

Appendix 4D

Half-Yearly Report

Results for announcement to the market

Eildon Capital Group	
Half-Year ended (‘Reporting Period’)	Previous Half-Year ended (‘Corresponding period’)
31 December 2023	31 December 2022

Results

Income from ordinary activities	Up	1.07%	to	4,493,408
Profit before tax	Down	8.73%	to	1,610,667
Profit after tax attributable to members	Down	23.23%	to	1,454,278
Net profit attributable to members	Down	23.23%	to	1,454,278

The preliminary half-yearly report is based on accounts which have been reviewed.

Dividends (distributions)

	Amount per share/unit	Franked amount per share/unit
December 2023 distribution	3.500 cents	nil
June 2023 distribution	1.600 cents	nil
March 2023 distribution	1.500 cents	nil
December 2022 distribution	1.500 cents	nil
September 2022 distribution	1.400 cents	nil
Information on dividends (distributions): A distribution in respect of the half year ended 31 December 2023 of 3.50 cents per stapled security was paid on 22 January 2024. The Dividend Reinvestment Plan is not in operation in relation of the payment of the dividend.		
Ex-Distribution date for the purpose of receiving the distribution	27 December 2023	
Record date for determining entitlements to the distribution	28 December 2023	
Payment Date	22 January 2024	

Commentary

Brief explanation of any of the figures reported above:

Please refer to the attached commentary for a detailed review.

Net tangible assets

	31 December 2023	31 December 2022
Net tangible assets per ordinary stapled security	\$1.04	\$1.10

Audit qualification or review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.



Half-Year Financial Report

Eildon Capital Group

For the half-year ended 31 December 2023

Consisting of the combined consolidated Financial Reports of
Eildon Capital Limited (ABN 11 059 092 198) and
Eildon Capital Trust (ARSN 635 077 753)

Group Particulars

REGISTERED OFFICE:

Suite 4, Level 6
330 Collins Street
MELBOURNE VIC 3000
Tel: (02) 9087 8000

RESPONSIBLE ENTITY:

Eildon Funds Management Limited
ABN 72 066 092 028
AFSL 229 809
Suite 4, Level 6
330 Collins Street
MELBOURNE VIC 3000

DIRECTORS:

Eildon Capital Limited

Mark A Avery
James R Davies
Michelle E Phillips (Resigned 27 November 2023)
Matthew W Reid
Frederick R Woollard

SECRETARY:

Eildon Capital Limited

Tiffany L McLean
Laurence B Parisi

Eildon Funds Management Limited as Responsible Entity for Eildon Capital Trust

Mark A Avery
James R Davies
Michelle E Phillips (Resigned 27 November 2023)
Matthew W Reid
Frederick R Woollard

Eildon Funds Management Limited as Responsible Entity for Eildon Capital Trust

Tiffany L McLean
Laurence B Parisi

BANKERS:

Westpac Banking Corporation Limited

DOMICILE:

Australia

AUDITORS:

Pitcher Partners Sydney
Level 16
Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

SHARE REGISTRY:

Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney NSW 2000

STOCK EXCHANGE LISTING:

Australian Securities Exchange Limited

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Directors' Report

The Directors of Eildon Capital Limited and Eildon Funds Management Limited as Responsible Entity for Eildon Capital Trust (collectively referred to as the Directors) present their report together with the consolidated condensed financial statements for the half-year ended 31 December 2023 for both:

- Eildon Capital Group ("EDC") consisting of Eildon Capital Limited (the "Company") and its controlled entities and Eildon Capital Trust (the "Trust") and its controlled entities; and
- the Trust and its controlled entities ("ECT").

Directors

The Directors in office throughout the period and to the date of this report are:

Eildon Capital Limited

Mark A Avery
James R Davies
Michelle E Phillips (Resigned 27 November 2023)
Matthew W Reid
Frederick R Woollard

Eildon Funds Management Limited as Responsible Entity for Eildon Capital Trust

Mark A Avery
James R Davies
Michelle E Phillips (Resigned 27 November 2023)
Matthew W Reid
Frederick R Woollard

Principal activities

EDC is an ASX listed specialist real estate investor and funds management business. Eildon's investment activities cover both credit and equity in real estate. Eildon co-invests alongside its investor client utilising its balance sheet capability demonstrating strong alignment of interest.

Review and results of operations

EDC recorded an after-tax profit of \$1,635,733 (2022: \$2,008,131). The profit for the half year is calculated as follows:

	Dec 2023 \$	Dec 2022 \$
Net profit after income tax attributable to:		
- Eildon Capital Limited	(177,732)	115,356
- Eildon Capital Trust	1,632,010	1,779,040
	<hr/>	<hr/>
Net profit to securityholders	1,454,278	1,894,396
Non-controlling interest	181,455	113,735
	<hr/>	<hr/>
Net profit after income tax	1,635,733	2,008,131
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Directors' Report

Distributions

Distributions proposed or paid during the half year are:

	Cents Per Unit	Total \$	Date of Payment
2024 Interim distribution on ordinary units	3.500	1,656,387	22-Jan-24
2023 June quarter distribution on ordinary units	1.600	782,674	21-Jul-23
2023 March quarter distribution on ordinary units	1.500	708,610	21-Apr-23
2022 December quarter distribution on ordinary units	1.500	708,610	24-Jan-23
2022 September quarter distribution on ordinary units	1.400	661,368	21-Oct-22

Events subsequent to balance date

A distribution of 3.5 cents per stapled security amounting to \$1,656,387 was declared on 20 December 2023 and paid on 22 January 2024.

On 06 February 2024, EDC entered into a joint venture to acquire a property located at 90 Handford Lane, Officer for \$62 million (excluding stamp duty and costs). EDC will co-invest 15% of the capital for the transaction over the next 4 years alongside its joint venture partners and will also act as the investment manager of the joint venture through its subsidiary entity.

Other than as set out above, there are no matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of EDC, the results of those operations or the state of affairs of EDC in financial periods subsequent to 31 December 2023.

Security Buy-Back

At the 2023 AGM, held on 21 November 2023, securityholders approved the on-market buyback of 10,000,000 securities, being 20% of the Company's issued share capital as at 31 October 2023, in the 12 month period following that resolution.

From 21 November 2023 to 31 December 2023, 1,591,773 securities were bought back and cancelled for a total consideration of \$1,424,467. No securities were bought back from 01 January to the date of this report.

Rounding of amounts

EDC is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar unless otherwise stated.

Auditors' independence declaration

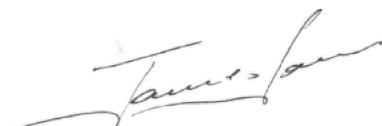
A copy of the independence declaration given to the Directors by the auditor for the review undertaken by Pitcher Partners is included on page 25.

Dated at Melbourne 26 February 2024.

This report is made in accordance with a resolution of the Directors.



Matt Reid
Director



James Davies
Director

Eildon Capital Group

Condensed Consolidated Statement of Profit or Loss For the Half-Year Ended 31 December 2023

		EDC		ECT	
	Notes	Dec-23 \$	Dec-22 \$	Dec-23 \$	Dec-22 \$
INCOME					
Interest income		3,385,788	2,202,122	3,342,937	2,386,001
Fee income		1,014,601	1,803,120	-	-
Distribution income		93,019	308,242	88,840	308,242
Total income		4,493,408	4,313,484	3,431,777	2,694,243
Share of net profit of associate accounted for using the equity method	10	-	132,458	-	-
EXPENSES					
Accountancy		16,037	15,004	-	6,000
Audit fees		31,452	33,045	25,371	25,894
Commission		38,278	15,206	-	-
Employee and director costs		1,447,758	1,718,974	184,510	47,890
Net loss on financial assets at fair value through profit or loss		56,623	105,000	55,373	-
Insurance		104,924	96,639	-	-
Interest expenses		816,829	305,564	810,399	300,882
Legal fees		36,863	36,497	15,528	6,190
Publications and subscriptions		63,931	50,871	-	-
Management and consultancy fees		-	59,281	589,354	430,643
Trustee fees		15,153	13,680	15,153	13,680
Share registry		39,815	45,267	32,039	36,020
Other expenses		215,078	186,276	72,040	48,004
Total expenses		2,882,741	2,681,304	1,799,767	915,203
Profit before income tax		1,610,667	1,764,638	1,632,010	1,779,040
Income tax benefit		25,066	243,493	-	-
Net profit after tax		1,635,733	2,008,131	1,632,010	1,779,040
Net profit/(loss) after tax attributable to:					
Owners of the Company		(177,732)	115,356	-	-
Owners of the Trust		1,632,010	1,779,040	1,632,010	1,779,040
Non-controlling interests		181,455	113,735	-	-
Net profit after tax		1,635,733	2,008,131	1,632,010	1,779,040
Basic earnings/(loss) per company share/ trust unit (cents)		(0.37)	0.24	3.35	3.77
Diluted earnings/(loss) per company share/ trust unit (cents)		(0.37)	0.24	3.35	3.77
Basic earnings per stapled security (cents)		2.98	4.01		
Diluted earnings per stapled security (cents)		2.98	4.01		

The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Eildon Capital Group

Condensed Consolidated Statement of Other Comprehensive Income

For the Half-Year Ended 31 December 2023

	EDC		ECT	
	Dec-23 \$	Dec-22 \$	Dec-23 \$	Dec-22 \$
Profit for the year	1,635,733	2,008,131	1,632,010	1,779,040
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	1,635,733	2,008,131	1,632,010	1,779,040
<i>Total comprehensive income/(loss) attributable to:</i>				
Owners of the Company	(177,732)	115,356	-	-
Owners of the Trust	1,632,010	1,779,040	1,632,010	1,779,040
Non-controlling interests	181,455	113,735	-	-
Total comprehensive income for the year	1,635,733	2,008,131	1,632,010	1,779,040

The above condensed consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes.

Eildon Capital Group

Condensed Consolidated Statement of Financial Position

As at 31 December 2023

		EDC		ECT	
	Notes	Dec-23	Jun-23	Dec-23	Jun-23
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents		12,259,245	6,639,807	6,788,047	2,904,464
Financial assets at amortised cost	7	44,014,986	20,857,955	43,423,345	20,644,767
Financial assets at fair value through profit or loss	8	1,010,000	4,589,593	580,000	4,589,593
Right-of-use assets		73,930	-	-	-
Other assets		209,489	96,462	14,853	-
Current tax assets		-	40,023	-	-
Assets classified as held for sale	10	-	8,536,058	-	-
Total current assets		57,567,650	40,759,898	50,806,245	28,138,824
NON-CURRENT ASSETS					
Financial assets at amortised cost	7	2,800,000	16,502,282	2,800,000	21,391,589
Financial assets at fair value through profit or loss	8	7,432,603	7,085,773	5,619,211	5,272,381
Intangible assets		3,460,077	3,460,077	-	-
Right-of-use assets		-	115,515	-	-
Plant & Equipment		10,346	16,250	-	-
Deferred tax assets		210,613	187,740	-	-
Total non-current assets		13,913,639	27,367,637	8,419,211	26,663,970
TOTAL ASSETS		71,481,289	68,127,535	59,225,456	54,802,794
CURRENT LIABILITIES					
Trade and other payables		2,926,324	2,269,987	2,400,155	1,185,950
Lease liabilities		75,750	84,990	-	-
Provisions		143,409	136,167	-	-
Other liabilities	5	12,136,628	9,639,956	12,136,628	9,639,956
Current tax liabilities		1,421,274	-	-	-
Total current liabilities		16,703,385	12,131,100	14,536,783	10,825,906
NON-CURRENT LIABILITIES					
Lease liabilities		-	32,812	-	-
Provisions		48,188	32,828	-	-
Other liabilities	5	1,865,697	-	1,865,697	-
Deferred tax liabilities		-	1,463,490	-	-
Total non-current liabilities		1,913,885	1,529,130	1,865,697	-
TOTAL LIABILITIES		18,617,270	13,660,230	16,402,480	10,825,906
NET ASSETS		52,864,019	54,467,305	42,822,976	43,976,888
EQUITY					
Contributed equity	4	8,172,248	8,443,890	42,309,599	43,463,511
Retained earnings		1,868,892	2,046,624	513,377	513,377
Equity attributable to shareholders/unitholders		10,041,140	10,490,514	42,822,976	43,976,888
<i>Non-controlling interests</i>					
Trust unitholders		42,822,976	43,976,888	-	-
Other non-controlling interests		(97)	(97)	-	-
		42,822,879	43,976,791		
TOTAL EQUITY		52,864,019	54,467,305	42,822,976	43,976,888

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Eildon Capital Group

Condensed Consolidated Statement of Changes in Equity For the Half-Year Ended 31 December 2023

EDC	Contributed equity \$	Retained earnings \$	Other reserves \$	Owners of the parent \$	Non-controlling interest \$	Total \$
As at 1 July 2023	8,443,890	2,046,624	-	10,490,514	43,976,791	54,467,305
Profit for the period	-	(177,732)	-	(177,732)	1,813,465	1,635,733
Total comprehensive income for the period	-	(177,732)	-	(177,732)	1,813,465	1,635,733
<i>Transactions with stapled security holders:</i>						
Stapled securities buyback	(271,435)	-	-	(271,435)	(1,153,032)	(1,424,467)
Transaction costs on stapled securities buyback	(207)	-	-	(207)	(880)	(1,087)
Distribution provided or paid	-	-	-	-	(1,813,465)	(1,813,465)
As at 31 December 2023	8,172,248	1,868,892	-	10,041,140	42,822,879	52,864,019
 As at 1 July 2022	 8,237,201	 2,921,597	 12,050	 11,170,848	 43,551,127	 54,721,975
Profit for the period	-	115,356	-	115,356	1,892,775	2,008,131
Total comprehensive income for the period	-	115,356	-	115,356	1,892,775	2,008,131
<i>Transactions with stapled security holders:</i>						
Stapled securities issued	8,326	-	-	8,326	27,984	36,310
Share based payment expenses	-	-	9,771	9,771	47,890	57,661
Distribution provided or paid	-	-	-	-	(1,483,713)	(1,483,713)
As at 31 December 2022	8,245,527	3,036,953	21,821	11,304,301	44,036,063	55,340,364

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Eildon Capital Group

Condensed Consolidated Statement of Changes in Equity For the Half-Year Ended 31 December 2023

ECT	Contributed equity \$	Retained earnings \$	Other reserves \$	Total \$
At 1 July 2023	43,463,511	513,377	-	43,976,888
Profit for the period	-	1,632,010	-	1,632,010
Total comprehensive income for the period	-	1,632,010	-	1,632,010
<i>Transactions with unitholders:</i>				
Stapled securities buyback	(1,153,032)	-	-	(1,153,032)
Transaction costs on stapled securities buyback	(880)	-	-	(880)
Distribution provided or paid	-	(1,632,010)	-	(1,632,010)
At 31 December 2023	42,309,599	513,377	-	42,822,976
 At 1 July 2022	 42,798,378	 693,789	 59,057	 43,551,224
Profit for the period	-	1,779,040	-	1,779,040
Total comprehensive income for the period	-	1,779,040	-	1,779,040
<i>Transactions with unitholders:</i>				
Units issued	27,984	-	-	27,984
Distribution provided or paid	-	(1,369,978)	-	(1,369,978)
Share based payment expenses	-	-	47,890	47,890
At 31 December 2022	42,826,362	1,102,851	106,947	44,036,160

The above condensed consolidated statement of changes in equity should be read in conjunction with accompanying notes.

Eildon Capital Group

Condensed Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2023

	Notes	EDC		ECT	
		Dec-23 \$	Dec-22 \$	Dec-23 \$	Dec-22 \$
Cash flows from operating activities					
Cash receipts in the course of operations		1,077,063	2,186,168	8,477	53,894
Cash payments in the course of operations		(2,605,042)	(2,840,668)	(596,496)	(626,944)
Distribution received		116,502	315,172	116,502	315,172
Loans repaid		21,773,874	16,091,433	4,000,000	16,069,576
Loans provided		(31,250,131)	(26,761,171)	(9,476,257)	(26,761,171)
Interest and fee income received		3,762,131	7,978,729	4,608,586	7,985,739
Interest paid		(619,495)	(236,726)	(613,065)	(232,044)
Income tax paid		(2,014)	(44,787)	-	-
Net cash (used in) by operating activities		(7,747,112)	(3,311,850)	(1,952,253)	(3,195,778)
Cash flows from investing activities					
Payments for financial assets at fair value through profit or loss		(1,181,250)	(1,711,813)	(750,000)	(1,606,813)
Proceeds from financial assets at fair value through profit or loss		4,357,390	3,256,500	4,357,390	3,256,500
Proceeds from asset held for sale		8,536,058	109,550	-	-
Payments for plant and equipment		-	(4,998)	-	-
Net cash provided by investing activities		11,712,198	1,649,239	3,607,390	1,649,687
Cash flows from financing activities					
Principal elements of lease payments		(42,052)	(41,467)	-	-
Distributions paid		(1,043,075)	(1,441,736)	(782,675)	(1,369,411)
Proceeds for stapled security/unit issued		-	36,310	-	27,984
Payment for stapled security/unit buyback		(1,424,467)	-	(1,153,032)	-
Payment for stapled security/unit buyback transaction costs		(1,087)	-	(880)	-
Proceeds from other financial liabilities		8,845,033	7,676,640	8,845,033	7,676,640
Payment of other financial liabilities		(4,680,000)	(3,900,000)	(4,680,000)	(3,900,000)
Net cash provided by financing activities		1,654,352	2,329,747	2,228,446	2,435,213
Net increase in cash and cash equivalents		5,619,438	667,136	3,883,583	889,122
Cash and cash equivalents at the beginning of the half-year		6,639,807	8,180,442	2,904,464	5,781,661
Cash and cash equivalents at the end of half-year		12,259,245	8,847,578	6,788,047	6,670,783

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

Eildon Capital Group

Notes to the Financial Statements For the Half-Year Ended 31 December 2023

Note 1: Basis of Preparation

Eildon Capital Group (EDC) was formed by the stapling of Eildon Capital Limited (the “Company”) and its controlled entities, and Eildon Capital Trust (the “Trust”) and its controlled entities.

The financial reports of Eildon Capital Group (“EDC”) and the Trust and its controlled entities (“ECT”) have been presented jointly in accordance with ASIC Corporations (Stapled Group Reports) instrument 2015/838 relating to combining accounts under stapling and for the purpose of fulfilling the requirements of the Australian Securities Exchange. The financial report has been prepared on a historical cost basis, except for the measurement at fair value of selected financial assets.

The half-year financial reports are a condensed financial report, which have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*. Compliance with this standard ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with Australian Accounting Standards and International Financial Reporting Standards. The accounting policies adopted are also consistent with those of the previous financial year and corresponding interim reporting period.

EDC and ECT are for-profit entities for the purpose of preparing the financial report. These accounting policies have been consistently applied by each entity in EDC and are consistent with those of the previous financial report for the year ended 30 June 2023. Amounts in this report have been rounded off in accordance with the Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, to the nearest dollar unless otherwise stated.

Note 2: Subsequent events

A distribution of 3.5 cents per stapled security amounting to \$1,656,387 was declared on 20 December 2023 and paid on 22 January 2024.

On 06 February 2024, EDC entered into a joint venture to acquire a property located at 90 Handford Lane, Officer for \$62 million (excluding stamp duty and costs). EDC will co-invest 15% of the capital for the transaction over the next 4 years alongside its joint venture partners and will also act as the investment manager of the joint venture through its subsidiary entity.

Other than as set out above, there are no matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of EDC and ECT, the results of those operations or the state of affairs of EDC and ECT in financial periods subsequent to 31 December 2023.

Note 3: Segment information

Information for each business segment of EDC and ECT is shown in the following tables. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Eildon Capital Group

Notes to the Financial Statements For the Half-Year Ended 31 December 2023

Note 3: Segment information (cont.)

Description of each business segment is as follows:

- Direct Property Investment involves direct exposure, including ordinary equity, preference equity, options to acquire an interest in direct property subject to planning outcomes;
- Property backed lending comprises loans backed by underlying property assets; and
- Funds Management includes activities that relate to the management of property investments, debt and unlisted funds.

EDC & ECT operate predominantly within the jurisdiction of Australia.

EDC	Direct Property Investment \$	Funds Management \$	Property Backed Lending \$	Elimination s \$	Total \$
31 December 2023					
Revenue					
Segment revenue	35,637	1,014,600	3,206,464	-	4,256,701
Inter-Segment revenue	-	413,130	-	(413,130)	-
	<u>35,637</u>	<u>1,427,730</u>	<u>3,206,464</u>	<u>(413,130)</u>	<u>4,256,701</u>
Corporate interest income					236,707
					<u>4,493,408</u>
Results					
Segment profit	(20,988)	976,324	2,396,065	-	3,351,401
Inter-Segment profit	-	413,130	-	(413,130)	-
	<u>(20,988)</u>	<u>1,389,454</u>	<u>2,396,065</u>	<u>(413,130)</u>	<u>3,351,401</u>
Sub-total					(1,740,734)
Corporate expenses					25,066
Income tax benefit					
					<u>1,635,733</u>
Consolidated profit after tax					
Disaggregation of revenue					
Timing of revenue recognition					
At a point in time	-	5,000	-	-	5,000
Over time	-	1,009,600	-	-	1,009,600
	<u>-</u>	<u>1,014,600</u>	<u>-</u>	<u>-</u>	<u>1,014,600</u>
Revenue from contracts with customers	-	-	-	-	3,242,101
Other revenue	35,637	-	3,206,464	-	
	<u>35,637</u>	<u>1,014,600</u>	<u>3,206,464</u>	<u>-</u>	<u>4,256,701</u>
Segment revenue					

Eildon Capital Group

Notes to the Financial Statements For the Half-Year Ended 31 December 2023

Note 3: Segment information (cont.)

EDC	Direct Property Investment \$	Funds Management \$	Property Backed Lending \$	Eliminations \$	Total \$
31 December 2022					
Revenue					
Segment revenue	45,794	1,803,120	2,420,561		4,269,475
Inter-Segment revenue	-	437,937	-	(437,937)	-
	<u>45,794</u>	<u>2,241,057</u>	<u>2,420,561</u>	<u>(437,937)</u>	<u>4,269,475</u>
Corporate interest income					44,009
					<u>4,313,484</u>
Share of profit of equity accounted associate	132,458	-	-	-	132,458
Results					
Segment profit	73,252	1,787,914	2,112,095	-	3,973,261
Inter-Segment profit	-	437,937	-	(437,937)	-
	<u>73,252</u>	<u>2,225,851</u>	<u>2,112,095</u>	<u>(437,937)</u>	<u>3,973,261</u>
Sub-total					3,973,261
Corporate expenses					(2,208,623)
Income tax benefit					243,493
					<u>2,008,131</u>
Consolidated profit after tax					
Disaggregation of revenue					
Timing of revenue recognition					
At a point in time	-	689,900	-	-	689,900
Over time	-	1,113,220	-	-	1,113,220
	<u>-</u>	<u>1,803,120</u>	<u>-</u>	<u>-</u>	<u>1,803,120</u>
Revenue from contracts with customers					2,466,355
Other revenue	45,794	-	2,420,561	-	
	<u>45,794</u>	<u>1,803,120</u>	<u>2,420,561</u>	<u>-</u>	<u>4,269,475</u>
Segment revenue					

Eildon Capital Group

Notes to the Financial Statements

For the Half-Year Ended 31 December 2023

Note 3: Segment information (Cont.)

EDC	Direct Property Investment \$	Funds Management \$	Property Backed Lending \$	Total \$
31 December 2023				
Assets				
Segment assets	7,432,603	3,460,077	47,184,809	58,077,489
Unallocated amounts:				
Cash and cash equivalents				12,259,245
Other assets				1,144,555
Total assets				71,481,289
Liabilities				
Segment liabilities	-	-	14,002,325	14,002,325
Unallocated amounts:				
Other liabilities				4,614,945
Total liabilities				18,617,270
30 June 2023				
Assets				
Segment assets	15,621,831	3,460,077	41,664,487	60,746,395
Unallocated amounts:				
Cash and cash equivalents				6,639,807
Other assets				741,333
Total assets				68,127,535
Liabilities				
Segment liabilities	-	-	9,639,956	9,639,956
Unallocated amounts:				
Other liabilities				4,020,274
Total liabilities				13,660,230

Eildon Capital Group

Notes to the Financial Statements

For the Half-Year Ended 31 December 2023

Note 3: Segment information (Cont.)

ECT	Direct Property Investment \$	Property Backed Lending \$	Total \$
31 December 2023			
Revenue			
Segment revenue	35,635	3,202,287	3,237,922
Corporate interest income			193,855
			3,431,777
Results			
Segment profit	(19,738)	2,391,888	2,372,150
Corporate expenses			(740,140)
Profit after tax			1,632,010
Disaggregation of revenue			
Other revenues	35,635	3,202,287	3,237,922
Segment revenue	35,635	3,202,287	3,237,922
31 December 2022			
Revenue			
Segment revenue	45,794	2,420,561	2,466,355
Corporate interest income			227,888
			2,694,243
Results			
Segment profit	45,794	2,420,561	2,466,355
Corporate expenses			(687,315)
Profit after tax			1,779,040
Disaggregation of revenue			
Other revenues	45,794	2,420,561	2,466,355
Segment revenue	45,794	2,420,561	2,466,355

Eildon Capital Group

Notes to the Financial Statements For the Half-Year Ended 31 December 2023

Note 3: Segment information (cont.)

ECT	Direct Property Investment \$	Property Backed Lending \$	Total \$
31 December 2023			
Assets			
Segment assets	5,619,211	46,754,809	52,374,020
Unallocated amounts:			
Cash and cash equivalents			6,788,047
Other assets			63,389
Total assets			59,225,456
Liabilities			
Segment liabilities	-	14,002,325	14,002,325
Unallocated amounts:			
Other liabilities			2,400,155
Total liabilities			16,402,480
30 June 2023			
Assets			
Segment assets	5,272,381	41,664,487	46,936,868
Unallocated amounts:			
Cash and cash equivalents			2,904,464
Other assets			4,961,462
Total assets			54,802,794
Liabilities			
Segment liabilities	-	9,639,956	9,639,956
Unallocated amounts:			
Other liabilities			1,185,950
Total liabilities			10,825,906

Eildon Capital Group

Notes to the Financial Statements For the Half-Year Ended 31 December 2023

Note 4: Contributed equity

EDC	31 Dec 2023		31 Dec 2022	
	Number	\$	Number	\$
Fully paid ordinary shares	47,325,344	8,172,245	47,240,617	8,245,527
Reconciliation:				
Balance at the beginning of the half-year	48,917,117	8,443,890	47,202,827	8,237,201
Issue of shares – distribution reinvestment plan	-	-	37,790	8,326
Shares bought back	(1,591,773)	(271,435)	-	-
Transaction costs on share buyback	-	(207)	-	-
Balance at the end of the half-year	47,325,344	8,172,248	47,240,617	8,245,527

ECT	31 Dec 2023		31 Dec 2022	
	Number	\$	Number	\$
Fully paid ordinary shares	47,325,344	42,309,596	47,240,617	42,826,362
Reconciliation:				
Balance at the beginning of the half-year	48,917,117	43,463,511	47,202,827	42,798,378
Issue of units - distribution reinvestment plan	-	-	37,790	27,984
Units bought back	(1,591,773)	(1,153,032)	-	-
Transaction costs on units buyback	-	(880)	-	-
Balance at the end of the half-year	47,325,344	42,309,599	47,240,617	42,826,362

At the 2023 AGM, held on 21 November 2023, securityholders approved the on-market buyback of 10,000,000 securities, being 20% of the Company's issued share capital as at 31 October 2023, in the 12 month period following that resolution.

From 21 November 2023 to 31 December 2023, 1,591,773 securities were bought back and cancelled for a total consideration of \$1,424,467. No securities were bought back from 01 January to the date of this report.

Eildon Capital Group

Notes to the Financial Statements For the Half-Year Ended 31 December 2023

Note 5: Other Liabilities

	EDC		ECT	
	Dec-23 \$	Jun-23 \$	Dec-23 \$	Jun-23 \$
Current	12,136,628	9,639,956	12,136,628	9,639,956
Non-Current	1,865,697	-	1,865,697	-

The above liabilities relate to non-controlling interests in contributory investment trusts that EDC/ECT has assessed that they control and that the units issued in these funds meet the definition of a liability under AASB 132 *Financial Instruments: Presentation* rather than equity.

Note 6: Dividends and distributions

Dividends and distributions proposed or paid in current and previous year are:

	Company dividend paid (cents)	Trust distribution paid (cents)	Total Per Security (cents)	Total \$	Date of Payment	Tax rate for Franking Credit	Percentage Franked
2024							
2024 Interim distribution	-	3.500	3.500	1,656,387	22-Jan-24	0%	0%
	-	3.500	3.500	1,656,387	-	0%	0%
2023							
2022 December quarter distribution	-	1.500	1.500	708,610	24-Jan-23	0%	0%
2022 September quarter distribution	-	1.400	1.400	661,368	21-Oct-22	0%	0%
	-	2.900	2.900	1,369,978	-	-	-

The aggregate amount of distribution recognised as liability during the half year is \$1,632,010, to distribute the year-to-date profit. However, a distribution of 3.5 cents per stapled security amounting to \$1,656,387 was declared on 20 December 2023 and paid on 22 January 2024.

Eildon Capital Group

Notes to the Financial Statements For the Half-Year Ended 31 December 2023

Note 7: Financial Assets at Amortised Cost

	EDC		ECT	
	Dec-23	Jun-23	Dec-23	Jun-23
	\$	\$	\$	\$
Current:				
Trade and other receivables	640,177	285,343	48,536	72,155
Secured loans to other entities	43,374,809	20,572,612	43,374,809	20,572,612
	44,014,986	20,857,955	43,423,345	20,644,767
Non-Current:				
Secured loans to other entities	2,800,000	16,502,282	2,800,000	16,502,282
Secured loan to stapled entity	-	-	-	4,889,307
	2,800,000	16,502,282	2,800,000	21,391,589

Note 8: Fair Value Measurement

Fair value reflects the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When an active market does not exist, fair values are estimated using valuation techniques, based on market conditions prevailing at the measurement date. Such techniques include using recent arm's length market transactions; net asset backing and reference to current market value of another instrument that is substantially the same.

The fair value of liquid assets maturing within three months are approximate to their carrying amounts. This assumption is applied to liquid assets and the short-term portion of all other financial assets and financial liabilities.

Judgements and estimates were made in determining the fair values of certain financial instruments and non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, EDC and ECT have classified its financial instruments and non-financial assets into three levels prescribed under the accounting standards.

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset that are not based on observable market data.

Eildon Capital Group

Notes to the Financial Statements For the Half-Year Ended 31 December 2023

Note 8: Fair Value Measurement (Cont.)

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

	EDC	ECT
	Valuation technique – non market observable inputs (Level 3) \$	Valuation technique – non market observable inputs (Level 3) \$
Year ended 31 December 2023		
Financial assets at fair value through profit or loss		
Current:		
Investments in unlisted entities	<u>1,010,000</u>	<u>580,000</u>
Non-Current:		
Investments in unlisted entities	<u>7,432,603</u>	<u>5,619,211</u>

Year ended 30 June 2023 Financial assets at fair value through profit or loss

Current:		
Investments in unlisted entities	<u>4,589,593</u>	<u>4,589,593</u>
Non-Current:		
Investments in unlisted entities	<u>7,085,773</u>	<u>5,272,381</u>

Reconciliation of Level 3 fair value movements:

	EDC		ECT	
	Dec-23 \$	Dec-22 \$	Dec-23 \$	Dec-22 \$
Balance at the beginning of the period	11,675,366	11,355,739	9,861,974	9,555,109
Purchases	1,181,250	2,686,813	750,000	2,581,813
Sales	(4,357,390)	(975,000)	(4,357,390)	(975,000)
Unrealised fair value movement	(56,623)	(105,000)	(55,373)	-
Other adjustments	-	(2,734)	-	(2,734)
Balance at the end of the period	<u>8,442,603</u>	<u>12,959,818</u>	<u>6,199,211</u>	<u>11,159,188</u>

Eildon Capital Group

Notes to the Financial Statements For the Half-Year Ended 31 December 2023

Note 8: Fair Value Measurement (Cont.)

The fair value of Level 3 assets has been determined as follows:

- a) Current financial assets at fair value through profit or loss – these are investments in Eildon Debt Fund (EDF) products and fair value is determined with reference to valuation techniques, including:
 - Recent arm's length market transactions; and
 - Net asset backing.
 - The investments in EDF generally have a maturity period of 12 months. Market value is based upon an independent valuation carried out at the time of inception of the investment and used till the end of the maturity period.
- b) Non-current financial assets at fair value through profit or loss – as these long term investments relate to shopping centres and childcare centres, fair value is determined based on independent valuations undertaken in line with covenant requirements.

Sensitivity analysis

The table below shows the pre-tax sensitivity to reasonable possible alternative assumptions for Level 3 assets whose fair values are determined in whole or in part using unobservable inputs.

	Net profit/(loss)		Equity increase/(decrease)	
	Dec-23	Dec-22	Dec-23	Dec-22
	\$	\$	\$	\$
Investments in unlisted entities				
EDC				
Favourable changes	844,259	1,295,982	844,259	1,295,982
Unfavourable changes	(844,259)	(1,295,982)	(844,259)	(1,295,982)
ECT				
Favourable changes	619,920	1,115,919	619,920	1,115,919
Unfavourable changes	(619,920)	(1,115,919)	(619,920)	(1,115,919)

Significant unobservable inputs

The following table contains information about the significant unobservable inputs used in Level 3 valuations, and the valuation techniques used to measure fair value. The range of values represent the highest and lowest input used in the valuation techniques. Therefore, the range does not reflect the level of uncertainty regarding a particular input, but rather the different underlying characteristics of the relevant assets.

	Valuation Techniques	Significant Unobservable Inputs	Range of Inputs	
			Minimum	Maximum
Investments in unlisted entities	Net asset backing	Value per security	Down 10%	Up 10%
Investments in unlisted entities	Recent transactions	Value per security	Down 10%	Up 10%

Eildon Capital Group

Notes to the Financial Statements For the Half-Year Ended 31 December 2023

Note 9: Composition of Consolidated Group

The consolidated financial statements include the following controlled entities, the stapled entity, Eildon Capital Trust and its controlled entities. The financial years of all controlled entities, stapled entity and its controlled entities are the same as that of the parent entity.

Companies incorporated in Australia:

	Interest Held by Consolidated Entity		Interest held by non-controlling interests	
	Dec 2023	Jun 2023	Dec 2023	Jun 2023
	%	%	%	%
Eildon Capital Limited				
Direct Controlled Entities:				
Eildon Funds Management Limited (a)	100	100	-	-

(a) Eildon Funds Management Limited is the Responsible Entity of Eildon Capital Trust.

Controlled Entities owned by Eildon Funds Management Limited:

Eildon Investments Services Pty Limited	100	100	-	-
Eildon Asset Management Pty Limited	50	50	50	50
Eildon Asset Management Trust	50	50	50	50
EFM Nominee Services Pty Limited	100	100	-	-

Controlled Entities owned by stapled entity, Eildon Capital Trust:

Eildon Health and Education Fund	100	100	100	100
Eildon Debt Fund (b)				
- Y Class	22	-	78	-
- AC Class	100	100	-	-
- AF Class	27	27	73	73
- AG Class	-	100	-	-
- AH Class	29	29	71	71
- AI Class	100	100	-	-
- AJ Class	-	26	-	74
- AK Class	87	87	-	13
- AM Class	100	-	-	-
- AN Class	100	-	-	-
- AO Class	72	-	28	-
- AP Class	21	-	79	-
- AQ Class	34	-	66	-

(b) Units issued in the fund meet the definition of a liability under AASB 132 *Financial Instruments: Presentation* rather than equity. As such, the units in the funds not eliminated on consolidation are recognised as Other Liabilities in the statement of financial position.

Although the net assets and profit of Eildon Capital Trust and its controlled entities have been identified as non-controlling interest, the shareholders of Eildon Capital Limited are also the unitholders of Eildon Capital Trust by virtue of the stapling arrangement dated 18 March 2020.

Eildon Capital Group

Notes to the Financial Statements For the Half-Year Ended 31 December 2023

Note 10: Asset classified as held for sale

	EDC		ECT	
	Dec-23	Jun-23	Dec-23	Jun-23
	\$	\$	\$	\$
Asset held for sale				
Interest in unlisted corporation	-	8,536,058	-	-

On 05 April 2023, EDC entered into a binding agreement to dispose of its 35% interest in the 79 Logan Trust to the remaining two joint venture partners for an aggregate purchase price of \$8.4 million, before any accounting adjustments.

The investment in 79 Logan Road Trust was previously equity accounted and the share of net profit recognised in HY23 was \$132,458. On 5 April 2023, the investment was reclassified as an asset held for sale and remained classified as such until the sale was finalised in July 2023.

Eildon Capital Group

Directors' Declaration

In the opinion of the Directors of Eildon Capital Limited and Eildon Funds Management Limited as Responsible Entity for Eildon Capital Trust (collectively referred to as "the Directors"):

- a) the financial statements and notes, set out on pages 3 to 22, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and
- b) there are reasonable grounds to believe that Eildon Capital Limited and Eildon Capital Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Dated at Melbourne 26 February 2024.



Matt Reid
Director



James Davies
Director

Pitcher Partners Sydney

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Auditor's Independence Declaration
To the Directors of Eildon Capital Limited and Eildon Capital Trust, together Eildon Capital Group

ABN 11 059 092 198

In relation to the independent auditor's review for the half-year ended 31 December 2023, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code").

This declaration is in respect of Eildon Capital Limited and Eildon Capital Trust, together Eildon Capital Group.



John Gavljak
Partner

Pitcher Partners
Sydney

26 February 2024

Pitcher Partners Sydney

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**Independent Auditor's Review Report
To the Stapled Security holders of Eildon Capital Limited
and Eildon Capital Trust, together Eildon Capital Group****ABN 11 059 092 198****Report on the Half-Year Financial Report****Conclusion**

We have reviewed the half-year financial report of the stapled entity Eildon Capital Group ("EDC" or the "Group"), comprised of Eildon Capital Limited ("the Company") and Eildon Capital Trust ("the Trust") and the entities they controlled, which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory information, and the directors' declaration on behalf of the Group.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- a) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Group would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors are responsible for the preparation of the half-year financial report of the Group that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Independent Auditor's Review Report
To the Stapled Security holders of Eildon Capital Limited
and Eildon Capital Trust, together Eildon Capital Group



ABN 11 059 092 198

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

John Gavljak
Partner

Pitcher Partners
Sydney

26 February 2024