



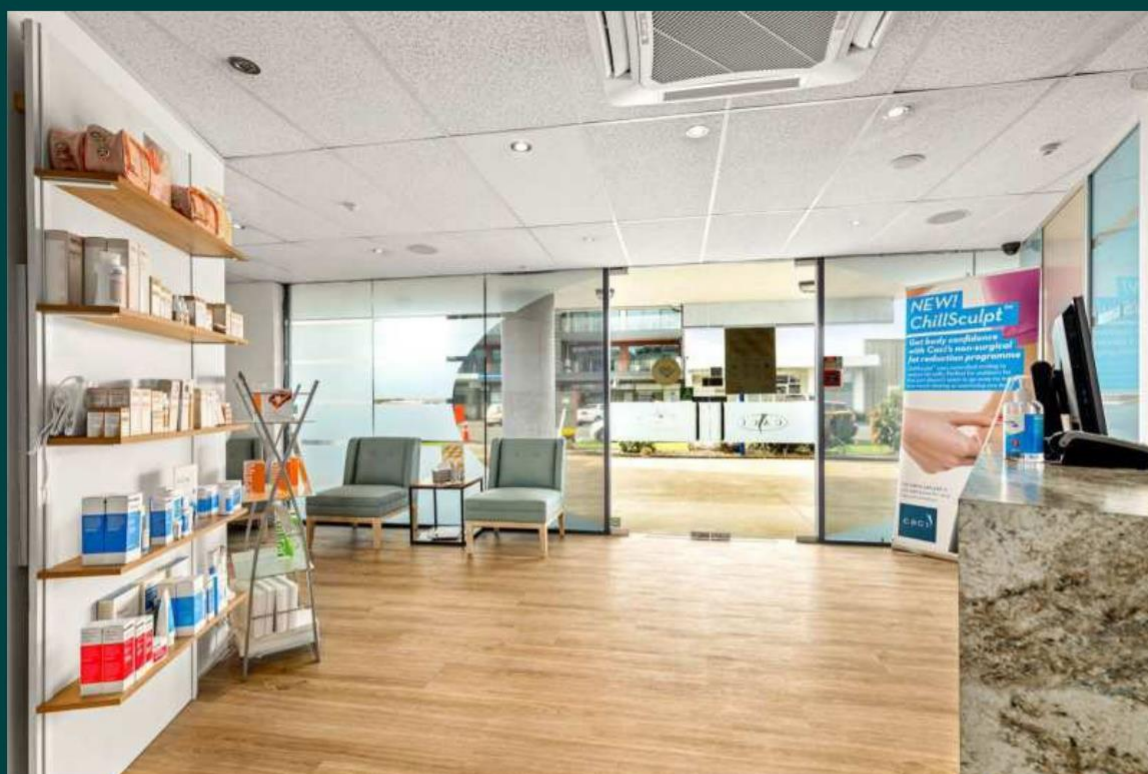
## INFORMATION MEMORANDUM

# OHC2 LIMITED

33G FLORENCE AVENUE, OREWA

## Offer of shares in OHC2 LIMITED

Dated: 14th May, 2021



Offer of Ordinary Voting Shares in OHC2 Limited at NZD \$100.00 per share to raise a minimum of NZD \$947,200

Issuer: OHC2 Limited  
Company Number: 8130003  
NZBN: 9429048690362

Intermediary: PledgeMe Limited  
Company Number: 3361892  
NZBN: 9429031129879



**Preface**

Because we are using a crowdfunding platform (PledgeMe) to raise funds under the Offer, we are obliged to provide a warning statement about the risks associated with equity crowdfunding and the Offer.

This document has been prepared by OHC2 Limited. The purpose of this document is in relation to the OHC2 Limited share offer on PledgeMe. PledgeMe is licenced and regulated by the Financial Markets Authority, and this public share offer made by OHC2 Limited will only be available through the PledgeMe website. This version of the Information Memorandum was updated on the 14<sup>th</sup>, May 2021.

**Warning statement about crowdfunding**

Equity crowdfunding is risky. Issuers (companies issuing shares) using PledgeMe’s facility include new or rapidly growing ventures. Investment in these types of businesses is very speculative and carries high risks. You may lose your entire investment and must be in a position to bear this risk without undue hardship. New Zealand law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an informed decision. The usual rules do not apply to offers by issuers using PledgeMe to raise funds. As a result, you may not be given all the information usually required. You will also have fewer other legal protections for this investment. Ask questions, read all information given carefully, and seek independent financial advice before committing yourself to any investment.

**Forward-Looking Statements**

This Information Memorandum contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. The forward-looking statements are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These statements appear in a number of places in this Information Memorandum and include statements regarding OHC2’s intent, belief or current expectations with respect to OHC2’s financial position, business strategies, plans and prospects and future prospects of the industry.

In many cases, but not all, forward-looking statements can be identified by forward-looking terms such as “aim”, “believe”, “could”, “estimate”, “expect”, “forecast”, “intend”, “may”, “might”, “outlook”, “plan”, “possibility”, “potential”, “probably”, “project”, “risk”, “seek”, “should”, “target”, “will” and other such similar terms. These forward-looking statements are based on current estimates, assumptions and the like that OHC2 makes to the best of its present knowledge and are subject to risks, uncertainties and such assumption s. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, OHC2’s actual results may vary materially from those forward-looking statements. Potential risks and uncertainties include, but are not limited to, those outlined under Section 2.5 (Key Risks).

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# 1. LETTER FROM OHC2 DIRECTOR

Dear Investor,

We are excited to be making it possible for all Kiwis to access the benefits of what we call, blockified property. Think of a block as a share that starts at \$100.

Owning blocks is the same as owning **shares** in an Opolly Holding Company (OHC) that acquires an investment property in the event of a successful equity crowdfunding campaign. We are on a mission to make real estate investing accessible to all Kiwis. Our goal is to provide investors with returns that are competitive when compared to yields in the term deposit market.

OHC2's investment offering to acquire **33G Florence Avenue, Orewa, Auckland, 0931**, intends to provide Shareholders with regular, passive income and capital appreciation over time.

To facilitate the proposed acquisition, OHC2 Limited seeks to raise \$947,200 of equity. Opolly is timing this capital raise to satisfy the condition on the Sales & Purchase Agreement of purchasing the property following a successful Crowdfunding Campaign.

## How it works



Step 1: Invest – Crowdfunding Campaign

Initially, investment properties are made available for crowdfunding. Each share always starts at \$100.



Step 2: Earn – Net Rental Distributions

Get paid your share of Net Rental Distributions as an Annual Dividend, directly to your bank account.



Step 3: Cash Out – Resale

Collect your share of proceeds at auction. Upon 3 years from the Crowdfunding Campaign, we intend to facilitate a real-life auction where each Shareholder will receive a proportional share of any sale proceeds in relation to each shareholding, plus return of capital, depending on what the property sells for at auction.

The Information Memorandum contains important information about the Offer, and I encourage you to read it carefully and seek advice from a financial advisor before making an investment decision. As always, we are here to answer any questions you might have about the Offer.

Best regards,



**Felix Watkins**  
Director  
OHC2 Limited

## 2. OFFER DETAILS AND KEY RISKS

### 2.1 INTRODUCTION

This is an **Offer** for **Shares** in OHC2 Limited (OHC2), an Opolo Holding Company. OHC2 intends to invest in an individual residential property. Shares give you a stake in the ownership of OHC2. You may receive a return from Net Rental Distributions the company accrues. It is intended these distributions will be paid in the form of an Annual Dividend.

In the event the underlying asset owned by OHC2 increases in value, you may be able to redeem your Shares at a higher price than you paid for them, upon 3 years from the Offer Close Date. This involves Shareholders receiving the return of their capital after disposal costs, plus a proportional share of any sale proceeds in relation to each shareholding on sale, and surplus funds in the company (if any), by electronic bank transfer.

By investing in OHC2 Limited, you are reliant on the operational decisions of the Manager and returns from the property that OHC2 Limited has invested in. As with any investment, there is a risk that you may lose some or all of your investment.

OHC2 intends to acquire the residential property – located at **33G Florence Avenue, Orewa, Auckland, 0931**. Further details about the property are set out in Section 3.

The Manager will aim to enhance the reliability of Net Rental Distributions and arrange the resale of the property upon 3 years from the Offer Close Date.

OHC2 Limited will be managed by Opolo Limited (or the **Manager**). Further details about the Manager are set out in the Management Agreement available on the PledgeMe Platform in the Offer Details section.

The purpose of this Offer is to raise capital (**\$947,200**) to enable OHC2 Limited to purchase **33G Florence Avenue, Orewa, Auckland, 0931**.

This Offer Close Date is **9 June 2021**, or earlier if the Maximum Investment Target has been reached.

### 2.2 KEY TERMS OF OFFER

|                                |   |
|--------------------------------|---|
| Product on Offer               | Ordinary Voting Shares in OHC2 Limited  |
| Offer Opens                    | Friday 14 May 2021  |
| Offer Close Date               | Wednesday 9 June 2021   |
| Total Shares on Offer          | 9,472 Ordinary Voting Shares  |
| Price per Share                | \$100.00 NZD  |
| Minimum and Maximum Investment | The minimum investment is \$100 NZD with only multiples of \$100 NZD thereafter. No investor may hold over 20.00% of the proposed post-issue total number of Shares. For the purposes of this Offer, the maximum investment is \$189,400 NZD. |
| Rental Distribution Frequency  | Annually, by the first 20th of each June, starting from June 2022   |
| Minimum Investment Target      | \$947,200 (for 100% of the company)   |
| Maximum Investment Target      | \$947,200 (for 100% of the company)   |
| Proposed Resale Date           | OHC2 intends to arrange an auction 3 years from Offer Close   |

The timetable above is indicative only and dates may be subject to change.

This information is a summary only of terms in the **Subscription Agreement** provided with this Offer. The Offer is made under the **Subscription Agreement** and is subject to the attached **Shareholder Resolutions, OHC2 Company Constitution and Management Agreement**. We recommend you read these documents before subscribing for any shares under this Offer.

### 2.3 HOW YOU COULD GET YOUR MONEY OUT

Opoly Limited (Manager) intends to arrange the resale of the property 3 years following the Offer Close Date (June 9<sup>th</sup>, 2021) via an auction. Each shareholder will receive the return of their capital, plus a proportional share of any sale proceeds in relation to each shareholding upon resale of the property, in the event the Reserve Price is met or exceeded. However, there is no guarantee that you will be able to exit your investment at this time, or at what Share Price.

### 2.4 PROPOSED RESALE OF THE PROPERTY

Three years after the purchase of the property, the Company intends to sell the property by way of an auction. The Company intends the auction to have a reserve price of \$947,200. If the auction does not reach that reserve price, the Company intends to continue deferring the sale for 12 months until it does. For more details, please refer to the **Shareholder Resolutions** attached to the **Subscription Agreement** available on the PledgeMe Platform.

|                               |               |
|-------------------------------|---------------|
| Resale of 33G Florence Avenue | Reserve Price |
| June 9 <sup>th</sup> , 2024*  | = \$947,200   |

\*The Resale of 33G Florence Avenue is subject to changes that may occur by way of public holiday or delays in the facilitation of the auction process. It is intended that the resale of 33G Florence Avenue will take place as closely as possible to the above date.

### 2.5 WHAT ARE THE KEY RISKS?

|                                    |   |
|------------------------------------|---|
| Lease defaults                     | The fulfilment of lease agreements is essential for OHC2 cashflow and its subsequent returns it intends to deliver to investors. During the lease period, it is imperative that the tenant's circumstances remain stable and that they can meet their tenancy obligations. Assessment of the tenants financial positioning will be made with the intention of mitigating risk, in order to maximize occupancy rate and in turn, the return the investors can enjoy. |
| Uncertainty of Exit                | Auctions are uncertain and there is no guarantee that there will be willing purchasers when Opoly intends to offer the property at auction. Any proportional share of any sale proceeds in relation to each shareholding is entirely dependent on the assumption that there will be willing purchasers to meet the reserve price in the future. There is no guarantee that there will be willing purchasers in three years or subsequent years after.               |
| Defects, deterioration, and damage | During the holding period, key risks are defects, deterioration, and damage caused by general wear and tear, as well as possible damages caused by tenants. This means that the property value may be effected.   |
|                                    |   |





## 3. PROPERTY

### 3.1 PROPERTY DETAILS – 33G FLORENCE AVENUE

Boasting a long-term lease, great street exposure, recent renovations, and an extensive chattels list; this 130m<sup>2</sup> freehold unit is worth serious investors' attention. We are excited to be making this exclusive commercial investment opportunity available.

This property is ideally positioned to suit either a retail outlet as it is currently – or an office in the future. Consisting of 130m<sup>2</sup> floor area, this unit is well designed and space efficient. It is self-contained and would suit a variety of different uses. Constructed in circa 2000s, the body corporate notes reflect the good care taken of the building. Fronting onto Florence Avenue, the property is situated near cafes, offices, and retail precincts. It is a popular area with lots of street parking and bustling with local activity.

### 3.2 LOCATION

Orewa is a well-established beach town in Northern Auckland and holds a vast array of retail, offices and food related business that service the wider Hibiscus Coast area. Florence Avenue is of level contour and is close to Hibiscus Coast Highway, which provides excellent accessibility and convenience.

### 3.3 DUE DILIGENCE

Orewa is the beach town that services Millwater, Milldale and the surrounding suburbs on the Hibiscus Coast. It is the go to for local dining, retail and services. Both suburbs still being completed are expected to bring in over 20,000 new residents to the area by the end of the 2020s, while other surrounding suburbs are rapidly growing too.

This is a rare opportunity to own a ground floor retail unit in bustling Orewa, just 350m from the Beach. 33G Florence Ave has offered the current owner fantastic returns over the past 9 years with the long term tenant providing a net return of \$46,560pa.

### 3.4 BREAK-DOWN OF FUNDS RAISED

|   |                  |
|---|------------------|
| Property Purchase   | \$875,000        |
| Opoly Acquisition Fee<br>(1.00% of the Property Purchase raised in the Crowdfunding Campaign) | \$10,062         |
| PledgeMe Fee<br>(6.50% of Gross Funds raised in the Crowdfunding Campaign)                    | \$61,568         |
| Directors Fee   | \$570            |
| <b>Gross amount raised in the Crowdfunding Campaign</b>                                       | <b>\$947,200</b> |

*\* All amounts are expressed in New Zealand Dollars.*

**Property Purchase:** The price the property is being acquired for.

**Opoly Acquisition Fee:** This is the amount paid to Opoly Limited for performing its Manager duties.

**PledgeMe Crowdfunding Fee:** This is the amount paid to PledgeMe Limited for performing its Crowdfunding duties.

**Director's fee:** This fee covers annual compliance costs and is paid as a one-off cost of \$570.

\*The Director is bound by the Companies Act 1993 to act within the best interests of all shareholders. To keep costs low for the benefit of Shareholders in OHC2 there has been only 1 assigned Director.





## 4. RENTAL PROJECTIONS

### 4.1 DIVIDENDS

OHC2 intends for Net Rental Distributions to be distributed via an Annual Dividend according to the proposed schedule:

The below Net Rental Distribution is based on the current commercial lease and material outcomes may differ.

| Proposed Net Rental Distributions | Proposed Annual Dividend |
|-----------------------------------|--------------------------|
| Year 1 – 2022                     | \$46,560*                |
| Year 2 – 2023                     | \$46,560*                |
| Year 3 – 2024                     | \$46,560*                |

\* Net Rental Distributions are subject to change based on fluctuating market conditions, occupancy rate and unforeseen risks.

\*\* Net Rental Distributions are made at the discretion of Opolo Limited.

\*\*\*\* Body corporate, insurance, and rates expenses may fluctuate over time.

|   |
|---|
| \$1,131 (Estimated Weekly Rental Income) x 52 weeks = \$58,849 (Expected Gross Rental Return) |
| \$58,849 - \$12,289 (OPEX incl. Body Corp, Insurance, Rates) = \$46,560                       |
| \$46,560 (Proposed Net Rental Distribution paid annually)                                     |
| Proposed shares on issue = 9,472  |
| = \$4.9155* proposed earnings per share (4.915 % p.a)*  |

### 4.2 OCCUPANCY RATE

Opolo Limited intends to maintain tenancy for **33G Florence Avenue, Orewa, Auckland, 0931**, immediately following a successful Crowdfunding Campaign where the Minimum Investment Target (\$947,200) has been fulfilled. Opolo Limited has the intention of leasing the property at a 100.00% Occupancy Rate.

### 4.3 PROPERTY MANAGEMENT SERVICES

Opolo Limited will be the assigned property manager. During the tenancy period, Opolo Limited will comply within New Zealand Tenancy Services Standards and Guidelines. This service will be provided at no expense to the Shareholders of OHC2.

### 4.4 NET RENTAL DISTRIBUTION POLICY

It is intended that Net Rental Distributions accrued to OHC2 will be paid on an annual basis, before the 20th of each June, beginning from June 2022, following collection of rent. Distributions are paid using electronic bank transfer. These distributions are made up of the Gross Rental Income – Estimated expenses = (Net Rental Distribution).

Net Rental Distributions are made at the discretion of Opolo Limited. Opolo has forecast that distribution payments will be made at a rate of 4.915%\* net per annum (pre-tax). Shareholders are expected to receive their first cash distribution by 20 June 2022. Net Rental Distributions are not guaranteed.

#### 4.5 EXIT STRATEGY

Opoly Limited intends to arrange for OHC2 to enter into an agency agreement with a licensed real estate agency. The OHC2 Director intends to act as the authorized signatory, of OHC2, on the Agency Agreement and Sales and Purchase Agreement. The intention is to sell **33G Florence Avenue, Orewa, Auckland, 0931**, by way of an auction. Upon the successful resale of the property (refer to Section 2.4) OHC2 intends to be wound up, with Shareholders receiving the return of their proportional share of net realised assets, and surplus funds in the company (if any), by electronic bank transfer.

#### 4.6 LIQUIDITY OF SHARES

Until the intended resale of the property upon 3 years from the Offer Close Date, Shares are considered to be illiquid. OHC2 does not intend to offer any facility that allows for a Secondary Market where shares can be traded. It is intended that shares are not traded by investors rather held until the net assets are realised.

#### 4.7 TENANT DETAILS

The property is currently tenanted by Micromode Limited trading as Caci Clinic. Caci Clinic is a National brand with over locations throughout New Zealand. They provide skincare and beauty treatments.

The existing lease in place is from 16 June, 2020 expiring 15 June, 2023. There are 4 rights of renewal of Lease for a term of 3 years commencing on 16th June, 2023 and expiring on 15th June, 2035.

The next rent review will be on a market basis on the next review date of the 16th June, 2021.

Rent Reviews will be carried out every two years from 16th June, 2021 being 16th June 2023, 16th June 2025, 16th June 2027, 16th June 2029, 16th June 2031, 16th June 2033.

Please refer to the attached **Deed of Renewal and Variation of Lease** contained in the Company Documents Section on the PledgeMe Platform for more information.

## 5. TAXATION

OHC2 will register with Inland Revenue as a limited liability company and pay tax at the prevailing corporate tax rate (presently 28%) on the net annual profits from its rental activity.<sup>1</sup> All tax payments will be recognised as credits to OHC2's imputation account<sup>2</sup>, and will be attached as imputation credits (ICs) to the distributions of profits made to investors each quarter.<sup>3</sup> OHC2 is also obliged to deduct Dividend Withholding Tax (DWT) of 5% from all distributions<sup>4</sup>, meaning investors will receive net cash representing 67% of any profits and 33% tax credits.

For example:

- \$100 profit derived by OHC2
- \$28 tax paid by OHC2 at 28% company tax rate
- \$72 retained earnings by OHC2

Distribution of profits from OHC2 to investors:

- \$67 cash dividend, plus
- \$28 imputation credits, plus
- \$5 Dividend Withholding Tax.

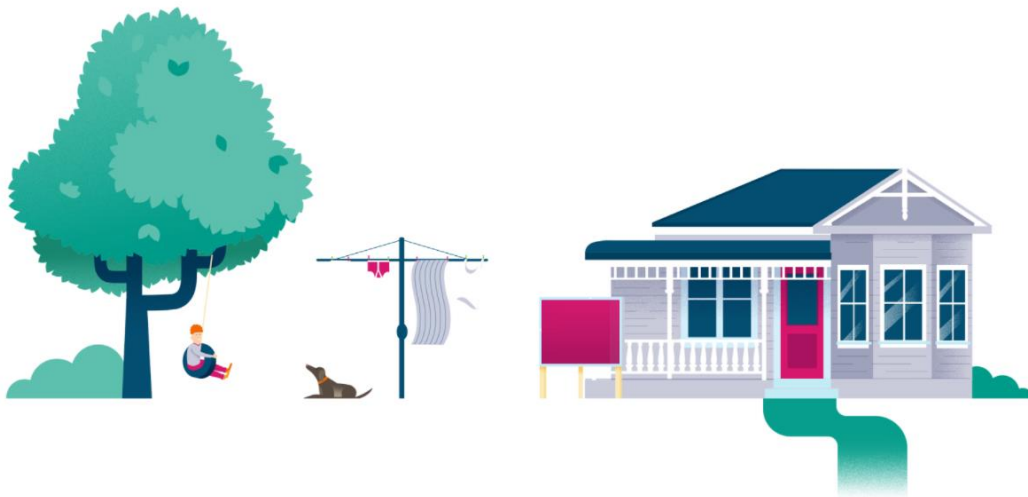
The Government has recently enacted a number of changes adverse to property investors in residential rental properties. Those changes include the Brightline Rule (taxing the profit from any capital gain from property on-sold within 10 year), restrictions on the deductibility of interest paid on borrowing costs, and "ring-fencing" of net losses from the investment so they cannot be offset against the investors other source of income.

By contrast, the investment by OHC2 is in commercial property and therefore is not currently caught by those tax restrictions:

- Any capital profits from the future on-sale of the property are not currently caught under the Brightline Rule however, as the property has been purchased for purpose of onsale by OHC2 we expect that profits will be subject to capital gains tax.
- OHC2 may offset any net losses it suffers on the investment against its other income. Likewise, individual investors may offset any net loss they suffer from the investment against their other sources of income to reduce their overall tax liability.

This tax treatment ensures that the dividends paid by OHC2 are “fully imputed” when paid to investors, which ensures they both fully comply with all tax requirements and ensures investors have no (or the minimum amount of) additional tax payable upon receipt of the dividends.

In some circumstances, because the underlying investment is in commercial property (and not residential land) investors who borrow funds to make their investment in OHC2 may be entitled to claim a tax deduction for any interest paid on those borrowed funds during the year<sup>5</sup>, which will further reduce their tax payable on any dividend received from OHC2.



<sup>1</sup>Under section CC1 Income Tax Act 2007  
<sup>2</sup>Under Part OB Income Tax Act 2007  
<sup>3</sup>Under s CD15 Income Tax Act 2007  
<sup>4</sup>Under Part RE Income Tax Act 2007  
<sup>5</sup>Under s DB5 Income Tax Act 2007

## 6. RESALE OF INVESTMENT

For commercial reasons, the initial duration of the investment has been forecasted to be 3 years (see below). At that point OHC2 will review its holding and intends to on-sell the property, winding up the investment and returning any potential profit to investors. Due to this commitment, for income tax purposes OHC2 does have a purpose or intention of selling the property from the time it is purchased. As a result, any profit from the future sale of the property is likely to be taxable income.<sup>6</sup> In those circumstances OHC2 would be liable to pay income tax at 28% on any capital gain from the on-sale of the property. As above, that tax payment by OHC2 will give rise to an imputation credit that can be passed on to investors when their share of that gain is distributed upon the wind up of the investment.

## 7. GST

The purchase, rental and on-sale of commercial property is normally subject to Goods & Services Tax.<sup>7</sup>

As a result OHC2:

- will voluntarily register for GST with Inland Revenue;<sup>8</sup>
- the purchase of the property will be on the basis of going concern which is zero rated for GST;
- must pay GST on the commercial rent received from the tenant of the property – with that rent being calculated on a “plus GST basis”;<sup>9</sup>
- GST input tax can be claimed on any of the GST related expenses of rental of the property (such as rates or the body corp);<sup>10</sup> and
- will have to pay GST on the future sale of the property – although it is expected that any purchaser would also be GST registered so the sale would be on a going concern zero-rated basis.<sup>11</sup>

However, GST is not payable by the investor:

- on the purchase of shares in OHC2;<sup>12</sup>
- on any dividends received from OHC2 during the term of the investment;<sup>13</sup> or
- on the distribution of any gains on the wind up of the investment.

This exempt GST treatment ensures that the investors are not subject to the Goods & Services Tax regime.

<sup>6</sup>Under s CB6 Income Tax Act 2007; see *Morrow v CIR* (1989) 11 NZTC 6,053 (HC)

<sup>7</sup>Under s 14(1) Goods & Services Tax Act 1985

<sup>8</sup>Under s 51 Goods & Services Tax Act 1985

<sup>9</sup>Under s 11(1) (mb) Goods & Services Tax Act 1985

<sup>10</sup>Under s 3A Goods & Services Tax Act 1985

<sup>11</sup>Under s 8(1) Goods & Services Tax Act 1985

<sup>12</sup>See *CIR v Gulf Harbour Development Ltd* (2004) 21 NZTC 18,915 (CA)

<sup>13</sup>Under s 14(1) Goods & Services Tax Act 1985

## 8. ABOUT OHC2

### 8.1 ABOUT

OHC2 Limited has been established with the purpose of purchasing **33G Florence Avenue, Orewa, Auckland 0931**. The goal of the OHC2 is to deliver Shareholders regular, passive income, and capital appreciation over time. The strategic investment objectives will be:

- A stable income of 4.915% net (pre-tax) p.a, plus receive a proportional share of any sale proceeds in relation to each shareholding, upon the proposed Resale Date.
- A target Reserve Price of \$947,200. In the event of the Reserve Price being met - (See Section 2.4).

### 8.2 BALANCE SHEET

OHC2 does not currently have any assets, liabilities, or shareholders equity. This is shown in the below Balance Sheet.

## OHC2 Limited

| Balance Sheet                          | Pre Offer | Post Offer     |
|--|-----------|----------------|
| <b>Assets</b>                          |           |                |
| Current Assets                         |           |                |
| Cash/Bank Balance                      | 0         | 0              |
| Non-Current Assets                     | 0         | 0              |
| Property and Equipment                 | 0         | 875,000        |
| <b>Liabilities</b>                     |           |                |
| Current Liabilities                    | 0         | 0              |
| Non-Current Liabilities                | 0         | 0              |
| <b>Equity</b>                          |           |                |
| Common Stock                           | 0         | 947,200        |
| Accumulated Deficit                    | 0         | -72,200        |
| Total Owners Equity                    | 0         |                |
| Total Liabilities & Stockholder Equity | 0         | \$ 875,000     |
| <b>Balance</b>                         | <b>0</b>  | <b>875,000</b> |



### 8.3 PEOPLE



## FELIX WATKINS (25)

### Director

Felix has been immersed in Information Technology from a young age. He successfully ran a software development company, working with a range of clients globally. Previously Felix worked for BlockchainLabsNZ, where he audited smart contracts, ensuring quality control and providing detailed reporting practices. Following this, Felix was recruited as the lead technical specialist for Menlo One, a protocol for developing scalable decentralized applications. Felix previously also organised the Blockchain Wellington meetup group, a growing community with 1250+ members who meet on a monthly basis to discuss the implications of blockchain technology, and its important role in the future.



## ISAAC WILLIAMS (25)

### Property Advisor

Isaac was previously an Institutional Equities Trader and Financial Analyst with Woodward Partners, in Wellington. During that time, he was responsible for Direct Market Access trading for the likes of ACC, NZ Superannuation and Milford Funds. He was also a part of major research projects and has good experience conducting financial modelling and analysis. After working in Institutional Finance, Isaac worked as a Commercial Property Broker for NZCPB. Isaac holds a Bachelor of Finance and is a Licensed Real Estate Agent by the REAA.



#### 8.4 RELATED PARTY INTERESTS

|               |  |
|---------------|--|
| Opoly Limited | Opoly is the assigned Manager of OHC2. See Section 13 for more details. Opoly provides proprietary software that assists third parties with real estate crowdfunding services. The services Opoly provides to assist third parties include prospecting, negotiating and marketing. |
| Felix Watkins | Felix Watkins is the sole director of OHC2 Limited.<br><br>Felix Watkins is the sole director of Opoly Limited and holds 90.71% of the shares in Opoly Limited.  |

#### 8.5 WHO ELSE IS INVOLVED

|               |  |
|---------------|--|
| PledgeMe      | PledgeMe helps Kiwis turn their plans into reality with crowdfunding. Crowdfunding is a way of raising money from your friends, family, customers, and fans. Think of a goal and make a plan for how you'll achieve it. Go to your crowd and ask them to pledge to your campaign. If all that support equals more than your goal, you've made it!  |
| NAI Harcourts | NAI Harcourts was established in 2009 as a joint venture between NAI Global and Harcourts International to provide comprehensive commercial real estate services in Australasia. NAI Harcourts combines the best of experienced, successful, commercial real estate sales consultants working in independently owned franchises with the power of NAI Global's international network of buyers, sellers, owners and properties as the fourth largest commercial real estate services company in the world. |
| Bell Gully    | Bell Gully is a leading New Zealand law firm. As one of the oldest New Zealand firms, established in 1840, our history is deeply embedded in domestic business.  |
| Convey Law    | Convey Law is the online conveyancing division of Park Legal Barristers & Solicitors. Convey Law are experienced Property / Real Estate Lawyers who are highly trained and skilled to deal with property law / conveyancing transactions.  |

## 9. KEY DATES AND OFFER PROCESS

|  |              |
|--|--------------|
| Offer Opens  | 14 May 2021  |
| Offer Close Date                                       | 9 June 2021  |
| Settlement Date (14 days from Offer Close Date)        | 22 June 2021 |
| Ordinary Voting Shares Issued to Investors             | 9,472        |
| Expected date for payment of first rental distribution | 20 June 2022 |

The timetable above is indicative only and the dates may change. Opoly also reserves the absolute right in its sole discretion to accept or reject any application in whole or in part without assigning any reason.

Investors' subscription monies will be held in a trust account established by PledgeMe from subscription to the date on which Shares are issued to Subscribers.

### 9.1 SETTLEMENT DATE

In the event of a successful Crowdfunding Campaign, it is intended legal ownership of the property will be transferred to OHC2 Limited, approximately 14 days from the Offer Close Date, and subject to Ordinary Voting Shares having been issued to the relevant investors.



# 10. SHARES AND SHAREHOLDERS

## 10.1 SHARE STRUCTURE

OHC2 will have only one class of Shares: Ordinary Voting Shares. Currently, Opoly Limited holds all shares in OHC2 Limited.

Share Capital (if Minimum Investment Target is achieved)

| OHC2 Limited Cap Table        |                        | Pre-offer        |             | Post-offer |             | Cancelled shares post-offer for \$0 |
|-------------------------------|------------------------|------------------|-------------|------------|-------------|-------------------------------------|
| Shareholders                  | Share Class            | Amount Of Shares | % Of Shares |            | % Of Shares |                                     |
| Opoly Limited                 | Ordinary Voting Shares | 1                | 100.00%     | 0          | 0%          | 1                                   |
| Shares issued under the Offer | Ordinary Voting Shares | 0                | 100.00%     | 9,472      | 100%        |                                     |

Following a successful Crowdfunding Campaign (where the Minimum Investment Target is reached) existing shares on issue held by Opoly Limited will be cancelled for \$0. Within 14 days of a successful Crowdfunding Campaign and, subject to compliance with relevant laws and requirements of the PledgeMe platform, Ordinary Voting Shares will be issued to investors under this Offer, as seen in the table above.

## 10.2 RIGHTS OF ORDINARY VOTING SHARES

Shares are with voting rights and all other rights conferred to shareholders under the Companies Act and Company Constitution. Ordinary Voting Shares confer on the holder rights to dividends as set out in Section 4 "Rental Projections" above, and rights to share in the surplus assets of the company and other distributions (if any).

## 10.3 FUTURE CAPITAL RAISING PLANS

OHC2 has no further capital raising plans. As noted above, OHC2 is to be wound up as mentioned above in Section 4.5 following the resale of the property. It is intended following this, all funds and net assets will be returned to OHC2 shareholders.

## 10.4 SHARE REGISTER

OHC2 will engage Opoly Limited to manage the share register and related matters.

## 10.5 SHAREHOLDER COMMUNICATION

OHC2 intends to communicate once per annum with Shareholders to provide updates on the term of the investment.

## 11. TERMS OF OFFER

|                                       |   |
|---------------------------------------|---|
| What is the Offer                     | <p>This is an offer for Shares in OHC2 Limited, an Opoly Holding Company which intends to acquire an individual residential property. Each Share represents an equal interest in OHC2 Limited and ranks equally in all respects with any other Shares on issue in OHC2 Limited. Each Share confers an equal right to receive distributions authorised by the Manager (Opoly)</p> <p>No person guarantees the Shares offered under this Offer, nor warrants or guarantees the future performance of OHC2, the Shares or any return on investment pursuant to this Offer.</p> |
| Key Dates                             | See Section 9, “Key Dates and Offer process”  |
| Total Units on Offer                  | 9,472   |
| Price per Unit                        | \$100.00 NZD  |
| Minimum Investment                    | The Minimum Investment amount is \$100 NZD and multiples of \$100 NZD thereafter.   |
| Maximum Investment                    | No investor (including associated interests) may hold more than 20.00% of the proposed post-issue total number of Shares. For the purposes of this Offer, the Maximum Investment is \$189,400 NZD per investor.   |
| Minimum and Maximum Investment Target | \$947,200 NZD   |
| Frequency of Distributions            | Annual, on the 20 <sup>th</sup> of each June following collection of rents. Distributions are not guaranteed. Expected date for payment of first distribution is 1 June, 2022.  |
| Forecasted Returns*                   | <p>Forecast pre-tax returns of:</p> <p>4.915%* per annum via Net Rental Distributions</p> <p>These forecasted returns are not guaranteed. The actual distributions paid may vary. See section Section 4 (Rental Projections) and Section 6 (Resale of Investment).</p>  |
| Investment Process                    | See Section 16, “Investment Process”  |
| Overseas Investors                    | No more than 25% or more of the company may be owned or controlled by individuals or companies who are overseas persons.  |



## 12. FEES

### 12.1 MANAGER FEE (OPOLY)

The fees payable by OHC2 Limited to OpolY Limited for performing its Management duties include:

|                            |   |               |  |               |  |  |                 |         |               |              |         |           |              |  |            |
|----------------------------|---|---------------|--|---------------|--|--|-----------------|---------|---------------|--------------|---------|-----------|--------------|--|------------|
| Management Fee             | The Manager (Opoly) will be paid a Management Fee for services related to the services including assisting with the crowdfunding campaign, acquisition, and disposal of the investment property, as well as other company secretarial and operational matters.                            |               |  |               |  |  |                 |         |               |              |         |           |              |  |            |
|                            | The Management Fee is Comprised of the Acquisition Fee, Disposal Fee and the Director Fee.  |               |  |               |  |  |                 |         |               |              |         |           |              |  |            |
|                            | <table border="1"> <tr> <td colspan="3">Fee breakdown</td> </tr> <tr> <td>Acquisition Fee</td> <td>(1.00%)</td> <td>\$ 10,062 NZD</td> </tr> <tr> <td>Disposal Fee</td> <td>(2.00%)</td> <td>\$ T.B.D*</td> </tr> <tr> <td>Director Fee</td> <td></td> <td>\$ 570 NZD</td> </tr> </table> |               |  | Fee breakdown |  |  | Acquisition Fee | (1.00%) | \$ 10,062 NZD | Disposal Fee | (2.00%) | \$ T.B.D* | Director Fee |  | \$ 570 NZD |
|                            | Fee breakdown   |               |  |               |  |  |                 |         |               |              |         |           |              |  |            |
| Acquisition Fee            | (1.00%)   | \$ 10,062 NZD |  |               |  |  |                 |         |               |              |         |           |              |  |            |
| Disposal Fee               | (2.00%)   | \$ T.B.D*     |  |               |  |  |                 |         |               |              |         |           |              |  |            |
| Director Fee               |   | \$ 570 NZD    |  |               |  |  |                 |         |               |              |         |           |              |  |            |
| *T.B.D - To be determined. |   |               |  |               |  |  |                 |         |               |              |         |           |              |  |            |

**Acquisition Fee:** The Acquisition Fee will be an amount equal to 1.00% of the property Purchase Price raised in the Crowdfunding Campaign, payable within 20 Working Days of the Settlement Date. Refer to Section 9.1.

**Disposal Fee:** The Disposal Fee will be an amount equal to 2.00% of the gross amount paid to or on behalf of the Company following the sale of the Property. This fee is all-inclusive including of marketing and real estate agency costs.

Note: The NZD (\$) amount will be known upon the successful resale of the property and is yet to be determined.

**Director Fee:** While the Initial Director is a director of the Company, the Director Fee will be a one-off cost of \$570

All above fees are contingent on reaching the Minimum Investment Target of \$947,200.

All amounts are GST inclusive.

### 12.2 CROWDFUNDING FEE (PLEDGEME)

The fees payable by OHC2 Limited to PledgeMe Limited for performing its Crowdfunding duties include:

|                  |  |               |  |               |  |  |                  |         |
|------------------|--|---------------|--|---------------|--|--|------------------|---------|
| Crowdfunding Fee | The Crowdfunding Fee is Comprised of the PledgeMe Fee.   |               |  |               |  |  |                  |         |
|                  | <table border="1"> <tr> <td colspan="3">Fee breakdown</td> </tr> <tr> <td>Crowdfunding Fee</td> <td>(6.50%)</td> <td>\$ 61,568 NZD</td> </tr> </table> |               |  | Fee breakdown |  |  | Crowdfunding Fee | (6.50%) |
| Fee breakdown    |  |               |  |               |  |  |                  |         |
| Crowdfunding Fee | (6.50%)  | \$ 61,568 NZD |  |               |  |  |                  |         |

**Crowdfunding Fee:** The PledgeMe Fee will be an amount equal to 6.50% of the gross amount raised in the Crowdfunding Campaign, payable within 20 Working Days of the Settlement Date. Refer to Section 9.1.

This fee is contingent on reaching the Minimum Investment Target of \$947,200.

All amounts exclude GST, if any.

## 13. MANAGEMENT AGREEMENT

OHC2 Limited has been newly formed to acquire a commercial property. Acquisition of the commercial property will be contingent on the Company raising sufficient funds under a Crowdfunding Campaign.

The Company wishes to engage the Manager (Opoly Limited) to assist with the Crowdfunding Campaign and to procure or provide operational, management, and other services to the Company on the terms of this Agreement.

Please refer to the **Management Agreement** in the Company Documents section within the PledgeMe platform for more details.

## 14. OFFER ELIGIBILITY

The Offer will only be accepted via PledgeMe's website.

The Offer does not constitute, and is not intended to be, an offer in any places or to any persons outside of New Zealand where such an offer is not authorised or is illegal.

Anyone receiving this offer outside of New Zealand must ensure that they fully comply with all applicable laws in their own jurisdiction before accepting an offer. Without limiting the previous statements, OHC2 and PledgeMe reserve the right to decline any acceptance or notice of intention to make an offer from a person outside of New Zealand.

## 15. WARNING STATEMENT

Equity crowdfunding is risky. Issuers (companies issuing shares) using PledgeMe's facility include new or rapidly growing ventures. Investment in these types of businesses is very speculative and carries high risks.

You may lose your entire investment and must be able to bear this risk without undue hardship.

**New Zealand law normally requires people who offer financial products to give information to investors before they invest.**

This requires those offering financial products to have disclosed information that is important for investors to make an informed decision. The usual rules do not apply to offers by issuers using PledgeMe to raise funds. As a result, you may not be given all the information usually required. You will also have fewer other legal protections for this investment. Ask questions, read all information given carefully, and seek independent financial advice before committing yourself to any investment.

## 16. INVESTMENT PROCESS

Visit the PledgeMe website ([www.pledgeme.co.nz](http://www.pledgeme.co.nz)) to find out more details about the Offer.

### Payment

Investors' subscription monies will be held in a trust account established by PledgeMe Limited from subscription to the date on which Shares are issued.

## 17. CONTACT

If you need any assistance with the application process, or if you have any questions, please feel free to contact Felix Watkins on 022 128 2088 or Isaac Williams on 021 0859 2760

**Alternatively, you can get in touch via email at: [contact@opoly.co.nz](mailto:contact@opoly.co.nz)**