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ASX Limited
 20 Bridge Street
 Sydney NSW 2000

By: e-lodgement

Attention: Company Announcements Office

2024 HALF YEAR RESULTS

Eildon Capital Group (ASX: EDC or **Group**) delivered a net profit after tax (**NPAT**) of \$1.6 million or 3.0 cents per stapled security (**cps**) for the 6 months ended 31 December 2023, driven by underlying investment returns and funds management earnings. This result is below the prior comparative period (**pcp**) result of \$2.0 million, as a result of a reduction in funds management fees.

Financial Results

		HY23	HY22
Net Profit After Tax	\$m	1.6	2.0
EPS	cps	3.0	4.0
Distribution per stapled security	dps	3.5	2.9

The Group generated income of \$4.5 million (2022: \$4.4 million) derived by a combination of interest from credit investments, rental income and management fees from Eildon Funds Management during the period. Distributions totalling 3.5 cps were declared, representing an annualised yield of approximately 7.7% on the closing security price of \$0.91 as at 31 December 2023.

Distributions were paid from Eildon Capital Trust (**ECT**) which represents 81% of the Group's capital base. Net Asset Value (**NAV**) per stapled security was \$1.11 as at 31 December 2023, unchanged from the 30 June 2023 NAV of \$1.11. Net Tangible Assets (**NTA**) per stapled security was \$1.04 as at 31 December 2023, also unchanged from the 30 June 2023 NTA of \$1.04.

Eildon Capital Trust (ECT)

ECT's portfolio totalled \$43 million which included cash reserves of \$6.8 million representing 81% of the Groups net assets or \$0.84 of Net Tangible Assets. ECT'S investments comprised of 15 investments being 11 debt and 4 equity investments, valued at \$38.7 million.

The weighted average loan to value ratio (LVR) on the Eildon Debt Fund co-investments was 69%. The weighted average yield on the credit investments was 14% as at 31 December 2023. Given the relative short duration of the debt investments, there is an opportunity to re-invest the capital into higher yielding floating rate opportunities, given the significant increase in interest rates.

ECT's entire portfolio is located on the eastern seaboard of Australia, and there are no loans in arrears. The largest position is a mezzanine debt investment valued at \$17.8 million which has a maximum loan to value ratio of 73%, yielding 17% return per annum.

Importantly, the Group has no impairments on its investments.

Eildon Capital Limited (ECL)

ECL represents the balance of net assets of \$10.0 million or \$0.21 of NAV of the Group. The NAV is comprised of one direct equity investment, one credit investment and 100% ownership of Eildon Funds Management Limited (**EFM**).

Eildon Funds Management (EFM)

EFM is a specialist real estate fund manager within Australia's Commercial Real Estate market operating across real estate equity and credit sectors creating investment opportunities for sophisticated investors which strives to deliver:

- Enhanced returns; and
- Capital protection.

Eildon co-invests alongside its investor clients utilising its \$53 million (net assets) balance sheet capacity, demonstrating strong alignment of interest.

Group Assets Under Management (AUM) was \$334 million as at 31 December 2023 (30 June 2023: \$352 million) down due to several loans repaying within the Eildon Debt Fund (EDF).

Eildon Funds Management Product Lines

The table below outlines the product lines of the Group and the AUM as at 6 February 2024:

	Real Estate Credit	Direct & Indirect Property	Opportunistic & Development	Funds Management
Description	<ul style="list-style-type: none"> Portfolio of commercial loans secured by registered first and second mortgages via the Eildon Debt Fund (EDF) 	<ul style="list-style-type: none"> Direct property investments Indirect investments in EFM unlisted direct property funds 	<ul style="list-style-type: none"> Agnostic multi sector strategies which include core-plus, value-add, development and repositioning 	<ul style="list-style-type: none"> Utilising third-party capital to enhance Group ROE HNW / Family Office / Institutional capital sources
Balance Sheet Investment	\$27 million	\$5.6 million	\$7.6 million	\$3.5 million
Assets Under Management	\$55.2 million	\$244 million	\$89 million	\$400 million
Funds Under Management	1	5	3	9
Group AUM \$400 million				

1. Direct & Indirect Property

The Group manages \$244 million of direct property across five individual funds. All funds are currently performing in line with strategy. Eildon Asset Management (50% owned by Eildon Funds Management) currently manages three direct property income funds with gross assets of \$142 million.

ECT had \$5.6 million co-invested in direct property funds managed by EFM as at 31 December 2023.

2. Real Estate Credit – Eildon Debt Fund (EDF)

The Group's flagship credit fund, the Eildon Debt Fund continues to perform well with \$55.2 million AUM (June 2023: \$73 million) and a long track record of successful investments. EDF offers wholesale investors deal specific access to commercial real estate lending opportunities secured by registered first and second mortgages. Recent investments delivering investors strong risk-adjusted returns of 10%+ p.a. reflect the sharp increase in the risk-free rate.

ECT had \$27.4 million co-invested in the Eildon Debt Fund as at 31 December 2023.

3. Opportunistic and Development

Eildon Funds Management currently manages \$89 million across two projects in two opportunity funds. Both projects comprise community essential retail projects located in

Caboolture Queensland and Werribee Victoria. EFM earns a development management fee and has the potential to earn performance fees.

On 06 February 2024, EDC entered into a joint venture to acquire a property located at 90 Handford Lane, Officer. 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. The transaction is in line with Eildon's strategy to secure funds management investment opportunities and commit to transactions utilising the Group's balance sheet for co-investment.

Capital Management

A distribution of 3.50 cents per stapled security was paid on 22 January 2024. The Distribution/Dividend Reinvestment Plan is not active.

Group key focus and outlook

Eildon Capital Group is an established ASX-listed real estate investment and funds management business which covers both credit and equity. The Group strives to provide an income yield through its balance sheet investments within Eildon Capital Trust while also generating fees from its funds management platform within Eildon Capital Limited .

Global real estate markets continue to remain volatile due to interest rates, inflation and credit availability which will continue to impact real estate valuation and transaction volumes.

The Group will continue to focus on short duration debt investments via the Eildon Debt Fund and look for attractive investment opportunities that may present given the market outlook.

The Group's business model, strong balance sheet and cash reserves provides the ability to capitalise on growth initiatives and new strategies within the Australian Real Estate market across credit and equity, consistent with the recently announced Officer South Joint Venture.

This announcement has been authorised by the Board for release.

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About Eildon Capital Group

Eildon Capital Group (**Eildon**) is an ASX-listed real estate investment and funds management business. Eildon's investment activities cover both credit and equity in real estate.

The Group creates investment opportunities for sophisticated investors which strive to deliver:

- Enhanced returns; and
- Capital protection.

Eildon co-invests alongside its investor clients utilising its \$53 million (NTA) balance sheet capacity, demonstrating strong alignment of interest.