



**MACARTHUR
NATIONAL
LIMITED**

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Dear Shareholder,

FY22 Quarter 1 update

During the quarter Macarthur took significant steps in establishing itself as a social infrastructure company in Australia;

- 1) **Completed** the acquisition of Montessori Beginnings early learning and childcare business platform. The business provides education and care programs for children between the ages of 6 weeks and 6 years. The services provided by early learning centres are designed to help families and employers better address the challenges of family life and work. Designated as an essential service the business has remained open and profitable for the duration of the covid-19 restrictions.



- 2) **Entered** into a contract to acquire an established 103 place early learning business in Geelong, Victoria. This acquisition in conjunction with the Montessori Beginnings early learning and childcare business platform will increase the number of early learning businesses owned and operated by the Company to 8. The acquisition will be funded from cash reserves and is anticipated to complete in Q2'FY22 and contribute to profitability of Macarthur recently acquired Montessori Beginnings childcare platform.



- 3) **Commenced** refurbishment and expansion works on the Macarthur owned Swan Hill childcare centre re-development. Works are scheduled to complete in FY2022 re-establishing a new 72 place early learning centre in the heart of the Swan Hill township. These works on completion will give rise to a valuation uplift of the property over cost and generate long term rental and business income for the Company through operating the centre under the Montessori Beginnings brand.
- 4) **Zest Living**: complete its acquisition by Macarthur in Q2FY22. Site works commenced for its planned 155 house Yarrowonga community which can be seen in the aerial photo taken in late September below.



Macarthur's future

As a result of the acquisitions and establishment of Macarthur's management team, Directors believe the Company now has a platform to expand its operations significantly. Macarthur currently owns and operates seven early learning centres operating under the Montessori brand. The company intends to grow the value and number of Montessori centres it owns in a steady and meaningful way.



In addition, Macarthur intends to continue its program to fully activate its lifestyle division through the development of its Land Lease community asset in Yarrawonga, trading under the brand name ZEST Living. This business compliments the company's asset mix and further marks Macarthur's entry as a social infrastructure owner operator. This combination of assets will allow Macarthur to capitalize on expected long term growth in both the childcare industry and new opportunities in the ever-expanding retirement living sector. Australia' projected population growth to over 35 million by 2050 and other relevant demographics at opposite ends of the age spectrum support the value proposition and growth plans.

To support its establishment as a social infrastructure company Macarthur is preparing a prospectus which will be provided to shareholders in Q2FY22 and will provide shareholders with the opportunity to subscribe for further investment in Macarthur through a rights issue and top up offer.

Please do not hesitate to contact me if you have any queries.

Yours faithfully

Macarthur National Ltd



Henry Townsing
Chairman

