

2021 Annual Results Presentation

19 August 2021

Authorised by: Board of Navigator Global Investments Limited

Agenda

Introduction



Business Update

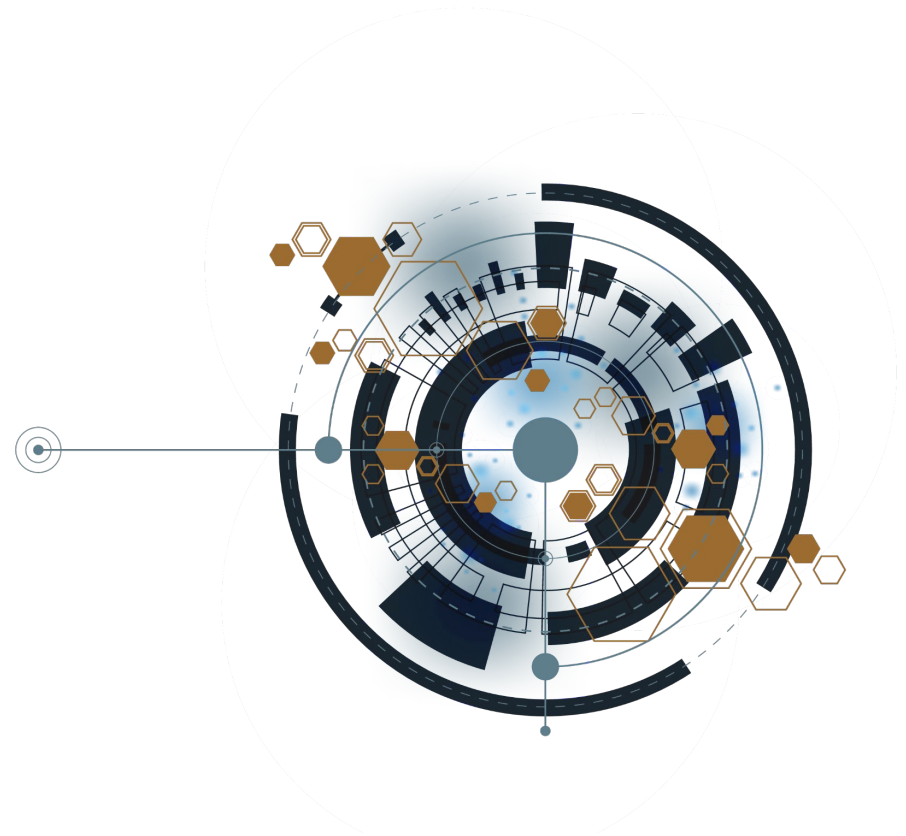


Financial Results



Introduction

Sean McGould, CEO



A Differentiated Global Holding Company

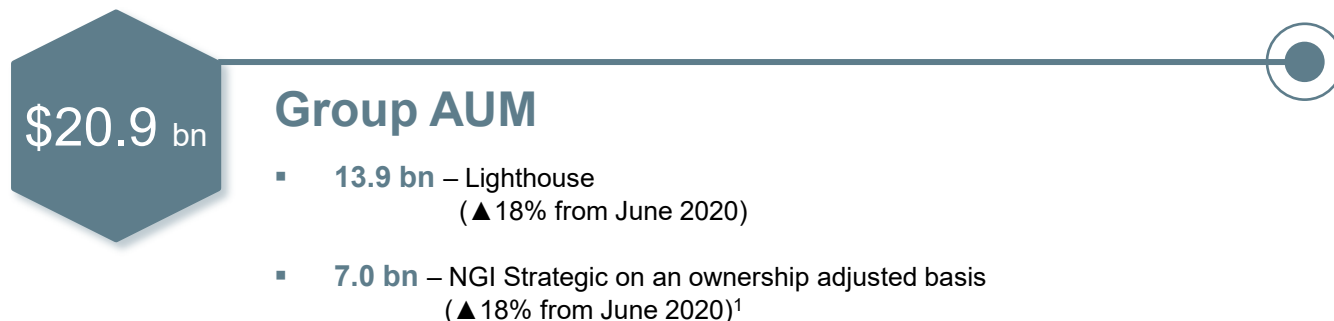
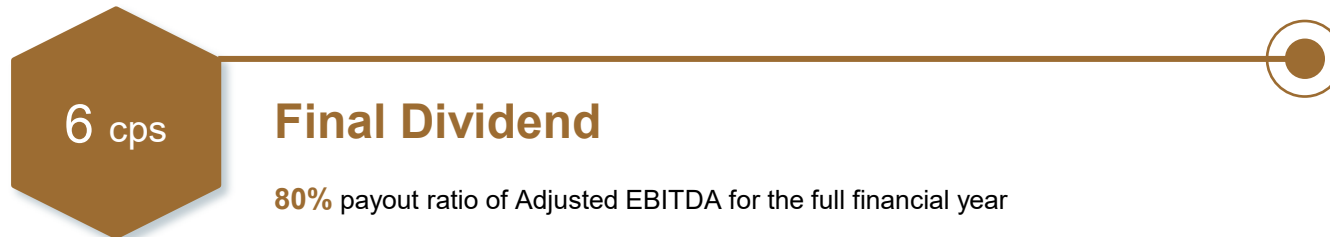
Focused on a sector of the asset management industry with sustainable long term growth trends and high barriers to entry

Navigator Global Investments Limited (ASX: NGI) is a diversified asset management holding company dedicated to partnering with leading management teams who operate institutional quality businesses globally, primarily in the alternative investment management sector

NGI Today:

- ✓ Diversified and scaled portfolio of cash flow generating assets
- ✓ Clean balance sheet
- ✓ Large and growing addressable market
- ✓ Deep investment and operating expertise
- ✓ Dyal Capital Partners, the industry leading investor in alternative investment management companies globally, is a strategic partner and long-term shareholder

Highlights



1. Portfolio firm level AUM is not ownership adjusted. Historical portfolio AUM has been restated to reflect one manager's 2021 sale of certain assets. This sale will not impact the earning outlook of the manager but generated sales proceeds which are being reinvested into operate growing areas of the business.

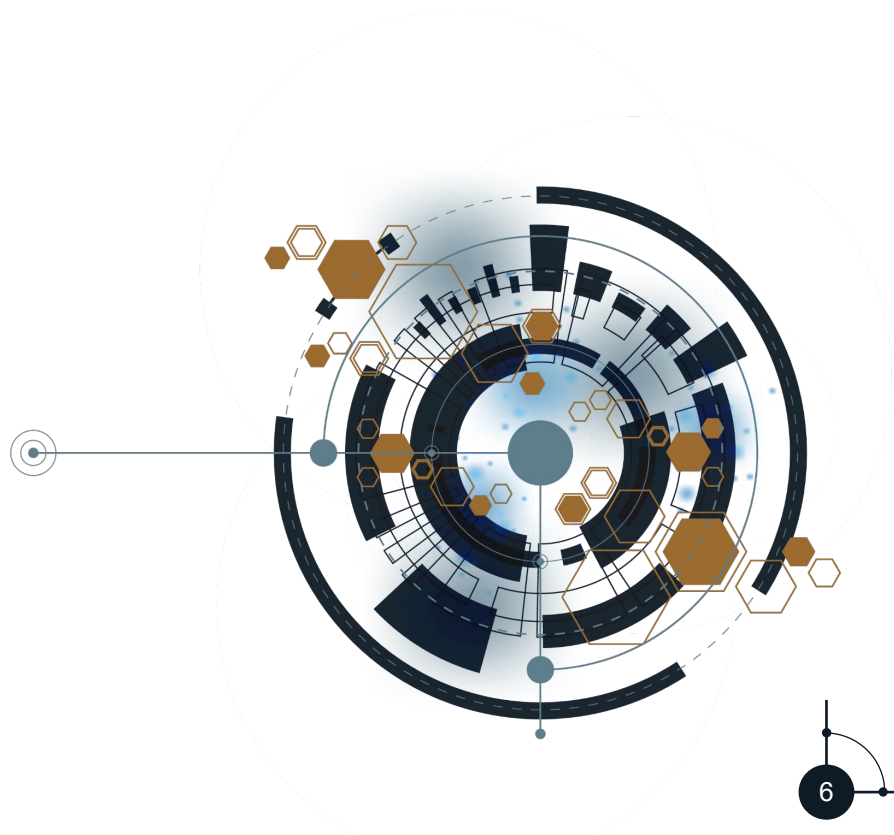
Business update



Lighthouse Investment Partners

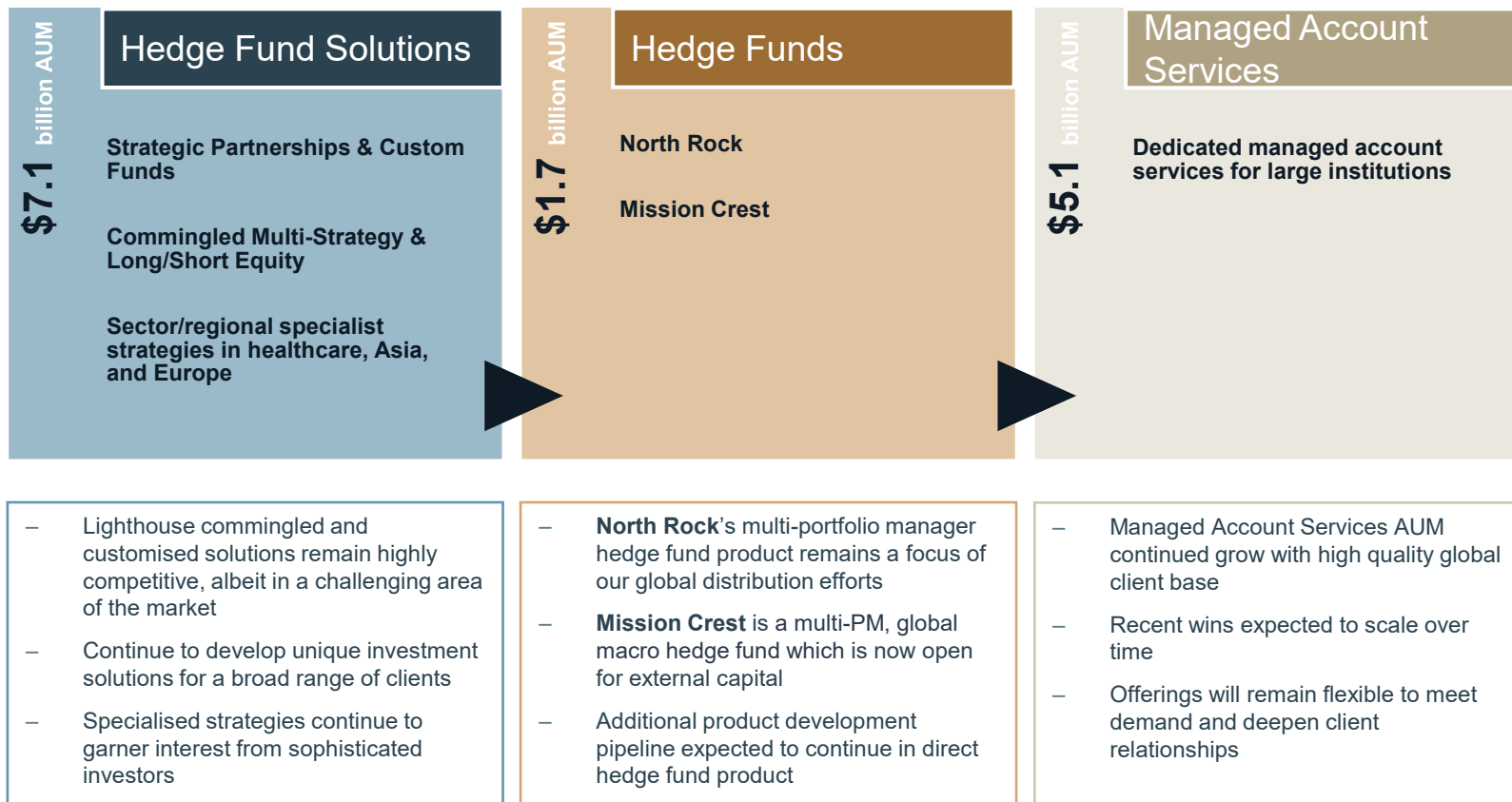
NGI Strategic Holdings

Ben Browning, Lighthouse Executive MD
Ross Zachary, MD of Strategic Corporate Development
Scott Perkins, Lighthouse Executive MD



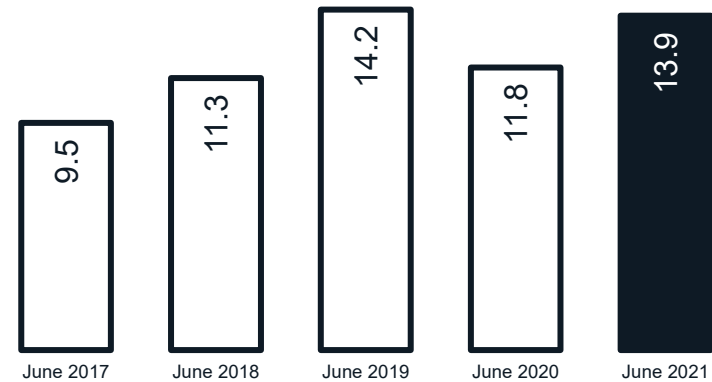
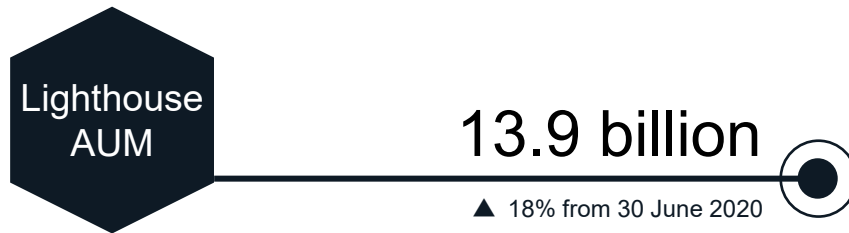
Lighthouse Investment Partners

Diversified product mix and continued Innovation will support long term growth



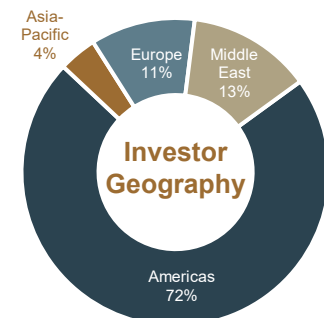
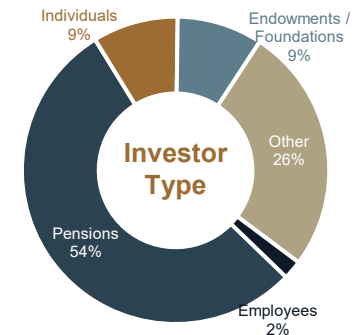
Lighthouse Investment Partners - continued

Composition of AUM as at 30 June 2021:



Movements for the 2021 financial year:

	30 June 2020	Net Flows	Performance	30 June 2021
		Note 1	Note 2 & 3	Note 3
Commingled Funds	USD 3.76 bn	▼ USD 1.48 bn	▲ USD 0.66 bn	USD 2.94 bn
Customised Solutions	USD 3.75 bn	▼ USD 0.51 bn	▲ USD 0.92 bn	USD 4.16 bn
Hedge Funds	USD 1.00 bn	▲ USD 0.49 bn	▲ USD 0.19 bn	USD 1.68 bn
Managed Account Services	USD 3.26 bn	▲ USD 1.33 bn	▲ USD 0.56 bn	USD 5.15 bn
Combined total	USD 11.77 bn	▼ USD 0.17 bn	▲ USD 2.33 bn	USD 13.93 bn



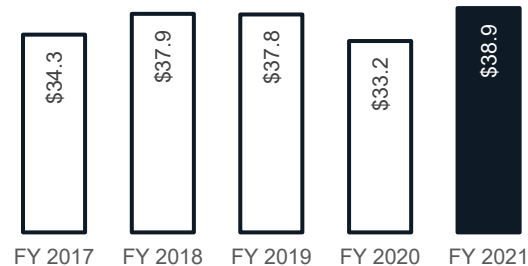
- Net flows includes monies received for applications and any redemptions effective 1 July 2021. This convention in relation to the reporting of net flows and AUM has been consistently applied by the NGI Group since January 2008.
- Performance includes investment performance, market movements, the impacts of foreign exchange on non-US denominated AUM and distributions (if any).
- 30 June 2021 AUM is based on performance estimates which may be subject to revision upon final audit. AUM may include transfers from other Commingled Funds that occurred on the first day of the following month.

NGI Strategic Portfolio

High quality portfolio continues to present diversification benefits

Portfolio Assets Under Management¹

USD billions
30 June financial year end



Key Portfolio Statistics²

114 products

25 strategies

Offices in **6** countries

74% performance fee eligible AUM

Highlights

- Portfolio AUM is at the highest levels over the past five years
 - AUM is **+17%** YoY and **9%** over last six months
 - Ownership adjusted total AUM of \$7.0 billion is **+18%** YoY (from \$5.9 billion)
- Managers distributed **\$28.9 million** of profits in FY 2021³
- Strategies generated strong relative returns for their clients and continue to show a low correlation to one another
- Sustained and broad client demand across the six managers

Strategic Partnership with Dyal Capital Partners

- Long term, strategic shareholder with no liquidity requirement for their underlying investors
- Portfolio monitoring support
- Continued access to industry leading Dyal Business Services Platform focused on increasing long term enterprise value

**Estimated NGI share of distribution
FY 2022 \$20 - \$22 million⁴**

Notes:

- Portfolio firm level AUM is not ownership adjusted. Historical portfolio AUM has been restated to reflect one manager's 2021 sale of certain assets. This sale will not impact the earning outlook of the manager but generated sales proceeds which are being reinvested into operate growing areas of the business.
- Number of products, strategies and offices as of 1 June 2021; Estimated performance fee eligible AUM is based on March-July AUM figures depending on the manager
- See slide 16 for additional detail on NGI's share of these distributions
- Implies \$30-\$45million of total portfolio distributions for FY2022, prior to profit sharing. See slide 10 for additional details.

NGI Strategic Portfolio - continued

Near term steady and structured earnings stream with accretive transaction settlement following FY2025

Overview and illustrative near/medium term impact of the NGI Strategic Portfolio acquisition

Profit share

FY2021 – FY2025

Profit-sharing arrangements include a Preferred Minimum Distribution to NGI (\$17.5m in FY2022 indexed at 3%pa through FY 2025), then 20% above it to NGI and 80% above it to Dyal

Example of FY22 profit share for various levels of potential total distributions received from the NGI Strategic Portfolio

USD millions

	FY2022		FY2023		FY2024		FY2025	
	NGI	Dyal	NGI	Dyal	NGI	Dyal	NGI	Dyal
Total								
15.0 ¹	15.0	0.0	15.0	0.0	15.0	0.0	15.0	0.0
20.0	18.0	2.0	18.4	1.6	18.9	1.1	19.3	0.7
25.0	19.0	6.0	19.4	5.6	19.9	5.1	20.3	4.7
30.0	20.0	10.0	20.4	9.6	20.9	9.1	21.3	8.7
40.0	21.0	14.0	21.4	13.6	21.9	13.1	22.3	12.7
45.0	22.0	18.0	22.4	17.6	22.9	17.1	23.3	16.7

NGI will receive a stable and well covered earnings stream with built in indexing through FY 2025

Settlement

100% of Portfolio Distributions post FY2025

After 31 December 2025, Navigator will acquire the remaining interests in the NGI Strategic Portfolio profits

Payment to require the remaining interests will be calculated as:

$$\begin{array}{l}
 \text{CY2021 to CY2023} \quad \text{Average of Earnings > Preferred Minimum Distribution Amount} \quad \times \quad 2.25 \\
 + \\
 \text{CY2024 and 2025} \quad \text{Average of Earnings > Preferred Minimum Distribution Amount} \quad \times \quad 2.25
 \end{array}$$

Example of illustrative payment at settlement and resulting FY 2026 potential total distributions received from the NGI Strategic Portfolio

Average Calendar Year Annual Earnings for CY2021-2025	\$30 m	-	\$45 m
Illustrative payment at settlement (undiscounted)	\$53 m	-	\$121 m
FY26 % increase to NGI Strategic Earnings	~41%	-	~85%

NGI will have a meaningful step-up in total group earnings and cash flow after the earnout in FY 2026

1. There is a cumulative catch up to NGI over the profit-sharing period should NGI not receive its Preferred Minimum Distribution Amount in any given year

Target Profile and Pipeline

Broad active pipeline across private equity, private credit, real estate lending and other specialised alternative investment strategies

Navigator seeks opportunities with the potential for long term growth and sustained profitability driven by, scaling existing products, generating strong returns, successfully launching new adjacent products and expanding distribution to new regions and end markets

What we look for in a partner

- Strong management team with high integrity and a partnership mentality
- Strong cash flow generation and long-term growth plan
- Deep resources across investment and non-investment functions
- Strong track record and repeatable investment process
- Attractive and sustainable opportunity set in the respective strategy or asset class
- Track record of attracting, retaining and training up key talent
- Client focused and collaborative culture

Why leading managers partner with us

- Preserves entrepreneurial culture and appropriate levels of operating autonomy
- Long term, perpetual partner with no need for liquidity
- Ability to engage or advise on future changes to the business
- Navigator's partnership with our long-term shareholder, Dyal Capital Partners, provides access to their deep and established ecosystem as appropriate

We operate and invest in a growing sector

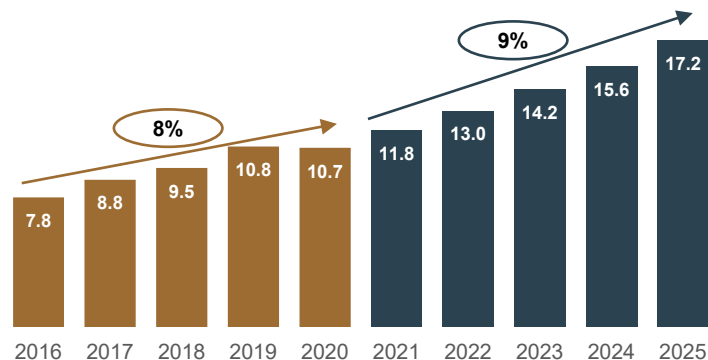
A secular shift to Alternatives presents a target rich but competitive long term opportunity environment

The current market continues to be characterized by elevated investment pace, number of exits and sustained record levels of fundraising in the illiquid alternatives sector

Hedge funds have generated stronger risk adjusted returns over the past two years than in the precedent decade; these returns and general market conditions have generated increased levels of investor interest across strategies

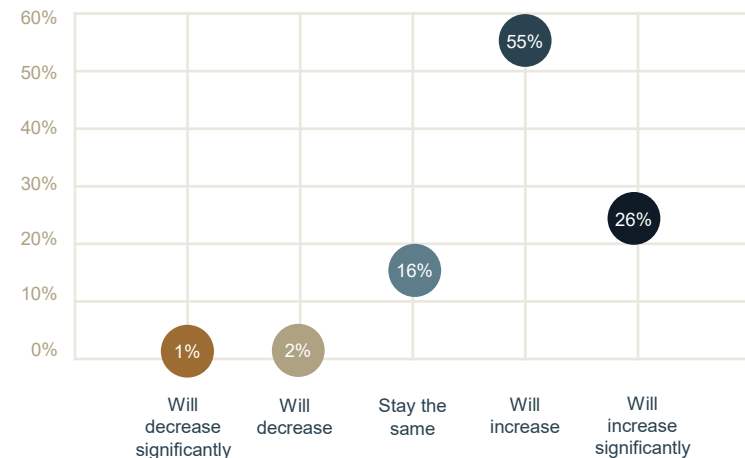
Alternative Assets under Management and Forecast¹

USD in trillions



AUM continues to grow across Alternative assets classes at high-rate driven by strong returns, increased fund sizes, new product launches and increased participation in the sector

Investors Plans for their allocations to Alternatives by 2025²



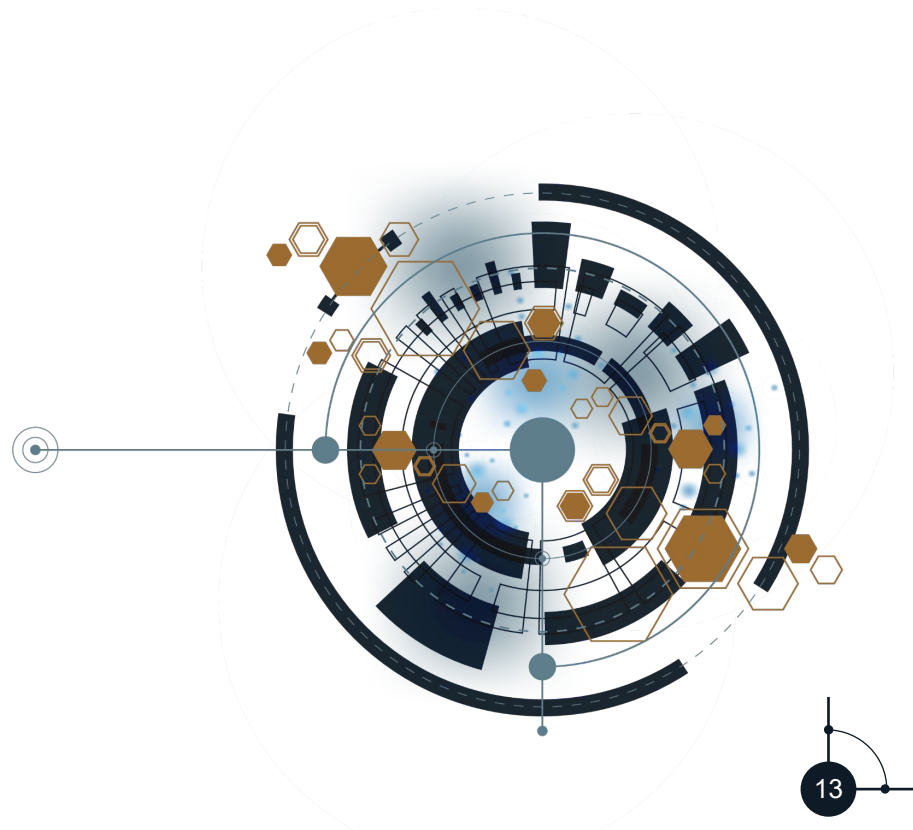
We expect allocations will continue to shift into Alternatives with large pools of capital still under allocated in the context of their long-term return requirements and sustained global low interest rate environment

1. Preqin, Special Report Future of Alternatives 2025, December 4, 2020. 2020 figure is annualized based on data to October. 2021-2025 are Preqin's forecasted figures. Alternatives AUM includes Private Equity, Private Debt, Hedge Funds, Real Estate, Infrastructure and Natural Resources

2. Preqin Future of Alternatives 2025: Investors' Inexorable Push to Alternatives, November 10, 2020

Financial results

Amber Stoney, CFO



Navigator Group Results

FY21 Adjusted EBITDA of \$31.6m

	Statutory USD millions	Adjusted USD millions	Excluded from Adjusted USD millions	
Management fees	75.6	75.6	-	
Performance fees	13.5	13.5	-	
Reimbursement of fund operating expenses	17.0	-	17.0	1
Revenue from provision of serviced office space	1.8	-	1.8	1
Net distributions from NGI Strategic portfolio	3.7	3.7	-	
Total revenue	111.6	92.8	18.8	
Operating expenses	(79.0)	(63.4)	(15.6)	1 2
Result from operating activities	32.6	29.4	(3.2)	2
Net finance income/(costs)	10.8	2.8	8.0	3
Non-operating expenses	(5.6)	(0.5)	5.1	4
EBITDA	37.8	31.6	(6.2)	

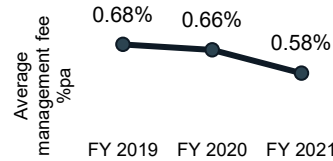
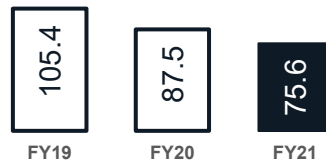
- 1 These revenue items (\$17.0 million and \$1.8 million) are a direct reimbursement of expenses incurred and on-charged to other parties at no mark-up. They have been off-set directly against expenses in the presentation of "Adjusted EBITDA"
- 2 Following the adoption of AASB 16 Leases, the office lease component of occupancy expense is recognised below the EBITDA line as a financing activity. The net cash lease payments of \$3.2 million made during the year are adjusted against EBITDA so that it represents a closer measure of the annual cash operating cost associated with the Group's various office premises leases.
- 3 On acquiring the NGI Strategic portfolio the Group recognised both investments and a liability for contingent consideration (the redemption liability) in the balance sheet at fair value. Changes in the fair value of these assets and liability have resulted in a net movement of \$8.0 million being recognised in the profit and loss statement. This net change in fair value has been excluded from the presentation of 'Adjusted EBITDA'
- 4 The Group has incurred legal, tax and other professional services costs incurred in relation to the acquisition of the NGI Strategic Portfolio. \$5.1 million of these costs have been expensed and are considered non-recurring.

Revenue

Management Fees

75.6 million

▼ 14% on pcg

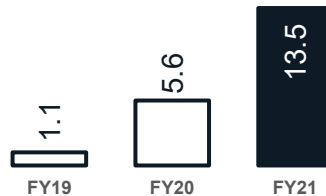


- Average AUM was \$12.9 billion (2020: \$13.1 bn or ▼ 1.3% down on pcg)
- A reduction in average fee rate to 0.58%pa (pcg 0.66%pa)
 - Net outflows from Commingled Funds
 - A movement of AUM within Commingled Funds to performance fee classes with nil or low management fees.
 - A 58% increase in AUM in Managed Account Services.

Performance Fees

13.5 million

▲ 166% on pcg



- Performance fee reflects of strong performance over the financial year, particularly in the December 2020 quarter.
- Performance fees are variable in nature, and it is difficult to forecast how much, if any, performance fee revenue will be earned by the Group in future periods.
- Approximately 58% of the performance fees have been earned from Commingled Funds. Additional Share classes have been introduced during the year to select Commingled Funds which have a fee structure that has a lower management fee, but allows Lighthouse to earn a performance fee.

Revenue

NGI Strategic Distribution Income

3.7 million

No pcip

Distributions received prior to 1 February 2021

Distributions received between 1 February 2021 and 30 June 2021

Dyal's profit share (net of applicable portfolio expenses)

Benefit to Navigator

Profit share

\$15.8m

\$13.1m

(\$9.4m)

\$19.5 m

Accounting treatment

\$15.8m

\$13.1m

(\$9.4m)

\$3.7m

\$19.5 m

Acquired assets in the Balance Sheet

Recognised in the Profit & Loss

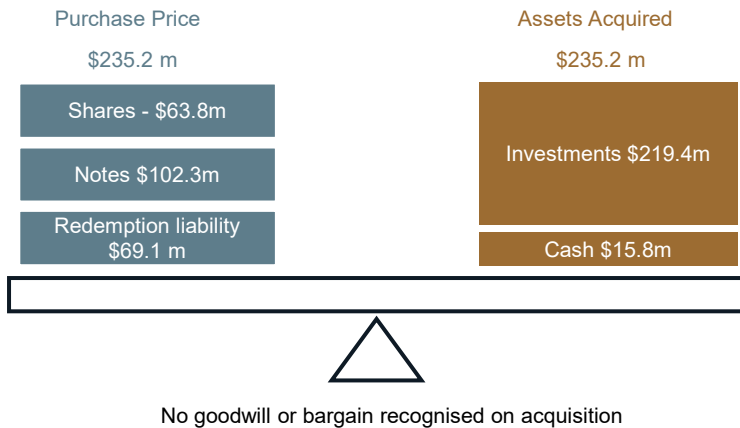
Net distribution to Navigator

\$28.9m of distributions for FY21 profit share

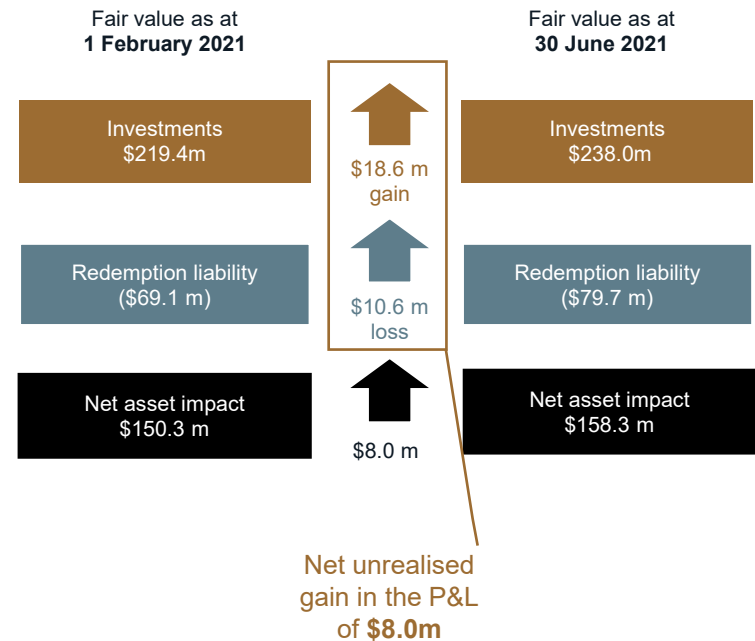
From FY2022, all distributions received will be accounted for in the Profit & Loss as distribution income.

NGI Strategic Portfolio

Purchase Price Accounting 1 February 2021



Fair value changes as at 30 June 2021



NGI Strategic Portfolio investments and the Redemption liability are recognised at Fair Value through Profit & Loss

Net operating expenses

63.4 million

▼1% on pcip

Total
expenses

	FY2021 USD millions	FY2020 USD millions	Change to pcip
Employee expenses	47.9	44.2	▲ 8%
Professional & consulting	5.0	6.3	▼ 21%
Information technology	3.4	3.5	▼ 5%
Occupancy	1.2	1.6	▼ 25%
Distribution expense	1.8	2.8	▼ 36%
Other expenses	2.7	3.8	▼ 30%
Other non-operating expenses	5.6	2.6	▲ 120%

Employee expense - \$47.9 million (▲ 8% pcip)

- \$3.7 million increase in employee expense for the Group compared to FY2020.
- Fixed compensation remains relatively flat
- Variable compensation up 13%, reflecting:
 - higher level of performance fees in the FY21 result, which contributes a greater amount to the variable compensation pool; and
 - variable compensation award to key staff involved in the successful completion of the NGI strategic portfolio.

Professional & consulting fees - \$5.0 million (▼ 21% pcip)

- The Group utilises a number of expert consultants across its business, in particular to provide specialist assistance and support in technology, legal, managed account services and investment process.
- Professional and consulting fees vary depending on the specific projects and operating needs in each period.

Information and technology expenses - \$3.4 million (▼ 5% pcip)

- There has been a \$0.2 million or 5% decrease in information and technology expenses.

Occupancy expense - \$1.2 million (▼ 25% pcip)

- Occupancy expense relates to short-term leases and common area maintenance costs.
- Adjusted EBITDA on slide 14 includes an additional \$3.3 million of net cash payments made for office leases.

Distribution expense - \$1.8 million (▼ 36% pcip)

- 2.4% of management fee revenue (2020: 3.2%).
- \$1.0 million reduction is due to the reduction in Commingled fund AUM over the year.
- Distribution expense relates to third party distribution arrangements.

Other operating expenses - \$2.7 million (▼ 36% pcip)

- Other expenses mainly comprises general administration costs, regulatory fees and charges, travel and entertainment expenses.
- Decrease on the prior year largely related to a \$0.7m reduction in travel expenses for the 2021 financial year due to the pandemic.

Other non-operating expenses - \$5.6 million (▲ 120% pcip)

- FY2021 non-operating expenses include \$5.1 million of expensed transaction costs and \$0.5 million loss on disposal of fixed assets.
- FY2020 non-operating expenses comprised \$1.8 million of expensed transaction costs and a \$0.8 million impairment loss

Balance sheet

Current assets

Cash

US\$52.1 million

Key sources and uses of cash for the period:

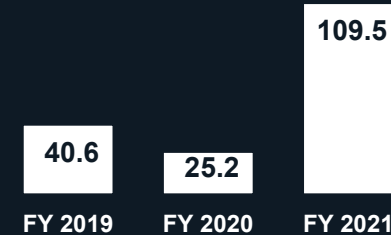
- + \$22.1 million cash generated from operating activities
- + \$28.9 million from NGI Strategic Portfolio (acquired cash and distributions received after closing)
- \$18.2 million paid in dividends to shareholders

Trade & other receivables

US\$21.0 million

- Predominantly comprises management and performance fees receivable from funds and clients.

Net Tangible Assets cents per share:



Non-current assets

Investments recognised at fair value

US\$252.2 million

- NGI Strategic Portfolio investments have estimated fair value of \$238.1 million
- Investments in funds managed by Lighthouse of \$14.1 million.

Intangibles

US\$94.4 million

Intangible assets recognised on the balance sheet:

- \$93.8 million of goodwill
- \$0.6 million of trademarks

Deferred tax assets

US\$40.6 million

Relates to US jurisdiction, key components are:

- \$29.6 million of US carried forward tax losses
- \$12.3 million of DTA's related to impairment losses recognised on goodwill and other deductible temporary differences

Liabilities

Financial liabilities

US\$81.3 million

- Fair value of NGI Strategic Portfolio contingent consideration is \$79.7 million
- \$1.5 million debt component of Convertible Notes issued 1 February 2021

The Group has a \$15 million line of credit arrangement which is undrawn.

Other liabilities

US\$34.7 million

- \$22.1 million of lease liabilities
- \$9.4 million owing to Dyal for their profit share of the NGI Strategic Portfolio
- \$2.3 million of trade & other payables
- \$0.9 million of employee benefit provisions

Dividends

USD Dividend cents per share

- Final dividend of **6.0 cps** to be paid in September 2021
- Interim dividend of **3.5 cps** paid in March 2021

AUD Dividend cents per share

- Final dividend of **8.2 cps** to be paid in September 2021
- Interim dividend of **4.4 cps** paid in March 2021

** Estimated AUD final dividend only assuming an FX conversion rate of AUD/USD 0.7350. The actual AUD dividend per share will be determined using the AUD/USD rate on the Record Date, being 26 August 2021.*

FY2021 Final dividend – key dates

Ex Date: 25 August 2021

Record Date: 26 August 2021

Payment Date: 10 September 2021

Dividend Pay-out ratio

- Full year dividend payout ratio is **80%** of Adjusted EBITDA

Shares participating in dividend

Pre-transaction Shares on Issue	162,147,897
Shares issued on 1 Feb 21	40,524,306
Shares participating in dividend via Convertible Notes issued 1 Feb 21	67,574,292
Shares participating in dividend	<u>270,246,495</u>

Capital management policy

The Company has set a policy of paying a dividend of 70% to 80% of the earnings before interest, tax, depreciation and amortisation (EBITDA).

Dividends will be unfranked, however may have conduit foreign income credits attached.

The payment of dividends will be subject to corporate, legal and regulatory considerations.

The above policy allows the NGI Group to retain a portion of cash generated from operating activities, and to therefore have funds available to make additional investments into the Lighthouse Funds where such investments further the overall operating interests of the Group, or to act on external investment and/or acquisition opportunities as and when they may arise.

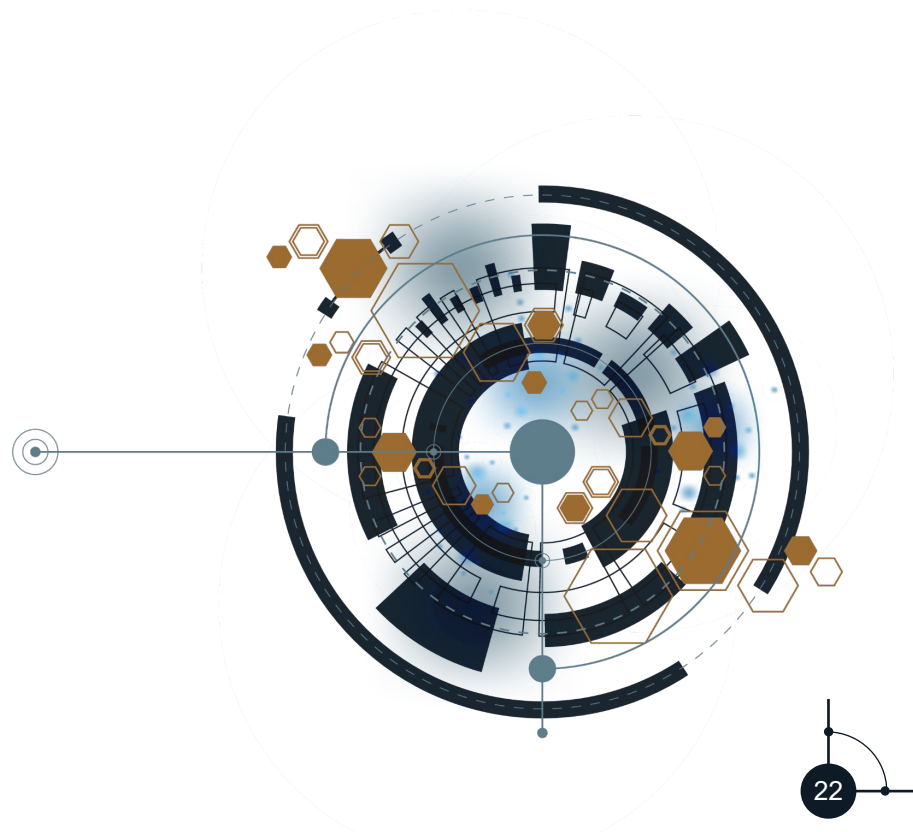
FY22 Adjusted EBITDA Guidance



The above guidance represents Navigator's expectations for Adjusted EBITDA for FY2022. Results are subject to a large number of variables. Performance fee revenue in particular may fluctuate significantly within and between financial years.

Conclusion

Sean McGould, CEO



Positioned for growth

The NGI Group is more diversified than ever before

Today's NGI is powered by high quality earnings diversified across product, client type, geography and positioned with the financial resources and capabilities to drive strong long-term growth





Q & A

Disclaimer

This presentation has been prepared by Navigator Global Investments Limited (**NGI**) and provides information regarding NGI and its activities current as at 19 August 2021. It is in summary form and is not necessarily complete. It should be read in conjunction with NGI's 30 June 2021 Annual Financial Report.

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Queries

Amber Stoney
Chief Financial Officer & Company Secretary
07 3218 6200

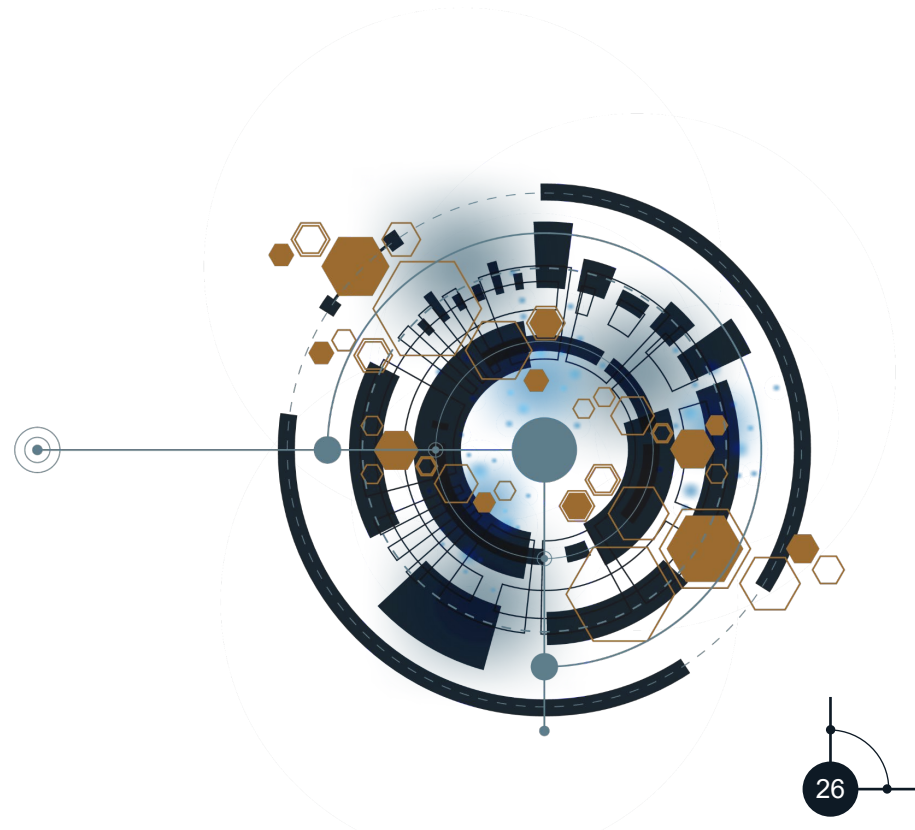
Company address

Navigator Global Investments Limited
(ACN 101 585 737)

Registered office: Level 21, 10 Eagle Street, Brisbane, Q, 4000

Principal office: Level 3, 9 Sherwood Road, Toowong, Q, 4066

Appendices



Summary of FY21 annual result – Statutory EBITDA

	30 June 21 USD millions	30 June 2020 USD millions	Increase/ Decrease
Management fee income	75.571	87.511	▼ 14%
Performance fee income	13.532	5.576	▲ 143%
Reimbursement of fund operating expenses	17.027	7.068	▲ 141%
Revenue from provision of office space and services	1.828	1.353	▲ 35%
NGI Strategic distribution income	3.661	-	▲ 100%
Total revenue	111.619	101.509	▲ 10%
Total operating expenses ¹	(78.971)	(69.346)	▲ 14%
Result from operating activities	32.648	32.163	▲ 2%
Net finance income, excluding interest	10.803	0.921	▲ 1073%
Non operating expenses	(5.648)	(2.566)	▲ 120%
EBITDA	37.803	30.518	▲ 24%
Net interest income/(costs)	(0.796)	(0.651)	▲ 22%
Depreciation and amortisation	(4.525)	(3.998)	▲ 13%
Profit before income tax	32.482	25.869	▲ 26%
Income tax expense	(5.727)	(7.720)	▼ 26%
Statutory net profit after income tax	26.755	18.148	▲ 47%

	USD cents per share	USD cents per share
Basic EPS	14.97	11.19
Diluted EPS	10.86	11.19

Statutory EBITDA margin	34%	30%
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¹ Excludes net finance costs, interest, depreciation, and amortisation. These items have been excluded so as to present the expenses and results arising from the Group's core operating activities. Page 29 provides a reconciliation of "Total expenses" in this Statutory EBITDA to "Net operating expenses" applied to arrive at Adjusted EBITDA.

Summary of FY21 annual result – Adjusted EBITDA

	30 June 21 USD millions	30 June 2020 USD millions	Increase/ Decrease
Management fee income	75.571	87.511	▼ 14%
Performance fee income	13.532	5.576	▲ 143%
NGI Strategic distribution income	3.661	-	▲ 100%
Total revenue	92.764	93.087	-
Total operating expenses ¹	(63.406)	(63.162)	-
Result from operating activities	29.358	29.925	▼ 2%
Net finance income, excluding interest	2.776	0.921	▲ 202%
Non operating expenses	(0.548)	-	▲ 100%
Adjusted EBITDA	31.587	30.846	▲ 2%

Adjusted EBITDA margin

34%	33%
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¹ Excludes net finance costs, interest, depreciation, and amortisation. These items have been excluded so as to present the expenses and results arising from the Group's core operating activities. Page 29 provides a reconciliation of "Total expenses" in this Statutory EBITDA to "Net operating expenses" applied to arrive at Adjusted EBITDA.

Reconciliation of total expenses to statutory financial statements

Operating expenses

	30 June 2021 USD millions	30 June 2020 USD millions	Increase/ Decrease
Employee expense	47.916	44.216	▲ 8%
Professional and consulting expenses	5.036	6.345	▼ 21%
Information technology expense	3.372	3.540	▼ 5%
Occupancy expense	1.180	1.583	▼ 25%
Distribution expense	1.788	2.798	▼ 36%
Other expense	2.652	3.796	▼ 30%
Reimbursable fund operating expenses	17.027	7.068	▲ 141%
Total operating expenses per statutory financial statements	78.971	69.345	▲ 14%
Less: Reimbursement of fund operating expenses	(17.027)	(7.068)	▲ 141%
Less: Revenue from provision of office space and services	(1.828)	(1.354)	▲ 35%
Add: Net cash lease payment for office rent <i>(classified as financing expense under IFRS 16)</i>	3.292	2.238	▲ 47%
Net operating expenses in Adjusted EBITDA on slides 14 and 28	63.406	63.162	-

Non-operating expenses

Transaction costs	5.100	1.799	▲ 183%
Loss on disposal of fixed assets	0.548	-	▲ 100%
Impairment loss	-	0.769	▼ 100%
Non-operating expenses in Adjusted EBITDA on slides 14 and 28	5.648	2.568	-
Depreciation of fixed assets	2.084	1.606	▲ 30%
Lease Depreciation	2.345	2.018	▲ 16%
Amortisation of intangibles	0.095	0.374	▼ 75%
Total non-operating expenses per statutory financial statements	10.173	6.565	▲ 55%