

## **ECSPONENT LIMITED**

Incorporated in the Republic of South Africa  
Registration number: 1998/013215/06  
JSE Code: ECS - ISIN: ZAE000179594  
Debt Issuer Code: ECSD  
("the Company" or "Ecsponent")

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## **UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2019**

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The board of directors of Ecsponent ("Board") presents the condensed consolidated interim financial results of Ecsponent and its subsidiaries ("the Group") for the six-months ended 31 December 2019.

The financial results for the six-month interim period ended 31 December 2019 are presented in uncertain times with unprecedented worldwide social and economic turmoil as well as weak economic performance within the major Southern African markets in which the Group's main investments operate.

The Group's credit operations continued to decline as a result of increased client defaults requiring the conversion of credit assets to the underlying security. The most significant of these being the conclusion of the conversion of the Group's debt held in MyBucks S.A., an African focused banking group incorporated in Luxembourg and listed on the Frankfurt Stock Exchange ("MyBucks"), to equity, as approved by the Company's shareholders on 22 November 2019.

## **PROSPECTS**

Looking forward, the Company will, in accordance with its investment philosophy, invest in a diversified portfolio of companies operating in high growth sectors with an ability to generate a minimum return of 30% in South African Rands over a long-term period.

The Group's current equity portfolio holds value which is estimated to require the next three to five years to fully materialise. MyBucks' past performance was particularly disappointing which necessitated shareholder intervention and culminated in a significant restructure of this Group's operations during 2019.

The Board implemented value accretive interventions after the 31 December 2019 reporting date to further enhance the solvency and liquidity of the Company, including, amongst others:

- the announcement of a proposed restructure of the Company's listed preference shares, with the intention of matching the liquidity profile of the Group's equity investments to fund any future voluntary redemptions of the preference shares. The restructure, if approved, will result in Ecsponent reclassifying total preference share debt of R2.56 billion into equity;
- the rationalisation of the Ecsponent operations to reduce costs;
- disposal of the Ecsponent's Eswatini operations at net asset value; and
- the announcement of the intended issue of 8 808 624 705 Ecsponent ordinary shares to settle debt of R215.8 million, as announced on 20 March 2020.

## FINANCIAL SUMMARY

Highlights of the Group's results for the period ended 31 December 2019 are set out below, together with the information for the previous comparative period, being the six-months ended 31 December 2018 ("Comparative Period"):

- revenue decreased by 62% to R45.03 million compared to R118.68 million in the Comparative Period;
- an operating loss (before taxation) of R1.98 billion was incurred during the six-month period under review in comparison to the operating profit (before taxation) earned of R157.55 million in the Comparative Period;
- basic and fully diluted earnings per share decreased by 165.76 cents to a loss per share of 165.44 cents compared to an earnings per share of 0.32 cents in the Comparative Period; and
- basic and fully diluted headline earnings per share decreased by 166.01 cents to a headline loss per share of 165.70 cents compared to a headline earnings per share of 0.31 cents in the Comparative Period.

No ordinary dividends have been declared in the current or previous periods and no ordinary dividend is proposed.

This short form announcement is the responsibility of the directors and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based as a whole on consideration of the unaudited condensed consolidated interim financial results of the Group for the six months ended 31 December 2019 which are available:

1. for download via:
  - <https://senspdf.jse.co.za/documents/2020/jse/isse/ecs/dec2019.pdf>; or
  - the Group's website at <https://www.ecsponentlimited.com/media-releases/>; or
2. may be requested from the Company by contacting Investor Relations at [investor.relations@ecsponent.com](mailto:investor.relations@ecsponent.com).

For more information about this announcement or the Group, email [investor.relations@ecsponent.com](mailto:investor.relations@ecsponent.com) or visit [www.ecsponentlimited.com/investor-relations](http://www.ecsponentlimited.com/investor-relations).

17 April 2020

Pretoria

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