

# INVESTOR UPDATE

## August 2017

Confidential

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# FY17 HIGHLIGHTS

FY17



**INCREASING  
REVENUE**

**\$4.1m**

Revenue

**\$6.5m\***

current annualised run  
rate

Since February 2017



**SUCCESSFUL LAUNCH  
OF LISTED SWITZER  
DIVIDEND GROWTH ETF**

**\$30-\$100m\***

Rapid FUM growth for Switzer  
Asset Management (SAM)

June 2017



**SUCCESSFUL LAUNCH  
OF CONTANGO GLOBAL  
GROWTH**

**\$100m**

IPO raised

30 June 2017



**INCREASING FUMA**

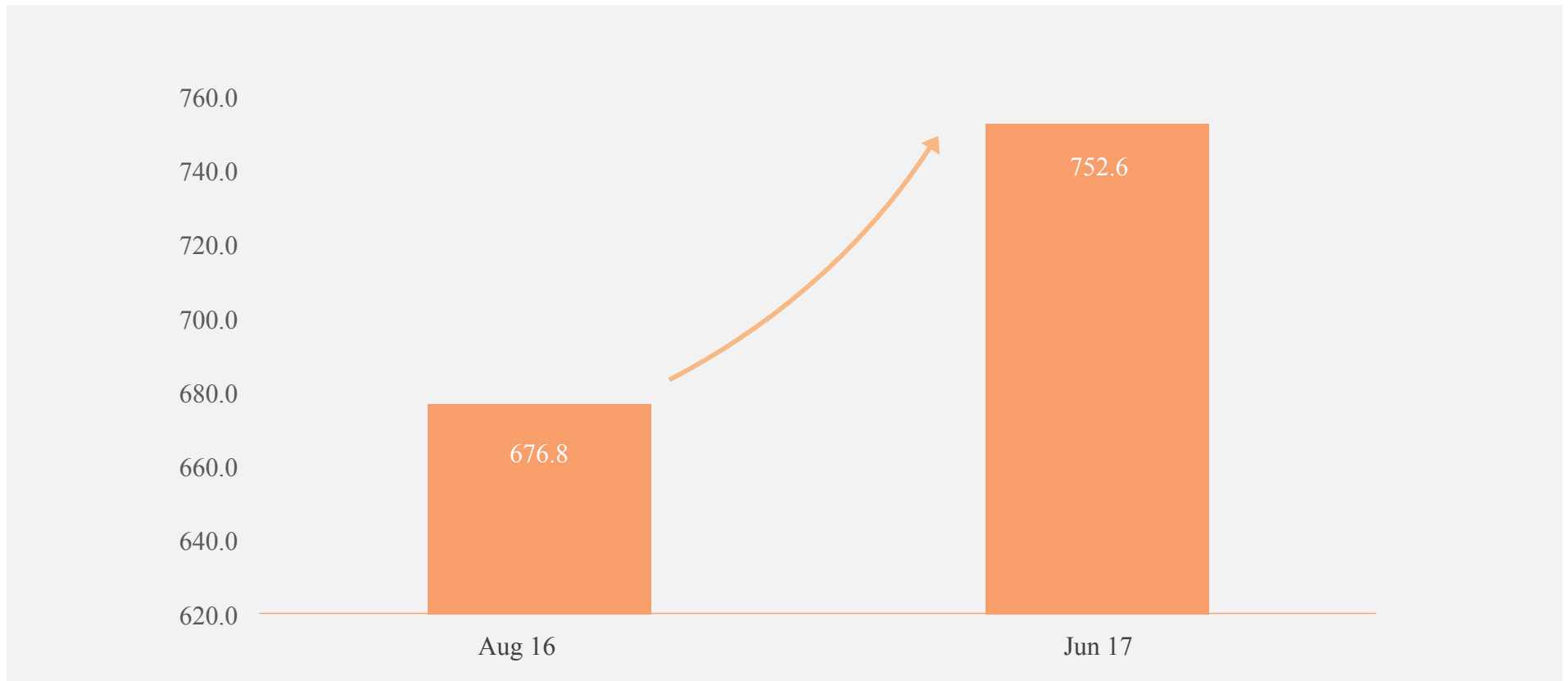
**\$752.6m**

\* Approximate values

## FY17 FUMA GROWTH (9 MONTHS ONLY)

Strong growth in FUMA in only 9 months while establishing Contango's operating platform

FUMA GROWTH, AUG 16 TO JUN 17 (\$ million)



# SUCCESSFUL ROLLOUT OF PRODUCT SUITE

CONTANGO GLOBAL GROWTH LIMITED (ASX: CQG)



**Successful launch of Contango  
Global Growth Limited**

**\$100 Million Raised**



**Over 2,500 shareholders**

**ASX listed in June 2017**



**Undertaken in conjunction with leading California-  
based fund manager, WCM Investment Management  
which has over A\$20 billion under management**



# SUCCESSFUL ROLLOUT OF PRODUCT SUITE

SWITZER DIVIDEND GROWTH FUND (AXW: SWTZ)



**Successful launch of active ETF following 12 month lead time**

**\$50 million raised in two weeks in February 2017**



**Over 2,500 unitholders**

**Steady increase in FUMA since launching to \$66 million as at 31 July 2017**



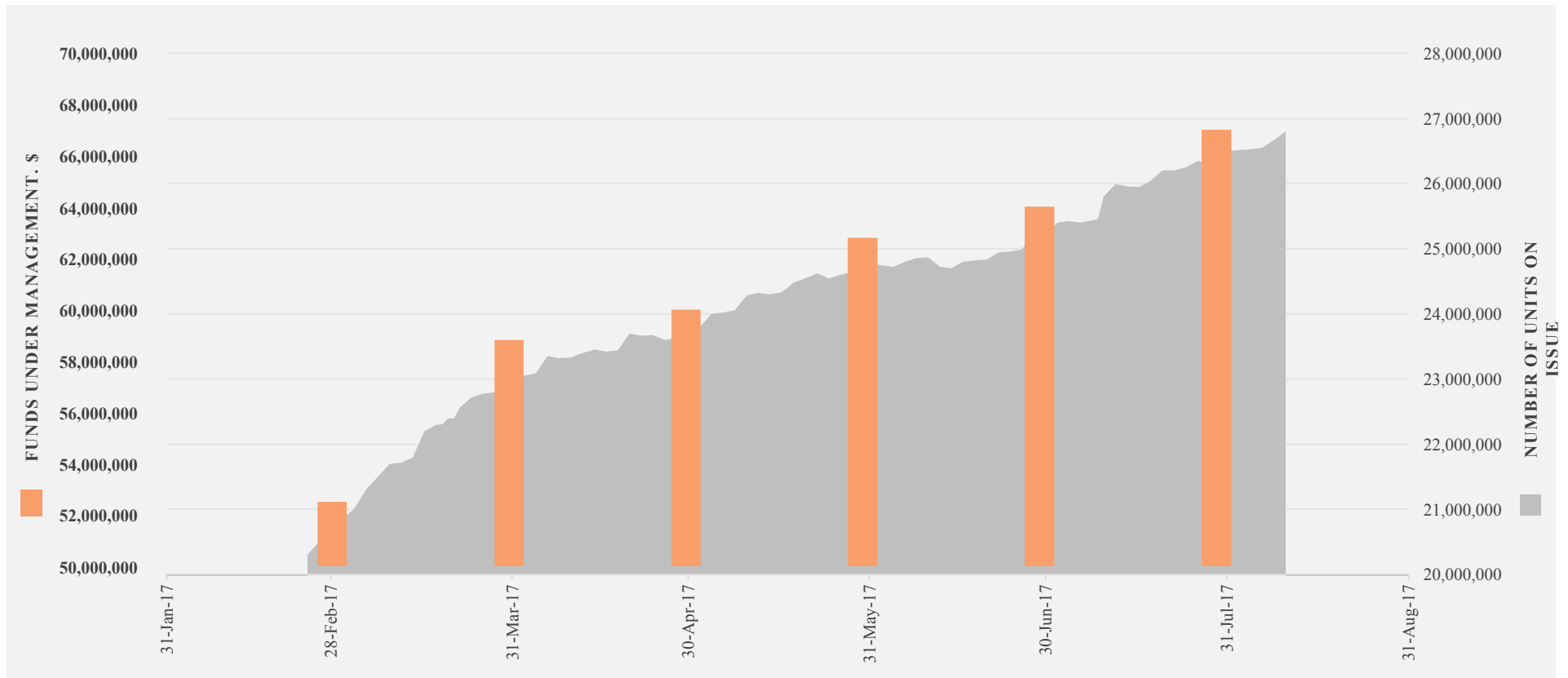
**Highly scalable – no additional workload on investment team**

 **Switzer Asset Management**

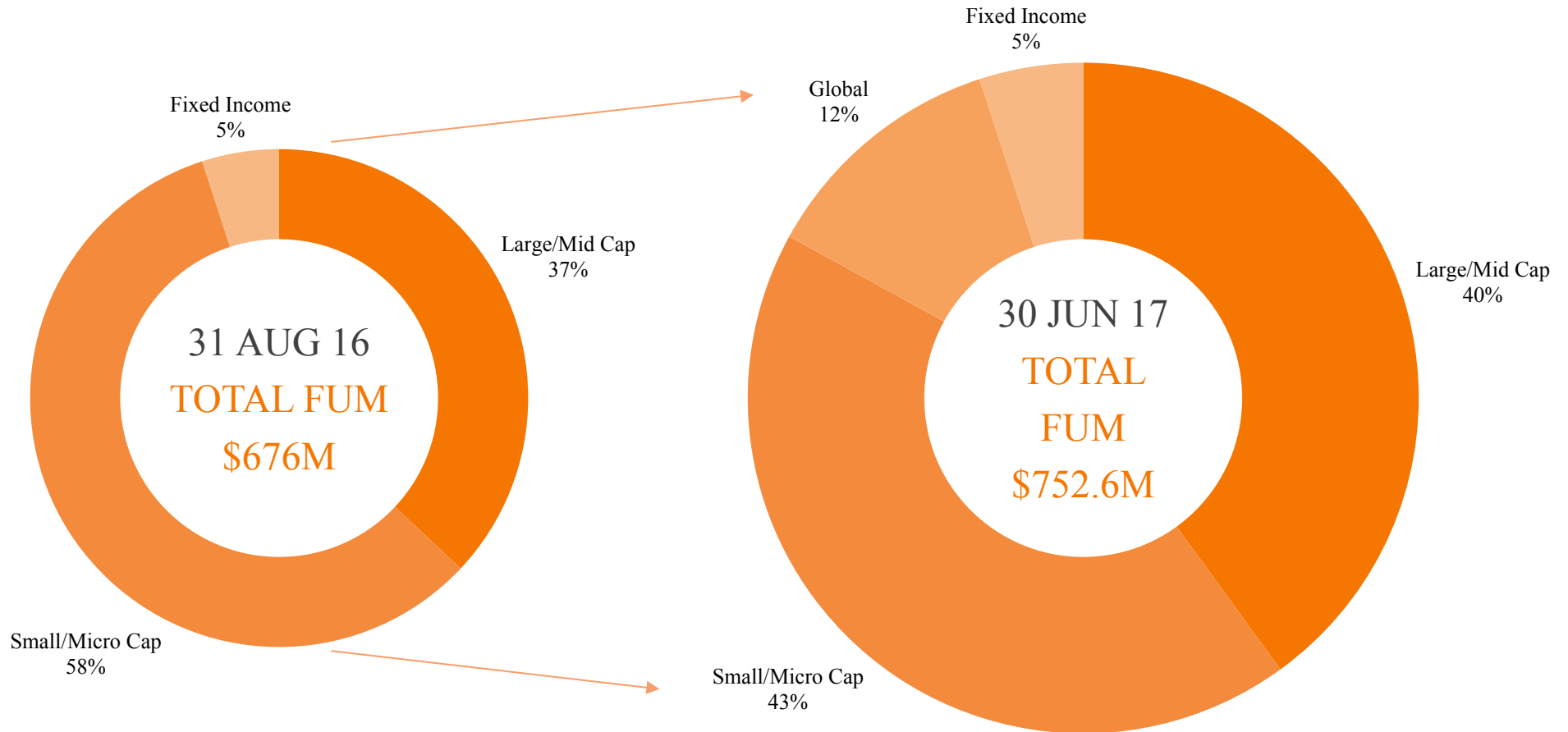


# SWITZER ACTIVE ETF – GROWING STRONGLY

## STRONG FUMA GROWTH & UNITS ON ISSUE



# DIVERSIFYING FUMA AND REVENUE STREAMS





# FY18 STRATEGIC GROWTH PATH

CONTANGO



## GENERATE FURTHER INCREASES IN FUM AND RECURRING REVENUE

- leverage off existing business platform, with little additional investment required
- target institutional and SMA/MDA mandates via IFAs and wealth planning networks
- convert retail and institutional FUMA pipeline
- expand LIC retail consultant coverage with improved corporate governance now in place
- semi-annual investor road shows and targeted investor updates with video content
- business development strategies now being implemented



## HIGHLY SCALABLE OPERATING PLATFORM ESTABLISHED



## FOCUS IS NOW ON THE ROLL OUT OF CONTANGO'S TARGETED SALES AND DISTRIBUTION STRATEGY

- recruitment of a senior **Head of Distribution and team** currently underway

DUAL GROWTH PATHS THROUGH BOTH PLATFORMS



# STRONG GROWTH IN SWITZER PLATFORM

CGA owns **46%** of Switzer Asset Management (SAM)

SAM launched in February 2017 and from an initial base of around \$30 million has grown FUMA to approximately **\$100 million in only 6 months**

FUM has been generated from direct marketing

**Switzer Dividend Growth Fund (ASX: SWTZ)** is a large cap dividend income and growth strategy. This is the first of SAM's ETF to be launched

SAM plans to launch **two more ETFs by the end of 2018**

Over the next 5 years SAM plans to launch a suite of products and **leverage the self directed, SMSF, super and ageing sectors**

SAM targets FUMA of **\$1 billion by 2021**

CGA continues to **invest in SAM's rapid growth**



## THE SWITZER NETWORK

SAM will leverage a network of over 300,000 investors to drive FUMA via a unique multi media platform comprising of:

- Online
- Television
- Radio
- Social

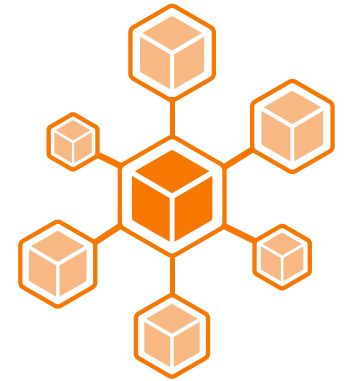
### MARKETING ACTIVITIES WILL CONSIST OF:

- Advertising
- EDM
- Content integration
- Webinars
- E books
- Events



# ENHANCEMENT OF EXISTING LIC STRUCTURE

CONTANGO MICROCAP LIMITED (ASX: CTN)



STRIVING TO BE BEST OF BREED IN CORPORATE GOVERNANCE PRACTICES

## ENHANCEMENT OF EXISTING LIC STRUCTURE, CONT.

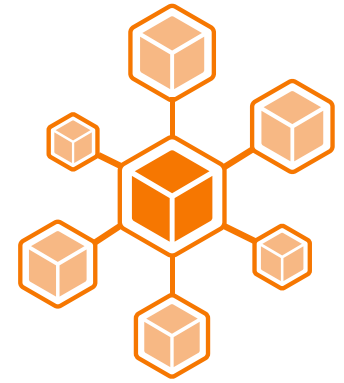
### CONTANGO INCOME GENERATOR LIMITED (ASX: CIE)

**November 2016** - Refreshed board of directors – new independent chairman

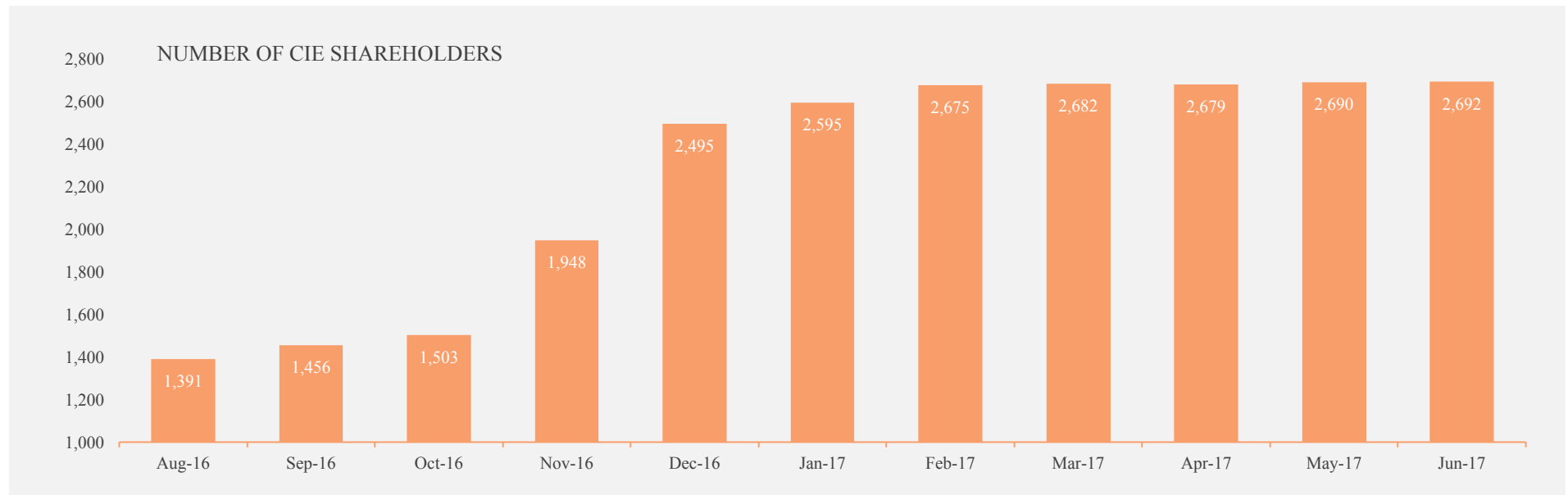
**November 2016** - Significant reduction in directors' fees

**November 2016** - Completion of \$27m CIE block trade

**Ongoing** - Improved shareholder communications including video content



### Strong growth in shareholder numbers



## STRIVING TO BE BEST OF BREED IN CORPORATE GOVERNANCE PRACTICES

# HIGHLY SCALABLE OPERATING PLATFORM – HIGH CALIBRE TEAM



Substantial investment in high calibre legal, compliance, operations and finance resources recruited to the business. Key hires include:

- CFO
- General Counsel and Company Secretary
- Chief risk and operating officer
- Financial Controller
- Head of communications and marketing

Rollout of best in breed AIMS attribution and risk system

Substantial operating platform with significant capacity now in place

Fixed cost base is highly scalable on further increases in FUM

Focus is now on the development of the sales and distribution capability

Collectively, employees own > 20% of CGA aligning their interests with all shareholders

STAFF	30 JUNE 2017
Investment Team	
Portfolio Managers/Analysts	10
Dealers	2
Investment Consultants	2
	14
Finance	2
Marketing	1
Legal & Compliance	2
Operations & Business Support	4
<b>Total</b>	<b>23</b>

# FY17 PROFIT AND LOSS

UNDERLYING AND STATUTORY RESULTS (INCLUDES NINE MONTHS CONTRIBUTION FROM CONTANGO FUNDS MANAGEMENT LTD TO 30 JUNE 2017, \$M)

FY17

Revenue	4.15
Expenses	
Employee costs	(3.10)
Other operational expenses	(2.49)
Underlying EBITDA	(1.44)
Depreciation and amortisation	(0.45)
Underlying EBIT	(1.89)
Net interest expense	(0.05)
Underlying PBT	(1.94)
Tax expense	0.00
Underlying NPAT	(1.94)
Reconciliation to statutory NPAT	
Non-cash share based payments and one-off listing costs	(2.18)
Goodwill impairment	(2.95)
Reported NPAT	(7.07)

# FY17 PROFIT AND LOSS COMMENTARY



## REVENUE

- Reported revenues are from 29<sup>th</sup> September, 2016 (date of acquisition of Contango Funds Management Ltd) to 30<sup>th</sup> June, 2017
- Reported revenues exclude any significant contribution from Contango Global Growth which completed a \$100m capital raising on 23<sup>rd</sup> June, 2017
- Switzer Asset Management (SAM) is 46.25% owned by Contango and is equity accounted
- Current SAM FUMA is around \$100 million



## COSTS

- Employee costs include significant investment in legal, compliance, operations and finance teams which is complete
- One off costs associated with the launch of Contango Global Growth and Switzer Dividend Growth Fund, together with the establishment of the operating platform, included in underlying expenses
- One-off costs associated with September 2016 management buy out and capital raise

**REVENUES CIRCA \$6.5M AT PRESENT ON AN ANNUALISED BASIS**

# EQUITY PLACEMENT

Successful completion of placement to raise gross proceeds of \$5.0m from strategic high net worth and institutional investors to fund Contango's future growth strategy

KEY INFORMATION	DETAIL
Number of Placement Shares to be Issued	5,555,556
Gross Proceeds Raised	\$5.0m
Issue Price per Placement Share	\$0.90
Premium / (Discount) to Last Close	nil
Sole Lead Manager	Taylor Collison

## USE OF PROCEEDS

- Further rollout of product suite
- Drive growth from investment in SAM
- Expand sales and distribution channels including recruitment of Head of Distribution
- Repay all debt

**CONTANGO IS WELL CAPITALISED WITH NO DEBT AND SURPLUS CASH FOR EXPANSION**

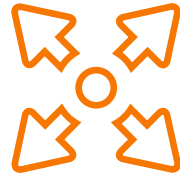


# SUMMARY



Significant FY17 growth achieved

- ↑ FUMA
- ↑ Revenue
- ↑ New product launches



Highly scalable operating platform in place



FY18 growth from institutional and retail FUMA pipeline and new products



Debt free balance sheet with excess cash to fund expansion

## CONTACT DETAILS

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