructure and purchase of the properties.

Ongoing Customer Due Diligence

As part of our requirements under the AML/CFT Act we continue to conduct Ongoing Customer Due Diligence on all Investors. You may receive a request from us asking for you to update the information we currently hold on file.

THE SYNDICATE

| | |
|---------------------------|--------------------------------|
| Structure: | Proportionate Ownership Scheme |
| Scheme Type: | Wholesale |
| Commencement: | 17 September 2015 |
| Capital structure: | |
| No. of interests: | 2,633 |
| Issue Price: | \$10,000 each |
| Investor Capital: | \$26,330,000 |
| Distribution rate: | 7.0% p.a. |
| No. of Investors: | 64 |

THE PROPERTY

| | |
|------------------------------|--|
| Number of properties: | 14 |
| Locations: | Masterton, Porirua, Tawa, Blenheim, Richmond, Nelson, Westport Christchurch (5), Rolleston, Invercargill |
| Tenants: | Evolve Group (8) Provincial Education Group (2) Best Start Group (1), Grow Canterbury (3) |
| Use: | Early childcare centres |
| WALT: | 9.69 years |

THE NUMBERS

| | |
|------------------------|--|
| Property value: | \$48.5 m |
| Bank Debt: | \$21.77 m |
| Lender: | ASB Bank |
| LVR: | 44.9 % |
| Interest rates: | 2.90% - 3.02% p.a. |
| Repayments: | 4x loans Interest only, 1 loan, principal reduction of \$100,000 p.a. |

THE PEOPLE

| | |
|---|--------------|
| David Kitson (Managing Director) | 021 722 231 |
| Michael Kohing (Chief Financial Officer) | 021 532628 |
| Jacque Musson (Investor Liaison Manager) | 03 345 8842 |
| Sam Kitson (Marketing & Distribution Manager) | 021 066 9206 |





QUARRY CAPITAL

ARTEMIS PROPERTY SCHEME

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New Opportunities

2022 is looking to be another strong year for Quarry Capital, with a number of interesting opportunities currently being assessed. We look forward to sharing these investment opportunities with you in the coming months.

syndex. Once Syndex has completed its latest upgrade, we will invite you to subscribe to Syndex's 'Investor Portal' via an email link. The Portal will allow you to view key documents for your Quarry Capital investments, view communications, and discover other investment opportunities via the digital platform. This will be optional; you will not be disadvantaged by not subscribing.



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