

8 July 2024

ASX Market Announcements Office  
ASX Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

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## Extraordinary General Meeting Chair and CEO Addresses and Presentation Slides

Regal Partners Limited (ASX:RPL) (the “Company”) will hold an Extraordinary General Meeting (EGM) today at 11am (AEST) relating to the proposed issuance of ordinary shares and unlisted options in RPL in connection with its acquisition of Merricks Capital. Attached are copies of the addresses and slides to be presented by the Chair of the EGM and the Company’s Chief Executive Officer (“CEO”).

### AUTHORISED FOR RELEASE BY:

**Candice Driver, Joint Company Secretary**

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### ABOUT REGAL PARTNERS LIMITED

Regal Partners Limited is an ASX-listed, specialist alternatives investment manager with approximately \$12.2 billion<sup>1</sup> in funds under management.

Formed on 3 June 2022 following the merger of Regal Funds Management Pty Limited and VGI Partners Limited, the group manages a broad range of investment strategies covering long/short equities, private markets, real & natural assets and credit & royalties on behalf of institutions, family offices, charitable groups and private investors.

Housing six dedicated alternative investment management businesses – Regal Funds Management, PM Capital, VGI Partners, Taurus Funds Management, Attunga Capital and Kilter Rural – the group employs approximately 145 staff, including more than 70 investment professionals, in offices across Australia and offshore.

Combining deep industry experience, extensive networks and multi-award-winning performance track records, Regal Partners seeks to be a leading provider of alternative investment strategies in Australia and Asia.

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<sup>1</sup> Preliminary management estimate for 30 June 2024 (which remains subject to finalisation of distributions and period-end fund accounting). Funds Under Management (FUM) (including 100% of Taurus Funds Management, Attunga Capital and Kilter Rural) is rounded, unaudited and includes non-fee-earning FUM. The FUM estimate for RPL does not include any FUM related to the proposed acquisition of Merricks Capital, which was announced to the ASX on 3 June 2024.



## Chair's Address

On behalf of the Board of Regal Partners (or RPL), I would like to warmly welcome all shareholders today and we very much thank you for your support.

The purpose of today's meeting is to seek shareholder approval for the issuance of Shares and Options in connection with Regal's acquisition of Merricks Capital.

If shareholder approval is gained today, the acquisition is currently expected to complete this coming Wednesday, 10th July. But first let me give you a brief overview of the Merricks Capital transaction.

As stated in the Notice of Meeting, on the 3rd of June this year, Regal announced that it is seeking to acquire 100% of privately owned Merricks Capital, a leading alternative investment manager and hard-asset investment specialist that is focused on private credit investments across commercial real estate, agriculture, and specialised industrial and infrastructure assets.

Founded in 2007 by current Executive Chairman and Chief Investment Officer Adrian Redlich, the business services a broad range of wholesale wealth advisory firms, institutional client groups and family offices, with approximately A\$2.9bn of funds under management as at 30th of April 2024.

Within this, Merricks manages approximately:

- \$1.3bn in the Merricks Capital Partners Fund;
- \$0.5bn in the Merricks Capital Agriculture Fund;
- \$0.5bn in the FOO Fund, a Cayman Islands Fund that is focused on commercial real estate in Australia and New Zealand; and
- \$0.5bn through a range of Special Purpose Vehicles.

All three of the core funds have delivered returns of approximately +10% p.a. post fees since their respective inceptions.

Turning now to the Transaction, Regal is proposing to pay approximately \$235m for the acquisition of Merricks Capital's shares. As shown on this slide, the consideration comprises:

- Cash consideration of \$40m (subject to customary regulatory capital, working capital and net debt adjustments); and
- Scrip consideration of just over 63.9 million Regal Shares on completion of the Transaction. The scrip consideration will be subject to a statement of intention from the Vendors confirming to the Company that they intend to hold their Regal Shares for a period of at least 12 months following completion of the Transaction.

In connection with the Transaction, Regal will also issue approximately 10.9 million Regal Options to current employees of Merricks Capital in exchange for the cancellation of the options they hold in Merricks Capital at completion. The exercise of the Regal Options is conditional on the satisfaction of specific Net Profit Before Tax targets.

RPL expects to fund the \$40m cash consideration from existing cash sources and investments on balance sheet and is seeking RPL shareholder approval today for the issue of the Regal Shares and Regal Options.

From a financial perspective, RPL expects the proposed Transaction to be accretive to earnings per share in calendar year 2024, before any synergies.

So hopefully that summary gives you a good snapshot of the business and the Transaction.

At this point I would like to hand to Brendan O'Connor, Regal's CEO, to speak further about the rationale for the Transaction and key benefits for Regal shareholders.



## CEO's Address

I would like to start by reiterating that Regal Partners aims to be a leading provider of alternative investment strategies in Australia and Asia. We are therefore very excited that Adrian and the Merricks team have chosen to partner with Regal for the next phase of their growth, and we believe that the combination of Regal and Merricks will be exceptionally well positioned to benefit from the continued growth in opportunities across private credit in Australia and New Zealand.

Turning to the next slide, this page contains data that we released at the time of the original Transaction announcement in early June. This shows that Regal's funds under management were approximately \$12.2 billion in April and that the acquisition of Merricks Capital, which had \$2.9 billion of FUM at the time, would increase Regal's FUM to \$15.1bn and provide additional diversification and scale benefits. The equivalent data for June 2024 is still being finalised, but is not expected to be materially different to April.

In terms of the rationale for the Transaction, we see 4 key drivers:

- Firstly, the Transaction significantly expands Regal's scale and capability in private credit, an asset class that is rapidly growing. This is particularly important given private credit is an asset class where scale, underwriting expertise and consistent access to attractive deployment opportunities are all key contributors to positive returns. Following the completion of the Transaction, private credit and capital solutions is expected to represent around \$6 billion or 40% of Regal's total funds under management.
- Secondly, Merricks Capital brings a highly complementary range of investment strategies to Regal. As shown in the chart here, Regal's existing credit funds are broadly across mining finance, direct corporate lending and structured credit, while Merricks predominantly has exposure to commercial real estate, agriculture and specialised industrial and infrastructure financing.
- The third motivating factor for us is the deep experience of the Merricks Capital team. Under the leadership of Adrian Redlich, the Merricks team have executed over A\$6 billion worth of private credit transactions across Australia and New Zealand. Adrian himself has 30 years of global experience across the United States, Asia and Australia and we feel he is very well placed to become Regal's Chief Investment Officer, Income Strategies, a newly created role for our group after the Transaction completes.
- And finally, we are pleased with the Transaction structure, where 85% of the consideration offered to Merricks Capital shareholders is in Regal Shares, which we believe demonstrates a strong alignment of interests and Adrian's commitment, in particular, to the longer-term future of Regal Partners. We also expect the Transaction to be accretive to Regal's earnings per share in 2024, prior to any synergies.

I would now like to hand back to the Chair for the voting.





# Regal Partners Limited (ASX:RPL)

## 2024 Extraordinary General Meeting

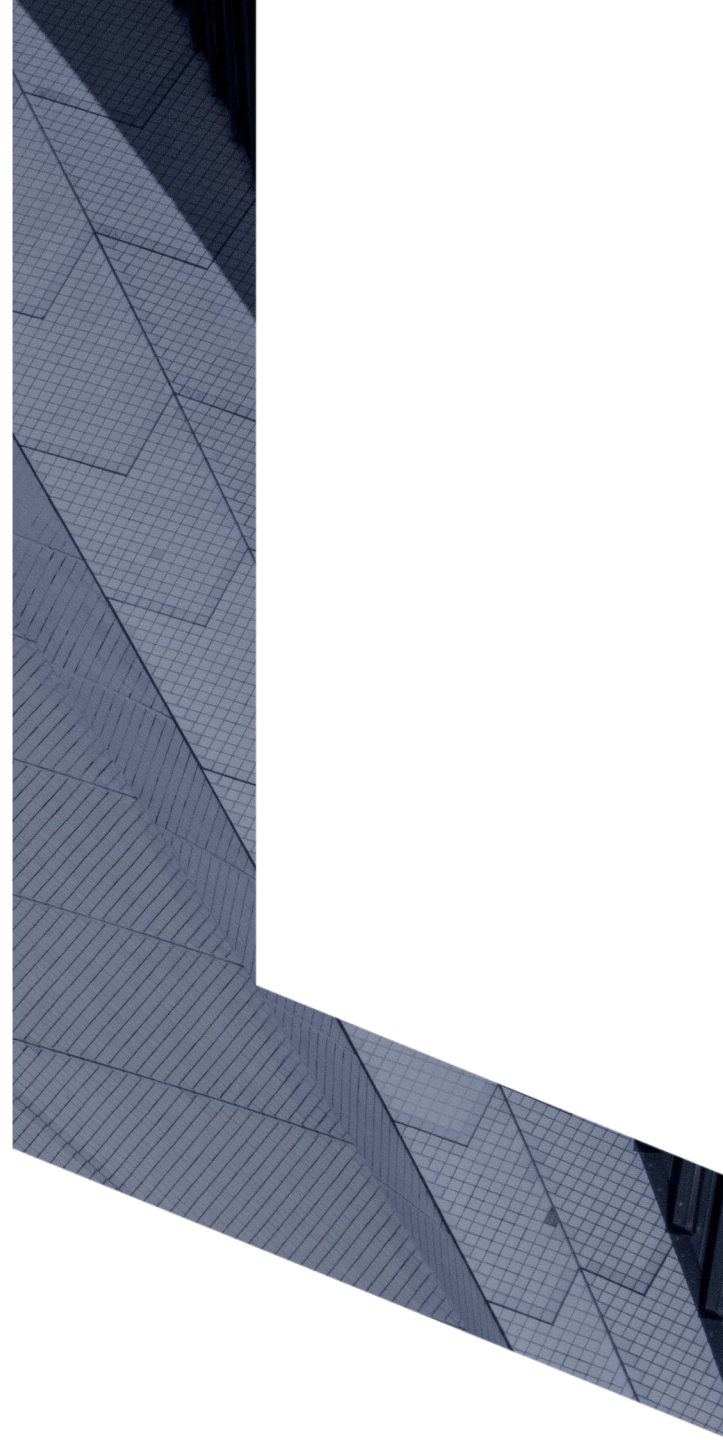
8 July 2024

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# Chair's Address

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# Merricks Capital business overview

R E G A L  
P A R T N E R S

## HIGHLIGHTS<sup>1</sup>

2007

Founded

44

Staff

20

Investment team

## FUNDS UNDER MANAGEMENT

A\$2.9bn<sup>1</sup>

Hard-asset lending specialist

Commercial Real Estate

Agriculture

Specialised industrial and infrastructure

## OVERVIEW

- A leading alternative investment manager and hard-asset investment specialist focused on private credit investments across commercial real estate, agriculture, and specialised industrial and infrastructure assets.
- Founded in 2007 by current Executive Chairman and CIO Adrian Redlich, the business services a broad range of wholesale wealth advisory firms, institutional client groups and family offices, managing approximately A\$2.9bn of FUM<sup>1</sup> as at 30 April 2024.
- Transacted over A\$6bn in private credit within Australia and New Zealand, managed over A\$8bn in global investment opportunities, traded in excess of A\$250bn of securities and commodities
- 44 staff including 20 investment staff, headquartered in Melbourne and with an office in Sydney.<sup>1</sup>
- Key Funds<sup>2</sup> comprising:
  - **Merricks Capital Partners Fund:** a multi-strategy private credit fund launched in 2017 with A\$1,281m in FUM, delivered +10.1% p.a. since inception.
  - **Merricks Capital Agriculture Fund:** a dedicated private credit agriculture fund launched in 2021 with A\$470m in FUM, delivered +10.2% p.a. since inception.
  - **FOO Fund (a Cayman Islands Fund):** a private credit fund focused on commercial real estate in Australia and New Zealand launched in 2019 with A\$527m (US\$344m) in FUM; delivered +9.5% p.a. since inception.
  - **Special Purpose Vehicles:** a range of bespoke co-investment or single asset vehicles with A\$524m in FUM.



1. Staff data as at 30 April 2024. Merricks Capital FUM as at 30 April 2024 is rounded and unaudited. FUM for Merricks Capital includes Net Asset Values of Funds across various strategies managed by Merricks Capital and, on single investment opportunities, the committed capital from co-investors.

2. FUM and performance data as at 30 April 2024. Past performance is not a reliable indicator of future performance and should not be relied upon.

# Transaction summary

## OVERVIEW

- RPL has entered into a share sale deed to acquire 100% of Merricks Capital, a leading alternative investment manager focused on private credit investments across commercial real estate, agriculture, and specialised industrial and infrastructure assets.

## VENDORS

- Immediately prior to completion, Merricks Capital will be 50.5% owned by founder Adrian Redlich (or entities controlled by or associated with him) and 49.5% owned by entities controlled by or associated with the Liberman family and the Abeles family (the Vendors).

## CONSIDERATION

- RPL proposes to pay approximately A\$235m for the acquisition of 100% of Merricks Capital's shares:<sup>2</sup>
  - Cash consideration of A\$40m (subject to customary regulatory capital, working capital and net debt adjustments); and
  - Scrip consideration of 63,934,426 Regal Shares issued at a price of A\$3.05 per Regal Share on completion of the Transaction. The Scrip Consideration will be subject to a statement of intention from the Vendors confirming to the Company that they intend to hold their Regal Shares for a period of at least 12 months following completion of the Transaction.
- In connection with the Transaction, Regal will issue 10,942,459 Regal options (Regal Options) to current employees of Merricks Capital in exchange for the cancellation of the options they hold in Merricks Capital at completion. The exercise of the Regal Options is conditional on the satisfaction of specific net profit before tax (NPBT) targets.<sup>3</sup>

## FUNDING

- RPL expects to fund the A\$40m cash consideration from existing cash sources and investments on balance sheet and is seeking RPL shareholder approval today for the issue of the Regal Shares and Regal Options.

## ACCOUNTING

- In the calendar year to 31 December 2023, Merricks Capital earned normalised revenue of A\$59.7m and normalised EBITDA of A\$35.9m.<sup>4</sup>

## FINANCIAL IMPACT

- RPL expects the proposed Transaction to be accretive to earnings per share (EPS) in CY2024, before any synergies.

1. Merricks Capital FUM as at 30 April 2024 is rounded and unaudited. FUM for Merricks Capital includes Net Asset Values of Funds across various strategies managed by Merricks Capital and, on single investment opportunities, the committed capital from co-investors.

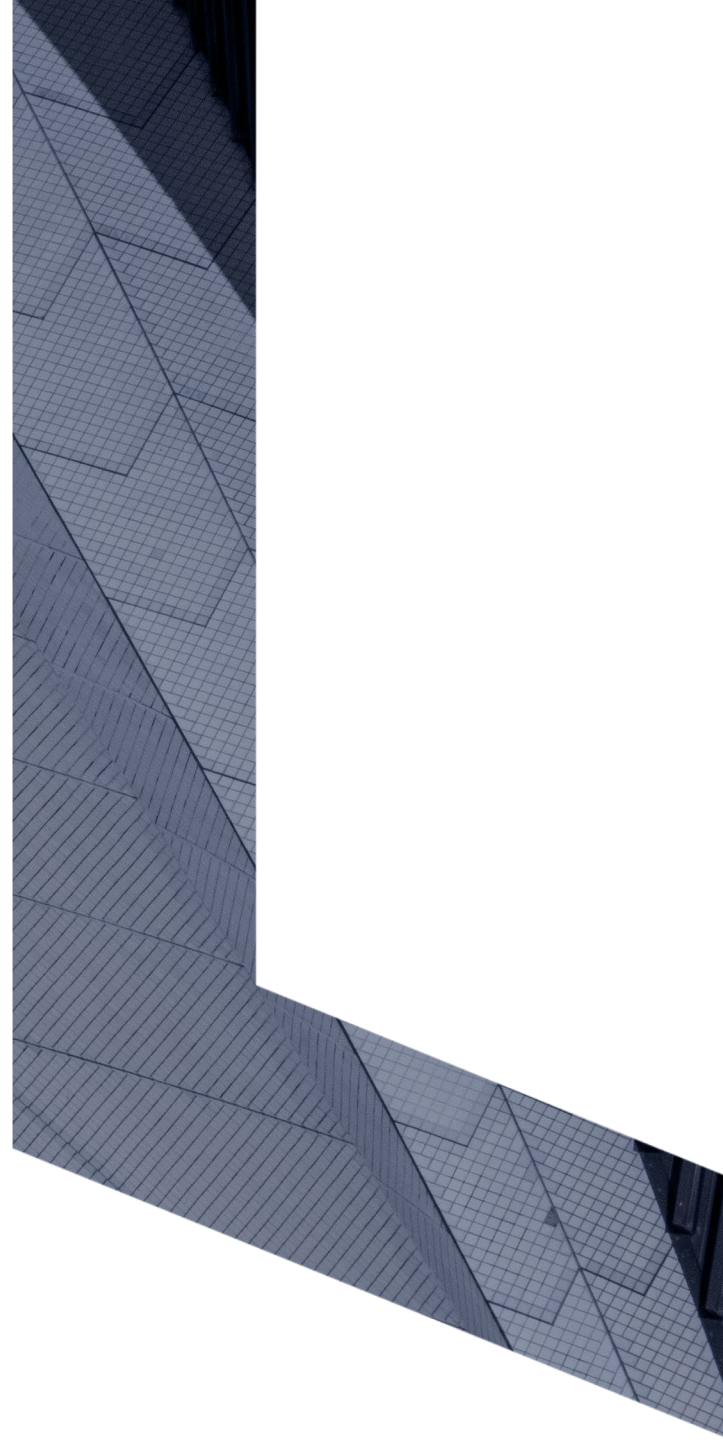
2. The value of the Regal Shares to be issued on completion of the acquisition may rise and fall depending on movements in the Regal Share price between the date of execution of the SSD and the date of issue of the Regal Shares. No adjustment to the number of Regal Shares to be issued will be made for any such movements.

3. For further information on the Regal Options, please refer to Appendix A within an announcement published on the ASX on 3 June 2024 titled "Acquisition of Merricks Capital".

4. Merricks Capital's financial performance is prepared on a normalised basis (consistent with RPL's normalisation of its financial accounts) for the 12 months ended 31 December 2023, and is adjusted for unaudited management adjustments around the after-tax impact of removing certain joint venture and associated entities' arrangements (which are expected to cease on completion) and other expenses that are one-off in nature.

# CEO's Presentation

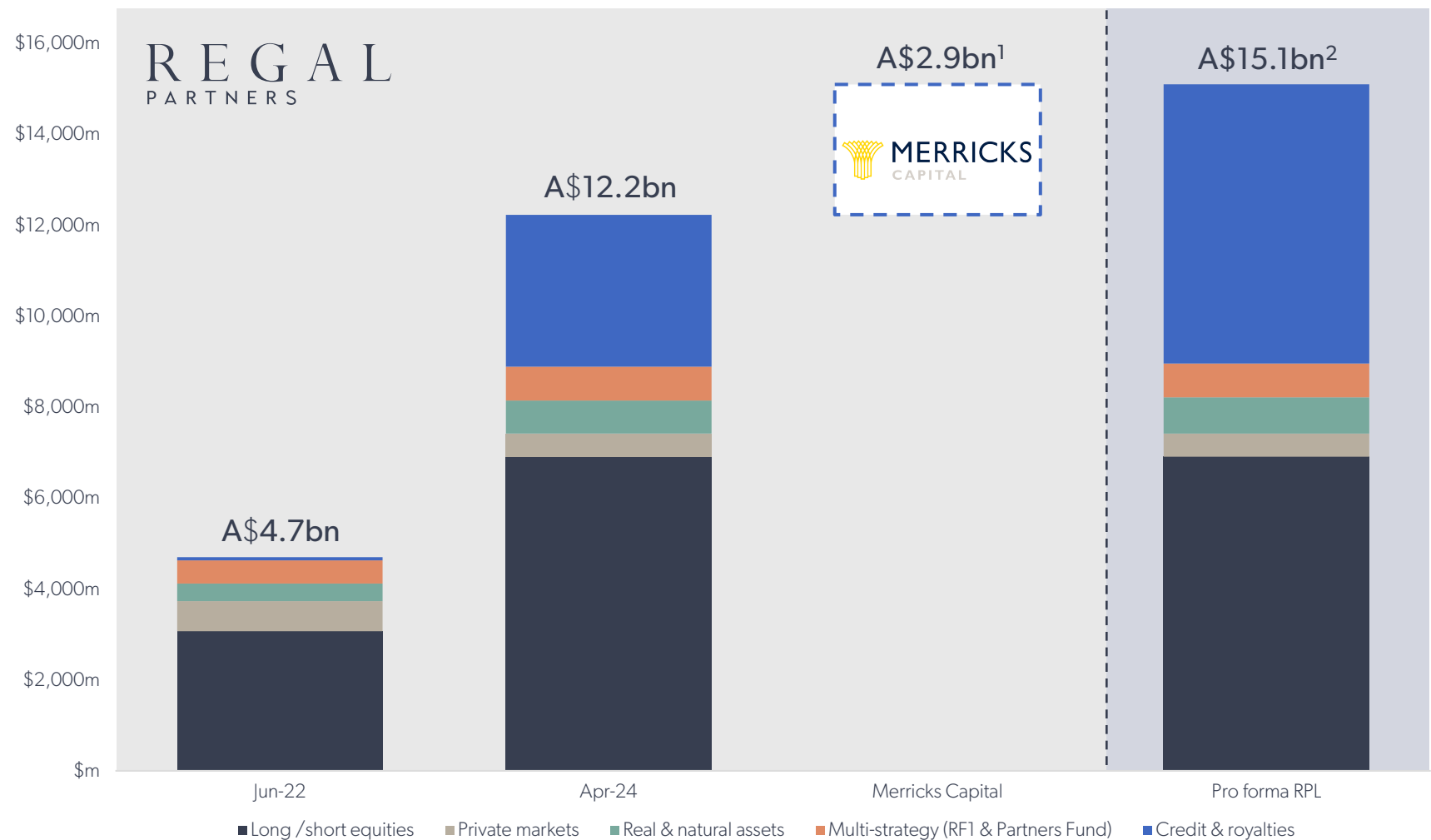
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# Regal Partners’ FUM to increase to A\$15.1bn<sup>1, 2</sup> post-acquisition

REGAL  
PARTNERS



OVERVIEW	MERRICKS
Founded	2007
FUM <sup>1</sup>	A\$2.9bn
Staff <sup>1</sup>	44
Investment Professionals <sup>1</sup>	20
Offices	Melbourne, Sydney
Core Strategies	Private Credit investments across commercial real estate, agriculture, specialised industrial & infrastructure
Asset Classes	Credit & Royalties
Key Clients	Wholesale advisory, institutional & family offices

1. Staff data as at 30 April 2024. Merricks Capital FUM as at 30 April 2024 is rounded and unaudited. FUM for Merricks Capital includes Net Asset Values of Funds across various strategies managed by Merricks Capital and, on single investment opportunities, the committed capital from co-investors.

2. Pro forma FUM is for 30 April 2024 and is approximate, rounded and unaudited. Pro forma FUM for the group (including 100% of Kilter Rural, Attunga Capital and Taurus Funds Management) includes non-fee-earning FUM. FUM for Merricks Capital includes Net Asset Values of Funds across various strategies managed by Merricks Capital and, on single investment opportunities, the committed capital from co-investors.

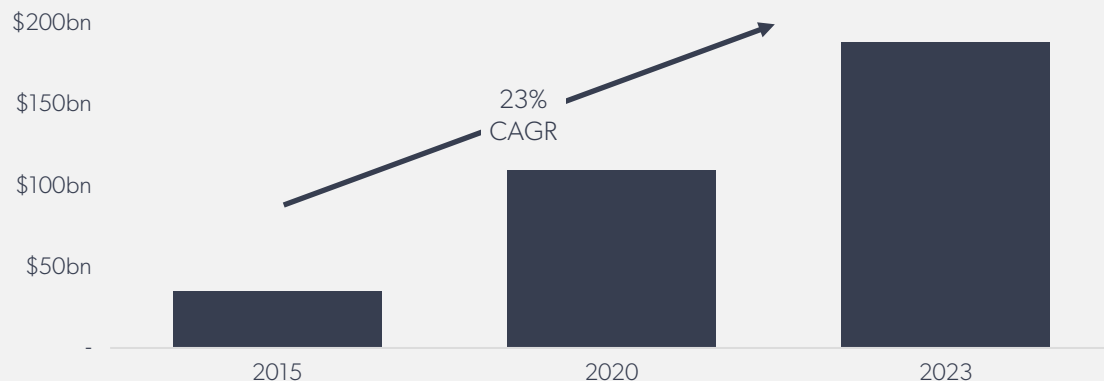
Past performance is not a reliable indicator of future performance and should not be relied upon.

# Acquisition significantly expands Regal's credit platform

## 1 Significant expansion of Regal's scale and capability in private credit

- Regal remains highly positive on the outlook for private credit in Australia, with demand for credit and credit-like solutions anticipated to accelerate as traditional providers of financing continue to withdraw from the market.
- Private credit is an asset class where scale, underwriting expertise and consistent access to attractive deployment opportunities are key contributors to positive returns.
- Regal aims to be a leading provider of innovative and flexible financing solutions in Australia and NZ, with the acquisition of Merricks Capital significantly contributing to this goal.
- Following completion, private credit & capital solutions will represent approximately A\$6 billion (or ~40%) of total group FUM.<sup>1</sup>

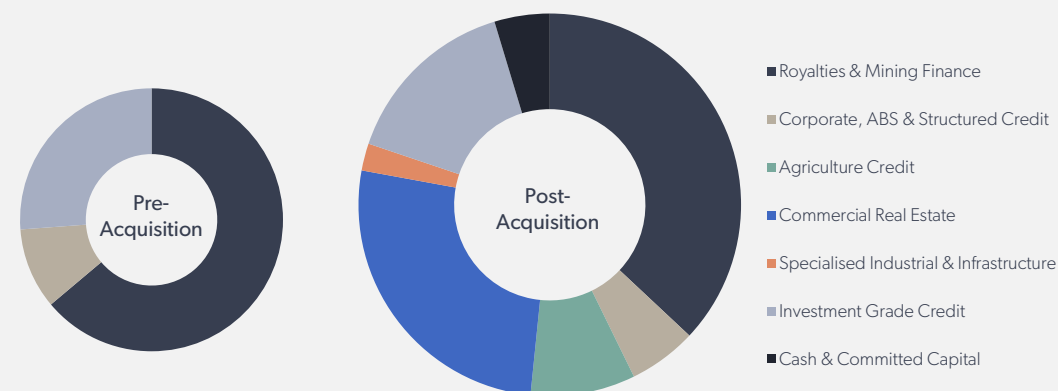
GROWTH IN THE AUSTRALIAN PRIVATE CREDIT MARKET 2015 - 2023<sup>2</sup>



## 2 Highly complementary range of investment strategies

- The addition of specialist lending strategies focused on commercial real estate, agriculture and specialised industrial and infrastructure financing solutions will further expand Regal's existing offering across private credit.
- Highly complementary to Regal's existing strategies and teams operating across mining finance, direct corporate lending and structured credit.
- Merricks Capital's industry networks, expertise and extensive track record providing debt solutions backed by hard assets is expected to provide broader investment opportunities for Regal and its broader group, building on the existing strategies across private credit, listed credit and royalties.

REGAL PARTNERS 'CREDIT & ROYALTIES' FUM BY TYPE<sup>3</sup>



1. Approximately, pro forma RPL FUM (including 100% of Kilter Rural, Attunga Capital and Taurus Funds Management) is rounded, unaudited and includes non-fee-earning FUM. Pro forma FUM includes rounded and unaudited Merricks Capital's FUM.

2. Source: EY Australian Private Debt Market Update (February 2021 and February 2024).

3. Approximate, as at 30 April 2024.

# Deeply experienced team; aligned transaction structure

REGAL  
PARTNERS

## 3 Deeply experienced investment team and capability

- Merricks Capital has established a highly successful track record in managing investor capital across a range of innovative private credit and credit-like structures.
- Team of 44, including 20 investment professionals with deep sector expertise across agriculture, commercial real estate and industrial and infrastructure lending.<sup>1</sup>
- Under CIO Adrian Redlich, the team have executed over A\$6 billion worth of private credit transactions across Australia and New Zealand.
- Adrian Redlich will assume the role of Regal Partners' Chief Investment Officer, Income Strategies, following completion of the Transaction.

## 4 Strong alignment of interests; financially accretive

- The Transaction structure reflects Adrian Redlich's long-term commitment to the Merricks Capital business and Regal Partners, alongside his shared vision of the significant benefits of partnering with Regal Partners.
- Approx. 85%<sup>2</sup> of the consideration offered to Merricks Capital shareholders is in Regal Shares. The Vendors have provided Regal with a statement confirming their intention to hold the Regal Shares issued to them for a period of at least 12 months after completion.
- The Transaction is expected to be accretive to RPL's EPS in CY2024, before any synergies.<sup>3</sup>

### MERRICKS INVESTMENT & ORIGATION TEAM<sup>1</sup>



#### ADRIAN REDLICH

Adrian Redlich is the founder and Chief Investment Officer of Merricks Capital and is responsible for investment strategy and portfolio management across all Merricks Capital products.

Adrian has 30 years of global experience in investment management across the United States, Asia and Australia. Prior to founding Merricks Capital, he worked at Citadel Investment Group and Merrill Lynch.

Adrian holds a Bachelor of Economics and has completed the Quantum Financial Services (Australia), a Diploma of Financial Services and the National Association of Securities Dealers (USA) Series 3.

8 Credit Committee  
Members

9 Credit Origination  
Team

4 Investment Committee  
Members

9 Portfolio Management  
Team

1. Staff data as at 30 April 2024. The investment team size was 20 at 30 April 2024. Certain staff maintain responsibilities across credit committees, investment committees, origination and portfolio management.

2. Based on an issue price of A\$3.05 per Regal Share and assuming no purchase price adjustments.

3. The Transaction is also expected to be accretive to RPL's EPS in CY24, pre any synergies, if measured on a fully diluted basis (which includes all Regal Options that are expected to be issued in connection with the Transaction).



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