

## **ECSPONENT LIMITED**

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

---

### **VOLUNTARY ANNOUNCEMENT REGARDING MYBUCKS COMPLETION OF SECOND PHASE OF FINANCIAL RESTRUCTURING AND BOARD APPOINTMENTS, THE DISPOSAL OF MHMK CAPITAL AND B-BEE ANNUAL COMPLIANCE REPORT**

---

Ecsponent is pleased to announce an update to stakeholders of various initiatives which have been implemented subsequent to the Company's general meeting held on 27 May 2020.

#### **ECSPONENT'S LARGEST INVESTMENT, MYBUCKS, COMPLETES SECOND PHASE OF FINANCIAL RESTRUCTURING AND NEW BOARD APPOINTMENTS**

The Company is pleased to advise that MyBucks S.A. ("MyBucks") completed its second phase of financial restructuring, consisting of:

- External debt reduced by c. EUR26.5m through the effective sale of operations in Botswana and the disposal of equity stakes in its operations in Mozambique and Zambia.
- Malawian balance sheet strengthened through the introduction of a local partner with parallel c. EUR6m liquidity unlocked for further debt reduction for MyBucks.
- Residual debt of EUR108m at the start of the restructuring process as of 31 March 2019, has now been reduced by EUR83m, to remaining net debt of EUR25m.
- Appointment of Patrick Matute as an Executive Board Member, appointment of Craig Lyons as Chairman of the board of MyBucks with a phase-out of Timothy Nuy as CEO of MyBucks following the successful completion of the restructuring of the Company's board of directors ("Board") (as announced on SENS by Ecsponent on 5 June 2020).

The full announcement by MyBucks S.A. can be viewed at: <https://corporate.mybucks.com/articles/mybucks-sa-completes-second-phase-of-financial-restructuring/6R7Qq3FvmOctOy0Zefgbpm>

#### **DISPOSAL OF MHMK CAPITAL**

The Board is pleased to announce that the group concluded a transaction on 22 June 2020 in terms of which its wholly owned subsidiary, Ecsponent South Africa Proprietary Limited ("Ecs SA") disposed of its 70% interest in MHMK Capital Proprietary Limited ("MHMK Capital") to a BEE consortium led by the black founding members of Ngwedi Capital Holdings ("Ngwedi").

The total cash consideration for the disposal by Ecs SA of its shares and claims in MHMK Capital will take effect from 24 June 2020, with the purchase consideration payable on or before 31 December 2020.

#### **Overview of MHMK Capital**

MHMK Capital is a proprietary corporate venture capital firm, whose mandate is to invest in external start-up companies which are deemed to have both long term strategic and financial benefits. MHMK Capital's mandate was, to date, to develop and strengthen Ecsponent investment banking capabilities by targeting investments in specialised financial services firms such as asset management, advisory, stockbroking and

private equity. MHMK Capital's first investment was in Ngwedi. The Disposal results in Ecsponent no longer having a direct or indirect interest in Ngwedi.

Ngwedi is an emerging Black-controlled Asset Management Holding Company. The South African domiciled holding company operates under two wholly owned subsidiaries, namely Ngwedi Investment Managers Pty Ltd ("**NIM**") and Ngwedi Alternative Investment Managers ("**NAIM**"). NIM is an FSCA licensed traditional asset manager offering fixed income, multi-asset and equity investment solutions to both institutional and retail clients. NIM's product offering is complemented by NAIM, which offers a full suite of alternative investment products covering private credit, private equity and hedge fund solutions.

### **Categorisation of the Disposal**

The Disposal is less than 5% of the Company's market capitalisation as at 22 June 2020 and therefore does not constitute a categorised transaction in terms of the JSE Listings Requirements, and accordingly does not require approval by shareholders.

### **Trigger event**

The Disposal will constitute the Company's first trigger event as described in the terms of the Class D and G preference shares, and distributions to preference shareholders as a result of the trigger event shall be considered by the Board and announced at the appropriate time, taking into consideration the provisions of the Companies Act (No 71 of 2008), terms of the Company's Memorandum of Incorporation, consideration received and operational and cashflow requirements of the Company.

### **B-BBEE ANNUAL COMPLIANCE REPORT**

In accordance with Appendix 1 to Section 11 of the JSE Listings Requirements, notice is hereby given that the Company's 2020 Annual Compliance Report, in terms of section 13G(2) of the Broad Based Black Economic Empowerment Amendment Act, is available on the Company's website: <https://www.ecsponentlimited.com/wp-content/uploads/2020/06/BBEEcert.pdf>.

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

Pretoria  
25 June 2020

Sponsor to Ecsponent



Questco Corporate Advisory (Pty) Ltd