

CVC Limited
ASX:CVC

Building
< partnerships >

Annual Results

PRESENTATION

FINANCIAL YEAR ENDED 30 JUNE 2021

25 August | 2021

Disclaimer

IMPORTANT NOTICE

This Presentation (as amended) (Presentation) has been prepared and issued by CVC Limited ACN 002 700 361 (CVC).

This Presentation must not be copied or distributed to other persons without the prior written consent of CVC, which may be given or withheld in its absolute discretion.

This document is not a prospectus and does not contain all of the information which would be required to be disclosed in a prospectus.

SUMMARY INFORMATION

The information contained in this Presentation is of a general nature and in summary form. Neither CVC (nor any of its respective officers, employees, related bodies corporate, affiliates, agents or advisers) guarantees or makes any representation or warranty, express or implied, as to, or takes responsibility for, the accuracy, or reliability of the information contained in this document. CVC does not represent or warrant that this document is complete or that it contains all material information about CVC or which a prospective investor or purchaser may require in evaluating a possible investment in CVC or acquisition of CVC shares.

It is not intended to be relied upon as advice to investors or potential investors, and does not contain all information relevant or necessary for an investment decision or that would be required in a prospectus prepared in accordance with the Corporations Act.

Statements in this Presentation are made only as of the date of this Presentation unless otherwise stated and information in this Presentation remains subject to change without notice.

NOT AN OFFER

This Presentation is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law and does not constitute an invitation to subscribe for or buy any shares in CVC, including in any jurisdiction in which it would be unlawful, or a solicitation to engage in or refrain from engaging in any transaction.

NOT INVESTMENT ADVICE OR A RECOMMENDATION

This Presentation does not constitute investment or financial product advice, nor is it a recommendation to acquire shares in CVC. It is not intended to be used as the basis for making a financial decision, nor is it intended to constitute legal, tax, accounting or other advice. In particular, this Presentation is not intended to be relied upon as advice to any person and does not take into account the financial situation, objectives or needs of any person. This Presentation may not be relied on to make an investment or other financial decision, and you should make your own assessment and take independent professional advice in relation to the information, before making any investment decision in relation to CVC.

FINANCIAL AMOUNTS

All dollar values are in Australian Dollars (A\$) and financial data is presented as at the date of this presentation unless stated otherwise. CVC's results are reported under Australian International Financial Reporting Standards, or AIFRS.

FUTURE PERFORMANCE

This Presentation contains certain 'forward looking statements' including statements regarding or based on CVC's current belief, intent, assumptions or expectations with respect to the financial condition and performance, results and operations, business plans and objectives or management, capital adequacy, risk management practices and specific or general provisions.

Forward looking statements can generally be identified by the use of forward looking words such as 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'will', 'could', 'may', 'target', 'plan' and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on future earnings, distributions or financial position or performance are also forward looking statements. The forward looking statements contained in this Presentation involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of CVC, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

DISCLAIMER

No party other than CVC has authorised or caused the issue, lodgement, submission, dispatch or provision of this Presentation, or takes any responsibility for, or makes or purports to make any statements, representations or undertakings in this Presentation. Any information or representations not contained in this Presentation may not be relied upon as having been authorised by CVC.

Nothing contained in this document nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future. Past performance information given in this document is given for illustrative purposes only and should not be relied upon as (and is not) any indication of future performance.

To the maximum extent permitted by law, CVC, officers, employees, agents and advisers disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of this presentation being inaccurate or due to information being omitted from this Presentation, whether by way of negligence or otherwise, make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this Presentation.

The information in this Presentation remains subject to change without notice.

CVC Limited – Ethos

1 July 2020 – 30 June 2021



CVC seeks to invest in great people and opportunities. Our focus is often where others are not looking.



Our approach to building partnerships aims to deliver an ongoing investment pipeline through all stages of the economic cycle.



We pride ourselves on protecting capital while generating exceptional investment returns for shareholders.

CVC – Results Summary

1 July 2020 – 30 June 2021

- Significant improvement to trading results throughout the period: Net profit after tax of \$28.0m (2020: net loss \$2.7m)
- Net profit after tax attributable to shareholders \$19.5m (2020: net loss \$2.1m)
- Total fully franked dividends paid relating to the period of 8 cents per share (including final dividend paid on 20 August 2021)
- Increase in statutory Net Assets per share from \$1.43 to \$1.56 as at 30 June 2021 with further unrecognised uplift in investment portfolio
- Increased exposure and returns from property investment activities

| SEGMENT CONTRIBUTION | 2021 ¹ \$(m) | 2020 ² \$(m) |
|--|----------------------------|----------------------------|
| Direct property investment | 23.7 | (1.1) |
| Property backed lending | 13.7 | 8.1 |
| Non Property Investments | 10.1 | (4.1) |
| Convertible note interest | (3.0) | (3.6) |
| Unallocated | (6.6) | (4.3) |
| Tax effect | (9.9) | 2.3 |
| Net Profit After Tax | 28.0 | (2.7) |
| Net Profit Attributable to Shareholders | 19.5 | (2.1) |

1. Numbers include the impact of consolidation of Eildon Capital Group into CVC Limited

2. Comparative balances have been changed for consistency



CVC – Business Focus

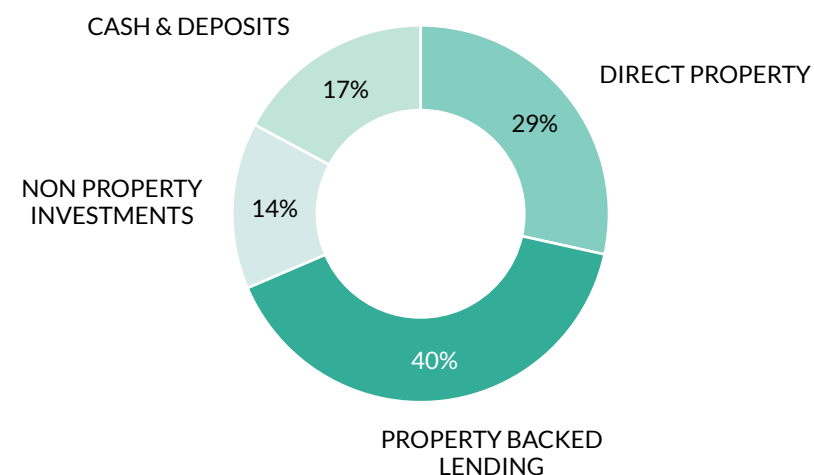
1 July 2020 – 30 June 2021

Summary of Operations

- Refocus of Business
 - Refinement and rationalisation of business nearing completion
 - Majority of investment exposure now in property related activities
- Core Competency in Property Investment
 - Deployed in excess of \$660m in capital in this segment since 2010
 - Allocation of investment has been 60% debt, 40% equity
 - Generated pre-tax returns of 15.6%p.a. from completed investments
 - Unrealised portfolio contains substantial investments held at cost anticipated to generate significant returns in both short and long term, including:
 - Donnybrook
 - Marsden Park
 - Liverpool
- Increased management capability – Mr Craig Treasure appointed Executive Chairman in June 2021
 - Previously Managing Director of Villa World Limited before takeover by Avid Property Group
 - Significant experience in property development and investment, large scale project delivery and listed company management

| SEGMENT INVESTMENT ALLOCATION | 2021 % | 2020 % |
|-------------------------------|---------------|---------------|
| Direct Property | 28.46 | 24.55 |
| Property Backed Lending | 40.10 | 45.91 |
| Non Property Investments | 14.29 | 21.87 |
| Cash and Deposits | 17.15 | 7.67 |
| TOTAL | 100.00 | 100.00 |

1. Comparative balances have been changed for consistency



CVC – Segment Reporting

1 July 2020 – 30 June 2021

CVC – Direct Property Investments

1 July 2020 – 30 June 2021

2021 Returns

Invested
at 30 June 2021

\$87.7m¹

Profit

\$23.7m

Return

31.7%²

No. of Investments

19

Milestones Achieved in Period

- Rezoning of East Bentleigh Property completed
- Sale of Elara Shopping Centre on fund through structure
- Increased tenant commitment to Caboolture, Queensland (Bunnings, Coles, Chemist Warehouse, Petstock)
- Significant progression on Liverpool rezoning
- Settled first parcel of land at Harpley Town Centre from Lend Lease at Werribee, Victoria. On sale of some of the site contracted. Planning applications for medical, retail, fuel and fast food uses submitted

FY 2022 Objectives

- Achieve rezoning for Donnybrook project (H1), commence settlement process of residential land under existing sale contracts (H2)
- Complete development of Elara Shopping Centre, Marsden Park (H1)
- Commence construction of Caboolture Bunnings and Neighbourhood Centre (H1)
- Achieve planning approval for Harpley Medical and Town Centre Project (H1)
- Be accepted into formal planning process for Liverpool (H1) and progress rezoning

Investment Thematic

- Seek to add value to property through advancing either:
 - Tenant commitments to site
 - Planning outcomes
 - Development
- Not simply relying on market escalation creating value
- Focus on a small number of meaningful projects – increase efficiency of management
- Partner with qualified, experienced and likeminded groups

Market Observations

- Few signs of distressed selling of assets, reflecting extremely low cost of capital
 - CVC portfolio is very well placed to perform strongly
 - Future opportunity for CVC will centre around assets or capital structures that are complex and involve active management to de-risk and improve value
1. Invested amount at 30 June 2021 includes direct property investment, net of specific property debt.
 2. Return is calculated as annual earnings divided by the average of total opening and closing direct property investments, net of property debt, during the financial year.

CVC – Direct Property Investments

1 July 2020 – 30 June 2021

Selected Investments – Retail Development Projects

Elara Neighbourhood Shopping Centre, Marsden Park, NSW

- Contracted to purchase site during FY20 period, sold on fund through in FY21
- 2.5Ha site in Stockland's Elara Estate
- Approval for 8,200sqm neighbourhood shopping centre, end value \$53m
- Development works have commenced, anticipated completion in H1 FY22

Harpley Neighbourhood Shopping Centre, Werribee, VIC

- Contracted to purchase site during FY20 period
- 4.4Ha site within Lend Lease Harpley Estate
- Development to incorporate:
 - 8,000sqm neighbourhood centre
 - Medical centre
 - Service station and fast food outlet
 - Commercial development
- End value in excess of \$90m
- Staged site settlement across FY21/22, development commencing H2 FY22

Big Fish Retail and Commercial Centre, Caboolture, QLD

- Purchased in 2015
- 15Ha site with existing tavern
- Completed Ampol anchored travel centre and McDonalds store
- Negotiated and finalised Agreement for Lease with Bunnings for 13,000sqm warehouse in FY2020
- Secured commitment from Coles and Chemist Warehouse to anchor 7,200sqm neighbourhood centre
- Commitment from Petstock to anchor 4,000sqm bulky goods centre
- Development works for Bunnings and shopping centre to commence H1 FY22



CVC – Direct Property Investments

1 July 2020 – 30 June 2021

Selected Investments – Projects in Planning Approval Processes

East Boundary Road, East Bentleigh, VIC

- Purchased in 2015 in partnership with MAKE Property Group
- CVC ownership 50%
- 4.3Ha site in 'middle ring' South East Melbourne suburb
- Rezoning from industrial to 'mixed use' has been approved and Gazetted
- Planning approval allows for in excess of 800 apartments, retail and commercial uses
- Significant value increase in property

Donnybrook Road, Donnybrook, VIC

- Purchased sites in 2015 and 2016 in joint venture with Villa World Limited (now Avid Property Group)
- CVC ownership 49%
- Sought rezoning to allow in excess of 2,500 residential allotments
- Shenstone Park Precinct Plan planning panel process now complete, now awaiting final sign offs for Gazettal of rezoning
- Forecast that rezoning may occur during H1 FY22
- Post rezoning, settlements of residential land sales (already under contract) will commence and provide cashflows and profits over a 4 year period
- Strategy for balance 50Ha (approx.) of industrial land being considered given strong market conditions



CVC – Direct Property Investments

1 July 2020 – 30 June 2021

Selected Investments – Projects in Planning Approval Processes

Park Road, Marsden Park, NSW

- Purchased in 2013 in partnership with Leamac Property Group
- CVC ownership 66%
- 151Ha site North West Growth Centre
- Rezoning application submitted to approval approximately 550 residential allotments
- Planning focus surrounds flood evacuation given the site's location in the Hawkesbury Nepean catchment

Heathcote Road, Liverpool, NSW

- Secured option to purchase site in 2016 in partnership with Leamac Property Group
- CVC ownership 66%
- 16.7Ha site located on Georges River immediately adjacent to Liverpool train station
- In April 2020, a planning application was submitted to Liverpool City Council (LCC) to rezone the site to allow the development of a major residential and mixed use precinct with a Floor Space Ratio of 4.2:1
- In November 2020, LCC unanimously supported the project into a gateway determination process
- Department of Planning and NSW Government to formalise assessment process which is anticipated to be confirmed H1 FY22



CVC – Property Backed Lending

1 July 2020 – 30 June 2021

2021 Returns

Invested
at 30 June 2021

\$95.5m²

Profit

\$13.7m

Return

13.9%¹

No. of Investments

21

Milestones Achieved in Period

- All loans running within finance covenants with no defaults in portfolio
- Strong pipeline of future investment opportunity being created from both new and existing relationships within market

FY 2022 Objectives

- Seek out more secured lending opportunities that can provide strong interest income
- Diversify sources of deal flow

Investment Thematic

- Registered mortgages over real assets with guarantees from Borrowers have been a strong performing segment for CVC
- Flexibility in structuring, efficient approval process, strong balance sheet capacity places CVC in a strong position to win transaction flow
- CVC's ability to understand real estate as an equity participant provides a unique insight into transaction evaluation and management



1. Invested amounts at 30 June 2021, including the loan portfolios of Eildon Capital Group of \$29.9m
2. Return is calculated as Earnings divided by the average of total opening and closing loan balances during the financial year.

CVC – Property Backed Lending

1 July 2020 – 30 June 2021

Selected Property Backed Lending Investments

Collingwood, VIC

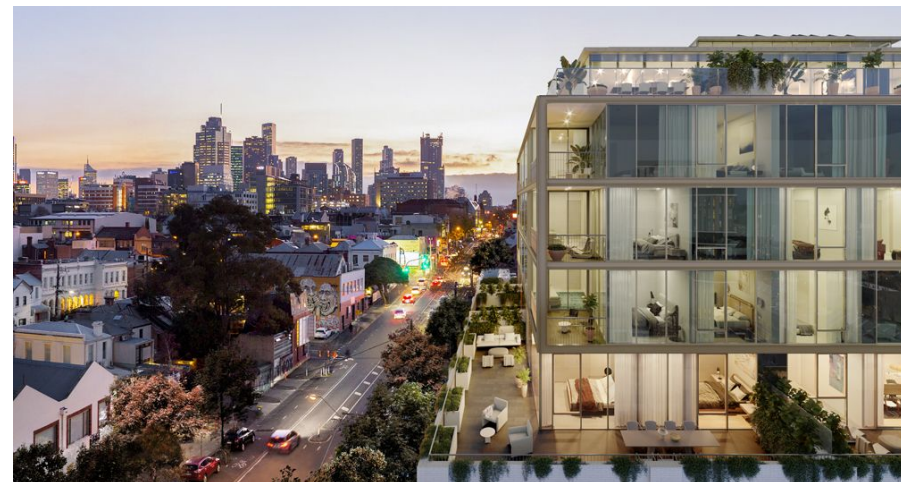
- Registered 2nd mortgage investment in a 35 apartment and retail development
- Owner occupier market with majority of project presold
- Low supply of this product in this location
- Anticipated completion H2 FY2022

Port Melbourne, VIC

- Registered 2nd mortgage mezzanine investment to assist in the construction of 13 luxury apartments in Bayside Melbourne suburb
- Owner occupier market with all apartments sold
- Anticipated completion H1 FY2022

Coolangatta, QLD

- Mezzanine loan provided on beachside development containing 53 apartments
- All apartments sold
- Exceptional price growth in this market in last 12 months
- Anticipated repayment H1 FY2022



CVC – Non Property Investments

1 July 2020 – 30 June 2021

2021 Returns

| | | | | | | | |
|-----------------------------|---------|--------|---------|--------|--------------------|--------------------|----|
| Invested at 30 June 2021 | \$46.4m | Profit | \$10.1m | Return | 18.1% ¹ | No. of Investments | 14 |
|-----------------------------|---------|--------|---------|--------|--------------------|--------------------|----|

Milestones Achieved in Period

- Rationalisation of portfolio complete (reduced number of investments from 25 to 14)
- Participation in CVC Emerging Companies Fund II and continued involvement and investment in Fund I
- Sale of Eildon Funds Management Limited to Eildon Capital Group (ASX: EDC) creating a pure play property funds management and investment business which has exposure to both property debt and equity

FY 2022 Objectives

- Continue to seek to add value and / or realise remaining smaller scale investments which are non property
- Remain active in the concentrated positions in this segment (TFL, CYC, EDC)

Investment Thematic

- Focus on small number of concentrated investments
- Recognition that this segment will be a smaller part of business operations than it has in the past within CVC

1. Return is calculated as annual earnings divided by the average of total opening and closing listed investments during the financial year.

CVC – Non Property Investments

1 July 2020 – 30 June 2021

Selected Equity and Alternative Investments

CVC Emerging Companies Fund I and II

- Unlisted 5 year closed end funds
- Early stage investment focus
- CVC has invested in both funds (\$9.8m Fund I, committed to \$3.5m Fund II)
- Fund I has performed strongly since inception

Eildon Capital Group

- ASX listed property investment and funds management business
- AUM of approximately \$268m
- CVC ownership 39.6%

Cyclopharm Limited

- 30 year old ASX listed business specialising in nuclear and respiratory medicine
- CVC ownership 7.1%
- Entered into final phase of FDA approval in United States for major product

Tas Foods Limited

- ASX listed Tasmanian food production and sales business
- CVC ownership 14.7%
- Board renewal over previous 12 months
- Strategy refinement and implementation a focus of FY2022



The logo for TasFoods Ltd, featuring the words 'TASFOODS LTD' in a white, bold, sans-serif font, centered within a dark brown rectangular background with thin horizontal lines above and below the text.

CVC – FY22 Outlook

Forecast Performance

- Nature of CVC portfolio makes forecasting performance difficult
- Property backed lending should continue to contribute throughout period
- Anticipation that direct property investments will contribute to profit as they are realised
- Non property investments have potential to deliver contributions in line with strategic outcomes being achieved

Capital Management

- Total fully franked dividends for the FY2021 period of 8 cents per share reflects yield of 4% p.a. based on 30 June 2021 closing price and a payout ratio of 48%
- Statutory Net Assets increased from \$1.43 to \$1.56 as at 30 June 2021
- Adjusting for the final dividend payment of 5c, Statutory Net Assets grew 8 cents or 5.6% over the period
- Board is committed to paying dividends in line with performance and underlying profitability, with consideration also given to the nature of profit (realised or unrealised and potential for reversal in future periods)
- Continual evaluation of merit in undertaking convertible note and share buybacks





Contact Details

Suite 40.04
Level 40 Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

P (02) 9087 8000

W www.cvc.com.au

