

ASX RELEASE

2 July 2024

HMC REACHES FINANCIAL CLOSE ON PAYTON ACQUISITION

HMC Capital Limited (**ASX: HMC**) is pleased to announce the 100% acquisition of Commercial Real Estate (CRE) Private Credit fund manager, Payton Capital Limited (**Payton**), has now reached financial close.

- Payton is a highly scalable business with \$1.5bn¹ of CRE loans and is well positioned to organically grow beyond \$2-3bn over the medium-term.
- HMC is on-track to fully integrate the Payton platform over the coming weeks.

As announced in May 2024, Payton represents the first major step in establishing a \$5bn+ diversified Private Credit asset management platform over the medium-term under the leadership of Matt Lancaster as Chair of HMC's Private Credit platform.

- Payton has recently received up to an aggregate of \$500m credit approved financing terms from UBS AG, Australia Branch and Goldman Sachs for new fund financing facilities.
- These facilities will accelerate Payton's AUM growth potential and enable Payton to target larger loan opportunities.

Establishing broad based private credit platform with expansion into corporate credit

HMC is now expanding its focus and capability into new areas of Private Credit.

- HMC is in the process of recruiting a high calibre investment team focused on corporate lending opportunities which will complement Matt Lancaster's deep investment track record.
- HMC is also having active discussions with banks in relation to establishing a warehouse facility for its corporate private credit investment strategies.

HMC Capital Chair of Private Credit, Matt Lancaster, said: *"We are focused on building Australia's leading private credit platform with a broad-based focus and capability. The private credit market in Australia is still at a very nascent stage of development with significant parallels to what I experienced in the United States over a decade ago. The Payton acquisition provides a strong growth platform in real estate credit and we are now focused on expanding our capability to take advantage of the significant opportunity in corporate credit."*

¹ As at 30 April 2024.

Focus Areas		Investment Opportunity
CRE	Development finance	Full development lifecycle financing (acquisition, construction, residual stock)
	Asset finance	Customised unitranche and mezzanine finance solutions for transitional and stabilised assets
Corporate	Corporate finance	Stretch senior and unitranche acquisition/growth funding backed by cashflows of quality corporates in non-cyclical sectors such as healthcare, software and business services
	Private warehouse finance	Private warehouses (unitranche and/or mezzanine) for growing consumer and commercial financial platforms where commercial banks are unable to provide a complete solution
	Alternative asset-based finance	Asset based finance secured by collateral pools which are too complex for banks, such as NAV loans for alternative asset funds
	Structured growth funding	Customised financing for high growth enterprises including debt/equity hybrid funding structures

This announcement is approved for release by the HMC Capital Board.

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About HMC Capital

HMC Capital is a leading ASX-listed diversified alternative asset manager specialising in high conviction and scalable real asset strategies on behalf of individuals, large institutions, and super funds.

HMC manages over \$12.5bn of AUM across real estate, private equity, energy transition, private credit and digital infrastructure. We have a highly experienced and aligned team with deep investment and operational expertise. Our point of difference is our ability to execute large, complex transactions. This has underpinned our rapid growth in funds under management since listing in October 2019 and track record of generating outsized returns.