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ASX Limited
20 Bridge Street
Sydney NSW 2000

By: e-lodgement

Attention: Company Announcements Office

BUSINESS UPDATE AND NEW FUND INITIATIVE

Eildon Capital Group (Eildon, EDC, Group) is pleased to provide the following update to the market:

- Increase in value of property held by the Group, contributing to Net Asset Value (NAV) growth of 3.0 cents per Security to \$1.15, up over the 31 December 2021 NAV of \$1.12
- Balance Sheet seed investment completed for a Health & Education Property Fund strategy
- Assets Under Management increase to \$325 million and a pipeline of new activity expected to drive future growth

Property Investment Valuation Update

Eildon wishes to provide a valuation update on a significant equity investment held on the Group's balance sheet, located at 79 Logan Road Woolloongabba, Brisbane, Queensland. Eildon owns a 35% equity interest in the Joint Venture that purchased the site in FY17 for \$19.15 million. An external independent valuation for mortgage purposes was required as a condition of the senior finance provider for the property. The valuation has been undertaken on an 'as is' basis, taking into account current planning status and prevailing market conditions resulting in a market value of \$38.40 million (100%).

The 9,361 sqm development site is classified as mixed-use (inner city) under the Brisbane City plan 2014 and is located approximately 3.0 km from the Brisbane CBD. The site currently has a three-level semi-modern office/warehouse building with a total lettable area of approximately 9,887 sqm. The building is currently leased to AP Eagers, an ASX-listed automotive retailing and servicing business.

The site also benefits from a substantial mixed-use development approval. This part of Brisbane more broadly is seeing a large degree of gentrification as well as major infrastructure both planned and under construction including a station on the Cross River Rail project and the Woolloongabba Stadium upgrade which form part of the successful 2032 Olympic bid by South East Queensland.

As a result of the independent valuation, the carrying value of the investment will increase to \$8.5 million from \$6.7 million (35% equity ownership) resulting in a 3.0 cent increase in NAV. Based on the financial statements reported at 31 December 2021, NAV would increase from \$1.12 to \$1.15 per security. This NAV amount includes the value of EDC's wholly owned subsidiary Eildon Funds Management Limited. The Group is continuing to evaluate the asset against the current market and will work to optimise its value.

New Fund Initiative Eildon Health & Education Property Fund

Eildon is pleased to announce it has seeded the Eildon Health & Education Property Fund which will acquire modern high quality Early Learning Centres (ELC) and Healthcare assets across major markets in Australia. The newly established trust managed by Eildon has acquired three existing Childcare Centres, with a fourth under construction, which are all fully leased to Montessori Beginnings and collectively valued at c.\$23 million. Eildon has established a Joint Venture with Montessori Beginnings which will see the Eildon Health & Education Fund benefit from an exclusive First Right over Montessori Beginnings future development pipeline. Montessori Beginnings will also co-invest in the Eildon Health & Education Fund demonstrating a strong alignment of interest.

The establishment and seeding of the new Fund is consistent with Eildon's strategy to secure Funds Management investment opportunities and commit to transactions utilising the Group's balance sheet for co-investment. The Group will continue to scale the portfolio, securing further Health and Education assets, prior to opening the Fund to third-party investors. The additional funds management initiatives provide additional income streams for EDC through third-party funds management and asset management revenue supplementing the corporate balance sheet co-investment earnings.



About Montessori Beginnings

Established in 2018 Montessori Beginnings provides long day care childcare services utilising the 'Montessori' philosophy in teaching young children. The Montessori method, which is widely used in Western Europe and the USA, provides distinct choice for parents enabling Montessori Beginnings to distinguish itself within the early learning and childcare sector.

Applying the ethos of child centred learning, which for the child is 'help me do it myself', Montessori Beginnings offers full or part-time learning and care services for children aged 6 weeks to 6 years. All children participate in a course of learning within age specific groupings at Montessori Beginnings at 9 purpose built facilities located in Victoria, of which 7 centres are in Greater Melbourne and 2 are in regional Victoria.

Group Assets Under Management increased to \$325 million

Group Assets Under Management (AUM) total \$325 million, up from \$310 million as at 31 December 2021. Eildon is currently evaluating several new debt and equity opportunities totalling more than \$100 million and will be offering new investment opportunities to our investor base in the coming months.

This update has been authorised by the Board for release.

For further information, please contact:

Laurence Parisi
Chief Executive Officer
E lparisi@eildoncapital.com

About Eildon Capital Group

Eildon Capital Group (EDC) is a specialist real estate fund manager with over \$320 million Assets Under Management (AUM) located in Melbourne. Listed in 2017, the Group is focused on creating and managing property investment opportunities which deliver attractive risk adjusted returns with limited downside risk. Eildon's funds management investment activities cover both real estate debt and equity. Our team has significant experience managing real estate investments through all parts of the property cycle.