

East 72 Holdings Limited

2021 AGM Update



Andrew Brown
Executive Director



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Risks

E72 uses significant levels of financial and synthetic derivative debt within its operations. As a consequence, an investment in E72 involves significantly higher levels of risk than a conventional equity investment company. Readers are referred to the Company’s web-site: www.east72.com.au/about-us for a more fulsome description of the risks inherent within E72.

PERFORMANCE & DIVIDEND UPDATE: 2021 (PRE –EXPENSES & TAX)

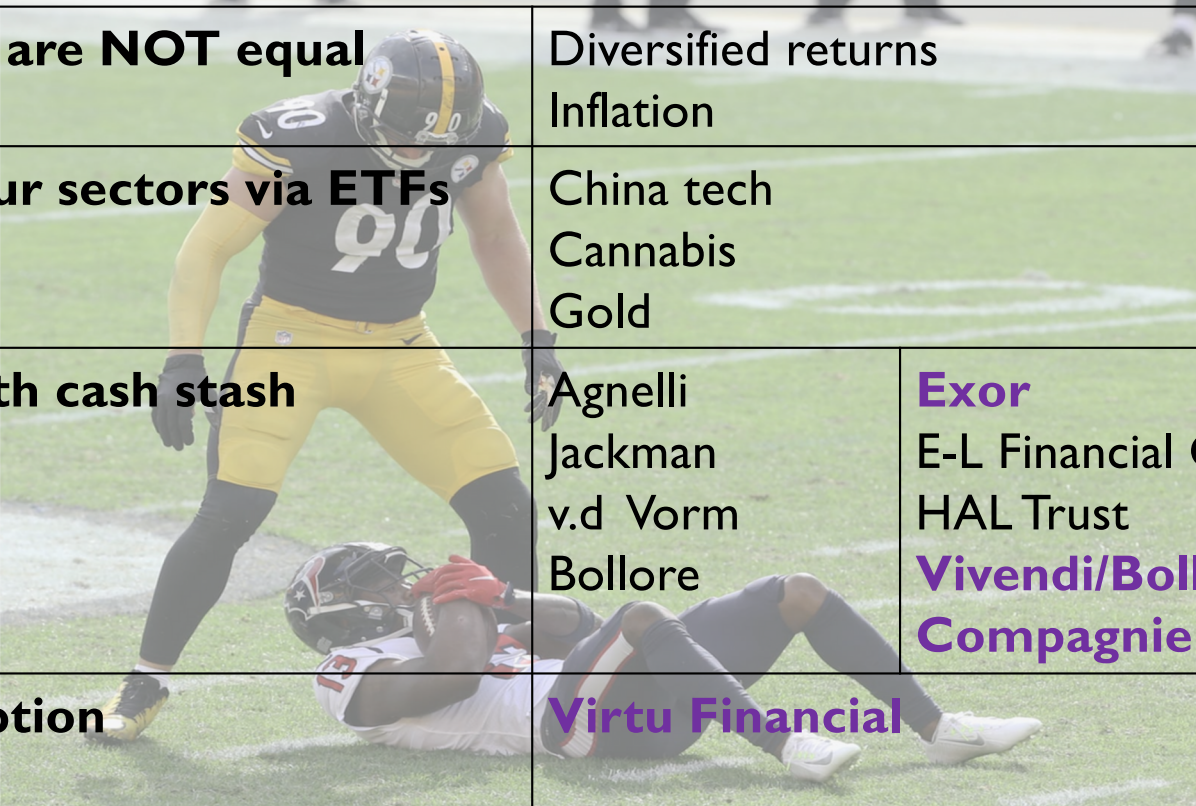
FY21 (to June 2021)	+33.6%
FY22 (period through 19/11/21)	+11.6% (Q1: +2.1%; Q2: +9.3%)
CY21 (period through 19/11/21)	+17.2%

Subject to the continuation of recent performance trends, the Directors of East 72 will be **in a position** to consider payment of an interim dividend in respect of six months to 31 December 2021 from profits in that period.

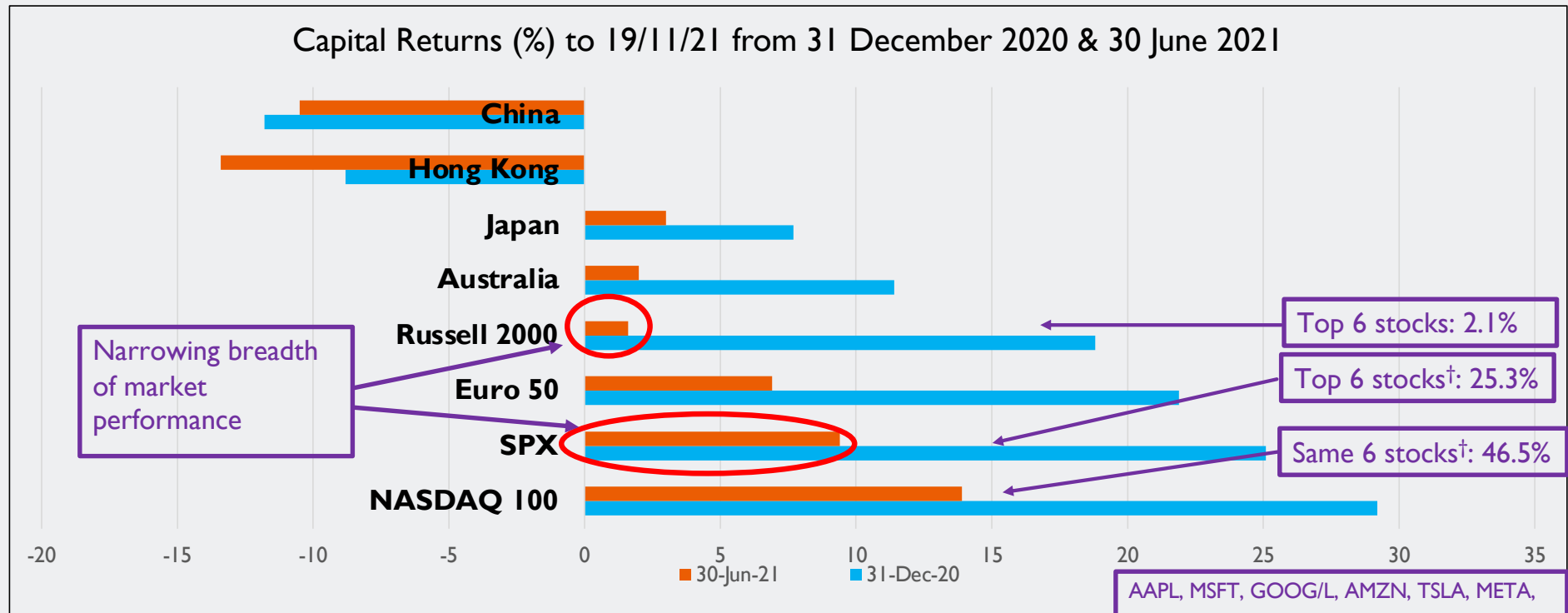
Franking balance: 1.5c per share = capacity to pay up to 3.5c per share

We have sold our Prime Media shares due to the premium over the takeover offer and will not be adding to our franking balance from the 26c fully franked dividend projection.

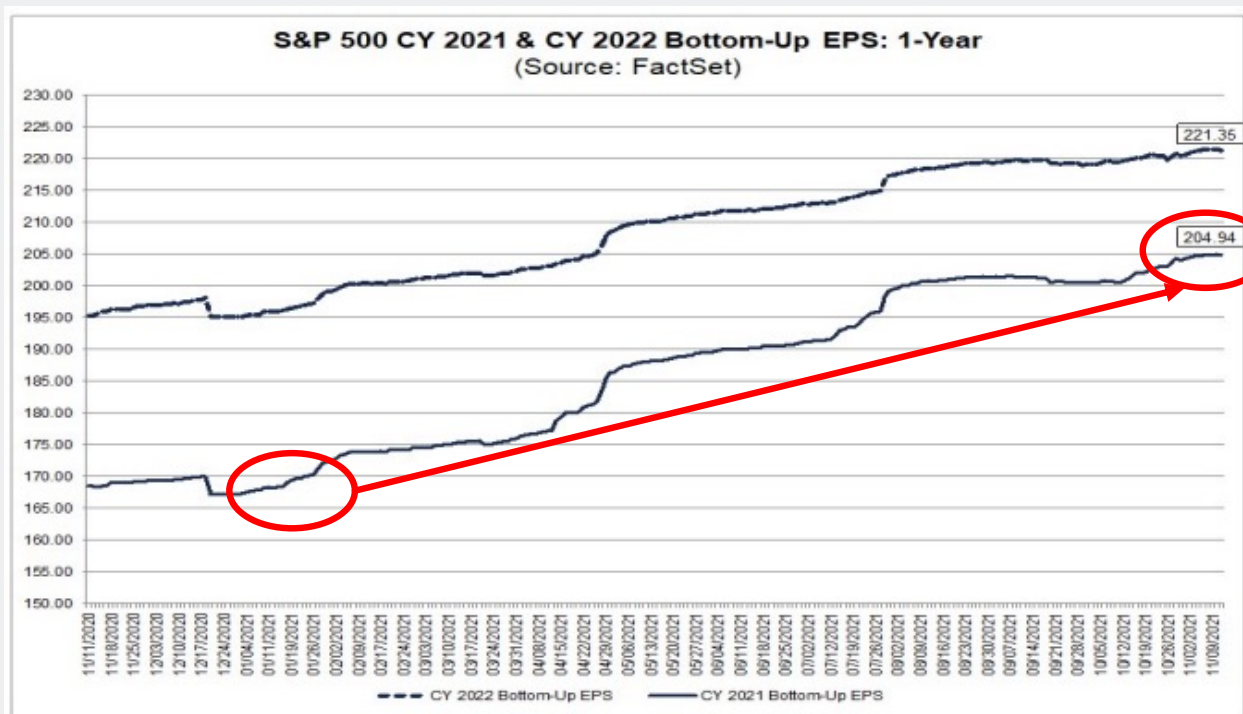
PLAYING DEFENCE: OUR APPROACH TO BOUYANT MARKETS

All equities are NOT equal			Diversified returns Inflation
Out of favour sectors via ETFs			China tech Cannabis Gold
Families with cash stash	Agnelli Jackman v.d Vorm Bollere		Exor E-L Financial Corp HAL Trust Vivendi/Bollere Compagnie de L'Odet
Volatility option	Virtu Financial		

ALL MARKETS ARE NOT EQUAL & BREADTH IS NARROWING

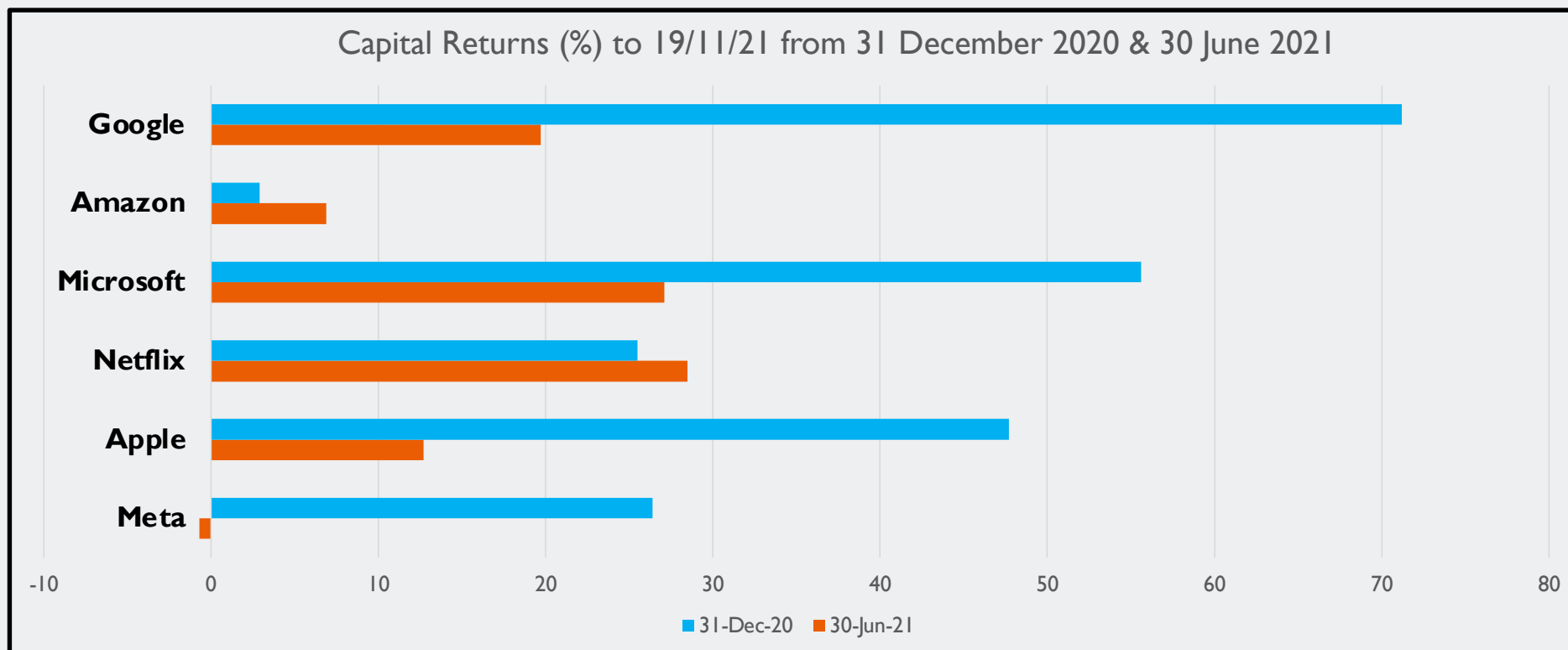


THE SIMPLE REASON US EQUITIES HAVE DONE WELL IN 2021



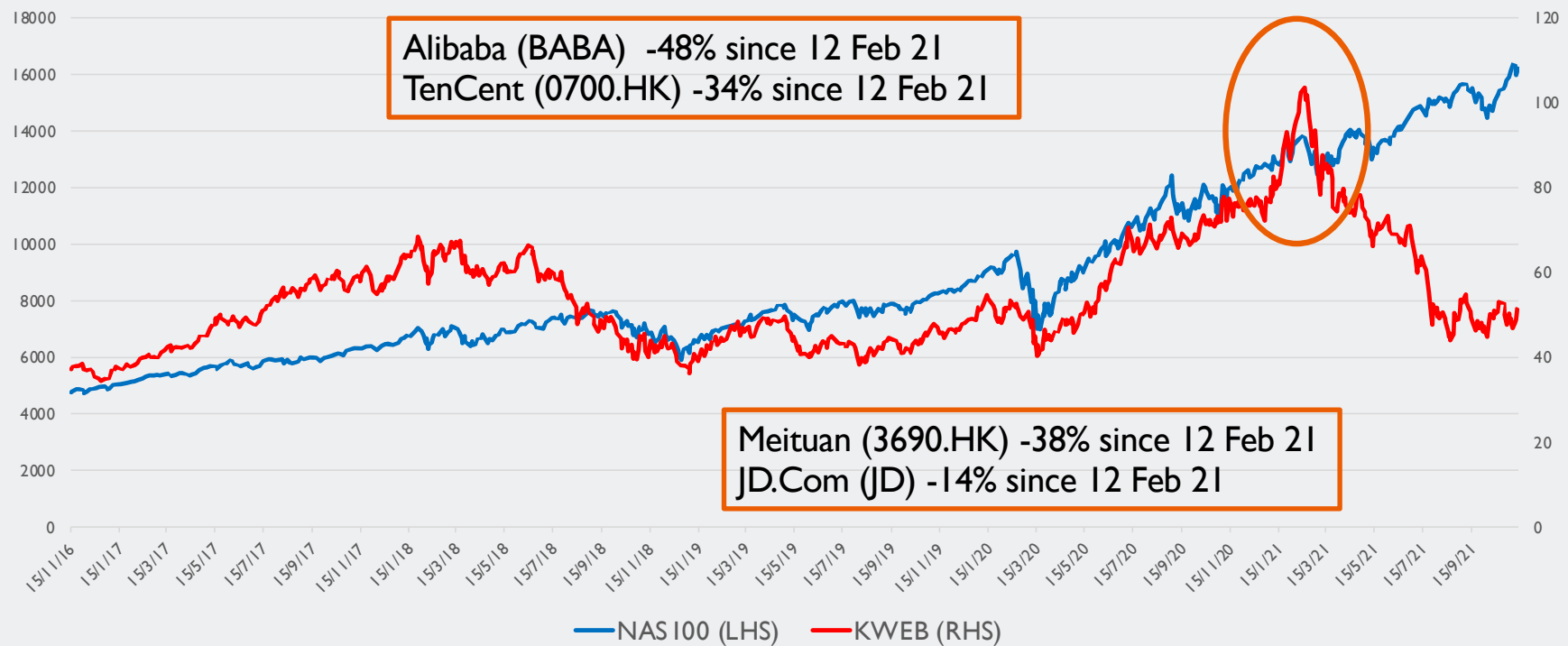
- SPX '21E EPS in January ~ 169
- SPX '21E EPS now ~205
- 21% uplift in estimated earnings
- Broad based from materials to financials reflecting reopening economy
- 10-year bond yield moved from 1.1% to 1.64%
- Not enough to de-rail this type of uplift
- A wobble in earnings forecasts + rate movement is a hurdle at >21x forward EPS

ALL MANMAGS ARE NOT EQUAL



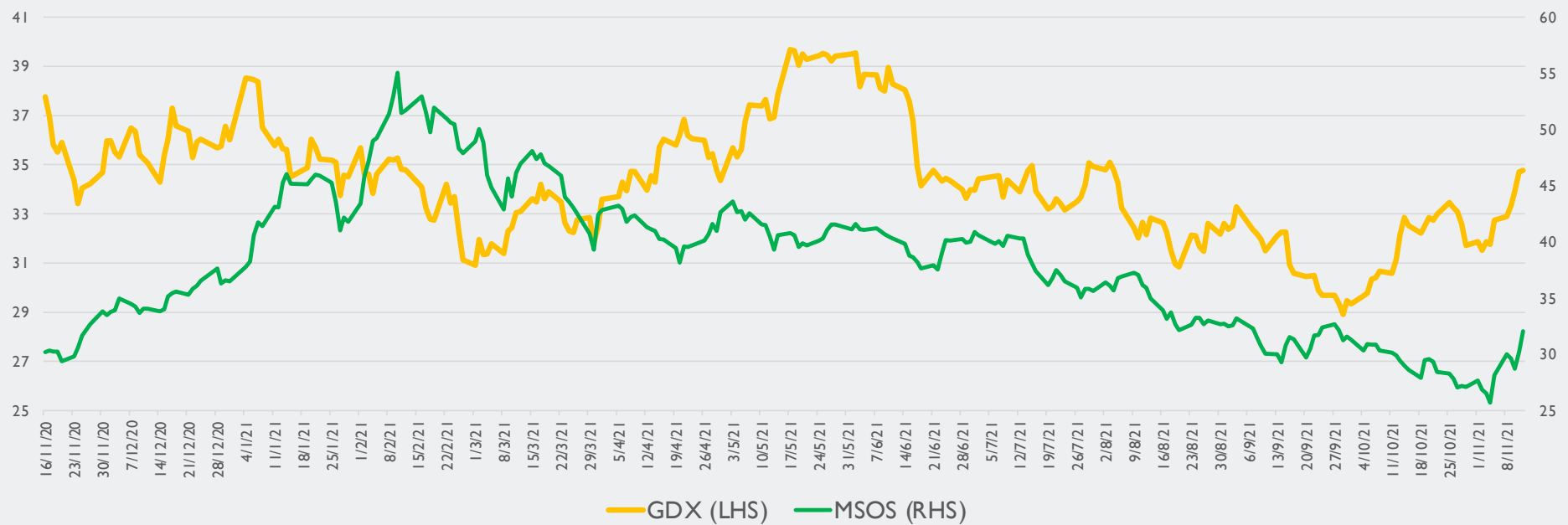
TECH: CONTRAST USA VERSUS CHINA

NASDAQ 100 versus KWEB



TWO UNLOVED SECTORS WITH CATALYSTS...

Gold & Cannabis



GOLD USUALLY DOES WELL WITH VERY LOW REAL INTEREST RATES

Gold versus US 10 year REAL Treasury yield







TOP 20 LONG POSITIONS (AS AT 19 NOVEMBER 2021)

Agency Group	Macerich
Ansell Limited	Namoi Cotton
Compagnie de L'Odet	Praemium
Deterra Royalties	Regeneron
Discovery	Schouw & Co.
E-L Financial Corp	Spotify
EXOR	Treasure ASA
HAL Trust	vanEck Gold Miners ETFs (GDX/GDXJ)
KraneShares CSI China Internet ETF	Virtu Financial
Lend Lease Corporation	Yellow Brick Road

THREE HOLDINGS HAVE ALL DEVELOPED OVER FOUR YEARS

EXOR	Merged Fiat Chrysler with Peugeot Received huge dividend Big uplift in all auto holding values 2 nd attempt at selling PartnerRe Will emerge with net cash
Compagnie de L'Odet	Bollore's patience in liberating value of UMG Vivendi net cash to pursue other media Re-rating only occurred in 2021
Virtu Financial	Two excellent acquisitions: KCG and ITG Fully integrated onto strong tech platform Diversified Income stream Creates "base" earnings with 'vol-vol' option

THE LESS EXCITING THE LOGO, THE MORE INTERESTING THE COMPANY: FAMILIES WITH A CASH STASH

	Listed	US\$m Equity Capn.	Stock price	Assessed value	Discount (%)	Capital management FY20/21
 EL Financial Corporation Limited	Canada	2,731	C\$920	C\$1,852	50.3%	Buyback, tender offer, 5% dividend
 Exor	Italy	22,272	€83.84	€136.91	38.8%	Buy back, sale of PartnerRe (US\$9bn) – settles Q2 2022
 NASM	Holland	14,372	€147	€176	16.5%	Sale of GrandVision (€5.5bn)
 Compagnie de l'Odet	France	5,889	€1,230	€2,133	42.3%	Vivendi sale/distribution of UMG

EXOR: RETURNED 27% IN 2021 BUT STILL A 39% DISCOUNT

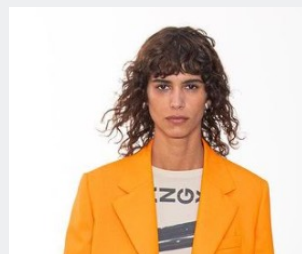


The
Economist



(US\$ or €million)	Shares	Price	Value	
Stellantis	449.4m	\$19.65	8,830	
CNH Industries	366.9m	\$18.24	6,693	
Ferrari	44.4m	\$271.31	12,055	
Juventus	897m	\$0.77	693	
NET TOTAL			28,272	
PartnerRe			9,000	Agreed deal with Covea equates to 1.37xTBV
"PRIVATE EQUITY & PARTNERSHIPS"				
Christian Louboutin	24%		643	(luxury) at Exor valuation
Via Transport	9%		350	(transit) at Exor valuation
Economist	43%		348	At Exor valuation
GEDI Gruppo	89.6%		246	(publishing) at takeover value
Shang Xia	77%		95	(luxury goods) at Exor valuation
Welltec			90	At Exor valuation
Faurecia	7.655	€46.00	397	(auto seating/interiors/cleantech) Market price
Other investments			137	At Exor valuation
Seed investments			324	
Private Equity & Partnerships			2,645	
TOTAL INVESTMENTS			39,902	

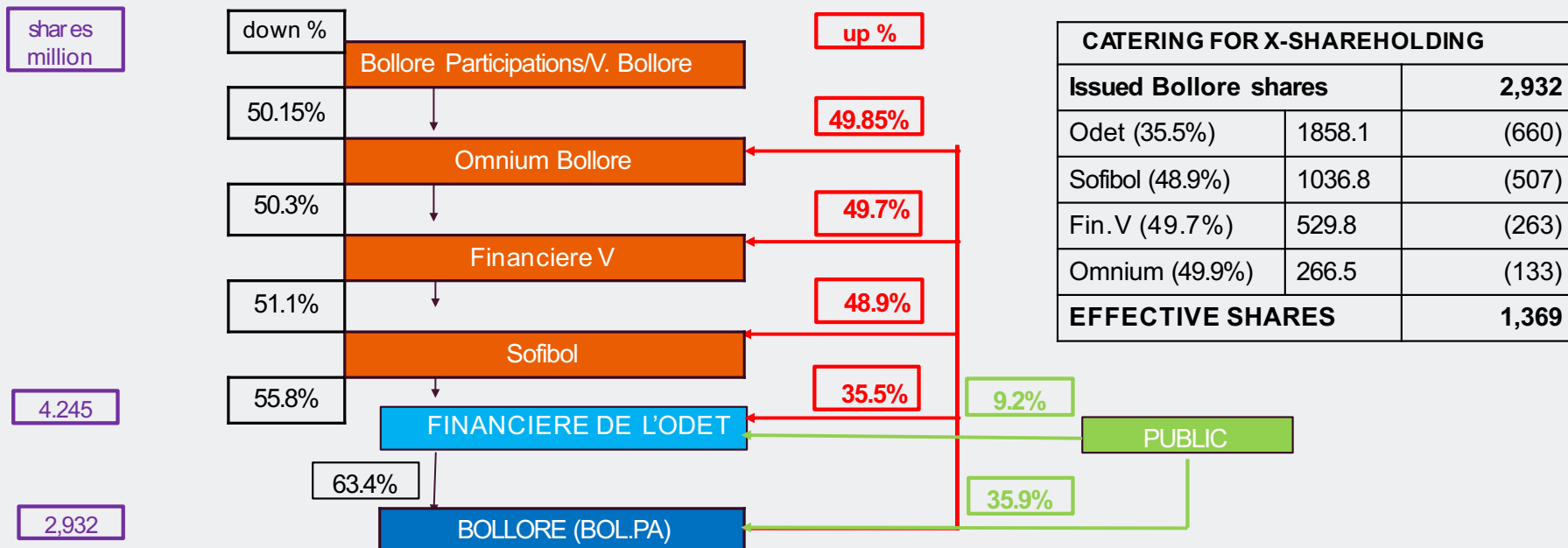
EXOR: NET CASH OF US\$4.6BILLION POST PARTNER RE SALE



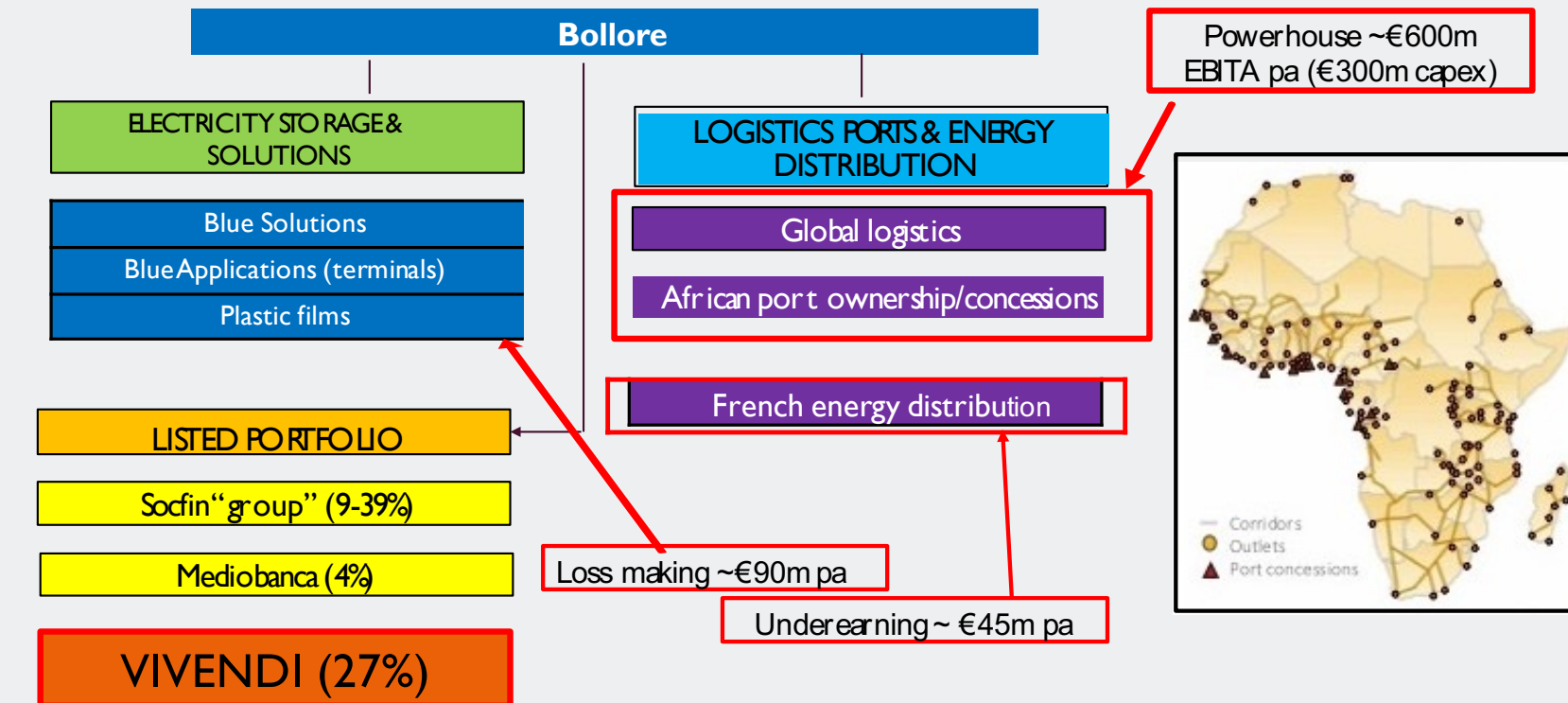
Net debt			(3,718)	
Treasury shares			187	At Exor valuation
NET ASSET VALUE			36,371	
Convert to €	1.1280		€32,244	
Shares issued	235.5	PER SHARE	136.91	Discount at €83.84 = 38.8%



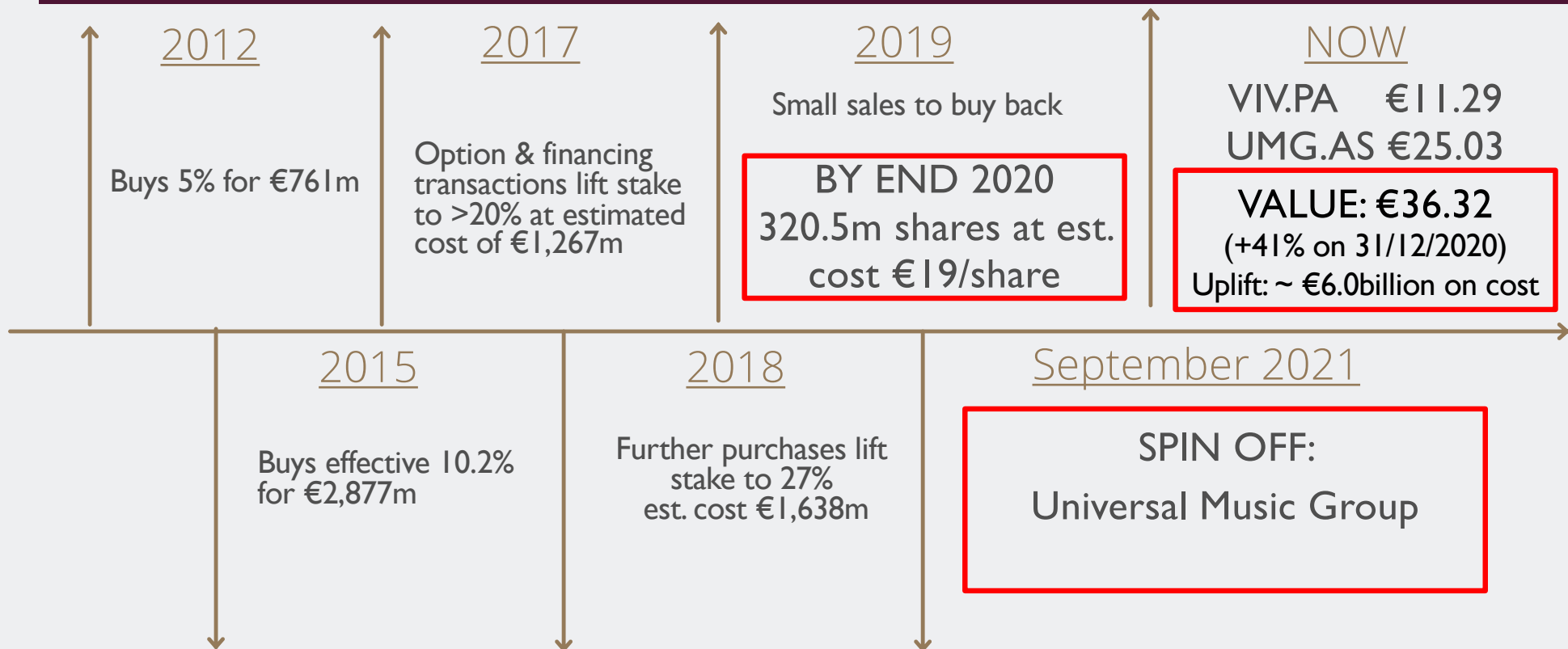
BOLLORE/ODET & THE “BRETON PULLEYS”



BOLLORE OPERATING STRUCTURE (EXCLUDING SELF OWNERSHIP)



BOLLORE: VIVENDI HAS BEEN A MAJOR UPLIFT



VIVENDI IS CHEAP (OLD WORLD ASSETS + TIM.MI “PROBLEM”)

	€mn
Equity Capitalisation (1,087m x €11.05)	12,011
Deconsolidated net CASH	(2,674)
UMG.AS shares (181.3 x €25.03)	(4,538)
Lagardere (29% pre deal for Amber Capital 18%)	(832)
Telecom Italia (17% economic) [†]	(1,261)
Banijay/MediaSet/Multichoice	(839)
NET VALUE OF BUSINESS (Havas, Canal +)	1,867

Current price values
Havas, Canal Plus,
Editis, GameLoft,
Prisma at <€2billion

Combined revenues
~€9bn pa earning
~€1 billion EBITDA

VIV.PA ~€15 value

[†] on 21/11/2021 KKR announced non-binding offer for TIM.TI at €0.505/share valuing VIV.PA stake at €1,838m or +€577m above the value in the table but at half the price VIV.PA paid.

BOLLORE IS VERY CHEAP: BUSINESS VALUED AT MINUS 1.6BILLION

	€mn
Equity Capitalisation (1,386m x €4.94)	6,847
Deconsolidated net debt	3,692
VIV.PA shares (320.5 x €11.05)	(3,542)
UMG.AS shares (320.5 x €25.03)	(8,022)
Mediobanca	(185)
Other investments	(400)
NET VALUE OF BUSINESS	(1,610)

Bollore equity
realistically worth
~€13.5billion
at 10x EBITA for
business
(€500mn pa EBITA)

€9.70/share
cf current price
€4.94

ODET IS THREE LEVELS OF RIDICULOUS

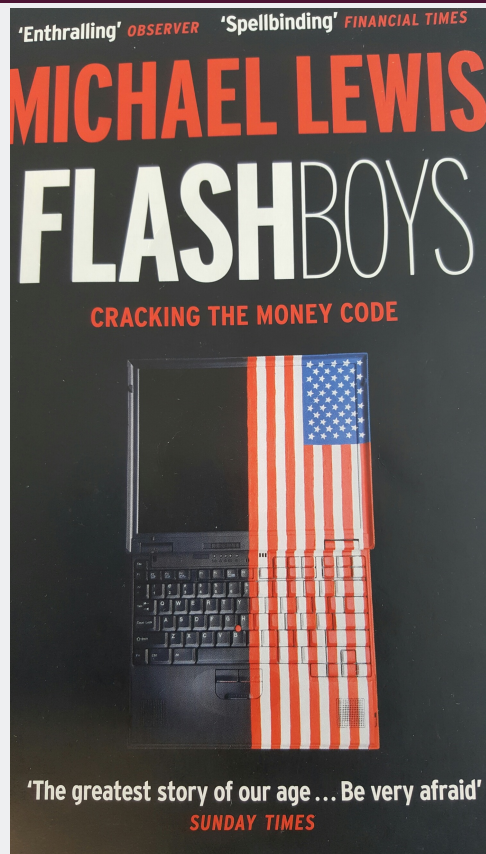
	€mn
Equity Capitalisation (3.532m x €1230)	4,344
Deconsolidated net debt/investments	102
VALUE ATTRIBUTED TO BOLLORE	4,446
BOL.PA shares (1,546m x €4.94)	7,637
Value of ODET at current BOL.PA price	7,535
Per ODET share	€2,133

If BOL.PA traded at
€9.70

ODET.PA worth
>> €4,200

ODET 42% discount
at current BOL.PA
price

REMEMBER THIS? “THE COMPANY THAT NEVER LOSES”



THE WALL STREET JOURNAL.

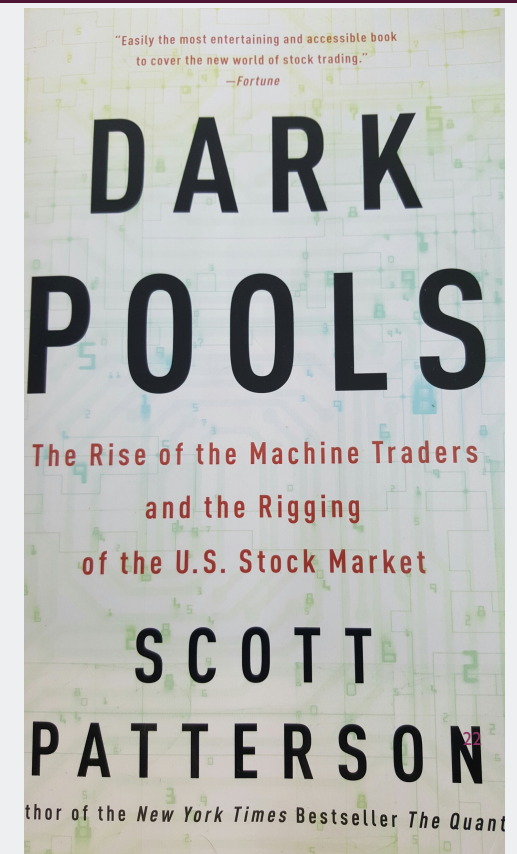
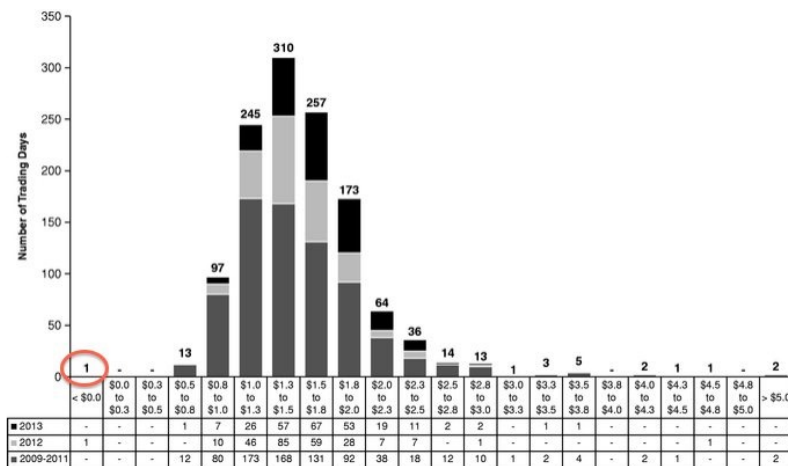
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<http://blogs.wsj.com/moneybeat/2014/11/13/virtus-losing-day-was-1-in-1238-odds-says-it-shouldnt-have-happened-at-all>

MONEYBEAT

Virtu's Losing Day Was 1-In-1,238; Odds Say It Shouldn't Have Happened

Daily Adjusted Net Trading Income Distribution*
(in millions)



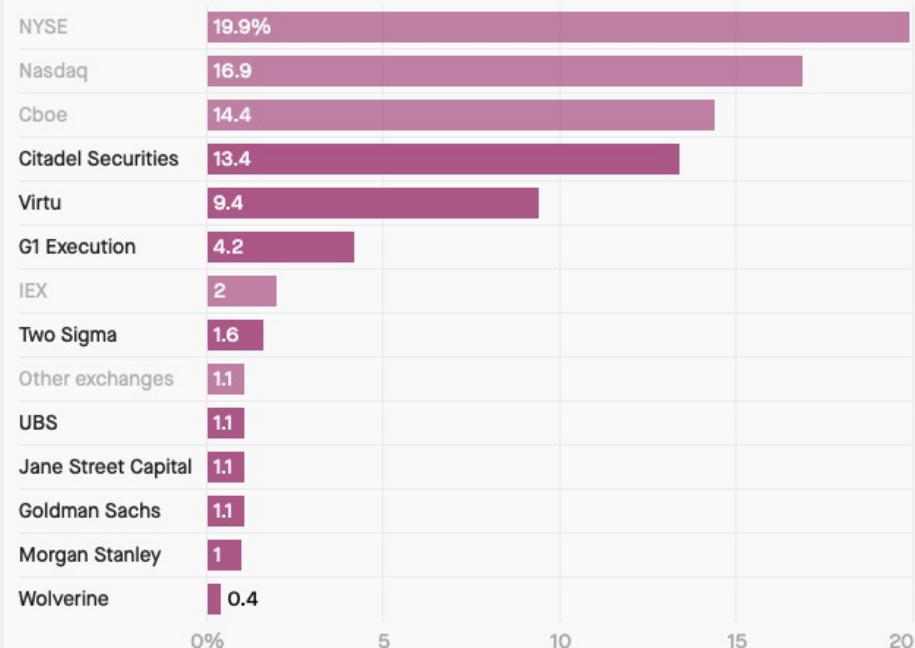
13 US STOCK EXCHANGES: MARKET MAKING/NBBO/605/PFOF

Exchanges	Bid	Ask
Exchange 1	25.26	25.31
Exchange 2	25.24	25.32
Exchange 3	25.25	25.30
Exchange 4	25.24	25.32
Exchange 5	25.25	25.33



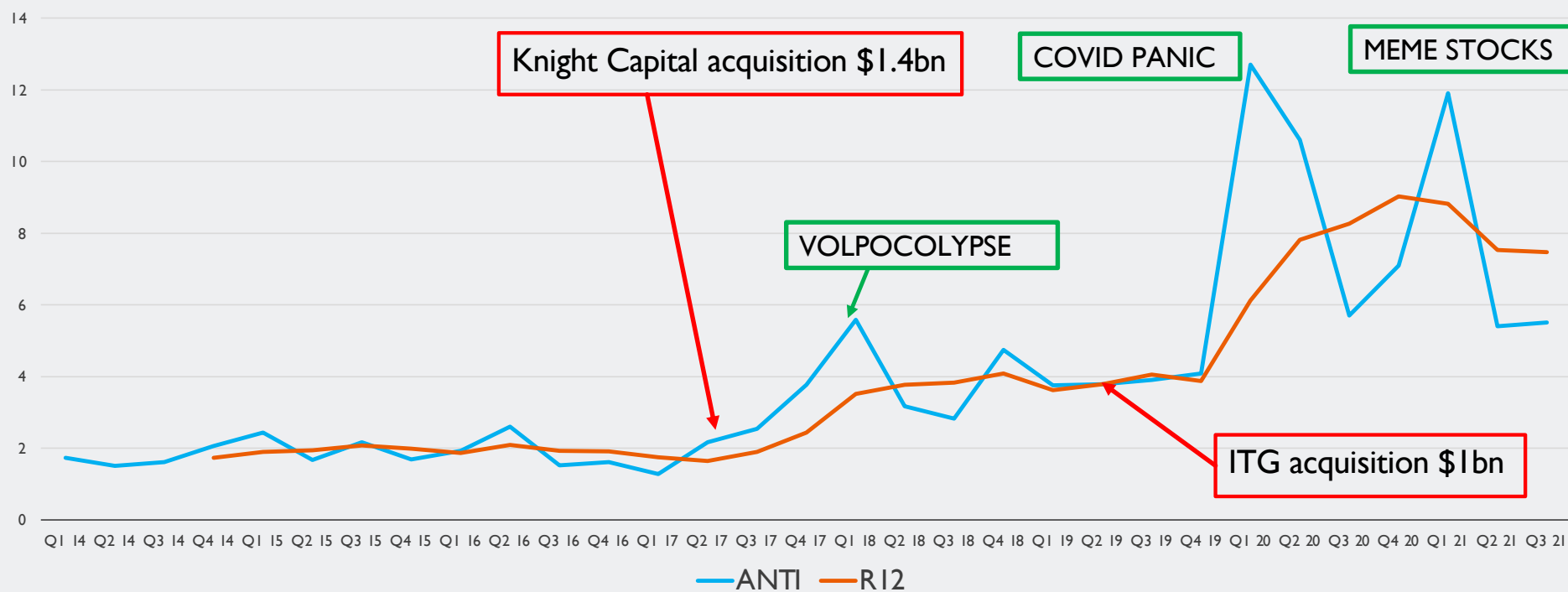
- Technology to access all exchanges and operate inside NBBO (eg \$25.28) & at bigger volume
- Access to dark pools of liquidity off-exchange: “execution as a service”
- FINRA Rule 605 requires execution service quality reports
- New commission free operators (Schwab/Robinhood) PAID for their orders (PFOF)

US stock trading market share by venue in December 2020

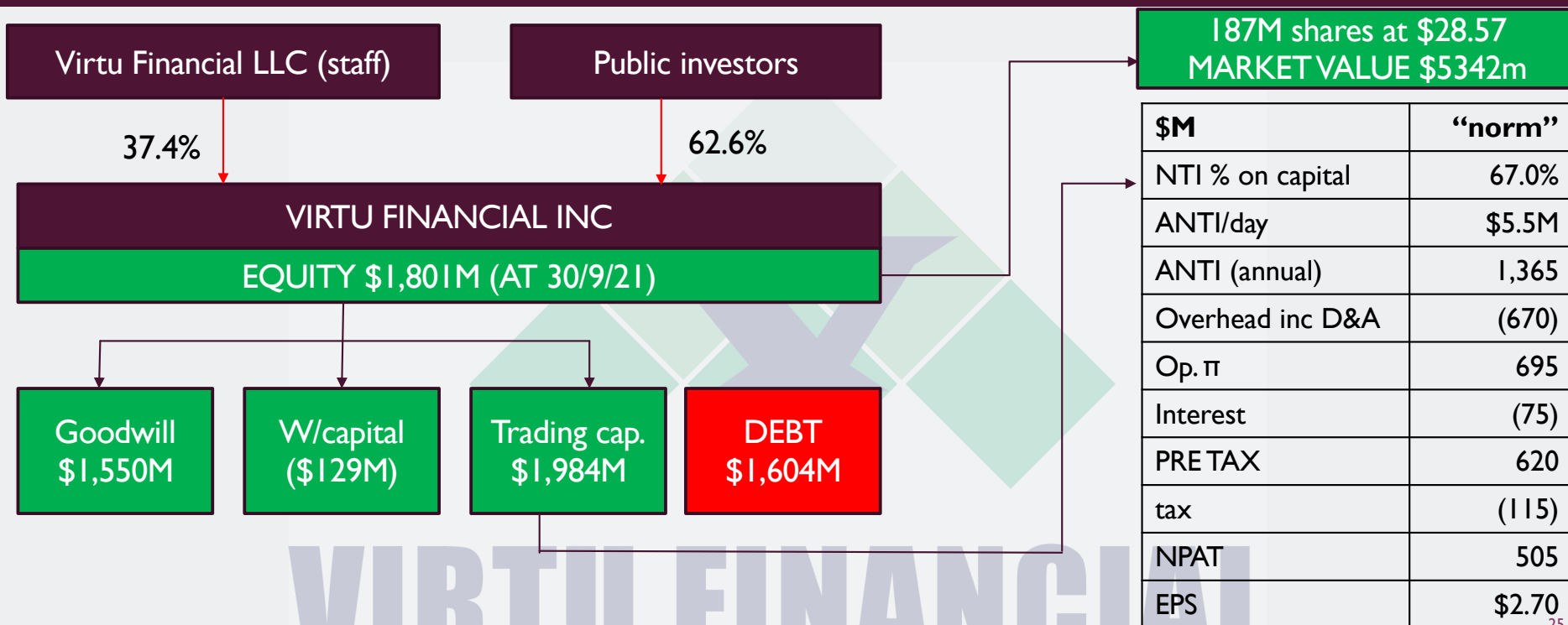


Quartz | qz.com | Data: Larry Tabb, Bloomberg Intelligence

VIRTU: ANTI PER DAY (US\$MN)



HOW VIRTU WORKS: NORMALISED P/E 10.7X



VIRTU FINANCIAL

VIRTU IS A GREAT CAPITAL MANAGER

- Commits capital to new activities (options market making)
- 24c/quarter dividend = \$0.96pa = \$180million
- Pro-active at buying back shares: 12.5m in past year (6.3% of shares)
- New \$750m buy back mandate
- Advantageous mix of well positioned business, new initiatives, capital management = strong earnings growth over time
- In February 2017 presentation, we talked of normalised EPS of \$1.45
- Current over the cycle EPS of \$2.70 = 86% higher
- Acts as a counter-play to volatility & downside

IN CONCLUSION

411% GROSS EXPOSURE	225% LONG		38% NET EXPOSURE
		161% INDEX	
	187% SHORT	26% STOCKS	

- We are defensively positioned
- Market breadth is weakening
- Further aggressive earnings growth unlikely & interest rates to move up
- Cautious stance is warranted at >22x CY2022 S&P500 EPS

SOURCE & ATTRIBUTION NOTES

4: T J Watt (Pittsburgh Steelers)
5: Yahoo financial compiled by East 72 Holdings
6: Factset 5 November 2021
7 – 9: Yahoo financial compiled by East 72 Holdings
10: Federal Reserve Board of St. Louis (FRED)
13 - 15: Estimates compiled by East 72 Holdings from company filings
15: Compiled by East 72 Holdings from company filings
19 - 21: Estimates compiled by East 72 Holdings from company filings
22: Charles Schwab/Bloomberg
24: Virtu Financial company data compiled by East 72 Holdings
25: East 72 Holdings compilation and estimates