



Eildon Capital Group ASX:EDC

2022 HALF YEAR RESULTS

22 February, 2022



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Eildon Capital Group Highlights

Half Year Results Highlights



5.6cps

HY22
Earnings per security



4.0cps

HY22
Distributions per security



\$1.12

Net assets
per security



20

Actively managed
investments



\$2.7m

Net profit after tax



\$56m

New unlisted property
funds launched



>\$150m

Real estate credit
investments



\$310m¹

Group assets under
management

All numbers as at 31 December 2021.

1. Includes balance sheet and third-party AUM.

Eildon Capital Group's Strategy

EILDON CAPITAL GROUP

Eildon Capital Group is a real estate funds management business and investor.

- Its investment activities cover both debt and equity in real estate.
- The funds management platform manages third-party capital on behalf of wholesale investors delivering the Group management fees.

Eildon Capital Group Strategy

Generate investment opportunities which aim to deliver:

- Enhanced returns; and
- Capital protection.

Depending on the nature of the opportunity, EDC will allocate investment opportunities between its balance sheet and third-party capital investors.

Eildon Capital Group Objectives

- Continue to deliver consistent distributions per stapled security;
- Enhance earnings in-line with funds management business growth; and
- Grow net assets and share price.



Eildon Capital Group continues to gain momentum

1. Includes balance sheet and third-party AUM as at 31 December 2021.

2. Market Capitalisation as at 21 February 2022.

Group Assets Under
Management

\$310m¹

\$49m

Market
Capitalisation

Cash Backed
Distributions

Zero Balance
Sheet Debt

Expanding Funds Management Platform

Eildon Capital Group – Assets Under Management \$310 million up 41% in 12 months

Investments and Cash			Funds Management								
Eildon Capital Group Balance Sheet			Eildon Funds Management Property Income Funds			Eildon Funds Management Real Estate Credit Funds			Eildon Funds Management Development Funds		
Group net assets	8 debt investments	6 equity investments	Number of funds	Assets under management	Pipeline of convenience retail opportunities	Number of current investments	Current Assets under management	Investment terms of usually	Number of funds	Assets under management	Completed value of projects
\$53m	\$34.7m	\$10.7m	3	\$108m*	\$94m	14	\$150m*	12-24 months	2	\$22m	\$108m

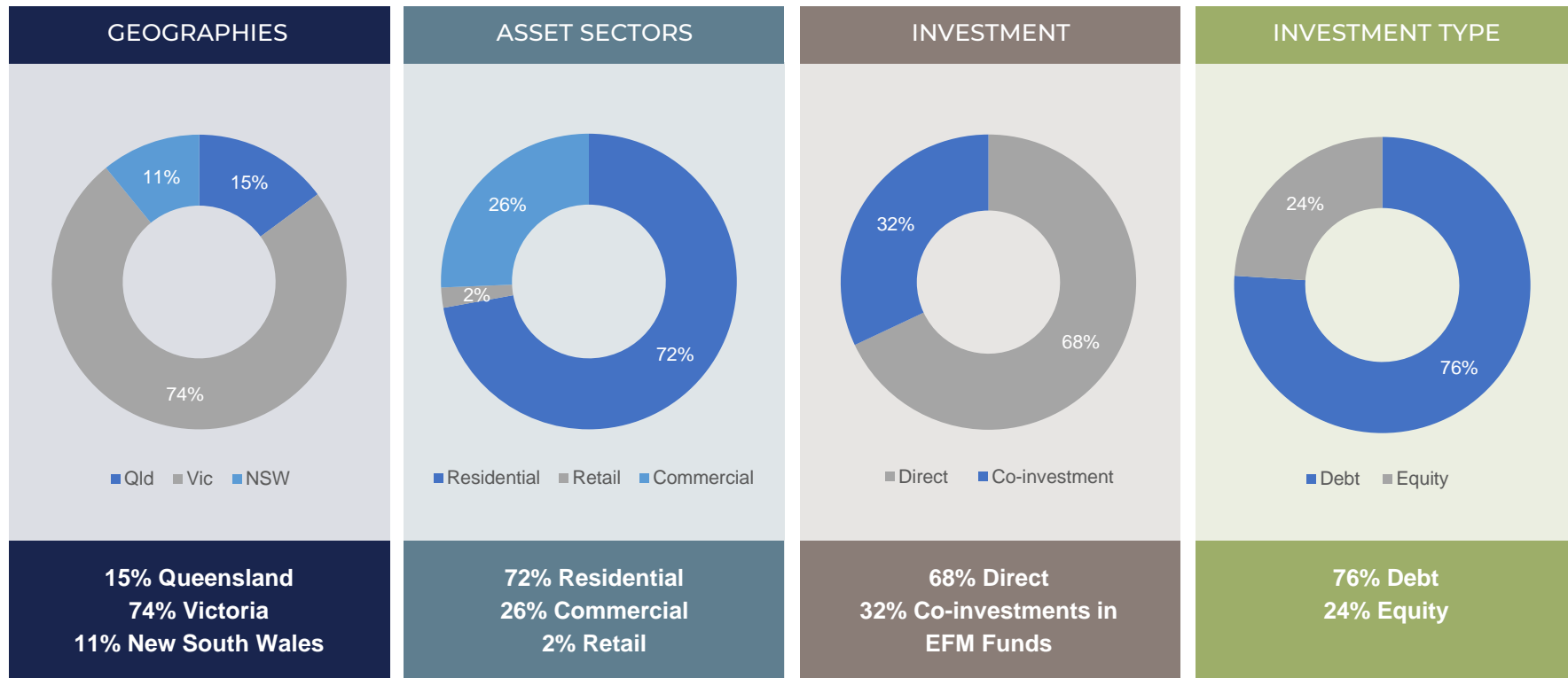
Note. All figures as at 31 December 2021.

Group AUM includes Balance Sheet assets of Eildon Capital.

* Includes EDC co-investments



Eildon Capital Group – Balance Sheet Investment Portfolio



All numbers as at 31 December 2021.

Eildon Funds Management (EFM)

Diversified and Growing Funds Management Earnings

- Eildon Funds Management Limited is a leading arranger, investor and manager of real estate credit and equity investments within Australia's Commercial Real Estate market.
- EFM has delivered a pre-tax contribution of \$0.93 million to the Group, since it completed the Internalisation of Eildon Funds Management Limited (EFM) at a cost of \$4.0 million, in November 2020.
- Strong momentum in AUM growth should lead to increased earnings.

PROFIT & LOSS (HY22)	31-Dec-21
Eildon Funds Management	\$
Management Fees	876,460
Establishment Fees	246,000
Project Management Fees	335,161
Facility Fees	458,901
Admin and Other	104,261
Total Revenue	2,020,783
Corporate overheads	(1,658,094)
Profit Before Tax	362,689

\$310m

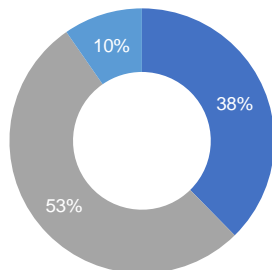
Group Assets Under Management

1. Real Estate Credit
2. Property Income Funds
3. Development Funds

\$259m

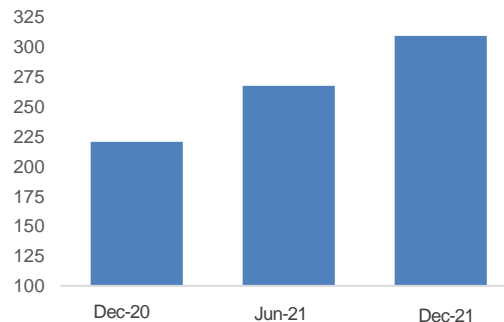
Third Party Assets Under Management

EFM AUM Diversification



- Eildon Income Funds
- Eildon Credit Funds
- Eildon Development Funds

Eildon Funds Management AUM Growth (\$m)



Note. All figures as at 31 December 2021.
Group AUM includes Balance Sheet assets of Eildon Capital.

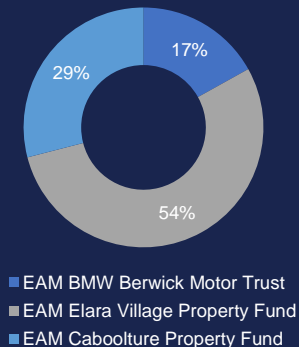


Eildon Funds Management Product Lines

1. EILDON PROPERTY INCOME FUNDS

- **Launch of the EAM Caboolture Property Fund**, valued at \$56 million, \$31.4 million of equity raised.
- Assets Under Management increased **to \$108 million** across three funds.
- EDC benefits from an identified pipeline for a **further \$94 million of community essential real estate targeting CY22**.
- New unlisted **Health and Education wholesale fund under investigation** for launch in CY22, seed assets have been identified.

Eildon Property Income Fund Diversification



\$108m

Assets Under Management

EFM has over

306

Wholesale and Sophisticated Investors

\$94m

Pipeline of convenience based retail assets

Eildon Funds Management Product Lines

2. EILDON REAL ESTATE CREDIT FUNDS

Eildon Debt Fund (EDF) – Contributory Mortgage Fund

- Offering wholesale investors deal specific access to commercial lending opportunities secured by registered mortgages;
- Expected investor returns of between **7-9% p.a for senior positions and 11-14% for mezzanine** investments; and
- Investment terms average 12-18 months.
- Growth in the Eildon Debt Fund platform **continues to provide fee generation as well as co-investment opportunities** for the EDC balance sheet.

Examples of recent Eildon Debt Fund investments

KIAMA, NSW

SENIOR DEBT FACILITY

- Investment Size: \$4.0m
- 7.0%
- Closed

ROUSE HILL, NSW

SENIOR DEBT FACILITY

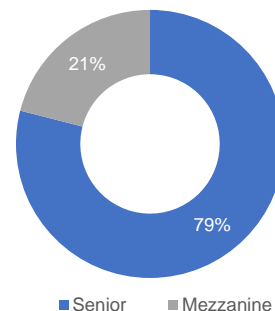
- Investment Size: \$4.0m
- 7.0%
- Closed

CHILDCARE, VIC

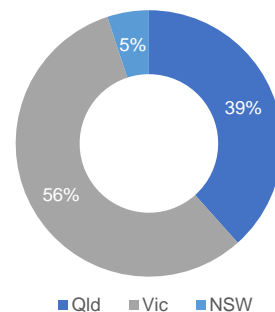
SENIOR DEBT FACILITY

- Investment Size: \$10m
- 8.0%
- Closed

Eildon Debt Fund Investment
by Type



Eildon Debt Fund Geographic
Diversification



Expected Return
of between
7-14% pa

\$150m
Current Funds Under
Management

\$11m
Average Loan Size

Pristine track
record

Note: All figures as at 31 December 2021.

Eildon Funds Management Product Lines

3. EILDON DEVELOPMENT FUNDS

Harpley Town Centre – Werribee, VIC

- 4.4Ha site within Lend Lease Harpley Estate.
- Development into corporate medical centre, neighbourhood centre, service station and fast food and other commercial uses.
- Development commencing in FY22 with end value projected to be in excess of \$94 million.

Big Fish Retail and Commercial Centre – Caboolture, QLD

- 15Ha site located on Bruce Highway between Brisbane and Sunshine Coast.
- EFM has been transforming the site into a combined retail and commercial precinct.
- Development of a 14,042 sqm Bunnings Warehouse, construction underway.
- Construction of Caboolture Shopping Village is underway, anchored by Coles the project's end value is \$56 million.



Big Fish Retail and Commercial Centre



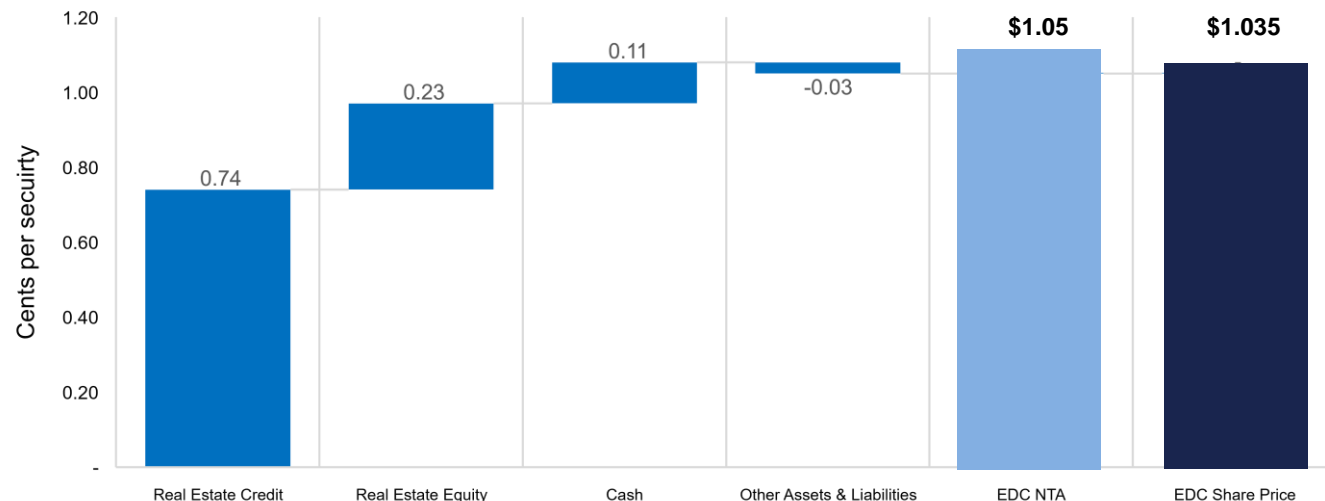
Harpley Neighbourhood Centre



Harpley Medical Centre

Unrecognised Value in Funds Management Platform

- EDC closing price of 21 February 2022 was \$1.035 per security; 1.4% discount to NTA.
- EDC NTA of \$1.05 per security comprised 14 credit and equity investments.
- Current share price implies zero value for the Funds Management platform.
- Group Assets Under Management totalled \$310 million as at 31 December 2021.



Implied value of
funds management
platform = Zero

\$310m

Group Assets Under
Management

1. Real Estate Credit
2. Property Income Funds
3. Development Funds

\$259m

Third Party Assets
Under Management

Analysis as at 31 December 2021, EDC share price as at 21 February 2022.

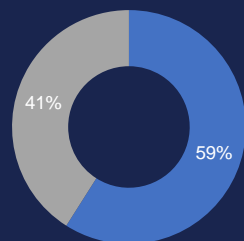
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Financial Results and Outlook

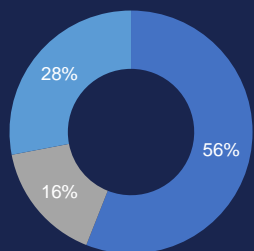
HY22 Financial Result

EDC Group Revenue



■ Eildon Capital Group
■ Eildon Funds Management

EFM Profit Before Tax



■ Eildon Real Estate Credit
■ Eildon Property Income Funds
■ Eildon Development Funds

PROFIT & LOSS	31-Dec-21	31-Dec-20	30-Jun-21
Eildon Capital Group			
Investment Income	2,115,460	2,435,159	4,503,161
Other	850,338	203,226	1,323,781
Total Revenue	2,965,798	2,638,385	5,826,942
Corporate Overheads	(296,497)	(540,326)	(1,007,569)
Profit Before Tax	2,669,301	2,098,059	4,819,373
Eildon Funds Management			
Management Fees	876,460	50,084	562,311
Fund Establishment Fees	820,000	1,524,000	1,741,500
Project Management Fees	335,161	50,000	274,839
Facility Fees	458,901	52,439	790,960
Admin & Other Fees	104,261	4,481	31,506
Total Revenue	2,594,783	1,681,004	3,401,116
Corporate Overheads	(2,232,094)	(1,222,486)	(2,833,079)
Profit Before Tax	362,689	458,518	568,037
Group Profit Before Tax	3,031,990	2,556,577	5,387,410
Income Tax Expense	(343,814)	(96,083)	(460,227)
Net Profit After Tax	2,688,176	2,460,494	4,927,183
EPS per Security (Diluted)	5.6	6.0	11.5

Income earned from Balance Sheet investments (Debt & Equity)

Increase in property investment value

Revenue derived from funds management initiates within EFM

Balance Sheet and Capital Management



\$1.12

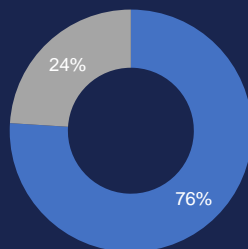
**Net Asset Value
per security**
(HY21: \$1.11)



Zero

**Balance Sheet
gearing**

EDC Balance Sheet Investments



■ Debt ■ Equity



\$5.3m

Cash on Hand
Supporting growth initiatives

EDC BALANCE SHEET

	31-Dec-21	30-Jun-21
ASSETS		
Direct Real Estate Investments	10,010,648	9,145,857
Real Estate Credit Investments	35,400,285	30,021,700
Goodwill	3,460,077	3,460,077
Cash	5,312,828	11,100,354
Other assets	2,001,682	1,891,499
Total assets	56,185,520	55,619,487
LIABILITIES		
Trade and other payables	1,636,390	1,764,215
Other liabilities	1,642,760	1,833,961
Total liabilities	3,279,150	3,598,176
Net assets	52,906,370	52,021,311

Well Positioned to Deliver on Strategy

Positive momentum on delivering strategy objectives

- Group Assets Under Management increased to \$310 million up from \$220 million at time of internalisation.
- Historically low interest rate environment supporting demand from yielding focused investors.
- Commercial Real Estate debt market continues to grow in popularity and market acceptance from wholesale investors.
- Borrower demand for flexible finance solutions remains strong as the real estate lending environment is favourable for non-bank lenders.

Balance Sheet delivering stable income while funds management revenue grows

- Balance Sheet investments continue to generate income supporting quarterly distributions.
- \$45 million invested in credit and equity of which \$23 million is in co-investments, which also deliver funds management income.
- Group is well capitalised to explore Funds Management growth initiatives and new strategies.

Targeting growth in AUM

- Additional community essential asset valued at c.\$94 million identified, suitable for a new Property Income Fund.
- Evaluating Health and Education Fund with \$40+ million of assets under review.
- Steady pipeline of CRE debt opportunities and increasing investor demand.

Group FY22 Outlook

- EDC offers strong asset backed distributions paid quarterly with opportunity for earnings growth through scalable funds management initiatives.
- The Board and Management continually evaluate allocation of capital to new and strategic funds management growth initiatives and balance sheet investments.

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