



22 March 2021

Company Announcements Office
Australian Securities Exchange
Authorised for immediate release

Financial Update – half year ended 31 March 2021

HGL Limited (ASX: HNG) (**HGL** or **Company**) provides the following update for the financial half year ended 31 March 2021 (HY21).

All information provided in this financial update remains subject to audit, and excludes the impact of the capital raising announced 22 March 2021.

As previously advised at the Annual General Meeting in February 2021, HGL intends to move to an Investment Entity basis of reporting effective from the HY21 reporting period. This change in accounting policy means that earnings will be recognised in the income statement from dividends, profits on disposal of investments and unrealised changes in the carrying value of investments, rather than the historical basis of consolidating operating profits from the business units.

The financial position of the Group has strengthened considerably since 30 September 2020, including the following highlights for the period to 28 February 2021:

- All continuing businesses (Mountcastle, Pegasus Healthcare, BLC Cosmetics and SPOS Group) are profitable and performing ahead of the same period last year;
- Substantial reduction in uncovered Head Office costs;
- Completion of the disposal of the underperforming JSB Lighting business to FOS Lighting via a share swap, with FOS expecting to list in the coming months;
- All parent entity level debt repaid from the proceeds of the capital raising completed in November 2020;
- Establishment of an initial investment portfolio in selected unlisted and listed equities;
- Imminent completion of the acquisition of Supervised Investments as initial step in establishing funds management operations;
- Signed option agreement for the sale of SPOS Group through a Management Buy Out; and
- Growing pipeline of investment opportunities under consideration.

An independent valuation assessment is in progress to enable adoption of a fair carrying value of each investment for financial reporting purposes in connection with half year review and full year audits. Preliminary advice on aggregated values of the Mountcastle, Pegasus, SPOS Group, BLC Cosmetics and FOS Lighting investments exceeds \$25.0 million compared to the Net Assets of the group reported at 30 September 2020 of \$16.5 million.

HGL anticipates releasing its financial statements for HY21 around 25 May 2021.

Further Information

For more information, please contact Iain Thompson, HGL CFO, on 02 8667 4660.



About HGL Ltd

HGL is a diversified investment company with a focus on active management and driving shareholder returns, investing in a broad range of opportunities across Private Equity, ASX listed equities, Funds management, real property, debt funding and other alternative investments. We seek to become a trusted partner of choice that aims to solve our partner's problems, identifying and pursuing opportunities that benefit all parties.

www.hgl.com.au