

21 August 2024

ASX and SGX-ST Announcement

Convertible Note Transactions, Placement & Unaudited Results

- Launch of offer of \$450 million Senior Unsecured Convertible Notes due 2030¹ to be listed on the Official List of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**New Notes**") and concurrent repurchase of up to 100% of the outstanding \$225 million Senior Unsecured Convertible Notes due 2026 ("**Repurchase**")
- Placement of up to \$225 million, at an issue price of \$34.23 per ordinary share (a zero percent discount to the last closing price of Soul Patts' shares) ("**Placement**") to be used to fund the Repurchase
- The New Notes provide longer-term, low-cost debt to further strengthen Soul Patts' capital position for deployment into new investment opportunities
- Soul Patts' unaudited results for the year ended 31 July 2024 ("**FY24**") are as follows²:
 - 31 July 2024 Net Asset Value (NAV) (pre-tax)³: \$11.6 billion - \$12.0 billion
 - FY24 Net Cashflow From Investments⁴: \$463 million - \$472 million

Diversified investment house, Washington H. Soul Pattinson and Company Limited ("**Soul Patts**") (ASX:SOL) announced today the launch of \$450 million Senior Unsecured Convertible Notes and Placement of up to \$225 million. The Placement will be used to fund the Repurchase with the net proceeds from the New Notes to provide additional liquidity for new investment opportunities and accelerate growth in the business.

Soul Patts' Managing Director & CEO, Todd Barlow said:

"Following the success of our first convertible bond in 2021 where we have benefited from low-cost debt funding (3.5 years at 0.625% p.a.), we are pleased to be accessing this market again. We have received strong support from equity investors for the Placement to fund the Repurchase.

Since the issue of the 2021 convertible bond, our NAV per share (adding back dividends) has increased 15% p.a.

We continue to experience high levels of deal flow and executed \$4.7 billion of transactions in FY24. Soul Patts has established itself as a capital partner of choice and we are seeing significant growth in our private equity and credit portfolios.

Following this transaction, we will be in a net cash position with significant flexibility to further accelerate Soul Patts' growth."

¹ Investors in the New Notes have a put option on 29 February 2028.

² This is subject to Board review, approval and external audit.

³ The value of all Soul Patts' assets less all liabilities, excluding any capital gains tax payable upon the sale of its assets. Assets may be valued at Cost, Directors' Fair Value, External Fair Value, or Market Value.

⁴ Represents the cash flows generated by Soul Patts from its investment portfolio, after deducting corporate costs, income tax, and Non-Regular cash flows. Includes dividends and distributions from investments, interest income, and realised gains on assets held for trading. The Directors determine interim and final dividends based on Soul Patts' Net Cash Flow From Investments.



Convertible Notes offer

The New Notes is an offering of \$450 million unsecured senior convertible notes due 2030 that are convertible into fully paid ordinary shares ("**Ordinary Shares**") in Soul Pattinson (the "**Offering**"). Soul Pattinson has the right to choose to cash settle the New Notes if converted.

Repurchase

Soul Pattinson intends to concurrently repurchase up to 100% of the outstanding \$225 million unsecured senior convertible notes due 2026 ("**Existing Notes**"). Soul Pattinson is carrying out a reverse bookbuilding process to receive indications of interest from holders of the Existing Notes (that are not, and are not acting on behalf of, persons located or resident in the United States) willing to sell in return for cash. The maximum amount of the Repurchase will be the aggregate outstanding amount of the Existing Notes. The repurchase price will be determined by the reverse bookbuilding process.

Jefferies (Australia) Pty Ltd ("**Jefferies**") is acting as Sole Global Co-ordinator and Lead Manager on the Offering. Jefferies is also acting as Dealer Manager on behalf of Soul Pattinson for the Repurchase.

Placement

Soul Pattinson has signed commitment letters with existing shareholders who have committed to an aggregate amount of up to \$225 million at a price of \$34.23 per fully paid ordinary share (a zero percent discount to the last closing price of Soul Pattinson's shares). The Placement will be used to fund the Repurchase.

Other commitments will satisfy the hedging requirements arising from the convertible note transactions.

Aitken Mount Capital Partners is acting as the Sole Lead Manager on the Placement.

Indicative Timetable⁵

An indicative timetable of key dates in relation to the Offering, Repurchase and Placement is set out below:

Event	Sydney date and time
Results of the Offering, Placement and Repurchase	Thursday 22 August 2024
New Notes and Repurchase settlement	Thursday 29 August 2024
Placement settlement	Thursday 29 August 2024
New Notes issue	Thursday 29 August 2024

⁵All dates and times are indicative only and Soul Pattinson reserves the right to amend any or all of these events, dates and times or to withdraw the Offering, Repurchase and / or Placement or any part of them, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws and regulations. All times and dates are references and the time and date are in Sydney, Australia.



Legal

Soul Patts is not under any obligation to accept any offer of Existing Notes for repurchase pursuant to the Repurchase. Offers of Existing Notes for repurchase may be rejected in Soul Patts' sole discretion, for any reason and none of Soul Patts or the Dealer Manager are under any obligation to holders of Existing Notes to furnish any reason or justification for refusing to accept an offer of Existing Notes for repurchase or the termination of the Repurchase.

In addition, Soul Patts may, at its discretion, repurchase on-market any remaining Existing Notes following settlement of the Repurchase, at the then prevailing prices. Pursuant to the terms of the Existing Notes, if the Existing Notes have been converted, redeemed or repurchased in respect of 85 per cent or more in aggregate principal amount, all of the remaining Existing Notes on issue may be redeemed by Soul Patts at their principal amount.

The Offering is being marketed to eligible investors, with the final terms of the New Notes to be determined via a book-build process expected to be completed prior to market open on Thursday 22 August 2024. A summary of the key terms of the New Notes is set out in this announcement below.

Soul Patts will apply for the New Notes to be listed on the Official List of the Singapore Exchange Securities Trading Limited.

Disclaimer

No offer

This announcement does not constitute or form part of any offer to purchase, a solicitation of an offer to purchase, an offer to sell or an invitation or solicitation of an offer to sell, issue or subscribe for any securities.

Neither this announcement nor any copy hereof may be taken into or distributed in the United States or any jurisdiction where to do so is unlawful.

The information contained in this announcement is not for distribution, directly or indirectly, in or into the United States. This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States or any jurisdiction where to do so is unlawful. The Ordinary Shares, the New Notes and Existing Notes mentioned herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended ("**Securities Act**"), and may not be offered or sold in the United States except pursuant to registration or an exemption from the registration requirements of the Securities Act. No public offering of the Ordinary Shares or the New Notes will be made in the United States or any jurisdiction where to do so is unlawful.

Financial information

The financial information set out in this announcement has been prepared close to the end of the financial year for Soul Patts and its subsidiaries (collectively, the "**Group**") and has not been audited or reviewed by the Group's independent auditors. Accordingly, the financial information included in this announcement should not be relied upon by investors to provide the same quality of information associated with information that has been subject to audit.



Potential investors should exercise caution when using such data to evaluate the Group's financial condition and results of operations. Such financial information may subsequently be adjusted or restated (among other reasons) to reflect subsequent comments given by the independent auditors during their audit (if any). Such adjustments or restatements may cause discrepancies between the financial information in this announcement and the audited financial statements.

Soul Patts presents with its financial results certain Alternative Performance Measures, which are used by management to assess the performance of the business against its principal objective of maximising capital and income returns over the long-term. The measures are unaudited and are not a substitute for Australian Accounting Standard measures and should be considered supplementary to those measures.

A number of figures, amounts, percentages, estimates, calculations of value and other fractions used in this announcement are subject to rounding. All references to \$ are to Australian dollars.

Future performance and forward-looking statements

This announcement contains certain forward-looking statements. The words 'anticipate', 'believe', 'aim', 'estimate', 'expect', 'intend', 'may', 'plan', 'project', 'will', 'should', 'seek' or other similar words are intended to identify forward-looking statements. Indications of, and guidance on, future earnings, dividends, financial position and performance are also forward-looking statements.

These forward-looking statements are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Soul Patts and its related bodies corporate and affiliates and each of their respective directors, securityholders, officers, employees, partners, agents, advisers and management. This includes any statements about market and industry trends, which are based on interpretations of market conditions.

Investors are strongly cautioned not to place undue reliance on forward looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the geopolitical tensions such as the Russian-Ukrainian and Gaza conflicts.

Forward-looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in those statements and any projections and assumptions on which these statements are based.

To the maximum extent permitted by law, no guarantee, representation or warranty, express or implied, is made as to the fairness, accuracy, reliability, likelihood of achievement or reasonableness of any forecasts, prospects, returns, statements or tax treatment in relation to future matters contained in this announcement. The forward-looking statements are based on information available to Soul Patts as at the date of this announcement. Except as required by applicable laws or regulations, none of Soul Patts, its representatives or advisers undertakes to provide any additional information or revise the statements in this announcement, whether as a result of a change in expectations or assumptions, new information, future events, results or circumstances.



No investment or financial product advice

This announcement has been prepared by Soul Patts to provide you with general information only. In preparing this announcement, Soul Patts has not taken into account the investment objectives, financial position or needs of any particular individual. Before making an investment decision, investors should consider the appropriateness of the information (including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Soul Patts and the values and the impact that different future outcomes may have on Soul Patts) having regard to their own investment objectives, financial situation and needs and should seek legal, accounting and taxation advice appropriate to their jurisdiction. Soul Patts is not licensed to provide investment or financial product advice in respect of its securities. Cooling off rights do not apply to the Ordinary Shares pursuant to the Placement, the New Notes and Existing Notes contemplated in this announcement.

SGX

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

–ENDS–

This announcement has been authorised for release by the Board.

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About Soul Patts

Washington H. Soul Pattinson ("Soul Patts") is an Australian public company that first listed on the Sydney Stock Exchange (now ASX) on 21 January 1903. With origins in owning and operating Australian pharmacies, Soul Patts has since evolved into a diversified investment house with a portfolio of assets across multiple industries. Soul Patts takes a long-term approach to investing with an objective to deliver superior returns by creating capital growth and regular dividends. Through owning SOL shares, an investor gains access to the following asset classes: listed equities, private markets, credit, and property. More information: SoulPatts.com.au



Key Terms of the New Notes	
Issuer	Washington H. Soul Pattinson and Company Limited
Issue Size	\$450m
Status / Rank	Direct, unsubordinated, unconditional and unsecured
Maturity Date	29 August 2030 (6 years)
Investor Put Date	29 February 2028 (3.5 years)
Coupon	2.375% - 2.875% p.a. payable on a semi-annual basis
Conversion Premium	25% – 30% above the Reference Share Price
Reference Share Price	\$34.23 per Share, being the clearing price of the Placement
Initial Conversion Price	\$42.79 – \$44.50 per Ordinary Share
Conversion Settlement	<p>Noteholders' election to convert will be satisfied by physical settlement, unless the Issuer elects to cash-settle the conversion by paying the Cash Settlement Amount for each converted Note in lieu of delivering Ordinary Shares.</p> <p>If applicable, the relevant Cash Settlement Amount will be calculated based on the volume weighted average price of the Ordinary Shares over a 20 trading day period, subject to a minimum floor of 100% of the principal amount of the New Notes subject to conversion.</p>
Conversion Price Adjustment	<p>Standard anti-dilutive adjustments to the Conversion Price, including adjustments for any cash dividends per Ordinary Share during each 12-month period.</p> <p>The extent to which the Conversion Price is reduced following a change of control is variable, dependent on the time period between the change of the control and the final Maturity Date of the New Notes.</p>
Listing	SGX-ST
Selling Restrictions	<p>Reg S (Cat 1) only</p> <p>Restrictions in the US, UK, Australia, Hong Kong, Singapore, EEA, Switzerland and Japan</p>
MiFID II professionals/ECPs-only/No PRIIPs KID	Manufacturer target market (MiFID II product governance) is expected to be eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retail in the European Economic Area.
UK MiFIR professionals/ECPs-only/No PRIIPs KID	Manufacturer target market (UK MiFIR product governance) is expected to be eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retail in the United Kingdom.