

# ASX Announcement

22 August 2024

## MA Financial to launch A\$1 billion Real Estate Credit Vehicle with Warburg Pincus

### Transaction highlights

- MA Financial announces the establishment of a Real Estate Credit Vehicle (**Vehicle**) to provide institutional investors unique access to Australia's real estate credit market.
- The Real Estate Credit Vehicle has an initial target of A\$1 billion in note commitments and will aim to assist in closing the current funding gap in the Australian residential real estate market.
- MA Financial will market debt investments in the Vehicle to institutional investors. As part of this, Warburg Pincus, a leading global growth investor, will facilitate offers to certain Warburg Pincus funds which have indicated their intention to invest in notes issued by the Vehicle.
- Warburg Pincus will be entitled to options of up to 5 million MA Financial shares at a strike price of A\$6.00 upon meeting certain milestones relating to commitment and deployment of capital.

MA Financial Group Limited (**MA Financial**) (ASX: MAF) has today announced the establishment of a A\$1 billion Australia Real Estate Credit Vehicle for institutional investors. MA Financial will manage the Vehicle and co-invest via equity and notes in the Vehicle in an amount representative of 2% of total capital, up to A\$20 million. The Vehicle will provide global institutional investors with unique access to Australia's real estate credit market, funding high-quality developers and residential real estate projects.

Institutional investors will be offered to participate in the Vehicle via a note issuance, with the first date on which notes are issued in the Vehicle (**First Close**) anticipated to occur by 31 December 2024 with an initial target for First Close of at least A\$700 million in commitments (inclusive of MA Financial's co-investment). Warburg Pincus will facilitate the offer of notes in the Vehicle to several existing Warburg Pincus funds as well as select investors in their network. A number of Warburg Pincus funds have indicated an intention to invest in the Real Estate Credit Vehicle note issuance.

Warburg Pincus has over 58 years of strong investing experience globally and is now one of Asia's largest real estate investors. Leveraging its global network of relationships and nearly 20 years of experience in Asia real estate, Warburg Pincus is well-positioned to facilitate the distribution of the notes to potential investors. As part of the facilitation agreement, Warburg Pincus will have a right to be granted options to acquire up to 2.5 million shares in MA Financial upon the Vehicle achieving targets of approximately A\$500 million and further options to acquire another 2.5 million shares upon achieving targets of approximately A\$1 billion, with a strike price of A\$6.00. The options can only be exercised after a minimum of 2 years following First Close and before the winding up of the Vehicle.

MA Financial's Joint Chief Executive Officer, Julian Biggins, said:

"We are delighted to work with one of the most successful global real estate managers. This initiative is a testament to MA Financial's significant real estate investment and debt structuring capability across our entire platform. The Australian residential market is a very attractive investment market, and this Vehicle will help meet the demand for sophisticated borrowers as Australia addresses a nationwide housing shortage."

MA Financial Managing Director and Head of Global Partnerships, Anthony Habis said:

"The nature of this initiative provides institutional investors with the combined expertise and track record of MA Financial and Warburg Pincus. Warburg Pincus' track record of partnering with management teams to build out strategies is an exciting development for MA".

Co-Head of Asia Real Estate, Warburg Pincus, Takashi Murata, remarked:

"We are pleased to support MA Financial in establishing the Vehicle, which will provide a unique opportunity for institutional investors to gain access to Australia's burgeoning real estate private credit market. MA Financial has a highly experienced team and a strong track record investing in Australian real estate credit and we believe the Vehicle is well positioned to close the funding gap in the acutely undersupplied Australian residential market."

#### Key terms and conditions of options issuance

- Size: issue of options to acquire up to 5 million ordinary shares in MA Financial
- Strike price: the options have an exercise price of A\$6.00;
- Conditions: the options are to be granted in two tranches:
  - Tranche 1 - 2.5 million options to be granted upon the Vehicle having received subscription commitments and committing to deploy approximately A\$500 million in commitments (inclusive of costs and expenses);
  - Tranche 2 - a further 2.5 million options to be granted upon the Vehicle having received subscription commitments and committing to deploy an additional approximately A\$500 million (inclusive of costs and expenses) of Vehicle commitments, taking total commitments in the Vehicle to A\$1 billion
- Exercise period: commencing on the date that is two years after First Close and ends on the earlier of (i) when the Vehicle has repaid investors' commitments and (ii) the term of the notes. MA Financial has the right to defer exercise during blackout periods to allow time to cleanse the market. In those circumstances, the value which MA Financial is required to settle will be determined based on the VWAP at the time WP gives the notice of intention to exercise and will be satisfied by the issue of such number of shares as is equal to that value based on the VWAP following the cleansing of the market.
- Settlement: the options can be settled through the issue of MA Financial shares and/or cash, at the election of MA Financial. WP can elect cashless exercise of options, in which case the total number of shares issued will be reduced to offset the amount of the exercise price, based on the VWAP at that time.
- Adjustments: the options are subject to certain adjustments consistent with the ASX Listing Rules

See Appendix 3B for further detail.

**Authorised for release by a Sub-Committee of the Board of MA Financial Group Limited.**

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**About MA Financial Group**

MA Financial Group is a global alternative asset manager specialising in private credit, real estate and hospitality. We lend to property, corporate and specialty finance sectors and provide corporate advice.

MA Financial, originally launched as Moelis & Company in Australia in 2009, listed on the ASX in 2017, before rebranding to MA Financial in 2021. We invest and manage A\$9.7 billion on behalf of our clients, are responsible for over AU\$121 billion in managed loans and have advised on more than A\$120 billion in advisory and equity capital market transactions.

We have over 700 professionals across locations in Australia, New Zealand, China, Hong Kong, Singapore and the United States.

For more information, please visit <https://mafinancial.com/>

**About Warburg Pincus**

Warburg Pincus LLC is a leading global growth investor. The firm has more than \$83 billion in assets under management. The firm's active portfolio of more than 225 companies is highly diversified by stage, sector, and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Since its founding in 1966, Warburg Pincus has invested more than \$117 billion in over 1,000 companies globally across its private equity, real estate, and capital solutions strategies. The firm is headquartered in New York with offices in Amsterdam, Beijing, Berlin, Hong Kong, Houston, London, Luxembourg, Mumbai, Mauritius, San Francisco, São Paulo, Shanghai, and Singapore.

Warburg Pincus has been investing in Asia real estate companies and platforms for nearly 20 years. It is one of the largest and most active investors in Asia real estate, with over US\$8.5 billion invested in over 50 real estate ventures, including some leading regional platforms that Warburg Pincus co-founded alongside best-in-class entrepreneurs such as ESR, StorHub, Princeton Digital Group, amongst others.

For more information, please visit <https://warburgpincus.com/>