



COMPANY UPDATE, MAIDEN DIVIDEND DECLARATION, AGM DATE

The Board of East 72 Holdings Limited (**E72, the Company**) wishes to advise that recent more favourable market conditions for E72's approach to equity investing allied to beneficial corporate activity has assisted in providing outsized returns over the past three months from 31 August 2020 to 30 November 2020 (**Period**).

E72's gross portfolio return (before expenses) over the Period was 41.2%. Respective gross monthly performances in September, October and November 2020 of 10.7%, 11.8% and 14.0% were obtained in varying conditions for market indices - generally declines in the first two months and a sharp rise in November from vaccine hopes.

Selected major contributors to the return were, in order of share price rise over the Period:

- Xplore Wealth (+131% over the Period) upon a takeover offer by HUB 24 of (effectively) 20c per share against our cash entry price of just above 5c;
- A2B Australia (+59%) based on increasing recognition of its payments business plus "reopening" initiatives;
- Prime Media (+54%) with a strong cash flow outcome in the first months of FY21; and
- Treasure ASA (+33%) with hopes of realignment in the Hyundai conglomerate.

E72 made some judiciously timed purchases of shopping centre REITs which rose sharply in November, together with high quality European shares, notably Exor. In addition, movement of our index hedges over the Period was generally beneficial.

At end November 2020, pre-tax NTA has increased 18.7% in FY21; E72 has reduced net exposure to 52%, comprised of 163% long and 111% short. We are finding far more individual stock short possibilities as euphoria in equity markets leads to shoddy accounting/auditing plus excessive and erroneous excitement over business models rather than the price paid for the business.

Maiden Dividend/AGM date

In line with past comments, E72 is now in a position to commence the return of franking credits to shareholders; the current balance of franking credits of \$404,000 (2c/share) will allow 4.7c of fully franked dividends to be paid if profits allow. Given performance in the Period, the Directors have declared a fully franked interim dividend of 1.0c per share to be paid on Monday 11th January 2021.

E72's interim dividend will be paid **ONLY** by direct credit; shareholders are strongly encouraged to provide banking details to Boardroom Limited, the Company's registrar. The dividend will be reinvestible via Dividend Reinvestment Plan at a price to be determined after 31 December 2020.

E72's AGM, which for FY20 will be held **virtually only**, will be at 10am on Thursday 14th January 2021. The Notice of Meeting will be circulated shortly with details of how to attend.

For further information:

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