



Equity Capital Raising Presentation

Hancock & Gore Ltd (ASX: HNG)

November 2023

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- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

PERFORMANCE HIGHLIGHTS FOR THE FULL-YEAR ENDED
30 September 2023

\$8.2m

NET PROFIT
AFTER TAX

26.7%

TOTAL
SHAREHOLDER
RETURN

31%

FUM GROWTH
(ON FY22)

\$68.5m

NTA
VALUE

18%

OF NTA IN CASH
& LISTED
SECURITIES

1.5c

FULLY FRANKED
DIVIDEND DECLARED

FY23 HIGHLIGHTS

- **FY23 \$8.2m NPAT up 46%** driven by Mountcastle's continued growth & strong dividend, interest and funds management income
- Acquisition of additional 40.3% interest in Mountcastle⁽¹⁾ and binding agreement to **move to 100% ownership** including scrip rollover of key executives⁽²⁾
- **Steven Doyle** (ex-Super Retail Group/Lovisa) **appointed Mountcastle Executive Chairman** and appointed to H&G Board
- Continued simplification of H&G balance sheet, with **realisation of non-core assets and reinvestment into high return on investment** assets
- **Continued growth of Disruptive Packaging** including accretive acquisitions and growth capital raise at 55% premium to H&G investment cost⁽¹⁾
- **1.0 cent per share final FY23 dividend declared** (1.5 cps total FY23 dividend)
- **Funds Management FUM growth of 31%** assisted by H&G High Conviction Limited (ASX:HCF) investment outperformance generating 10.7% after fees



(1) Completion post year-end

(2) Binding agreement reached post year-end

H&G STRATEGY & KEY INVESTMENT PILLARS

Hancock & Gore exists to deliver superior investment returns for shareholders in excess of 15% p.a. through different investment offerings



Operating Businesses

- Medium to long term high conviction strategic investments focused on building strong businesses, with H&G providing key value-added services including operational expertise, M&A and long- term value realisation strategies
- Target 20%+ IRR
- Capital Employed: \$30m+
- Assets: Mountcastle



Strategic Capital

- Active private and listed strategic investments, where H&G adds value by working collaboratively with management to restructure, drive growth and add required operating expertise.
- Target 12%+ IRR
- Capital Employed: \$30m+
- Key Assets:
 - Disruptive Packaging
 - Rino Recycling
 - Strategic ASX (Anagenics and FOS Capital)



Funds Management

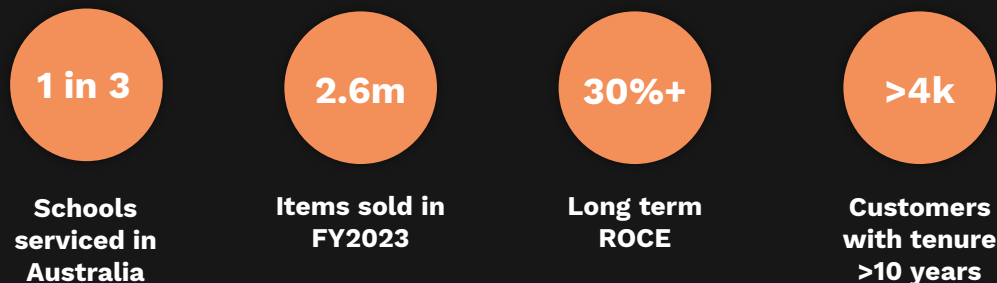
- Leveraging investment team in a scalable product, delivering management, performance and advisory fees.
- Target 15%+ IRR
- Capital Employed ~\$1m
- H&G Investment Mgt strategies:
 - High Conviction Fund
 - Dynamic Credit Fund
 - Vail Lane Trust
 - DP Trust

OPERATING BUSINESS PILLAR – MOUNTCASTLE

FY23 Mountcastle (MTC) Achievements

- Delivered \$53m revenue and \$10m EBITDA
- Increased H&G's holding in Mountcastle to 89%⁽¹⁾ and binding agreement reached to increase holding to 100%⁽²⁾
- Completed two accretive acquisitions – Argyle Schoolwear and Moorebank Uniform & Embroidery
- Enhancement of Mountcastle board with Steven Doyle (ex Lovisa, Super Retail) appointed as Chairman
- MTC in due diligence on multiple acquisition opportunities
- Significant investment in e-commerce capability

MTC Key Metrics



H&G's Active Role in Building a Scalable Platform

- Repositioned through strategic board direction
- Refresh of senior leadership team
- Acceleration of M&A strategy
- Extraction of Hyde Road property
- Assisted with several operational improvements

Longstanding Partnership with H&G – Mountcastle EBITDA (\$m)⁽³⁾



(1) Completion post year-end

(2) Binding agreement reached post year-end

(3) Includes the proforma 2023 impact of Argyle Schoolwear and MUE acquisitions completed on 31 August 2023

MOVE TO 100% OWNERSHIP OF MOUNTCASTLE

About the Deal

- Binding agreement to buyout minorities to reach 100% ownership⁽¹⁾
- Continued alignment with Steve Doyle and Brad Aurisch swapping Mountcastle shareholding for HNG scrip at \$0.35/share
- Steve Doyle and Brad Aurisch to continue as Chairman and CEO of Mountcastle, respectively
- Full details in announcement of 16 November 2023

Highly Experienced & Aligned Leadership Team



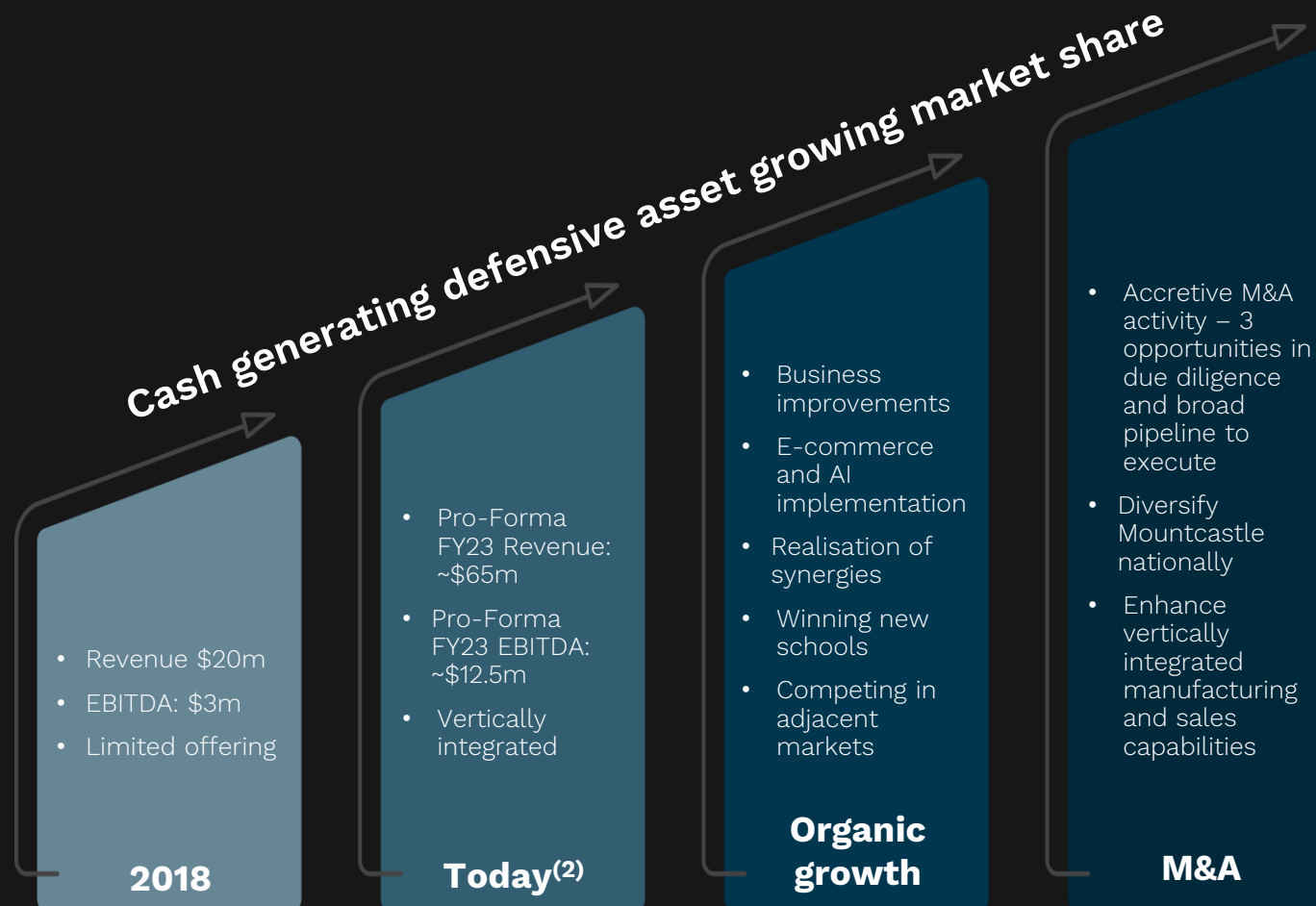
Steve Doyle – Chairman

- Appointed Chairman in March 2023
- More than 30 years in the retail sector including senior executive roles at Super Retail Group and Lovisa



Brad Aurisch – CEO

- Appointed CEO following the acquisition of LW Reid in 2019
- Relative of LW Reid founder with over 20 years' management experience



(1) Binding agreement reached post year-end
(2) Includes the impact of Argyle Schoolwear and MUE acquisitions completed on 31 August 2023

FY23 INCOME STATEMENT & BALANCE SHEET

(\$m)	FY23	FY22	Movement
Revenue from continuing operations	\$6.9m	\$4.4m	\$2.4m
Fair Value Gains/(Losses)	\$5.8m	\$5.9m	(\$0.0m)
Other income	\$0m	\$0m	\$0m
Costs	\$4.6m	\$4.6m	\$0.0m
Operating Profit	\$8.2m	\$5.7m	\$2.5m
Tax	\$0m	\$0.1m	\$0.1m
NPAT	\$8.2m	\$5.6m	\$2.6m

(\$m)	Sep 23	Sep 22	Movement
Cash	\$5.6m	\$13.5m	(\$7.9m)
Listed Investments	\$11.9m	\$11.2m	\$0.7m
Unlisted Investments	\$41.9m	\$32.7m	\$9.2m
Fixed Income	\$8.6m	\$5.2m	\$3.4m
Intangibles	\$0.7m	\$0.7m	\$0m
Other Assets & Liabilities Net	\$0.6m	\$0.8m	(\$0.2m)
Net Assets	\$69.2m	\$64.1m	\$5.2m
Intangibles	(\$0.7m)	(\$0.7m)	\$0m
Net Tangible Assets	\$68.5m	\$63.4m	\$5.2m



Capital Raise Details



CAPITAL RAISE DETAILS OVERVIEW

Capital Raise Structure & Size

- ~30.7 million new shares to raise approximately A\$11.0million, utilising H&G's existing Placement capacity pursuant to Listing Rule 7.1
- New shares will rank equally with existing fully paid ordinary shares in H&G

Pricing

- Capital raise price of A\$0.36 per new share, which represents a:
 - 12.2% discount to last closing price of A\$0.41 per share on 24 November 2023, and
 - 12.5% discount to the 5-day VWAP up to and including 24 November 2023
- Settlement date of the Placement shares will be Monday 11th December post the H&G Final Dividend Record date of Friday 8th December 2023. Placement shares are not entitled to the fully franked 1.0 cents per share final H&G dividend.

Use of Proceeds

- Net proceeds from the capital raise will be used in the following areas:
 - Inorganic growth opportunities of H&G's 100% owned Mountcastle operating asset
 - Other strategic private and listed investment opportunities
- Refer to following page for detailed Uses of Proceeds

Syndicate

- Morgans Corporate Limited and Blue Ocean Equities Pty Ltd were Joint Lead Managers

INTENDED USE OF FUNDS

Growth capital for Mountcastle acquisitions and other strategic investment opportunities.

	CAPITAL RAISED	USES
Total	~\$11.05 million	
Costs of Offer	~\$0.55 million	
Operating Assets – Mountcastle	\$10.5 million	Growth capital for: <ul style="list-style-type: none">• Mountcastle acquisition opportunities in due diligence that are expected to be highly accretive and add scale and increase market share• Other Strategic Capital investments
Strategic Capital investments		

INDICATIVE TIMETABLE*

KEY EVENT:	DATE:
Trading halt	Monday 27 th November 2023
Trading halt lifted and announcement of completion of Capital Raising	Wednesday 29 th November 2023
Settlement of Placement	Monday 11 th December 2023
Allotment of Placement	Tuesday 12 th December 2023

*Timetable is subject to change. H&G reserves the right to alter the above dates at its discretion and without notice, subject to the ASX Listing Rules and Corporations Act.

PRO FORMA CAPITAL STRUCTURE

PRO-FORMA CASH & CAPITAL STRUCTURE

Cash	CASH (A\$ Million)
Cash (September 30th, 2023)	\$5.6
Gross Proceeds from Placement	\$11.0
Pro-forma Cash balance (September 30th, 2023)	\$16.6

Capital Structure	SHARES ON ISSUE
HNG Shares on issue (September 30th, 2023)	240,862,325
New HNG shares issued under Placement	30,680,287*
Total HNG shares on issue post Placement	271,542,612

**Includes H&G Executive Chairman Sandy Beard participating shares of 277,778 that are subject to shareholder approval expected to be sought at the company's AGM in early 2024.*

OTHER SECURITIES ON ISSUE

6,500,000	Options exercisable at \$0.15 expiring 24 th February 2024
13,500,000	Performance Rights

SUBSTANTIAL HOLDERS

Sery Group	13.09%
Sandy Beard	10.95%
Constable Group	10.20%
Perennial Value	7.50%
James Baldwin	6.36%
Top 20 holders	Own ~67% of HNG shares on issue

HANCOCK
& GORE

MR. SANDY BEARD
EXECUTIVE CHAIRMAN

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