



QUARRY CAPITAL

ARTEMIS PROPERTY SCHEME

Quarterly Report – March 2021

HIGHLIGHTS FOR THE QUARTER

Interim results for the year ended 31 March 2021 (unaudited)

Profitability

| | Actual | Forecast | Variance |
|-----------------------------|---------------------|---------------------|-------------------|
| Rental Revenue | 1,994,416 | 1,989,394 | 5,022 |
| Interest Received | 569 | - | 569 |
| Property and scheme costs | (265,619) | (289,518) | 23,899 |
| Interest paid | (354,490) | (459,247) | 104,757 |
| Net Operating Income | \$ 1,374,876 | \$ 1,240,629 | \$ 134,247 |
| Annualised Yield | 12.3% | 11.1% | |

Statement of Financial Position

| | |
|------------------------|----------------------|
| Assets * | 34,572,449 |
| Liabilities | 13,884,379 |
| Net Assets | \$ 20,688,070 |
| Investors Funds | \$ 20,688,070 |

* includes Cash at bank \$ 495,583

Cash at bank includes a reserve set aside for 1.5 months of expenses (including bank interest and investor distributions) and a maintenance reserve.

Property valuation

The annual property valuations have been prepared by Colliers Wellington as at 31 March 2021 and we are pleased to advise the properties have increased in value by \$3.47m to \$34.07m.

Distribution of 31 March 2021 accounts and tax certificates

The preparation of the audited financial statements is well underway and we expect to have them distributed to you along with your tax certificates on or around 30 June 2021.

New opportunities

Quarry successfully launched the Duke Street Limited Partnership with the purchase of a property at Sawyers Bay, Dunedin. There is an opportunity to invest in the scheme by purchasing the interests held by an underwriter. Interests are \$25,000 each with a minimum investment of \$50,000 and in multiples of \$50,000 thereafter. Please contact Sam Kitson, Marketing and Distribution Manager, if you wish to purchase interests in Duke Street.

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 |
| No. of interests: | 217 |
| Issue price: | 180 @ \$50,000 37 @ \$60,000 |
| Distribution rate: | |
| Up to 30 Sept 2020 | 8.0% p.a. |
| From 1 October 2020 | 9.0% p.a. |
| No. of investors: | 33 |

THE PROPERTIES

| | |
|-----------------------|---|
| Number of properties: | 11 |
| Locations: | Masterton, Porirua Tawa, Blenheim, Nelson Richmond, Westport Christchurch (2), Rolleston Invercargill |
| Use: | Early childcare centres |
| Tenants: | Evolve Group (8) Provincial Education Group (2) Best Start Group (1) |
| WALT: | 9.72 years |

THE NUMBERS

| | |
|-----------------|--|
| Valuation: | \$34.07m |
| Lender: | ASB Bank |
| Bank debt: | \$13.64m |
| LVR: | 40.04% |
| Interest rates: | 2.51% – 2.66% p.a. |
| Repayments: | 1x loan with principal reduction of \$100,000 p.a.; 3x loans are interest only |

THE PEOPLE

| | |
|----------------|--------------|
| David Kitson | 021 722 231 |
| Michael Kohing | 021 532 628 |
| Jacque Musson | 03 345 8842 |
| Sam Kitson | 021 066 9206 |



03 345 8880
quarrycapital.co.nz

PO Box 454
Christchurch 8140

Level 2, 270 St Asaph Street
Christchurch Central 8011