



VUNANI

CAPITAL PARTNERS

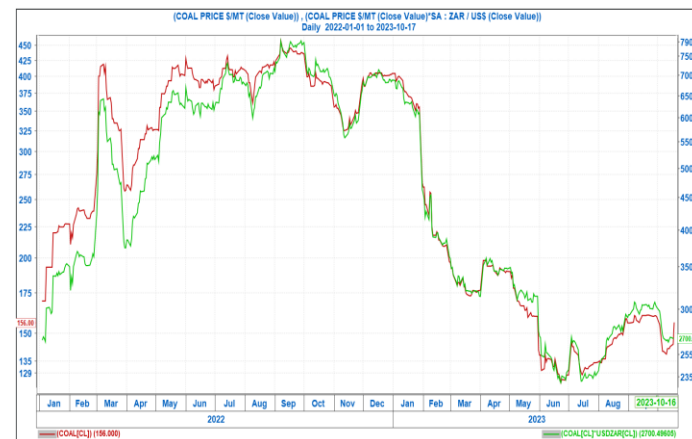
INVESTOR PRESENTATION

Results for the Six Months to
31 August 2023

STAND OUTS FOR THE SIX MONTHS









- ❖ A tough six months for our two coal investments
- ❖ Closed a second renewable energy investment
- ❖ Sold our long-standing investment in Workforce
- ❖ First closing of Ditikeni Vunani Transformation Fund (structured as an *en commandite partnership*)
- ❖ Development funding raised for three property developments

- **Earnings hit by drop in coal prices and declining port access for exports**



INVESTMENT FOCUS

- ❖ Ditikeni partnership added to our seven investment sectors
- ❖ Gaming activities continues to perform well with “crash games” showing high growth
- ❖ Commodity trading revenues impacted by hard currency shortages
- ❖ Fintech values remain under pressure with corporate actions still featuring strongly
- ❖ Phakamani Impact Capital expansion into training has been successful

-  - Resources and Energy
-  - Gaming
-  - Financial Services
-  - Fintech
-  - BEE Investments
-  - Commodity Trading
-  - Property
-  - Ditikeni Partnership

DITIKENI VUNANI FUND

- ❖ Targets enterprises valued between R20m - R500m
- ❖ Promotes transformation and ESG (UN's Sustainable Development Goals road map)
- ❖ Closed 2 investments
 - Specialized Solar Systems
 - Upgrade Energy Africa
- ❖ Targeted capital raise of R300m, of which VCP has committed R20m
- ❖ VCP will earn a 2% management fee and 15% carried interest



- Formed in 1999
- 98% black owned
- 64% black women owned
- Investments of R300m



- Established in 1998
- 61.93% black owned
- 27.20% black women owned
- AUM+AUA of R67.4bn

FINANCIAL PERFORMANCE



FINANCIAL PERFORMANCE

Figures in R'000s	August 2023	August 2022	% movement
Revenue	6 732	10 241	-34%
Other income	288	446	-28%
Investment revenue	107	428	-75%
Equity accounted earnings (net of tax)	2 917	89 036	-97%
Operating expenses	(8 276)	(17 204)	+52%
Results from operating activities	1 768	82 947	-98%
Fair value adjustments and impairments	98	-	+100%
Net finance income	534	301	+77%
Profit before tax	2 400	83 246	-97%
Taxation	(1 207)	(2 644)	+54%
Profit from operations	1 193	80 604	-98%

Current year performance is significantly lower than prior year due to the decline in energy prices, which has impacted the current year equity accounted earnings.

- ❖ **Profit after tax of R1.2 million compared to R80.6 million**
- ❖ **Revenue from operations of R6.7 million compared to R10.2 million**
 - 52% (2022: 64%) of revenue generated from resources and energy sector
 - 18% (2022: 0%) of revenue generated from financial services
- ❖ **Earnings from associates down 97% from R89.0 million to R2.9 million**
 - The drop in earnings from associates is a result of the performance of our two coal assets and lower fintech valuations
- ❖ **Sector contributions**
 - Resources and energy: down 99% from R80.9m to R0.4m
 - Gaming: up 49% from R2.9m to R4.3m
 - Financial services: up 115% from R1.3m to R2.8m
 - Fintech: down from R1.3m to negative earnings of R5.9m
 - Commodity trading: down 59% from R2.6m to R1.1m

- ❖ **Majority of investments equity accounted** which avoids mark-to-market volatility in group's earnings
- ❖ **Investment and loans to associates** account for 72% of the group's total assets
- ❖ **Invested a further R23m** into properties during the period
- ❖ **Dividends** received fell from R70.9m to R5.0m
- ❖ **Disposal** of investment in Workforce, via a structured deal (classified as asset held for sale)
- ❖ **Other investments** have increased due to a second investment in renewable energy of R3.9 million.

STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited	Unaudited
	31 August	28 February	31 August
Figures in R'000	2023	2023	2022
Assets			
Investments in and loans to associates	219 691	228 214	245 847
Other investments	28 673	28 673	35 319
Other financial assets	9 200	5 300	–
Deferred tax asset	–	–	258
Total non-current assets	257 564	262 187	281 424
Other investments	2 729	2 631	2 864
Loans to associates	–	–	1 669
Trade and other receivables	7 862	8 222	9 536
Non-current assets held for sale	29 804	–	–
Cash and cash equivalents	9 215	33 515	44 451
Total current assets	49 610	44 368	58 520
Total assets	307 174	306 555	339 944

DIVIDEND POLICY

- ❖ Our policy aims to pay at least one dividend per annum to our shareholders, from surplus funds, when approved by the board of directors, subject to:
 - ❖ the recognition of profit and availability of cash for distribution;
 - ❖ any banking or other funding requirements by which the company is bound from time to time;
 - ❖ the operating and investment needs of the company;
 - ❖ the anticipated future growth and earnings of the company;
 - ❖ relevant applicable laws (solvency and liquidity test).

Dividends paid to date: **Total cash paid of R99.2 million since listing.**

- ❖ Dividend no. 1: **3 cents in December 2021**, cash paid R5.0 million
 - ❖ Dividend no. 2: **18 cents in June 2022**, cash paid R29.8 million (500% increase)
 - ❖ Dividend no. 3: **38 cents in October 2022**, cash paid R64.4 million (111% increase)
- ❖ No interim dividend declaration due to the significant decline in profits, dividend generated from associates and the investments into properties.

STRATEGY



KEY FOCUS AREAS

- ❖ Assist our two resources assets so they can take advantage of the firming coal prices
- ❖ Expanding the number of operational gaming licenses
- ❖ Work on corporate actions at Anatrice (commodity trading) to add new business lines
- ❖ Commence construction of the three property developments
- ❖ Continue working with our fintech investments to scale up
- ❖ Prepare for Ditikeni Vunani Transformation road show early in Q1'24

THANK YOU!

**QUESTIONS
&
ANSWERS**



PROPERTY DEVELOPMENTS

Langdown Ridge – Plettenberg Bay



Oxford Rise – Hout Bay



For more information: visit our website

<https://vunanicapitalpartners.co.za/property-developments/>